2025

Cathay FHC

SUSTAINABILITY REPORT

國泰金控
Cathay Financial Holdings

BETTER TOGETHER

Contents

GRI 2-22

Message from the Chairman

Chairman

蔡宏圖

Steadily navigating through change, Cathay FHC is committed to being a stable force for a prosperous Taiwan. We sincerely invite all sectors to join hands to create a better future—"Better Together"!

In 2025, the global political and economic landscape continued to undergo restructuring amid uncertainty. Changes in geopolitics and trade policies profoundly affected global supply chain configurations and economic momentum. Extreme weather intensified environmental pressures on water resources, biodiversity, and food production, significantly impacting energy supply, human health, and economic development. These factors accelerated the demand for industrial and financial system transformation and operational resilience. At the same time, the explosive growth of generative AI, while accelerating innovation applications, also amplified information security vulnerabilities, further challenging enterprises' investment pressures and risk resistance in the digital era. Additionally, the talent gap caused by an ultra-aging population and declining birth rates added long-term challenges and uncertainties to business operations. Amid multiple intertwined systemic risks, how enterprises can steer steadily forward and build long-term operational resilience has become a critical issue.

Facing external environmental uncertainties, Cathay FHC has transformed challenges into growth momentum through prudent management and precise market insight. We continue to fully align our three core business engines—insurance, banking, and asset management—with international standards, while steadily advancing our three sustainability pillars: climate, health, and empowerment. In this steady progress, we have translated our sustainability commitments into tangible achievements. In 2026, Cathay was selected for the S&P Global Sustainability Yearbook, ranking within the top 5% of the global insurance industry—a distinguished honor among more than 9,000 companies worldwide. We have also been included for eight consecutive years in the highest-level Dow Jones Sustainability World Index and have maintained an 11-year presence in the Emerging Markets Index. Additionally, Cathay received the highest AAA rating in the MSCI ESG assessment. In the third Sustainable Finance Evaluation, Cathay Life, Cathay United Bank, Cathay Century, Cathay Securities, and Cathay SITE—all five major subsidiaries—were recognized within the top 25% of the rankings. These accomplishments affirm our steadfast adherence to the right values. Looking ahead, Cathay FHC will continue to embrace the core spirit of "Better Together" by collaborating with stakeholders across all sectors, steadily advancing toward the vision of becoming a leading financial institution in the Asia-Pacific region.

Climate

Cathay FHC recognizes the critical role of the financial industry in guiding the transition to net zero and in nature conservation. In response to the dual challenges of climate and environmental change, we are committed to transforming the global sustainability agenda into tangible momentum for driving local industry transformation.

At the international initiative level, Cathay continues to exert influence on the global stage. In 2025, we were invited three times to the London Stock Exchange to share Asia's development potential in energy transition; we participated four times in Climate Week NYC, engaging in dialogues with leaders from various sectors to showcase the Taiwanese financial industry's commitment to climate and biodiversity; and for the fifth consecutive year, we took part in the United Nations Climate Change Conference (COP). Cathay is the only Taiwanese financial institution to have entered the COP Blue Zone three times, deepening dialogue with global industry, government, and academia, continuously enhancing our international influence and contributing Taiwan's wisdom and actions to global issues.

With a global perspective grounded in local engagement, the Group actively leverages its capital influence to drive industry-wide prosperity. Cathay FHC has hosted the "Cathay Sustainable Finance and Climate Change Summit" for nine consecutive years, fostering new competitiveness in sustainable finance from policy to enterprise. In its own net-zero transition, Cathay remains steadfast. As the first financial institution in Taiwan to commit to the RE100 initiative and the sixth in Asia to have its science-based carbon reduction targets approved by the Science Based Targets Initiative (SBTi), the Group continuously advances operational carbon reduction and extends carbon management to the core of its financial services. In 2025, Cathay became the industry's first financial institution to obtain "product carbon neutrality" certification for its insurance products. At the same time, Cathay continues to deepen sustainable supply chain management, hosting a sustainable suppliers conference with over 110 suppliers participating, jointly advancing the industry toward a low-carbon, sustainable future.

Health

Physical, mental, and financial well-being are the foundation of building social resilience. In response to the challenges posed by a super-aged society and the impact of digital technology, Cathay FHC regards "health" as a key solution to addressing social needs and is systematically developing a comprehensive health ecosystem.

In the area of personal health, Cathay Life has made a long-term commitment under the theme "Empower Your Health," integrating innovative insurance products and digital health platforms to promote mechanisms that extend the benefits of health insurance. This approach guides policyholders from "ex-post protection" toward "ex-ante prevention." At the same time, through the FitBack App, which has surpassed 1.7 million members, Cathay accompanies users in cultivating both physical and mental health habits. In 2025, this commitment was further extended to a nationwide initiative with the launch of the largest walking event in the financial industry, the "Cathay Walking Challenge," which attracted over 5,000 participants and encouraged the public to incorporate healthy behaviors into their daily lives.

In terms of financial health, in response to increasingly sophisticated and difficult-to-detect fraud schemes, Cathay FHC has consolidated Group resources to promote Cathay Shield. This initiative integrates knowledge education, technological monitoring, customer care, and cross-industry alliances to establish a comprehensive fraud prevention mechanism covering early warning, identification, and interception. It enhances abnormal behavior detection capabilities and connects digital and physical channels to create an all-encompassing financial protection network. Cathay FHC also actively extends its protective boundaries by assisting industry partners in strengthening operational resilience. Cathay Century pioneered the "Enterprise Risk Assessment System," which helps corporate clients identify potential risks in advance, thereby enhancing risk control, disaster prevention, and response capabilities, serving as a solid foundation for stable corporate development.

Empowerment

Talent is the key foundation for a company's sustainable development and the core driving force behind innovation and resilience. Cathay FHC firmly believes that a sustainable culture rooted in ESG Inside must ultimately be realized by people. Therefore, we regard cultivating future talent as a vital mission, continuously empowering youth, women, and underprivileged groups from employees to the broader society.

In workforce empowerment, facing a multigenerational and cross-disciplinary workplace, Cathay centers on the "Cathay Inclusive Town" to create a friendly environment characterized by transparent communication and psychological safety. The Group has established a robust empowerment mechanism that, through individual development plans, 360-degree competency feedback, and personality assessments, provides personalized support to employees for continuous improvement and growth. At the same time, flexible policies such as "FlexiPacing" are promoted to balance career development with family care, enabling employees to fully realize their potential in the right roles.

In terms of social empowerment, Cathay FHC continues to deepen its social impact through diverse initiatives. In "Youth Empowerment," the Group promotes financial literacy education in high schools, impact investing on campuses, and the popularization of critical thinking education. For six consecutive years, Cathay has held the "Cathay Climate Change Youth Forum," which, for the first time, integrated climate ethics and artistic expression to cultivate sustainable literacy and future competitiveness among the younger generation. In "Women's Empowerment," Cathay supports women in realizing their potential and self-worth through platforms such as the Academy for Women Entrepreneurs and the Women in Science & Technology Convention. In "Support for the Disadvantaged," the Group assists underprivileged students in overcoming financial difficulties, fostering a spirit of challenge, encouraging proposal development, and boldly pursuing their dreams through the Elevated Tree Program and the Cathay Dream Fulfillment Program for Schoolchildren.

Cathay Sustainability Story 1 [Climate] Cathay's Sustainable Finance Engine Drives the Renewable Energy Value Chain

A just and resilient energy transition is fundamental to global sustainability. From capital investment, project development, and commercial operation to the overall development of the renewable energy market, Cathay FHC integrates the core functions of its subsidiaries to advance four key strategies: Renewable Energy Investment and Financing, the Green Energy Engagement Ecosystem, Renewable Energy Industry Loss Control, and Just and Resilient Transition. These efforts build the comprehensive sustainable finance engine to drive the renewable energy value chain.

Renewable Energy Investment and Financing

Since providing financing for Taiwan's first photovoltaic project in 2011, Cathay has continued to achieve outstanding results and expand green energy financing, with cumulative renewable energy investment and financing reaching NT$72.6 billion. In addition, Cathay has invested in overseas geothermal energy and energy storage sectors to diversify green energy sources and enhance grid flexibility.

- ★ In 2017, Cathay expanded into geothermal financing in Indonesia.
- ★ In 2023, Cathay overcame challenges in energy storage financing and was honored with The Asset's "Renewable Energy Deal of the Year – Battery."
- ★ In 2024, Cathay acquired a 50% equity stake in Ørsted's Greater Changhua Northwest Offshore Wind Farm, with an installed capacity of 583 MW. The project is the first large-scale offshore wind farm in the Asia-Pacific region to adopt suction bucket jacket foundations, eliminating the need for pile driving.
- ★ In 2025, Cathay committed to investing in a 55% equity stake in Ørsted's Greater Changhua Southwest Offshore Wind Farm, with an installed capacity of 632 MW. This marked Cathay's second consecutive year of investment in offshore wind projects, setting a new record for Taiwan's life insurance industry.

The first insurance company to acquire an ownership stake in offshore wind power, continuously increasing investment in renewable energy

The Green Energy Engagement Ecosystem

In addition to actively generating renewable energy, Cathay is committed to promoting the use of green energy. In 2022, Cathay became the first financial institution in Taiwan to officially commit to RE100. By the end of 2025, the share of green energy in total electricity consumption at Cathay's domestic locations had reached 54.2%. Simultaneously, Cathay has transformed into a smart & green landlord, assisting small and medium-sized enterprises in obtaining green energy.In 2025, more than 54,000 MWh of green energy was successfully supplied to Cathay FHC's headquarters, operational locations, and office building tenants. Cathay actively participates in renewable energy initiatives in Taiwan and Asia, having been invited for two consecutive years to serve as a Supporting Partner at the Climate Group Asia Action Summit. For four consecutive years, Cathay has also been a speaker at the RE100 Taiwan Member Conference, sharing insights on green leasing, renewable energy investment and financing trends, and implementation experiences, with the aim of continuously expanding the green energy engagement ecosystem.

Cathay FHC aligns with international energy transition, participates in the Climate Group Asia Action Summit for the second time to accelerate climate finance in Asia

Cathay Sustainability Story 1 [Climate] Cathay's Sustainable Finance Engine Drives the Renewable Energy Value Chain

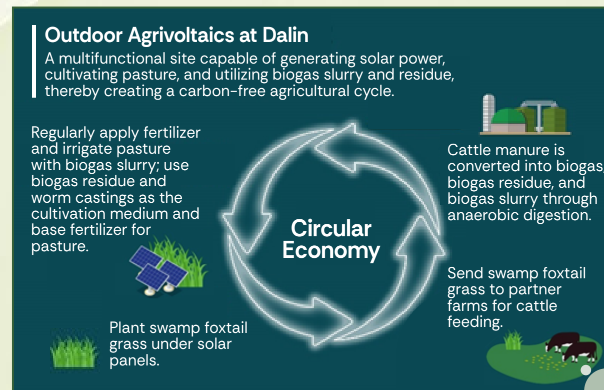
Renewable Energy Industry Loss Control

Strengthening the financial resilience of the green energy industry chain, Cathay established an energy insurance team and became the first insurer to underwrite offshore wind turbine insurance. In 2025, Cathay underwrote a total of NT$371.4 billion for solar energy and offshore/onshore wind farms. At the same time, Cathay continued to develop an important learning platform for corporate clients' transformation by regularly hosting corporate loss control seminars to promote risk management and enhance disaster prevention awareness. Since 2005, 49 seminars have been held, attracting more than 2,800 companies and over 5,000 participants, creating a green energy industry development pathway that is safe, sustainable, and resilient.

Hosting a corporate loss control seminar to build resilience in the green energy industry transformation

Just and Resilient Transition

Energy transition is not merely about meeting installed capacity targets. Cathay aims to collaborate with stakeholders to explore diverse and sustainable pathways for mutual benefit. This includes supporting the Taiwan Environment & Planning Association in publishing the Inclusive Planning Guidance for Photovoltaic Development and Cathay Power Inc.'s Sweet Potato Project in Dalin, Chiayi, which creates a sustainable tri-use model combining agriculture and solar power. Cathay continues to broaden its perspective to Asia by empowering the region to advance a just energy transition. This involves supporting the Asian Venture Philanthropy Network (AVPN) in establishing the ASCENT platform—Asia's Clean Energy Transition Initiative—to connect just energy transition investment projects with potential investors.



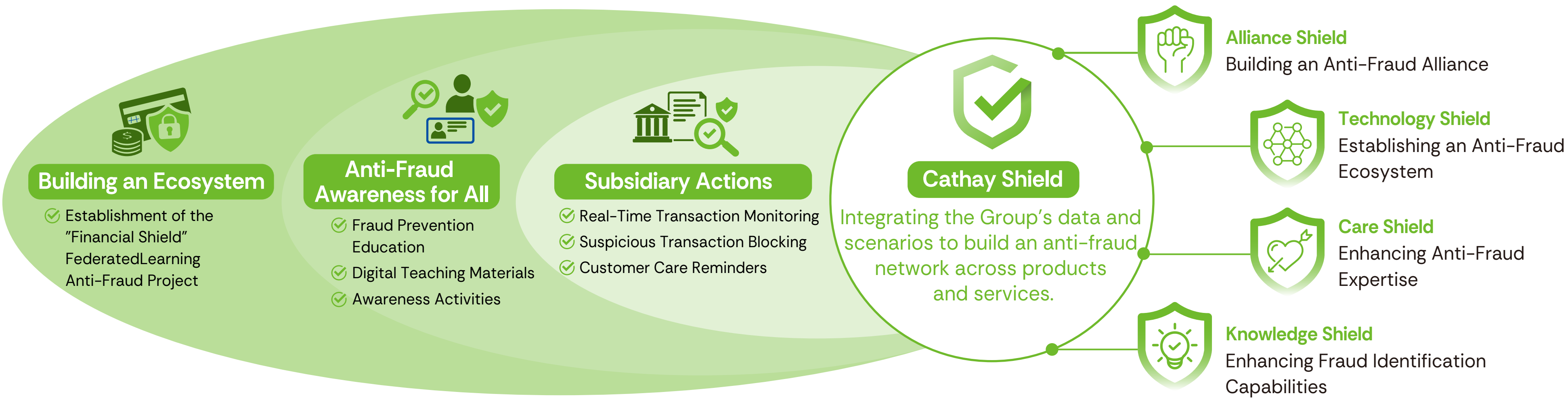
Cathay Power Inc.'s Sweet Potato Project in Dalin, Chiayi, exploring a cyclical model for sustainable agriculture

Cathay Sustainability Story 2

[Health] Building a Precise Anti-Fraud Protection Network with Cathay Shield

With the rapid development of digital finance and technology applications, fraud methods have become increasingly sophisticated, posing a significant risk to social trust and financial health. Cathay FHC, with protecting customers' assets as its core mission, integrates the professional capabilities and service scenarios of its subsidiaries. This ranges from technological detection and risk prevention in banking, customer care and protection mechanisms in life and property insurance, to innovative fraud prevention campaigns in securities and investment trust services. Together, they have established a precise anti-fraud protection system centered on the Cathay Shield.

Whilethe Group integrates the expertise and service scenarios of its subsidiaries internally, it extends its anti-fraud influence externally through the application of financial technology and cross-institutional collaboration, promoting nationwide fraud awareness and risk education, thereby enhancing the public's ability to identify emerging types of fraud. The Group also establishes joint learning and cooperation mechanisms across institutions to expand the overall anti-fraud ecosystem. From internal protection to social advocacy, Cathay continues to leverage its financial influence to create a more resilient and trustworthy financial environment.



Input

- Since 2023, CUB has established an interdepartmental anti-fraud task force. From 2024 to 2025, the Group invested NT$95.19 million in fraud prevention.
- Human Resource Investment: Frontline Channel Fraud Prevention Education and Cross-Unit Collaboration Mechanism

Output

- The Group established the "Cathay Shield" risk detection platform. In 2025, CUB and Cathay Life Insurance successfully prevented over 4,500 fraud cases, totaling more than NT$3.2 billion.*
- Established the "Financial Shield" Federated learning anti-fraud project, bringing together seven domestic financial institutions to promote collaboration.
- Cathay Securities removed 61 counterfeit apps and websites, as well as 61 fake social media accounts, reducing the risk of fraud for the public.
- Promoting Nationwide Fraud Awareness Education and Digital Learning Materials

* Internal statistical data.

Impact

Capability Building

- Enhancing the ability of financial institutions and the public to identify fraud.
- Enhancing frontline staff's capabilities in fraud response and risk management.

Systemic Impact

- Strengthening cross-industry anti-fraud collaboration in the financial sector.
- Establishing a FinTech-driven anti-fraud ecosystem.

Future Vision

- Continuously supporting fintech anti-fraud applications and cross-institutional collaboration, Cathay is building more precise risk warning and fraud prevention mechanisms. Through nationwide fraud awareness empowerment, the Group aims to establish a safer and more resilient financial environment.

Cathay Sustainability Story 3

[Empowerment] People-Centered AI Empowerment to Co-Create Future Work Models

In response to the rapid advancement of artificial intelligence technology and the accelerated digital transformation of the financial industry, AI has become a critical foundation for corporate innovation capabilities and operational resilience. Cathay has incorporated "AI capability" into the core focus of the Group's empowerment strategy blueprint, "Employees Reskilling." To ensure that AI training meets practical work needs, the Group first conducted an "AI Readiness Survey" to systematically understand employees' awareness of AI, usage experience, and learning challenges. This serves as an important basis for subsequent resource allocation and the design of learning pathways.

While building capabilities, Cathay simultaneously creates an environment where employees can confidently apply AI by establishing an AI learning roadmap and tool usage guidelines. Clear instructions for GenAI tools are provided to ensure AI applications comply with regulations, maintain information security, and are used responsibly. Through governance frameworks, tool implementation, and talent development, the Group is gradually laying a solid foundation for the stable development of AI capabilities across Cathay.

As AI usage experience and confidence have improved, AI has become integrated into daily work across various business areas. The most direct impact felt by employees is the transformation of their work methods. For example, in Cathay FHC's Human Resources Department, which handles over 600 employee inquiries monthly, the establishment of the "Agia HR Knowledge Assistant" enables 97% of common questions to be answered instantly within one minute. This not only frees up more than 60 hours of HR team labor each month but also changes the employee experience from waiting half a day to receiving immediate responses. In the property insurance claims sector, the "Smart Claim" helps claims personnel quickly identify payment standards for similar cases from vast amounts of data, reducing search time by over 90%. This allows professional judgment to focus on high-risk and complex cases, enhancing operational efficiency and strengthening the trust foundation of claims decisions.

Initiated Awareness x Deployed Resources

★ **AI Readiness Survey**

75% of employees perceive their AI skills as limited; 86% of employees agree that using AI can bring significant benefits.

★ **Development of AI Learning Roadmap**

Designed corresponding themes and systematic learning content for different target groups. By 2025, the completion coverage rate of the AI online compulsory courses reached 93.3%.

Systematic Training x Accompanying Guidance

★ **M365 AI Talent Development**

There were 1,500 participants in the functional seminars and 120 participants in the in-depth workshops.

1,400 training sessions completed for Free Copilot and 700 for the paid version of Copilot scenario-based learning.

★ **Group Copilot AI Pilot Program**

Nearly 200 use cases accumulated

Cathay Sustainability Story 3

[Empowerment] People-Centered AI Empowerment to Co-Create Future Work Models

To enable more employees to observe, learn from, and replicate successful experiences, Cathay further organized an AI Demo Day under the theme "AI × Human: Infinite Inclusion." Through online exhibitions and an in-person forum, the event created a platform for cross-company exchange and capability diffusion within the Group. By featuring thematic forums, practical application cases, user experience sharing, and interdisciplinary dialogues, AI was transformed from a project outcome of individual teams into an organizational capability that can be collectively learned, co-created, and continuously optimized. This exchange also fostered inspiration and connections among different units, accelerating the horizontal diffusion of AI applications.

From resource allocation and systematic training to the AI Demo Day showcasing results and experience sharing, the Group has gradually established a sustainable and replicable model for learning and application. This has deepened employee capabilities and continuously strengthened the organization's digital resilience and talent momentum.

Showcasing Results x Expanding Influence

AI Demo Day

- Combining physical and online exhibition areas, the event created a cross-company exchange platform that attracted nearly 2,000 participants. Overall satisfaction indicated a high level of work-related benefit (9.2/10).
- Bringing together 41 AI use cases from different business areas, the Group drives project process optimization through cross-company sharing and application comparison, effectively translating these efforts into operational benefits.

Through cross-domain dialogue, frontline colleagues from diverse backgrounds exchange experiences in AI applications, enabling practical results to continuously spread throughout the organization.

Through interactive experiences in the exhibition area, participants can directly operate AI tools, transforming project outcomes into understandable and actionable methods.

Business Impact

[Agia HR Knowledge Assistant]

- 97% of common inquiries are automatically answered within one minute, reducing the Human Resources Department's monthly workload by over 60 hours.

[Claims Intelligence Workbench]

- With nearly 3 million medical documents processed annually, Cathay Life Insurance utilizes AI recognition and risk tagging to automate low-risk cases, while senior staff focus on handling high-risk cases, comprehensively upgrading the claims process through AI.

[Smart Claims]

- Addressing the challenge faced by Cathay Century's claims personnel who had to sift through 5 million judgment documents annually to find relevant information, "Smart Claims" has helped claims staff save over 90% of their search time. Additionally, through AI technology, potential organized insurance fraud rings are identified, leaving no room for fraudulent activities to go undetected.

About Cathay FHC

Overview of Operations (GRI：2-1, 2-6, 201-1)

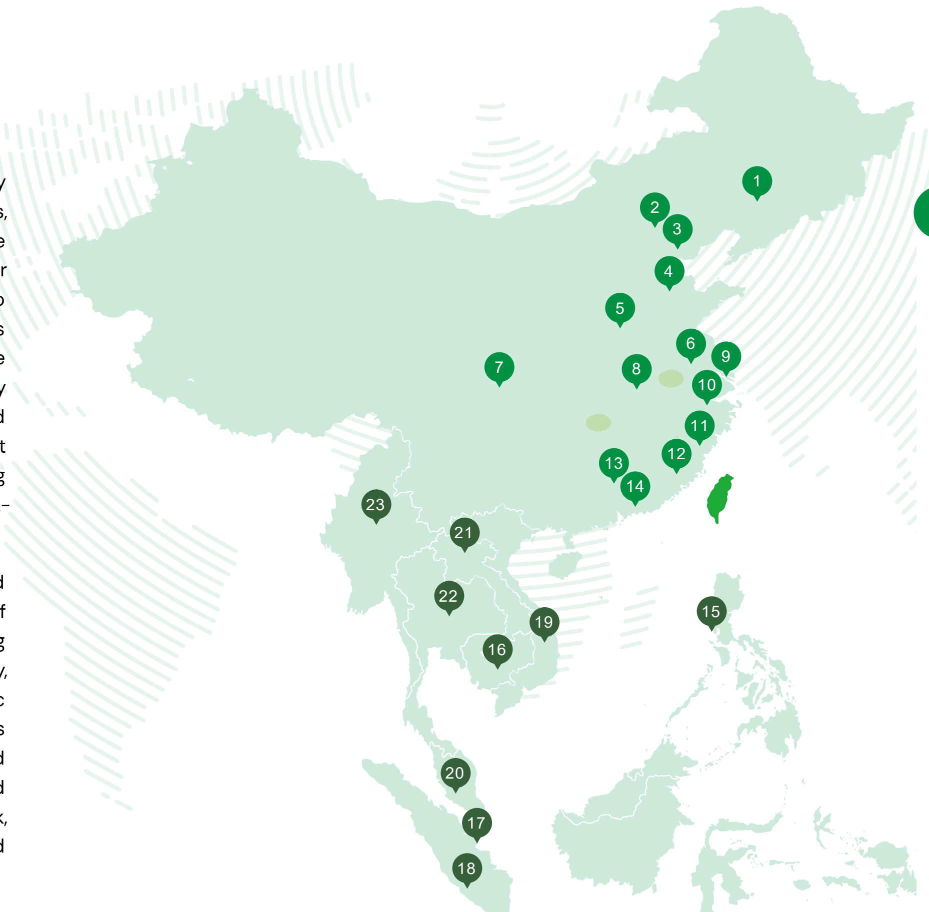
Cathay Financial Holdings (hereinafter "Cathay FHC," including Cathay Life, Cathay United Bank, Cathay Century Insurance, Cathay Securities, Cathay SITE, and Cathay Venture) is committed to maximizing value for our shareholders, customers, and employees while upholding our core values of Integrity, Accountability, and Innovation. In response to a rapidly evolving environment, we adopt forward-looking business strategies, leverage our financial expertise to advance sustainable finance, integrate digital technology and innovation, and effectively harness Group synergies to deliver comprehensive, convenient, and customer-centric financial services. With Insurance, Banking, and Asset Management as our three growth engines, we continue advancing toward our vision of becoming a leading financial institution in the Asia-Pacific region.

In 2025, uncertainty surrounding global trade policies increased financial market volatility. Nevertheless, the rapid development of artificial intelligence drove investment in AI infrastructure, supporting economic growth and reinforcing the resilience of the global economy, which continued to expand. Taiwan also delivered strong economic growth and equity market performance. Through the concerted efforts of all our employees, Cathay Financial Holdings (Cathay FHC) recorded a consolidated after-tax profit of NT$107.6 billion (US$3.4 billion) and earnings per share of NT$7.06. Our subsidiaries—Cathay United Bank, Cathay Century Insurance, and Cathay Securities—each achieved record-high profits.

Cathay's Operations

Headquarters	Taipei
Number of Employees	51,797
Number of Customers	15.26 million
After-tax profits	NT$107.6 billion
Business Locations in Asia	948

Note: The number of employees is based on data as of December 31, 2025, and includes personnel from Cathay FHC and its domestic and overseas subsidiaries and sub-subsidiaries. The figures cover directors (including external directors), executives, general employees, and contract-based staff, while excluding supervisors, dispatched workers, outsourced labor, and external personnel. Duplicate counts due to part-time employees holding multiple positions have been removed. Among the total, 34 directors did not concurrently serve as employees.



Southeast Asia

- Cathay Life (Vietnam) operates 113 business locations and maintains steady growth.
- Cathay United Bank operates 59 locations across nine ASEAN member countries, strengthening service capabilities through localization, digitalization and green finance.
- Cathay Century Insurance (Vietnam) continues to advance digital transformation and mobile insurance applications to expand business scale.

15	Philippines	Cathay United Bank (CUB)
16	Cambodia	Cathay United Bank (CUB)
17	Singapore	Cathay United Bank (CUB)
18	Indonesia	Cathay United Bank (CUB)
19	Vietnam	Cathay Life (Vietnam), Cathay Insurance (Vietnam), CUB
20	Malaysia	Cathay United Bank (CUB)
21	Laos	Cathay United Bank (CUB)
22	Thailand	Cathay United Bank (CUB)
23	Myanmar	Cathay United Bank (CUB)

Greater China

- Cathay Lujiazui Life Insurance currently operates 12 headquarters and branch offices, with a total of 49 business locations across Mainland China and continued premium growth.
- Cathay United Bank operates a wholly owned subsidiary in Mainland China with seven business locations and one branch in Hong Kong. The Mainland subsidiary and Hong Kong branch continue to strengthen cross-border collaboration, deepen relationships with core customer segments, and expand green finance business.
- Cathay Century Insurance (China) adopts a technology-driven strategy to deliver fully digitalized, end-to-end services.

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

Financial performance in the last three years

		2023	2024	2025
Operational Capability	Consolidated Total Assets (NT$ billion)	12,810	13,767	14,342
	Profit from operations (NT$ billion)	297	358	350
	Average Earnings per Employee (NT$ thousand)	5,363	6,623	6,609
	Average Earnings per Employee (NT$ thousand)	932	2,059	2,030
Profitability	Consolidated Shareholders' Equity (NT$ billion)	801	907	934
	Consolidated After-tax Profit (NT$ billion)	51.5	111.2	107.6
	Consolidated After-tax EPS (NT$)	3.24	7.29	7.06
	Consolidated Return on Assets (%)	0.41	0.84	0.77
	Consolidated return on Equity (%)	7.29	13.02	11.69
	Outstanding Shares (million)	16,203	16,203	16,203
	Book Value Per Share (NT$)	47.5	54.3	57.0
Distributed Economic Value	Operating Expenses (NT$ million)	94,013	107,251	114,179
	Employee Benefit Expenses (NT$ million)	53,667	61,889	65,175
	Dividends Distributed to Shareholders (NT$ million)	32,743	54,938	55,044
	Taxes Paid to Government (NT$ million)	14,086	14,343	20,784
	Community Investments (NT$ million)	420	419	456
	Political Contributions (NT$)	0	0	0
Economic Value Retained (NT$ billion)		**35.98**	**77.47**	**52.69**

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.

Operational Highlights and Financial Performance of Subsidiaries

Cathay FHC and its subsidiaries conduct all business operations in compliance with applicable laws and regulations.

Cathay Life

Life, accident, health, annuity, and investment-linked insurance

Highlights: No. 1 in market share of total premium, first-year premium (FYP), and first-year premium equivalent (FYPE)

Profits: NT$ 56.6 billion

Cathay United Bank (CUB)

Wealth management, consumer banking, corporate banking, international finance, e-banking, trust services, investments, and sales of financial products

Highlights: Second-largest privately owned bank in Taiwan and the Taiwanese privately owned bank with the most extensive operating network in ASEAN

Profits: NT$ 43.5 billion

Cathay Century

Automobile, fire, marine, engineering, and other insurance

Highlights: No. 2 in market share of written premium

Profits: NT$ 3.8 billion

Cathay Securities (including Cathay Futures)

Securities underwriting, proprietary and brokerage trading of domestic and foreign securities, margin financing and securities lending, securities borrowing and lending, shareholder services, wealth management, and futures-related services

Highlights: Established a fully digital operating model, achieved record-high market share in Taiwan equity brokerage, and maintained the industry's leading market share in offshore brokerage

Profits: NT$ 4.5 billion

Cathay SITE

Securities investment trust services, discretionary investment management, securities investment consulting, and futures trust services

Highlights: The second-largest asset management company in Taiwan by assets under management and the industry leader in discretionary mandate asset under management.

Profits: NT$ 2.4 billion

Cathay Venture

Investing in unlisted companies with growth potential and supporting portfolio companies to create investment value

Highlights: The sixth-largest financial holding company-affiliated venture capital firm in Taiwan by paid-in capital

Profits: NT$ 1.9 billion

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 strong performances in finance and risk management.

Credit Rating Agency	Credit Rating (Long-/short-term)	Outlook	Last Rating Date
Taiwan Ratings	TwAA ／ TwA-1+	Stable	2025／10／15
S&P Global Ratings	BBB+ ／ A-2	Stable	2025／10／14
Moody's Ratings	Baa1	Stable	2025／07／04

Tax Management

The Cathay FHC 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 Financial Holdings' tax governance is based on the principles of integrity and prudence, adhering to the following tax policies and code of conduct:

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 mitigating actions 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 employ tax structures intended to evade taxes, nor do we transfer profits to low-tax jurisdictions or use tax havens for tax avoidance. 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

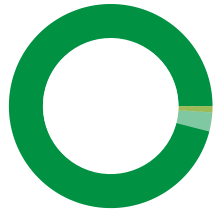
Cultivate talent by providing both domestic and overseas training to elevate employee competency in tax governance. Manage tax affairs with good faith and integrity and control tax risks to ensure corporate sustainability, maintain shareholder equity, and fulfill corporate social responsibility.

Tax Information by Country

Cathay Financial Holding Corporation (Cathay FHC) is committed to complying with tax regulations in all operating regions and adhering to international tax standards by accurately calculating taxes and filing returns in accordance with the law. In 2025, Cathay FHC's global profit from operations was NT$**350.4 billion**, with continuing operations profit before tax of NT$**113.0 billion**. The company' s average number of employees was **53,022**. Its business segments include insurance operations, investment income, and interest income. The total tax paid amounted to NT$**20.8 billion**, covering corporate income tax, surtax on unappropriated earnings, business tax, house and land tax, among others. As Taiwan is the primary operating region, its profit from operations accounted for **85%** of the global total, continuing operations profit before tax represented **94%** of the global figure, the average number of employees comprised **87%** of the global workforce, and tax payments accounted for **92%** of the global tax contributions.

2024
Profit from Operations
NT$ **357.7** billion

Taiwan	88%
Asia-Pacific region	12%
Other regions	0%



2024
Profit Before Income Tax from Continuing Operations
NT$ **126.8** billion

Taiwan	96%
Asia-Pacific region	3%
Other regions	1%

2024
Average Number of Employees (excl. suspended operations)
54,009 Employees

Taiwan	84%
Asia-Pacific region	16%
Other regions	0%

2024
Tax Payments Made During
NT$ **14.3** billion

Taiwan	87%
China	3%
Vietnam	6%
Other countries	4%

2025
Profit from Operations
NT$ **350.4** billion

Taiwan	85%
Asia-Pacific region	14%
Other regions	1%

2025
Profit Before Income Tax from Continuing Operations
NT$ **113** billion

Taiwan	94%
Asia-Pacific region	3%
Other regions	3%

2025
Average Number of Employees (excluding suspended operations)
53,022 Employees

Taiwan	87%
Asia-Pacific region	13%
Other regions	0%

2025
Tax Payments Made During
NT$ **20.8** billion

Taiwan	92%
China	3%
Vietnam	3%
Other countries	2%

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

Income Tax Information

Cathay FHC's effective tax rate in 2025 was **4.73%**. The decrease compared with the previous year was primarily attributable to the additional taxes related to the Alternative Minimum Tax and undistributed earnings paid in 2024. After adjusting for factors such as tax-exempt income, the adjusted effective tax rate for 2025 was **23.48%**, with a two-year average adjusted effective tax rate of **22.58%**.

Unit: NT$100 million, %

Year		2024	2025	Two-year average
Profit before income tax (A)		1,268.4	1,129.7	1,199.1
Income Tax Expense (B)		166.2	53.4	109.8
Effective tax rate (B)/(A)		13.10%	4.73%	9.16%
Tax Impact Amount of Adjustment Items (D)	Total Amount of Tax-Exempt Income Tax	176.0	212.4	194.2
	Additional Tax Amount Required to Meet Minimum Tax Liability	(66.0)	(0.5)	(33.3)
Adjusted Tax Income Expense (E)=(B)+(D)		276.2	265.3	270.8
Adjusted Effective Tax Rate (E)/(A)		21.78%	23.48%	22.58%
Income Tax Paid (F)		0.0	110.1	55.1
Cash Effective Tax Rate (F)/(A)		0.00%	9.75%	4.59%

Sustainability Awards and Recognition

Dow Jones Best-in-Class Index

Cathay FHC has been selected for the S&P Global Sustainability Yearbook and ranked among the top 5% globally in the insurance industry. Furthermore, it has been included in the premier Dow Jones Sustainability World Index **for eight consecutive years** and has remained a constituent stock of the Emerging Markets Index **for 11 consecutive years**.

MSCI

Cathay FHC was **rated AAA, the highest level**, in the MSCI ESG Rating. In key areas including human capital development, responsible investment, privacy and information security, corporate governance, climate change vulnerability, and financial inclusion, Cathay FHC's overall performance exceeds the industry average.

CDP

Cathay FHC received Leadership **Level A-** in Climate Change 2025, 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.

Sustainalytics

Cathay FHC **ranked 10th** globally in the life insurance industry, with Cathay achieving top risk ratings in human capital, business ethics, stakeholder governance, and financial ESG integration—a testament to its outstanding ESG management capabilities

Global Views Monthly's ESG Corporate Sustainability Award

At the 21st Global Views Monthly ESG Corporate Sustainability Awards, Cathay FHC received six major awards, leading the financial industry. These included the highest honor, the Comprehensive Performance – First Prize in Financial and Insurance Industry, the Model Award for Workplace Inclusion, the Model Award for Low-Carbon Operations, the Excellence Award for Talent Development, the Excellence Award for Education Promotion, and the Excellence Award for Low-Carbon Operations.

TCSA Taiwan Corporate Sustainability Awards

The 18th TCSA (Taiwan Corporate Sustainability Awards) honored Cathay FHC with **first place in the "Top 10 Sustainable Model Enterprises (Service Industry)" category and the "Sustainability Report Award – Platinum Level."** Additionally, Cathay FHC and its subsidiaries collectively won 12 awards in individual sustainability performance categories, demonstrating Cathay FHC's comprehensive leadership in sustainability governance.

CommonWealth Magazine's Excellence in Corporate Social Responsibility Award

Awarded the Champion of the Large Enterprise Financial Holding Group in the CommonWealth Magazine CommonWealth Excellence in Corporate Social Responsibility Award, leading the industry comprehensively in the three key aspects of "Corporate Commitment," "Social Participation," and "Environmental Sustainability." This achievement demonstrates Cathay FHC's determination and capability as a pioneer in sustainability within the financial sector. The company has been selected among the top ten enterprises **13 times** in total.

Wealth Magazine Taiwan Financial Awards

Won six major honors at the 2024 Wealth Magazine Taiwan Financial Awards: Cathay FHC received the **"Excellence in Sustainability 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."

TWSIA Taiwan Sustainable Investment Awards

Cathay FHC, CUB, Cathay Securities, and Cathay SITE were honored with the **"Institutional Impact" Exemplary Award**. In the "Case Influence" category, Cathay SITE and Cathay Futures received the Gold Award and Bronze Award, respectively, for "Corporate Engagement." Additionally, Cathay Securities and Cathay SITE were awarded the Silver Award for "ESG Innovation."

HR Asia – Best Companies to Work for in Asia

HR Asia 2025 - Best Companies to Work for in Asia: Cathay FHC was honored for the seventh consecutive time as one of the "HR Asia - Best Companies to Work for in Asia," receiving four special awards: the Diversity, Equity, & Inclusion (DEI) Award, Most Caring Company, Sustainable Workplace, and Technology Empowerment. Cathay Securities was recognized for the second consecutive time as one of the "HR Asia - Best Companies to Work for in Asia."

Buying Power

Awarded the **"Excellence Leadership Award" (First Prize)** in the "Buying Power - Social Innovation Products and Services Procurement Award" by the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs.

Corporate Governance Evaluation

Cathay FHC ranked in **top 6-20%** in the 12th Corporate Governance Evaluation

FTSE4GOOD

Selected as a constituent stock of the FTSE4-Good TIP Taiwan ESG Index for **11 consecutive years**

FTSE4Good TIP Taiwan ESG Index

Selected as a constituent stock of the index for **9 consecutive years**

CH1 Sustainability Strategies & Governance

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 2025. These new standards mark a significant step forward in further 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.

2025 Key Performance Highlights

Further Enhancing and Implementing Cathay's Sustainability Strategy Blueprint

Cathay focuses its strategic ambition and key development goals through the sustainability strategy blueprint, ensuring effective ESG implementation and governance mechanisms. In 2025, Cathay established the position of Chief Sustainability Officer, and 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 decision-making and supervision.

Pioneer and Leader in Promoting Sustainable Finance

Cathay FHC continues to participate in 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 Sustainability Issues Based on the Concept of Double Materiality

Cathay FHC continues to enhance its materiality analysis 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.

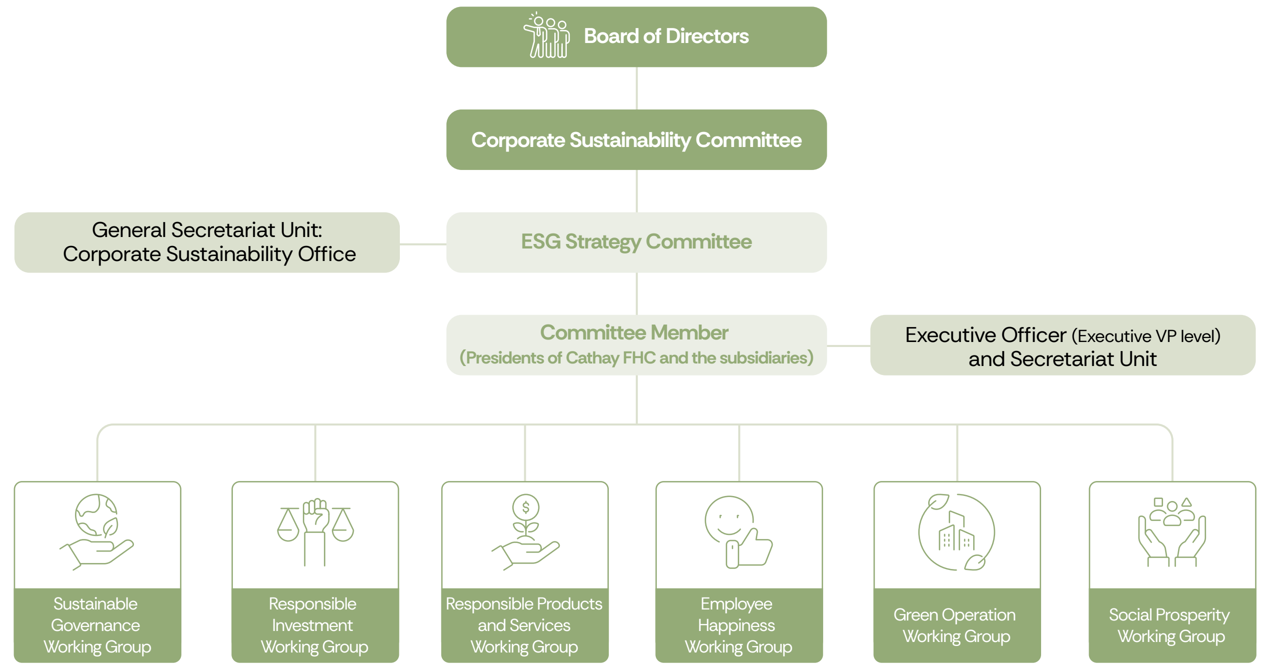
1.1 Sustainable Governance and Management

GRI : 2-12、2-13、2-14、2-16

Cathay FHC has long adhered to the Corporate Sustainability Principles and Corporate Governance Best Practice Principles it established to manage the practices of the financial holding company and its subsidiaries in governance, environmental, and social aspects. To continuously improve its sustainability governance mechanism and enhance the Board of Directors' participation and decision-making effectiveness regarding sustainability issues, Cathay FHC upgraded its sustainability governance structure on January 1, 2025. Cathay FHC established a Board-level Corporate Sustainability Committee and formulated the Corporate Sustainability Committee Charter. The Committee is composed of at least three directors, including at least one independent director, and is responsible for supervising and resolving matters related to sustainable development policies, strategic directions, and annual plans. According to the Corporate Sustainability Committee Charter, the committee meets at least twice a year and may convene additional meetings as needed. In 2025, the Corporate Sustainability Committee held a total of four meetings.

Cathay FHC established the position of Chief Sustainability Officer in August 2025, a role concurrently held by President Lee Chang-Ken. Under the Corporate Sustainability Committee, the ESG Strategy Committee (formerly the Corporate Sustainability Committee) is responsible for planning and implementing matters related to corporate sustainability. The committee is composed of the presidents of Cathay FHC and its major subsidiaries. The Corporate Sustainability Office serves as the general secretariat, dedicated to coordinating the promotion of corporate sustainability across the Group. Six working groups have been formed based on sustainability issues, each led by senior executives. The ESG Strategy Committee convenes quarterly meetings, invites experts and scholars to share international trends and sustainability issues, formulates Group sustainability strategies, project activities, and annual plan targets, reviews the progress of each working group in the current year's achievement of sustainability issues, and reports significant issues and implementation status to the Board of Directors and the Corporate Sustainability Committee at least every six months. In 2025, the primary matters reported included the review and revision of sustainability policies, stakeholder concerns and communication status, the implementation progress of Cathay's three major sustainable development strategy blueprints, the progress of the Science Based Targets initiative (SBTi) and the transition toward net-zero operations, and the supervision of the implementation of work related to sustainable operations. In addition, each subsidiary has established corporate sustainability-related committees in accordance with its organizational structure, which convene quarterly meetings to build Group-level sustainability governance.

1.1.1 Cathay FHC's Corporate Sustainability Structure & Function



Cathay's Declaration of Sustainability Values

To realize a sustainable society of shared prosperity, Cathay FHC issued its "Declaration of Values," pledging to uphold workplace ethics and comply with codes of conduct, integrate the philosophy of ethical corporate management into daily operations and decision-making to reduce operational risks and safeguard stake-holder interests, and invite value chain partners to take action together to build a sustainable future of shared prosperity and well-being

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

- Incorporated corporate sustainability-related course content into new employee training.

2014

- The CSR Committee was reestablished as the Corporate Sustainability (CS) Committee, 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

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
- Became a signatory to Taiwan's Stewardship Principles for Institutional Investors

2017

- Cathay Century pledges to comply with the UN's Principles for Sustainable Insurance (PSI)

2018

- CUB pledges to voluntarily 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
- Passed AA1000 verification for the first time, strengthening the quality of sustainability information disclosure and the stakeholder communication mechanism

2019

- Began to follow the TCFD in 2017. The TCFD task force, led by the Chief Risk Officer, began to monitor climate-related risks in 2019.

2020

- Established the Corporate Sustainability Office under the Cathay FHC President's management
- Investigated the link between sustainability actions and brand perception

2021

- Established "Climate, Health, and Empowerment" as the three focus areas for strategic sustainable development
- 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

- 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
- Tied remuneration packages for presidents and senior executives of Cathay FHC and its subsidiaries to sustainability performance to implement sustainable governance
- Emission reduction targets officially verified by the Science Based Targets Initiative (SBTi)
- Releases Cathay's first TCFD Report

2023

- 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

2024

- 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.

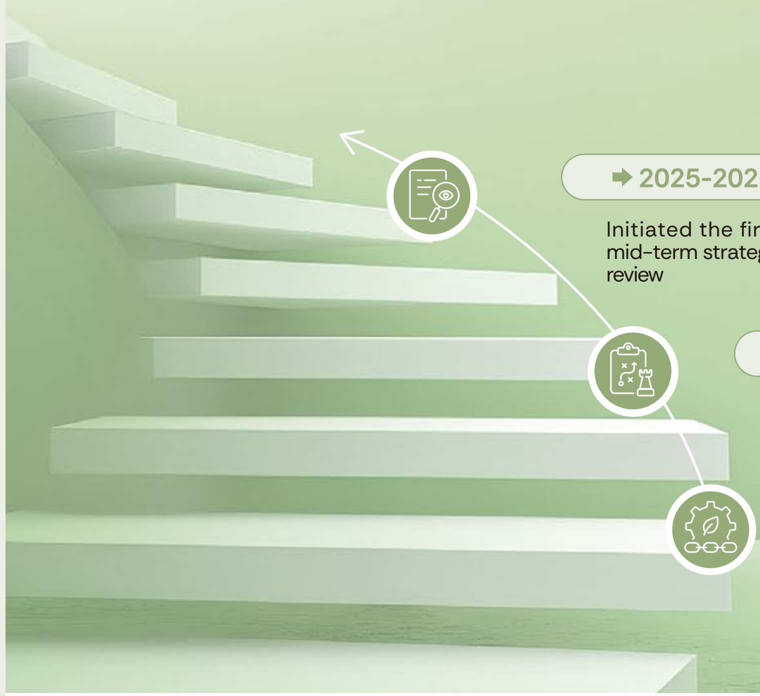
2025

- Established the board-level Corporate Sustainability Committee
- Established the position of Chief Sustainability Officer, with the president serving concurrently in this role
- Received the "Environmental Finance" TCFD Annual Report Award for two consecutive years

1.2 Cathay's Sustainability Strategy Blueprint and Strategy Pillars

Cathay's vision is to become "the Best Financial Institution in the Asia-Pacific Region." By leveraging core functions such as capital influence and risk management, Cathay actively promotes sustainable finance. Since 2021, Cathay has consolidated Group consensus through its sustainability strategy blueprint, establishing three sustainability pillars: Climate, Health, and Empowerment. These pillars extend to six dimensions: Low-Carbon Economy, Environmental Sustainability, Health Promotion, Financial Health, Workplace Empowerment, and Social Empowerment. Cathay has established specific action plans and quantifiable tracking targets, and reports target progress annually to the Cathay FHC's ESG Strategy Committee, the Corporate Sustainability Committee, and the Board of Directors to continuously create long-term value.

Corporate Vision	The Best Financial Institution in the Asia-Pacific Region					
Sustainability Strategy Pillars	Climate		Health		Empowerment	
Dimension	Low-Carbon Economy	Environmental Sustainability	Health Promotion	Financial Health	Workplace Empowerment	Social Empowerment
Mission and Strategy	• Net Zero Emissions in Financial Assets by 2050 • Leader in Climate Engagement Actions • Comprehensive Climate Finance Solutions Provider	• Green Energy: Implementing RE100 • Green Operations: Net-Zero Operational Emissions by 2050 • Green Real Estate: Creating Low-Carbon and Sustainable Spaces • Nature and Biodiversity: Advancing Nature-Positive Action	• Customer Health — The Most Empowering Daily Health Companion • Society Health — A Health Advocate Across All Ages and Places • Employee Health — The Best Employer for Employee Health	• Leader in Comprehensive Protection for Clients' Assets • Taiwan's Benchmark Company for Financial Inclusion	• Reskill • Upskill • Leadership Pipeline • Inclusive Workplace	• Youth Empowerment — A Driver of Innovation and Action • Women Empowerment — A Builder of Diverse Female Role Models • Supporting the Underprivileged — A Supporter of Taiwan's Disadvantaged Groups • Elderly Empowerment — An Actor in a Healthy Aging Society
SDGs	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 13 Climate Action; 14 Life Below Water; 15 Life on Land; 17 Partnerships for the Goals		1 No Poverty; 3 Good Health and Well-Being; 4 Quality Education; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 17 Partnerships for the Goals		4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 13 Climate Action; 17 Partnerships for the Goals	
Material Topics	• Financial products with environmental / social benefits • Responsible Investment and Financing • Decarbonization Strategy for Financial Assets	• Environmental Impact of Operations	• Health promotion and life security • Employee health and well-being • Customer Relationship Management	• FinTech / Digital Transformation and Innovation • Financial Crimes and Anti-Fraud • Financial Planning and Services • Financial Inclusion • Financial products with environmental / social benefits • Customer Relationship Management	• Talent and Skill Development • Attracting and Retaining Talents	• Helping the Underprivileged
Stakeholders	Government, Investors, Customers, and Public associations	Government, Employees, Customers, Suppliers, Public associations, and Communities	Employees, Customers, Suppliers, Communities, and Youth	Government, Customers, and Public associations	Employees	Employees, Public associations, Communities, and Youth



2025-2026

Initiated the first mid-term strategy review

Senior executives from Cathay FHC and five subsidiaries gathered to review and adjust the blueprint against international trends and actual operating conditions

1. Respond to emerging domestic and international sustainability trends and expanding the impact of sustainable finance
2. Systematically review sustainability targets to enhance the Group's resource allocation and management efficiency
3. Continue to benchmark against the latest sustainable finance standards

2022-2025

Ongoing tracking and management

1. Establish the Group Level Strategy Blueprint Planning Team
2. Refine the target tracking and management system

2021

Established the pillars of the sustainability strategy

In response to the rapid evolution of the international landscape, the restructuring of global political and economic systems, changes in the post-pandemic operating environment, and the rapid changes in sustainability disclosure and regulatory requirements, Cathay initiated its first comprehensive review after five years of implementing its sustainability strategy blueprint and related targets. The overall target achievement rate reached 84%[Note], with certain dimensions, such as Health Promotion and Social Empowerment, exceeding 90%. The results related to the 2025 targets were reported to the Cathay FHC's ESG Strategy Committee, the Corporate Sustainability Committee, and the Board of Directors in accordance with established governance procedures, and are also disclosed in Appendix 7.2 Cathay's 2025 Sustainability Strategy Blueprint Results and Goal Achievement Status.

In line with its commitment to continuous improvement, we convened senior executives from the Cathay FHC and five subsidiaries in 2025 to review international trends and actual operating conditions from a more ambitious, forward-looking, and systematic perspective. Through rigorous governance and review mechanisms, Cathay dynamically adjusted its sustainability strategy blueprint and targets, with the goal of creating broader sustainability impact. Cathay has comprehensively upgraded its processes from issue selection and management by objectives to action implementation, continuing the six dimensions while increasing positive impact based on existing achievements:

i Respond to emerging domestic and international sustainability trends and expand the impact of sustainable finance

Cathay continues to understand stakeholder concerns and consider key issues related to the long-term development of the world and Taiwan. In response to evolving global and societal trends, including increasing international attention to nature-related issues and Taiwan's official transition into a super-aged society, Cathay has introduced "Nature and Biodiversity: Advancing Nature-Positive Action" under the Environmental Sustainability dimension and "Elderly Empowerment: An Actor in Promoting Healthy Aging" under the Social Empowerment dimension, together with corresponding tracking targets.

ii Systematically review sustainability targets to enhance the Group's resource allocation and management efficiency

Cathay systematically reviews existing sustainability targets based on strategic relevance, materiality, and implementation status. By adopting differentiated management principles, Cathay focuses resources on projects with substantive impact in "Climate, Health, and Empowerment," while maintaining consistency with the company's overall sustainability commitments. Targets that have been achieved ahead of schedule or for which routine management mechanisms have been established are transferred to subsidiaries or relevant units for business continuity management and tracking in daily operations. Projects that no longer align with current development priorities due to changes in the operating environment or strategic adjustments are excluded from the sustainability strategy blueprint targets after internal review. Targets of strategic importance, whether achieved or not, remain included in the sustainability strategy blueprint and are regularly reviewed and tracked through rigorous governance mechanisms.

iii Continue to benchmark against the latest sustainable finance standards

As regulations governing sustainable financial products, net-zero methodologies, and related standards—such as the ISSB and SBTi—continue to mature both domestically and internationally, the base years, calculation methods, and statistical approaches for certain indicators have been adjusted to enhance consistency, comparability, and transparency.

Note: The numerator represents the number of achieved tracking indicators, while the denominator represents the total number of tracking indicators.

Climate - Low-Carbon Economy Strategy Blueprint

Net Zero Emissions in Financial Assets by 2050

Leader in Climate Engagement Actions

Comprehensive Climate Finance Solutions Provider

Over the past six decades, Cathay has built strong roots in Taiwan and earned the enduring trust and support of shareholders and customers. This strong foundation has enabled its assets under management to grow steadily to NT$14 trillion. As the impacts of climate change on the economy, the natural environment, society, and culture continue to intensify, Cathay, as Taiwan's largest financial institution, is committed to making proper use of every unit of capital. Together with our shareholders and customers, we work alongside our investees and borrowers in their transition to a low-carbon economy and toward a zero-carbon society, striving to become a leading benchmark enterprise that fosters stability and well-being to society.

【Strategy 1】Net Zero Emissions in Financial Assets by 2050: Achieve net zero by setting science-based decarbonization targets and advancing the transition of financial assets.

Action Plan	Tracking Metrics	Short-Term Goals	Mid-Term Goals	Long-Term Goals	
		2026	2030	2035	2040
A. Set Science-Based Targets (SBT): Establish science-based decarbonization pathways for the investment and lending portfolio using both emissions-based and impact-based target-setting approaches.	Proprietary Investments: Portfolio temperature of listed equity & bonds	Scope 1+2: 2.68° C Scope 1+2+3: 2.79° C	SBT targets are expected to be reviewed and updated in 2026.	SBT targets are content is expected to be reviewed and updated in 2026.	Net Zero Emissions in Financial Assets by 2050
	Asset Management: Portfolio temperature of listed equity & bonds	Scope 1+2: 2.71° C Scope 1+2+3: 2.81° C			
	% reduction in emission intensity of electricity generation project finance Base Year: 2019	33%			
	% reduction in emission intensity of commercial real estate corporate loans Base Year: 2019	39%			
	% reduction in emission intensity of electricity generation corporate loans Base Year: 2019	32%	49%	69%	
	% reduction in emission intensity of long-term corporate loans related to commercial real estate Base Year: 2019	38%	57%	73%	
B. Coal-Exit Action: (1) Phase out coal financing while prioritize natural gas and renewable energy financing. (2) Divest from companies in the coal industry that are not actively transitioning.	Cease new investments in companies that derive more than a certain threshold of their revenue from coal mining, coal rail freight, coal support services, and coal power, or have coal expansion plans, and that are not actively transitioning Note 1	Revenue threshold: 20%	Revenue threshold: OECD countries: 5% Non-OECD countries: 20%	Revenue threshold: OECD countries: 5% Non-OECD countries: 20%	For detailed management and exit strategies regarding Cathay's coal, unconventional oil, and natural gas assets, please refer to section 2.1.1, "Net Zero Emissions in Financial Assets by 2050".
	Set a "Zero Coal Financing" goal	By the end of Q1 2027, reduce coal value chain credit balance to zero			
C. Oversee and monitor unconventional oil and gas industries: Divest from unconventional oil and gas industries that are not actively transitioning.	Cease new investments in unconventional oil and gas companies that exceed a certain revenue threshold and are not actively transitioning Note 1	Revenue threshold: 30%	Revenue threshold: OECD countries: 20% Non-OECD countries: 30%	Revenue threshold: OECD countries: 20% Non-OECD countries: 30%	

Note 1: Full replication ETFs and optimized ETFs are excluded.

【Strategy 2】Leader in Climate Engagement Actions: Leverage our stewardship influence by engaging and collaborating with stakeholders across the financial value chain to drive meaningful corporate climate action and enhance climate resilience.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Communicate and engage with investees and borrowers to encourage them to disclose carbon emissions, adopt more robust medium- and long-term decarbonization targets, and join international climate initiatives such as the SBT and RE100.	SBT Engagement Method: 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	45%	60%	76%
	Proprietary Investments: Proportion of financed emissions from domestic listed companies under stewardship	50%	55%	55%
	Assets Management: Proportion of equity holdings in domestic carbon-intensive listed companies under stewardship (by number of companies)	50%	50%	50%
B. Continue and expand participation in international climate change and nature-related organizations and initiatives, bring together international investors to make an impact.	Number of international organizations/initiatives & climate/nature-related engagements	Participate in at least 10 organizations/initiatives and 5 domestic and international climate or nature engagement initiatives; and analyze feasibility of joining other organizations/initiatives		

【Strategy 3】Comprehensive Climate Finance Solutions Provider : Through the provision of capital or financial products and services, support enterprises and industries in advancing the low-carbon transition opportunities or climate change mitigating and adapting , enhance the competitiveness of industrial transformation , and promote society's orderly transition toward a green economy.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Green Capital： Increase in low-carbon investments.	% increase & amount in low-carbon investments Note 1 Base Year: 2020	114% growth Amount:NT$307 billion	142% growth Amount: NT$347 billion	154% growth Amount:NT$365 billion
B. Green Product: (1) Provide green loans, sustainability-linked loans (SLLs), and social loans. (2) Develop low-carbon transition fund products. (3) Provide green energy property insurance Note 2 and green insurance Note 3. (4) Underwrite sustainable bonds (including green bonds, social bonds, and sustainability bonds).	% increase in sustainable lending & total amount Base Year: 2023	35% growth Amount: NT$82.3 billion	100% growth Amount: NT$122.2 billion	228% growth Amount: exceeded NT$200 billion
	Issuance of low-carbon transition fund products Base Year: 2020	A total of one low-carbon/climate-related product was launched	Ranked first in market share by scale of low-carbon/climate-themed products	
	Growth rate of green energy property insurance coverage amount and insured amount for the year Base Year: 2022	104% growth Insured amount: NT$372.93 billion	120% growth Insured amount: NT$402.18 billion	150% growth Insured amount: NT$457.0 billion
	Green insurance premium income and growth rate for the year Base Year: 2025	3% growth Premium income: NT$1.86 billion	15% growth Premium income: NT$2.08 billion	30% growth Premium income : NT$2.35 billion
	Cumulative number of sustainable bonds underwritten Base Year: 2020	26	35	40
C. Green Service： Cathay provides corporate loss prevention services for natural disasters by utilizing typhoon and flood simulation software and conduct on-site assessments in high-risk areas to help corporate clients assess potential disaster losses and develop risk mitigation strategies.	Growth rate of corporate loss prevention services for natural disasters and cumulative number of services provided Growth Rate Base Year: 2022 Base year for cumulative number of services: 2012	18% growth	30% growth	45% growth
		960 cases	1,550 cases	2,365 cases

Note 1: In response to the more granular industry classifications adopted by international databases, certain items previously included as low-carbon investments no longer met the definition of low-carbon investments after reassessment. Accordingly, the calculation scope was adjusted, the base-year figures were retrospectively revised, and short-, medium-, and long-term targets were updated accordingly.
Note 2: This includes offshore wind power, onshore wind power, and solar energy.
Note 3: This includes green energy liability insurance, typhoon and flood insurance, electric vehicle insurance, and public bicycle insurance.

Climate-Environmental Sustainability Strategy Blueprint

Green Energy: Implementing RE100

Green Operations: Net-Zero Operational Emissions by 2050

Green Real Estate: Creating Low-Carbon and Sustainable Spaces

Nature and Biodiversity: Advancing Nature-Positive Action

Cathay FHC maintains business locations in Taiwan and overseas and continues to lead the development of sustainable finance, actively responding to global trends in climate change, biodiversity conservation, and environmental sustainability. The Group is committed to achieving net-zero emissions in its operations by 2050. Guided by its three core strategies "Green Energy," "Green Operations," and "Green Real Estate", the Group promotes a comprehensive low-carbon transition through science-based carbon reduction, the adoption of renewable energy, the promotion of low-carbon buildings, and resource circularity, while also addressing natural environment and biodiversity conservation. Cathay works with subsidiaries, supply chains, and stakeholders to jointly achieve the goal of a sustainable future for people and the planet.

【Strategy 1】Green Energy - Implementing RE100: Increase the use of renewable energy, promote energy innovation and ecological protection, and jointly create a diverse green energy and ecologically sustainable future.

Action Plan	Tracking Metrics	Short-Term Goals	Mid-Term Goals	Long-Term Goals		
		2026	2030	2035	2040	2050
A. Fulfilling the RE100 commitment and increase use of renewable energies.	Renewable energy usage ratio at the headquarters of Cathay FHC and its subsidiaries	100% use of renewable energy at Cathay FHC, Cathay Life, CUB, Cathay Century, Cathay Securities, Cathay SITE, Cathay Venture HQ				
	Renewable energy consumption	Achieve 56% of total electricity consumption at Taiwan's operational sites	Achieve 100% of total electricity consumption at Taiwan's operational sites	Achieve 75% of total electricity consumption across global operational sites	Achieve 90% of total electricity consumption across global operational sites	Achieve 100% of total electricity consumption across global operational sites
		Achieve 44% of total electricity consumption across global operational sites	Achieve 60% of total electricity consumption across global operational sites			
B. Expand solar facilities and strengthen its capacity for onsite self-consumption PV systems.	Installed solar capacity of onsite self-consumption PV system on proprietary buildings and % compared to the base year Base Year: 2020	Achieve the cumulative capacity of 5,894 kW Achieve 2,600% of the 2020 baseline	Achieve the cumulative capacity of 7,934 kW Achieve 3,500% of the 2020 baseline	Continue to increase the cumulative installed capacity of onsite self-consumption PV system to strengthen the value of the corporate sustainability brand.		

【Strategy 2】Green Operations - Net-Zero Operational Emissions by 2050: Advance the Group's low-carbon transition, implement science-based emissions reduction targets, minimize the environmental impacts of the Group's operations and supply chain, and fostering harmony with nature.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Implement SBT commitments and reduce Scope 1 and Scope 2 emissions.	Cumulative reduction ratio of Scope 1 and Scope 2 carbon emissions Base Year: 2020	25.2%	42%	63%
B. Advance Scope 1 emissions reductions and reduce fossil fuel consumption.	Company-leased vehicles: percentage of hybrid or pure electric vehicles	52 %	100%	100%
C. Advance Scope 2 emissions reductions and promote energy-saving behavior through carbon pricing mechanisms.	Incorporate the electricity-saving competition into the internal carbon pricing mechanism	Continue with the Electricity Saving Competition as part of our internal carbon pricing mechanism, and roll out the mechanism across the entire group, encouraging employees to take energy-saving actions.		
	Gradually promote an internal carbon fee system	CUB has taken the lead in implementing a carbon fee system. In addition to collecting a basic carbon fee, it imposes an excess carbon fee on units that exceed electricity consumption limits. Other companies will gradually plan pilot shadow pricing or internal carbon fee mechanisms, with the goal of completing a carbon pricing management framework by 2030.		
D. Conduct a Scope 3 emissions inventory and reduce emissions associated with financial products and services. Reduce product life-cycle emissions through digital financial services.	ISO 14067 verification or Ministry of Environment Carbon Label for financial products or services	Cumulative total of at least nine items obtained		N/A
E. Sustainable Procurement and Shared Prosperity Across the Supply Chain: Minimize the environmental impacts of operations, promote resource circularity and biodiversity conservation, and build a collaborative and sustainable supply chain ecosystem.	Hold supplier conferences regularly each year	Establish a sustainability consensus platform and hold supplier conferences regularly each year to build consensus on green transformation.		
	Green procurement amount grows year over year Base Year: 2023	Annual growth of 3% in green procurement amount		
	Incorporate circular procurement into supply chain management	Gradually disclose the total amount or items of circular procurement	Evaluate based on circular procurement amount and further set targets	
F. Reduce water consumption.	Annual per capita water consumption Note 1	15.3 m^3	15.0 m^3	14.8 m^3
G. Reduce waste to generate positive environmental impacts.	Annual per capita waste Note 1	26.2 kg	25.4 kg	24.9 kg

Note 1: Water consumption and waste statistics cover all business locations (including offices). Vacant locations are excluded from the calculation.

【Strategy 3】 **Green Real Estate - Creating Low-Carbon and Sustainable Spaces: Develop low-carbon and sustainable spaces through environmentally responsible renovations to minimize environmental impacts. Externally, support tenants in reducing carbon emissions, become a smart green landlord, and expand the Group's sustainability impact.**

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. ESG transformation for the buildings to create low-carbon and sustainable spaces.	Low-Carbon Certification for New Buildings	Annually disclose the status of new buildings obtaining green building, U.S. LEED, or other low-carbon building certifications, as well as other ESG certifications obtained during the year		
	Number of existing buildings that have improved energy efficiency and obtained Level 2 or higher energy efficiency rating certificates Base Year: 2022	16 certificates	50 certificates	Continue to improve building energy efficiency and obtain rating certificates, implementing energy efficiency upgrades for commercial office building assets
B. Conduct eco-friendly renovations to minimize environmental impact.	Percentage of CUB branches that meet eco-friendly renovation standards Standard: Indoor green building material usage rate ≥ 60%	35%	45%	55%
	Green procurement expenditure ratio for Cathay Life business locations (including offices) renovated during the year[Note 1]	≥ 60%	≥ 70%	In line with developments in the building materials market, continue to increase the proportion of relevant green procurement amount
	Ratio of the total area using green building materials[Note 2] in environmentally responsible renovations at Cathay Century's operating locations, including offices, in the current year[Note 3]	60%	65%	70%
C. Support tenants in reducing carbon emissions and become a smart, sustainable landlord.	Promote green leases for commercial office buildings across Taiwan's six special municipalities and provide tenants with green electricity	Provide at least 15,000 MWh of green electricity	Provide at least 20,000 MWh of green electricity	Continue to expand the number of HUB locations and broaden the scope of services from linear to comprehensive area coverage
		Complete the deployment of 10 locations	Connect locations across the six special municipalities	

Note 1: The green procurement expenditure ratio is defined according to the scoring method outlined in Article 5 of the Principles for Real Estate Green Procurement Scoring: Green procurement ratio (%) = individual procurement amount (excluding tax) / amount of items within the green procurement scope (excluding tax).

Note 2: Green building materials are defined in accordance with Article 322 of the Building Design and Construction chapter under the Building Technical Regulations.

Note 3: The ratio of green building materials used in building interior renovation materials and floor surface materials to the total renovation area.

【Strategy 4】 **Nature and Biodiversity - Advancing Nature-Positive Action: Promote ecological conservation, foster the harmonious coexistence of people and nature, and amplify positive impacts on nature.**

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Support public welfare organizations, industry-academia cooperation, or local industries in promoting nature conservation projects.	Annual Number of Projects Supported	Support at least two projects each year		

Health-Health Promotion Strategy Blueprint

Customer Health — The Most Empowering Daily Health Companion

Society Health — A Health Advocate Across All Ages and Places

Employee Health — The Best Employer for Employee Health

Taiwan is facing demographic challenges, including population aging and declining birth rates. Serving one in every two people in Taiwan, Cathay FHC is uniquely positioned to leverage its influence by integrating health promotion services and strengthening the health expertise of its insurance agents to help policyholders proactively manage their health. At the same time, we are expanding the scope of health promotion to society, focusing on traffic and personal safety risks for students, and driving public attention to personal health through the "Every Step Counts" campaign. In addition, employees are our most important asset, and we aim to serve as their strongest support through sound physical and mental care mechanisms. We seek to realize our vision of helping customers, society, and employees across all ages and households move toward holistic health.

【Strategy 1】Customer Health - The Most Empowering Daily Health Companion: Integrate products and services to expand a health ecosystem that benefits both Cathay and its customers, promote physical and mental health, encourage self-awareness and self-management, and strengthen the value of insurance in both ex-ante "prevention" and ex-post "compensation", thereby supporting customers' physical and mental health.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Promotion of FitBack APP (including spillover-effect products): (1) Develop health promotion programs and platforms, and facilitate customer health management. (2) Integrate Group resources to promote spillover-effect policies and their spillover-effect incentive mechanism, encourage customers to maintain healthy lifestyles. (3) Collaborate with quality cross-industry partners to co-create diverse health services and build a health ecosystem. (4) Strengthen sales agents' professional health knowledge and enhance their influence.	Health promotion project participants (number of members)	≥ 2 million people	≥ 3 million people	≥ 4 million people
	Number of new health promotion service items added in the current year	2 items	3 items	3 items
	Total number of health management engagements in the current year	≥ 32 million	≥ 48 million	≥ 64 million
	Number of people trained and certified as "Cathay Healthcare Professional" each year	Train and certify 1,200 people each year	Train and certify 900 people each year	Cumulative total of 10,000 people since 2022
B. Provide customers with sufficient coverage and strengthen the coverage amount for customers with inadequate medical insurance.	Percentage of insured persons under new medical insurance (hospitalization insurance) contracts in the current year with sufficient coverage (cumulative daily hospitalization benefit ≥ NT$2,000)	75%	80%	80%
C. Meet the geriatric medical and health protection needs and deepen health expertise for the elderly: (1) Explore the needs of the elderly and launch geriatric-dedicated products and services together with related services. (2) Promote the sales agent health promotion empowerment program, deepen health expertise, and assist the elderly with health management.	Percentage of individuals aged 55 and above with accident insurance and health insurance (calculated based on the number of valid policies per policyholder)	27%	30%	30%
	Percentage of employees who have completed health expertise training (Dementia Friends Training Course)	50%	70%	80%

【Strategy 2】Social Health - A Health Advocate Across All Ages and Places : **Promote accident prevention and enhance students' risk awareness, instilling risk awareness and health concepts from an early age. At the same time, promote health action for all people, enhance public health awareness, and build a safe, healthy, and mutually beneficial society.**

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. 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 Base Year: Accident-Free Riders Project: Since 2015 Accident-Free Bikers Project: Since 2020 Accident-Free Campus Project: Since 2025	Cumulative total of 560 sessions	Cumulative total of 800 sessions	Cumulative total of 1,100 sessions
	Improve students' recognition of safety awareness and their accuracy rate in the quiz	Accident-Free Rider Project recognition rate: 85%		
		Accident-Free Bikers Project correct response rate: 75%		
	Cumulative number of visits to the Zero-Accident Academy website Base Year: Since 2014	≥ 3.6 million	≥ 4.6 million	≥ 5.85 million
B. Every Step Counts: Encourage users to accumulate steps and convert them into support for public welfare. Walking for personal health can also create sustainable value for society and the environment.	Target number of steps for the Every Step Counts campaign in the current year	110 billion steps	150 billion steps	200 billion steps

【Strategy 3】Employee Health - The Best Employer for Employee Health: **Promote employee health and well-being programs and foster a healthy, safe, and supportive workplace.**

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Provide diverse health promotion activities, such as the Weight-Loss Contest, and promote regular cancer screening and health examinations.	Percentage of Group employees with normal BMI (18.5-24)	51%	53%	53%
	Target walking steps for Group employees in the "Every Step Counts" campaign in the current year	15 billion steps	15 billion steps	15 billion steps
	Percentage of Group employees who achieved Practitioner level or above in FitBack APP	35%	45%	50%
	Cancer screening rate among general Group employees	80%	85%	88%
B. Employee stress assessment and mental health support measures (such as the EAP program and the podcast Comfort Chatroom).	Percentage of Group employees rating their mental health as "satisfactory" in the self-assessment	80%	85%	85%
C. Adoption of ISO 45001 - Occupational Health and Safety Management System.	Validity of external ISO certification	CUB and Cathay Life maintain certification	Cathay FHC, Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE maintain or obtain certification	

Health - Financial Health Strategy Blueprint

Leader in Comprehensive Protection for Clients' Assets | Taiwan's Benchmark Company for Financial Inclusion

Cathay FHC is a financial group with operations in insurance, banking, and asset management, total assets of NT$13.8 trillion, and 54,000 employees. It serves 15.26 million customers, more than half of Taiwan's population. As the largest privately-held financial holdings company in Taiwan, we are committed to providing customers with financial products and services tailored to their needs within Cathay Group, strengthen their personal financial condition, and improve their financial health. We hope to create mutual prosperity with our customers, enabling everyone to have the ability and means to make the best financial decisions, achieve life goals, and become a force for social stability.

【Strategy 1】 Leader in Comprehensive Protection for Clients' Assets: Help people across all life stages make sound financial plans and decisions, build long-term wealth, and realize their aspirations. At the same time, provide comprehensive asset protection solutions to safeguard clients' assets and transaction security and become a force for social stability.

	Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
Financial Planning and Decision-Making	A. Starting from the financial decision-making journey, help the public understand their financial condition and provide suitable products, planning tools, and calculation services to support sound financial planning and decision-making.	Cumulative number of financial health assessments Base Year: 2023	0.35 million	1 million	2 million
		Number of people using financial planning tools in the current year	0.32 million	0.35 million	0.40 million
	B. Promote financial health by harnessing the power of time and compound interest, encouraging customers to adopt dollar-cost averaging (DCA), build long-term wealth, and strengthen their financial resilience.	Number of customers encouraged to use dollar-cost averaging for financial management to steadily accumulate wealth in the current year	1.09 million	1.28 million	1.46 million
Property Protection Mechanism	C. Integrate technology with innovative anti-fraud practices to implement measures for fraud awareness, fraud prevention, and fraud blocking.	Number of people reached by Cathay's anti-fraud education and awareness initiatives in the current year	21.54 million	22.05 million	22.55 million
		Number of new " innovative fraud prevention" project launched in coordination with the public sector or independently in response to evolving fraud tactics	3 items	2 items	2 items
		Percentage decrease of failed intervention for million-dollar frauds from the previous year their assets and transactions	5 % fewer average monthly number of failed & unreported million-dollar frauds than the previous year		
	D. Promote practical knowledge and products for preventing asset impairment to help customers safeguard their assets.	Product talks and seminars on preventing asset impairment and protecting customers' assets (such as fire, electrical appliances, earthquakes, and food safety)	50 sessions per quarter 500 participants	60 sessions per quarter 600 participants	70 sessions per quarter 700 participants
	E. Develop diverse trust products to help customers protect their assets and fulfill their wish to care for themselves and their families.	Annual number of beneficiaries protected by leveraging diverse trust products or services	≥ 46,000	≥ 58,000	≥ 73,000

【Strategy 2】Taiwan's Benchmark Company for Financial Inclusion : Expand access to digital financial services, bridge the digital divide, support underserved communities, advance financial inclusion, and promote financial literacy.

	Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
Bridging the Digital Divide	A. Use technology to optimize intelligent assistant functions, resolve customer needs or issues in real time, provide location-free and time-free services, and expand digital usage.	Number of customer service interactions provided in real time by intelligent assistants in the current year	16 million times	19 million times	21.7 million times
		Resolution rate for customer inquiries handled by intelligent assistants	≥ 90%	≥ 90%	≥ 90%
	B. Prioritize customers' digital experience and use technological innovation to enhance digital self-service usage and accessibility among specific groups, reducing the digital divide.	Digital self-service adoption rate among elderly population	40%	42%	45%
		Digital self-service adoption rate among persons with disabilities	50%	51%	56%
		Cumulative total number of people served by "Financial Services Stations" in financially underserved areas across Taiwan and total number of township service days covered by financial services in the current year Base Year: 2020	Cumulative service volume reaching 200,000 visits Financial services at underserved areas: 360 service times (days)	Cumulative service volume reaching 350,000 visits Financial services at underserved areas: 500 service times (days)	Cumulative service volume reaching 500,000 visits Financial services at underserved areas: 800 service times (days)
Provide Inclusive Products and Services	C. For small and medium-sized enterprises with relatively limited resources, Cathay provides financing services and insurance products to help them with capital turnover and transfer operating risks, enhancing risk protection and economic resilience for both enterprises and their employees.	Loan amount and number of SMEs supported	Loan amount: NT$365 billion Supporting 5,480 SMEs	Loan amount: NT$370 billion Supporting 5,550 SMEs	Loan amount: NT$373 billion Supporting 5,600 SMEs
		Preferential loan program for small enterprises: annual number of newly disbursed accounts and amount of new loans	Number of new accounts: 12 New loans extended: NT$120 million	Number of new accounts: 14 New loans extended: NT$140 million	Number of new accounts: 16 New loans extended: NT$160 million
		Number of approved accounts for preferential loans provided under the social enterprise support project in collaboration with the Taipei City Government		Number of new accounts: 1 New loans extended: NT$1.92 million	
		Provide diverse insurance products for small business owners (such as restaurants, cram schools, clinics, and stores), and track the growth rate in the cases of SME Owners' Insurance Base Year: 2022	25% growth rate	30% growth rate	50% growth rate
		Increase the number of SMEs for which the company fully subsidizes group insurance premiums	49,000 enterprises	54,000 enterprises	63,000 enterprises
	D. Develop inclusive financial insurance and wealth management products to help individuals with relatively limited resources obtain basic insurance protection and accumulate wealth through long-term investment.	Number of microinsurance or low-cost insurance beneficiaries	570,000 people	640,000 people	720,000 people
		Number of youths and small investors investing in funds through dollar-cost averaging with monthly contributions of NT$6,000 or less	93,000 people	136,000 people	170,000 people
Financial Education	E. Use diverse channels and easy-to-understand educational methods to enhance financial literacy among the general public and specific target groups, expanding the reach and impact of financial education initiatives.	Number of views of basic financial education online videos	3.4 million views	6.65 million views	7.4 million views
		Number of people reached and sessions held for strengthening the ongoing financial education programs targeting specific groups (including youth, the elderly, and schoolchildren in rural areas) each year	176 sessions 5,500 people	182 sessions 5,800 people	190 sessions 6,100 people

Empowerment-Workplace Empowerment Strategy Blueprint

Reskill | Upskill | Leadership Pipeline | Inclusive Workplace

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 much as we value our customers. By aligning talent development with our digital transformation strategy, we empower our employees through a workplace empowerment blueprint built on four strategic pillars.

【Strategy 1】Reskill: Identify future human resource needs, as well as the professional knowledge and skills to adapt to future trends

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Promote reskilling programs to systematically cultivate the digital capabilities of supervisors and employees, strengthen daily application, enhance efficiency, and establish a forward-looking culture of human-machine collaboration.	Annual digital capacity training completion rate	80%	80%	80%
B. Strengthen ESG literacy to ensure that employees fully master core knowledge and implement sustainable operations.	Completion rate of foundational ESG courses	90%	90%	90%
	Completion rate of ESG sustainable finance courses and training time	Training time: 3 hours Completion rate: 100%	Training time: 3 hours Completion rate: 100%	Training time: 3 hours Completion rate: 100%
	Sustainable Finance Certification - Number of Foundational Competency Certifications	1,000 certificates	1,000 certificates	1,000 certificates

【Strategy 2】Upskill: Provide training materials that meet the different development needs of employees to ensure continuous improvement of their skills.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Building upon foundational requirements across various job functions and levels, Cathay accurately introduces in-person and digital learning resources and organizes diverse activities to establish a platform for knowledge and experience sharing, continuously strengthening the organization's core capabilities.	Annual Engagement Survey – Satisfaction score for learning and development related questions Maximum Score: 5	4	4	4
	Competency feedback survey: The proportion of employees who demonstrate general competency[Note 1] meets the established standard	85%	85%	85%

Note 1: General competency varies by job level. Please refer to Section 4.1.2 Employee Upskilling for details.

【Strategy 3】Leadership Pipeline: **Strengthen the leadership and management talent pipelines while developing talent at all levels to support the organization's long-term sustainable development.**

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Identify talent gaps at all levels through various observation indicators, align with organizational strategic needs, integrate Group resources to effectively empower talent, deepen the application of talent specifications, and actively respond to organizational risks and future challenges.	High-performance talent bench retention rate	80%	80%	80%
	High-performance young talent bench retention rate	50%	50%	50%

【Strategy 4】Inclusive Workplace: **Guided by its core belief in creating a "Place for All," Cathay FHC is committed to fostering a respectful, inclusive, and welcoming environment. By providing diverse opportunities and resources, the Group empowers individuals to develop a strong sense of belonging, creating shared value for its people, the organization, and society.**

Action Plan	Tracking Metrics		Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Continuously listen to and respond to employees' voices. With "Embrace Diversity and Be Your True Self" as the strategic focus, launch programs such as Wholeness@Cathay, Generations@Cathay, and inclusive leadership for supervisors to create a diverse and inclusive workplace environment.	Retention rate of employees taking parental leave		80%	80%	80%
	Proportion of female employees	Female employees	50%±5%	50%±5%	50%±5%
		Women in STEM positions	40%±5%	40%±5%	40%±5%
	Proportion of female supervisors (overall and by position-level)	Entry-Level Management	50%±5%	50%±5%	50%±5%
		Middle and Top Management	30%±5%	30%±5%	30%±5%
		Overall Management	50%±5%	50%±5%	50%±5%
	Annual Engagement Survey - Satisfaction score for diversity and inclusion related questions Maximum Score: 5		4	4	4
	Completion rate for inclusive leadership training		90%	90%	90%

Empowerment-Social Empowerment Strategy Blueprint

- Youth Empowerment — A Driver of Innovation and Action
- Women Empowerment — A Builder of Diverse Female Role Models
- Supporting the Underprivileged — A Supporter of Taiwan's Disadvantaged Groups
- Elderly Empowerment — An Actor in a Healthy Aging Society

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

【Strategy 1】Youth Empowerment - A Driver of Innovation and Action: Centered on "Inspiring Critical Thinking and Empowering Action," Cathay provides diverse empowerment programs tailored to different stages of education and career development, helping narrow the gap between learning and application and transforming innovative thinking into actions with social impact.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Youth x Technological Capability Strengthen youths' understanding and application of forward-looking technologies, including artificial intelligence, data analytics, information security, and digital transformation, and enhance their digital literacy and technical capabilities.	Cumulative number of people impacted Base Year: Since 2026	450 people	2,400 people	4,800 people
	Cumulative number of partner schools Base Year: Since 2026	30 schools	150 schools	300 schools
	Cumulative Group Contribution Hours Base Year: Since 2026	3,700 hours	18,500 hours	37,000 hours
	Overall program satisfaction Maximum Score: 5	Average score: > 4	Average score: > 4.1	Average score: > 4.2
B. Youth x Problem-Solving Competency Guide young people to explore social issues through critical thinking and in-depth inquiry, helping them identify root causes and develop innovative solutions. Through corporate internships and interdisciplinary collaboration, empower them to strengthen critical thinking and problem-solving skills in real-world settings and accelerate their transition into the workforce.	Cumulative number of people impacted Base Year: Since 2026	3,600 people	18,700 people	37,500 people
	Cumulative number of partner schools Base Year: Since 2026	60 schools	340 schools	690 schools
	Cumulative Group Contribution Hours Base Year: Since 2026	4,500 hours	22,900 hours	45,900 hours
	Overall program satisfaction Maximum Score: 5	Average score: > 4	Average score: > 4.1	Average score: > 4.2
C. Youth x Sustainability Incorporate ESG issues, climate risks, and anti-fraud concepts into the core of cultivation programs, promote youths' understanding of corporate sustainability values and civic responsibility, encourage them to take action to address social and environmental challenges, and transform sustainability concepts into career competitiveness.	Cumulative number of people impacted Base Year: Since 2026	1,400 people	7,150 people	14,300 people
	Cumulative number of partner schools Base Year: Since 2026	35 schools	170 schools	350 schools
	Cumulative Group Contribution Hours Base Year: Since 2026	110 hours	550 hours	1,150 hours
	Overall program satisfaction Maximum Score: 5	Average score: > 4	Average score: > 4.1	Average score: > 4.2
	Survey on youth's willingness to take action and their future intentions (willingness to act)	80%	82%	85%

【Strategy 2】 Women Empowerment - A Builder of Diverse Female Role Models: Cathay aims to leverage its core financial capabilities, resources, and influence to promote cross-disciplinary women's empowerment actions and initiatives, encouraging women to actively participate in society and break free from gender stereotypes.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Women's Autonomy (Career Development) Integrate core business competencies to support women's employment and entrepreneurship, ensuring that women acquire knowledge, skills, or capital in sports, green, and innovative industries to achieve economic autonomy and security.	Volunteer Mentor / Instructor Service Hours Base Year: Since 2023	60 hours	100 hours	150 hours
	Number of women benefiting from professional development and empowerment	110 people	110 people	110 people

【Strategy 3】 Supporting the Underprivileged - A Supporter of Taiwan's Disadvantaged Groups: Cathay directs resources to the corners of society where they are most needed. Through an extensive volunteer network and diverse resources, Cathay actively responds to the evolving needs of Taiwanese society by providing meaningful and practical support programs, ensuring that everyone in need receive timely and appropriate assistance.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Seedling Initiative Provide diverse learning opportunities for students in remote areas and care for their daily needs, narrow urban-rural and wealth gaps, and reduce social inequality. At the same time, support underprivileged students in completing their studies and encourage youth to submit public welfare proposals, cultivating socially responsible talent and promoting educational equity and sustainable development.	Number of student beneficiaries in the current year	840 people	880 people	730 people Note 1
	Number of beneficiary schools in the current year	170 schools	180 schools	190 schools
	Number of special (public welfare) proposals grant-funded	40-45 proposals	40-45 proposals	40-45 proposals
B. Giving Back to Society Embodying a people-centric spirit, Cathay encourages employees to start with themselves and participate in public welfare activities outside of work, providing warm and concrete support programs. Appropriate services and activities are tailored to the living conditions and specific resource needs of the beneficiaries.	Total number of volunteer participations in the current year	10,000 people	11,000 people	11,500 people
	Total volunteer service hours in the current year	67,000 hours	70,000 hours	72,000 hours
	Volunteer identification with the company Maximum Score: 5	> 4	> 4	> 4

Note 1: Expected to be affected by the declining birth rate in Taiwan

【Strategy 4】 Elderly Empowerment - An Actor in a Healthy Aging Society : Cathay is committed to creating a supported environment that for healthy aging. Through comprehensive elderly care actions and system development, Cathay enables older adults to achieve positive outcomes in three areas: physical well-being maintenance, intellectual cultivation, and social participation. Cathay hopes to gradually increase healthy life expectancy in Taiwan and enhance quality of life throughout every stage of the aging journey.

Action Plan	Tracking Metrics	Short-Term Goals 2026	Mid-Term Goals 2030	Long-Term Goals 2035
A. Promoting Healthy Aging By focusing on the three dimensions of physical well-being maintenance (physical strength), intellectual cultivation (mental capacity), and social participation (social capability), Cathay supports the elderly in moving toward well-being in body, mind, and social interactions.	Nationwide coverage rate of Support Centers (%)	≥ 25%	≥ 40%	≥ 80%
	Number of interactive activities for the elderly	35 sessions	65 sessions	110 sessions
	Number of the elderly beneficiaries in the current year	870 people	1,500 people	2,300 people

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 follows the AA1000 Stakeholder Engagement Standard (AA1000 SES) and identifies nine major stakeholder groups based on five dimensions: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives. These stakeholders are government, investors, employees, customers, suppliers, associations, media, communities, and youth. Through diverse channels and mechanisms, Cathay FHC listens to, understands, and responds to stakeholder voices and needs. Through continuous communication and engagement, the company ensures that stakeholder opinions are incorporated into its sustainability decisions to co-create benefits and trust.

For more information on Cathay FHC's communication channel, engagement frequency and feedback mechanisms, as well as the complete list of interactions in 2025 between Cathay FHC and its stakeholders, please see the official Cathay FHC website.

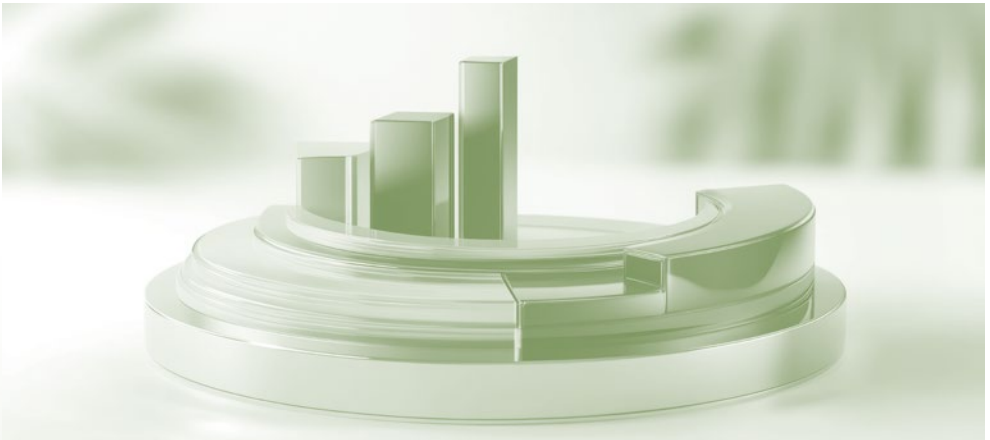
1.3.2 Materiality Analysis

Materiality Analysis of CS Issues and Formulation of Sustainable Strategies

Cathay FHC conducts and reviews sustainability materiality analysis each year. In accordance with the framework of the international GRI Universal Standards 2021, "GRI 3: Material Topics 2021," and referring to the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG), Cathay FHC introduced the concept of Double Materiality. 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.

Cathay FHC takes a multi-layered approach to defining material issues, considering factors such as stakeholder concerns, operational impacts, and sustainability impacts—based on survey results. These are further aligned with long-term internal goals and senior executive compensation metrics. A total of 19 material issues 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.

Furthermore, Cathay FHC reviews its material issues annually. By collecting stakeholder communication topics and feedback, analyzing domestic and international sustainability trends, reviewing peer focus areas, and evaluating company operations and risk management directions, Cathay FHC comprehensively confirms the appropriateness and management priorities of material issues. The 2025 review results indicated that all material issues remain highly relevant to the company's operational development and stakeholder concerns. The related management approaches and disclosure content have also been continuously refined to align with external trends and internal management practices. The review results were reported to the Board of Directors and the Corporate Sustainability Committee as the foundation for subsequent promotion of sustainability strategies and information disclosure.



- CS Issues Materiality Analysis Process

Identification → **Analyze and Assess the Significance of Impact** → **Confirm** → **Disclose and Report**

Compile and Identify

Through interaction and communication with stakeholders during daily operations, and by comprehensively analyzing global sustainability disclosure standards, sustainability ratings, industry benchmark practices, international trend reports, and Cathay FHC's sustainability vision and organizational development goals, Cathay FHC establishes the foundation for issue identification and assessment.

Identify Potential Issues

Confirm 27 CS issues

governance	9
environment	6
society	12

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 stakeholder responses were collected.

Operational Impacts

To identify the impact of ESG issues on our operations, a materiality assessment questionnaire was distributed to 21 senior executives. They were asked to assess the degree of impact of CS issues on the Company's operations or value.

Sustainable Development Impact

Cathay FHC referred to Harvard Business School's Impact-Weighted Accounts impact indicators and applied the Five Capitals methodology of Impact Measurement & Valuation (IMV), conducted every two years, to assess the significance of the impacts of sustainability topics.

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 Formulate Long-term Sustainability Goals

Disclose the contents of material issues that correspond to the GRI Standards; set corresponding short-, mid-, and long-term goals and disclose them in the Cathay FHC sustainability report. Please refer to the Cathay FHC official website for the company's 2025 target achievement status.

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. By establishing a significance threshold, Cathay FHC identified eight external sustainability impacts that are significantly related to Cathay FHC across the Economic, Environmental, and Social (Human Rights) aspects. 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"; "Social (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, credit, or financial products and services may contribute to climate or ecological impact by supporting carbon-intensive or highly polluting industries"; "Social (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.

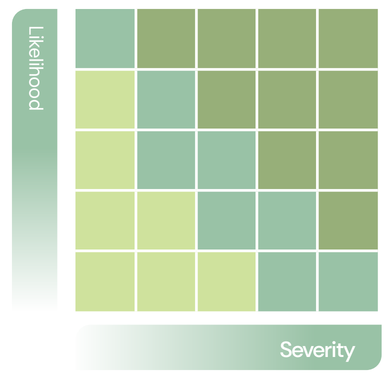
- Sustainability Impact Pathway

20 impacts

Impact	Positive	Negative
Economic	4	1
Environment	2	2
Social (Human Rights)	6	5

Impact Sources:
(1) Value Balancing Alliance (VBA)
(2) Harvard Business School Impact-Weighted Accounts
(3) London Benchmarking Group (LBG)
(4) Cathay FHC

Define Positive and Negative Impacts



Severity
= (1) + (2) + (3)
(1) Scale (2) Scope (3) Irremediability

Define Significance Threshold

- Sustainability Impact Pathway of Cathay's Impact Valuation

	8 Significant Impacts	Corporate 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、X、Z
- Economic	Improper use of funds may impact financial markets	A、B、C、F、J、K
+ Environment	Supporting industries in sustainable or green transitions through investments, lending, and financial products and services	B、E、J、K、L、M、P
+ Environment	Participating in domestic and international initiatives or organizations to promote sustainability awareness among industries and stakeholders	A、G、J、K、L
- Environment	Investments, credit, or financial products and services may contribute to climate or ecological impact by supporting carbon-intensive or high-pollution industries	J、K、L、M、O
+ Society	Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services)	E、H、J、W、X、Z
- Society	Misuse of data or privacy breaches may harm the rights of employees and customers	A、B、D、E、F、I

	Corporate ESG Issues	Frequency
A	Corporate Governance and Ethical Corporate Management	4
B	Risk and Crisis Management	3
C	Business Performance	2
D	Regulatory Compliance	2
E	FinTech/ Digital Transformation and Innovation	4
F	Privacy and Information Security	2
G	Sustainable Supply Chain Management	1
H	Safeguarding Human Rights	1
I	Financial Crimes and Anti-Fraud	2
J	Financial products with environmental/ social benefits	6
K	Responsible Investment and Financing	5
L	Decarbonization Strategy for Financial Assets	3
M	Environmental Impact of Operations	3
N	Green Leasing and Real Estate Management	1
O	Nature and Biodiversity	1
P	Health promotion and life security	1
Q	Talent and Skill Development	0
R	Employee health and well-being	0
S	Workplace Digital Transformation	0
T	Attracting and Retaining Talents	0
U	Inclusive Workplace	0
V	Customer Relationship Management	0
W	Financial Planning and Services	2
X	Financial Inclusion	2
Y	Youth Empowerment	0
Z	Helping the Underprivileged	2
a	Women Empowerment	0

Impact Level	Sustainability Issues
Primary Impact	• Financial products with environmental / social benefits • Responsible Investment and Financing • Corporate Governance and Ethical Corporate Management • FinTech / Digital Transformation and Innovation
Secondary Impact	• Risk and Crisis Management • Decarbonization Strategy for Financial Assets • Environmental Impact of Operations • Business Performance • Compliance • Privacy and Information Security • Financial Crimes and Anti-Fraud • Financial Planning and Services • Financial Inclusion • Helping the Underprivileged
Significant	• Sustainable Supply Chain Management • Safeguarding Human Rights • Green Leasing and Real Estate Management • Nature and Biodiversity • Health promotion and life security

Significant Impact

Sustainability Issues Affecting Significant Impacts

Impact Measurement & Valuation (IMV) - Five Capitals Profit and Loss (5C P&L)

Leveraging core financial influence to create shared value for human well-being

NT$15.8 trillion (NTD)
industry chain output driven by investment and financing

25.2 million (job opportunities)
created by investment and financing

>99%
external impacts come from downstream products and services

NT$5.7 billion (NTD)
in carbon reduction benefits from green investment and financing

For Cathay FHC, the financial industry is not only an asset manager, but also a driver of industrial transformation. In the pursuit of sustainable operations, we uphold the spirit of "Better Together," focusing not only on financial performance but also incorporating impact into the core of decision-making. Through our core financial functions, we aim to guide capital toward areas that drive positive social change and become a key force in promoting industrial advancement and mutual prosperity in society.

To accurately capture the impact of its operating activities on society and the environment, Cathay FHC collaborated with academic institutions to establish the Five Capitals Profit and Loss (5C P&L) assessment framework. Starting from an Outside-In perspective, the framework combines Impact Accounting based on financial profit and loss with the causality-driven Impact Pathway approach. It examines the full value chain, from the supply chain and Cathay's own operations to financial products and services, to comprehensively assess how corporate activities affect human well-being. Through a systematic analysis process, environmental and social externalities that are not fully reflected in market prices are quantified and converted into consistent and comparable monetized indicators.

According to the 2025 analysis results, more than 99% of the impact generated by Cathay FHC's operations was concentrated in downstream financial products and investment and financing activities in the value chain. Among these impacts, investees and borrowers receiving financial support drove the overall industry chain to create approximately NT$15.8 trillion in output value, while also creating approximately 25.2 million indirect job opportunities and NT$2 trillion in wage income, injecting momentum into social stability and economic prosperity. In the face of transformation challenges, the industry chain was estimated to generate approximately NT$1.2 trillion in potential social costs in terms of resource consumption, environmental pollution, and potential human rights infringement risks.

To assist industries in their low-carbon transition, Cathay FHC has established a rigorous ESG risk monitoring mechanism through the Responsible Investment working group and continues to expand investments in low-carbon industries such as renewable energy, green buildings, waste recycling, and public transportation. It is estimated that low-carbon investments avoided approximately NT$5.7 billion in carbon social costs in 2025.

Looking ahead, Cathay will continue to optimize resource allocation through impact management tools. Cathay is committed not only to reducing negative externalities, but also to maximizing positive value. Through impact-based thinking, Cathay no longer focuses only on short-term cost-benefit analysis, but incorporates the long-term environmental and social impacts of decisions into evaluation indicators, identifying opportunities in risks and fulfilling responsibilities in opportunities. Cathay hopes to use its unremitting efforts to drive more comprehensive corporate sustainability management and work toward achieving Net Positive sustainable operations.

Cathay 5C P&L Methodology and Update History

2018 → **2019** → **2021** → **2023** → **2025**

2018

First introduced the 5C P&L methodology, covering

- Three major value chain stages (supply chain, company operations, and products and services)
- Three major sustainability management aspects (economic, environmental, and social)
- More than 20 impact items

2019

- Biodiversity has been incorporated into the environmental aspect
- The scope of investment and financing inventory has been expanded from the top 10 industries to all industries
- Developed localized impact valuation coefficients for each investment region

2021

- Updated the upstream procurement input-output analysis (IOA) coefficients and adjusted historical calculation results accordingly
- Added an assessment of the employment opportunities and wage income created by supply chain procurement

2023

- Added new metrics related to human rights risks within the industry chain derived from investment and financing, including child labor and forced labor
- Added new metrics related to employment impact, including wage quality, equal opportunity, sexual harassment, employee support programs, and internal job placement
- Updated the assessment methodology for employees' future benefits generated by training.

2025

- Added impact items for job creation
- Updated the assessment methodology for the impact of wage quality

Cathay FHC Sustainability Impact Pathway

Cause of Impact	Material Issue	Output Metric	IRIS Catalog of Metrics	Impact on well-being	Five Major Capitals	Impact Item	Type of Impact	Monetary (NT$)	Impact Rating	Impact Stakeholders
Supply Chain	Responsible Procurement	Payment to Suppliers	PI5478	Procurement drives industry supply-demand relationships	Finance and Integrity Capital	Social Externality: Boosting Supply Chain Value	Positive (+)	33,144,841,016	●●●●○○○○	Society
				Procurement creates employment opportunities in the supply chain	Human capital	Social Externality: Income of Supplier Workers	Positive (+)	4,961,367,938	●●●○○○○○	External employees
				Environmental impacts of GHG emissions during supply chain manufacturing	Natural capital	Environmental Externality: Supply Chain GHG Emissions	Negative (-)	194,107,762	●●○○○○○○	Environment
				Environmental impacts of air pollutants during supply chain manufacturing	Natural capital	Environmental Externality: Supply Chain Air Pollutants	Negative (-)	599,702,334	●●○○○○○○	Environment
Business Operations	Business Performance	Operating Profit	FP1301	Increase financial capital stock for investor returns	Finance and Integrity Capital	Gross Value Added (GVA): Net Operating Income	Positive (+)	107,633,132,000	●●●●●○○○	Investors
		Public Expense	FP5261	Support government expansion of infrastructure and social welfare	Finance and Integrity Capital	Gross Value Added (GVA): Public Expenditure	Positive (+)	10,626,206,000	●●●●○○○○	Society
		Depreciation and amortization	FP9573	Develop industry tech for supplier revenue	Finance and Integrity Capital	Gross Value Added (GVA): Depreciation and Amortization	Positive (+)	8,840,057,000	●●●○○○○○	Suppliers
	Environmental Impact of Operations	GHG Emissions	OI1479	Rising GHG concentrations contribute to global warming	Natural capital	Environmental Externality: Operational GHG Emissions	Negative (-)	123,810,935	●●○○○○○○	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 (+)	56,636,265	●○○○○○○○	Environment
		Renewable Energy (Purchased)	OI3324	Decreasing GHG concentrations mitigates global warming	Natural capital					Environment
		Depletion of Water Resources	OI0263	Change in water resource stores causes stress on local communities	Natural capital	Environmental Externality: Operational Water Resource Depletion	Negative (-)	8,497	●○○○○○○○	Environment
		Fuel Usage (Gasoline / Diesel)	OI1496	Fuel use causes air pollution, leading to health and ecological impacts	Natural capital	Environmental Externality: Operational Air Pollutant Emissions	Negative (-)	15,303,050	●○○○○○○○	Environment
		Waste Management	OI6192	Incineration and landfills cause air pollution and GHG emissions	Natural capital	Environmental Externality: Operational Waste Disposal	Negative (-)	3,807,426	●○○○○○○○	Environment
		Digitalization: Reduce Paper Usage	–	Digitalization of services reduces the environmental impacts of paper use	Natural capital	Environmental Externality: Digitalization	Positive (+)	13,212,074	●○○○○○○○	Environment

Cause of Impact	Material Issue	Output Metric	IRIS Catalog of Metrics	Impact on well-being	Five Major Capitals	Impact Item	Type of Impact	Monetary (NT$)	Impact Rating	Impact Stakeholders
Business Operations	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 (+)	42,736,486,052	●●●●○○○○	Internal employees
						Social Externality: Salaries Below Living Wage	Negative (-)	35,559,558	●○○○○○○○	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 (+)	932,829,168	●●○○○○○○	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 (+)	1,820,429,570	●●●○○○○○	Internal employees
		Internal Job-Filling	OI6995	Internal promotion and job transfers increase income	Human capital	Social Externality: Internal Job-Filling	Positive (+)	3,831,484,227	●●●○○○○○	Internal employees
	Inclusive Workplace	Gender Pay Ratio	OI1855	High-paying positions create segregation due to gender differences	Human capital	Social Externality: Equal Opportunity	Negative (-)	4,833,239,766	●●●○○○○○	Internal employees
		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 (-)	3,499,388	●○○○○○○○	Internal employees
	Employee health and well-being	No. of Employees with Health Risks	OI4061	Cardiovascular disease risks and medical expenses due to workload	Human capital	Social Externality: Employee Health Risks	Negative (-)	538,440	●●○○○○○○	Internal employees
		No. of Employees with Improved Health	OI4061	Health promotion improving lifestyle and health status	Human capital	Social Externality: Employee Health Promotion	Positive (+)	1,669,662	●○○○○○○○	Internal employees
		Occupational Accidents	OI3757 OI6525	Physical and emotional impact and cost of medical resources	Human capital	Social Externality: Occupational Accidents	Negative (-)	5,338,342	●○○○○○○○	Internal employees
	Youth empowerment / female empowerment / helping the underprivileged	Social Investment	OI7421	Improving local community relations and quality of life	Social and Relationship Capital	Social Externality: Value of Social Investment	Positive (+)	456,070,447	●●○○○○○○	Society
Products and Services	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 (+)	15,832,090,530,463	●●●●●●●●	Society
				Investment & lending creates job opportunities along industry chain	Human capital	Social Externality: Income of Industry Chain Employees	Positive (+)	1,985,864,885,704	●●●●●●●●	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 (-)	65,575,861,440	●●●●○○○○	External employees

Cause of Impact	Material Issue	Output Metric	IRIS Catalog of Metrics	Impact on well-being	Five Major Capitals	Impact Item	Type of Impact	Monetary (NT$)	Impact Rating	Impact Stakeholders
Products and Services	Responsible finances / carbon emissions in financial assets	Industry Investment and Financing	II8480	Future income loss from child laborers unable to receive quality education	Human capital	Social Externality: Industry Chain Human Rights Risks - Child Labor	Negative (-)	46,485,433,744	●●●●○○○○	External employees
				Environmental impact of GHG emissions resulting from industry chain supply and demand	Natural capital	Environmental Externality: Industry Chain GHG Emissions	Negative (-)	1,110,446,113,225	●●●●●●●●	Environment
				Environmental impact of air pollution resulting from industry chain supply and demand	Natural capital	Environmental Externality: Industry Chain Air Pollutants	Negative (-)			
	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 (+)	5,746,675,059	●●●○○○○○	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 Benefits	Positive (+)	206,886,740,688	●●●●●●○○	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 (+)	357,423,174	●○○○○○○○	Society
		Microinsurance Donations		Ensure basic protection to underprivileged groups to lessen their burden	Social and Relationship Capital	Social Externality: Microinsurance Donations	Positive (+)	14,303,668	●○○○○○○○	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) assessed 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

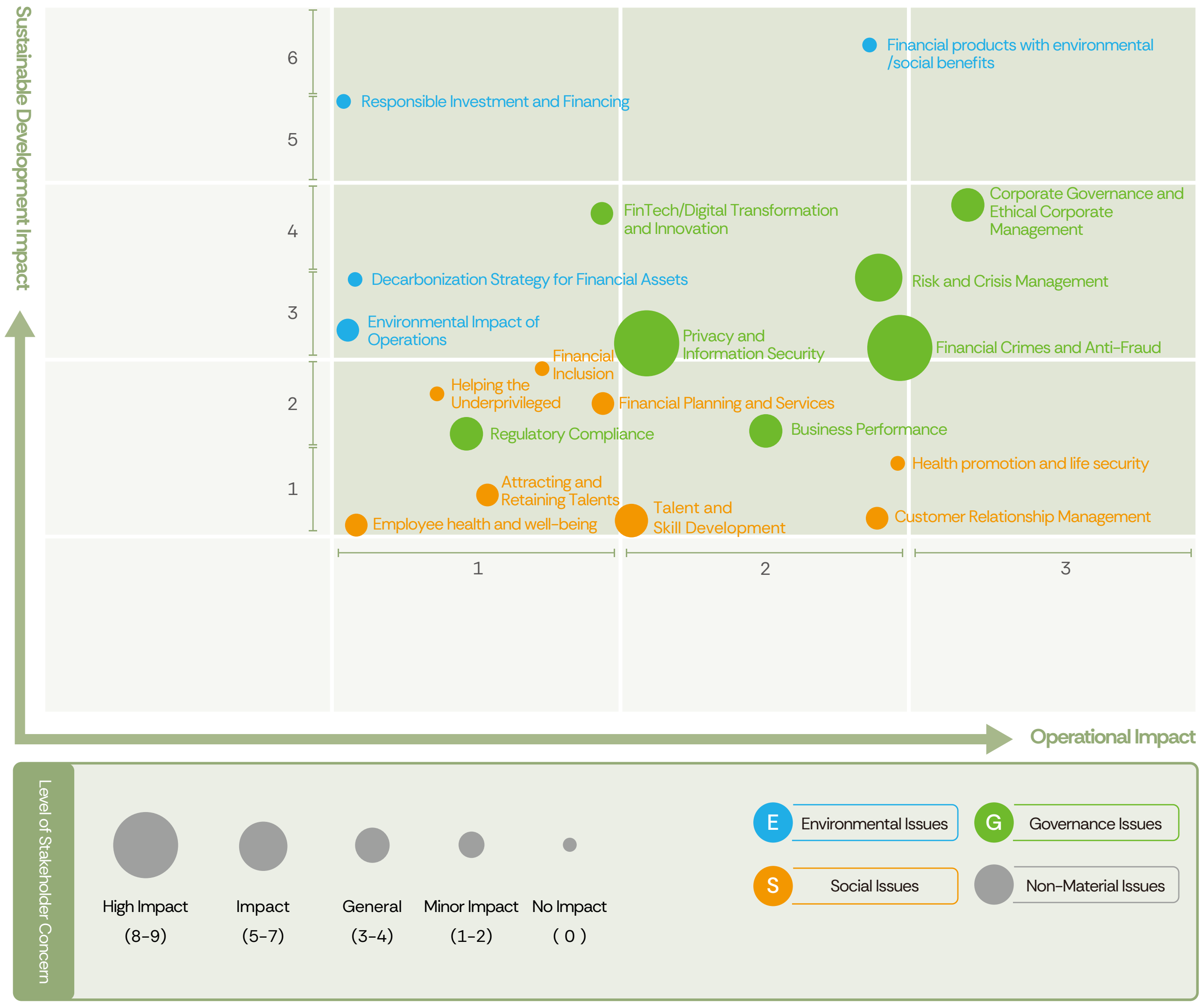
Impact Assessment Results of Material Issues

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.

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



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 information disclosure requirements, the report also includes relevant information related to key investment and credit subjects, suppliers, customers, as well as broader stakeholder groups beyond the value chain, such as local communities and the general public. Disclose the contents of material issues that correspond to the GRI Standards; set corresponding short- and long-term goals and disclose them in this Report.

Material Topics	GRI Standards	Type of Impact	Value Chain				Society and the General Public	Management Guidelines
			Cathay FHC & Subsidiaries	Customers	Suppliers	Investors		
Corporate Governance and Ethical Corporate Management	Self-identified Material Issue	• 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	●					✓CH6.1 Corporate Governance
Risk and Crisis Management	Self-identified Material Issue	• Economic / Negative: Improper use of funds may impact financial markets • People (Human Rights)/ Negative: Misuse of data or privacy breaches may harm the rights of employees and customers • Economic / Negative: Investments, credit, or financial products and services may contribute to climate or ecological impact by supporting carbon-intensive or high pollution industries • Social (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) • Social (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)	●	○				✓CH6.2 Risk Management
Business Performance	GRI 201: Economic Performance	• Environmental / 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
Regulatory Compliance	GRI 2-27 Compliance with laws and regulations	• Economic / Positive: Tax payments and other fees paid to the government help support infrastructure and social welfare • Social (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) • Social (Human Rights)/ Negative: Misuse of data or privacy breaches may harm the rights of employees and customers	●	○	○			✓CH6.3 Ethical Corporate Management
FinTech / Digital Transformation and Innovation	Self-identified Material Issue	• Economic / Positive: Product and service innovation contributes to the development of the financial industry • Social (Human Rights)/ Positive: Providing diverse learning channels and open educational resources to cultivate financial professionals and enhance employability • Social (Human Rights)/ Negative: Misuse of data or privacy breaches may harm the rights of employees and customers	●	○				✓CH3.2 Financial Health
Privacy and Information Security	GRI 418: Customer Privacy	• Social (Human Rights)/ Negative: Misuse of data or privacy breaches may harm the rights of employees and customers	●	○				✓CH6.5 Service Quality & Customer Rights
Financial Crimes and Anti-Fraud	Self-identified Material Issue	• Economic / Negative: Improper use of funds may impact financial markets	●	○			○	✓CH3.2 Financial Health

Material Topics	GRI Standards	Type of Impact	Value Chain				Society and the General Public	Management Guidelines
			Cathay FHC & Subsidiaries	Customers	Suppliers	Investors		
Financial products with environmental / social benefits	GRI 201: Economic Performance 2016	• 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, credit, or financial products and services may contribute to climate or ecological impact by supporting carbon-intensive or high pollution industries	●	○			○	✓CH2.1 Low-Carbon Economy
Responsible Investment and Financing	GRI 201: Economic Performance 2016	• Environmental / Positive: Supporting industries in sustainable or green transitions through investments, lending, and financial products and services • Environmental / Negative: Investments, credit, or financial products and services may contribute to climate or ecological impact by supporting carbon-intensive or high pollution industries • Social (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)	●	○		○	○	✓CH2.1 Low-Carbon Economy; CH5 Sustainable Finance; CH6.2.5 Climate and Nature-Related Financial Disclosures
Decarbonization Strategy for Financial Assets	GRI 201: Economic Performance 2016	• Environmental / Positive: Supporting industries in sustainable or green transitions through investments, lending, and financial products and services • Environmental / Negative: Investments, credit, or financial products and services may contribute to climate or ecological impact by supporting carbon-intensive or high pollution industries	●	○		○		✓CH2.1 Low-Carbon Economy
Environmental Impact of Operations	GRI 305: Emissions	• 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	●		○			✓CH2.2 Environmental Sustainability
Health promotion and life security	GRI 416: Customer Health and Safety 2016	• 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 underprivileged groups	●	○			○	✓CH3.1 Health Promotion
Talent and Skill Development	GRI 404: Training and Education	• Social (Human Rights)/ Positive: Providing diverse learning channels and open educational resources to cultivate financial professionals and enhance employability	●					✓CH4.1 Workplace Empowerment
Employee health and well-being	GRI 403: Occupational Health and Safety	• People (Human Rights)/ Positive: Supporting industries in sustainable or green transitions through investments, lending, and financial products and services • 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)	●					✓CH3.1 Health Promotion
Attracting and Retaining Talents	GRI 401: Employment	• People (Human Rights)/ Positive: Providing fair employee compensation to support a decent quality of life • Social (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)	●					✓CH4.1 Workplace Empowerment
Customer Relationship Management	GRI 418: Customer Privacy	• People (Human Rights)/ Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services) • Social (Human Rights)/ Negative: Misuse of data or privacy breaches may harm the rights of employees and customers	●	○				✓CH6.5 Service Quality & Customer Rights

Material Topics	GRI Standards	Type of Impact	Value Chain				Society and the General Public	Management Guidelines
			Cathay FHC & Subsidiaries	Customers	Suppliers	Investors		
Financial Planning and Services	GRI 416: Customer Health and Safety 2016	• People (Human Rights)/ Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services) • Social (Human Rights)/ Negative: Misuse of data or privacy breaches may harm the rights of employees and customers	●	○			○	✓CH3.2 Financial Health
Financial Inclusion	GRI 201: Economic Performance 2016	• People (Human Rights)/ Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services)	●	○			○	✓CH3.2 Financial Health
Helping the Underprivileged	Self-identified Material Issue	• 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 underprivileged groups	●	○			○	✓CH4.2 Social Empowerment

Level of involvement ● Direct impact ○ Impact from business ties

NOTE: ALL MATERIAL TOPIC IMPACTS IDENTIFIED FOR THE YEAR WERE ACTUAL IMPACTS.

Material Issues and Risk Management

Material Issues	Risks	Description	Risk Mitigation Measures	Likelihood of Occurrence 1	Severity 2
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	① Strengthen market risk management by continuously monitoring political and economic developments, using derivatives for hedging, and setting stop-loss mechanisms ② The Group and its subsidiaries promptly assess potential risks and corresponding response measures for significant events and adjust the frequency of monitoring and tracking based on the level of risk. ③ Through collaboration among industry, government, academia, and research institutions, the Group has leveraged external think tank resources to strengthen its ability to analyze and assess international geopolitical events. ④ Implemented business continuity management mechanisms and strategies, including emergency response mechanisms for extreme scenarios and conducting drills for such situations, with a committee established to review implementation status.	1	1
	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.	① Evaluate and adjust insurance product design and reinsurance requirements. ② Maintain uninterruptible power supply (UPS) systems and generators, implement business continuity management mechanisms and strategies, plan offsite backup mechanisms, and conduct regular power outage drills.	1	2

Material Issues	Risks	Description	Risk Mitigation Measures	Likelihood of Occurrence 1	Severity 2
FinTech / Digital Transformation and Innovation	Potential Risks of AI-Driven Emerging Technology Applications	With the rapid evolution of generative AI and related derivative technologies and tools—such as Multimodal AI, Agentic AI, and Enterprise AI—the Group has applied these technologies across multiple areas, including content generation, automation, operational decision-making, and customer service. However, data bias, model bias, or contextual misjudgment may lead to inaccurate or misleading recommendations and conclusions, potentially increasing operational risks. In addition, external malicious actors may use deepfake technology to create and spread false information or conduct cyberattacks through AI automation, exposing enterprises to potential risks such as disputes or reputational impacts.	**① Establish a dedicated governance organization:** Establish a financial holding company-level Data and AI Governance Committee and an AI Center of Excellence (AI CoE) to promote relevant standards and technical tools for cross-subsidiary data sharing, AI application development, technical governance, and project review, creating safe, efficient, and responsible AI applications in response to business needs. **② Establishment of a Dedicated AI Evaluation Center:** In response to the implementation of the Artificial Intelligence Basic Act, the Group established an AI Evaluation Center in 2025 to conduct quality assurance, ensuring that AI decision-making processes are transparent, compliant with regulations, and aligned with the six major principles of the Financial Supervisory Commission's Financial AI Guidelines. **③ Release Cathay Generative AI Technology Development Framework (GAIA):** GAIA 1.0 serves as the core engine for internal AI applications. In 2026, Cathay will advance toward Agentic AI and release the GAIA 2.0 framework, which includes four modules: Agent Core, Agent Workspace, Agent Protocol, and Agent Marketplace. (Please refer to the Risk Management section)	1	1
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	Regularly review and implement measures under the information security blueprint, conduct employee information security education and training, enhance the business continuity capabilities of information services, introduce and maintain ISO 27001 and BSI 10012, collect and analyze external information security threat intelligence and risks, conduct regular live-fire drills, and establish data classification and access control mechanisms to encrypt, de-identify, and securely store important data	1	2
Financial products with environmental / social benefits	Evolving consumer preferences	As sustainability awareness increases, consumers prefer to engage with enterprises that offer products and services with sustainable attributes or those that integrate ESG considerations into their investment, financing, insurance, and operational decision-making processes. Conversely, consumers demonstrate an aversion toward enterprises with negative ESG impacts. Should enterprises fail to adjust their product designs and operational models in a timely manner, they face the risk of declining market demand and revenue contraction	Integrate the resources of each subsidiary to establish three dimensions: Green Capital, Green Product, and Green Service. By providing support, participation, and assistance, Cathay offers comprehensive sustainable finance solutions to enterprises (Please refer to the Climate Strategy Blueprint section)	1	1

Material Issues	Risks	Description	Risk Mitigation Measures	Likelihood of Occurrence 1	Severity 2
Decarbonization Strategy for Financial Assets	Tightening or Uncertainty in Carbon Emission-Related Policies	As carbon-related policies and regulations-including carbon taxes, carbon fees, energy efficiency standards, and renewable energy mandates-become increasingly stringent, and as uncertainty regarding the implementation of climate-related policies persists, enterprises face rising operating costs, pressure to transform, and challenges in forecasting and adjusting operational plans. Furthermore, for carbon-intensive investees and borrowers that have not actively pursued transformation, the increase in transition costs may lead to financial deterioration, thereby elevating default risks or causing a decline in the value of marketable securities	① Establish industry exclusion and restriction policies as well as responsible investment and lending policies; develop management mechanisms for sensitive industries; regularly monitor risks associated with sensitive industries; conduct scenario analysis. ② Installation and maintenance of cloud-based energy systems, procurement of solar panels, replacement of energy-consuming equipment, implementation of operational carbon inventory, establishment of an internal carbon pricing mechanism, and employee training.	2	1
Environmental Impact of Operations	Extreme Weather Events – Typhoons and Floods	As climate change intensifies, the frequency and severity of typhoons and floods may increase, exposing assets in low-lying or flood-prone areas to flooding and windstorm risks. This may cause damage to physical assets, operational disruption, insurance claims, and financial losses, affecting corporate asset value and financial soundness	① Select investment targets based on risk factors such as flooding and landslides, assess flood exposure of mortgage collateral using flood maps, and establish management mechanisms for sensitive industries ② Regular maintenance of real estate buildings and enhanced safety inspections are conducted to sustain Business Continuity Management mechanisms, including natural disaster scenarios, backup and recovery plans (BCP), and periodic drills. ③ Provide corporate natural disaster prevention services, utilize meteorological data to optimize insurance claims services, and assess and adjust insurance product design ④ Incorporate climate physical risk factors into scenario analysis to proactively identify potential financial impacts on Cathay FHC as a reference for formulating response strategies	2	1
	Extreme Weather Events - Drought and Extreme Heat	Climate change may make drought and extreme heat events increasingly frequent, causing water shortages and deteriorating working environments, which may lead to lower operational efficiency and higher health and safety risks. Such impacts may expose enterprises to asset impairment, operational disruption, rising costs, increased insurance claims, and adverse impacts on financial condition		2	1
	Long-Term Changes in Climate Patterns - Average Temperatures Increase	Continued increases in average temperatures will affect energy demand, reduce labor productivity, increase health risks, and may lead to disease transmission and public health challenges. Such changes will drive up operating costs and may accelerate depreciation and impairment of certain assets and increase insurance claims	① Incorporate climate physical risk factors into scenario analysis to proactively identify potential financial impacts on Cathay FHC as a reference for formulating response strategies ② Establish ESG audit processes and sensitive industry management mechanisms	2	1
	Long-Term Changes in Climate Patterns - Sea Level Rise	Due to the continuous rise in sea levels caused by climate change, assets and infrastructure in coastal areas will be exposed to risks such as flooding, erosion, and saltwater intrusion, causing declines in land and real estate values and operational disruption, and creating long-term adverse impacts on corporate operating costs and asset value		1	1

Material Issues	Risks	Description	Risk Mitigation Measures	Likelihood of Occurrence 1	Severity 2
Employee health and well-being	Social Health Risks Arising from Social Isolation and Loneliness	In recent years, with the rapid development of digital technology, changes in lifestyles and work patterns, and shifts in demographic structures and social interaction models, the frequency and quality of interpersonal interactions have declined, leading to increasingly common issues of insufficient social connection, such as social isolation and loneliness. The World Health Organization has identified loneliness as an urgent public health issue. According to the World Health Organization, loneliness and social isolation are linked to cardiovascular diseases (such as heart disease and stroke), diabetes, cognitive decline, and mental health risks (such as depression and anxiety), and may increase the risk of premature death, posing long-term and significant impacts on policyholders' health, business operations, and social well-being.	① Conduct questionnaire surveys on the current status of loneliness and isolation risks among employees and the general public. ② The Group limits the number and amount of claims through health insurance product design; shares potential claims risks with insufficient experience data or that are difficult to identify through reinsurance. The Group also manages risks by tracking claim ratios using social isolation factors, strengthening outreach and group engagement activities for high-risk individuals, incorporating mental health services into product design, and embedding spillover mechanisms. ③ The Group organizes social events and diverse club activities, implements the Employee Assistance Program (EAP), and offers related initiatives such as care articles, seminars on psychological and health topics, and hands-on stress-relief workshops to strengthen employees' social connections and support channels. (Please refer to the Risk Management section)	1	1
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	① Reskill: Identify future human resource needs, as well as the professional knowledge and skills to adapt to future trends. ② Upskill: Provide training materials that meet the different development needs of employees to ensure continuous improvement of their skills. ③ 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. ④ Inclusive Workplace: Build a respectful, inclusive, and welcoming workplace 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.	1	1

Note 1: Disclosure reflects the most recent assessment results in line with the Company's actual practices. "3": High likelihood; "2": Medium likelihood; "1": Low likelihood.

Note 2: Disclosure reflects the most recent assessment results in line with the Company's actual practices. "5": High impact; "4": Medium-high impact; "3": Medium impact; "2": Medium-low impact; "1": Low impact.

CH2 Climate

As the pace of the global low-carbon transition diverges across regions, the strategic importance of Asian markets continues to grow, creating new opportunities for Taiwan. Against this backdrop, the financial sector is playing an increasingly pivotal role in advancing the global low-carbon transition. Recognizing these changes, Cathay FHC is committed to steadily advancing its net-zero transition amid an ever-changing environment with a promise to achieve net-zero emissions across its financial assets by 2050. Under its philosophy of "Sustainable Finance, Walking the Talk," Cathay FHC follows Science Based Targets (SBT) in promoting the low-carbon transition of its investment and financing portfolios. At the same time, Cathay FHC is accelerating progress toward its sustainable net-zero goals by expanding investment and financing in renewable energy and low-carbon industries, developing a diverse range of green financial products, and deepening climate engagement, while leveraging its financial influence to connect enterprises across industry value chains.

4 QUALITY EDUCATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS

2.1 Low-Carbon Economy

2025 Key Performance Highlights

Climate Strategy Awards and Recognition

- Cathay SITE: Received the Asia Asset Management 2025 Best of the Best Awards - Best Climate Change Strategy, and the Climate Resilience Award at the Benchmark Fund of the Year Awards, Taiwan
- Cathay United Bank (CUB): Received The Asset Triple A Sustainable Finance Awards 2025 for Best Syndicated Loan Deal, and The Asset Triple A Sustainable Infrastructure Awards 2025 for the Water Utilities Syndicated Loan of the Year and Telecom Refinancing Deal of the Year

Advancement of Climate / Nature Initiative Engagement

- Co-hosted the AIGCC Investor Climate Transition Session Taipei closed-door roundtable with the Asia Investor Group on Climate Change (AIGCC), bringing together more than 20 senior executives from domestic financial institutions and international organizations
- Signed the Belem Investor Statement on Rainforests in support of promoting deforestation-free trade and enhancing related information disclosure

Green Finance Performance

- Low-carbon investment and financing reached NT$375.2 billion, representing a 122% increase
- Renewable energy loan balance accounted for 99.86% of total lending to the electricity generation industry
- The cumulative balance of sustainability-linked loans exceeded NT$100 billion

2025 Low-Carbon Economy Blueprint Goals Achievement Rate 75%

(For each goal's achievement status, please refer to Appendix 7.2.)

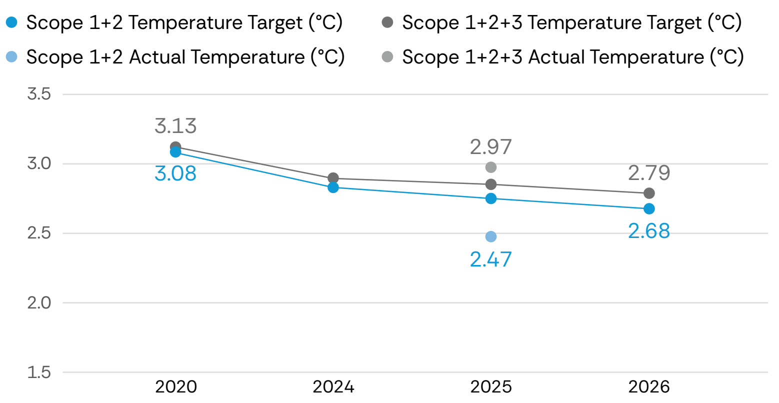
2.1.1 Net Zero Emissions in Financial Assets by 2050

Amid increasing divergence in global climate governance while international standards continue to converge, Cathay FHC has responded by implementing specific and verifiable decarbonization mechanisms. Cathay FHC has committed to net-zero emissions for financial assets by 2050 and has established a transition pathway for its investment and financing portfolio in accordance with the Science Based Targets initiative (SBTi). In 2022, Cathay FHC's short- and medium-term SBTs were validated. Through annual monitoring and a five-year rolling review mechanism, Cathay FHC ensures the feasibility and long-term consistency of its commitment to achieving net-zero emissions across its financial assets.

SBT Decarbonization Targets & Progress for Financial Assets

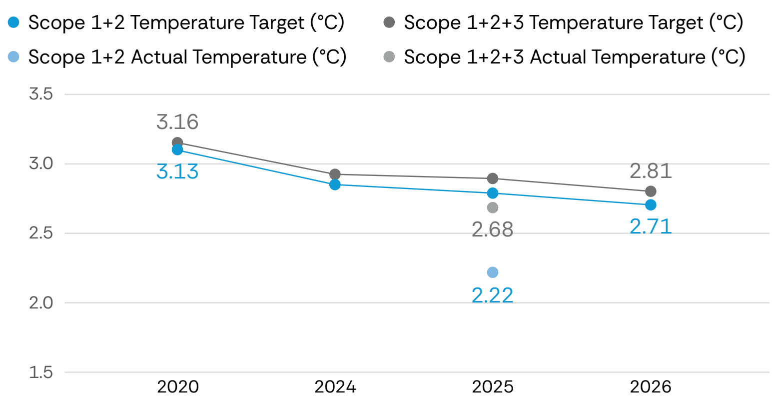
Listed Equity and Bonds Proprietary investments

・Methodology: Temperature Rating Approach ・Metric: Actual Portfolio Temperature



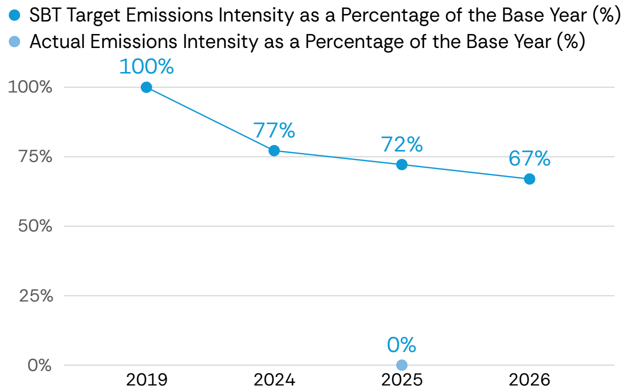
Listed Equity and Bonds Asset Management

・Methodology: Temperature Rating Approach ・Metric: Actual Portfolio Temperature



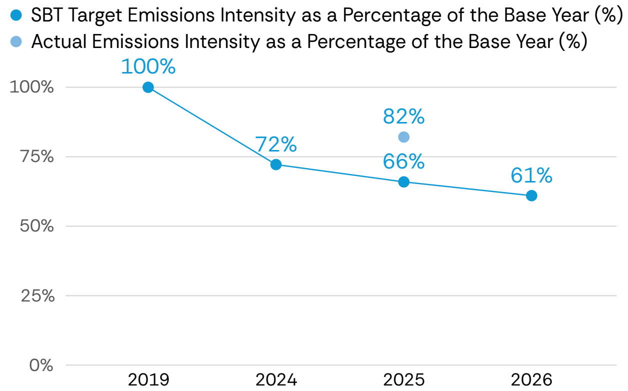
Electricity Generation Project Finance

- Methodology: Sectoral Decarbonization Approach (SDA)
- Metric: Actual Carbon Emissions Intensity



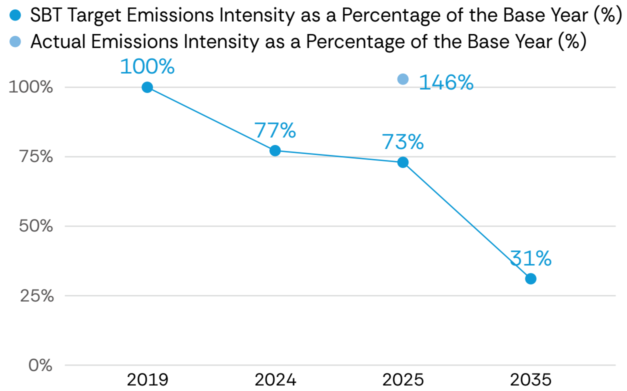
Corporate Loan — Commercial Real Estate

- Methodology: Sectoral Decarbonization Approach (SDA)
- Metric: Actual Carbon Emissions Intensity



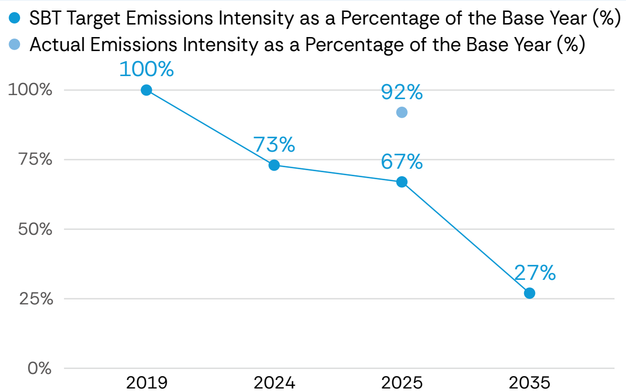
Corporate Loan — Electricity Generation

- Methodology: Sectoral Decarbonization Approach (SDA)
- Metric: Actual Carbon Emissions Intensity



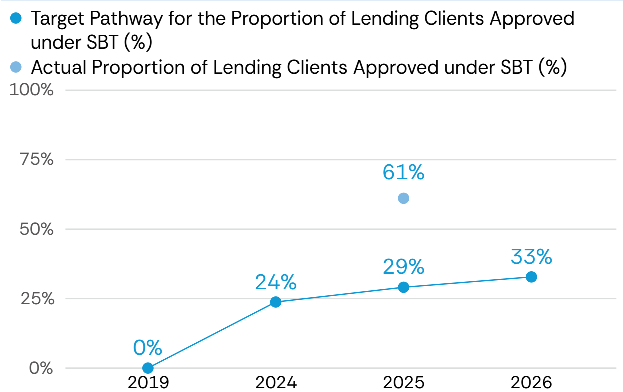
Corporate Loan — Commercial Real Estate Related

- Methodology: Sectoral Decarbonization Approach (SDA)
- Metric: Actual Carbon Emissions Intensity



Corporate Loan — Other Long-Term Debt

- Methodology: Portfolio Coverage
- Metric: Proportion of Portfolio Setting SBTi Validated Targets



Note 1: The implied temperature rise (ITR) of the investment portfolio and the emissions intensity of the lending portfolio experienced short-term fluctuations. Cathay FHC will continue to optimize its portfolio to achieve its 2026 and 2035 targets.

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

Note 3: The engagement target for Corporate Loans - Other Long-Term Debt presented in this table is based on the data submitted for SBT. Cathay has also established more ambitious medium- and long-term engagement targets in its Low-Carbon Economy Blueprint. For details, please refer to Section 1.2 Focus Areas & Blueprint of Sustainable Development.

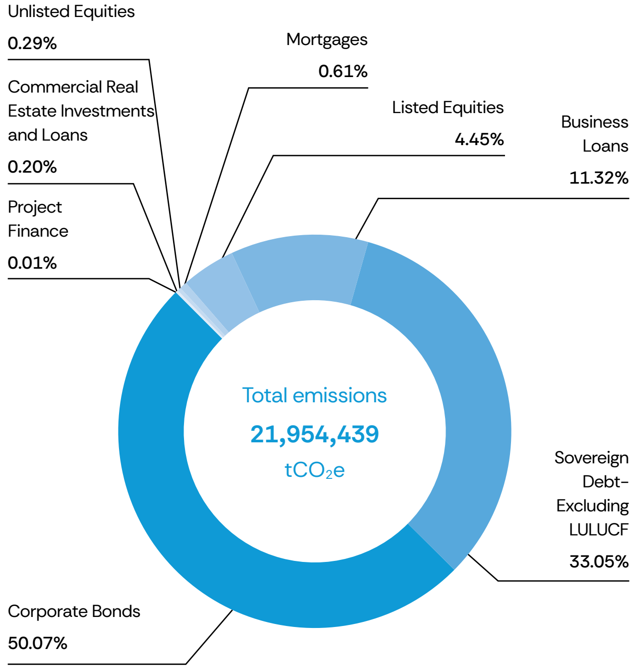
Monitor Financed Emissions

Amid the trend of financial institutions accelerating their response to the net-zero transition, Cathay Financial Holdings continues to deepen its financed emissions management framework, treating the carbon emissions of its investment and financing portfolio as one of its core management indicators. Cathay Financial Holdings follows the methodologies of SBTi and the Partnership for Carbon Accounting Financials (PCAF) to continuously expand the scope of its emissions inventory while improving data quality and coverage. Through ongoing data monitoring and analysis, financed emissions results are incorporated into asset allocation and risk assessment processes, serving as an important basis for investment and financing decisions. This ensures that capital allocation remains aligned with the decarbonization pathway and supports the overall investment and financing portfolio in steadily advancing toward a low-carbon transition.

- Financed Emissions from Investment and Financing Portfolios

Cathay conducts an inventory of financed emissions of financial assets in accordance with PCAF guidelines. In 2025, the scope of the inventory covered listed and unlisted equity investments, corporate bond investments, sovereign debt, business loans, project finance, commercial real estate loans, and mortgages. The total financed emissions of the investment and lending portfolio amounted to 21.95 million tonnes of tCO_2e (excluding LULUCF). Proprietary investments positions, assets under management investment positions, and lending exposures accounted for 76%, 12%, and 12%, respectively. Among asset classes, corporate bond investments accounted for the largest share of total emissions. In addition, emissions were concentrated in the energy and utilities sectors. Cathay has adopted more proactive investment and lending management and engagement approaches to encourage investees and clients to disclose emissions reduction targets and transition strategies, thereby accelerating the low-carbon transition of industries and reducing the climate-related risks of assets. For detailed information on financed emissions of the investment and lending portfolio, please refer to Appendix 7.3.

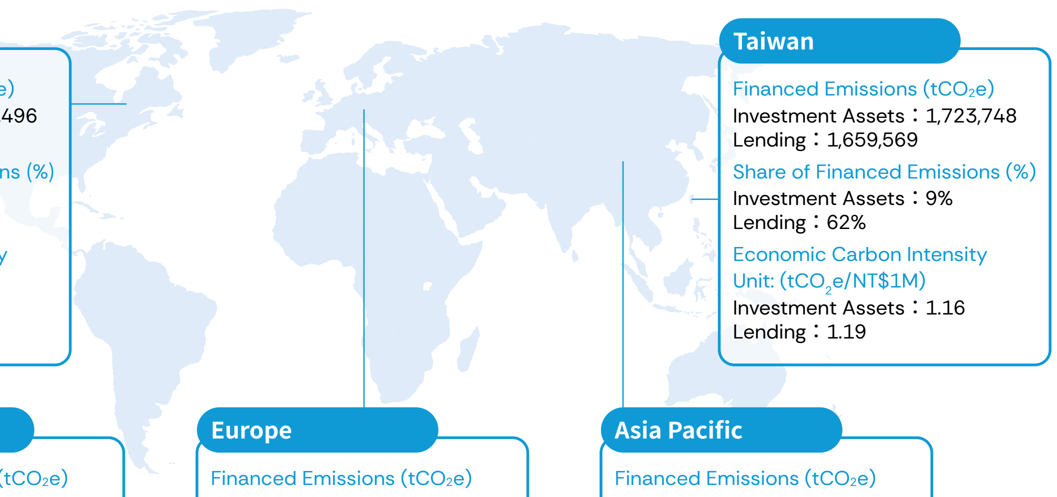
Emissions by Asset



Note 1: Cathay has no project financing or motor vehicle loans.

Note 2: The aggregated results of the financed emissions inventory for the investment and lending portfolio are reported excluding LULUCF. LULUCF refers to land use, land-use change, and forestry (Land Use, Land-Use Change, and Forestry, abbreviated as LULUCF).

Regional Distribution



Americas

Financed Emissions (tCO_2e)
Investment Assets：9,312,496
Lending：0
Share of Financed Emissions (%)
Investment Assets：48%
Lending：0%
Economic Carbon Intensity Unit: (tCO_2e/NT$1M)
Investment Assets：2.88
Lending：0

Taiwan

Financed Emissions (tCO_2e)
Investment Assets：1,723,748
Lending：1,659,569
Share of Financed Emissions (%)
Investment Assets：9%
Lending：62%
Economic Carbon Intensity Unit: (tCO_2e/NT$1M)
Investment Assets：1.16
Lending：1.19

Others

Financed Emissions (tCO_2e)
Investment Assets：2,096,140
Lending：0
Share of Financed Emissions (%)
Investment Assets：11%
Lending：0%
Economic Carbon Intensity Unit: (tCO_2e/NT$1M)
Investment Assets：9.49
Lending：0

Europe

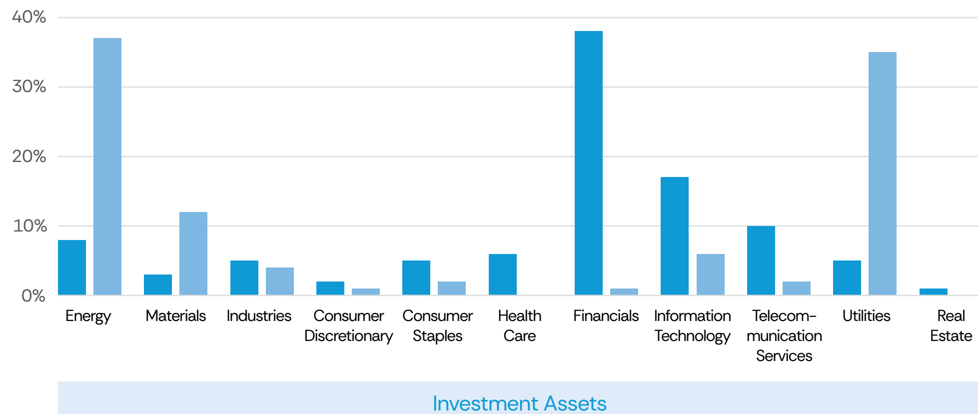
Financed Emissions (tCO_2e)
Investment Assets：1,490,330
Lending：4,427
Share of Financed Emissions (%)
Investment Assets：8%
Lending：0%
Economic Carbon Intensity Unit: (tCO_2e/NT$1M)
Investment Assets：1.45
Lending：0.32

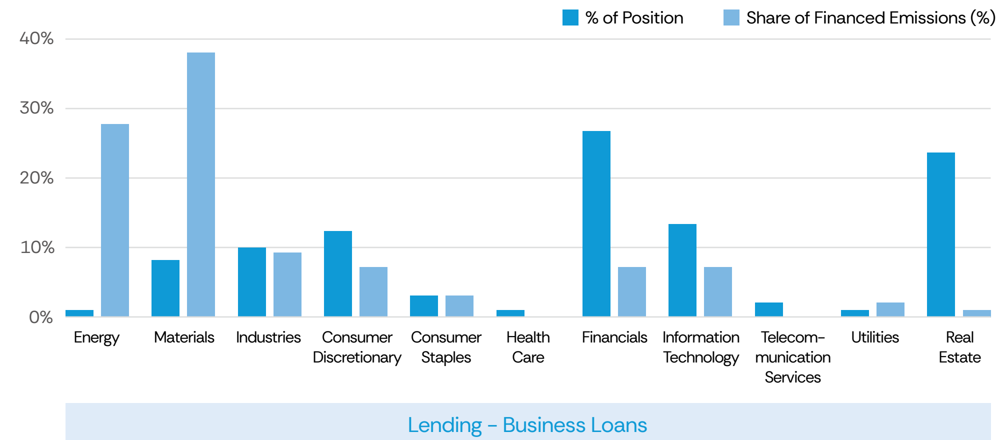
Asia Pacific

Financed Emissions (tCO_2e)
Investment Assets：4,627,449
Lending：1,040,280
Share of Financed Emissions (%)
Investment Assets：24%
Lending：38%
Economic Carbon Intensity Unit: (tCO_2e/NT$1M)
Investment Assets：5.05
Lending：5.66

Note 1: Investment assets include proprietary assets and assets under management. Note 2: The financed emissions in the table above are reported excluding LULUCF.

Emissions by Industry





Note 1: Investment assets include proprietary assets and assets under management. Note 2: Industries are classified according to GICS.

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's investments / lending, Cathay and subsidiaries now consider climate sensitivity when marking sensitive industries. At the same time, Cathay FHC formulated the Climate Risk Appetite Statement and control mechanism. Based on external data, exposure limits are set for industries with higher exposure to climate change impacts, and changes are regularly monitored, integrating climate risk into the investment and financing decision-making process. In addition, for the coal industry and unconventional oil and gas, Cathay FHC has formulated phased divestment strategies and targets to enhance long-term operational resilience and move toward a low-carbon sustainable future. (For the full TCFD actions and outcomes of Cathay, please refer to Section 6.2.5 and Cathay FHC's Climate and Nature Report 2025.)

• Coal and Unconventional Oil & Gas Management Strategy

Cathay has established differentiated management mechanisms for the coal industry and unconventional oil and gas, implementing risk control and transition guidance from both investment and lending perspectives. Through phased divestment and restrictions on new exposure, Cathay seeks to reduce climate transition risks within its investment and lending portfolio. Cathay has formulated Cathay Financial Holdings and Subsidiaries' Management Guidelines for Coal and Unconventional Oil & Gas Industries, which cover both investment and lending businesses. Investment covers active investment strategies, passive investment strategies, and third-party managed investments, with a primary focus on listed equities and corporate bonds. Lending primarily focuses on corporate loans. Since 2024, the management mechanisms for the coal industry and unconventional oil and gas have been reviewed and adjusted annually in line with international trends.

Management Guidelines		Coal Industry	Unconventional Oil & Gas
Investment	Strategy	• Cease new investments in companies that derive revenue above a specified threshold or have coal expansion plans, and that are not actively transitioning, including those in coal mining, coal rail freight, coal support services, and coal power. The revenue threshold for control will be gradually reduced.	• Cease new investments in companies that derive revenue above a specified threshold from tar sands, shale oil and gas, or Arctic oil and gas, and that are not actively transitioning. The revenue threshold for control will be gradually reduced.
Investment	Long-Term Goals	• By the end of 2040, fully phase out equity investments in coal-related companies that derive more than 5% of their revenue from coal-related activities or have coal expansion plans, unless such companies are actively transitioning.	• By the end of 2040, fully phase out equity investments in unconventional oil and gas companies that derive more than 10% of their revenue from unconventional oil and gas activities, unless such companies are actively transitioning.
Lending	Strategy / Target	• Established a target and timeline for zero coal lending, with all outstanding coal-related credit exposure to be reduced to zero by the end of Q1 2027.	• Corporate loans shall not be undertaken for any conventional or unconventional upstream oil and gas extraction, drilling, or exploration activities, including surveying, drilling, or other related operations.
Insurance	• Cathay Century has also established divestment strategies for coal and unconventional oil and gas. For more details, please refer to the Cathay Century Insurance Underwriting Policy for Coal and Unconventional Oil & Gas.		

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 Engagement Strategies for Climate & Nature.

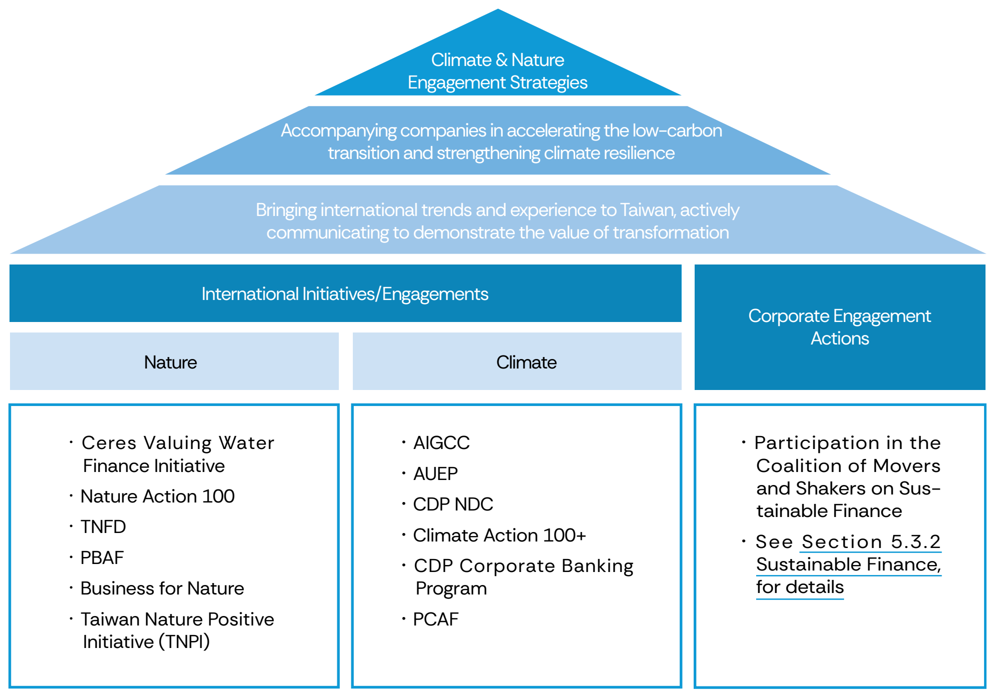
Monitor & Control High-risk Nature Factors

To strengthen nature-related risk management, Cathay established the Cathay FHC & Subsidiaries Management Guidelines for Industries Impacting Biodiversity in 2024, establishing monitor 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 2025.

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

2.1.2 Engagement Strategies for Climate & Nature

Against the backdrop of the rapidly evolving global climate and nature governance framework, the role of financial institutions is gradually shifting from risk managers to transition enablers. As Taiwan's first financial institution to engage in in-depth dialogue with companies on climate-related issues, and one of the most active and leading financial institutions in Asia, Cathay Financial Holdings continues to participate in and support international climate- and nature-related initiatives, while closely monitoring developments in global standards, policies, and market trends and incorporating relevant insights into its strategic planning and business practices. Through communication and collaboration with its investment and financing counterparties, industry partners, and public sector stakeholders, Cathay Financial Holdings promotes concrete climate actions and nature risk management measures, helping companies strengthen their long-term resilience and competitiveness.



Note: The CDP SBT Campaign, in which Cathay participated in 2021, and the CDP Municipal Disclosure Campaign, in which Cathay participated in 2023, were completed and concluded by the end of 2024.

Climate Initiatives/Engagements

As climate change increasingly becomes a systemic risk, Cathay Financial Holdings actively participates in international climate initiatives and engagement activities, establishing collaborative networks with global investors and professional organizations to stay informed of the latest policy and market developments. Through these efforts, Cathay works with stakeholders to encourage its investment and financing counterparties to better understand the significant impacts of climate-related risks and supports companies in taking concrete actions.

Asia Investor Group on Climate Change (AIGCC)

Cathay's Role

AIGCC is a leading climate action platform in Asia. To date, it has established seven working groups focused on topics including climate, nature, and the just transition, with the aim of accelerating global climate action through investor collaboration. Cathay FHC joined AIGCC in 2016, while Cathay Life and Cathay SITE joined separately in 2024. In addition, Senior Advisor Sophia Cheng of Cathay FHC serves as Chair and Director of AIGCC, providing perspectives and recommendations on the alliance's various initiatives and actively encouraging more Asian investors to participate in net-zero actions. Learn more about AIGCC.

Achievements in 2025

Strengthening Participation in International Climate Initiatives

Cathay FHC continues to participate in AIGCC and engages in its seven working groups, collaborating with international investors to discuss climate action strategies. At the same time, Cathay supports and sponsors AIGCC's three-year program, "Scaling Climate Investments for Asset Owners in Asia," which aims to enhance Asian asset owners' capabilities in climate investment and strategy development. Cathay FHC also signed the "Belem Investor Statement on Rainforests," supporting efforts to promote deforestation-free trade and strengthen related disclosure practices.

Promoting Climate Investment Dialogue and Collaboration in Asia

Cathay FHC facilitated AIGCC's first in-person member meeting in Taiwan and co-hosted the AIGCC Investor Climate Transition Session Taipei closed-door roundtable. The event brought together more than 20 senior executives from domestic financial holdings companies, life insurers, asset managers, and the Bureau of Labor Funds, facilitating dialogues on Asian climate investment and sustainable finance practices with international organizations including WCF and AVPN.

Advancing Linkages Between Global and Local Climate Action

Cathay FHC invited AIGCC CEO Rebecca Mikula-Wright to speak and participate as a panelist at the 2025 Cathay Sustainable Finance and Climate Change Summit. Cathay FHC also arranged visits for representatives from AIGCC, AVPN, and WCF to Taiwan's public sector institutions, fostering dialogue on international developments in climate and sustainable finance and Taiwan's related policy initiatives.

Asian Utilities Engagement Program (AUEP)

Cathay's Role

AUEP was launched by AIGCC to engage eight public utility companies across Asia. Since 2021, Cathay FHC and Cathay Life have participated in the initiative, working with international investors to encourage utility companies to strengthen their management of climate change risks and to take more proactive actions, including coal divestment and energy transition measures. Learn more about the AUEP initiative.

Achievements in 2025

- Cathay Life has co-engaged with Company C, which in recent years has accelerated the restructuring of its energy mix. Company C has retired three coal-fired units in Hong Kong and plans to divest its power plant in India. Its subsidiary has also implemented employee transition plans in Australia. To strengthen climate-related disclosures, Company C has committed to disclosing detailed information and weightings of "senior management remuneration and climate performance indicators" in its 2025 annual report. In addition, Company C was included as two separate showcase cases in the AUEP Progress Report due to its specific disclosure of its generation asset structure and renewable energy transition budget, as well as being the only company among peers to conduct comprehensive physical climate risk analysis at both the corporate and asset levels. At the same time, in value-chain emissions reduction actions, Company C demonstrates more complete and mature management practices compared with the other seven assessed companies.

CDP Non-Disclosure Campaign (CDP NDC)

Cathay's Role

As the first financial institution in Taiwan to join the CDP, Cathay FHC has continuously engaged with investee companies through mails and phone calls, supporting their CDP disclosures and enhancing the transparency of their climate-related management performance. Learn more about CDP NDC.

Achievements in 2025

- Since 2017, a cumulative total of 80 successful engagements have been completed, with 3 companies successfully engaged in 2025, representing an engagement success rate of 8%.
- In 2025, some companies required greater resource allocation to align with IFRS Sustainability Disclosure Standards. Although they expressed willingness to respond, they were unable to complete the questionnaire this year due to insufficient personnel. Cathay will continue to follow up and monitor progress to improve future engagement outcomes.

Initiative	Cathay's Role	Achievements in 2025
CDP Corporate Banking Program	CUB became the first financial institution in Asia to collaborate with the CDP on this project in 2023, inviting clients 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.	Assisted companies in completing CDP disclosures and obtaining scores. As of the end of 2025, cumulative disclosure instances exceeded 200, continuously enhancing corporate carbon transparency and climate governance capabilities. CUB once again participated in the CDP questionnaire advisory working group, continuing to support the optimization of the questionnaire framework for small and medium-sized enterprises. For the first time, overseas branches were included in joint implementation efforts, successfully establishing a cross-border corporate engagement and environmental disclosure model, further expanding the scope of sustainable impact.
Climate Action 100+	As the world's largest investor engagement initiative on climate change, the initiative aims to urge more than 100 high-emitting companies globally to take decarbonization actions in line with the Paris Agreement. Since its inception, Cathay FHC has participated through Cathay Life and Cathay SITE as signatories, becoming the first financial group in Taiwan to sign on. Cathay has also conducted one-on-one engagement with three Taiwan-based companies selected under the initiative. In addition, Sophia Cheng, Senior Advisor of Cathay FHC, has served as a member of the CA100+ Asia Advisory Group since 2018, participating in quarterly meetings and providing strategic input for the initiative. During the engagement process, Cathay conducts in-depth research on target companies' climate progress, including practices of international benchmark companies and the implementation status of each company's climate actions. Senior executives from Cathay have repeatedly engaged directly with corporate management teams to explain peer net-zero measures, the assessment results of the Climate Action 100+ Net-Zero Benchmark, and investor expectations, thereby encouraging companies to strengthen their net-zero actions. In addition, Cathay works with companies to discuss the challenges and response strategies of net-zero transition and to explore feasible solutions. Learn more about Climate Action 100+.	In 2025, Cathay conducted one engagement with Petrochemical Company F. Company F is advancing its decarbonization efforts in line with its 2050 carbon neutrality pathway and had already achieved its original 2025 medium term target ahead of schedule in 2024. Cathay also monitored its long term decarbonization plans, including renewable energy adoption and equipment energy transition, and received positive feedback that Company F has established timelines and is implementing these measures progressively. In addition, Company F launched its Sustainable Aviation Fuel (SAF) business in 2025 and plans to gradually scale up production by 2030 to meet customer demand. Cathay will continue to engage with Company F, regularly track its decarbonization actions and green product development, and support improved transparency in its climate-related disclosures. In 2025, Cathay Life engaged twice with Company C. Although Company C faces challenges due to industry-specific characteristics in sustainability and decarbonization, it continues to allocate resources toward decarbonization strategies and technology testing. With regard to the Climate Action 100+ Net Zero Company Benchmark, Company C has actively discussed areas for improvement with investors. Its 2025 benchmark score improved again, rising from 43.5% to 52.2%, surpassing the industry average of 42.1%. Cathay will continue to engage with Company C, monitor its climate progress and decarbonization plans, and support further improvements in climate action and disclosure. In addition, the CA100+ 2025 Progress Update noted that Asia's steel industry (including Company C) is providing investors with a credible basis through the establishment of clear decarbonization roadmaps. In 2025, Cathay Life engaged three times with Company H, primarily focusing on sharing international case studies related to the CA100+ Net-Zero Benchmark and actively discussing areas for improvement. Company H's 2025 benchmark score improved from 30.8% to 35.9%, exceeding the industry average of 31.4%. Company H has made progress on certain net-zero indicators, demonstrating its willingness to continuously improve its climate strategy and disclosures. Cathay will continue to monitor its climate progress and support further improvements in climate action.

International Initiative Engagement Case: CDP Corporate Banking Program

CUB has promoted the CDP Corporate Banking Program for three consecutive years. While helping clients improve the quality of their climate-related disclosures, CUB has continued to support companies in strengthening their ESG governance and low-carbon transition capabilities through engagement and professional guidance. The low-carbon transition journey of a manufacturing client illustrates CUB's long-term partnership with companies through the CDP program, supporting their continuous improvement in climate disclosure and transition performance.

The manufacturer received a CDP rating of D in its first disclosure. As buyer requirements increased, the management decided to establish a dedicated ESG unit. From 2023 to 2025, the company continuously participated in CUB's CDP Corporate Banking Program. During this period, it gradually established an carbon inventory system, initiated substantive decarbonization actions, completed verification of its organizational carbon inventory, expanded the scope of Scope 3 data collection to include the supply chain, and promoted green design and packaging reduction initiatives. The results of these transition efforts were also reflected in its CDP ratings, which improved from C in 2023 to B in both 2024 and 2025.

To further encourage the company to strengthen its sustainability performance, CUB incorporated sustainability performance targets into the company's financing term. Financial incentives will be provided upon achievements of two agreed targets, corporate governance and GHG reduction. This collaboration demonstrates that sustainability has evolved beyond a disclosure requirement to become a strategic consideration with tangible implications for both financing costs and corporate decision-making.

Throughout this transition journey, CUB has gone beyond its role as a provider of capital. Through engagement, it has helped the company transform sustainability from a disclosure requirement into a governance capability and source of operational resilience, supporting a more stable and long-term low-carbon transition.

Nature-Related Initiatives/Engagements

As biodiversity loss and natural capital depletion continue to intensify, nature-related risks are increasingly becoming important factors affecting corporate operations and financial stability. Cathay Financial Holdings actively monitors international developments in nature governance and participates in relevant initiatives and collaborative platforms to stay informed of evolving approaches to nature-related risk assessment and disclosure frameworks.

Initiative	Cathay's Role	Achievements in 2025
Ceres Valuing Water Finance Initiative（VWFI）	Cathay FHC and Cathay Life served as founding members of Ceres Valuing Water Finance Task Force in 2020, jointly developing action plans for improving corporate water resource management for companies' reference and providing recommendations on the initiative's future direction. The Ceres Valuing Water Finance Initiative (VWFI) was formally established in 2022 and engages with 71 companies globally that have relatively high water footprints, with the objective of encouraging them to recognize, assess, and take action on water resource-related risks. In 2024, Cathay sponsored Ceres' research on water resources in the high-tech and semiconductor industries and assisted Ceres and its research partners in understanding the water-resource landscape of the high-tech sector. Learn more about VWFI.	Cathay FHC and Ceres jointly published An Investor Guide to Addressing Water Risk in The High Tech Sector Value Chain in 2025, deepening investors' understanding of water-resource and energy issues and providing a practical engagement framework to strengthen risk management. In addition, the collaboration further facilitated the establishment of the High-Tech Water Resource Working Group, creating a professional platform for industry dialogue and the exchange of experience and best practices.
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 Climate & Nature Report. Learn more about TNFD.	Cathay FHC's Climate and Nature Report 2024 was formally reviewed by TNFD and published in the Knowledge Center on the official website in December 2025, serving as one of the TNFD reporting examples for the financial industry.
Nature Action 100	Cathay Life was among the first financial institutions to join NA100, collaborating with more than 230 international institutional investors to engage 100 systemically important companies across the food, chemicals, forestry, and pharmaceutical sectors. Through this initiative, NA100 aims to help reverse nature and biodiversity loss by 2030. Learn more about NA100.	Since 2024, Cathay Life has collaborated with international investors and, together with Company P, served as a lead investor engaging with Company N. Through this engagement, Cathay Life introduced the Nature Action 100 initiative and shared practical examples related to nature issues. In 2025, Cathay continued its engagement with the company, sharing international case studies on nature-related issues and helping clarify practical approaches to nature risk management. The company responded positively and indicated that it had gained a clearer understanding of areas requiring further improvement and enhancement.

The Partnership for Biodiversity Accounting Financials (PBAF)

Cathay's Role

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

Taiwan Nature Positive Initiative (TNPI)

Cathay's Role

Cathay FHC joined the Taiwan Nature Positive Initiative in 2022 to support and help enhance the capacity and resilience of Taiwanese companies in responding to nature-related risks. The initiative (platform) was established by the Taiwan Business Council for Sustainable Development (BCSD Taiwan) and aims to encourage participation in nature and biodiversity conservation as well as the cultivation of related professionals. Learn more about this initiative.

Business for nature

Cathay's Role

Cathay FHC formally signed and supported the COP15 Business Advocacy Campaign in 2023. The initiative calls on governments around the world to take immediate policy action to reverse the loss of nature over the past decade. The campaign has received support from more than 1,500 companies and financial institutions across 86 countries, representing combined revenues of more than US$7.5 trillion. Learn more about this initiative.

Coalition of Movers and Shakers on Sustainable Finance

Cathay FHC's forward-looking investment and achievements in sustainable finance have been recognized. In 2022, Cathay FHC was invited by the Financial Supervisory Commission to become a founding member of the Coalition of Movers and Shakers on Sustainable Finance. Members of the coalition commit to strengthening five key areas: green procurement, information disclosure, international alignment, facilitation and promotion, and investment & financing and engagement. The initiative aims to enhance the allocation of financial resources toward sustainability, promote corporate climate action, and incorporate ESG performance into investment and credit decision-making, thereby deepening the financial sector's substantive influence on transition efforts.

Item	No. of Companies / Percentage in 2025
No. of major investees and borrowers considered as carbon-intensive companies (A)	86
No. of companies Cathay intended to engage with (B)	43
No. of companies engaged as of 2025 (C)	43
No. of Companies with 2050 decarbonization targets among those with completed engagements as of 2025 (D)	19
Percentage of companies engaged (C / B)	100%
Percentage of engaged companies that have established carbon reduction goals for 2050 (D / C)	44%

Note 1: The number of carbon-intensive companies and target setting for 2025 are based on financed emissions calculated from positions as of end-2024.

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 (43 companies) of companies in the top 60%.

Financial Industry Net-Zero Working Platform

In 2022, the Financial Supervisory Commission and the Taiwan Financial Services Roundtable jointly established the Platform for Net Zero Promotion for the Financial Industry. The platform assigns member organizations to act as conveners of various working groups and invites financial-related institutions and industry associations to participate, serving as a forum for exchanging views and promoting initiatives. It also jointly develops relevant tools, guidelines, and solutions. Cathay FHC serves as the convener of the Working Group for Capital and Statistics. In 2025, it took responsibility for optimizing the reporting and disclosure process for Scope 1 and Scope 2 emissions in the financial sector, and provided analysis and improvement recommendations addressing challenges encountered in carbon inventory processes within the industry. Cathay also led the analysis of strengths and weaknesses in Taiwan's financial sector net-zero and sustainability efforts. In collaboration with National Taipei University, it completed a benchmarking study of international trends and Taiwan's current status, and provided policy recommendations on topics including transitional finance, financial sector engagement, biodiversity, ESG and AI applications, and sustainable finance for SMEs, supporting regulators in formulating more forward-looking policy strategies.

2.1.3 Comprehensive Climate Finance Solutions Provider

Amid the accelerating pace of the net-zero transition, Cathay Financial Holdings has incorporated climate-related issues into its core business development strategy. By leveraging a diverse range of financial instruments, the Company has developed climate finance solutions spanning investment, lending, insurance, and capital markets.

Low-Carbon Investment & Lending

Drawing on its experience from participating in the Low Carbon Registry (LCI), Cathay FHC has established the definition of low-carbon industries to promote the development of the low-carbon economy. As of the end of 2025, the amount of low-carbon investment and lending reached NT$375.2 billion.

Unit: NT$100 million

	2023		2024		2025	
Item	Investment	Lending	Investment	Lending	Investment	Lending
Low Carbon	**2,350**	**408**	**2,774**	**506**	**3,278**	**474**
Alternative Energy	421	212	543	190	514	212
Buildings	693	123	843	229	1,018	162
Resource Recovery and Circular Economy	51	38	56	45	94	50
Transportation (Note)	291	32	228	38	224	43
Energy-Efficient Industries	273	3	317	4	457	7
Green Bond	621	0	788	0	971	0
Natural Carbon Sinks	0	0	0	0	0	0

Note: Investment data have been revised. Due to the more granular industry classifications adopted by international databases, certain investments previously included as low-carbon investments were determined, upon reassessment, to no longer meet the definition of low-carbon investments. Accordingly, the calculation scope was adjusted, and the figures for 2023 and 2024 were retrospectively revised.

- **Percentage of renewable energy lending**

CUB reached its 2025 goal for renewable energy loans to account for 85% of loans to the electricity generation industry in 2022. In 2025, only one lending facility for coal-fired power plants remained, bringing CUB's percentage of renewable energy loans to 99.86%.

As of Dec. 31, 2025 (Unit: %)	2023	2024	2025
Percentage of loan balance for renewable energy within total lending to the electricity generation industry	93.33%	99.79%	99.86%

- **Investments in Renewable Energy Industries**

Cathay Life has developed its green electricity business with solar power as its core focus. The Company established a solar power plant subsidiary through a phased approach of initial investment, followed by joint ventures, and subsequently integrating its solar power plants under a dedicated subsidiary. Through direct investment in solar project sites and its solar power plant subsidiary, Cathay Life continues to accumulate power generation assets and operational experience. As of 2025, cumulative actual investment reached NT$4.27 billion, and installed grid-connected capacity totaled 520 MW.

Note: In consideration of adjustments to the business strategy of a cooperating partner, Cathay Life plans to dispose of certain project sites in 2026. This is expected to reduce the investment amount by approximately NT$120 million and installed capacity by 50 MW.

In addition to actively investing in solar power plants, Cathay Life established a dedicated offshore wind project evaluation team focused on assessing risks associated with offshore wind power investments. Following a prudent evaluation of investment risks, Cathay Life assessed the acquisition of a 50% equity stake in Ørsted's Greater Changhua Northwest Offshore Wind Farm in 2023. In December 2024, together with its subsidiary Cathay Power Corporation, it invested jointly in a 50% equity stake in the Ørsted A / S Greater Changhua Northwest Offshore Wind Farm for an amount not exceeding NT$27.3 billion. The wind farm has an installed capacity of approximately 583 MW. In addition, in December 2025, Cathay Life and its subsidiary Cathay Power Corporation jointly invested in a 55% equity stake in the Ørsted Greater Changhua Southwest Offshore Wind Farm for an amount not exceeding NT$34.0 billion. The wind farm has an installed capacity of approximately 632 MW. In addition to meeting the life insurance industry's need for long-term and stable investment returns and supporting its sustainable energy development strategy, these investments are also intended to demonstrate industry leadership and serve as a model for the market.

In 2025, CUB approved loans for 4 solar power stations in Taiwan with a total installed capacity of 4 MW. As of the end of 2025, 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: Calculated based on Taiwan's 2024 solar PV capacity factorr of 13.35% as announced by Taipower and the 2023 electricity emissions factor of 0.494 kgCO_2e / kWh as announced by the Energy Administration.

Green Time Deposit Program

CUB launched its Green Time Deposit Program in July 2022 in response to the government's Green Finance Action Plan 2.0 and 3.0 and in alignment with international green finance practices. In collaboration with an independent third-party consultant, the Bank issued its first assurance report in September 2023 to disclose the use of proceeds from green deposits. As of the end of 2025, a total of 52 companies had participated in the program, including leading enterprises in the transportation, electronics, chemicals, retail, machine tool, and engineering and construction industries. The cumulative transaction volume reached NT$40.28 billion. Funds raised through green deposits have been allocated to the renewable energy sector, including projects such as solar power plant loans, wind power generation, and fishery-solar symbiosis projects.

Sustainability-linked Loans (SLL)

CUB is promoting for sustainability-linked loans (SLL), customizing KPIs (Key Performance Indicators) and SPTs (Sustainability Performance Targets) for corporate clients to assess their sustainability progress against their sector peers, and then providing loans accordingly. As of the end of 2025, the cumulative outstanding balance of Sustainability-Linked Loans exceeded NT$100 billion, serving more than 1,400 corporate clients across Taiwan, Hong Kong, the Philippines, Singapore, and Malaysia.

Sustainable Finance Initiatives in 2025

CUB Hong Kong Branch continued to deepen its sustainable finance initiatives. At the Hong Kong Green and Sustainable Finance Awards 2025, organized by the Hong Kong Quality Assurance Agency (HKQAA), the branch received three awards in recognition of its internationally aligned Sustainability Product Framework and related achievements. Under this framework, the Hong Kong Branch launched its first Sustainable Time Deposit product. Since its launch in August 2025, the product has attracted clients from industries including logistics, shipping, and air transportation. Building on its sustainable lending services, the branch has further expanded into cash management, providing more comprehensive sustainable finance solutions.

Case Study

CUB has extended sustainable finance beyond lending to a broader range of financial products. In 2025, with the support of Enterprise Singapore, CUB's Singapore Branch structured a customized green guarantee facility with a tenor of up to six years for Marco Polo Shipyard Pte Ltd, a subsidiary of Marco Polo Marine Ltd. The facility supported the shipyard's contract for the construction of an ocean research vessel for the National Academy of Marine Research, with a total shipbuilding contract value of NT$4.67 billion. This project involved a large-scale cross-border engineering contract characterized by high technical specifications, a lengthy construction period, and stringent performance requirements. Through rigorous risk assessment and structured lending design, CUB helped alleviate the company's funding and liquidity pressures during the performance and delivery phases, thereby enhancing project execution stability.

The newly built ocean research vessel has a gross tonnage of 4,000 tons and incorporates low-noise operational standards that comply with Underwater Noise Notation (UWN) requirements. It is also equipped with a battery energy storage system and waste heat recovery equipment to improve overall energy efficiency and reduce carbon emissions, thermal pollution, and impacts on marine ecosystems, while balancing scientific research needs and environmental protection objectives. By supporting projects that deliver energy-saving and carbon-reduction benefits while generating value for public research, this project not only helps strengthen regional marine science research capabilities but also demonstrates CUB's ability to leverage cross-border finance, guarantees, and structured financing solutions to support green and transition projects and promote sustainable and blue economy development. This was the Bank's first green guarantee facility and was recognized as the Best Case of the Year in the Bank's Third Annual Overseas Sustainable Finance Best Case and Branch Awards.

Green/Sustainability Bonds

Category	2025 Underwriting Activities
Green Bonds	CUB In 2025, CUB underwrote **two** green bonds to support corporations with sustainable transitions, with an underwriting amount of approximately NT$**3.7** billion. Cathay Securities In 2025, Cathay Securities participated in the underwriting of **two** green bonds issued by TSMC and Taipower to support environmental protection and green enterprises, with an underwriting amount of NT$**800** million.
Sustainability Bonds	CUB In 2025, CUB underwrote **one** sustainability bond to support corporations with sustainable transitions, with an underwriting amount of approximately NT$**1.0** billion. Cathay Securities Promoting the development of sustainable financial products, Cathay Securities participated in the underwriting of one sustainability bond issued by Hua Nan Commercial Bank in 2025. **One** sustainability bond was underwritten, with a total participation amount of NT$**100** million.

Green Insurance

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

New Products in 2025	
Renewable Energy Industry Insurance	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 2025, Cathay Century underwrote an additional NT$141.1 billion in insurance coverage for related projects.
Public Bicycle Insurance	In June 2018, Cathay Century launched Taiwan's first "Public Bicycle Accident Insurance" and "Public Bicycle Third-party Liability Insurance." As of the end of 2025, 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.

Green Funds

The Cathay Sustainable Development PE Fund invests 100% in key industries that support Taiwan's sustainable development. The fund has total committed capital of NT$8.0 billion, with paid-in capital reaching NT$6.9 billion in 2025. Investments cover key industries such as the circular economy (e.g., waste treatment and reuse) and renewable energy (e.g., solar power, geothermal energy, hydropower, and energy storage) as well as innovative industries spotlighted in the government's 5+2 Industry Innovation Plan (incl. IoT, smart machinery, 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 605 MW Greater Changhua Offshore Wind Farm and participate in its development to supply clean energy to over 850,000 households in Taiwan. Annual power generation is estimated to reach 2540 GWh.
Solar Power	Estimated to generate 370 GWh annually.
Waste Resin & Waste Paint Residue Treatment	Processes up to 1,425 metric tons and 17,100 metric tons monthly and annually, respectively.

Corporate Loss Control Services

- Cathay Century Risk Assessment System

As extreme weather events increase, the frequency of sudden disasters such as fires and earthquakes faced by factories, corporate standards and requirements for facility management continue to rise. Ensuring operational safety and controllable risks in highly automated environments with equipment-intensive has become an important aspect of sustainable business operations. Cathay Century has developed the industry's first corporate risk assessment system, the Cathay Property Safety Management Program (Cathay PSMP). Drawing on international standards and integrating loss control and claims management experience, the program conducts comprehensive reviews and assessments of multiple aspects of industrial facilities, including building structures, fire protection systems, process risks, safety management, disaster response, and business continuity resilience. By quantifying risk levels and identifying potential risks, the program provides specific loss control recommendations and continuously tracks improvement progress.

Using Macronix International Co., Ltd. as an example:

Cathay Century has expanded its role from providing insurance services to becoming a partner in enterprise risk management. In 2025, Macronix became the first company to implement the Cathay Property Safety Management Program at its Fab 5 facility. Through a three-stage process of **standards confirmation → design review → acceptance inspection**, the company comprehensively implemented fire protection measures, strengthened seismic resistance and energy dissipation systems, and established robust disaster recovery and contractor safety management systems. This initiative pioneered a new model of collaboration between insurers and insured enterprises in the field of risk management.

- Solar Photovoltaic (PV) Client Care Program

Cathay Century upholds the core loss control principle of ex-ante prevention, continuously helping enterprises mitigate the financial impacts of natural disasters. The program focuses on strengthening corporate loss control awareness and reducing workplace and operational risks, while also supporting Cathay FHC's sustainability pillar of "Health" by helping corporate clients enhance their overall financial and operational resilience.

Building on the achievements of 2024, Cathay Century continued to implement the Cathay Solar Shield Program in 2025, with a focus on enhancing the resilience of solar PV project sites against natural disasters such as typhoons and flooding. In addition to continuing to provide basic inspection tools, including the Solar PV Site Safety Inspection Checklist and Short Video Inspection Guide, the Company further increased the frequency of client engagement and expanded the depth of its services. The Company also continued to provide site self-inspection tools prior to the typhoon season, enabling clients to carry out critical maintenance work in advance. In addition, the scope of on-site survey services for major clients was expanded. Through the expertise of its loss control team, Cathay Century assisted clients in identifying potential risks that could affect the safety of solar PV facilities, including mounting structure stability, inverter equipment, cable configurations, and surrounding topographical conditions. Through ongoing loss control education and on-site advisory services, Cathay Century has helped clients in the solar PV industry strengthen their ability to respond to natural disasters, reduce the risk of equipment losses, and continue advancing the green energy industry toward safer and more sustainable development. For details of these initiatives, please refer to "Cathay Sustainability Story 1."

- Annual Loss Control Seminars

Since 2005, Cathay Century has held loss control seminars every six months to help prevent major disasters and enhance corporate preparedness for extreme weather-related risks. In 2025, a total of three loss control seminars were held, covering emerging trends in sustainable supply chain management, supply chain cybersecurity risks, and corporate asset risk management.

- 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	2025 Achievements
Natural Disasters (Typhoons, Floods & Earthquakes)	Cathay Century conducts on-site risk surveys and models suited to Taiwan's natural disasters during ex-ante disaster prevention planning to produce an assessment plan.	Between 2012 and 2025, Cathay Century compiled **480** risk assessment reports on typhoons, floods, and earthquakes to help corporate clients and internal underwriting units. Cathay Century provided **183** risk assessment data sets to internal underwriting units in response to corporate clients' needs for typhoon, flood, and earthquake insurance, bringing the cumulative total to **663** 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 2025, **20** 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 PV sites against typhoons.	From 2015 to 2025, risk assessments were conducted for **167** solar PV sites.

Sustainable Finance Service Innovation in 2025

SME Sustainable Finance Partnership Program

To encourage small and medium-sized enterprises (SMEs) to progressively advance their decarbonization transformation, CUB launched the SME Sustainable Finance Partnership Program. Under the program, the Bank works with clients to establish targets for electricity and water consumption intensity. Companies that achieve these targets are eligible for a range of benefits, including interest rate discounts on sustainability-linked loans, preferential interest rates on foreign currency demand deposits, smart seal management and corporate online banking services, monthly fee waivers or preferential rates for interbank withdrawals and fund transfers, discounts on domestic and foreign currency remittance fees, and fee waivers for tax and bill payment services. The program also provides convenient digitalized financial services, promoting both environmental awareness and digital transformation among SMEs through practical action.

- From the launch of the program at the end of December 2024 through the end of 2025, a total of **179** SMEs applied to participate.
- **Six** sustainability-linked loan (SLL) applications were approved.
- The total approved loan amount reached NT$**212** million as of the end of 2025.

2.2 Environmental Sustainability

Cathay is actively advancing its net-zero transition through its own operations, focusing on three key pillars: Green Energy, Green Operations, and Green Real Estate. Through concrete goals and initiatives—including advancing toward full renewable electricity use by 2050, organizing electricity-saving competitions that integrate internal carbon pricing mechanism, and building a green real estate ecosystem—Cathay is steadily advancing the Group's low-carbon transition and working toward its goal of achieving net-zero emissions by 2050. Building on a strong foundation of climate action, Cathay has further expanded its efforts toward nature positive development. By leveraging its core financial capabilities, Cathay supports the application of the Cover Crop Cultivation methodology and has initiated exploring a biodiversity credit methodology. By working with stakeholders and adopting a more systematic strategic approach, Cathay aims to foster a more sustainable and resilient future.

2025 Key Performance Highlights

Cathay FHC and its Subsidiaries Renewable Energy Consumption Increase to 63,130 MWh	Cathay Life's Commercial Office Building Earns Dual International Certifications at Gold Level or Above	Cathay FHC Collaborates with the NTU Experimental Forest on Biodiversity Credit Methodology Development
Through renewable electricity wheeling arrangements, the purchase of RECs, and the installation of rooftop solar photovoltaic systems on owned buildings, Cathay FHC has progressively increased the share of renewable energy consumption in its electricity consumption.	Cathay Cosmos Building became Taiwan's first commercial office building to obtain both WiredScore Platinum and SmartScore Gold certifications.	Leveraging its core capabilities, Cathay FHC advances nature-positive development. It is developing a locally grounded methodology for low-elevation mountain ecosystems with public-good characteristics, taking ecological restoration beyond a standalone conservation effort. Cathay FHC also supports the development of an Asian Biodiversity Credit Alliance.

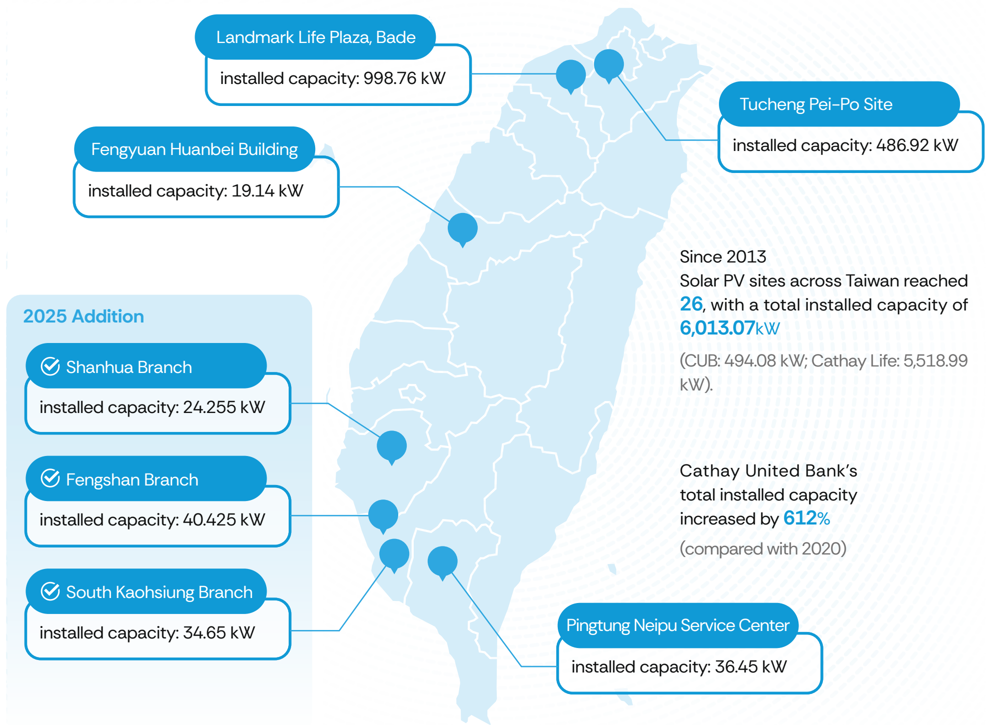
2025 Environmental Sustainability Blueprint Goals Achievement Rate 82%

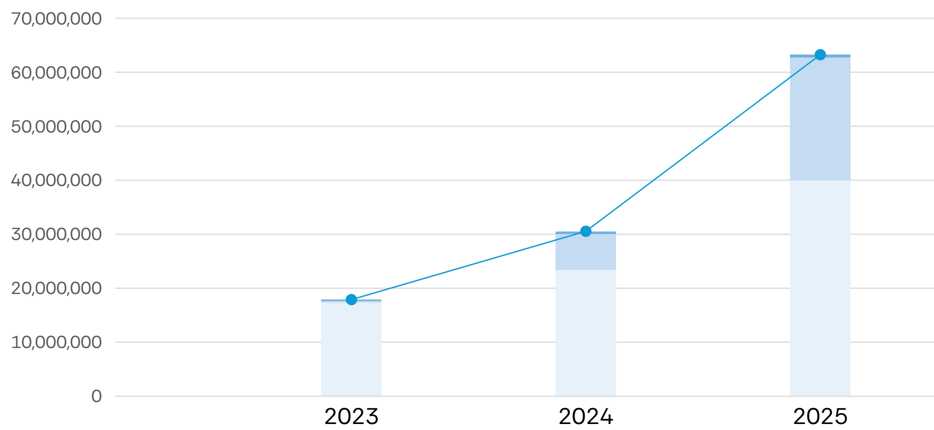
(For each goal's achievement status, please refer to Appendix 7.2.)

2.2.1 Green Energy

Increase Renewable Energy Use

Cathay officially became the first financial institution in Taiwan to join the RE100 initiative in 2022. By signing of Renewable Energy Power Purchase Agreements (PPAs), supplemented by the procurement of RECs, and continuing assess the available rooftop space of its own buildings for solar photovoltaic systems installations, Cathay has steadily increased its use of green energy. In 2025, renewable energy consumption reached 63,130 MWh, accounting for 54.2% of Cathay FHC's total domestic electricity consumption, achieved its internally established annual target for the third consecutive year. In addition, the total installed capacity of rooftop solar photovoltaic systems on Cathay-owned buildings exceeded 6,000 kW, further strengthening the resilience of its renewable energy supply. To ensure effective implementation of its renewable energy goals, Cathay has also incorporated renewable energy performance into senior executives' KPIs, linking management accountability to progress in green energy use.





	2023	2024	2025
Total renewable energy use (kWh)	17,952,890	30,604,726	63,130,342
Onsite self-use PV system (kWh)	335,214	539,571	583,307
Purchased RECs (kWh)	243,000	6,631,000	22,780,519
Wheeling PPA (kWh)	17,374,676	23,434,155	39,766,516

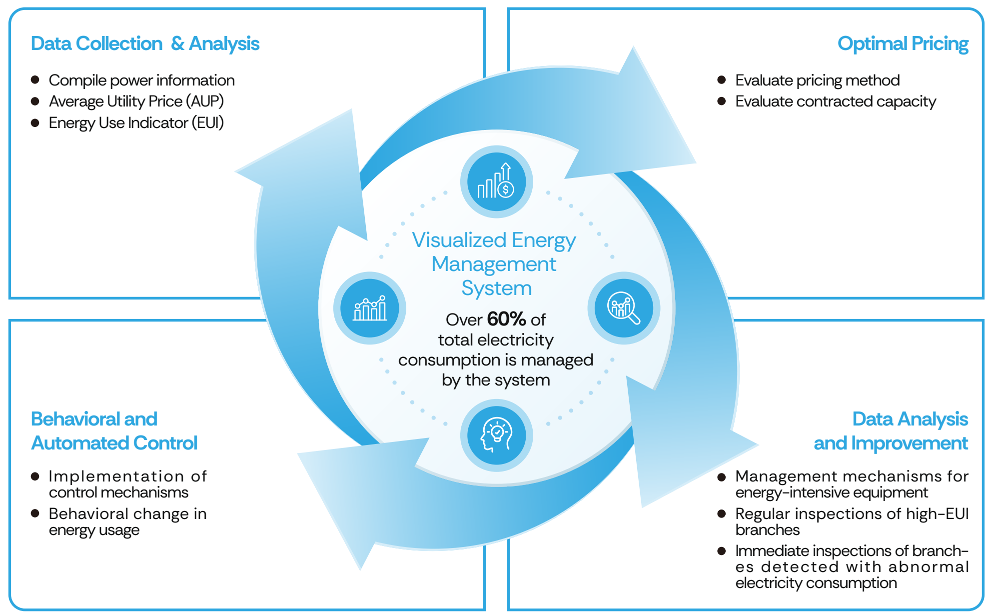
Supporting the Renewable Electricity Market

To support the development of Taiwan's green electricity market, Cathay FHC actively contributes as a key partner in supporting RE100's work in Taiwan. Additionally, Cathay has been invited to share its experience at the RE100 Members' Meeting – Taiwan Hub for four consecutive years. It has also supported the publication of the "Taiwan Renewable Electricity Market Briefing," strengthening information exchange and promoting a more enabling environment for renewable electricity procurement. At the same time, to advance green investment across Asia, Cathay FHC was invited to serve as a Supporting Partner of the Asia Action Summit, organized by the Climate Group. At the summit, Cathay FHC shared how it integrates climate strategy into investment decision-making, along with its actions and core vision for Asia's green transition. Through guiding investment, collaborative dialogue, information disclosure, and policy advocacy, Cathay continues to accelerate the development of climate finance across Asia.

Establishing an Energy Management Mechanism

Since 2020, Cathay has implemented a visualized energy management system to enable real-time monitoring and analysis of energy data through scientific and digital tools, thereby improving energy efficiency. Key actions and highlights for 2025 are presented below.

	Total Locations under Energy Management	Share of Managed Electricity Consumption	Key Actions in 2025
CUB	Over 90%, across 155 locations	62%	Continued installing smart meters at operational sites not yet covered by the system Expanded the system to enable head office units to monitor electricity consumption across all business units.
Cathay Life	29 locations	Over 60%	In 2024, Cathay Life launched an Energy Management System (EMS) pilot at six key owned operating locations and began collecting and integrating electricity consumption data across all of its locations. In 2025, Cathay Life integrated monitoring hardware at more than 29 sites. Electricity consumption managed through the system reached approximately 35,730 MWh(Note), accounting for over 60% of Cathay Life's total electricity consumption. Real-time data monitoring and analysis help identify abnormal electricity consumption and trigger a timely alerts for corrective action. This improves the precision and responsiveness of energy management, helping reduce costs while supporting more effective management of electricity. Note: The electricity consumption data collected by the EMS comes from multiple sources, including physical meters, automated web scraping, and uploaded reports.



Feature Carbon Pricing Mechanism

Internal Carbon Pricing to Support Group-Wide Decarbonization

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

To accelerate decarbonization, Cathay incorporated its ICP Program into the Group Climate Blueprint in 2022 to help identify and guide its net-zero transition strategy and support the achievement of its 2050 net-zero target. Through ICP, Cathay integrates climate-related considerations into decision-making processes and risk assessment frameworks across the group, enabling the development of diversified decarbonization strategies across different areas of operation. Cathay has established an internal carbon pricing mechanism with a unified carbon price for Scope 2 emissions of more than US$100, which is planned to increase progressively over time. In addition to improving energy efficiency and encouraging behavioral change within the organization to achieve energy saving and carbon reduction, the mechanism helps reduce operating costs and mitigate financial impacts. Cathay also applies ICP in stress-testing tools to support the development of low-carbon financial products and services. By seizing opportunities arising from the low-carbon transition and integrating green operations with product carbon footprint considerations, Cathay works together with its clients to advance decarbonization and create shared value.

02 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. Cathay also integrates energy-saving competitions with employee incentive mechanisms, converting energy-saving results into employee rewards, shared meals, environmentally friendly products, or charitable contributions. These initiatives encourage employees to participate in daily energy-saving actions and strengthen behavioral changes toward energy conservation and carbon reduction. Specific guidelines will be tailored to each subsidiary's business characteristics, operational scope, and organizational structure.

Highlights of Cathay's 2025 Energy-Saving Campaign and Internal Carbon Pricing Implementation

Note: Electricity emission factors used in the calculations: Cathay FHC use an emission factor of 0.494 kg CO_2e/kWh, while other subsidiaries usean emission factor of 0.474 kg CO_2e/kWh.

Cathay FHC

Through the "Decarbonization Together" series of initiatives, Cathay FHC integrated internal carbon pricing, energy conservation, low-carbon business travel, and other actions into employee engagement programs centered on practical action. These initiatives help embed sustainability strategies into business operations beyond the policy level and further incorporate them into employees' daily practices.

- A cumulative total of 45,489 kWh of electricity was saved, reducing emissions by approximately 22.47 metric tons of CO_2e compared with the same period in the previous year (May–October).

Cathay Life

In collaboration with the Chung-Hua Institution for Economic Research, Cathay Life conducted electricity consumption data analysis and carbon fee scenario analysis to evaluate opportunities for optimizing the mechanism and expanding its applicability.

- Both Cathay Life office-based and field personnel participated in the decarbonization incentive program, resulting in a reduction of 913 metric tons of CO_2e emissions and the accumulation of a carbon fee fund totaling NT$13.24 million. The fund is sourced from accumulated electricity cost savings and carbon fee revenues generated through energy conservation efforts. The proceeds are earmarked for decarbonization incentives and net-zero initiatives (such as high-quality carbon credits and renewable energy deployment), forming a circular mechanism of "decarbonize – internalize – reinvest."


Cathay Securities

Cathay Securities incorporated its energy-saving competition into its internal carbon fee mechanism and implemented two energy-saving and carbon reduction initiatives: the Energy Conservation Ambassador Program and the Energy-saving Competition. These initiatives encourage employees to adopt energy-saving practices in their daily work, enhancing participation and commitment to energy saving and carbon reduction efforts.

- The two energy-saving and carbon reduction initiatives achieved electricity savings of 22,519 kWh, equivalent to a reduction of 10.67 metric tons of CO_2e emissions.

Cathay Century

Cathay Century piloted an internal carbon pricing mechanism to foster a management culture that recognizes the cost of carbon emissions. Based on the cost of procuring renewable energy, Cathay Century established an internal carbon fee of NT$14,770 per metric ton of CO_2e.

In conjunction with its energy-saving competition, Cathay Century adopted a "reporting-first" approach in 2025. For units whose electricity consumption increased compared with the previous period, an "excess carbon fee" item was added to internal management reports to illustrate the potential financial impact of future carbon fee charges. This approach enables business units to assess potential costs in advance and initiate decarbonization planning at an earlier stage.

- The overall campaign saved a total of approximately 89 MWh of electricity during the year, reducing emissions by approximately 42.3 metric tons of CO_2e, with an overall electricity savings rate of 5.2%.

Cathay SITE

Cathay SITE held an energy-saving competition to encourage behavioral change and increase employee participation through a competitive framework. Upon achieving the designated targets, sustainability-related charitable donations were made as incentives, further encouraging employee engagement. Electricity consumption at the head office increased by 5.9% in 2025. Analysis of the increase: employee headcount increased by 14.1% compared with 2024.

Energy-saving improvement measures:

- Turning off lights during lunch breaks
- Delaying the morning start-up time of the air-conditioning system
- Promoting the practice of turning off lights and equipment when not in use
- Achieving 100% LED lighting usage at the head office

CUB

CUB has implemented an internal carbon fee system, incorporating carbon emission costs into the day-to-day operational evaluations of individual business units.

Since 2017, CUB has continuously held an energy-saving competition to recognize units with outstanding energy-saving performance.

Through a dual approach combining cost internalization and incentive system, CUB has effectively improved energy efficiency, advanced its low-carbon operations objectives, and reinvested a portion of the energy-saving benefits into environmental protection and social welfare initiatives.

- The 2025 energy saving and carbon reduction competition achieved electricity savings of approximately 213 MWh and carbon reductions of approximately 100.9 metric tons of CO_2e. In addition, energy-saving benefits generated in 2023 were used to support lighting replacement projects at the Taipei Yongming Development Center and Taipei Chengzhong Development Center, both operated by the Yu-Cheng Social Welfare Foundation, improving lighting quality while reducing energy consumption.

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

To effectively capture low-carbon investment opportunities and assess the impacts of carbon pricing–related factors on investee companies and clients, Cathay incorporates carbon price ranges under different climate scenarios into stress-testing parameters for investment and financing analysis. This reflects its climate transition risks appetite and serves as a basis for establishing its Climate Risk Appetite Statement. Cathay further integrates risk assessment and management processes into its processes, enabling timely adjustment to asset strategies for its investment and lending. These efforts include establishing coal phase-out strategies for investment and financing, defining Climate Risk Appetite Statements, and implementing other asset decarbonization strategies. (For further details, please refer to 6.2.5 on Climate and Nature-Related Financial Disclosures and Cathay FHC's Climate and Nature Report 2025.)

2.2.2 Green Operations

Cathay FHC places the low-carbon transition at the core of its strategic direction and systematically advances its green operations strategy by integrating energy conservation ,carbon reduction, and resource efficiency into daily operations and site management. Cathay FHC has set a target to reduce absolute Scope 1 and Scope 2 GHG emissions by 25% from the 2020 base year level (60,243.66 tCO_2e) by 2030, and to achieve net-zero emissions by 2050. This target covers base year emissions from 100% of operational sites and was validated by the Science Based Targets initiative (SBTi) in 2022. To further accelerate its low-carbon transition and strengthen its level of ambition, Cathay has voluntarily increased the 2030 emissions reduction for its domestic operations to 42%. In addition, Cathay has also incorporated carbon reduction performance into the KPIs of the presidents of Cathay FHC and its subsidiaries. Through its governance and performance management mechanisms, Cathay FHC strengthens management accountability for implementing its carbon reduction targets and delivering results.

Three Workplace Strategies

Three Workplace Strategies	Digitalize Services	Mobilize Operations	Share Workspaces
Actions	Carbon Label: ISO 14067 carbon footprint verification for main products Digitalize: Electronic insurance policies, remote insurance application services, monitoring individual printing activity, installing dual screens, and digitalizing administrative processes	Project WFH 2.0: Migrate the Office Automation environment to Virtual Desktop Infrastructure (VDI OA) and store data in off-site data centers	Adopt hybrid work and create innovative workplaces
2025 Achievements	Cathay Life The two core products—travel accident insurance and account-based whole life medical insurance—have obtained ISO 14068-1 product carbon neutrality verification, making Cathay Life the first insurance company in Taiwan to achieve product carbon neutrality verification. CUB Cathay United Bank obtained an ISO 14067 carbon footprint verification statement and the Ministry of Environment Product Carbon Label for its online mutual fund subscription service. Cathay Securities Cathay Securities obtained the Ministry of Environment Carbon Footprint Label and verification for its Cathay Securities online services. The adoption rate for electronic statements for Taiwan equities and foreign securities sub-brokerage services has exceeded 97%.	Cathay Life: 30% completed	Completed renovations at 31 locations in 2025 (Cathay Life, CUB, and Cathay Century).

Cumulative Low-Carbon Certifications as of 2025

ISO 14067 Verification	Ministry of Environment Carbon Label	Ministry of Environment Carbon Reduction Label	Carbon Neutrality (PAS 2060)	Carbon Neutrality (ISO 14068-1)
8	7	4	27	3

Water Management

As climate change intensifies, global water cycles and precipitation patterns are undergoing significant changes, leading to increasing imbalances between water resource supply and demand as well as greater management challenges. Water resources have therefore become a critical global sustainability issue. In response, Cathay FHC has set a target to reduce per capita water consumption to 15.0 cubic meters by 2030. To achieve this target, Cathay FHC has adopted the following measures:

Water Conservation

- Install water-efficient products with automatic sensors
- Uses certified water-efficient faucets & toilets
- organize employee water conservation campaigns
- Use of easy-rinse foaming hand soap

Water Management

- Adopted ISO 46001 Water Efficiency Management System and received BSI verification
- Install water meters for cooling towers
- Monitor water consumption data monthly and conduct immediate inspections and maintenance when abnormalities are identified

Goal-setting & Awareness

- Set water-saving targets
- Distributed water conservation flyers

Waste Reduction

As a financial services provider, Cathay's operations are primarily office-based and generate primarily general waste, with no hazardous waste generated. Accordingly, a target has been set to reduce per capita waste to 25.4 kg by 2030, with continued efforts to promote waste reduction at source and strengthen waste sorting and management practices.

Waste Inventory & Reduction

- Office sites are equipped with comprehensive waste segregation facilities. Waste data is regularly collected and monitored and improvements are implemented to enhance recycling practices. For example, Cathay Securities has implemented weighing of general waste and recyclables across all domestic sites.
- Organize waste reduction incentive programs to discourage the use of single-use disposable tableware and encourage employees to bring reusable cups and utensils. For example, Cathay SITE launched a "Plastic Reduction Lucky Draw" campaign, encouraging employees to use reusable cups when purchasing beverages. Participants who use reusable cups more frequently have a higher chance of winning.
- In support of the Ministry of Environment's "Bring Your Own Cup (Fengcha Action)" initiative, 144 bank branches with drinking water facilities have registered as public refill stations under Cathay United Bank. The initiative encourages the public to bring reusable cups to refill water, helping reduce demand for bottled water and beverages and thereby decreasing plastic waste generation.

Recycling & Reuse

- Cathay has participated in ASUS Foundation's Refurbished Computer and Digital Training Program since 2017. Under the program, old computers (system units, monitors, and laptops) are donated to the ASUS Foundation, refurbished, and then donated to underprivileged communities or remote areas. The program extends the product's life cycle by preventing waste, reducing waste, recycling, and reusing the product, thereby ensuring sustainable consumption and production. As of the end of 2025, a cumulative total of 25,934 units have been donated.
- Cathay Life and CUB prioritize leasing over purchasing for many pieces of equipment such as automated external defibrillators (AEDs), company vehicles, multifunction printers, currency-counting machines, bill-binding machines, binding machines, and coffee machines.

Sustainable Procurement

Cathay FHC works with more than 1,000 suppliers, including service providers, equipment vendors, and construction contractors. To strengthen supply chain sustainability risk management and reduce potential environmental and social impacts during contract execution, Cathay was among the first to adopt the ISO 20400 Sustainable Procurement Guidelines. Integrity governance, labor rights, occupational health and safety, environmental management, and fair trade are incorporated into Cathay's procurement governance framework. Cathay FHC has established the Cathay FHC Sustainable Procurement Guidelines and the Cathay FHC Sustainable Procurement Policy, institutionalizing supplier management, evaluation, and communication mechanisms. This strengthens supply chain governance and demonstrates the financial sector's role in driving value chain transformation through responsible procurement.

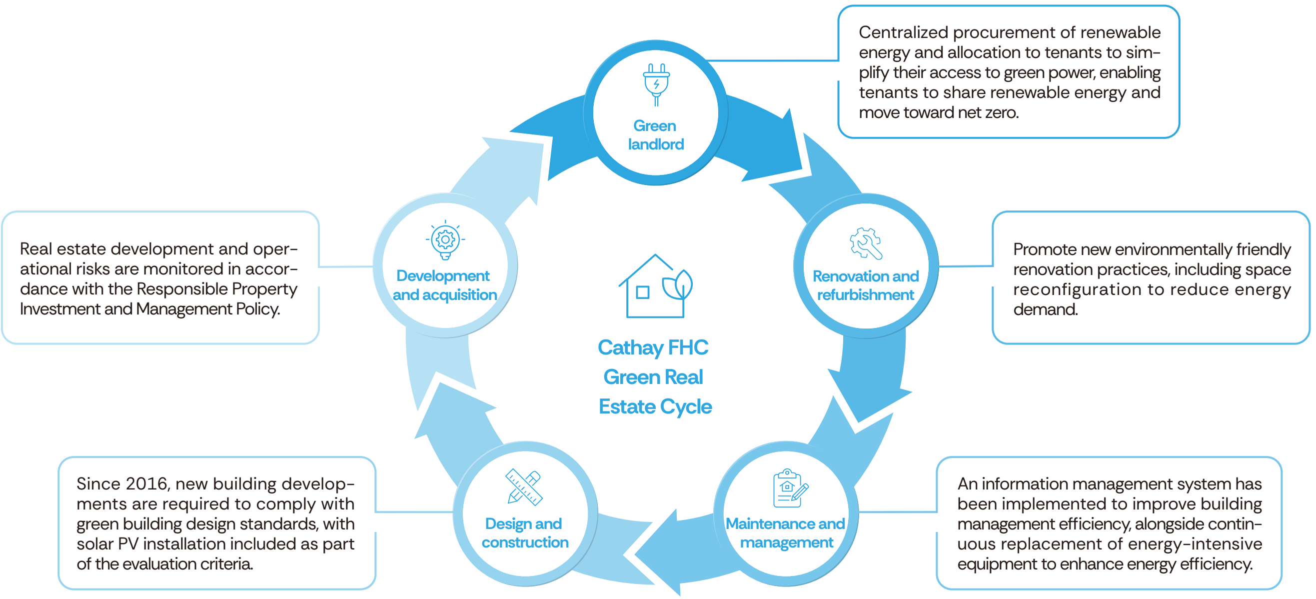
Highlights from 2025 Green Supply Chain Management

Green Procurement	Circular Procurement Value	Percentage Signed on to Cathay's Declaration of Sustainability Values	Sustainable Procurement Advocacy	Supplier Conference
The reported green procurement value in 2025 reached NT$1.534 billion, representing a 170.8% increase compared with the base year (2023).	NT$47 million	100% of suppliers registered on the Cathay procurement platform have signed Cathay's Declaration of Sustainability Values.	Green workshops have been conducted to guide suppliers in participating in the Ministry of Environment's green procurement program, leveraging a "lead-by-example" approach.	The 2025 Sustainable Supplier Conference focused on three key areas—signing the sustainability initiative, recognition of outstanding performance, and commitments to action. The event attracted more than 110 suppliers, including 10 new suppliers that had not previously participated in the Green Procurement Program, who signed the sustainability initiative.

Cathay Financial Holdings ranks first in the financial industry for green procurement value and was selected as a "Private Enterprise with Outstanding Green Procurement Performance" by the Ministry of Environment

2.2.3 Green Real Estate

Cathay is committed to building a low-carbon real estate ecosystem. While increasing its own renewable energy usage, Cathay also supports tenants in obtaining green energy through a Green Leasing Program, helping SME tenants access renewable energy. This initiative is being gradually expanded across all Cathay-owned properties nationwide. In addition, Cathay follows green building standards for the renovation, maintenance, design, and construction of buildings it owns. While continuing to pursue green building certifications, CUB is committed to ensuring that all fully renovated branches meet 100% environmentally friendly renovation standards, with the use of green building materials exceeding 60% of total floor area. CUB aims to complete such renovations at 40% of its all branches by 2030. As of 2025, a cumulative total of 56 branches have completed renovations, accounting for 33.7% of all branches.



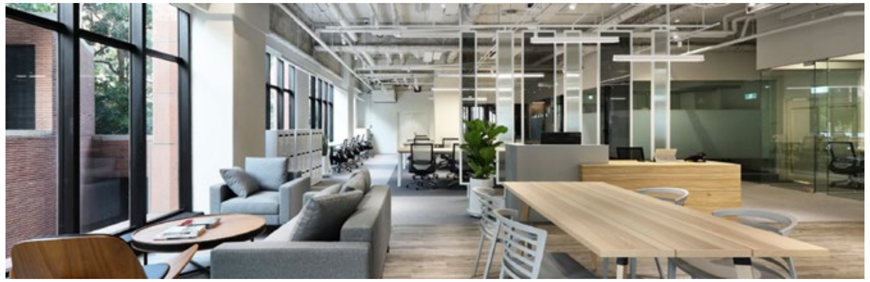
Smart & Green Landlord

Renewable energy supply lags behind demand currently in Taiwan. Most companies lease space in multi-tenant buildings and therefore share a single electricity account with other tenants. As a result, these companies must enter into tripartite agreements with landlords and electricity suppliers to procure renewable electricity. To simplify this complicated process, Cathay Life collaborated with the Ministry of Economic Affairs (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 2025, more than 54,000 MWh of green energy was successfully supplied to Cathay FHC's headquarters, operational locations, and office building tenants. A cumulative total of 70 enterprises and 110 leased sites have joined the program. In addition, two Green Leasing information sessions were held to further promote the program.

Energy-Efficient Building Design	Supporting Corporate Tenants with Employee Wellbeing	Supporting Building Data Management
In addition to designing its building for energy efficiency and decarbonization, Cathay Life integrated Green Leasing Programs to introduce renewable energy in office buildings and support tenants in reaching their RE100 goals.	Cathay Life is committed to creating a human-centered workplace by offering amenities for dining, relaxation, and fitness to provide a shared service space for employees of corporate tenants in their work and everyday life. In addition, environmental quality sensors have been installed to continuously monitor workplace conditions such as air quality, temperature, and humidity, helping enterprises better safeguard employees' physical and mental health.	Cathay collects building energy consumption data, including electricity usage, through integrated digital hardware and software solutions. A digital platform displays the data in real time to give tenants easy access to their energy consumption data.

Feature Hub New-Generation Office Services: Supporting ESG Workplace Development

Based on Cathay Life's first-ever Financial Industry Future Workplace Trends Report (2025), 84% of respondents identified "human-centric design" as the most important workplace requirement, reflecting a shared consensus between employers and employees. In response to this trend, as a leading provider of green commercial real estate, Cathay Life is advancing "asset transformation" by addressing shifts in market structure and rising tenant expectations. It has introduced hub services in a modular format across both existing and new commercial buildings, upgrading hardware and software systems while integrating data-driven technologies with human-centric experiences. Cathay Life also pioneered the introduction of renewable energy usage in public areas, enabling tenants to become green energy users upon occupancy. In addition, the company aims to mainstream hub services by tailoring space design and service offerings based on regional characteristics, tenant profiles, and work patterns, thereby creating a new benchmark for commercial office development in Taiwan.



Future Workplace Survey

Hub New-Generation Office Services

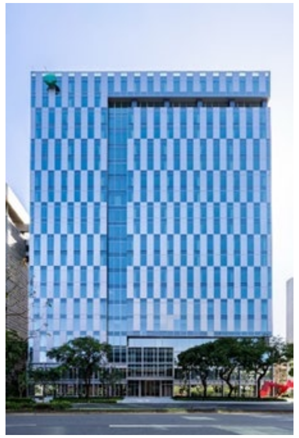
Low-Carbon Architecture

Cathay Life follows its Responsible Property Investment and Management Policy and aims for all newly developed owned buildings to obtain green building certifications such as Green Building Labels or LEED certification. Environmental standards have been institutionalized within real estate development and management processes to improve building energy efficiency and reduce operational energy consumption. Since 2016, all buildings developed by Cathay Life have been required to comply with green building design principles from the design stage onward. Beginning in 2023, all newly constructed buildings that receiving building permits are required to secure green building or LEED-related certifications. As of 2025, Cathay Life has cumulatively obtained 20 green building certifications, including U.S. LEED certifications and Green Building Labels.

Feature Smart Management Driving Low-Carbon Operations — The Cathay Cosmos Building in Practice

Following the achievement of the Wuri Building in Taichung in 2024 as the first building in Taiwan to receive Net Zero Building certification, Cathay Life has continued to advance sustainable real estate development and transformation. Located in Taipei's Minsheng–Dunhua North commercial district, the Cathay Cosmos Building became the first commercial office building in Taiwan to simultaneously obtain WiredScore Platinum and SmartScore Gold certifications. This achievement demonstrates Cathay Life's capabilities in building resilience, digital infrastructure, and smart operations management.

The building is equipped with a smart energy management system and environmental sensing system that collect real-time electricity consumption data and equipment operating information. These systems dynamically adjust air-conditioning and lighting operations to improve energy efficiency and effectively manage operational energy consumption. By integrating data analytics with real-time feedback mechanisms, the building enhances operational resilience while reducing unnecessary energy use. These measures not only optimize asset management performance and improve the tenant experience, but also help reduce carbon emissions associated with building operations, supporting Cathay FHC's low-carbon real estate development strategy.



2.2.4 Environmental Conservation

As global climate governance continues to mature, international sustainability trends have expanded beyond a sole focus on carbon reduction to encompass biodiversity and natural capital management. International frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Targets Network (SBTN) emphasize that companies should identify their dependencies and impacts on nature arising from both operational and investment activities, and apply science-based approaches to assess and manage them. These frameworks also encourage organizations to incorporate nature-related risks and opportunities into decision-making processes. In response, Cathay FHC has expanded its climate action agenda to include a nature-positive approach. Through environmental conservation initiatives and the application of nature-related methodologies, Cathay is gradually creating a positive impact on nature by shifting its focus from merely protecting nature to actively investing in nature.

Feature Nature Care from Us: Inviting Everyone to Become Sea Turtle Guardians

Action Items

Sea turtles in Taiwan face multiple pressures, including habitat changes, marine pollution, and extreme climate. During offshore wind farm investment research and environmental assessments, Cathay SITE identified significant challenges affecting sea turtle survival and their habitats, highlighting the growing risks faced by marine ecosystems. This issue extends beyond the conservation of a single species and reflects the vulnerability of natural systems to the combined impacts of climate change and human activities.

In 2024, Cathay SITE launched the "Nature Care from Us" initiative in partnership with the Taiwan Cetacean Society to support stranded sea turtle rescue and conservation efforts. By integrating scientific monitoring with hands-on restoration and conservation activities, the initiative transforms research findings into tangible action, demonstrating Cathay's commitment and determination to protect natural capital.

2025 Execution Details

01 Deepening Environmental Education: Launching a Sea Turtle Rescue Knowledge Game to Expand Conservation Awareness Through Interactive Learning

In 2025, an online interactive "Sea Turtle Rescue Knowledge Game" was launched to introduce participants to sea turtle rescue procedures, common causes of injury, and marine debris issues through scenario-based challenges. By transforming complex conservation topics into an engaging and accessible learning experience, the initiative enhanced public understanding of marine conservation. Employees were also encouraged to invite family members, friends, and clients to participate, creating a cross-community "Sea Turtle Rescue Knowledge Challenge." This successfully extended corporate environmental education beyond the workplace to families and external stakeholders, further raising public awareness of marine conservation.

02 Public–Private Collaboration: Advancing Conservation Through Cross-Sector Partnerships

Cathay collaborated with the Ocean Conservation Administration, local governments in northern Taiwan, and the Coast Guard Administration on sea turtle release initiatives. The effort was recognized by the Ocean Conservation Administration for its contributions to conservation practice, demonstrating the impact of private-sector resources in supporting public policy and scientific research.

03 Deepening Cross-Sector Partnerships: Continuing Rescue and Research Collaboration

In 2025, together with Cathay Life and the Taiwan Cetacean Society, jointly launched the "Turtle Habitat Protection" project to investigate key sea turtle nesting, habitat, and foraging areas. The project uses satellite transmitters to track the post-release movements of sea turtles and monitor habitat utilization patterns, enabling the development of habitat hotspot maps for sea turtle conservation. Through science-based conservation efforts focused on protecting juvenile sea turtles, the initiative links conservation actions with core financial-sector capabilities such as risk management and long-term stewardship. It demonstrates how businesses can apply their professional expertise to address environmental challenges while supporting the achievement of the United Nations Sustainable Development Goals (SDGs).

Actions and Outcomes

- **Project Video** Accumulated a total of 50,570 views, reached more than 63,385 people through social media, and was recognized with the PwC Impact Award.
- **Sea Turtle Rescue Knowledge Challenge Interactive Game** A total of 11,532 participants completed the interactive game.
- **Support for Sea Turtle Rescue and Rehabilitation Pools** In 2025, 84 live sea turtles were reported and rescued. Of these, 74 were assessed on-site to be in good condition and were immediately released back into the wild, while 10 required medical treatment and rehabilitation. A total of 8 rehabilitated sea turtles were successfully released. The release rate in 2025 reached 80.0%, while the cumulative release rate for the period 2023–2025 reached 58.1%.
- **Sustainability Salon Participation** A total of 60 participants attended sustainability salon events held during SDG Asia and the Taiwan COP 5(formerly Taiwan Climate Action Expo).
- **Collaborative Sea Turtle Release Activities** Sea turtle release events were jointly conducted with five partner organizations, including the governments of Yilan County and Keelung, the National Museum of Marine Science and Technology, the Ocean Conservation Administration, and the Wanghaixiang Coast Guard Inspection Office.

Activity Highlights

"Sea Turtle Rescue Knowledge Challenge" Official Website

Feature Implementing "Investing in Nature": Systematically Advancing Nature-Positive Development Through Two Nature Methodologies

Action Items

In response to the intensifying impacts of climate change and the global challenge of biodiversity loss, Cathay FHC leveraging its core financial expertise to advance nature-positive development. Working with local tea farmers and the Experimental Forest, College of Bio-Resources and Agriculture, National Taiwan University (NTU Experimental Forest), Cathay is developing two nature methodologies with public-good characteristics: "Enhancing Soil Carbon Sequestration in Organic and Eco-Friendly Tea Plantations through Cover Cropping" and "A Biodiversity Credit Methodology for Afforestation in Low-Elevation Mountain Restoration Areas." Through these, Cathay aims to scale practical applications, promote systemic transformation, and accelerate the transition toward a nature-positive future.

2025 Execution Details

01 Enhancing soil carbon sink in organic and eco-friendly tea plantations through Cover Crop Cultivation

In 2025, the methodology was approved by the Ministry of Environment, becoming one of the few domestic greenhouse gas reduction methodologies in Taiwan's agriculture and land-use sector. To further expand its application, Cathay Life integrated the initiative with the "Every Step Counts" program, converting participants' accumulated walking achievements into public welfare funds supporting the transformation of tea plantations in Pinglin. Through guaranteed procurement, the program helps tea farmers navigate the transition period. The adoption of the Cover Crop Cultivation methodology restores soil health, reduces environmental impacts of pesticide use, and lowers health risks for tea producers. The initiative also aims to attract younger farmers to return to rural areas and revive the tea industry.

Talent Green — Discover yourself through tea and create a more sustainable world together.

02 Biodiversity credit methodology for afforestation in low-elevation mountain restoration areas

This initiative focuses on low-elevation regions that experience the greatest human disturbance and are closely connected to human settlements. Leveraging more than 120 years of biodiversity data accumulated by the NTU Experimental Forest, the project is developing a scientifically grounded biodiversity credit methodology. The methodology aims to develop quantifiable and verifiable biodiversity outcomes and advance biodiversity credit mechanisms. Cathay FHC has also partnered with the NTU Experimental Forest to establish the Asian Biodiversity Credit Alliance (ABCA), building a benchmark model for nature-positive development in Asia.

Cathay FHC was invited for the second time to the Asian Biodiversity Credit Alliance (ABCA) international symposium and served as chair of the World Climate Foundation Tokyo High-Level Roundtable, engaging with stakeholders from finance, academia, and industry on Asia's role in climate and nature finance.

Feature Cathay's Environmental Conservation Campaigns in 2025

Cathay Securities & Cathay Futures

Seedlings of casuarina, seaside hibiscus, beach cabbage, and chinaberry were planted in the Shalun area of Tamsui to help strengthen windbreak protection in coastal regions.

New Taipei

A total of 19 participants were involved, and 110 seedlings were planted.

CUB

Adopted Bali North Seawall Beach, and held two beach clean-up and environmental education activities at Bali North Seawall Beach and Shalun Beach.

New Taipei

A total of 47 participants were involved, and 60 kg of marine litter was removed.

Cathay Century

A beach clean-up activity was conducted in collaboration with the Cathay Century Triathlon Team at Yong'an Fishing Harbor in Taoyuan.

Taoyuan

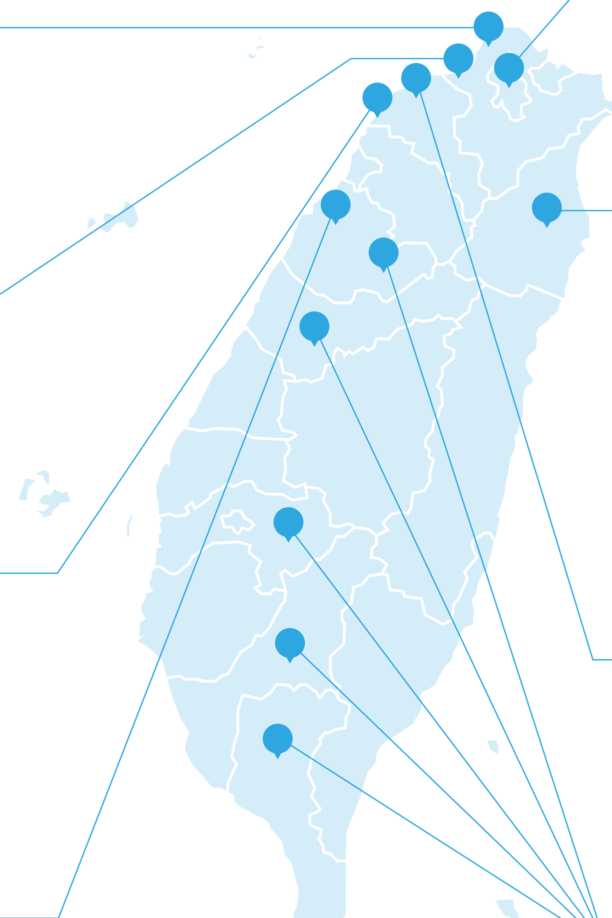
A total of 85 participants were involved.

CUB

Beach clean-up and environmental education activities were held at Zhunan Evergreen Forest and HwaTaoYao(HuiArts).

Miaoli

A total of 80 participants were involved, and 196 kg of marine litter was removed.



CUB

Held two environmental education and clean-up activities at Yangmingshan and the Zhishan Cultural and Ecological Garden, focusing on the removal of invasive plant species and mountain trail clean-up efforts.

Taipei

A total of 92 participants were involved, and 156 kg of invasive plant species were removed.

Cathay SITE

Partnered with the Hanxi (Alang Stacis) Tribal Community in Yilan County to plant mountain pepper (Litsea cubeba, also known as "maqaw"), a plant of both economic value and cultural significance. It is an important traditional plant of the Atayal people and is regarded as "green gold."

Yilan

The planting area covered approximately 0.05 hectares, and once mature, it is estimated to reduce carbon emissions by approximately 1,000 kg per year.

CUB

Beach clean-up and environmental education activities were held at the Guanyin Coastal Recreation Area and the Yingge Ceramics Museum.

Taoyuan

A total of 80 participants were involved, and 158 kg of marine litter was removed.

Cathay Life

Beach clean-up activities were held across five coastal counties in Taiwan.

Miaoli Taichung Chiayi Kaohsiung Pingtung

A total of 812 participants were involved, and 1,334 kg of marine litter was removed.

CH3 Health

Health is not merely the absence of illness but the core resilience of individuals and society in facing external risks. Cathay FHC and its major subsidiaries, with professional services at their core, implement concrete action plans and quantitative targets to build a comprehensive health protection network that safeguards people across Taiwan's diverse communities.

Cathay Life advocates the health proposition – "Empower Your Health" with the core objective of helping policyholders improve their quality of life and extend their healthy life expectancy. The Company annually invests hundreds of millions of NT dollars in resources to develop practical health promotion mechanisms spanning products, services, platforms, and professional talent. By recruiting cross-disciplinary experts to establish a "Wellness Lab," the Company advances various health initiatives and develops product strategies that maximize the spillover benefits of health insurance. At the same time, the "Health Expert" certification program has been expanded to comprehensively enhance professional support and health management capabilities. Additionally, the Company continues to deepen its health ecosystem services through the FitBack App. These efforts were recognized with the 2025 Faith, Hope & Love "Best Integrated Communication Award," demonstrating the Company's ongoing commitment to health through its brand and initiatives.

3.1 Health Promotion

2025 Key Performance Highlights

100% Health Insurance: Full Spillover

Starting in 2025, Cathay Life incorporates spillover measures into every health insurance product, integrating health missions on the FitBack App into policyholders' daily lives to reflect the philosophy that "prevention is better than cure."

Industry-First "Comprehensive Insurance for Personal Electric Mobility Aids"

Cathay Century launched the "Comprehensive Insurance for Personal Electric Mobility Aids," providing accident repair and third-party liability coverage for electric mobility scooters and electric wheelchairs. Additionally, it upgraded and introduced the "New Century Evergreen Insurance," effectively reducing the financial burden caused by injuries among the older adults.

"Every Step Counts" Public Welfare Donations from 2022 to 2025 Totaled NT$27.7 Million

Cathay Life's "Every Step Counts" walking campaign donates funds to support rural education, environmental conservation, and renewable energy development, helping users transform their walking achievements into tangible public welfare actions.

2025 Health Promotion Blueprint Goals Achievement Rate 94%

(For each goal's achievement status, please refer to Appendix 7.2.)

3.1.1 Expanding the Health Ecosystem

Technology Expert
Facilitator of Health Management

Health Expert
Guardian of Health

Senior Living Expert
Architect of Older Adult Protection

Campus Expert
Pioneer in Risk Education

Technology Expert: Facilitator of Health Management

Highlight Initiative 1: FitBack App

Impacted stakeholders	Customers, employees, the community

✓ "FitBack App" Health Promotion Platform

Cathay Life leverages data and digital technologies to safeguard users' health. Policyholders can earn premium discounts on spillover policies by completing health missions and also receive discounts from external partners such as Cofit, couchspace, and Great Tree Pharmacy. The FitBack App covers the "SIX Health Services," which include Eat Well, Move Well, Sleep Well, Good Mood, Good Tests, and Good Care, closely aligning with users' health promotion and preventative care needs. In 2025, Cathay Life, in collaboration with Cathay Healthcare Management, launched the "Diet Snap" dietary recognition service. Through interactive tasks on the FitBack App and AI technology, users can simply upload meal photos or submit text inquiries to receive instant professional nutrition knowledge and dietary advice. For past achievements of the FitBack App, please refer to Appendix 7.3, Table 22.

✓ FitBack Corporate Edition

In 2023, Cathay Life extended its healthy living concept to the corporate workplace by launching the FitBack Corporate Edition, providing corporate employees with health promotion solutions and becoming a trusted partner in advancing workplace health.

Achievements

- Membership totaled 1.75 million as of the end of 2025.
- Cumulative step total reached 2,458.3 billion steps in 2025.
- 92 FitBack Corporate Edition corporate users in 2025 (calculated based on the number of Unified Business Numbers).
- FitBack Corporate Edition cumulatively reached 92,000 corporate employees in 2025.

FitBack Official Website

✓ Diverse Spillover Policies

Spillover policies are insurance products that provide policyholders with necessary life protection while also offering health promotion and management mechanisms. By designing such products and integrating health missions on the FitBack App into policyholders' daily lives, the Company aims to transform insurance from a purely "ex-post reimbursement" function into one that proactively includes ex-ante prevention. In 2025, the Company aims to achieve full spillover coverage for all health insurance products, meaning that every health insurance product will incorporate spillover mechanisms to enhance health support throughout all stages of policyholders' lives.

Achievements

- Cumulative sales of spillover policies totaled 585,000 in 2025.

Highlight Initiative 2: Every Step Counts

Impacted stakeholders	Customers, employees, the community

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.

Achievements

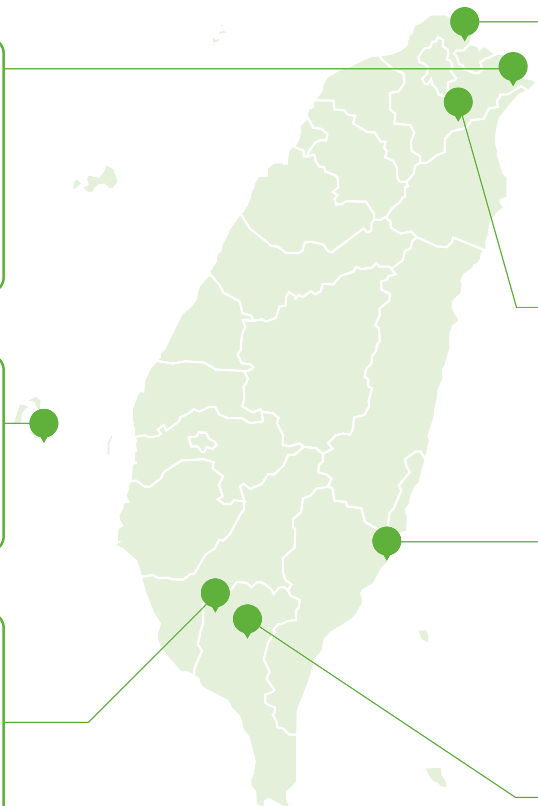
NT$27.7 million in support for public welfare programs including "Renewable Energy Development," "Rural Education," and "Environmental Conservation" from 2022 to 2025.

Cumulative step total reached 272.7 billion steps in 2025.

Item / Year	2023	2024	2025
Total Steps	54 billion	72.1 billion	108.2 billion
Number of Participants	217,000 (employees: 28,000)	273,000 (employees: 33,000)	407,000 (employees: 47,000)
Number of Groups	11,000	13,000	17,000

Every Step Counts Official Website

Achievements of the "Every Step Counts" Campaign



2024 Placemaking @ Gongliao, New Taipei City

Cathay Life, in collaboration with the National Taiwan Ocean University's USR team, conducted on-site interviews to assess the needs of local residents and proposed the innovative " Placemaking @ Gongliao Project." This initiative not only addresses local challenges but also allocates a fixed percentage of the project's revenue back to the community. Additionally, the program supports university students in engaging with local agriculture and fisheries, encouraging creativity and cultural promotion, thereby cultivating talent for placemaking.

New Taipei

2022 Solar Energy @ Hua-Yu Elementary School, Penghu County

Cathay Life supported the installation of solar PV systems on the rooftop to transform intense island sunlight into school electricity. Hua-Yu will become Taiwan's first near-zero-energy island elementary school.

Penghu

2024 Solar Energy @ Pingtung County herbal gardens

Cathay Life has installed solar PV systems above greenhouses, while cultivating local crops and rare plants below. This initiative supports campus restoration projects, enhances biodiversity, and promotes ecological education. In addition to promoting a just energy transition, the agrivoltaic system stabilizes the rural economy, promotes employment for underserved groups, and expands the Company's impact on stakeholders.

Pingtung

2025 Turtle Habitat Protection Program

Cathay Life, Cathay SITE, and the Taiwan Cetacean Society have collaborated to adopt a sea turtle rescue pool to enhance rescue capacity. They have installed satellite transmitters to track the movement of sea turtles after release, mapping the habitat range of sea turtles in the waters off northern Taiwan. These efforts are dedicated to promoting the planning of sea turtle conservation areas.

The Waters off Northern Taiwan

2025 Friendly Tea Gardens—Pinglin Tea Gardens Sustainable Transition Plan

Cathay Life partnered with ShinShen Sustainability Consultants to support tea farmers in adopting the sustainable practice of "cover cropping" to reduce environmental impact. The collaboration also assists farmers in navigating the transition period, ensuring that every cup of tea is produced in harmony with nature.

New Taipei

2025 Ocean Oasis—East Coast Cetacean Ecological Conservation Project

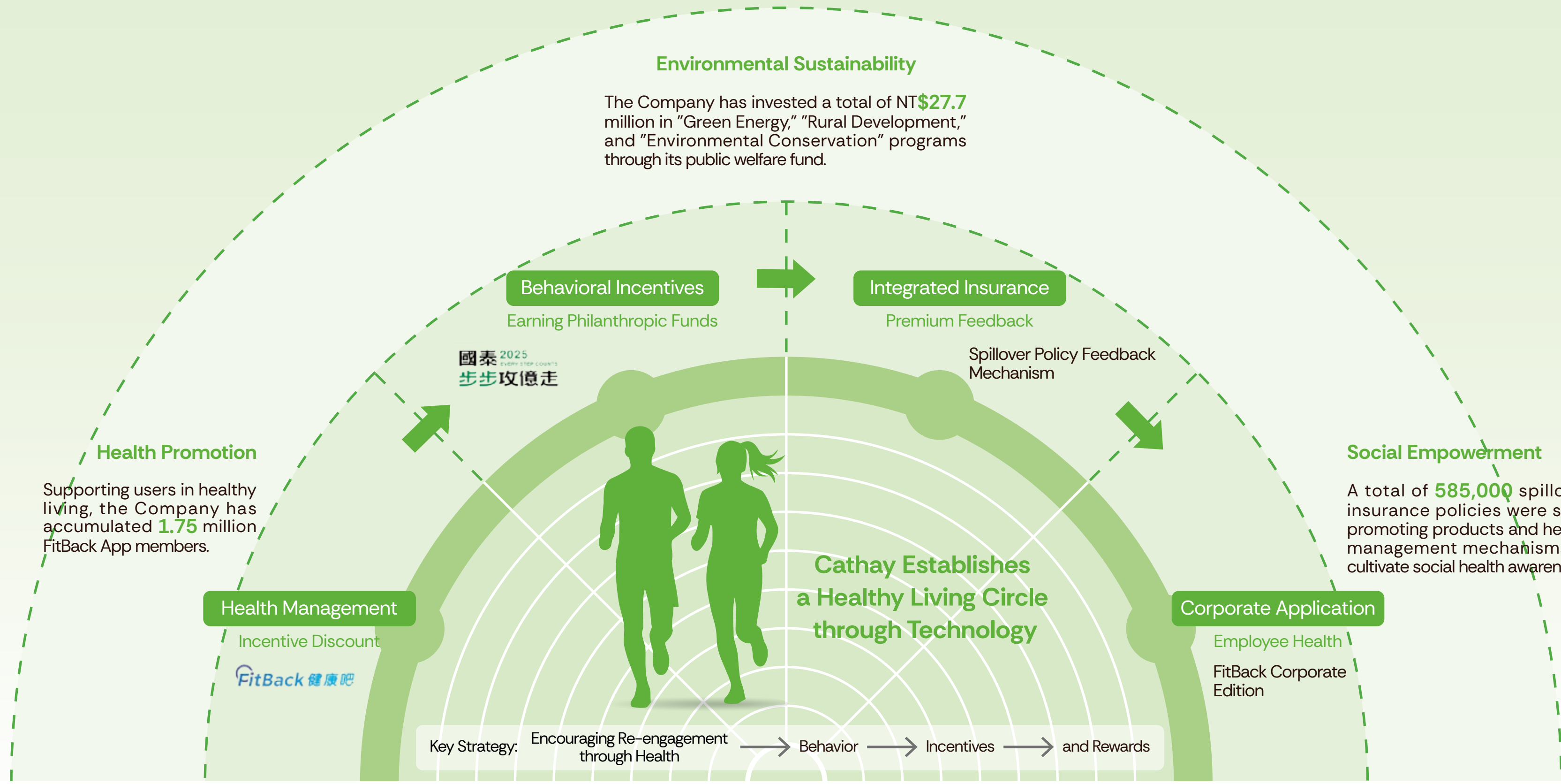
Cathay Life, in collaboration with the Kuroshio Ocean Education Foundation, conducted ecological surveys of cetaceans in the waters off Eastern Taiwan. The Company also actively participated in international exchanges, striving to promote the designation of the waters off Eastern Taiwan as an Important Marine Mammal Area (IMMA).

The Waters off Eastern Taiwan

2023 Solar Energy @ Majia Township, Pingtung County

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.

Pingtung



Health Expert: Guardians of Health

Highlight Initiative: Cathay Health Expert Certification	
Impacted stakeholders	Customers, employees

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 the Cathay General Hospital co-launched a "Cathay Health Expert certificate" to educate sales agents on four fields - "Health Data, Precision Medicine, Fat Loss & Sugar Management, and Geriatric Care." As of 2025, some 1,135 sales agents have undergone training. 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.

Achievements

- **2,158** Health Expert sales agents from 2022 to 2025.
- **1,047** knowledge-sharing seminars held in 2025.

Senior Living Expert: Builder of Older Adult Protection Systems

Highlight Initiative 1: Insurance for the Older Adult

Impacted stakeholders	Customers

In response to the needs of the Older Adults, Cathay Life not only develops a diverse range of insurance policies but also incorporates the concept of spillover policies. Its coverage includes life insurance, long-term care, dementia, hospitalization, surgery, cancer, accident, and specific illness protection. Cathay Century, guided by the core concept of "Zero Accidents for All Ages and All Regions," has launched a comprehensive senior protection program. Through the provision of diversified insurance solutions, Cathay aims to help policyholders address the challenges associated with aging and family caregiving.

Long-Term Care for Older Adults
Cathay Life introduced an exclusive long-term care insurance policy, becoming the first to raise the maximum insurable age to 75, and reducing the burden of long-term care for older adults.

Healthcare Protection
As the older adults population gradually experiences the physical effects of aging, such as hearing and vision decline or joint degeneration, their demand for surgical care and medical device support has increased. Cathay Life has introduced exclusive insurance policies that provide hospitalization and surgical coverage, as well as medical device support, to meet the protection needs of older adults.

Cancer Coverage
For lump-sum cancer insurance products designed for older adults, if the insured is diagnosed with cancer, a one-time payment will be made immediately to activate the cancer care account, providing financial support during the critical treatment period.

Accident Protection
Older adults are more prone to falls, fractures, and other accidents due to factors such as slower reaction times, declining vision and hearing, and reduced mobility. Cathay Life has introduced an exclusive accident insurance plan for individuals aged 55 and above to help older adults protect themselves and their loved ones in the event of an accident.

Specific Critical Illness Care
Middle-aged and older adults who experience cardiovascular diseases often require more intensive medical care over time, while their capacity to work and earn may decline. Therefore, Cathay Life launched an exclusive specific critical illness insurance policy 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.

Medical Device Protection
Cathay Century launched the industry's first "Comprehensive Insurance for Personal Electric Mobility Aids," providing accident repair and third-party liability coverage for electric mobility scooters and electric wheelchairs. At the same time, the Company upgraded and introduced the "New Century Evergreen Insurance," which offers subsidies for common medical device needs among older adults—such as artificial hip joints, knee joints, and intraocular lenses—as well as for assistive device expenses. The coverage includes accidental death, disability, major burns, and daily hospitalization benefits, effectively reducing the financial burden on families caused by injuries to older adults.

Achievements

Cathay Life sold **192,000** insurance policies for older adults as of the end of 2025.

In 2025, Cathay Century's New Century Evergreen Insurance recorded nearly **5,000** policies.

Highlight Initiative 2: Long-term Care for Older Adults

Impacted stakeholders	Customers, the community

✓ FitBack App "Senior Wellness" Section

Cathay Life established the "Senior Wellness" section on the FitBack App, focusing on three common health issues among older adults—fractures, dementia, and disability. The Company launched the "Senior Wellness Guide," which provides illustrated explanations of the causes of these conditions, as well as information on ex-ante prevention and post-illness care. The section also connects with cross-industry partners to offer policyholders exclusive health care services and multiple preferential resources, providing comprehensive support for their health and caregiving needs.

FitBack App "Elder Care" Special Website

Achievements

1,201 views of the FitBack App "Senior Wellness" section in 2025.

✓ 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, New Taipei City, Yuli in Hualien, Changbin in Taitung, Dongshi in Chiayi, and Nandi in Changhua. Together with Cathay volunteers, Cathay actively cares for local older adults and revitalizes communities. For detailed outcomes of the social impact generated by Cathay Happy Farms, please refer to 4.2 Social Empowerment.

Achievements

Cathay Happy Farm Reached **170** Older Adults in 2025.

✓ USR for Older Adults

Cathay Life collaborated with the University of Taipei to launch the "Health Tour Seminars for Older Adults" across counties and cities throughout Taiwan, providing older adults with daily health care knowledge and home exercise guidance, while also promoting fraud prevention awareness.

Achievements

34 participants in the USR for Older Adults program in 2025.

Campus Expert: Pioneer in Risk Education

To ensure "drug-free campuses," the Ministry of Education has commissioned Cathay Life to provide student group insurance across the nation for **nine** consecutive years, collaborating across the public and private sectors to promote school sustainability projects.

Highlight Initiative 1: Anti-Drug Education —From "Recognizing Drugs to Refusing Drugs," Staying Away from Narcotics

Impacted stakeholders The community, youth

✓ Air Force - PaGamO Online Anti-Drug Mission

Professors from National Taiwan Normal University and National Chung Cheng University were invited 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 among students by inviting them to complete anti-drug game challenges.

Achievements

A total of **3.044** million participants took part in anti-drug initiatives from 2019 to 2025.

✓ Army – Volunteer-Led School Anti-Drug E-Sports Events

Nearly 6,000 Cathay volunteers across Taiwan visited schools to organize small-scale, class-based anti-drug e-sports competitions.

Achievements

A total of **1,491** schools participated in the anti-drug e-sports competitions from 2019 to 2025.

Over **4,200** small-scale anti-drug e-sports competitions were held from 2019 to 2025.

✓ "Path of Destiny" Board Game Workshop and Online Anti-Drug Game

Cathay Life collaborated with the K-12 Education Administration and the social enterprise Pley School to design the anti-drug board game "Path of Destiny," adapted from real-life cases for elementary and junior high school students. The Company also organized board game workshops to provide professional training for teachers and social workers across Taiwan. In 2025, the Company upgraded and developed "Path of Destiny+," an online game that, in addition to addressing drug-related risks, explores various life topics such as family life, interpersonal relationships, and online friendships, thereby strengthening self-protection awareness.

Achievements

The online game "Path of Destiny+" recorded **3,670** user sessions in 2025.

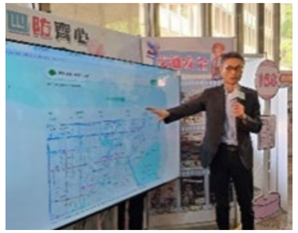
Highlight Initiative 2: Traffic Safety Project

Impacted stakeholders The community, youth

Cathay Century provides online and offline resources — including articles, videos, and interactive games — to raise safety awareness in pursuit of two main goals: "Zero Traffic Accidents" and "Enhancing Risk Prevention & Awareness." To this end, the Company has worked with schools to identify high-risk areas for traffic safety and develop risk maps. It has also hosted workshops and simulated dangerous traffic scenarios, strengthening students' risk awareness and building a robust traffic safety net on campus.

✓ Traffic Risk Map (from Campus to Older Adults)

Since 2017, this initiative has been promoted on a long-term basis. In September 2025, it engaged in cross-disciplinary collaboration with the Ministry of Education and National Yang Ming Chiao Tung University to jointly establish the "Campus Traffic Risk Map." By simply entering a school address on the website, users can identify accident hotspots within 500 meters and 2 kilometers of the campus and obtain customized risk-prevention measures based on different road scenarios. In October, the Ministry of Education assisted in issuing a letter to schools at all levels throughout Taiwan to raise awareness of the map's practical use and value. In addition, in October 2025, drawing on years of extensive experience using big data to create campus traffic safety maps, the initiative was further expanded. Using the Yung An Social Welfare Association Affiliated Yung Kang Residential Long-Term Care Facility in Luzhou District, New Taipei City, as its first case, the initiative conducted a systematic risk analysis of the traffic environment surrounding the long-term care institution, focusing on developing practical applications for a traffic safety risk map for older adults. This serves as an important starting point for strengthening community protection.



Achievements

Over **100** schools participated in the Campus Traffic Risks Map Program.

✓ Accident-free Rider Project – Campus Traffic Safety Promotion

The Company trained instructors from the four major business divisions of Cathay Century and continued to collaborate with the Campus Distribution Team of Cathay Life to promote traffic safety seminars for college, university, and high school students nationwide, enhancing students' awareness of traffic safety.

Achievements

The Accident-free Rider Project campaign reached over **26,600** participants in total from 2015 to 2025.

A total of **272** Accident-free Rider Project events were held from 2015 to 2025.

Highlight Initiative 2: Traffic Safety Project

Impacted stakeholders	The community, youth

✓ Accident-free Bicycles Project

Targeting elementary and junior high school students, Cathay Century, through Cathay Life's school network services, used augmented reality (AR) technology to teach students essential safety concepts before riding bicycles on the road.

Achievements

The Accident-free Bicycle Project reached over 7,700 participants in total from 2020 to 2025.

The satisfaction score for the Accident-free Bicycle Project was 96 in 2025.

✓ Zero-Accident Academy

In 2025, the Zero-Accident Academy collaborated with the intelligent customer service system "Alpha" chatbot to launch the "Follow Me, Fun in Japan" quiz campaign with prizes, and released two short videos on travel risk topics—"Sudden Illness" and "Accidental Injury." These Academy conveyed correct travel risk concepts in an engaging and entertaining way. To enhance awareness of home safety risks, the Institute also organized the "Electricity Use Behavior Survey" with a prize draw. Based on insights from the survey, it subsequently issued a news release on residential fire prevention to strengthen awareness of electrical safety at home.

Achievements

The Zero-Accident Academy's official website recorded a total of 3.45 million visits from 2014 to 2025.

3.1.2 Building a Health Support System for Employees

GRI：403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-8、403-9、403-10

Occupational Safety and Health Governance

Under the supervision of the Corporate Sustainability Committee under the Board of Directors, Cathay FHC oversees the strategic development of occupational safety and health. In the Group's Health Promotion Sustainability Strategy Blueprint, employee health and workplace safety are identified as key strategic priorities, with corresponding action plans and quantified short-, medium-, and long-term targets established. For details, please see Section 1.2 Cathay's Sustainability Strategy Blueprint and Strategy Pillars.

To continuously improve workplace safety and health, all employees at Cathay FHC and its subsidiaries, as well as contracted partners at all locations, are required to commit to and comply with the Policy on Occupational Safety and Health. For contractors, the Company has established the "Management Guidelines for Contractor Safety and Health," which require contractors to complete a joint occupational accident prevention notice before entering the workplace and to strictly comply with relevant laws and regulations. Violations are subject to fines, and in serious cases, termination of business relations, to ensure workplace safety.

	Policy Name	Applicable Parties
Highest Management Policy	Cathay FHC's Policy on Occupational Safety and Health	100% of Group employees and personnel seconded to the Group
Internal Operating Procedures	Safety and Health Work Guidelines, Occupational Safety and Health Management Program, and Occupational Safety and Health Management Guidelines	100% of Financial Holding Company and subsidiary group employees
Contractor Regulations	Management Guidelines for Contractor Safety and Health	100% of cooperating contractors

Occupational Safety Management Measures

Each Group company has established a dedicated occupational safety and health function responsible for planning and implementing occupational safety and health initiatives. In accordance with applicable laws and regulations, Cathay Life and CUB have each established an Occupational Safety and Health Committee, chaired by the President. Based on operational needs, the committees comprise occupational safety and health professionals, department heads, supervisors, personnel with supervisory or command responsibilities, engineering and technical personnel related to occupational safety and health, medical personnel engaged in labor health services, and employee representatives. The committee convenes quarterly, and ISO 45001 Occupational Health and Safety Management System has been implemented.

Other Group companies also follow the PDCA (Plan–Do–Check–Act) approach in managing occupational safety and health. To enhance management effectiveness, the performance evaluation and compensation of occupational safety and health supervisors and the Executive VP are linked to workplace safety and employee health objectives, such as participation and outcomes in employee health promotion activities and cancer screening rates.

Occupational Safety Risk Assessment Procedure

STEP 1 — Identification

Cathay FHC regularly identifies material OHS issues based on domestic and international occupational safety and health standards, laws, and indicators, as well as the Group's business operations and job characteristics.

STEP 2 — Assessment

In accordance with the four major occupational safety and health programs, the occupational safety and health unit conducts risk assessments and workplace environment monitoring at each worksite every six months to evaluate the level of employees' exposure to workplace risks and hazards.

- Ergonomic Hazard Prevention Program
- Maternity Healthcare Protection Program
- Program for the Prevention of Diseases Caused by Abnormal Workloads
- Prevention Plan for Unlawful Infringement Occurring in the Performance of Duties

STEP 3 — Action

Based on the priority of the assessed occupational health and safety risks, the Company developed corresponding action plans and established quantitative targets and mitigation measures.

- Physical health promotion, mental health support, and enhanced health and safety are the three key strategic focuses identified by Cathay. The related objectives have been incorporated into the Group's Health Promotion Sustainability Strategy Blueprint for regular monitoring.
- Following the 2025 assessment, no material residual high-risk items were identified
- Implement corresponding measures for low-risk events that occur more frequently
  - Enhanced Traffic Safety Promotion for Scooter Accidents
  - Implementation of Zero Occupational Accidents Incentives and Scooter Self-Maintenance Inspection Incentives
  - Prominent warning signs were posted in stairways and on ramps where falls are more likely to occur. At the same time, the Group strengthened education and training and displayed reminder notices to promote safe workplace behaviors.

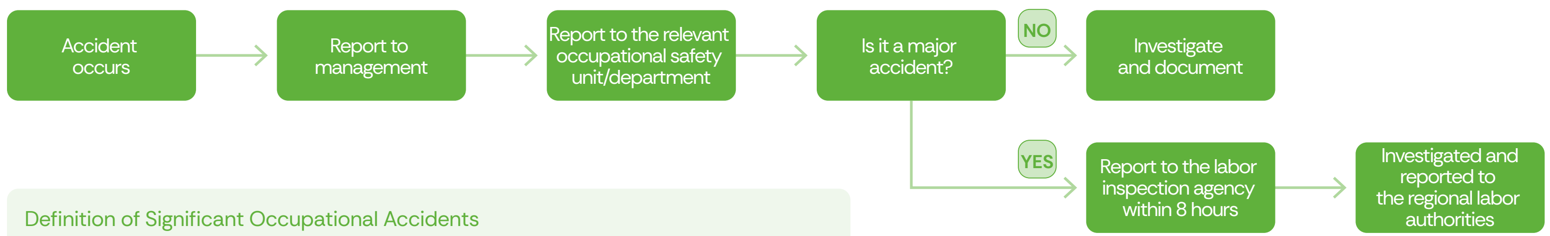
STEP 4 — Follow-Up and Continuous Improvement

Each year, the Company conducts an employee occupational safety and health survey to assess issues such as excessive workload, ergonomic risks, and mental health conditions. The results are analyzed, evaluated, and categorized to enable individualized care and follow-up, with employee health regarded as a top priority. The survey findings also serve as an important reference for formulating related measures.

- Abnormal Health Examination Results Grading Management
- Nurses reviewed the health examination results and conducted follow-up and care for any abnormalities.

Cathay FHC Investigation Procedure for Occupational Safety & Health Incidents

In accordance with Article 18 of the Occupational Safety and Health Act, if workers who identify an imminent danger in the workplace may remove themselves from any work situation they reasonably believe could result in injury or illness and must immediately report the situation to their direct supervisor. The workers shall not be subject to disciplinary action. In the event of an occupational safety or health incident, the Company conducts an internal investigation in accordance with regulations. If the incident results in surgery or permanent disability due to an occupational injury, occupational health professionals will be assigned to provide follow-up care and assess the employee's fitness to return to work or continue in their current position.



Definition of Significant Occupational Accidents

- Fatal incident
- The incident resulted in 3 or more injuries
- The incident resulted in 1 or more injuries & hospitalization is required for the injured
- Other incidents declared by the central competent authority

Occupational Safety and Health Risk Mitigation Measures and Management Effectiveness

Cathay has implemented mitigation measures addressing risk issues specific to the financial industry workplace, as summarized in the table below. In 2025, there were no work-related fatalities among Cathay employees or non-employees resulting from occupational injuries or illnesses. The main types of occupational injuries were traffic accidents during commuting and falls within office environments.

Please refer to Appendix 7.3, Table 20, for Cathay's occupational accident statistics.

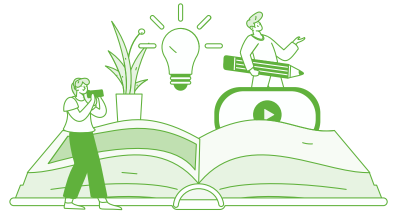
Risk Issues	Health-Related Programs & Achievements
Mental Wellbeing	• An annual employee mental health assessment survey is conducted. In 2025, 97% of Group employees rated their mental health as average or above[Note 1], indicating no significant risk factors in the Group's overall employee mental health status. The Company analyzed these assessment results and provided individualized care for high-risk employees. • The Company encourages employees to utilize the Employee Assistance Program (EAP). In 2025, the Group recorded a total of 1,033 counseling sessions.
Health & Fitness	**Health Examinations** • 100% of all new hires received health examinations in 2025. • In 2025, Cathay FHC, Cathay Life, and Cathay Century jointly organized a publicly funded cancer screening program for five major types of cancer. • The Company provides free employee health examinations every two years, exceeding regulatory requirements, and monitors employees' obesity and three high conditions (hypertension, hyperglycemia, and hyperlipidemia). • Partnered with physicians and nurses to provide on-site health services for employees. **Health Promotion** • In 2025, Cathay FHC, Cathay Life, CUB, Cathay Securities, Cathay Century, and Cathay SITE all maintained their Sports Enterprise certification from the Sports for All Agency, Ministry of Sports. • In 2025, Cathay FHC held multiple EAP stress-relief craft activities and health promotion seminars. ✓ EAP Stress Relief Workshops: Mindful Crystal Phone Strap Making, Mind-Body Balance Potted Plant Painting, and Focused Decoupage Art Creation, with an average satisfaction score of 9.7 out of 10. ✓ Health Promotion Seminar: Office Stretching Exercises and Healthy Meal Plates for Those Who Eat Out. • Annual employee road running, walking, hiking, and weight-loss competitions were held.
Occupational Safety	• Offered regular employee occupational safety and health training: In 2025, Cathay offered a total of 112,327 hours of occupational safety and health training to employees and ensured all contractors signed the Occupational Safety Disclaimer for Cathay Contractors to confirm that they have completed occupational safety and health training. • Emergency Response Plans for Different Emergency Scenarios: In response to potential incidents or emergencies, each unit has developed emergency response plans based on its operational characteristics, workplace risk factors, and identified unsafe acts and conditions. Each unit conducts at least one drill per year and has established a comprehensive incident reporting process. All subsidiaries successfully completed the required emergency drills and implemented their emergency response plans in 2025. ✓ Fire Drills: Cathay FHC, Cathay Life, CUB, Cathay Century, Cathay Securities, Cathay SITE, Cathay Venture, and Cathay Futures hold drills at each of their sites on a semi-annual basis.[Note 2] ✓ Robbery and Violence Prevention Drills: Conducted once a year at each branch of CUB. ✓ Typhoon Drills: Nine CUB branches hold annual typhoon drills. ✓ Emergency Response Drills: CUB holds emergency response drills every six months, while Cathay FHC, Cathay Life, Cathay Century, Cathay SITE, Cathay Securities, and Cathay Futures hold them annually. • Regular internal inspections are conducted at office workplaces ✓ Workplace Environment Measurements: Each Group company conducts workplace environment monitoring, including measurements of illumination and carbon dioxide (CO_2) concentrations, every six months. Based on the monitoring results, optimization and adjustments are made to ensure a healthy and safe working environment for employees. • First Aid Equipment: Ensured AED and other first-aid equipment are in place per regulations and provided regular training to first-aid personnel.

Note 1: For the questionnaire item: "Overall, I am satisfied with my mental health status," the percentage of respondents scoring 3 points or above (out of 5).
Note 2: Organized independently by each site or centrally by the building management, depending on the scale of the workplace at each site.

Spotlight Column Cathay's in-house podcast - A Miracle Room

In 2025, Cathay FHC produced its first in-house podcast, "A Miracle Room," a mental health program hosted by professional presenter Na Chi and clinical psychologist Chiang Chui-nan. The program addressed employees' anonymously submitted psychological concerns, covering topics such as the workplace, family, daily life, career development, and financial planning.

Cathay believes that fostering employees' psychological safety should extend beyond the workplace to provide long-term, continuous, and comprehensive support for employees. Through anonymous submissions that encourage employees to speak candidly and by sharing authentic life stories from individuals of different positions and age groups, a positive cycle is created. The Miracle Room is not only a platform for discussing issues but also a journey in which Cathay accompanies employees as they navigate life's uncertainties and inner challenges.



Employee Reflections

I really liked the episode "Respect Every Emotional Bubble." It's important not to take everything in—setting psychological boundaries matters.

After listening to the episode "Hard to Let Things Go," I was deeply moved. It helped me realize that the issue is not material scarcity, but rather a sense of emotional security and attachment.

When tensions arise between partners and family members, avoiding the issue can lead to endless cycles of doubt and worry. Seeking counseling together may be a good way to address the situation.

Listening to the program taught me that introverts do not need to force themselves to fit in or doubt themselves; it is about finding a comfortable and safe distance for both sides.

給身為主管不知要不要將抱怨說出口的你 / 妳

這集主管的矛盾與自我反思，似乎當主管也不是件容易的事！心理師建議當下用書寫來梳理，可以來運用看看。

給不知如何面對一直收到情緒抱怨的你 / 妳

也許是自己的耐心與人格特質，身旁的人真的很喜歡找我訴苦，久而久之變成自己很疲累，心理師教的情緒溝通術與小技巧，我也來試試~

給正在猶豫不決是否要生育的你 / 妳

在少子化的現在，身為雙薪家庭真的會猶豫到底要不要生小孩，聽了這集心理師建議，要去思考本身想要什麼樣生活、承擔什麼樣角色......

3.2 Financial Health

2025 Key Performance Highlights

The nation's first "Tree Points DCA Plan"	Established the Cathay Shield Joint Defense Mechanism to set an industry benchmark for fraud prevention	Released of the 2025 Taiwan Citizens' Financial Health Report
At the end of 2025, Cathay Securities collaborated with "Tree Life" to launch a new "Tree Points DCA Plan." The use of Tree Points, originally limited to product redemption and insurance premium discounts, was extended to investments in Taiwan stocks. This expansion enhanced investment flexibility, aligned with users' consumption patterns, and encouraged customers to invest more steadily. Within one month of launching the membership linking function, over 70,000 customers completed the linking process.	Cathay Shield is an integrated defense mechanism encompassing four key dimensions: Technology Shield, Care Shield, Knowledge Shield, and Alliance Shield. In 2025, the Company successfully prevented over 4,500 fraud cases, totaling more than NT$3.2 billion, and its anti-fraud education and awareness programs reached a cumulative total of over 69.9 million participants throughout the year.	CUB collaborated with PwC Taiwan to produce the only survey report in Taiwan's financial industry aligned with the United Nations' financial health measurement framework. The initiative encourages the public to understand their own financial health and promotes greater social awareness of financial resilience and literacy.

2025 Financial Health Blueprint Goals Achievement Rate

79%

(For each goal's achievement status, please refer to Appendix 7.2.)

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."

CUB responded to the Financial Supervisory Commission's "Trust 2.0" initiative by implementing the inclusive financial value of trusts and continuing to develop diverse and innovative trust products and services. With the strategy of "scenario-based services, diversified products, and modularized contracts," the Bank designs trust products tailored to the needs of different customer segments. At the 5th Trust Award for Diverse Trust Innovation in 2025, CUB won four major awards: the Gold Award for Best Family Trust Innovation, the Gold Award for Best Marketable Securities Trust Innovation, the Excellence Award for Best Insurance Claims Trust Innovation, and the Excellence Award for Best Integrated Trust Product Innovation. In addition, the Bank received two special honors from the Trust Association of R.O.C.—the "Breakthrough Progress Award" and the "Outstanding Commitment to Trust Promotion Award"—and was recognized as one of the financial institutions with the highest growth rate of dual-certified trust advisors.

Target Audience	Trust Services and Integrated Wealth Management Products
Young people and the general public	• Trust Products for Younger Customers: For younger customers, the Group offers products and services such as insurance claim trusts, child protection trusts, and asset management services. • CUB and Cathay Life jointly launched Taiwan's first one-stop innovative financial service integrating insurance, trust, and insurance endorsement: Through the "Insurance Payout Trust Co-Marketing" service, the concept of using a "trust platform" to manage "insurance benefits" was introduced to enhance the public's financial health and achieve the goal of safeguarding personal assets and transaction security. • Enhancing Capital Allocation Flexibility: Since launching its Taiwan stock dollar-cost averaging plan in 2017, Cathay Securities has been dedicated to helping clients invest with ease and steadily build their assets. The company has continuously optimized its services to meet customer needs, introducing several industry-first and innovative features, such as the "Daily Investment" function, lowering the entry threshold for U.S. stock investments, developing the "Smart Adjustment" function, and launching the "Dividend Reinvestment" feature, which offers intuitive operation and a high distribution rate. In 2025, the number of participants in the dollar-cost averaging plan reached 538,000, with total investment amounts exceeding NT$70.05 billion, representing a 9.3% increase from the previous year. The number of users of the dividend reinvestment feature reached nearly 245,000. • Nation's First "Tree Points DCA Plan":At the end of 2025, Cathay Securities, in collaboration with "Tree Life," launched the innovative "Tree Points DCA Plan," which was approved by the Financial Supervisory Commission for pilot implementation. The use of Tree Points, originally limited to product redemption and insurance premium discounts, was extended to investments in Taiwan stocks. Combined with features such as low transaction fees and an automatic suspension of deductions when points are insufficient, the plan encourages customers to invest steadily while aligning with their spending habits. Within one month of launch, more than 70,000 customers had completed the Tree Points membership linkage.
Retirement Investment Products and Older Adults	• Retirement Investment Products: As one of the core investment trust companies participating in the Financial Supervisory Commission's "National Retirement Self-Investment Program," Cathay SITE offers the Cathay Retirement Investment Plan Target Date Fund Series (2029 / 2039 / 2049) to help clients plan their retirement financial goals early. Investors only need to set a specific retirement horizon, and the fund will adjust its portfolio allocation based on the level of risk appropriate for different age groups. The "Cathay Enjoy Retirement" online platform also features a "Retirement Calculator," which, together with several popular Cathay SITE funds and ETFs, provides a one-stop solution for retirement financial planning and helps close the gap in retirement preparedness. • Trust Products for Older Adults: For older adult, the Group launched products such as the Micro Senior Care Trust 2.0, Active Retirement Trust, Happiness Protection Senior Care Trust, Freedom Debt-Reservation Trust, and Legacy Inheritance Trust to help individuals plan ahead and achieve self-care, family protection, and wealth succession.
Career Professionals Group	• CPBL Anti-Gambling Trust: In 2009, CUB pioneered the "Professional Baseball Players Anti-Gambling Fund Trust" and the "Professional Baseball League Players Signing Bonus Trust." Through the establishment of these funds and retirement savings mechanisms, the CUB has safeguarded players' financial security and contributed to improving Taiwan's professional baseball environment. During the trust period, if a player needs to withdraw funds, the bank will release the payment only upon approval by the players' union, ensuring proper and compliant use of funds. Upon retirement, the full amount is returned to the player, protecting their quality of life. As of the end of 2025, the principal of the "Professional Baseball Players Anti-Gambling Fund Trust" reached NT$185 million, with 270 active players participating in the anti-gambling fund trust.
Financial Inclusion and Socially Vulnerable Groups	• Diversified Financial Management: Cathay SITE assists clients in optimizing their asset allocation through a variety of fund and ETF portfolios to meet financial goals at different life stages. It also promotes long-term investment habits, enabling financially vulnerable groups to steadily build wealth through dollar-cost averaging plans. For more information, please refer to 3.2.3 Inclusive Financial Products and Services.

Note: For detailed product information and fund disclaimers, please refer to Appendix 7.15.

3.2.2 Integrating Digital Financial Services

Digital: Integrate the Group's Resources & Tangibly Enhance Customers' Digital Experience

• Compliance, Security, and Innovation in Parallel: Developing the Digital Asset Business

In August 2025, CUB received approval from the competent authority to become one of the first financial institutions to pilot "virtual asset custody services." Targeting high-net-worth individual clients, the bank launched its virtual asset custody offering. Cathay FHC, in collaboration with Cathay Securities and Cathay SITE, also participated in the "Real World Asset (RWA) Tokenization Working Group," jointly established by the Financial Supervisory Commission, the Taiwan Depository & Clearing Corp., and domestic financial institutions. The Group has completed proof-of-concept testing of tokenization technology, demonstrating that through public blockchain and smart contract technologies, financial products such as bonds can achieve faster settlement, lower investment thresholds, and automated distribution of interest payments.

• Developing Innovative Points Businesses to Deliver an Engaging Financial Lifestyle

To provide a more convenient and flexible points experience, Cathay Century launched the "Tree Points Premium Discount" service in April 2025. In December of the same year, Cathay Securities introduced the first-ever "Tree Points DCA Plan" service. Starting in July 2026, Cathay Life upgraded its spillover policy rewards from premium discounts to the issuance of Tree Points.

Key Digital Service Achievements of the Group

Cathay Life	CUB	Cathay Century	Cathay Securities	Cathay SITE
Cathay Life App users surpassed 3.5 million, and monthly active users reached 620,000. Key digital services include "Full Scene Facial Recognition," "Insurance View," which integrates individual and group insurance information, and "Family Policy Management," which enables policyholders to view all family policies in one place.	CUB's CUBE platform enhanced customers' customized digital service experience, with more than 8 million digital users and nearly 50 million digital logins per month.	Cathay Century launched the innovative "Tree Points Easy Premium Offset" service model, with a total of 3,500 premium offsets completed, using more than 2 million Tree Points in total.	Within two months of the launch of the "Tree Points DCA Plan" service, more than 38,000 customers had subscribed, with total accumulated deductions exceeding NT$58 million across more than 81,000 transactions.	Cathay SITE collaborated with the Taiwan Clearing House to introduce, for the first time, an integrated service combining "eDDA Electronic Direct Debit Authorization" and "eACH Real-Time Collection." At the same time, it launched a convenient annual ETF dividend income statement to simplify dividend reconciliation and tax filing.

Note: The Group reached more than 9.85 million digital users.

Data & AI: Empowering the entire Group through AI to accelerate operational efficiency and enhance risk management capabilities.

Cathay FHC	**Accelerating the Implementation of Generative AI with the GAIA Framework** Cathay FHC continued to enhance its Cathay Generative AI Development Framework (GAIA) and launched the upgraded GAIA 2.0, incorporating the concept of Agentic AI. At the same time, the Group developed "Agia," an AI assistant for employees that supports daily tasks such as knowledge retrieval, document organization, and content summarization. In addition, the Group established the "GAIA Studio" AI self-development platform, which enables employees to quickly create generative AI applications through a no-code development model using a visual interface or prompts. Within three months of the platform's launch, 28 departments had independently developed more than 40 internal AI service applications.
CUB	**Enhancing Customized Smart Finance and Comprehensive Technology-Based Anti-Fraud Collaboration** CUB's CUBE App, centered on customer experience, introduced generative AI technology to launch the "Upgraded Smart Assistant – Afa" and the "CUBE Search." These features enable customers to quickly locate and access desired services through natural language interaction. In addition, CUB collaborated with several domestic financial institutions to promote the "Financial Shield" project, adopting "Federated Learning" technology to jointly train anti-fraud models without exchanging personal data, thereby strengthening technological anti-fraud capabilities.
Cathay Life	**Integrating AI into the Insurance Value Chain from Underwriting to Claims** Cathay Life pioneered the life insurance industry's first "Full-Scene Facial Recognition" service, fully integrating it into five major processes: new policy applications, policy changes, premium payment authorization, claims applications, and in-person services at branch locations. Policyholders only need to register once to complete identity verification through facial recognition. At the same time, Cathay Life launched the innovative "Insurance View" service, which consolidates individual and group insurance information to help policyholders gain a comprehensive understanding of their protection profile and identify coverage gaps.
Cathay Century	**Accelerating Work Processes and Enhancing Loss Control** Cathay Century developed the "Smart Claim" intelligent claims assistant, an all-in-one AI-powered management platform covering all insurance product lines. The platform significantly enhances the claims process and risk decision-making while identifying suspicious claim patterns. Since its launch, it has successfully intercepted more than 900 high-risk cases, preventing fraudulent claims exceeding NT$31 million. In addition, through the industry's first "CarTech Smart Car Insurance Value-Added Service," the Group integrates hundreds of millions of driving data records each month with AI diagnostic models to gain real-time insights into corporate fleet driving behavior, improving risk identification capability threefold and providing customized risk improvement recommendations.

3.2.3 Inclusive Finance Products and Services

Cathay FHC has established an inclusive finance policy and strengthened its implementation efforts. Under the supervision of the Board of Directors, the ESG Strategy Committee and its Responsible Products and Services Working Group are responsible for planning and execution. In addition to providing financial products and services such as insurance, bonds, and loans, the Group also collaborates with social welfare organizations and other partners to enhance the accessibility, availability, and affordability of financial services, thereby achieving the goal of inclusive finance.

Inclusive Finance Products and Services

Area	Products	Target Group	Description	Number of Customers Reached by the End of 2025	Transaction Volume at the End of 2025
Loans	Microfinance	Those in need of funds but with limited access to financing	CUB took the industry lead by launching the fully automated online flexible loan service through the CUB CUBE App. The service enables customers to complete the entire process—from application and disbursement to repayment—in one place. Loan approval can be completed in as little as five minutes, offering highly customized and diversified loan services.	The number of circular product accounts was 76,714.	NT$10.99 billion disbursed in loans through circular products.
	Preferential Loans for Social Enterprises	Social Enterprises	CUB collaborated with the Taipei City Government to promote the "Social Enterprise Preferential Financing Program." In partnership with the Small and Medium Enterprise Credit Guarantee Fund of Taiwan, the program provides eligible enterprises with direct guarantees and low-interest preferential loans. The program also supports companies engaged in public welfare activities, including the promotion of ESG education, event planning, and coordination of material donations.	Financed 19 applications from social enterprises.	Approved loan amount was approximately NT$92.88 million.
	Microfinance preferential loans	Microfinance Institution (MFI)	CUB provided financing support to a microfinance institution in Cambodia, helping it continue to develop its existing micro and small and medium-sized enterprise lending business.	Extended loans to 7 microfinance institutions.	Approved loan amount was approximately US$26.15 million.
Insurance	Small Amount Whole Life Insurance	Older adults, the economically underserved, and individuals in poor health	Cathay Life 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 of advanced age, poor health, and economic disadvantage to afford basic lifelong life insurance protection at an affordable price.	The number of active policyholders totaled 247,000.	NT$91.8 billion in personal risk protection and 272,000 policies.
	Microinsurance	Economically underserved, Indigenous people, farmers/fishermen, social welfare/charitable groups, people with disabilities	• 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 underserved populations. • In 2023, Cathay Life became the first to launch online enrollment services for microinsurances, offering more convenient services to economically underprivileged or eligible groups. • In 2025, the Group received first place in the Microinsurance Competition organized by the Insurance Bureau of the Financial Supervisory Commission.	As of the end of 2025, the number of people insured by in-force microinsurance policies of Cathay Life and Cathay Century was 219,000 people, with a total of 3,913 policies in force.	Cathay Life and Cathay Century had total insured amounts of approximately NT$70.001 billion in effective policies.
	Products for Older Adults	Older adults, economically underserved	Cathay Life launched the industry's first "Insurance Products for Older Adults," offering diverse coverage including cancer, hospitalization, surgery, long-term care, and accident protection. The maximum insurable age has been raised to 80 (compared with the typical 65–70 for general health insurance). By simplifying product features, relaxing underwriting requirements, and lowering the minimum insured amount, Cathay Life enables older adults with limited budgets to obtain medical protection.	The number of new contracts totaled 160,000.	A total of 192,000 units were sold.
	Crop Insurance	Farmers	• The Group launched the Mango Crop Insurance (Government Disaster Assistance-Linked), covering losses to mango crops caused by typhoons, heavy rainfall, cold damage, high temperatures (foehn winds), and prolonged rain. Subsequently, the Group introduced the Mango Crop Insurance (Area-Yield Type) and the Parametric Guava Crop Insurance (for typhoon wind speed and rainfall). These products were designed with customized policies tailored to the characteristics of different crops, with policy terms adjusted based on climate and yield variations. • The Mango Crop Insurance (Area-Yield Type) determines claims based on regional yield levels. When the actual yield fell below the guaranteed yield, compensation would be provided, offering farmers flexible claim conditions that better reflected real farming conditions. • Parametric Guava Crop Insurance (for wind speed of typhoon and rainfall) incorporated digital automation services, launched the Real-Time Claims Notification system, and increased the loss cost ratio in 2021 to help farmers reduce losses caused by typhoons and heavy rainfall. • In addition, Cathay Century actively participates in agricultural seminars where it shares its knowledge and expertise to help farmers increase their insurance and risk management awareness and gain valuable market insights. By regularly reviewing its insurance products and adjusting its policies, Cathay Century strive to provide farmers with the most comprehensive coverage possible.	• 154 claims were paid out through the Mango Crop Insurance (Government Disaster Assistance-Linked). • A total of 112 claims paid out through the Parametric Guava Crop Insurance (for typhoon wind speed and rainfall).	• NT$4.4491 million paid out in compensation through the Mango Crop Insurance. • NT$215,800 paid out in compensation through the Parametric Guava Crop Insurance (for typhoon wind speed and rainfall).

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

Cathay is committed to enhancing the financial literacy and financial health awareness of specific groups. The Group promotes financial education through diverse approaches, enabling more people to acquire financial knowledge and strengthen their financial management capabilities. Through proactive education and knowledge sharing, the Group aims to empower the public to make informed financial decisions, thereby contributing to overall financial stability and improving quality of life across society. For more financial education and anti-fraud promotion, please refer to 3.2.4 Diverse Financial Education and 4.2 Social Empowerment.

Non-Financial Support	Target Group	Details	2025 Social Impact
Financial or Digital Literacy Training	Youth and Pupils in remote areas	The Elevated Tree Program – CUB Financial Education (Implemented for a Cumulative Period of 5 Years) CUB has long been committed to promoting equal educational opportunities for children. Upholding the principle of "bringing financial education to every corner of the country," the bank launched the "CUB Online Financial Literacy Program" in 2021, which includes content on fraud awareness. Employees are recruited as volunteer instructors to leverage their financial expertise in teaching students in rural areas. Since 2023, the bank has integrated internal activities to organize two-day, one-night in-person financial and sustainability education programs for children in remote areas. In 2024, the "fraud awareness" theme was incorporated into the CUB Online Financial Literacy Program for the first time, featuring interactive exercises based on common scam scenarios encountered by students, such as gaming point scams and website fraud. The initiative aims to strengthen students' critical thinking and fraud prevention skills.	A total of 260 students benefited from the online and in-person sessions of the "Elevated Tree Program – CUB Financial Education." In the self-evaluation questionnaire, students scored 4.8 out of 5 on the question regarding their understanding of financial management.
	Older adults and Pupils in remote areas	Diverse Society Co-Prosperity Program (Implemented for a Cumulative Period of 3 Years) Since 2023, Cathay Securities has implemented the "Diverse Social Prosperity Program." In 2025, it collaborated for the first time with the Formosa 3D Association to reach remote areas across Taiwan, combining financial literacy and anti-fraud education to provide financial literacy promotion activities for indigenous older adults, older adults, and young students. For more information, please refer to "4.2.3 Supporting the Underprivileged."	A total of 72 financial education activities were completed, reaching more than 3,300 participants.
	Older adults requiring long-term care	Micro-Heart Program (Implemented for a Cumulative Period of 3 Years) Starting in 2023, Cathay Century launched the Micro-Heart Program, collaborating with long-term care facilities 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 loss control, thus upholding financial inclusion.	A total of 80 older adult community residents participated, and the event achieved a satisfaction score of 4.98 out of 5.
	Youth	Summer Campus Dream Market – Student Advocacy Against Fraud (Implemented for a Cumulative Period of 9 Years) Since 2017, Cathay Life has organized the "Dream Direct Sales Camp" to help young students learn about financial and insurance knowledge and to encourage them to obtain relevant professional certifications. In 2025, the Group again partnered with criminal investigation units and police departments throughout Taiwan to advance anti-fraud education, further strengthening job-seeking safety and fraud awareness among young people.	A total of 17 sessions were held, reaching 702 participants.
	Youth	Senior High School Financial Literacy Course (Implemented for a Cumulative Period of 5 Years) Cathay FHC and Cathay Life have 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.	A total of 46 school visits were made, reaching 16,379 participants and totaling 711 instructional hours.
	Youth and older adults	Cathay SITE's Cross-Generational Financial Education Seminars (Implemented for a Cumulative Period of 5 Years for Generation Y and 8 Years for Retirement Financial Planning) 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. Cathay SITE holds retirement financial planning seminars tailored for older adults. These seminars help older adult investors develop sound financial management practices and raise their awareness of fraud prevention. Cathay SITE further amplifies its social impact by offering live online streams and in-person events.	• Foundational Finance Seminars for Gen Y Held approximately 20 seminars Visited 9 universities and 5 senior high schools across Taiwan Reached approximately 1,500 people in total • Retirement Financial Planning Seminars In 2025, one session was held, cumulatively reaching more than 150 people.

Non-Financial Support	Target Group	Details	2025 Social Impact
Incentives for Maintaining Savings Accounts	Groups in Remote Areas	Cathay Financial Service Stations (Implemented for a Cumulative Period of 6 Years) In 2020, CUB collaborated with PX Mart to launch "Financial Service Stations," extending service hours to 21:00 and offering account opening, digital services, and credit card applications. These service stations have expanded into 185 remote areas across Taiwan and its outlying islands, meeting local financial needs and successfully attracting customers to seek consultation proactively.	Service visits were conducted across 194 townships and districts in Taiwan and its outlying islands, including 40 areas designated by the Banking Bureau as "regions requiring an increase in the number of financial branches." The total number of people served exceeded 170,000.
Business Management Tools or Training	Underserved women, including female entrepreneurs	Academy for Women Entrepreneurs (AWE) (Implemented for a Cumulative Period of 3 Years) Cathay participated in the Academy for Women Entrepreneurs (AWE) program and, in 2025, became the program's sole "Impact Strategy Partner," taking an active role in the design and promotion of training for women entrepreneurs. In addition, the Group continues to support the ongoing growth of past participants by developing advanced entrepreneurship empowerment courses (covering financial planning, business operations management, and fundraising skills), extended community networking activities, thematic forums on women's empowerment, and a mentorship mechanism that integrates industry experts. These initiatives help participants enhance their practical entrepreneurial skills, build a supportive peer-learning network, and strengthen the overall resilience and impact of the women's entrepreneurship ecosystem. For more information, please refer to 4.2.2 Women's Empowerment.	Benefited 30 women by enhancing their financial tools and knowledge

3.2.4 Diverse Financial Education

Reducing the risk of financial crime requires not only basic financial knowledge but, more importantly, the ability to identify and prevent risks. As fraudulent schemes become increasingly sophisticated and diverse, even minor negligence can lead to financial losses. Cathay FHC and its subsidiaries have adopted multiple channels to enhance the public's financial literacy and their ability to recognize fraud, enabling individuals to identify potential threats and maintain sound financial health in an ever-changing financial environment.

Enhancing Financial Literacy and Financial Management Mindsets

Through a combination of online and offline activities, including seminars, 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.

Offline	• Financial Knowledge / Management Seminars Cathay Securities: The seminars covered fundamental knowledge of securities and futures, sound investment and financial management concepts, and anti-fraud education. Cathay SITE: Cathay SITE held more than 20 Foundational Finance Seminars for Gen Y, benefiting approximately 1,500 participants.
Online	• "Insurance Made Easy" Short Video Campaign Cathay Life focused on key product features and integrated expert insights, highlights from seminars, and case sharing by well-known celebrities to strengthen external communication and promotion of insurance protection. The short videos have accumulated a total of 323 million views. • Release of the "2025 Taiwan Citizens' Financial Health Report" CUB, in collaboration with PwC Taiwan, has taken the lead in raising public awareness of financial resilience and literacy. The Group is committed to promoting financial health for all, encouraging individuals to understand their own financial well-being and to develop personalized improvement plans. To date, more than 300,000 people have participated in financial health assessments. • Cathay SITE Financial Management Seminars and Educational Videos In 2025, approximately 50 seminars were held, with over 6,100 participants. A total of 41 financial education videos were released online, accumulating more than 409,200 views.

Building Fraud Prevention & Risk Awareness

In response to the growing importance of enhancing public awareness and understanding of fraud schemes, the Group and its subsidiaries have established internal mechanisms and conducted external advocacy and educational activities to reduce the likelihood of such incidents. The Group has developed the "Cathay Shield," a joint defense mechanism comprising four key dimensions: the Technology Shield, the Care Shield, the Knowledge Shield, and the Alliance Shield.

Four-Dimension Joint Defense Mechanism	Action Plan	Operational Performance	
Technology Shield AI-Driven Early Warning Engine to Establish Proactive Detection and Prevention Capabilities	• Using an AI Model to Assess Customer Fraud Risk • The Group implemented the Information Sharing and Analysis Center (ISAC) and the Anti-Fraud Project to collect and manage cybersecurity threat intelligence, detect external impersonation incidents, and establish a joint defense network in collaboration with global ISPs, hosting providers, major web portals, and cybersecurity firms. • Establish Monitoring Rules to Provide Early Warnings through System Controls and Abnormality Detection Alerts • The Group introduced the "Card Security Lock" setting function, added a "Website Identification Code" to the online transaction verification process, implemented FIDO2 biometric authentication, and required credit cardholders to complete "device binding" through mobile number verification or ATM verification before proceeding with the card binding process. • Launched the innovative "Account Security Insurance" in collaboration with Cathay Century.	Cathay Life • Over the past three years, Cathay Life successfully prevented 374 fraud cases, with a total amount of NT$345 million, demonstrating outstanding results in fraud prevention. Cathay Securities • Reported and removed fraudulent online content included 61 counterfeit apps and websites, as well as 61 fake social media accounts. • Throughout the year, a total of 10 fraud cases were successfully intercepted, preventing financial losses of approximately NT$3.63 million. Cathay SITE • A total of 810 risk information items were successfully detected, 761 risk information items were successfully removed, and the relevant authorities were promptly notified. • A total of 1,579 telephone follow-ups were completed for older adult customers (customer service).	CUB • Successfully prevented abnormal credit card transactions totaling NT$677 million. • Blocked 3,241 fraudulent credit card numbers. • Successfully blocked 45,927 fraudulent credit card transactions. • Average credit card early-warning detection rate was approximately 38% higher than that of peer institutions. • Controls were imposed on 45,435 anomalous accounts, blocking abnormal fund flows totaling NT$4.748 billion. • Handled / removed 11 fraud websites & social media platforms. • Successfully intercepted 4,374 fraud cases in person, blocking a total amount of NT$3.124 billion. Cathay Century • Successfully intercepted 40 high-risk cases.
Care Shield Frontline Staff Provide Warm Reminders on How to Safeguard Clients' Assets	• Each branch of CUB designated "Anti-Fraud Seed" personnel and established an internal reporting group, the "C_Team Anti-Fraud Task Force," which, when necessary, contacts the customer's family members or local police officers for on-site assistance. • Through business visits, in-person reminders at service counters, and promotional activities, the Group strengthened awareness of common fraud schemes and anti-fraud guidelines. In addition, regular follow-up calls were made to customers aged 65 and above to ensure transaction safety and provide care. • The original "Customer Service and Complaint Hotline" was upgraded to the "Customer Service, Anti-Fraud, and Complaint Hotline." • The Group implemented the "Digital Security Gatekeeper System" to detect abnormal login activities in real time and immediately issue alert notifications. • A user risk rating detection module was established and first implemented in the review process for high-risk applications.		
Knowledge Shield Promoting Fraud-Awareness Education and Building Herd Immunity	• Systematic Employee Training • The Group encouraged its business colleagues to form the "Financial Anti-Fraud Ambassadors" and hold customer information sessions across Taiwan. • Based on communities, campuses, long-term care facilities, and rural areas, the Group continues to promote anti-fraud education for all age groups. • Innovative awareness initiatives included the upgraded "Fraud Defense Squad" board game; the music video "Crack Fraud, Claim Victory", which integrates the "Five Don'ts of Fraud Prevention"; Cathay Securities' intelligent assistant "Afa," which combines fraud-prevention knowledge with online gaming; and a cross-industry collaboration with the popular snack brand "Kuai Kuai" to launch a limited-edition "Cathay × Kuai Kuai Anti-Fraud Co-Branded Packs."	Cathay Life • A total of 657 anti-fraud awareness sessions were held for customers and the public, with 25,198 participants. • 7 policyholder events invited the police to set up booths for anti-fraud awareness, reaching more than 100 participants. • A total of 63 anti-fraud awareness sessions were held for students, with more than 1,000 participants. • 3,372 employee fraud awareness training sessions were held, with a cumulative total of more than 23,000 participants.	CUB • Fraud prevention education and awareness programs reached a total of more than 69.9 million participants throughout the year. Cathay Securities • The related seminars, briefings, and courses reached more than 3,300 participants. Cathay SITE • The "Financial Literacy and Anti-Fraud Seminars for Generation Y" reached approximately 1,500 participants.
Alliance Shield Public-Private Cross-Domain Cooperation to Build Taiwan's Anti-Fraud Joint Defense Network	Taiwan High Prosecutors Office • Signed a "Letter of Intent for Cooperation on a Suspicious Transaction Analysis Mechanism" to jointly develop a suspicious transaction analysis mechanism for the accurate identification and control of potential illicit accounts. Criminal Investigation Bureau, National Police Agency • Signed the "Financial Cybercrime Prevention and Information Security Joint Defense Cooperation Memorandum of Understanding" and the "Financial Security Risk Joint Defense Cooperation Memorandum of Understanding." Established a financial fraud detection model, collaborated on training for digital channel anomaly detection models, and set up early warning and notification mechanisms for ATM fraud mule prevention and for domestic accounts suspected of involvement in fraud.	Taiwan Stock Exchange Corporation • The identified fraud cases were categorized and compiled, then uploaded to the "Anti-Fraud Joint Defense Action Section" on the Market Observation Post System (MOPS). Financial Industry Peers • Developed the Cathay Federated Learning Framework (CaFe), enabling other financial institutions to identify diverse types of financial fraud in compliance with regulations and without data leaving their premises. This initiative enhanced detection accuracy and strengthened fraud prevention capabilities.	

CH4 Empowerment

Amid global trends of rising climate change risks, rapid advances in AI technology, and population aging, the transformation pressure faced by enterprises has expanded beyond business performance and financial management to include talent capability reshaping and organizational resilience building. In recent years, international sustainability initiatives have also placed increasing emphasis on the impact of social inequality and human rights issues on long-term corporate value. For example, the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) has stated that enterprises must identify the impacts of their operational activities on labor rights, intergenerational opportunities, and social inclusion, and incorporate related risks and opportunities into governance and decision-making. This highlights that a people-centric approach has become an important foundation for long-term corporate competitiveness.

In line with this trend, the scope of empowerment has gradually expanded from standalone skills training to promoting intergenerational inclusion, protecting human rights, ensuring workplace safety, and developing diverse capabilities. Based on its four empowerment pillars, Cathay FHC has developed the "Cathay Inclusive Town" initiative to support employees at different career stages. By leveraging its financial expertise, Cathay FHC extends its positive impact beyond the organization to society as a whole, making empowerment an important pillar for driving steady organizational transformation and creating shared social prosperity.

4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 17 PARTNERSHIPS FOR THE GOALS

4.1 Workplace Empowerment

GRI：401-1、401-2、401-3、404-2、404-3

2025 Key Performance Highlights

HR Asia 2025 - Best Companies to Work for in Asia	2025 HBR Digital Transformation Awards Human Resources Management Transformation Award - First Prize	Top 1% Leading Employers Globally, awarded by the LEADING EMPLOYERS Institute
Cathay FHC received the HR Asia – Best Companies to Work for in Asia for the seventh time and won four special category awards: the Diversity, Equity & Inclusion Award, the Most Caring Company Award, the Sustainable Workplace Award, and the Tech Empowerment Award.	Organized by Harvard Business Review, the award recognized Cathay for promoting human resources transformation under its "data-driven, technology-empowered" philosophy and for applying data in talent management.	Germany-based LEADING EMPLOYERS analyzes millions of companies worldwide across multiple dimensions, including diversity and inclusion, employee experience, leadership culture, and sustainable operations. Cathay has received strong international recognition.

2025 Workplace Empowerment Blueprint Goals Achievement Rate

82%

(For each goal's achievement status, please refer to Appendix 7.2.)

4.1.1 Workforce Demographics and Commitment

Human Rights Commitment

Cathay FHC respects individual value and continues to build an inclusive and diverse workplace. With reference to international human rights standards such as the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, Cathay FHC has established the Cathay FHC Human Rights Policy, which explicitly prohibits differential treatment and discrimination based on gender, sexual orientation, race, socioeconomic status, age, marital status, family status, language, belief, political affiliation, nationality, physical appearance, physical or mental disability, or other identity-related factors. Cathay FHC also embeds the principles of equality and respect throughout its human resources management and daily operations. In terms of gender equality, Cathay complies with relevant labor laws and regulations, ensures equal standards for compensation and promotion regardless of gender, remains committed to the principle of equal pay for equal work, and continues to monitor and address the gender pay gap and the adoption of living wages.

Workforce Demographics

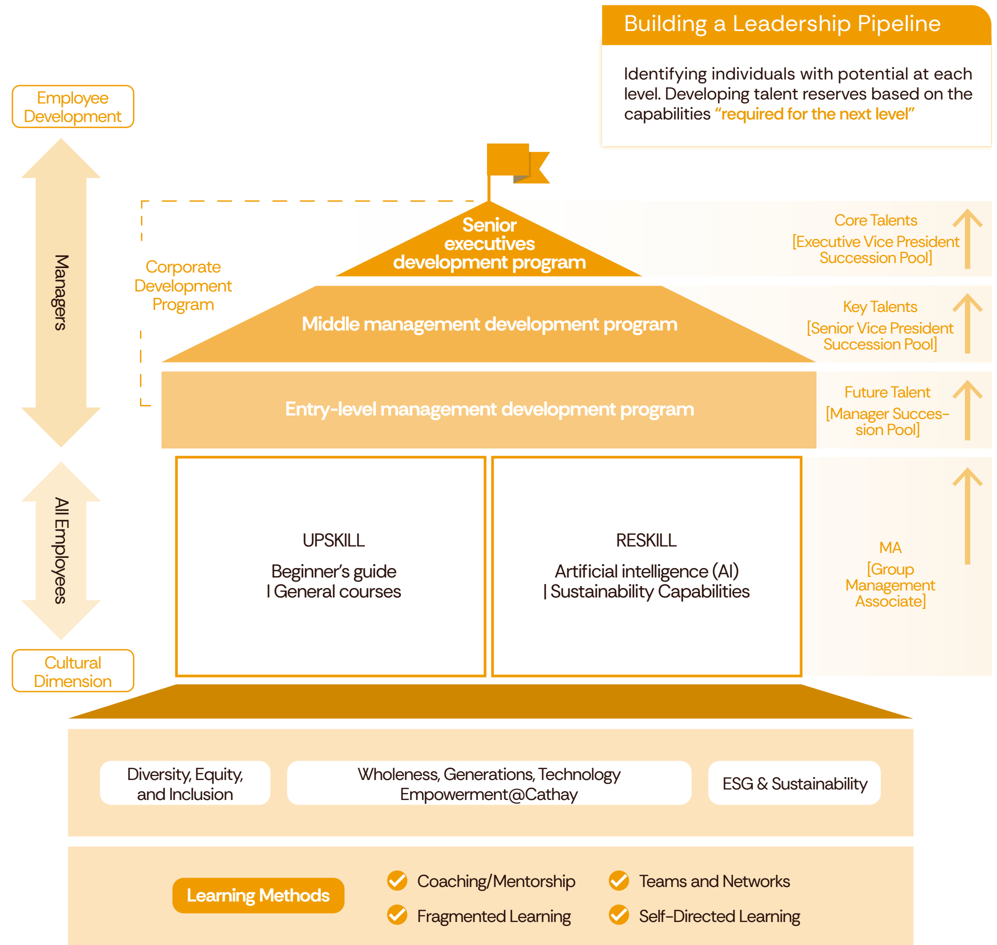
Cathay primarily operates in Taiwan and follows the principle of local hiring, prioritizing local talent, with approximately 98% of its workforce comprising locally hired employees. In its overseas operations, Cathay also recruits local employees to participate in business development, strengthening its connection with local communities. In terms of human resources management, Cathay complies with the labor-related laws and regulations of the competent authorities in each operating location and has never employed child labor. In Taiwan, foreign nationals are employed in accordance with the Employment Service Act, the Regulations on the Permission and Administration of the Employment of Foreign Workers, and other applicable regulations to ensure lawful employment and procedural compliance. In 2025, Cathay FHC and its subsidiaries employed people across 15 countries and regions, including Taiwan, Mainland China, Southeast Asia, North America, and Europe.

Cathay values employment opportunities and workplace rights for people from diverse backgrounds and supports the employment and career development of Indigenous peoples and persons with disabilities. Cathay provides accessible facilities across its offices, creating a work environment that accommodates diverse needs. It also provides Indigenous employees with Indigenous Ceremonial Leave, allowing them to take one day of leave during the traditional ceremonial period of their respective Indigenous communities. In addition, Cathay continues to promote cross-cultural understanding and an inclusive workplace culture through internal communication channels such as newsletters and thematic seminars. Among full-time employees, there are 320 Indigenous employees and 479 employees with disabilities; among workers who are not employees, 265 are Indigenous workers and 48 are workers with disabilities, reflecting the Group's commitment to building an inclusive, diverse, and resilient talent ecosystem.

Note: Please refer to Appendix 7.3, Table 11 for details on the employee composition of Cathay FHC in 2025.

4.1.2 Talent Cultivation and Development

Amid the rapidly evolving financial landscape and the accelerating adoption of technology, talent has become a key asset for enterprises to enhance competitiveness and resilience. Through the four strategic pillars of its Workplace Empowerment Blueprint, Cathay is building an inclusive and engaging workplace that empowers employees to grow, thrive, and realize their full potential.



Four Strategies of the Workplace Empowerment Blueprint

Upskill	Reskill	Leadership Pipeline	Inclusive Workplace
Provide learning resources tailored to employees' development needs at different career stages, ensuring the continuous enhancement of their capabilities.	Identify future workforce needs, as well as the critical knowledge and skills to adapt to future trends.	Strengthen leadership pipelines at all levels and build a robust succession pipeline to support the organization's long-term development.	Foster a respectful, inclusive, and welcoming workplace by the vision of creating "A Place for All." By offering diverse resources, the Company helps every employee find a sense of belonging, thereby creating value for individuals, the company, and society at large.

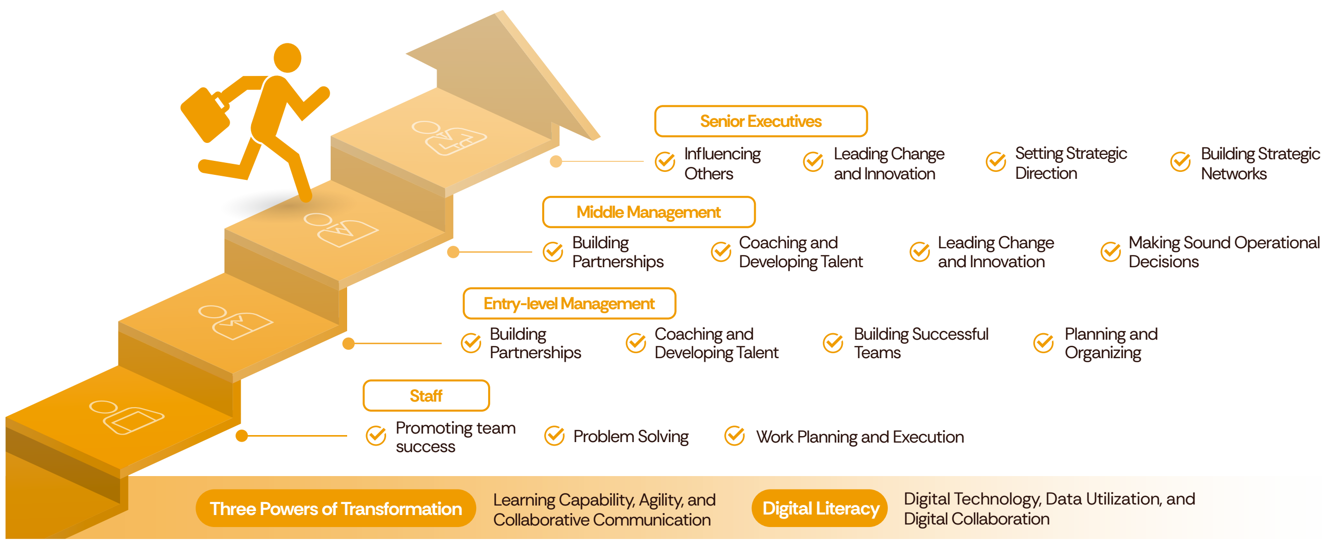
Employee Upskilling

Traditional one-way learning approaches no longer meet employees' evolving learning needs. Therefore, Cathay has introduced diverse learning tools and resources to encourage self-directed and continuous learning while leveraging digital technologies to enhance the overall learning experience. Through the Group's annual thematic learning activities, Cathay uses gamified approaches to shape a culture of self-directed learning and enhance employees' motivation and engagement in learning. A wide range of learning resources enable employees to quickly acquire the knowledge and skills they need, anytime and anywhere, on demand, thereby strengthening their ability to adapt to changes in future work patterns.

- Personalized Competency Training Program by Job Level

Cathay has established a "General Competency" training mechanism tailored to employees' career stages and role transitions, clearly defining the core competencies required at each development stage and positioning "Three Powers of Transformation" and "Digital Literacy" as important foundational capabilities for digital transformation. Under this framework, Cathay has established a personalized and systematic learning pathway that aligns talent development paths with the organization's transformation direction. At the beginning of each year, Cathay FHC employees receive their own Individual Development Plan (IDP) Green Book, which integrates personality analysis, annual target setting, and 360-degree competency feedback, as well as internal learning resources, to help employees create actionable development plans.

Cathay has designed corresponding development mechanisms for different development stages. Mandatory training on sustainability and diversity and inclusion is required for all new employees, achieving a completion rate of 100%. For newly appointed managers, the New Manager Training Program combines practical exercises and cross-functional exchanges to strengthen leadership and decision-making capabilities and support a smooth role transition. The program achieved a completion rate of 93%, with an average satisfaction score of 9.6 out of 10.



- Integrating Training and Development into the Performance Evaluation

Cathay FHC conducts annual performance evaluations in accordance with its Employee Performance Management and Development Guidelines. Through ongoing one-on-one conversations between managers and employees at the beginning, middle, and end of the year, Cathay ensures alignment on performance goals and career development plans. In 2025, 100% of Cathay's full-time employees underwent performance reviews. To support employees requiring performance improvement, Cathay has established an Employee Performance Improvement Guidance Plan. If employees have concerns regarding their performance review results, they may file an appeal, and the Human Resources Division will convene a Performance Review Appeals Meeting. The appellant and the relevant department or division supervisor attend the meeting for deliberation. In 2025, the Group received 40 performance evaluation appeals. After deliberation with the appellants, unit division-level supervisors, and Human Resources division-level supervisors, all cases were reviewed and subsequently handled in accordance with established procedures. In addition, all full-time employees participate in the 360-degree feedback process, enabling them to gain a more comprehensive understanding of their capabilities through feedback.

Management by Objectives: Establishment of 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.
Team-based performance appraisal	Cathay FHC has established a performance management system that takes both individual and team performance into account. In addition to individual performance objectives, "legal compliance" and "internal control" are incorporated into shared team performance indicators for all employees, with the overall achievement of each unit serving as the basis for evaluation. This promotes cross-departmental collaboration, strengthens governance mechanisms, and enhances the effectiveness of the organization's sustainable operations and risk management.
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.
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 management reviews, managers also use regular and agile conversations to understand employees' status at any time and dynamically review progress against objectives
Year-End Review	Review progress toward individual/unit annual goals through performance reviews and year-end evaluations, and monitor implementation of IDPs.

"Visit Night Markets Together" - 2025 Group-Wide Topic Learning Activity

To strengthen employees' self-directed learning and foster a learning culture across the organization, the empowerment team integrated internal and external learning resources and designed an annual themed learning program featuring a gamified learning campaign.

The program is inspired by the vibrant atmosphere of a traditional night market, inviting employees to "browse," "play," and "learn" while sparking enthusiasm for self-directed learning. In the "night market," booths represent different resources, including the Hahow Variety Booth, Expert Talks Booth, Insider Picks, and Treasure Trove Bookstall. The program features diverse seminars, tiered training resources, rich online courses, and books. Combined with blended learning, it provides flexible and personalized learning resources for employees with different needs.

Furthermore, Cathay designed a personalized monthly newsletter featuring curated recommendations for online courses and books. At mid-year, Cathay also designed the "Night Market Committee Learning Bulletin," using an interactive online matching game to review learning highlights. At the same time, a Group learning community was established, allowing employees to interact in real time with colleagues and editors, whether they learn online or offline. Learning is therefore no longer a one-way process of absorption, but an ongoing process of participation and exchange.

Hahow Variety Booth

Data analysis of individual skill gaps, capability development, and learning behaviors is combined with Hahow for Business learning resources to provide personalized recommendations for online resources. This enables human-machine collaboration and the precise delivery of targeted, personalized learning resources.

Achievements and Performance in 2025

Total learning hours on the Group's Hahow learning platform reached **200,000** hours

Note: The maximum possible score for course satisfaction is 10 points.

Expert Talks Booth

A seminar series centered on "AI" and "diversity and inclusion" was launched, inviting external speakers to share their field experience and build employees' understanding of annual focus areas. The seminars were held in both physical and online formats.

Achievements and Performance in 2025

A total of **four** sessions were held, with an average satisfaction score of **9.2** and an average participation of **900** people

Insider Picks

Employees serve as instructors to share professional knowledge, specialized skills, field experience, and other diverse topics, providing a platform for employees to realize self-worth and showcase their talents while creating an open circle for exchange and interaction and a shared-learning atmosphere for growth. Cathay also established the "Tai-Xiang Award" Best Instructor selection system to enhance employees' sense of achievement and honor and recognize role models in learning.

Achievements and Performance in 2025

A total of **11** sessions were held, with an average satisfaction score of **9.2** and an average participation of **768** people

Treasure Trove Bookstall

A diverse selection of interdisciplinary books is curated for employees to read, helping maintain reading habits and increase platform utilization.

Four to eight themed books are selected and recommended each month for employees to read, for a total of 48 recommended books. A reading reflection submission and sharing activity was also held.

Cathay BookTalk was newly introduced, allowing employees to understand key points from books through 10-minute animations.

Achievements and Performance in 2025

Cathay BookTalk added **three** new animations, achieving an average satisfaction score of **9.4** and cumulative clicks of **1,866**.

Total reads on the Group Digital Library reached **100,000**

Night Market Learning Festival

A year-end online learning showcase was held to guide employees in reviewing learning highlights from the past seven-plus months. Sessions included reviews of each night market booth, the Night Market Knowledge King Challenge, encouragement from the Chair of the Night Market Committee, the announcement of the Best Instructor of the Year, and the collection of booth completion certificates.

Achievements and Performance in 2025

The learning showcase attracted **412** participants and achieved a satisfaction score of **9.2**

Employee Reskilling

Digital technologies have continued to evolve rapidly, and the industry landscape has changed significantly. AI technology has brought changes to workflows and talent needs, while evolving sustainability issues have made risk management in the financial industry increasingly complex. Cathay understands that only by growing together with its employees can it move forward steadily amid change. Therefore, identifying the future skills employees need, ensuring these skills are effectively applied in the workplace, and translating them into stronger organizational competitiveness and greater employee fulfillment are the core focus of Cathay's talent development strategy.

In 2025, Cathay established "AI Capabilities" and "Sustainability Capabilities" as key focus areas for Employee Reskilling. The company used online learning resources to help employees learn the role-specific knowledge and skills and combined these resources with practical exercises to reinforce the application of learning in the workplace. Employees have developed multiple generative AI solutions, including an HR knowledge assistant and workflow automation tools, embedding AI into daily work scenarios. These efforts not only deepen individual professional capabilities but also improve overall operational efficiency. The results of these AI applications were also shared across the Group at the event "AI Demo Day." For more information, please refer to Cathay Sustainability Story III. In terms of "Sustainability Capabilities," Cathay FHC launched the mandatory course "2025 Net Zero Transition and Sustainable Finance" to help employees stay up to date on key global and Taiwan climate trends, integrate sustainability perspectives into business decision-making and daily operations, and strengthen their ability to identify and manage sustainability-related risks.

Cathay systematically cultivates cross-disciplinary financial talent with digital capabilities and AI literacy as its core focus

Digital Employee Experience	Next-Gen Cloud Talent Transformation Program	Group AI Democratization		
Cathay FHC prioritizes digital employee experience and builds a people-centered sustainable workplace. Through the "Copilot Group AI Pilot Program," Cathay continues to spread innovation and learning capabilities. It also launched a Group employee portal spanning cloud-based and on-premises environments, integrating one-click check-in, search, and quick system navigation functions to make employees' digital experience more convenient.	In response to the Group's digital transformation, Cathay launched the Next-Gen Cloud Program in 2024, recruiting seed trainees from 30 departments across different functions within the Group. The program combines systematic courses, project implementation, and professional certification exams to accelerate the cultivation of in-house cloud experts	Since 2024, Cathay FHC has promoted "Group AI Democratization," using AI to enhance daily work efficiency and productivity, including mandatory annual AI courses for all Group employees	CUB systematically provides employees with dedicated courses and AI application tools through its "Bank-wide Mandatory Course" system	For five consecutive years, Cathay Life has recruited employees from 54 departments, including product actuarial and insurance operations, to serve as AI seed employees through the AI Citizen Program
More than 200 successful application cases have been accumulated to date	More than 160 cloud professionals have been trained to date More than 360 cloud and AI certifications have been obtained, further strengthening the FinTech talent pool	The course completion rate exceeded 90%	The training coverage rate reached 92% Ninety percent of head office units passed the AI Literacy Certification provided by a third-party institution	More than 474 data professionals have been trained to date The coverage rate of AI seed employees across departments exceeded 20% A total of 180 AI innovation application projects were developed

Sustainability Capabilities

Group	CUB	Cathay Life
• ESG Sustainability Training Course The five-session micro-course series achieved a completion rate of 93.4% • The Group recorded a total of 724,800 ESG training hours in 2025	Tiered and Segmented Training Cumulative training hours dedicated to sustainability knowledge and competency development exceeded 40,000 for the year • General employees: 100% completed three hours of general sustainability training, combined with an incentive system • Credit personnel: Sustainable finance and credit practice courses were designed based on front, middle, and back-office roles • Advanced and certification courses are planned for core personnel to cultivate internal sustainability experts and support organizational implementation • External professional courses and trend-based training are provided to mid- and senior-level managers and directors to strengthen their strategic perspectives and governance capabilities Professional Certification and Competency Advancement Clear professional advancement paths have been established based on "Sustainable Finance Certification" and "Advanced Competency Certification." As of the end of 2025, 298 employees had participated in sustainability-related certifications or courses	Embedding Sustainability Awareness Across All Employees • Since 2018, "Corporate Sustainability Education and Training" has been included as a mandatory course for all employees • Internally, Cathay Life regularly shares the Company's sustainability initiatives and progress through a variety of sustainability-themed programs, including "Sustainability in Progress." • Employees are encouraged to obtain sustainability certifications. As of the end of 2025, a cumulative total of 728 basic and advanced sustainable finance competency certifications had been obtained

Build a Leadership Pipeline

Building a Leadership Pipeline is an important strategy for ensuring the depth of the Group's leadership and management talent bench. As a new generation enters the workforce, employees' expectations of managers are no longer limited to task assignment and performance review. They also place greater emphasis on whether managers can understand their development needs. In recent years, Cathay has actively promoted the role transformation of managers under the concept of "Managers as Coaches," enabling managers to gradually shift from traditional managers to guides and mentors for employee development. At the same time, Cathay has integrated development programs such as Future Talents, Key Talents, and Core Talents, combined with the Group Management Associate Program and the retiree talent pool, to strengthen cross-disciplinary experience and experience transfer mechanisms and gradually deepen the practice of a coaching culture within the organization.

Furthermore, technology empowers the Human Resources Department to make data-driven talent decisions, including the development of predictive models for turnover risk and high-potential talent. By using bench strength indicators, Cathay effectively identifies talent gaps at all levels, strengthens talent selection, development, deployment, and retention, creates a virtuous cycle of talent development, and enhances organizational resilience and the foundation for long-term development.

Cathay Talent Pool

01 Talent Pool for Mid- to Senior-Level IT Managers

Project

Professional Development Program for Mid- to Senior-Level IT Manager Candidates

Key Actions

A dual-track arrangement was adopted, with rotation unit managers serving as coaches and career mentors (sponsors). Through cross-company rotations, the program accelerates the upward development of bench talent in the Group's information technology field and cultivates talent with strategic perspective, cross-disciplinary expertise, and a Group-wide vision.

2025 Outcome/Highlight

- The execution rate for tripartite development dialogue meetings reached 100%.
- The promotion rate among participants who completed the development program exceeded 25%

02 Entry-Level Talent Pool / Managerial Pipeline

Project

Future Talent Cultivation Program

Key Actions

- The two-year development program entered its second year in 2025. Through Individual Development Plans (IDPs) and integrated competency application groups, the program enhanced leadership and practical application capabilities.
- Direct supervisors serve as coaches, providing practical guidance, feedback, and development dialogues in the workplace.

2025 Outcome/Highlight

- The satisfaction score for the second year of the development program reached 9.4 out of 10
- The percentage of participants fully engaged in the development program during the period reached 100%

03 Young Talent

Project

Group/Global Management Associate (GMA)

Key Actions

- Participants gain experience across professional fields such as products, customers, channels, and marketing, as well as front-office business practice and overseas internships.
- Guidance by senior staff and 1-on-1 coaching by HR to help participants focus on key learning objectives during rotations and receive day-to-day consultation and counseling.
- Opportunities for dialogue and engagement with senior executives are provided to enhance GMAs' strategic perspective and mindset.

2025 Outcome/Highlight

- Over the history of the program, 59% of participants who have completed the GMA program and assessment have been promoted to managerial positions or higher
- In the Cathay FHC GMA Program, 100% of participants completed cross-company rotations across 3 Group companies.

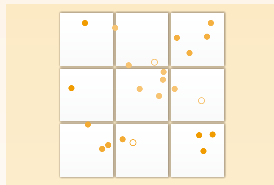
Two core coaching methods were introduced: the GROW Model provides a clear, logical framework for focusing dialogues on Goals, Reality, Options, and Will; meanwhile, the SBI (Situation–Behavior–Impact) feedback technique helps supervisors address specific behaviors and their consequences. This enhances the clarity and empathy of their feedback.

- Cathay collaborated with external consultants to design coaching workshops and coaching toolkits (including coaching forms and facilitator manuals)
- The coaching culture AI assistant "1 on 1 Partner" supports managers in focusing on key points and tracking actions before and after one-on-one dialogues
- Development Dialogue/Coaching Conversation Demonstration: The execution rate for development dialogues reached 100%

Regular talent reviews and talent development meetings integrate employees' performance, competencies, potential, development aspirations, and organizational needs, ensuring that the talent pool is more than a static list

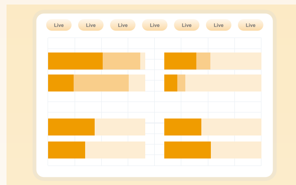
- High-performing bench talent pool retention rate: 99%
- High-performance young talent pool retention rate: 97.4%

Talent Nine-Box Grid



Integrates performance and individual potential to help managers identify talent and accurately plan workforce deployment

Visualized Talent Dashboard



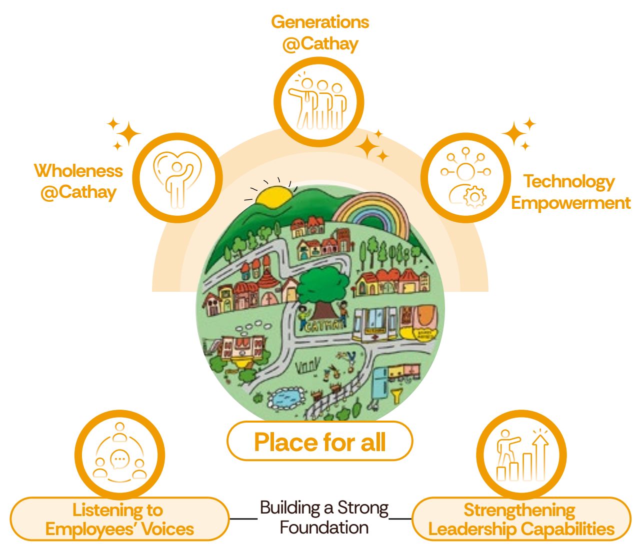
Integrates and visualizes HR data in real time, providing comprehensive support for recruitment, deployment, training, and retention decisions

- The coverage rate for leadership potential assessments among first-line managers reached 95%
- The coverage rate for personality and competency assessments among general employees reached 96%

4.1.3 Create a Inclusive Workplace and Developed the "Cathay Inclusive Town" Initiative

Cathay FHC upholds the core belief of "Place for All" and has adopted the strategic theme of "Embrace Diversity and Be Your True Self," dedicated to creating a workplace environment that respects differences and is friendly and inclusive. Centered on employees' needs, Cathay fulfills its people-centered commitment. Whether in career development, family care, or role transitions at different life stages, the company supports employees through comprehensive systems and resources, helping them balance multiple roles and responsibilities while continuing to develop their careers and enrich their lives.

As part of Wholeness@Cathay, "Cathay Inclusive Town" uses various facilities in the town illustration to symbolize the support resources and programs provided by the organization. From career development, physical and mental health, and flexible work to family care, these elements form a comprehensive support network. This not only makes diversity and inclusion a tangible part of daily life, but also ensures that friendliness and inclusivity go beyond concepts and are further implemented day-to-day collaboration. They become part of Cathay's long-term workplace DNA, working with employees to make the town thrive and create a better future together.



2025 Achievements in DEI

- HR Asia - Best Companies to Work for in Asia Award seven-time winner
- TCSA Taiwan Corporate Sustainability Awards: Workplace Well-being Leadership Award
- Family Friendly Workplace Award organized by CommonWealth Education Media and Publishing received for two consecutive sessions
- The Company distributed approximately NT$169 million in marriage and childbirth subsidies to support employees' marriage and childbirth needs
- The CommonWealth Talent Sustainability Awards, organized by CommonWealth Magazine-Second Place in the Financial Sector
- The retention rate one year after employees returned from unpaid parental leave: 88%
- The fertility rate among Group employees was 16.3‰ (compared with Taiwan's crude birth rate of 4.62‰)

Wholeness@Cathay: Enhancing an Inclusive Workplace Through Comprehensive Resources and Initiatives That Support Work-Life Balance

FlexiPacing: Leave Without Losing Rights

Through the "FlexiPacing" project, Cathay integrates comprehensive resources such as flexible working hours, remote work arrangements, and employee care to help employees balance career development and family care and reduce the pressure of work interruptions caused by family responsibilities. Even if employees choose a leave of absence for career planning, the "Leave Without Losing Rights" system continues to provide learning resources, e-books, and EAP care services during leave, ensuring that employees receive sufficient support while on leave and successfully transition back to work.

Diverse Workplace Support Actions

Applicable to All Group Employees

Employee Support and Benefits		
Family and Parenting Support	Flex Shift	(E) Pregnancy Checkup Leave: 10 Days • Maternity Leave: 8 Weeks (E) Miscarriage Leave: Employees who have served for less than six months are also eligible for fully paid leave • Maternity Leave: 8 Weeks • 7 days of family care leave, as well as the statutory pregnancy checkup accompaniment leave and maternity leave • Paid Childcare Leave: Both primary and secondary caregivers may apply for allowances for up to six months during parental leave • Paid Annual Leave: Employees are entitled to annual paid leave based on their years of service, in accordance with the Company's internal policies and applicable laws. Employees can view their leave balance and usage through the HR system. Any unused leave at year-end may be carried forward to the following year or converted into a cash payment in accordance with Company policy
	Parenting Benefits	(E) Childbirth Allowance: Financial assistance provided to female employees and employee spouses upon childbirth (E) Provide subsidies for children's education subsidies and grants (B) 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 (B) Pre- and post-pregnancy questionnaires, gifts for moms and dads (B) Childcare Initiatives: Cathay has partnered with local daycare facilities to offer employees convenient access to childcare options (B) Regularly hosts employee-exclusive parent-child events and family day activities
Health Care	Diverse healthcare resources	(E) Menstrual Leave / Sick Leave: Fully paid leave for five days every year. (E) Group insurance coverage for employees and their families (parents, spouses, and children) (B) Regular health screenings and health support / subsidy programs for employees (B) Hold regular health promotion activities (B) On-site massage services available to staff
Workplace Flexibility	Flexible Work Models	(B) Remote Work: Employees may flexibly shift to remote work based on business needs and individual preferences. (B) Flexible Work Arrangements: 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) Flexible Work Shifts: 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) Compensation, Retirement, and Shareholding Benefits: Regular salary adjustments, stock trust plans, and legally reserving 10% of the outstanding shares for employee subscriptions when cash capital increases are made (B) Wedding bonus and bereavement pay
Recreation and Lifestyle Support	Encouraging Recreation, Social Connection, and Learning	(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 (B) Travel subsidies and airport transfer discounts (B) Subsidies for employee clubs, movie screenings, singing contests, and fun competitions

(E) "Enhanced" indicates that the leave or subsidy exceeds legal requirements (B) Refers to "benefits" provided by the company

Diversity and Inclusion: Creating an Inclusive Workplace That Transforms Diversity into Innovation

① Intergenerational Dialogue: Fostering Understanding Across Generations

Cathay FHC utilized a hybrid format combining online and in-person interaction to invite employees from different generations to engage in open dialogue and discuss the challenges and expectations of intergenerational communication and collaboration within the organization. The President also personally participated as a representative of one generation, openly sharing communication challenges and solutions and fulfilling the organization's commitment to listening to employees' voices.

The event also attracted online participation from more than 60% of employees and achieved a high satisfaction score of 4.5 out of 5.

② Diversity Co-creation Competition: Expanding Co-created Value

Cathay held the "Glad You Are Here: Diversity and Co-creation Storytelling Contest" to encourage employees to reflect on their project experiences and share stories of collaboration and co-creation in a diverse and inclusive workplace. Beyond encouraging employees to recognize the value of diversity and inclusion, the contest also inspired them to translate diverse perspectives into practical workplace actions.

The post-event satisfaction survey showed that participants gave a score of 4.9 out of 5 for the indicator "greater willingness to listen to perspectives from different backgrounds"

③ Diversity and Inclusion Seminars: Keeping Pace with Emerging Trends

The seminar themes spanned career exploration in the AI era, intergenerational and cross-cultural exchanges, and employees' growth and reflection across different identities and roles. The program included multiple seminars on related topics, such as "Understanding Yourself and Others: Workplace Interpersonal Communication Skills," "Winning in the AI Era: Understanding AI Trends and Building Workplace Competitiveness," "Starting from You: Exploring Multiple Career Possibilities," "The Competitiveness of Intergenerational Inclusion: Five Strategic Talent Mindsets for Managers," "A Guide to Living in Ho Chi Minh City," "What Travel Taught Me," and "New Generation Dialogue Special: From Gap Year Self-Exploration to Imagining the Future Workplace."

More than 5,000 participants attended, and all satisfaction scores exceeded 9 out of 10.

④ Workplace Inclusion Survey: External Benchmarking

Cathay continues to gain insights into employee needs through diverse listening mechanisms. In addition to the annual engagement survey and surveys at diverse touchpoints, Cathay collaborated with an external consultant in 2025 to conduct a Group-wide workplace inclusion survey, becoming the first financial institution in Taiwan to conduct such an independent survey. This provided an in-depth understanding of employees' actual experiences in diversity, equity, and inclusion.

Technology Empowerment: Enabling More Meaningful and Deeper Collaboration

Reverse Mentoring: Fostering mutual empowerment and co-created achievement

By bringing together Generation Z employees' digital fluency with the extensive workplace experience of Generation X managers, Cathay FHC launched a reverse mentoring program to foster intergenerational collaboration and mutual learning. This initiative not only strengthened the organization's talent development ecosystem, but also demonstrated its commitment to digital inclusion amid digital transformation and the rapid advancement of AI, enabling employees with diverse digital capabilities to thrive in the AI era.

The team successfully developed the AI tool "1 on 1 Partner," which helps managers at all levels provide agile conversations in employee interviews more efficiently and with greater empathy, thereby improving people management effectiveness.

Upgrading Managerial Leadership: Identifying unconscious bias and implementing assertive Dialogue

Inclusive Leadership Workshop

The workshop helps managers strengthen their inclusive leadership capabilities and become champions of a diverse and inclusive workplace. Through training on recognizing microaggressions, addressing unconscious bias, and practicing inclusive communication techniques, managers are equipped to foster more respectful, empathetic, and inclusive interactions in their day-to-day leadership.

Nearly 100 managers at various levels have participated, and the course achieved a satisfaction score of 9.2, demonstrating management's strong emphasis on inclusion issues.

Listening to Employees' Voices: from one-way feedback to mutual understanding, deepening an internal feedback culture

① Employee Engagement Survey

Through the employee engagement survey results, Cathay analyzed employee feedback across five dimensions: corporate sustainability, organizational commitment, employee well-being, leadership and management, and job identification. The survey covered Cathay FHC and its subsidiaries. In 2025, the response rate was 84.7%, and overall satisfaction reached **4.23** out of 5 Note, the highest level in the company's history and the tenth consecutive year with satisfaction above 4. To further enhance employee engagement and well-being, Cathay will continue to respond to employee feedback and the evolving demands of AI-driven transformation by strengthening AI capabilities and leadership development, expanding family support and well-being initiatives, fostering a diverse and inclusive workplace culture, and providing employees with the resources they need to grow and thrive.

Note: This refers to the average score for the employee engagement survey item "Overall, I am satisfied working at the company." Please refer to Appendix 7.3, Table 21 for details on Cathay FHC's 2025 employee engagement survey results.

② Employee Feedback Channels

Cathay held a total of **25** labor-management meetings in 2025. Through labor-management meetings and labor union platforms, discussions were held on issues such as amendments to the Work Rules, management of extended working hours, and employee benefits. There was **one** labor-related penalty case during the year, with a fine of NT$**80,000**. Cathay has already completed process improvements in accordance with the law and properly closed the case.

Cathay maintains a workplace free from discrimination and sexual harassment. Cathay established the Cathay Financial Holdings Co., Ltd. Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace, and set up a dedicated complaint mailbox and Sexual Harassment Complaint Investigation Committee to accept and investigate related cases. In 2025, **seven** cases involving sexual harassment or violations of gender equality were accepted and closed. After the cases were verified, disciplinary procedures were initiated in accordance with regulations, necessary support such as psychological counseling was provided to the complainants, and education and training for all employees were strengthened to continue reinforcing a workplace culture of respect and equality.

③ Cathay FHC Town Hall Meetings: Neighborhood Warden's Session

Cathay FHC holds three employee town hall meetings each year. Through an open question mechanism, employees can raise various issues without restriction, strengthening the organization's culture of transparent communication. During the events, the President personally responds to employees' questions, creating a sincere and trustworthy dialogue atmosphere and promoting cross-level exchange and idea sharing. This not only enhances employee participation, but also helps management promptly understand employees' needs and concerns, continuously build a workplace environment with a high level of psychological safety, and support the organization in moving toward a more open and inclusive culture.

Prioritizing Competency Over Academic Credentials: Attracting and Retaining Diverse Talent

Cathay ensures that all candidates receive fair and unbiased consideration throughout the recruitment process. When posting job vacancies externally, Cathay avoids using exclusionary language or wording that implies specific groups to attract a broader talent pool. The interview process includes multiple stages, including document review, comprehensive observation by at least two managers, competency and personality assessments, and structured interviews. Interview questions are based on core competencies and are designed with both distinctiveness and consistency to reduce unconscious bias.

Furthermore, with the goal of cultivating international financial talent, Cathay actively collaborates with academic institutions to promote industry-academia alignment. In response to the Group's talent needs as it deepens its presence in Southeast Asia and expands into markets such as Vietnam and Cambodia, Cathay partnered with National Chengchi University in 2025 to promote a Southeast Asian talent internship and scholarship program. Using National Chengchi University's International Master's Program of Applied Economics and Social Development (IMES) as the pilot unit, the program helps international students gain practical experience in professional fields such as finance, technology, and data while in Taiwan, providing outstanding international students with comprehensive opportunities to connect their academic and career development. In 2025, the Group offered a total of 524 positions through campus internships and industry-academia collaborations, recruiting 469 students from more than 66 domestic and overseas schools.

In terms of talent retention, Cathay FHC refers to market compensation levels each year to maintain salary competitiveness and regularly reviews the salaries of all full-time office employees at Cathay. Over the past five years, the average annual salary adjustment has been approximately 4%. During the four most recent cash capital increases in 2016, 2018, 2019, and 2022, Cathay reserved 10% of shares for employee subscription and allocated subscription rights based on factors such as employee grade, performance, and seniority within the Group, inviting employees to participate in the company's operations. In the most recent 2022 employee subscription, the subscription rate reached 90%. In addition, Cathay FHC has implemented an Employee Share Ownership Trust (ESOT) since 2022. Through the plan, the company contributes incentive funds through a trust to encourage employees to invest a fixed amount each month, providing additional retirement security.

Note: For salaries of Cathay FHC's full-time staff (non-managerial positions) in 2025, please refer to Appendix 7.3, Table 16.

Career Sustainability for the Aging@Cathay

More than 30% of Cathay's employees are aged 50 or above. 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 "Employee Reskilling training resources" (please refer to Section 4.1.2 Talent Cultivation and Development for upskilling- and reskilling- related content). Cathay also strengthens organizational resilience and long-term talent sustainability through initiatives such as its retiree talent network and financial planning consultations.

Retiree Talent Management Mechanism

- 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.
- Cathay has established a retiree exchange platform to maintain experience sharing and connections. 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.

Providing financial planning consultations for employees and sharing the results of the company's business performance

- 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 business 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.

4.2 Social Empowerment

2025 Key Performance Highlights

Holding the Cathay Climate Change Youth Forum for six consecutive years to cultivate sustainability capabilities among youth	The Cathay Youth Excellence Scholarship has awarded nearly NT$10 million in scholarships and grants	3D movie vehicles have visited schools in remote areas Nearly 190,000 students have benefited cumulatively
The forum builds a platform for dialogue among youth and industry, government, academic, and other diverse stakeholders, and supports youth in deepening climate thinking and exploring concrete action plans	The program provides substantial scholarships and grants and encourages youth to focus on important ESG issues, and cultivate problem-solving capabilities and awareness of public participation	Participated in the "Formosa 3D Movie Tour" promoted by the Formosa 3D Association, bringing Taiwan's landscapes, culture, and life stories into schools in remote areas

2025 Social Empowerment Blueprint Goals Achievement Rate 93%

(For each goal's achievement status, please refer to Appendix 7.2.)

4.2.1 Youth Empowerment

Against the backdrop of accelerating global sustainability transformation and industrial change, the younger generation will become a key force in driving social innovation and economic resilience. Based on its emphasis on people-centered values and long-term social value, Cathay FHC regards youth empowerment as one of its core sustainability actions. Through education and capacity building, Cathay aims to cultivate a new generation of talent with sustainability thinking and practical capabilities, laying the foundation for social transformation. Cathay works with the government, nonprofit organizations, social enterprises, and its own employees to jointly promote three focus areas: "Flipped Classroom," "Sustainability Capabilities," and "Employability." These efforts help children and youth build the knowledge, attitudes, and skills needed for the future, support them in taking concrete actions to respond to social and environmental challenges, promote talent development and industrial transformation, reduce the gap between learning and application, and strengthen society's overall competitiveness and resilience.

Youth x Flipped Classroom

2025 Impact Overview

Action	Achievements	Impact
• Sponsored the Teach for Taiwan (TFT) • Sponsored the Formosa 3D Movie Tour • Organized the Cathay National Children's Drawing Contest	Organized nearly 205 events Trained 114 impactful teachers to serve in elementary schools with high teacher demand across Taiwan Impacted more than 67,000 students across 271 school visits	Enhanced students' learning environment and development opportunities, thereby improving the quality of education in Taiwan Taking the TFT program as an example: For students taught by the 10th cohort of TFT program members, the average pass rate on learning support screening tests in Mandarin, English, and mathematics increased from 68% to 73%.

*This section compiles the impact data of each action plan under this dimension and selects representative highlight projects for further explanation in subsequent sections.

Teach for Taiwan (TFT)

Action

To respond to unequal educational resources and the learning gap in remote areas, Cathay Charity Group has supported the Teach For Taiwan (TFT) Teacher Training Program since 2016. The program recruits mission-driven young talent, who are dispatched to remote schools as full-time teachers for two years after professional training. They work with schools and communities to enhance teaching quality and learning support. In addition to long-term investment in teacher cultivation, Cathay also integrates Group resources and encourages TFT teachers to apply for the Cathay Dream Come True Program, providing diverse learning opportunities for students and expanding their horizons and development potential.

2025 Execution Highlights

In 2025, Cathay continued to deepen its investment in education sites. Through stable and long-term teaching and companionship, Cathay helped improve students' basic academic performance in Mandarin, English, mathematics, and other subjects, while also strengthening their self-confidence, learning motivation, and non-cognitive abilities. At the same time, Cathay integrated the Group's financial and insurance expertise and jointly promoted campus safety education. Through interactive board game teaching materials and school visits by Cathay Century Insurance, risk management concepts were transformed into teaching content close to students' daily lives, helping them establish correct and practical safety awareness. The initiative trained 114 teachers in remote areas and impacted more than 2,680 students.

Regarding resource support, in conjunction with the Cathay Winter Warmth Program, the distribution scope of warm supplies was expanded for the first time to cover all TFT partner schools, with a total of 1,884 supply packages distributed, valued at more than NT$560,000. Cathay also provided training venues free of charge to help TFT effectively reduce training costs, allowing more resources to be focused on education sites and teachers' professional development. In addition, through senior executives' participation in the launch ceremony, cross-sector talent exchange, and social advocacy activities, Cathay further expanded the social impact of educational equity and promoted the sustainable engagement of educational talent.

Participant Feedback

During the Chinese language classes, the teacher guided us in practicing mind mapping, which helped me develop the habit of using mind maps to organize knowledge and ideas. This was very helpful to me and greatly improved my reading and comprehension skills. In junior high school, I would even reflect during Chinese classes on whether the teacher's explanations and the textbook content accurately represented the authors' original intent.

- Someone who, as a child, was taught by a TFT teacher

Activity Highlights

By deepening its presence in education in remote areas, Cathay has worked with TFT to create opportunities for students in remote areas to transform their futures.

Cathay FHC Executive Vice President Chun-Lan Shih delivered remarks at TFT's annual "Launch Ceremony," encouraging young people to devote themselves to education in remote areas

Formosa 3D Movie Tour

Action

Since 2022, Cathay FHC has participated in the "Formosa 3D Movie Tour" promoted by the Formosa 3D Association. Through 3D mobile cinema vehicles, the project has reached schools in remote areas, bringing Taiwan's diverse marine landscapes, culture, industries, and life stories into learning sites. Through visual media, the initiative helps reduce the urban-rural digital divide and expands students' understanding of land and ocean issues.

Concurrently, Cathay has mobilized Group employees to serve as volunteers, accompanying students in watching films and participating in exchanges. The initiative guides students to pay attention to diverse social and environmental issues, broaden their horizons, and cultivate a sense of identity and action awareness for protecting Taiwan's nature and culture.

2025 Execution Highlights

In 2025, Cathay Life worked with the Cathay Charity Foundation, the Cathay United Bank Foundation, and the Cathay Real Estate Foundation, in partnership with the Formosa 3D Association, to sponsor the campus public screening program for the documentary film "Taiwan Unsung Hero." By presenting visual content featuring the stories of perseverance of more than 100 ordinary people, the program guided students to see courage, values, and their own possibilities. In addition to providing public screening resources, Cathay Life also mobilized office and field employees to participate in resource fundraising, expanding campus screening coverage and enabling more schools to access viewing opportunities. Through the dual-track approach of visual education and community involvement, the initiative strengthened psychological support and value identification for students in remote areas, transforming educational inspiration into a foundation for long-term empowerment.

Participant Feedback

The mobile cinema program brought films directly to the school, providing students with the opportunity to watch content on-site and gain knowledge and experience. This initiative has proven highly beneficial to students. Thank you.

— Teacher, Bali Elementary School, Zhongli District, Taoyuan City

Activity Highlights

The 3D mobile cinema visited remote areas to plant the seeds of life transformation for children

Cathay Life hosted a private screening event for the film "Taiwan Unsung Hero" in 2025.

Cathay National Children's Drawing Contest

Action

To promote art education, Cathay FHC and its subsidiaries organize the Cathay National Children's Drawing Contest. As the largest and longest-running drawing competition in Taiwan, the Cathay Children's Drawing Contest has been held for 50 consecutive years, encouraging children to use their brushes to express their views of the world. In recent years, the number of entries has exceeded 50,000 annually, demonstrating the results of Cathay's long-term commitment to aesthetic education.

2025 Execution Highlights

The 50th Cathay National Children's Drawing Contest was themed "Growing Up Healthy and Protecting Our Beautiful Homeland," presenting children's ideas and actions for future life. This year's event attracted tens of thousands of submissions from across Taiwan. In celebration of the 50th anniversary, the awards ceremony specially invited Huang Ming-Chu, the Gold Award winner of the first contest and currently a professor in the Department of Arts and Design at National Tsing Hua University, to serve as an award presenter, symbolizing the competition's far-reaching impact on the cultivation of artistic talent over nearly half a century. His journey from a participating student to a professional art educator reflects the educational significance of long-term companionship in children's growth and the inspiration of creative potential.

Activity Highlights

The award ceremony featured an exhibition of the winning entries, allowing parents and children to observe, learn from one another, and grow together.

Youth x Sustainability

2025 Impact Overview

Action	Achievements	Impact
• Organized the Taiwan Climate Action Expo (TWCAE) and Cathay Climate Change Youth Forum • Sponsored the Taiwan Energy-Sustainable Energy Creative Implementation Competition • Sponsored the Lead For Taiwan - Promoting Critical Thinking • Sponsored the Impact Investment Campus Roadshow • Sponsored the Comprehensive Knowledge Tour	More than 20 instances of senior executive participation as speakers and judges Over 80 climate-related creative proposals were collected Critical thinking education trained 141 university student instructors and public school teachers More than 35,000 students, parents, teachers, and the general public reached	Empower youth to acquire sustainability knowledge, take climate action, and transform these efforts into net-zero momentum for society. Impact Investment Campus Roadshow • 85% of youth are willing to take action and practice impact investing Lead For Taiwan - Promoting Critical Thinking • The frequency of discussions regarding social issues increased by 23.7% • The application of critical thinking in daily decision-making increased by 25.6%

*This section compiles the impact data of each action plan under this dimension and selects representative highlight projects for further explanation in subsequent sections.

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

Action

Extreme weather, industrial transformation, and social risks brought about by climate change continue to intensify, and the climate emergency has become a long-term challenge faced by the world. Against this backdrop, the younger generation is both a bearer of future risks and an important force for driving innovation and transformation. Since 2020, Cathay FHC has hosted the Cathay Climate Change Youth Forum for six consecutive years, with nearly 2,700 young people participating in total, providing a space for youth to voice their opinions, exchange ideas, and co-create. At the same time, by organizing the Taiwan Climate Action Expo, Cathay connects government, enterprises, nonprofit organizations, and youth actors to promote cross-sector collaboration and strengthen the social connections and implementation of climate action.

2025 Execution Highlights

In 2025, Cathay FHC continued to promote youth and public participation in climate action through the Taiwan Climate Action Expo and the Cathay Climate Change Youth Forum. Cathay FHC participated in the three-day 5th Taiwan Climate Action Expo (TAIWAN COP5). Centered on the themes of "Resilience, Innovation, and Inclusion," the event brought together central and local government agencies, enterprises, academic and research institutions, and nonprofit organizations. Through exhibitions, forums, and exchange activities, the event showcased Taiwan's climate action achievements in policy promotion, industry practice, and civic participation.

The 6th Cathay Climate Change Youth Forum was themed "Net Zero Gen: Co-creating Youth Visions for Climate," echoing the COP30 "Global Ethical Stocktake" initiative. The forum adopted a "World Cafe" format to guide young people in sharing their own climate action experiences, and combined local artists' real-time presentation of discussion outcomes to visualize youth imagination of a net-zero future. In addition, award-winning teams from the Ministry of Education's climate creativity competition were invited to share their achievements. Sustainability experts guided young people in considering the possibilities for implementing and expanding climate action, continuing to inject youth climate action energy into society.

Activity Highlights

Cathay FHC has long supported climate youth empowerment and has hosted the Cathay Climate Change Youth Forum for six consecutive years, hoping to provide new solutions for climate risks.

Lead For Taiwan - Critical Thinking Education

Action

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.

2025 Execution Highlights

In 2025, Cathay FHC deepened its support for Lead For Taiwan in promoting critical thinking education. In addition to continuing instructor training and high school critical thinking courses, the initiative focused on optimizing teaching models and expanding its impact. Through pilot demonstrations in northern Taiwan, the program developed replicable instructor training and lesson plan modules, and introduced pre- and post-assessments of critical thinking skills and learning feedback mechanisms to systematically review the learning outcomes of students and young instructors. At the same time, the program expanded teacher empowerment and institutional exchanges, gradually building sustainable critical thinking education capacity among school teachers and strengthening the foundation for long-term implementation.

Participant Feedback

I have learned to think critically and express my ideas clearly and persuasively. This skill enables me to analyze the root causes of issues from multiple perspectives when addressing challenges. It also facilitates more effective communication and collaboration with my peers.

— Student Participant, Lan-Yang Girls' Senior High School

Activity Highlights

Cathay FHC continues to promote critical thinking education, training high school students in independent thinking and problem-solving

Comprehensive Knowledge Tour

Action

Cathay FHC promotes the "Comprehensive Knowledge Tour," an initiative centered on youth empowerment. Through cross-disciplinary collaboration, Cathay works with the Chao-Ting Chang Memorial Foundation, composed of many Academia Sinica academicians and prominent scholars, to help students develop the diverse literacy needed for the future. The program focuses on high school campuses and invites experts from various fields, including science, humanities, and society, to share their insights. By transforming professional knowledge into learning content that is close to everyday life and easy to understand, the program guides students to move beyond a single-discipline framework, cultivate cross-disciplinary thinking and communication skills, and begin thinking earlier about future learning directions and career development, thereby broadening their learning horizons.

2025 Execution Highlights

In 2025, the program visited **22** senior high and vocational schools, accompanying **1,566** students in exploring diverse fields of knowledge, with an overall average course satisfaction score of **4.63** out of 5. In addition to academic experts, lecturers from Cathay FHC also entered campuses to share frontline work experience and observations. Topics included how enterprises respond to environmental challenges from the perspectives of sustainability and climate change, how AI and digital technology are changing the future world, and how dialogue and communication encourage students to understand others and express themselves. Through these relatable sharing sessions, the program helped students connect classroom knowledge with the real world and imagine their own futures.

Participant Feedback

- Although Biology certainly isn't an easy subject, the instructor simplified the material, facilitating a clearer understanding
- The instructor took an approach that was easy to understand. This approach fundamentally altered my perception of the financial industry and prompted me to consider how I could contribute to the field.
- This course taught me how to communicate effectively and helped me better understand the structure of the workplace!

— Student participants

Activity Highlights

Cathay FHC Executive Vice President Hsiang-Ni Wu shared with students the application of AI in the financial industry.

Youth x Employability

2025 Impact Overview

Action	Achievements	Impact
• Sponsored the High School Financial Literacy Courses • Organized the CIP/CAP/CSP Internship Program • Organized the 7+1 Talent Internship Program • Organized the Cathay IT Talent Incubation Program	Organized/participated in a series of courses across five major areas: career exploration, programming, financial literacy, sustainability knowledge, and financial practice. Mobilized more than 20 instances of employees volunteering as instructors Empowered more than 16,000 high schoolers, college students, and young adults, 46 of whom joined Cathay	Through structured project-based learning, youth developed essential workplace capabilities and skills, and many went on to contribute their strengths in related professional roles.

*This section compiles the impact data of each action plan under this dimension and selects representative highlight projects for further explanation in subsequent sections.

High School Financial Literacy Courses

Action

To deepen the philosophy of inclusive finance and enhance financial literacy among high school students, Cathay worked with the Financial Literacy Education Promotion Association, the Taipei City Department of Education, and several high schools to jointly offer the "High School Financial Literacy Course." The course was taught by executives and employees of Cathay FHC, Cathay Life, and Cathay SITE, combining theory with practical experience to help students understand financial industry development trends. Financial literacy is an important foundation that affects individuals' economic decision-making and ability to use resources. Through systematic course design, students learned financial planning methods, understood the concepts of investment risk and return, cultivated rational judgment and prudent decision-making ability in daily life. Related content also incorporated industry topics such as fraud prevention, artificial intelligence, sustainable finance, and impact investing to broaden the scope and practicality of learning.

2025 Execution Details

In 2025, the Association integrated systematic learning outcome analysis into the course. Pre- and post-course assessments were conducted for 88 students based on the OECD PISA financial literacy framework. The results showed that the students' overall average score increased from 68.34 to 82.04, an improvement of 13.7 points, or approximately 20%, demonstrating that the course had substantive effects on financial literacy and decision-making ability. The degree of learning improvement did not vary by household income or parents' education level, demonstrating the impact of promoting equal educational opportunities.

Participant Feedback

I think this course is very helpful for high school students as we approach the transition to adulthood. Acquiring this financial knowledge makes me feel more grounded.

— Student participants' feedback

Activity Highlights

Senior Advisor Sophia Cheng served as a lecturer at a high school financial literacy camp, sharing with students the importance of developing financial literacy.

Group IT Talent Development Program

Action

To respond to the demand for information technology talent driven by FinTech development and core system upgrades, Cathay Group launched the "Information Technology Talent Development Program." Through systematic professional courses and practical training, the program cultivates job-ready IT talent. Targeting people from cross-disciplinary backgrounds with a willingness to learn, the program combines theoretical learning, project practice, and mentor support to help participants gradually build the core competencies required for information engineering and align with the Group's actual hiring needs. It creates a development pathway from training to career placement and strengthens the long-term talent foundation for the Group's information transformation.

2025 Execution Highlights

From July to November 2025, Cathay Group held the "IT Talent Development Program," a 15-week intensive training program divided into three stages: foundation, advanced, and group projects. The foundation courses covered core languages such as SQL, Java, and JavaScript. The advanced courses introduced technologies such as Spring Boot, Angular, Vue, and eBaf to strengthen practical applications in FinTech. Finally, through group projects, participants completed system integration implementation under the guidance of mentors and senior colleagues. Participants who passed the training and assessment were given the opportunity to transfer to information engineer positions within the Group.

Participant Feedback

I participated in Cathay Life's Java training class, where I gradually built an understanding of front-end and back-end integration from programming and database fundamentals to project implementation. The learning process was challenging and also represented an important step in my cross-disciplinary career transition.

— Participants in the training program

4.2.2 Women Empowerment

With the vision of creating an inclusive society with equal opportunities, Cathay actively uses the core competencies, resources, and influence of its financial business to systematically promote cross-disciplinary women's empowerment and equality initiatives. Cathay integrates resources to help women gain knowledge, skills, and capital in green and innovative industries, enabling them to pursue self-realization. By supporting women's empowerment forums and providing substantive resources to female athletes, Cathay also enhances women's visibility in sports, private enterprises, and the public sector. We hope to build an environment that encourages diverse voices and equitable participation, enabling women to exert influence in their careers and lives and realize their self-worth.

2025 Impact Overview

Action	Achievements	Impact
• Purchasing Products and Services from Female Entrepreneurs • Supporting Cathay Women's Basketball and Table Tennis Team • Supporting the Academy for Women Entrepreneurs (AWE) Mentorship • Sponsored the Women in Science & Technology Convention (WiST)	Reached 31 female entrepreneurs Reached 88 female athletes Sponsored the Women in Science & Technology Convention (WiST), benefiting 258 participants	Empower women entrepreneurs by strengthening financial knowledge and expanding business opportunities

*This section compiles the impact data of each action plan under this dimension and selects representative highlight projects for further explanation in subsequent sections.

Academy for Women Entrepreneurs (AWE)

Action

To support female entrepreneurs in enhancing their business capabilities and expanding their international perspectives, Cathay participated in the Academy for Women Entrepreneurs (AWE), promoted by the American Institute in Taiwan and the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs. The program focuses on female entrepreneurs who have been in business for less than five years and have fewer than ten employees. Through systematic business training and management tool support, the program strengthens their operating foundations and growth potential. The curriculum covers core capabilities such as business model development, marketing strategy, financial management, and business planning, helping female entrepreneurs establish a sound business mindset and enhance market competitiveness. Through cross-border collaboration and practice-oriented training, the program helps emerging female entrepreneurs in Taiwan connect with international entrepreneurial networks and expand development opportunities and resource connections.

2025 Execution Highlights

In 2025, Cathay continued to deepen its women's entrepreneurship empowerment initiatives and became the only "Impact Strategy Partner" of the entire program, deeply participating in the design and promotion of training for female entrepreneurs. For female-led startups established within the past eight years, Cathay provided diverse and comprehensive empowerment resources, including the DreamBuilder online entrepreneurship course, a three-day, two-night in-person training camp, and one-on-one mentor coaching. These resources helped female entrepreneurs build an international market mindset, connect with industry networks, and strengthen fundraising and business communication capabilities. At the same time, Cathay arranged business investment matchmaking sessions and graduation achievement presentations to facilitate substantive exchanges between participants, investors, and senior industry executives, identifying and cultivating the long-term development potential of female entrepreneurs in Taiwan and supporting their steady expansion onto the international stage.

Participant Feedback

The three-day, two-night training camp was very intensive and practical. The experience of interacting directly with international mentors and investors allowed me to think about the company's next strategy from an investor's perspective. This was a rare learning opportunity for me.

— Participant, AWE Program

Activity Highlights

Cathay became the only "Impact Strategy Partner" in the entire program and signed an MOU to commit to long-term support.

Women's Table Tennis/Basketball

Action

Cathay Life has long been deeply engaged in the development of competitive sports, focusing on women's basketball and women's table tennis, and is committed to building a stable and sustainable development system. Through long-term sponsorship and institutionalized support, Cathay Life provides athletes with comprehensive training environments, accommodation resources, and welfare systems, enabling them to focus fully on training and competitions without worries. Cathay Life not only accompanies athletes as they grow on the competitive stage, but also values their long-term development, continuing to cultivate outstanding sports talent for Taiwan and using the spirit of sports to promote society's emphasis on diversity, inclusion, and health.

2025 Execution Highlights

In 2025, the Cathay Women's Basketball Team and the Cathay Women's Table Tennis Team continued to demonstrate the results of long-term investment. The Cathay Women's Basketball Team once again won the championship in the Women's Super Basketball League (WSBL), setting a team record of 32 consecutive championships. Through the cooperative education system, the team has cultivated young athletes who have achieved outstanding results in student competitions, including Chinese Culture University's UBA championship and New Taipei Municipal Tamsui Vocational High School's strong performance in the HBL, demonstrating the strength of a complete development pipeline. The Cathay Women's Table Tennis Team also delivered outstanding performances in major domestic and international competitions, repeatedly achieving strong results in events such as the National Intercollegiate Athletic Games, the National Secondary School Athletic Games, the World Table Tennis Championships, and the President's Cup, continuing to provide stable momentum for women's table tennis in Taiwan. In 2025, Cathay Life received the national-level "Sports Promoter Award" for the 17th consecutive year, once again highlighting the far-reaching impact of its long-term investment in sports development.

Activity Highlights

Cathay Life has maintained a long-term engagement in the development of competitive sports and has received the national-level "Sports Promoter Award" for 17 consecutive years.

Women in Science and Technology Convention

Action

As technological innovation has become a key driver of industrial transformation, women's participation and leadership in STEM fields are important for enhancing organizations' diverse perspectives and innovation capabilities. Cathay FHC has long supported the development of women in technology and has participated in the Women in Science and Technology Convention, Taiwan (WiST Convention, Taiwan), hosted by The Society of Taiwan Women in Science and Technology (TWiST), for five consecutive years. Cathay hopes to continue supporting policy support, improving workplace culture, and strengthening community exchange.

2025 Execution Highlights

The 2025 theme, "Equity and Inclusion for a Greener Future: AI Empowerment for Diverse Sustainability," explored the key role of artificial intelligence (AI) in green technology development, multicultural integration, and sustainability transformation. During the event, Cathay FHC shared how it applies AI technology to optimize financial service processes while balancing security and precision, reshape work models and decision-making efficiency, and continuously cultivate AI talent within the Group, expand different financial application scenarios, and build a smarter, more convenient, and more sustainable financial ecosystem.

Activity Highlights

Cathay has participated in the WiST Convention, Taiwan for five consecutive years, committed to promoting women's participation and leadership in STEM fields.

4.2.3 Supporting the Underprivileged

Cathay integrates the Group's volunteer network and diverse resources to respond to inequalities faced by different groups in education, care, and economic opportunities, helping them build confidence and capabilities and strengthening their foundation for self-reliance. Centered on "Self-Affirmation" and "Social Participation," Cathay supports students with relatively limited resources, older adults who lack care and companionship, economically vulnerable groups, and those facing unfair circumstances through educational support, companionship and care, and capability building. These efforts help them develop practical skills and expand participation opportunities, enabling them to realize their potential, improve quality of life, and further promote social inclusion and long-term development.

Self-Affirmation

2025 Impact Overview

Action	Achievements	Impact
• Organized the Cathay Youth Excellence Scholarship • Organized the Cathay Dream Come True Program • Organized the Financially Underprivileged Empowerment Program • Organized the Elevated Tree Program - CUB Financial Education • Organized the Financial Education Together GO Program	✓ Awarded NT$13.16 million for the Cathay Dream Come True Program and the Cathay Youth Excellence Scholarship ✓ A total of 134 volunteers participated in related programs, among which the Elevated Tree Program: CUB Financial Education accumulated 628 training hours ✓ Reached 844 students from 65 school visits ✓ More than 50 creative proposals were collected	✓ 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 education

* Consolidates the impact data of each action plan under this dimension and selects representative highlight projects for further explanation in subsequent sections.

Cathay Youth Excellence Scholarship

Action

Cathay Charity Group firmly believes that education is an important foundation for promoting social mobility. Since establishing scholarships and grants for students from low-income families in 1980, Cathay has long supported young students with relatively limited resources so they can study with peace of mind. In 2016, in response to social transformation needs, the program was upgraded to the "Cathay Youth Excellence Scholarship," expanding from financial assistance into a youth empowerment initiative that combines capability building and community involvement. In addition to providing substantive scholarship and grant resources, the program also encourages youth to focus on important ESG issues, respond to social and environmental challenges through creativity and practice, cultivate problem-solving capabilities and awareness of public participation, and become a force for positive change.

2025 Execution Highlights

Cathay Charity Group implements the sustainability theme of "Empowerment." The Cathay Charity Foundation, Cathay United Bank Foundation, and Cathay Real Estate Foundation jointly held the award ceremony for the 2025 Cathay Youth Excellence Scholarship Program. This year, 132 outstanding youth teams were selected from 460 applications. Cathay hopes to become a key guide and supporter for young people as they create change and solve social and environmental issues.

Participant Feedback

We express our gratitude for Cathay's consistent support. Thanks to Cathay, the team has had the necessary resources to develop creative ideas. "Cathay has continuously supported our progress throughout the process, effectively acting as our advocate."

— Program Participants

Activity Highlights

The Cathay Youth Excellence Scholarship Program provides scholarship and grant resources to substantively support young students in responding to sustainability challenges through creativity and practice.

Cathay Dream Come True Program

Action

In response to the challenges of rapid social change and unequal distribution of educational resources, the Cathay Charity Foundation, together with the Cathay United Bank Foundation and the Cathay Real Estate Foundation, launched the Cathay Dream Come True Program 12 years ago. Focusing on students in remote areas with relatively limited resources, the program provides diverse support and companionship to help them overcome environmental constraints and realize their potential. The program encourages students to begin by imagining their dreams and goals, and then go through the full process of planning, execution, and achievement sharing, cultivating self-directed learning, problem-solving, and action capabilities. Through resource support and professional guidance, the program supports students in accumulating experience in real-world contexts and building confidence and resilience, allowing education to extend beyond the classroom and become an important force that inspires future development.

2025 Execution Highlights

The year 2025 marked the 12th edition of the Dream Come True Program. A total of 23 schools were selected, supporting 420 children in bravely pursuing their dreams, with NT$4.04 million invested in dream realization funding. Themes covered multiple areas, including cultural heritage, community exploration, music and art, and physical challenges, fully responding to the diverse learning needs of students in remote areas. From April to June, schools held local achievement presentations, and Cathay volunteers also visited campuses to witness the process of students realizing their dreams.

Activity Highlights

Cathay's Dream Fulfillment Program for Schoolchildren supports the Pa-Nan Flower Tribe in realizing its dreams.

Elevated Tree Program - CUB Financial Education

Action

Cathay United Bank has long supported the development of the "Elevated Tree Program," responding to the learning needs of students in remote areas and underprivileged students through educational empowerment, and regarding financial education as an important capability for accompanying children in facing life. Since launching the "CUB Online Financial Literacy Course" in 2021 and holding the "Sustainable Finance Exploration Camp" in 2023, CUB has combined digital teaching with experiential learning to make financial education more closely connected to daily life. The curriculum covers basic financial concepts, fraud prevention education, and sustainable consumption, guiding students to build correct values for protecting themselves and caring for society and the environment while understanding the use of money, and gradually cultivating the life literacy needed to face future challenges.

2025 Execution Highlights

In 2025, CUB continued to hold the "Sustainable Finance Exploration Camp," inviting students from schools in remote areas to participate in a two-day immersive experience. Through diverse activities, including basic finance courses, branch tours, visits to cultural venues, and sustainability action learning, the program deepened students' understanding of financial literacy and sustainability issues. During the camp, students visited the Taipei Music Center to learn about the development of Taiwan's music culture while also understanding its green building and sustainable design concepts. CUB employees served as volunteer lecturers, teaching courses such as "Needs and Wants," "The Functions of Banks," and "Fraud Prevention Education," helping students establish correct money values and basic financial knowledge.

Furthermore, students also participated in the Cathay Run employee road race, experiencing healthy lifestyles and teamwork in practice. Through aquarium tours and guided explanations, they learned about marine ecology and conservation concepts, cultivating concern for environmental sustainability and action awareness. As of the end of 2025, 260 students benefited from financial education courses under the Elevated Tree Program – CUB Financial Education.

Activity Highlights

CUB Holds Sustainable Finance Camp for Rural Schoolchildren for Third Consecutive Year, with Independent Director Wu Tang-chieh as Guest Lecturer to Promote Anti-Fraud Education

Social Engagement

2025 Impact Overview		
Action	Achievements	Impact
• Established the Cathay Happy Farm • Co-organized the Summer Blood Donation Campaign • Assisted in Audiobook Production • Sponsored the Mixed Disabled Arts Group • Sponsored the Alpine Forest Base • Participated in winter warmth outreach programs in Fengbin Township, Hualien, and the Dingnei community in Keelung	5 accessible Happy Farms established More than 540 blood donation activities held Over 2,500 staff members volunteered More than 1.31 million older adults and the underprivileged reached	Encouragement of participation in social engagement by older adults and people with disabilities

*This section compiles the impact data of each action plan under this dimension and selects representative highlight projects for further explanation in subsequent sections.

Cathay Happy Farm

Action

In response to the challenges of an aging society, Cathay Life has designated "age-friendliness" as a core public welfare strategy since 2022, and promotes Cathay Happy Farm through the Cathay Charity Foundation to accompany older adults in aging safely in familiar communities and avoid aging alone. Happy Farm adopts an approach close to the land and daily life, combining farming, co-learning, and intergenerational inclusion to encourage older adults to leave their homes, continue participating in the community, and give full play to their experience and value.

2025 Execution Highlights

In 2025, Cathay Life supported five Happy Farm locations across Taiwan, deepening age-friendly services according to local needs. The Nandi community in Changhua helped older adults strengthen physical fitness through the "Preserve Muscle and Practice Active Aging" program. The Wenzai community in Chiayi combined black bean culture with handmade tofu, enabling older adults to become the protagonists of local stories. The Meiyuan community in Pingtung created a space for cooking and learning together through the inheritance of Indigenous food culture. The Chunri community in Hualien introduced aquaponics courses to improve learning accessibility. The Changbin Forever Young Farm in Taitung combined farming, reablement, and daily life to practice inclusive care. Through diverse themes and local collaboration, Cathay Life continues to accompany older adults on familiar land and help them enjoy a warm and dignified later life.

Activity Highlights

Cathay creates senior care hubs through its Happiness Farm initiative and leads older adults in the Wenzai Community in rehearsals for a dance drama.

Audiobook Production Support

Action

The Fun Club, a charitable club voluntarily established within Cathay SITE, observed that the books available to visually impaired friends were very limited. Cathay SITE mobilized employees to serve as volunteers and collaborated with the Taiwan Digital Talking Books Association to assist in the formatting and proofreading of e-books, expanding the range of reading available to visually impaired friends.

2025 Execution Highlights

Cathay SITE mobilized 50 enthusiastic employees, drawing on empathy, transformed the key image, atmosphere, and story contexts of 26 e-books into concise and clear textual descriptions, supplementing the space for imagination when visually impaired readers read. Through review and proofreading, the initiative ensured that the wording was accurate and easy to understand. Cathay SITE also donated laptops and talking book players to the Taiwan Digital Talking Books Association to expand the number of people it can serve. A total of 1,880 e-book image descriptions were written and proofread, adding 400 volunteer service hours and contributing 79% of the Taiwan Digital Talking Book Association's total production in 2025.

CH5 Sustainable Finance

According to Morningstar's "Six Sustainable-Investing Trends to Watch in 2025," global sustainable finance is shifting from "setting targets" to focusing on "management practices" and the "credibility of transition plans." Investment strategies have also evolved from asset exclusion to actively engaging with companies to promote the implementation of transition actions. In this process, financial institutions have transformed from capital providers into key drivers guiding industries to adopt low-carbon pathways and bridge transition gaps.

In response to this trend, Cathay not only continuously enhances its ESG risk control mechanisms but also actively exercises active ownership. Through engagement actions and voting, Cathay guides investee companies to develop a transformation mindset and implement concrete actions. In addition, Cathay actively promotes sustainability-themed investing and lending and impact investing, directing financial capital toward projects with tangible environmental and social benefits to effectively capture transformation opportunities and risks while maximizing financial influence.

3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 13 CLIMATE ACTION

2025 Achievements

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 2025 List. Among them, Cathay Life stands out as the only company in Taiwan to receive this honor six times.

The first financial group to collaborate with Taiwan Index Plus's IR Engage platform

Cathay FHC signed a letter of intent with Taiwan Index Plus to become the first financial group to collaborate on its new 2025 IR Engage platform, providing one-stop ESG information services to enhance the depth and efficiency of interactions with enterprises.

Officially launched the "Cathay One" One-Stop Transitional Financial Platform

In 2025, CUB consolidated the sustainable impact and professional resources of the Lin Yuan Group's affiliated enterprises and connected with external strategic partners to create sustainable transformation journey resources applicable across industries and scales, assisting companies in progressing from information disclosure to transformative action.

5.1 Sustainable Finance Management Framework

To fully implement responsible investment and lending practices, Cathay FHC has taken a governance-focused approach by establishing a professional team and continuously enhancing decision-making capabilities through training. This ensures the integration of ESG into business operations. At the same time, with policies and regulations as the core, dedicated personnel drive execution to guarantee the effective implementation of responsible investment and lending. In addition to adhering to Cathay FHC's sustainable finance policies and regulations, each subsidiary also follows internally established management policies, procedures, and codes, thereby building a comprehensive framework for responsible investment and lending.

5.1.1 Structure and Oversight

Cathay FHC's Corporate Sustainability Committee comprises the ESG Strategy Committee and six subcommittees. Among them, the Responsible Investment Working Group is chaired by the Chief Investment Officer of Cathay FHC and includes five senior executives responsible for investment and lending from the Cathay FHC and its subsidiaries. At the group level, Cathay FHC established the Investment Stewardship Team in 2022 as the centralized unit, staffed by three dedicated personnel. At the subsidiary level, each subsidiary has a Responsible Investment Working Group responsible for promoting and implementing responsible investment and lending-related tasks, with a total of 16 dedicated personnel.

Cathay deepens the team's sustainability knowledge and expertise through diverse channels such as courses, seminars, and lectures, supporting the investment team in making more comprehensive ESG investment and lending decisions. In 2025, ESG training topics included net-zero transition and sustainable finance, the Chartered Sustainable Finance Manager certification program, ESG regulations and trends, and MSCI training. In 2025, the average training hours per employee involved in responsible investment and lending at Cathay FHC and its subsidiaries was 3.2 hours.

5.1.2 Responsible Investment/Lending Guidelines

In addition to complying with Cathay FHC's internal sustainable finance policies and regulations, each subsidiary also adheres to internally established management policies, procedures, and other guidelines related to responsible investment and lending. They regularly disclose relevant management performance in the Sustainability Report, the Investment Stewardship Report, and other publications.

Group Policies and Management Regulations (Established by Cathay FHC; all subsidiaries must comply)

Company	Internal Policy or Management Guidelines	Disclosure
✓Group Policies and Management Regulations (Established by Cathay FHC; all subsidiaries must comply)		
Cathay FHC	• 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	• Sustainability Report • Climate and Natural Report
✓Subsidiary Policies and Disclosures (In accordance with the Cathay FHC 's common policy foundations)		
Cathay Life	• Cathay Life Investment Policy • Cathay Life Responsible Lending Policy • Cathay Life Investment Management Procedures • Cathay Life Real Estate Responsible Investment and Management Policy	• Sustainability Report • Responsible Investment and Stewardship Report • Engagement Report • Voting results disclosure
Cathay SITE	• ESG Investment and Risk Management Policy • Corporate Sustainability Principles • ESG Investment and Risk Management Overview	• Sustainability Report • Investment Stewardship Report
CUB	• Guidelines Governing ESG and Climate Risk Management • Equator Principles Implementation Guidelines • Principles Governing Corporate Banking Sustainable Loans • Environmental, Social and Governance (ESG) Rules for Financial Trading	• Sustainability Report • Climate and Natural Report • Investment Stewardship Report • Shareholders' meeting voting results disclosure • Engagement Report
Cathay Century	• Cathay Century Insurance's Investment Policy • Cathay Century Insurance ESG and Climate Risk Management Principles	• Sustainability Report • Climate-related Financial Disclosures • Investment Stewardship Report • Engagement Report • Voting results disclosure
Cathay Securities	• 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 and Regulations	• Sustainability Report • Climate and Natural Risk Management Report • Investment Stewardship Report

Note: In addition to the above mentioned subsidiaries, Cathay Venture has also established the Responsible Investment and Engagement Regulations.

5.2 Responsible Investment/Lending

Cathay adheres to the United Nations Principles for Responsible Investment (PRI) and the Principles for Responsible Banking (PRB), and is signatory to the Equator Principles (EPs). Cathay has established a comprehensive framework for responsible investment and lending, implementing a triple-win strategy of corporate profitability, social well-being, and environmental sustainability. For related actions, please refer to Cathay FHC's official website.

Responsible Investment and Lending Framework

Pre-Investment/lending Review

Negative / Exclusionary Screening

Integration and Review of ESG Factors

Investment
- Sensitive industries
- Controversial incidents
- ESG Rating
- Climate Risk

Please refer to 5.2.1 Responsible Investment/Lending Process

Lending
- Financial Assessment
- Sensitive industries
- Controversial incidents
- ESG Rating
- Climate Risk

Please refer to 5.2.1 Responsible Investment/Lending Process

Investment and Lending Decision-Making/Strategy

Investment/Lending Exclusion

Eligible for Investment/Lending
Manage according to ESG risks level

Impact Investing and Lending
Please refer to 5.4.1 Responsible Investment Achievement

Sustainability Themed Investing and Lending
Please refer to 5.4.1 Responsible Investment Achievement

Stewardship after Investment and Lending

Annual Review of the Investment and Lending Exclusion List

Post-Investment and Post-Loan Management

Post-Investment
- Dynamic Management of ESG Risks
- Annual ESG Review
- Engagement with investee companies
- Exercising Voting Rights

Post-Lending
- Dynamic Management of ESG Risks
- Early warning system (EWS) and smart monitoring management
- Annual ESG Review and Assessment
- Lending Client Engagement Strategy

Asset Manager Mandating and Monitoring
(Cathay Life, Cathay Century , and Cathay SITE)

Verify whether the external asset managers are PRI signatories and their responsible investment performance

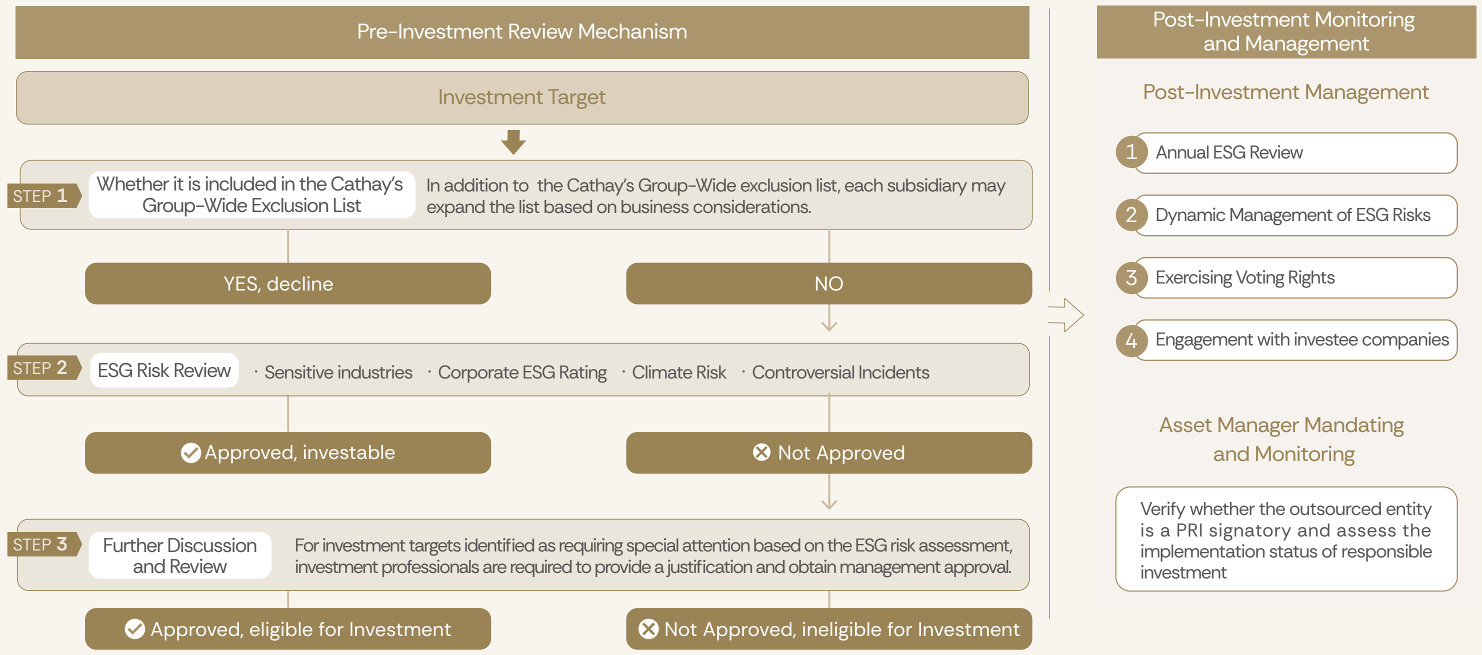
Note 1: Follows the dark gray arrow if the investment / lending target is on the exclusion list.
Note 2: Follows the light gray arrow if the investment / lending target is not on the exclusion list.
Note 3: Due to operational differences between subsidiaries, the responsible investment process flowchart is tailored to each subsidiary.

5.2.1 Responsible Investment and Lending Process

Cathay's Sustainable Investment and lending activities follow the definition set by the Global Sustainable Investment Alliance (GSIA) and has established the "Cathay Financial Holdings and Subsidiaries Responsible Investment and Lending Policy," covering both investment and loans. Loans primarily focuses on corporate loans, while investments mainly consist of listed equites and corporate bonds, encompassing active investment strategies, passive investment strategies, and third-party managed investments.

Responsible Investment Process

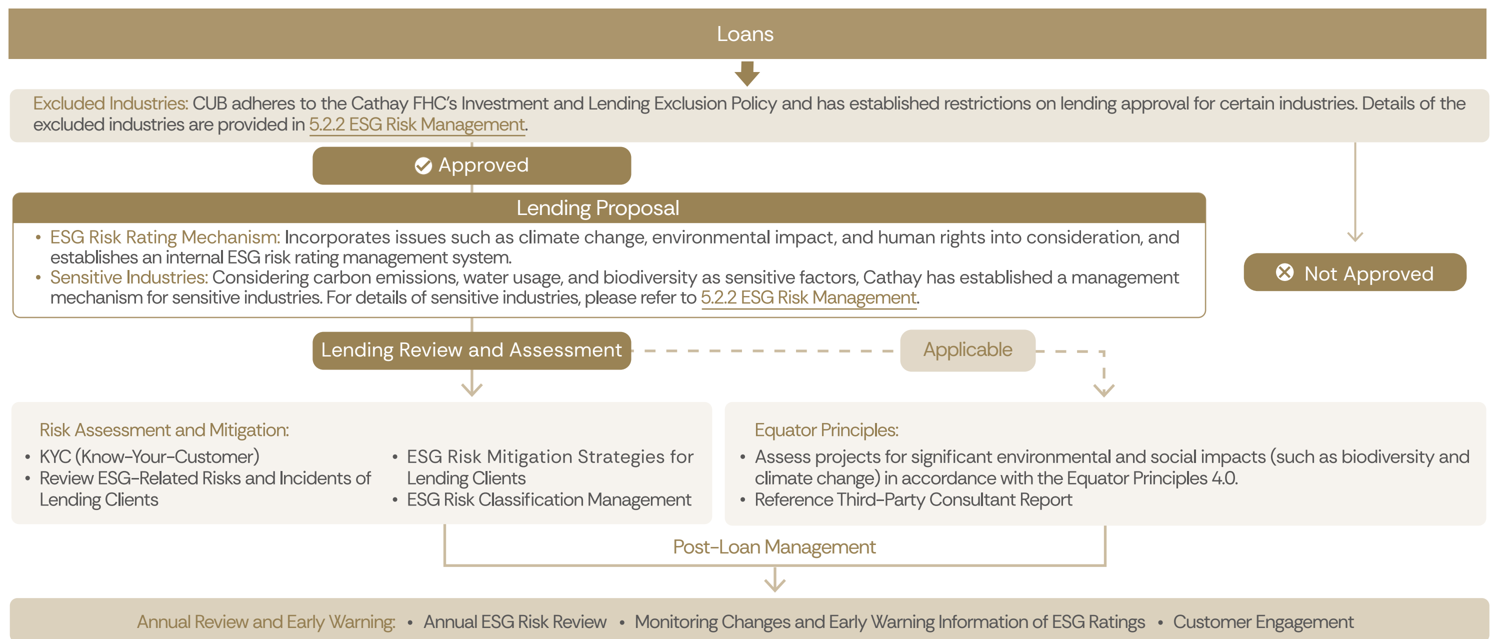
Cathay has established a comprehensive pre-investment review and post-investment monitoring mechanism that integrates ESG factors. Prior to investment, we assess whether the target is included in the Cathay's Group-Wide exclusion list; if so, the investment will not proceed. For eligible targets, an ESG risk assessment is conducted, and those failing the assessment require further discussion and review. After investment, Cathay regularly evaluates the investee's annual ESG performance and dynamically manages ESG risks. Through exercising voting rights and engagement, we promote continuous improvement in the ESG performance of invested 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 risks related to climate change, environmental, social, and corporate governance (ESG) factors by integrating responsible lending into its core functions and operations, actively responding to the principles of 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. Additionally, CUB became the first bank in Taiwan to sign the Equator Principles (EPs) in 2015. In 2018, it was the first to publicly declare its voluntary adherence to the United Nations Principles for Responsible Banking (PRB). In February 2021, it became the first bank in Taiwan to have its PRB implementation results assured by an accounting firm, continuously inviting partners across its value chain to jointly promote environmental and social sustainability.



Note: The above process applies to CUB's responsible lending business.

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.

Assets → Responsible Investment and Lending Approaches ↓		Listed Equities	Corporate Bonds	Government Bonds	Real estate	Lending	Others	Corresponding Page No.
Pre-investment review mechanism	Exclusion	●	●	●		●		p.108-109
	Sensitive industries	●	●			●		p.108-109
	ESG Integration and Risk Review	●	●	●		●		p.110
ESG Management by External Managers	Asset Manager Mandating and Monitoring						● (Mandated assets)	p.111
Post-Investment Monitoring and Management	Annual ESG Review	●	●	●		●		p.111
	Engagement	●				●		p.113-117
	Voting	●						p.117-120
Creating Sustainable Value	Sustainability Themed investing and lending	●	●	●	●	●		p.121
	Impact investing	●	●	●			● (Funds/Private Equity)	p.122-124

Note: Given the operational differences between each subsidiary, the asset comparison table is tailored to each respective subsidiary.

Responsible Investment and Lending Value

Within Cathay's scope of responsible investment and lending assets, only assets that cannot be subject to responsible investment or lending operations (such as 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.

Responsible investment and lending assets totaled

9.4 trillion

Under ESG management | Under the Investment/Lending Exclusion Policy

	Corporate lending	Equity and bonds[Note 1]	Funds & mandated assets	Real estate
Under ESG management	97%	73%	100%	100%
Under the Investment/Lending Exclusion Policy	100%	86%		

Note 1: Full replication ETFs are not subject to the Investment and Lending Exclusion Policy or the ESG management monitoring mechanism.

Note 2: The information regarding the responsible investment scope in the 2024 Sustainability Report has been corrected. 86% of equities and bonds are managed under the Investment/Lending Exclusion Policy, 82% of equities and bonds are subject to ESG management, and 100% of real estate assets are managed under ESG management.

Note 3: For details of the assets under ESG management, please refer to section 5.2.2 ESG Risk Management.

5.2.2 ESG Risk Management

Cathay FHC and its Subsidiaries Exclusion/Lending Policies and Sensitive Industries List

Cathay FHC has established the "Cathay Financial Holdings and Its Subsidiaries Investment and Lending Exclusion Policy" to regulate the Investment and Lending Exclusion List, while "Industry Risk Management Regulation" further govern sensitive industries. In addition, Cathay FHC has formulated a divestment strategy for the coal, oil, and natural gas sectors; for further details, please refer to Section 2.1 Low Carbon Economy.

In addition to adhering to the Investment and Lending Exclusion Policy and the exposure limits for sensitive sectors established by Cathay, each subsidiary has expanded its Investment/Lending Exclusion List or strengthened its review of sensitive industries in accordance with its specific business management requirements. Cathay's Investment and Lending Exclusion Policy is adjusted annually to reflect the latest information and update the exclusion list. In 2025, one enterprise that was no longer involved in controversial activities or weapons production was removed from the list, while five enterprises involved in the production of controversial weapons were added. Additionally, one country was added to the list of controversial countries.

Group Exclusion List for Investment & Lending and Sensitive Industries

Group Exclusion List for Investment & 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	Agriculture, forestry, fishery, and animal husbandry; food and beverage manufacturing; oil and natural gas; chemical raw materials, fertilizers, nitrogen compounds, plastics/rubber raw materials, and synthetic fiber manufacturing; construction materials (including cement); mining; fossil fuel power generation and coal-related; transportation; real estate development and management; automobile and parts manufacturing.
Applicable Subsidiaries	Cathay Life, CUB, Cathay Century, Cathay SITE [Note 1], Cathay Securities, Cathay Venture

Note1: Applicable to proprietary funds managed by Cathay SITE.

Subsidiary-Specific Expansion of Exclusion List for Investment & Lending and Sensitive Industries

Excluded Industries for Investment / Lending by Subsidiary

Applicable Subsidiaries	Scope
Cathay Life[Note 1] Designated as part of the exclusion list[Note 2]	Gambling; coal-related industries (coal power, coal mining, coal freight, and coal services); Oil & Gas, and industrial gases (including unconventional oil and gas); construction materials; aluminum; steel; airlines; agriculture, forestry, and food (palm oil, timber, beef, soybeans, rubber, cocoa, coffee); controversial weapons industry; and the adult entertainment industry.
CUB	Human rights violations, controversial weapons, mining, coal / nuclear power generation, coal-related activities, upstream oil and gas extraction, tobacco industry, gambling, tropical rainforest logging, and drift gillnet manufacturing and fishing.
Cathay Century	Tobacco production, gambling industry, nuclear proliferation, ammunition and landmine manufacturers, tropical rainforest logging.

⬇

Sensitive Industries by Subsidiary

Applicable Subsidiaries	Scope
Cathay Life[Note 1] Designated as a part of the watchlist	Gambling; coal-related industries (coal power, coal mining, coal freight, and coal services); oil & gas, and industrial gases (including unconventional oil and gas); construction materials; aluminum; steel; airlines; agriculture, forestry, and food (palm oil, timber, beef, soybeans, rubber, cocoa, coffee); controversial weapons industry; and the adult entertainment industry.
CUB	Petroleum and related products, basic metals and metal products manufacturing, electronic products and electronic components, public utilities, transportation and warehousing industries, etc.
Cathay Securities [Note 3]	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: 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 watchlist.

Note 2: No new investments.

Note 3: 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 and Risk Assessment Mechanism/Workflow

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

Subsidiary-Specific Integration of ESG Factors and Risk Assessment Mechanism / Workflow

Subsidiaries	Pre-investment Assessment	Investment Management
Cathay Life	Cathay Life has established the ESG Risk Review Procedures, which require consideration of the investee company's ESG performance prior to investing in listed stocks and bonds. • Exclusion of controversial investment targets. • Careful evaluation of ESG performance of investment targets.	• Cathay Life has established the ESG Risk Review Procedures, conducting a comprehensive ESG review of existing investment targets every September. • Engage in dialogue and communication with investee companies; exercise voting rights at shareholders' meetings and express opinions on proposals at investee companies' shareholders' meetings.
Cathay SITE	• An ESG database was established within the investment management system to assist fund managers and analysts in analyzing and identifying risks and opportunities. • Cathay SITE prohibits investments in companies involved in major controversies. Companies with relatively lower levels of controversy are included on the "High-Controversy Watchlist." • Establish a high-priority ESG watchlist for investment trusts, including companies with low ESG ratings, involvement in controversial incidents, high carbon emissions, participation in coal-related industries, or weak governance. Prior to investment, an ESG assessment report must be prepared to explain the investment rationale and whether the company has a transformation plan, and it must be approved through internal review.	The Cathay SITE conducts regular investment reviews each quarter and prepares a quarterly portfolio ESG review report explaining how each investment portfolio addresses investment positions that meet ESG control criteria.
Cathay Securities	• Investment targets in countries with significant controversies and industries with high environmental, social, or ethical risks are included on the exclusion list. • For long-term investments in sensitive industries exceeding one year, an ESG assessment must be conducted, providing at least one proof of ESG rating standards superior to those of internal or external institutions [Note 1]. Otherwise, the investment will be underweight, limited, or prohibited. If the standards are not met, an ESG and climate risk assessment report must be submitted, explaining the investment rationale and risk-mitigating actions.	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.
CUB	The pre-investment assessment incorporates the Investment Exclusion List, ESG performance, climate risks, the biodiversity status of sensitive industries, sustainable themed investing, and sustainable economic activities. • For entities with poor ESG rating performance, further assessment of ESG risks is required. • For investments in sensitive industries, climate risks and biodiversity must be incorporated into due diligence. This includes carbon emissions, carbon reduction targets (such as obtaining approval from the Ministry of Environment for voluntary reduction plans, voluntary reduction, and offset projects), strategic disclosures, potential temperature increases, water footprint, water resource management policies, and biodiversity policy disclosures.	Regular monitoring of the ESG performance of investment targets, climate risks, investments in highly sensitive industries, sustainable-themed investment analysis, and evaluation of sustainable economic activities.
Cathay Century	It is required to determine whether an investment target is included in the "Negative Investment List" specified in the Cathay Century ESG Risk Assessment Table which encompasses the Cathay FHC's Investment Exclusion List, Cathay Century sensitive industries, the coal industry, the unconventional oil and natural gas industry, and enterprises flagged for MSCI ESG controversies. Investments are permitted only following a review of the target's ESG risk status.	Regularly monitor investee companies' MSCI ESG Ratings and associated controversies.

Note 1: The ESG rating benchmark data for Cathay Securities are sourced from the Bloomberg database and include, but are not limited to, ratings or scores from institutions such as Bloomberg, S&P, and SBTi. Since the rating methodologies and coverage vary among these institutions, the benchmark is based on companies ranked above the 20th to 25th percentile.

Investment and Lending Human Rights Risk Assessment

Cathay FHC and its subsidiaries refer to the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the labor standards established by the International Labor Organization to assess whether investment targets violate international human rights norms. Cathay FHC and its subsidiaries also examine whether investment targets are associated with human rights-related controversial issues, including but not limited to human rights concerns, impacts on local communities, and labor relations, as part of their assessment of the targets' human rights risks.

In 2025, 92.51% of Cathay's investment portfolio underwent human rights due diligence, with 0.22% of the assessed investments identified as having human rights risks. Following risk identification procedures, Cathay implements mitigation measures for investments with human rights risks, including but not limited to engagement and issuing ESG risk assessment reports. In 2025, 100% of the positions with identified human rights risks had mitigation measures applied.

In lending, CUB conducted human rights due diligence on 99.56% of its portfolio in 2025, focusing on risk factors including but not limited to labor issues, workplace safety, and violations of laws resulting in mandated or voluntary work stoppages. lending customers involved in human rights-related risks are classified as lending cases with human rights risks. In 2025, such cases accounted for 2.95% of the lending portfolio. For these cases, business units are required to explain ESG incidents and ESG risk management plans using the ESG and Climate Risk Checklist, including risk mitigation measures and follow-up review items. In 2025, 100% of the positions with human rights risk mitigation measures were documented through the ESG and Climate Risk Checklist.

2025 ESG Annual Review Results

Investment ESG Review Results	Cathay Life, Cathay SITE, CUB, Cathay Century, and Cathay Securities reviewed all equity investments in listed companies, corporate bonds, financial bonds, and government bonds, reporting a total of 1,130 cases with potential risks for discussion. Among these, 8 cases were confirmed to have potential risks after review, resulting in an elevated approval level. Additionally, 629 cases were removed from the investment buylist based on a combined assessment of the fundamentals and ESG performance.
ESG Review of Corporate Lending	1 case were rejected or received directives from the Credit Review Committee, and no credit applications were denied due to ESG-related incidents.
Equator Principles (EPs) Cases	As of the end of 2025, 4 cases reached Financial Close in accordance with EPs, including 0 Category A cases, 3 Category B cases, and 1 Category C case.

Note: Equator Principles - 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, Cathay Life has taken the following steps to gain insight into their ESG policies and actions: 1. Review whether counterparties have signed the PRI or the country's stewardship principles, or assess their ESG implementation status. 2. Utilizing data from professional ESG rating agency databases to review the ESG performance of funds and fund managers.	
Real estate	To demonstrate its commitment to ecological and environmental protection, Cathay Life has required architects commissioned to design its self-developed properties to comply with green building design standards since 2016. Starting in 2023, all new buildings granted construction permits are required to obtain either U.S. LEED certification or the Taiwan Green Building Label. For new commercial office buildings, Cathay Life has incorporated building energy efficiency labeling into the design guidelines in 2025 and plans to further incorporate smart building certification in 2026.	
Externally Managed Assets	Among the assets fully entrusted by Cathay Life and Cathay Century, 100% are managed by external institutions that have signed the PRI or the respective country's stewardship principles. Relevant outsourced investment management measures are established to ensure that these external managers implement responsible investment practices when managing the funds.	
	Cathay Life	• Review whether the investment manager is a PRI signatory/signatory to their home country's stewardship principles • The Investment Management Agreement clearly outlines that ESG and climate change 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
	Cathay Century	• 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 combating the financing of terrorism • Verify that external investment managers are signatories to stewardship principles • Monitor external investment managers to avoid investing in companies or industries on the exclusion lists or related to sensitive industries • Require external investment managers to regularly disclose and provide an overview of their ESG-related actions in investment review reports

Column Integrated ESG Platform

Cathay SITE: SustainInfo Hub

- **Integrating well-known domestic and international databases:** including MSCI ESG, Bloomberg, ISS, the Global Coal Exit List (GCEL), CDP, Climate Action 100+, SBTi, CMoney, the Taiwan Sustainability Assessment Database, and reports from external research institutions, enables the investment research team to more easily access corporate sustainability performance and various analytical data
- **Diverse functional modules:** Company ESG Overview, Investment Portfolio ESG Overview, Company Investment Position Analysis, Risk Alert System, Climate Risk Monitoring and Biodiversity Risk Monitoring, SDGs Review Tool, Carbon Price Risk Scenario Analysis, and more
- **Engagement Scoring Mechanism:** For details, please refer to Section 5.3.1 Engagement Focus and Process

01 SustainInfo Hub
Utilizing AI tools for data integration and sharing

03 IMS Operation and Improvement
Conducting quarterly reviews to optimize strategies

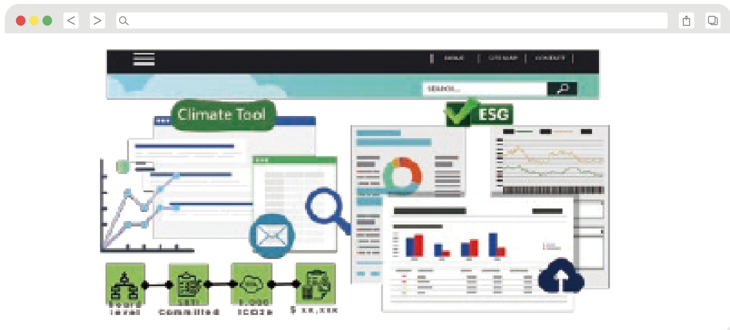
05 External Disclosure
Enhancing transparency through various communication channels

02 ESG Risk Research and Innovation
Enhancing research and innovation in ESG-related products

04 Active Ownership
Increasing participation in ESG-related decision-making

Cathay Life: Internal ESG Management System and Tool

- **ESG Rating Status Inquiry:** Real-time monitoring of the ESG ratings of investment targets, incorporating the Climate Value-at-Risk (Climate VaR, CVaR) indicator to provide climate risk assessment information
- **Monitoring Corporate Carbon Emission Data and Climate Commitment Progress:** Collect historical carbon emission data from investee companies and review their achievement status regarding Net Zero, RE100 renewable energy commitments, and Science Based Targets initiative (SBTi) commitments
- **Taiwan Carbon Fee Calculation Tool:** Assists the investment team in incorporating the impact of carbon fee costs into the investment decision-making process



Tracking Investees' Carbon Emissions → Historical Carbon Emissions Overview	Climate Governance and Commitments (such as SBTi, NZ, RE100, Carbon Reduction Targets)	Access to ESG Rating and Climate Value at Risk (CVaR)
Low-Carbon Transition Planning	Regular Provision of ESG tools →Taiwan Carbon Fee Tool Table	Upload of the ESG Assessment Reports

5.3 Stewardship and Engagement

In addition to incorporating ESG factors into the investment process, Cathay FHC and its subsidiaries implement Active Ownership by engaging in dialogue, engagement, and exercising voting rights with investee companies. This approach assists investee companies in improving ESG management mechanisms, enhancing ESG awareness and transparency, and increasing long-term competitiveness and corporate value. It not only generates a positive impact on the investment portfolio and strengthens its resilience but also helps reduce financial risks.

Subsidiaries of Cathay FHC including Cathay Life, Cathay SITE, Cathay Century, CUB and Cathay Securities are all signatories to the Taiwan Stewardship Principles for Institutional Investors. Through conference calls, seminars, participation in earnings calls, and attendance at shareholder meetings, Cathay engages in communication and interaction with the management of investee companies. In 2025, the subsidiaries conducted a total of 6,874 company visits involving 3,621 companies. Each subsidiary publishes an annual stewardship report disclosing the implementation of responsible investment and stewardshippractices. For details, please refer to the websites of Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE.

5.3.1 Engagement Theme and Process

Cathay FHC has established the Cathay Financial Holdings Engagement Policy and Cathay Financial Holdings Engagement Guidelines, incorporating "Corporate engagement and shareholder action" into its investment and lending processes. The two main focuses of Cathay's engagement are "climate change" and "ESG ratings and disclosure." Cathay FHC individually reviews investee companies involved in these issues, assessing the proportion of investment and the materiality of related topics to determine whether to include them as engagement targets. Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE all conduct engagement with their respective investment and lending companies. Cathay's engagement process is described as follows. For more information on Cathay FHC's 2025 climate and nature engagement actions, please refer to Section 2.1.2 Climate and Nature Engagement Strategy.

1 Establishing Engagement Themes

- Focusing on specific topics, Cathay's engagement centers on two main themes: climate change and ESG ratings and disclosure.
- The Investment Stewardship Team regularly reviews and evaluates the key themes of engagement.

2 Screening and Selection of Engagement Targets

Cathay-Initiated Engagement

- Review the ESG performance of investees and borrowers, and identify engagement targets-based on the size of Cathay's investment and lending exposure and other internal business considerations.

Cathay Collaborative Engagement (Group-wide Participation)

- TheInvestment Stewardship Team establishes a collaborative engagement screening mechanism to identify companies for engagement. In addition to covering topics aligned with Cathay's core engagement themes, the screening mechanism also regularly incorporates issues related to international trends and market developments, such as impact investing, plastics, and forests.

Engagement through International Initiatives

- To address specific issues, Cathay participates in multiple international initiatives focused on different themes. Through the key areas emphasized by these initiatives, Cathay strengthens its engagement and commitment to the related topics. For details on international initiatives, please refer to Section 2.1 Low-Carbon Economy.

3 Engagement Action

Direct Engagement

- Engagement through direct communication channels such as phone calls, correspondence, email, and in-person meetings. Their feedback is incorporated as reference information for the company's research, analysis, and management.

Collaborative Engagement

- In addition to the Cathay's own collaborative engagement efforts, Cathay may also enhance its overall investment impact by signing or independently adhering to international ESG-related engagement actions. Cathay collaborates with other financial institutions or international organizations to participate in or conduct engagement actions.

4 Engagement Escalation

Depending on the response, past interactions, or subsequent follow-up actions, Cathay assess whether to escalate the engagement intensity. Methods of escalation include, but are not limited to:

- Increasing the frequency of communication
- Elevating the level of engagement hierarchy
- Inviting key stakeholders of the engagement target to participate
- Participating in shareholders' meetings or investor conferences of engagement target
- Voting on or submitting proposals at the shareholders' meeting of the engagement target

5 End of Engagement

Satisfactory Outcome

- The engagement action has achieved satisfactory results and is hereby concluded.

No Progress / No Improvement

- If the engagement target does not show further improvement, it is advisable to evaluate and adjust the status of investment, lending, or business relations, and to terminate the engagement action.

Column: Cathay SITE's Cathay QE

01 Execution Details

Cathay SITE developed the Cathay Quantitative Engagement (Cathay QE) indicator, which focuses on specific issues. During engagement, expected goals such as achieving net-zero carbon emissions or improving a company's ESG rating are set. At the beginning, the company's response to the engagement issue is assessed and assigned a progress score from 1 to 8, with a reassessment conducted after the engagement. By using the CathayQE quantitative engagement indicator, progress on individual engagement issues can be tracked, and overall engagement outcomes can be aggregated. The quantification of engagement results facilitates effective management of engagement performance.

02 Key Achievements

In 2024, Cathay QE was granted the Republic of China Utility Model Patent No. M665056.

In 2025, a total of **23** ESG topics were tracked, with over **70%** of the topics showing positive progress by the end of the year, and **13%** of the topics achieving their target goals.

Column: The First Financial Group to Collaborate with Taiwan Index Plus's IR Engage Platform

Cathay FHC signed a letter of intent with Taiwan Index Plus to become the first financial group partner of the new IR Engage platform in 2025. The platform offers a one-stop ESG information service that integrates an investor relations (IR) section, investor conference information, and engagement matching functions. It assists institutional investors in focusing on key ESG issues and enhances the depth and efficiency of their interactions with companies. In addition, Cathay's subsidiaries CUB, Cathay SITE, Cathay Securities, and Cathay Futures have also subscribed to the platform's value-added ESG information services, enabling them to access ESG data for all listed companies in Taiwan. By facilitating more effective communication with domestic investees and borrowers through the platform, Cathay promotes sustainable finance and fulfills its vision of responsible investment and lending.

5.3.2 Engagement Outcome and Case Study

In 2025, Cathay conducted 173 engagements with investee companies, addressing a total of 373 issues across 18 significant ESG topics. The companies involved were primarily from the information technology, non-core consumer goods, raw materials, and industrial sectors. The main topics of communication included ESG disclosure, carbon emissions, and other issues related to the identification and assessment of environmental risks and opportunities. Overall, the dialogues progressed positively.

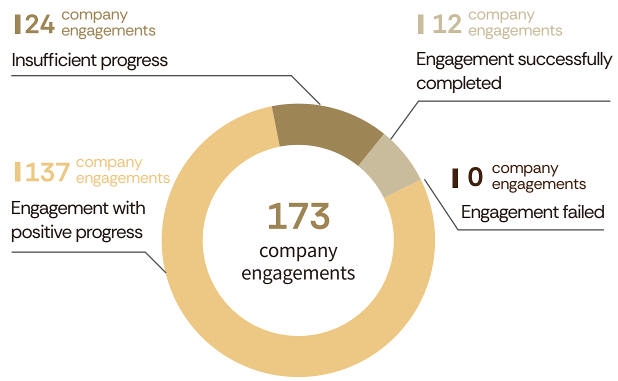
Item	Cathay's Two Main Engagement Themes	
	Theme I: Climate Change	Theme II: ESG Ratings and Disclosure
Objective	Influence target companies to adopt low-carbon transition strategies and concrete climate actions	Influence target companies to improve ESG management and disclosure
Engagement Theme	Engagement was conducted on the three major issues of carbon emissions, product carbon footprint, and climate change vulnerability.	Regarding information disclosure, ESG ratings, and engagement based on engagement companies' business characteristics or material issues

Note 1: Cathay engages in in-depth communication on multiple ESG issues with companies through methods defined by international organizations such as PRI, including telephone calls, e-mail, meetings, and speaking at shareholders' meetings. Through these comprehensive engagements, Cathay influences investees and borrowers to improve their ESG practices. Activities such as merely requesting ESG data, sending ESG questionnaires, or attending shareholder meetings or investor conferences without further interaction are not counted as engagement instances.

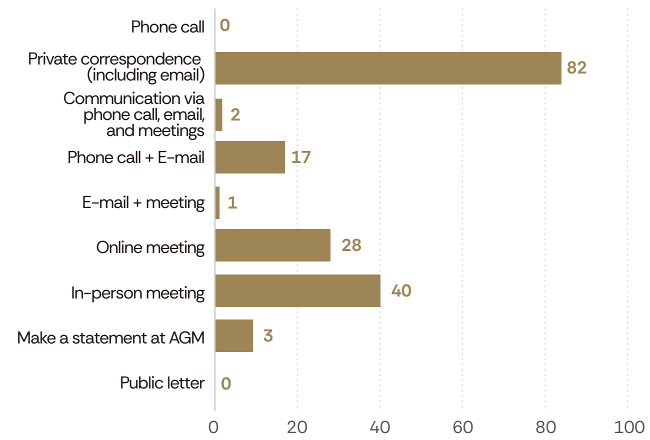
Note 2: Correction to Cathay FHC's 2024 Engagement Results: Cathay FHC and its subsidiaries conducted 171 engagements with investee companies.

Unit: company engagements

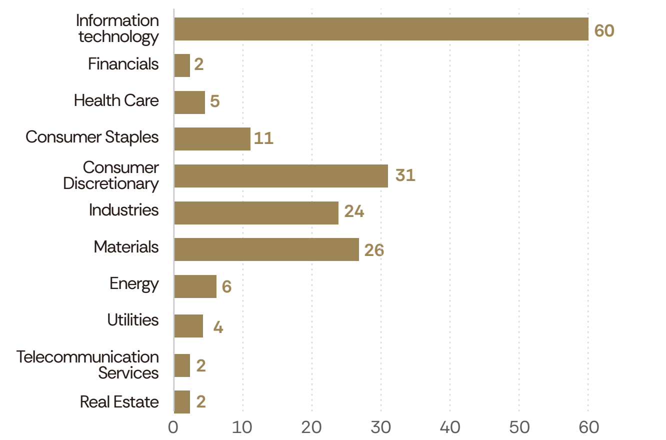
2025 Engagement outcomes



2025 Breakdown of engagement approaches

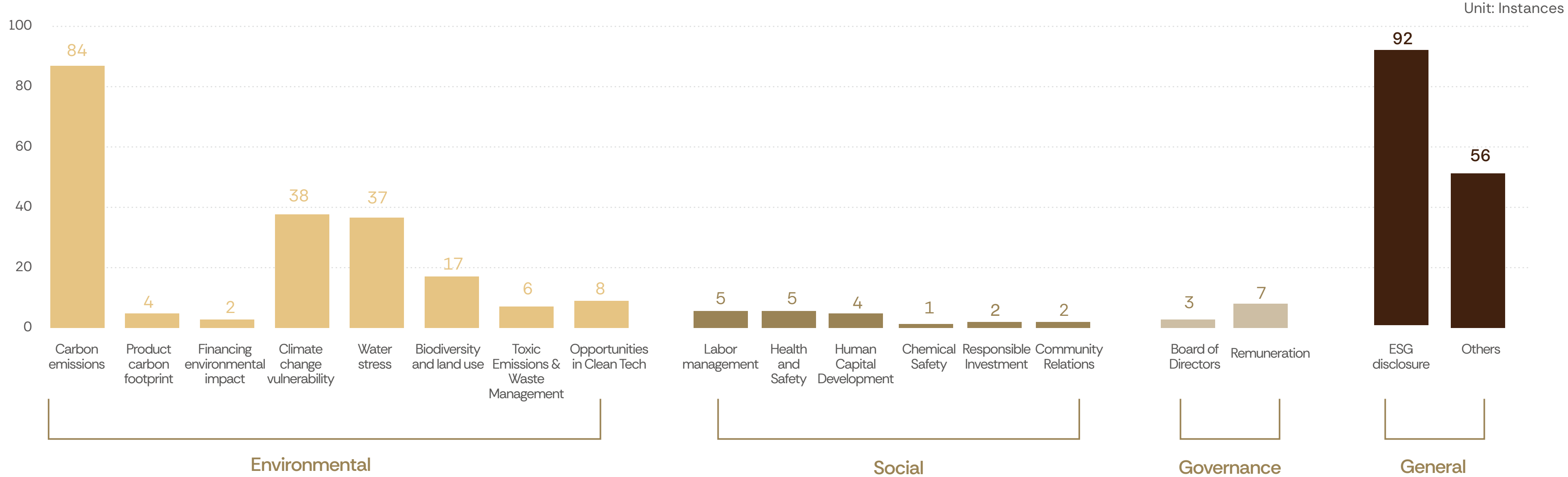


2025 Breakdown of engagements with industry



2025 Breakdown of engagement themes

Unit: Instances



Case Study: Corporate Engagement

Cathay Life

Engagement Background and Theme

Company V operates in the semiconductor industry. Due to room for improvement in its MSCI ESG rating, it was included in the engagement list starting in 2024. The engagement covers whether the company has plans to set SBT targets, its carbon reduction strategies and challenges in low-carbon transition, as well as improvements in water resource management and human capital management.

Engagement Results

- Company V is committed to aligning its 2040 mid-term targets with the Science Based Targets (SBT) methodology.
- In 2025, Company V strengthened its disclosure on water resource management and committed to further communication with the Human Resources Department to improve management practices.

Cathay Life

Engagement Background and Theme

Company C, a telecommunications enterprise, has been included in the "Coalition of Movers and Shakers on Sustainable Finance" engagement target since 2022. It focuses on carbon reduction strategies and planning, biodiversity management, corporate governance, labor management, and labor-related contentious issues.

Engagement Results

- In 2023, Company C achieved SBT target validation and officially joined RE100.
- Company C is committed to disclosing director compensation information and planning the establishment of an anti-corruption management mechanism, Cathay achieved an MSCI rating upgrade in 2025.
- Regarding adjustments to the employee stock ownership plan and non-salary benefits, Company C achieved an improved score in labor-management related contentious issues in early 2026.
- Company C published its first TNFD report in 2024 and expanded the scope of analysis and enhanced natural issue management in 2025.

Cathay Century

Engagement Background and Theme

Company W' s MSCI ESG rating lags behind its peers, with structural deficiencies in the "controversial procurement" category. It is recommended to enhance information disclosure as a reference for improvement.

Engagement Results

- Company W' s spokesperson provided positive feedback, actively demonstrating a strong commitment to the adjustment of the evaluation scores.
- Data supplementation has been made for certain evaluation aspects, with a commitment to continuously enhance related disclosures.

Cathay SITE

Engagement Background and Theme

Based on M Company's "Sustainable Financial Impact Analysis," the focus is on highly financially material issues including carbon emissions and climate risk management, supply chain management, waste and emissions management, and sustainable innovation capabilities.

Engagement Results

- In November 2025, Company M officially approved the SBT near-term targets and net-zero pathway commitments.
- In accordance with sustainable product labeling standards, Company M has gradually introduced recycled materials; it requires suppliers to provide carbon emissions and raw material footprint data, and has implemented digital tools to integrate and analyze supply chain carbon emission data.
- In accordance with the EU WEEE Directive, Company M has established product recyclability targets and implemented recycling and tracking mechanisms to obtain concrete recyclability data.
- The MSCI ESG rating score was upgraded from BBB to A.

Cathay Securities

Engagement Background and Theme

Company U operates in the orthopedic device manufacturing industry. In 2024, it participated in the "Taiwan Sustainable Investment Survey" for the first time and received the lowest grade of D, resulting in its inclusion on the Taiwan Stock Exchange' s observation list. The company has engaged in dialogue with the company for two consecutive years, focusing on key issues related to its evaluation weaknesses.

Engagement Results

- The overall rating in the Taiwan Sustainable Investment Survey has significantly improved to Grade A.
- Social aspect performance significantly improved from the original 31% to 65%.
- The corporate governance aspect increased significantly from 17% to 47%.

Note: For detailed meeting information, please refer to the websites of each subsidiary: Cathay Life , CUB, Cathay Century, Cathay Securities, and Cathay SITE.

Collaborative Initiatives for Corporate Transformation

Cathay FHC

The 9th Cathay Sustainable Finance and Climate Change Summit

over **2,500** participating organizations, more than **5,000** registrants, and nearly a **90%** increase in participation by directors and supervisors

Cathay has consistently advanced climate action through its annual Climate Change Summit over the years. For **the ninth consecutive year**, Cathay FHC held the "Cathay Sustainable Finance and Climate Change Summit" on July 9, 2025. Under the theme "A New Outlook on Sustainability," the forum focused on "The Current State of Sustainable Finance Amidst Change" and "New Solutions for Corporate Nature-Positive and Social Inclusion." The event brought together international climate experts and leading industry speakers to share forward-looking sustainability insights and practical industry experience, providing Taiwanese enterprises with guidance and exemplary models to jointly create sustainable and resilient transformations.

CUB	**New Business Opportunities in Deep Energy Conservation: Toward Net Zero Sustainability Seminar** 67 Participating Companies, 82 Participants	In collaboration with Cathay Century, the event was held focusing on corporate energy-saving and carbon reduction needs, concentrating on topics such as energy management, energy-saving strategies, and net-zero transition. Participating companies spanned diverse sectors including metal and steel, chemical and plastics, and energy supply.	
	ESG Forum "Toward Net Zero Emissions & Sustainability" 84 Participants	In collaboration with CDP and the Industrial Technology Research Institute, CUB hosted a forum centered on corporate sustainability needs, focusing on key topics such as environmental disclosure, plastic reduction policies, carbon trading markets, and green finance. The event received enthusiastic participation from corporate clients. The forum also recognized and presented the "Best Climate Action Award" and the "Best Carbon Disclosure Award" to six outstanding companies that participated in and completed the CDP questionnaire.	
Cathay Life	**"ESG International New Order: MSCI 2026 ESG Rating New Regulations and ISS Shareholder Voting Trends"** 114 Participating Companies The forum assisted Taiwanese enterprises in understanding international ESG ratings and corporate governance by inviting the MSCI team to explain the 2026 updated rating methodology and to explore the critical role of low-carbon transition in corporate sustainability. Meanwhile the ISS-Corporate team reviewed key issues from Taiwan' s voting season and analyzed shareholder meeting trends in the Asia-Pacific region to strengthen corporate sustainability and governance practices.		

5.3.3 Exercising 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 comprehensively considers the impact of the investee company on overall operational efficiency and the appropriateness of the proposals, establishing reasonable voting standards and conducting rigorous proposal evaluations through internal teams. Proposals aligned with Cathay's long-term value and sustainability goals are generally supported; conversely, proposals involving financial misstatements, lack of board independence, environmental pollution, human rights violations, or similar issues should be opposed or abstained from. Furthermore, to achieve long-term value growth and positive environmental and social impact, each company should actively engage with investee companies prior to voting, fulfilling the role of a responsible shareholder to ensure that final voting decisions align with sustainability.

Against	Proposals that hinder the sustainable development of investee companies, such as financial misstatements and lack of board independence, as well as proposals that have negative environmental or social impacts, such as environmental pollution and human rights violations.
Abstention	Abstaining from voting due to regulatory restrictions or controversial proposals.
For	Each subsidiary sets thresholds for exercising voting rights based on an assessment of the potential impact on the investee company's overall operations and its feasibility. In principle, proposals submitted by management are supported.

Definition of ESG Resolutions

Environmental

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

Governance

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

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.

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	Governance Resolutions
Cathay Life assesses resolutions based on the following considerations: ① Enhance the company's ability to create long-term value ② Mitigate material environmental and social risks to the company ③ Align with the carbon reduction goals of the Paris Agreement ④ Make a substantial contribution to addressing social inequalities ⑤ Align with Kunming-Montreal Global Biodiversity Framework ⑥ Align with SDG 6 Clean Water and Sanitation **Therefore, for example, we fundamentally support:** ①The requirement to establish climate proposals that align with the carbon reduction targets of the Paris Agreement; ②Disclosing the financial risks related to climate change and how the Company identifies and manages such risks, as well as other environmental issues; ③Requiring the Company to issue an assessment report on the operational impacts on biodiversity and natural resources; **And, where reasonable:** ① Requiring the Company to issue an operational assessment report on human rights impacts; ② Publishing and submitting a Diversity and Inclusion Initiatives Report ; ③ Disclosing political lobbying activities and expenditures, as well as other social issues.	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 the rights and interests of shareholders, they will be voted against. Examples of major types of resolutions and considerations for dissent are as follows: ① **Board StructureIntegratiy:** Corporate governance is the core of ESG, and the board of directors is the Company highest supervisory body. Therefore, attention is given to whether board members are independent, have excessively long tenures, or hold concurrent positions in too many companies. For companies that have not taken sufficient mitigation measures against climate and natural risks in their operations or value chains, Cathay Life may not only proactively communicate its concerns but also, based on environmental accountability, abstain from or oppose the election of incumbent responsible directors or related management proposals. ② **Reasonableness of Compensation and Benefits:** Compensation and benefits are primarily designed to attract, retain, and reward personnel who are critical to the long-term sustainable growth of shareholder value. Therefore, if compensation plans are not linked to the Company's long-term sustainability value drivers or bear no relation to pre-established performance standards, Cathay Life may oppose related compensation proposals. ③ **Financial Reporting and Audit Integrity:** The completeness and accuracy of financial statements often depend on whether external auditors can effectively examine management conditions without obstruction or disturbances. Accordingly, if the Company's auditors lack widely recognized independence or if non-audit fees account for an excessively high proportion of total audit fees, the Cathay Life may oppose proposals related to the appointment of such auditors. ④ **Rationale for Earnings Distribution:** Cathay Life generally supports the distribution of cash or stock dividends derived from earnings or from capital and statutory reserves. However, Cathay Life will oppose dividend payouts if the dividend payout ratio does not align with the best interests of shareholders (such as being consistently too low without sufficient explanation) or if it adversely affects the company's financial sustainability (such as a payout ratio that is excessively high relative to the company's financial condition).

Considerations for Voting on Shareholder Resolutions

In general, shareholder proposals serve as an effective means for shareholders to communicate their views company management. Many shareholders submit such proposals at shareholder meetings to encourage the company's progress on ESG issues. Therefore, 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 reviews and analyzes these proposals on a case-by-case basis before voting, aiming to promote the company's sustainable development and enhance long-term value. In recent years, shareholder proposals opposing sustainability initiatives have also emerged, particularly in the U.S. market. Cathay Life generally opposes such proposals that hinder the company's sustainable development, thereby expressing our support for the sustainable management of investee companies.

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 investment team during shareholders' meetings, and there is no delegation of voting rights to proxy voting advisory institutions.

Voting Rights Exercise and Process

Cathay Life supports companies that prioritize sustainable development. Therefore, attending shareholders' meetings, exercising voting rights, and expressing opinions on proposals at investee companies' shareholders' meetings are among the ways Cathay Life demonstrates active stewardship. For more information, please refer to the Cathay Life 2025 Responsible Investment and Stewardship Report.

STEP 1 Exercise Screening

Cathay Life has established a voting rights exercise threshold, generally applying voting rights to companies whose shareholding ratio or amount meets a certain standard. Individual cases are decided upon evaluation by the responsible unit.

STEP 2 Proposal Evaluation

Before exercising voting rights, the investment team issues a "Voting Evaluation Report" based on external legal regulations, internal voting guidelines, voting principles, research on the investee company, and reference to ISS voting recommendation reports, but does not rely solely on ISS recommendations.

STEP 3 Communication Procedures

To promote long-term value creation, Cathay Life engages with investee companies, especially on controversial or high-priority issues, when available information is insufficient to assess a proposal, or when the company is a core or significant foreign holding and a "vote against" is being considered. Where necessary, Cathay Life may make a statement or submit proposals at the investee company's shareholders' meetings after thorough evaluation.

STEP 4 Channels for Exercising Voting Rights

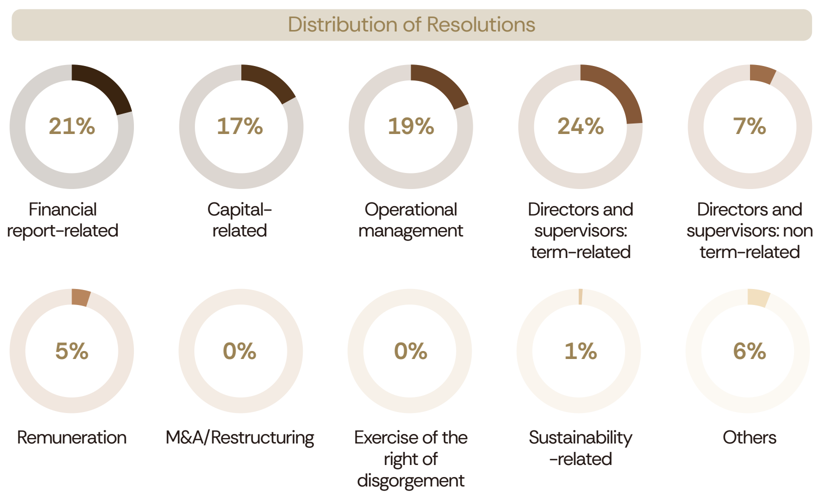
Voting rights are primarily exercised through electronic voting, with representatives appointed to attend meetings when necessary. Domestically, the Taiwan Depository & Clearing Corporation platform (TDCC) is used; internationally, the Proxy Edge and Proxymity platforms are primarily employed, with authorized managers handling outsourced positions.

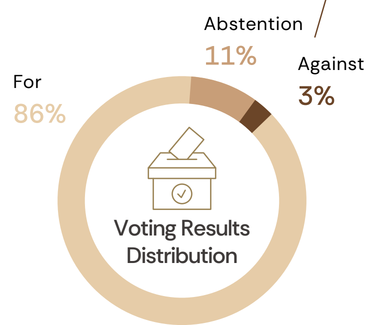
Voting Outcome

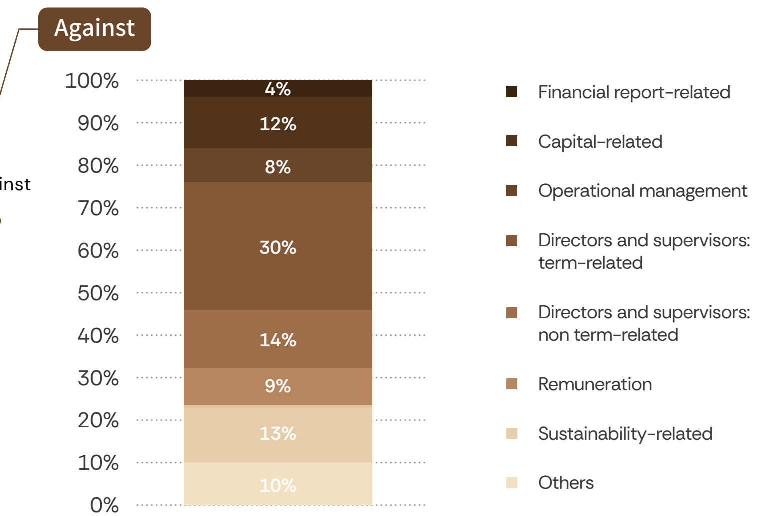
In 2025, Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE attended a total of 865 shareholder meetings, participating in the voting of 7,324 proposals, including governance, environmental, and social issues. Among these proposals, Cathay voted for 86%, against 3%, and abstained on 11%.

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.

1. Distribution of Resolutions







Note: M&A/Restructuring 0% ; Exercise of the right of disgorgement 0%.

Voting Case Studies

Subsidiaries	Theme	Voting
Cathay SITE	**Social Media Platform Governance** Company A is a global leading social media company. A shareholder proposal requests that Company A provide a report on efforts to combat hate speech targeting marginalized communities, especially LGBTQ+ and anti-Semitic speech.	**For** • Company A's existing oversight mechanisms lack sufficient transparency, limiting its ability to effectively manage the risk of hate speech on its platform. • The proposal urges Company A to enhance the explanation of policy implementation effectiveness to protect LGBTQ+ and immigrant users.
Cathay Life	**Supply Chain Human Rights** Company M is a multinational large-scale food industry company involved in labor rights disputes with supplier H. Shareholders have proposed that the company commission a third-party organization to conduct an independent assessment of labor rights issues within its supply chain.	**For** • This proposal complies with the requirements of the International Labour Organization (ILO) and the United Nations Guiding Principles on Business and Human Rights (UNGPs). Third-party assessments can enhance the credibility of human rights due diligence. • This proposal strengthens internal governance blind spots and enhances supply chain transparency and resilience.
Cathay Life	**Advisory Vote on Senior Executive Compensation** Company L is a publicly listed enterprise. This case concerns an advisory vote on the senior executive compensation plan established by its Compensation Committee, including the compensation structure, equity incentives, and performance measurement criteria.	**Against** • Insufficient transparency in senior executive compensation changes makes it difficult to assess performance linkage. • The CEO's annual bonus has remained at the same level since 2021 and does not reflect changes in the operating environment. • 85% of the long-term incentive plan depends solely on two financial indicators, resulting in insufficiently challenging performance conditions. • 15% of ESG-related performance conditions did not disclose specific indicator content and evaluation methods.

Note: For the full content, please refer to the Investment Stewardship Report of each subsidiary.

5.4 Sustainable Finance Highlights and Achievements

As a pioneer in sustainable finance, Cathay continues to deepen its sustainable-themed investments, Green, social, sustainability, and sustainability-linked bonds (GSSSBs) investments, and impact investments, precisely directing capital toward key areas with sustainable value. On the lending side, Cathay actively expands a diverse range of financial products, including sustainability-linked loans, renewable energy financing, and socially responsible credit, providing diversified financial resources to support industries in their green transformation and social inclusion efforts. Cathay FHC transforms capital into a positive cycle for the environment and society, jointly creating a shared blueprint of economic prosperity and sustainable resilience with its stakeholders.

5.4.1 Responsible Investment Achievements

Sustainability-Themed Investment and Lending

Cathay defines five sustainable themes: low carbon, infrastructure, aging society and health, community and inclusive finance, and water resources. The development of these industries impacts the climate, economy, and social welfare, providing long-term stable investment opportunities while aligning with the social responsibilities of financial institutions. Through investment, financial institutions not only drive industrial innovation and transformation but also promote sustainable economic development, leveraging their core financial capabilities to create shared value for society and business. As of December 2025, Cathay's total investment in sustainable themes reached NT$1.8 trillion, with total lending extended amounting to NT$132.5 billion.

Sustainability-Themed Investment / Lending and the Corresponding SDGs

Theme	Actions	Corresponding SDGs	2025 figure (NT$100 million)	
			Investment	Lending
Low Carbon	Based on the experience participating in the Global Investor Coalition on Climate Change (GIC) Low Carbon Registry (LCI) platform, Cathay has established a definition for low-carbon industries. Investments in low-carbon green energy industries include the following categories: alternative energy (excluding nuclear, fossil fuels, natural gas, and thermal power), construction, waste recycling, transportation, energy-saving industries, green bonds, and natural carbon sinks.	7, 13	3,278	474
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.	11	9,699	761
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).	3	6,509	522
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.	1, 4	1	106
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.	3, 6	90	29

Note: Cross-thematic items may be counted multiple times. If the same investment or credit case meets multiple sustainability themes, it will be included separately in the statistics for each theme. The duplicates have been excluded from the total amount.

Green, Social, Sustainability, and Sustainability-Linked Bonds (GSSSBs) Investment

Green, Social, Sustainability, and Sustainability-Linked Bonds (GSSSB) refer to bonds issued for sustainability purposes. These bonds can be issued by sovereign governments, local governments, and corporations worldwide. Investing in GSSSB allows for more precise tracking of funds allocated to specific sustainable sectors, thereby promoting progress in those areas. According to the definitions provided by Bloomberg and the Taipei Exchange, Cathay invested a total of NT$165 billion in sustainable development-related bonds in 2025.

Bond Classification	Definition of Sustainability-Linked Bond	2025 Investment Amount (Unit: NT$100 million)
Green Bond	Indicates the issuer states that the net proceeds of the instrument include environmental projects or activities.	971
Social Bond	Indicates the issuer states that the net proceeds of the instrument include social projects or activities.	137
Sustainability Bond	Indicates the issuer states that the net proceeds of the instrument include environmental and social projects or activities.	466
Sustainability-Linked Bond, SLB	Indicates that issuer states that the instrument includes issuer predefined forward-looking performance-based organizational sustainability targets.	76

Impact-Driven Investment

According to the Global Impact Investing Network (GIIN), impact investing refers to an investment strategy that intentionally seeks to generate measurable positive environmental and social benefits alongside financial returns. Cathay FHC incorporates impact investing as a key focus in sustainable finance development and prioritizes related investments within equity and fixed-incomeasset classes, channeling capital to enterprises with sustainable value through systematic evaluation and capital allocation.

Cathay's Five Principles for Impact-Driven Investment

Intentionality 1

Cathay's impact investment intent is rooted in Cathay's Sustainability Strategy Blueprint, which has been independently established since 2016. Cathay has long pursued its core business along three key directions: climate, health, and empowerment, integrating sustainability considerations naturally into investment and operational decisions. This developmental trajectory has also shaped Cathay's consistent impact perspective, forming the foundation of its current impact investment approach.

Materiality 2

To assess the materiality of impact, Cathay focuses on whether an investment target's core products, services, or use of proceeds make a substantial positive contribution to the United Nations Sustainable Development Goals (SDGs).

Return Expectations 3

Cathay's impact investments are all expected to generate financial returns while pursuing appropriate returns based on the characteristics of each investment.

Measurability 4

Cathay utilizes the IRIS+ metrics and relies on publicly disclosed information from investee companies to present the substantive contributions of its investments to the environment and society. Given the current challenges in data availability for listed equity impact investments and the incomplete standardization in certain areas, Cathay carefully reviews the applicability and limitations of relevant data when measuring and compiling impact results, in order to more accurately reflect the substantive environmental and social impacts of its investments.

Contribution 5

Cathay tracks and promotes the positive impacts of investment targets during the investment evaluation and management process. This includes assisting enterprises in amplifying their positive influence or reducing negative impacts, and actively engaging in dialogue to drive improvements.

Column The Inaugural Sponsor of Asia's Clean Energy Transition Initiative

Cathay FHC is a member of the Asian Venture Philanthropy Network (AVPN) and endorses the values of its Asia's Clean Energy Transition Initiative (ASCENT), of which Cathay FHC is the inaugural sponsor and overall project advisor. In addition, ASCENT has established a solutions repository and standardized impact measurement indicators to evaluate the effectiveness and success rate of capital deployed in a just energy transition. Cathay Power's agrivoltaics case and Cathay Life's Green Landlord case are both included in this repository.

Listed Equity Impact-Oriented Investment

Cathay FHC referenced GIIN's 2023 Guidance for Pursuing Impact in Listed Equities and further established a logic model for impact investing in listed equities. The model clearly links investment actions, impact outputs, and long-term sustainability targets, serving as a basis for investment decision-making and management.

logic Model		
01 Vision Statement	Cathay envisions itself as the "Best Financial Institution in the Asia-Pacific Region" and a "Comprehensive Provider of Sustainable Financial Solutions." integrating corporate sustainability into the decision-making processes of its three main business engines—insurance, banking, and asset management—leveraging its capital influence and core risk management capabilities to implement sustainable finance.	
02 Ambition	Cathay integrates sustainability into its investment and lending processes as well as daily operations, focusing on three core pillars: climate, health, and empowerment.	
03 Investment	Subsidiaries of Cathay FHC, leveraging their respective business attributes and strategically investing capital, have effectively expanded the Cathay's positive impact on the SDGs, accelerating the advancement of the 2030 SDGs sustainability goals.	
04 Action	i	**Driving Impact Through Capital:** Strategically deploying capital instruments such as equity and debt to invest in high-potential impact enterprises and projects.
	ii	**Developing an Internal Methodology to Identify Impact:** By integrating international third-party data, Cathay has established a rigorous impact assessment framework. This framework screens for companies with a significant positive contribution to the SDGs and no negative impact, categorizing them into three tiers—"Impact Leaders," "Product Contributors," and "Operational Contributors"—to enable differentiated investment and engagement management.
	iii	**Post-Investment Engagement Generates Additional Value:** Through dialogue with investee companies, Cathay shares industry insights and trend observations to help these companies expand the positive impact of their core businesses or reduce negative effects.
	iv	**Leading Impactful Dialogues and Strengthening the Impact Investment Ecosystem:** Actively participating in or leading domestic and international impact initiatives, connecting like-minded partners to jointly build a robust impact investing ecosystem, thereby enhancing Taiwan's and Asia's leadership in global sustainable finance.
05 Impact	Successfully guided a broader range of capital to focus on Cathay's three major sustainability pillars, while also expanding coverage to potential targets beyond these pillars, thereby maximizing Cathay's overall positive contribution to the SDGs.	

Note: According to the GIIN 2023 Guidance for Pursuing Impact in Listed Equities, the nature of listed equities traded on the secondary market limits investors' direct impact on companies, with investor contributions primarily realized through engagement. Cathay acknowledges this limitation and is currently conducting active engagement with investee companies that have negative impacts.

Cathay utilizes a third-party database to assess the impact of publicly listed companies on the United Nations Sustainable Development Goals from two perspectives: "products/services" and "operations." Based on the nature of their positive and negative impacts and sources of contribution, companies with significant influence are categorized into three types. This classification is integrated with Cathay's impact investment framework to facilitate subsequent investment management and disclosure.

Impact Category	Definitions	Cumulative Total Investment Amount Through 2025 (Unit: NT$100 million)
Impact Leaders	The core products/services and operational practices of such enterprises generate clear and significant positive contributions to at least one United Nations Sustainable Development Goal, without causing any significant negative impact on other SDGs. The influence of these enterprises stems from both their products and operations, resulting in a comprehensive and consistent contribution to the SDGs.	8.48
Product Contributors	The core products/services of such enterprises can make a significant positive contribution to specific SDGs and serve as the primary source of the company's impact; however, their overall operational activities remain predominantly neutral in relation to the SDGs or have yet to demonstrate consistent positive contributions.	12.90
Operational Contributors	The Company operational practices, management systems, or practical approaches can make a positive contribution to specific SDGs, such as through human capital management, resource utilization, or operational practices; however, the direct contribution of its core products or services to the SDGs is relatively limited.	375.08

Impact Bond Investments

According to the World Bank's 2021 report, "Environmental, Social, and Governance Investing: A Primer for Central Banks' Reserve Managers," impact investing was initially applied to private equity and has since expanded to public market instruments such as green bonds, social bonds, and sustainability bonds. Cathay FHC adopts the IRIS+ framework developed by GIIN to quantitatively measure the performance of its invested GSSSBs in accordance with impact investing principles, systematically tracking and evaluating their social and environmental outcomes. Cathay Life, referencing international standards, has established an impact assessment framework that covers multiple asset classes, including sustainability bonds and private equity. This framework integrates Cathay's logic Model and uses IRIS+ metrics as the primary measurement tool for tracking and managing impact results. (For details, please refer to Cathay Life's Sustainability Report 2025)

5.4.2 Responsible Lending Achievements

CUB focuses on its core services and leverages capital to drive industrial and social transformation. Aiming 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		Key Climate Metrics	2023	2024	2025
Environmental Investment and lending		Lending	NT$41.3 billion	NT$51.421 billion	NT$47.962 billion
		Investment	NT$25.7 billion	NT$29.81 billion	NT$43.586 billion
Renewable Energy Loans		Share of renewable energy in electricity supply-related corporate lending	93.33%	99.79%	99.86%
Sustainable Loans	Green Corporate Loans	Outstanding amount of green corporate loans	$28.08 billion	NT$25 billion	NT$20.628 billion
		% of total corporate loans	3.69%	2.95%	2.23%
	Sustainability-Linked Loans (SLL)	Outstanding amount of SLL	$33.036 billion	NT$49.513 billion	NT$107.774 billion
		% of total corporate loans	4.34%	5.85%	11.63%
	Social Loans	Outstanding amount of social loans	Note 1	NT$983 million	NT$1.463 billion
		% of total corporate loans		0.12%	0.16%
Individual Green Loans		Outstanding amount of individual green loans	$567 million	NT$1.196 billion	NT$1.936 billion
		% of Total individual loans	0.04%	0.07%	0.10%

Note 1: In response to international market trends and CUB's sustainability policies, CUB established and launched its social loans business in 2024 and began collecting relevant data. Accordingly, no related data are available for 2023.

Note 2: The total corporate loans was NT$760.978 billion in 2023, NT$846.894 billion in 2024, and NT$926.986 billion in 2025.

Responsible Lending Progress

Ambition		Monitor & Tracking	2025 Progress Update
Carbon-intensive industry loan	"Zero Coal Financing" Note 1: achieve zero coal credit facility by the end of Q1 2027.	Quarterly tracking	The revolving credit facility was reduced to zero and not renewed after the grace period ended at the end of 2022. Medium- and long-term credit facilities gradually expired and no new loans will be approved.
Sustainable loans Note 2	By 2035, sustainable loans will exceed NT$200 billion.	Quarterly tracking	As of the end of 2025, the sustainable loan balance had reached $129.616 billion.

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

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

Social Loans

CUB actively expands its social loan business in both domestic and overseas markets, collaborating with clients, other financial institutions, social welfare organizations, suppliers, and enterprises to enhance its positive social impact. CUB indirectly supports disadvantaged groups and other socially vulnerable populations by providing lending channels, focusing primarily on those lacking adequate access to essential basic services such as transportation, healthcare, housing, and financial services, as well as individuals needing improvements in basic education, skills, or socioeconomic status. Through its partner network, CUB helps connect eligible beneficiaries, including those requiring long-term care, low-income households with housing needs, and other project beneficiaries approved by local government social affairs departments, with the resources they need. All social loans are restricted to funding one or more designated social projects. CUB has also established comprehensive cash flow control and fund tracking mechanisms, requiring borrowers to regularly report on fund utilization to ensure that all funds are used exclusively for the financing or refinancing of the specified projects, thereby enhancing transparency and strengthening tangible social benefits.

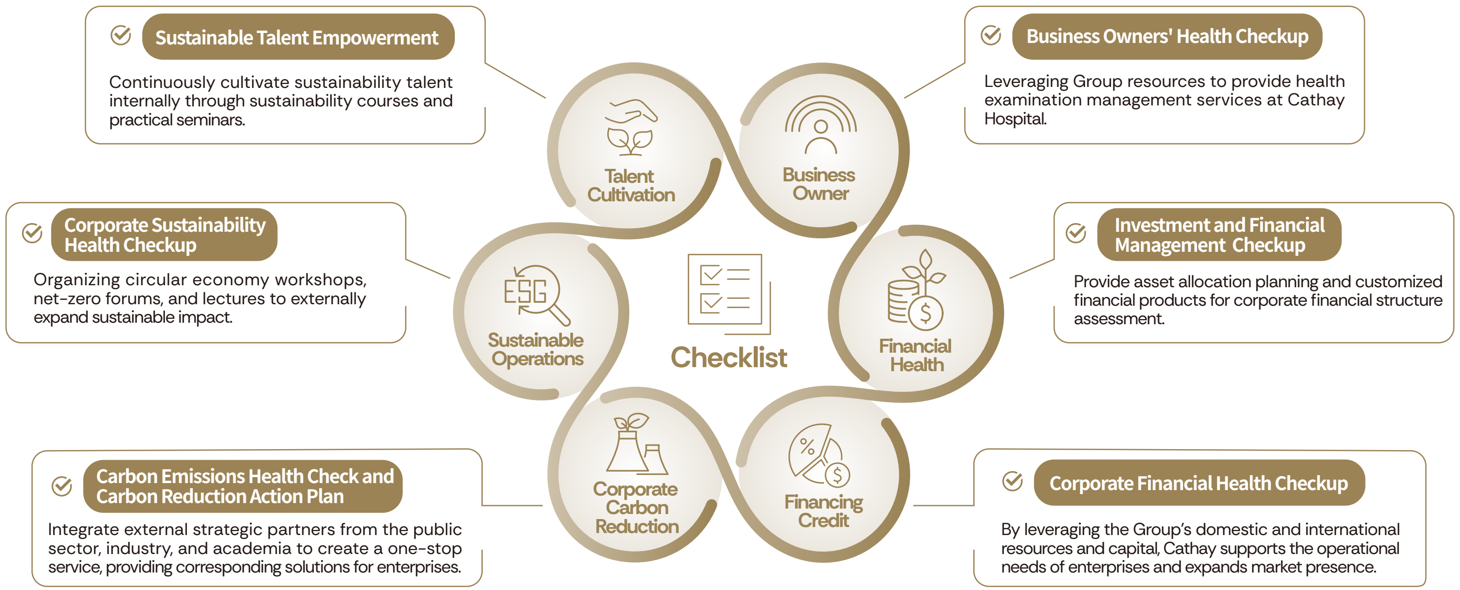
Products	Target Group	Product Achievements	Total Number of Project Units
Social loans	Those with a need for funding related to social projects but for whom such funding is difficult to obtain	CUB's social loans cases in 2025 include overseas syndicated loans and domestic self-lending cases, aimed at supporting the construction of social housing, wheelchair transportation services for long-term care recipients, accessible education and training services, and other specific social projects.	7 cases (3 domestic cases and 4 overseas cases)

5.4.3 Sustainable Financial Products and Services

Cathay One – One stop transition finance platform

To assist enterprises in advancing from "information disclosure" to "transformational action," CUB officially launched the Cathay One One stop transition finance platform in 2025. Centered on the concept of "One," the platform consolidates the sustainable impact and professional resources of the Lin Yuan Group's affiliated companies and connects with external strategic partners. Building on the CUB's long-standing experience in sustainability engagement, it integrates key corporate needs in the low-carbon transition journey, creating sustainable transformation resources applicable across industries and scales.

The platform encompasses consulting and technical services including carbon inventory, carbon reduction technologies, carbon neutrality, ESG information disclosure, and third-party verification. In terms of financial products, it offers diverse solutions such as sustainability-linked loans, green loans, and carbon credit trust funds to help enterprises accurately align with sustainability goals and secure appropriate funding and supporting resources. The platform also provides ESG negotiation meetings and industry workshops to assist enterprises in clarifying transformation pathways, matching technology partners, and integrating financial instruments to form comprehensive solutions, thereby achieving a full transformation from disclosure to action.



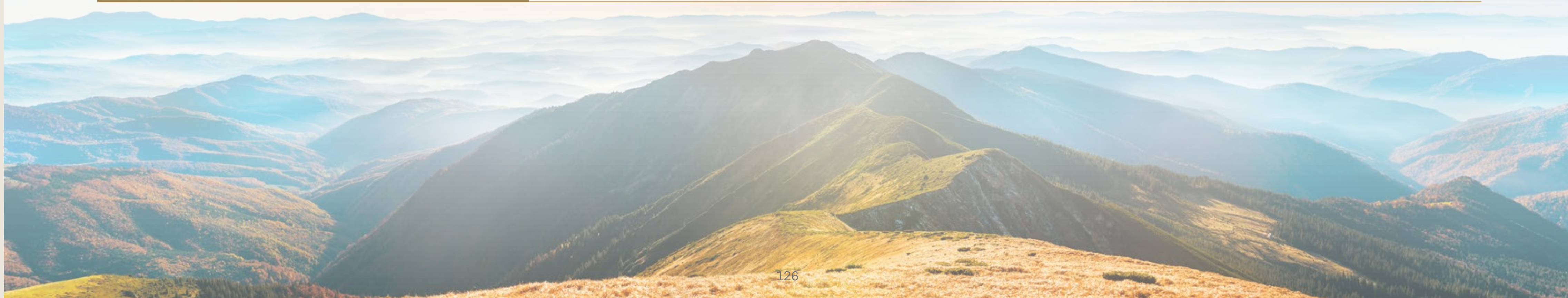
Cathay Securities App – One-Stop Digital Investment Service

The Cathay Securities app integrates digital services with ESG principles to encourage investors to practice sustainable investing. Additionally, the app is continuously optimized each year to offer digital financial services that best meet customer needs, with over 600,000 users and 2.77 million clicks since its launch.

2025	In collaboration with Taiwan Index Plus, Cathay Securities provides clients with ESG ratings for all listed companies in the Taiwan stock market, achieving 100% coverage. Users can also view each company's performance across ten ESG sub-dimensions on the individual stock tab
2024	By optimizing the user interface and navigation flow, investors can quickly access the Sustainability section from the homepage through the 'My' page.
2023	Integrating data analytics technology, Cathay Securities launched "My Taiwan Stock ESG Sustainability," which categorizes customers' portfolio holdings into four intuitive levels based on sustainability performance: L1 Seed → L2 Seedling → L3 Sapling → L4 Tree.
2022	Leading the industry, Cathay Securities launched the Sustainability section in the Cathay Securities app, providing investors with access to ESG ratings of Taiwan stock holdings.
2021	ESG criteria have been integrated into the stock selection service for individual investors on the Cathay Securities app.
2020	Collaborated with National Taipei University to provide ESG research services for institutional investments.

Sustainability Funds

Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (The source of the fund's distribution may be the Equalization Reserve; there is no guarantee of returns or distributions.) (Security Code: 00878)	**As of the end of 2025, the fund size reached NT$460.2 billion, making it the ETF with the highest number of DCA participants in Taiwan** The 2020 pandemic crisis underscored the importance of corporate care for employees and supply chain management. Cathay SITE, in collaboration with MSCI, provided investors the opportunity to engage in sustainable investing through international-level ESG services. By employing dividend yield-weighted stock selection, it helped investors pursue profit opportunities. Since its initial public offering in 2020, it has set multiple records in the Taiwan stock market and has been well received by investors. In 2025, it was honored with the 28th Outstanding Fund Golden Diamond Award—ETF Fund Award (General Stock ETF ESG Index) hosted by the Taipei Foundation of Finance.
Cathay US ESG Fund	**As of the end of 2025, the fund's AUM reached NT$2.7 billion** Cathay SITE adopts the MSCI ESG ratings assigned to U.S. companies, with at least 70% of its investment portfolio allocated to companies rated A or above. It not only focuses on elite ESG U.S. stocks but also excludes controversial industries such as arms, tobacco, cannabis, and adult entertainment. This approach aims to enhance portfolio robustness by investing in companies with superior ESG performance and to encourage corporate social responsibility.



CH6 Sustainable Governance

A sound governance mechanism forms the foundation of sustainable business operations. Upholding the core values of integrity, accountability, and innovation, Cathay FHC actively promotes sustainable governance. In 2025, the Group established the Corporate Sustainability Committee and appointed a Chief Sustainability Officer under the Board to strengthen the effectiveness of sustainability governance, enhance the comprehensiveness and practicality of decision-making, and integrate the Group's core functions into operational management. The Group values shareholder relations and safeguards the rights and interests of stakeholders, striving to provide transparent and effective communication channels to pursue sustainable business operations and create positive value for society and the environment.

2025 Achievements

Optimizing the Board Governance Structure

- The 9th Board of Directors election was completed, and the Board as a whole possesses diverse professional expertise.
- The Company established the Corporate Sustainability Committee as a functional committee under the Board of Directors and appointed a Chief Sustainability Officer to enhance the comprehensiveness and practicality of decision-making.
- The "Risk Management Committee" was renamed the "Risk Management and Information Security Committee," incorporating information security into its responsibilities.

Enhancing Technology Applications and Information Security Governance

- The Technology Application Governance Committee was established to formulate a consistent governance framework and review principles.
- Four innovative achievements were granted patents.
- Promoted the Group's achievement of ISO 27001 Information Security Management certification.
- Once again obtained BS 10012 Personal Information Management System international certification.

Enhancing the Group's Enterprise Risk Resilience

- Received the "Environmental Finance" TCFD Annual Report Award for two consecutive years.
- Maintained the validity of the ISO 22301 Business Continuity Management System international certification.
- The Group continued to advance the systematic and cyclical management of compliance risks and to enhance the intelligent joint defense platform for AML/CFT risk management across the Group.

Material Sustainability Goals

Material Topics	2025 Achievements	Short-Term Goals 2026	Mid-Term Goals 2027 to 2028	Long-Term Goals 2030
Corporate Governance and Ethical Corporate Management	• Named one of the Top 10 Taiwan Financial Institutions Selected by Foreign Investors in 2025 • The Corporate Sustainability Committee was elevated to a functional committee under the Board of Directors, and the position of Chief Sustainability Officer was established. • Information security was incorporated into the responsibilities of the Risk Management Committee, which was renamed the Risk Management and Information Security Committee. • Completed the third external evaluation of the Board of Directors' performance and revised the internal performance evaluation guidelines to enhance differentiation. • Elected the ninth board and strengthened the board's professionalism, independence, and diversity	• Completion of the 1st ESG Evaluation • All members of the Board of Directors completed training courses related to climate change. • Maintained Grade A certification by the Taiwan Intellectual Property Management System • Completed the reappointment of directors and supervisors of subsidiaries, continuing to strengthen the professionalism, independence, and diversity of subsidiary board compositions.	• 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	• Political and economic risks are major risks for the Group. The Group has completed response strategies for investment, financing, and operations, introduced resources from domestic and international think tanks, and conducted extreme scenario exercises to strengthen its ability to analyze and assess international geopolitical events. • Completed the review of risk appetite limits and thresholds, and revised the statutory capital requirement indicators and related internal risk management regulations for overall and major risks.	• The Group continuously enhances its geopolitical risk analysis and strengthens its integration with the Group's risk management framework to improve corporate resilience in the face of external uncertainties. • In view of heightened financial market volatility caused by international geopolitical events, and the increased capital volatility following the insurance subsidiaries' adoption of IFRS 17 and the new risk-based capital system, the Group will continue to strengthen and enhance its capital management.	• Enhance the ERM control mechanism to strengthen the resilience of risk strategies. • Through financial innovation and the application of financial tools, the Group strengthened the integration of risk information, enhanced cross-disciplinary applications, and maximized data value. • Research and apply international trends to deepen the Group's climate and nature risk culture.	
	• Successfully completed the validity renewal review of the ISO 22301 - Business Continuity Management System (BCMS) certification • In 2025, the Group and its major subsidiaries jointly conducted extreme scenario drills to enhance the Group's overall emergency response capabilities.	• The Group continued to enhance its Business Continuity Management mechanisms (such as responses to extreme scenarios) and established its own backup equipment for power and network communication infrastructure to strengthen its emergency response capabilities	• Continuously enhance the execution of Business Impact Analysis and risk assessments to review the completeness of the business continuity plan • Regularly plan and conduct on-site drill scenarios to test the effectiveness of the business continuity management plan	
Compliance	• Completed the establishment of governance frameworks and management mechanisms for cloud outsourcing and AI • Completed the Group's regulatory management standards.	• Strengthened compliance management for cloud, artificial intelligence (AI) applications, and financial ecosystem scenarios, while continuing to promote the internationalization of the Group's compliance practices.	• The Group has strengthened its compliance culture and talent pool, developed a comprehensive compliance governance strategy across all subsidiaries, and established a people-centered, risk-based compliance governance and digital internal control management sharing ecosystem.	
	• Implemented data technology and risk models to complete the Group's Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) joint defense module • Ensured all subsidiaries comply with the group's risk appetite for money laundering (ML) & financing terrorism (FT)	• With reference to the "National ML / TF / PF Risk Assessment Report 2024" published in December 2024, the Group reviewed and considered adjustments to the AML / CFT institutional risk assessment questionnaires for the Group and its subsidiaries. • All subsidiaries complied with the group's risk appetite for money laundering (ML) & financing terrorism (FT)	• Strengthened the Group's risk-based AML / CFT risk management and performance enhancement, including actions such as developing a Group-wide AML / CFT joint defense mechanism through digital technology and ensuring that subsidiaries operate within the Group's established ML / FT risk appetite levels.	
	• Conducted eight diverse regulatory compliance training sessions, covering foundational knowledge, targeted content for different audiences, business-related topics, and emerging technologies • Continued to develop RegTech (Regulatory Technology) capabilities through group-wide projects and the cultivation of seed talent	• Professional talent development to cultivate compliance (including AML / CFT) professionals	• Expand Cathay FHC's compliance (including AML / CFT) talent pool	

Material Topics	2025 Achievements	Short-Term Goals	Mid-Term Goals	Long-Term Goals
		2026	2027 to 2028	2030
FinTech / Digital Transformation and Innovation	• Achieve 80% or higher in customer satisfaction with digital services	• Achieve 80% or higher in customer satisfaction with digital services	• Achieve 80% or higher in customer satisfaction with digital services	
Privacy and Information Security	• Completed the renewal audit for the validity of the BS 10012 Personal Information Management System international certification. • In 2025, the Group conducted a cross-departmental personal data breach simulation exercise to enhance employees' ability to respond promptly and minimize potential data leakage losses. • Achieved a 100% completion rate for company-wide personal data protection awareness training for 2025	• The Group continuously enhances its personal data management and control mechanisms and makes adjustments in response to external regulations related to personal data to stay current with evolving standards. • Organize training to strengthen literacy and awareness of confidential information protection.	• Continue to conduct scenario-based breach exercises and promote the importance of personal information protection to ensure the effectiveness of our management measures • Strengthen personal information protection mechanisms for cloud and emerging technologies to ensure general personal information protection is appropriate and adequate • Continue to optimize Cathay FHC's personal information protection management mechanisms to bolster the group's capacity for joint defense	
	• Expand the scope of the Information Security Management System (ISMS) certification to cover cloud operations and maintenance. • Detection and removal of fraudulent external social media accounts: The Group proactively monitors and responds in real time to identify and take down impersonation incidents, actively combating fraud. • Enhance the intensity of information security incident response drills.	• Expand ISMS certification scope. • Continuously strengthen the effectiveness of cybersecurity defenses through automated attack simulation mechanisms.	• Expand ISMS certification scope • Introduce automated attack simulation mechanisms to verify the effectiveness of information security defenses • Enhance multi-cloud monitoring and cloud-and-on-premises correlation analysis • Continue to strengthen zero trust maturity • Post-quantum cryptography migration	
Customer Relationship Management	• Each subsidiary achieved its target Net Promoter Score (please refer to Section 6.5.2 Service Quality & Customer Satisfaction).			

6.1 Corporate Governance

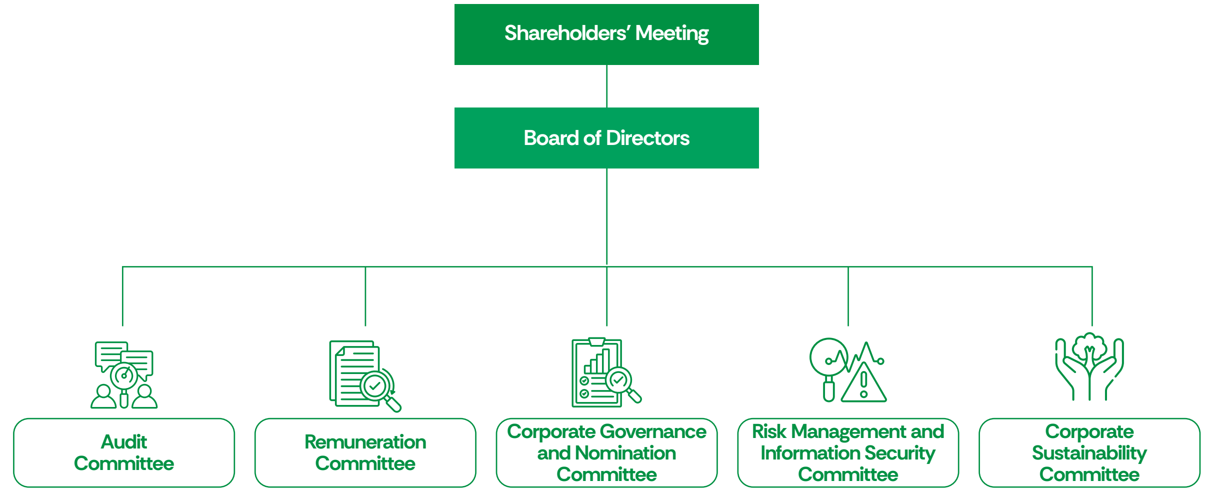
GRI : 2-9、2-10、2-11、2-15、2-17、2-18、2-19、2-20、2-21

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 more information on Cathay FHC' corporate governance, please see the Cathay FHC Annual Report.

6.1.1 Board of Directors - Structure and Operation

The Board of Directors of Cathay Financial Holdings Co., Ltd. serves as the highest decision-making body. The Chair of the Board does not hold any executive management position and is responsible for overseeing the Group's overall operations and management. In 2025, the Group's Board of Directors convened nine meetings, with an actual attendance rate of 100%, meeting the requirement set forth in the Company's Corporate Governance Best Practice Principles that directors must attend at least 80% of board meetings annually. The average tenure of directors was 8.9 years, while the average tenure of independent directors was 3.5 years. The Board has established five functional committees: the Audit Committee, the Remuneration Committee, the Corporate Governance and Nomination Committee, the Risk Management and Information Security Committee, and the Corporate Sustainability Committee.

In 2025, the Group elevated the Corporate Sustainability Committee to the level of a Board Functional Committee and established the position of Chief Sustainability Officer to oversee and plan the Group's sustainability strategy and objectives, build the governance framework, and supervise the implementation of sustainability initiatives. Information security was incorporated into the responsibilities of the Risk Management Committee, which was renamed the Risk Management and Information Security Committee, with all members serving as independent directors. The Company completed its third external board performance evaluation and enhanced the internal performance evaluation mechanisms for the Board and its Functional Committees. The grading methods for the "indicator scoring criteria" and "evaluation results" were refined from the current two-level and three-level systems, respectively, to a five-level scale, thereby enabling more effective identification of areas for improvement and strengthening the operational effectiveness of the Board and its Functional Committees.



	Audit Committee	Remuneration Committee	Corporate Governance and Nomination Committee	Risk Management and Information Security Committee	Corporate Sustainability Committee
Committee Composition and Responsibilities	· **Comprised of five independent directors** 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 transactions involving directors' conflicts of interest and stakeholders' transactions; and appoints/dismisses the CPAs	· **Comprised of three independent directors** Establishes and maintains policies and systems governing the performance evaluation and remuneration of directors and senior management; and determines the remuneration of directors and senior management.	· **Comprised of three independent directors** Nominates director candidates and reviews their qualifications; reviews the rules governing Board operations and the Corporate Governance Best Practice Principles; and establishes the organizational structure of the Board's Functional Committees.	· **Comprised of three independent directors** Responsible for reviewing risk management and information security policies and guidelines, risk appetite, the implementation of other risk management activities, and the overall information security performance of the previous year	· **Comprised of one director and two independent directors** Responsible for reviewing sustainability-related policies and strategic directions, Sustainability Reports, and other major sustainability-related resolutions
2025 Operations Overview	· The committee met **seven** times. The attendance rate was **100%**	· The committee met **six** times. The attendance rate was **100%**	· The committee met **four** times. The attendance rate was **100%**	· The committee met **four** times. The attendance rate was **92%**	· The committee met **four** times. The attendance rate was **100%**

Board of Directors Recusals

In accordance with the Group's "Regulations on Board Meeting Procedures," any director who has a personal interest, or represents a legal entity with an interest, in a matter under discussion at a board meeting shall explain the material aspects of such interest at that meeting. If the matter may be detrimental to the interests of the Group, the director shall not participate in the discussion or voting, must recuse himself or herself during the discussion and voting, and may not act as a proxy for another director in exercising voting rights. If a director's spouse, a relative within the second degree of kinship, or a company with which the director has a controlling or subordinate relationship has an interest in a matter under discussion, the director shall be deemed to have a personal interest in that matter. Furthermore, to ensure effective management of directors' concurrent positions, the Group's "Corporate Governance Best Practice Principles" and the "Code of Conduct for Responsible Person Assuming Part-Time Roles" require that when directors hold concurrent positions, they must ensure the effective performance of both their primary and concurrent duties, avoid conflicts of interest, and comply with the internal control and supervisory mechanisms of the financial holding company and its invested enterprises and subsidiaries, thereby safeguarding shareholders' rights and interests. For details on directors' recusals from matters in which they have an interest, their concurrent positions on other boards, and their shareholdings, please refer to Cathay FHC's 2025 Annual Report, pages 51-52 and pages 8-12.

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. The nominations are subject to approval by the Board before being submitted to the shareholders' meeting for election. 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. If shareholders holding 1% or more of the Company's total issued shares do not submit a list of director candidates, all director candidates shall be nominated by the Corporate Governance and Nomination Committee. The nominated candidates possess the professional expertise required for executive duties in areas such as finance, business, and management, and demonstrate diversity in terms of basic composition, industry experience, and professional knowledge and competence. The Board as a whole also possesses the capabilities required for the Company's operations, including sound business judgment, management capability, crisis management, and an international perspective. The Company completed the election of the ninth-term directors on June 13, 2025. Newly appointed Independent Director Mr. Denny Cheng-Hung Kuo has professional experience and knowledge in business, finance, accounting, and information technology. Mr. James Wei Wang has professional experience and knowledge in business, finance, information technology, and overseas markets. Newly appointed Director Mr. Tzung-Han Tsai has experience and knowledge in finance, business, economics, law, overseas markets, and mergers and acquisitions. Mr. Chung-Yan Tsai has experience and knowledge in business, finance, construction, and health management. The Board as a whole possesses professional expertise and skills in business, accounting / economics, law, finance, mathematics / actuarial science, digital finance, financial technology, information and communications, health management, overseas markets / mergers and acquisitions, risk management, and sustainability (including climate change). This composition meets the diversity requirements set forth in the Company's Corporate Governance Best Practice Principles and supports the Group's strategic development in internationalization, digitalization, and financial innovation and application. For details on the implementation of the Board diversity policy, please refer to Cathay FHC's 2025 Annual Report pages 24-25.

Note: The Company completed the election of its ninth-term Board of Directors on June 13, 2025. For information on the members of the ninth-term Board of Directors, please refer to the Cathay FHC website.

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 IFRS 17, risk management, corporate governance, corporate sustainability, climate change, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), information security, and artificial intelligence. In 2025, the directors completed an average of **16.5** hours of continuing education.

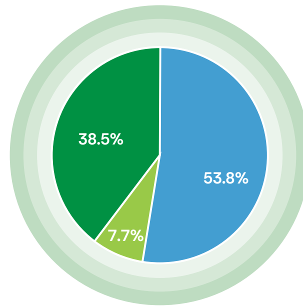
Independence

- 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.
- Of the **13** directors at Cathay FHC, **5** are independent directors, representing more than one-third of the board seats.

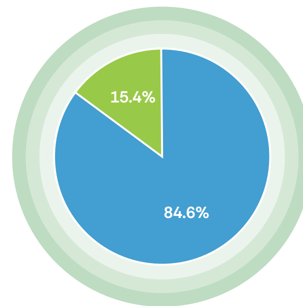
Diversity

The Board of Directors of Cathay FHC comprises members with diverse backgrounds, including a range of ages, industry experience, educational qualifications, professional expertise, and competencies. 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).

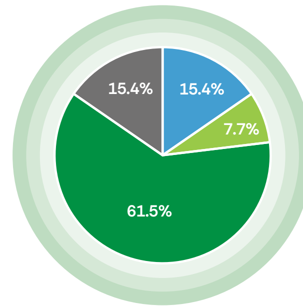
Board Composition Ratio



Gender Composition of the Board of Directors



Age Distribution of the Board of Directors



6.1.3 Board Performance Evaluation

To enhance the effectiveness of board operations, Cathay FHC 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, Remuneration Committee, Corporate Governance and Nomination Committee, Risk Management and Information Security Committee, and Corporate Sustainability Committee)	Individual Board Members
✓Level of Participation in the Group's Operations	✓Level of Participation in the Group's Operations	✓Understanding of the Group's Goals and Mission
✓Enhancing the Quality of Board Decision-Making	✓Understanding of Functional Committee Responsibilities	✓Understanding of Directors' Duties
✓Board Composition and Structure	✓Enhancing the Decision-Making Quality of Functional Committees	✓Level of Participation in the Group's Operations
✓Election and Continuing Education of Directors	✓Composition and Selection of Members of Functional Committees	✓Internal Relationship Management and Communication
✓Internal Control	✓Internal Control	✓Directors' Professional Expertise and Continuing Education
		✓Supervise the Group's Financial and Operational Performance
		✓Supervise the Operation of the Group's Internal Audit, Internal Control, Risk Management, and Regulatory Compliance
		✓Corporate Credit Rating
		✓The Group's Commitment to Corporate Sustainability

Performance Evaluation Results

Internal Evaluation	External Evaluation
• In 2025, the internal performance evaluations of the Board of Directors and all functional committees of Cathay FHC were rated as "Outstanding." • All directors of the Group received a rating of "Pass" in the 2025 performance evaluation.	• Cathay FHC engaged the Taiwan Institute of Ethical Business Practices in 2019, 2022, and 2025 to conduct external evaluations of the Board of Directors' performance for 2018, 2021, and 2024, respectively. Based on the Institute's recommendations for improvement, the Group reviewed and implemented enhancement measures accordingly.

Note: For detailed results of the Board of Directors and functional committee performance evaluations, please see this link.

6.1.4 Remuneration Structure for Directors and Senior Management

Remuneration for Directors

To improve corporate governance and enhance long-term business 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 "Board of Directors Performance Evaluation Policy," 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. Directors' compensation is determined by the Remuneration Committee and the Board of Directors, taking into consideration each director's level of participation in the Group's operations, contribution value, and industry compensation standards. In addition, to ensure the reasonableness of directors' remuneration, the Remuneration Committee and the Board of Directors conduct a regular assessment of the "Guidelines for Directors' Remuneration" every three years.

Remuneration for Senior Management

To create long-term value for shareholders and ensure that remuneration is aligned with job responsibilities in order to attract and motivate outstanding talent, Cathay FHC has established the Manager Remuneration Payment Guidelines, which clearly define the items and standards for managerial compensation and incentives. Fixed remuneration for managers is determined based on job responsibilities, performance, and capabilities, with reference to external market benchmarks. Variable remuneration is linked to the Group's annual business performance and the achievement of individual performance goals, and is granted in accordance with the standards set forth in the Manager Remuneration Payment Guidelines, subject to review and approval by the Remuneration Committee and the Board of Directors. To ensure the reasonableness of managerial remuneration, the Group conducts an annual remuneration competitiveness analysis and evaluates the compensation of individual managers. In addition, the Guidelines for Managerial Remuneration are reviewed every three years and submitted to the Remuneration Committee for deliberation and to the Board of Directors for approval in accordance with relevant procedures. 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.

Remuneration for 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.
- 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.
- In the Board Performance Management and Development, indicators are used to supervise the Group's internal audit, internal control, risk management, and regulatory compliance operations. Directors who receive an unsatisfactory annual evaluation are not eligible for remuneration.

Remuneration for Senior Management

- The "Manager Remuneration Payment Guidelines" were established with reference to job responsibilities, performance, capabilities, and external market remuneration benchmarks.
- 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, including a three-year long-term incentive plan, which is not fully paid out in the year the profit is earned.
- An annual compensation competitiveness analysis is conducted to evaluate the remuneration of individual managers. In addition, the "Manager Remuneration Payment Guidelines" are reviewed every three years and submitted to the Remuneration Committee and the Board of Directors for approval.

Cathay FHC President Remuneration Structure

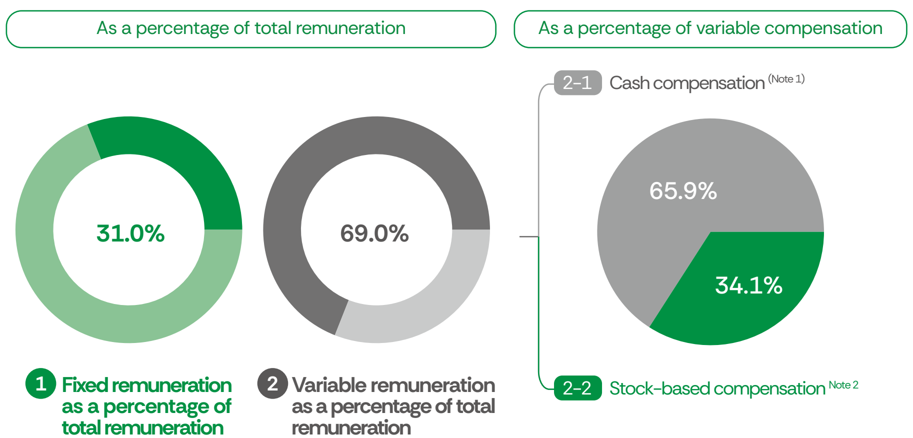
Taking the Cathay FHC President as an example, his variable remuneration is linked to performance in financial and relative financial indicators, corporate business strategy development indicators, internal control and regulatory compliance, and corporate sustainability indicators. To enhance the Group's long-term performance, the President's variable remuneration is divided into short-term and long-term incentive bonuses. The long-term incentive plan covers a three-year cycle and is not paid in full during the year the earnings are generated. During the participation period, if any intentional or gross negligence in business operations, conduct that causes significant risk to the Group, or other dishonest or improper behavior occurs, the long-term incentive payment may, depending on the severity of the circumstances, be withheld upon resolution by the Remuneration Committee and the Board of Directors. The Group's primary operations are based in Taiwan. The annual total compensation of the highest-paid individual in the organization was 45.1 times the median and 39.0 times the average of the annual total compensation of all other employees (excluding the highest-paid individual). In addition, the percentage increase in the annual compensation of the highest-paid individual was 2.1 times the percentage increase in the median annual compensation of other employees.

Note: For the remuneration ratios of the presidents of other subsidiaries, please refer to the sustainability reports of each respective subsidiary.

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 development	Data and information transition, AI governance, green fintech development, corporate and brand identity, etc.
	Corporate sustainability performance indicators	Operations environmental impact, talent development and training, corporate governance, privacy and information security, etc.
	Internal control & compliance metrics	Internal control & compliance implementation results

Cathay FHC President Remuneration Structure in 2025



Note 1: Refers to the short-term incentive cash bonus for FY2025.
Note 2: Refers to the long-term incentive cash bonus that has fully vested in FY2025.

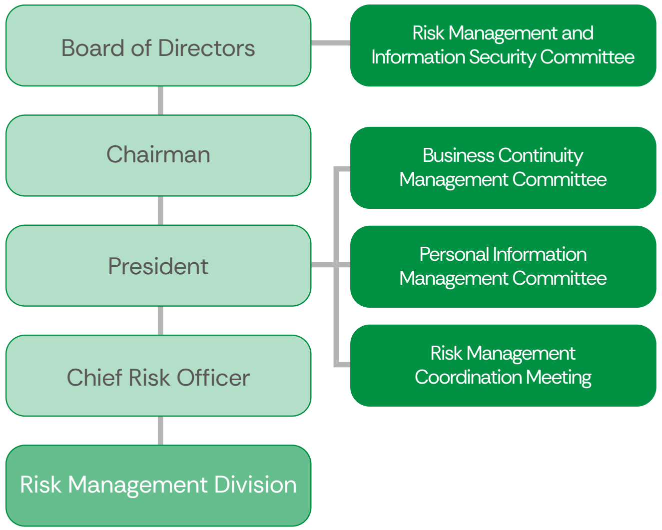
6.2 Risk Management

GRI : 2-12、2-25、2-26、201-2

6.2.1 Risk Management Organizational Structure and Policy

The Board of Directors of Cathay Financial Holdings serves as the Group's highest governance body for risk management and oversees overall business operations and management. Beginning August 16, 2025, the Group incorporated information security into the original Risk Management Committee's responsibilities and renamed it the Risk Management and Information Security Committee. The Committee consists of at least three directors appointed by the Board, with a majority being independent directors. An independent director serves as the convener. All members possess professional knowledge and expertise in risk management and corporate governance, enabling effective oversight of risk management mechanisms.

Risk Management



Organization Name	Frequency	Responsibilities
Board of Directors	Meets at least quarterly	The highest decision-making body on governance issues; oversees overall business operations and approves proposals submitted by the Risk Management and Information Security Committee.
Risk Management and Information Security Committee	Quarterly	A board-level functional committee responsible for reviewing the Risk Management Policy, related guidelines, risk appetite and limits, as well as the implementation of various risk management activities.
Business Continuity Management Committee	Annually	The President serves as the Chairperson, and the Head of the Risk Management Division serves as the Executive Secretary, responsible for reviewing, supervising, and coordinating business continuity management operations.
Personal Information Management Committee	Annually	The President serves as the Chairperson, and the Head of the Risk Management Division serves as the Executive Secretary, responsible for reviewing, supervising, and coordinating personal information management operations.
Risk Management Coordination Meeting	Quarterly	The Head of the Risk Management Division serves as the Chairperson, and the Risk Management Division acts as the secretariat. The Division oversees and coordinates the implementation of risk management activities and reports quarterly to the Risk Management and Information Security Committee.
Risk Management Division	-	Management Policy and guidelines for Cathay FHC, planning risk management mechanisms for the Cathay FHC and its subsidiaries, supporting and supervising the implementation of risk management mechanisms at subsidiaries, compiling and disclosing risk management execution reports for Cathay FHC and subsidiaries, and convening meetings of the Risk Management and Information Security Committee.

Corporate Risk Management Framework

Cathay FHC has established the Risk Management Policy in accordance with its Enterprise Risk Management Framework (ERMF). The Group formulates risk management guidelines and measurement indicators for various types of risks, conducts scenario analyses and stress tests in response to changes in the external operating environment, and regularly reports the results of risk management implementation to the Risk Management and Information Security Committee and the Board of Directors to effectively monitor the execution of the Group's risk management activities. Through the three lines of defense mechanism in internal control, each line is assigned specific responsibilities and authorized to identify, measure, and manage different types of risks, as well as to develop control measures and response strategies.

Third Line of Defense	Unit	Definitions
First Line of Defense	Business Operations and Management Units	Identify and manage business risks and ensure effective monitoring and immediate response to operational risks
Second Line of Defense	Risk management, compliance and information security units	The independent risk management, compliance, and information security units are responsible for designing and establishing relevant management mechanisms and standards, as well as overseeing risk monitoring and reporting.
Third Line of Defense	Audit Unit	Responsibilities include auditing and assessing the effectiveness and compliance of internal control systems, as well as evaluating their impact on business operations. Supports the board and management in evaluating the effectiveness of internal controls.

Risk Management Policies and Responses

In accordance with the Risk Management Policy, the Group has established management measures for major risk categories. To enhance the effectiveness of risk management, the Group has also implemented the Operational Risk Event Reporting Procedures, the Credit Risk Emergency Event Reporting Procedures, and the Major Event Handling Procedures, along with corresponding reporting systems. In the event of a risk incident, each unit or subsidiary must immediately report the case to the Group's Risk Management Division for case management, regularly review the progress of the incident and the implementation of improvement measures, and report the progress to the Group's Risk Management Division.

Risk Category	Risk Management Strategy
Market Risk	The Group and its subsidiaries have established prudent investment decision-making processes, set market risk management indicators and exception handling procedures, and implemented relevant management mechanisms, such as sensitivity analysis and stress testing, to ensure effective market risk management.
Credit Risk	In addition to establishing rigorous credit policies, credit review and approval procedures, and management standards for collateral, non-performing loans, asset evaluation, and provision allocations, the Group and its subsidiaries have also set relevant control mechanisms, including concentration limits for the Group, industry risk limits, and country risk limits, to effectively diversify credit risk.
Liquidity Risk	In addition to setting aside liquidity reserves or highly liquid assets as required by laws and regulations, the Group effectively manages its funding positions through quantitative tools such as liquidity measurement indicators, adhering to the principles of liquidity, security, and profitability to mitigate liquidity risk. Furthermore, each subsidiary has established an emergency funding contingency mechanism to address potential liquidity issues arising from major or unexpected events.
Operation Risk	The Group has established independent operational processes and computer systems for the front, middle, and back offices in accordance with the nature of each business. Through the collection and analysis of operational risk loss events, the Group strengthens the identification of root causes of risks and continuously monitors the effectiveness of control measures to ensure effective management of operational risk. In terms of business continuity management, Cathay FHC and its subsidiaries have established business continuity management mechanisms in accordance with international standards to continuously enhance the Group's operational resilience and implement business continuity management mechanisms for 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 Risks	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 lending 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.

Risk Management Process

Management Level	Definitions
Risk Identification and Assessment 01	The Group's primary sources of risk can be categorized as market risk, credit risk, operational risk, liquidity risk, insurance risk, capital adequacy management, emerging risk, ESG and climate risk, and reputational risk. The Risk Management Division establishes management guidelines and related compliance procedures for each type of risk and regularly reports to the Risk Management and Information Security Committee and the Board of Directors. The methods for risk identification are as follows: **1.Degree of Impact and Likelihood of Occurrence:** Taking into account various risks, the Group conducts both qualitative and quantitative assessments to identify and evaluate the degree of impact and likelihood of occurrence of each risk. This process generates a ranking of material risks, assesses their potential impact on the Group's operations, and establishes corresponding response measures. **2.Stress Testing and Sensitivity Scenario Analysis:** Using market risk and credit risk as examples, the Group regularly conducts stress testing through sensitivity analyses under various scenarios. In addition, the Group reviews its risk appetite annually and reports the results to the Risk Management and Information Security Committee and the Board of Directors. Based on the established risk appetite, the Group sets various risk limits and risk levels, and regularly monitors and manages key risk control indicators. When a specific risk level is reached, appropriate risk response measures are developed.
Risk Response 02	Cathay FHC monitors the Group's exposure and risk measurement indicators on a monthly basis and reports the results of risk management implementation to the Risk Management and Information Security Committee and the Board of Directors on a quarterly basis to oversee and manage the Group's overall risk level. Taking market risk and credit risk as examples: • **Market Risk:** The Group regularly evaluates and monitors market risk management indicators, conducts sensitivity analyses and stress tests, and implements effective market risk management. • **Credit 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 03	Cathay FHC has established an effective internal control system, and the internal audit unit has incorporated the aforementioned compliance status into its audit procedures. A general business audit is conducted at least once a year, and a special audit on finance, risk management process, and regulatory compliance of the Group and its subsidiaries is conducted at least once every six months.

Risk Management Culture

Cathay FHC conducts risk management training programs to help employees enhance their risk awareness. At the same time, the Group integrates risk management into the product and service development process and fosters a strong risk management culture through diverse mechanisms.

Mechanism	Implementation
Training and awareness promotion 01	• To strengthen the Group's overall risk awareness and management capabilities, the Company has arranged annual risk management courses for all directors, including both executive and non-executive directors, to help them stay abreast of emerging risk trends and strengthen their governance capabilities. In 2025, the training completion rate for all directors reached 100%. In addition, all employees of Cathay FHC and its subsidiaries are required to complete annual general risk management training. In 2025, the training completion rate for all employees also reached 100%, further enhancing their understanding and application of risk identification and management in daily operations. • A monthly "Legal, Risk, and Audit Bulletin" was published to share topics and case studies on regulatory compliance, risk management, information security, and auditing.
Product and Service Development Process 02	• Cathay places great importance on the various risks that may arise during the development of new products. The Group has established relevant management mechanisms before and after product sales, in compliance with regulatory requirements, and implements the principle of fair treatment of customers to reduce financial, regulatory, and operational risks. For example, in the case of Cathay Life Insurance products: • **Financial Risk:** Each year, profit standards and sales limits for products are set based on the company's overall risk appetite. Before product launch, the 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 insurance products, senior management convenes the Insurance Product Management Committee to confirm matters such as the adequacy of product information disclosure, the launch and verification of actuarial data, information system configuration and testing, risk control mechanisms and reinsurance arrangements, and the appropriateness of training for sales channels. In addition, after the products are sold, the Committee meets semiannually to review compliance with relevant laws and regulations, protection of consumer rights, asset-liability adequacy, and monitoring of sales limits, in order to reduce the likelihood of operational risk.

6.2.2 Business Continuity Management

From a Group-wide perspective, Cathay has developed a Business Continuity Management (BCM) strategy to strengthen its emergency response capabilities in the event of operational disruptions. This ensures the continuity of core and critical business operations, safeguards customer interests, and supports the goal of sustainable operations. Cathay FHC has established the Business Continuity Management Guidelines and the Business Continuity Management Strategy to define the Group's management framework and build a comprehensive reporting mechanism for effective communication. In the event of natural disasters or other emergencies, appropriate emergency response procedures and business recovery operations are activated based on the severity and reporting level of each incident. In addition, the Group conducts regular annual integrated drills covering various scenarios to ensure the continuity of critical business operations and the effectiveness of backup mechanisms in the event of sudden disasters or force majeure events.

Business Continuity Management Mechanism

Business Continuity Management Goals

- Protecting Personnel Safety
- Compliance with Laws and Regulations
- Protection of Customer Rights and Interests

Covered Risk Scenarios

- Infectious Disease Outbreak
- Human Risk
- Natural Disaster Risk
- Information Security Incident
- War Scenario

Preparation of Key Information

Emergency Response Measures: Reduce losses and safeguard resources

Business Recovery Procedures: Efficiently utilize resources to ensure rapid recovery operations

Business Continuity Management Mechanism

Risk Event Occurrence

Natural Disaster | Infectious Disease Outbreak | Information Security Incident | Human Risk

1 Incident Impact Assessment	2 Emergency Response and Recovery Procedures
Site Impact	Launch of Remote/ Work-from-Home Operations
Facility Impact	Activation of Backup Equipment/ Emergency Procurement
Human Capital Impact	Personnel Agency/ Workforce Allocation
System Impact	Initiate System Disaster Recovery Operations

On-site Drills to Strengthen Emergency Response Capabilities

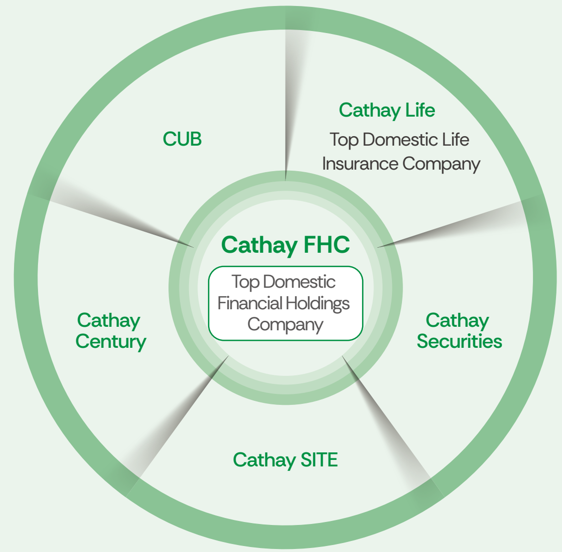
Ensure Availability of All Necessary Resources and Response Measures

Drill Planning Content

Drill Scenario	Human Risk	System Information	Infectious Disease Outbreak	Natural Disaster
Full Implementation (System Switchover)	✓	✓	✓	✓
Personnel Evacuation	✓			✓
System Outage		✓		
Call Tree	✓		✓	✓
Offsite Work	✓		✓	✓

Obtain Certification, Aligning with International Standards

ISO **Establish with Reference to International Best Practices**

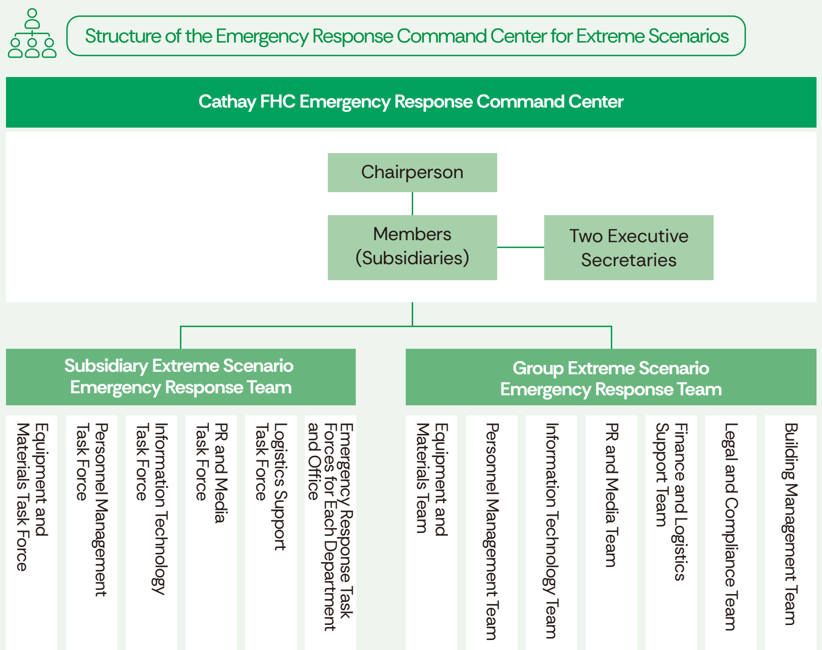


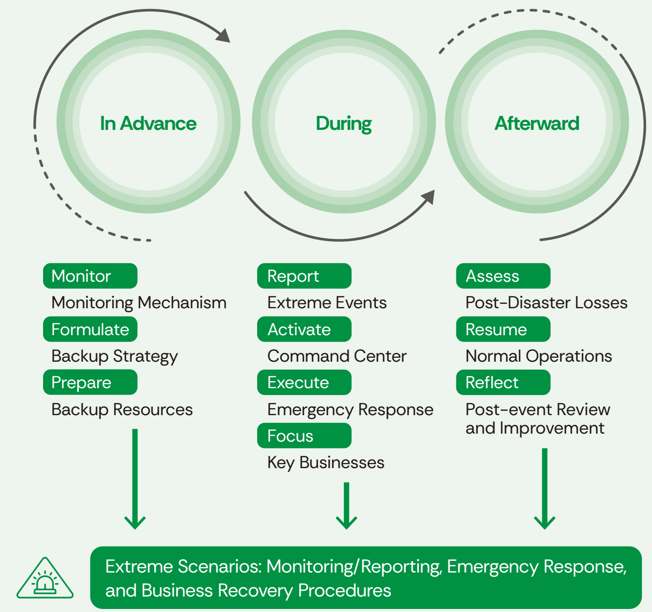
Business Continuity Management Mechanisms and Emergency Response Drills

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 BCM framework. This encompasses key resources such as 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 Mechanism for Extreme Scenarios





03 Emergency Response Drills

- Cathay devises and organizes annual drills for different risk scenarios according to the likelihood and impact of the risks. These drills help maintain continuity and effective backup systems across critical operations during emergencies or disasters.
- In 2025, the Group and its major subsidiaries conducted extreme scenario drills simulating regional power outages, temporary network disruptions, and building damage. Through scenario card-based simulations, the exercises tested the effectiveness of decision-making and coordination within the command structure of the Group and its subsidiaries, the efficiency of notification and escalation procedures, and the ability of business units to respond to extreme scenarios, thereby enhancing the Group's overall emergency response, resource mobilization, and coordination capabilities.

6.2.3 Material Risk Management

Each year, Cathay FHC refers to authoritative institutions and benchmark enterprises, adopting both qualitative and quantitative methods to identify and assess the potential impact and likelihood of various risks to the Group, thereby determining the prioritization of major risks. Based on the comprehensive assessment results, the major risks for the year are "Power and Energy Risk," "Physical Climate Risk," "Climate Transition Risk," "Political and Economic Risk," and "Information Security Risk." The Group and its subsidiaries will continue to respond to and strengthen risk management, and regularly report management outcomes to the Risk Management and Information Security Committee and the Board of Directors. For details on climate-related risk management, please refer to Ch6.2.5 Climate and Nature-related Financial Disclosures, and for information security risk management, please refer to Ch6.4 Information Security.

Material Risk Assessment Results and Mitigating Actions

Risk Category	Power & Energy Risks	Political & Economic Risks
Description	Increased power and energy demand or reduced/abnormal supply can pose risks of power outages or electricity price hikes	Economic risks arising from political changes in countries or regions where the company conducts investment or business
Impact	**Property Insurance** • Insured enterprises may experience operational disruptions or equipment failures due to power outages, leading to increased insurance claim payments **Operations** • Power outages affected office locations, data centers, and systems, resulting in operational disruptions. Rising electricity prices increased the Group's utility expenses, leading to higher operating costs	**Investment and Lending** • Investment performance may suffer due to sovereign defaults or stock market crashes in high-risk countries **Operations** • Political unrest or conflict may lead to operational disruption or barriers to cross-border transactions; geopolitical risks may delay business expansion or require changes in market strategies
Impact on Key Businesses	Property Insurance, Operations	Investment and Lending, Operations
Mitigating Actions	**Property Insurance** • Evaluate and adjust insurance product design and reinsurance requirements **Operations** • Maintain uninterruptible power supply (UPS) systems and generators, implement business continuity management mechanisms and strategies, plan offsite backup mechanisms, and conduct regular power outage drills	**Investment and Lending** • Strengthen market risk management by continuously monitoring political and economic developments, using derivatives for hedging, and setting stop-loss mechanisms • The Group and its subsidiaries promptly assess potential risks and corresponding response measures for significant events and adjust the frequency of monitoring and tracking based on the level of risk • Through collaboration among industry, government, academia, and research institutions, the Group has leveraged external think tank resources to strengthen its ability to analyze and assess international geopolitical events **Operations** • Implemented business continuity management mechanisms and strategies, including emergency response mechanisms for extreme scenarios and conducting drills for such situations, with a committee established to review implementation status

6.2.4 Emerging Risk Management

Each year, Cathay FHC analyzes emerging risk factors of domestic and international concern by referencing international risk trend reports and other sources. The Group identifies and assesses emerging risks that may have potential long-term impacts on key businesses and continues to work with subsidiaries to develop emerging risk management measures, which are regularly monitored and reviewed. As no significant changes were observed in external risk patterns during the year, the Group continued to focus on AI and social health issues, designating the emerging risks for the year as "Potential Risks from AI-Driven Emerging Technology Applications" and "Social Health Impact Risks Arising from Social Isolation and Loneliness."

Risk Identification Process

Step 1 — Risk Identification

- Refer to opinions from external experts and relevant domestic and international reports to collect information on potential emerging risks and conduct a preliminary identification of how these risks may impact the Group's business operations

Step 2 — Risk Assessment

- Each subsidiary assesses the potential impact of the initially identified emerging risks on their business and subsequently focuses on managing the most significant risks
- Cathay FHC consolidates and determines the group's emerging risks based on the assessments

Step 3 — Risk Response

- Establish mitigating actions for emerging risks; monitor and track the risks regularly

Step 4 — Risk Report

- Risk Management Division regularly presents emerging risks and response measures to Risk Management and Information Security Committee and Board of Directors for oversight of emerging risk management

Emerging Risk Assessment Results and Mitigating Actions

Risk Category	Potential Risks of AI-Driven Emerging Technology Applications	Social Health Impact Risks Arising from Social Isolation and Loneliness
Description	With the rapid evolution of generative AI and related technologies and tools—including multimodal AI, agentic AI, and enterprise AI—the Company is applying these technologies across multiple areas, such as content generation, automation, operational decision-making, and customer service. However, data and model biases, as well as misinterpretation of context, may lead to inaccurate or misleading recommendations, outputs, or decisions, potentially increasing operational risks. In addition, malicious external actors may use deepfake technology to create and disseminate false information, or leverage AI to automate cyberattacks, potentially resulting in disputes and reputational harm.	• In recent years, with the rapid development of digital technology, changes in lifestyle and work patterns, and changes in demographic structure and social interaction patterns, the frequency and quality of interpersonal interactions may decline, leading to an increasing prevalence of insufficient social connection (such as social isolation and loneliness). However, compared with mental and physical health, social health has historically received less attention--the World Health Organization has even identified loneliness as a pressing public health issue. • According to the latest report "From loneliness to social connection – charting a path to healthier societies" released by the World Health Organization (WHO) Commission on Social Connection in June 2025, one in six people worldwide experienced loneliness during 2014–2023, and more than 870,000 deaths each year are associated with health problems stemming from loneliness. Loneliness and social isolation are not only associated with cardiovascular diseases (such as heart disease and stroke), diabetes, cognitive decline, and mental health risks (such as depression and anxiety), but may also increase the risk of premature death, which will have long-term and significant impacts on policyholder health, business operations, and social well-being.
Impact	• **AI-Driven Malicious Attacks:** Malicious external actors may leverage generative AI to create and disseminate highly realistic impersonation content or misinformation, and to facilitate cyberattacks targeting the Company or its customers. Such incidents could result in the unauthorized disclosure of the Company's confidential information or personal data, potentially subjecting the Company to regulatory investigations and/or penalties, causing financial losses, and resulting in material adverse reputational harm, thereby undermining customer trust. • **Increased compliance costs:** In response to AI governance and regulatory requirements, the Company has simultaneously strengthened AI policy regulations, management systems, risk assessments, model validation, and data governance, while also investing more manpower and resources, resulting in higher operating costs.	**Life Insurance** • **Health deterioration and increased claims pressure:** Social isolation and loneliness may increase the risk of mental health conditions and chronic diseases among policyholders, which could in turn increase life insurance claims payments and create potential risks to the Company's insurance liabilities and claims management. • **Changes in Service and Product Demand:** Policyholders with weaker social connections may rely more on the Company's policy services, claims assistance and health promotion support mechanisms. As a result, the Company may need to adjust its service processes, product design, and resource allocation on a timely basis, potentially increasing operating costs and other expenditures. • **Increased Uncertainty in Risk Assessment:** Social isolation and loneliness are emerging risk factors. Current research and data in this area are still developing, potentially leading to greater uncertainty in the Company's life insurance policy pricing and risk assessment, and increasing pricing difficulty. **Operations** • **Declining productivity and heightened talent attrition risk:** Employees experiencing social isolation or loneliness may be adversely affected in terms of physical and mental well-being, productivity, and collaboration effectiveness. Over the longer term, this may increase turnover intentions and talent mobility, potentially affecting the stability of the Company's human capital and its operational efficiency.

Risk Category	Potential Risks of AI-Driven Emerging Technology Applications	Social Health Impact Risks Arising from Social Isolation and Loneliness
Impact on Key Businesses	Operations	Life Insurance, Operations
Mitigating Actions	• **Establishment of a Dedicated Governance Organization:** To achieve Group consensus and unify the development of the AI framework, a financial holding company-level "Data and AI Governance Committee" has been established. This committee promotes group data sharing and AI application development through cross-subsidiary collaboration, while setting group AI governance standards and management mechanisms to ensure the group adheres to the principles of Responsible AI (RAI) for AI technology development and financial service applications. An "AI CoE (Center of Excellence)" has also been established under the Committee: bringing together data and artificial intelligence development, IT, compliance, legal, risk management, and information security-related units from the financial holding company, bank, life insurance, and property insurance subsidiaries to jointly promote AI strategy development, technology governance, and project review-related standards and technical tools in order to meet business needs and create safe, efficient, and responsible AI applications. • **Establishment of a Dedicated AI Evaluation Center:** In response to the enactment of the "Artificial Intelligence Basic Act," an AI evaluation center was established in 2025 to perform quality assurance (QA) and ensure the transparency of the AI decision-making process, compliance with laws and regulations, and conformity to the six principles of the financial AI guidelines of the Financial Supervisory Commission: "fairness and non-discrimination, transparency and explainability, reliability, accountability, ethics, data security, and privacy protection." • **Released Cathay Financial Holdings' Generative AI technological development framework (GAIA):** GAIA 1.0 serves as the core engine for internal AI applications and resolves privacy concerns about using external AI tools. The framework consists of three main modules: knowledge base, guardrails, and Model Hub. In 2026, it will continue to build on its existing architecture, evolving from a generative AI assistant to agentic AI. It also announced GAIA framework 2.0, which includes four modules:(1) the "Agent Core framework" responsible for coordinating AI Agent task allocation and collaboration processes,(2) the "Agent Workspace controlled environment" providing a safe and autonomous operating environment,(3) the "Agent Protocol connection protocol" connecting common languages between Agents, and (4) the "Agent Marketplace integration platform" for centralized management of AI tools and components.	• The Company collected international journals and academic research, identified risk transmission pathways and groups at high risk of loneliness or social isolation for critical business operations, and held cross-company exchange meetings to build consensus and promote direction. The Company prioritized planning a questionnaire inventory of the risk status as a reference for the continuous evaluation and refinement of current response measures. **Life Insurance** • Risk Assessment: Cathay Life Insurance's 2026 Life Risk Trend Survey Report includes international loneliness / social isolation questions to survey the general public regarding their state of loneliness / isolation. • Current Response (Ongoing): Limit claims frequency and amount through health insurance product design; share potential claims risks that are not easily identified through reinsurance sharing; track the claims ratio with social isolation factors; strengthen customer acquisition activities for high-risk groups and spillover group activities; and incorporate mental health services into product design and embed spillover mechanisms. **Operations** • Risk Assessment: Cathay Financial Holdings' 2025 occupational safety questionnaire includes international loneliness / social isolation questions to investigate and confirm the current status of employee loneliness / isolation. • Current Measures (Ongoing): The Company continues to hold social and diverse club activities, and implements the Employee Assistance Program (EAP), including caring articles, mental and health-themed lectures, and handicraft stress-relief activities to strengthen employee social connections and support channels.

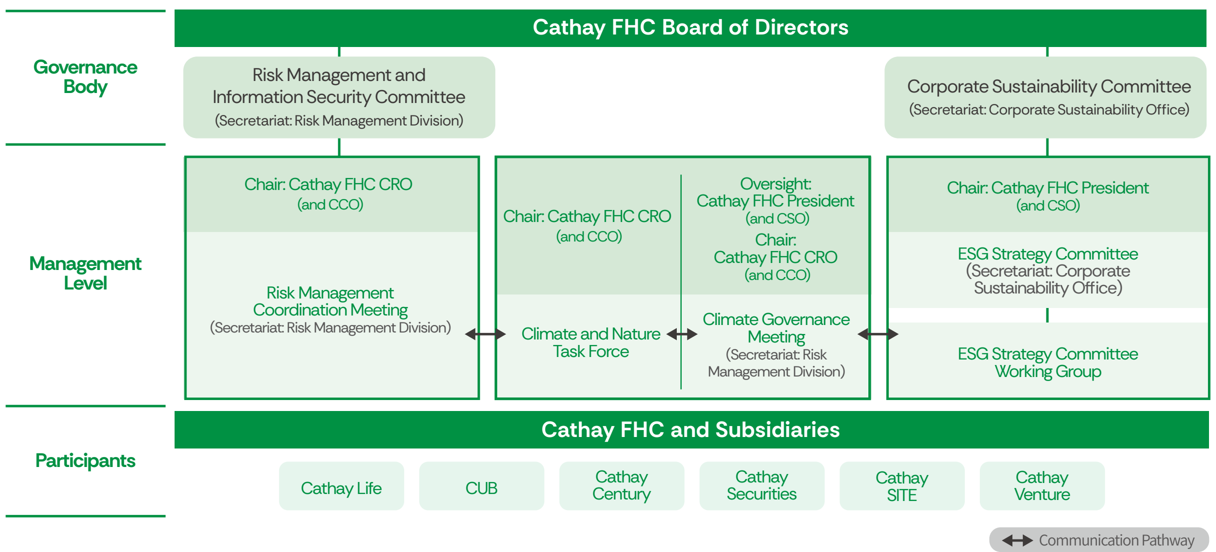
6.2.5 Climate and Nature-Related Financial Disclosures

In June 2018, Cathay FHC became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). The Chief Risk Officer (CRO) leads the Climate and Nature Task Force, which is responsible for coordinating discussions and collaboration on climate- and nature-related risk management. In 2022, Cathay FHC became a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, and in 2023, it became a TNFD Adopter, voluntarily aligning its nature-related disclosures with the TNFD framework. Cathay FHC's 2024 Climate and Nature Report was officially reviewed and recognized by the TNFD in 2025 and published on the TNFD website as one of its disclosure case studies. For comprehensive information on Cathay FHC's climate- and nature-related financial disclosures, please refer to the 2025 Climate and Nature Report.

Governance

To enhance the effectiveness of the Board of Directors and implement sustainable governance, Cathay FHC established the Board-level Corporate Sustainability Committee and the Risk Management and Information Security Committee. These committees are responsible for reviewing and overseeing the execution and management of ESG- and climate-related policies, systems, strategies, and plans. In 2024, the Group appointed its first Chief Climate Officer (CCO), a role held concurrently by the CRO, to strengthen the formulation of climate strategies and the implementation of climate risk management actions. In 2025, Cathay FHC further strengthened its sustainability governance framework by establishing the position of Chief Sustainability Officer (CSO), held concurrently by the President. The CSO oversees Group-wide ESG strategies, targets, and performance, and ensures effective coordination and execution across departments and areas of expertise.

Governance Framework



Governance Body

Organization Name	Chairperson	Frequency	Responsibilities
Board of Directors	Chairman	Quarterly	The highest governing body on climate issues; oversees overall business operations and approves proposals submitted by the Risk Management and Information Security Committee.
Risk Management and Information Security Committee	Independent director	Meets at least 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.

Management Level

Organization Name	Chairperson	Frequency	Responsibilities
Risk Management Coordination Meeting	Cathay FHC CRO (and CCO)	Quarterly	Oversees and coordinates the implementation of risk management operations, and reports quarterly to the Risk Management and Information Security Committee.
ESG Strategy Committee	Cathay FHC President (and CSO)	Quarterly	Under the oversight of the Corporate Sustainability Committee, the ESG Strategy Committee works through the six Corporate Sustainability (CS) working groups led by senior executives to implement Cathay FHC's sustainability strategies and action plans.
Climate Governance Meeting	Cathay FHC CRO (and CCO)	Quarterly	Builds consensus among senior executives on climate and nature issues and strengthens the Group's response and resilience, under the oversight of the Cathay FHC President (and CSO) .
Climate and Nature Task Force		Monthly	Regularly convenes climate and nature risk management discussions and collaboration meetings to coordinate the expertise and resources of each subsidiary.
ESG Strategy Committee Working Group	All senior executives	Convene ad hoc meetings as needed	The ESG Strategy Committee has established the six Corporate Sustainability (CS) working groups. An overview of their responsibilities with a strong climate and nature focus is as follows: **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

Strategy

In 2021, Cathay FHC identified "climate" as one of the three main pillars of the Group's sustainability strategy. In 2022, the Group developed a sustainability strategy blueprint to further strengthen the climate pillar, setting indicators and targets under two key dimensions—"low-carbon economy" and "environmental sustainability"—to establish a clear direction for sustainable development. For more details, please refer to Chapter 2, Climate.

Material Climate Risks and Opportunities

Cathay FHC conducts regular annual assessments to identify significant climate-related risks and opportunities, reviewing the potential impacts of each risk on the Group as a whole and evaluating corresponding response strategies to strengthen risk management. For 2026, Cathay FHC identified two material climate risks: (1) tightening or uncertainty surrounding carbon-related policies and regulations, and (2) extreme weather events (typhoons and floods). In addition, two material climate opportunities were identified: (1) the development of financial products with environmental / social benefits, and (2) the implementation of responsible investment and lending practices.

Risk Identification and Assessment Results

No.	Category		Risk	Operational Model and Value Chain Impact	Corresponding Conventional Risks				Key Impacted Segments			Duration of Impact			Mitigating Strategies
					Market	Credit	Insurance	Operations	Investment and Lending	Insurance	Operations	Short	Mid	Long	
1	Transitional	Regulations	Tightening or Uncertainty in Carbon Emission-Related Policies	The tightening of carbon emission policies and regulations worldwide may increase the Group's operational transformation costs or raise the financial pressure and default risk of investment and financing targets, thereby reducing the Group's investment and financing returns.	●	●		●	●		●	●	●	●	**Investment and Lending:** Establish industry exclusion and restriction policies, as well as responsible investment and lending policies; develop management mechanisms for sensitive industries; regularly monitor exposure to sensitive industries; analyze industry carbon emissions through the risk management platform; conduct scenario analysis. **Operations:** Install/maintain cloud-based energy management systems; procure solar panels; replace energy-intensive equipment; conduct operational carbon inventory; establish an internal carbon pricing mechanism; provide employee education and training.
2	Physical	Acute	Extreme Weather Events – Typhoons and Floods	Extreme weather events such as typhoons and floods expose flood-prone areas to risks of inundation and wind damage, which may result in physical asset damage, operational disruptions, or increased insurance claims for the Group, its investment and financing targets, and insured enterprises, thereby potentially causing a decline in the Group's earnings.	●	●	●	●	●	●	●	●	●	●	**Investment and Lending:** Select investment targets with reference to risk factors such as flood and landslide hazards; assess flood exposure of mortgage collateral using flood maps; conduct scenario analysis. **Operations:** Perform regular maintenance and safety inspections of real estate properties and buildings; maintain business continuity management (BCM) mechanisms, including natural disaster scenarios, backup and recovery plans, the business continuity planning; conduct regular drills. **Insurance:** Provide natural catastrophe prevention and mitigation services for corporate clients; leverage meteorological data to optimize claims services; assess and adjust product design; conduct scenario analysis.

Definition of time frames: Short-term - likely to occur within 1 year; Medium-term - likely to occur within 2 to 5 years (inclusive); and Long-term - likely to occur in 6 years or more.

Opportunity Identification and Assessment Results

No.	Opportunity	Operational Model and Value Chain Impact	Key Impacted Segments			Duration of Impact			Mitigating Strategies
			Investment and Lending	Insurance	Operations	Short	Mid	Long	
1	Development of financial products with environmental/ social benefits	Cathay expands the scope of innovation in financial services and strengthens the alignment between its core business model and the Sustainable Development Goals (SDGs) by providing financial products and services with environmental and social benefits. These products and services include green insurance, green loans, sustainability-linked loans (SLLs), sustainability bonds, microinsurance, and preferential microfinance loans. Cathay enhances its competitive advantage in the sustainable finance market and amplifies its positive social and environmental impact through these products and services.	●	●		●	●	●	Expand portfolio to include climate innovation and nature-related investment and lending opportunities, as well as insurance products/services, and fund offerings, which will diversify the range of products available and support the sustainable transition of industries.
2	Implementation of responsible investment and lending practices.	Cathay integrates long-term risk management and sustainability considerations into capital allocation decisions by establishing a robust, responsible investment and lending framework. This approach supports the gradual reduction of exposure to high-carbon industries, as well as related transition risks and reputational risks, guiding the group's overall business model toward low-carbon and high-resilience development. Through proactive engagement, Cathay encourages the implementation of sustainability practices across the value chain to meet the expectations of key stakeholders such as regulators and investors, while strengthening its brand positioning as a leader in sustainable engagement and action.	●		●	●	●	●	Through advocacy and engagement actions, we leverage our financial influence and engage in dialogue with stakeholders along the financial value chain, fostering the development of innovative financial solutions in climate and nature, thereby accelerating carbon reduction progress while achieving our transition target.

Definition of time frames: Short-term - likely to occur within 1 year; Medium-term - likely to occur within 2 to 5 years (inclusive); and Long-term - likely to occur in 6 years or more.

Scenario Analysis Overview

Cathay FHC conducts scenario analysis covering business attributes including financial assets, goods and services, investment properties, and its own operations. The scope of the value chain assessment encompasses downstream / customers and operational sites, as detailed below:

Business Scope	Value Chain	Analysis and Description	Category	Analysis Time Frame	Scope	Frequency	Scenario Selection
Financial Assets	Downstream / Clients	A. Tighter regulations and natural disasters impacting investment and lending positions	Physical - acute and chronic Transition - policy and regulations	1-year, 2030, 2050	Global	Semi-annually	NGFS、IPCC
Products and Services	Downstream / Clients	B. Climate Change Impact on Typhoon and Flood Insurance Claims	Physical - acute and chronic	2030 and 2050	Taiwan	Annually	IPCC AR6
Investment Property	Downstream / Clients	C. Impact of flooding and landslides on self-use / investment properties under climate change	Physical - acute and chronic	2030, 2050, 2080	Taiwan	Semi-annually	IPCC AR6
Cathay's Operations	Operational sites						

Note1: Limitations of scenario analysis data and models: data gaps, uncertainty in assumptions, challenges related to time horizons, and model limitations

Note2: NGFS: Network for Greening the Financial System; IPCC: Intergovernmental Panel on Climate Change

A. Tighter regulations and natural disasters impacting investment and lending positions

Background

Cathay 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 evaluate transition and physical risks. Cathay FHC classifies domestic and international investment / lending positions by industries and regions 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.

Risk Response Measures

Cathay FHC and its subsidiaries have policies in place to address risks, as well as regularly reviewing and adjusting standards, actively engaging with other corporations, and strengthening and ensuring climate risk resilience across group-wide investment and lending positions. For details, please refer to Cathay FHC's 2025 Climate and Nature Report.

Analysis Procedure

Climate Scenario

NGFS and IPCC Scenarios

↓

Identification of transition (Carbon fees [Note 1]) or physical risks (droughts, floods, landslides, etc.)

↓

Parameters

Country, industry, loan-to-sales ratio, full guarantee ratio, CLTV, and DBR

→

Formula

Expected Losses = Probability of Default (PD) X Loss Given Default (LGD) X Exposure at Default (EAD)

↓

Results

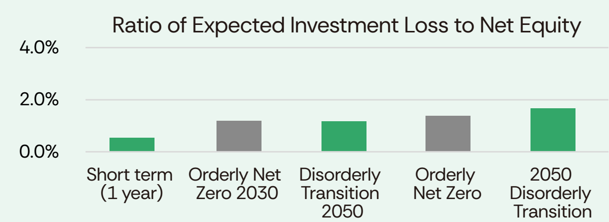
Expected losses as a percentage of net value for investment/lending positions across different time horizons and climate scenarios

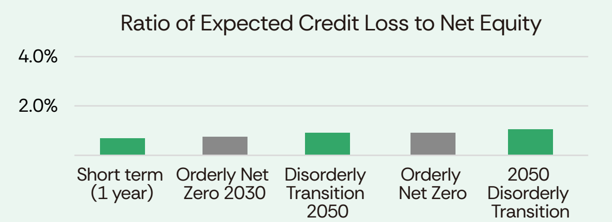
Note 1: Carbon fees taken from corresponding NGFS scenario and time horizon

Note 2: CLTV: Current loan-to-value ratio; DBR: Debt burden ratio

Analysis Results

Across various climate scenarios and time horizons, expected losses represent approximately 0.7%–1.8% of net equity for investment positions and 0.7%–1.0% for credit exposures.





B. Climate Change Impact on Typhoon and Flood Insurance Claims

Background

Cathay Century expects climate change to increase the incidence of damage to its insured portfolio, resulting in a corresponding increase in claims costs. Cathay Century conducts climate scenario analysis using the SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5 scenarios set out in IPCC AR6. The analysis covers commercial fire insurance and engineering insurance policies written in 2025 with premiums of NT$100 million or more and typhoon and flood coverage attached (excluding insured assets for which clear latitude and longitude data are unavailable). Using data from the Climate Physical Risk Information Integration Platform for the Financial Industry, Cathay Century analyzes potential flood-related losses for insured assets for greater flexibility in adjusting solvency capacity and risk allocation.

Risk Response Measures

Cathay Century 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.

Analysis Procedure

Climate Scenario

SSP1-2.6、2-4.5、3-7.0、5-8.5

Parameters

Floor area (ping), location, etc.

Flood risk is calculated based on the formula: **Hazard** × **Vulnerability** × **Exposure**

Overview:

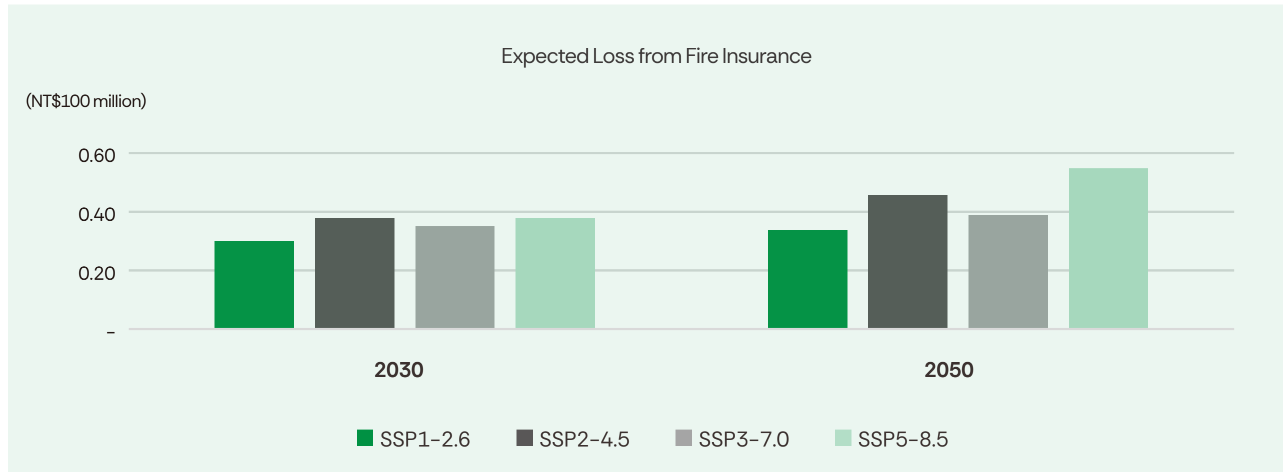
	Hazard	Vulnerability	Exposure
Flood risk	Probability of rainfall (daily precipitation > 650mm)	Estimated loss per ping based on flood depth	Estimated insured floor area based on the industrial land area and number of operating factories in each county/city published by the Ministry of Economic Affairs

Source: Climate Physical Risk Information Integration Platform for the Financial Industry

Result: Expected Loss Amount of the Insured Subject

Analysis Results

Under the SSP5-8.5 scenario in 2050, the insured assets within the scope of this commercial fire and engineering insurance analysis are projected to record the highest expected losses, at approximately NT$55 million. After reinsurance cessions, expected retained losses are approximately NT$21 million, indicating that the impact on the insured assets remains manageable.



C. Impact of flooding and landslides on self-use/investment properties under climate change

Background

To assess the impact of climate-related physical risks on real estate, Cathay conducted climate scenario analysis using the IPCC AR6 scenarios SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5. The analysis treated extreme rainfall as the hazard factor, and flooding and landslides triggered by extreme rainfall as vulnerability factors. Based on data from the Climate Physical Risk Information Integration Platform for the Financial Industry, Cathay estimated potential losses to real estate from flooding and landslides. The analysis focuses on real estate in Taiwan, divided into self-use and investment properties. For owner-occupied properties (self-use), Cathay estimates expected losses from recovery costs associated with flood damage. For investment properties, Cathay assesses potential losses from declines in property value caused by flooding and landslides.

Risk Response Measures

When selecting operating sites or investment targets, Cathay incorporates climate-related physical risk factors into its assessments, including the potential impacts of flooding, debris flows, earthquakes, and other hazards on asset safety. Cathay also conducts regular reviews and strengthens safety maintenance and inspection measures. Since 2020, Cathay FHC and its primary subsidiaries have implemented business continuity priorities (BCPs) covering 100% of critical business operations. Cathay has also advanced physical risk adaptation plans, including natural disaster scenario analysis, backup and recovery business continuity plans (BCPs), and regular drills to strengthen resilience to climate change. For owner-occupied properties affected by a disaster event, Cathay will immediately activate its reporting and emergency response mechanisms. Depending on the situation, an emergency response team may be established or business recovery procedures may be initiated to strengthen operational resilience to climate change. In addition, for higher-value properties, Cathay transfers risk by maintaining appropriate insurance coverage to reduce potential losses.

Analysis Procedure

Climate Scenario
SSP1-2.6、2-4.5、3-7.0、5-8.5

Parameters
Property market value, floor area, location, property type, etc.

Flood and landslide risks are calculated based on the formula: **Hazard** × **Vulnerability** × **Exposure**

Overview:

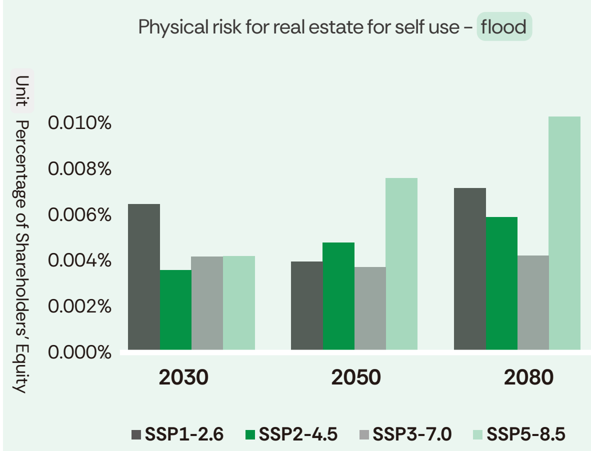
	Hazard	Vulnerability	Exposure
Flood risk	Probability of rainfall (daily precipitation > 650mm)	(1) Real estate for self use: Estimate loss per ping based on flood depth (2) Investment properties: Estimate property value depreciation due to flooding, based on location and historical transaction data	Property market value, floor area
Landslide risk	Probability of rainfall (daily precipitation > 350mm) and terrain risk factors	Investment properties: Estimate property value depreciation due to landslides, based on location and historical transaction data	

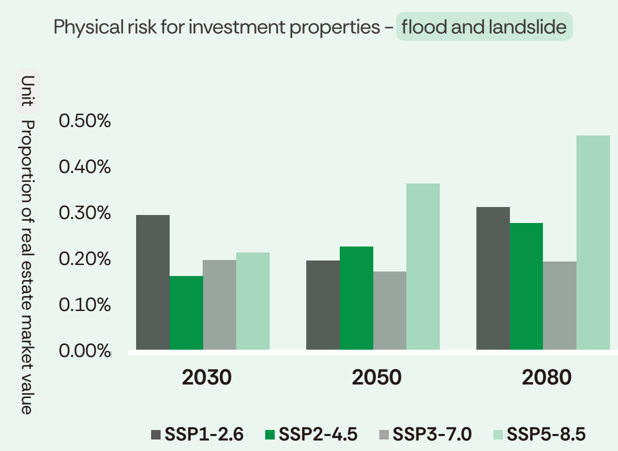
Source: Climate Physical Risk Information Integration Platform for the Financial Industry

Analysis Results

Under the 2080 SSP5-8.5 scenario, real estate assets are projected to experience the greatest losses. Expected disaster recovery losses for owner-occupied properties account for 0.01% of shareholders' equity, while expected property value losses for investment properties account for 0.47% of total market value.

Results Expected disaster recovery losses for owner-occupied properties (self-use) and property value losses for investment properties





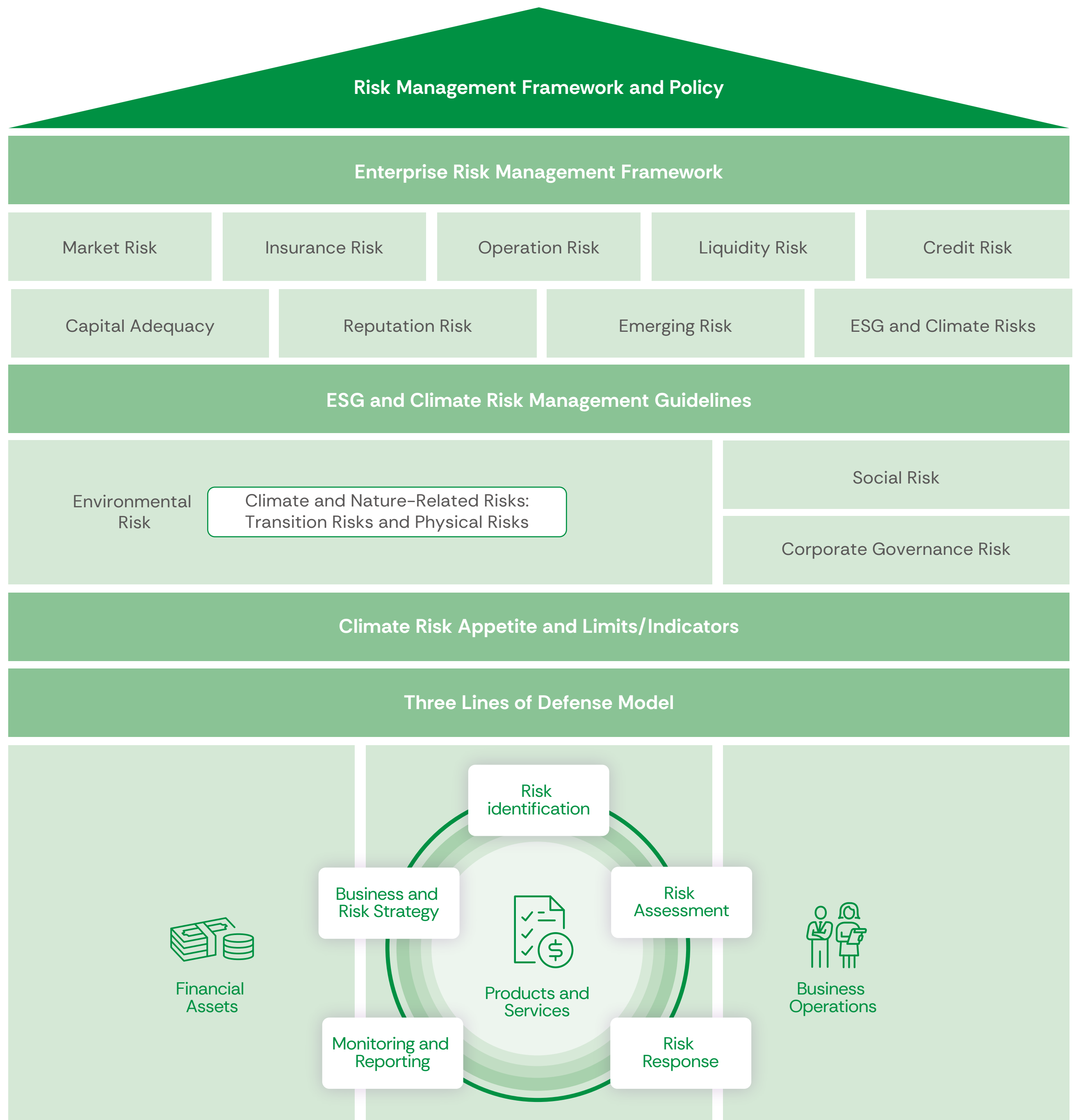
Risk Management

ESG and Climate Risk Management Framework

Cathay FHC adheres to the Enterprise Risk Management Framework (ERMF) to establish the Cathay Financial Holdings 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. In addition, it 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 financial assets, products and services, business operations, etc., and develops control measures and response strategies.

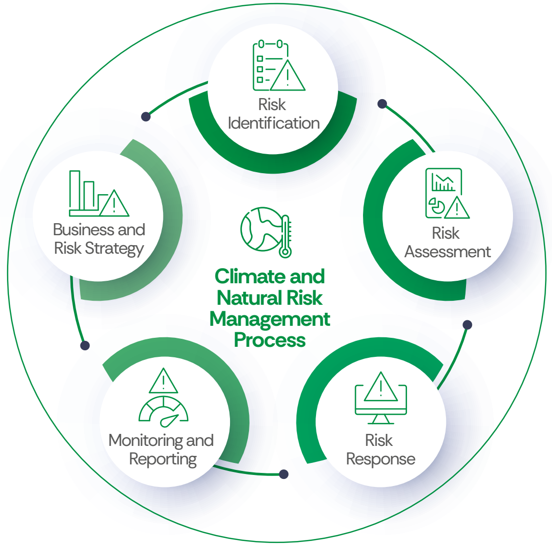
ESG and Climate Risk Management Foundations and Actions

Cathay FHC declared a Risk Appetite Statement to announce the company's tolerance to climate 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.



Climate and Natural Risk Management Process

- **Risk Identification:** Identify the transmission pathways of climate and natural risks and their impact on traditional financial risks.
- **Risk Assessment:** Assess potential financial impacts through greenhouse gas inventory categories, scenario analysis, and stress testing.
- **Risk Response:** Establish investment and lending management mechanisms and limits, implement engagement actions, and develop climate and nature-related risk mitigation measures. Identify potential business opportunities arising from climate and nature, and plan and execute product and service offerings as well as capital allocation.
- **Monitoring and Reporting:** Continuously monitor changes in the internal and external environment, and regularly report to the Risk Management and Information Security Committee as well as the Board of Directors.
- **Business and Risk Strategy:** Incorporate the assessment results of climate and nature-related risks into business and risk strategy planning, timely optimizing strategic directions to ensure effective integration of the risk strategy framework with business processes.



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-Related Risks	Transitional	Policies and Regulations	V	V	V
		Technology	V		
		Market	V		
		Reputation	V	V	V
	Physical	Acute	V	V	V
		chronic	V	V	V
Management Policy			• 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 Resource Policy	• Environmental and Energy Resource Policy • Sustainable Value Declaration • Sustainable Procurement Policy

Note 1: Policies and regulations include current laws, emerging regulations, and legal risks.

Metrics and Targets

Cathay FHC's sustainability strategy blueprint focuses on two key dimensions: a low-carbon economy and environmental sustainability, deepening the climate development agenda by establishing critical indicators and targets, as detailed in Chapter 2 on Climate. In addition, Cathay references the IFRS S2 illustrative metrics to develop indicators for climate transition risk and physical risk, identifying risk concentration in high-carbon industries within sensitive sectors, as well as the proportion of operations, owned real estate, and mortgage balances exposed to the highest level 5 flood risk vulnerability. For further details, please refer to Cathay FHC's 2025 Climate and Nature Report.

6.2.6 Human Rights Risk Management

To uphold human rights protection, Cathay FHC not only ensures that its operational sites fully comply with local human rights laws and regulations but also references best practices from various international frameworks. The Group has established the Cathay FHC Human Rights Policy and a human rights risk assessment process to regularly assess actual and potential on stakeholders , and to develop appropriate mitigation measures and remediation mechanisms.

Cathay FHC Human Rights Policy

Human Rights Governance and Management

Cathay FHC strictly complies with applicable labor laws and regulations in all jurisdictions where it operates and upholds the internationally recognized human rights enshrined in the International Bill of Human Rights. In addition, the Group requires its suppliers to follow the same standards as outlined in the Cathay FHC Sustainable Procurement Policy and the Corporate Social Responsibility Code of Practice for Suppliers.

Stakeholders Relevant to Human Rights Risk Management by the ESG Strategy Committee

Employee Happiness Working Group	Sustainable Governance Working Group	Green Operation Working Group	Responsible Investment Working Group	Responsible Products and Services Working Group	Social Prosperity Working Group
• Employee • Joint ventures	• Employee	• Suppliers	• Lending clients/ Investment targets and their supply chains	• Customer	• Employee • Cathay's empowerment initiatives target, including youth, women, the elderly, and disadvantaged groups

Human Rights Due Diligence Workflow

Cathay FHC regularly conducts human rights risk assessments for stakeholders who may be affected by human rights risks. Over the past three years, human rights due diligence risk assessments covered 100% of employees, customers, investees and borrowers, suppliers, and joint ventures. Cathay FHC also conducts annual assessments of high-risk human rights issues and implements appropriate mitigation and corrective measures.

Human rights risk identification and assessment are conducted with reference to internationally recognized human rights standards and frameworks, the Group's development strategy, and external trends. Employee surveys are used to identify potential human rights impacts of the Group's operations on different stakeholder groups. The assessment results are then reviewed systematically, with each human rights issue evaluated and assigned a risk rating. High-risk stakeholder groups and salient issues are identified and managed, and the assessment results are reported to the ESG Strategy Committee. Priority human rights risks identified for mitigation in 2025 include working hours, fair remuneration, and occupational safety and health. Remedial and corrective measures are implemented for stakeholders affected by human rights impacts during the reporting year. These include strengthening relevant internal management systems and providing compensation to affected parties in response to issues such as excessive working hours, workplace discrimination and sexual harassment, and infringements of customer rights.

For further information on Cathay FHC's human rights due diligence process, mitigation and remediation mechanisms, and corrective measures, please refer to the Human Rights Impact Management Report.

Human Rights Impact Management Report

Step1.	Step2.	Step3.	Step4.	Step5.
Identify risk issues	**Risk Assessment**	**Establish a management plan**	**Review outcome**	**Enhance management plan**
Regularly review to identify material human rights issues and affected stakeholders related to Cathay's operations, value chain and business models	Regularly assess the impact of our actions on human rights to gain insights into the level of risk exposure concerning our employees, suppliers and customers throughout our services	Establish corresponding action plans and mitigation measures based on the regular assessment of the level of human rights risk exposure	Track the implementation and effectiveness of action plans, while maintaining an open channel of communication to ensure effective management of human rights protection	Regularly review the implementation status of the action plans; enhance action plan for high-risk human rights issues

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 strengthen a corporate culture of integrity, Cathay FHC has established the Policy and Code of Operation Integrity, Procedures and Guidelines of Integrity Management Operation, and the Code of Conduct for Employee. These policies require employees to comply with internal regulations, prohibit dishonest behavior, and mandate lawful participation in public affairs. Cathay has long been actively involved in industry associations. Lee Chang-Keng, President of Cathay FHC, currently serves as an executive director of The Bankers Association of the Republic of China and a director of the Bankers Association of Taipei. Lin Chao-Ting, President of Cathay Life Insurance, currently serves as vice chairman of the Life Insurance Association of the Republic of China. They actively promote cooperation between the industry and government and contribute to the development of related policies. For details on Cathay FHC and its subsidiaries' participation in public and industry associations, please refer to Appendix 7.3, Table 32.

Cathay FHC has adopted the Policy and Code of Operation Integrity and has incorporated compliance actions into the Code of Conduct for Employees. Cathay adheres to the following management mechanisms to review the implementation status of ethical corporate governance:

<table>
<tr><th>Management Mechanism</th><th colspan="3">Execution Effectiveness</th></tr>
<tr><td rowspan="2">Ethical Corporate Management Framework and Structure</td><td>Related Policies</td><td colspan="2">• In accordance with Cathay FHC's "Policy and Code of Operation Integrity," specific practices for integrity management and a program to prevent dishonest conduct have been established. The program to prevent dishonest conduct—which includes operational procedures, behavioral guidelines, and training—is implemented based on Cathay's "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.
• For reported cases of violations of business integrity, once verified, the audit unit shall coordinate with the Admin Department to handle the matter in accordance with the Group's relevant disciplinary regulations.
• The Group complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, regulations related to listed and OTC securities, and other laws relevant to commercial conduct.</td></tr>
<tr><td>Responsible Unit</td><td colspan="2">• The Sustainable Governance Task Force under Cathay's ESG Strategy Committee promotes corporate governance matters such as 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 Policy and Code of Operation Integrity.
• The Audit Unit includes compliance with integrity practices in its audit scope and regularly reports on improvement measures for deficiencies to the board.</td></tr>
<tr><td rowspan="4">Whistleblower Mechanism & Reporting Channels</td><td colspan="3">• In accordance with Cathay FHC's Procedure for handling cases of reporting unethical or dishonest conduct and the Group's Whistleblowing System, reporting channels have been established, with clearly defined handling procedures to ensure the legal rights and interests of whistleblowers and related parties.
• Whistleblowers and individuals participating in investigations shall be kept confidential and protected to prevent unfair treatment or retaliation.</td></tr>
<tr><td colspan="3">Reporting Channels for Various Types of Cases</td></tr>
<tr><td>Cases involving crime, fraud, or violations of law</td><td>Cases involving sexual harassment and other violations of gender equality principles</td><td>Other cases</td></tr>
<tr><td>• Reports can be submitted via mail, email, or telephone. For details, please refer to the "Whistleblowing System - Channels and Methods" on Cathay FHC's official website.</td><td>• An email address and a Sexual Harassment Complaint Investigation Committee have been established to handle investigations of sexual harassment cases.</td><td>• Employees may report concerns through the Human Resources Department.</td></tr>
<tr><td>Compliance Indicators Integrated with Performance Review</td><td colspan="3">• The internal control implementation results and compliance implementation results is incorporated into the performance reviews of managers and all employees, and is linked to variable compensation.</td></tr>
<tr><td>Disciplinary Actions for Violations of Regulations</td><td colspan="3">• The Group encourages both internal and external parties to report dishonest or improper conduct. The related reporting channels and handling procedures are managed in accordance with the Group's "Procedure for Handling Cases of Reporting Unethical or Dishonest Conduct."
• If the violation is confirmed, it will be used as a reference for employee salary, position adjustments, and bonus issuance in accordance with relevant regulations.</td></tr>
<tr><td>Conduct Regular Self-Evaluations and Review for Unethical Risk Behavior</td><td colspan="3">• Conduct an annual ethical management risk assessment; items evaluated include offering or accepting improper benefits (corruption and bribery), illegal political contributions, unethical charitable contributions, violation of recusals, violation of stakeholder interests, violation of intellectual property rights and information confidentiality, etc.
• In the first quarter of 2026, the Group conducted the 2025 risk assessment for dishonest conduct.</td></tr>
<tr><td>Training</td><td colspan="3">• Employee ethics and code of conduct training is a required annual course. The training lasts one hour. The training completion rate for 2025 was 100%.</td></tr>
</table>

Statistics of Violations of Ethical Management

Incident Type	2025
Corruption or Bribery	0
Discrimination or Harassment (Note 1)	7
Customer Privacy Data (Note 2)	20
Conflict of Interest (Note 3)	1
Money Laundering or Insider Trading	0
Total Number of Cases in the Year	28

Note 1: For detailed information on the handling procedures and improvement plans related to incidents of discrimination or harassment, please refer to Section 4.1 Workplace Empowerment.

Note 2: For detailed information on the procedures for handling violations of customer privacy and related improvement plans, please refer to Section 6.4.5 Personal Information Protection.

Note 3: In 2025, a former fund manager of Cathay SITE, a subsidiary of the Group, was found to have disclosed material non-public information obtained through their position to others. During the period of individual stock trading in the fund accounts, the individual also used other persons' accounts to conduct the same stock transactions and failed to report these trades to the company as required. This matter was officially penalized by the competent authority on January 14, 2025, under the Financial Supervisory Commission's Securities and Futures Bureau penalty case Jin-Guan-Zheng-Tou-Fa-Tzu Circular No.1130360256. Cathay Securities Investment Trust has actively strengthened internal controls by implementing multiple improvement measures, enhancing personnel and operational process management, and reinforcing compliance awareness.

Note 4: In 2025, Cathay FHC reported zero convictions of corruption or bribery. No penalties were imposed, and no fines were incurred.

Complaint Filing Mechanism and Reporting Channels

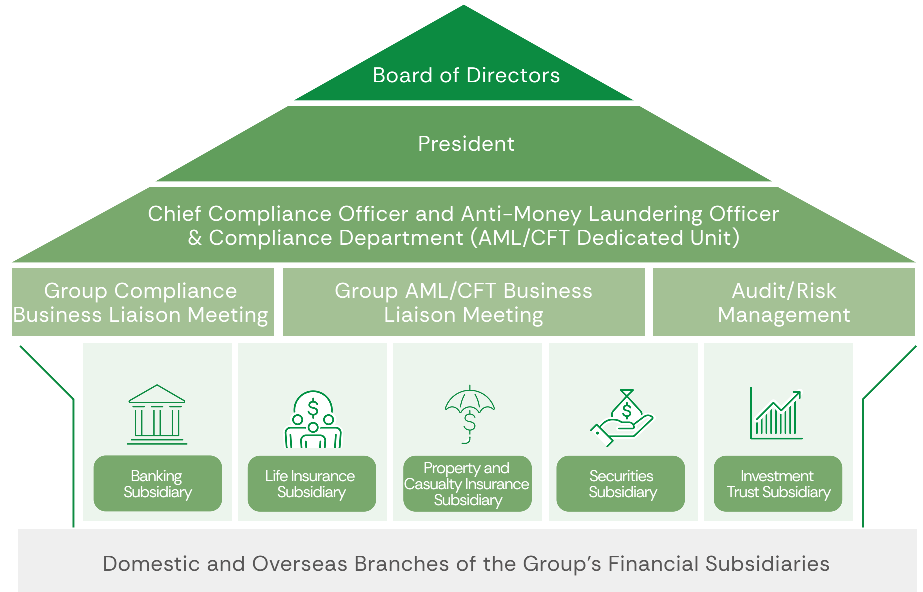
To foster an ethical and transparent corporate culture and facilitate a sound management framework, Cathay has established clear complaint and reporting channels. This is to ensure that we fully implement Cathay's Code of Ethics and adhere to our guidelines for ethical corporate management. We also want to ensure the legal rights of whistleblowers and any relevant persons.

- Step 1: In accordance with Cathay FHC Group's complaint mechanism and whistleblowing channels, once the complainant submits written information, the complaint/reporting procedure is initiated.
- Step 2: Cathay FHC confirms receipt of the written complaint/reporting information.
- Step 3: Accept and investigate the complaint/reporting case.
- Step 4: The accepted complaint/reporting is formally closed after being handled according to company regulations.
- Step 5: If the complaint/reporting case is verified as substantiated, disciplinary action will be taken in accordance with the Company's internal regulations.
- Step 6: Records of the accepted complaint/reporting case, investigation process, and investigation results are retained and filed in written or electronic form.

6.3.2 Compliance

Strengthening Corporate Compliance Culture

Cathay FHC has long been attentive to domestic and international financial regulations and legal changes, continuously strengthening compliance management and deepening the Group's compliance culture to strictly ensure that all business operations meet legal requirements. The Group adopts an overall management approach focused on compliance and anti-money laundering/anti-terrorism financing, implemented through a hierarchical and regional structure. The Board of Directors appoints the Chief Compliance Officer of the head office, who also serves as the Chief AML Officer, to oversee the Group's overall operations. In 2025, reports on business execution were presented twice to the Board of Directors and the Audit Committee, respectively.



Systematic Management of Compliance Risks

Compliance is one of Cathay FHC's key internal control priorities. Centered on "risk," the Group adopts a dynamic management approach that emphasizes ex-ante prevention. Cathay actively promotes the internationalization of compliance across the Group and, based on the risk characteristics of each business, supervises major subsidiaries in implementing compliance risk management. The Group continuously strengthens internal control management through a digital compliance management platform and new technologies.

Strategic Priorities	Implementation Outline
Enhancement of the Group's Legal Compliance Management Mechanism and Effectiveness	• The Group regularly conducts unit compliance evaluations and self-evaluations and self-inspections, incorporating the results into manager performance reviews. To strengthen internal control management and intercompany communication, Cathay convenes a biannual compliance officers' liaison meeting for the Group's headquarters. The Group has established a reporting and management system for significant external compliance incidents, including major legal violations and risk warning indicators such as downgrades by financial regulators, to enable the Board of Directors and senior management to monitor relevant risk alerts, assess the situation, and implement corrective actions. • Mechanisms for reviewing penalties imposed on our competitors and the Group have been established, with review standards set at both the Group and subsidiary levels to promptly monitor regulatory developments. A summary of major subsidiary penalties and corrective actions in 2025 is provided in the table below.
The Group's Medium- to Long-Term Compliance Development Priorities	• According to the risk characteristics of each industry, the Group supervises subsidiaries in implementing compliance risk management, actively promotes the internationalization of the Group's compliance, continuously studies international regulatory trends, and strengthens compliance management of the Group's overseas operations. • Promoted the Group's digital transformation compliance and digital scenario and management compliance strategies; completed the review of the Group's regulatory management standards; continuously improved the management processes for key risks; and conducted a comprehensive review of important regulations along with a project to optimize internal control system management.
Group Whistleblowing System	• To enhance the internal control management cycle, the Group has established a whistleblowing system. The whistleblowing methods, requirements and channels, handling procedures, confidentiality of cases, record retention, whistleblower protection principles, whistleblowing system training, and personnel rewards and penalties are all disclosed on the official website. • In 2025, the Group received a total of 11 whistleblowing cases. Cathay FHC handled 3 cases, all of which were investigated and found to be unsubstantiated, resulting in case closure. Domestic subsidiaries handled 8 cases, of which 1 was verified as true, disciplinary action was taken, and the whistleblower was informed. The remaining 7 cases were investigated and found to be unsubstantiated, leading to case closure.

Major Penalties and Remedial Measures in 2025

Subject Matter		Improvement Measures
Cathay SITE	• Fines: NT$1.2 million • Major Deficiencies: During his tenure, former fund manager Mr. Lee leaked information obtained through his position to others, engaged in trading the same individual stocks through other accounts while the fund account was trading those stocks, and failed to report such transactions to the company.	Improvements have been completed, including strengthening the design and implementation of internal control systems, continuously leveraging technology for monitoring and management, enhancing personnel appointment and care procedures as well as supervisory responsibilities, and reinforcing regulatory communication, education training, and related audits.
CUB	• Fines: NT$12 million • Major Deficiencies: Failure to fully establish control mechanisms for changes to credit card customer information and for loss reporting and reissuance applications; failure to fully establish control mechanisms for adjustments to credit card payment amounts; failure to fully establish control mechanisms for the credit card image retrieval system.	Improvements have been completed, including adjusting the authority of customer service personnel to change information, strengthening the process for sending change notifications, revising the monthly report for abnormal monitoring of mobile phone number changes, adding control measures for lost card reissuance with address changes, implementing an abnormal monitoring report for credit card reissuance applications, adjusting the minimum payment amount, and enhancing controls over the credit card image retrieval system.

Note: As of April 2026, the Group had no significant penalty cases in 2026.

	2023	2024	2025
Number of Major Penalties (cases)	1	2	2
Amount of Fines Imposed (NT$)	NT$12 million	NT$9.2 million	NT$13.20 million

Note: Major penalty cases refer to those handled in accordance with Article 2 of the Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation.

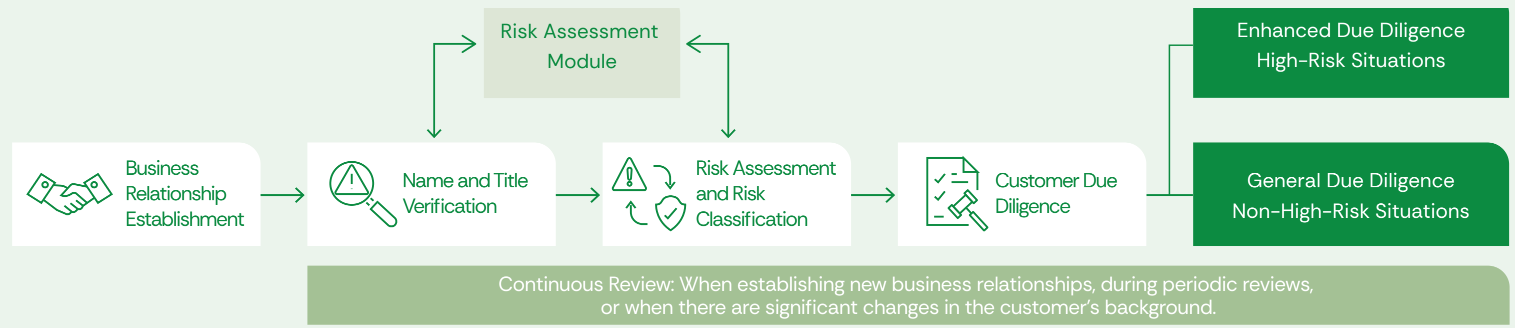
The following table summarizes the cases in which Cathay FHC and its subsidiaries were fined by regulatory authorities for violations:

	2024		2025	
	Number of Fine Cases (Cases)	Total Amount of Fines (equivalent in NT$)	Number of Fine Cases (Cases)	Total Amount of Fines (equivalent in NT$)
Cathay FHC	0	-	0	-
Domestic subsidiaries	16	11,525,200	15	14,379,500
Overseas subsidiaries	0	-	2	1,305,287
Total	16	11,525,200	17	15,684,787

Note 1: Includes domestic and overseas subsidiaries under Cathay FHC.
Note 2: The penalty amounts of overseas subsidiaries are converted into approximate New Taiwan Dollar (NTD) amounts based on the average exchange rate for the respective year.

Enhancement of Anti-Money Laundering, Counter-Financing of Terrorism, and Counter-Proliferation Financing (AML/CFT/PF) Systems

Anti-money laundering (AML), counter-terrorism financing (CTF), and anti-proliferation (PF) efforts have long been key priorities both domestically and internationally. Cathay FHC adopts a risk-based approach to establish a Group-level AML/CTF management framework. Centered on the financial holding company, Cathay has developed a Group-wide information-sharing mechanism. In addition to complying with financial regulatory requirements and practical implementation in a steady and progressive manner, Cathay promotes the refinement and development of risk assessment methodologies. The Group also leverages new technologies and data analytics tools to continuously enhance the effectiveness of its AML/CTF management.

<table>
<tr><th colspan="2">Strategic Priorities</th><th>Implementation Outline</th></tr>
<tr><td rowspan="6">Group Management Mechanisms and Performance Enhancement</td><td>Standards and Indicator Development</td><td>• The Group has established the "AML/CFT Management Guidelines," a Group-level risk methodology, risk factors, and has set up risk warning mechanisms and monitoring indicators.</td></tr>
<tr><td>Conduct periodic reviews</td><td>• Customers with established business relationships undergo regular review procedures in accordance with regulations, and their transactions are continuously monitored. For high-risk cases, enhanced verification of customer identity and transaction purpose is conducted.
• The relevant standard operating procedures have been incorporated into the self-assessment and internal audit items. The subsidiary customer due diligence framework is as follows:

</td></tr>
<tr><td>Regularly Convene Meetings</td><td>• The Group holds AML/CFT meetings at least twice a year and assigns dedicated personnel and projects to assist key subsidiaries in effective implementation.</td></tr>
<tr><td>Virtual Asset Service Providers (VASP) Response</td><td>• In response to the previous national anti-money laundering, counter-terrorism financing, and proliferation risk assessment report, the Group, with the assistance of external consultants, has completed adjustments to its policies to address emerging risks arising from virtual asset service providers (VASPs).
• Subsidiaries should prudently review their related risks based on a risk-based approach and appropriately assess corresponding mitigation measures.</td></tr>
<tr><td>Group Anti-Money Laundering and Counter-Terrorism Financing Information Sharing</td><td>• With reference to the recommendations of the Financial Action Task Force (FATF) and the practical approaches of the Bankers Association, the Group has established group-level information sharing regulations and platform.
• Diverse sharing types emphasize cross-industry risk management among subsidiaries, including the Group's watchlist, categorization of suspicious transaction types, suspicious customer/transaction information, and the exchange of risk-related data between subsidiaries, with the aim of deploying a unified defense network across the Group.</td></tr>
<tr><td colspan="2" style="display:none"></td></tr>
<tr><td>The Group's Medium- to Long-Term Development Priorities</td><td>AML/CFT Risk Joint Prevention Project</td><td>1. Effectively leveraging digital technology on a risk-based approach to optimize monitoring efficiency and resource allocation is one of the Group's key priorities in its comprehensive anti-money laundering and counter-terrorism financing program.
2. In 2022, the Group initiated a multidisciplinary project involving anti-money laundering compliance, data analysis, model computation, risk forecasting, and visual experience design to establish an AML/CFT Risk Joint Defense Center.
3. Over the past two years, under this mechanism, Cathay has optimized suspicious transaction patterns for specific subsidiaries and implemented a visual dashboard. The Group has also initiated the development of an AML/CFT business management platform. Relevant application scenarios include Group customer KYC, customer relationship networks, the Group's digital security gatekeeper, and cross-industry pattern association mapping, all aimed at strengthening the Group's joint defense against AML/CFT risks.
4. Going forward, the Group will continuously adjust the model data drivers in response to changes in external regulatory environments and the evolution of emerging technologies. This will be optimized through Cathay's integrated risk prevention mechanism to achieve effective supervision and management, thereby maximizing the Group's overall synergy.</td></tr>
</table>

Promoting Diverse Compliance Education Programs and Cultivating Talent in Technology Compliance and Anti-Money Laundering

Cathay FHC, to strengthen employees' compliance awareness, provides diversified compliance and anti-money laundering training that aligns with technological development trends. The Group continuously advances the cultivation of compliance and anti-money laundering technology talents by implementing project-based applications that integrate digital technology with practical experience, thereby enhancing the reserve of interdisciplinary talents in "Digital × Compliance / Anti-Money Laundering."

2025 Cathay FHC Compliance Education Program		
Course Topics		
Fundamentals of Legal Compliance, Practical Analysis of Fraud Prevention, Anti-Money Laundering and Fraud Crime Practices, AI Financial Technology Policies and Industry Trends, Practical Cases of Insurance Fraud (Forensic Technology and Claims), and Common Practices in Fair Trade.		
Course Hours		
322 General Compliance Training Sessions ✓Totaling 863,127.58 hours	**145** Compliance Courses for New Recruits ✓Totaling 13,262 hours	**180** AML / CTF Training Sessions ✓Totaling 73,886.9 hours
8 Group Compliance Sharing Club Courses ✓Totaling 1,128 hours	**80** Senior Executive Compliance Courses ✓Totaling 956.78 hours	**117** Compliance Training Sessions for Directors and Supervisors ✓Totaling 614.51 hours

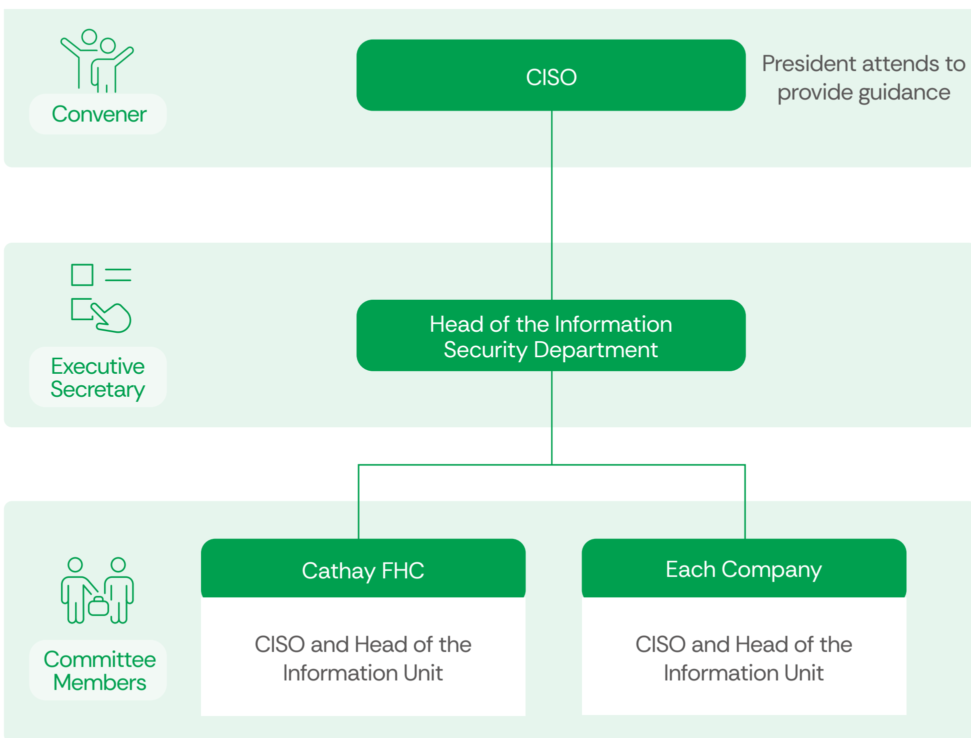
6.4 Information Security

SASB : FN-CB-230a.1、FN-CB-230a.2

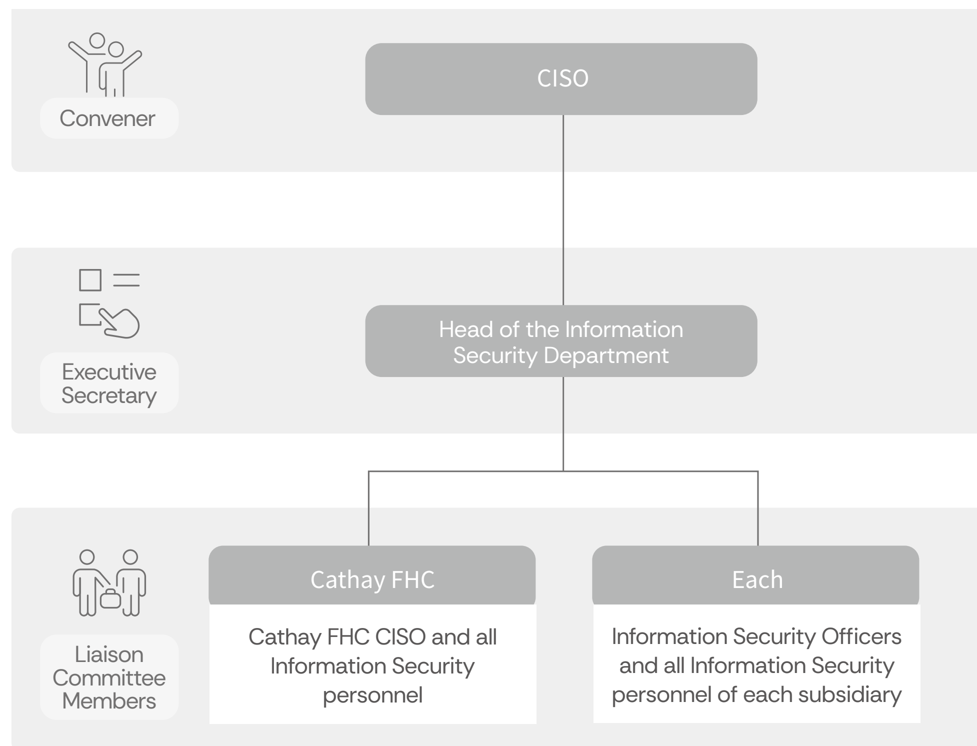
6.4.1 Information Security and Technology Governance

Cathay FHC and its major subsidiaries have appointed Chief Information Security Officers or established dedicated information security units responsible for planning, monitoring, and executing information security management operations. The implementation status is reported annually to the Board of Directors. Cathay FHC has established a cross-company Information Security Committee, chaired by the Chief Information Security Officer, with the President invited to attend and provide guidance. This committee oversees the proposal of information security policies and the promotion of management systems, meeting semiannually and reporting the overall information security implementation status to the Board each year. To facilitate effective horizontal communication and achieve consistency in the Group's information security management, a cross-company Information Security Communication Committee convenes monthly, focusing on information security control and quality improvement. Since August 16, 2025, the Group has incorporated information security under the jurisdiction of the Risk Management Committee by establishing the Risk Management and Information Security Committee. This committee is composed of at least three directors appointed by the Board, with a majority being independent directors, to oversee the Group's risk management and information security operations.

Information Security Committee



Information Security Communication Committee



Corporate Operations Hub Cloud: AI Leading the Future of Financial Governance

Execution Details

- **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 (AIaaS) 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."
- **Large-Scale Group Cloud Migration, Entering the Cloud-First Phase:** Cathay FHC continues to advance its cloud transformation, having migrated over 100 systems to the cloud and officially entering the "Cloud First" phase to enhance flexibility, accelerate the adoption of new technologies, and strengthen operational resilience. To significantly improve cloud migration efficiency, the Group also launched the "Smart Archie Cloud Automation Solution," which integrates generative AI and Multi-Agent technology, enabling multiple AI agents to collaborate and form a cloud architect team that automates cloud architecture design.
- **Open Innovation and International Integration Accelerate Technology Modernization:** Cathay actively participates in the international open-source ecosystem and is the first financial institution in Taiwan to join the Cloud Native Computing Foundation (CNCF). At the same time, the Group has established an Open Source Program Office and an Open Source Review Committee to create standardized governance processes for open-source software, ensuring the security and compliance of technology selection and accelerating the Group's digital transformation.

Enhancing Information Security Resilience

Enhancing Information Security Resilience

Measures	Action Plan
Establishment of Information Security Policy	• Cathay FHC and its subsidiaries have all established an Information Security Policy, with the board of directors serving as the approval authority. • An annual review is conducted to ensure the confidentiality, integrity, availability, and compliance of information assets.
Establishment of 24/7 Security Operation Center (SOC) Service Mechanism	• Established a 24/7 Security Operations Center service mechanism in 2020 • Multidimensional Correlation Analysis of Logs from Information Security Devices, Network Equipment, and Operating Systems • Implement real-time alerts and assessments for information security incidents and abnormal connections, establish handling and tracking mechanisms, and enforce cybersecurity risks control measures.
Information Security Incident Response and Business Continuity Plan	• The Group has consolidated resources to establish a cross-company Information Security Emergency Response Team, which promptly monitors information security incidents through incident reporting and emergency response procedures. • The operational plan for the Information Security Incident & Business Continuity Plan involves developing scenario scripts annually to conduct response drills, facilitating rapid response in the event of an information security incident. • The resources supporting the Information Security & Business Continuity Plan involves and response drills include personnel, systems, equipment, facilities, and vendors. • By collaborating with external information security consultants and response teams, leveraging their extensive experience in information security incidents, the Group receives professional advice and emergency response support.
Enhancing Zero Trust Maturity	• Based on the Financial Supervisory Commission's Zero Trust framework, the Group has strengthened overall information security and operational resilience, while overseeing each subsidiary's implementation of information security governance.
Internal Audit of the Information Security Management System	• The scope of the information security management system certification covers information-related departments. An internal audit of the information security management system is conducted annually to ensure that the Group's information security policies, procedures, and practices comply with standards such as ISO/IEC 27001. • Continuously track and improve based on audit results to ensure the ongoing implementation of information security control measures.

Enhancing Information Security Resilience

Measures	Action Plan
Strengthening the Group's Cloud Governance and Security	• Cathay FHC obtained ISO 27001:2022 certification in 2024. In 2025, the certification scope was expanded to include the Cloud Strategy Development Department and Cathay's Carbon Management System, along with the continued enhancement of information security management mechanisms. • All major subsidiaries of Cathay FHC have obtained ISO 27001 certification and certificates issued by the British Standards Institution (BSI). These certifications strengthen the Group's information security governance framework and management system, enhance the early warning, reporting, and incident response processes for cybersecurity events, and ensure the provision of secure and reliable financial services to customers. The certification validity periods and certified versions for each subsidiary are as follows:
Strengthening the Group's Cloud Governance and Security	• Assist the digital transformation project in incorporating Cathay FHC's cloud security management requirements.

Company	FHC	Banking	Life Insurance	Property and Casualty Insurance
Version	2022	2022	2022	2022
Validity Period	2023／10／04~2026／10／03	2023／11／26~2026／11／25	2025／02／27 ~ 2028／02／26	2026／01／16~2029／01／15

Company	Securities	Futures	Investment Trusts	Investment Consulting
Version	2022	2022	2022	2022
Validity Period	2025／04／11 ~ 2028／04／10	2025／04／01 ~ 2028／03／31	2025／03／28 ~ 2028／03／27	2025／07／19~2028／07／18

6.4.2 Information Security Management Mechanisms and Training

In response to the wave of digital transformation, the Group cultivates employees' information security awareness and culture, and implements information security controls. For the historical effectiveness of Cathay FHC's Information Security Training, please refer to Appendix 7.3, Table 29.

Information Security Training

Adopt a Security by Design Strategy	✓From a business perspective, incorporate information security as a consideration during the initial stages of service or business model design. ✓At the early stage of the project, the information security personnel conducted security design from a business perspective to help the planning staff understand information security-related issues. ✓Promoted the inclusion of information security standards and system architecture reviews into the Change Advisory Board (CAB) process for cloud project changes.
Information Security Training	✓All employees complete three hours of information security training annually, with each company achieving a 100% completion rate in 2025. ✓Personnel in the Group's dedicated information security unit receive at least 15 hours of professional information security training annually.
Social Engineering Drills	✓Continuously enhance employee awareness through social engineering drills to prevent malware intrusion via social engineering methods. ✓Strengthen information security awareness to avoid clicking on social engineering emails, and establish a "Suspicious Email (Social Engineering) Reporting Channel" to enhance information security 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. Cathay FHC did not experience any major information security incidents in 2025.

Information Security Measures		Corresponding Action Plan
White Hat Hacker Penetration Testing Exercise	Participating Companies	✓ Cathay Life, CUB, Cathay Century, Cathay Securities, & Cathay SITE
	Simulated Scenario	✓ Connection status management, access permission testing, privilege escalation, and breakout.
	Approach	✓ Each year, the Group engages professional consultants to conduct white-hat hacker penetration tests, simulating potential attack scenarios using various hacking techniques. ✓ Improvements were made to address the vulnerabilities and risk items identified in the drill results.
Computer System Information Security Assessment	Participating Companies	✓ Cathay FHC and its Subsidiaries
	Assessment Items	✓ Information architecture review, network activity monitoring, vulnerability scanning and penetration testing, security configuration review, and compliance review.
	Approach	✓ The Group commissions an external professional firm annually to conduct an information security assessment of its computer systems, based on which it monitors system security status and implements improvement measures. ✓ Completed 100% remediation of all identified major risk items.
Threat intelligence sharing and analysis mechanism	Establishment of the Group Information & Threat Intelligence Sharing Mechanism	✓ Report and share significant information security intelligence to implement improvements and defense measures.
	Information Security Joint Defense	✓ Signed a "Memorandum of Understanding on National Cyber-security Protection & Intelligence Sharing" with the Ministry of Justice Investigation Bureau. ✓ Signed a MOU to Jointly Combat Fraud & Safeguard Information Security with the Criminal Investigation Bureau ✓ Enhance the defense-in-depth of Cathay Financial Group's information security joint defense, and establish a public-private information security collaboration framework to build a joint defense mechanism.
External Fraud Detection and Shutdown	24/7 Information Security Monitoring Mechanism	✓ A 24/7 monitoring and takedown mechanism has been established to detect and shut down external fraudulent impersonation targets (websites, apps, social media platforms), preventing customer harm and reducing potential risks.

6.4.5 Personal Information Protection

Personal Information Protection and Organization

Cathay FHC places great importance on and is committed to protecting customer privacy and personal data. Cathay FHC and its major subsidiaries—Cathay Life, Cathay United Bank, Cathay Century, and Cathay Securities—have established the "Personal Data Management Policy" and the "Personal Data File Security Maintenance Plan and Personal Data Handling Procedures after Business Termination," which are published on their official websites as a commitment to compliance with personal data protection laws and sound management practices. The Group strictly requires all employees and vendors to adhere to personal data protection requirements, working together to safeguard personal data security and protect the rights of data subjects.

Cathay FHC incorporates personal data protection into its risk management framework by establishing the Personal Information Management Committee, chaired by the President, to oversee and manage the implementation and risk control of Cathay's personal data management mechanisms. The Risk Management Division serves as the personal data management unit, responsible for planning, supervising execution, and reviewing improvements of the Group's personal data management in accordance with the Committee's resolutions.

Cathay FHC has an internal audit unit directly under the Board of Directors, responsible for supervising and executing audit operations for the Group and its subsidiaries. At least once every six months, a project audit is conducted, covering areas such as finance, risk management, regulatory compliance, and personal data protection. Additionally, at least one internal control self-assessment is carried out annually, with the audit unit reviewing the inspection status of each department to ensure that employees fully implement the relevant control requirements.

Customer Personal Data Management Mechanism

Cathay FHC and its major subsidiaries manage personal data in accordance with the Personal Data Protection Act and related regulations, as well as the personal data lifecycle (collection, processing, and use). Before collecting personal data, the Group clearly informs customers of the purpose of collection, its application, and the parties with whom the data will be shared, ensuring that the data use does not exceed the necessary scope for the specified purpose. Personal data is only provided to third parties supplying products and services after obtaining customer consent for related service processing. Regarding data retention, unless otherwise stipulated by law or contract, personal data will be deleted or processing and use will be ceased once the purpose of collection no longer exists or the retention period expires, while relevant trace data or evidence will be retained for at least five years.

In terms of data protection, measures include access control mechanisms, 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.

Global Compliance and Management Systems Implementation

To strengthen personal data management mechanisms and ensure compliance with the EU General Data Protection Regulation (GDPR), Cathay FHC and its key 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 major subsidiaries have established the "Cathay FHC Data Subject Rights Management Regulations" and set up complaint and rights exercise service windows and channels to accommodate requests from customers and employees. The protection of related customer rights is clearly disclosed on Cathay FHC's official website under "Mandatory Disclosure Regarding Use of Personal Data," "Cathay FHC Privacy Policy," and "Confidentiality Measures for Customer Information Protection." These disclosures are updated promptly in accordance with regulatory changes and the latest technology. Additionally, service consultation hotlines and message sections are provided for customer contact and feedback.

Comprehensive Personal Information Protection Training

To ensure employees have a clear understanding of personal data laws and regulations, their scope of responsibilities, and mechanisms, processes, and measures related to personal data protection, Cathay FHC and its subsidiaries organize annual, company-wide awareness programs and training on personal data protection. In 2025, all employees at Cathay FHC and its subsidiaries achieved 100% completion of Personal Information Protection Training.

Regarding violations of personal data protection regulations, in addition to the penalties stipulated by the Personal Data Protection Act, Cathay FHC has also clearly established in the "Personal Information Management Regulations" that employees who violate these regulations, causing damage to the rights and interests of the Group or its customers, will be referred to the human resources management unit for disciplinary action. This demonstrates the Group's determination and zero-tolerance attitude toward personal data protection and customer privacy.

Note: The above training completion rate excludes employees who are temporarily assigned, on parental leave, maternity leave, or otherwise absent due to the nature of their duties and personnel scheduling.

Incident Management and Drills

Management of Personal Data Breach Incidents: Cathay FHC and its major subsidiaries have established the "Regulations Managing Personal Data Breaches" and related emergency response procedures for incident notification and handling. A cross-departmental Emergency Response Team has been set up to mitigate the impact on the Group in the event of a personal data breach and to minimize harm to the affected individuals. Through regular simulated scenario drills, the effectiveness of internal operational procedures is verified, and any deficiencies in personal data protection measures are identified to continuously improve related data protection practices.

In 2025, Cathay conducted an interdepartmental personal data breach simulation exercise to review the management process for personal data breaches involving cloud databases, aiming to facilitate timely response and minimize leakage damage.

Personal Information Protection Incidents

Cathay FHC and its major subsidiaries exercise prudent and proper use of customer data. We had 20 data breach incidents in 2025, 100% of which involved personal data. A total of 887 customers were affected by these incidents. Most of these cases originated from customer complaints through various channels. Upon investigation, the incidents were primarily due to information processing oversights and misdirected data shipments. Follow-up communication with the affected parties has been ongoing to seek understanding and ensure proper resolution. Cathay FHC will continue to promote employee training and strengthen awareness efforts to ensure all personnel fully understand the importance of personal data protection. The Group will also persist in enhancing and monitoring the use of customer personal data, improving related protective measures, and supervising third-party partners to properly manage customer data, thereby reducing the occurrence of personal data leakage incidents.

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" to ensure prompt contact with customers and the provision of solutions. 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 2025

Initiative 1	Smart technology empowerment: Enhancing service accessibility through digital technology	
Subsidiaries	Cathay Life	Cathay Century
Initiatives and Achievements	**Mobile Insurance:** Utilizing facial recognition for identity verification, the Group has simplified the signature process, shortened contract processing time, and enhanced the customer experience. During the pilot period, nearly **5,000** insurance applications were completed using facial recognition, with high customer acceptance. **Mobile Voice Recording Process:** Implemented AI voice-script reading and robotic assistance to reduce the comprehension burden for elderly customers. The one-time completion rate for insurance application recordings increased to **79.8%**, while the follow-up completion rate decreased to **17.8%**. **Online and Remote Services:** The Group offers business transactions via app video calls, overcoming time and space limitations. In 2025, a remote service team was established to expand consultation, insurance application, and policy services. In 2025, the volume of product consultation calls increased to **4,264**, a growth of **46.7%**. **AI Coach:** Utilizing generative AI to simulate scenarios and roles, providing personalized feedback to assist sales teams in enhancing customer interactions and sales processes. In 2025, 15 scenarios were developed, with a **71%** usage rate among sales units, demonstrating strong recognition of its training value.	**1. Co-browsing:** • For elderly customers unfamiliar with digital operations or those experiencing a digital divide, Cathay pioneered the "Co-browsing" technology, which is fully applied to the explanation services for all insurance types on Cathay Century's official website. As of the end of 2025, it has been used a total of **444** times. **2. IVR Intelligent Voice Routing Service:** • In 2025, Cathay implemented speech-to-text and text-to-speech technologies, allowing customers to simply state their needs for accurate routing to the appropriate service. Throughout the year, approximately **109,850** service interactions were handled, effectively improving real-time processing efficiency and reducing the risk of misdirected calls and customer complaints.

Initiative 2	Simple and Transparent: Making information easy to understand through simplification and transparency			
Subsidiaries	Cathay Life	CUB	Cathay Securities	Cathay SITE
Initiatives and Achievements	1. **Notification Management Platform:** Integrates various types of notifications with a unified format, implementing 55 standardized notification layouts to enhance recognition and reading convenience. 2. **Diverse Services:** Provided 9 sign language video sessions, an average of 5 real-time text interactions per day, and 7 multilingual translations to assist different groups in completing transactions smoothly. 3. **Family Policy Management:** By visualizing insurance policies and integrating health features through the App, the Group enhances policyholders' self-service capabilities. The number of users exceeded 3.5 million by 2025. 4. **Diverse Channels:** Utilizing short videos and the official website content to enhance the delivery of insurance knowledge and guide customer demand. In 2025, a total of 28 short videos titled "I Understand Good Insurance" were released, with approximately 29.07 million total views; the insurance knowledge section on the official website recorded 559,000 visits in 2025, and interactive users increased to 294,000.	1. **CUBE Debit Touch Card:** 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. 2. **Intelligent Assistant Alpha:** Provides real-time and accurate service support. When detecting keywords related to hearing impairment or disabilities, it prioritizes live text customer service to enhance the service experience. It assists customers with hearing impairments and disabilities in smoothly completing the service process.	1. **Pengzu and Tieguai Dual Experience:** Through simulated equipment and scenario challenges, participants experienced the daily difficulties faced by the elderly and disabled, attracting the enthusiastic participation of nearly 80 employees.	1. **Accessible Financial Services Section:** The official website has been updated to enhance accessible service information. The text enlargement feature coverage rate has reached 100%. 2. **Voice Reading Service:** The "Investment Information" feature has integrated voice functionality into investment articles to facilitate access to information for elderly and visually impaired customers. The voice reading function covers 47% of the pages. 3. **Reading Comfort:** Provides font enlargement options to enhance the reading experience. 4. **eDDA / eACH Mechanism:** Implemented online verification and debit processes to simplify account opening and reduce waiting time. After the launch of this feature, the number of online interbank account openings increased to 624, accounting for 68% of total debit authorization applications from other banks, demonstrating that the online process has significantly improved customer convenience.

Initiative 3	Safe and Secure Protection: Safeguarding Customer Interests through Risk Management			
Subsidiaries	Cathay Life	Cathay Century	Cathay Securities	Cathay SITE
Description	**1. In-person Counter Care:** Through the in-person counter care and inquiry mechanism, Cathay successfully prevented fraud and protected customer assets. In 2025, 198 fraud cases were successfully intercepted, involving an amount exceeding NT$150 million, accounting for more than 85% of both the number of cases and the amount in the life insurance industry. **2. Third-Party Confirmation Mechanism:** Implemented a designated policy contact person system to notify a third party during major transactions, reducing fraud risk. From September 4 to December 31, 2025, the number of applicants exceeded 2,000, ranking first in the industry. **3. Senior Management Accountability:** Strengthened the accountability system to ensure clear responsibility in management functions. **4. Dual Certification:** Obtained dual certification for the ISO 9001 Quality Management System and ISO 10002 Customer Complaint Management System, enhancing quality and customer complaint management.	**1. Alpha Q&A Feature:** Through themed activities, the Group promoted fraud prevention and insurance awareness, as well as the use of online service features, enhancing customers' fraud prevention awareness. In 2025, the total number of participants reached 439,393, an increase of 163,000 compared to the previous year. **2. Anti-Fraud Section and Alerts:** The official website features a dedicated fraud prevention section and a scrolling marquee alert to enhance public awareness of fraud. In 2025, the page recorded 3,530 views. **3. iCARE Service Awards:** Collected employee creative ideas to optimize services, focusing on the elderly and people with disabilities, and promoting the concepts of accessible service and Treating Customers Fairly. The campaign received a total of 71 slogans and 82 friendly service proposals, with outstanding entries incorporated into the fair customer service improvement plan.	**1. eDM Campaign:** Fraud prevention outreach reached approximately 2.9 million people. **2. Financial Literacy Education:** Held 72 events, reaching over 3,300 participants. **3. Customer Complaint Quality Management:** Introduced ISO 10002 Guidelines for complaints handling in organizations.	**1. Telephone and Mail Alerts:** Voice calls and customer service emails are used to remind customers to be aware of fraud. In 2025, there were a total of 27,590 voice prompts to incoming callers and 4,264 customer service reply emails regarding fraud awareness. **2. Fraud Prevention Awareness:** Integrated internal and external promotional resources to enhance fraud prevention awareness. **3. Intelligent Assistant Fraud Prevention:** Implemented fraud detection and real-time alerts in "Alpha," providing fraud prevention information and verification channels. **4. Video Promotion:** Enhanced awareness of fraud risks and self-protection skills through YouTube videos. Assisted in promoting over 50 anti-fraud videos. **5. Complaint Handling Mechanism:** Optimized processes in accordance with ISO 10002 to enhance the efficiency and quality of consumer dispute resolution.

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.

Cathay Century
Established an "Anti-Fraud Section" on the official website and held the iCARE Service Awards.

Cathay Securities
Received the 2025 TWSE Excellence Award for Securities Firms' Anti-Fraud Programs

Cathay SITE
Established an "Anti-Fraud Section" on the official website to promote fraud prevention tips.

6.5.2 Service Quality & Customer Satisfaction

Cathay FHC 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. 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.

Company	2025 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 the three dimensions—brand, product, and service—remained high and was nearly unchanged from last year's overall performance. Among these, brand contribution continued to lead; however, with simultaneous increases in product and service contributions, it indicates that customer recommendations are gradually shifting from being "brand-oriented" to focusing more on "product and service."
CUB	• Customer Service Center satisfaction achieved another strong result, building on last year's high score and reflecting customers' trust and recognition of our services. Moving forward, the Group will further deepen the collection of feedback and insights across all customer touchpoints to continuously deliver high-quality 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 Optimizing Service Experience

In addition to customer satisfaction surveys, Cathay FHC 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.

Company	NPS Operating Mechanism	NPS Score and Key Breakthroughs in 2025
Cathay Life	• rNPS: Third-party consulting firms commissioned to conduct end-of-year surveys. • tNPS: The customer experience map deploys a total of 18 online and offline service touchpoints, enabling real-time monitoring of NPS changes to understand customer feedback.	• The Group achieved an rNPS score of 40.8, reflecting a strong customer experience across all aspects, with overall figures remaining at a high level. • The average satisfaction throughout the entire journey remained steady compared to last year, indicating consistently high-quality service.
CUB	• The Customer Service Center conducts daily tNPS surveys and performs monthly feedback analysis. At the same time, a digital platform NPS collection mechanism has been established, with two large-scale surveys conducted annually (each with over 6,000 responses). These are combined with satisfaction assessments, interviews, and usability tests to continuously optimize the service experience.	• Customer Service Center tNPS remained at 67.1 points. • CUBE App rNPS was 35.4, with the VIP customer group NPS at 43.7, both exceeding the standard score of 30. • Brand preference, experience satisfaction, and product satisfaction were 81%, 88%, and 82%, respectively.
Cathay Century	• Established a total of 30 online and offline touchpoints. • Customer feedback is monitored daily through NPS scores and visualized reports in real time. • Through quarterly meetings and cross-departmental collaboration, the Group identifies core issues and solutions.	• The overall average tNPS was 66 points, maintaining a stable score. • Online tNPS: The score was 40 points, maintaining a stable level. • Offline tNPS: The score was 89 points, maintaining a stable level.
Cathay Securities	• Reviewing the customer service journey, the Group established 10 tNPS service touchpoints both online and offline, and sent NPS surveys the day after customers completed their experience. • Customer service representatives proactively make outbound calls to respond to survey suggestions and continuously optimize the service experience through cross-departmental feedback.	• In 2025, all tNPS touchpoint scores exceeded 60 points. • The average score was 77 points, an increase of 6.3 points compared to the previous year.
Cathay SITE	• Through satisfaction and NPS surveys, the Group dynamically focuses on optimizing key areas by examining the brand, products, and other aspects from the customer's perspective.	• In 2025, the Group commissioned an external agency to conduct a related survey, achieving an rNPS score of 76.

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.

CH7 Appendix

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 2025 published in July 2026 discloses Cathay FHC's economic, environmental (E), social (S), and governance (G) performance in 2025 (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 2025. The next report is slated to be published in July 2027.

Reporting Scope

The scope of this report mainly covers the business activities and services of Cathay FHC and its main subsidiaries, including Cathay Life, CUB, Cathay Century, Cathay Securities (incl. Cathay Futures), and Cathay SITE, and extends to the performance of certain overseas branches. The scope of disclosure covers more than 95% of Cathay FHC's consolidated revenue. Figures in the report are compiled based on internationally recognized standards and metrics. Information on social welfare covers the Cathay Charity Foundation, the CUB Foundation, and related subsidiaries. Footnotes are provided for any quantitative metrics with special calculation boundaries or meanings.

Any restatements of information in this year's report are indicated in the footnotes below the relevant tables.

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.

Issuing Organization	International Principles / Standards Frameworks / Regulations
The United Nations (UN)	UN Sustainable Development Goals (SDGs)
	UN Global Compact
Global Sustainability Standards Board (GSSB)	GRI Universal Standards 2021
International Sustainability Standards Board (ISSB)	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
	IFRS S2 Climate-related Disclosures
	SASB Standards (Sustainability Accounting Standards Board, SASB)
	Task Force on Climate-related Financial Disclosures (TCFD)
International Organization for Standardization (ISO)	ISO 26000 Guidance on Social Responsibility
Taiwan Stock Exchange	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

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 7.11 "Scoring Scale for Disclosure of Sustainability-related Risks and Opportunities".

Sustainability Information Management

To strengthen sustainability information management and disclosure quality, Cathay FHC has established the Guidelines for the Preparation of Sustainability Reports and the Disclosure of Public Sustainability Information, which govern the processes of collecting, recording, processing, preparing, reviewing, and disclosing sustainability information. For sustainability information items to be incorporated into internal controls, the responsible units complete checking, confirmation, and review procedures in accordance with relevant regulations, and such items are incorporated into the internal control system to ensure the completeness, accuracy, reliability, and traceability of disclosed information.

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), as well as the SASB Standards (Type 1, Moderate level of assurance). The independent assurance statement issued by BSI Taiwan is disclosed in Appendix 7.14 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 Appendix 7.14 of this report.

	Basis	Verification/Assurance Agency
Sustainability Data	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
Financial Data	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants & Generally Accepted Auditing Standards	Deloitte & Touche Taiwan
Environmental Data	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	46,349
Core Values	Integrity, Accountability, and Innovation	Total Assets	NT$ 14.34 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/eng/esg

7.2 Results and Achievement Status of Cathay's 2025 Sustainability Strategy Blueprints

Climate – Low-Carbon Economy Strategy Blueprint

Strategy 1 Net Zero Emissions in Financial Assets by 2050

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Set science-based targets (SBT): Establish science-based decarbonization pathways for the investment and lending portfolio	Proprietary Investments: Portfolio temperature of listed equity & bonds	Scope 1+2: 2.75° C	✓ 2.47° C
		Scope 1+2+3: 2.85° C	2.97° C Note 1
	Asset Management: Portfolio temperature of listed equity and bonds	Scope 1+2: 2.78° C	✓ 2.22° C
		Scope 1+2+3: 2.87° C	✓ 2.68° C
	% reduction in emission intensity of electricity generation project finance Base year: 2019	Decrease by 28%	✓ Decrease by100%
	% reduction in emission intensity of commercial real estate corporate loans Base year: 2019	Decrease by 34%	Decrease by 18% Note 1
	% reduction in emission intensity of electricity generation corporate loans Base year: 2019	Decrease by 27%	Increase by 46% Note 1
	% reduction in emission intensity of long-term corporate loans to commercial real estate-related Base year: 2019	Decrease by 33%	Decrease by 8% Note 1
B. Coal-Exit Action	Cease new investments to companies operating within the coal mining, coal rail freight, coal support services, and coal power that exceed a certain revenue threshold and are not actively transitioning Note 2	Revenue threshold: 20%	✓ No new investments
	Set a " Zero Coal Financing " goal	Achieve zero coal financing by the end of Q1 2027	✓ In progress
C. Oversee and monitor unconventional oil and gas industries	Cease new investments to unconventional oil and gas companies that exceed a certain revenue threshold and are not actively transitioning Note 2	Revenue threshold: 30%	✓ No new investments

Note 1: For more information, please refer to Section 2.1.1, Net Zero Emissions in Financial Assets by 2050.

Note 2: Full replication ETFs and optimized ETFs are excluded.

Strategy 2 Leader in Climate Engagement Actions

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Communicate and engage with investees and borrowers to encourage them to disclose carbon emissions, adopt more robust medium- and long-term decarbonization targets, and join international climate initiatives such as the SBT and RE100	SBT Engagement Method: 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	40%	✓ 61%
	Proprietary Investments: Proportion of financed emissions from domestic listed companies under stewardship	50%	✓ 68%
	Asset Management: Proportion of equity holdings in domestic carbon-intensive listed companies under stewardship	50%	30% Note 3
B. Continue to increase participation in international organizations and initiatives, bring together international investors to make an impact	Number of international organizations / initiatives & climate / nature-related engagements	Participate in at least 10 organizations / initiatives, 3 engagement activities, and 2 nature-related engagement initiatives	✓ Participated in 13 organizations / initiatives, 3 engagement activities, and 2 nature-related engagement initiatives

Note 3: Investment positions in managed assets vary significantly during the year. Some companies engaged during the year were no longer held at year-end and therefore could not be included in the performance calculation. Had these companies been included, the target would have been achieved.

Strategy 3 Comprehensive Climate Finance Solutions Provider

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Green Capital	% increase and amount in low-carbon investments Base year: 2020	80% growth, NT$314 billion	✓ 128% growth, NT$327.8 billion
B. Green Product	% increase in sustainable lending and total amount Base year: 2023	20% growth, NT$76.1 billion	✓ 104% growth, NT$129.6 billion
	Issuance of low-carbon transition fund products Base year: 2020	1 low-carbon / climate-related fund product	✓ 1 product launched
	% increase in insured amount for green insurance Base year: 2022	100% growth	✓ 103% growth
	Cumulative number of green bonds underwritten Base year: 2020	21 cases	✓ 22 cases
C. Green Service	Growth rate of corporate loss prevention services for natural disasters and cumulative number of services provided Growth Rate Base Year: 2022 Base year for cumulative number of services: 2012	15% growth	✓ 41% growth
		820 services	✓ 850 services

Climate – Environmental Sustainability Strategy Blueprint

Strategy 2050 Net Zero Operations

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Green Energy	Fulfill the RE100 commitment and increase use of renewable energies	100% use of renewable energy at Cathay FHC, Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE HQ	✓ 100%
		Use 57 million kWh of renewable energy, accounting for 50% of total electricity consumption at operating locations in Taiwan	✓ 6363 million kWh, accounting for 54% of total electricity consumption at operating locations in Taiwan
	Installed solar capacity of onsite self-consumption PV system on proprietary buildings and % compared to the base year Base year: 2020	Cathay Life • Installed capacity: 5,000 kW • 2,500% compared to 2020	✓ 5,519kW ✓ 2,760%
		CUB • Installed capacity: 403.99 kW • 500% compared to 2020	✓ 494.08kW ✓ 612%
B. Green Operation	Fulfill the SBT commitment and reduce Scope 1 and Scope 2 emissions by 4.2% per year in line with the 1.5° C scenario Base year: 2020	4.2% annual reduction, with a 21% cumulative reduction compared to 2020	✓ 36%
	% of total electricity consumption managed by the energy management system (EMS) Base year: 2022	54.8%	✓ 66%
	Continue with the Electricity Saving Competition as part of our internal carbon fee mechanism, and roll out the mechanism across the entire group	All Group companies hold the Electricity Saving Competition incorporating the internal carbon fee mechanism	✓ 100%; a total of 1,692,506 kWh of electricity saved during the campaign period
	Conduct Scope 3 (operations) GHG inventory	Complete the Scope 3 (operations-related) GHG inventory	✓
	Offer EV cab services to employees on company business	Offer EV cab services to employees on company business	✓
	Service Digitalization - Reduce product carbon footprints by digitalizing services and complete carbon footprint verification for main products	Complete carbon footprint verification for 77.8% of main products	✓ 87.5% Note 1
	Mobile Working - Introduce the Virtual Desktop Infrastructure Office Application (VDI OA) at Cathay Life and CUB	VDI OA adoption rate • Cathay Life: 30% • CUB: 20%	✓ Cathay Life: 30% CUB: N / A Note 2
	Workplace Sharing - Transform workplaces into innovative multi-functional hybrid spaces Base year: 2020	25 additional innovative workplaces	✓ 37 locations
	Reduce water consumption	Per capita water consumption of 12.5 cubic meters	15.8 cubic meters Note 3

Note 1: Major products for which carbon footprint verification has been completed include life insurance services, personal unsecured loans, ATM coin deposit and payment services, personal mortgage loans, online credit card applications, online fund subscriptions, and property insurance services. All have obtained ISO 14067 certification.

Note 2: At the end of 2025, the Group determined that the project was not applicable to CUB due to information security considerations. It will therefore no longer be tracked.

Note 3: As vacant buildings were included in the scope of the water inventory, per capita water consumption did not meet the original target. The target has been reviewed and incorporated into the 2026 blueprint adjustments.

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
B. Green Operation	Reduce waste to generate positive environmental impacts	Per capita waste of 25.3 kg	26.6kg Note 4
	Increase green procurement spending year by year and receive recognition from the Ministry of Environment as an Outstanding Enterprise in Green Procurement Base year: 2023	3% annual growth since 2023	✓ Green procurement spending reached NT$1.5 billion, a 170.8% increase over the base year
		Receive recognition from the Ministry of Environment as an Outstanding Enterprise in Green Procurement	✓ Recognized as an Outstanding Enterprise in Green Procurement
C. Green Real Estate	Build low-carbon new buildings	Secure Green Building Certification (TW) or LEED (US) certification for all new buildings after 2023	N/A Note 5
	Use green building materials when renovating existing locations	CUB • 100% of branches fully renovated during the year comply with environmentally friendly renovation standards	✓ 100% of newly renovated branches complied with environmentally friendly renovation standards
		CUB • 30% of branches comply with environmentally friendly renovation standards	✓ 34%
	Promote green leasing practices in commercial buildings across Taiwan's six special municipalities and provide at least 15 million kWh of green electricity services annually	Provide at least 15 million kWh of green electricity services annually	✓ Approximately 25 million kWh of green electricity supplied to tenants in 2025

Note 4: Due to the continued increase in operating locations and adjustments to mobile working policies, per capita waste did not meet the original target. The target has been reviewed and incorporated into the 2026 blueprint adjustments.

Note 5: No new buildings were completed in 2025.

Health – Health Promotion Strategy Blueprint

Strategy 1 Expand the ecosystem of promoting physical and mental health

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Promote the FitBack App (including spillover-effect products)	Health promotion project participants (Number of members)	1.4 million members	✓ 1.747 million members
	Number of members supported in health management, and cumulative number of health management interactions per month	Members supported in health management: 1.05 million	✓ 1.407 million members
		Cumulative monthly health management interactions: 15.93 million	✓ 30.818 million interactions
	Cumulative number of flagship ecosystem cross-industry partners Base year: 2023	5 partners	✓ 5 partners
B. Increase health insurance coverage for citizens	No. of new policyholders with full health insurance coverage (daily hospital indemnity ≥ NT$2,000) in the calendar year	100,000 people	98,000 people Note 1

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
C. Employee Health Services Plan	Percentage of Group employees with a normal BMI (18.5-24.0) Tracked biennially	N/A	N/A
	Cancer screening rate among general Group employees Tracked biennially	N/A	N/A
	Percentage of employees that benefited from the employee emotional support programs	80%	✓ 97%
	Maintain a valid ISO 45001 accreditation	Ensure Cathay Life and CUB maintain valid ISO 45001 certification	✓
	Satisfaction with group health promotion activities	80%	✓ 89%
D. Traffic Safety Project	Cumulative number of Accident-Free promotional events Base year: Accident-Free Riders from 2015 Accident-Free Bikers from 2020 Accident-Free Campus from 2025	500 events	✓ 531 events
	Student safety awareness and knowledge	Accident-Free Rider Project: 85% of students agree that the program raised their safety awareness	✓ 89%
		Accident-Free Bikers Project: 75% correct response rate	✓ 79%
	Cumulative number of visits to the Zero-Accident Academy website Base year: 2014	2.90 million visits	✓ 3.45 million visits
E. Anti-Drug Campaigns on Campus	Teachers' recommendation rate for anti-drug activities	80%	✓ 81.5%
	Number of people reached by anti-drug activities	Over 3 million people	✓ 3.335 million people

Note 1: After policy reviews, most policyholders were found to already have basic medical insurance coverage, leaving limited room to increase coverage through any single policy and constraining progress toward the target. To more accurately reflect policyholders' cumulative coverage, this indicator will subsequently track the percentage of newly insured policyholders in the year with adequate medical (hospitalization) coverage (cumulative daily hospitalization benefit of at least NT$2,000), which more directly reflects the completeness and prevalence of coverage.

Strategy 2 Enhance age-friendly services and create a safety net to support healthy and sustainable lifestyles for older people

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Prioritize Coverage: Meet the health insurance needs of older adults	Coverage rate of A&H insurance policies among customers aged 55 and above	25%	✓ 28%
B. Age-Friendly Services: Promote care for older adults	Percentage of employees who have completed health expertise training (Dementia Friends Training Course)	Sales agents: 60%	✓ 69%
		Office staff: 60%	✓ 95%
	No. of older adults reached by Cathay's partnerships with NGOs and schools to promote older adult care services and enhance social support	Reach 1,200 older adults	✓ 7,222 older adults

Health – Financial Health Strategy Blueprint

Strategy 1 Become the Best Custodian of Client Assets

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Provide diverse financial planning and management tools to help the public make sound financial decisions	Cumulative number of financial health assessments Base year: 2023	300,000	✓ 303,000
	Cumulative number of people benefiting from financial planning tools Base year: CUB from 2022; scope expanded to Cathay Life and Cathay SITE in 2024	700,000	✓ 990,000
	Provide high-quality ESG-focused financial products that balance sustainability and growth prospects	CUB • 22,000 customers • Investment scale of NT$7 billion	✓ 23,000 customers ✓ NT$13.56 billion
		Cathay SITE • 1.79 million beneficiaries • Fund scale of NT$434 billion	1.76 million beneficiaries Note 1 ✓ Fund scale of NT$462.9 billion
	Encourage customers to use dollar-cost averaging (DCA) to steadily accumulate wealth	CUB and Cathay Securities • 632,000 customers using DCA for investment and financial management	✓ 719,000 customers
		Cathay SITE • 157,300 fund transactions using DCA	146,700 transactions Note 1
	Percentage of the ideal annual retirement amount for citizens under 65 covered by cumulative total insurance premiums Base year: 2023	6%	✓ 8%
	AUM entrusted to CUB by senior customers	NT$590 billion	✓ NT$622 billion
	AUM entrusted to CUB by customers	NT$1.64 trillion	NT$1.63 trillion Note 2
	Annual growth rate of mutual funds (including ETFs) managed by Cathay SITE	23.36%	9.7% Note 3
	Customer satisfaction with financial services	CUB • Wealth management service customer satisfaction of 80% or above	✓ 87%
		Cathay Century • Heartwarming service experience satisfaction of 90% or above	✓ 100%

Note 1: As investment options in the market have become more diverse, investors' asset allocation and attention have shifted, dispersing market funds. Going forward, Cathay will focus on serving existing customers and enhance brand recognition through differentiated communication.

Note 2: The achievement rate reached 99%; however, the target was not met at year-end due to significant market volatility in 2025.

Note 3: Performance was affected by weaker-than-expected market conditions and investment demand. Going forward, Cathay will continue to attract capital and expand assets under management by serving existing customers and developing potential customer segments.

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
B. Provide high-quality asset protection mechanisms for financially vulnerable customers and safeguard customer assets and transaction security	Reduce customers' risk of fraud: cumulative number of people reached by anti-fraud education and awareness campaigns	Cumulative annual reach of 69 million people	✓ 72.16 million people
	Number of new anti-fraud measures implemented independently or in cooperation with the public sector	At least 3	✓ 6
	Continue to strengthen fraud-blocking capabilities; CUB's total annual investment	No less than NT$30 million	✓ NT$57.28 million
	Year-on-year decrease in the monthly average number of fraud cases involving losses of over NT$1 million that were neither blocked nor reported to the police	5%	✓ 46.5%
	Strengthen anti-fraud mechanisms for online credit card transactions and increase the 3DS [Note 4] fraud prevention rate	Fraud prevention rate of >45% per year	✓ 65%
	Use diverse trust products and services to protect customer assets: annual number of beneficiaries	40,000 people	✓ 44,000 people
	Contact rate for friendly after-sales calls to senior customers purchasing financial products	100%	✓ 100%

Note 4: 3-Domain Secure (3DS) is an online security authentication service jointly promoted by international credit card organizations (including Visa, Mastercard, and JCB), card issuers, and acquiring banks to prevent cardholders' credentials from being fraudulently linked or used for unauthorized online payments.

Strategy 2 Benchmark Company for Financial Inclusion in Taiwan

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Continue to develop financial inclusion products for financially underserved groups while expanding access to financial services	Continue to launch innovative financial inclusion products or services each year	At least 8 innovative financial inclusion products or services during the year	✓ 15 products/services
	Loan amount and number of SMEs supported as part of Cathay's efforts to assist SME operations and development	Loan balance of NT$337 billion	✓ NT$361.8 billion
		5,700 SMEs supported	✓ 5,963 SMEs
	Preferential loan program for small enterprises: annual number of newly disbursed accounts and amount of new loans	10 new borrowers	6 borrowers [Note 1]
		NT$100 million in new loans	✓ NT$179.82 million
	Number of approved accounts for preferential loans provided under the social enterprise support project in collaboration with the Taipei City Government	1 new borrower	✓ 1 borrower
		NT$1.92 million in new loans	✓ NT$3 million
	Help small and micro businesses digitalize payroll disbursement to save accounting time and improve operational efficiency: cumulative number of businesses using the "Tai You Xin" digital payroll transfer service Base year: 2024	Cumulative number of businesses reached: 3,600	✓ 4,075 businesses

Note 1: Amid tariff-related impacts on supply chains and operations, some anchor companies terminated cooperation in 2025, reducing sources of supplier customer acquisition.

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Continue to develop financial inclusion products for financially underserved groups while expanding access to financial services	Provide fast and convenient corporate online banking services that enable small and micro businesses to transfer funds anytime and anywhere without visiting a branch: number of accounts conducting transactions (deposits, remittances, financing, etc.)	Monthly average of 6,700 accounts	✓ 8,102 accounts
	Provide diverse insurance products for small business owners (such as restaurants, cram schools, clinics, and stores), and track the growth rate in the cases of SME Owners' Insurance Base year: 2022	20% growth in the number of small business owner package insurance policies	✓ 21.8%
	Help small businesses use infrared detection to inspect electrical equipment and provide reports so customers can address abnormalities such as overheating	Detection service satisfaction of at least 80%	✓ 93%
	Help enterprises transfer occupational injury risks and enhance employee protection: number of employees benefiting	Group occupational injury insurance covering more than 300,000 employees	190,000 employees Note 2
	Provide basic insurance products for vulnerable groups: number of microinsurance and small-amount insurance beneficiaries	90,000 people	✓ 179,000 people
	Number of youths and small investors investing in funds through DCA with monthly contributions of NT$6,000 or less	82,500 youths and small investors	✓ 106,000 investors
	Number of automatic contributions to Cathay ETFs through DCA	810,000 contributions	752,000 contributions Note 3
B. 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.	Monthly number of logins to the CUB CUBE App for financial services such as income and expense management and financial planning	More than 30 million logins	✓ 49.4 million logins
	Percentage of customer transactions using the bank's digital financial services	>90%	✓ 95%
	Percentage of individual customers using digital securities trading accounts	95%	✓ 100%
	Percentage of life insurance policies purchased through digital/mobile applications	99%	✓ 100%
	Mobile insurance app usage rate for personal P&C insurance (auto, health and accident, and travel insurance)	90%	Auto insurance: 89.0% Note 4 Health and accident insurance: 89.0% Note 4 ✓ Travel insurance: 99.5%
	Percentage of commercial MVP insurance policies applied for via the Smartbiz platform Note 5	98%	✓ 99%
	Customer satisfaction with the digital service experience	Satisfaction of 80% or above	✓
	Annual number of customer service interactions handled in real time by intelligent assistants	More than 15 million interactions	✓ 18.24 million interactions

Note 2: A mid-year review of the calculation method eliminated duplicate counts, resulting in a figure below the target set at the beginning of the year. To more effectively strengthen the operating resilience of under-resourced SMEs, the indicator will be adjusted in 2026 to track the number of SMEs for which the company fully pays group insurance premiums.

Note 3: Due to new market products and changing investment demand, existing products experienced dilution in both funds and beneficiary numbers. Going forward, Cathay will focus on existing customers while actively expanding potential customer segments and enhancing brand recognition.

Note 4: The targets for auto insurance and health and accident insurance were not met due to limited digitalization progress in external channels, changes in channel personnel structure, and regional differences in usage rates.

Note 5: MVP insurance lines include commercial fire insurance, public accident liability insurance, product liability insurance, homeowners' compensation contract liability insurance, and employer's accident liability insurance.

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
B. 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.	Problem resolution rate for intelligent assistant responses delivered within 1 second	90%	✓ 95%
	Financial service stations providing financial services and digital service guidance across Taiwan: cumulative number of townships covered and beneficiaries reached Base year: 2023	Cumulative townships covered: 195	194 townships [Note 6]
		Cumulative beneficiaries: 170,000 visits	✓ 175,000 visits
C. Continuously promote financial education through diverse channels to improve financial literacy and prevent asset losses caused by insufficient financial knowledge	Participants' agreement that financial education improved their financial knowledge and their willingness to participate again or recommend the program	More than 80% of participants agree the program had a positive impact on their financial knowledge	✓ 94%
		More than 80% of participants would participate again or recommend it to others	✓ 89%
	Continue financial education outreach to financially underserved groups and rural schools: cumulative number of people reached Base year: 2024	3.28 million people reached	✓ 9.09 million people reached
	Provide insurance education through the intelligent assistant "A-Fa": growth rate in participation in A-Fa Mini Classroom activities	10%	✓ 51%

Note 6: The cumulative township coverage of financial service stations reached 99.5% of the target, falling one township short due to difficulties in expanding service channels.

Empowerment – Workplace Empowerment Strategy Blueprint

Strategy 1 Reskill - Identify future human resource needs, as well as the professional knowledge and skills to adapt to future trends

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Promote reskilling programs, systematically build the digital capabilities of managers and employees, strengthen practical application, improve efficiency, and foster a forward-looking culture of human-machine collaboration	Digital capacity training completion rate (depending on the annual theme) • 50% completion rate for current-year training programs • 80% completion rate for prior-year training programs	2025 AI literacy courses: 50%	✓ 93%
		2025 M365 series courses: 50%	✓ 94%
		2024 AI literacy courses: 80%	✓ 91%
		2023 agility courses: 80%	✓ 92%
		2023 data analysis courses: 80%	✓ 90%
B. Strengthen ESG literacy to ensure employees fully understand core knowledge and put sustainable operations into practice	Completion rate of foundational ESG sustainability courses	90%	✓ 93%
	Three-hour ESG Sustainable Finance course with a 100% completion rate *Participants range from general staff to senior executives	100%	✓ 100%

Strategy 2 Upskill - Provide training materials that meet the different development needs of employees to ensure continuous improvement of their skills

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (Achieve)
A. Provide targeted physical and digital learning resources by job family and level, organize diverse learning activities, and build platforms for knowledge sharing and the exchange of learning outcomes to strengthen core organizational capabilities	Annual Engagement Survey – Satisfaction score for learning and development related questions Maximum Score: 5	4 points	✓ 4.15 points
	Competency feedback survey: The proportion of employees who demonstrate general competency meets the established standard	85%	✓ 97%

Strategy 3 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

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (Achieve)
A. Identify talent gaps at each level through monitoring indicators, align with organizational strategy, integrate Group resources to empower talent, apply talent profiles, and proactively address organizational risks and future challenges	High-performance talent bench retention rate	80%	✓ 99%
	High-performance young talent bench retention rate	50%	✓ 97%

Strategy 4 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

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (Achieve)
A. Continue to listen and respond to employee voices and, with "Embrace Diversity, Be Your True Self" as the strategic focus, launch programs for whole-person care, cross-generational inclusion, and inclusive leadership to foster a diverse and inclusive workplace	Retention rate of employees taking parental leave	80%	✓ 89%
	Proportion of female supervisors (overall and by position-level)	Overall: 50% ± 5%	✓ 53%
		Entry-level managers: 50% ± 5%	56% Note 1
		Mid- to senior-level managers: 30% ± 5%	✓ 33%
	Proportion of female employees	Overall: 50% ± 5%	69% Note 1
		Women in STEM: 40% ± 5%	✓ 48% Note 2
	Completion rate for inclusive leadership training	90%	✓ 97%

Note 1: The percentage exceeded the target range and will continue to be monitored.

Note 2: Performance exceeded the original target expectation. Cathay will continue to monitor the gender ratios of STEM graduates and STEM talent in the market and consider adjusting the target range.

Empowerment – Social Empowerment Strategy Blueprint

Strategy 1 Youth Empowerment - Future Leaders

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Youth x Flipped Classroom: Partner with education startups to provide children with diverse learning resources, narrow urban-rural and socioeconomic gaps, and help students transform their lives	Cumulative number of rural students empowered Mei-Li Taiwan base year: 2022 TFT base year: 2017	75,100 students	✓ 77,790 students
	Improvement in basic academic and non-cognitive abilities *Post-course teacher questionnaire	4 points or above (out of 5)	✓
	Encourage TFT program members to deepen cooperation with Cathay's philanthropic programs	More than 18 program members cumulatively applying for Cathay's Dream Come True Program Base year: 2016	✓ 20 members
		Four cumulative participation outcomes in Cathay's philanthropic programs (e.g., the Elevated Tree Program and Cathay Drawing Contest) Base year: 2024	✓ 4 cumulative outcomes
	Cumulative Cathay brand exposure Base year: 2022	1.4 million online and offline impressions	✓ 4.45 million people reached
B. Youth x Sustainability: Cultivate young people's ability to form perspectives, think independently, and innovate, and provide resources to encourage action and entrepreneurship that address social and environmental issues	Cumulative number of youth empowered Base year: 2023	9,500 participants	✓ 13,115 participants
	Cumulative number of schools reached Base year: 2023	70 schools	✓ 89 schools
	Cumulative number of sessions delivered Base year: 2023	1,800 sessions	✓ 2,645 sessions
	Survey on youth's willingness to take action and their future intentions (willingness to act)	70% or above	✓ 84.9%
	Cathay brand favorability	4 points or above (out of 5)	✓ 4.53 points
	Cumulative number of innovation proposals submitted Base year: 2022	200 proposals	✓ 288 proposals
	Invite Cathay managers and employees, together with external experts, to serve as advisors or lecturers for youth entrepreneurship, action consulting, and empowerment courses	8-10 Cathay employees	✓ 17 employees

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
C. Youth x Employability: Help young people understand themselves, explore career paths, and develop skills to narrow the gap between education and employment and build workplace soft and technical skills	Course / activity satisfaction	4 points or above (out of 5)	✓
	Recommendation score for courses / programs	3.5 points or above (out of 5)	✓
	Intent to pursue a career in finance	3.5 points or above (out of 5)	✓
	Identification with the Cathay brand	4 points or above (out of 5)	✓
	Financial Empowerment Internship Program course completion rate	60%	✓ 87.7%

Strategy 2 Women Empowerment - New Role Models

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Independence: Build on core competencies and existing products and services to help women improve financial literacy, achieve economic independence, and continue to grow in their careers and lives	Empowerment lectures by female public figures & feature events held (including but not limited to financial literacy education, procurement from women-owned businesses, and other project collaborations)	Hold at least 1 empowerment lecture by a female public figure and 1 feature event	✓ 1 empowerment lecture by a female public figure ✓ 3 feature events
B. Self-Realization: Build a comprehensive support system that provides women with diverse and equitable opportunities and supports their career development and self-achievement [Note 1]	Use major Group annual conferences and thematic forums to invite female experts or outstanding representatives as keynote speakers or panelists: cumulative number of participants and media mentions Base year: 2016	60 cumulative media mentions	✓ 65 cumulative media mentions
		Cumulative participants: 900 people	✓ 1,377 cumulative participants
	Number of female basketball and table tennis coaches and athletes supported	18 coaches 89 female athletes	✓ 22 coaches 88 female athletes [Note 2]

Note 1: From 2026, Cathay will continue to organize activities that encourage women's self-realization, enhance women's visibility and decision-making power in diverse fields, and track the cumulative number of people reached and media exposure. In view of the overall planning for women's self-realization activities, the cumulative number of people reached will be tracked internally by the Group. In addition, as tracked targets should be strongly linked to the strategic vision, media exposure will be tracked by Cathay FHC's Strategic Communications Department and will no longer be reported as blueprint performance.

Note 2: The achievement rate reached 99%; the target was not met because some team members retired or left the team for career planning reasons.

Strategy 3 Supporting the Underprivileged - Social Safety Net

Action Plan	Tracking Metrics	2025 Targets and Achievement Status	
		Target	Achievement Status (✓ Achieve)
A. Self-Affirmation: Eliminate social inequality so that everyone can improve their quality of life through their own efforts	Volunteer participation & service hours	Cathay's Dream Come True Program • Participants: 34 employee volunteers • Service hours: 102 hours	✓ Participants: 83 ✓ Service hours: 196 hours
		Cathay's Dream Come True Program • Volunteer lecturers: 50 person-times • Service hours: 400 hours	✓ Volunteer lecturers: 74 person-times ✓ Service hours: 628 hours
		Happy Farm & Mixed Disabled Arts Group • Participants: 200 employee volunteers • Service hours: 400 hours	Participants: 132 employee volunteers [Note 1] ✓ Service hours: 452 hours
		Fun Club - Audiobook Promotion • Participants: 123 person-times • Service hours: 306 hours	Participants: 50 person-times [Note 2] ✓ Service hours: 400 hours
	Number of rural schools benefited	Cathay's Dream Come True Program: 15-20 elementary schools	✓ 23 elementary schools
		Elevated Tree Program: 10 rural elementary schools	✓ 13 rural elementary schools
	Number of offline beneficiaries of the Mixed Disabled Arts Group	2,000 person-times	1,860 person-times [Note 1]
	Self-awareness scores of beneficiaries (Seniors / Audiences) *Happy Farm and Mixed Disabled Arts Group	4 points or above (out of 5)	✓
	Students' identification with Cathay *Self-affirmation questionnaire	4 points or above (out of 5)	✓
	Volunteers' identification with Cathay *Happy Farm and Mixed Disabled Arts Group	4 points or above (out of 5)	✓
	Students' financial literacy level *Self-affirmation questionnaire	3 points or above (out of 5)	✓
	Number of distinctive cases in the Excellence Scholarship Program	20 cases	✓ 28 cases
	Launch themed activities for financially underserved groups lacking access to securities services (including but not limited to financial literacy promotion, procurement from underprivileged groups, and in-kind donations) to promote positive social development	At least 8 events	✓ 72 events

Note 1: Service hours met the target; however, the number of participating volunteers decreased because an event originally scheduled for Q3 was canceled.

Note 2: In line with changes to the external partner's audiobook editing process during the year, the number of volunteer participants was reduced while volunteer hours met the target.

7.3 ESG Performance Data

Sustainable Finance Performance Data

Table 1 Sustainability-Themed Investment / Lending

Sustainability theme	Unit: NT$100M	2022		2023		2024		2025	
	Description	Investment	Lending	Investment	Lending	Investment	Lending	Investment	Lending
Low carbon [Note 1]	Including alternative energy, buildings, waste recycling, transportation, energy-saving industries, green bonds, and natural carbon sinks	2,107	379	2,350	408	2,774	506	3,278	474
Infrastructure	Including transportation facilities, utility facilities, social housing, senior housing, environmental remediation/protection measures, infrastructure construction and software, and low carbon transition infrastructure	8,207	781	8,415	702	9,176	756	9,699	761
Aging Society and Health	Including health services, life support services, financial management, sports services, pharmaceuticals, biotechnology, health products, medical/rehabilitation devices and equipment, sales of pharmaceuticals and medical supplies, sporting goods, and facility provision	4,548	448	4,903	437	5,697	479	6,509	522
Community and Inclusive Finance	Including financial inclusion and education	30	52	24	40	56	72	1	106
Water resources	Including water resources	61	12	67	11	135	16	90	29

Note 1: Investment figures have been restated. As industry classifications in international databases have become more granular, some items originally included as low-carbon investments no longer met the definition of low-carbon investment upon reassessment. The calculation scope was therefore adjusted, and figures for 2022 through 2024 were retrospectively adjusted.

Table 2 Investment and Lending Portfolio Financed Emissions

Asset Type Distribution				2022	2023	2024	2025				
				Financed Emissions	Financed Emissions	Financed Emissions	Financed Emissions			Economic Emission Intensity	Data Quality Score
				Scope 1+2 (tCO_2e)	Scope 1+2 (tCO_2e)	Scope 1+2 (tCO_2e)	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 1+2 (tCO_2e)		
Investment	Proprietary Investments	Listed Equities		545,086	909,560	659,847	150,996	325,923	476,919	0.74	2.52
		Corporate Bonds		9,213,947	9,061,570	10,358,991	8,698,232	1,709,923	10,408,155	2.52	2.39
		Unlisted Equities		—	—	59,518	58,795	5,313	64,108	1.25	3.98
		Sovereign Debt	Excl. LULUCF	—	—	5,795,419	5,647,872	—	5,647,872	7.91	4.00
			Incl. LULUCF	—	—	5,694,947	5,822,618	—	5,822,618	8.16	3.31
		Project Investment		—	—	NA			NA	NA	NA
		Commercial Real Estate Investment		—	—	5,614			8,758	1.05	4.00
		Subtotal: Excl. LULUCF		9,759,033	9,971,130	16,879,389			16,605,812	3.00	2.47
		Subtotal: Incl. LULUCF				16,778,917			16,780,558	3.03	2.47

(Please refer to the following page for the complete table.)

Asset Type Distribution				2022	2023	2024	2025				
				Financed Emissions	Financed Emissions	Financed Emissions	Financed Emissions			Economic Emission Intensity	Data Quality Score
				Scope 1+2 (tCO_2e)	Scope 1+2 (tCO_2e)	Scope 1+2 (tCO_2e)	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 1+2 (tCO_2e)		
Investment	Investment Assets under Investment Mandates	Listed Equities		408,808	875,425	759,336	93,273	406,518	499,791	0.69	2.12
		Corporate Bonds		588,561	603,072	510,715	476,092	107,775	583,867	1.52	2.27
		Unlisted Equities		–	–	NA			NA	NA	NA
		Sovereign Debt	Excl. LULUCF	–	–	2,042,231	1,560,693	–	1,560,693	7.11	4.00
			Incl. LULUCF	–	–	1,845,441	1,426,504	–	1,426,504	6.50	4.00
		Project Investment		–	–	NA			NA	NA	NA
		Commercial Real Estate Investment		–	–	NA			NA	NA	NA
		Subtotal: Excl. LULUCF		997,369	1,478,497	3,312,282			2,644,351	1.98	2.47
		Subtotal: Incl. LULUCF				3,115,492			2,510,162	1.88	2.47
Lending		Business Loans		355,119	482,408	2,102,982	1,856,597	629,710	2,486,307	3.11	3.75
		Project Finance		152,493	112,128	0			3,024	0.14	2.99
		Commercial Real Estate Loans		40,590	34,517	32,345			34,192	0.39	3.64
		Sovereign Debt	Excl. LULUCF	–	–	17,757	47,212	–	47,212	85.81	2.00
			Incl. LULUCF	–	–	23,317	60,187	–	60,187	109.40	2.00
		Mortgages		–	–	158,708			133,541	0.19	4.00
		Motor Vehicle Loans		–	–	NA			NA	NA	NA
		Subtotal: Excl. LULUCF				2,311,792			2,704,276	1.70	3.84
		Subtotal: Incl. LULUCF				2,317,352			2,717,251	1.70	3.84
Total		Excl. LULUCF		548,202	629,053	22,503,463			21,954,439	2.59	
		Incl. LULUCF				22,211,761			22,007,971	2.60	

Note 1: Financed emissions are derived from the Scope 1 and Scope 2 emissions of investees and borrowers.

Note 2: Economic emission intensity unit: tCO_2e / NT$1M; the physical emission intensities of commercial real estate and mortgages are 62.79 $kgCO_2e/m^2$ and 27.22 $kgCO_2e/m^2$, respectively.

Note 3: Proprietary assets cover Cathay Life, CUB, Cathay Century, and Cathay Securities, with Cathay Venture newly included in 2025; managed assets cover Cathay SITE; lending assets cover CUB, with Cathay Life and Cathay Century included from 2024.

Note 4: The scope of the business loan inventory for 2022 and 2023 does not include short-term and SME loans; commercial real estate loans refer to commercial real estate mortgages.

Note 5: Avoided emissions from renewable energy project finance amount to 6,398,478 tCO_2e.

Note 6: The financed emissions data coverage was 100% in 2025. Cathay calculates and estimates emissions with reference to the methodology recommended by PCAF, including emissions estimated from electricity use per unit of floor area (EUI) by building type, emissions estimated from operational data, industry emission factors estimated using carbon emission factors provided by the MSCI database and Bloomberg classified by industry, and allocation factors estimated from the most recent financial data or recorded financial data.

Note 7: "NA" indicates no investment or lending positions in that asset class.

Note 8: "–" indicates the data was not inventoried in that year.

2025/12/31 Industry Sector Distribution	Investment assets (proprietary assets + managed assets)		Lending Assets - Business Loans	
	Financed Emissions Scope 1+2 (tCO_2e)	Economic Emission Intensity (tCO_2e/NT$1M)	Financed Emissions Scope 1+2 (tCO_2e)	Economic Emission Intensity (tCO_2e/NT$1M)
Energy	4,498,031	8.99	673,989	95.30
Materials	1,396,620	8.36	917,456	14.19
Industrials	489,821	1.69	227,595	2.89
Consumer discretionary	64,392	0.47	164,662	1.68
Consumer staple	275,003	1.01	77,329	3.13
Healthcare	50,409	0.16	5,809	0.98
Financials	72,677	0.03	165,931	0.81
Information Technology	708,724	0.70	182,962	1.69
Communication Services	262,462	0.44	3,854	0.25
Utilities	4,201,021	14.82	46,429	6.93
Real Estate	22,437	0.25	20,291	0.11

Note 1: Industries are classified using the two-digit industry-level codes of the Global Industry Classification Standard (GICS).
Note 2: Investment assets in the table above exclude sovereign debt.

2025/12/31 Region	Investment assets (proprietary assets + managed assets)		Lending Assets	
	Financed Emissions Scope 1+2 (tCO_2e)	Economic Emission Intensity (tCO_2e/NT$1M)	Financed Emissions Scope 1+2 (tCO_2e)	Economic Emission Intensity (tCO_2e/NT$1M)
Taiwan	1,723,748	1.16	1,659,569	1.19
Asia Pacific	4,627,449	5.05	1,040,280	5.66
Americas	9,312,496	2.88	0	0
Europe	1,490,330	1.45	4,427	0.32
Other	2,096,140	9.49	0	0

Note 1: Financed emissions in the table above exclude LULUCF.

Number and industry distribution of carbon-intensive domestic major investment and lending positions in 2025		
Industry	Number of Companies	Financed Emissions (tCO_2e)
Energy	2	42,368
Materials	37	622,619
Industrials	5	84,675
Consumer discretionary	3	22,519
Consumer staple	2	12,061
Information Technology	24	345,713
Communication Services	2	31,835
Utilities	1	15,699

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 3 Sustainability-Related Economic Activities - Investment and loan Economic Activities

• Sustainability share of investment economic activities

Description	Unit	2025/12/31
Investments included from sustainable economic activities under the Taxonomy (A)	NT$ million	1,492,685
Taxonomy-eligible investments (B)	NT$ million	341,538
Taxonomy-aligned investments (C)	NT$ million	218,015
Taxonomy-eligible ratio-Investments (B/A)	%	22.88%
Taxonomy-aligned ratio-Investments (C/A)	%	14.61%
Taxonomy-aligned / Taxonomy-eligible Ratio-Investment (C/B)	%	63.83%

Note 1: The above table covers Cathay Life, CUB, Cathay Century, and Cathay Securities.

• Sustainability share of asset under management economic activities

Description	Unit	2025/12/31
Assets under management included from sustainable economic activities under the Taxonomy (A)	NT$ million	724,033
Taxonomy-eligible assets under management (B)	NT$ million	536,331
Taxonomy-aligned assets under management (C)	NT$ million	521,589
Taxonomy-eligible ratio-Assets under management (B/A)	%	74.08%
Taxonomy-aligned ratio -Assets under management (C/A)	%	72.04%
Taxonomy-aligned/ Taxonomy-eligible Ratio-Assets under management (C/B)	%	97.25%

Note 1: The above table covers Cathay SITE.

• Sustainability share of loan economic activities

Description	Unit	2025/12/31	
		Corporate loans	Consumer loans
Loans included from sustainable economic activities under the Taxonomy (A)	NT$ million	794,622	246,258
Taxonomy-eligible loans (B)	NT$ million	108,069	119,252
Taxonomy-aligned loans (C)	NT$ million	106,772	2,064
Taxonomy-eligible ratio-Loans (B/A)	%	13.60%	48.43%
Taxonomy-aligned ratio-Loans (C/A)	%	13.44%	0.84%
Taxonomy-aligned / Taxonomy-eligible Ratio-Loans (C/B)	%	98.80%	1.73%

Note 1: The above table covers Cathay Life, CUB, and Cathay Century.

Table 4 Coalition of Movers and Shakers on Sustainable Finance – Investment and Lending in Supportive Economic Activities and Key Strategic Industries

Year	Target (NT$ million)	Achievement (NT$ million)
2025	110,800	147,464
2026	111,400	

Table 5 New Investments in 2025 in Sustainable Bonds Recognized by the Taipei Exchange

Bond code	Bond abbreviation	Bond type	New investment cost
G107CL	P14 Taipei Fubon Bank 1B	Social bonds	TWD 999,998,924
B638BJ	P14 UMC 1A	Green Bonds	TWD 100,000,000
F20101	P25 KHNP1	Green Bonds	USD 2,505,625

Note 1: The information in the table above covers Cathay Life, Cathay Securities, and Cathay Century. Some subsidiaries are not included in this table due to relevant regulations, disclosure requirements, and the nature of their business.

Table 6 Green Products and Services

年份	2022	2023	2024	2025
Globally financed installed capacity (MW) - solar power plants Note 1	889	1,045	1,215 Note 2	2,018.9
Globally financed installed capacity (MW) - offshore wind energy	1,373	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	3,714
Cumulative insured amount from Public Bicycle Accident Insurance (NT$10K)	2,792	4,186	6,429	9,501
No. of Public Bicycle Accident Insurance policies (Unit:10K)	11,820	18,854	30,320	46,555

Note 1: Overseas figures include only cases undertaken by the head office.

Note 2: The figures disclosed in the previous year's (2024) Sustainability Report inadvertently omitted overseas data, and the relevant figures have been corrected.

Data on Environmental Factors

Table 7 GHG Emissions

Unit: tCO_2e	2022		2023		2024		2025	
Direct Emissions (Scope 1)	Taiwan	3,971.91	Taiwan	4,031.19	Taiwan	5,660.61	Taiwan	5,546.99
	Overseas	830.54	Overseas	1,424.78	Overseas	980.28	Overseas	2,260.23
Indirect Emissions (Scope 2) – Market-based	Taiwan	48,521.37	Taiwan	44,879.34	Taiwan	41,033.53	Taiwan	25,301.13
	Overseas	6,423.35	Overseas	7,037.61	Overseas	6,068.86	Overseas	5,433.39
Indirect Emissions (Scope 2) – Location-based	Taiwan	52,882.81	Taiwan	53,600.09	Taiwan	55,284.29	Taiwan	54,935.06
	Overseas	6,423.35	Overseas	7,037.61	Overseas	6,068.86	Overseas	5,433.39
Direct Emissions (Scope 1) + Indirect Emissions (Scope 2) – Market-based	Taiwan	52,493.28	Taiwan	48,910.53	Taiwan	46,694.13	Taiwan	30,848.12
	Overseas	7,253.89	Overseas	8,462.39	Overseas	7,049.14	Overseas	7,693.63
Direct Emissions (Scope 1) + Indirect Emissions (Scope 2) – Location-based	Taiwan	56,854.72	Taiwan	57,631.28	Taiwan	60,944.90	Taiwan	60,482.06
	Overseas	7,253.89	Overseas	8,462.39	Overseas	7,049.14	Overseas	7,693.63
Emission Intensity (tCO_2e per person)		1.14		1.09		1.04		0.66
Emission Intensity (tCO_2e per NT$1M revenue)		0.17		0.19		0.15		0.11
Other Indirect Emissions (Scope 3) – Purchased Products & Services		143,941.89		170,689.12		208,738.63		226,844.00
Other Indirect Emissions (Scope 3) – Capital Goods		32,261.77		47,520.06		38,987.20		19,565.17
Other Indirect Emissions (Scope 3) – Fuel- And Energy-Related Activities		8,949.37		8,946.54		7,800.93		4,862.97
Other Indirect Emissions (Scope 3) – Upstream Transportation and Distribution		11,511.57		12,734.08		11,540.30		12,627.40
Other Indirect Emissions (Scope 3) – Waste Generated in Operations		396.92		454.65		446.89		473.57
Other Indirect Emissions (Scope 3) – Business Travel		9,478.62		9,190.99		11,964.57		13,514.73
Other Indirect Emissions (Scope 3) – Employee Commuting		25,750.71		30,146.82		28,164.31		28,944.89
Other Indirect Emissions (Scope 3) – Upstream Leased Assets		6,293.43		5,722.50		6,586.69		6,014.70
Other Indirect Emissions (Scope 3) – Downstream Transportation and Distribution		3,987.36		4,105.33		4,272.09		4,073.02
Other Indirect Emissions (Scope 3) – Processing of Sold Products	N/A							
Other Indirect Emissions (Scope 3) – Use of Sold Products and Services	N/A							
Other Indirect Emissions (Scope 3) – End-Of-Life Treatment of Sold Products		283.63		1,768.64		796.39		189.46

Unit: tCO_2e	2022	2023	2024	2025
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 verification from 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 location-based and market-based approaches.

Note 3: Scope 2 consists of emissions associated with electricity use. The Energy Administration has adjusted the historical electricity emission factors; the current calculation uses the updated factors, which is 0.474 (2024) kg CO_2e / kWh. The GHG inventory is based on IPCC AR6 and the emission factors 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 domestic inventory is 46,157 (2022), 44,748 (2023), 44,952 (2024), and 46,415 (2025).

Note 5: In 2020, Cathay reviewed and adjusted the scope of the report based on our business needs, and to manage Scope 1 and Scope 2 emissions, Cathay uses 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 current inventory covers domestic operations only and the figures are not verified. Specifically, Cathay does not engage in "Processing of Sold Products," "Use of Sold Products and Services," or "Franchises," hence these categories are not applicable.

Note 7: Emission intensity (tCO_2e / person) covers domestic operating locations, while emission intensity (tCO_2e / NT$1M in revenue) covers both domestic and overseas operating locations; both are calculated using a market-based approach.

Note 8: Some figures for 2022 and 2023 were previously misstated; these do not constitute material changes, and the figures have been updated to maintain comparability.

Table 8 Green Operations

Item		2022		2023		2024		2025	
Fossil fuel consumption (Taiwan + Overseas; MWh)			4,713		9,325		4,817		4,518.73
Total nonrenewable energy consumption (Gray energy) (MWh)		Taiwan	95,327	Taiwan	90,665	Taiwan	86,568	Taiwan	53,350
		Overseas	9,686	Overseas	11,271	Overseas	10,167	Overseas	9,167
Renewable energy use (Taiwan + Overseas)	Onsite self-use PV system (MWh)		32		335		540		583
	REC (MWh)		4,631		243		6,631		22,781
	Wheeling PPA (MWh)		4,151		17,375		23,434		39,767
	Total (MWh)		8,814		17,953		30,605		63,130
Total energy use (Taiwan+ Overseas)	(MWh)		127,354		129,214		132,134		130,166
	(GJ)		458,474		465,170		475,682		468,597
Per capita electricity consumption (kWh / person)			2,278.52		2,427.33		2,606.12		2,509.53
Cumulative installed capacity of self-generation and self-use solar PV (kW)			444.48		1,141		1,217		5,959.07
Water withdrawal (m^3)			608,228		655,060		731,639		735,017
Water discharge (m^3)			608,228		655,060		731,639		735,017
Per capita water consumption (m^3)			13.34		14.62		16.28		15.84
Total waste (metric tons)			1,977.93		2,153.04		2,002.55		2,115.92
Recycled waste (metric tons)			790.39		904.78		801.05		880.25
General waste (metric tons)			1,187.54		1,248.26		1,201.50		1,235.67
Per capita waste (kilogram / person)			26.04		27.89		26.73		26.62

Note 1: Water withdrawal and water consumption increased in 2024, mainly because vacant buildings were included in the inventory scope from 2024.

Note 2: The following data cover Cathay's domestic locations: per capita electricity consumption (kWh / person), water withdrawal (m^3), water discharge (m^3), per capita water consumption (m^3), total waste (metric tons), recycled waste (metric tons), general waste (metric tons), and per capita waste (kilogram / person).

Note 3: Some figures for 2022 and 2024 were previously misstated; these do not constitute material changes, and the figures have been updated to maintain comparability.

Table 9 Sustainable Procurement

	2022	2023	2024	2025
Green Procurement (NT$100M)	4.76	5.66	10.65	15.34

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 Table 10 Full-Time Employee Data GRI：2-7

Table 10-1 Full-Time Employees - by Age & Region

Number of FTEs / Office Staff & Field Personnel (Unit: People)			No. of People	As a Percentage of All FTEs (%)
Taiwan	Male	＜30 years old	2,519	5.43%
		30-49 years old	9,060	19.56%
		≧50 years old	2,593	5.59%
	Female	＜30 years old	3,735	8.06%
		30-49 years old	15,733	33.95%
		≧50 years old	11,936	25.75%
Overseas	Male	＜30 years old	51	0.11%
		30-49 years old	255	0.55%
		≧50 years old	92	0.20%
	Female	＜30 years old	62	0.13%
		30-49 years old	270	0.58%
		≧50 years old	43	0.09%
Total			46,349	100.00%

Table 10-2 Full-Time Employees - by Position & Region

Number of FTEs / Office Staff & Field Personnel (Unit: People)			No. of People	As a Percentage of All FTEs (%)
Taiwan	Male	General Staff	12,145	26.20%
		Entry-level Management	1,667	3.60%
		Middle Management	277	0.60%
		Senior Executives	83	0.18%
	Female	General Staff	29,079	62.73%
		Entry-level Management	2,137	4.61%
		Middle Management	157	0.34%
		Senior Executives	31	0.07%
Overseas	Male	General Staff	343	0.74%
		Entry-level Management	29	0.06%
		Middle Management	22	0.05%
		Senior Executives	4	0.01%
	Female	General Staff	360	0.78%
		Entry-level Management	14	0.03%
		Middle Management	1	0.00%
		Senior Executives	0	0.00%
Total			46,349	100%

Note : Cathay Financial Holdings and its subsidiaries do not employ temporary workers, workers with no guaranteed hours, or part-time employees. Therefore, all employees are included in the 100% disclosure scope of this report.

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	9,848
		Interns	119
	Female	Contracted and commissioned personnel	26,179
		Interns	210
Overseas	Male	Contracted and commissioned personnel	0
		Interns	1
	Female	Contracted and commissioned personnel	0
		Interns	5

Note: Most non-employee workers are insurance agents under a contractor relationship only. In addition, there are 580 dispatched workers, mainly serving 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/%)
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%
2025	No. of Employees	479
	As a Percentage of All FTEs (%)	1.0%

Note: The number of employees with disabilities in this table is calculated in accordance with the People with Disabilities Rights Protection Act.

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)	41,046	97.91%	4,377	98.99%
Indigenous peoples in Taiwan	305	0.73%	15	0.34%
Vietnam	172	0.41%	4	0.09%
China (incl. Hong Kong, Macau)	159	0.38%	12	0.27%
Singapore	144	0.34%	8	0.18%
The Philippines	30	0.07%	0	0.00%
Malaysia	28	0.07%	2	0.05%
Laos	19	0.05%	0	0.00%
Myanmar	13	0.03%	0	0.00%
Indonesia	4	0.01%	1	0.02%
U.S.	2	0.00%	1	0.02%
Thailand	2	0.00%	1	0.02%
Canada	1	0.00%	0	0.00%
U.K.	1	0.00%	0	0.00%
India	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.

Table 12 New Employee Hire Statistics (GRI：401-1)

Number of New Hires / Office Staff & Field Personnel (Unit: People)	2022	2023	2024	2025
Total no. of new hires	5,533	5,582	6,123	6,404
Percentage of new hires	12.0%	12.3%	13.5%	13.8%

2025 Distribution of New Hires / Office Staff & Field Personnel (Unit: People)			No. of People	As a Percentage of All FTEs (%)
Gender	Taiwan	Male	2,216	4.78%
		Female	4,054	8.75%
	Overseas	Male	60	0.13%
		Female	74	0.16%
Age	Taiwan	＜30 years old	2,566	5.54%
		30~49 years old	2,693	5.81%
		≧50 years old	1,011	2.18%
	Overseas	＜30 years old	40	0.09%
		30~49 years old	83	0.18%
		≧50 years old	11	0.02%
Position Level	Taiwan	General Staff	6,239	13.46%
		Entry-level Management	25	0.05%
		Middle Management	5	0.01%
		Senior Executives	1	0.00%
	Overseas	General Staff	131	0.28%
		Entry-level Management	3	0.01%
		Middle Management	0	0.00%
		Senior Executives	0	0.00%
Total			6,404	13.82%

Note 1: The table includes only full-time employees. Non-employee workers are not included due to difficulties in data collection.
Note 2: In 2025, the group's average recruitment cost per new hire was NT$9,782.

Table 13 Employee Turnover Statistics (GRI：401-1)

Number of Employee Departures / Office Staff & Field Personnel (Unit: People)	2022	2023	2024	2025
Overall turnover rate	9.3%	9.9%	9.2%	12.4%
Voluntary employee turnover rate (excl. retirement)	8.0%	8.0%	7.2%	9.4%

Note: The company's voluntary turnover rate increased to 9.4% in 2025, driven by increased talent mobility across the financial industry, with more employees voluntarily changing jobs.

			2024 No. of Employee Departures	2024 As a Percentage of All FTEs (%)	2025 No. of Employee Departures	2025 As a Percentage of All FTEs (%)
Gender	Taiwan	Male	1,373	3.02%	1,851	3.99%
		Female	2,736	6.03%	3,794	8.19%
	Overseas	Male	31	0.07%	45	0.10%
		Female	46	0.10%	34	0.07%
Age	Taiwan	＜30 years old	1,154	2.54%	1,406	3.03%
		30-49 years old	1,715	3.78%	2,380	5.14%
		≧50 years old	1,240	2.73%	1,859	4.01%
	Overseas	＜30 years old	15	0.03%	15	0.03%
		30-49 years old	52	0.12%	53	0.11%
		≧50 years old	10	0.02%	11	0.02%
Position Level	Taiwan	General Staff	4,006	8.83%	5,426	11.71%
		Entry-level Management	88	0.19%	192	0.41%
		Middle Management	12	0.03%	21	0.05%
		Senior Executives	3	0.01%	6	0.01%
	Overseas	General Staff	72	0.16%	74	0.16%
		Entry-level Management	5	0.01%	5	0.01%
		Middle Management	0	0.00%	0	0.00%
		Senior Executives	0	0.00%	0	0.00%
Total			4,186	9.22%	5,724	12.35%

Table 14 Statistics on Female Employees

Statistics on Female Managers / Staff	2025 Ratio (%)	2025 Goal (%)
Female Employees (% of All Employees)	68.6%	50%±5%
Female Managers (% of All Managers)	52.9%	50%±5%
Female Entry-level Managers (% of All Managers)	55.9%	50%±5%
Female Mid-to-Senior Executives (% of All Managers)	32.9%	30%±5%
Female Manager in Sales (% of All Managers)	56.0%	No relevant target set
Female Employees in STEM Positions (% of All STEM Positions)	48.3%	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)

	2025
Executive level (base salary)	100:82
Executive level (base salary plus remuneration) Note	100:81
Management level (base salary)	100:102
Management level (base salary plus remuneration)	100:98
Middle Management (base salary plus remuneration) Note	100:94
Entry-level Management (base salary plus remuneration) Note	100:105
Non-management level (base salary)	100:90
Non-management level (base salary plus remuneration) Note	100:89

Note: Assured item for 2025.

Table 16 Full-time of Non-Managerial Employees Salary Information

	2022	2023	2024	2025
Weighted average number of non-managerial FTEs (people)	20,316	20,454	21,084	21,708
Mean compensation of non-managerial FTEs (NT$1K)	1,327	1,443	1,680	1,776
Median compensation of non-managerial FTEs (NT$1K)	1,107	1,179	1,298	1,346

Note 1: Average and median salary growth for non-managerial full-time employees in 2025 compared to the previous year: Average salary increased by 5.7%; Median salary increased by 3.7%.

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-Managerial Full-Time Employees" and "FAQs" issued by the TWSE.

Table 17 Human Capital Investment

Table 17-1 Employee Training

Target Group		2022	2023	2024	2025
Total training time (hours)	Male employees	2,471,826	2,248,495	2,624,885	2,509,948
	Female employees	6,999,174	6,503,519	6,954,241	7,346,110
	Management level	967,666	937,419	776,108	1,098,375
	General staff	8,503,334	7,814,600	8,802,690	8,757,681
	Statutory training	939,961	2,346,403	3,814,213	3,414,978
	Non-statutory training	8,531,039	6,405,610	5,764,588	6,441,078
	Total (hours)	9,471,000	8,752,015	9,578,801	9,856,057
Average training time per person (hours)	Male employees	175	161	190	172
	Female employees	219	208	225	231
	Management level	201	200	171	248
	General staff	206	192	216	209
	Statutory training	20	52	84	74
	Non-statutory training	185	141	127	139
	Total (hours)	205	193	211	213
No. of employees (people)		46,091	45,303	45,396	46,349
Training cost per person (NT$)		9,802	12,068	14,371	18,013
OHS training (hours)		57,781	67,778	70,930	112,327
Total online training (hours)		6,113,821	5,572,752	6,402,845	6,181,209
Online training per person (hours)		133	123	141	133

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

Indicator	2022	2023	2024	2025
Human capital Return on Investment Note 1	5.68	4.33	5.05	4.62
Retention rate of key talents Note 2	98%	98%	99%	99%
% of open positions filled by internal candidates	73%	69%	71%	68%

Note 1: Human Capital Return on Investment= (Return - Operating expense - (Salary cost + Benefits cost))/ (Salary cost + Benefits cost)

Note 2: The key talents are those who are above (inclusive) of the internal Junior management at the end of 2025, and have a performance of 4 or above (inclusive) in 2024

Table 18 Parental Leave Statistics

	Female	Male	Total
No. of Employees Who Took Parental Leave in 2025	2,046	1,062	3,108
No. of Parental Leave Applications in 2025	456	86	542
No. of Employees Expected to be Reinstated from Parental Leave in 2025 (A)	445	73	518
No. of Employees Reinstated from Parental Leave in 2025 (B)	311	38	349
Reinstatement Rate (B/A)	69.9%	52.1%	67.4%
No. of Employees Reinstated from Parental Leave in 2024 (C)	360	54	414
No. of Employees Reinstated from Parental Leave in 2024 who Remain within Cathay Employment after 12 Months (D)	316	48	364
Application rate	22.3%	8.1%	17.4%
Retention Rate (D/C)	87.8%	88.9%	87.9%

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: Application rate = number of employees who actually applied for parental leave in the current year (2025) / number of employees eligible to apply for parental leave in the current year (2025).

Note 4: Retention rate = number of employees who remained employed for one year after being reinstated from parental leave in the previous year (2024) / number of employees reinstated from parental leave in the current year (2025).

Note 5: The table above includes sales agents who are contractors or those who have a labor contract with Cathay.

Table 19 Family Care / Maternity / Paternity Leave Statistics

	2022		2023		2024		2025	
	Female	Male	Female	Male	Female	Male	Female	Male
Family Care Leave (accrued applicants)	2,309	448	3,309	926	3,015	675	3,240	732
Maternity / Paternity Leave (applicants / days)	31,981	2,594	36,905	2,470	31,281	2,182	28,742	2,060
Menstrual leave (days)	29,550	N/A	34,524	N/A	35,631	N/A	38,465	N/A

Table 20 Occupational Accidents and Absence Statistics

	Employees						Dispatched workers			
	2022	2023	2024	2025			2022	2023	2024	2025
	Total	Total	Total	Total	Female	Male				
Occupational Injury (ppl)	76	134	123	173	124	49	1	7	4	3
Occupational Fatality (ppl)	0	0	0	0	0	0	0	0	0	0
Disabling Injury Frequency Rate (FR)	0.83	1.49	1.35	1.85	1.32	0.52	0.75	4.87	2.06	4.79
Disabling Injury Severity Rate (SR)	17.69	33.4	20.97	27.50	20.24	7.26	8.98	38.99	5.49	115.53
Lost Days	156,701	137,407	131,868	193,221	132,305	60,916	1,518	2,059	2,282	2,949
Absence Rate (office staff) (%)	1.37%	1.22%	1.17%	1.69%	1.16%	0.53%	0.91%	1.15%	1.25%	1.61%
Total Time Worked (days)	91,813,272	90,229,632	90,428,832	91,585,624	62,795,304	28,790,320	1,336,632	1,436,232	1,458,144	1,462,816
Total Recorded Occupational Injury Rate	1.66	0.30	0.27	0.38	0.39	0.34	1.50	0.97	0.55	0.41

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.

Note 5: Total recordable occupational injury rate = (No. of occupational injuries + No. of occupational fatalities) * 2 * 10^5 / total hours worked.

Table 21 Employee Engagement Survey Results

Table 21-1 Employee Engagement Survey Results for the Past Four Years

	2022	2023	2024	2025	2025 engagement target
Engagement Level (out of 5)	4.08	4.16	4.20	4.23	4
Proportion of employees with an engagement score of 4 or higher (out of 5)	80.5%	83.0%	84.1%	85.1%	-
Data Coverage	85.3%	87.7%	87.4%	84.7%	-

Table 21-2 Distribution of the 2025 Employee Engagement Survey

Distribution of the 2025 Employee Engagement Survey (out of 5)		
Gender	Male	4.29
	Female	4.21
Position level	Below junior manager (exclusive)	4.22
	Junior manager (inclusive) and above	4.46
Age	< 30 years old	4.23
	30-39 years old	4.18
	40-49 years old	4.19
	50-59 years old	4.27
	≧ 60 years old	4.43
Region	Taiwan	4.23
	Overseas	4.06

Table 21-3 Dimensions of the 2025 Employee Engagement Survey

Employee survey indicators	Employee engagement question groups	Related questions in the employee engagement survey	2025 employee engagement question scores (out of 5)
Job satisfaction	Organizational commitment	Proud to be a member of Cathay	4.38
		Willing to go the extra mile to make Cathay better	4.34
	Leadership and management	My supervisor helps me coordinate the resources needed to complete my work in a timely manner	4.29
Work motivation and purpose	Job identification	Believe the work is meaningful	4.40
		Able to gain learning and growth opportunities in the current job	4.39
	Corporate sustainability	The group's corporate sustainability efforts increase identification with the company	4.36
Happiness	Employee well-being	Agree with the company's current welfare measures and employee activities	4.32
Stress		Believe the various health promotion activities held by the company or group help maintain physical and mental health	4.36

Data on Social Factors

Table 22 FitBack App Promotion Results

	2022	2023	2024	2025
Cumulative Participants (10,000 ppl)	62	102	125	175
Cumulative Steps (100M steps)	8,490	12,300	17,131	24,583

Table 23 Financial Planning Results

	2022	2023	2024	2025
Regular investment contribution amount through Cathay Securities (NT$100M)	232.2	380.7	640.7	700.5
Amount of property principal in the Disability & Retirement Trust (for elderly and disabled people) (NT$100M)	26.76	24.51	26.19	24.18
Effective beneficiaries of the Disability & Retirement Trust (for elderly and disabled people) (ppl)	297	296	302	302
CPBL Anti-Gambling Trust principal (NT$100M)	1.65	1.62	1.74	1.85
Active players who have established current CPBL Anti-Gambling Trusts (ppl)	252	243	236	270

Table 24 Financial Inclusion Promotion Outcomes

		2022	2023	2024	2025
Cumulative small amount whole life insurance policies (cases)		257,663	267,113	270,986	272,370
Amount of microinsurance policies in force for the current year (NT$100M)		672.93	474.59	721.12	557.1707
No. of microinsurance policyholders in the current year (10K ppl)		19.96	13.31	21.68	17.0024
Cumulative microinsurance claims (cases)		1,321	1,601	1,813	1,710
Amount of property principal in CUB's Charitable Trust (NT$100M)		378.89	377.49	378.97	375.73
Charitable trust donation amount (NT$100M)		2.83	1.85	2.55	3.57
Cumulative insured amount for crop insurance (NT$10K)		7,987	9,520	10,555	11,897
No. of ATMs designed for the visually impaired (ATMs)		268	651	867	1110
Financial Inclusion Loans	Cumulative balance of loans to microfinance institutions (US$1M) Note 1	74.2	41.4	58.2	26.2
	Total balance of loans to SMEs (NT$100M) Note 2	3,042	3,240	3,352	3,618
	Total balance of loans to small enterprises (NT$100M) Note 3	1,088	1,280	1,469	1,551
	Total number of loans to small enterprises (loans) Note 3	8,738	8,275	8,037	6,952
	Cumulative preferential loans to social enterprises (NT$10K)	8,100	8,400	8,988	9,288
	No. of companies receiving preferential loans for social enterprises (companies)	15	16	18	19
	Balance of microfinance loans (NT$100M)	1,362.50	1,431.50	1,545.00	1,555.69
	Balance of microfinance loans to customers aged 35 and under (at the time of application) (NT$100M)	360.7	400.7	441.20	413.7

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.

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.

Table 25 Charity Activities

	2023	2024	2025
Cash donations (A) (NT$)	353,390,031	323,278,365	382,443,753
Time contributed (B) (NT$)	36,360,354	48,682,066	43,651,732
Supplies donation (C) (NT$)	17,197,122	16,951,038	16,988,773
Management expenses (D) (NT$)	13,173,520	29,782,056	12,986,189
Total charity expenses (A+B+C+D) (NT$100M)	4.20	4.19	4.56

Table 26 Volunteer Participation

	2023	2024	2025
Volunteer Hours (hr.)	65,304	78,330	68,574
No. of Accrued Volunteers (persons)	10,954	12,033	10,466

Table 27 Artistic and Cultural Activities

	2023	2024	2025
Monetary support (NT$)	48,050,019	49,150,201	43,663,952

For more information, please refer to the link: https://www.cathayholdings.com/holdings/esg/empowerment/charity#Art

Table 28 Personal Information Security Implementation Results

	2022	2023	2024	2025
PIP training completion rate (%)	100	100	100	100
No. of information breach incidents (cases) Note 1	10	14	18	20
Personal data breaches to total information breaches (%) Note1 Note 2	100	100	100	100
No. of customers affected by personal data breaches (customers) Note 1	120	61	199	887
Percentage of customers who have agreed to the mutual use of their data among Cathay's subsidiaries (%) Note 3	16	17	19	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: In 2025, a total of 20 personal data breach incidents were recorded. The distribution of these incidents is presented in Table 30 Personal Data Incidents in 2025.

Note 3: The denominator for the calculation is the total number of customers after aggregation by subsidiary.

Table 29 Information Security Implementation Results

	2022	2023	2024	2025
Completion Rate for Information Security Training (%)	100	100	100	100
No. of Information Security Violation Incidents (cases)	0	0	0	0

Table 30 Personal Data Incidents in 2025

Subsidiaries	Cases Reported by the Central Competent Authority	Investigation Initiated by Cathay
Cathay FHC	0	0
Cathay Life	0	8
CUB	0	10
Cathay Century	1	1
Cathay Securities	0	0
Cathay SITE	0	0
Total	1	19

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 31 Customer Satisfaction

Company	2022 Satisfaction Rate (%)	2023 Satisfaction Rate (%)	2024 Satisfaction Rate (%)	2025 Satisfaction Rate (%)	2025 Satisfaction Target (%)	Definition of Satisfaction
Cathay Life	97.8	98.8	98.9	98.9	90	On a scale of 1-5, a score of 3 or above indicates satisfaction
CUB	92.5	92.3	93.0	93.1	90	On a scale of 1-5, a score of 4 or above indicates satisfaction
Cathay Century	96.7	96.6	96.8	96.1	95	On a scale of 1-6, a score of 4 or above indicates satisfaction
Cathay Securities	91.7	91.2	95.7	97	80	On a scale of 1-10; satisfaction calculation: (number of NPS scores of 7-10 / total number of NPS responses) * 100%
Cathay SITE	89.5	92.0	92.8	93.35	88	On a scale of 1-100, a score of 88 or above indicates satisfaction
Satisfaction Rate - Total Score	97.19	97.76	98.09	97.98	90	On a scale of 1-100, converted based on each subsidiary's definition of satisfaction; a score of 73 or above is considered satisfied

Note: The reporting scope covers 100% of total operating revenue, weighted by each subsidiaries' share of consolidated revenue.

Table 32 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, Vice Chairman, Director, 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
Risk Management Society of Taiwan	Cathay FHC: Chairman, Secretary-General, etc.
The Non-Life Underwriters Society of The Republic of China	Cathay Century: Director & Supervisor, etc.
Non-Life Insurance Association of the Republic of China	Cathay Century: Chairman
Chinese National Futures Association	Cathay Futures: Director & Managing Supervisor
The Actuarial Institute of Chinese Taipei, AICT	Cathay Life & Cathay Century: Director
The Bankers Association of the R.O.C.	Cathay FHC: Managing Director; CUB: Director
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 & CUB: Director
The Society of Taiwan Women in Science and Technology (TWiST)	Cathay FHC: Director
Taiwan Women Directors Association	Cathay FHC: Supervisor
Monte Jade Science and Technology Association of Taiwan	Cathay Century: Director
Taiwan Mergers & Acquisitions and Private Equity Council	CUB: Supervisor
Taiwan Financial Services Roundtable	Cathay FHC: Director
Taiwan Silver Hair Industry Association	Cathay Life: Managing Director
Taiwan Impact Investing Association (TIIA)	Cathay FHC: Vice Chairman
Taiwan Disaster Prevention Industry Association	Cathay Century: Director
Asian Corporate Governance Association (ACGA), Asian Venture Philanthropy Network (AVPN), Climate Group (RE 100), Global Impact Investing Network (GIIN), Partnership for Carbon Accounting Financials (PCAF), World Economic Forum (WEF), ITRI Healthy Lifestyle and Smart Medical Care Alliance, Sino-Indonesia Cultural and Economic Association, Chinese Human Resource Management Association, Taiwan Corporate Governance Association, Life Insurance Management Institute of the Republic of China, The Institute of Internal Auditors Taiwan, Chinese Professional Management Association, Financial Governance and Regulatory Compliance Society of the Republic of China, Insurance Society of the Republic of China, Trust Association of R.O.C., Pension Fund Association, R.O.C., Chinese International Economic Cooperation Association, Computer Audit Association, Chinese Management Association, Chinese Excellent Management Association, Independent Director Association Taiwan, Taiwan Administrative Law Association, Asia Pacific Industrial Analysis Association, Taiwan Insurance Law Association, Taiwan Contact Center Development Association, Taiwan Wind Energy Association, Taiwan Marine Solar Photovoltaic Industry Association, Taiwan Chain Stores and Franchise Association, Taiwan Institute of Directors, Taiwan Digital Governance Association, Taiwan Digital Health Industry Development Association, Taiwan Association for Medical Informatics, Asian Bankers Association, Life Insurance Marketing and Research Association (LIMRA), Life Office Management Association (LOMA), The Institute of Internal Auditors, International Insurance Society (IIS), Taiwan Sustainable Finance and Enterprise Impact Association (TSFIA), Taiwan Lifestyle Medicine Association, Taiwan Service Appraisal Association, and Financial Planning Association of Taiwan	Member

7.4 GRI Index

Reporting Disclosure	Reporting below complies with GRI Standards on the reporting period from January 1, 2025, to December 31, 2025
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	7.9 Summary of Subject Matter Assured 7.10 External Assurance	—
	2-6 Activities, value chain and other business relationships	0.1 About Cathay FHC - Operating Overview	—
	2-7 Employees	7.3 ESG Performance Data: Table 10 Full-Time Employee Data	—
	2-8 Workers who are not employees	7.3 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	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	—
	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	—
	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 4.1.4 Talent Attraction and Retention	—
	2-28 Membership associations	6.3 Ethical Corporate Management	—
	2-29 Approach to stakeholder engagement	1.3 Stakeholder Engagement and Materiality Analysis	—
	2-30 Collective bargaining agreements	Cathay FHC officially established the Cathay Financial Holding Co., Ltd. Corporate Union in September 2024 [Note 1]. In 2024 and 2025, active union initiators accounted for approximately 4% of total employees (excluding employees at the level of Senior VP or above). As the union has not raised any collective bargaining agreement requests, the working conditions of 100% of employees are governed by labor contracts, work rules, and related policies. [Note 2]	—

Note 1: Subsidiaries including Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE have all established unions.

Note 2: The company does not determine employees' working conditions and terms of employment based on collective bargaining agreements covering other employees or collective bargaining agreements of other organizations.

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	—

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	0.1 About Cathay FHC - Operating Overview	—
	201-2 Financial implications and other risks and opportunities due to climate change	6.2 Risk Management	—

Emissions

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 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	7.3 ESG Performance Data Table 7 GHG Emissions	—
	305-2 Energy indirect (Scope 2) GHG emissions	7.3 ESG Performance Data Table 7 GHG Emissions	—
	305-3 Other indirect (Scope 3) GHG emissions	7.3 ESG Performance Data Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions	—
	305-4 GHG emissions intensity	7.3 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	7.3 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	—

7.3 ESG Performance Data Table 18 Parental Leave Statistics & Table 19 Family Care / Maternity / Paternity Leave Statistics

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		—
	403-8 Workers covered by an occupational health and safety management system		Internal audit: In 2025, Cathay FHC and its subsidiaries conducted environmental inspections of all workplaces, including environmental monitoring, fire safety inspections, disinfection, and fire alarm testing, covering 100% of employees. External certification: The company conducts health and safety certification through credible external third parties; Cathay Life and CUB have introduced ISO 45001. The Ren-Ai Building and Songren Headquarters Building cover approximately 4,356 employees in total.
	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	7.3 ESG Performance Data Table 17 Employee Training	—
	404-2 Programs for upgrading employee skills and transition assistance programs	4.1 Workplace Empowerment	For employees ending their careers due to retirement or termination of employment, Cathay conducts exit interviews to understand the reasons for retirement (departure) and post-retirement (post-departure) plans, so as to assess the possibility of continuing their careers at the company. Feedback on company systems and management collected through the interviews serves as a reference for future improvements. In addition, for different types of departures, the company provides necessary assistance such as job-hunting leave, wages during the notice period, and pensions, and proactively asks whether employees need employment counseling, notifying government agencies when appropriate to help employees access re-employment resources and strengthen their ability to remain employed.
	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 2025.

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	—

7.5 Index of Global Reporting Initiative (GRI) G4 Specific Standard Disclosures for the Financial Services Sector

Aspect	Indicator	Chapter / Section	對應章節
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

7.6 Sustainability Accounting Standards Board

SASB Insurance Industry Standard - 2023

Cathay FHC is classified under the SASB industry standards as Insurance, and the disclosures in this report primarily follow the Insurance standard. For SASB information related to commercial banking or asset management businesses, please refer to the sustainability reports of the respective subsidiaries.

Transparent Information & Fair Advice for Customers

SASB Code / Metric	Disclosure
FN-IN-270a.1 Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	There have been no litigation cases arising from marketing-related matters from 2020 to 2025.
FN-IN-270a.2 Complaints-to-claims ratio	Cathay Century's complaints-to-claims ratio in 2025 was approximately 0.873. Cathay Life's complaints-to-claims ratio in 2025 was 0.2317. Note: Calculation method = the ratio of complaints received per 1,000 claims filed across all departments and regions within the same reporting period.
FN-IN-270a.3 Customer retention rate	Cathay Century's customer retention rate in 2025 was 98.4%. Note: Customer retention rate is estimated based on the number of policies = (total number of policies at the end of the reporting period - total number of new policies added during the reporting period) / (total number of policies at the end of the previous reporting period - total number of policies involuntarily terminated during the reporting period - total number of policies lost from employer-sponsored plans).
FN-IN-270a.4 Description of approach to informing customers about products	From the design of insurance products and marketing materials to final claim payments and after-sales service, Cathay Life and Cathay Century ensure compliance, reasonableness, fairness, integrity, transparency, and truthfulness. For details, please visit the Insurance Public Information Disclosure Observatory. Cathay Life; Cathay Century.

Incorporation of Environmental, Social & Governance Factors in Investment Management

SASB Code / Metric	Disclosure
FN-IN-410a.2 Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	For details, please refer to Ch.5 ESG Factor Integration and Risk Assessment Mechanisms / Processes

Policies Designed to Incentivise Responsible Behavior

SASB Code / Metric	Disclosure
FN-IN-410b.1 Net premiums written related to energy efficiency and low carbon technology	In 2025, Cathay Century underwrote 2,212 renewable energy industry policies, with premiums written of NT$2,136.08 million.
FN-IN-410b.2 Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	1. Cathay Life develops spillover-effect products by adding reward provisions related to health promotion mechanisms in policy terms (e.g., premium discounts and increased coverage), and prices products in accordance with the relevant provisions. 2. Cathay Century provides diverse products, including: • Environmentally friendly insurance: bicycle insurance and public bicycle insurance. • Health & safety promoting insurance: long-term care institution insurance, micro group accident insurance, and the New Century Evergreen Project.

Financed Emissions

SASB Code / Metric	Disclosure
FN-IN-410c.1 Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	For details, please refer to Section 7.3 Table 2 Investment and Lending Portfolio Financed Emissions
FN-IN-410c.2 Gross exposure for each industry by asset class	For details, please refer to Section 7.3 Table 2 Investment and Lending Portfolio Financed Emissions
FN-IN-410c.3 Percentage of gross exposure included in the financed emissions calculation	For details, please refer to Section 7.3 Table 2 Investment and Lending Portfolio Financed Emissions
FN-IN-410c.4 Description of methodology used to calculate financed emissions	For details, please refer to Section 2.1 Investment and Lending Portfolio Financed Emissions

Physical Risk Exposure

SASB Code / Metric	Disclosure
FN-IN-450a.1 Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	As of the fourth quarter of 2025, the simulation results of Cathay Century's earthquake catastrophe model for a 250-year return period mostly fall within the NT$13 billion limit of the earthquake catastrophe excess-of-loss reinsurance treaty; the simulation results of the typhoon and flood catastrophe model for a 100-year return period all fall within the NT$3.5 billion limit of the typhoon and flood catastrophe excess-of-loss reinsurance treaty. Note: No 50-year return period simulations were conducted in 2025.
FN-IN-450a.2 Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance)	The Insurance Public Information Disclosure Observatory / business overview section discloses "insurance claims (including reinsurance)" (row 139) and retained claims (row 140) for "typhoon and flood insurance," but does not break them down by region. In 2025, product insurance claim payments (written claim losses) caused by extreme weather events (typhoons, heavy rainfall) totaled approximately NT$242.53 million.
FN-IN-450a.3 Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	Cathay Century incorporates the identification and assessment of ESG-related risks into marketing, product design, underwriting, and other considerations. It also follows the Principles for Sustainable Insurance to identify potential external impacts in the course of its operations.

Systemic Risk Management

SASB Code / Metric	Disclosure
FN-IN-550a.1 Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the central clearinghouse, and (3) total potential exposure to centrally cleared derivatives	(1) For non-centrally cleared exposure, please refer to page 38 of the Q4 2025 financial report. (2) Collateral posted with TDCC: 0. (3) Centrally cleared exposure: 0.
FN-IN-550a.2 Total fair value of securities lending collateral assets	Cathay Century does not engage in securities lending business.
FN-IN-550a.3 Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	Cathay Century has established the Cathay Century Liquidity Risk Management Guidelines and an emergency funding contingency mechanism to maintain appropriate liquidity and ensure solvency.

Activity Metrics

SASB Code / Metric	Disclosure				
	Line of business	Life insurance	Personal insurance (auto, health & accident)	Commercial insurance (fire, marine, engineering, new-type, liability)	Total policies
FN-IN-000.A Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	Policies in force as of December 31, 2025	48.937 million	10.740 million	0.966 million	60.643 million

7.7 Index of ISSB Sustainability Disclosure Standards

Key Theme	Disclosure Objective	Required Disclosures	Chapter / Section
Governance	1. Describe the governance body or bodies (which may include a board of directors, a committee of the board or equivalent body charged with governance) or individual (s) responsible for oversight of sustainability-related risks and opportunities. Include information about the related mandates, authorities, roles, and responsibilities and how oversight is exercised.	A. How the responsibility for sustainability-related risks and opportunities is assigned to the governance body (ies), and whether related policies or terms of reference are disclosed.	1.1 Sustainable Governance & Management, 6.1 Corporate Governance
		B. How the governance body (ies) or individual (s) determine whether they have the appropriate skills and competencies to oversee sustainability-related risks and opportunities.	1.1 Sustainable Governance & Management, 6.1 Corporate Governance
		C. How and how often the governance body (ies) or individual (s) are informed about sustainability-related risks and opportunities.	1.1 Sustainable Governance & Management, 6.1 Corporate Governance
		D. How the governance body (ies) or individual (s) consider sustainability-related risks and opportunities when overseeing the entity's strategy, major decisions, and risk management processes.	1.1 Sustainable Governance & Management, 6.1 Corporate Governance
		E. How the governance body (ies) or individual (s) oversee the setting of targets related to sustainability-related risks and opportunities and monitor progress toward those targets, including whether and how related performance metrics are incorporated into remuneration policies.	1.1 Sustainable Governance & Management, 6.1 Corporate Governance
	2. The role of management in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities	A. Whether specific management positions or committees are assigned responsibility for sustainability-related risks and opportunities, and how oversight is exercised.	1.1 Sustainable Governance & Management, 6.1 Corporate Governance
		B. Whether management is responsible for monitoring sustainability-related risks and opportunities through specific controls and procedures, and if so, how these are integrated with the entity's internal control processes and functions.	1.1 Sustainable Governance & Management, 6.1 Corporate Governance
Strategy	1. Sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects	A. A description of sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	1.3.2 Issue Materiality Analysis
		B. Information about when the effects of those risks and opportunities could reasonably be expected to occur—short, medium or long term.	1.3.2 Issue Materiality Analysis
		C. An explanation of how the entity defines short, medium and long term.	1.3.2 Issue Materiality Analysis
	2. The current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	A. A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	1.3.2 Issue Materiality Analysis
		B. Where in the entity's business model and value chain those sustainability-related risks and opportunities are concentrated.	1.3.2 Issue Materiality Analysis
	3. The effects of sustainability-related risks and opportunities on the entity's strategy and decision-making.	A. How the entity has responded to sustainability-related risks and opportunities in its strategy and decision-making, including any changes made or planned.	1.3.2 Issue Materiality Analysis
		B. Plans disclosed in prior reporting periods and whether the entity has met those plans (quantitative and qualitative).	1.3.2 Issue Materiality Analysis
		C. Trade-offs the entity has made in responding to sustainability-related risks and opportunities.	1.3.2 Issue Materiality Analysis
	4. The effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term. This includes an explanation of how the entity has considered sustainability-related risks and opportunities in its financial planning.	A. The effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period.	1.3.2 Issue Materiality Analysis
		B. The anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, including how the entity has considered such risks and opportunities in its financial planning.	
	5. The resilience of the entity's strategy and business model in relation to sustainability-related risks.		6.2 Risk Management

Key Theme	Disclosure Objective	Required Disclosures	Chapter / Section
Risk Management	1. The processes used to identify, assess, prioritise and monitor sustainability-related risks and the related policies	A. The inputs and parameters the entity uses, for example data sources and the scope of operations covered	1.2 Focus Areas & Blueprint of Sustainable Development
		B. Whether and how scenario analysis is used to identify sustainability-related risks	1.3.2 Issue Materiality Analysis
		C. How the entity assesses the nature, likelihood and magnitude of the effects of sustainability-related risks	1.3.2 Issue Materiality Analysis
		D. Whether and how the entity prioritises sustainability-related risks relative to other types of risk	1.3.2 Issue Materiality Analysis
		E. How the entity monitors and manages sustainability-related risks	1.3.2 Issue Materiality Analysis
		F. Whether and how the entity has changed the processes it uses compared with the previous reporting period	7.1 About this Report
	2. The processes used to identify, assess, prioritise and monitor sustainability-related opportunities		1.3.2 Issue Materiality Analysis
	3. The extent to which and how the processes for identifying, assessing and managing sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.		6.2 Risk Management
Metrics and Targets	1. Metrics used to set targets and monitor progress toward achieving them		1.2 Focus Areas & Blueprint of Sustainable Development
	2. Quantitative or qualitative targets set or required to be achieved		1.2 Focus Areas & Blueprint of Sustainable Development
	3. Timeframes applicable to the targets		1.2 Focus Areas & Blueprint of Sustainable Development
	4. Base period used for the targets		1.2 Focus Areas & Blueprint of Sustainable Development
	5. Medium- and long-term targets		1.2 Focus Areas & Blueprint of Sustainable Development
	6. Review of progress made toward each target		1.2 Focus Areas & Blueprint of Sustainable Development
	7. Explanation of any revisions to targets and the reasons for those revisions		1.2 Focus Areas & Blueprint of Sustainable Development

7.8 United Nations Global Compact (UNGC) Index

Category	Principles	Corresponding Section
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	4.1 Workplace Empowerment
	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	
	Effectively abolish of child labour	
	Eliminate discrimination in respect of employment and occupation	
Environment	Businesses should support a precautionary approach to environmental challenges	2.1 Low-Carbon Economy
	Undertake initiatives to promote greater environmental responsibility	2.1 Low-Carbon Economy
Anti-Corruption	Encourage the development and diffusion of environmentally friendly technologies	2.1 Low-Carbon Economy
	Businesses should work against corruption in all its forms, including extortion and bribery	6.3 Ethical Corporate Management

7.9 Index of ISO 26000 Social Responsibility Guidelines

Category	Corresponding Section
Organizational Governance	1.1 Sustainable Governance & Management, 6.1 Corporate Governance
Human Rights	4.1 Workplace Empowerment, 6.2 Risk Management
Labour Practices	4.1 Workplace Empowerment
Environment	2.2 Environmental Sustainability
Fair Operating Practices	6.5 Service Quality & Customer Rights
Consumer Issues	6.5 Service Quality & Customer Rights
Community Involvement and Development	4.2 Social Empowerment

7.10 Taiwan Stock Exchange Corporation (TWSE) Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Category	Articles	Principles	Chapter / Section
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
Environment	Article 4-1	• 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、7.3 ESG Performance Data: Table 7 GHG Emissions, 7.14 Independent Assurance Statement
Society	Article 4 Subparagraph 1-3	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	6.5 Service Quality & Customer Rights
		Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	3.2 Financial Health
		Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.	4.2 Social Empowerment
		Products and services designed by individual operating units to create benefits for the environment or society.	2.1 Low-Carbon Economy
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.	7.3 ESG Performance Data: Table 16 Full-time Non-Managerial Employees Salary Information

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 2025 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 2025 Climate and Nature Report
3. Disclose the financial impacts of extreme weather events and transition activities	6.2 Risk Management / Cathay FHC's 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 / 7.3 ESG Performance Data - Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions / Cathay FHC's 2025 Climate and Nature Report

GHG Emissions Inventory and Assurance Information

Item	2023	2024	2025
Scope 1: Direct GHG emissions	For the 2023-2025 operational carbon emissions, please refer to Section 7.3 ESG Performance Data: Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions		
Total emissions			
GHG emissions intensity			
Assurance provider			
GHG emissions intensity			
Assurance Agency	For the 2023-2025 GHG inventory verification status, please refer to Section 7.1 About this Report, Section 7.3 ESG Performance Data (Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions), and Section 7.13 Independent Assurance Statement		
Data coverage			
Scope of assurance			
Assurance standards applied			
Description of assurance findings			

7.11 Sustainability-Related Risks and Opportunities Disclosure Assessment Scale

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% to 75%	≥25% to 50%	≤25%

	Corresponding Chapter	Governance	Strategy	Risk Management	Metrics and Targets
Corporate Governance	CH6.1 Corporate Governance	🟢	🔵	🟢	🟢
Risk and Crisis Management	CH6.2 Risk Management	🟢	🟢	🟢	🟢
Operating Performance	Preface: About Cathay FHC	🟢	🔵	🟢	🔴
Compliance	CH6.3 Ethical Corporate Management	🟢	🔵	🟢	🟢
FinTech / Digital Transformation and Innovation	CH3.2 Financial Health	🟢	🟢	🟠	🟢
Privacy and Information Security	CH6.5 Service Quality and Customer Rights	🟢	🟢	🟢	🟢
Financial Crime and Fraud Prevention	CH3.2 Financial Health	🟢	🔵	🟢	🟢
Financial Products with Environmental / Social Benefits	CH2.1 Low-Carbon Economy	🟢	🟢	🟢	🟢
Responsible Investment and Lending	CH2.1 Low-Carbon Economy, CH5 Sustainable Finance, CH6.2.5 Climate and Nature-Related Financial Disclosures	🟢	🟢	🟢	🟢
Financial Asset Decarbonization Strategy	CH2.1 Low-Carbon Economy	🟢	🟢	🟢	🟢
Operational Environmental Impact	CH2.2 Environmental Sustainability	🟢	🟢	🟢	🟢
Health Promotion and Life Protection	CH3.1 Health Promotion	🟢	🔵	🟠	🟢
Talent and Skills Development	CH4.1 Workplace Empowerment	🟢	🔵	🟢	🟢
Employee Health and Wellbeing	CH3.1 Health Promotion	🟢	🟠	🟢	🟢
Talent Attraction and Retention	CH4.1 Workplace Empowerment	🟢	🟠	🟢	🟢
Customer Relationship Management	CH6.5 Service Quality and Customer Rights	🟢	🔵	🟢	🟢
Financial Planning and Services	CH3.2 Financial Health	🟢	🔵	🟠	🟢
Financial Inclusion	CH3.2 Financial Health	🟢	🔵	🟢	🟢
Support for Disadvantaged Groups	CH4.2 Social Empowerment	🟢	🔵	🟢	🟢

7.12 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-, medium, 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.	• 7.3 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

7.13 Summary of Subject Matter Information (GRI：2-5)

No.	Subject Matter Information	Applicable Criteria	Page	Rules Note
1	We had 20 data breach incidents in 2025, 100% of which involved personal data. A total of 887 customers were affected by these incidents.	The total number of data breach incidents of Cathay FHC and its subsidiaries in 2025 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 P159	Article 4, Appendix 1-3, Item (1)
2		The total number of data breach incidents of Cathay FHC and its subsidiaries which involved personally identifiable information divided by the total number of data breach incidents of Cathay FHC and its subsidiaries in 2025 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 P159	Article 4, Appendix 1- 3, Item (1)
3		The total number of customers affected by data breach incidents of Cathay FHC and its subsidiaries in 2025 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 P159	Article 4, Appendix 1-3, Item (1)
4	As of the end of 2025, the outstanding amount of loans to small enterprises was NT$155.1 billion and the total number of small enterprise loans was 6,952.	The total number of loans and the outstanding amount of loans of CUB and its overseas branches to small enterprises as of December 31, 2025. Pursuant to the Corporate Customer Segmentation and Management Guidelines of CUB and its overseas branches, small enterprise customers are corporate customers and affiliated accounts with consolidated annual revenue of NT$500 million or less.	CH7 P192 Table 24 Financial Inclusion Promotion Outcomes	Article 4, Appendix 1-3, Item (2)
5	As of the end of 2025, 260 students benefited from financial education courses under the Elevated Tree Program – CUB Financial Education.	Total number of students that participated in courses under Elevated Tree Program – CUB Financial Education in 2025.	CH4 P101	Article 4, Appendix 1-3, Item (3)
6	As of the end of 2025, 4 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 2025.	CH5 P111	Article 4, Appendix 1-3, Item (4)
7	In 2025, CUB approved loans for solar power stations in Taiwan with a total installed capacity of 4 MW.	Solar power stations: Total number of CUB-financed stations approved by the Bureau of Energy in 2025. 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 2025.	CH2 P55	Article 4, Appendix 1-3, Item (4)
8	As of the end of 2025, the insured amount of renewable energy insurance policies (Solar Power, Offshore Wind Power, Land Wind Power) was NT$371.4 billion.	The total insured amount of renewable energy engineering and equipment insurance cases were undertaken by Cathay Century in 2025. The insured amount is the total policy amount in force as of the end of 2025, including the original insured amount of the policies and the adjusted insured amount by the end of 2025.	CH7 P183 Table 6 Green Products and Services	Article 4, Appendix 1-3, Item (4)
9	As of the end of 2025, the number of people insured by in-force microinsurance policies of Cathay Life and Cathay Century was 219,000 people.	As of December 31, 2025, the total number of people insured by in-force microinsurance policies of Cathay Life and Cathay Century, according to the Implementation Status of Microinsurance offered by Cathay Life published by the Taiwan Insurance Institute and the Implementation Status of Microinsurance offered by Cathay Century published by the Non-Life Insurance Association of the Republic of China in December 2025.	CH3 P80	Article 4, Appendix 1-3, Item (4)
10	In 2025, the ratios of annual salaries (male: female) for each employee category: Executive level: 100:81 Middle Management: 100:94 Entry-level Management: 100:105 Non-management level: 100:89	"Employee" is defined as individuals who provide services to the company under the supervision of the company (regardless of their nationality). This definition covers employees of Cathay FHC and its subsidiaries in Taiwan, employees assigned to overseas branches and offices, and local hires in overseas branches and offices. It excludes individuals who only have contractual relations with the company, outsourced personnel, temporary agency workers, and directors and supervisors. The scope of statistics only covers full-time employees in 2025. Definitions: " Executive level " refers to vice president-level positions and above at Cathay FHC. "Middle Management" refers to senior manager-level positions. "Entry-level Management" refers to manager-level positions. " Non-management level " refers to employees who do not have managerial responsibility for other employees or business units, including project managers who do not supervise other employees. Annual salaries= basic salary and remuneration. The annual salary ratio of males to females refers to a ratio calculated using the average annual salary of male employees as 100. For example, a ratio of 100:88 represents 100 for males and 88 for females.	CH7 P189 Table 15 Compensation Comparison by Gender (Male to Female)	-

No.	Subject Matter Information	Applicable Criteria	Page	Rules Note
11	In 2025, we employed 46,349 full-time employees, on boarded 6,404 new hires, and parted ways with 5,724 employees.	The total number of full-time employees of Cathay FHC and its subsidiaries in Taiwan, employees assigned to overseas branches and offices, local hires who are full-time employees as of December 31, 2025 in overseas branches, and the total number of new hires and departures that are full-time employees.	CH7 P186 Table 10 Full - Time Employee Data P188 Table 12 New Employee Hire Statistics P188 Table 13 Employee Turnover Statistics	-
12	As of the end of 2025, total low-carbon investments amounted to NT$327.8 billion.	Cathay FHC and its subsidiaries determine low-carbon investments in the following three ways: 1. The industry classification belongs to alternative energy, construction, waste recycling, transportation, energy-saving industries, green bonds, and natural carbon sinks. 2. The company's business activities include the above categories. 3. The investments are included in Bloomberg's green bond list Low-carbon investments, including real estate, equity, and debt, are calculated based on the book value of each subsidiary (including overseas branches and offices) at the end of 2025.	CH5 P121	-
13	Total financed emissions of investment and lending portfolios in 2025: Investment portfolios - proprietary investments excluding LULUCF 16,605,812 tCO_2e Investment portfolios -proprietary investments including LULUCF 16,780,558 tCO_2e Investment portfolios - investment assets under investment mandates excluding LULUCF 2,644,351 tCO_2e Investment portfolios - investment assets under investment mandates including LULUCF 2,510,162 tCO_2e Lending portfolios excluding LULUCF 2,704,276 tCO_2e Lending portfolios including LULUCF 2,717,251 tCO_2e	Cathay FHC and its subsidiaries referenced the Partnership for Carbon Accounting Financials (PCAF) 2022 to establish the "Portfolio Financed Emissions Calculation Criteria" and to compile and disclose financed emissions for each asset class. Financed emissions from investment and lending portfolios: The financed emissions in metric tons of CO2 equivalent (tCO_2e) for Scope 1 and Scope 2 emissions related to the investment and lending portfolios held by Cathay FHC and its subsidiaries. Cathay FHC and its subsidiaries strive to use the "latest obtainable Scope 1 and Scope 2 emissions data or estimated data": 1. 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, the journals of Energy Administration, Ministry of Economic Affairs 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. Estimated data are calculated 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 data, or obtained from the MSCI database and Bloomberg classified by industry to estimate industry-specific emission factors or the attribution factors estimated based on the most recent annual financial information or accounting financial information. • Scope of Financed Emissions of Investment Portfolios - Proprietary Investments: Cathay FHC and its subsidiaries conducted an inventory of listed equities, unlisted equities, corporate bonds, sovereign bonds and commercial real estate investments held as part of proprietary investments on December 31, 2025. 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, CUB, and Cathay Venture. • Scope of Financed Emissions of Investment Portfolios - Investment Assets Under Investment Mandates: Cathay FHC and its subsidiaries conducted an inventory of listed equities, unlisted equities, corporate bonds, sovereign bonds and commercial real estate investments held as part of investment assets under investment mandates on December 31, 2025. The scope includes Cathay SITE's mutual fund positions, excluding funds of funds, discretionary investment services, and full-discretionary mandates. • Scope of Financed Emissions of Lending Portfolios: As of December 31, 2025, project finance, commercial real estate loans, business loans, sovereign loans, and mortgages held by Cathay Life, CUB, and Cathay Century.	CH7 P180-181 Table 2 Investment and Lending Portfolio Financed Emissions	-
14	In 2025, the weighted average number of full-time non-managerial employees was 21,708, the mean salary of full-time non-managerial employees was NT$1,776 thousands, and the median salary of full-time non-managerial employees was NT$1,346 thousands.	The 2025 Cathay FHC and its subsidiaries' 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.	CH7 P189 Table 16 Full-time of Non-Managerial Employees Salary Information	-

Note: Refers to the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."

7.14 Independent Assurance Statement (GRI：2-5)

Independent Assurance Opinion Statement by BSI

By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

Cathay Financial Holdings 2025 Sustainability Report

The British Standards Institution is independent to Cathay Financial Holding Co., Ltd. (hereafter referred to as Cathay FHC in this statement) and has no financial interest in the operation of Cathay FHC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Cathay FHC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Cathay FHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Cathay FHC only.

Scope

The scope of engagement agreed upon with Cathay FHC includes the followings:

1. The assurance scope is consistent with the description of Cathay Financial Holdings 2025 Sustainability Report.
2. The evaluation of the nature and extent of the Cathay FHC's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.
3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Cathay Financial Holdings 2025 Sustainability Report provides a fair view of the Cathay FHC sustainability programmes and performances during 2025. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the Cathay FHC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate Cathay FHC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Cathay FHC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

— a review of issues raised by external parties that could be relevant to Cathay FHC's policies to provide a check on the appropriateness of statements made in the report.
— discussion with managers on Cathay FHC's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholders to conduct interview.
— interview with 19 staffs involved in sustainability management, report preparation and provision of report information were carried out.
— review of materiality assessment process.
— review of key organizational developments.
— review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
— review of the findings of internal audits.
— the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
— review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
— the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
— review of supporting evidence for claims made in the reports.
— an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).
— an assessment of the organization's use of metrics or targets of SASB Standard to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards and SASB Standard(s) is set out below:

Inclusivity

In this report, it reflects that Cathay FHC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Cathay FHC's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The Cathay FHC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Cathay FHC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Cathay FHC's management and performance. In our professional opinion the report covers the Cathay FHC's materiality assessment process and material issues.

Responsiveness

Cathay FHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the Cathay FHC is developed and continually provides the opportunity to further enhance Cathay FHC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Cathay FHC's responsiveness issues.

Impact

Cathay FHC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Cathay FHC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the Cathay FHC's impact issues.

Performance information

Based on our work described in this statement and with no conflict of interest with the Cathay FHC in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, Cathay FHC and BSI have agreed upon to include in the scope. In our view, the data and information contained within Cathay Financial Holdings 2025 Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

Cathay FHC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Cathay FHC's sustainability topics.

SASB Standards

Cathay FHC provided us with their self-declaration of in accordance with SASB Standard(s) (Insurance Sustainability Accounting Standard, version 2023-12). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) are reported, partially reported, or omitted. In our professional opinion, the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

Assurance level

The high level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

Responsibility

This sustainability report is the responsibility of the Cathay FHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

AA1000 Licensed Report 000-4/V3-KDEG6

For and on behalf of BSI:

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

Statement No: SRA-TW-837289

2026-05-26

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

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會計師有限確信報告

資會綜字第 25013999 號

國泰金融控股股份有限公司　公鑒：

本會計師受國泰金融控股股份有限公司（以下簡稱「貴公司」）之委任，對　貴公司選定 2025 年度永續報告書所報導之關鍵績效指標（以下簡稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係　貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於　貴公司 2025 年度永續報告書之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書「關於國泰金控」之「經濟概況」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定、全球永續性報告協會(Global Reporting Initiatives，GRI)發布之最新版 GRI 準則(GRI Standards)、　貴公司參照「碳會計金融合作夥伴關係」（Partnership for Carbon Accounting Financials, PCAF）2022 年所設計之「投融資組合財務碳排放計算基準」以及　貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準。

管理階層之責任

貴公司管理階層之責任係依照適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

投融資組合財務碳排放（以下稱「財務碳排放」）的計算受溫室氣體之量化具先天不確定性之影響，主要係因用以決定排放係數之科學知識並不完整，以及報導之數值須彙總不同溫室氣體之排放，使　貴公司所使用第三方提供之溫室氣體排放資料可用性和品質存在先天限制。此外，由於財務碳排放目前缺乏普遍認可之報導架構，相關編製、揭露及驗證也未受法規規範而有統一標準，因此所選定之財務碳排放指標應與　貴公司所設計之「投融資組合財務碳排放計算基準」一同報導，供預期使用者閱讀及理解。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」以及確信準則 3410 號「溫室氣體聲明之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信準則 3000 號以及確信準則 3410 號之規定，本有限確信案件工作包括評估　貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述　貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查與量化方法是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

1.1 財務碳排放

- 已評估財務碳排放所制定之計算基準的合理性；
- 已透過查詢，取得對　貴公司與排放量化及報導攸關之控制環境及資訊系統之瞭解，但並未評估特定控制作業之設計、取得該等控制作業付諸實行之證據或測試其執行有效性；
- 已評估　貴公司建立估計方法之適當性及一致性。然而，所執行程序並未包含測試估計所依據之資料或單獨建立會計師之估計，以評估 貴公司所作之估計；
- 已對財務碳排放數據選取樣本核對原始紀錄，以取得有限確信之證據。惟本所執行的確信程序不包括確認第三方提供之原始溫室氣體排放量和財務數據之正確性與完整性；
- 已評估財務碳排放揭露的合理性，但不包括依產業別進行分類、數據品質及碳排數據的涵蓋率。

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1.2 其他所選定之關鍵績效指標

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標選取樣本進行包括查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

此報告不對 2025 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述　貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

其它事項

貴公司網站之維護係　貴公司管理階層之責任，對於確信報告於　貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 趙 永 潔

西 元 2 0 2 6 年 7 月 2 日

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7.15 Product Disclaimer: Cathay Taiwan Select ESG Sustainability High Yield ETF (the fund's dividend distributions may be paid from the income equalization reserve, and returns and dividends are not guaranteed)

Note 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.

Note 2: Investors entering the market at different times may experience different investment returns. Past performance is not indicative of future results.

Note 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.

Note 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**.

▲ The fund or securities mentioned in this document are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no responsibility for any such fund or securities or any index upon which they may be based. The prospectus of the Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (**which may pay distributions from the equalization reserve and does not guarantee any income or payouts**) contains further details on the limited relationship between MSCI and Cathay SITE as well as any relevant information about the fund.

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Cathay Financial Holdings