

Cathay Financial Holdings (Cathay FHC) Human Rights Policy

Revised on 2022.05.13
Accountable unit: Administration Division

Article 1 (Declaration)

Cathay Financial Holdings (hereinafter referred to as Cathay FHC) formulated the Cathay Financial Holdings (Cathay FHC) Human Rights Policy (hereinafter referred to as the Policy) with reference to the principles disclosed in international human rights conventions, such as the UN's Universal Declaration of Human Rights, Guiding Principles on Business and Human Rights as well as the UN Global Compact and International Labour Organization, to perform its obligations with due diligence on its social responsibilities and protect the basic human rights of all employees, customers, and stakeholders. We respect the internationally recognized basic human rights policy, including the freedom of assembly and association, care for the less advantaged, restrictions on the employment of children labor, elimination of all forms of human trafficking as well as forced labor and elimination of hiring and employment discrimination, etc. and comply with local labor laws and regulations applicable in countries and regions where we are conducting business.

Article 2 (Scope of Application)

The Policy applies to Cathay FHC and the following subsidiaries: Cathay Life Insurance, Cathay United Bank, Cathay Century Insurance, Cathay Securities, and Cathay Securities Investment Trust (hereinafter collectively referred to as the subsidiaries) The business partners of the subsidiaries such as suppliers and joint ventures are highly recommended to comply with the Policy.

Article 3 (Accountable Unit)

The human resource unit of the subsidiaries shall take into account industry characteristics and operational needs when implementing measures relating to the Policy.

The Administration Department of Cathay FHC shall conduct risk assessment on issues of human rights, incorporate outside expectations, and communicate with key stakeholders periodically.

Article 4 (Basic Human Rights Principles)

- I. Diversity, inclusion, and equal opportunity: No employee shall be treated with different language, attitudes, or behavior that discriminate against their gender, sexual orientation, race, socioeconomic status, age, marital status, family status, language, religion, political affiliation, nationality, appearance, facial features, or physical or mental disability. A policy of non-discriminatory treatment in employment shall be implemented to ensure fairness and impartiality in employment, remuneration and benefits, training, evaluations, and promotion opportunities.

Furthermore, an efficient and appropriate grievance mechanism shall be provided to prevent and to respond to situations that endanger the rights and interests of employees, so as to create an equal-opportunity work environment that is free of discrimination and harassment. Periodic follow-ups shall be conducted on the status of the implementation of diversity, inclusion, and equal opportunity.

- II. Non-discrimination and anti-harassment: A zero-tolerance policy shall be adopted for any form of workplace harassment, and the Code of Conduct for Employee, the Code of Ethics as well as the Rules for Prevention and Complaint and Discipline of Sexual Harassment shall be formulated and announced. Furthermore, effective and appropriate grievance and punishment mechanisms shall be provided to create an equal-opportunity work environment that is free of discrimination and harassment.
- III. Reasonable working hours: It is ensured that employees will not be at risk of working overtime by clearly defining the rules for working hours and overtime hours as well as conducting periodic care and management of employee attendance.
- IV. Safe and healthy workplace: The health and safety risks of employees shall be inspected periodically and improvement plans shall be implemented based on the identified results.
- V. Freedom of association: The Code of Conduct for Employee stipulates that employees within the Group are entitled to the freedom of association. Diverse clubs have also been established, and employees are encouraged to join the clubs.
- VI. Labor-management negotiations: Smooth communication channels shall be established and periodic labor-management meetings shall be held to assure the rights and benefits of both parties.
- VII. Privacy protection: To ensure full protection of the privacy of customers and all stakeholders, a comprehensive information security management mechanism shall be established and control regulations as well as protection measures shall be strictly complied with.

Article 5 (Disclosure)

Cathay FHC will disclose its actions and progresses in the protection of human rights through sustainability reports, shareholder reports, and the company website in order to keep key stakeholders informed.

Article 6 (Formulation, Amendment, Enforcement and Annulment)

The formulation, amendment, or annulment of the Policy shall be approved by the Board of Directors. The Policy shall be effective and enforceable from the date of its adoption. The same shall apply to the amendment or annulment of the Policy.