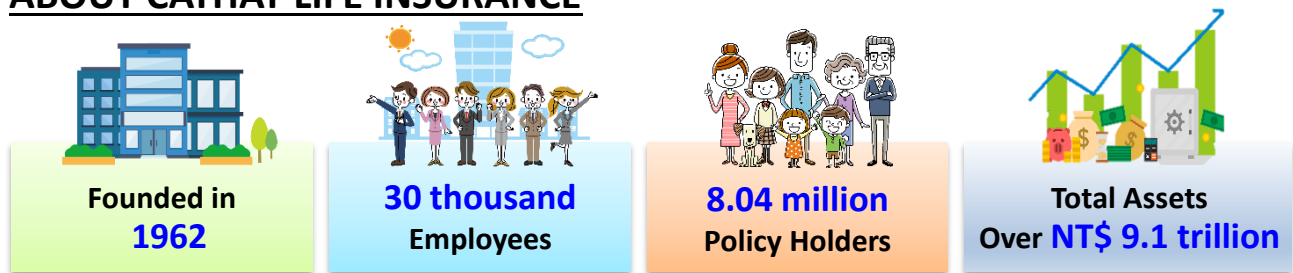




Responsible Investment and Stewardship Report

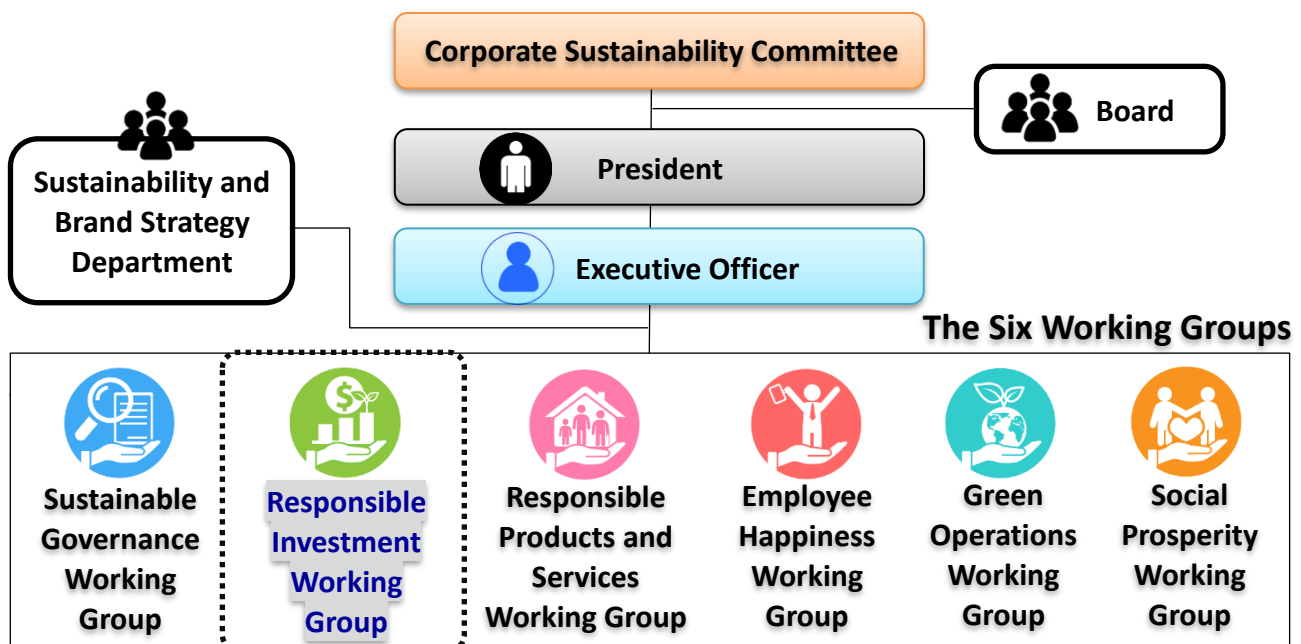
A 3D illustration of a large green magnifying glass focusing on a green tree, surrounded by various green energy and sustainability icons like wind turbines, solar panels, and a 'Net Zero' sign.

ABOUT CATHAY LIFE INSURANCE



Founded in 1962, Cathay Life Insurance has 30 thousand employees, 8.04 million policy holders, and total assets of over NT\$9.1 trillion, and is the leader of Taiwan's insurance industry. "Lead the way in sustainable insurance and ensure the happiness of society" is Cathay Life's vision of sustainability, which consists of three strategic directions: Climate, Health, Empowerment.

■ Cathay Life Corporate Sustainability Team



■ Focus Areas & Blueprint of Sustainable Development



CS Vision

Lead the way in sustainable insurance and ensure the happiness of society.



STATEMENT

Since 2015, Cathay Life has been self-complied with the Principles for Responsible Investment (PRI) on its own initiative. On July 25, 2016, Cathay Life signed the Taiwan Stewardship Principles for Institutional Investors issued by TWSE Corporate Governance Center, and became the first insurance company in Taiwan to become a signatory.

When Cathay Life use the core investment capabilities to pursue growth, we will always commit to integrate environmental, social and governance (ESG) factors into investment decision-making and ownership practice, through the system establishments and process adjustments in order to fully exercise its expertise and influence as an institutional investor and fulfill the duties of an asset owner, thereby increasing the long-term values of its customers and shareholders and realizing responsible investment.

This report is not only we demonstrate our efforts in responsible investment and stewardship but also claim to abide by six principles of PRI and Taiwan Stewardship Principles for Institutional Investors. After being countersigned by the legal affairs office and corporate governance manager, it is submitted to the general manager for approval and then proactively disclosed.

As of December 31, 2024, Cathay Life has complied with the Principles for Responsible Investment (PRI) and the six principles of the (Taiwan) Stewardship Principles for Institutional Investors without fail.

ABOUT THIS REPORT

The contents in this report is released after reviewed by the legal affairs office, chief corporate governance officer, and approved by the general manager. The information disclosure period of this report is from January 1, 2024 to December 31, 2024. The report discloses information on Cathay Life Insurance, and the scope is limited to Taiwan.

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Taiwan Stewardship Principles
for Institutional Investors



Signatory



[Visit Stewardship
Website for
Compliance
Statement](#)

CONTENTS

Responsible Investment Organization and Mechanism	5
(I) Working Group and Inputs	5
(II) Our Missions	6
(III) Responsible investment mechanism.....	8
Responsible Investment Measures	11
(I) Implementing integration of ESG factors	11
(II) Mandate institution mangement.....	21
1. Mandate institutions	21
2. ETF and Funds	24
3. Third-party service providers monitoring.....	24
(III) Interacting with investee companies	26
1. Dialogue.....	26
2. Engagement.....	27
3. Proxy Voting.....	58
(IV) Sustainable Investment.....	80
1. Theme Investing	80
2. Impact investing	83
3. Sustainability-Linked Bond (SLB)	89
(V) TCFD.....	89
(VI) TNFD	106
Evaluation of the effectiveness of responsible investment.....	112
Communication channels of stakeholders and other information	117
Annexed Table : RI policy on different asset classes	119
Appendix I: Principles for Responsible Investment Content Index	121
Appendix II: Taiwan Stewardship Principles for Institutional Investors	
Content Index	123

Responsible Investment Organization and Mechanism

Cathay Life Insurance's total assets exceed NT\$9.1 trillion (NT\$7.99 trillion of which are investment assets), accounting for about 1/4 of Taiwan's overall life insurance industry. As one of the largest institutional investors in Taiwan, Cathay Life has long been focusing on appropriately using the funds of policy holders and shareholders to make its capital usage more meaningful. With the growing awareness worldwide on corporate sustainability and ESG issues, responsible investment has become a mainstream value. In response, Cathay Life also considers the integration ESG issues into our investment decision making process. We not only pay attention to the operational prospect of our investees, but also hope to set a model for our investees that focuses on sustainable development. From encouraging our investees' development towards becoming a good company and demonstrating good behavior to changing other companies, we can make our environment more sustainable, retain long-term viability of our operations, mitigate the impact of ESG risks, and generate positive economic benefits, all in order to establish a model for corporate accountability and create a sustainable future.

(I) Working Group and Inputs

Cathay Life Insurance established a Responsible Investment Working Group in 2016. The Responsible Investment Working Group consists the front, middle and back offices involved in investment, and is headed by the executive managers of equity investment departments. In January 2022, we established a dedicated unit to oversee and plan responsible investment matters. Our team continues to expand research resources to strengthen the Company's responsible investment capacity and improve our sustainability performance, with the hope to become a leader in responsible investment in Taiwan.



Organize trainings periodically:

Investment manager (including junior and mid-to-senior level executives)

Periodically share the latest ESG trends and potential investment opportunities at the work meetings and the weekly investment meetings.



Responsible investment education and training

- ✓ Organize 2 physical responsible investment trainings and arrange practice workshops annually.
- ✓ Organize online ESG training for investment teams annually.
- ✓ Themes included: ESG trends, climate change, and nature and biodiversity.



Employee orientation

- ✓ Incorporate responsible investment contents into investment team employee orientation.
- ✓ Themes included: Introduction to basic ESG concepts and internal responsible investment mechanisms.



(II) Our Missions

1. Plan responsible investment and climate related implementation programmes and annual due diligence governance activities, such as investees engagements, proxy voting and shareholders' meeting voting analysis and related operations;
2. Research on international sustainability trends, responsible investment, climate change trends, and key international frameworks;
3. Analyse the policies and frameworks of responsible investment and climate change in the benchmark industry;
4. Organise regular training to enhance the investment team's understanding of sustainable investment;
5. Publish monthly newsletter 'CLIMATE PLUS' to share the latest domestic and international responsible investment initiatives and industrial carbon reduction trends.
6. Establish systematic ESG management tools:
 - (1) Integrate ESG and climate information into the internal investment management system, including corporate ESG ratings and climate information (e.g., corporate climate governance, net-zero commitments, historical carbon emissions data, and low-carbon transformation actions), to provide the investment front office with a grasp of the ESG performance of the investee company, its carbon emissions information, and climate preparedness.
 - (2) Preparation of Taiwan Carbon Fee Calculation Worksheet: To assist investment teams in incorporating the carbon fee levied by companies, their voluntary reduction plans, and their applications for voluntary reduction and offset projects into their investment evaluation.

CLIMATE PLUS NEWSLETTER

- ✓ International climate initiatives
- ✓ ESG policies and regulations
- ✓ Industry carbon reduction trends
- ✓ Responsible Investment news



276 Participants
senior executives and
investment teams

180 mins
of training per employee
in 2024

NT\$ 60 thousand+
Put in

ESG Analysis Tool



Investment amount : **NT\$ 99 million**

Subscriptions of Third-Party databases **MSCI**  **ISS**  **Bloomberg**  **BloombergNEF**  **CDP** 

(III) Responsible investment mechanism

1. Establish responsible investment management measures

In order to make our responsible investment comprehensively cover various types of assets (e.g., equity, bonds, funds, and real estate), we not only comply with the Responsible Investment and Lending Policy established by Cathay FHC, but also establish relevant ESG guidances and internal management measures tailored to individual investments in assets of different natures (please see the figure below and details as P.119 [Annexed Table](#)).

2. Fully implementing responsible investment

We exclude assets that fall outside the scope of responsible investment operations (e.g., cash equivalents, foreign exchange hedging, and separate account). The total responsible investment assets amount to NT\$7.2 trillion. In addition, we report the implementation results of responsible investment to the Board of Directors annually.

Securities Investment

- The “Investment Management Procedures”^P and “Investment Policy”^P stipulate that the PRI must be considered when using funds, and that ESG factors must be incorporated into the decision-making process by adjusting investment procedures and using the internal investment information system and external research resources.
- Established the Stewardship Principles^P to increase investment value through stewardship actions with the goal of increasing long-term benefits to the Company, policyholders, and shareholders.

Equity and Fixed Income

- ESG Risk Review Procedure^M ([P.11](#))
- Interacting with investee companies ([P.26](#))

Fund and Mandate

- Asset Manager Mandating and Monitoring ([P.21](#))

Corporate Lending

We stipulate “Responsible Lending Policy”^P and “Guidelines for Corporate Credit Granting”^M and design an ESG checklist to verify lending customers’ achievements of ESG matters. ([P.19](#))

Real Estate Investment

We establish “Real Estate Responsible Investment and Management Policy”^P, which states that real estate investments must improve the performance of its real estate holdings so as to engage in the proper utilization of Earth’ s resources and the proper management of investment and operating risks. ([P.20](#))

^P Refers to rules and regulations

^M Refers to internal management measures or operating manual

3. Managing conflicts of interest

Cathay Life is consistently committed to steady, pragmatic operations based on the principle of business integrity. In order to ensure that our use of funds is in line with the policyholders' expectations and shareholders' rights and interests, we established a management system for specific conflicts of interest. The system properly manages and implements internal control of conflicts of interest that may occur, to prevent conflict of interest causing "between the Company and its clients, between the Company and its employees, between its employees and its clients, between the Company and its other investees, and between the Company and its affiliates."

(1) Implementing conflict of interest education

In order to enable employees in our investment teams to better understand the spirit of avoiding conflicts of interests, and adhere to high ethical standards and comply with relevant internal and external laws and regulations when implementing investment businesses, Cathay Life has prepared documents for communication on conflicts of interest for employees to refer to at any time, convened meetings among relevant departments from time to time to discuss relevant matters, and included courses on conflicts of interest as compulsory courses for new investment-related employees.

We regularly provides employees with educational training related to the "Financial Consumer Protection Act and Principles of Fair Customer Service." The training introduces financial consumer disputes and various principles of fair customer service to enhance employees' knowledge and awareness of fair treatment, thereby implementing the Company's customer-centric service philosophy.

(2) Stipulating directions and regulations

The Company has established relevant rules and regulations, such as the "Code of Conduct for Employees", "Guidelines for the Prevention and Management of Conflicts of Interest in Investment", "Policy on the Principle of Fairness to Customers", "Procedures for Handling Consumer Disputes",

“Regulations Governing the Assumption of Duties by Managers in Affiliated Enterprises”, “Rules Governing Internal Operations and Conduct in Transactions Other Than Disbursement of Funds to Interested Persons”, “Regulations Governing Disbursement of Funds to Interested Persons and Persons under Observation of Transactions”, and other related internal control procedures. In addition, the Company also implements education, division of authority and responsibility, information control, firewall design, monitoring and control mechanism, reasonable remuneration system, compliance with engagement and voting standards, and remedial measures to avoid conflicts of interests.

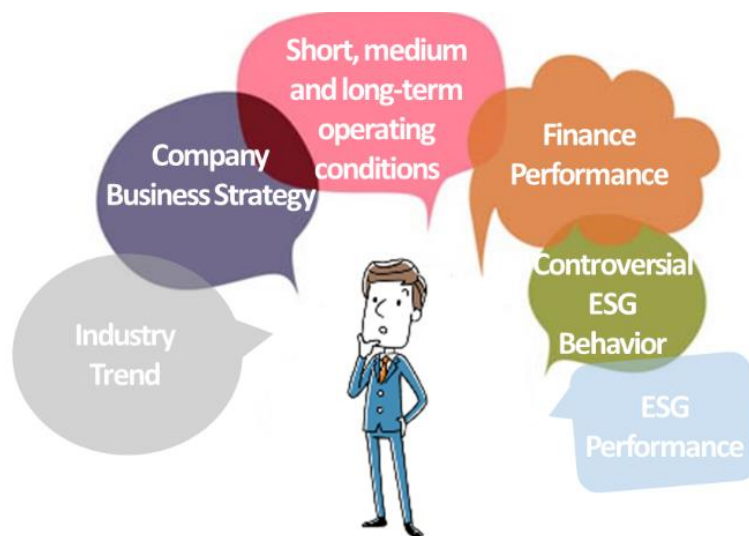
In 2024, no incidents involving conflicts of interest occurred in Cathay Life Insurance, which demonstrated the effectiveness of our preventive mechanism for conflicts of interest.

Responsible Investment Measures

(I) Implementing integration of ESG factors

1. Incorporating ESG issues into the investment decision-making process

Cathay Life Insurance has established an ESG Risk Review Procedure. When investing in stocks and bonds, it must consider the ESG performance of the investee company, and adopt the ESG integrated management mechanism of comply-or-explain and escalation process.



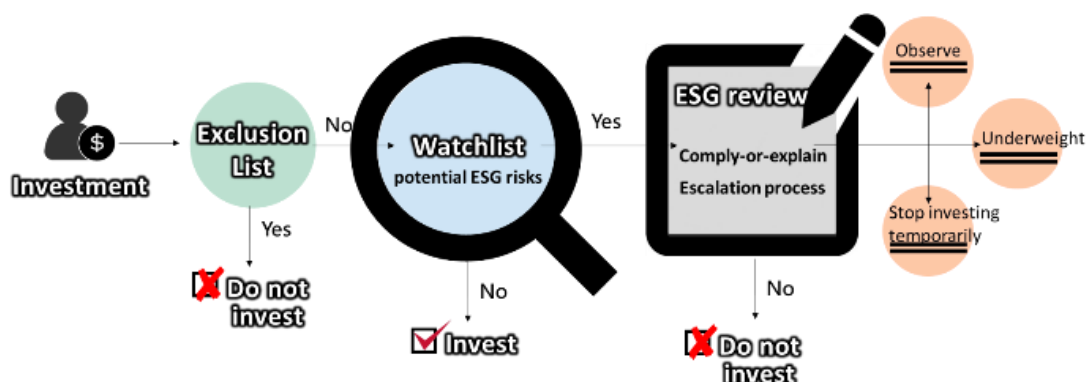
(1) Carefully considering the ESG performance of investment buylist

When adding a new investment target in our buylist, investment teams must check if the target is included in the exclusion list or watchlist. Targets on the exclusion list shall not be accepted in our investment buylist (which means no new investments shall be made). If a target belongs to the watchlist, the investment team must further understand the status of the investee company and conduct due diligence; further reports that evaluate its capabilities of ESG risk management shall be provided and the internal escalation process shall be conducted before adding the target as a new investee. Furthermore, the new investee company shall be continuously observed and followed up on its ESG performance in order to avoid ESG risks.

(2) Reviewing the ESG performances of investment positions on a periodic or an ad hoc basis

Our investment team mainly utilizes MSCI ESG research data to monitor changes in the ESG performance of existing investment targets (including listed equities, corporate bonds, financial bonds and government bonds), with supplemental data from National Taipei University's Taiwan Sustainability Value Index and TWSE's Corporate Governance Evaluation System. When an investment target declines in ESG performance and is placed on the watchlist, our investment teams must immediately provide an evaluation report to understand the target's decline in ESG ratings, reasons for its negative incidents, and the response measures it has taken, and then take appropriate risk management measures (e.g., continuing to observe and follow up on developments, reducing position size, or holding current position). Furthermore, we conduct a comprehensive ESG review of existing investment targets every September.

In 2024, all listed equities, corporate bonds, financial bonds and government bonds investment targets with potential ESG risks have been reviewed, and a total of 317 cases have been reviewed through the ESG review procedure. Besides, investment team removed 1 investment targets from the buylist after considering basic aspects and ESG performance.



● Exclusion list

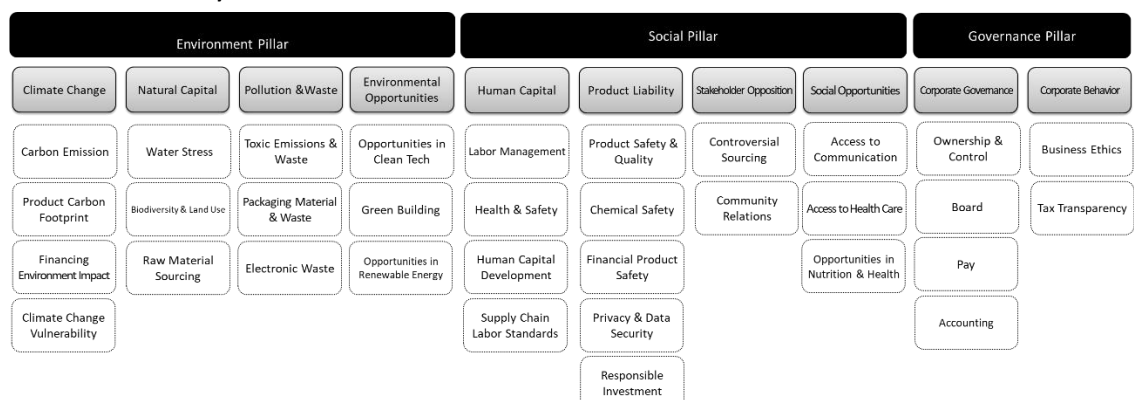
We comply with Cathay FHC and Subsidiaries Investment and Lending Exclusion Policy and our own Investment Management Principles for Sensitive Industries and place government bonds issued by countries that systematically violate human rights or exhibit major disputes over human rights and controversial industries that involve high environmental, social and moral risks that lead to negative social impacts, on the “exclusion list.” (e.g., companies in high climate risk industries with an MSCI Climate Value at Risk (CVaR) of -100% and no active transition measures in place)

● Watchlist

(1) Considering ESG-related risks and opportunities with financial materiality

The Governance pillar is the core of ESG and the foundation for evaluating the ESG performance of each company. The environmental and social pillars, on the other hand, are associated with the core competencies of operation and emphasize material issues of risks and opportunities related to corporate operation or finance performance (e.g., for the semiconductor manufacturing industry, water resource management is a financially material ESG risk, while clean technology represents a financially material ESG opportunity. We evaluate companies according to their exposure to ESG risks and how they manage those risks compare to peers. The MSCI ESG ratings range from the leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). Company rated on the “B, CCC” scale will be put on the watchlist and must undergo “ESG risk review procedures” before investing.

【 MSCI ESG Key Issues 】



【Application of ESG Metrics】

Cathay life adopts ESG indicators from the MSCI ESG database. Take one of the indicators, “carbon emission”, as an example. It will be considered in the investment decision-making process, be used as a reference basis while negotiating with the investee companies, and be used when calculating the investment portfolio’s carbon footprint.

Focus of Assessment	The assessment is based on each company’s quality of carbon management and its efforts to manage climate-related risks and opportunities.
Risks and Opportunities	<ul style="list-style-type: none"> • Costs associated with carbon pricing or carbon taxes increase. • Regulatory caps lead to facility refurbishment or operational disruption.
Evaluation Index	Direct GHG emissions (Scope1), indirect GHG emissions (Scope2), carbon intensity (tons CO ₂ e/USD million sales), emission reduction target setting and achievement status, use of renewable energy, efforts to reduce carbon emissions.

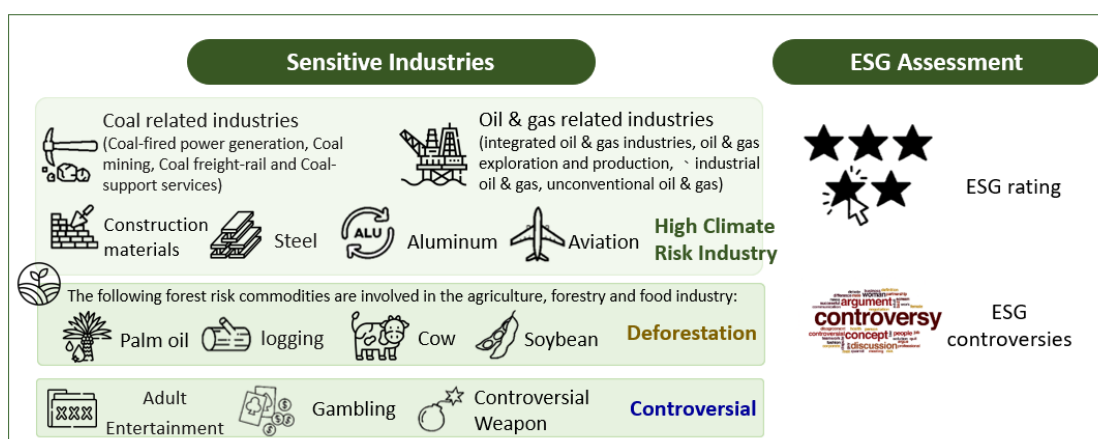
(2) Evaluating controversies

We evaluate investee companies’ compliance with the UN Global Compact and monitors their ESG incidents in real-time. If an investee company is involved in a severe ESG controversy of a significant impact scale and receives an Orange or Red flag under the MSCI ESG controversies scoring, it will be placed on the watchlist and must undergo “ESG risk review procedures” before investing.

Environment	Social			Governance
	Customers	Labor Rights & Supply Chain	Human Rights & Community	
<ul style="list-style-type: none"> • Biodiversity & Land Use • Toxic Emissions & Waste • Energy & Climate Change • Water Stress • Operational Waste (Non-Hazardous) • Supply Chain Management • Other 	<ul style="list-style-type: none"> • Anticompetitive Practices • Customer Relations • Privacy & Data Security • Marketing & Advertising • Product Safety & Quality • Other 	<ul style="list-style-type: none"> • Impact on Local Communities • Human Rights Concerns • Civil Liberties • Other 	<ul style="list-style-type: none"> • Labor Management Relations • Health & Safety • Collective Bargaining & Union • Discrimination & Workforce Diversity • Child Labor • Supply Chain Labor Standards • Other 	<ul style="list-style-type: none"> • Bribery & Fraud • Governance Structures • Controversial Investments • Other

(3) Classifying targets from sensitive industries

According to Cathay Life's Investment Management Principles for Sensitive Industries, if a company belongs to a sensitive industry and has a medium-high level of impact on the environment and society, it shall be placed on the watchlist (e.g., companies in high climate risk industries "with an MSCI Climate Value at Risk (CVaR) of -100% but with active transition measures in place" or "CVaR less than -70%"), and must undergo "ESG risk review procedures" before investing.



Cathay Life Insurance evaluates industry-specific ESG risks every year and adjusts sensitive industries in a timely manner. Companies are assessed for the degree of their operational involvement in sensitive industries, the percentage of revenue earned from businesses in sensitive industries, Climate Value-at-risk(CVaR), etc. so as to determine the investment and lending exclusion list, and the watchlist of investment targets. The industry watchlist is described as follows:

i. High climate risk industries

According to MSCI methodology, due to the nature of business activities in the "oil & gas industry, industrial gases, construction materials, aluminum, steel, and airlines," companies in these industries face high levels of direct exposure to climate risks and are therefore classified as sensitive industries.

In addition, the category of unconventional oil and gas includes oil sands, shale oil and gas, and Arctic oil and gas (including onshore and offshore). Given that the extraction of unconventional oil and gas typically results in significantly higher levels of pollution compared to conventional methods,

and involves intensive energy and water consumption that exacerbates climate-related issues, the "Unconventional Oil & Gas" industry is also categorized as a sensitive industry.

ii. Coal-related Industries

In 2021, the UN COP26 reached the "Glasgow Climate Pact", the first climate agreement that specifies a plan to reduce the use of coal. We realized that phasing out coal has become a consensus for the global combat with climate change. Coal-related industries (e.g., Coal power, coal mining, coal freight and coal services) will face considerably increased risks of asset impairment in the future. Therefore, we include the coal-related industry in the list of sensitive industries.

iii. Deforestation-related activities

Cathay Life included logging and palm oil in the list of sensitive industries in 2020, so as to mitigate the risk of land degradation by reducing deforestation. In the past two years, Cathay Life has continued to explore issues regarding nature and comprehend the impact of biodiversity changes and biodiversity loss, which may result in a potential crisis on the economy and sustainable life cycle. In view of this, the management scope expanded into the agriculture, forestry and food industries in 2023, while management actions shall comprise land-use change, supervising companies that produce and use commodities causing deforestation, including beef, soy, palm oil, and timber products, in order to prevent and reverse land degradation and prevent biodiversity loss.

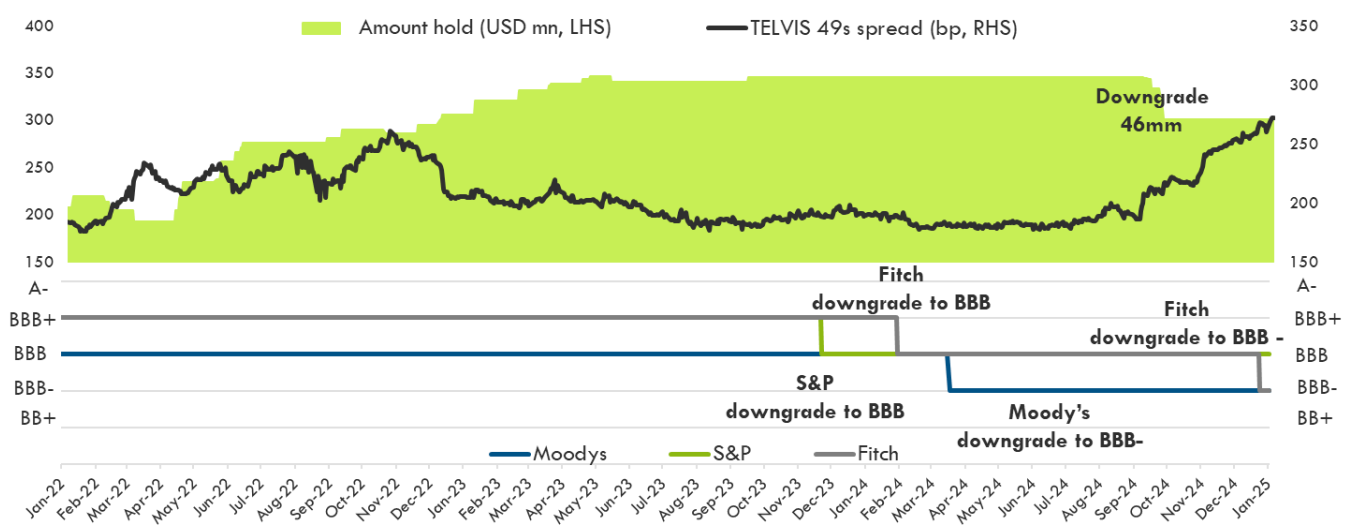
iv. Controversial weapon industries

Since biological weapons (Biological and Toxic Weapons Convention, 1972), chemical weapons (Chemical Weapons Convention, 1993), anti-personnel landmines (Ottawa Treaty, 1997), cluster bombs (Convention on Cluster Munitions, 2008), depleted uranium ammunition, and nuclear weapons (Treaty on the Non-Proliferation of Nuclear Weapons, 1968) cause indiscriminate attacks and mass destructions, with serious violation of

humanitarianism, with the support of corresponding international conventions, the above-mentioned controversial weapons industry is incorporated in the list of sensitive industries.

Case study: Integrating ESG factors into investment decisions—Company T

- Company T is the largest pay TV operator and the second largest fixed-network operator in Mexico. In recent years, the company's core business has declined due to streaming platforms and more intense competition in the fixed-network market. Furthermore, the company was investigated by the U.S. Department of Justice (DOJ) for suspected bribery of FIFA in 2015 to obtain the rights to broadcast the games of four World Cups from 2018 to 2030. The company announced in August 2024 that the investigation results may have a material impact on the company's finances and operations.
- Due to more intense competition in the industry and rising legal risks, Moody's downgraded the company's outlook from Stable to Negative in September 2024. In December of the same year, Fitch also downgraded the company's rating from BBB to BBB-.
- Since the company's core business continues to decline and faces the risk of litigation, we have adopted the strategy to reduce our current position starting from September 2024, and will continue to reduce our position.



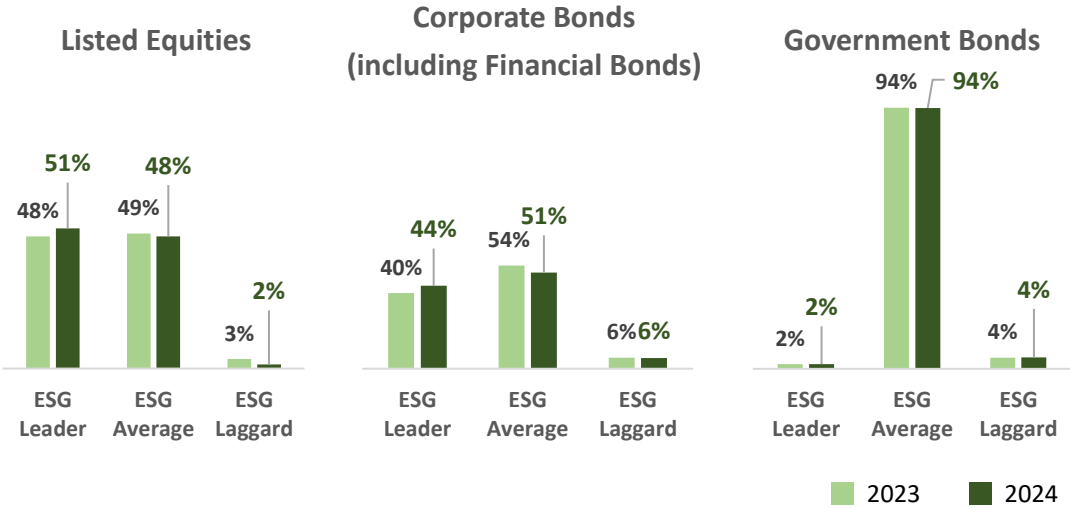
Case study: Integrating ESG factors into investment decisions—Company C

- Company C is in the steel industry, which is a high-carbon emission industry, and its MSCI climate value at risk (CVaR) was rated lower than -70%. The main risk comes from direct carbon emissions under policy risk, so the company was included in our watchlist.
- Company C pointed out that the downturn in the steel market has led to a decrease in production volume in recent years, which has increased unit energy consumption. However, carbon reduction in 2023 still reached approximately 358,000 tons CO₂e, a decrease of 1.6%, and the company's carbon reduction-related capital expenditures was approximately NT\$3.827 billion, showing that it continues to direct its efforts to climate change issues.
- In terms of sustainability governance, Company C has established the “Sustainable Environment Development Task Force” and “Energy Conservation, Carbon Reduction, and Carbon Neutrality Implementation Task Force” under its Corporate Governance and Sustainability Committee, and regularly reports the progress to its board of directors. In practice, the company adopts regional energy integration and engages in energy cooperation with nearby petrochemical companies, establishing a steel co-production model and showing the spirit of cross-industry cooperation for sustainability. We also propose short-, medium-, and long-term carbon reduction goals to move towards carbon neutrality by 2050.
- Although Company C is in a high-climate risk industry, the investment team will continue to observe and follow up on Company C as it has already set specific carbon reduction goals and formulated clear carbon reduction strategies.

Changes in investment decisions

- Through ESG risk review procedures, biannual regular training, and onboarding training for new employees, we gradually guide the investment team to attach importance to responsible investment and ESG issues.
- After reviewing the ESG distribution status of self-owned positions including listed equities, corporate bonds (including financial bonds) and government bonds in

2024, Cathay Life actively engages with investee companies to keep track of their ESG progress, and select investment targets with better ESG performance for asset allocation. Therefore, the proportion of Cathay Life’s investment positions rated as ESG Leaders has increased, while those rated as Average or Laggard have either declined or remained stable. Going forward, the company will continue to engage with ESG Laggard-rated companies to support improvements in their ESG performance.



Note:

1. MSCI ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).



2. Since the ESG risk review is only applicable to the Company’s own investment positions, the above statistics only cover the Company’s own investments with MSCI ESG ratings.
3. The figures in the table above may not sum to exactly 100% as a result of rounding adjustments.

■ Incorporating ESG factors into corporate lending decision-making process

When implementing know your customer (KYC) guidelines, Cathay Life designs an ESG checklist, which assesses corporate lending customers’ environmental, social and corporate governance performance in order to ensure their ESG implementation. These customers are further divided into those “Excluded loan customer,” those “Requiring closer watch loan Customer,” and

those “General loan Customer.” There were a total of 8 new loan cases were accepted and completed in 2024, and 4 cases required additional attention to the customer. As of the end of 2024, there were a total of 20 valid corporate cases, with only 4 cases requiring additional attention to the customer. (Environmental issues: 3 issues; ESG issues: 1 issue)

- Real estate investment

As a demonstration of our commitment to ecology and environmental protection, for 2016 onwards, architects commissioned by Cathay are required to design buildings invested and developed by Cathay based on green building standards. All new buildings with obtained building permits have obtained the green building or LEED certification since 2023.

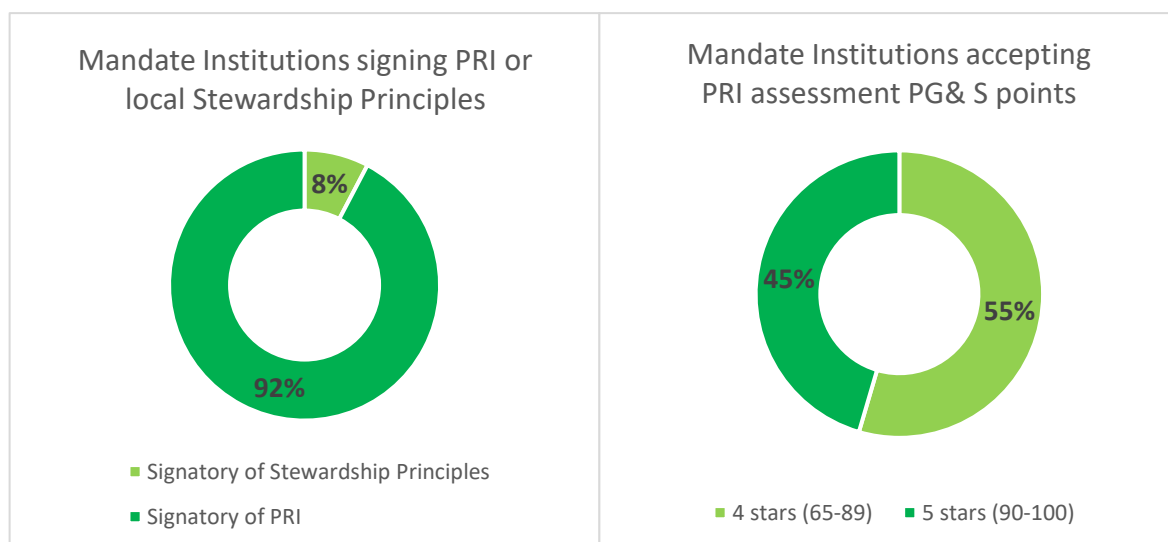
(II) Mandate institution mangement

To ensure our mandated asset managers are subject to responsible investment requirement, Cathay Life Insurance takes various measures on assets under management by mandataries to ensure that its mandate institutions or the ETFs and Fund it invests in are in line with the company's principles:

1. Mandate institutions

We take signing the Principles for Responsible Investment (PRI) into consideration for mandate partner evaluation to ensure that Cathay Life Insurance's mandate partners fulfill their duties as asset managers. We also stipulate when signing contracts, that responsible investment must be included into decision-making, and that the investment targets' fulfillment of obligations in accordance with relevant ESG regulations be assessed. We will also ask our mandate partners to comply with Cathay FHC and Subsidiaries Investment and Lending Exclusion Policy, our own Investment Management Principles for Sensitive Industries, and present reports detailing their ESG measures on an annual basis.

Of the mandated assets¹ entrusted by Cathay Life Insurance for discretionary investment in 2024, 100% of assets were entrusted to asset managers that are signatories to the PRI or local stewardship principles. Among the mandated institutions subject to the annual PRI assessment, 55% received four stars (65-89 points) for Policy Governance and Strategy (PG&S)², and 45% received five stars (90-100 points), as opposed to the median score of all signatories to the PRI of only 61 points (40-65 points is three stars), showing the excellent performance of mandated institutions selected³.



Note:

1. Mandated institutions refer to the discretionary investment institutions that actually made transactions of positions entrusted by Cathay Life Insurance in 2024.
2. The Policy Governance and Strategy item mainly assesses the overall results of signatories in terms of responsible investment (including responsible investment policy, reporting and disclosure, voting & engagement, and climate change and sustainability actions), and are divided into 1 star (0-25 points), 2 stars (25-40 points), 3 stars (40-65 points), 4 stars (65-90 points), and 5 stars (90-100 points).
3. The statistics on the right are applicable to mandated institutions that accepted the PRI annual assessment (accounting for approximately 92% of mandated assets). Institutions that did not sign the stewardship principles of their country are not included.

The results of Cathay Life Insurance's annual review also show that:

- The investment teams of mandated institutions have responsible investment units or other dedicated units. In addition to following the Investment and Lending Exclusion Policy Group's Negative Investment and Lending Policy, and the Company's Investment Management Principles for Sensitive Industries, international ESG rating agencies or internal databases are also used for ESG performance review, indicating that all of Cathay Life Insurance's assets are managed by units that attach importance to ESG risks and opportunities.
- To ensure that discretionary asset management companies fulfill their role as active investors, Cathay Life Insurance also regularly reviews the ESG engagement progress of our mandated institutions:

Company A (discretionary investment institution) communicated with a multinational auto company regarding climate issues before voting. As the world's leading automobile sales company, Company T lacks more ambitious climate-related goals. In terms of the CA100+ benchmark, the company's report did not make any improvement compared to 2023, so we therefore our mandated institution A publicly announced our support for the shareholder's climate lobbying proposal on climate lobby before the shareholders' meeting in 2024.

2. ETF and Funds

The following methods are adopted to understand the ESG policies and measures of counterparties or funds that are selected by Cathay Life-invested ETFs or funds and that are in line with Cathay Life's investment philosophy:

- (1) Whether counterparties have signed the PRI or governmental stewardship principles;
- (2) Review ESG performance of ETFs, funds as well as ETF and fund managers or issuers from external professional ESG assessment database.

【 Summary of Cathay's active management on Mandate, ETFs and Fund 】

	Mandate institutions	ETFs and funds
Checks whether they have signed the PRI or governmental Stewardship Principles	★	★ ¹
Stipulates in mandate agreements that any investment must consider ESG and climate factors	★	
Requires them to observe investment exclusion lists and regulations on sensitive industries	★	
Utilizes data from international ESG rating institutions to review ESG performance	★	
Review ESG implementation results annually	★	★ ¹

Note: 1. the review is conduct on an annual basis by responsible investment team.

3. Third-party service providers monitoring

To ensure the quality of data and the independence of service providers, in addition to reviewing data methodologies and assessing their limitations, we also hold meetings with providers when we have concerns regarding the data or think there is a potential conflict of interest.

- (1) Meeting with MSCI when concerns arise:

We will regularly review the MSCI rating methodology, such as ESG rating, ESG controversies and Climate VaR, and ensure the data quality and accuracy of data coverage continue to meet the needs of the business. We hold meetings with MSCI to discuss the ESG materiality we care about and any shortcomings

around data or research output when concerns arise to solve problems from our investment team and drive continuous quality improvements.

- (2) Engage service provider ISS for issuer companies' AGM/EGM voting proposals discussions:

Whenever questions arise with regard to specific voting research or application of our voting policy we contact ISS for further elaborations. Additionally, to broaden our internal research scope, we analyse ESG global trends with ISS and review their proxy voting guidelines for each market annually.

(III) Interacting with investee companies

Owing to the tremendous impact of corporate sustainability development on business operations, which in turn affects the rights of institutional investors, Cathay Life believes that continual communication with investee enterprises to attach importance to ESG risks and opportunities together is the best way to add value to all parties involved. Therefore, we interact with investee companies through dialogue, engagement and proxy voting, thus demonstrating the stewardship measurement of active ownership.

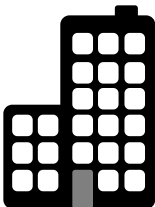


1. Dialogue

Cathay Life communicates with the top management, investor relations (IR) departments, or CSR team of investee companies in the forms of telephone conferences, forums, investor seminars, or attending shareholders’ meetings. Among the dialogue methods with investee company we adopt, we deem company visits the most straightforward and efficient. Through face-to-face dialogue, we are able to improve our understanding of information on investee companies, discern the gap between disclosed information and actualities, keep track of key risks and opportunities, and perfect the soundness of our investment analysis. The outcome of 2024 company visits is as follows:



A total of **2,769** employees participated





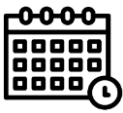


Visited a total of **656** companies;
Total number of visits reached **2,487**
An average of **3.8** visits per company

2. Engagement

The Engagement Policy, jointly established by Cathay Life, Cathay FHC, and various Cathay subsidiaries, publicizes Cathay's sustainable spirit and corporate governance values to exert our influence as a sustainable investor. We uphold the importance of engagement and adopt a progressive approach to communicating ESG-related concepts with companies, so that they become aware of the impact of ESG on themselves and recognize the importance of ESG issues, and then take a further step to participate in and implement ESG. In addition, we also participate in various relevant activities to share our responsible investment measures with other insurance companies to urge the investment business industry to realize responsible investment, so that a genuine positive cycle of the industry can be created.

1. Setting up engagement process

i. Make sure the engagement complies with our stewardship policy through five - stage engagement process :

 Main engagement themes	 Engagement targets selection	 Engagement period	 Engagement results evaluation	 Post-engagement investment actions
<ul style="list-style-type: none"> Climate change ESG rating ESG information disclosure 	<ul style="list-style-type: none"> Climate change ESG ratings and specific ESG material issues Corporate ESG disclosure 	<ul style="list-style-type: none"> 5 years Adjust according to situation 	<ul style="list-style-type: none"> Case closed successfully Positive progress No clear progress Negative progress Case closed Unsuccessfully 	<ul style="list-style-type: none"> Continuous observation and tracking Reduce investment position Stop investing temporarily Adjust investment limit

■ STEP 1: Main Engagement Themes

Recognizing the impact of extreme weather and climates brought by climate change on companies, as well as the importance of ESG issues, we choose ESG rating and specific ESG material issues, ESG—information disclosure and climate change to be our main engagement themes.

■ STEP 2: Engagement Targets Selection

To objectively estimate the investee companies' ESG performance of and verify the key ESG issues of engagement, after deciding on engagement themes, the following methods are used to select the subjects of engagement and related issues that require engagement:

Main engagement themes	Description
ESG Rating and specific ESG material issues	<ul style="list-style-type: none"> ■ Cathay Life Insurance believes that if companies place emphasis on major ESG issues related to their business operations or finances when implementing ESG management, they will not only maximize the effectiveness and efficiency of social resources, but also promote a virtuous cycle of social “sustainability” and “win-win situation.” ■ To ensure neutrality of corporate ESG assessments, we select companies whose ESG ratings are B and CCC as subjects of engagement based on MSCI ESG research data. ■ Directly engage in in-depth discussions on ESG risks and opportunities that are financially material to the company. The themes discussed include but are not limited to the following topics: <ol style="list-style-type: none"> 1.Environment: Water Stress, Biodiversity, Land Use...; 2.Social: Human Capital, Labor Management, Chemical Safety...; 3.Governance: Board Structure, Remuneration Policies, Business Ethics...;
ESG Information Disclosure	<ul style="list-style-type: none"> ■ Participate in international initiatives to encourage and promote corporate ESG information disclosure. ■ Case-by-case assessment: Immediately engage and communicate with companies when insufficient information disclosure is found during internal assessments (such as ESG assessment or voting assessment).

Climate Change

- Engaged with investee companies based on relevant domestic and international net-zero transition frameworks or guidelines, encouraging them to establish decarbonization plans, low-carbon transition response plans, or climate change adaptation actions. Provided suggestions after understanding the limitations and difficulties the companies have adapting to climate change or reducing carbon emissions.
 1. Financial Sector Science-Based Targets Guidance:
 - (1) **Screening Criteria:** Based on the absolute carbon emissions or Cathay Life Insurance's financed emissions exposure.
 - (2) **Engagement Contents:** Cathay Life follows the temperature rating methodology under SBTi to set its investment portfolio decarbonization pathway. If investee companies set targets approved by SBTi, or adopt ambitious mid-term decarbonization targets aligned with other international net-zero frameworks (e.g., ISO Net Zero Guidelines), their implied temperature rise would be lowered, contributing to the achievement of Cathay Life's SBTi-aligned climate goals.
 2. Taiwan Sustainable Taxonomy:
 - (1) **Screening Criteria:** Based on the industry classification of the Directorate-General of Budget, Accounting and Statistics, we screen companies that may be applicable to general sustainable economic activities using the information on main business operations disclosed by Taiwanese companies in the annual report.
 - (2) **Engagement Contents:** We would encourage companies to review and disclose the degree of sustainability of their main economic activities by referencing the "Taiwan Sustainable Taxonomy", and also engage companies with general economic activities that have not yet met the degree of sustainability specified in the "Taiwan

Climate Change

Sustainable Taxonomy”, in order to understand whether they have formulated a transition or improvement plan, in hopes that the companies can gradually meet the sustainability criteria specified in the guidelines.

3. Carbon fees in Taiwan:

- (1) **Screening Criteria:** We use the Ministry of Environment's “Mandatory Greenhouse Gas Reporting System” to screen investee companies that need to pay carbon fees and have poor capability to absorb carbon fees.
- (2) **Engagement Contents:** Understand the financial impact of carbon fees on the company and submit Self-determined Reduction Plans. If companies can propose an effective carbon reduction strategy, they can effectively reduce the burden of carbon fees.

■ Climate Scenario Analysis:

- (1) Screening Criteria: Companies operating in high climate-risk sectors and with an MSCI Climate Value-at-Risk (Climate VaR) score lower than -70%.
- (2) Engagement Contents: Focused on understanding companies’ climate-related strategies and actions.

■ Engaged with companies selected based on the criteria set by international climate initiatives in which Cathay Life participates:

- (1) Climate action 100+: [Net Zero Company Benchmark](#)
- (2) Asia Utilities Engagement Program: [Investor Expectations of Asian Electric Utilities Companies](#)

■ STEP 3: Engagement Period

When engaging with an investee company, an enterprise must first recognize the importance of the ESG theme or climate change issue in terms of its impact on the enterprise's operations, and then adjust procedures or even restructure its organization in response to the issues it confronts. This process is very demanding for an enterprise and requires time to make adjustments. Therefore, an engagement with enterprises rarely achieves

significant effects in its first year; a successful engagement takes three to five years at least. For this reason, we refer to international standard and set our engagement period is five years.

■ **STEP 4: Engagement Results Evaluation**

We engage with investee companies based on their key ESG issues. We record the results of our communications from time to time, and evaluate the effect of engagement on various ESG issues every year. Also, we categorize them into five types of progress: Case closed successfully, Positive progress, No clear progress, Negative progress, Case closed Unsuccessfully.

■ **STEP 5: Post-engagement Investment Actions**

Discuss based on the investee company's response and improvement status as a basis for subsequent investment adjustments, such as continuous observation and tracking, reducing investment position, stopping investing temporarily, or adjusting investment limit.

ii. Engagement Methods

① Direct Engagement:

Engage in direct communication channels (such as telephone calls, letters, emails, or face-to-face meetings) to conduct ESG discussions and interactions with the selected engagement targets.

② Collaborative Engagement:

In addition to directly engaging with the investee companies, we believe that collaborating with other organizations is also beneficial for gaining a deeper understanding of the investee companies' responses and progress on ESG material issues.

■ Collaborative Engagement Partners

- ❑ Based on the assessment by Cathay Financial Holdings Corporate Sustainability Committee's Responsible Investment Working Group, collaborate with Cathay Financial Holdings Co., Ltd. or other subsidiaries.
- ❑ Collaborate with other financial institutions or international organizations through the signing or adherence to international ESG-related initiatives.
- ❑ Collaborate with other financial institutions based on the Cathay Life's management needs.

■ Primary Management Policies

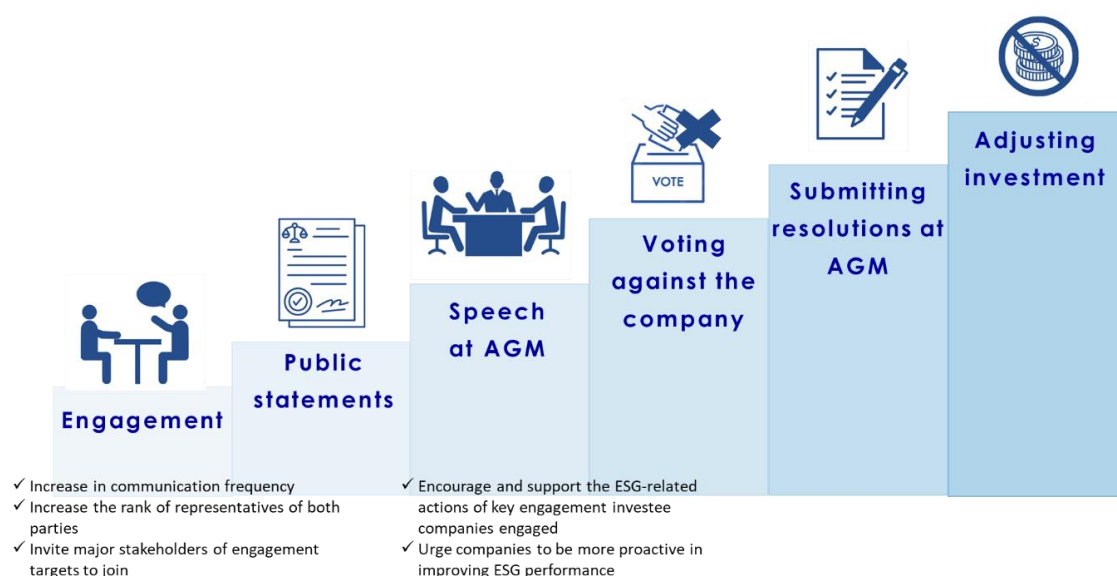
- ❑ Manage in accordance with the "Cathay Financial Holdings Engagement Policy" and the "Cathay Financial Holdings Engagement Regulations";
- ❑ During the collaborative engagement, avoid sharing or exchanging competitive and sensitive information related to investment decisions with engagement partners;
- ❑ Possible actions taken after collaborative engagement will be based on the our own strategy and Independently conduct investment judgments

and exercise voting decisions, without making collective decisions with engagement partners;

- ❑ We will not represent or make statements on behalf of other engagement partners or mention them without their consent.

iii. Adoption of Engagement Escalation Strategy

Given accelerated integration of ESG and the capital market, customers hope to jointly implement sustainability in the supply chain. Meanwhile, the competent authority has become more clear about ESG disclosure requirements. In addition to evaluating corporate ESG performance during investments, Cathay Life also actively encourages shareholders to take actions, and has set up a dedicated team for one-to-one communication with investees. As an active and responsible professional institutional investor, we also timely evaluate and adopt engagement upgrade strategies to encourage investee companies implementing ESG practices, and more actively improve their ESG performance. We believe these upgrade strategies can effectively achieve our final engagement targets, and create long-term value for both parties.



2. Implementing Engagement Measures



- i. Participating in international organizations that promote social initiatives to keep track of international trends ahead of time:

① Asia Investor Group on Climate Change (AIGCC)

Cathay FHC is a founding member of AIGCC and the earliest member from Taiwan. Cathay Life Insurance and Cathay FHC also joined six working groups under AIGCC, including Paris-aligned Investment, Engagement and Policy, Physical Risks and Resilience, Energy Transition, Forest and Land Use, and Asset Owner, where they work with international investors to study risks and opportunities related to climate and nature, and construct Asian investment frameworks based on climate change.

② Ceres Valuing Water Finance Task Force

Climate change has indirectly changed water circulation and precipitation patterns, which in turn affects company operations or asset value and even social stability. The Global Risks Report published by the World Economic Forum has listed the "water resource crisis" water crisis as one of the biggest risks faced by the world for many consecutive years since 2012. In recent years, water supply crisis has been included in natural resource shortage, making it the 10th largest risk the world will face in the next decade.

Cathay Life Insurance and Cathay Financial Holdings joined the Ceres Valuing Water Finance Task Force in September 2020 to stay up-to-date on

global trends in water resources, and understand the water resource risks and opportunities of various industries, so that Cathay Life Insurance can protect itself from related risks and increase the resilience of its investments when facing the challenges of water resources. We worked with institutional investors around the world in formulating water resource action plans, and completed a preliminary study in mid-2022, which will serve as the foundation for subsequent engagement with institutional investors and companies.

In addition to providing water resources ideas as professional institutional investors, Cathay Life Insurance has also kept track of forward-looking trends of global water resources and monitored risks and opportunities of water resources in various industries. By doing so, Cathay Life Insurance can prevent relevant risks and improve investment resilience when facing water resource challenges.

③ Asian Corporate Governance Association (ACGA)

Both Cathay Life Insurance and Cathay Financial Holdings joined the ACGA in 2024 in order to become more globally aligned in terms of corporate governance, social aspects, and enhance our engagement capabilities. Through participation in the annual meeting, we learned about corporate governance of companies in Asia and explored the impact of related trends on the Asian market. Content discussed include: Stewardship, shareholder activism, independent directors, transparency of remuneration, corruption and fraud, challenges brought about by artificial intelligence, nationally determined contributions (NDCs), and transition plans.

ii. Actively Engaging with Enterprises to Exert Influence in Sustainable Finance:

Since 2017, Cathay Life Insurance has participated in multiple international initiatives, including CDP “Non-Disclosure Campaign”, CDP “Science-Based Targets campaign”, CDP “Municipal Disclosure Campaign”, Climate Action 100+, AIGCC Asian Utilities Engagement Program to communicate with companies through collaborative engagement together with other international investors, or directly engages with companies, and also organized forums to engage multiple companies at the same time.

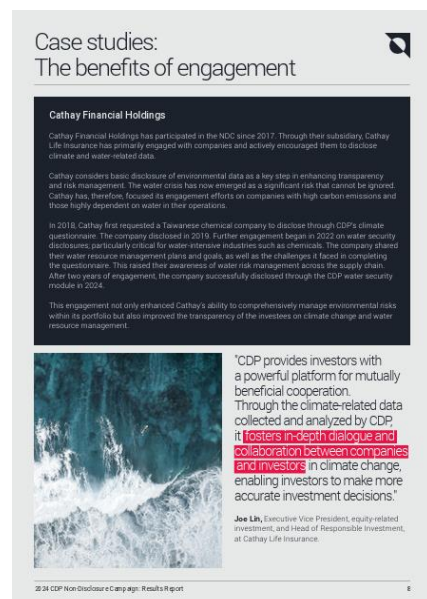
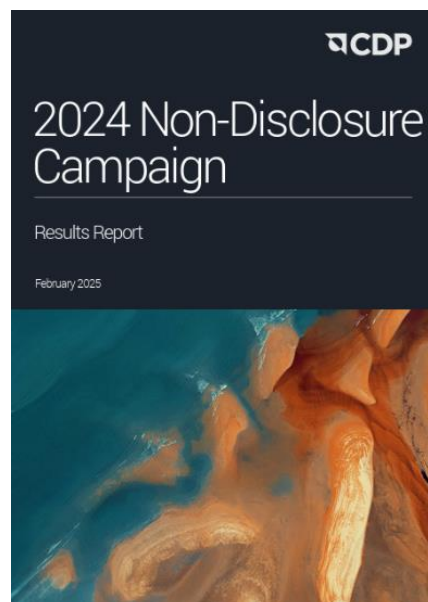
① Participating in international engagement initiatives



CDP Non-Disclosure Campaign

1. Non-Disclosure Campaign

- Cathay Life Insurance has participated in the campaign since 2017 and takes it upon itself to act as a leader in engagement. Through one-on-one communications, we have encouraged companies which have yet to respond CDP questionnaires, urging enterprises to disclose climate change measures and carbon emission data, understand the shortage of water resources, and consider the issue of sustainable forests, in order to formulate relevant response strategies and management approaches.
- Key performance:
 - (1) Success rate of engagement: Engaged a total of 44 companies with a success rate of 25% (11 companies), which is well above the global average success rate of 19.8%.
 - (2) Due to maintaining good relations with the CDP over a long period of time and high success rate of engagement, Cathay Life Insurance was invited to share a successful engagement case in the [2024 CDP Non-Disclosure Campaign Results report](#), which was one of the only two cases in the world to be selected.



Source: [2024 CDP Non-Disclosure Campaign Results Report](#)

2. Science-Based Targets Campaign

- Cathay Financial Holdings is represented as a participant and will jointly call with CDP every year starting from 2021, hoping that the global most influential companies will set a 1.5°C emission reduction target and achieve net-zero emissions along its value chain by 2050.
- Key performance: In 2023-2024, a total of 70 companies were prompted to commit to SBT targets, 21 of which have been approved by SBTi.

3. Municipal Disclosure Campaign

- Cathay Financial Holdings is represented as a participant, and starting from 2023, has annually collaborated with CDP to urge local governments and public sector institutions to disclose environmental data and climate information through CDP. This initiative aims to enable institutional investors to more accurately assess the risks and opportunities of climate change when investing in local government bonds.
- Key performance: In 2024, 11 North American local governments have disclosed their environmental data to CDP.



- Climate action 100+ was launched in 2017, and is the world's largest investor climate initiative ever. It urges companies to take carbon reduction actions pursuant to the Paris Agreement. Of the 169 companies around the world on the watchlist, Cathay Life is actively engaging with all three Taiwanese enterprises on this list, in the hope that they will reduce carbon emissions in response to the Paris Agreement to achieve the goals and promises of transformation into a low-carbon energy and net-zero emissions.
- Key performance:
 - (1) All three Taiwanese companies have expressed their commitment to net-zero emissions or carbon neutrality by 2050, and set short-term and mid-term carbon reduction targets. Furthermore, one of three companies have approved by the Science Based Targets initiative (SBTi).

- (2) In 2024, Cathay Life Insurance engaged Company C twice. Although Company C faced challenges in sustainability and carbon reduction due to industry characteristics, it still worked hard to formulate strategies and test technologies. For CA100+ net-zero benchmark indicators, we also actively discussed items with investors that they wanted to improve, achieving excellent results in 2024. Among them, Company C improved its CA100+ net-zero benchmark score from 37.5% to 43.5% in 2024, surpassing the industry average of 37.9% and was the only steel and iron industry case study to be included in the CA 100+ [2024 Progress Update report](#). In the future, we will continue to engage Company C to track their climate progress and carbon reduction plans, and assist them in improving their climate actions and disclosures.



Source: [CA 100+ 2024 Progress Update](#)

- (3) Cathay Life engaged with Company H three times in 2024 (including one instance where Company H actively invited Cathay Life Insurance for meetings and discussions). The engagements mainly focused on sharing international cases related to the CA100+ net-zero benchmark indicators and actively discussing areas for improvement. The score of Company H increased from 29% to 31%, just slightly higher than the industry average of 30%. Although the Company's score only exhibited a slight increase, it still demonstrated an attitude of assertive response. We will continue to track their climate progress and assist them in improving their climate actions.

Asian Utilities Engagement Program

- As the world seeks to achieve emission reduction targets and tackle climate change by “phasing out of coal,” Cathay Life has adopted a more positive attitude by leveraging the power of dialog to influence companies’ measures related to “phasing out coal.” In cooperation with global institutional investors, Cathay Life has "engaged" with 8 large coal-fired power generation plants, in order to promote their low-carbon transitions and comply with the net-zero emissions scenario set out in the Paris Agreement.
- Key performance:
 - (1) Company P, with which Cathay Life Insurance and other investors jointly engaged in dialogue, has committed to ceasing the construction of coal-fired power plants, actively increasing the proportion of renewable energy in the power supply plan, and focusing on the development of renewable energies such as solar energy, hydropower, and geothermal energy. At the same time, the capacity factor of coal-fired power plants is gradually reduced to support Taiwan in achieving Nationally Determined Contributions (NDC) net-zero emission goals.
 - (2) Company P also published their first independent TCFD report in 2023 to strengthen their climate disclosure. They further pledged to disclose climate-related information in accordance with the IFRS S2 framework in 2024 and align with the TNFD framework for nature-related disclosures.



Ceres Ceres Valuing Water Finance

- The greenhouse effect and extreme climate conditions caused by carbon emissions have led to instability of water supply. In view of this, Ceres Valuing Water Finance Task Force completed a preliminary research in mid-2022, and established six major water resources management framework for companies with high water footprints. In the same year, it also launched the [Valuing Water Finance Initiative](#) for engaging with companies.

- To contribute to sustainability, Cathay Life has become the corporate participant in this initiative since 2022. It will officially initiate dialogues with companies in 2023, with the hope to promote their business operations and manage water footprint risks in the supply chain. The water risk will be assessed and mitigated as a financial risk, and actions will be taken to protect water resources.
- In 2023, Cathay Life began to engage in dialogue with one company together with international investors, hoping that the company can more clearly disclose water-resource related information and set SBTN water targets. The company actively set SBTN water targets and obtained verification in 2024.



Nature Action 100

- In 2023, we were in the first group of participants that joined the Nature Action 100 global investor-led engagement initiative, with nature as the theme, and signed to join the engagement team.
- Biodiversity is of utmost importance to the survival and development of mankind. Cathay Life Insurance and international investors jointly call on investees and related companies to take necessary actions to protect and restore natural and ecological systems to reduce risks. In 2024, we engaged one Taiwanese company face-to-face together with international investors.

Participation in International Initiatives and Direct Engagement – Case 1

■ **Background:**

Company P is a coal-fired power generation company listed as an engagement target under the Asia Utilities Engagement Program. It is the most important local power supplier. Compared to Europe, the asset age of coal-fired power plants in Asia is relatively young, and the coal-fired utilities in Asia are actively undergoing net-zero transformation as most Asian governments continue to strengthen climate goals and the world continues to develop low-carbon technologies. As a result, promoting the transformation of coal-fired power plants in Asia is critical to the world's transition to net-zero emissions and was therefore included as an engagement target of Cathay Life. Cathay Life participated in engagement with Company P as a collaborator with Leading investor Manulife Investment Management, Fidelity International, and four other foreign institutional investors. The first engagement meeting was held in 2022.

■ **Engagement Type:** Collaborative Engagement

■ **Asset Categories:** Bond

■ **Engagement Level:** Cathaylife RI team, Company P IR Team & Finance Team

■ **Main Engagement Goal:**

The following targets were set based on the Investor Expectations of Asian Electric Utilities Companies:

1. **Governance:** Improve the governance structure and processes for managing climate-related risks, including promoting the link between remuneration of managers and climate-related KPIs, and strengthening climate governance-related disclosures.
2. **Phasing out coal-fired power generation:** Strengthen carbon emissions reduction strategies, including implementing plans to phase out coal-fired power generation and transition plans.
3. **Just transformation:** Manage just transformation through employee training and development to support transition plans that increase the proportion of renewable energy.

■ **Engagement contents:**

1. Understand and discuss possible improvements in the future regarding Company P's decarbonization strategy and coal-fired power plant decommissioning plan, as well as the country's new power supply plan.
2. Discuss the link between the remuneration of management and climate-related KPIs, and understand its future plans.
3. Discuss the preparedness of climate disclosures such as IFRS S1, S2, TCFD, and TNFD.

■ **Engagement progress and results:**

During the engagement, Company P showed a high level of identification with the issue of low-carbon transition, and communicated and interacted well with investors. Company P made a commitment in 2021 to achieve net-zero emissions by 2060, and announced in 2022 that it will stop building new coal-fired power plants. Since the country where Company P was located had barely developed solar power in 2022, and also had not yet set carbon reduction targets aligned with the Paris Agreement. Therefore, we focused on the company's plan to stop building coal-fired power plants and increase capital allocation to renewable energy when engaging the company since 2022. During the engagement period, Company P actively increased the proportion of renewable energy in its power supply plan, and allocated 10% of capital expenditures to the development of medium and large renewable energy power plants across the country. In the future, it will focus on the development of renewable energy, such as solar energy, hydropower, and geothermal energy ,while gradually reducing the capacity factor of its coal-fired power plants, to support the country in achieving its nationally determined contributions (NDC) toward net-zero emissions.

Company P has not issued a report in line with the TCFD framework in the past. From the perspective of investors, TCFD reports are an important quantitative indicator for assessing the climate risks and opportunities of companies. With the encouragement and recommendation of investors, Company P understood the importance of managing climate risks and opportunities to the sustainability of its business and the value of climate-related information disclosure to investors and other stakeholders. It also published its first independent TCFD report in 2023, and further committed to disclose climate-related information in accordance with the IFRS S2 framework and align with the TNFD framework for nature-related disclosures.

Considering that including climate-related indicators into the performance of executives has gradually become an actual governance measure of international ESG benchmarks, when engaging the company, we recommended that the performance of its management be linked to climate-related indicators. When we engaged Company P in the 2024, it mentioned that it has included the proposal in the company's short-term plans. In the future, it will use ESG indicators for measurement. Environmental indicators include emission reduction and renewable energy installed capacity targets. Social indicators include the proportion of women in management positions. Governance indicators are assessed by third parties.

■ **Follow-up action and plans:**

Overall, our engagement with Company P is heading in a positive direction, and some of the targets it set have already been reached. We will continue to hold engagement meetings in 2025 to understand Company P's subsequent climate change response measures (including its decarbonization strategy and progress of incorporating climate-related indicators into the performance of executives).

■ **Impact on the company and stakeholders after discussion:**

- **For the company:** Strengthening low-carbon transformation strategies and increasing investment in renewable energy and transparency of climate information will help attract support from investors and enhance the company's competitiveness in sustainability.
- **For the stakeholders:** Allowing other shareholders to better understand the progress of Company P's decarbonization strategy, coal-fired power plant decommissioning plan, and climate-related risks and opportunities.

■ **Action after engagement:**

Considering that company P has set the target of net-zero emissions by 2060, which is aligned with the net-zero target set by the country it is located in, and has taken action for low-carbon transformation, we have issued an ESG report on Company P and included it on the sustainable investment watchlist in accordance with our "ESG Risk Review Procedures" and "Investment Management Principles for Sensitive Industries."

Participation in International Initiatives and Direct Engagement – Case 2

■ **Background:**

Company C belongs to the steel industry, and is one of the list of focus companies in Climate Action 100+. With an MSCI Climate Value-at-Risk (Climate VaR) score below -70%, it has been identified as our major engagement target. Cathay Life has started negotiations with Company C since 2019. At the initial stage, it joined hands with international institutional investors to develop towards the goal of Climate Action 100+ (hereinafter referred to as CA 100+), in the hope that they will enhance disclosure of financial information related to climate change in accordance with the framework of Task Force on Climate-related Financial Disclosures (TCFD) and reduce carbon emissions in response to the Paris Agreement to achieve the goals and promises of transformation into a low-carbon economy and net-zero emissions. In addition, Cathay Life passed the Science Based Targets initiative (SBTi) in September 2022, and has set a carbon reduction pathway by use of the temperature rating methodology for science-based quantified carbon reduction method. Company C's ambitions for carbon reduction pathways and the resulting temperature conditions are discussed, with engagements initiated through phone calls, emails, and face-to-face or online meetings every year. Since 2024, Cathay Life has taken on the role of Lead Investor for Company C under the Climate Action 100+.

■ **Engagement Type:** Direct Engagement

■ **Asset Categories:** Listed Equity and Bond

■ **Engagement Level:** Cathaylife Vice President, RI team, Company C President, IR team, Finance team.

■ **Main Engagement Goal:**

1. Encouraged the company to set a carbon reduction pathway or science-based targets (SBTs) aligned with the Paris Agreement according with the SBTi Financial Institutions' Near-Term Criteria.
2. Since carbon emissions in the steel industry mainly come from the manufacturing process, carbon reduction shall be implemented, and an ambitious carbon reduction pathway shall be set to ensure that the company's temperature can comply with the Paris Agreement. Apart from enhancing energy efficiency, and most of it depends on technological

breakthroughs and commercialization. Therefore, Company C's capabilities and investments in low-carbon transformation technology shall be the key goal for the engagement with Cathay.

3. The discussions and improvements on net-zero benchmark indicators are conducted based on Climate Action 100+, which covers capital allocation for low-carbon transformation, and climate policy engagements, climate governance, and just transition, to improve the items that align with net-zero benchmark indicators

■ **Engagement contents:**

Since Company C had already recognized the importance of ESG and carbon reduction prior to the engagement, the engagement with Company C focused more on the implementation of low-carbon transition strategy, the completeness and accuracy of alignment with international frameworks, and the potential impact of carbon pricing and carbon border adjustment mechanisms on its operation based on the foundation of the company. Cathay Life also shared best practices from international benchmark companies as reference for Company C.

■ **Engagement progress and results:**

Company C faces challenges in technology R&D, resources, and capital investments due to industry characteristics. In terms of technology R&D, there is currently no clear commercially viable low-carbon steelmaking technology, which makes it impossible to have a precise implementation plan for long-term carbon reduction. In terms of resources and funds, there is a lack of stable supply of key resources, such as scrap steel, green hydrogen, and renewable electricity, and they are also extremely costly. In addition, the R&D of low-carbon technologies and the construction of infrastructure also require considerable funding, which poses significant economic challenges to Company C. Despite the difficulties in achieving carbon reduction results, Company C continues to invest its resources in R&D and testing, and strives to develop low-carbon transition technologies to achieving the carbon reduction goals set by Company C.

Company C has actively responded to requirements of the CA 100+ net-zero benchmark and made significant progress. Its score improved from 37.5% in 2023 to 43.5% in 2024, surpassing the industry average of 37.9%. Furthermore, Company C was selected as the only

case study of the steel industry in the CA 100+ [2024 Progress Update report](#). During the 2024 engagement process, Cathay Life Insurance continued to provide climate actions to Company C, assisting them in optimizing their CA 100+ net-zero benchmark score and proposing additional concrete action plans. Company C also actively responded to CA100+ improvement projects and is committed to continuing to make improvements.



Source: [CA 100+ 2024 Progress Update](#)

■ Follow-up action and plans:

Overall, Company C has already met some of the predetermined goals. In 2025, we plans to hold an engagement meeting with Company C to continue to tracking its actions in response to climate change, including Climate Action 100+ Net-Zero Company Benchmark indicators and its application for Self-determined Reduction Plans.

■ Impact on the company and stakeholders after discussion:

- ❑ **For the company:** Promote Company C 's low-carbon transition disclosures and improve its CA 100+ net-zero benchmark scores, thereby gaining customer trust.
- ❑ **For the stakeholders:** Provide other investors with better insight into Company C's progress in low-carbon transition. As the company continues to improve its climate change management, it will also help mitigate the overall impact of climate change on society.

■ Action after engagement:

Considering that Company C has established specific carbon reduction strategies and continues to implement carbon reduction measures, with decreases observed in carbon emissions compared to the previous year, we will continue to include the company in our buy list.

② Direct engagement with companies

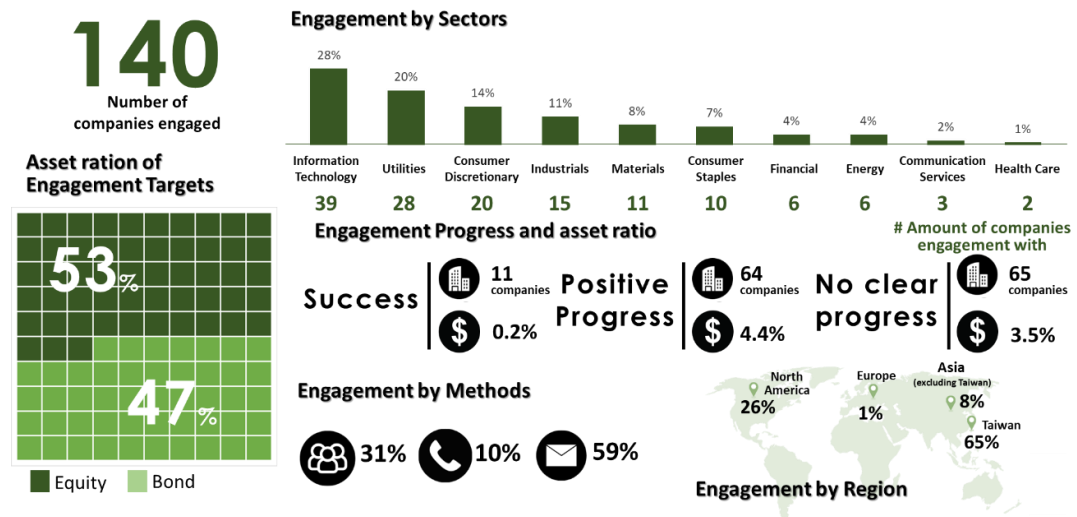
Learning from our experience participating in international engagement initiatives, Cathay Life Insurance also started to engage with investee companies in Taiwan, with corporate ESG ratings, specific ESG material issues, ESG information disclosure, and climate change as the main topics. The contents include enhancing climate change-related disclosure and management in accordance with the TCFD framework, keeping track of company carbon emissions, understanding company carbon reduction and transition planning to low carbon, setting SBT target, and other climate change-related issues, so as to solve ESG material issues. In addition, this allows us to learn about the limitations and difficulties in companies' adaption to climate change or during the carbon reduction process, and provide suggestions. Meanwhile, companies are encouraged to conduct inventory and disclosure with reference to the Guidelines for Determination of Sustainable Economic Activities. For companies whose economic activities are not yet "Compliant" with the level of sustainability stipulated in the "Taiwan Sustainable Taxonomy", we further guide the company to formulate transition or improvement plans, in hopes that the company will gradually meet the sustainability criteria set forth in the guidelines.

In addition, Cathay Life analyzes the sustainability progress of enterprises based on the main engagement aspects, classifying investee companies into four levels of sustainability readiness (ESG Awareness, ESG response, ESG improvement, and ESG enhancement). The engagement contents are customized, while the Company joins hands with enterprises for mutual growth, with the hope to become mutually trusting partners and ESG partners, consulting and discussing with investee companies.

In 2024, Cathay Life communicated with 140 companies on 15 ESG material issues for a total of 328 times:


- The main subjects of engagement were companies in the "Information Technology" and "Public Utilities" industries.

- If break down by asset classes, stocks accounted for 53% and bonds accounted for 47%.
- Among the companies engaged, 8% of cases were successfully closed, mainly companies that successfully responded to the CDP questionnaire; 46% are heading in a positive direction, and 46% have not made any clear progress. We will continue to follow up on their progress in the future.
- The main method of engagement was communication via "email" (59%), followed by "online or in-person meetings" (31%).
- The main regions of engagement were Taiwan (65%), followed by North America (26%).
- Main issues for communications were "adaptation to climate change," "carbon emissions," "water stress," and "corporate governance."
- In terms of the level of communication between the two parties, Cathay Life Insurance mainly communicated through the "head and members of the Responsible Investment Working Group," while investee companies mainly communicate through their "IR Team, sustainability team, or other relevant departments," followed by "senior managers, spokesperson" and "directors."

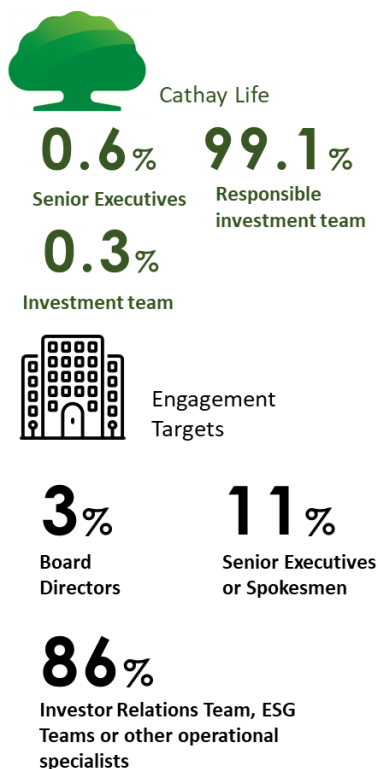


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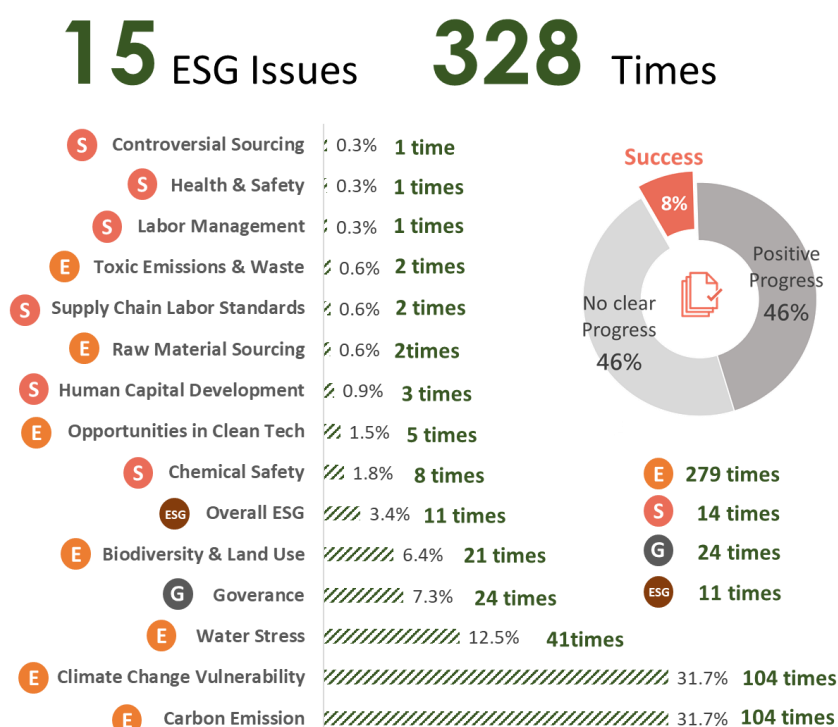
1. The progress of the Company's engagement is displayed as the best progress in each communication issue. As there are currently no cases "Heading in a negative direction" and "Unsuccessful & closed," the data of these two milestones is therefore not displayed.

2.  refers to the proportion of the total engaged listed equity and corporate bond investments relative to the total listed equity and corporate bonds investment.
3. Due to rounding, the industry distribution does not sum to 100%.

Engagement Level:



Engagement Issues and Progress per Issues:



Note: Due to rounding, the issue distribution does not sum to 100%.

Note:

1. The above statistics did not include participation in investor conferences or AGM where ESG contents were not mentioned.
2. 2024 MSCI ESG Rating Engagement Summary:
 - (1) Engagement Targets: 29 companies
 - (2) Engagement Format: 100% conducted through online or in-person meetings
 - (3) Engagement Topics: Covered 12 material ESG issues, with a total of 42 engagement times, primarily focused on overall ESG performance and corporate governance.
 - (4) Engagement Progress: 86% of the engagement topics showed positive development, while 14% had no clear progress.

Case 1 – Company T

Engagement Topics: Environment-Water resources, Opportunities in Clean Tech

◆ Background:

Water resources are relatively scarce in Taiwan due to its rainfall characteristics and inherent geographical conditions, which poses challenges to companies in water resource management. As Company T is a chemical company, it is highly dependent on the use of water in the product manufacturing process. Stable water quality and water volume are critical to companies in the industry. Therefore, optimizing water resource use is an important issue related to its core competitiveness. In view of the operational risks caused by climate change and water shortages to the industry that will affect investors' profits, Company T was selected as target of engagement for Cathay Life's CDP Non-Disclosure Campaign in 2018 after an internal assessment.

The initial engagement focused on encouraging the company to disclose climate change-related information, which lead to its first-time response to the CDP climate change questionnaire that year. Subsequently, as Company T had yet to respond to the CDP water security questionnaire and still had room for improvement on water resource-related issues in its ESG ratings, it was designated in 2022 as a target company for engagement on the water questionnaire as well. Beginning in 2024, in addition to tracking Company T's climate progress and water resource issues, Cathay Life also initiated engagement on the environmental aspect of opportunities in clean tech.

◆ Engagement Type: Direct Engagement

◆ Asset Categories: Listed Equity

◆ Engagement Level: Cathaylife RI team, Company T IR team

◆ Main Engagemet Goal:

1. Respond to the CDP water security questionnaire.
2. Improve the score of water stress and opportunities in clean tech in the MSCI ESG rating.
3. Encourage company T to set SBTs in accordance with Financial Sector Science-Based Targets Guidance.

◆ Engagement Contents:

1. Water resource information disclosure

Since being selected by Cathay Life Insurance as a water security questionnaire engagement target in 2022, Company T was issued a letter detailing the importance of the CDP water questionnaire. They then actively contacted us to understand investors' expectations for CDP disclosure and expressed their challenges in manpower shortage and need to improve related statistics. After two years of engagement, Company T successfully responded to the CDP water security questionnaire in 2024. During the engagement process, Company T shared its water resource management plans and goals with us, as well as the difficulties they encountered when filling out the CDP questionnaire. The engagement also raised Company T's awareness of supply chain water risk management.

2. Improving water resource management and opportunities in clean tech

Since Company T responded to the CDP water security questionnaire in 2024, Cathay Life Insurance focused on setting water withdrawal or water consumption targets when engaging the company in 2024. Furthermore, Cathay Life Insurance also engaged the company regarding opportunities in clean tech. We analyzed where the company can make improvements in the issue and provided practices of the international benchmark enterprise to Company T for reference.

3. Discussion of carbon reduction goals and strategies

Company T's currently has only set carbon reduction targets up to 2030. Cathay Life encouraged Company T to commit to SBTs and set the target of net-zero emissions by 2050. However, due to the characteristics of the industry, Company T has not yet found groundbreaking carbon reduction technologies, and process changes involve high costs, making it difficult to immediately set long-term goals. Therefore, Company T is currently unable to commit to SBTs, but has expressed its commitment to work towards net-zero emissions by 2050 and continue to implement carbon reduction plans.

◆ Engagement Progress and Results:

CDP water questionnaire responses were submitted in 2024(the engagement progress was successful).

◆ **Follow-up Action and Plans:**

Arrange an engagement meeting in 2025 to continue monitoring and understanding the company's ongoing progress in water resource management, opportunities in clean tech and carbon reduction.

◆ **Impact on the Company and Stakeholders after Discussion:**

1. For the company: Promote the disclosure of Company T's water resource management information and improve its MSCI water stress and opportunities in clean tech issue score, thereby enhancing the company's ESG performance.
2. For the stakeholders: Provide investors with better insight into Company T's water resource management practices. As the company continues to advance its climate change management, it will help reduce the water risk in investors' portfolios and contribute to mitigating the impacts of water scarcity on society.

◆ **Action after Engagement:**

Company T has achieved some of the goals we set. Additionally, company V has shown positive development, therefore, we will continue to place it on the buylist.



Case 2 – Company G

Engagement Topics: Society - Chemical Safety

◆ **Background:**

Company G is an important company in the electronics industry. Since it generates relatively high carbon emissions from its operations and there is room for improvement in the overall ESG rating, it was listed on Cathay Life Insurance's engagement list. Since 2023, Cathay Life Insurance has built mutual trust with Company G through in-depth engagement and positive dialogue. In addition to understanding the company's climate change adaptation measures and improvements in material ESG issues, we also discussed the company's carbon reduction plans, and provided suggestions on how to respond to the challenges it faces in the low-carbon transition process and how to improve chemical safety.

After understanding the importance of ESG and climate change, Company G continued to refine its internal ESG governance and system. Moreover, after understanding the importance of chemical safety, Company G invited Cathay Life to have a meeting in the first half of 2024 to refine the disclosures of chemical safety. We continued to track the climate progress of Company G in the second half of the year, and also engaged in more in-depth discussions on chemical safety issues.

◆ **Engagement Type:** Direct Engagement

◆ **Asset Categories:** Listed Equity

◆ **Engagement Level:** Cathaylife RI team, Company G ESG team

◆ **Main Engagemet Goal:**

1. Improve the score of chemical safety in the MSCI ESG rating.
2. Encourage company G to set SBTs in accordance with Financial Sector Science-Based Targets Guidance.

◆ **Engagement Contents:**

1. In-depth discussions on chemical safety issues

After discussing chemical safety issues with Company G at the end of 2023, Company G immediately began internal planning and discussions. In 2024, Cathay Life Insurance

held two meetings with Company G to discuss the registration of chemical substances by Company G, the commitment and planning for gradual elimination of chemical substances, and the disclosure of chemical ingredients. During the meetings, we further analyzed the actual contents and key points of evaluating sub items under this material topic, and discussed ways Company G can make improvements. We also provided the practices of the international benchmark enterprise for each sub item to Company G for reference. After communication and discussion on each item, Company G disclosed the registration status of its concerned chemical substances and committed to including environmental and health standards into its product design.



2. Discussion of carbon reduction goals and strategies

Since 2023, Cathay Life Insurance has discussed with Company G its pathway to net-zero emissions and commitment to carbon reduction targets. As Company G committed to SBTs in 2023, it needed to compile a comprehensive inventory of Scope 3 emissions, which resulted in a significant increase in carbon emissions. It thus revised its pathway to net-zero emissions in 2024 to meet the SBTs, Cathay Life Insurance also encouraged it to disclose its pathway to net-zero emissions. In addition, Company G also shared the challenges faced in its Scope 3 carbon reduction strategy, including the slow progress of GHG inventory regulations, difficulties with meeting customers' carbon reduction requirements for the supply chain, and inadequate carbon inventory and carbon reduction capabilities of some suppliers, making it difficult for the suppliers to reduce their carbon emissions. In response to the challenges above, Company G's current strategy is to classify suppliers based on their importance and adopt differentiated management, requiring key suppliers to submit their carbon reduction path, while providing guidance for compiling inventories to strengthen the carbon reduction capabilities of the supply chain.

◆ **Engagement Progress and Results:**

Company G improved its chemical safety rating at the end of 2024. Although it has not yet improved its overall MSCI ESG rating, it still shows progress in this engagement issue towards our engagement goal.

◆ **Follow-up Action and Plans:**

In 2025, Cathay Life will arrange an engagement meeting to continue tracking Company G's progress in climate action and to improve the progress of chemical safety.

◆ **Impact on the Company and Stakeholders after Discussion:**

1. For the company: Improve Company G's chemical safety ratings, thereby enhancing the company's ESG performance.
2. For the stakeholders: Reduce the ESG risk in investors' portfolios. Additionally, Company G's disclosure of substances of concern, along with its commitment to incorporating environmental and health standards into product design, will help mitigate the environmental and human health impacts of unregulated chemicals.

◆ **Action after Engagement**

This achievement meets some of the goals we set, and as company G has also shown positive development, we will continue to place it on the buylist.

Other engagement cases:

Company T

- ◆ **Target:** Committed | Net-zero pathway: ISO-aligned
- ◆ **Carbon reduction limitations:**
 1. Acquisition and cost of alternative raw materials and fuel
 2. Regulatory restrictions and challenges
- ◆ **Current carbon reduction plans:**
 1. Develop low carbon products
 2. Use an AI platform to recommend the best alternative raw materials and fuel for each plant
- ◆ **Company T's sustainable economic activity planning and disclosure:**
 1. It has disclosed general and forward-looking economic activities in its Sustainability Report
 2. Ineligible economic activities: Trucking The reason is that it does not make substantive contributions to climate change mitigation
 3. It has formulated a transition plan and expects to replace its current trucks with electric trucks in the next 3-5 years, helping the company and its customers reduce Scope 3 emissions.

Company U

- ◆ **Target:** Not committed (commitment planned in 2028)
- ◆ **Carbon reduction limitations:**
 1. The amount and stability of green electricity generated in the nation cannot meet the base load.
 2. Hydrogen energy costs more and is not yet listed as a source of renewable energy.
- ◆ **Current carbon reduction plans:**
 1. Introduce hydrogen fuel cells for the base load
 2. Add CCUS and obtain Clean Energy certification

③ Summit

In addition to direct engagement with companies, Cathay Life has also organizes summits voluntarily, working together with all companies in Taiwan to strive for sustainability and climate change mitigation.

Sustainable Finance and Climate Change Summit

As sustainability pioneer, Cathay Life Insurance has cooperated with Cathay Financial Holdings to organize the Climate Change Forum since 2017, becoming the first institution investor that held group engagements. In 2024, upholding the concept of “Bringing Taiwan to the World and the World to Taiwan,” and acting as a pioneer in climate finance, the Group invited domestic and foreign leaders from industry, government and academia to share global frontline trends, as well as discussing on corporate sustainability strategies in response to climate change. We encouraged cross-disciplinary dialogue and mutual collaboration, so as to mitigate the effect of environmental changes and make adjustments, and jointly build a sustainable society.



5,231 people
(Online and offline)



2,751 companies & organizations joined
accounted for:

- More than 82% of Taiwan market capitalization
- Over 50% of Taiwan's total carbon emissions

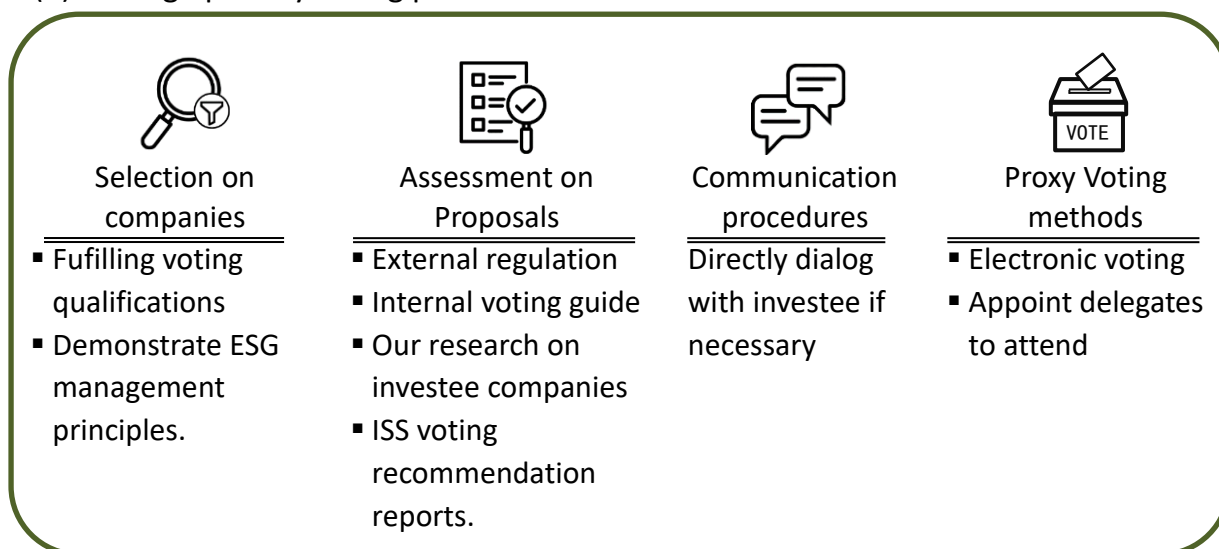
3. Proxy Voting

In pursuit of the greatest benefits for our clients and shareholders, Cathay Life supports companies that attach sustainability into their operations. Attendance of shareholders' meetings, exercise of voting rights and offering opinions on proposals in the shareholders' meetings of investee companies are some of the ways in which we perform stewardship.

In order to ensure the proper exercise of voting rights at listed company shareholders' meetings, Cathay Life makes reference to international voting practices and the voting standards of international consulting firms, and establishes the internal principles for the exercise of voting, which are applicable to active investment strategies in which the investment team researches and selects the investment targets on its own, as well as passive investment strategies in which the investment team tracks specific indices or benchmarks.

Currently, we exercise voting rights 100% by responsible investment team. The Company has not entrusted a third-party consulting institution as a proxy to exercise voting rights on its behalf. Furthermore, Cathay Life may entrust part of its stewardship activities to other professional agencies to vote on behalf of the Company. However, this shall be based on agreements with such agencies or conducted under Cathay Life's supervision, so as to ensure that the entrusted agency performs at the request of the company. Cathay Life has not entrusted a third-party consulting institution as proxy to exercise voting rights on its behalf. However, if such need arises in the future, we will prudently assess both the depth and breadth of the proxy related to voting proposals and appropriateness of voting policies, so as to select a consulting institution that meet Cathay Life's needs and voting philosophy. In addition, we also request on exercising voting rights in accordance with Cathay Life's principles and due diligence for voting.

(1) Setting up Proxy voting process



■ STEP 1: Selection on companies

1. Fulfilling voting qualifications

Cathay Life established the threshold for exercising voting rights based on its influence on the overall operations of investee companies through conducting a feasibility analysis. In principle, voting rights will only be exercised if the shareholding reaches a certain percentage or amount. However, voting rights can still only be exercised after an assessment performed by relevant units.

2. Demonstrate ESG management principles

Due to climate change intensification and the increasing risks associated with the environmental and ecological impacts of biodiversity loss, Cathay Life holds boards accountable for companies that have not taken any action on environmental (E) and social (S) risks. We also support ESG proposals that promote sustainable development to guide companies towards more concrete environmental and social actions. Therefore, we exercise our voting rights to select companies in high climate or high natural risk industries.

■ STEP 2: Assessment on proposals

Cathay Life exercises its voting rights for proposals in shareholders' meetings in accordance with external laws and regulations and its own internal

voting policies. Before exercising these rights, responsible investment team will carefully evaluate each proposal based on Cathay's voting guidelines and research of investee companies, along with the ISS voting recommendations, then present a report on "evaluation and analysis of proxy voting," which therefore is not solely rely on external recommendations such as ISS.

■ **STEP 3: Communication procedures**

Compared to conveying concerns for investee companies by directly speaking up or voting in shareholders' meetings, we believe that working to reach consensuses with investee companies in terms of long-term value creation may bring more positive impacts on investee companies and exert our influence as an institutional investor, thereby simultaneously benefiting Cathay Life, investee companies, and the society at large. Therefore, in the following situations, the Company's responsible units of investment and the Responsible Investment Working Group will cooperate to directly communicate with investee companies. If necessary, the company will make a speech or propose an agenda at the shareholders' meeting of the invested company after careful assessment.

- ✓ When there are controversial and high-profile issues
- ✓ When information needed to conduct voting analysis is insufficient
- ✓ When the core shareholder companies of domestic listed stocks recommend to "against" in their preliminary voting recommendations
- ✓ When overseas-listed stocks holding 1.5 percent or more of investee companies' outstanding shares at the end of the previous year recommend to "against" in their preliminary voting recommendations

■ **STEP 4: Proxy Voting methods**

To fully express an opinion on each proposal at the meeting and reduce the time and space restrictions of voting, the exercise of voting rights is primarily conducted through electronic voting, with the appointment of representatives to vote on-site as a supplementary measure.

While voting for the domestic listed or OTC companies' AGM proposals, we generally use the Taiwan Depository & Clearing Corporation Stockvote Platform as the authority encourages investors to exercise voting rights online. As for the foreign listed company investments, due to considerations of distance and amount, we would vote via Proxy Edge voting platform, and for some foreign outsourced managed portfolios, we authorize managers of mandate institutions to attend shareholders' meetings and exercise voting rights.

A case of pre-voting communication

The 2023 shareholders' meeting of the company in this case made a proposal to "Lift the non-compete clause for new directors (including independent directors) and their representatives." The company planned to request that the shareholders' meeting approve the proposal to lift the non-compete clause for new directors and their representatives, and planned to provide an explanation of the scope and content of the proposal before discussion during the shareholders' meeting.

The company did not provide any relevant information in the meeting handbook, it was unclear which other companies the new directors will concurrently hold positions in, and the potential conflicts of interest were unknown. Since shareholders could not understand the positions concurrently held by directors in other companies and potential conflicts of interest, after internal analysis, the initial recommendation was to not support the proposal. We initiated communication procedures and met with the company to understand the situation.

After evaluation, we voted in favor of the proposal with consideration to the following reasons:

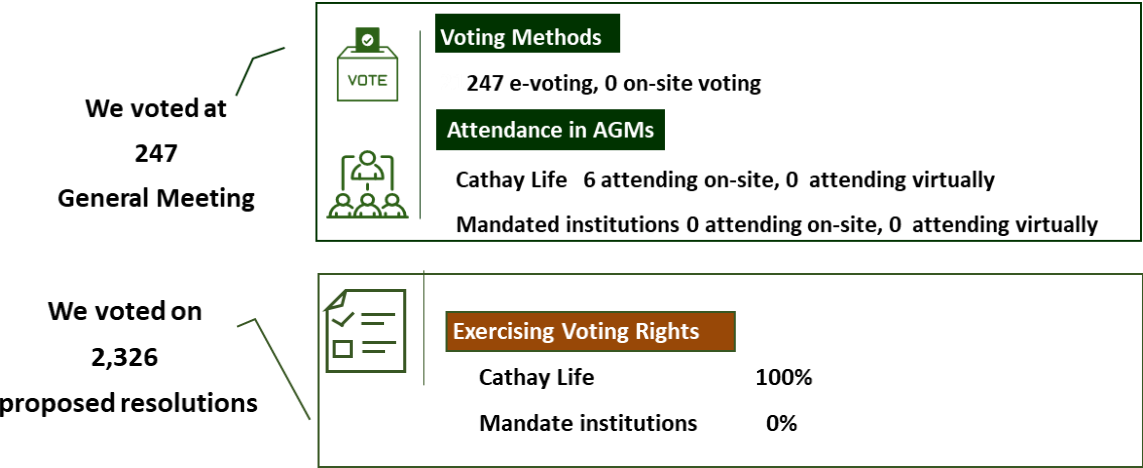
- The company committed to adjusting the disclosure method for future elections, so that shareholders can obtain relevant information in advance and clearly understand which other companies the directors will serve in after the non-compete clause is lifted.
- The company explained the contents of the proposal to lift the non-compete clause for the new director, and that the independent director does not hold a position that engages in the company's scope of business for himself or anyone else.

The company has fully disclosed relevant information for investor to judge "Lift the non-compete clause for new directors (including independent directors) and their representatives" proposal in 2024.

(2) Exercise of Voting Rights

In 2024 Cathay Life Insurance had attended 247 shareholders' meetings at home and abroad and voted 2,326 resolutions. In addition to 100% exercising voting rights electronically, representatives were appointed to attend in person the shareholders' meetings of six companies. Of which, speeches were made in

the shareholders’ meetings of two companies to encourage and support the investee companies’ improvement in ESG performance. Cathay Life Insurance look forward to these companies’ continuous effort in ESG.



Note: If the same company’s shareholders’ meeting is attended both physically and online, they will be counted separately.

Cases of Speech at investee Annual General Meeting—Company L

Company L has performed well in the Corporate Governance Evaluation since it was listed on TPEX. It was ranked in the top 6%-20% of all TPEX-listed companies the first time it was evaluated. It was ranked in the top 5% in the past six years, and the company began voluntarily publishing its CS report in 2018, exceeding regulatory requirements. This shows that the company is gradually implementing ESG. For this reason, Cathay Life Insurance highly recognizes Company L's corporate governance performance and ESG actions.

In 2023, MSCI officially included Company L in the scope of its ESG ratings. The companies that are being evaluated for the first time generally do not know that they have been evaluated, do not understand the MSCI methodology, or do not know how to improve their ESG rating. We explained the MSCI rating framework to Company L and how it can improve its rating during engagement meetings in 2023. In addition, to further encourage Company L to continue to interact with ESG rating agencies and improve its ESG rating performance, Cathay Life Insurance attended and spoke during Company L's shareholders' meeting in 2024, encouraging the company to make improvements in ESG and thereby create a positive and long-term impact on both parties. Due to Company L's progress and efforts in various material topics, including: improving and disclosing more specific corporate governance mechanisms and water resource management. This enabled Company L to improve by one grade in the MSCI ESG rating at the end of 2024.

三、報告事項

第一案：112年度營業報告。

說明：112年度營業報告書，請參閱附件一。

股東戶號：國泰人壽保險股份有限公司代表出席人員發言(摘要節錄)：

國泰人壽為善盡機構投資人盡職管理之責，除重視被投資公司的財務績效亦十分重視被投資公司的ESG表現，因此在投資過程中會評估企業ESG表現，積極行使股東行動主義，設置專職團隊與企業針對ESG議題進行溝通、鼓勵公司逐步提升ESG表現。肯定公司自掛牌上櫃以來在公司治理評鑑方面表現良好。資本市場高度重視ESG，在相關議題上如果需要我們協助，也歡迎隨時與我們聯繫。

主席回覆摘要：

謝謝國泰人壽的勉勵及提醒，公司在幾年前董事會已成立企業永續發展委員會，每季根據公司永續發展藍圖、法規及客戶要求來進行ESG的討論，並聘請外部單位給公司建議及輔導，謝謝國泰人壽的建議，公司在未來會逐步準備就緒參與國際標準評比。

Summary of Cathay Life's speech in the minutes of Company L's shareholders meeting

Cases of Speech at investee Annual General Meeting—Company P

In 2022, Company P increased the transparency of its climate change information by responding to the CDP climate change questionnaire, allowing stakeholders to better understand Company P's climate strategy and preparedness. Company P received a score of A- the first time it responded to the CDP. In addition, Company P in 2023 committed to the goal of achieving net-zero Scope 1 and Scope 2 emissions by 2050, and began compiling its Scope 3 GHG inventory. Cathay Life Insurance is grateful and highly approves of Company P's climate response measures and its actions to support the world's net-zero transformation. Since Scope 3 is the main source of carbon emissions of Company P, Cathay Life Insurance recommended that Company P include the carbon emissions of its value chain in the target to achieve net zero emissions by 2050, and achieve the target by setting SBTs, creating a paradigm to jointly drive the industry's transformation.

Statement Delivered at P
Company's Shareholders'
Meeting

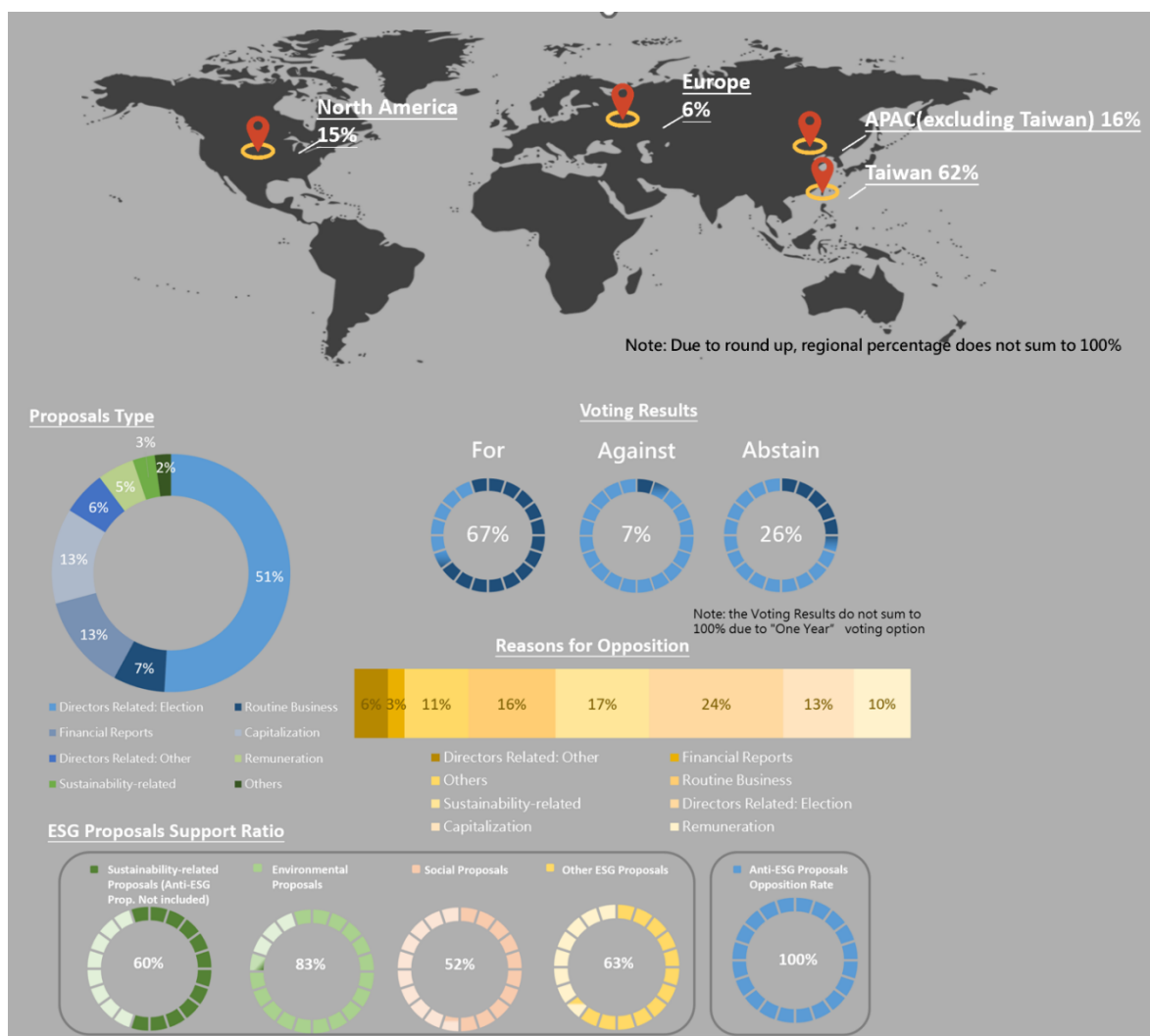
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國泰人壽保險股份有限公司
113年5月30日股東常會

發言條
出席編號：
股東戶號：
股東戶名：國泰人壽保險股份有限公司
第 案：
發言要點：鼓勵公司將若干
Scope 3 減碳目標設定
淨零目標

(3) Proxy Voting Results

In 2024, shareholders' meetings held in Taiwan accounted for the highest percentage of all the meetings we attended at 62%, followed by those in other countries within the Asia Pacific region (16%) Among all proposals we voted, the majority falls in "the election of directors and supervisors"(51%), followed by "financial reports"(13%) and capitalization (13%).

Cathay Life Insurance respects the know-how of investee companies, and in the interest of sustainable growth and low-carbon transitions, we generally support management proposals. However, only when proposals that obstruct the sustainable development of investee companies will not gain our support. Therefore, we voted for 67%, against 7%, and 26% abstained from all proposals we voted this year.



i. Reasons for Opposition

Cathay Life believes that shareholders have the right to review material issues one by one rather than be forced to vote on multiple proposals collectively as a bundle. If a motion classifies into multiple types of proposals of the same category, and the contents of these proposals may clash with or obstruct shareholders' rights or economic interests, Cathay Life may directly oppose the whole proposal bundle in the motion.

In addition, we pay attention to the overall ESG performance of investee companies. We will cast opposition votes against proposals deemed inconsistent with the spirit of corporate governance, detrimental to shareholders' rights and interests, or having negative impacts on the environment or society. We also consider factors such as proposals' impact on the company's sustainable operation and the shareholders' rights to screen out the categories of major proposals the company is mainly concerned about. Below are the proposal categories of our main concerns and the considerations for our opposition:



Election of Directors:

- ✓ We pay attention to whether directors are independent, serve for too long or have too many concurrent positions in other companies.
- ✓ The Company will proactively communicate with companies whose business operations or value chains (1) generate a large amount of greenhouse gas emissions; and (2) may cause biodiversity risks, but have not taken appropriate actions to reduce climate risks. In addition, it may also abstain from voting or oppose the election of directors (such as chairmen, CEOs and relevant committee members of companies) or climate-related proposals of senior executives based on the spirit of environment accountability.
- ✓ Example: Elect directors of companies on the Climate Action 100+ focus



Remuneration and benefits:

- ✓ Compensation and benefits are mainly about attracting, retaining and rewarding people who are critical to the long-term sustainable growth of companies, so if the compensation plan is not linked to the company's long-term sustainable value or has no relationship with performance goals, we may oppose the company's salary-related proposals.
- ✓ Examples: Approve employee share purchase plan, Advisory vote to ratify named executive officers' compensation



Financial statement and audit:

- ✓ Whether the capital structure affects shareholders' investment values and their priority to receive benefits over other debtors in the company. For this reason, if the company's auditors are not independent or the proportion of non-audit fees to the total audit fees is too high, we may oppose the relevant proposals for the appointment of auditors.
- ✓ Example: Approve appointment of financial auditor



Profit Distribution:

- ✓ Cathay Life is normally in favor of distributing cash or stock dividends generated by income or derived from capital and statutory reserves, only unless the dividend rate is not in the best interests of shareholders (such as being continuously too low without adequate explanation) or is unfavorable to the company's sustainable financial condition (such as being too high for the company's financial condition).
- ✓ Example: Approve Profit Distribution Plan

ii. Reasons for Abstentions, with possible conditions below:

- Subject to Article 146-1 of Insurance Act in Taiwan, insurance companies cannot cast a vote in the election of directors or supervisors at the public company, those in Taiwan being invested, hence the abstention votes for proposals related to the appointment of directors and supervisors;
- If the preliminary voting recommendations is “against”, investee company is willing to improve after we communicate and engage with the investee company;
- We neither support nor against the management proposals.

iii. When to vote for: If above concerns is absent, we will vote for.

Case of proposal opposition: Company A Senior management remuneration

■ Key points of analysis on “say on pay”:

The main purpose of remuneration is to attract, retain, and reward directors, senior management personnel or key employees who play critical roles in ensuring long-term sustainable business growth of the company. For this reason, remuneration indicators of the bonus system shall be challenging and stringent, and provide appropriate incentives, while performance evaluation indicators and actual performance shall also be fully disclosed to provide investors with sufficient information for evaluation.

■ Background:

This is an advisory vote on executive compensation, which allows shareholders to express their views for or against the executive compensation plan (including the compensation, equity awards and performance measures granted to executives) established by the Company's Leadership Development and Compensation Committee.

■ Reasons to vote against on company A's advisory proposal:

- ✓ The company's remuneration and performance were not consistent: Although Company A has an incentives plan that distributes bonuses based on the company's performance, there is still a significant deviation between the Company's remuneration structure and actual performance. In previous

remuneration decisions, the company did not adjust the remuneration of senior managers and link it to the company's performance, despite performing well in certain financial indicators. This situation may lead senior managers to pursue short-term goals, while neglecting the company's long-term sustainable development, and also weakens shareholders' trust in the reasonableness of the remuneration structure. Therefore, we found it difficult to support a remuneration proposal that was not closely linked to the company's overall performance.

- ✓ Inadequate target setting and rigorousness of the incentive plan: Although the Company's annual incentive plan is based solely on the financial targets set in advance, there are still major issues regarding the rigorousness of target setting and its achievement. For example, when setting the target pre-tax operating margin for each quarter of the 2023 fiscal year, the targets had already been achieved in the 2022 fiscal year. This means that the targets are not really a challenge for the company in the business environment and market changes it might face in the 2023 fiscal year. Moreover, the highest target pre-tax operating margin set for the 2023 fiscal year was even lower than the actual pre-tax operating margins in the last two quarters of 2022. The targets are not challenging enough and cannot effectively reflect on the actual contribution of the senior management team. In addition, since the targets are too conservative, senior managers will have the opportunity to receive up to a 300% bonus if the target is achieved. This amount far exceeds the bonuses paid by most companies in the market, while lacking corresponding business challenges and risk management. Therefore, the opportunity to receive such high bonuses cannot effectively motivate senior managers to realize long-term growth, and may instead cause them to receive disproportionate remuneration without making corresponding efforts.

Due to the two main reasons above, Company A's remuneration proposal failed to fully reflect the close connection that the remuneration of managers should have

to the company's long-term value growth, and failed to ensure that the targets of the incentive plan are sufficiently challenging and rigorous. Therefore, Cathay Life Insurance did not support the proposal and expects the company to pay more attention to the balance between its overall performance and long-term strategic goals in its future remuneration structure.

■ **Follow-up action if we are not satisfied with the result of the proposal:**

For the current year, the Company is opposed to Company A's executive compensation proposal for the reasons set forth above, and the Company may continue to vote against the Company's executive compensation proposals for the next year if Company A continues to fail to take affirmative action in the next year that is sufficient to address the issues raised by the shareholders.

Case of Climate Accountability: Company C board of directors election proposal

■ **Key points of analysis on "climate accountability":**

Check if companies from high-emission industries and the focus companies on the CA100+ list have committed to a net-zero emission target, set scope 1, 2, and 3 emission reduction targets, implemented climate-related financial disclosures, or have specific carbon reduction strategies.

■ **Background of the proposal:**

While Company C is currently in compliance with the Climate Financial Disclosure (TCFD) standards and has set medium-term Scope 1 and 2 reduction targets, it has not met its Scope 3 emissions reduction targets compared to other oil and gas companies that have continued to push for more aggressive reduction targets, have continued to commit to net-zero emissions across their entire value chain by 2050, or have reduced their Scope 3 emissions by reducing their investments in oil and gas development and committing to work with customers to reduce their demand for oil and gas. Company C's Scope 3 goals and long-term climate objectives are also inconsistent with a net-zero scenario.

The Company expects that Company C may face increased regulatory, competitive, legal and financial risks if the global marketplace takes more aggressive action to limit warming to 2°C in the future.

✓ **Reasons to vote abstain to Company C's election of directors:**

- ✓ The company has not set a commitment to net-zero emissions by 2050;
- ✓ The company has not set short- and long-term GHG reduction targets and its mid-term targets do not include Scope 3 emissions;
- ✓ The company has not aligned its policy-impacting activities with the Paris Agreement and has been directly involved in lobbying activities for the expansion of fossil fuels and against the setting of climate targets. The government has not aligned its policy impact activities with the Paris Agreement, and has been directly involved in the expansion of fossil fuels and lobbying against setting climate targets.

■ **Follow-up action if we are not satisfied with the result of the proposal:**

Given that the Company has not set a net-zero target for 2050, Cathay Life abstained from voting on the election of directors for the entire Board of Directors in the spirit of climate accountability and in the belief that the Board of Directors should play a key role in the company's efforts to meet the Paris Agreement 1.5-degree target, and at the same time conveyed our expectation that the Company would be more proactive in responding to the climate risks to the Company, and that if the Company did not take more proactive action in the following year, it would be liable for the election of the incumbent directors who were responsible for the relevant matters. If the Company does not take more proactive action in the next year, we will vote against on the election of the incumbent directors responsible for the relevant matters.

(4) Environmental and Social (E&S) related Proposals:

i. Definition

Cathay Life takes into account the environmental and social-related proposals in exercising voting rights, and conducts case-by-case inspections depending on individual companies' status and proposals, while voting decisions are made based on internal evaluation.

① Environment-related factors:

Include climate change, water resources, biodiversity, nature, carbon emissions, waste treatment and renewable energy, etc.

② Society-related factors:

Include human rights, labor management, human capital, gender, race, animal welfare, charitable donations, workplace diversity, equality and inclusion, information security and personal privacy, and AI risk management etc.

ii. Guideline for exercising voting rights

Cathay Life Insurance supports E&S proposals related to strengthening investee companies' capability to develop long-term sustainable value, in order to inspire companies to adopt more specific environmental and social response actions. We hope to motivate more specific climate response and nature conservation actions among enterprises. Meanwhile, we also pay attention to proposals involving labor disputes, diversity and equality, and human rights, which may have significant impact on society. We encourage companies to give respect to different genders and ethnic groups, meet international human rights standards, and make substantial contributions in combating social inequality. However, unreasonable sustainability-related proposals that obstruct sustainable development of investee companies will not win our support in principle.

Thus, in principle, Cathay Life Insurance support:

① Climate-related proposals in line with carbon reduction goals of the Paris

Agreement;

- ② Society-related proposals that comply with the United Nations Guiding Principles on Business and Human Rights(UNGPs);
- ③ Performance disclosure proposals that should raise a company’s awareness and sense of responsibility toward environmental or social performance;
- ④ Proposals that can reduce a company’s major environmental and social risks and increase or protect shareholder value;
- ⑤ Proposals on biodiversity that align with the “Kunming-Montreal Global Biodiversity Framework”;
- ⑥ Proposals align with SDGs 6 Clean Water and Sanitation

In general, shareholder proposals enable shareholders to effectively express their opinions to the senior management of companies. Many shareholders will submit proposals on promotion of ESG in companies at the shareholders’ meetings. Currently, the sustainability-related proposals are mainly shareholder proposals, and the Company will prudently assess the reasonableness of such proposals before making voting decisions. On the other hand, some companies would also submit proposals on environmental and social (E&S) actions or future plans, hoping to seek shareholders’ consent. In principle, Cathay Life Insurance supports management or shareholder proposals.

iii. Proxy voting result of E&S sustainability-related proposals

① Environmental-related proposals:

To avoid more serious impact from climate action failure, in 2024, we supported 83% of environment-related proposals to help mitigate companies’ climate risks, including linking executive remuneration to GHG emissions reduction targets, climate risk management and presenting a biodiversity report.

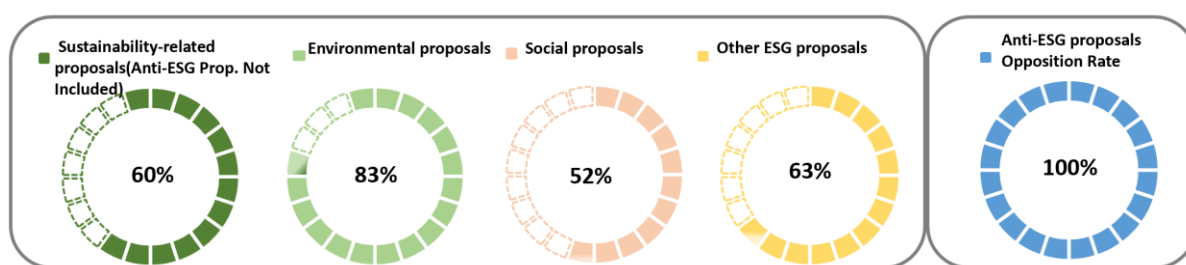
② Society-related proposals:

Under reasonable circumstances, we support assessment reports on the impact of company operations on human rights, announcements and proposals on diversity and inclusion, and disclosure of political and lobbying activities and expenses, so as to promote attention on human rights and diversity. However,

only shareholder proposals with inadequate reasonableness will not win our support. Thus, the approval ratio of social proposals is 52% in 2024.

③ Overall, the approval ratio of E&S proposals has reached 60%, 10% more compared to last year.

④ In light of the anti-ESG trend in the international market, shareholders' proposals to abolish the DEI policy and reduce GHG reduction targets, which weaken sustainability commitments or hinder sustainable development, began to appear during shareholders' meetings in 2024. Cathay Life Insurance voted against 100% of these anti-ESG proposals to demonstrate our commitment to sustainability.



Environmental-related Proposal – Case 1

Environmental factors: Climate change

Proposal: Require company to disclose its Scope 3 GHG emissions

Background:

Company A is the world's leading e-commerce and retail platform. Although it has disclosed its Scope 1 and Scope 2 GHG emissions, it still has not fully disclosed its Scope 3 emissions data. For retailers, the majority of their emissions is Scope 3. Hence, shareholders made a proposal requesting that the company to disclose Scope 3 emissions data more transparently and in detail.

Therefore we supported proposal of Company A's shareholder to "require the company to disclose Scope 3 GHG Emissions" for the following reasons:

- It will help the company better respond to increasingly strict global environmental regulations, such as the EU Corporate Sustainability Reporting Directive (CSRD) and the California Air Resources Board Mandatory Reporting Regulation (MRR).
- The information disclosed by Company A is limited to certain Scope 3 Emissions on its platform, which cannot fully reflect the environmental impact of its business operations.
- The company has not yet been obtained verification from the Science Based Targets initiative (SBTi), and its competitors, such as Company W, have disclosed more comprehensive Scope 3 emissions, showing the industry's need and importance attached to this information.

In conclusion, if Company A can disclose more complete GHG emissions, it will not only improve its climate risk management ability, but also become aligned with the industry benchmark and create a responsible corporate image. Cathay Life Insurance believes that this proposal will help improve the company's ability to adapt and manage climate risks, and bring long-term benefits to the company and its shareholders.

Environmental-related Proposal – Case 2

Environmental factors considered: Nature and biodiversity

Proposal: Require company to provide forest and biodiversity impact assessment report

Background:

Company H is the world's leading furniture retailer. Although Company H has responded to the CDP questionnaire, implemented policies and procedures for wood procurement and carbon

footprint management, the traceability of its wood continued to attract attention in recent years. Shareholders believe that Company H should comply with the universally recognized Taskforce on Nature-related Financial Disclosures (TNFD) to further strengthen its commitment to biodiversity conservation, and requested that the company conduct a comprehensive forest and biodiversity impact assessment and disclose the impact of its global operations on biodiversity and its management measures.

For the following reasons, we supported the proposal of Company H's shareholder to request that the company provide a forest and biodiversity impact assessment report:

- Increase the transparency and strengthen the sense of responsibility in biodiversity risk management: According to the most recent Forest 500 assessment, Company H scored less than 20 points in global forest risk management, indicating that there is still considerable room for improvement in forest conservation and biodiversity management.
- Potential risks brought by global operations: Company H has more than 2,300 stores in the United States, Mexico, and Canada, and provides more than 1 million products, which causes it to have extensive forest risks across the globe. The procurement of wood and other natural resources may involve high-risk areas. Forests and biodiversity in these areas face severe challenges, especially in Asia and Africa, and Company H's wood supply chain has been involved in controversial events.
- Responding to international trends in forest and biodiversity protection: As the world pays more attention to deforestation and biodiversity loss, regulatory authorities are strongly requiring companies to conduct stricter environmental risk assessments and disclosures for their supply chains. If Company H can take action on this issue, it will help enhance its competitiveness and image in the global market, and show its sense of responsibility to sustainable development.

In conclusion, if Company H can submit a comprehensive forest and biodiversity impact assessment report in accordance with the TNFD framework, it will not only improve its environmental risk management capabilities, but also create a responsible corporate image in the international market. Cathay Life Insurance believes that this proposal will help drive the company

to set higher standards for the protection of natural resources and bring long-term benefits to the company and its shareholders.

Society-Related Proposals – Case 1

Social factors considered: Supply chain human rights

Proposal: Require the company to evaluate its human rights management goals and commitments in the supply chain

Background:

The textile and apparel industry is a highly globalized industry. The human rights risks in this industry mainly come from raw material procurement and the labor conditions in the manufacturing process. Recently, Company N has faced allegations from multiple parties that it may be using raw materials from forced labor in the Xinjiang region in its supply chain, and its suppliers owe employees salaries. In this context, setting clear goals and commitments for human rights management is expected to help shareholders gain an in-depth understanding of Company N's specific measures and response measures for managing human rights risks in the supply chain.

For the following reasons, we supported the proposal of Company N's shareholder to "require the company to evaluate its human rights management goals and commitments in the supply chain":

- Supply chain human rights requirements of the United Nations Guiding Principles on Business and Human Rights (UNGPs): UNGPs emphasize that companies must respect and protect human rights in their operations and supply chains, and regularly evaluate their human rights risks and response measures. This has significant meaning to enhancing the overall social responsibility of companies.
- Responding to international labor standards and the risk of forced labor: In accordance with the "Elimination of Forced or Compulsory Labor" clause in the ILO Convention, companies are required to comprehensively identify and manage risks of forced labor in the supply chain, especially for raw materials from the Xinjiang region.

Although Company N is not inferior to its competitors in the industry in terms of information disclosure, considering the relatively high number of supply chain controversies in the past year, we believe that Company N needs to re-examine its implementation of human rights goals and management. This assessment not only helps ensure the transparency of the company's compliance with international standards, but also helps shareholders better understand potential investment risks.

Society-Related Proposals – Case 2

Social factors considered: Health

Proposal: Require external verification on NSS health impact

Background:

Company P is a globally renowned food company. According to the World Health Organisation (WHO), aspartame and other sugar substitutes (Non-Sugar Sweetness) have been suggested to be carcinogenic, therefore, some of the shareholders have requested that a more comprehensive safety assessment be conducted based on the safety of Company P's aspartame and other sugar substitutes (NSS) for the inclusion of aspartame and other sugar substitutes (NSS) in its products.

For the following reasons, we supported the shareholders' proposal of Company P "requesting the Company to seek third-party verification of the safety of the sugar substitutes":

- Responding to the World Health Organisation's concern about the possible health risks posed by aspartame: The safety of sugar substitutes, such as aspartame, has attracted the concern of health authorities worldwide, and in order to protect the health of consumers, the relevant risks should be further assessed and made public.
- Fulfilling Shareholder Responsibilities and Enhancing Risk Management and Transparency: As investors, we are concerned about how companies manage potential health risks. Third-party verification will help enhance the transparency of the company's health risk management and increase accountability to shareholders.





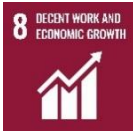

In conclusion, although this is the first time that Company P has received a proposal to disclose the health risks of sugar substitutes, Company P has already been asked to disclose the amount of sugar in its products and its potential health effects. The proposal reflects investors' concerns and expectations about corporate health risk management and demonstrates that social responsibility is increasingly becoming a focus for shareholders.








(IV) Sustainable Investment

In addition to constructing a comprehensive system and procedures for responsible investment, Cathay Life also takes proactive actions when making investments. In 2024, the sustainable investment amount was approximately NT\$1.46 trillion (note), reflecting a growth of about 10.1% from 2023. Moreover, the low-carbon investment projects include government initiatives to achieve net zero carbon emissions through the "12 Key Strategies" Industries. The investment projects include solar photovoltaics (1. Wind/Solar Photovoltaic Power), power grid equipment (4. Power Systems and Energy Storage), energy saving industry (5. Energy Saving and Efficiency), waste recycling (8. Resource Recycling with Zero Waste), public transportation (7. Carbon-free and Electric Vehicles/10. Green Lifestyle), and green bonds (11. Green Finance), supporting the government's strategies to achieve net-zero transition by 2050.

1. Theme Investing

(1) Investment in accordance with Cathay FHC's 5 sustainable themes:

Investment themes	Alignment to SDGs	2024 investment amount	Description
 low-carbon and green energy industries	 	NT\$ 259.1 bn	In response to the global trend of transformation into a low-carbon economy and the Taiwanese government's 2050 net zero emission target. Cathay Life Insurance actively invest in low-carbon green energy industries and make contributions to creating a low-carbon planet.
 Infrastructure	 	NT\$ 804.6 bn	In order to maintain economic and social growth, eradicate poverty, and adapt to the impacts of climate change, infrastructure improvements will be crucial for sustainable development. Cathay Life has invested in infrastructure-related industries to fund sustainable urban development and change people's lifestyle.

Investment themes	Alignment to SDGs	2024 investment amount	Description
 Water resources		NT\$ 7.8 bn	With the scarcity of water resources, the rapid increase of the urban population, and the extreme climate change have rendered the effective use and treatment of water resource a major concern of the present era, We hope that areas can have better public water supply by investing in public sewage treatment and water resources development.
 Aging society and health		NT\$ 485.4 bn	Health is a fundamental human need and a crucial core of sustainable development. With the rapid demographic changes, it will bring significant impacts and demands to the healthcare system. In order to promote human health and well-being, we actively invest in health-related industries such as drug development and biotechnology.
 Community and financial inclusion	 	NT\$ 2.8 bn	Upholding our core philosophy of being “people-oriented,” which is incorporated into our core competencies of investment, Cathay Life invests in industries related to education and microfinance, hoping in doing so to contribute to the realization of inclusive finance.

Note:

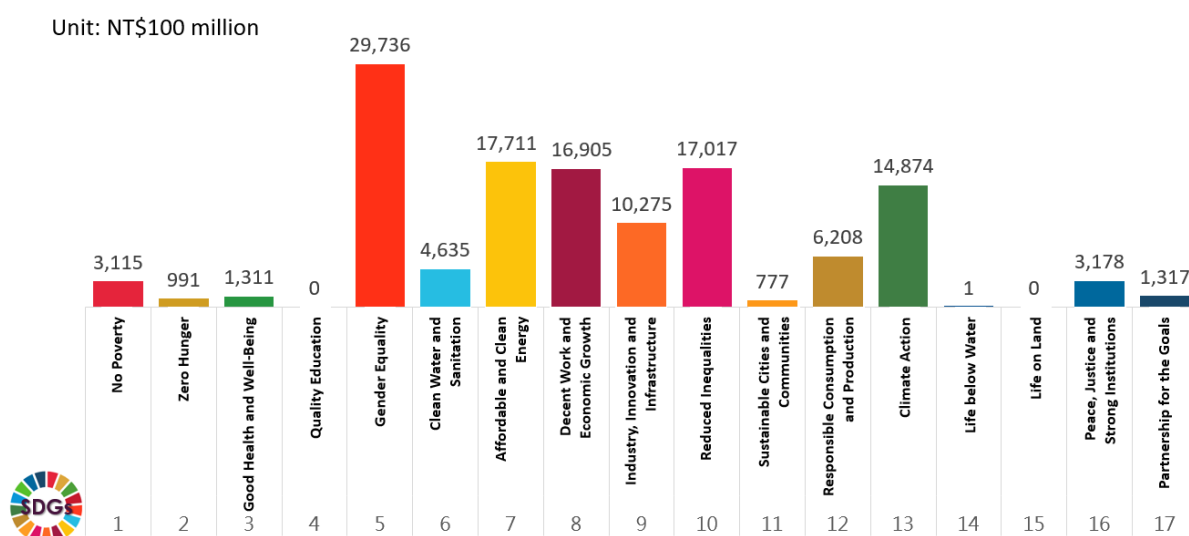
1. Due to the overlapping of some sustainable investment contents, the total amount of sustainable investment is not a combination of each theme investment.
2. The investment includes: ①NT\$4.81 billion in Wind/Solar Photovoltaic Power, NT\$210 million in Power Systems and Energy Storage, NT\$14.89 billion in energy efficiency, NT\$2.14 billion in Carbon-free and Electric Vehicles, NT\$160 million in Resource Recycling with Zero Waste, NT\$6.09 billion in Green Lifestyle, and NT\$4.93 billion in Green Finance, amounting to approximately NT\$33.2 billion in total. ②The outstanding balance of renewable energy credit (wind and solar power) is approximately NT\$3.9 billion.

(2) Investment linking to 17 Sustainable Development Goals (SDGs):

The United Nations adopted the 2030 Agenda for Sustainable Development in 2015, proposing 17 world SDGs for moving towards sustainable development. It

provides guidance on the decision-making, investments and actions for central governments, local governments, enterprises, citizen groups and others in the next 15 years, so that “every country achieves sustained, inclusive and sustainable economic growth, and decent work for all,” jointly creating a world involving sustainable production, consumption and use of natural resources including air, land, rivers, lakes, groundwater and ocean.

Cathay Life has financial assets are all over the world. As a citizen of earth, We have a profound understanding of the importance of the 17 Sustainable Development Goals (SDGs) on “economic growth,” “social progress” and “environmental protection.” Before making an investment, we would carefully evaluate whether the investee company can solve specific social or environmental issues and adhere to the 17 SDGs. By use of the MSCI SDG Alignment Tool, we would review whether the operations or products of domestic and foreign listed stocks and corporate bond underlying assets (excluding sustainability-related bonds) are aligned with the SDGs. As of the end of 2024, domestic and foreign listed equities and corporate bonds investment portfolios were most connected to the following targets, ranked in order of alignment: SDG 5: Gender Equality, SDG 7: Affordable and Clean Energy, SDG 10: Reduced Inequalities, SDG 8: Decent Work and Economic Growth, and SDG 13: Climate Action.



Note: The same investment target may correspond to more than one SDG.

2. Impact investing

To strengthen the positive impact on society or the environment, Cathay Life incorporates the four core aspects for considerations in investment decision-making. With reference to impact investment defined as “intentional, measurable, cross-asset and financially rewarding” by the Global Impact Investing Network (GIIN), we select investment targets that can effectively address specific social or environmental issues with measurable contribution for investment. We also reference international frameworks when assessing and taking inventory of the positive impacts of investee companies.

(1) Defining asset scope:

Considering that impact investment, has features that are of cross-asset, and measurability, asset types such as sustainability-related bonds, private equity investments, and impact funds are used as basis for the calculation of impact investment assessment scope and performance.

(2) Selecting evaluation method:

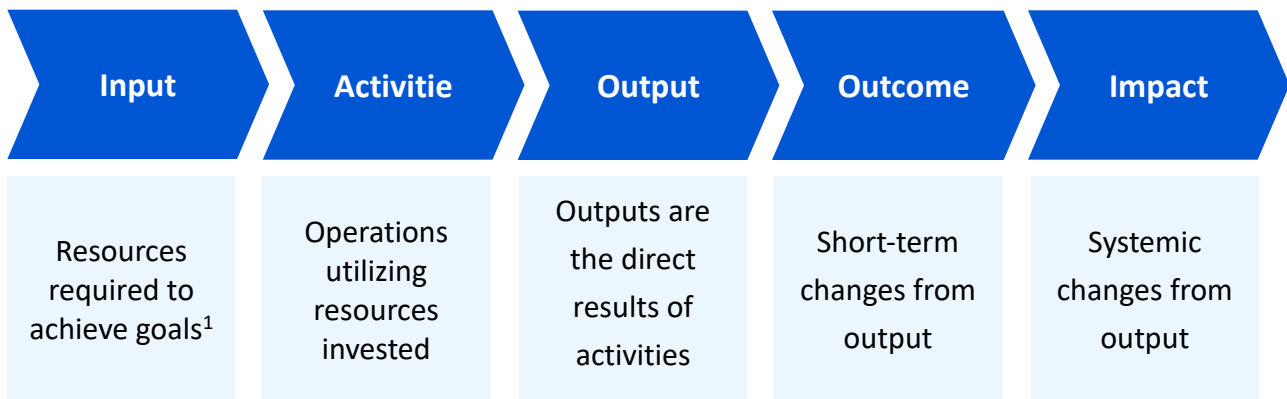
To effectively explain the impact goals and intention of contributing to positive and eventual social and environmental solutions, Cathay Life refers to the “impact investment” jointly defined by CFA Institute, GSIA and PRI in 2023, and measures the social and/or environmental impacts by use of the Theory of Change and the “IRIS+ Thematic Taxonomy” framework published by GIIN. Meanwhile, we also use the 17 SDGs to match with impact projects of the Theory of Change:

- Impact investment involves the Theory of Change, which requires credible explanation on investor contribution or catalytic role.
- Impact investment shall be measured based on the impact measurement and management indicators that have been publicly recognized, such as IRIS+ launched by GIIN, or other environmental and social impact indicators such as the Global Reporting Initiative (GRI) or Future-Fit Business Benchmark.

➤ Selection of Evaluation Methods

“Theory of Change” + “IRIS+ Thematic Taxonomy” + the UN 17 Sustainable Development Goals

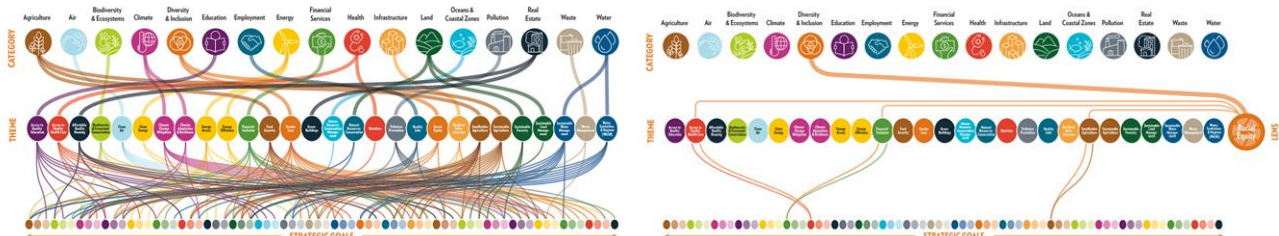
THEORY OF CHANGE



Note: 1. including human resources, R&D expenditure, funding, etc.



IRIS+ differentiates **17** impact categories, **28** themes and over **50** detailed evaluation indicators in impact investment. Corresponding to specific categories and themes based on the connotation of impact investment, the investment performances are based on the recommended detailed evaluation indicators.



Reference: [IRIS+ Thematic Taxonomy](#)



(3) Impact investing results:

- As of the end of 2024: Amount of impact investing reaching NT\$ **96.5** billion

■ Sustainability bonds recognized by the TPEX

NT\$ **4.9** bn

NT\$ **43.4** bn

Green Bonds

NT\$ **48.3** bn



The main green bond development projects involve investments in renewable energy, energy efficiency, clean transportation, green buildings, and wastewater management, etc.

NT\$ **100** Million

NT\$ **5.9** bn

Social Bonds

NT\$ **6** bn



By investing in social bonds for basic services, Cathay Life Insurance improves the lives of disadvantaged groups, provides affordable housing, improves residential housing problems, and develops basic services, helping the country or companies to exert a positive influence on society.

Sustainability Bonds

NT\$ **36** bn

NT\$ **6** bn

NT\$ **30** bn



In addition to direct investment of green bonds and social bonds, Cathay Life Insurance also invests in sustainability bonds related to green investment and social impact investment plans, and encourages substantial investments in the country or on social and environmental improvement issues.

NT\$ **0.5** bn
Impact Funds

NT\$ **5.7** bn
Private Equity

Others




























NT\$ **6.2** bn



Cathay Life Insurance seeks to exert a positive influence by investing in funds or private equity of companies with products or plans that have a positive impact on society and the environment.

(4) The influence on the environment or society

Cathay Life Insurance calculates the environmental and social contributions of investments based on the impact reports issued by investee companies, or data directly provided by investee companies. In the future, we will continue to assess the feasibility of expanding measurable impact investment results. Meanwhile, the environmental or social indicators will be adjusted depending on the current situation.



IRIS + Categories	IRIS + Themes	Corresponding SDGs	Environmental or social indicators - contributions from the Company's investments (Cumulative amount in 2022-2024)	
 Energy	Energy Access	    	CO ₂ equivalent avoided	92,484 Mt CO ₂ e
			Number of households benefiting from renewable energy	245,259 Households
 Pollution	Pollution Prevention	  	Total volume of wastewater treated	15,184,087 Cubic meters (tons)
 Water	Sustainable Water Management	 	Total water conservation	6,236,722 Cubic meters (tons)
 Education	Access to Quality Education	  	Students benefiting from lunch subsidies	49,682 Head count
 Real Estate	Affordable Quality Housing	  	Number of beneficiaries of affordable housing	860 Head count /households
 Financial Services	Financial Inclusion	  	Number of beneficiaries from improving the lives of disadvantaged groups	1,184,613 Head count
 Health	Access to Quality Health Care		Number of beneficiaries from improving health insurance	507,578 Head count

Note: Taking into account data availability, the impact calculated in the table below cannot cover all impact investment positions.




(5) Case Study on Cathay Life Insurance Investment

i. Cathay Power

Theory of Change Framework	Description
Input	<p>To fully utilize land resources and solve Taiwan's issue of low food self-sufficiency rate, and to encourage young farmers to return to their hometowns to rebuild the rural landscape, Cathay Power was selected to participate in the agro-photovoltaics demonstration site of Taiwan Sugar Corporation in July 2021.</p> <p>The photovoltaic installation cost of the agro-photovoltaics site was approximately NT\$60 million, the cost of agricultural construction is NT\$1 million, the annual cost of agricultural production is NT\$800,000, and the manpower required is about 20 people (including photovoltaic engineering maintenance and agricultural personnel).</p>
Activities	<p>A solar tracking photovoltaic site with an installed capacity of approximately 1.1MW was established at the Dalin Sugar Factory in Chiayi City. Plume grass is planted under the solar panels and then provided to livestock farmers in surrounding areas. The feces and urine collected from the livestock goes through anaerobic digestion to produce biogas, which is used to generate green electricity, and the biogas residue is used as fertilizer of surrounding farmland, reducing the use of chemical fertilizers. The project helps keep rivers clean and increases farmers' income.</p>
Output (Cathay Life Insurance's Share)	<p>IRIS+ Theme: Energy(Energy Access)</p> <p>IRIS+ PI2764: Avoided Emission (CO2e): 851.4 t-CO2e/year</p> <p>IRIS+ PI8053: Number of households benefiting from renewable energy: 423 Household/year</p>
Outcome	<p>The photovoltaic facilities in this project can generate approximately 1.72 million kWh of electricity each year. Approximately 180-200 tons of plume grass is harvested each year. Currently, we are working</p>

	<p>closely with our biogas power generation partners. Once the biogas power plant is fully operational, it can be used for three purposes (combining solar photovoltaic power generation, agricultural planting, and biogas energy) to create a sustainable agriculture cycle with low carbon emissions.</p>
Impact	   

ii. Chile Government Bonds

Theory of Change Framework	Description
Input	As of December 31, 2024, Cathay Life Insurance has invested NT\$10.5 billion in social responsibility bonds or sustainable development bonds issued by Ministry of Finance, Chile.
Activities	The social-related plans include subsidies for low-income households, subsidies for SMEs, housing funds, preferential education subsidies, and emergency relief funds for families, and other related support plans.
Output (Cathay Life Insurance's Share)	<p>IRIS+ Theme: Education (Access to Quality Education)</p> <p>IRIS+ PI6971: Students benefiting from lunch subsidies: 49,682 Head count</p>
Outcome	The program aims to provide students in government-funded institutions with healthy and appropriate food. It is also considering providing gluten-free support to students with gluten sensitivity. It provides food for students who participate in entertainment activities during the holidays, and provide food services for students in semi-public schools who participate in additional activities.
Impact	  

3. Sustainability-Linked Bond (SLB)

In addition to impact investing, Cathay Life Insurance also invests in sustainable-linked bonds (SLBs) that have been developing rapidly in the past two years. The SLBs are designed to link bond interest and principal payment terms to the issuer's sustainable development performance, so as to ensure that the issuer will integrate sustainable development into their operational decisions and business models. The SLBs invested by Cathay Life Insurance come with a sustainable development target of achieving 100% greenhouse gas reduction. They support companies in implementing carbon reduction in business operations. As of 2024, the investment amount totaled NT\$ 8.4 billion.

(V) TCFD

Confronted by the increasingly severe impact of climate change, Cathay Life has taken the initiative in promoting the framework of the Task Force on Climate-related Financial Disclosures (TCFD) issued by Financial Stability Board (FSB). In 2022, Cathay Life and its parent company Cathay FHC science-based targets (SBT) were approved by the Science Based Targets initiative (SBTi) and moving towards the goal of Net Zero Emissions by 2050.

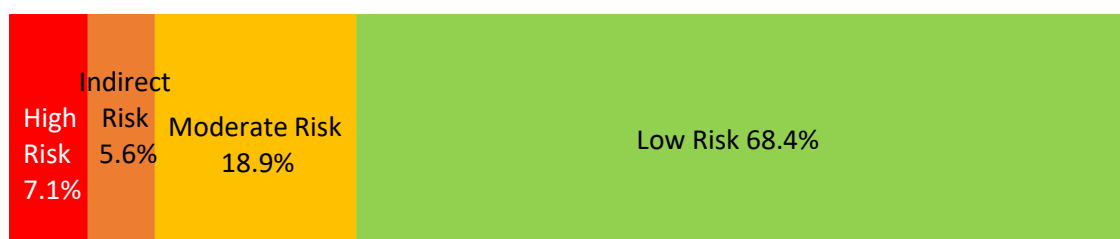
1. The impact of quantified climate change on investment portfolios

Physical risks caused by extreme weather may damage investee companies and even impact their production capacities, thus increasing the probability of companies' defaults or decreases in their market values. To control global warming, governments around the world are intensifying their supervision of carbon emissions by implementing carbon pricing or carbon emissions trading mechanisms; but such measures have created a transition risk that has led to an increase in the costs of investee companies and affected their profits and values, thus reducing Cathay's income and values of assets we are investing in. Therefore, we use Backward looking quantitative methods and Forward looking scenario simulation methods to manage the risks and get opportunities of climate change in investment portfolios in advance.

(1) Backward looking quantification: Carbon footprint of investment and financing Portfolios

i. Assess the exposure to the climate risk

Based on the MSCI ESG methodology, Cathay Life identified the exposure of equity and corporate bonds to different level climate risks. The inventory shows that 7.1% of our investment positions are involved in high climate-related risks; therefore, our climate-related risks are controllable.



Note:

High Risk	Based on the nature of their business activities, companies in that industry face a high level of risk exposure to the Direct climate change Issue.
Indirect Risk	Based on the nature of their business activities, companies in that industry face a high level of risk exposure to the Indirect climate change issues.
Moderate Risk	Based on the nature of their business activities, companies in that industry face a medium level of risk exposure to the Direct climate change Issue.
Low Risk	Based on the nature of their business activities, companies in that industry face a low level of risk exposure to climate change Issue.

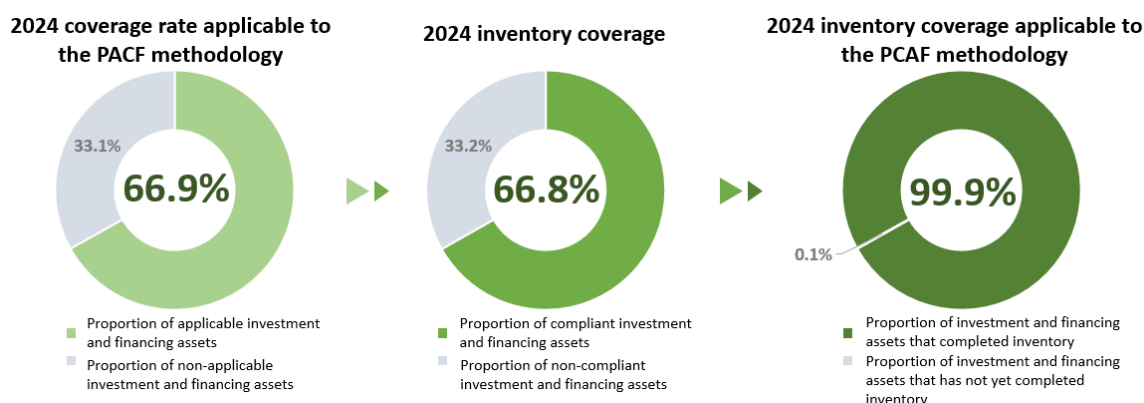
ii. Financed emissions of investment and loan portfolio

① Inventory Coverage

Since 2020, Cathay Life has voluntarily complied with the guidelines of the Partnership for Carbon Accounting Financials (PCAF), and used the PCAF methodology to calculate the financed emissions of its own investment portfolios (Scope 1 and Scope 2).

After accumulating experience in compiling carbon inventory and including the investment and loan portfolio into the scope of the inventory, the inventory coverage of our overall investment and loan portfolio

applicable to the PCAF methodology was 99.9% in 2024.



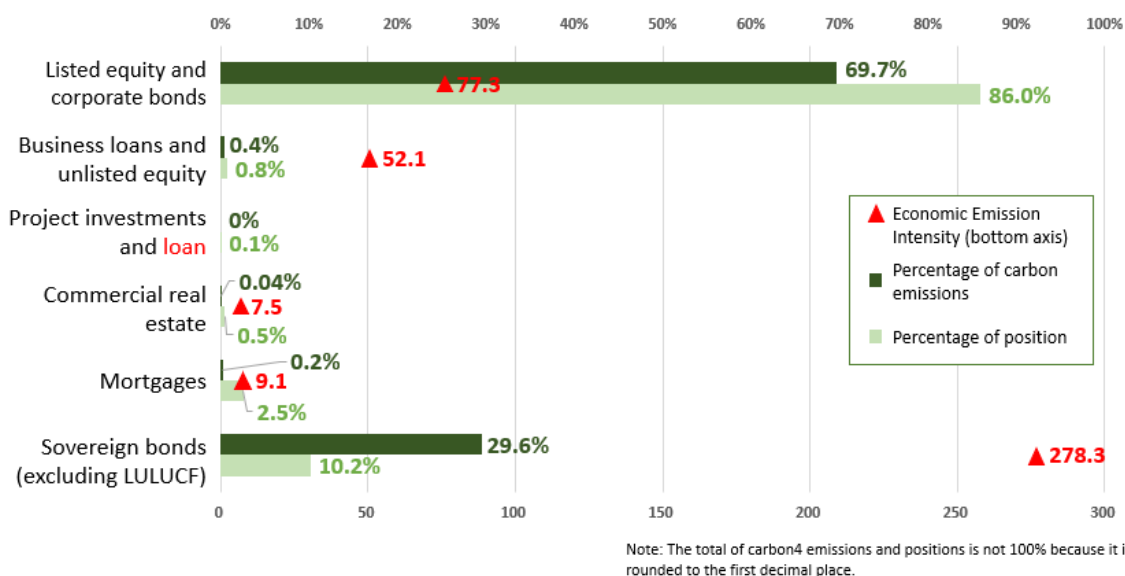
Note:

1. Coverage rate applicable to PCAF methodology: The investment and loan positions in line with the PCAF methodology as a percentage of the total investment and financing positions
2. Inventory coverage: The investment and loan positions that already underwent inventory pursuant to the PCAF methodology as a percentage of the total investment and financing positions
3. Inventory coverage applicable to the PCAF methodology: The investment and financing positions that underwent inventory pursuant to the PCAF methodology as a percentage of the total investment and loan positions in line with the PCAF methodology.
4. As funds do not have access to underlying assets or cannot be classified pursuant to the PCAF methodology, they are recognized as excluded assets, and shall not be included in the calculation of PCAF assets.

② Portfolio financed emissions overview

Cathay Life measures financed emissions for investment portfolio every year. Based on this practice, we then expanded the calculation of portfolio financed emissions and economic emission intensity to the 7 asset classes in the PCAF methodology in 2023. However, Cathay Life Insurance does not undertake motor vehicle loans, so it is not listed below. In the future, we will continue to regularly review the financed emissions of investment and loan portfolios to monitor the changes in carbon emissions.

The financed emissions in 2024 are 15,539,267 tCO₂e¹, with an economic emission intensity of 95.4 tCO₂e/US mn invested, and financed emissions of each asset classes are as follows:



Note:

1. Including financed emissions of listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, and sovereign bonds (excluding LULUCF).
 - (1) Investment refers to Proprietary and mandated investment positions listed under 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 investments accounted for using the equity method.
 - (2) Loan positions refers to listed under “Loans.”
2. Except for the items separately explained below, all other assets in the inventory are calculated as Scope 1 and Scope 2 GHG Emissions.
 - (1) Investments in sovereign bonds are calculated in Scope 1.
 - (2) Project investments and loan are mainly renewable energy loans, and financed emissions are calculated based on actual activity. Since the carbon emission factor of renewable energy is 0, the corresponding Scope 1 and Scope 2 emissions are both 0 and avoided carbon emissions was 39,723 tons.
3. Land use, land-use change and forestry (LULUCF): Human activities cause changes in carbon cycle between the terrestrial biosphere through LULUCF, leading to the alteration of carbon dioxide in the atmosphere.

③ Financed Emissions of listed equities and corporate bonds-own operations(Scopes 1 and 2)

To fulfill the commitment of the Paris Agreement and meet stringent global carbon emission regulations with preparation in advance, Cathay Life adhered to the guidelines of the Partnership for Carbon Accounting

Financials (PCAF) since 2020. Based on the methodology of the guidelines, the total financed emissions of investment portfolios (Scope 1 and Scope 2) and in turn, the economic emission intensity is calculated to measure carbon footprint of investment portfolios, all of which will serve as indicators for monitoring the performance of carbon reduction targets from different perspectives

According to the inventory results in 2024, the financed emissions of listed equities and corporate bonds was 10,828,690 tCO₂e, the portfolio carbon intensity was 77.3 tCO₂e/US mn invested, and data quality was 2.3 points, up 10.6%, 10.3%, and quality improved by 3% compared to 2023¹, respectively. The increase in financed emissions was mainly due to carbon emissions from corporate bonds.

Based on the calculation method, when high-quality carbon emissions data of the investment target cannot be obtained, estimates or alternative data will be used to reflect the carbon emissions of the investment and loan portfolio as much as possible. However, as the carbon disclosure rate of companies around the world gradually increases, the number of companies disclosing carbon emissions information for the first time in the corporate bond asset class has increased, and the actual data disclosed by companies has replaced the estimates or alternative data that were originally used. The actual carbon emissions disclosed by these companies are generally higher than the estimates used in the previous year, so overall financed emissions increased accordingly.

Cathay Life will continue to improve the quality of carbon emissions data, pay attention to the changes in carbon emissions of its investment and loan portfolio, and analyze and track the causes behind them to strengthen carbon management.

Carbon Footprints of Various Asset Classes in 2023-2024

	Unit	2024	Annual change	2023
Listed equity				
Financed emissions	tCO ₂ e	638,092	-28.2%	888,764
Economic emission intensity	tCO ₂ e/US mn invested	31.8	-27.0%	43.61
Coverage rate	%	100%	-	100%
Data quality score		2.2	-	2.2
Corporate bond				
Financed emissions	tCO ₂ e	10,190,598	14.5%	8,901,387
Economic emission intensity	tCO ₂ e/US mn invested	84.9	13.8%	74.7
Coverage rate	%	100%	-	100%
Data quality score		2.4	-	2.5
Total				
Financed emissions	tCO ₂ e	10,828,690	10.6%	9,790,151
Economic emission intensity	tCO ₂ e/US mn invested	77.3	10.3%	70.13
Coverage rate	%	100%	-	100%
Data quality score		2.3	3% ¹	2.4

Note:

1. Data quality score (a score of 1 indicates the highest data quality, with all emissions data verified by an independent third party; a score of 5 indicates the lowest data quality)

Analysis of the Total Carbon Emission Concentrations in 2024

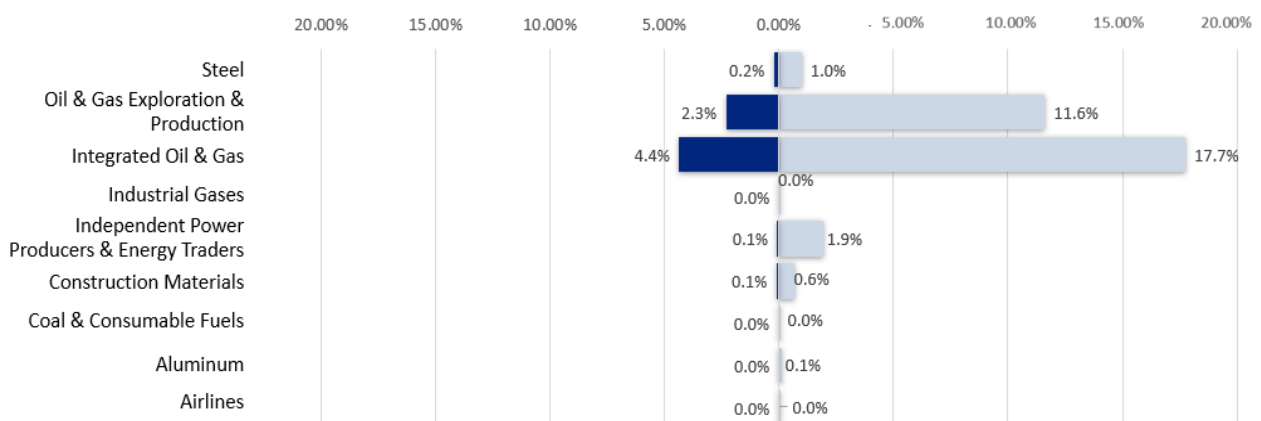
The top 50 companies in total financed emissions of listed equity accounted for 87.4% of the emissions, and the top 100 companies in the financed emissions of corporate bonds accounted for 89.4% of the emissions.



Analysis of high climate-related risk industries in 2024

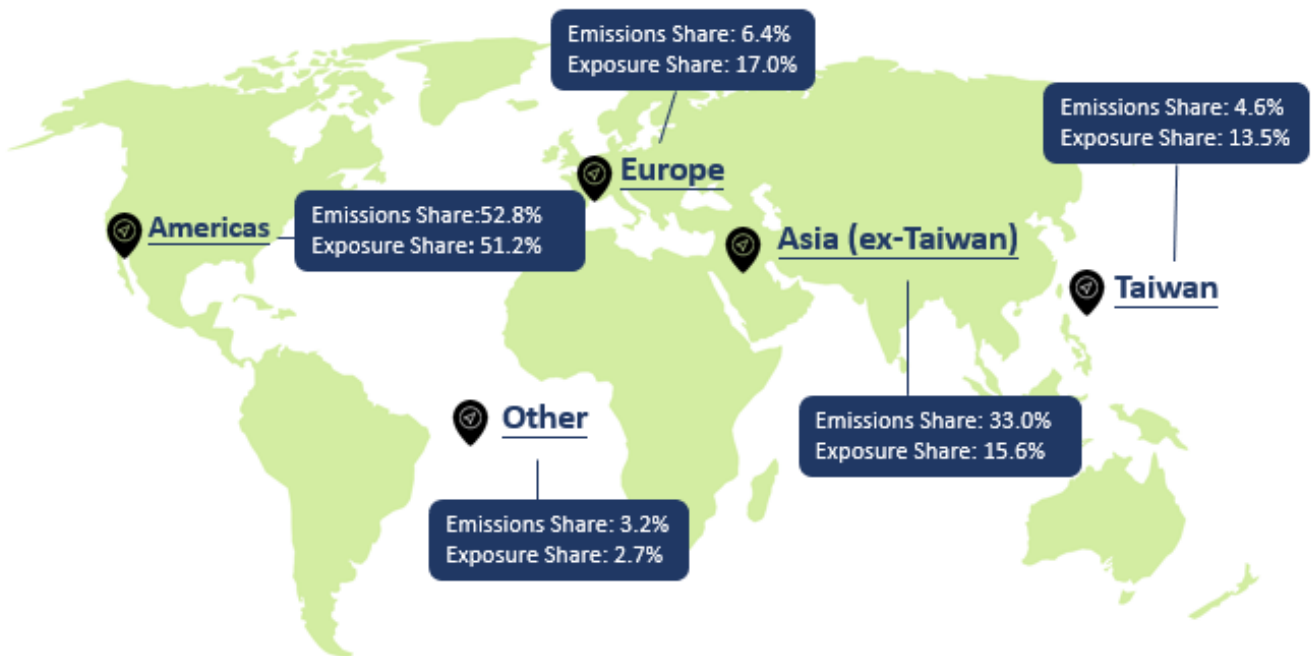
Among the total emissions of industries with high climate change risks, the percentage of asset position of the integrated oil and gas industry accounted for only 4.4%, but its carbon emissions accounted for 17.7%.

- Carbon emissions of the industry as a percentage of total carbon emissions
- Ratio of position in the industry to the overall position



Distribution of Carbon Emissions by Region in 2024

The Americas accounted for the largest share of investments at 51.2%, with a corresponding share of financed emissions at 52.8%.



④ Financed emissions of investment portfolio - Company Operations and the Value Chain (Scopes 1, 2, and 3)

To have a more comprehensive understanding of the investment portfolio financed emissions, Cathay Life has expanded the scope of its investment portfolio since 2022. In addition to Scope 1+2 emissions of investee companies, we also began including Scope 3 emissions of investee companies to compile a complete inventory. Considering poor disclosure quality and low completeness of the carbon emissions of companies in scope 3, Cathay Life adheres to the PCAF guidelines, and incorporated the industries in Scope 3 for calculating the total financed emissions from the operations (scope 1 and scope 2) and value chain (scope 3) of companies in the “oil and gas industry, metals and mining industry, transportation industry, and construction materials industry”, also continue to observe data changes. In the future, we will gradually compile an inventory of Scope 3 emissions

from all industries depending on the coverage and carbon information disclosure quality on the coverage and carbon information disclosure quality of companies.

	Financed emissions (tCO ₂ e)	Financed emissions coverage rate	Data quality score
Oil & Gas			
Scope 1&2	4,241,362	100%	2.7
Scoep 3	28,514,582	100%	3.2
Metals & Mining			
Scope 1&2	425,797	100%	2.7
Scoep 3	2,218,203	100%	2.7
Transportation			
Scope 1&2	20,621	100%	3.4
Scoep 3	439,315	100%	2.3
Construction Materials			
Scope 1&2	70,109	100%	2.7
Scoep 3	26,675	100%	2.6

⑤ Sovereign bonds financed emissions

Since the PCAF guidelines added the calculation of sovereign bonds financed emissions in 2022, Cathay Life compiled its carbon inventory and disclosed Scope 1 emissions from sovereign bonds according to the PCAF guidelines. In the past two years, financed emissions and Economic emission intensity of sovereign bonds have both declined.

	Unit	2024	Annual change	2023
Sovereign bonds (Scope1, excluding LULUCF¹)				
Financed emissions	tCO ₂ e	4,602,060	-6.4%	4,914,419
Economic emission intensity	tCO ₂ e/US mn invested	278.3	-8.3%	303.6
Financed emissions coverage rate	%	99.9%	-	96.0%
Data quality score		4.0	-	3.4
Sovereign bonds (Scope1, including LULUCF¹)				
Financed emissions	tCO ₂ e	4,600,215	-6.5%	4,920,338
Economic emission intensity	tCO ₂ e/US mn invested	305.1	-8.7%	334.3
Financed emissions coverage rate	%	91.2%	-	87.3%
Data quality score		4.0	-	3.3

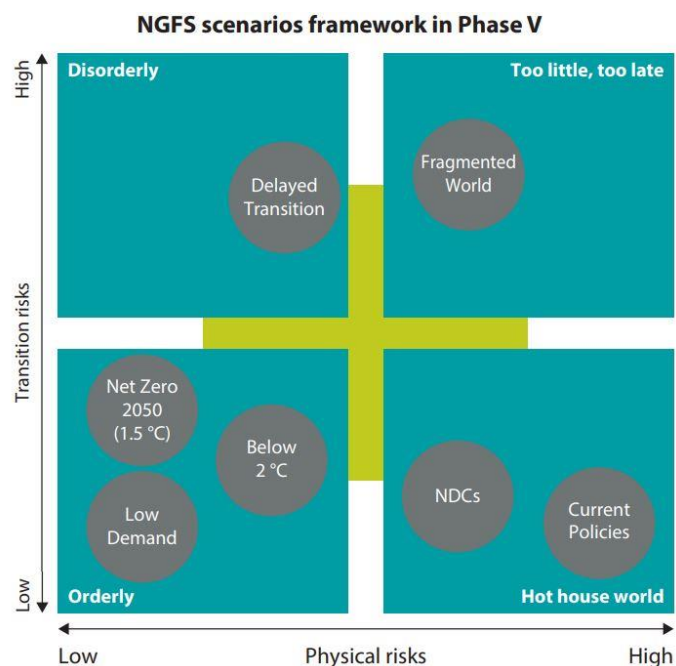
Note:

1. Land use, land-use change and forestry (LULUCF): Human activities cause changes in carbon cycle between the terrestrial biosphere through LULUCF, leading to the alteration of carbon dioxide in the atmosphere.

(2) Forward looking scenario analysis: Assess the CVaR(Climate Value at Risk)¹ of portfolio

i. NGFS scenarios description:

Cathay Life selected the Net Zero 2050 scenario, which meet both the global consensus of net-zero emissions and its own carbon reduction goals. In addition, with reference to the spirit that the stress testing of central banks in the U.K. and France are designed with scenarios such as orderly and disorderly transition, and no additional actions. We selected the delayed transition scenario with disorderly transition, and the Nationally Determined Contributions (NDCs) scenario which keep the existing policies unchanged, exploring the financial impact of three different types of transition and temperature scenarios on the Company.



Source : NGFS Climate Scenarios for central banks and supervisors, November 2024

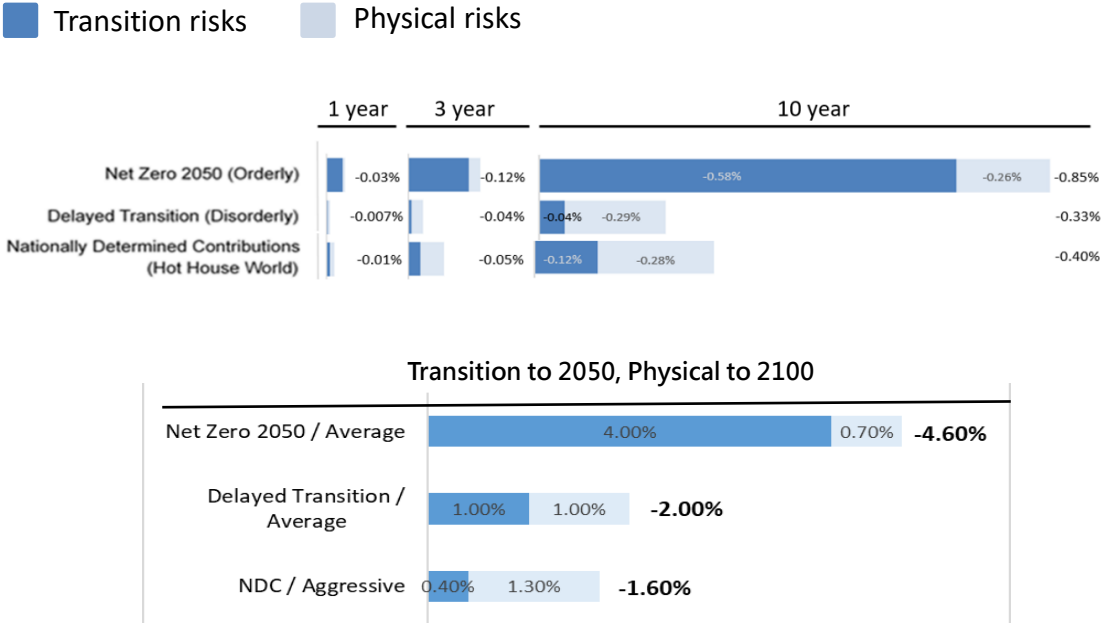
NGFS Scenarios	Net Zero 2050 (Orderly)	Delayed Transition (Disorderly)	Nationally Determined Contributions (Hot House World)
Degrees of warming by the end of century	1.5°C	2°C	3°C
Scenarios and assumption	Formulate climate policies in advance and implement them gradually. We expect to achieve net zero emissions and limit temperature increase to 1.5°C by 2050. Physical and transition risks are medium risks.	Assuming that the scenarios will remain the same before 2030, there may be high transition risks as transition costs may surge by the sudden implementation of strong emission reduction policies after 2030.	Transition risks are the lowest, but the physical risks may be the highest if the scenario only covers existing national policies, without new actions on carbon reduction.
Description of transition risks	[Medium Risk] Timely and orderly implementation of climate policies	[High Risk] Delayed and abrupt implementation of climate policies	[Low Risk] Implement the existing commitment to the NDCs, without new actions on carbon reduction
Description of physical risks ²	[Medium Risk] Extreme climate change scenario linked to NGFS 1.5°C	[Medium Risk] Extreme climate change scenario linked to NGFS 2°C	[High Risk] Extreme climate change scenario linked to NGFS 3°C

ii. Analysis results of MSCI CVaR Scenario for listed equities and corporate bonds^{5,6}:

Based on MSCI model database under the NGFS scenarios, the CVaR results for specific periods in 2024 (the next 1 year, 3 years, 10 years, and until 2050)³ can analyze the downward risk of climate change on company stock and bond values. According to the scenario analysis results, in the “Transition to 2050 and Physical to 2100” scenario, the loss in each scenario accounts for 1.6% to 4.6% of the investment portfolio⁴. In particular, in the Net Zero 2050 orderly transition scenario, the Company's CVaR is -4.6%, which is the largest possible loss in the three scenarios and is due to the Company’s investment in industries with higher transition risks. 1 year, 3 years, and 10 years are relatively short periods and only

result in minor losses, so the overall risk of loss is controllable.

2024 equity and bond investment portfolio (excluding sovereign bonds)
analysis results using MSCI CVaR scenarios:



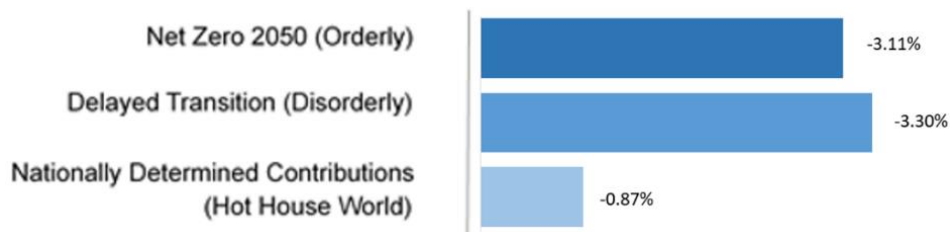
iii. Analysis results of MSCI CVaR Scenario for sovereign bond:

As MSCI added a new method to measure the CVaR of sovereign bonds in 2022, Cathay Life has expanded the scope of assessment of securities investment targets to include sovereign bond targets. Using the MSCI CVaR methodology for sovereign bonds, we measured the magnitude of losses caused by rising bond yields on the overall sovereign bond investment portfolio in different NGFS transition scenarios.

We see evident losses in the Delayed Transition scenario. This was mainly because the Company’s investment portfolio has allocated more long-term U.S. Treasury bond positions, and among the three scenarios, the 20-year and 25-year U.S. Treasury yield curve rates are highest under the disorderly transition scenario. However, regarding the overall performance of the three scenarios in 2024, the loss of sovereign bonds accounted for 0.8% to 3.3% of the investment portfolio, and the overall transition risk and losses are still controllable.

2024 sovereign bond investment portfolio analysis results using MSCI

Sovereign CVaR scenarios:



Note:

1. Climate Value-at-Risk (CVaR) refers to the discounted cost of climate risk accumulatively borne by investment portfolios in the future, with transition risks up to the year 2050; physical risks up to year 2100. Please refer to the [MSCI website](#) for details.
2. Updated physical risk scenarios and optimized the MSCI system. Physical risks have been linked to NGFS temperature scenarios and used extreme climate change estimates.
3. To comply with the IFRS S2 "Climate-related Disclosures": The estimated financial impact of climate-related risks of individuals in the short, medium and long term is calculated by using the MSCI underlying data.
4. All CVaR values are rounded to the first decimal place, and no adjustments are made for the rounding difference when calculating the sum.
5. The MSCI Sovereign CVaR methodology computed the discounted profit/loss all the way to 2050 to be borne by the sovereign bond portfolio due to changes in the yield rates of government bonds of various countries. See the [MSCI website](#) for details.
6. Description of MSCI Sovereign Climate VaR Data Source: (1) The latest data is dated December 31, 2024 (2) MSCI data covers 55% of the overall sovereign bond investment portfolio.

2. Climate change response strategies and relevant actions for investment portfolios

(1) Response strategies

i 、 Green Capital - Focusing on Climate Resilience of the Overall Investment Portfolios

■ Expand the support for green finance(Green Finance)

- The latest low-carbon investment goal is to achieve “55%, 80%, and 85% growth in 2025, 2027, and 2030 with 2020 as the baseline year.”
- We will continue to pay attention to leaders in the field of climate innovation and carefully evaluate opportunities to invest in climate solutions. At the same time, we will leverage our core competencies in investment to support green industries.

■ Allocation to enterprises undergoing low-carbon Tnsition Finance ([P.15-P.17](#)):

- Expand divestment commitments for coal and unconventional oil and gas industries, and provide financial support for coal enterprises that have actively committed to low-carbon transformation plans, so as to avoid the risk of holding controversial assets or stranded assets.
- We will adjust its management mechanism for coal-related industries and unconventional oil and gas industries on a rolling basis based on international trends every year. In addition to screening companies based on revenue for the exclusion list according to the annual divestment plan, if the company’s revenue falls between the divestment threshold in the current year and the next phase, it will be put on the watchlist. If a company is included in the exclusion list, new investments shall not be made in the company. For companies on the watchlist, the investment team must issue an ESG assessment report, and the Responsible Investment Working Group may take

appropriate stewardship actions as needed.

ii 、 Green Engagement - Focusing on Sustainability and Leveraging the Power of Dialog

- Participating in international initiatives to keep track of international climate change trends ahead of time. ([P.34-P.46](#))

- Asia Investor Group on Climate Change (AIGCC)

- Ceres Valuing Water Finance Task Force

- Climate Action 100+

- Actively engaging with investee companies, to join hands for mutual growth. ([P.47-P.56](#))

- Collective Engagement through forums, work jointly with companies to strive for sustainability and climate change. ([P.57](#))

iii 、 Green Business - Focusing on Taiwan's wind power/solar photovoltaic deployment opportunities

(2) Stewardship measures

Through ESG risk review procedures to mitigate investment risks.

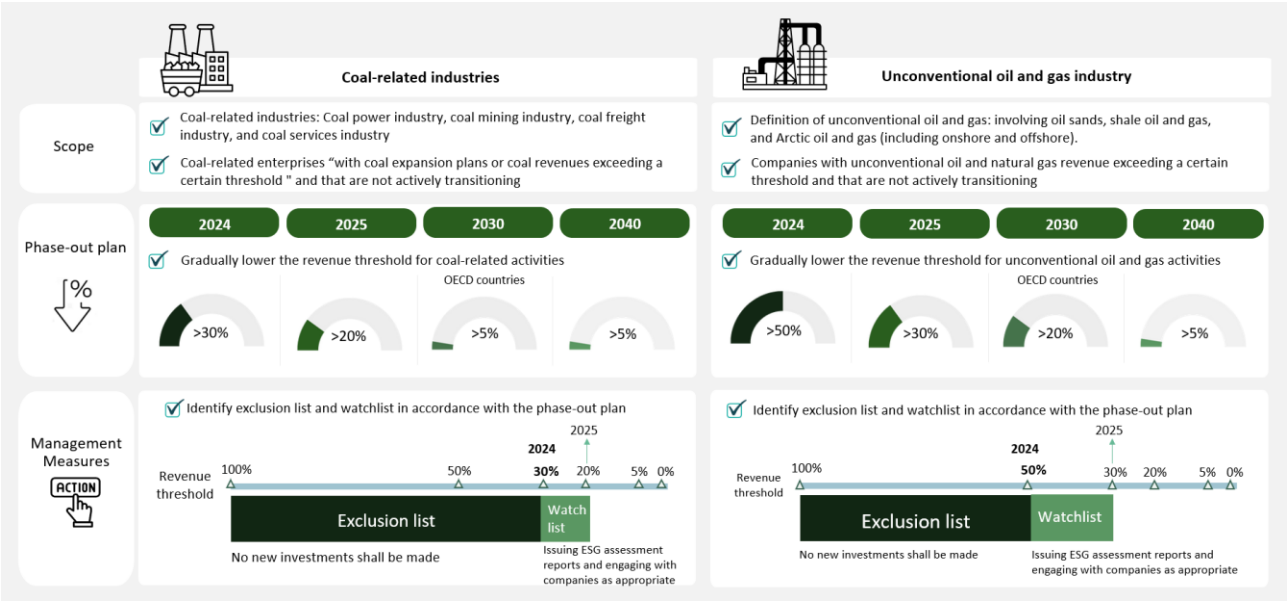
i 、 Integrate climate change risk factors into the investment process. ([P.11-P.17](#))

- Sensitive industries are strictly regulated, while general industries pay close attention to environmental issues.

ii 、 Continuously pay attention to sensitive industries

- Expanded the commitment to divest from coal and unconventional oil and gas industries in 2024, and included companies with plans to expand coal and extract Arctic oil and gas in the scope of control.
- In the future, sensitive industries categories will be adjusted timely in accordance with international trends.

Management mechanism for coal-related and unconventional oil and gas industries:



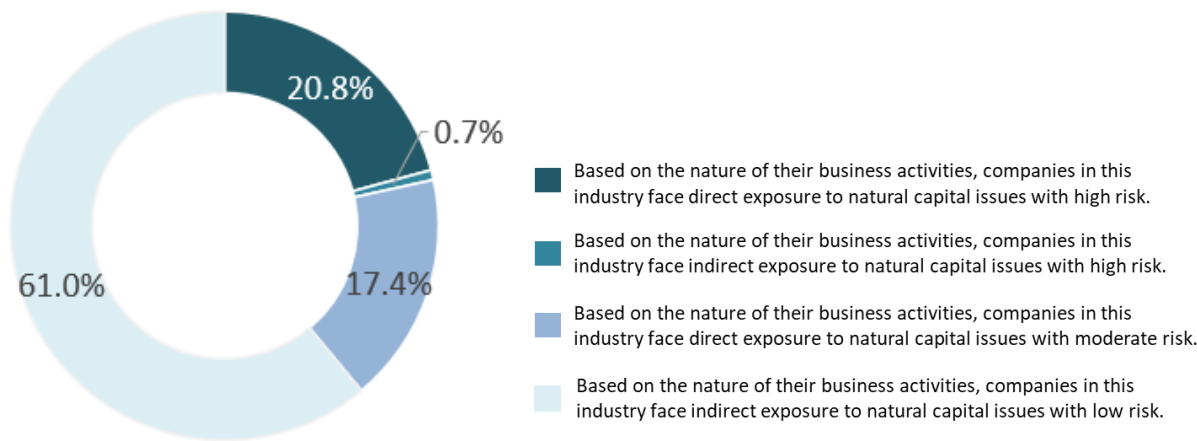
(VI) TNFD

The TNFD guidance for the financial industry recommends disclosing the exposure of investment assets to industries with high nature-related dependencies and impacts, as well as those located in sensitive areas. In addition to core indicators, TNFD also provides other optional indicators for disclosure, focusing on the drivers of change in nature. This analysis first discloses two of the indicators: "Resource Use/Replenishment" and "State of Nature" are evaluated based on the water resource management status of investee companies and the potential impact of their activities on the natural environment.

1. Core indicators

(1) Exposure to industries with high natural dependency and impact – Investment distribution in sectors with significant natural capital risks

Based on the MCSI ESG methodology, Cathay Life Insurance identified the impact of natural capital on the core businesses of investee companies. In 2024, the inventory showed that 20.8% of our investments in stocks and corporate bonds had high nature-related risks. Considering that there are many industries that rely on and affect nature, the proportion of positions with high nature-related risks will be higher than positions with high climate-related risk, and we will continue to observe the situation in the future.



Note: The total is not 100% because the figures are rounded to the first decimal place.

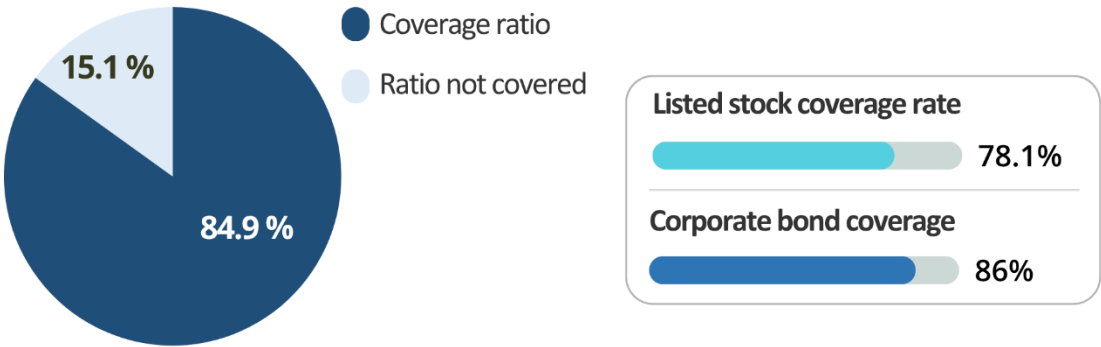
(2) Indicators of exposure in sensitive areas - Investing on the frontier of deforestation

Since agricultural expansion is one of the main causes of deforestation and biodiversity loss around the world, we have prioritized the frontier of deforestation

to analyze the operations of Cathay Life Insurance’s investee companies in sensitive areas. The management of investments in agriculture, food, and forest products industries potentially has great significance. If management and monitoring are not properly carried there will be the risk of deforestation.

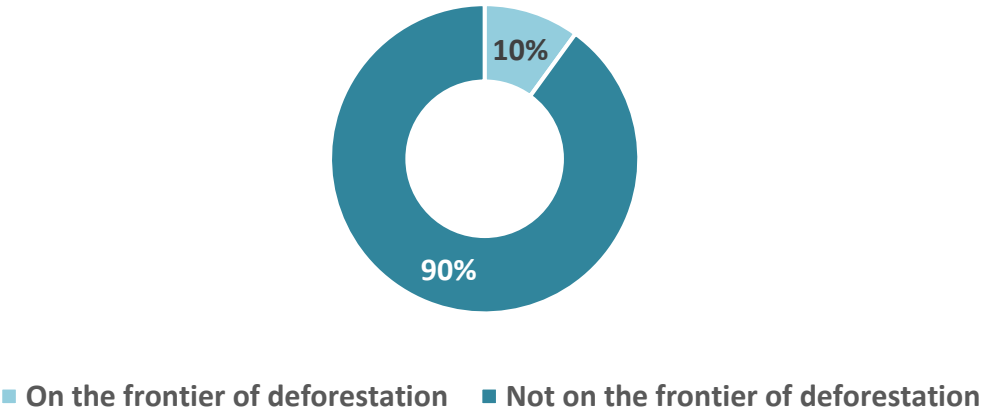
i. Coverage ratio

The indicator "Investing on the frontier of deforestation" covers 84.9% of the investment portfolio, in which the data coverage of listed stocks and corporate bonds was 78.1% and 86%, respectively.



ii. Measurement results

In 2024, we used the MSCI tool to take inventory of the proportion of investee companies (listed stocks and corporate bonds) that are at the frontier of deforestation, accounting for 10% of the overall listed stocks and corporate bond investment portfolio.



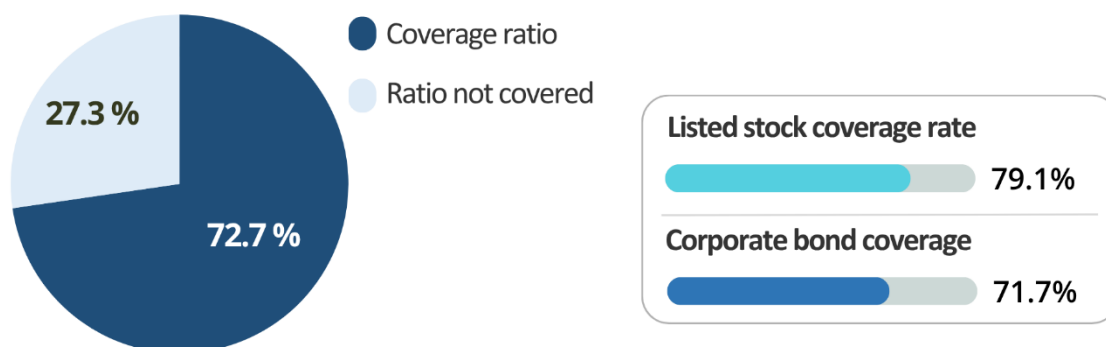
2. Other indicators

(1) Resource use/replenishment

Total water withdrawal is used as an indicator of resource use/replenishment to quantify the potential impact of water consumption on nature by companies that issued the listed stocks and corporate bonds in our investment portfolio. Total water withdrawal refers to the total amount of water from various sources the company has introduced into the operations system, regardless of whether it is ultimately returned to the original water source. The scope covers fresh water and non-traditional water sources. The water withdrawal intensity is the standardized value of the Company's water withdrawal based on revenue (per million USD).

i. Coverage ratio

The water withdrawal indicator covers 72.7% of positions in the investment portfolio, in which the data coverage of listed stocks and corporate bonds was 79.1% and 71.7%, respectively.



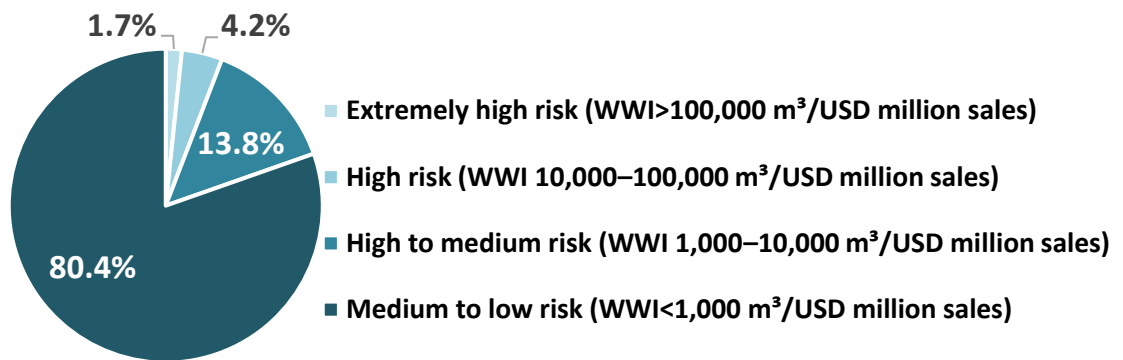
ii. Measurement results

① Total water withdrawal and water withdrawal intensity

After summarizing the data, the total water withdrawal of all investee companies in 2022 was approximately 2.2 trillion m³, overall water withdrawal intensity was 32,765 m³/USD million sales.

② Risk distribution of water withdrawal intensity

Water withdrawal intensity is divided into four risk areas and the proportion of investment positions is calculated. Overall, more than 80% of our investment positions are in the medium to low risk range.

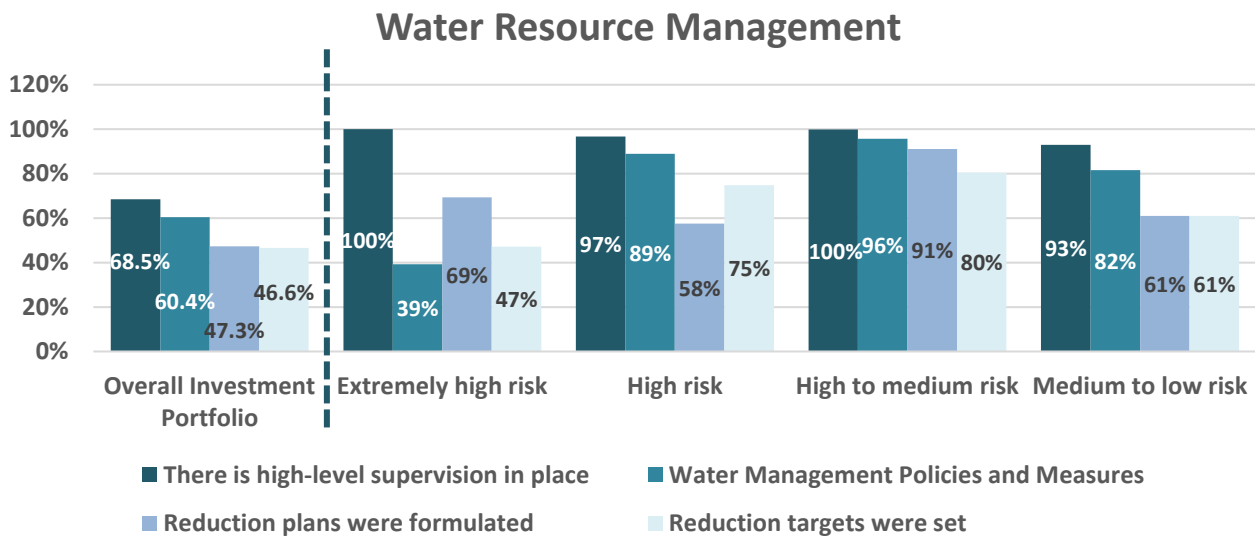


Note:

1. The total is not 100% because the figures are rounded to the first decimal place.

③ Water Resource Management

In addition to understanding the company's water resource use, its preparedness for water resource issues can be further evaluated in terms of governance and strategy. In terms of governance, the evaluation indicators used are "Whether the company has a high level unit responsible for supervising water resource management strategies and performance" and "Whether the company has water resource management policies and measures." In terms of strategy, the analysis can be carried out based on two indicators: "Whether the company formulated a water reduction plan for operations" and "Whether the company set specific targets for water consumption or water withdrawal reduction." Analysis shows that 68.5% of investee companies have established a high-level supervision mechanism, 60.4% have established water management policies and measures, 47.3% have established water reduction plans for operations, and 46.6% have set water consumption or water withdrawal reduction targets. This shows that companies generally have the governance awareness and structure for water resource management. However, in terms of strategy implementation, even though some companies have actual water conservation plans, they are still relatively conservative when committing to specific reduction targets. Furthermore, a relatively high percentage of high risk companies have set targets, and may have prioritized planning commitments under the pressure of their risks, but whether they follow through with the plans remains to be observed.



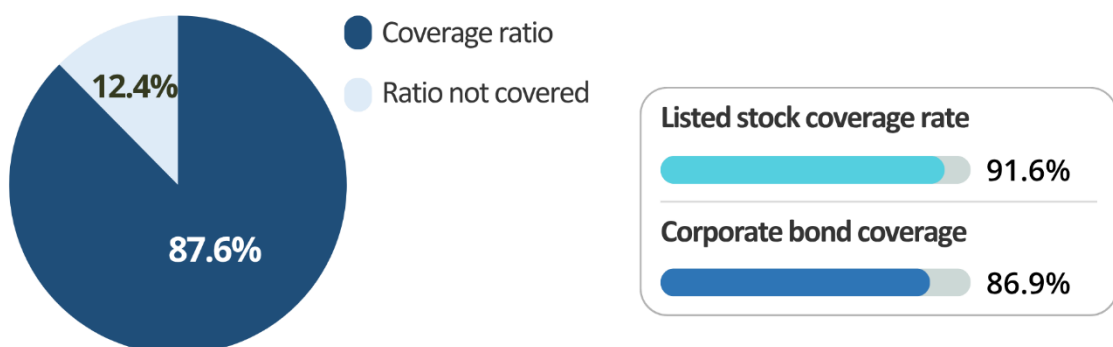
(2) State of Nature

Using the MSCI Potentially Disappeared Fraction of Species (PDF) as the indicator to measure the "state of nature," we quantify the impact of listed stocks and corporate bonds in our investment portfolio on the natural environment, and use it as a reference for identifying the potential impact of companies in our investment portfolio on biodiversity.

PDF uses global species diversity as the baseline to assess the potential impact of GHG emissions, land use, and water consumption by companies, activities, or assets on global species extinction over 100 years.

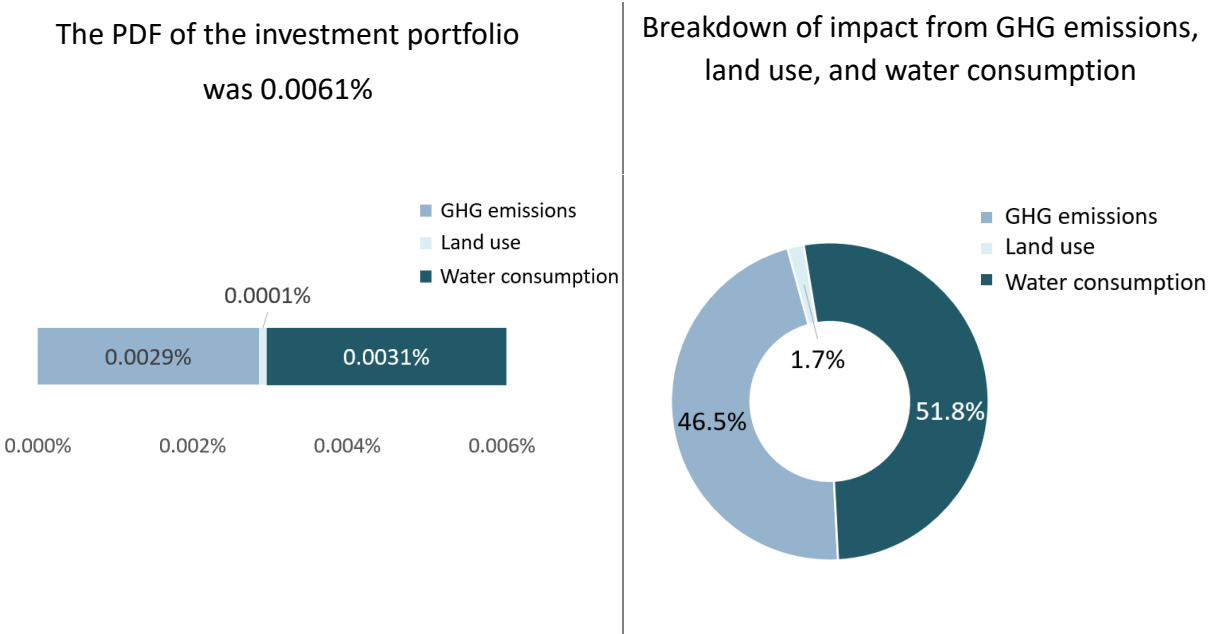
i. Coverage ratio

The indicator PDF covers 87.6% of the investment portfolio, in which the data coverage of listed stocks and corporate bonds was 91.6% and 86.9%, respectively.



ii. Measurement results

Companies in the investment portfolio may cause the extinction of 0.0061% of species each year due to the pressure of their business operations on the natural environment over 100 years, in which water consumption is the main source of environmental stress, followed by GHG emissions.



Evaluation of the effectiveness of responsible investment

Insurance is a “people-oriented” industry, and responsible investment is the mission Cathay Life takes upon itself as the leader of the industry.

As insurance is a “people-oriented” industry, every time we sale a life insurance policy , it represents Cathay Life's promise to protect policyholders their entire life. On the basis of such promise, we not only pursue targets of stable and long-term income in terms of our use of capital, but also seek solid and sustainable organizational operations.

Having operated for 60 years, Cathay Life has assets worth over NT\$ 9.1 trillion, which account for one quarter of the total capital of Taiwan’s insurance industry. As the leader of the industry and one of the largest institutional investors in Taiwan, we not only fulfill our promises to policyholders and expectations from shareholders, but are also fully committed to making a more meaningful use of our capital. Therefore, despite the risky investment environment in the past few years, characterized by low interest rates for a long time, high volatility in the international market, and losses from differences of interest rates, we constantly give our best to fulfill the obligations as an asset owner and implement responsible investment, and the results of responsible investment implementation are reported to the board of directors annually. The evaluation of implementation effectiveness is summarized as follows:

(I) Comprehensive RI frameworks across all asset classes, and 100% responsible investment assets under the frameworks amounting to NT\$ 7.2 trillion

We began participating in the Group's Responsible Investment Working Group in 2014 and adopting the Principles for Responsible Investment (PRI) in 2015. Since then, we have set relevant expectations and goals for ourselves every year. We also have dedicated responsible investment personnel to refine and implement our responsible investment policies, covering various types of assets (equities, bonds, funds, real estate, etc.) in order to become the leader of responsible investment in the Asia-Pacific region.

To enhance the investment team’s understanding of responsible investment, the responsible investment course is listed as a compulsory course for newcomer training in the investment system (including basic introduction to responsible investment, interpretation of

ESG rating reports, explanation of internal responsible investment mechanisms, etc.), and held regularly every year 2 sessions of responsible investment training course(including international trends, climate change, case studies, etc.), and grouped workshops to allow investment team colleagues to discuss and share. Besides, in order to enable the investment team to learn more, we also encouraged investment team to participate in responsible investment seminars or education training organized by external international benchmark companies and sustainable organizations. The Group periodically organizes training courses, participates in external conferences, and publishes CLIMATE PLUS, a monthly e-newsletter on responsible investment, so as to improve our understanding of responsible investment, climate change, and international trends. Therefore, in 2024, a total of 276 Cathay employees participated in our training courses and external conferences; the average training hours stood at 468 minutes per person.

(II) We have worked with various stakeholders to exert our influence in sustainability.

During our investment decision-making process, we consider the ESG measures of potential investee companies to select companies with a prospect of sustainable development to invest in. By doing so, we can avoid the impact of ESG risks on Cathay's income from investments and ensure the rights and interests of our policyholders and shareholders. However, this approach is unable to make companies with poor ESG performance improve their performance. For this reason, Cathay Life adopted a more active approach to exert its influence on sustainability, hoping that by doing so we can become a stable force for society and bring a positive impact to the world.

1. We required mandate institutions to implement responsible investment, thereby ensuring the security of the capital of our policyholders and shareholders:

We take signing the Principles for Responsible Investment (PRI) into consideration for mandate partner evaluation to ensure that Cathay Life Insurance's mandate partners fulfill their duties as asset managers. We also stipulate when signing agreements that responsible investment must be included in decision-making considerations, and that the investment targets' fulfillment of obligations in

accordance with relevant ESG regulations be assessed. We will also ask our mandate partners to present review reports detailing their ESG measures on an annual basis. Of the mandated assetsNote 1 entrusted by Cathay Life Insurance for discretionary investment in 2024, 100% of assets were entrusted to asset managers that are signatories to the PRI or local stewardship principles. Among the mandated institutions subject to the annual PRI assessment, 55% received four stars (65-89 points) for Policy Governance and Strategy (PG&S)Note 2, and 45% received five stars (90-100 points), as opposed to the median score of all signatories to the PRI of only 61 points (40-65 points is three stars), showing the excellent performance of mandated institutions selected by the Company.

2. We proactively cooperated with international investors to exert a bigger influence:

We have participated in 9 international initiatives, 5 climate engagements, and 2 nature engagements, thereby continuing to promote the global sustainable development with international organizations.

3. We engaged with investee companies to improve sustainable actions, thus creating a positive cycle

In 2024, through one-on-one engagements, Cathay Life communicated with 140 enterprises on 15 material ESG issues for a total of 328 times. The main engagement targets were companies in the "Information Technology" and "Public Utilities" industries; The main issues for communications were "adaptation to climate change," "carbon emissions," "water stress," and "corporate governance." The exercise could help us understand the company's actions in adapting to climate change, as well as discussing the company's carbon reduction plan, and response measures for low-carbon transition. This allows us to learn about the limitations and difficulties in the company's adaption to climate change or during the carbon reduction process, and provide suggestions.

(III) We directly invested in sustainable categories to support corporate sustainable transformation.

Cathay Life has set concrete low-carbon investment targets, and proactively invest in the low-carbon green energy related projects, including the industries related to the government's "12 Key Strategies." The investment projects include solar and wind photovoltaics (1. Wind/Solar Photovoltaic Power), power grid equipment (4. Power Systems and Energy Storage), energy saving industries (5. Energy Saving and Efficiency), waste recycling (8. Resource Recycling with Zero Waste), public transportation (7. Carbon-Free and Electric Vehicles/10. Green Lifestyle), green bonds (11. Green Finance) to response to the government's strategies to achieve net-zero transition by 2050. In addition, we also investd in other sustainable themes, including infrastructure, water resources, aging society and health, and community and inclusive finance. As of 2024, our total investment reached NT\$1.46 trillion, up 10.1% compared to 2023.

Cathay Life would carefully evaluate whether the investee company can solve specific social or environmental issues and adhere to the 17 SDGs. As of the end of 2024, domestic and foreign listed equities and corporate bonds investment portfolios were most connected to the following SDGs, in order: SDG 5- Gender Equality, SDG 7- Affordable and Clean Energy, SDG 10- Reduced Inequalities, SDG 8- Decent Work and Economic Growth, and SDG 13- Climate Action.

(IV) Align with international impact investing assessment frameworks to quantify the positive impact and benefits of sustainable investments.

Cathay Life aims to address social inclusion, education, environmental resource needs, healthcare, and quality of life issues more effectively. Therefore, we has invested in companies or targets that can positively solve specific social or environmental issues and can specifically measure their contributions or impacts.

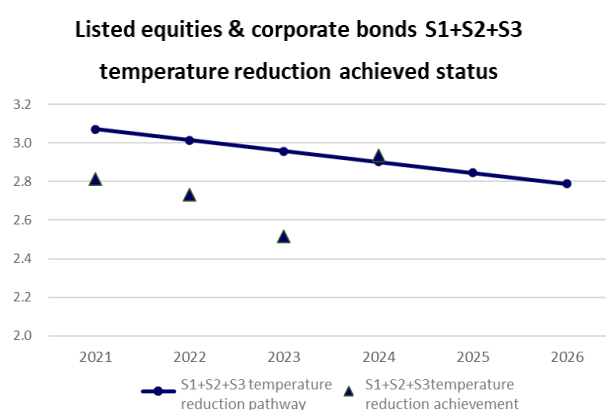
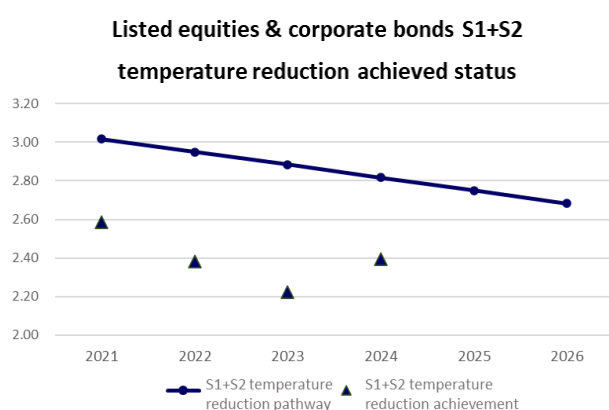
To specifically quantify the positive impact of sustainable investments, Cathay Life uses the "Theory of Change" and the "IRIS+ Thematic Taxonomy" framework published by GIIN. Meanwhile, we also use the 17 SDGs to match with impact projects of the Theory of Change. Over the past three years, an estimated 92,484 metric tons of CO₂e emissions have been avoided, and approximately 507,000 people have benefited from enhanced health protection.

(V) We implement climate management for investment portfolio to embark on net zero

for our financial assets.

We are the first company in the financial industry to adopt a backward-looking quantitative method for the carbon footprint of investment portfolio, and a forward-looking scenario analysis to stay ahead of climate-related risks and opportunities in investment portfolios. In addition, to demonstrate our determination in carbon reduction for investment portfolio, we adopted the Science Based Targets for setting our carbon reduction path of investment portfolio, which was approved by the SBTi in 2022. Through “low-carbon investment allocation” strategy and the three major action plans including green capital, green engagement and green business, aims to gradually achieving the target of SBT temperature reduction pathway.

The results for 2024 are as follows: the actual temperature performance for Scope 1 and Scope 2 (S1+S2) has met the 2024 target and is ahead of schedule in reaching the 2026 target. However, the 2024 SBT S1+S2 temperature performance increased compared to 2023, mainly due to the more stringent methodology used in the CDP-WWF temperature scoring methodology. This includes the adjustment of the default temperature value for companies lacking valid climate targets to 3.4°C, as well as the adoption of a more conservative yet robust method for estimating Scope 3 (S3) temperatures. As a result, the overall S1+S2+S3 temperature performance for most companies has shown a significant increase compared to the previous year.



Communication channels of stakeholders and other information

(I) If you need further information regarding the company's responsible investment and stewardship:

1. If you are a policyholder/general public, please contact:

Sustainability and Brand Strategy Department

Email : 9z00000@cathaylife.com.tw

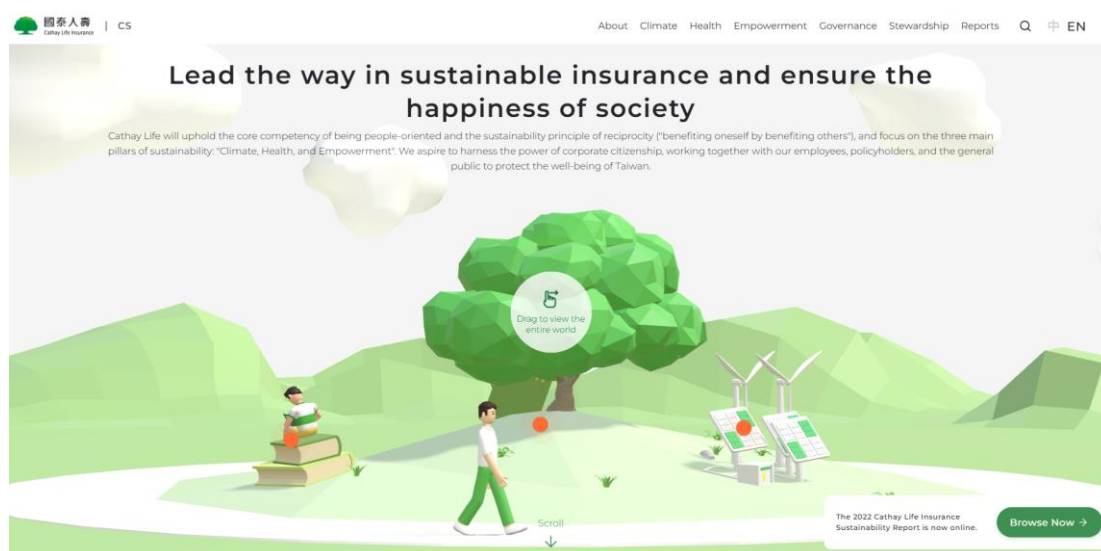
2. If you are from invertors/investee companies/media/government agencies, please contact:

Responsible Investment Working Group, Cathay Life insurance

Email: stewardship@cathaylife.com.tw

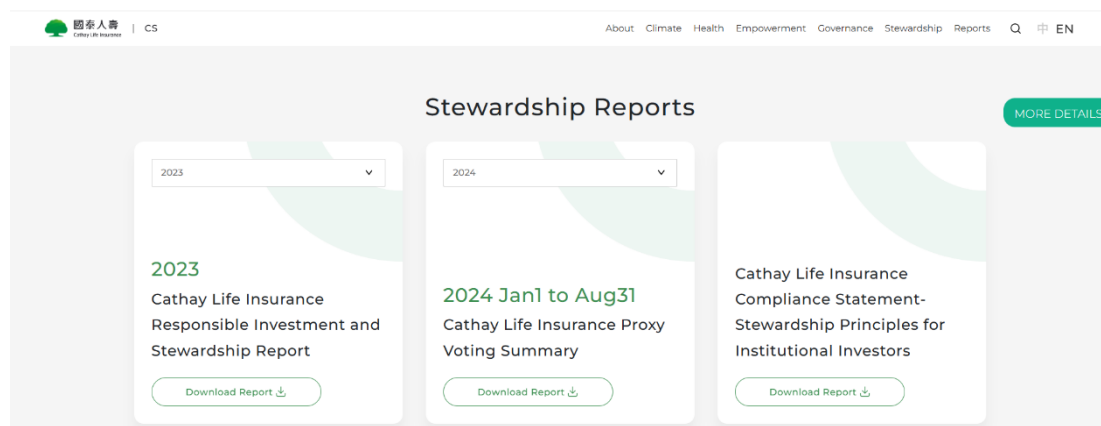
3. Visit our CS website

<https://patronc.cathaylife.com.tw/ODAB/en/>



CS website-Stewardship

<https://patronc.cathaylife.com.tw/ODAB/en/stewardship>



(II) If you need further information regarding the company's sustainable-related actions:

1. If you would like to know the details of our sustainability actions, please contact:

Sustainability and Brand Strategy Department

Email : 9z00000@cathlife.com.tw

2. If you would like to know more about the information of social care, please contact:

Cathay Charity Foundation











Email : 7900000@cathlife.com.tw



3. Visit our CS website

<https://patron.cathaylife.com.tw/ODAB/en/>



Annexed Table : RI policy on different asset classes

Asset class	Own assets managed internally or by third-parties	RI Policy	Description
Listed equity	managed internally	Yes	<ol style="list-style-type: none"> 1. <u>Apply Cathay FHC and Subsidiaries' "Investment and Lending Exclusion Policy"</u>.  2. <u>Apply Cathay Life Insurance "Investment Management Principles for Sensitive Industries"</u>.  3. By leveraging the ESG database, Cathay life insurance established "<u>ESG risk review procedures</u>"  and followed the ESG integration management mechanism with a comply-or-explain and escalation process.  4. In accordance with "<u>Cathay FHC engagement policy</u>", "climate change" and "corporate ESG ratings/information disclosure" are the main focus of engagement, to improve investee's ESG information disclosure. 5. Developed a clear voting policy and conducted proxy voting.
	managed by third-parties	Yes	<ol style="list-style-type: none"> 1. Mandate assets <ol style="list-style-type: none"> (1) <u>Apply Cathay FHC and Subsidiaries' "Investment and Lending Exclusion Policy"</u>.  (2) <u>Apply Cathay Life Insurance "Investment Management Principles for Sensitive Industries"</u>.  (3) The contract has explicitly included that Cathay Life Insurance have taken PRI into decision-making consideration. (4) Checking whether mandate partners have signed the PRI or governmental stewardship principles. 2. Equity Fund & Equity ETF: Annual checking whether mandate partners have signed the PRI or governmental stewardship principles or review the ESG performances of funds or fund management institutions.
Fixed income	managed internally	Yes	<ol style="list-style-type: none"> 1. <u>Apply Cathay FHC and Subsidiaries' "Investment and Lending Exclusion Policy"</u>.  2. <u>Apply Cathay Life Insurance "Investment Management Principles for Sensitive Industries"</u>.  3. By leveraging the ESG database, Cathay life Insurance established "<u>ESG Risk Review Procedures</u>" and followed the ESG integration management mechanism with a comply-or-explain and escalation process.
	managed by third-parties	Yes	<ol style="list-style-type: none"> 1. Mandate assets <ol style="list-style-type: none"> (1) <u>Apply Cathay FHC and Subsidiaries' "Investment and Lending Exclusion Policy"</u>.  (2) <u>Apply Cathay Life Insurance "Investment Management Principles for Sensitive Industries"</u>.  (3) The contract has explicitly included that Cathay Life Insurance have taken PRI into decision-making consideration. (4) Checking whether mandate partners have signed the PRI or governmental stewardship principles. 2. Bond Fund& Bond ETF: Annual checking whether transaction counterparties have signed the PRI or governmental stewardship principles or review the ESG performances of funds or fund management institutions.

Asset class	Own assets managed internally or by third-parties	RI Policy	Description
Private equity	managed internally	Yes	Apply Cathay FHC and Subsidiaries' "Investment and Lending Exclusion Policy". 
	managed by third-parties	Due Diligence	1. Mandate assets (1) The contract has explicitly included that Cathay Life Insurance have taken PRI into decision-making consideration. (2) Checking whether transaction counterparties have signed the PRI. 2. Private Equity fund Cathay Life has taken ESG into considerations of new transaction counterparties in our PE fund investment selection process.
Infrastructure	managed internally	Yes	Cathay mainly adopt the sustainability themed investing approach in this asset class.
	managed by third-parties	Yes	
Property	managed internally	Yes	1. Property is covered by "Real Estate Responsible Investment and Management Policy".  2. As a demonstration of our commitment to ecology and environmental protection, for 2016 onwards, architects commissioned by Cathay are required to design buildings invested and developed by Cathay based on green building standards. All new buildings have obtained the green building or LEED certification since 2023.
	managed by third-parties	Due Diligence	1. Mandate assets (1) The contract has explicitly included that Cathay Life Insurance have taken PRI into decision-making consideration. (2) Checking whether transaction counterparties have signed the PRI. 2. REITs Annual checking whether the fund management institutions that are either PRI signatories or who have follow the governmental stewardship code in place.
Derivatives & Alternatives, specify Hedge fund	managed internally	Not Applicable	-
	managed by third-parties	Due Diligence	1. Mandate assets We ask our hedge fund asset managers to take ESG factors into consideration in their regular investment process, review their ESG performances annually, and have formulated clearly ESG-related terms when signing contracts with them since 2017. 2. Hedge fund From 2017 onwards, Cathay Life has taken ESG into considerations of new transaction counterparties in our HF fund investment selection process.

 Refers to rules and regulations

 Refers to internal management measures or operating manual

Appendix I: Principles for Responsible Investment Content Index

Incorporate ESG issues into investment analysis and decision-making processes



PRINCIPLE 1 INCORPORATE

- Complies with Cathay FHC's Responsible Investment Policy and Investment and Lending Exclusion Policy.
- Established the ESG risk review process;
- Stipulated Investment Management Principles for Sensitive Industries.
- Invested in sustainable investment targets.
- Reported the implementation results of responsible investment to the Board of Directors every year.

P.8
P.11-17
P.80-81

Be active owners and incorporate ESG issues into our ownership policies and practices



PRINCIPLE 2 BE ACTIVE

- On July 25, 2016, Cathay Life signed the Taiwan Stewardship Principles for Institutional Investors issued by TWSE Corporate Governance Center, and became the first insurance company in Taiwan to become a signatory.
- Interacts with investee companies through dialog, engagement, and exercise of voting rights to demonstrate the Company's due diligence management as an active owner.

P.21
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P.79

Seek appropriate disclosure on ESG issues by the entities in which we invest

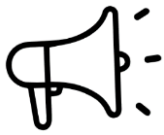


PRINCIPLE 3 SEEK DISCLOSURE

- Participated in international initiatives(CDP NDC, Climate Action 100+ and Nature Action 100) and encouraged investee companies to respond to CDP questionnaires and disclose their carbon emission data, climate change and nature and biodiversity measures.
- Direct engagements with companies to encourage the investee companies to improve ESG and increase carbon governance, carbon targets, and carbon disclosure.

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P.57

Promote acceptance and implementation of the Principles within the investment industry



PRINCIPLE 4 PROMOTE

- Took signing the Principles for Responsible Investment (PRI) into consideration for mandate partner evaluation, and required mandate partners to comply with Cathay Life's exclusion policy and implement ESG management. P.21-25
P.34-35
- Participated in various activities, and hope that the peers can jointly implement responsible investment, such as participating the Valuing Water Finance Task Force.

Work together to enhance our effectiveness in implementing the Principles



PRINCIPLE 5 COLLABORATE

- Participate in AIGCC, Ceres Valuing Water Finance Task Force, ACGA improve the learning and understanding of climate change, water resources, corporate governance and social dimension, and strengthen the effectiveness of investor negotiation. P.27
I
P.57
- Continuously hold the Sustainable Finance and Climate Change Summit in 2024, to promote the importance of ESG and climate change.

Each report on our activities and progress towards implementing the Principles



PRINCIPLE 6 REPORT

- Published CS related reports on our activities and progress in the implementation of PRI and published a Stewardship Report on a yearly basis. --

Appendix II: Taiwan Stewardship Principles for Institutional Investors Content Index



PRINCIPLE 1 STEWARDSHIP

Establish and disclose stewardship policies

- Complies with Taiwan Stewardship Principles for Institutional Investors and publish our compliance statement.
- Stipulate Stewardship Policy since 2017.

P.3

Note: For our Stewardship Statement and Stewardship Principles, please refer to the [Stewardship](#) section on our company website.



PRINCIPLE 2 MANAGEMENT

Establish and disclose policies on managing conflicts of interest

- Ensures that we execute its businesses in the interest of its clients and shareholders, we have established Guidelines for Investment Conflict Prevention and Management.
- No investment-related conflict of interest incidents in 2024.

P.9-10



PRINCIPLE 3 OBSERVATION

On-going observation of investee companies

- Observes financial and ESG performance of investee companies through ESG data from the MSCI ESG database, their website, conference calls, face-to-face meetings, participation in institutional investors' roadshows or attendance at shareholders' meetings or significant extraordinary general meetings.

P.11-12
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P.26



PRINCIPLE 4 INTERACTION

Maintain an appropriate dialogue and interaction with investee

- Interacts with investee companies through various activities such as being a guest speaker or panelist on seminar or participating international initiatives, and holding climate change forums.

P.26
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P.57



PRINCIPLE 5 PROXY VOTING

Establish clear voting policies and disclose voting results

- Stipulates Proxy Voting Policy to establish our threshold for exercising voting rights, exercising manners and publish the voting result annually based.

P.58
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P.79



PRINCIPLE 6 REPORT

Periodically Disclose Fulfillment Status of Stewardship Responsibilities

- Publishes a Stewardship Report every year and Cathay Life was once again selected into the Taiwan Stock Exchange's 2023 "[List of Companies with Better Institutional Investor Stewardship Disclosure](#)".

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- The only insurance company in Taiwan's insurance industry that was consistently selected into the Taiwan Stock Exchange's List of Companies Most Compliant with the Taiwan Stewardship Principles.

Note: List of Companies Most Compliant with the Taiwan Stewardship Principles for Institutional Investors only evaluated in 2019, 2021, 2022, 2023, 2024.



國泰人壽
Cathay Life Insurance