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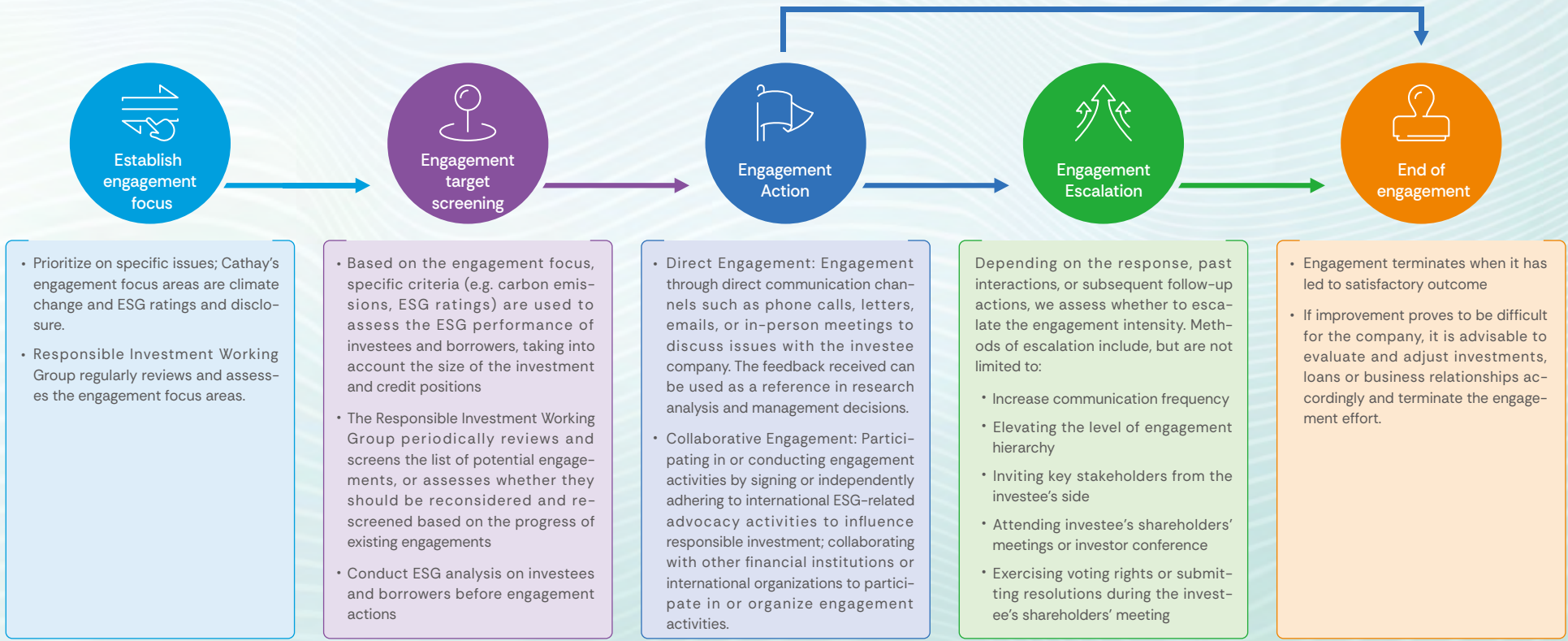
5.3 Stewardship and Engagement

Cathay believes that in addition to integrating ESG factors into the investment process, the practice of active ownership is equally important. Therefore, Cathay actively engages with investee companies through dialogue, engagement and voting. These efforts aim to encourage companies to enhance their ESG awareness and transparency, improve their ESG management practices, and strengthen long-term competitiveness and corporate value. In addition, the exercise of active ownership can have a positive impact on the investment portfolio, enhance its resilience, generate greater environmental and social benefits, and help reduce financial risks.

Cathay FHC and its subsidiaries, including Cathay Life, Cathay SITE, Cathay Century, CUB and Cathay Securities, are all signatories to the Taiwan Stewardship Principles for Institutional Investors. Cathay engages with the senior management of investee companies by participating in conference calls, seminars, investor conferences, and shareholder meetings. In 2024, representatives from Cathay’s subsidiaries engaged with 2,404 companies for a total of 8,023 times. The subsidiaries publish annual stewardship reports to disclose their practices and progress in responsible investment and stewardship. Please refer to [the websites of Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE](#).

5.3.1 Engagement Focus and Process

Cathay has established the “Cathay Financial Holdings Engagement Policy” and the “Cathay Financial Holdings Engagement Guidelines.” Cathay also formally integrates corporate engagement and shareholder action into its investment and lending processes. Engagement efforts focus on two core issues: “climate change” and “ESG ratings and disclosure.” Cathay evaluates each investee company involved in these issues by assessing the materiality of the issues and the size of the investment position to determine whether the company should be included as an engagement target. Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE all conduct engagement activities with their investees. Please refer to Cathay FHC’s engagement process below. For detailed information on Cathay FHC’s 2024 climate and nature engagement initiatives, please refer to [2.1.2 Engagement Strategies for Climate & Nature](#).



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Column - Cathay SITE's CathayQE

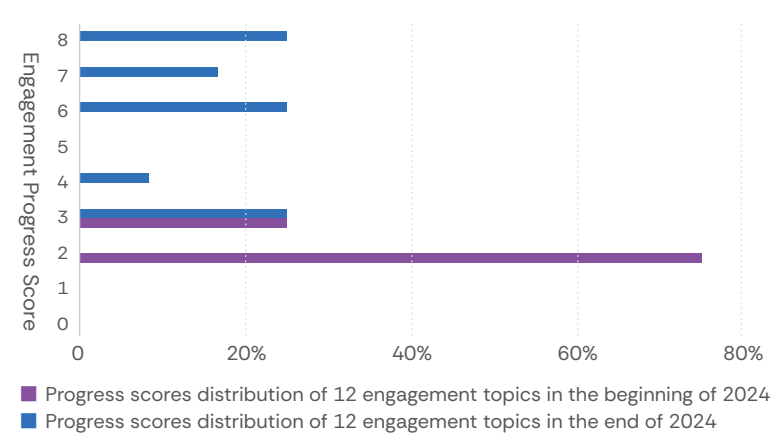
• Cathay SITE Engagement Progress Management Mechanism

Starting in 2023, Cathay SITE has developed CathayQE (Cathay Quantitative Engagement) – a set of quantitative indicators for tracking engagement. This framework is issue-based and sets specific engagement targets, such as achieving net-zero emissions or improving a company's ESG rating. At the beginning of the engagement, each company's response to the engagement topic is assessed and assigned a progress score from 1 to 8. A follow-up assessment is conducted at the end of the engagement. Using CathayQE's quantitative indicators, the team can track progress on individual engagement topics and also assess the overall effectiveness of the engagement. These measurable results enhance the management of engagement performance. This engagement progress management mechanism was granted Taiwan Utility Model Patent No. M665056 in 2024.

• CathayQE Results for 2024

In 2024, a total of 12 engagement topics were addressed. As shown in the chart below, although most topics started with a preliminary progress score of 2–3 at the beginning of the year, all topics showed positive development, with 25% achieving their intended goals by year-end. The average progress score rose from 2.25 at the beginning of the year to 5.75, meaning that each topic advanced by more than three levels on average. Overall, the engagement efforts in 2024 showed significant positive progress. Cathay SITE will continue to push investee companies towards the target of an 8-point final score. As an institutional investor, it aims to promote net-zero transformation across industries, the economy and society to advance sustainable development.

2024 Quantitative Engagement Results



Note: n= Total Number of Engagement Topics

n=12

5.3.2 Engagement Outcome and Case Study

In 2024, Cathay engaged with 182 companies on 23 material ESG issues, resulting in a total of 395 engagement activities. The companies engaged were primarily from the information technology, consumer discretionary, and raw materials sectors. The most frequently discussed topics were ESG disclosure, other (environmental risk and opportunity identification and assessment), and carbon emissions. The engagements demonstrated overall positive progress.

Item	Cathay's Two Main Engagement Themes	
	Theme 1: Climate Change	Theme 2: ESG Rating and Disclosure
Objective	Influence target companies to adopt low-carbon transition strategies and concrete climate actions	Influence target companies to improve ESG-related management and disclosure
Engaged Companies (Domestic and International), 2024 ^{Note1}	120 ^{Note2}	174 ^{Note2}
Engagement Theme	Includes carbon emissions, product carbon footprint, and climate change vulnerability	Includes ESG-related management mechanisms and disclosure, ESG rating, and engagement based on the nature of the business or issue materiality.

Note 1: Cathay defines engagement approaches based on standards set by international organizations such as the PRI. Engagement involves in-depth communication on ESG issues via phone calls, E-mails, meetings, and speaking up in shareholder meeting. Substantive engagement actions can improve ESG practices of investee companies. Actions such as merely requesting ESG data, sending ESG questionnaires, or attending shareholder meetings or investor conferences without further interaction are not included in the engagement tally.

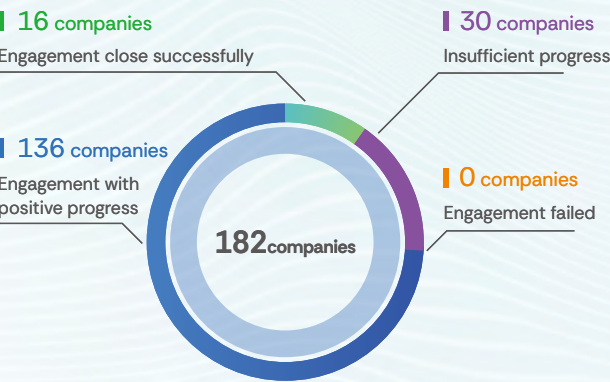
Note 2: Engagement topics may address both Theme 1 (Climate Change) and Theme 2 (ESG Ratings and Disclosure) simultaneously.

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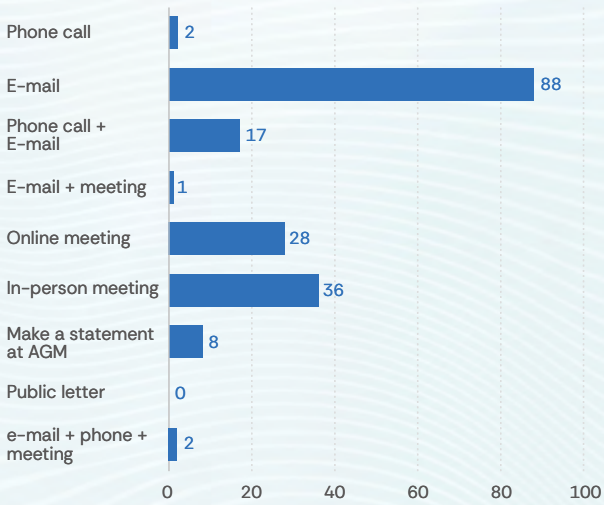
Breakdown of Engagement Activities

2024 Engagement Outcomes



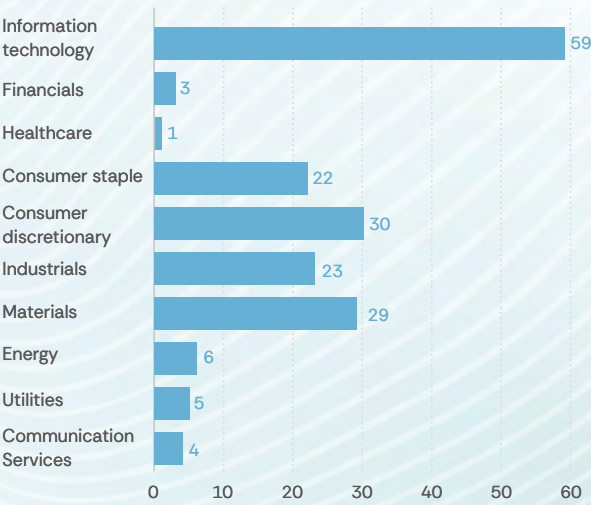
2024 Breakdown of engagement approaches

unit: company

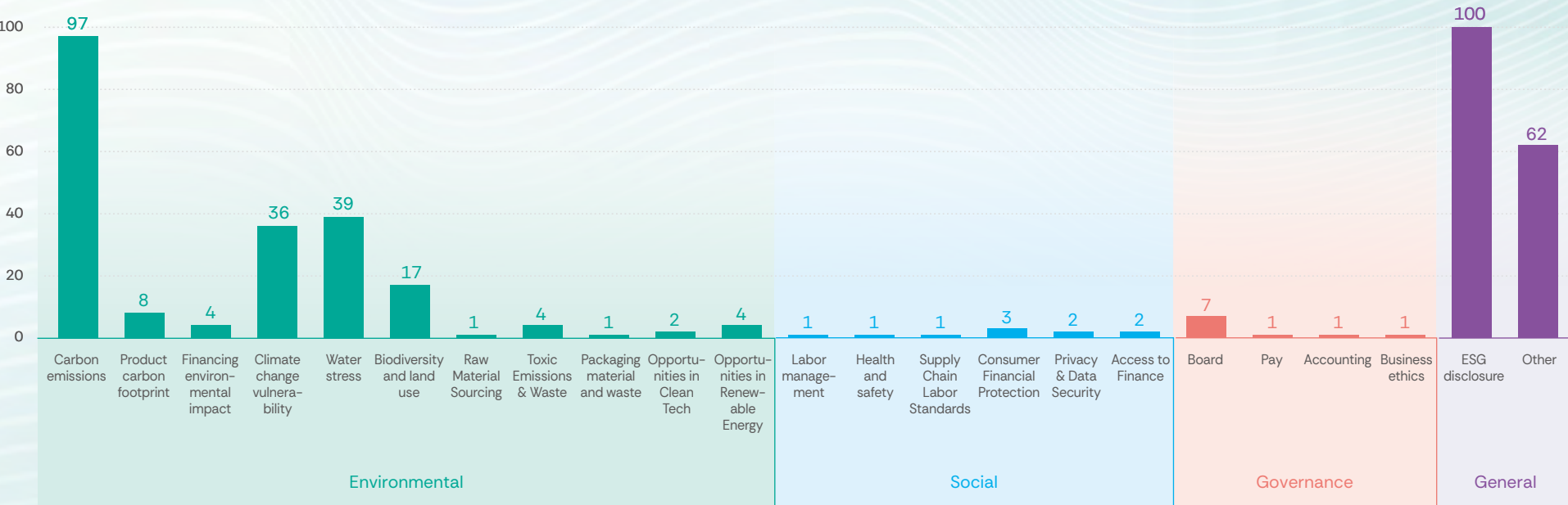


2024 Breakdown of engagements by sector

unit: company



2024 Breakdown of engagement themes



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Case Study - Business Transformation Collaboration

Subsidiaries	Background	2024 Engagement Outcome
Cathay SITE	Building on the initiative outcome in 2023, Cathay SITE has actively encouraged the investee to adopt internal carbon pricing strategies, link executive compensation to the achievement of ESG performance metrics, and have their suppliers provide products using 100% renewable energy.	<ul style="list-style-type: none">As of August 2024, the investee's 32 major suppliers have committed to using 100% renewable energy for manufacturing the company's product.The investee has invested in green energy through investment funds and joint ventures in both Taiwan and Mainland China, while aiming to secure 8,200 GWh of green electricity annually by 2027. Green energy made up 80% of its total energy consumption in 2023.Launched a pilot program for internal carbon pricing, with plans to expand it globally within a year.Chairman and senior executives' compensation is linked to ESG performance metrics.
Cathay United Bank (CUB) Circular Economy Workshop	<p>CUB collaborated for the second time with President Chain Store Corporation, a leading player in Taiwan's retail industry, to co-host the "Circular Economy Workshop." More than a dozen companies from President Chain Store's supply chain, including raw materials, food processing, and fresh food production, were invited to participate in the event. The workshop featured CUB's Low Carbon Economy Task Force, which shared insights on trends and current developments in low carbon transition and sustainable finance. Through group discussions, participants exchanged ideas and explored potential collaborations. President Chain Store Corporation also presented practical case studies on circular economy initiatives and sustainable farming to help suppliers build mutual understanding and consensus. The initiative aimed to foster upstream supply chain collaboration on low-carbon transformation, process improvement, energy transition, and waste valorization in manufacturing through exchange and sharing of insights. The goal was to amplify sustainability impact through leading by example.</p> 	<ul style="list-style-type: none">13 companies participated (covering the full food supply chain, including raw materials, processing, packaging, and retail)100% of participants agreed that the circular economy supports decarbonization transformation
CUB ESG Forum - Toward Net Zero Emissions & Sustainability	<p>CUB partnered with the Carbon Disclosure Project (CDP) and the Metal Industries Research & Development Center to host the CUB ESG Forum. Focusing on the needs of small and medium-sized enterprises (SMEs), the forum shared CDP's insights on climate and natural risks, as well as key considerations for SMEs in environmental disclosure. In addition, the Metal Industries Research & Development Center presented applications of carbon inventory and reduction technologies in the metals industry. The event was well attended by companies united in the goal of moving towards net-zero transformation.</p> 	<ul style="list-style-type: none">Awards were presented to 16 outstanding companies that completed the CDP questionnaire, including the "Best Climate Action Award," "Best Carbon Disclosure Award," and "Carbon Disclosure Pioneer Award."83 in-person attendanceThe forum received over 1,785 views on YouTube.

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Case Study – Sustainability Capacity Building

Subsidiaries	Name	Overview	Achievements
Cathay Securities	Quarterly ESG Thematic Forum	In response to capital market trends, Cathay Securities hosts a quarterly thematic forum and invites asset management institutions to participate. The forums are held online and feature integrated research insights from the ESG team along with analysis of investment trends in various industries.	79 participants attended the four forums
Cathay United Bank (CUB)	2024 Sustainability Practice Seminar – CBAM and Carbon Credit	To enhance the ability of CUB's corporate banking team to navigate the challenges, competition, and opportunities of the sustainability era, and to stay ahead of net-zero transition trends across industries, a series of sustainability practice seminars was launched in 2024. External experts were invited to provide insights into the latest sustainability developments, as well as in-depth analysis and case studies on decarbonization technologies relevant to various sectors. Key topics included "Carbon Reduction Strategies for Taiwanese Corporations – Carbon Border Adjustment Mechanism (CBAM) and Anti-Greenwashing Regulations" and "The Development of Taiwan's Carbon Credit Trading Market and Emerging Business Opportunities for the Banking Sector". These seminars aimed to deepen the sustainability mindset and knowledge of front-line bank staff and senior officers, strengthen client engagement capabilities, and assist corporate clients in setting net-zero commitments and sustainability goals.	 A total of 197 participants attended the two sessions, held both online and in person.

Note: Please refer to the investment stewardship reports of the individual subsidiaries for more details on the cases of engagement.

5.3.3 Exercise voting rights

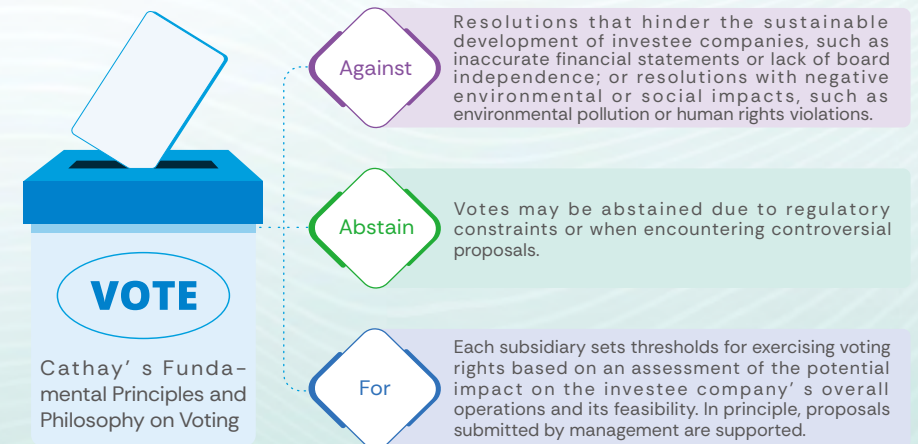
Cathay believes that the actions and decisions of an investee company not only affect investment returns, but also have social and environmental impacts. As responsible investors, financial institutions should assess the impact of a resolution and support companies that prioritize governance, social 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 takes a comprehensive approach by considering the potential impact of the investee company on overall operational performance and the appropriateness of each resolution. Reasonable voting standards are established and resolutions are thoroughly evaluated by internal teams. In principle, resolutions that align with the company's long-term value and sustainability objectives are supported. Conversely, resolutions associated with issues such as inaccurate financial reporting, lack of board independence, pollution, or human rights violations should be opposed or abstained from. In addition, to promote long-term value creation and positive environmental and social impact, subsidiaries are expected to actively engage with investee companies prior to voting, exercise shareholder responsibility and ensure that voting decisions reflect the principles of sustainable development.



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• Definition of ESG Resolutions



Environmental

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



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.



Governance

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

• 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

Cathay Life assesses resolutions based on the following considerations:

- | | |
|---|---|
| 1 Enhance the company's ability to create long-term value | 4 Make a substantial contribution to addressing social inequalities |
| 2 Mitigate material environmental and social risks to the company | 5 Align with kunming-montreal global biodiversity framework |
| 3 Align with the carbon reduction goals of the Paris Agreement | 6 Align with SDG 6 Clean Water and Sanitation |

In general, Cathay Life supports

- resolutions requiring companies to set targets that are consistent with the carbon reduction goals of the Paris Agreement.
- resolutions to disclose the financial risks of climate change and how companies identify and manage such risks.
- resolutions requesting companies to publish assessments of their operational impacts on biodiversity and natural resources.

In addition, where appropriate:

- requiring companies to provide assessments of the impact of their operations on human rights.
- publishing resolutions that promote DEI initiatives.
- disclosure of political lobbying activities and expenditures, among other social resolutions.

Governance

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 shareholders' interests, they will be voted against. Examples of major types of resolutions and considerations for dissent are as follows:

- Board Structure Integrity:** Corporate governance lies at the heart of ESG, with the board of directors serving as the highest governing body. We scrutinize board members' independence, tenure, and concurrent roles. Additionally, for companies inadequately addressing climate and environmental risks in their operations or value chain, we may abstain or oppose the election of incumbent directors or management resolutions to uphold climate accountability.
- Reasonable Compensation and Benefits:** Compensation and benefits play a critical role in attracting and retaining the talent necessary to drive sustainable shareholder value. We evaluate whether compensation plans are aligned with long-term sustainable value drivers and pre-defined performance standards. Remuneration resolutions that lack such alignment may receive a dissenting vote from Cathay.
- Fairness in Financial Reporting and Auditing:** The completeness and accuracy of financial statements depend on the independence and effectiveness of external auditors. We investigate instances where auditors lack independence or if non-audit fees account for an excessively high proportion of total audit fees, Cathay may oppose resolutions related to the appointment of auditors.
- Appropriate Earnings Distribution:** In general, Cathay supports the distribution of dividends from profits or from capital and statutory reserves in the form of cash or stock dividends. However, if the payout ratio is not in the best interests of shareholders (e.g., persistently low without adequate explanation) or is detrimental to the company's financial condition for sustainable operations (e.g., excessively high relative to the company's financial condition), we will vote against it.

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• Considerations for Voting on Shareholder Resolutions

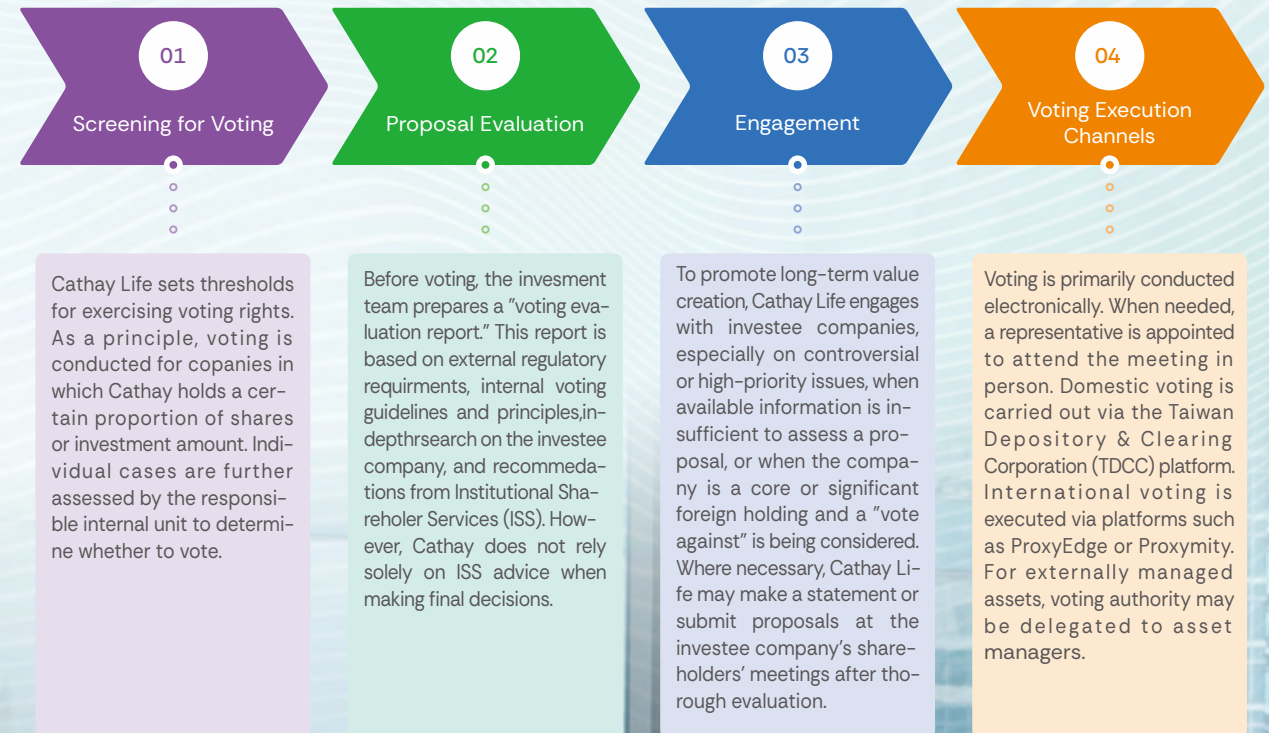
In general, shareholder resolutions are an effective way for shareholders to communicate their views to company management. Many shareholders bring such resolutions to shareholder meetings to encourage the company's progress on ESG issues. As a result, current sustainability-related resolutions are largely 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 carefully evaluates the rationale behind such resolutions before making voting decisions, with the aim of enhancing the long-term value of the investee company.

|| Exercise Voting Rights and Process

Cathay Life supports companies that are committed to sustainable development. Therefore, it attends shareholder meetings, exercises voting rights, and expresses opinions on resolutions presented at investee companies' shareholder meetings. For more information, please refer to [Cathay Life's 2024 Investment Stewardship Report](#).

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



Note: For more information, please refer to the investment stewardship reports of the individual subsidiaries.

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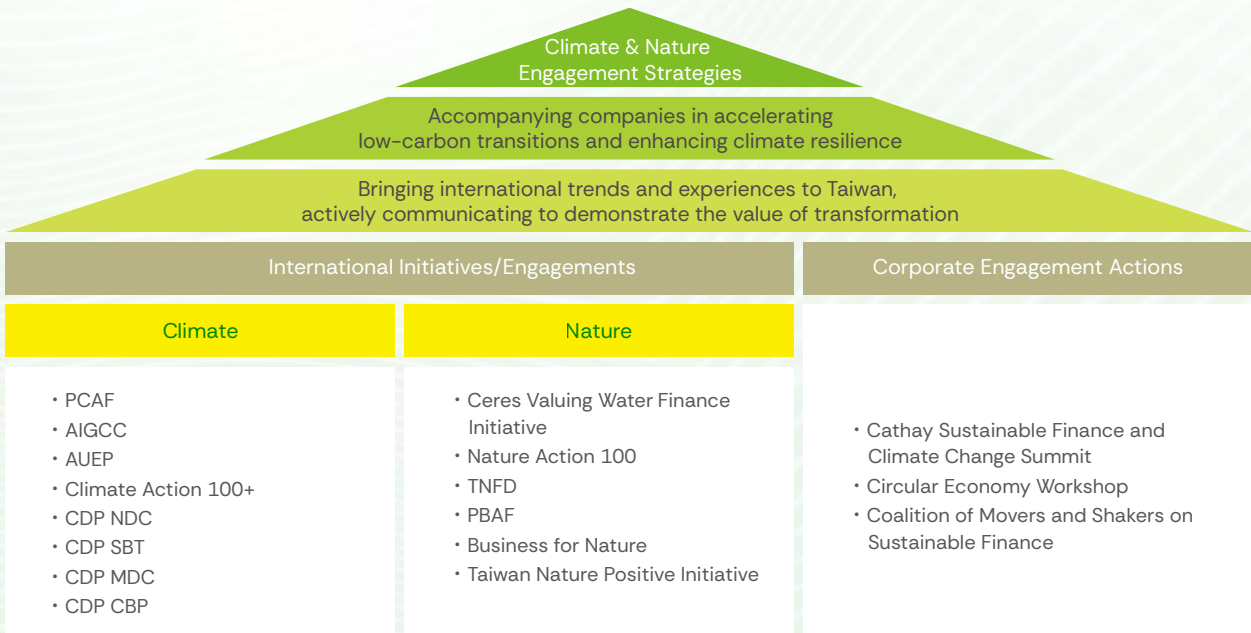
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2.1.2 Engagement Strategies for Climate & Nature

Cathay FHC is Taiwan's first financial institution to engage with corporations on climate issues and is among Asia's most progressive financial groups. Cathay have long participated in domestic and global climate and nature initiatives, gaining international experiences to bring back to Taiwan and actively communicating and cooperating with stakeholders along the finance value chain in the hopes of encouraging corporations to take tangible actions to strengthen climate and nature resilience. For more information on Cathay FHC's participation in global climate and nature initiatives and resulting achievements in 2024, please refer to [Sustainability Story II](#).

Climate Initiatives/Engagements

In the face of systemic risks brought on by climate change, Cathay FHC is actively participating in various international climate initiatives and engagement activities, connecting with international organizations and international investors to urge investees and borrowers to learn more about the serious impacts of climate risks and assist them in tackling these risks.



Asia Investor Group on Climate Change (AIGCC)

Cathay's Role

An important climate action platform in Asia, AIGCC currently includes seven working groups to explore climate, nature, just transition, and other topics. The AIGCC aims to work with investors to accelerate global climate action and progress. Cathay FHC joined AIGCC in 2016. Subsequently, Cathay Life and Cathay SITE both joined in 2024. Furthermore, Cathay FHC's CIO currently serves as AIGCC's chair and the Board Committee member, providing her views and suggestions on the group's projects and encouraging asian investors to commit to net-zero emissions. Learn more about [AIGCC](#).

Achievements in 2024

Cathay FHC continues to support and assist with AIGCC affairs and participates in six AIGCC working groups that convene quarterly, working with international investors to perfect climate action.

Asian Utilities Engagement Program (AUEP)

Cathay's Role

AUEP was launched by AIGCC to engage eight public utility companies in Asia. Cathay FHC joined in 2021, working together with international investors to encourage public utility companies to strengthen management over climate risks and opportunities and take more initiative over coal divestment, energy transition, and other climate issues. Learn more about [AUEP](#).

Achievements in 2024

One company engaged by Cathay Life has committed against developing new coal-fired power plants and will be focusing on growing renewable energy. In addition, said company will adjust its ten-year power-supply plan to ensure 75% of additional energy capacities derive from renewable sources and support Taiwan's Nationally Determined Contribution.

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CDP Non-Disclosure Campaign (CDP NDC)

Cathay's Role

As the first Taiwan financial institution to join the CDP, Cathay has long communicated with investee companies via mail and telephone and assisted them in responding to CDP surveys for greater transparency in climate management. Cathay's CIO was also invited to share her thoughts on the CDP NDC website. Learn more about [CDP NDC](#).

Achievements in 2024

- In 2024, Cathay successfully engaged 11 companies. Our engagement success rate was 25%, higher than the international average of 19.8%.
- In 2024, Cathay Life's water security questionnaire for engagement with a chemicals company was listed in the 2024 CDP Non-Disclosure Campaign Results Report as a case study.

CDP Science-Based Targets Campaign (CDP SBT)

Cathay's Role

Every year, Cathay FHC works with the CDP to call for the world's most influential companies to set carbon emission goals that align with the 1.5°C warming scenario and achieve net zero emissions from the value chain by 2050.

Achievements in 2024

Between 2023 and 2024, Cathay successfully engaged with 70 businesses, resulting in them committing to SBT goals and 21 of these goals being approved by SBTi.

CDP Municipal Disclosure Campaign (CDP MDC)

Cathay's Role

In 2023, Cathay FHC became the first and only financial institution to join the [CDP MDC](#), collaborating with institutional investors to urge local governments and public institutions to disclose environmental information to secure funding and assist their communities with climate adaptation. Learn more about [CDP MDC](#).

Achievements in 2024

The CDP MDC successfully engaged with 11 local governments in North America, inspiring them to disclose environmental data to the CDP.

CDP Commercial Bank Project (CDP CBP)

Cathay's Role

CUB became the first financial institution in Asia to collaborate with the CDP on this project in 2023, inviting customers 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.

Achievements in 2024

- In 2024, CUB invited 150 corporations to participate in the project. A total of 121 corporations completed the survey and received a CDP environmental disclosure rating
- Survey completion rate was over 80%, far higher than the global supply chain average of 50%
- 110 corporations were first-time participants

Climate Action 100+ (CA100+)

Cathay's Role

- As the world's largest investor engagement initiative for climate change, CA100+ aims to ensure that 100+ of the world's biggest corporate greenhouse gas (GHG) emitters take the necessary actions to align with the goals of the Paris Agreement. Cathay FHC, Cathay Life, and Cathay SITE have joined as signatories, making Cathay FHC the first financial group from Taiwan to become a part of CA100+. The three companies now engage one-on-one with three Taiwan companies selected by the initiative. Furthermore, Cathay FHC's CIO was invited to serve on the CA100+ Asia Advisory Group in 2018 and continues to attend quarterly meetings in the capacity to offer suggestions on CA100+'s strategies.
- While engaging corporations, Cathay will do a deep dive into the target corporation's climate progress, including practices in international benchmark practices and their efforts in climate action. Cathay's senior executives have communicated with corporate managers personally several times to explain their peers' net zero measures, CA100+ Net-Zero Company Benchmark assessment results, and investor expectations to urge corporations to strengthen net zero action. In addition, Cathay also explores the challenges of net zero transition and response measures with corporations to search for viable solutions. Learn more about [Climate Action 100+](#).

Achievements in 2024

For more information on progress made with three Taiwan corporations, please refer to our progress on CA100+ engagement.

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• Progress on CA100+ Engagement

In 2024, Company F, a petrochemical sector investee, provided limited disclosure on its sustainability and decarbonization progress, and remained relatively passive in its communication with investors. As a result, the planned engagement for 2024 was suspended. Considering the high degree of uncertainty in the global petrochemical industry outlook and the time companies may require to respond to evolving challenges, Cathay decided to defer the originally scheduled 2024 engagement with Company F to 2025. Moving forward, Cathay will seek opportunities to encourage the company to strengthen its actions on climate and carbon neutrality targets, while improving the depth and quality of engagement. Depending on future progress, Cathay will also consider additional measures, including potential escalation.



In 2024, Cathay Life engaged twice with Company C, a steel industry investee. Despite facing challenges in sustainability and decarbonization due to the nature of its industry, Company C has been actively developing strategies and testing technologies. It also engaged in meaningful discussions with investors on areas for improvement under the CA100+ Net-Zero Company Benchmark, with its score improving from 37.5% to 43.5%, surpassing the sector average of 37.9%. In addition, Company C was featured as a case study in CA100+'s Progress Update 2024 Report. Cathay Life will continue its engagement with Company C, monitoring its climate progress and decarbonization plans, and supporting its efforts to enhance climate-related actions and disclosures.



Cathay Life also engaged three times with Company H, an electronics sector investee, in 2024 (including one meeting initiated by Company H), mainly focusing on sharing international best practices on the CA100+ Net-Zero Company Benchmark and discussing areas for improvement. Company H's score improved slightly from 29% to 31% in 2024, slightly above the industry average of 30%. While the improvement was modest, the company demonstrated a proactive and responsive attitude. Cathay Life will continue to monitor its climate progress and support further enhancements in its climate actions.



• Nature-Related Initiatives/Engagements

According to the "Global Risks Report 2025" released by the World Economic Forum, "biodiversity loss and ecosystem collapse" has risen to the second-highest risk over the next decade, up one spot from 2024. This indicates the growing impact of this issue, positioning it as one of the key sustainability priorities for businesses, alongside climate risks. Furthermore, the global consensus on biodiversity conservation and the sustainable use of natural resources continues to strengthen, posing greater challenges for companies. Since 2018, Cathay FHC has actively participated in international initiatives, supporting institutional partners in researching nature-related capital issues and incorporating these into engagement activities, thereby reaffirming our ongoing commitment to biodiversity.

International Initiatives/ Engagements

Cathay's Role



Ceres Valuing Water Finance
Initiative (VWFI)

Cathay FHC and Cathay Life became a founding member of Ceres Valuing Water Finance Task Force in 2020, working with other members to develop suggestions to corporations on water management action plans and to the initiative for future developments. Ceres VWFI was formally established in 2022 to engage 72 companies with a high water footprint. The goal is to get these companies to recognize and evaluate water risks and take action. In 2024, Cathay sponsored Ceres' research into water management in high-tech and semiconductor industries and assisted Ceres and its research partner in learning more about water stewardship in high-tech industries. [Learn more about VWFI.](#)

International Initiatives/ Engagements

Cathay's Role



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 2024 Climate & Nature Report](#). [Learn more about TNFD.](#)

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International Initiatives/ Engagements

Cathay's Role



The Partnership for Biodiversity
Accounting Financials (PBAF)

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



Taiwan Nature Positive Initiative
(TNPI)

Cathay FHC joined TNPI in 2022 to support and assist Taiwan corporations with improving their resilience and ability to respond to nature-related risks. The platform was initiated by the Business Council for Sustainable Development of the Republic of China (BCSD Taiwan) and aims to encourage participation in nature and biodiversity conservation as well as the cultivation of related professionals. Learn more about [TNPI](#).



Business for Nature (BfN)

In 2023, Cathay FHC officially joined the COP15 Business Advocacy Campaign. The campaign urges governments worldwide to take immediate policy actions to reverse nearly a decade of nature loss. It has garnered support from over 1,500 companies and financial institutions across 86 countries, representing a combined revenue exceeding USD 7.5 trillion. Learn more about [this initiative](#).



Nature Action 100 (NA100)

Cathay Life became among the first financial institutions to join NA100, with the hope of collaborating with 230 international institutional investors in engaging with 100 food, chemicals, forestry, and pharmaceutical companies of systemic importance to the reversal of nature and biodiversity loss by 2030. In 2024, Cathay Life and Company P explained to Company N, as its investor engagement team, NA100 and related case studies on nature-related issues, sharing and exploring views. Learn more about [NA100](#).

|| Coalition of Movers and Shakers on Sustainable Finance

As a member of the FSC's Coalition of Movers and Shakers on Sustainable Finance, Cathay FHC committed to, by 2025, engaging over 50% of its major investees and borrowers in Taiwan that are considered carbon-intensive companies and urging engagement candidates to set net zero emission goals before 2050. Companies that have fulfilled agreed-upon goals must commit to establishing and achieving more ambitious goals and practices. In 2024, engaged with 19 major investees and borrowers in Taiwan that are considered carbon-intensive companies:

Item	No. of companies/ percentage
No. of major investees and borrowers considered as carbon-intensive companies (A)	66
No. of companies Cathay intended to engage with (B)	34
No. of companies engaged in 2023 (C)	19
Number of companies engaged in 2024 that have established carbon reduction goals for 2050 (D)	13
Percentage of companies engaged (C/B)	56%
Percentage of engaged companies that have established carbon reduction goals for 2050 (D/C)	68%

Note 1: The baseline for 2024 goals is the financed emissions from investees and borrowers at the end of 2023.

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

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• Financial Industry Net-Zero Working Platform

To advance sustainable finance, the FSC and the Taiwan Financial Services Roundtable (TFSR) have established the "Platform for Net Zero Promotion for the Financial Industry," bringing together members of the Coalition of Movers and Shakers on Sustainable Finance to lead various working groups. Among them, Cathay FHC serves as the convener of the "Funds and Statistics Workstreams," responsible for promoting the calculation and disclosure of Scope 3 financed emissions among financial institutions, as well as assisting in identifying potential targets for stronger engagement. In 2024, the platform hosted a training session on "Scope 3 Financed Emissions Accounting for the Financial Sector," and by February 2025, it had organized two "Net Zero Transition Seminars."

Scope 3 Financed Emissions Accounting for the Financial Sector - Training



Actions

Experts provided in-depth insights into the importance of financed emissions accounting and methodologies and walked financial institutions through real-life case studies to introduce concepts for calculating financed emissions.

- In-person attendees: 72
- Online attendees: 447



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Achievements



Net Zero Transition Seminar - Petrochemical Sector

The seminar covered trends and challenges in low-carbon transitions, including policy developments in the petrochemical sector. Representatives from the petrochemical industry, financial institutions, and consulting experts were invited to offer diverse perspectives on the challenges and solutions for the sector's net-zero transition.

- Participants: 66



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Net Zero Transition Seminar - Aviation Sector

The seminar discussed transition trends, policies, and challenges facing the aviation industry, with industry representatives sharing their experiences in transitioning corporations. CUB's Chief Risk Officer also joined as a panelist, engaging with representatives from the aviation and petrochemical sectors to explore how the finance sector can support industries in their transition.

- Participants: 67



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