國泰人壽
Cathay Life Insurance

2025

Cathay Life Insurance

Sustainability Report

國泰人壽
Cathay Life Insurance

Sustainability Report 2025

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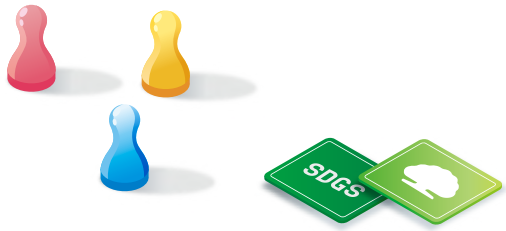

About this Report

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Guided by its sustainability vision to "lead the way in sustainable insurance and ensure the happiness of society," Cathay Life Insurance incorporates environmental, social, and governance (ESG) considerations into its decision-making processes. In response to the growing emphasis on sustainable finance in both domestic and international markets, the Company has established short-, medium-, and long-term goals and action plans centered on three key sustainability themes: climate, health, and empowerment.

Reporting Period

This report discloses information from January 1, 2025 to December 31, 2025. Some of the contents will include information before January 1, 2025 or after December 31, 2025 to present the complete performance of projects and events. The previous report was published in June 2024, and subsequent reports will be published on an annual basis.

Boundaries and Scope of this Report

This report discloses information on Cathay Life Insurance, including Cathay Life Insurance (excluding overseas subsidiaries) and Cathay Charity Foundation. A note will provide a description when certain parts contain information of Cathay Financial Holdings. The report covers specific ESG practices and performance data, and there was no significant difference compared with the previous edition. Any data restated due to adjustments to the scope, calculation method, or source of data will be described in the notes to the paragraph.

(Note: The boundaries and scope of this Report are aligned with the financial statements)

Basis for this report

Issued by	Compliant with
The Global Reporting Initiative (GRI)	GRI Universal Standards 2021
	G4 Financial Services Sector Disclosures
Sustainability Accounting Standards Board (SASB)	SISC: Financial-Insurance
Financial Stability Committee (FSB)	Task Force on Climate-related Financial Disclosures (TCFD)
United Nations (UN)	Sustainable Development Goals (SDGs)
	Principles for Sustainable Insurance (PSI)

Standard

Data Category	Standard	Certification Institution
Finance	Financial statements	Deloitte Taiwan
Environment	ISO 14064-1: 2018 GHG Inventory Standards	BSI Taiwan
	ISO 14067: 2018 Carbon Footprint Standards	
	ISO 20400 Sustainable Procurement–Guidance	
	ISO 14064-1: 2018 GHG Inventory Standards	
	ISO 14001 Environmental Management Systems	
	ISO 50001 Energy Management Systems	
	ISO 46001 Water Resource Efficiency Management System	
	ISO 14068-1 Carbon Neutrality	
	PAS 2060 Carbon Neutrality Standards	
Customer service	ISO 10002 Complaint Handling Management System	SGS Taiwan
	ISO 9001 Quality Management Systems	
Information Security and Customer Privacy	ISO 27017 Cloud Security Certification	BSI Taiwan
	ISO 27001 Information Security Management System	
	BS 10012 Personal Information Management System	
	ISO 29100 Security Techniques–Privacy framework	
Business Continuity	ISO 22301 Business Continuity Management	
Occupational Safety	ISO 45001 Occupational Safety and Health Management System	

Report assurance

The Company engaged PwC Taiwan to perform a limited assurance engagement on selected information in this report prepared in accordance with the GRI Standards, in accordance with Assurance Standard No. 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, and Assurance Standard No. 3410, Assurance Engagements on Greenhouse Gas Statements (developed with reference to International Standard on Assurance Engagements (ISAE) 3410), as issued by the Accounting Research and Development Foundation of the Republic of China. The scope of assurance covers information for 2025 only; information as of December 31, 2024 and for earlier periods is not included within the assurance scope. A copy of the assurance report is included in the appendices of this report. Assurance results will be discussed with relevant personnel in internal CS meetings, following which, adjustments and optimization will be made.

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Cathay Life Insurance's Corporate Sustainability Website:
https://patron.cathaylife.com.tw/ODAB/

Message from the Chairman

2-22 Principle 1

In 2025, the world reached a critical juncture marked by the rapid advancement of artificial intelligence, an increasingly volatile and complex global landscape, and the accelerating emergence of ultra-aged societies. As these transformative forces converge, industrial structures and supply chains are undergoing profound restructuring, accompanied by heightened uncertainty about the future. Sustainable development is no longer optional for businesses; it has become a fundamental imperative that directly affects long-term competitiveness and corporate responsibility. As a key pillar of the financial system, Cathay Life Insurance understands that a sound and resilient financial sector forms the foundation of a resilient society. Guided by our people-centric philosophy and the brand spirit of "Better Together," we have further embedded the Group's three sustainability pillars—Climate, Health, and Empowerment—from the governance level into the core of our operations, extending their influence from our internal culture to the broader community. Amid an era of constant change, we continue to move forward steadily and build enduring trust for society.

Cathay Life Insurance has been deeply rooted in Taiwan for more than six decades, continuously evolving in response to the challenges of each era. Looking ahead, we will remain committed to the belief of "Better Together" and work closely with our stakeholders to contribute to this land we call home, ensuring that the power of insurance continues to serve as a vital pillar of social stability and progress.

Chairman Ming Ho Hsiung

Advancing Toward Net Zero and a Nature-Positive Future

Climate change is one of the most pressing global challenges of our time and a shared responsibility that transcends national borders and generations. In alignment with the Paris Agreement and international sustainability trends, Cathay Life Insurance continues to strengthen its climate governance framework and fully integrate climate-related risks and opportunities into its investment and operational decision-making, steadily advancing its carbon reduction commitments and energy transition goals.

Our efforts extend beyond the low-carbon transformation of our own operations. We actively leverage the influence of insurance capital through responsible investment and corporate engagement, encouraging industries to address critical issues such as the low-carbon transition, just transition, and natural capital, while ensuring that the transition process takes both social equity and ecological balance into consideration.

At the same time, we continue to invest in renewable energy, green infrastructure, and biodiversity conservation. By working alongside our industry partners, we seek to advance low-carbon and resilient development models and create a lasting, positive cycle of value for the environment, society, and the economy.

Building a Comprehensive Health Protection Network

As Taiwan officially enters an ultra-aged society, health has become a critical factor affecting social stability and people's well-being. Building on our extensive insurance expertise and strong service capabilities, we continue to expand the value of insurance from post-event compensation to proactive prevention.

We are actively developing a comprehensive health ecosystem through innovative insurance products, health management services, and cross-sector collaboration, enabling insurance to become an indispensable health partner in people's everyday lives. Whether through disease prevention, age-friendly services, or physical and mental health support, we remain a steadfast source of protection.

We firmly believe that the value of insurance lies in safeguarding people through every pivotal moment in life and serving as an important force in advancing health for all. Looking ahead, Cathay Life Insurance will continue to accompany millions of families through different stages of life and work with them to create a safer and healthier future.

Strengthening Talent and Social Resilience

In an era of rapid change, talent is not only a key driver of sustainable business growth but also a fundamental pillar of social resilience. Cathay Life Insurance is committed to creating a diverse, inclusive, and trust-based workplace and empowering employees with the capabilities needed to navigate digital transformation and cross-disciplinary challenges.We continue to provide diverse learning and development opportunities, encourage innovative thinking and cross-functional collaboration, and enable every employee to apply their strengths and realize their full potential.At the same time, we remain deeply committed to social engagement and philanthropic initiatives. By integrating corporate resources with the collective efforts of our employees, we actively respond to society's evolving needs. Our initiatives encompass support for disadvantaged groups, education in rural communities, youth empowerment, and elderly care. Through these efforts, we continue to expand our positive impact and transform corporate capabilities into a meaningful force for social progress, working with stakeholders across sectors to build a more inclusive and resilient society in which all can thrive.

Message from the President

2-22 Principle 1

Amid intensifying global climate risks, demographic shifts, and rapid technological advancement, businesses have reached a critical juncture where transformation and growth converge. With sustainable development at the core of our strategy, we continue to focus on the three pillars of Climate, Health, and Empowerment, further embedding sustainable finance into our business strategies and corporate governance. Through prudent operations and innovation, we safeguard the long-term protection of more than eight million policyholders while creating resilient and impactful value for society.

Our longstanding commitment has continued to receive recognition in Taiwan and internationally. Cathay Life Insurance has been named among Brand Finance's "Top 100 Most Valuable Insurance Brands" for 11 consecutive years and ranked within the top 25% of the Financial Supervisory Commission's Sustainable Finance Evaluation for three consecutive years, steadily advancing the sustainable development of the life insurance industry.

Looking ahead, Cathay Life Insurance will continue to place sustainability at the core of its development, further advancing its three strategic pillars of Climate, Health, and Empowerment. By harnessing the influence of finance and the momentum of innovation, we will work alongside our policyholders and society to move forward steadily amid change, enabling finance to serve as a key force in driving social progress.

President *Chao Ting Lin*

Addressing Climate Challenges Through Action

In response to the global transition toward net zero, we continue to strengthen our climate actions through the dual strategies of "Zero-Carbon Operational Transformation" and "Low-Carbon Investment Allocation."

In our operations, we support the RE100 initiative and have committed to science-based emissions reduction targets under the Science Based Targets initiative. We are steadily progressing toward our goal of using 100% renewable electricity across all locations in Taiwan by 2030, thereby advancing our zero-carbon operational transformation. In 2025, two of our core insurance products—travel accident insurance and account-based whole-life medical insurance—were verified in accordance with ISO 14068-1, making Cathay Life Insurance the first insurance company in Taiwan to obtain carbon-neutral product certification and demonstrating how carbon reduction actions can be implemented through our core business.

In our investments, we encourage investee companies to strengthen their climate governance through responsible investment and engagement mechanisms. In 2025, we also incorporated natural capital and biodiversity into our risk assessment and decision-making framework. Together with 51 institutions worldwide, we signed the Berren Investor Statement on Tropical Deforestation, actively responding to global nature-related risks and working with industry partners toward the shared vision of achieving net-zero emissions by 2050.

Safeguarding Better Lives Through Health

In response to an aging society and growing health awareness, we continue to expand our health ecosystem and develop a comprehensive health support system centered on customer needs. Through our "Services x Spillover Benefits x Partnerships" development model, we integrate digital technologies with cross-sector collaboration. Through the FitBack health promotion platform, we encourage the public to develop healthier lifestyle habits while continually enhancing health experiences across different stages of life.

In terms of product innovation, we have developed a diverse range of spillover-effect insurance products centered on health promotion. These products simultaneously support policyholder health, risk management, and social value, demonstrating tangible progress in embedding sustainability principles into our core insurance business.

In customer service, we have long upheld the Treating Customers Fairly Principles and remain the only life insurer to have been recognized as a top-performing company for seven consecutive years. We also continue to strengthen fraud prevention and financial security mechanisms, extending the protective role of insurance into customers' everyday lives and enhancing trust and peace of mind throughout society.

Empowering People to Build a Sustainable Future

As digital technology and sustainability transformation increasingly converge, we remain committed to our people-centric philosophy and continue to enhance organizational capabilities across the Company. Our goal is to build teams equipped with forward-looking perspectives and cross-disciplinary integration capabilities.

By strengthening key capabilities in artificial intelligence, data analytics, and sustainable finance, we integrate innovative technologies into our operations and service scenarios. These efforts enhance our resilience in addressing future challenges and reinforce the long-term competitiveness of our core insurance business.

In 2025, through the collective efforts of our employees, Cathay Life Insurance received several internationally recognized awards, including the Celent Customer Experience Transformation Award, the Qorus New Ways of Working Transformation Award, and the ITC Asia Awards Digital Transformation Pioneer Award. These honors demonstrate the tangible outcomes of our technology-enabled transformation in enhancing the digital experiences of customers, agents, and employees.

In addition, Cathay Life Insurance received seven Gold Awards at the 11th Insurance Excellence Awards, organized by the Taiwan Insurance Institute under the guidance of the Financial Supervisory Commission. While receiving these recognitions, we continue to foster a corporate culture that places equal emphasis on learning and growth, strengthening our human capital and organizational resilience as we steadily advance toward our sustainability vision.

At the same time, we continue to invest long-term resources in initiatives supporting youth development, local revitalization, and elderly care. Through these efforts, we deepen our connections with society, promote intergenerational inclusion, and strengthen the resilience of society as a whole.

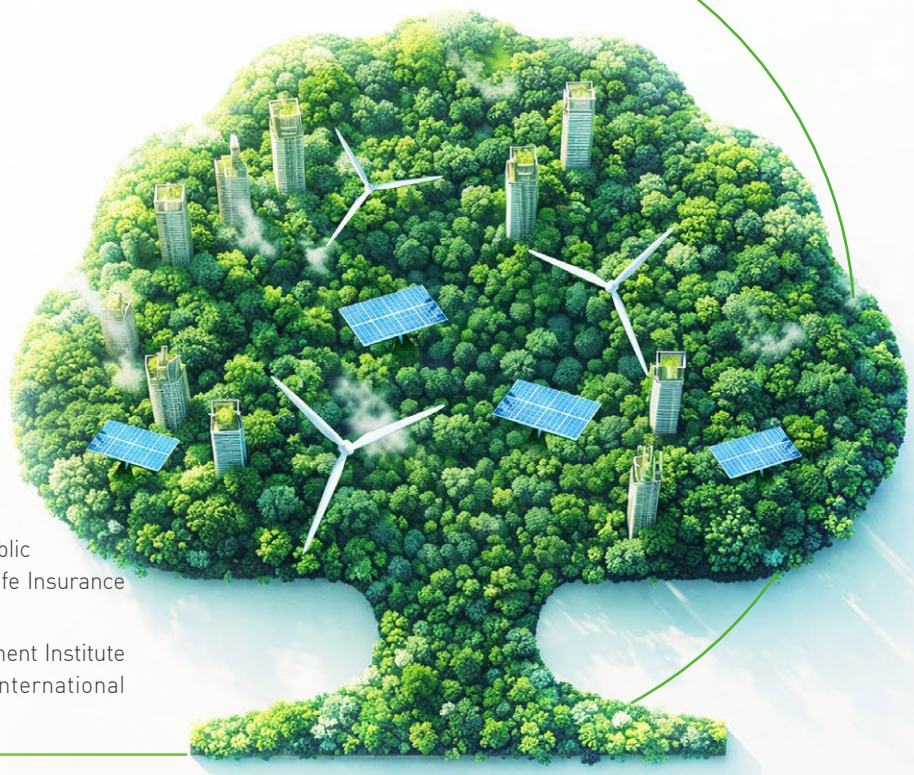
Company Profile

2-1 2-6 2-28

Basic information

Cathay Life Insurance has been operating in Taiwan for over 60 years, upholding our mission to "shelter you like a big tree and make your life easier." With our vision to "combine insurance and technology to bring you closer to happiness," we continue to innovate our services, uphold corporate sustainability duties, and protect the well-being of every family as we progress toward becoming a leading financial institution in the Asia Pacific region.

Company Name	Cathay Life Insurance Co., Ltd.
Date of Incorporation	October 1962
Core Values	Integrity, Accountability, and Innovation
Number of Employees	29,118 people
Number of Customers	8,022,892 people (only includes personal insurance)
Primary Products and Services	Life insurance, accident insurance, health insurance, annuity insurance, and investment-linked insurance
Important External Associations Participation	• The Life Insurance Association of the Republic of China • Chinese Insurance Service Association, Actuarial Institute of the Republic of China, Chinese National Association of Industry and Commerce, Life Insurance Marketing and Research Association (LIMRA) • Insurance Institute of the Republic of China, Life Insurance Management Institute of the Republic of China, Risk Management Society of Taiwan, International Insurance Society (IIS), Life Office Management Association (LOMA)



Business locations

Cathay Life Insurance's business locations around Taiwan include 23 branches and 38 service centers and 372 agencies, with a total of over 23,000 sales agents to provide customers with a wide variety of thoughtful products and friendly services. Moreover, Cathay Life Insurance is also actively expanding overseas and established Cathay Lujiazui Life Insurance Co., Ltd. in China in 2005, and Cathay Life Insurance (Vietnam) Co., Ltd. in Vietnam in 2007, becoming the first insurance company to establish subsidiaries in China and Vietnam. Cathay Lujiazui Life Insurance currently operates 12 offices (headquarters and branch offices) and 49 sales and service agencies in total across China. Cathay Life Insurance (Vietnam) Co., Ltd. currently operates 113 sales and service agencies, while its dedicated business team continues to show steady growth.

Region	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Offshore Islands
Branches	8	7	6	2	-
Service center	18	8	12	-	-
Agencies	152	93	115	11	1

Note: The region is defined by the National Development Committee.

Business Performance

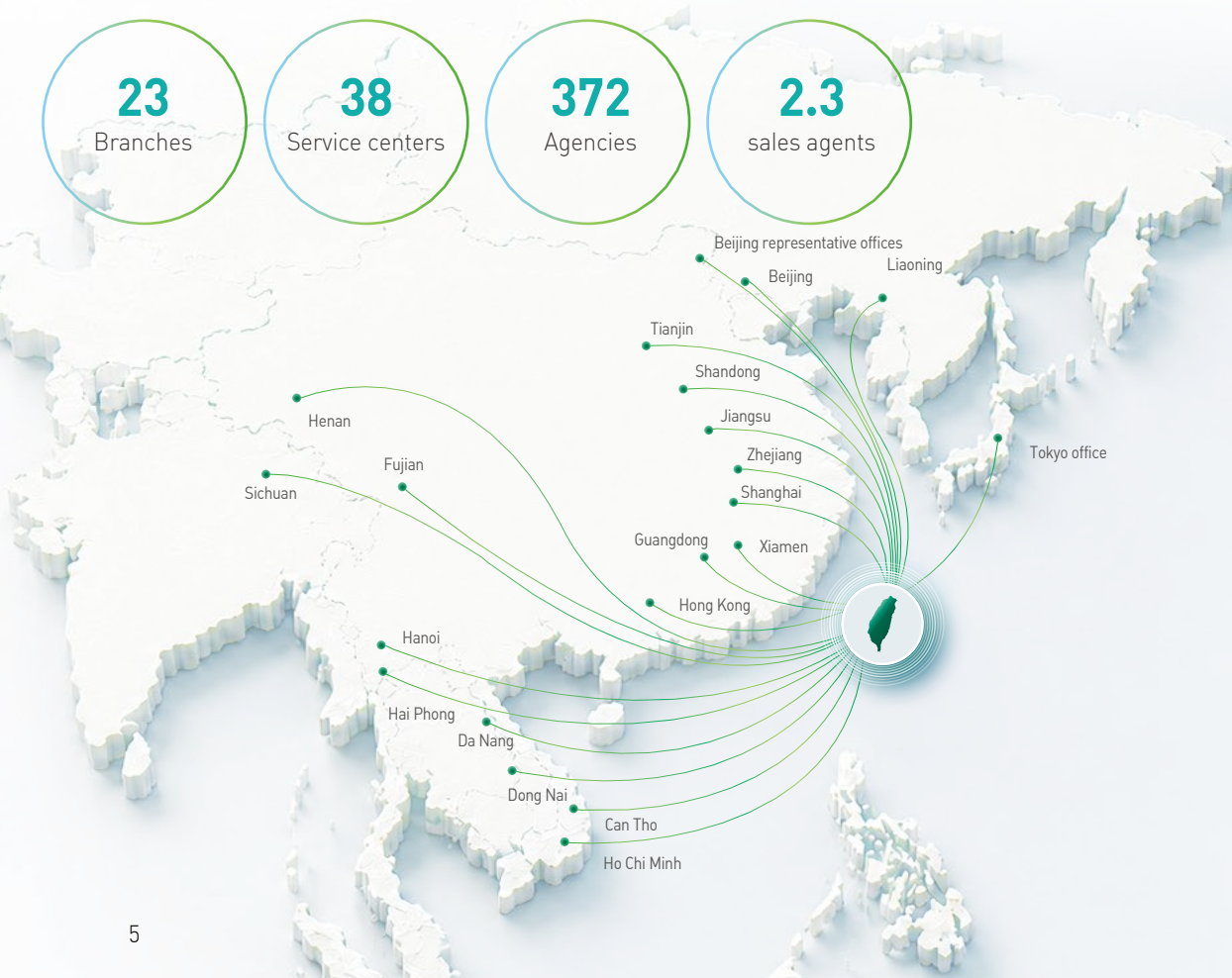
In Taiwan, one out of every three people is a policyholder of Cathay Life Insurance. In the face of diplomatic and economic challenges, digital transformation and market competition, Cathay Life Insurance keeps pushing and encouraging itself to provide the best products and services through continuous innovation and breakthroughs with customer-centric values. The Company also strives to improve profitability in order to return business achievements to all shareholders.

Cathay Life Insurance will uphold the core competency of being people-oriented and the sustainability principle of reciprocity ("benefiting oneself by benefiting others") and progress toward becoming a leading financial institution in the Asia Pacific region.

In 2025, Cathay Life Insurance generated NT$519.23 billion in premium income. Our market share was approximately 19.8%, placing us at the lead in the industry.

	2023	2024	2025
Total assets	8,394,447,445	8,864,868,834	8,990,938,207
Total premium income	465,602,547	487,570,079	519,230,349
Operating income	686,071,861	766,221,525	736,420,169
Net profit after tax	16,343,087	66,883,309	56,575,280

Unit: NT$, in thousands



Sustainable Governance

Climate

- Expanding from corporate engagement to public-sector engagement to amplify positive environmental impact

  Participated in the joint statement, **"Global Investor Statement on Energy Transition in Taiwan,"** calling on the Taiwan government to take a more proactive approach to addressing the net-zero transformation; Signed "The Belém Investor Statement on Rainforests" in support of global forest conservation efforts, calling on governments worldwide to address deforestation issues collectively. The statement was released at COP30, demonstrating Cathay Life Insurance's commitment and responsibility toward nature-related issues.
- Promote domestic and international ESG exchanges to strengthen the momentum for corporate sustainable transformation
- Cathay Life Insurance organized the seminar "Insights into New MSCI ESG Rating Criteria and ISS Shareholder Voting Trends," bringing together international experts, scholars, and listed companies in Taiwan from high-carbon-emission and transition-critical industries through the integration of global professional resources. The seminar helped companies stay abreast of international ESG rating trends, low-carbon transition practices, and the latest developments in corporate governance, while fostering cross-sector dialogue and experience sharing to strengthen the overall momentum for sustainability and low-carbon transformation among Taiwanese enterprises.
- In 2025, the total renewable energy use exceeded 31.84 million kWh, reaching **RE 53.95**, which is equivalent to reducing carbon emissions by approximately **15,095** metric tons.
- In 2025, Cathay Life Insurance further demonstrated its forward-looking commitment to sustainable transformation by becoming the first insurance company in Taiwan to officially obtain "Product Carbon Neutrality" certification. Its two core products – Travel Safety Insurance and Account-Linked Medical Whole Life Insurance – successfully passed verification under the international carbon neutrality management standard, ISO 14068-1, establishing a new benchmark for the market.

Health

- In 2025, the total first-year premium income from spillover-effect products was NT$**34.79** billion, while the total first-year premium income from protection insurance products was NT$**17.49** billion.
- In 2025, the overall customer satisfaction reached **98.9%**, while the net promoter score (NPS) reached **40.8**.
- In 2025, a total of **1.75** million individuals participated in FitBack, garnering approximately **2.45** trillion steps.

Empowerment

- In 2025, the total learning hours on the Hahow self-learning platform reached **50,578** hours.
- **As the only** CFP® corporate training institution in Taiwan's financial industry, Cathay Life Insurance had **422** certifications approved as of 2025, the highest in the industry
- The number of certifications obtained in basic and advanced sustainable finance increased to **728**, approximately **12.5** times that of the previous year
- In 2025, a total of **8,895** volunteers received **57,594** hours of training.

Sustainable Finance

- Cathay Life Insurance is the first insurer in Taiwan to voluntarily sign the Taiwan Stewardship Principles for Institutional Investors. It is also the only domestic institutional investor to have been selected for the TWSE's List of Companies with Better Institutional Investor Stewardship Disclosure for six consecutive years. In addition, it has received full scores across all 30 evaluation indicators for **four consecutive years**, and was also recognized with the Excellence Award in 2025, placing it among the top 10%.

  Note: In 2025, the "List of Companies with Better Institutional Investor Stewardship Disclosure" recognized institutional investors ranking in the top 25% of each industry. Among them, those ranking in the top 10% were awarded the Excellence Award, while those ranking between 11% and 25% received the Merit Award.
- For two consecutive years, we have jointly invested in offshore wind farm projects with our subsidiary, Cathay Power, setting the highest investment record in Taiwan's life insurance industry. In addition to meeting the life insurance sector's need for long-term stable capital returns and supporting sustainable energy development strategies, we also strive to play a leading role in the industry and help advance Taiwan's energy transition.

  (1) In 2024, we invested in a **50%** equity stake in Ørsted's Greater Changhua 4 offshore wind farm. With an installed capacity of **583 MW**, the project is the first large-scale offshore wind farm in the Asia-Pacific region to adopt pile-free suction bucket jacket foundations on a large scale. This technology offers significant advantages, including near-noise-free installation, minimal environmental disturbance, and the ability to be fully removed from the seabed upon decommissioning. In 2025, the project completed installation of all underwater foundations and successfully achieved partial grid connection of wind turbines, beginning to supply clean electricity.

  (2) In 2025, we also committed to investing in a **55%** equity stake in Ørsted's Greater Changhua SW Offshore Wind Farm, which has an installed capacity of **632 MW**. The Phase II project of the wind farm also adopts suction bucket jacket foundations for its underwater foundation design.

Governance

- Received the highest rating (Excellent) in the Corporate Governance System Assessment organized by the Corporate Governance Association in Taiwan for four consecutive terms.
- Obtained both **BS10012** and **ISO29100** certifications.
- Became the first domestic life insurance company to complete verification for the latest version of **ISO 27001:2022**, which was part and parcel of our effort in aligning with international information security standards.

Awards

Climate

CSR Works International
Asia Sustainability Reporting Awards (ASRA): Bronze Award for Best SDG Report in Asia, Silver Award for Best Diversity Report in Asia

Health

Financial Supervisory Commission
Assessment on treating customers fairly: Top 25% of companies; micro-insurance competition: First Place in the Insurance Company Category, Micro Whole Life Insurance for Seniors Competition Elderly Friendly Award

The Stevie Awards
The US Stevie® Awards for Sales & Customer Service: Gold Award for Innovation in Customer Service and Bronze Award for Best Use of Technology in Customer Service

Asia Pacific Stevie® Awards: Gold Award for Best Innovative Customer Service Center of the Year and Silver Award for Innovative Application of Customer Service Technology

Commercial Times
2025 Taiwan Service Industry Evaluation: Life Insurance Industry Gold Award

2025 Taiwan Best Customer Center Award: Life Insurance Industry Gold Award

The 2025 5th Digital Finance Service Award: Digital Innovation Award (Gold Award), Digital Service Award (Gold Award), Digital Inclusion Award (Gold Award), and Digital Information Security Award – Security Category (Gold Award)

ITC
Insurtech Connect Asia Awards 2025: Digital Transformation Pioneer Award

ICMI
Global Contact Center Awards – Best AI Application First Place

Modern Insurance Magazine
The 27th Faith, Hope, and Love Awards of Insurance in 2025: "Best Integrated Communications Award ("Empowering Your Health")", "Best Product Creativity Award"

Taiwan Insurance Institute
11th Insurance Excellent Performance Awards in 2025: "Information Application Excellence Gold Award", "Product Innovation Project Planning Excellence Gold Award","Policyholder Services Excellence Gold Award"

Celent
Model Insurance Company Award – Customer Experience Transformation

Empowerment

Asia Insurance Review
10th Asia Trusted Life Agents & Advisers Awards (ATLAA): Young Executive of the Year

Taiwan Institute for Sustainable Energy
Taiwan Corporate Sustainability Awards (TCSA): Sustainability Performance - Social Inclusion Leadership Award

Taiwan Insurance Institute
Insurance Excellence Award: Talent Training Excellence Award (Gold Award)

RMIM
Faith, Hope, and Love Awards of Insurance: Best Insurance Professional Award, Best Insurance Achievement Award, Best Professional Consultant Award - Office Staff, and Best Professional Consultant Award - Field Personnel

Sustainable Finance

Taiwan Stock Exchange
2025 List of Companies with Better Institutional Investor Stewardship Disclosure (top 10%)

Governance

Brand Finance
Insurance 100 2025

Taiwan Corporate Governance Association
Rating from the 2025 Corporate Governance System Assessment: Excellent

Financial Supervisory Commission
Ranked the top 25% in the 3rd Sustainable Finance Evaluation

RMIM
Insurance Quality Award: Highest Recognition, Best Salespeople, Best Claims Service, and Most Recommended (excellence in four items)

Excellence Magazine
2025 Excellent Insurance Rating: Excellence in Risk Management, Excellence in Service Quality, Excellence in Sustainable ESG Finance, and Excellence in Brand Image

Taiwan Institute for Sustainable Energy
Taiwan Corporate Sustainability Awards (TCSA): Corporate Sustainability Report Award - Platinum Award, Sustainability Performance Award - Information Security Leadership Award

Sustainable Organization

2-12 2-13 2-14 Principle 1

■ Sustainability-related Events

2011
- Cathay FHC established a Corporate Social Responsibility (CSR) Committee, which was later restructured into the Corporate Sustainability (CS) Committee

2016
- Cathay Life Insurance established a CS Team
- Committed to complying with the UNEP FI's Principles for Sustainable Insurance (PSI)

2017
- Self-compile d and issued the first PSI Disclosure Report

2018
- Self-compiled and issued the second PSI Disclosure Report (verified by a third party)
- The Excellence and Happiness Project for New Immigrants received SROI accreditation

2019
- Issued the first CS Report (verified by a third party)
- Completed the Blueprint of Sustainability Strategies (including short-term, mid-term, and long-term goals)

2020
- Issued the second CS Report (verified by a third party)
- The Cathay Walker Project received SROI accreditation

2021
- The Group launched its "zero-carbon transformation" with a commitment to achieve RE100, aiming to use 100% renewable electricity at all domestic business locations by 2030 and achieve net zero carbon emissions by 2050.

2022
- Cathay Financial Holdings became the first financial service provider in Taiwan to join RE100.
- Cathay Financial Holdings passed the science-based targets (SBT) for carbon emissions reduction.

2023
- Cathay Life Insurance was ranked top 20% among companies in the 1st Sustainable Finance Evaluation organized by the Financial Supervisory Commission

2024
- Cathay Life Insurance was ranked top 25% among companies in the 2nd Sustainable Finance Evaluation organized by the Financial Supervisory Commission
- Cathay Life Insurance established the Sustainable Development Committee in 2024 and established the Sustainability and Brand Strategy Department

2025
- Cathay Life Insurance was ranked top 25% among companies in the 3rd Sustainable Finance Evaluation organized by the Financial Supervisory Commission

Organizational Structure

Cathay Life Insurance established the Cathay Life Corporate Sustainability Team (CS Team) in 2016 and established the Sustainability and Brand Strategy Department in 2024. To strengthen its sustainability governance, the Company established the "Sustainability Development Committee" under the Board of Directors in 2025, as described below:

Supervision and management

The President serves as the supervising convenor to oversee the operation of the Corporate Sustainability Team, while vice president-level (and above) executives serve as executive secretaries and leaders of the six working groups to advance sustainability strategies and related action plans.

To strengthen sustainability governance, the Company has established ESG KPI based on its annual sustainability objectives and incorporated the relevant indicators into the Manager Performance Management and Development Guidelines, linking the performance appraisal and compensation management mechanisms for senior executives and department heads. Following approval by the Board of Directors, these measures have been implemented to reinforce the achievement of sustainability goals and enhance management accountability.

Operating mechanisms

In addition to participating in the quarterly Cathay Financial Holding Corporate Sustainability Committee meetings, the Sustainability and Brand Strategy Department also tracks the progress of various sustainability initiatives and targets through regular meetings of the Corporate Sustainability Team and reports implementation progress to management and the Board of Directors on a regular basis. The Sustainability Development Committee is convened on a quarterly basis to review sustainability strategies and annual plans, oversee sustainability initiatives and performance, and regularly consolidate implementation progress for submission to the Board of Directors.

To further enhance the quality and management effectiveness of sustainability information, the Company has established the Sustainability Information Management Guidelines and the Procedures for Sustainability Information Preparation and Reporting, and has incorporated sustainability information management into its internal control system, establishing mechanisms for information collection, review, consolidation, and disclosure. These systems have been approved by the Board of Directors and are subject to regular oversight of implementation, thereby strengthening regulatory compliance, risk management, and the completeness, accuracy, and verifiability of information.

External Disclosure of Sustainability Information

The Company publishes a Sustainability Report annually and discloses the results of its sustainability initiatives to stakeholders through multiple channels. To enhance the credibility of the information disclosed, the Company has established the Greenwashing Prevention and Management Policy and conducts verification procedures in accordance with its sustainability information management and disclosure mechanisms, thereby ensuring that the disclosed information is consistent, comparable, and verifiable.

Strategy Blueprint and Goals 2-23 2-24

Cathay Life Insurance is Asia's first life insurance company to take the initiative in complying with the Principles for Sustainable Insurance (PSI), incorporating ESG (environmental, social and governance) issues in its daily operations. We set sustainability goals based on the strategic themes of "climate, health, empowerment, sustainable finance, and governance" to better utilize our core competencies to expand our influence. We also respond to various SDGs issues to realize the sustainability vision to "lead the way in sustainable insurance and ensure the happiness of society," thereby protecting the happiness of our employees, policyholders, and the public.

Please see P.164 for the Sustainability Strategy Blueprint (2026-2035)
Please see P.169 for the Principles for Sustainable Insurance (PSI).

Vision

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

Value Proposition

Cathay Life Insurance combines the core competency of insurance ("being people-oriented") and the sustainability principle of reciprocity ("benefiting oneself by benefiting others"), and utilizes its power as a corporate citizen to become the industry's main proponent for responsibility mechanisms in compliance with the PSI. We hope to engage employees, policyholders, society, and the general public, so that they become aware, identify with, and further participate in protecting Taiwan's happiness.

Strategic Focus and Goals

Four major strategic focus areas, eight main strategic directions and their corresponding short-term goals were formulated.

Climate

Low-Carbon Economy

Corresponding Material Topics

- Climate Initiatives and Engagement
- Sustainable Finance & Investment

Short-term Goal Achievement

- Setting Science Based Targets: 2026: S1+S2: 2.68° C, S1+S2+S3: 2.79° C
- No new investment in coal power industry, coal mining industry, coal freight industry, and coal services industry with coal expansion plans or coal accounting for more than 20% of revenue.
- No new investments in companies with more than 30% of revenue from unconventional oil and gas and not actively engaging in transition.
- Participate, either together with the financial holding company or independently, in 10 organizations/initiatives, 3 international climate engagement activities, 2 international nature-related engagement activities, and 2 policy engagement activities.
- Engage key domestic TWSE/TPEx-listed companies accounting for 68% of financed emissions
- Low-carbon investments grow by 83% with 2020 as the baseline year

Environmental Sustainability

Corresponding Material Topics

- Green Energy
- Green Operation
- Green Real Estate

Short-term Goal Achievement

Green Energy

- Renewable energy use: Renewable energy use exceeded 31.84 million kWh, which is equivalent to reducing carbon emissions by approximately 15,095 metric tons. The percentage of renewable energy use has reached 53.95%.
- Cumulative installed amount of self-generated solar panels for self-use: 5,518.99 kW, 2759.5% compared to 2020.

Green Operation

- SBT Scope 1 and Scope 2 Carbon Reduction: Based on 2020, carbon emissions were reduced by 46.47%.[Note 1]
- Scope 3 Water and Waste Reduction: Based on 2020, per capita water consumption was 13.7 cubic meters. Per capita waste generation was 27.1 kg.[Note 2,Note 3]
- Mobile operations - Mobile Office: Equipment deployment compliant with the new VDI OA plan has been completed for 30% of eligible employees, achieving the target.
- Energy Management System Implementation: Cumulative managed electricity consumption is approximately 35.73 million kWh.
- Implemented energy conservation and carbon reduction initiatives and incorporated an internal carbon pricing mechanism. These efforts reduced electricity consumption by 1.11 million kWh in 2025.
- Green Procurement Amount: Approximately NT$810 million, a significant increase of NT$340 million (72%) compared to 2024 and recognized as an outstanding green procurement enterprise by the Ministry of

Note1: The company, including overseas and subsidiaries, reduced carbon emissions by 37.91%.
Note 2: The 2025 target values were set based on linear calculations using data from the pandemic period and will be adjusted from 2026 onwards.
Note 3: The scope of building surveying was expanded in 2025.

Green Real Estate

- Building low carbon buildings: All newly constructed buildings completed after 2023 have obtained either Taiwan Green Building certification or U.S. LEED certification. As of the end of 2025, a total of seven Level 1 or above Energy Efficiency Label certificates had been obtained. In 2025 alone, we obtained four Level 1+ Energy Efficiency Label certificates and four Diamond-grade Existing Green Building certifications.
- Green Electricity Services: Approximately 25 million kWh of green electricity is wheeled to tenants annually.

Health

Health promotion

Corresponding Material Topics

- Health Promotion and Life Protection

Short-term Goal Achievement

- 1.747 million members participated in the health promotion plan
- Number of cross-industry health promotion service offerings: 5
- Assisted 1.407 million members with health management services, with cumulative monthly health management interactions reaching 30.818 million times
- The cumulative number of uploaded steps is equivalent to a cumulative reduction of 349,000 metric tons of carbon emissions
- Provided training for 1,135 additional Cathay employees to obtain "Cathay Healthcare Professional" certification
- Number of new policyholders with sufficient medical insurance coverage (daily hospitalization benefits ≥ NT$2,000) in the year reaches 98,000
- The number of employees achieving FitBack Practitioner level or above increased by 3,377 compared with the previous year
- Continued to improve health promotion events and maintained the number of employees with normal BMI at 50%
- Provide Employee Assistance Programs (EAP) to assist 97% of employees with maintaining physical and mental health
- Maintain the effectiveness of ISO 45001
- The recommendation rate from teachers participating in anti-drug education activities reached 81.5%, with total outreach reaching 3.3351 million people
- Promote elderly care activities in collaboration with NGOs and schools to strengthen social support, and provide care for 7,222 elders
- Policyholders aged 55 years old and above that purchased A&H insurance reached 27.95%
- Cumulatively cultivated 69% of sales agents and 95% of back office personnel to obtain healthcare certifications

Financial Health

Corresponding Material Topics

- Technological Innovation
- Health Promotion and Life Protection
- Customer Rights Protection and Treating Customers Fairly
- Financial Inclusion

Short-term Goal Achievement

- Total investment-linked plus traditional wealth-management insurance premiums make up for 8.03% of the ideal retirement savings of citizens under the age of 65 years old.
- Digital service satisfaction reached 97%
- The cumulative number of users of the financial planning calculator reached 160,000
- Accumulated 2 financial inclusion projects
- The problem-solving rate (within 1 second) of the chatbot reached 95%
- Smart assistant services reached 81% of the total service volume of the smart customer service center
- The number of beneficiaries of micro and small-amount insurance reached 179,000 people and above
- A total of 24,807 people participated in person in fraud prevention education activities

Empowerment

Workplace Empowerment

Corresponding Material Topics

- Human Capital

Short-term Goal Achievement

- Digital training: achieve a 97% completion rate for digital skills training programs
- Annual digital capacity training completion rate reached 96%
- Sustainability training: Achieve a 96% completion rate in foundational ESG online courses
- Completion rate of 3 hours of ESG sustainable finance training courses: 100% (targeting senior managers and personnel engaged in investment and financing activities)
- Satisfaction with education and training in the annual engagement survey was 4.2 points (out of 5)
- The percentage of people who score 4 points and above on the 360-degree ability reaches 97%
- The retention rate of key mid-level talents in the talent pool: The retention rate of stars of tomorrow (manager level) reached 99%, and the retention rate of key talents (senior vice president level) reached 100%
- The retention rate of key young talents in the talent pool reached 100%
- Retain 87% of employees taking parental leave
- 75% of employees are female
- 49% of STEM talents are female
- 56% of all managers are female;57% of entry-level managers are female;31% of mid-level and senior managers are female.
- DEI online course completion rate reaches 97%

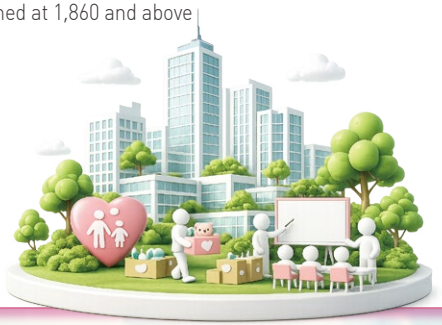
Social Empowerment

Corresponding Material Topics

- Participation in social welfare

Short-term Goal Achievement

- Improvement score for basic academic and non-cognitive skills in the after-school care courses (teacher survey for after-school program) reached 4 points and above
- 23 schools in remote areas benefited from the KITURU Dreams Come True Program
- Score of self-affirmation questionnaire for the Excellence Scholarship Program and KITURU Dreams Come True Program (corporate identification) reaches 4 points or higher
- Featured cases of the Excellence Scholarship Program reached 28 cases
- Mixed Disabled Troupe and Happiness Farms volunteer participation: Maintained at 132 participants and 452 volunteer hours
- Corporate identity score of volunteers in Mixed Disabled Troupe and Happiness Farm reached 4 points and above
- Beneficiaries (offline) of Mixed Disabled Troupe maintained at 1,860 and above



Governance

Sustainability Governance Climate-Related/Nature-Related Financial Disclosures (TCFD/TNFD)

Corresponding Material Topics

- Corporate Governance
- Risk Management
- Information Security and Customer Privacy
- Legal Compliance and Response
- Ethical Corporate Management

Short-term Goal Achievement

- Completed the Sustainability Information Management Regulations and incorporated them into the internal control documents of relevant departments
- Obtained ISO 27001 Information Security Management System certification, with the scope expanded to include insurance service-related departments
- Obtained BS 10012 Personal Information Management System certification, covering pilot facial recognition–based insurance enrollment and online insurance services for self-paid group insurance policies

Stakeholders and Material Topics 2-16 2-29 3-1 3-2

In response to changing trends and challenges, Cathay Life Insurance identified seven major stakeholders through business development guidelines and evaluation of financial peers in 2022. We communicated with stakeholders through various channels and focused on issues that stakeholders are concerned about. We carried out action plans under the guidance of the strategic focus of "climate, health, empowerment, sustainable finance, and governance," in hopes of responding to stakeholders' needs and expectations.

■ Stakeholder Communication and Engagement

Stakeholders	Materiality	Communication Channels and Frequency	Topics of Concern	Engagement Item	Corresponding Chapter
Employees	Employees are key to a company's long-term development and innovation capability. Therefore, Cathay Life Insurance provides competitive salaries and benefits, as well as diverse training courses to create a workplace culture of co-learning and sharing, in order to attract and retain outstanding talent.	Engagement Survey (regular/annually) Education and Training (irregular) Employee Activities (irregular) Employee Discussion Forum (permanent) Employee Assistance Program (EAP) (permanent) Stewardship Report (regular/annually) Dedicated E-mail and Hotline (permanent) 1. Workplace Violence Reporting Channel Tel: (02)27551399 Ext. 1788 Mailbox: OSH@cathlife.com.tw 2. Sexual Harassment Reporting Channel Tel: (02)2704-2155 Mailbox: 81755@cathlife.com.tw	Information Security and Customer Privacy Legal Compliance and Response Ethical Corporate Management Workplace Safety and Health	1. In Cathay Life Insurance's 2025 Employee Engagement Survey, overall employee engagement reached 4.15 points (out of 5). 2. Through the Employee Assistance Program (EAP), we provide a 24-hour psychological counseling hotline. In 2025, a total of 158 consultation sessions were recorded for individual counseling services, and 99% of users considered the service helpful in resolving their concerns. 3. All employees are required to complete three hours of information security awareness training each. In 2025, a total of 29,048 training attendances were recorded, totaling 87,144 training hours. In addition, we also sent 18 dedicated information security personnel to receive a total of 804 hours of professional information security training courses. 4. We provide online legal compliance training for both office-based and field staff. The number of trainees was 29,016. The total training hours reached approximately 262 thousand hours. 5. Regular annual training on anti-money laundering (AML), counter-terrorism financing (CFT), and counter-proliferation financing (CPF) is provided for both front-office and back-office employees. Cumulative number of trainees in 2025: 46,001 participants, reaching a total of 35,000 training hours.	2.1 Health Promotion 3.1 Workplace Empowerment 4.1 Responsible Investment 5.1 Sustainability Governance

Stakeholders	Materiality	Communication Channels and Frequency	Topics of Concern	Engagement Item	Corresponding Chapter
Customers	Cathay Life Insurance upholds the service philosophy of being customer-centered, and strives to offer a wider range of products and thoughtful services with the aim of enhancing the protections customers have and protecting families' happiness.	Satisfaction Survey (regular/annually) Policyholder Activities (irregular) Website (permanent) Cathay Life app (permanent) Chatbot (permanent) Service Mailbox (permanent) https://www.cathaylife.com.tw/cathaylifeins/faq/mailbox 0800 Customer Services (permanent) 24-Hour Customer Service Hotline-Cathay Life Insurance: (02) 2162-6205 or the toll-free number 0800-036599 (landline only), to be handled by the dedicated Customer Relationship Enhancement Department	Information Security and Customer Privacy Legal Compliance and Response Customer Rights Protection and Treating Customers Fairly	1. In 2025, overall customer satisfaction reached 98.9%, with an NPS of 40.8 points, maintaining a consistently high level. 2. Obtained dual certifications for the ISO 9001 Quality Management System and ISO 10002 Customer Complaint Management System. 3. No major personal data breach incidents occurred in 2025. Only eight isolated personal data incidents were recorded, all of which were handled promptly through immediate response measures, with management controls and employee training further strengthened. 4. The Company has established a whistleblowing system approved by the Board of Directors and provides multiple reporting channels, including a whistleblowing hotline, dedicated email mailbox, and physical mailing address, all of which are disclosed on the Company's website.	2.1 Health Promotion 2.2 Financial Health
Investee company	Interact with investee companies through dialogue, engagement, and exercise of voting rights to demonstrate the Company's stewardship as an active owner.	Meetings (irregular) Forums (regular/annually) Company visits (regular/annually) Stewardship Report (regular/annually) https://patron.cathaylife.com.tw/ODAB/stewardship Contact information of the dedicated contact unit Responsible Investment Working Group stewardship@cathlife.com.tw Tel: 02-27551399	Sustainable Finance & Investment Climate-related and Nature-related Initiatives	1. Published the 2025 Responsible Investment and Stewardship Report in Chinese and English. 2. In 2025, participated, either together with Cathay Financial Holdings or independently, in 10 organizations/initiatives, 3 international climate engagement activities, 2 international nature-related engagement activities, and 2 government engagement initiatives. 3. In 2025, a total of 2,337 employee participations were recorded in company visits, covering 676 companies and 2,048 visits in total, representing an average of 3 visits per company. 4. In 2025, Cathay Life Insurance engaged with 135 companies on 13 material ESG issues, with a cumulative total of 375 engagement interactions. 5. In 2025, Cathay Life Insurance attended 254 shareholders' meetings and voted on a total of 2,417 proposals.	1.1 Low-Carbon Economy 4.1 Responsible Investment 5.2 Sustainability Governance

Stakeholders	Materiality	Communication Channels and Frequency	Topics of Concern	Engagement Item	Corresponding Chapter
Government and competent authority	Cathay Life Insurance actively complies with government policies, laws and regulations, and engages in two-way communication and cooperation to drive the development of Taiwan's insurance industry and generate positive energy in society.	Annual Report (regular/annually) Life Insurance Association (irregular) Meetings/Forums (irregular) Stewardship Report (regular/annually) https://patron.cathaylife.com.tw/ODAB/stewardship Contact information of the dedicated contact unit Sustainability and Brand Strategy Department 9z00000@cathaylife.com.tw Tel: 02-27551399 Responsible Investment Working Group stewardship@cathlife.com.tw Tel: 02-27551399	Sustainable Finance & Investment Financial Inclusion Climate-related and Nature-related Initiatives Corporate Governance Information Security and Customer Privacy	1. Published the 2025 Cathay Life Insurance Sustainability Report in Chinese and English. 2. The only insurance company on TWSE's List of Companies with Better Institutional Investor Stewardship Disclosure for every term 3. Received the highest rating (Excellent) in the Corporate Governance System Assessment organized by the Corporate Governance Association in Taiwan for four consecutive terms. 4. Obtained both BS10012 and ISO29100 certifications. 5. Became the first domestic life insurance company to complete verification for the latest version of ISO 27001:2022, which was part and parcel of our effort in aligning with international information security standards. 6. Jointly implement the Sustainable Campus Project with the K-12 Education Administration of the Ministry of Education.Cooperate with the Criminal Investigation Bureau of the National Police Agency to promote anti-fraud activities.	1.1 Low-Carbon Economy 4.1 Responsible Investment 5.1 Sustainability Governance
Media experts	Cathay Life Insurance actively works with sustainability experts and media personnel to improve sustainability performance.	Press release (irregular) Press conferences (irregular) Seminars (irregular) Website (permanent) Stewardship Report (regular/annually) Contact information of the dedicated contact unit Sustainability and Brand Strategy Department 9z00000@cathaylife.com.tw Tel: 02-27551399	Sustainable Finance & Investment Technological Innovation Financial Inclusion	1. The 2025 Taiwan Service Industry Evaluation of Commercial Times: Life Insurance Industry Gold Award, 5th Digital Finance Gold Award 2. Cathay has held the Sustainable Finance and Climate Change Forum for nine consecutive years, inviting the media to participate, in order to keep abreast of developments in climate change issues internationally and in Taiwan.	1.1 Low-Carbon Economy 4.1 Responsible Investment 5.1 Sustainability Governance
Suppliers	Cathay Life Insurance works with suppliers to ensure a mutually beneficial relationship with the environment. Our effort to reduce the negative impact of operations on the environment starts in procurements and initiatives.	Supplier Conferences (regular/annually) Supplier Management System (permanent)	Information Security and Customer Privacy Health Promotion and Life Protection Corporate Governance	1. Established the Cathay Financial Holdings Sustainable Procurement Policy to implement sustainable procurement management. 2. 100% of suppliers signed Cathay FHC's Statement of Sustainability Values in 2025. 3. Completion rate of supplier education and training reached 100% in 2025. 4. In 2025, the amount of green procurement reached NT$810 million, with the goal of prioritizing the procurement of products with environmental protection labels. 5. The 2025 supplier conference was held in person to communicate sustainability-related issues with suppliers.	1.2 Environmental Sustainability

Stakeholders	Materiality	Communication Channels and Frequency	Topics of Concern	Engagement Item	Corresponding Chapter
Community/ NGOs/NPOs	Cathay Life Insurance combines the expertise and resources of its community partners, NGOs, and NPOs, working together to resolve social and environmental issues to gain greater social influence.	Annual Report on Charitable Works (regular/annually) Charity Activities (irregular) Seminars (irregular) Website (permanent)	Participation in social welfare Climate-related and Nature-related Initiatives Information Security and Customer Privacy	1. Published the 2025 Annual Report on Charitable Works, which can be downloaded at: https://patronc.cathaylife.com.tw/ODAY/F0/ODAYF042 2. The recommendation rate for anti-drug education activities reached 81.5%, with total participation reaching 3.3351 million people. 3. Promote elderly care activities in collaboration with NGOs and schools to strengthen social support, and provide care for 7,222 elders.	2.1 Health Promotion 3.2 Social Empowerment
Public	Cathay Life Insurance exerts its core competencies to protect the happiness of employees and policyholders. The Company also promotes sustainability concepts to the public to expand the positive influence of insurance.	Press release (irregular) Sustainability Report (regular/annually) Corporate sustainability website (irregular) For more information on other sustainability-related actions of the Company: 1. If you would like to learn more about our overall corporate sustainability actions, please contact Sustainability and Brand Strategy Department E-mail: 9z00000@cathaylife.com.tw 2. If you would like to learn more about the Group's charity and care, please contact Cathay Charity Foundation E-mail: 7900000@cathlife.com.tw 3. You may also directly visit the official website of the Cathay Charity Foundation for more information https://patronc.cathaylife.com.tw/ODAY/	Information Security and Customer Privacy Ethical Corporate Management Customer Rights Protection and Treating Customers Fairly	1. Total investment-linked plus traditional wealth-management insurance premiums make up for 8.03% of the ideal retirement savings of citizens under the age of 65 years old. 2. The cumulative number of users of the financial planning calculator reached 160,000. 3. The number of beneficiaries of micro and small-amount insurance reached 179,000 people and above. 4. Continued to launch 2 projects for innovative products or services for financial inclusion.	1.2 Environmental Sustainability 2.1 Health Promotion 2.2 Financial Health 3.1 Workplace Empowerment 3.2 Social Empowerment 5.1 Sustainability Governance

■ Material Topic Analysis

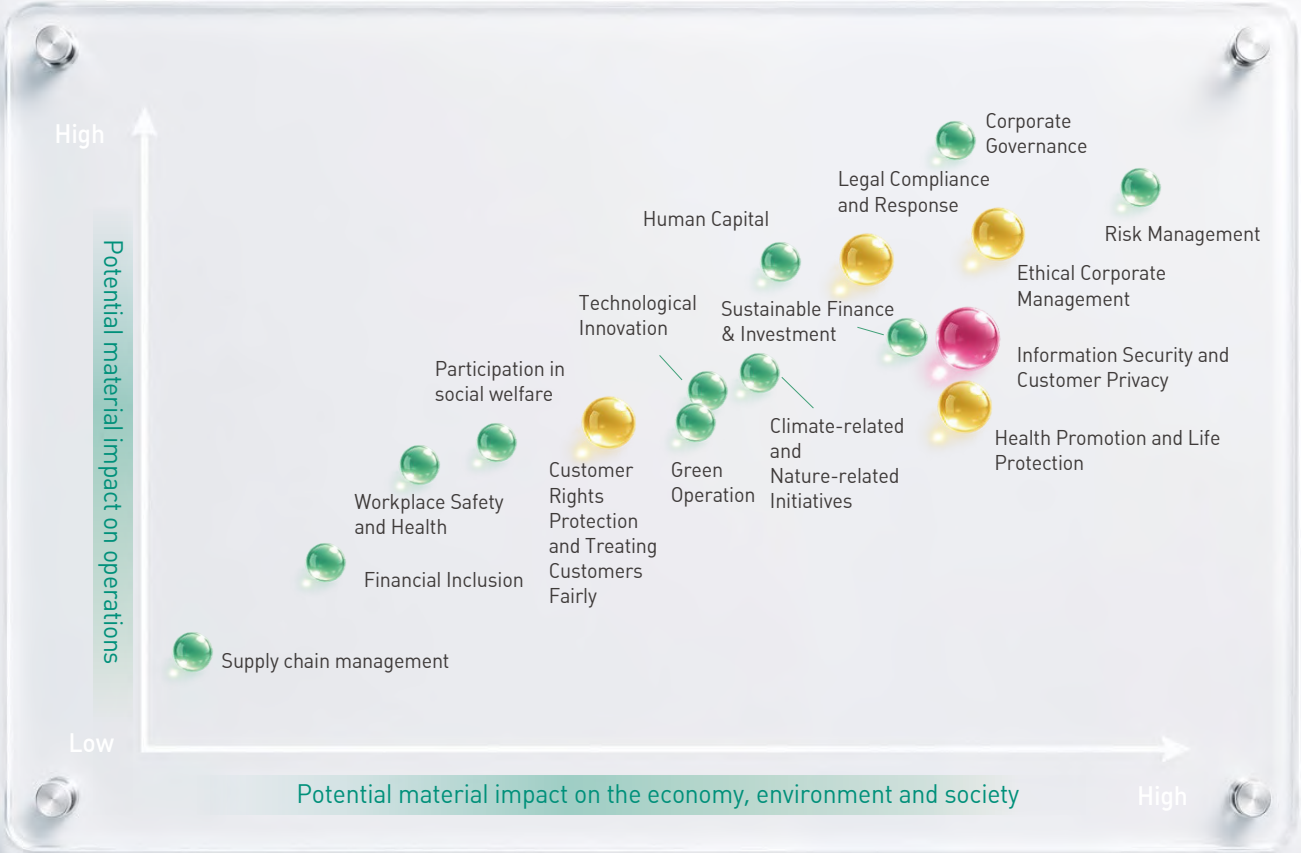
To identify material topics that have an impact on the organization's operations, stakeholders, and sustainable development, Cathay Life Insurance referenced the concept of double materiality advocated by the EU's Corporate Sustainability Reporting Directive (CSRD), and identified material topics with significant potential impacts both internally and externally based on the two dimensions of "external impact on the economy, environment, and society" and "impact on the Company's operations".We use internal and external sustainability questionnaires to understand stakeholders' concern about the social, environmental, and governance impacts of Cathay Life Insurance's sustainability issues.

● (I)Analysis process

Step 1 Identify stakeholders	7 types of stakeholders that the Company frequently communicated with were identified based on industry characteristics and the current situation of operations.		The Company's stakeholder identification results for 2024 included the public, communities/NGOs/NPOs, government and regulatory authorities, media and experts, suppliers, customers, and employees
Step 2 Compile material topics and prepare questionnaires on level of concern and internal questionnaires for senior managers	After referencing international sustainability standards or regulations, such as the GRI Standards, international ESG ratings, SASB, TCFD, and TNFD, as well as the sustainability topics of concern publicly disclosed by domestic and foreign insurance companies, we summarized 16 sustainability issues that may have an impact on the Company, and prepared them into the questionnaire on topics of concern and internal questionnaire for senior managers.		16 sustainability issues
Step 3 Distribute questionnaires and evaluate issues	Survey stakeholders' level of concern	Distributed questionnaires to 7 types of stakeholders to survey their level of concern for the 16 sustainability issues.	Distribute questionnaires on stakeholders' level of concern: A total of 1,863 valid questionnaires
	Determined based on double materiality for senior managers	(1) Convene workshops on sustainability issues for senior managers. Discuss the 16 sustainability issues and verify the content of significant positive and negative impacts on sustainability and operations. (2) Distribute questionnaires to the Company's six major sustainability governance teams to survey their judgment of the materiality of the 16 sustainability issues to sustainability and operations.	Distribute questionnaires to senior managers: A total of 13 valid questionnaires
Step 4 Analyze and prioritize material topics	(1) Analyze stakeholders' level of concern based on the valid questionnaires collected. (2) Conduct double materiality analysis on the questionnaires collected from senior managers. The degree of impact and likelihood of occurrence are determined for each issue based on (a) the degree of positive or negative impact on the economy, environment, and society and likelihood of occurrence, and (b) the degree of impact on operations and likelihood of occurrence. (3) Finally, we ranked all issues by materiality and identified the Company's 9 material topics in 2024		9 material topics
Step 5 Disclose and report topics	After objective analysis and internal discussions, this year's report mainly discloses 9 material topics. In the future, we will continue to review the importance of various sustainability issues, respond to the expectation of stakeholders, and ensure that the contents of reports are transparent, reasonable, and well-balanced.		

Material topic identification results

Materiality matrix



Note 1: The X-axis is "materiality to sustainability," and impact increases towards the right. The Y-axis is "materiality to operations," and impact increases higher up.

Note 2: The size of the sphere represents stakeholders' level of concern.

Note 3: Spheres with a special color means that the issue is also one of the top five issues of concern to stakeholders. Among them, the issue in orange (information security and customer privacy) is the top issues of concern to stakeholders.

Changes in material topics

There were no changes in material issues in 2025 and 2024.

Impact of material topics and value chain identification

Material topics	Material impact on sustainability	Material impact on operations	Value chain comparison Note 1			GRI Standards Comparison	Corresponding Chapter
			Upstream	Operations	Downstream		
Risk Management	Stably operating life insurance companies can be part of the social safety net and stabilize the overall financial market. If an insurance company fails to implement a risk management policy/mechanism/culture, it may cause instability in the financial market and affect its function as part of the social safety net.	Appropriate risk management policies and measures increase a company's operational resilience when facing major risks. Failure to establish effective risk management, including but not limited to risk management of market, credit, liquidity, and operational risks, may lead to financial fluctuations and negligence in internal operations, affecting the stability of the company's operations and negatively impacting business and long-term development.	-	Cause	Cause	Customized topic	5.1 Sustainability Governance
Corporate Governance	Effective corporate governance can enhance the Company's long-term competitiveness, maintain the stability of the overall financial market, and protect the rights and interests of customers and employees. Failure to implement corporate governance may lead to poor business performance and damage the rights and interests of customers, shareholders, and investors.	Effective corporate governance can enhance the Company's competitiveness, further increase the Company's business volume and operational capabilities, and further improve the Company's financial performance. Failure to implement sound corporate governance may result in significant operational deficiencies. In addition to financial losses arising from regulatory penalties, litigation, and compensation, it may also erode the trust of employees and customers, thereby adversely affecting the Company's business development.	-	Cause	Cause	GRI 2-1 Organizational Details GRI 2-9 - 2-21 Governance	5.1 Sustainability Governance
Ethical Corporate Management	Implementing operation integrity can increase the trust of stakeholders in the Company, increase their willingness to invest, and build a positive brand image. It has a positive impact on employees, customers, and every external stakeholder in the value chain, and further promotes the stability of financial order in the market. Failure to implement operation integrity may result in a fine imposed by the competent authority, and further affect the Company's reputation, resulting in lower willingness to invest and cooperate, which will negatively impact customers, employees, and other stakeholders.	The implementation of operation integrity ensures that the Board of Directors can effectively supervise the business operations of each department, which will have a positive impact on the Company's business development and financial position. Failure to uphold ethical business practices may result in money laundering, corruption, or other misconduct, exposing the Company to regulatory penalties and negative operational impacts, such as suspension of operations. It may also erode customer trust, potentially leading to reduced business volume and lower profitability.	-	Cause	Cause	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	5.1 Sustainability Governance

Material topics	Material impact on sustainability	Material impact on operations	Value chain comparison Note 1			GRI Standards Comparison	Corresponding Chapter
			Upstream	Operations	Downstream		
Information Security and Customer Privacy	Continue to implement information security to reduce the risk of improper use of data or infringement of privacy, and increase consumers' sense of peace of mind. It has a positive impact on social stability and human rights. If important information is leaked or hackers launch a cyberattack, it will negatively impact the Company's reputation and customer rights, and may also cause panic in society.	Adequate information security and personal data privacy protection enhance the Company's brand image and strengthen stakeholder confidence, thereby indirectly supporting business stability and growth. Information security incidents may result in violations of personal data protection laws and regulations, leading to regulatory penalties. They may also undermine public trust in the Company, thereby affecting business operations and reducing revenue.	-	Cause	Cause	GRI 418 Customer Privacy	5.1 Sustainability Governance
Health Promotion and Life Protection	Adjusting products and services in response to social needs will ensure that timely and complete protection is provided, indirectly maintaining social stability. In addition, we advocate the concept of ex ante prevention and use health promotion mechanisms and diverse spillover effect insurance products to build a healthier society and lead policyholders of all ages to embrace a healthy lifestyle. If insurance products fail to effectively reflect social needs, it will be difficult for people to share unknown risks, which may have a negative impact on social stability.	The products and services developed by the Company effectively respond to consumer needs, increasing business volume and number of customers, improving company image, and increasing operating revenue. Failure to adjust the content of products and services in response to changes in times and needs may result in the termination of existing contracts, no renewal of insurance, decrease in new customers, and significant increase in claims, which will affect business or financial performance.	-	Directly linked to	Directly linked to	GRI 203 Indirect Economic Impact	2.1 Health Promotion
Sustainable Finance & Investment	Strive to drive sustainable economic growth and assist industries with transformation towards sustainable development. Strengthening engagement with investee companies will achieve sustainable growth of the market. If ESG factors are not taken into account when making investment decisions, funds may flow to targets that damage the environment and exploit workers, which will have a negative impact on society and the environment.	Incorporating sustainability factors into the investment process can support other companies in advancing low-carbon and sustainability transformation, thereby creating new investment and financing markets as well as new business and product opportunities for the Company, which may generate positive financial impacts. However, if sustainability factors are not taken into consideration in the investment process, future environment-related regulations may affect profitability and damage the Company's reputation, which may cause customers to leave and result in a decrease in business volume.	-	Contribute to	Contribute to	GRI 201 Economic Performance GRI 203 Indirect Economic Impact GRI G4 FS7 Products and Services	4.1 Responsible Investment

Material topics	Material impact on sustainability	Material impact on operations	Value chain comparison Note 1			GRI Standards Comparison	Corresponding Chapter
			Upstream	Operations	Downstream		
Legal Compliance and Response	By complying with and implementing government policies and regulatory requirements, the Company safeguards the rights and interests of customers, employees, and other stakeholders, while contributing to the stability of the financial and insurance markets. Failure to comply with laws and regulations may not only negatively affect the Company's reputation, but also result in regulatory penalties that increase operating costs. In addition, violations of relevant regulations may further cause harm to the environment, ecosystems, or human rights.	If the Company violates laws and regulations, it will affect the Company's overall operations. In addition to penalties imposed by the competent authority (such as suspension of operations, fines, litigation and compensation, and enhanced education and training), it will also cause the Company to lose the trust of customers, which may lead to a decrease in transaction volume and result in business and financial losses.	-	Cause	Cause	GRI 2-27 Legal Compliance GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance	5.1 Sustainability Governance
Human Capital	Providing a competitive compensation system, a diverse and inclusive corporate culture, a comprehensive career development policy, and a good communication mechanism between labor and management will have a positive impact on employees and their human rights. Failure to implement management measures for diversity and inclusion and fair remuneration may result in violations of basic human rights issues, such as workplace discrimination, forced labor, and health and safety hazards, or cause society to view the Company negatively.	Establishing fair remuneration and diverse benefits, a diverse and inclusive corporate culture, and talent cultivation and development will help attract and retain outstanding talents, thereby improving the Company's overall business performance. Illegal infringement in the workplace and failure to provide fair remuneration and career development opportunities may lead to labor-management conflicts, higher employee turnover, and even affect the Company's image. All of the above may cause a negative impact on business performance.	-	Cause	-	GRI 401 Employment GRI 404 Training and Education	3.1 Workplace Empowerment
Customer Rights Protection and Treating Customers Fairly	Treating every customer fairly and providing auxiliary services for different groups to ensure that the rights and interests of customers are protected has a positive impact on customers, human rights, and other social aspects. If customer complaints and consumer disputes arise due to failure to treat customers fairly, complicated claims and complaint mechanisms, non-transparent product information, forced selling, or business discrimination, it will damage the rights and interests of customers and related stakeholders.	Implementing the principle of treating customers fairly by providing auxiliary services and product designs for different groups will allow the Company to gain customer trust and improve its image, thereby attracting more customers and increasing business volume and revenue. Failure to implement treating customers fairly will not only cause society to view the Company poorly, but also lead to customer complaints and policy claims disputes, resulting in losses from penalties imposed by competent authorities, litigation, and compensation, and even resulting in early termination of contracts by customers, which will have a negative financial impact on the Company.	-	Cause	Cause	G4 Financial Services Sector Disclosures - FS15 Policies for the fair design and sale of financial products and services GRI 417 Marketing and Labeling GRI 2-27 Legal Compliance GRI 416: Customer Health and Safety	2.2 Financial Health

Note 1: Cause refers to the impact on an organization caused by its own activities; contribute to refers to the activities of an organization that cause, facilitate, or induce an impact on another entity; directly linked to refers to an organization does not cause or contribute to negative impacts, but its operations, products, or services may also have negative impacts due to its business relationships.

01 Climate

1.1 Low-Carbon Economy
1.2 Environmental Sustainability

Core philosophy

As a pioneer in climate action, Cathay Life Insurance uses "low-carbon investment allocation" to properly utilize every dollar invested by shareholders and policyholders, and engages investee companies in depth to drive industries towards a net-zero future, help reduce carbon emissions from economic activities, and hopes to become a leader in participating in international initiatives and activities in Taiwan. In terms of operations, we are implementing the "Zero Carbon Business Transition" project, and seeks to bring together government agencies, suppliers, employees, and the general public through carbon reduction actions, support for renewable energy, and environmental education initiatives, in order to jointly protect our homeland and allow Cathay Life Insurance's commitment to sustainability to be passed down to future generations.

Milestone

Expanding from corporate engagement to public-sector engagement to amplify positive environmental impact

Participated in the joint statement, "Global Investor Statement on Energy Transition in Taiwan," calling on the Taiwan government to take a more proactive approach to addressing the net-zero transformation; Signed "The Belém Investor Statement on Rainforests" in support of global forest conservation efforts, calling on governments worldwide to address deforestation issues collectively. The statement was released at COP30, demonstrating Cathay Life Insurance's commitment and responsibility toward nature-related issues.

Promote domestic and international ESG exchanges to strengthen the momentum for corporate sustainable transformation

Cathay Life Insurance organized the seminar "Insights into New MSCI ESG Rating Criteria and ISS Shareholder Voting Trends," bringing together international experts, scholars, and listed companies in Taiwan from high-carbon-emission and transition-critical industries through the integration of global professional resources. The seminar helped companies stay abreast of international ESG rating trends, low-carbon transition practices, and the latest developments in corporate governance, while fostering cross-sector dialogue and experience sharing to strengthen the overall momentum for sustainability and low-carbon transformation among Taiwanese enterprises.

15,095 metric tons

In 2025, the total renewable energy use exceeded 31.84 million kWh, reaching RE 53.95, which is equivalent to reducing carbon emissions by approximately 15,095 metric tons.

60 %

Energy Management Systems

Cathay Life began collecting and integrating electricity consumption data across all locations at the end of 2024 and implemented an energy management system. Through monitoring and early warning mechanisms, we aim to effectively manage energy costs, promote energy conservation, and optimize the use of green electricity. As of the end of 2025, more than 60% of the Company's total electricity consumption is managed through the system.

Product Carbon Neutrality

In 2025, Cathay Life Insurance became the first insurance company in Taiwan to obtain Product Carbon Neutrality certification and promoted two core products: Travel Safety Insurance and Account-Linked Medical Whole Life Insurance. The Company also passed the ISO 14068-1 international standard for carbon neutrality management, establishing a new benchmark in the market.

Taiwan's first green building

Revamping Our Buildings for Energy Efficiency

Cathay Life Insurance continues to improve the energy efficiency performance of its properties. As of the end of 2025, it had obtained seven level 1 or higher energy efficiency labels. In 2025, it also obtained four level 1+ energy efficiency labels and four Diamond-level green building labels for existing buildings. Among these, the Education Building in Wuri, Taichung became the first "Net-Zero" carbon building in Taiwan certified by the Ministry of the Interior. Cathay Universe Tower received a full score in GRESB (Global Real Estate Sustainability Benchmark) and was also recognized as both a Global Sector Leader and an Asia Sector Leader. It also achieved SmartScore Gold and WiredScore Platinum certifications.

Policy commitment

Cathay Life Insurance set a target to achieve a zero-carbon business transition according to SBT guidelines. Reduce the environmental impact of the Company's operations from low-carbon to zero-carbon, and ensure net-zero emissions is achieved by 2050.

In response to Cathay Financial Holdings' commitment to the RE100 initiative in 2021, Cathay Life Insurance plans to use 100% renewable energy at its headquarters by 2025 and all operating locations in Taiwan by 2030. It also plans to use 100% renewable energy at all global locations by 2050, with various actions on green economy.

Management Action

Zero Carbon Business Transition	Promote mobile insurance/ E-insurance	Continue to implement green procurement and build a sustainable supply chain collaboration model	Internal carbon pricing and environmental participation

Performance tracking/stakeholder engagement

Zero Carbon Business Transition	Promote mobile insurance/ E-insurance	Continue to implement green procurement and build a sustainable supply chain collaboration model	Internal carbon pricing and environmental participation
• Adhere to SBT guidelines in setting the goal of zero carbon business transition. • Implement various net-zero carbon emissions projects in three areas, i.e., Green Energy, Green Operations, and Green Real Estate. • In 2025, the total renewable energy use exceeded 31.84 million kWh, reaching RE 53.95, which is equivalent to reducing carbon emissions by approximately 15,095 metric tons. • Install solar panels to generate electricity for self use. As of the end of 2024, the total installed capacity has reached 2,054 kW.	• The usage rate of e-policies increased by 4% compared to 2024. In 2025, the adoption rate of electronic policy applications reached 99.67%, the highest on record. • A total of over 17.28 million mobile insurance transactions were processed throughout the year. • Through the aforementioned mobile and digital services, a total of 84.04 million sheets of paper were saved, equivalent to the height of 16.5 Taipei 101 buildings. This corresponds to a reduction of approximately 572 tons of CO_2e emissions, equivalent to the annual carbon sequestration capacity of approximately 1.5 Daan Forest Parks.	• In 2025, green procurement amounted to approximately NT$810 million, representing a significant increase of NT$340 million (72%) compared to 2024. Since 2018, cumulative green procurement has exceeded NT$2.33 billion. • All of our suppliers shall sign Cathay FHC's Statement of Sustainability Values and complete the sustainability education and training courses. • We strengthened sustainable collaboration across the supply chain, continued to expand our influence, and convened a Group Supplier Conference, with over a hundred suppliers jointly supporting sustainable development.	• Since 2023, we have introduced an internal carbon pricing mechanism through carbon reduction incentive programs. Participating front-office and back-office units collectively reduced carbon emissions by 913 tons and accumulated a carbon fee fund totaling NT$13.24 million. • We collaborate with Chung-Hua Institute for Economic Research (CIER) and external professional consultants to evaluate the feasibility of optimizing the internal carbon pricing system and expanding its application. • We organized and cooperated with 8 beach cleanup activities in 2025, inviting policyholders and colleagues to participate. In total, over 1,300 kg of coastal waste was removed.

1.1 Low-Carbon Economy

As one of the largest institutional investors in Taiwan, Cathay Life Insurance makes prudent investments on behalf of our shareholders and policy holders, accompanies investees and borrowers in their transition to low carbon economy, and takes actions to support companies that take sustainable development seriously, exerting our positive influence on society and the environment. In addition, we stay up-to-date on the latest international trends and actively engage investee companies through international initiatives and activities. We hope that investee companies and peers in the industry will also jointly advocate and respond to sustainability issues, and strive to become the largest, most influential benchmark enterprise, while bringing stability and happiness to society.

1.1.1 Low-carbon investments Allocation

As an institutional investor, we place emphasis on assessing and measuring risks in various aspects in the investment process, including climate-related risks, and at the same time achieve our commitment on net zero emissions. We work to meet the funding needs of companies in their low-carbon transformation by using our financial influence. We raise their awareness of low-carbon transformation and encourage them to formulate specific plans through dialogue. Cathay Life Insurance believes that these actions will strengthen the resilience of investment portfolios in coping with climate risks. As the same time, Cathay Life Insurance can also explore opportunities related to low-carbon transformation, thus helping the world achieve sustainable economic development.

Corresponding to the Paris Agreement, Cathay Life follows the science-based quantified carbon reduction method, and adopts forward-looking and impact-based temperature methods to lay out the carbon reduction pathway for investment portfolios. Cathay Life and its parent company, Cathay Financial Holdings, jointly established SBTi targets and completed the review process in 2022, in response to the global trend of net-zero emissions. We are working towards Net Zero Financial Assets by 2050 through the "low-carbon investments allocation" strategy and three major action plans, including Green Capital, Green Engagement and Green Business.

■ Action plans

● Green Capital—Focusing on the Climate Resilience of the Overall Investment Portfolio

Expand the support for Green Finance

To attain the goals of the Paris Agreement, the world must invest massive funds in low-carbon industries. For this reason, Cathay Life Insurance has set specific low-carbon investment goals in 2019, in the hope of contributing to the mitigation of global warming through investments. With the changes in climate policies of various countries and the global pursuit of low-carbon transition, low-carbon-related industries have long-term growth potential, and will create investment opportunities for the Company. Therefore, we regularly review the growth of investment assets and market opportunities, and set low-carbon investments goals on this basis. This strategy will help lower climate-related risks, strengthen the climate resilience of investment portfolios, and improve our ability to respond to the challenges brought by climate change. The latest goal is to achieve "85%, 110%, and 115% growth in 2026, 2030, and 2035 with 2020 as the baseline year." Cathay Life Insurance 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 expand our support for green industries.

Allocation for enterprises undergoing low-carbon transformation (Transition Finance)

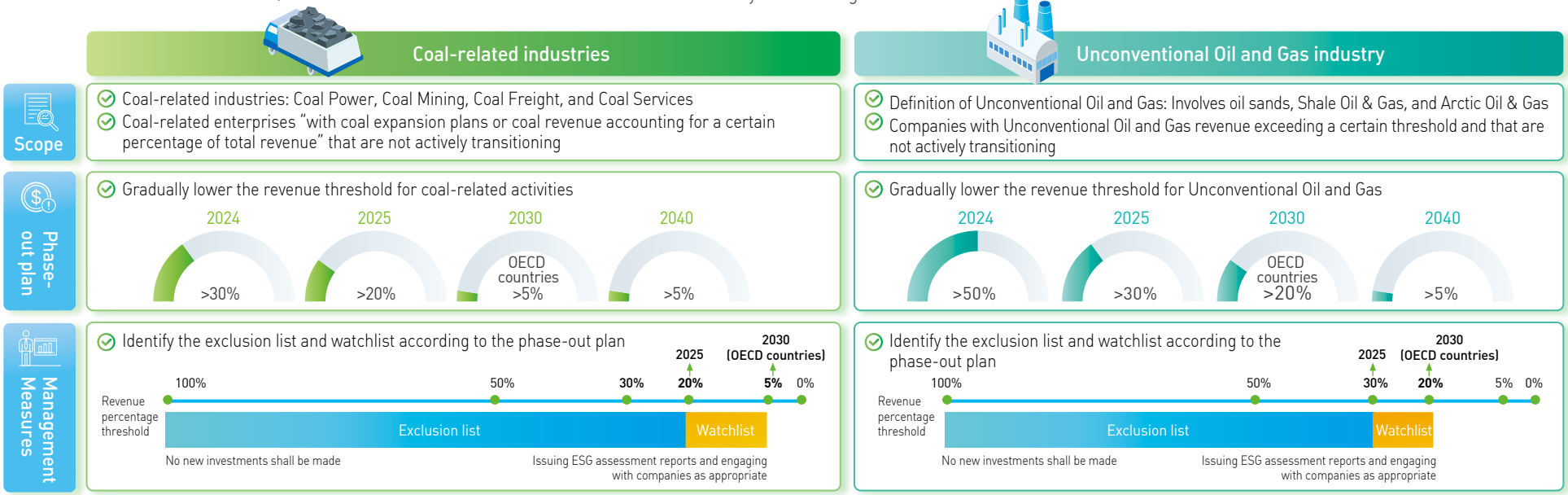
Allocation to enterprises with concrete long-term carbon reduction goals

Companies require funding for their low-carbon transition, and Cathay Life Insurance serves as a partner in corporate transition by investing in sustainability-linked bonds that are 100% tied to greenhouse gas (GHG) reduction targets as sustainability performance targets [see Section 4.1.2 Sustainability Investment Actions – Sustainability-Linked Bonds, P.117], and by allocating investments to companies with long-term and specific carbon reduction goals (companies committed to SBT and Net Zero). In doing so, Cathay Life Insurance not only provides funding to support corporate transition but also enhances the climate resilience of its investment portfolio. Governments around the world have set the target of net zero emissions and are implementing supervisory measures to encourage corporate carbon reduction actions. In view of such development, if companies with high carbon emissions take active measures, such as setting specific carbon reduction targets or increasing capital expenditures in the technology for low-carbon transition, Cathay Life Insurance will continue to provide financial support while replacing investments in companies that have high carbon emissions and have not set carbon reduction targets. Through these efforts, we aim to increase the allocation of Green Capital.

Expand management of coal and Unconventional Oil and Gas industries

In 2021, the UN COP26 reached the Glasgow Climate Pact, the first climate agreement that lays out a plan to reduce the use of coal. Therefore, phasing out coal has become a global consensus for combating climate change. Coal-related industries will face significantly higher risks of asset impairment in the future. In addition, since the negative impact from the Unconventional Oil and Gas industry is higher compared with the traditional oil and gas industry, Cathay Life Insurance will carefully evaluate the use of funds in the coal industry and Unconventional Oil and Gas industry, and will provide financial support for companies with net-zero goals and low-carbon transformation plans, gradually reducing the number of companies that are not going through transition. We aim to thereby avoid the risk of holding controversial assets or stranded assets, and comply with our strategy for the allocation of companies committed to low-carbon transformation.

Therefore, Cathay Life Insurance 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 on the exclusion list, no new investments may be made. If a company is included on the watchlist, the investment team must issue an ESG assessment report. The Responsible Investment Working Group may also adopt appropriate stewardship measures based on the circumstances, and plans to fully divest by the end of 2040 from equity investments in coal and Unconventional Oil and Gas companies deriving more than 5% of revenue from such businesses and that are not actively transitioning.



Green Engagement–Focusing on Sustainability and Leveraging the Power of Dialogue

See 1.1 Low-Carbon Economy on P.36 for details

Participating in initiatives proposed by international organizations

As global climate issues rapidly unfold, Cathay Life Insurance is proactively participating in initiatives of international organizations such as the Asia Investor Group on Climate Change (AIGCC) and Ceres Valuing Water Finance Task Force. Setting an example for Taiwan to learn about international benchmark practices, we also hope to act as a bridge between international and Taiwanese industries and cultivate international perspectives in Taiwan.

Expanding engagement with key companies

Cathay Life Insurance is the first financial institution in Taiwan to conduct in-depth dialogs with companies on the climate theme. We are also one of the most proactive and leading financial companies in Asia. As a leader in green engagement actions, we hope to continually communicate and cooperate with investee companies to urge them taking specific climate response actions, thereby increasing the climate resilience and long-term value of Cathay's own investment portfolios.

Establish environmental accountability mechanisms

Cathay Life Insurance believes that the board of directors plays a key role in supervising a company's implementation of climate governance. Therefore, we established a climate accountability mechanism in 2022 to assess high carbon emission companies and evaluate the suitability of directors and whether directors have fulfilled their duties in supervising climate issues, and they should carefully exercise voting rights when electing directors in the shareholders' meeting. For companies that have not taken enough actions to reduce climate risks, the election of the responsible director will not be supported, and Cathay Life Insurance will convey to the companies the need to take immediate climate actions, demonstrating that it attaches great importance to climate governance. In addition, considering the significant impact of climate change on the loss of biodiversity, and the irreversible damage it will do to ecosystems around the world, Cathay Life Insurance expanded the climate accountability mechanism to a nature accountability mechanism in 2023, forming an environmental accountability mechanism for Cathay Life Insurance to exert influence in environmental issues as an investor.

《Green Engagement Case》

Case: Company C belongs to the Steel industry, and is one of the list of focus companies in Climate Action 100+, and our major engagement target.

Background

Cathay Life Insurance began engaging Company C in 2019. Based on the expectations of CA 100+ and the Company's SBTs, we hoped that Company C would improve its climate change disclosures in accordance with the TCFD framework, and set carbon reduction targets aligned with the Paris Agreement. We hoped to thereby reduce carbon emissions in response to the Paris Agreement and achieve our ambitious goals and commitment to achieve low-carbon economy and net-zero emissions.

Engagement contents:

1. Encouraged the company to set a carbon reduction pathway or science-based targets (SBTs) aligned with the Paris Agreement in accordance with the SBTi Financial Institutions Net-Zero Standard.
2. Since carbon emissions in the Steel industry are mainly from the manufacturing process, achieving meaningful carbon reductions and set an ambitious carbon reduction pathway, in addition to improving energy efficiency, and it will mostly rely on technological breakthroughs and commercialization. Therefore, we focused on Company C's capabilities and investments in low-carbon transition technology during engagement.
3. Discussions and improvements are conducted based on the CA100+ Net-Zero Company Benchmark, including engagement on capital allocation for low-carbon transition, climate policy, climate governance, and just transition, in order to enhance alignment with the benchmark indicators.

Engagement progress and results

Company C faces challenges in technology R&D, resource availability, and capital investment due to the characteristics of the industry. For example, low-carbon steelmaking technology is not yet mature, while key resources remain insufficient and costly. However, despite the challenges in achieving carbon reduction results, Company C continues to invest in the research and development of low-carbon technologies and monitor international trends, while gradually promoting low-carbon processes and carbon reduction strategies in pursuit of its carbon reduction targets.

Company C has actively responded to the requirements of the CA100+ Net-Zero Company Benchmark and achieved significant progress, with its score increasing from 43.5% in 2024 to 52.2% in 2025, surpassing the industry average of 42.1%. In addition, the 2025 Progress Update report published by CA100+ noted that the Asian Steel industry (including Company C) provides investors with a credible foundation through the establishment of clear carbon reduction roadmaps. During the 2025 engagement process, Cathay Life Insurance continued to share international corporate climate practices with Company C, assisting it in improving its CA100+ Net-Zero Company Benchmark score and proposing more concrete action plans. Company C also responded positively to areas identified for improvement under CA100+ and committed to continuous improvement.

Source of image: CA 100+ 2025 Progress Update

《Climate Accountability Case》

Case: Company S is a large electronics company and was included on the CA100+ focus companies list

Main focus of analysis:

Company S has established net-zero greenhouse gas emissions targets and clearly committed to achieving at least a 95% reduction in Scope 1 and Scope 2 emissions by 2050 or earlier, and this indicates that it has already developed an initial long-term carbon reduction plan. However, under the CA100+ Net-Zero Company Benchmark, in addition to long-term commitments, companies are still required to establish comprehensive and concrete short- and medium-term emissions reduction pathways to enable investors to assess their actual capacity and progress in implementing the transition.

At present, the company has not yet met CA100+ Indicator 3.1 (requiring the establishment of short-term emissions reduction targets by 2027) and Indicator 4.1 (requiring the establishment of medium-term emissions reduction targets for 2028–2035), indicating that its net-zero commitment still lacks concrete implementation plans. As global policies gradually move toward stricter emissions management and mandatory disclosure requirements, failure to establish concrete quantitative targets in the short and medium term may lead to increased transition uncertainty and potential operational and financial risks.

Climate accountability actions

Based on the principle of climate accountability, the Company believes that the Board of Directors should be responsible for ensuring that companies establish comprehensive and time-bound carbon reduction pathways in line with the global transition toward 1.5℃. Although the company has established long-term targets, it has yet to establish short- and medium-term targets, resulting in a gap in its climate strategy. Accordingly, we abstained from voting in the election of the director primarily responsible for this matter at Company S. The reasons why the Company abstained are as follows:

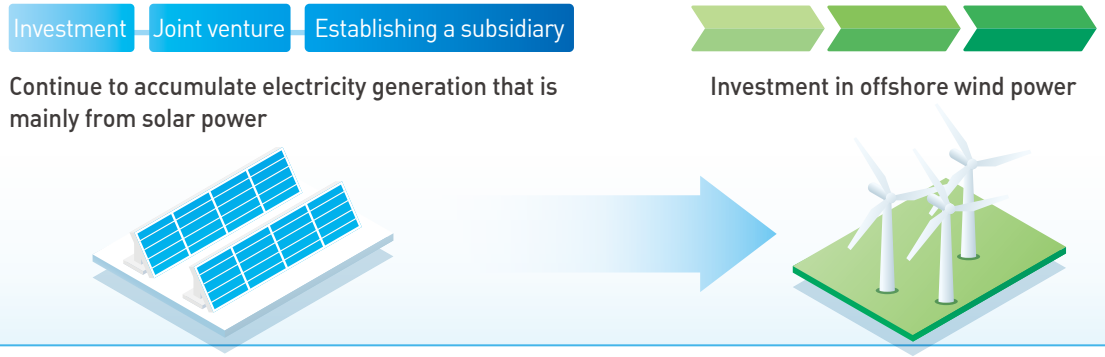
- Although the company has established a 2050 net-zero commitment, it has not yet set short-term (by 2027) greenhouse gas emissions reduction targets.
- It also has not established medium-term (2028–2035) emissions reduction targets, and therefore does not meet the requirements of CA100+ Net-Zero Company Benchmark Indicators 3.1 and 4.1.
- The lack of short- and medium-term pathways supporting its long-term targets undermines the credibility and execution of the company's overall climate strategy.

Green Business—Focusing on Taiwan's Wind Power/Solar Power Deployment Opportunities

The development of renewable energy has become one of the most important strategies to implement net-zero emissions. Furthermore, under the energy transition policies of governments around the world, costs from additional carbon fees or carbon tax will be incurred by enterprises with high carbon emissions. This will accelerate the demand for renewable energy, thereby benefiting the renewable energy industry.

For this reason, Cathay Life Insurance proactively evaluates investment opportunities in renewable energy, including solar power, wind power, hydropower, and geothermal power, in recent years. Among which, Cathay Life Insurance began investing in solar power plants in 2014, and established solar power plants in joint venture with key solar energy raw material suppliers in 2016, promoting solar power industrial clusters. In 2022, in view of the positive outlook for long-term green electricity demand driven by the national energy transition policy and corporate RE100 commitments, Cathay Life Insurance consolidated its related investments in solar power plants and subsequently established a subsidiary to oversee the evaluation and investment of solar power projects.

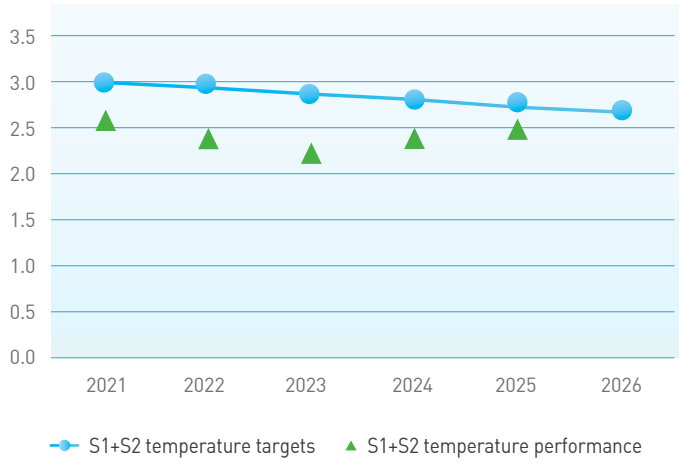
Furthermore, Cathay Life Insurance's investment team integrated internal and external resources to establish an offshore wind farm project evaluation team. Following on-site technical, financial, and legal due diligence assessments, the team evaluated Ørsted's divestment of a 50% stake in the Greater Changhua 4 Offshore Wind Farm in 2023. In December 2024, Cathay Life Insurance, together with its subsidiary Cathay Power, jointly invested up to NT$27.3 billion to acquire a 50% stake in Ørsted's Greater Changhua 4 Offshore Wind Farm, which has an installed capacity of approximately 583 MW. In December 2025, Cathay Life Insurance and Cathay Power further jointly invested up to NT$34 billion to acquire a 55% stake in Ørsted's Greater Changhua 2 Offshore Wind Farm, which has an installed capacity of approximately 632 MW. This demonstrates support for Taiwan's renewable energy transition and responds to the government's energy transition policies, while also enabling Cathay Life Insurance to play a key role in narrowing the gap between renewable energy supply and demand and helping more Taiwanese companies access green electricity.



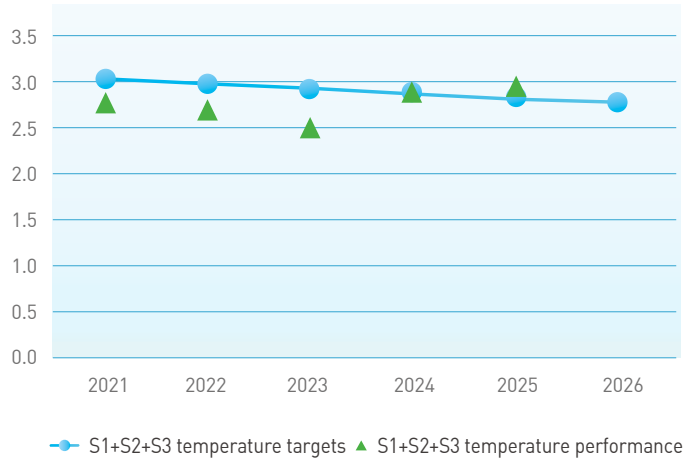
Under the strategy of low-carbon investments allocation, Cathay Life Insurance not only pays attention to the development of innovative climate-related technologies, but also carefully evaluates the potential upside of investee companies, and also carefully assesses investment risks in each area. For example, in the Green Capital allocation transition process, many green industries require significant capital investments and have a longer investment cycle, so they must pay attention to inflation and interest rate risks during the investment process. In addition, for high-cost renewable energy (such as Hydrogen Energy and offshore wind power), it is necessary to pay attention to policy changes and closely monitor the long-term development and subsidy or support policies of different governments. For example, the Trump administration's support for conventional energy may affect the development of low-carbon energy, and changes in U.S. energy policy may lead to fluctuations in global energy prices, which in turn will affect the progress of other countries transitioning to low-carbon energy and result in greater uncertainty. Taking offshore wind power in the Green Business action plan as an example, Cathay Life Insurance is optimistic about the investment opportunities related to offshore wind power. The internal project team cooperated with world-renowned engineering and technical consultants, domestic exploration geologist, civil engineers, and climate change and wind turbine engineering experts to conduct research and risk assessment for more than a year, so as to clarify the potential investment risks of offshore wind farms. For example, the project team decided to participate in the investment after conducting assessments regarding the possible impacts on wind farms, covering factors such as suction bucket jacket, soil liquefaction, earthquakes, typhoons, sand waves, shallow natural gas and others. Going forward, Cathay Life Insurance will continue to refine assessments of the financial risks, planning and management risks, and technological risks of innovative technologies to ensure that Cathay addresses both the risks and benefits in low-carbon investments allocation strategies.

We are gradually implementing targets on the temperature reduction pathway of the SBTi through the "low-carbon investments allocation" strategy and the three major action plans of "Green Capital," "Green Engagement, " and "Green Business. " Our results in 2025 are as follows. Our S1+S2 temperature performance has met the 2025 target. However, the achievement rate for the 2025 SBT S1+S2 temperature performance was 95%. This was mainly due to adjustments in the CDP-WWF Temperature Scoring Methodology, in which the default temperature for companies lacking valid climate target data was raised to 3.4°C, and adopted a more conservative yet robust approach to estimating Scope 3 (S3) temperatures.

Achievements in S1+S2 temperature reduction of listed equity and corporate bonds



Achievements in S1+S2+S3 temperature reduction of listed equity and corporate bonds



■ Key indicators for low-carbon investments

Cathay Life Insurance developed the Climate Tool based on data availability for internal management to achieve net-zero emissions by 2050. The system provides data on carbon emissions and emission intensity of investment targets in the past few years, and helps monitor trends in carbon emissions of investee companies. Meanwhile, we use the investment portfolio's total carbon emissions and emission intensity as key indicators for low-carbon investments, and set a suitable frequency to monitor and measure the progress of climate strategy implementation. The details are as follows:

● Financed emissions of investment and loan portfolio

To fulfill the commitments of the Paris Agreement and prepare in advance for increasingly stringent global carbon emissions regulations, Cathay Life Insurance conducts an annual inventory of the carbon footprint of its investment portfolio. Since 2018, the Company has adopted the TCFD recommendations to calculate the weighted average carbon emissions of its listed equity and corporate bond investment portfolios. Since 2020, the methodology of the Partnership for Carbon Accounting Financials (PCAF) has been adopted to calculate financed emissions and economic emission intensity for listed equity and corporate bonds. Furthermore, since 2023, in accordance with the methodology published by PCAF in December 2022, the inventory scope has been expanded to cover financed emissions across the seven asset classes defined by PCAF[Note].

Given that PCAF released an updated methodology in December 2025, expanding the number of asset classes from seven to ten [Note], Cathay Life Insurance further incorporated the calculation of financed emissions for the "securitized and structured products" asset class beginning in 2025. Going forward, Cathay Life Insurance will continue to refine the financed emissions inventory for all asset classes with applicable methodologies, subject to data availability, in order to continuously monitor changes in the carbon emissions of its investment and financing portfolio.

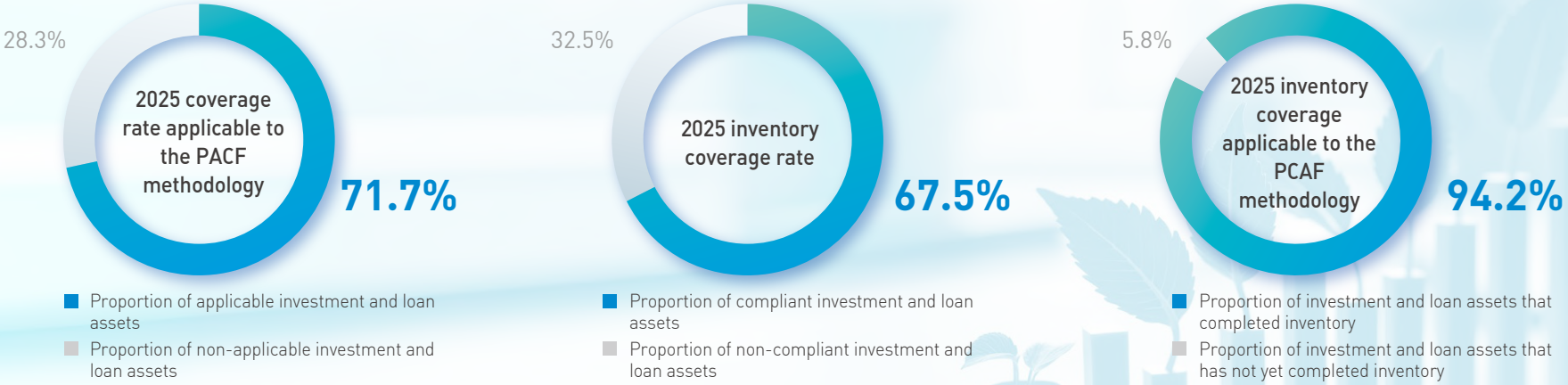
The methodology used for the financed emissions of the investment and financing portfolio in 2025, as well as the boundaries, scope, and databases used for the financed emissions inventory, are described below:

Methodology	Organizational boundaries	Types of assets	Account title	Record date of inventory	Scope of Greenhouse Gas Emissions	Database/Source
Calculations are based on the latest methodology published by the Partnership for Carbon Accounting Financials (PCAF) in December 2025, with reference to the guiding principles set out in the "Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Loan Portfolios for Insurance Companies."	Subsidiaries that the Company has controlling interest and are included in the Company's consolidated financial statements are excluded, as their GHG emissions are already included in Scope 1 and Scope 2 emissions of the Company. Only the financed emissions of investment and loan portfolios in the standalone financial statements are calculated, and subsidiaries in the consolidated financial statements are not included.	Listed equity and corporate bonds, business loans and unlisted equity, project finance and investment, commercial real estate loan and investment, mortgages, securitized and structured products, and sovereign bonds.	• Investment 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. • Loan Loan positions listed under "Loans."	December 31, 2025	Except for the items separately explained below, all other assets in the inventory are calculated as Scope 1 and Scope 2 GHG Emissions. • For sovereign bonds, only Scope 1 category is calculated. • Scope 1, Scope 2, and Scope 3 greenhouse gas emissions are calculated separately for listed equity and corporate bond investment portfolios. • All project investments and financing are renewable energy loans, and are therefore separately calculated to avoid carbon emissions.	The MSCI database, PCAF database, data directly provided or disclosed by investment/loan targets, and related information from the journals of Energy Administration, Ministry of Economic Affairs and the Architecture and Building Research Institute, Ministry of the Interior.

Note: The methodology published by PCAF in December 2022 includes seven asset classes: listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, and sovereign bonds. The updated methodology published in December 2025 expands the classification to ten asset classes, retaining the original seven while adding use of proceeds structures(Sustainability-related bonds), securitized and structured products, and sovereign bonds. However, Cathay Life Insurance does not engage in motor vehicle loan business, and therefore its asset exposure in this asset class is zero. use of proceeds structures and sovereign bonds will be incorporated into financed emissions calculations in the future, subject to data availability.

Inventory coverage rate

Since 2020, Cathay Life Insurance has voluntarily followed the guidelines of the Partnership for Carbon Accounting Financials (PCAF) and adopted its methodology to calculate financed emissions associated with the operations (Scope 1 and Scope 2) of its investment portfolio. Through continued accumulation of carbon inventory experience and the inclusion of financing portfolios within the inventory boundary, the overall coverage ratio of the investment and financing portfolio applicable to the PCAF methodology reached 94.2% in 2025.

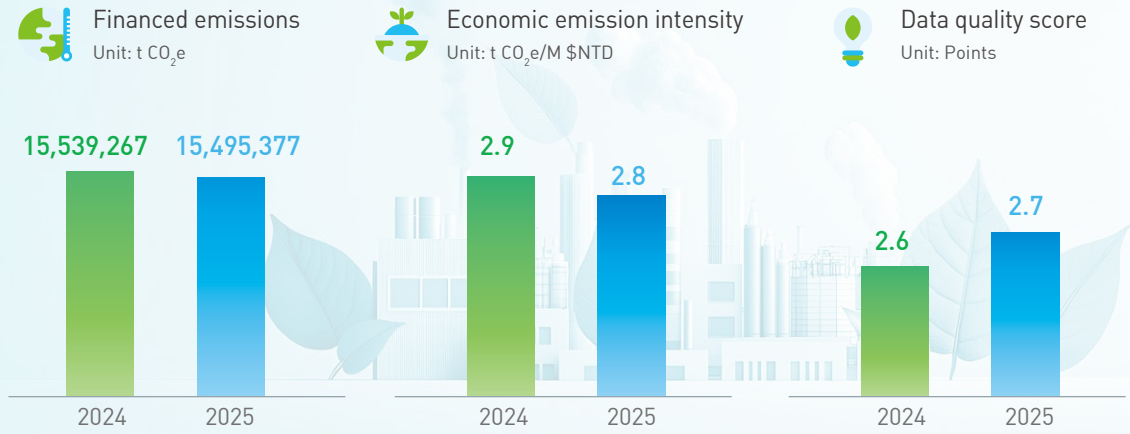


Note 1: Coverage rate applicable to PCAF methodology: The investment and loan positions in line with the PCAF methodology as a percentage of the total investment and loan positions.
Note 2: Inventory coverage rate: The investment and loan positions that already underwent inventory pursuant to the PCAF methodology as a percentage of the total investment and loan positions.
Note 3: Inventory coverage applicable to the PCAF methodology: The investment and loan 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.
Note 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.
Note 5: The total investment and loan positions are sourced from the Cathay Financial Holding Co., Ltd. 2025 fourth quarter institutional investor conference, P. 22, specifically the total investment amount of Cathay Life Insurance's asset allocation for 2025.

Investment/Loan carbon inventory results

1.Carbon emissions of the investment and loan portfolio

In 2025, the financed emissions from investment and loan amounted to 15,495,377 tCO_2e [Note], with an economic emission intensity of 2.8 tCO_2e / M NTD, and the data quality score was 2.7. Financed emissions and economic emission intensity decreased by 0.3% and 2.5%, respectively, compared with 2024, while the data quality score increased slightly by 5% year over year, indicating gradual improvement in overall carbon emissions management. However, due to the expansion of asset classes to include securitized and structured products, for which the majority of emissions are estimated, the data quality score declined slightly. Nevertheless, the overall change remained limited, and we will continue to improve the quality of related data going forward.



Note 1: Includes financed emissions from listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, securitized and structured products, and sovereign bonds (excluding LULUCF)

Note 2: LULUCF stands for land use, land-use change and forestry: Human activities cause changes in carbon cycle between the terrestrial biosphere through LULUCF, leading to the alteration of carbon dioxide in the atmosphere.

Note 3: A data quality score of 1 indicates the highest level of data quality, meaning that all carbon emission data have been verified by an independent third party. A score of 5 represents the lowest level of data quality; therefore, a lower score indicates improvements in the accuracy and completeness of the data.

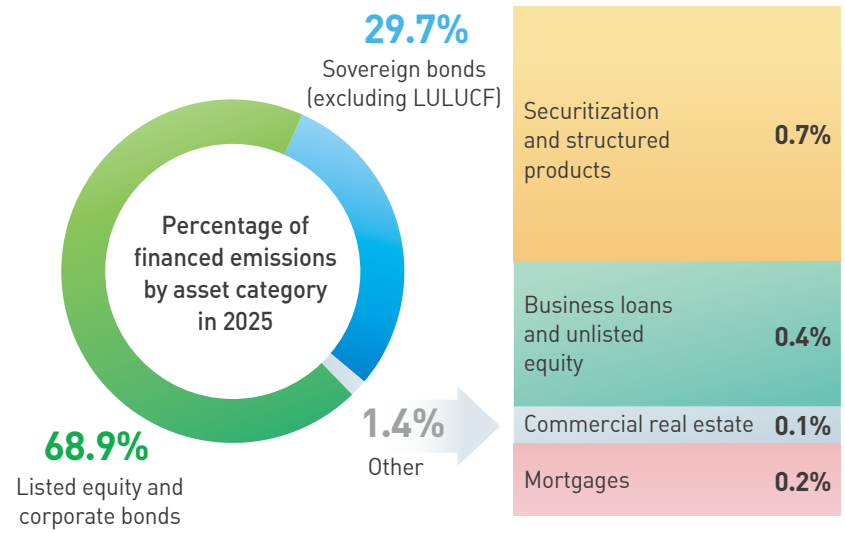
Note 4: Economic emission intensity and data quality scores are presented on a rounded basis, while the magnitude of change is calculated using the original values. Therefore, even where the displayed values appear unchanged, the actual magnitude of change may still differ.

Note 5: Financed emissions from securitized and structured products were newly incorporated into the calculations in 2025. Excluding the impact of this newly added asset class, financed emissions decreased by 1% compared with 2024.

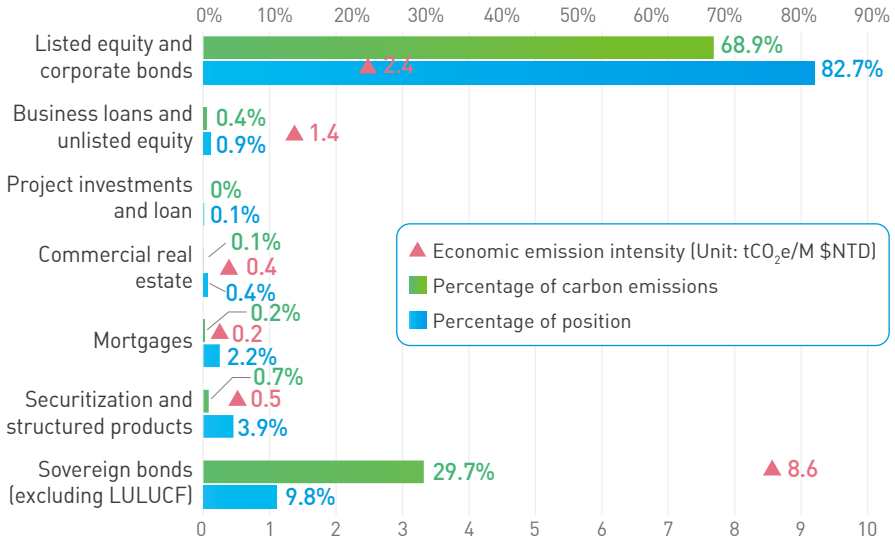
Financed emissions in 2025 were mainly derived from asset classes such as listed equity and corporate bonds, and sovereign bonds. Further details are provided below by asset class, industry, and country:

In terms of financed emissions by asset class, listed equity and corporate bonds accounted for the largest share at 68.9%, followed by sovereign bonds (excluding LULUCF) at 29.7%. The remaining asset classes, including business loans and unlisted equity investment and financing, commercial real estate investment and loan, mortgages, and securitized and structured products, together accounted for only 1.4% of the total. In terms of financed emissions distribution and economic emission intensity by asset class, sovereign bonds accounted for only 9.8% of the inventory exposure, yet contributed 29.7% of financed emissions, indicating a high concentration of carbon emissions. Sovereign bonds also recorded the highest carbon intensity among all asset classes. In contrast, listed equity and corporate bonds accounted for 82.7% of the portfolio exposure, while contributing 68.9% of financed emissions. Cathay Life Insurance will continue to monitor and analyze changes in carbon emission intensity of each asset class. Based on the industry analysis, the Energy, Utilities, and Materials sectors accounted for a significantly higher share of financed emissions relative to their portfolio exposure, and also exhibited relatively high economic emission intensity, making them key sectors for ongoing monitoring going forward. In terms of geographic distribution, the Americas ranked highest in both financed emissions and portfolio exposure. While other regions accounted for a lower share of portfolio exposure, they exhibited higher carbon intensity, reflecting the high-carbon characteristics of local investee companies. Cathay Life Insurance will continue to monitor developments in these regions.

Percentage of financed emissions by asset class



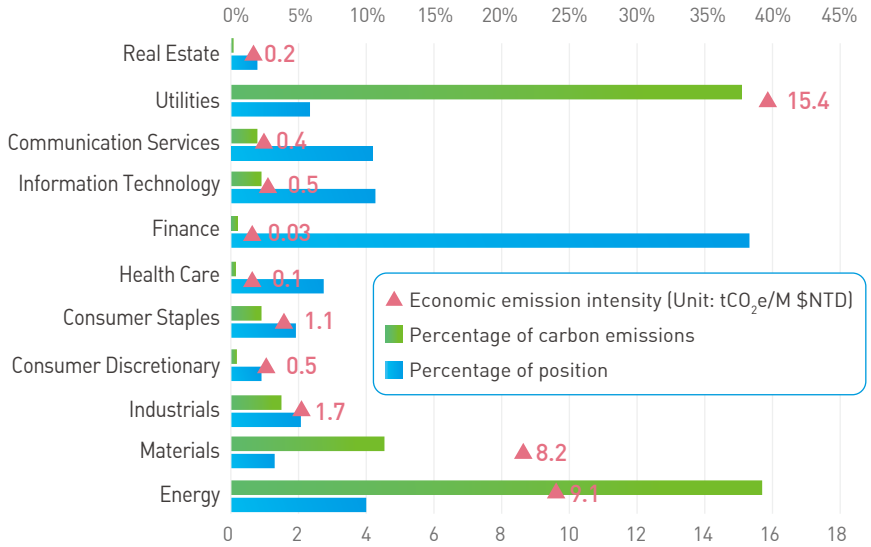
Distribution of financed emissions by asset



Note 1: Project investments and loan are mainly renewable energy loans, and financed emissions are calculated based on actual activity. Since the carbon emission factor for renewable energy is zero, the corresponding Scope 1 and Scope 2 emissions are both zero, while avoided emissions amounted to 34,125 tons.

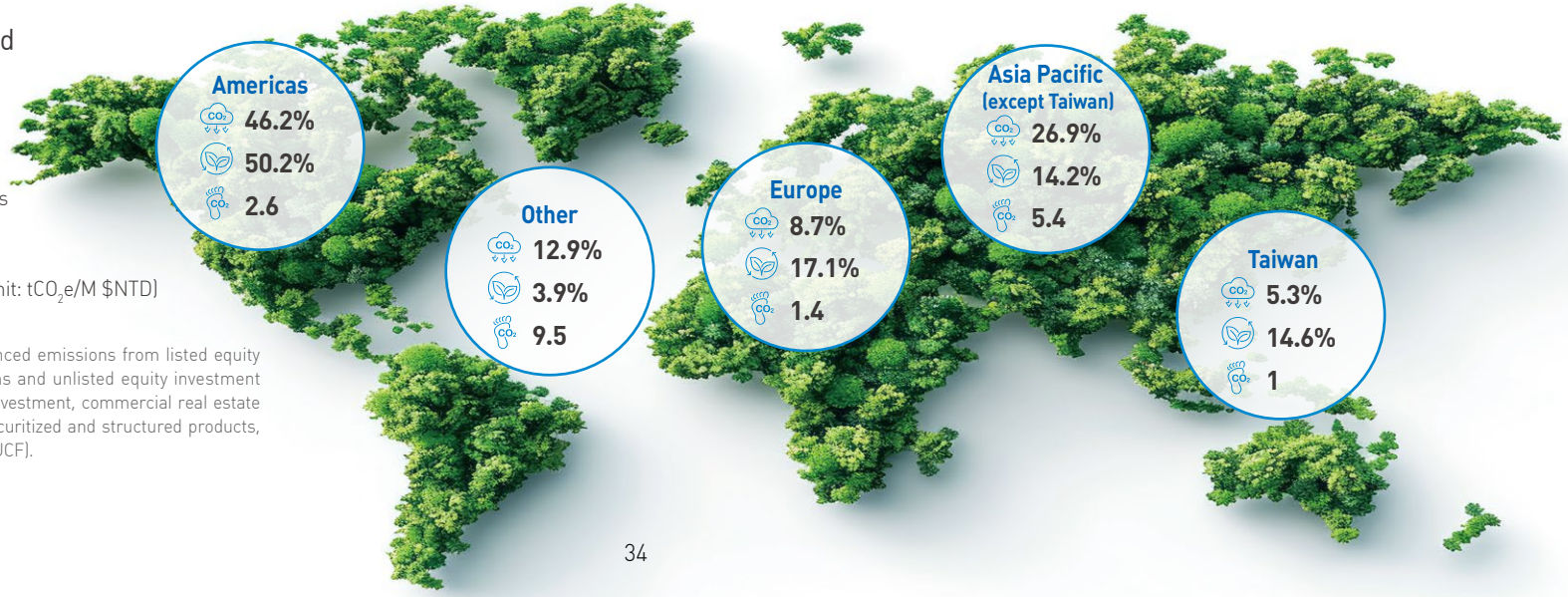
Note 2: Sovereign bonds (including LULUCF) accounted for 31.3% of financed emissions, represented 9.8% of portfolio exposure, and had an economic emission intensity of 9 tCO_2e/M NTD.

Distribution of financed emissions by industry



Note: Industry analysis includes financed emissions from listed equity and corporate bonds, business loans and unlisted equity investment and financing, project finance and investment, and commercial real estate investment.

Distribution of financed emissions by country



Percentage of carbon emissions

Percentage of position

Economic emission intensity(Unit: tCO_2e/M $NTD)

Note: Country-level analysis includes financed emissions from listed equity and corporate bonds, business loans and unlisted equity investment and financing, project finance and investment, commercial real estate investment and loan, mortgages, securitized and structured products, and sovereign bonds (excluding LULUCF).

2.Financed Emissions of listed equity and corporate bonds

■ Own operations and value chain (Scopes 1, 2, and 3)

In order to more comprehensively monitor the carbon emissions of its investment portfolio, Cathay Life Insurance expanded the scope of financed emissions inventory for listed equity and corporate bonds beginning in 2022 to include Scope 3 emissions of investee companies. With reference to the PCAF guidelines, the Company also prioritized the calculation of financed emissions associated with the operations (Scopes 1 and 2) and value chain (Scope 3) of investee companies in the Oil & Gas, Metals & Mining, Transportation, and Construction Materials sectors. In response to the PCAF requirement that disclosures issued after 2025 must cover Scope 3 emissions across all industries, Cathay Life Insurance further expanded the Scope 3 inventory beginning in 2025 to include all industries within its listed equity and corporate bond investment and financing portfolio, thereby enhancing the overall carbon inventory framework.

Listed equity	Unit	Scope 1 and 2	Scope 3
Financed emissions	t CO_2e	442,819	6,963,669
Economic Emission Intensity	t CO_2e/M $NTD	0.7	11.5
Coverage ratio	%	100%	100%
Data quality score	Points	2.5	2.9

Corporate bond			
Financed emissions	t CO_2e	10,228,779	53,891,780
Economic Emission Intensity	t CO_2e/M $NTD	2.6	13.8
Coverage ratio	%	100%	100%
Data quality score	Points	2.4	2.5

Total			
Financed emissions	t CO_2e	10,671,599[Note]	60,855,449
Economic Emission Intensity	t CO_2e/M $NTD	2.4	13.5
Coverage ratio	%	100%	100%
Data quality score	Points	2.4	2.6

Note: The financed emissions data is processed quarterly, therefore the total amount of Scope 1 and Scope 2 emissions is calculated after summing the original data, so there may be slight differences from the totals in the table values.

1.1.2 Pioneering Sustainability

In addition to building its own infrastructure of sustainability with products, services, and Responsible Investment, Cathay Life Insurance leads the industry in participating in initiatives and activities of international organizations. Furthermore, we also use the power of investment for in-depth engagement with investee companies and urge other insurance companies to implement the Principles for Responsible Investment (PRI), in hopes that our investee companies and other insurance companies can also jointly campaign for and respond to sustainability issues, so that become a role model as a pioneer of sustainability advocacy.

The engagement results in 2025 are summarized as follows:

International Initiatives

10 International Initiatives

Worked with international investors

Ceres
- Valuing Water Finance Task Force
- Water & Hight-Tech Working group

AIGCC ASIA INVESTOR GROUP ON CLIMATE CHANGE
- AIGCC Engagement and Policy Working Group
- AIGCC Paris-aligned Investment Working Group
- AIGCC Physical risks and Resilience Working Group
- AIGCC Energy Transition Working Group
- AIGCC Forest and Land Use Working Group
- AIGCC Asset Owner Working Group

ACGA

3 Climate Engagements

Asian Utilities Engagement Program

CDP DISCLOSURE INSIGHT ACTION

Climate Action 100+

- CDP Non-Disclosure Campaign

2 Nature Engagements

Nature Action 100

Ceres

- Valuing Water Finance Initiative

2 Policy Engagements

ARE ASIA RESEARCH & ENGAGEMENT

- Global Investor Statement on Energy Transition in Taiwan
- The Belem Investor Statement on Rainforests

Corporate Engagement

Individual Engagement

Directly engaged with companies

137 companies

Collective Engagement

Invited all companies

1,931 companies

Participating in international initiatives to keep track of international trends ahead of time

Asia Investor Group on Climate Change (AIGCC)

Cathay Financial Holdings is a founding member of AIGCC and the earliest member from Taiwan. Cathay Life Insurance and Cathay Financial Holdings 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.

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 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.

Ceres Water & High-Tech Working Group

Due to the rapid development of AI technologies in recent years, global demand for data centers and semiconductor manufacturing has increased significantly, and both industries are highly water-intensive. To strengthen investors' capabilities in managing water resources-related risks in the high-tech sector, Ceres established a high-tech working group in 2025 focused on water resource issues in the data center and semiconductor industries.

To deepen its understanding of water resource-related risks, opportunities, and best practices in the high-tech sector, and to enhance the depth of engagement on water resource issues, Cathay Life Insurance joined the working group in 2025. Through regular participation in meetings and exchanges with other investors, Cathay Life Insurance strengthens its research on water resource issues and gradually incorporates related risks into investment decisions and engagement strategies, thereby enhancing the long-term value and risk resilience of its investment portfolio while aligning with international practices.

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), transition plans and Corporate Value Enhancement Plan (Value up).

■ Actively engaging with companies to exert influence in sustainable finance

Cathay Life Insurance participates in international engagement initiatives such as the CDP Non-Disclosure Campaign, Climate Action 100+ (CA100+), the AIGCC Asian Utilities Engagement Program, the Valuing Water Finance Initiative, and Nature Action 100. Through collaborative engagement with other international investors, as well as direct engagement with companies, Cathay Life Insurance communicates with investee companies on Sustainability-related issues. The Company also organizes forums and seminars to engage with multiple companies simultaneously:

● International engagements

CDP "Non-Disclosure Campaign"

Cathay Life Insurance takes it upon itself to act as a leader in engagement. Through one-on-one communications, we have encouraged companies that have yet to respond to CDP questionnaires, urging companies to disclose climate actions 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.

Cathay Life Insurance has participated in the campaign since 2017.

Key performance:

- Success rate of engagement: We successfully engaged with 3 companies in 2025, bringing the cumulative number of successful engagements from 2021 to 2025 to 80 companies, with a success rate of 8% for the year. Some companies were required to devote substantial resources to IFRS alignment and, although willing to respond, were unable to complete the disclosures this year due to insufficient manpower. We will continue to monitor and understand companies' disclosure progress in order to enhance the effectiveness of future engagements.
- Engagement progress rate: In 2025, a total of 6 companies demonstrated improved performance in the year following successful engagement, resulting in a progress rate of 51%, compared with 50% in the previous year, indicating that engagement has a positive impact on corporate performance.

Climate action 100+

Climate Action 100+ was launched in 2017 and is the world's largest investor-led climate initiative. It aims to urge companies to take carbon reduction actions in line with the Paris Agreement. Among the 164 watchlist companies identified by the initiative, Cathay Life Insurance engages one-on-one with all three Taiwanese companies on the list, encouraging them to strengthen climate-related disclosures in accordance with the TCFD framework and respond to the Paris Agreement by reducing carbon emissions and committing to the transition toward a low-carbon economy and net-zero emissions.

Cathay Life Insurance has participated in the initiative since 2017.

Key performance:

- All three Taiwanese companies have expressed their commitment to net-zero emissions or carbon neutrality by 2050 and set short- and mid-term carbon reduction targets. Furthermore, the target of one of the companies have even been approved by the Science Based Targets initiative (SBTi).
- Among them, Company C improved its CA100+ Net-Zero Company Benchmark score from 43.5% in 2024 to 52.2% in 2025, surpassing the industry average of 42.1%, and was included in the CA100+ 2025 Progress Update report. Company H's score increased from 30.8% to 35.9%, surpassing the industry average of 31.4%. Company H also made progress on certain net-zero indicators, demonstrating its willingness to continue improving its climate strategy and disclosures.

Source of image: CA 100+ 2025 Progress Update

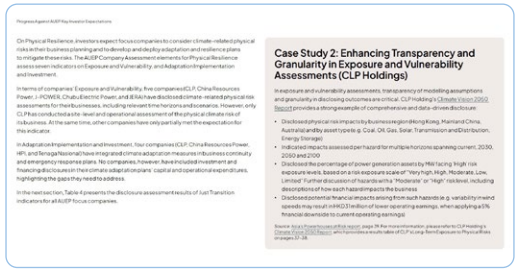
Asia Utilities Engagement Program

As the world seeks to achieve emission reduction targets and tackle climate change by "phasing out coal," Cathay Life Insurance has adopted a more assertive attitude by leveraging the power of dialogue to influence companies' measures related to "phasing out coal." By cooperating with global institutional investors, Cathay Life Insurance has "engaged" eight large coal-fired power generation plants to influence and advance their low-carbon transitions in compliance with the net-zero emissions scenario set forth in the Paris Agreement.

Joined in 2021.

Key performance:

- Company C, with which Cathay Life Insurance jointly engaged, has accelerated adjustments to its energy mix in recent years, having completed the retirement of three coal-fired units in Hong Kong and planning to divest its power plant in India. Its subsidiary has also implemented an employee transition program in Australia. To strengthen climate-related disclosures, Company C committed to disclosing the specific content and weighting of "executive remuneration and climate performance indicators" in its 2025 report.
- Company C was featured as two case studies in the AUEP Progress Report due to its detailed disclosure of its power generation asset structure and renewable energy transition budget, as well as being the only company to conduct comprehensive climate physical risk analysis at both the corporate and asset levels. At the same time, Company C also demonstrated a more comprehensive and mature management approach to value chain emissions reduction actions compared with the other seven assessed companies.


Progress Against AUEP Key Investor Expectations

On Physical Resilience, investors expect focus companies to consider climate-related physical risks in their business planning and to develop and deploy adaptation and resilience plans to mitigate these risks. The AUEP Company Assessment elements for Physical Resilience assess seven indicators on Exposure and Vulnerability, and Adaptation Implementation and Investment.

In terms of companies' Exposure and Vulnerability, five companies (CLP, China Resources Power, J-POWER, Chubu Electric Power, and IEA) have disclosed climate-related physical risk assessments for their businesses, including relevant time horizons and scenarios. However, only CLP has conducted asset-level and operational assessment of the physical climate risk of its business. At the same time, other companies have only partially met the expectations for this indicator.

In Adaptation Implementation and Investment, four companies (CLP, China Resources Power, HPI, and Tenaga Nasional) have integrated climate adaptation measures in business continuity and emergency response plans. No companies, however, have included investment and financing disclosures in their climate adaptation plans' capital and operational expenditures, highlighting the gaps they need to address.

In the next section, Table 4 presents the disclosure assessment results of Just Transition indicators for all AUEP focus companies.

Case Study 2: Enhancing Transparency and Granularity in Exposure and Vulnerability Assessments (CLP Holdings)

In exposure and vulnerability assessments, transparency of modelling assumptions and granularity in disclosing outcomes are critical. CLP Holding's Climate Vision 2050 Report provides a strong example of comprehensive and data-driven disclosure:

- Disclosed physical risk impacts by business region (Hong Kong, Mainland China, Australia) and by asset types (e.g. Coal, Oil, Gas, Solar, Transmission and Distribution, Energy Storage)
- Indicated impacts assessed per hazard for multiple horizons spanning current, 2030, 2050 and 2100
- Disclosed the percentage of power generation assets by Hill facing 'high' risk exposure levels, based on a risk exposure scale of "Very high, High, Moderate, Low, Limited" Further discussion of hazards with a "Moderate" or "High" risk level, including descriptions of how each hazard impacts the business
- Disclosed potential financial impacts arising from such hazards (e.g. variability in wind speeds may result in HK$3.3 billion of lower operating earnings, when applying a 5% financial downside to current operating earnings)

Source: Asia's Powerhouses at Risk report, page 74. For more information, please refer to CLP Holding's Climate Vision 2050 Report, which provides a results table of CLP's Long-Term Exposure to Physical Risks on pages 37-38.

Source of image: AUEP Progress Report 2024-2025

Ceres Valuing Water Finance Initiative

- The greenhouse effect and extreme climate conditions caused by carbon emissions have led to instability of water resources. 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 high water-related risk companies.
- To contribute to sustainability, Cathay Life Insurance participated in this initiative since 2022 and officially initiated 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. Although the company was approaching the limits of emissions reduction technologies in 2025 and faced challenges in supply chain water management, it continued to pursue improvements and plans to further disclose relevant action details in 2026.
- In 2025, Cathay Life Insurance and other institutional investors, co-signed and sent joint engagement letters to all key listed companies. Focusing on issues such as water resource management, supply chain water risks, and related information disclosure, enterprises were urged to strengthen their water risk management mechanisms and supply chain resilience, thereby enhancing their ability to cope with climate change and water resource risks while improving the transparency of relevant disclosures.

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 crucial to human survival and development. Together with international investors, Cathay Life Insurance calls on investee companies and related enterprises to take necessary actions to protect and restore nature and ecosystems, thereby reducing associated risks. Since 2024, the Company has collaborated with international investors and, together with Company P as a leading investor for Company N, introduced the Nature Action 100 initiative and shared practical case studies related to nature issues. In 2025, the Company continued these exchanges by sharing international case studies on nature-related issues to help Company N better understand practical approaches to nature risk management. The company responded positively and stated that it had gained a clearer understanding of areas for further improvement and enhancement.

《Examples of Participation in International Engagement Activities and Company Engagement》

Background

Company C is a Coal Power company listed as an engagement target under the Asia Utilities Engagement Program. It is the most important local power supplier and promotes the transformation of coal-fired power plants in Asia, which is critical to the world's transition to net-zero emissions and was therefore included as an engagement target of Cathay Life Insurance. Cathay Life Insurance participated in engagement with Company C as a collaborator with nine other foreign institutional investors. The first engagement meeting was held in 2022.

Engagement contents

1. Understand Company C's decarbonization strategy, coal-fired power plant withdrawal plan, and the current status and capital expenditures of alternative energy deployment, and discuss areas for further enhancement going forward.
2. Discuss the link between the remuneration of management and climate-related KPIs, and understand its future plans.

Engagement progress and results

During the engagement process, Company C demonstrated a high level of commitment to low-carbon transition issues and maintained constructive communication and interaction with investors. During the engagement period, Company C obtained approval for its SBT emissions reduction targets, established specific 2030 carbon intensity targets, and committed to fully phase out coal by the end of 2040. Although the current reduction in carbon intensity targets remains limited, the company expects overall emissions intensity to decline significantly after 2028 with the closure of coal-fired power plants in Australia and the advancement of renewable energy projects in China. In the meantime, three generating units at Company C's power plant in Hong Kong have already been retired. Going forward, the company will continue to accelerate the phase-out of coal-fired assets in alignment with its transition pathway.

In terms of climate governance, beginning in 2024, we provided Company C with benchmark case studies linking senior management executive remuneration to climate performance indicators to support the strengthening of its governance mechanisms. Company C committed to disclosing more specific details and weightings of climate-related indicators in its 2025 report, at the earliest, in order to enhance the transparency of its remuneration system.

In this year's AUEP Progress Report, Company C was featured as two case studies due to its detailed disclosure of its power generation asset structure and renewable energy transition budget, as well as being the only company to conduct comprehensive climate physical risk analysis at both the corporate and asset levels. At the same time, Company C also demonstrated more comprehensive and mature management practices in value chain emissions reduction actions compared with the other seven assessed companies, reflecting its continued proactive efforts and progress in advancing low-carbon transition and enhancing disclosure quality.

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 voluntarily, 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 SBTs, and other climate change-related issues, so as to make progress in ESG material issues.

《Case 1》

Engagement Topics: Social - Labor Management, Corporate Governance, Environmental - Climate

Background

Company C is one of the major companies in the telecommunications industry. As the company is one of the sources of Cathay Life Insurance's financed emissions, it was identified through internal assessment and has been included as an engagement target under Cathay Life Insurance's participation in the Coalition of Movers and Shakers on Sustainable Finance since 2022. During the engagement process, in addition to understanding the progress of its SBT target setting and carbon reduction strategies, we also focused on its corporate governance issues. Beginning in 2024, the focus of engagement was further expanded to include Labor Management issues and labor-related controversies within the social dimension, with the aim of improving the company's MSCI ESG rating performance.

Engagement contents

1.Discussion of SBTs and carbon reduction strategies

Company C proposed its SBT emissions reduction commitment in 2021. Since 2022, Cathay Life Insurance has tracked the submission timeline and progress of its SBT targets, while also understanding its plans to join RE100 and the challenges it faces in the decarbonization process. Company C's SBT targets were approved in 2023, and the company officially joined RE100 in the same year. Cathay Life Insurance also continues to monitor the company's green electricity procurement in support of the gradual achievement of its renewable energy and carbon reduction targets.

2.Enhance corporate governance and Labor Management practices

Since 2022, Cathay Life Insurance has engaged with Company C on corporate governance issues and provided relevant benchmark company case studies for reference. In 2024, the scope of engagement was expanded to include Labor Management issues within the social dimension. In terms of governance, Company C committed to disclosing director remuneration information and plans to establish an anti-corruption management mechanism to strengthen corporate governance. In terms of Labor Management, Company C adjusted its practices relating to employee stock ownership plans, non-remuneration benefits, and controversial incidents, and actively engaged with MSCI in an effort to improve its ESG rating performance.

Engagement progress and results

In 2025, the company received an upgraded MSCI rating as a result of improvements in corporate governance. In 2026, it also achieved a higher score in relation to Labor Management -related controversies. Going forward, we will continue to monitor and understand the company's progress on issues including decarbonization strategies, corporate governance, and Labor Management.

《Case 2》

Engagement Topics: Environmental- Climate - Water Resource Management, Social - Human Capital Management

Background

Company V is one of the major companies in the semiconductor industry. As there remains room for improvement in its Overall ESG performance, Cathay Life Insurance has included the company on its engagement list and conducted ongoing communication and exchanges since 2024. In addition to understanding whether the company plans to establish SBT targets and discussing its decarbonization strategies, the engagement also covered directions for improvement on material ESG issues. Cathay Life Insurance provided recommendations regarding the challenges faced by Company V in its low-carbon transition process, and shared international benchmark case studies on water resource security and human capital management issues.

Engagement contents

1.Discussion on water stress and human capital development issues

Since 2024, Cathay Life Insurance has engaged in discussions with Company V on water stress and human capital development issues to support improvements in its MSCI ESG rating performance. During the meeting, Cathay Life Insurance not only further analyzed the substantive content and evaluation focus of each subtopic under the material issues, but also discussed potential areas for improvement with Company V, while providing international benchmark company case studies for each subtopic as reference. Company V responded positively and has strengthened disclosures related to water stress in its report. Going forward, the company plans to improve water-use efficiency and evaluate the feasibility of incorporating recycled water use. In terms of human capital development, Company V also committed to communicating with its human resources department to further enhance disclosures and improve related management practices.

2.Discussion of carbon reduction goals and strategies

Since 2024, Cathay Life Insurance has engaged in discussions with Company V regarding its commitment to SBT emissions reduction targets, as well as the difficulties and challenges it faces in the carbon reduction process. Currently, Company V has committed to aligning its 2040 medium-term targets with the SBT methodology. In addition to continuing to promote internal energy conservation, the company also plans to gradually introduce green electricity as part of its decarbonization strategy to reduce emissions.

Engagement progress and results

Company V strengthened its disclosures on water stress and human capital development issues in 2025. Although these improvements have not yet been reflected in its MSCI ESG Rating, they nevertheless demonstrate positive progress on the engagement topics and indicate that the engagement objectives have been achieved to a certain extent.

Policy Engagement

Global Investor Statement on Energy Transition in Taiwan

In response to Taiwan's energy transition and the rapid increase in corporate demand for green electricity, Cathay Life Insurance and international investors jointly submitted the "Global Investor Statement on Energy Transition in Taiwan," encouraging the government to continue optimizing the energy mix, increasing green electricity supply, and enhancing policy clarity in order to support companies in achieving global decarbonization targets.

The Belem Investor Statement on Rainforests

Global attention to deforestation issues has continued to rise over the past few years. In 2025, Cathay Life Insurance signed the "The Belem Investor Statement on Rainforests," jointly launched by international investors, calling on governments worldwide to promote deforestation-free trade, enhance information transparency, and strengthen the implementation of relevant laws and regulations.

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 institutional investor to organize collective engagement; in 2020, however, COVID-19 threw the world into a state of turmoil. The spirit and implementation of ESG can highlight an enterprise's resilience and ability to respond when facing situations of great uncertainty. Therefore, we expanded the scope of the forum and organized the Sustainable Finance and Climate Change Summit.

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, and also discuss corporate sustainability strategies in response to climate change. We encouraged cross-disciplinary dialogue and mutual collaboration, so as to mitigate and adapt to environmental changes and jointly build a sustainable society.

5,015 individuals (online and offline)

A total of **1,817** corporate organizations participated

- 79% of Taiwan's stock market value
- More than 50% of total carbon emissions in Taiwan
- 54% of listed companies are in the six manufacturing sectors identified by the MOEA for the 2030 net-zero transition.

● ESG exchange seminars: Insights into new MSCI ESG rating criteria and ISS shareholder voting trends

In December 2025, Cathay Life Insurance organized an ESG exchange seminar to help Taiwanese companies stay informed of the latest developments in international ESG ratings and corporate governance practices. The seminar invited listed companies from high-carbon-emitting and transitioning industries, with a total of 225 participants representing 114 organizations.

The event began with Cathay Life Insurance sharing how Taiwanese institutional investors and Cathay Life Insurance are implementing sustainable finance, with the aim of leveraging the influence of institutional investors to help companies gain a deeper understanding of transition finance practices.

In addition, the MSCI team was specially invited to visit Taiwan in person to share insights on the upcoming 2026 ESG rating methodology through face-to-face exchanges, helping Taiwanese companies understand future rating directions and plan relevant strategies in advance. As corporate low-carbon transition has become a global trend that not only reduces operational risks but also attracts capital and international collaboration, the seminar also invited MSCI ESG experts to analyze developments and future trends in global low-carbon transition, helping companies plan their low-carbon transition roadmaps in advance.

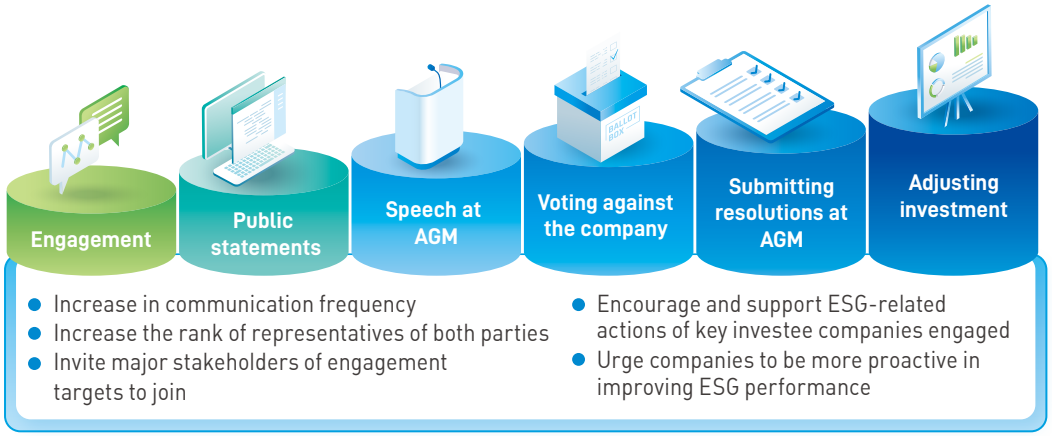
At the same time, Cathay Life Insurance also invited the ISS-Corporate team to visit Taiwan to review key issues from Taiwan's recent proxy voting season and analyze shareholder meeting voting trends across the Asia-Pacific region. The aim was to strengthen the understanding and practical application of international corporate governance among TWSE/TPEx-listed companies, and to work together with companies in addressing increasingly complex policy risks and sustainability challenges.

225 individuals

114 in total Corporate

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 clearer about ESG disclosure requirements. In addition to evaluating corporate ESG performance during investments, Cathay Life Insurance also actively encourages shareholders to take action and has set up a dedicated team for one-to-one communication with investees. As an active and responsible professional institutional investor, we assess and adopt engagement escalation strategies when appropriate to encourage investee companies to implement ESG practices, and more actively improve their ESG performance. We believe these escalation strategies can effectively achieve our final engagement goal and create long-term value for both parties.



《Description of Engagement Escalation Case》

In recent years, Company N has continued to strengthen its corporate governance practices, with its corporate governance evaluation results improving year by year. Over the past five years, the company has advanced from the 51–65% tier to the 6–20% tier, demonstrating continued investment and tangible progress in areas such as board operations, information disclosure, and related governance mechanisms. This has also established a solid foundation for the subsequent advancement of its Overall ESG strategy. In this regard, Cathay Life Insurance highly recognizes Company N's proactive efforts in corporate governance and believes that strong corporate governance helps enhance a company's resilience and long-term competitiveness in responding to changes in the external environment.

As capital markets place increasing emphasis on ESG issues, regulators, institutional investors, and supply chain customers have all raised their expectations for corporate sustainability performance. ESG has gradually become one of the core competitive strengths of companies. Since 2023, MSCI has officially included Company N within the scope of its ESG ratings. Beginning that same year, Cathay Life Insurance has engaged with the company through engagement meetings and communication channels on key ESG issues such as climate change, human capital management, and water resource management, helping the company gain a better understanding of the assessment frameworks and disclosure priorities of international ESG rating agencies. Through ongoing dialogue and engagement, Cathay Life Insurance has observed that Company N has devoted considerable efforts to a number of ESG issues in recent years, with notable progress made in related systems and management practices.

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

Cathay Life Insurance voluntarily began following the United Nations Principles for Responsible Investment (PRI) in 2015 and established the Responsible Investment Working Group in 2016. In fulfilling its stewardship responsibilities as an institutional investor, the Company places importance not only on the financial performance of investee companies, but also on their ESG performance. Accordingly, ESG performance is incorporated into the investment evaluation process, and the Company actively exercises shareholder stewardship by establishing dedicated teams to engage with companies on ESG issues and encourage the continuous improvement of ESG performance.

Among the three ESG pillars, we believe corporate governance is a fundamental element and the core of ESG, because strong corporate governance can guide a company in the right direction and enhance its resilience and ability to manage risks arising from a constantly changing environment. We have observed that your company's corporate governance evaluation ranking has improved from the 51–65% tier to the 6–20% tier over the past five years, demonstrating the Company's continued commitment to strengthening corporate governance and laying a key foundation for advancing its Overall ESG strategy.

Capital markets place significant importance on ESG. From increasingly clear regulatory requirements for corporate ESG disclosures, to active engagement by domestic and international institutional investors urging companies to improve ESG performance, as well as customers' expectations for supply chains to jointly advance sustainability, all demonstrate that ESG has become one of the core competitive strengths of companies. Since MSCI officially included your company within the scope of its ESG ratings in 2023, Cathay Life Insurance has engaged in ongoing exchanges with your company on ESG topics including climate change, human capital management, and water resource management. We are pleased to see the considerable efforts your company has devoted in recent years, as well as the clear progress achieved. We sincerely look forward to your continued enhancement of ESG practices and ESG rating performance, enabling domestic and international stakeholders to fully recognize the company's efforts in the ESG field and gain broader recognition from investors. If there is any way Cathay Life Insurance can be of assistance, please feel free to contact us at any time. Thank you!

Join the Coalition of Movers and Shakers on Sustainable Finance

To support the government's 2050 net-zero emissions policy, Cathay Life Insurance and its parent company have joined the Coalition of Movers and Shakers on Sustainable Finance committing to low-carbon investments and loan and Green Engagement. We collaborate with industry peers in assisting the competent authority in the development of sustainable finance and low-carbon transition of the industry, so that Taiwan can achieve orderly development into a green economy.

Drawing on its experience in Responsible Investment and climate change response, Cathay Life Insurance, together with its parent company, provided input to the various working groups under the net-zero transition platform and also assisted in organizing a net-zero transformation seminar in 2025.

Net Zero Transition Seminar - Petrochemical Industry, Aviation Industry

In 2025, two "Net-Zero Transition Seminars" were held for the petrochemical and aviation industries under the "Financial Industry Net-Zero Transition Platform" established by the Financial Supervisory Commission. The events invited industry-related stakeholders, with a total of 161 participants, to jointly discuss industry net-zero transition trends and exchange views on the policy support and resources needed to advance the transition. Through panel discussions, participants exchanged views with industry representatives on the challenges faced during the transition process and future development directions, while also discussing the role of the Financial industry in advancing industrial low-carbon transition and how financial mechanisms can support companies in this process. The seminars promoted cross-sector exchanges among industry, the public sector, and the Financial industry, helping industries better understand low-carbon transition trends and enhance their competitiveness in the transition toward net zero, while also strengthening the Financial industry's engagement influence in supporting corporate net-zero transition.

1.2 Environmental Sustainability

As the largest insurance company in Taiwan, Cathay Life Insurance is fully aware that every action it takes has a profound impact on society and the environment. We embrace the belief of sustainable insurance, strive to reduce emissions from our operations, and promote the use of renewable energy. Since becoming the first RE100 member in Taiwan's financial industry in 2022, we have integrated the capabilities of the real estate ecosystem to develop convenient green energy services for customers and stakeholders, working together to create a net-zero economy. We also use mobile/electronic and remote insurance services to mitigate the impact of climate change. At the same time, we are working with various sectors in zero carbon actions, so that Cathay Life Insurance's commitment to sustainability will shine for generations.

1.2.1 Environmental Data Inventory

■ Zero Carbon Business Transition Indicators 302-1 305-1 305-2

Item	Unit of measurement	2023		2024		2025		Compared to 2024	
Direct Emissions (Scope 1)	tCO_2e	The Company	2,617.78	The Company	4,478.31	The Company	4,354.88	-123.43	-2.8%
		All subsidiaries included in the consolidated financial statements	3,157.19	All subsidiaries included in the consolidated financial statements	4,590.62	All subsidiaries included in the consolidated financial statements	4,455.31	-135.31	-2.9%
Indirect Emissions (Scope 2) Market-based emissions		The Company	24,523.49	The Company	21,536.26	The Company	12,892.90	-8,643.36	-40.1%
		All subsidiaries included in the consolidated financial statements	28,582.34	All subsidiaries included in the consolidated financial statements	24,887.85	All subsidiaries included in the consolidated financial statements	15,843.03	-9,044.82	-36.3%
Indirect Emissions (Scope 2) Location-based emissions		The Company	27,514.79	The Company	28,696.96	The Company	27,874.64	-822.32	-2.9%
		All subsidiaries included in the consolidated financial statements	31,573.64	All subsidiaries included in the consolidated financial statements	32,100.81	All subsidiaries included in the consolidated financial statements	30,875.94	-1,224.87	-3.8%
Direct Emissions (Scope 1) + Indirect Emissions (Scope 2) Market-based emissions		The Company	27,141.27	The Company	26,014.57	The Company	17,247.78	-8,766.79	-33.7%
		All subsidiaries included in the consolidated financial statements	31,739.53	All subsidiaries included in the consolidated financial statements	29,478.47	All subsidiaries included in the consolidated financial statements	20,298.34	-9,180.13	-31.1%
Direct Emissions (Scope 1) + Indirect Emissions (Scope 2) Location-based emissions		The Company	30,132.57	The Company	33,175.27	The Company	32,229.52	-945.75	-2.9%
		All subsidiaries included in the consolidated financial statements	34,730.83	All subsidiaries included in the consolidated financial statements	36,691.43	All subsidiaries included in the consolidated financial statements	35,331.24	-1,360.19	-3.7%

Item	Unit of measurement	2023	2024	2025	Compared to 2024	
Carbon emission intensity	tCO_2e/person	0.91	0.89	0.59	-0.30	-33.7%
Carbon emission intensity	tCO_2e/NT$1 million in revenue	0.0396	0.0340	0.0234	-0.011	-31.0%
Electricity use	kWh	55,585,434	60,767,113	59,032,437	-1,734,676	-2.9%
Electricity use intensity	kWh/person	1,867.10	2,087.57	2,027.35	-60.22	-2.9%
Renewable energy use	10,000 kWh	627.4	1,533.2	3184.7	1651.5	107.7%
Water consumption	kL	391,355	408,694	401,077	7,617.40	-1.9%
Water consumption intensity	kL/person	13.15	14.04	13.77	0.27	-1.9%
General domestic waste consumption	kg	764,282	719,334	789,443	70,109	9.7%
General domestic waste consumption intensity	kg/person	25.7	24.7	27.1	2.4	9.7%

Note 1: For purchase of renewable energy certificates or use of renewable energy, Scope 2 (Category 2) is divided into "Location-Based" and "Market-Based" disclosures according to the GHG Protocol Scope 2 Guidance.

Note 2: (1) Adopted ISO 14064-1 from 2018 onwards: The 2018 revised version of the standard has, since 2020, been subject to external verification conducted by BSI.
(2) The GHG emissions inventory is compiled using the "operational control approach." Scope 2 emissions are calculated using the market-based approach.

Note 3: The electricity emission factor is adjusted by the Energy Administration based on the electricity emission factors in previous years, which were 0.495 (2023), and 0.474 (2024) kg CO_2e/kWh,Carbon emissions are calculated based on the 2024 electricity carbon emission factor of 0.474kgCO_2e/kWh.

Note 4: Intensity (Scope 1+Scope 2/NT$1 million) is calculated using the market-based approach.

Note 5: The boundaries of the Scope 1 and Scope 2 inventory in 2025 include all domestic and overseas locations.
In 2025, there were 200 domestic business locations, 89 domestic non-business locations (with idle space), and 613 locations of domestic subsidiaries (including Cathay Securities Investment Consulting, Cathay Research & Design, Cathay Power, Cathay Wind Power Holdings, and Cathay Wind Power), and 157 locations of overseas subsidiaries (including Cathay Lujiazui Life Insurance and Cathay Life Insurance (Vietnam)).

Note 6: The number of employees at locations in the scope of inventory amounted to 29,771 (2023), 29,109 (2024), and 29,118 (2025).

Note 7: Carbon emission intensity, electricity consumption, renewable energy use, water consumption, water consumption intensity, general domestic waste consumption, and general domestic waste consumption intensity are based on the Company's data.

Note 8: General domestic waste consumption is estimated based on the average waste intensity per capita, and the total amount of waste is calculated based on the total number of people within the operating boundary. The scope of waste measurement at some locations will be expanded in 2025.

Note 9: Renewable energy use includes the purchase of Taiwan Renewable Energy Certificates (T-RECs), Corporate Power Purchase Agreement (CPPA) and electricity generation for self-use.

1.2.2 Green Energy

Ambitious Goal

In response to global trends and in recognition of changes in Taiwan's energy structure, Cathay Life Insurance committed in 2021 to align with the global "RE100" initiative and set ambitious goals to achieve 100% renewable energy use at its headquarters by 2025, across all domestic locations by 2030, and across all global locations by 2050.

Recent Implementations and Outcomes

Renewable energy use exceeded 31.84 million kWh, which is equivalent to reducing carbon emissions by approximately 15,095 metric tons. The percentage of renewable energy use has reached 53.95%, surpassing the annual target of 50% (RE50).

Corporate Power Purchase Agreement (CPPA)

Cathay Life signed a Renewable Energy Purchase Agreement (CPPA) in 2022 to achieve RE100 and progressively advance toward its goal. By the end of 2025, the cumulative contracted procurement volume exceeded 140 million kWh, and we will continue to expand the procurement volume and our impact. Cathay Life purchases green electricity not only for its own use, but also for tenants in its office buildings. In 2025, more than 54 million kWh of green electricity was supplied to us and tenants at the Group's headquarters, various locations, and office buildings. Cathay Life Insurance continues to respond to global initiatives with concrete actions and meaningful impact, expanding the scope of renewable energy services and strengthening its strategies for renewable energy adoption and the transition to sustainable development.

Installation of solar panels for self-use

Promoted a solar green electricity strategy and implemented the installation of solar panels for self-generation and self-consumption. As of the end of 2025, the cumulative installed capacity reached 5,518.99 kW, an increase of 3,465 kW compared to the previous year.

Renewable energy certificates (T-REC)

In 2017, we were one of the first companies to participate in T-REC transactions, and we will continue to track purchases on an annual basis. In 2025, we purchased 2,086 T-RECs (1 T-REC=1,000 kWh) and obtained a total of over 19,000 T-RECs through Green Leasing 2.0.

Green energy charity and mutual benefit model

Upheld the concept of sustainable development and focused on climate, health, and empowerment strategies in response to the RE100 Initiative. Since 2022, we have called on citizens to transform walking into support for charity through the event "Every Step Counts" each year, supporting the development of green energy in rural areas.

At the same time, we integrated internal cross-departmental resources and supported the government's net-zero policy, working with government agencies in the demonstration of citizen power plants in agricultural and fishery villages. We not only assisted rural villages with installing solar panels, but also committed to purchasing green electricity, and will use the steady income from green energy for charity for 20 years, fulfilling our commitment to give back to society while working towards SDG 4, 7, 11, 12, 13, and 17.

Short-term Goals for 2026

The headquarters uses 100% renewable energy (RE100), and domestic locations use 60% renewable energy (RE60)

Mid- to Long-term Goals for 2030

Cathay Life Insurance's domestic locations use 100% renewable energy

1.2.3 Green Operation

Ambitious Goal

Cathay Life Insurance has set a target to achieve a zero-carbon business transition in line with SBT guidelines, aiming to reduce the environmental impact of its operations from low-carbon to zero-carbon and achieve net-zero emissions by 2050.

Recent Implementations and Outcomes

Mobile/Electronic insurance services

Compared with the 2020 baseline year (32,224.42 tons of carbon emissions), the Company achieved a 46.47% reduction in operational carbon emissions (Scope 1 and Scope 2), while carbon emissions from the Company's operations including overseas locations and subsidiaries (Scope 1 and Scope 2) were reduced by 37.01%, both exceeding the original target of 21%.

Cathay Life Insurance is committed to reducing the carbon footprint of its insurance services, and calculates the carbon emissions per policy in accordance with ISO 14067 (Carbon Footprint of Products Standard) and the Ministry of Environment's Product Category Rules (PCR) for life insurance. The results are verified by an independent third-party verification body.

In 2023, we again completed the "2021 Life Insurance Service Carbon Footprint Inventory." The carbon footprint per life insurance service was 2.58 kg CO_2e, the lowest among similar products with valid carbon labels. Compared with the 2016 base year, carbon emissions were reduced by 27%, and we once again obtained the Carbon Reduction Label and Carbon Label certification from the Ministry of Environment.

In 2024, we introduced the international carbon neutrality standard PAS2060, and comprehensively carried out carbon neutrality work through the "first reduction, then offset" model. The headquarters successfully obtained the international certificate PAS2060 carbon neutrality after verification by a third-party international verification institution.

Mobile Insurance Services Efficiency	2025		
	Cumulative Number of Transactions (10,000 transactions)	Usage Rate	Paper Reduction (10,000 sheets)
Mobile Policy Application	72.83	99.67%	1,354.66
Mobile Claims	74.07	90.87%	148.15
Mobile Policy Services	96.57	85.98%	193.47
Mobile Premium Payment	70.20	71.90%	140.40
Mobile Insurance Policy[Note 1]	54.68	71.10%	1,202.86
e-Statements	298.02	51.62%	5,364.33

Note 1: The number and usage rate of e-policies does not include policies sold by brokers and travel insurance.

Note 2: There were a total of 730,700 new policies in 2025.

Energy Management System (EMS)

Starting from 2024, Cathay Life Insurance launched a pilot energy management system (EMS) implementation at six key self-owned operating locations and officially launched the collection and integration of electricity consumption data across all locations. Through baseline electricity consumption monitoring and early warning, we aim to achieve effective management of costs, energy savings, and green electricity.

In 2025, the Company has continued expanding the deployment of EMS across locations and strengthening smart energy management as a key action plan to achieve the SDGs.

Internal carbon pricing (ICP)

- The Group, meanwhile, has introduced an internal carbon pricing mechanism. Starting in 2023, a carbon cost of US$100 per ton has been set and incorporated into operational decision-making and carbon reduction investment evaluation, progressively advancing toward systematic carbon fee management through incentive mechanisms.
- All office staff and field personnel of Cathay Life participated in carbon reduction incentives, achieving a total reduction of 913 tons of carbon emissions, with a cumulative carbon fee fund of NT$13.24 million. The source of funds includes accumulated electricity cost savings from energy conservation and carbon fee revenues, which are earmarked for carbon reduction incentives (allocated NT$189 million) and net-zero projects (such as high-quality carbon credits and renewable energy deployment), forming a circular mechanism of "carbon reduction - internalization - reinvestment."
- We collaborated with Chung-Hua Institute for Economic Research (CIER) to evaluate the feasibility of system optimization and application expansion through electricity consumption data inventory and carbon fee mechanism scenario analysis.
- In addition, we have introduced a shadow pricing mechanism in the replacement of high energy-consuming equipment and in major investment decisions to internalize future carbon emission costs, and prioritize low-carbon, high-efficiency equipment based on carbon reduction benefits and energy efficiency as key evaluation criteria. Internal carbon pricing serves as an important bridge linking climate goals, operational management, and capital allocation, supporting medium- and long-term carbon reduction commitments and net-zero pathways.

Carbon neutrality	Energy, environment, and water resources management

Compared with the 2020 baseline year (32,224.42 tons of carbon emissions), the Company achieved a 46.47% reduction in operational carbon emissions (Scope 1 and Scope 2), while carbon emissions from the Company's operations including overseas locations and subsidiaries (Scope 1 and Scope 2) were reduced by 37.01%, both exceeding the original target of 21%.

- Cathay Life Insurance introduced the international carbon neutrality standard PAS 2060 in 2024 and implemented carbon neutrality initiatives based on the principle of "reduction first, then offsetting." The headquarters obtained PAS 2060 carbon neutrality certification following verification by an international third-party verification body, demonstrating the Company's commitment to implementing carbon reduction actions.
- In 2025, Cathay Life Insurance further demonstrated its forward-looking deployment in sustainable transformation by becoming the first insurance company in Taiwan to obtain "product carbon neutrality" certification. It advanced two core products--Travel Safety Insurance and Account-Linked Medical Whole Life Insurance--which passed verification under the international carbon neutrality management standard ISO 14068-1, establishing a new benchmark in the market.

- In accordance with the "Cathay Financial Holdings Environmental and Energy Policy," energy and environmental management systems (ISO 14001 and ISO 50001) have been introduced in key electricity-consuming buildings since 2013. In 2023, water efficiency management systems (ISO 46001) were further implemented in these buildings to strengthen integrated water and energy management. Based on equipment service life and energy consumption conditions, we continued to carry out rolling maintenance and replacement to improve overall operational efficiency. In 2025, per capita electricity consumption decreased by 3.3% compared with the previous year, while per capita water consumption decreased by 1.9%.
- In terms of operational management, the number of unconnected machines decreased by 82% compared to the base year through the introduction of automatic computer shutdown and remote switching mechanisms. The energy-saving practices of the headquarters have been standardized and extended to all locations, including the implementation of automatic lights-off at night and the optimization of equipment operations.
- In 2025, we expanded the Building Property Manager Energy Conservation Incentive Program. Over a seven-month period, 60 buildings achieved electricity savings of 410,000 kWh, representing an electricity saving rate of 2.3%. We will continue to expand the scale of electricity conservation through performance disclosure and cross-site competition mechanisms, and steadily advance toward low-carbon operations and a net-zero transition.
- Replacement of air conditioning equipment in 2025: Saves 240,000 kWh of electricity and reduces carbon emissions by 102 tons of CO_2e annually.

Green procurement

Since 2018, we have implemented the ISO 20400 Sustainable Procurement Guidance with Cathay Financial Holdings, and established the "Cathay Financial Holdings Sustainable Procurement Policy" and "Supplier Corporate Social Responsibility Best Practice Principles" to encourage suppliers to abide by laws and regulations and protect human rights.

To strengthen supplier management, we have implemented sustainability clauses for suppliers starting from 2024. At the same time, we support the government's green procurement policy. In 2025, the amount of green procurement was approximately NT$810 million, a significant increase of NT$340 million (72%) compared to 2024, and the cumulative amount has exceeded NT$2.33 billion since 2018, and selected by the Ministry of Environment for outstanding performance in green procurement.

In 2025, green procurement workshops were held with 10 advocating partners and 5 suppliers to promote the circular economy and enhance sustainability awareness across the supply chain. The total declared green procurement amount reached NT$31.4 million.

We are committed to promoting the development of the circular economy and conduct annual evaluations of our trading suppliers. In 2025, the requisition and procurement departments jointly evaluated 431 trading suppliers, all of which were rated as "Qualified" or "Good." To monitor and promote supplier sustainability, external consultants have been appointed to formulate and execute sustainability audits, and the audit items are reviewed and adjusted annually to ensure their appropriateness.

Short-term Goals for 2026	Reduced carbon emissions from operations (Scopes 1 and 2) by 25.2% or more compared to the 2020 base year (32,224.42 tons of carbon emissions).
Mid- to Long-term Goals for 2030	Reduce carbon emissions from operations (Scopes 1 and 2) by 42% or more compared to the baseline year of 2020 (32,224.42 tons of carbon emissions)

Green procurement

1.Selected by the Ministry of Environment for outstanding performance in green procurement.

2.Green procurement amount grows by 3% each year.

1.2.4 Green Real Estate

Ambitious Goal

Cathay Life Insurance recognizes its corporate responsibility to safeguard the future of our planet. Since 2016, we have required all newly constructed buildings in our real estate investments to comply with green building design standards. In addition, we emphasize energy efficiency, greening, and effective waste management in every aspect of our operations. We believe that integrating environmental stewardship with corporate development is essential to creating a sustainable future.

Recent Implementations and Outcomes

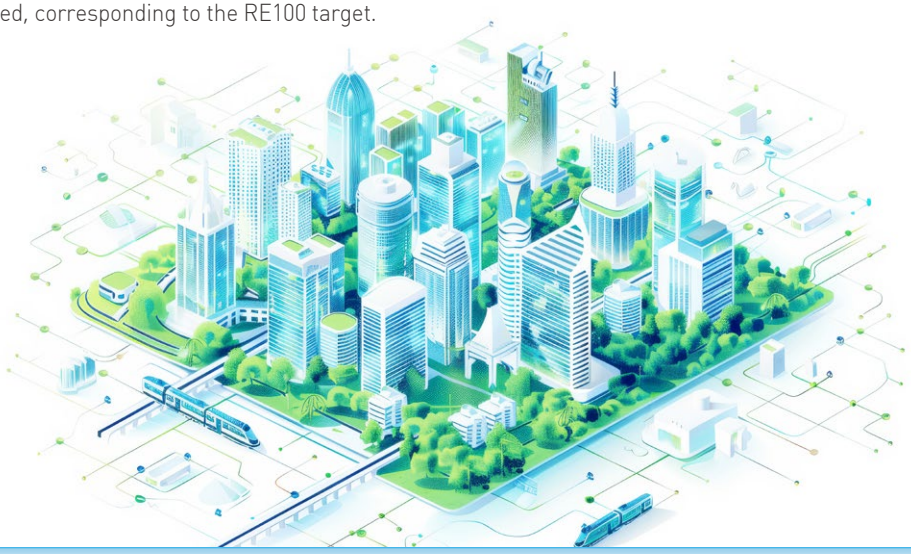
Driving Building ESG Transition

Revamping Our Buildings for Energy Efficiency

Enhancing building energy efficiency is a key national policy for the 2050 net-zero transition and a core focus of Cathay Life's asset transformation. The Educational Building in Wuri, Taichung is also the first"Net-Zero" energy building in Taiwan. Cathay Life has long recognized the importance of building energy efficiency and has implemented rolling equipment replacement. As energy efficiency policies become increasingly clear, building energy performance disclosure will become inevitable in the future. Therefore, Cathay Life Insurance has taken the initiative, obtaining 5 certificates of level 1 or above in 2025, including 4 existing buildings and 1 new building. A total of 7 certificates have been obtained, corresponding to the RE100 target.

Green Building Label

Since 2016, Cathay has required that all self-invested and developed new buildings be designed by architects in accordance with green building standards. All properties meet certain standards in energy use, resource efficiency, greening, and waste management. In addition, since 2023, all newly constructed buildings that have obtained construction permits have acquired either LEED certification or the Taiwan Green Building Label. For newly developed commercial office buildings, the Building Energy Efficiency Label will be incorporated into the Building Design Guidelines starting in 2025, with the Smart Building Label expected to be further incorporated in 2026.



Green Service Locations-Smart Green Landlord hub

Launched a new office service model: hub Office Service

In response to changes in corporate office usage, Cathay Life Insurance has launched a new hub office service model based on three core concepts--"green," "people-centric," and "technology" to meet corporate tenants' needs in energy conservation, carbon reduction, employee well-being, and data management. As of 2025, six locations have adopted the hub office service model.

Facilitating Access to Green Electricity

We integrated a green leasing plan and introduced green electricity in office buildings to help tenants more easily achieve the RE100 target.

Employee Well-being

Cathay Songjiang Commercial Building obtained WELL Health-Safety Rating Gold Certification, creating a "people-centric" office environment by introducing facilities for dining, relaxation, and fitness to support employees' physical and mental well-being. Environmental quality sensors are deployed to continuously monitor office environmental conditions (e.g., air quality, temperature, and humidity).

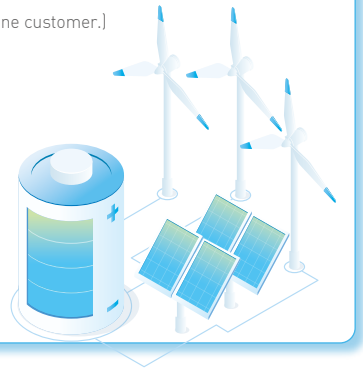
Empowering Tenants with Smart Building Data

Through the deployment of digital software and hardware systems, building energy consumption data (electricity usage) are collected and presented on a tenant digital platform, enabling tenants to conveniently access their energy consumption data.

Green Electricity Services

Since 2022, Cathay Life has collaborated with the Ministry of Economic Affairs to launch the "Green Leasing 2.0," under which Cathay Life procures green electricity on behalf of tenants and allocates it according to their annual RE100 targets, thereby improving the efficiency of green electricity procurement. In 2025, we successfully engaged a total of 70 companies (110 leasing locations (Note) to participate and held two briefing sessions to promote the green leasing plan.

Note: A single customer with several different locations is counted as one customer.)



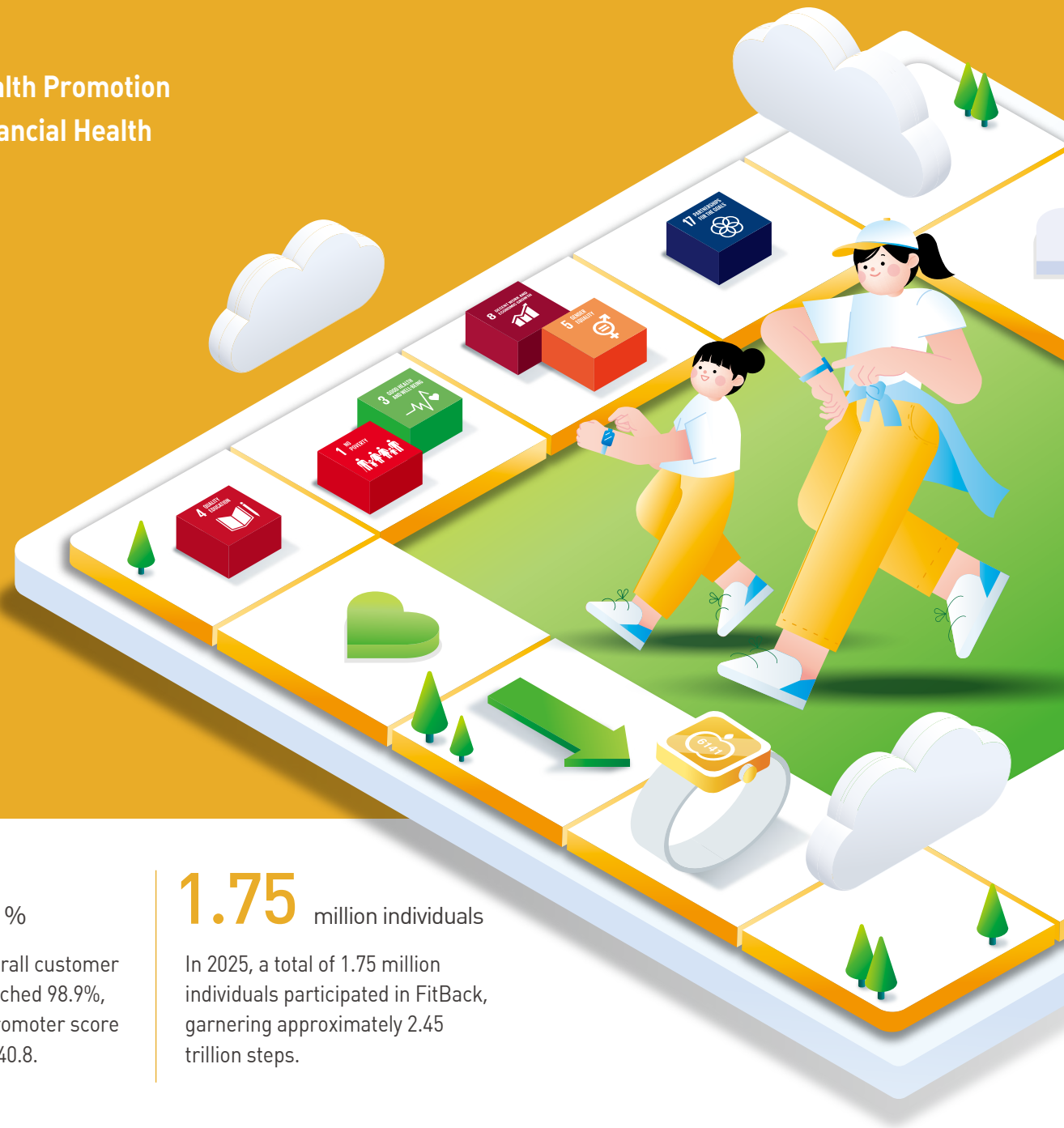
Short-term Goals for 2026

Mid- to Long-term Goals for 2030

1. Conduct energy performance assessments for existing buildings. Buildings that achieve Energy Efficiency level 2 or higher will be submitted to the Taiwan Architecture & Building Center for certification, while those that do not meet the standard will continue to implement energy efficiency improvements.
2. For new buildings, the Building Energy Efficiency Label is incorporated into the building design guidelines, while the Smart Building Label is expected to be further incorporated in 2026.
3. Continue to obtain Level 2 (or above) energy efficiency labeling certifications for commercial office buildings, with a cumulative total of 16 applications for Level 2 or above as a short-term goal.
4. Continue to provide green electricity services to help tenants reduce carbon emissions, and expand the HUB office model integrating ESG services to develop into a smart green ecosystem.

02 Health

2.1 Health Promotion
2.2 Financial Health



Core philosophy

As a leader in sustainable insurance, we provide a range of insurance services to protect every family and support our customers throughout their entire lives.

Performance highlights

17.49 billion

In 2025, the total first-year premium income from spillover-effect products was NT$34.79 billion, while the total first-year premium income from protection insurance products was NT$17.49 billion.

98.9 %

In 2025, the overall customer satisfaction reached 98.9%, while the net promoter score (NPS) reached 40.8.

1.75 million individuals

In 2025, a total of 1.75 million individuals participated in FitBack, garnering approximately 2.45 trillion steps.

Material Topics Management

Health Promotion and Life Protection

Policy commitment

In response to sustainability issues, such as social development trends, environmental changes, and corporate governance, Cathay Life Insurance designed insurance products and services, and dedicated efforts to provide the best offerings to meet people's insurance needs.

Management Action / Performance tracking/stakeholder engagement

Create a health ecosphere	Improve the elderly protection network
• Since 2018, we have proactively promoted and continuously optimized the health promotion ecosystem, and developed a wide range of spillover-effect products deeply rooted in citizens' everyday lives, guiding them to recognize the importance of health management and adopt regular exercise habits, thereby improving their physical condition and reducing the medical expenses borne by society as a whole. • The "FitBack" platform accumulated a total of 1.75 million members. • In 2025, the total first-year premium income from spillover-effect products was NT$34.79 billion.	• We launched the industry's most comprehensive "elderly-exclusive insurance products" to meet their protection needs and promote a high-quality life for seniors. • A total of 192 thousand policies were sold as of 2025.

Customer Rights Protection and Treating Customers Fairly

Policy commitment

By upholding a customer-centered service philosophy, Cathay Life Insurance works to ensure customers fully comprehend its products, services, and their interests and rights. We regularly follow up on our customers' conditions and provide multiple communication channels to address feedback, thereby offering better services and safeguarding customer interests and rights.

Management Action / Performance tracking/stakeholder engagement

Principles of Treating Customers Fairly	Better management of customer satisfaction	Provide convenient services
• We became the first in the industry to establish the Treating Customers Fairly Committee, actively supported and promoted by the Board of Directors to protect customer interests and rights. Cathay Life Insurance has been rated excellent, ranking in the top 25% among insurance companies, for fair customer treatment by the FSC for seven consecutive years.	• We continue to develop the "customer experience management system" to enhance customer experiences. In 2025, overall customer satisfaction reached 98.9%, while NPS reached 40.8 points.	• We leverage digital technologies at service nodes to enhance the convenience of financial services and overcome geographical, temporal, and physical limitations, thereby providing customers with a superior service experience.

2.1 Health Promotion

Principle 1 Principle 2

As the largest insurance company in Taiwan, Cathay Life Insurance is committed to expanding the breadth and depth of protection for the public, with the aim of helping policyholders and employees achieve holistic health. In this year's "Policyholder Health Annual Report", we continued to analyze the health data of eight million policyholders, revealing that the three major health advantages of policyholders continue to be evident:

1. The first is "longer average life" Using Cathay Life Insurance's policyholders as an example, the average life expectancy was 83.8 years--3 years higher than the national average.
2. The second is "better health management" Cathay Life Insurance's policyholder mortality rate (per 100,000 people) from avoidable causes of death was only 106.7, lower than the nationwide rate of 167.4. This indicates that policyholders actively manage their health through preventive measures or timely treatment, thereby reducing their health risks.
3. The third is "better treatment results" In the case of cancer, the leading cause of death among Taiwanese people, policyholders' 5-year survival rate (65% for males and 80% for females) was significantly higher than the national average (49% for males and 66% for females). This indicates that policyholders can choose more suitable treatment methods and achieve better outcomes with the full support of insurance resources. In the future, we will continue to publish annual reports to guide the development of products and services that improve policyholders' health and support them in achieving longer, healthier lives.

Going forward, Cathay Life Insurance will continue to promote insurance protection and help the public prepare for risks by increasing awareness of the risks they face. We continue to promote health management by releasing promotional videos, organizing health promotion activities, and offering a variety of spillover-effect products. We also provide insurance products aligned with government policies. In 2025, the total first-year premium income from spillover-effect products was NT$34.79 billion, while the first-year premium of protection insurance products amounted to NT$17.49 billion. As employees are regarded as our most important asset, we provide a variety of health promotion activities, employee stress tests, Employee Assistance Programs (EAP), and occupational safety measures, creating a happy workplace through comprehensive mechanisms that support employees' physical and mental well-being.

2.1.1 Raising Risk Awareness

■ Raising public awareness of insurance and identifying and addressing coverage gaps

- In 2025, we launched the short marketing video "I Know Good Insurance", highlighting key product features, incorporating expert perspectives, lectures, and case studies of renowned artists, and transforming insurance knowledge into content closely connected to daily life, thereby strengthening external protection communication. At the same time, "Marketing Infographics" visually presents key protection and product features, helping the public quickly understand core protection concepts, raise risk awareness, and promote insurance.

I Know Good Insurance IG

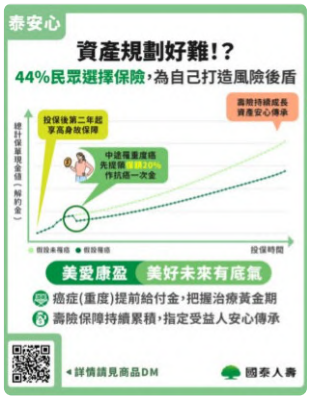
Short marketing video

Through a variety of topics and a series of short 60-second videos, we respond to the public's content consumption habits on social media platforms and further promote insurance knowledge.

A total of **28** marketing videos were launched in 2025, generating a cumulative **323** million views.

Marketing infographics

Coverage content is presented in a visual format (e.g., cancer treatment, asset planning, and retirement planning), helping the public better understand insurance and raising risk awareness.



A total of **15** marketing infographics were launched in 2025.

Promote anti-drug education on campuses to enhance students' knowledge of drugs and protect their health.

- Cathay Life Insurance has underwritten the Ministry of Education's "National Student Group Insurance" for nine consecutive years since 2017. Cathay Life Insurance provides comprehensive personal coverage for approximately 2.83 million senior high school, junior high school, and kindergarten students in Taiwan. At the same time, we have jointly implemented the "Campus Sustainability Plan" with the K-12 Education Administration of the Ministry of Education to incorporate topics such as anti-drug education, environmental protection, campus safety, and financial and insurance literacy into campus education. We also support Cathay Life's sustainability themes of "climate, health, and empowerment" to strengthen young people's positive values and health capabilities.
- Since 2019, Cathay Life has focused on promoting anti-drug education on campuses. Through innovative formats such as anti-drug e-sports and anti-drug board games, we have replaced traditional lectures and promotional methods, using interactive games to help students understand the dangers of drugs and build anti-drug awareness. Volunteers participate in on-campus teaching, enabling students to naturally develop drug awareness, anti-drug knowledge, and resistance skills through the learning process, while helping create a safe, healthy, drug-free campus environment.

Anti-drug e-sports

1. To enhance students' willingness to participate and motivation to learn, Cathay Life partnered with the PaGamO online learning platform to launch the "Anti-Drug E-Sports" event, with a volunteer team visiting campuses across Taiwan to guide students in learning about and rejecting drugs through games.
2. The anti-drug e-sports event is designed around the core concept of "expanding the territory of the correct answer". Students gain advantages in the game by tackling anti-drug-related topics and scenarios. This approach moves away from traditional rote learning methods and integrates anti-drug knowledge into the learning process in a more natural and engaging way. Students can build knowledge through the game and enhance their understanding of drug prevention and vigilance, thereby achieving the educational goal of progressing from "drug identification" to "drug rejection".
3. Through e-sports combined with volunteer guidance and explanations, anti-drug education has become more accessible and widely accepted on campuses. This approach not only effectively increases students' willingness to participate but also deepens their understanding of anti-drug concepts, helping internalize these principles and substantially strengthening students' self-protection abilities.

PaGamO Online Anti-drug Mission

Cathay Life collaborated with the K-12 Education Administration of the Ministry of Education to appoint professors from National Taiwan Normal University and National Chung Cheng University, specializing in crime prevention education, to develop the essential drug prevention knowledge for students. Based on the characteristics of different age groups, we designed a database of 200 anti-drug questions for elementary and junior high schools, complete with detailed answers, and a total of 400 sets of learning questions were completed. All content has been reviewed by the K-12 Education Administration of the Ministry of Education. The questions are included in the anti-drug database and integrated into the "Elementary and Junior High School World" on-campus learning system in an engaging format, allowing students to learn online, understand the hazards of drugs through interactive games, and strengthen their self-protection skills and anti-drug awareness. Since its launch in 2019, the cumulative number of participants in campus anti-drug education has exceeded 3.044 million, continuing to help youths and children develop correct anti-drug concepts and foster a healthy and safe learning environment.

Volunteers visit campuses to promote anti-drug education

Cathay Life mobilized nearly 6,000 volunteers across Taiwan to promote anti-drug education in elementary and junior high schools, wearing "yellow vests" that symbolize a protective force. We also organized diverse drug identification and anti-drug promotion activities tailored to different age groups, helping students develop correct concepts, strengthen their identification skills, and safeguard campus safety from an early age. Since the project's launch in 2019, we have visited 1,491 schools across Taiwan, with over 239,000 students participating, continuing to expand the reach and impact of anti-drug education.

1. Cathay Life Insurance's anti-drug song "Don't be afraid to say NO!": By incorporating elements of popular music with catchy lyrics and melodies, anti-drug concepts become part of daily life, helping students remember the importance of "daring to refuse drugs" through songs and creating a positive effect on long-term memory and peer-to-peer communication.
2. Anti-drug e-sports: We launched anti-drug e-sports activities at the class level, allowing children to revisit class content through games and absorb anti-drug knowledge. Through the pop quiz contest, students can actively develop drug awareness and reinforce a positive anti-drug attitude.
3. Dance of the Little Anti-drug Hero: Since 2021, Cathay Life Insurance has incorporated anti-drug concepts such as "Don't Take Candy from Strangers" and "Don't be afraid to say NO!" into songs and dances, embedding them in kindergartens and elementary schools. These activities focused on introducing children to the arts. Using light, upbeat rhythms and simple slogans, children were guided to understand the hazards of drugs, enhancing both motivation and retention.

These diverse promotional methods make anti-drug education more relevant to daily campus life, not only helping students of different ages develop anti-drug awareness but also positioning volunteers as a key force in strengthening the campus safety network.

Anti-drug board games

Cathay Life Insurance collaborated with the K-12 Education Administration and the social enterprise Pley School to design an anti-drug board game "Path of Destiny" adapted from real-life cases for elementary and junior high school students. The scenario-based design helps teachers master teaching skills, guide students to understand drug risks, and help children develop correct thinking and judgment abilities. We also organized anti-drug board game workshops to provide professional training for teachers and social workers across Taiwan, extending the reach and impact of anti-drug education on campuses and in communities.

Anti-drug online game

In 2025, we expanded the concept of anti-drug board games and developed an upgraded version of the "Path of Destiny+" online game, lowering the barrier to entry and increasing interactivity. Scenario designs became more diverse, covering not only drug risks but also various life issues such as family life, interpersonal relationships, and online dating. Students can learn through play anytime and anywhere, while teachers and parents can use engaging and accessible methods to guide students in understanding the impact of interpersonal interactions and strengthening self-protection awareness.

Create a health ecosphere

Using technology to promote health

Cathay Life Insurance developed the health promotion platform FitBack to help policyholders improve their health, leveraging data, digital tools, and technology to safeguard users' well-being. Users can earn discounts on premiums for spillover-effect products through health missions, as well as discounts from cross-industry partners (such as Cofit, Couchspace, Great Tree Pharmacy, etc.), with cumulative membership reaching approximately 1.75 million by the end of 2025. To enhance policyholders' health, FitBack has launched the "Six Good" health services to better address users' needs for health promotion and preventive care.

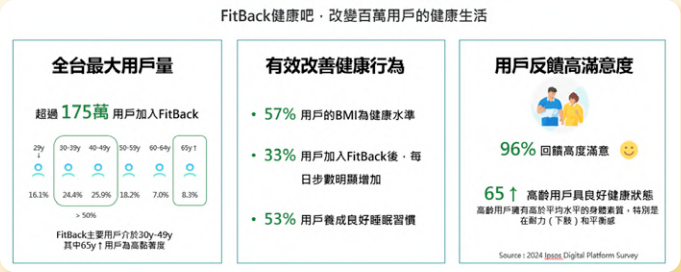
Note: The "Six Good" health services include good diet, good exercise, good sleep, good mood, good tests, and good care.

FitBack results as of the end of 2025

Approximately **1.75** million members

Total number of steps reached **2.45** trillion steps

The industry's first membership-based spillover-effect insurance policy, designed to meet customers' health needs



Results of FitBack

Good tests - Cognitive function test

In response to Taiwan's aging population, Cathay Life Insurance launched the exclusive "Cognitive Function Test" service in cooperation with the Industrial Technology Research Institute in 2023, helping citizens understand their health status, identify early risks of cognitive dysfunction, and place greater emphasis on dementia prevention. Simple interactive games are provided to encourage users to regularly participate in the 1-minute "Brain Training" game, as well as the cognitive function testing and services of the "Brain Age Test" and "Brain Health Exercise". These games not only help users understand their health status but also award "Tree Points", which can be redeemed for actual goods. In 2025, the "Cognitive Function Test" service was used over 390,000 times.

Task	Brain Training	Brain Age Test
Targets	FitBack members	Cathay Life spillover-effect policyholders
Content	Two minutes of interactive, game-based training per week to maintain brain health	Take a 15-minute test each month to monitor brain health risks

"Cognitive Function Test" service was used over **390,000** times.

Good mood - Meditation Mission

Mental health is a key concern for modern society. Cathay Life collaborated with "Couchspace" to offer a mindfulness and meditation course, using FitBack missions to help customers become aware of their mental state and prioritize mental well-being. The meditation course, designed to foster initial self-awareness and relaxation, features five major themes: mindfulness breathing, reshaping beliefs, emotional awareness, muscle relaxation, and sleep relaxation. Participants can listen and practice according to their needs. These mindfulness exercises help policyholders stabilize their emotions, cultivate inner calm, and further enhance their physical and mental health. In 2025, the " Meditation Mission" service was used over 1.5 million times.

Good Diet - Snap & Savor Mission

To raise public awareness of dietary health, Cathay Life and Cathay Health Management jointly launched the "Snap & Savor Mission" dietary recognition service. Through the FitBack Health tasks, users can interact with AI by uploading photos of meals or submitting text questions to receive professional nutritional knowledge and dietary advice in real time. This allows users not only to quickly assess whether a meal is balanced but also to make better choices for subsequent meals based on the suggestions provided. Cathay aims to help every user develop more balanced and healthy eating habits through this service. "Snap & Savor Mission" was launched on November 11, 2025. By the end of 2025, it had served over 145,000 times.

Every Step Counts

Cathay Life Insurance has organized the "Every Step Counts" event since 2022, promoting the philosophy of walking for personal health, social welfare, and the sustainability of the Earth. When participants achieve their walking goals, their efforts toward personal health are transformed into long-term support for sustainability, creating a virtuous cycle for the environment and society and bringing the public closer to sustainable living. When participants reach their target number of steps, Cathay Life Insurance commits to providing funding to support various public welfare activities, including marine conservation, sustainable agriculture, and rural education.

The event integrates the FitBack health promotion platform with diverse health scenarios and game-based missions, allowing participants to easily join anytime, anywhere, and making walking more engaging.

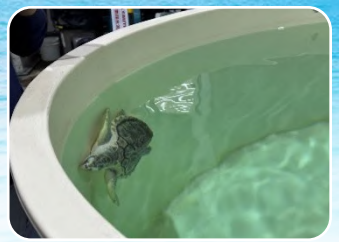
In the 2025 "Every Step Counts" event, the Group centered on walking, linking multiple activities that attracted over 407,000 participants and resulted in a total step count exceeding 108.2 billion. Over the past four years, nearly 1.07 million people have participated, accumulating a total of 272.7 billion steps. This effort has supported eight public welfare projects, with cumulative funding reaching NT$27.7 million.

"Every Step Counts" encourages people to pursue sustainability and successfully links health and public welfare to sustainable development. Cathay Life Insurance hopes that support for public welfare will go beyond one-time donations, involving discussions with local organizations to develop long-term, feasible local revitalization plans, thereby promoting and sustaining the concept of sustainability in remote areas.

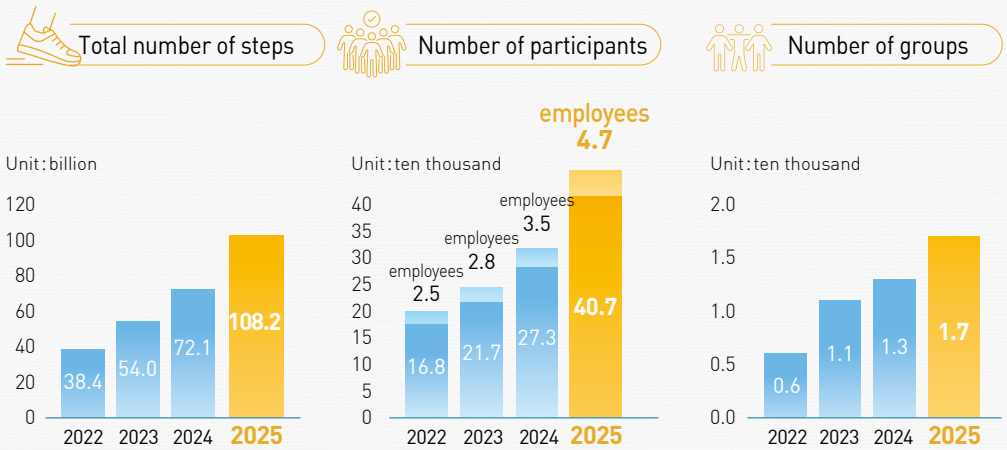
Every Step Counts successfully reached the goal in 2025

2025 Support Projects:
"Sea Turtle Protection," "Ocean Oasis," and "Friendly Tea Garden"

Cathay Life Insurance collaborated with the Taiwan Cetacean Society, the Kuroshio Ocean Education Foundation, Shin-Shen Sustainability Consulting Company, and Pinglin local tea farmers to promote three major sustainability initiatives from ocean to land, realizing the belief of "creating change with every step" and expanding "individual health actions" into "social sustainability impact" with wider reach.



The cumulative number of steps, total number of participants, and number of teams have grown over the years



*Note: Employees refer to the number of Lin-Yuan Group employees who are enrolled in the group insurance.

● FitBack - Workplace Health Promotion Tool

We launched the "Enterprise Version FitBack" at the end of 2023 to help companies improve employee health and achieve sustainability goals, becoming a leading partner in promoting workplace well-being. By 2025, a cumulative total of 91 companies had adopted the "Enterprise Version FitBack" service through the "Every Step Counts" program(the number of companies is calculated based on the number of unified business numbers).

Implementing ESG through group spill-over insurance

Companies receive health promotion rebates when they meet spill-over standards, increasing their willingness to participate, which will drive their sustainable development

2.1.2 Developing diverse spillover-effect products

Spillover-effect products are insurance offerings that not only provide policyholders with essential life protection but also include a health promotion management system that encourages the insured to adopt or strengthen health management concepts and behaviors. As a result, insurance can achieve both ex-post compensation and ex-ante prevention, helping the public gain positive outcomes from health promotion.

■ The customized design of the spillover-effect mechanism can address the diverse health needs of policyholders.

In recent years, growing public health awareness has led to an increase in the number of people who exercise regularly. However, everyone's pursuit of health is different, and Cathay Life Insurance has therefore designed spillover-effect insurance to meet customers' individual needs in daily life. Policyholders can take on various health missions (including exercise, diet, sleep, etc.) according to their preferences. They upgrade their membership levels as they accumulate points from completing missions and receive greater rewards at higher levels. This game-based approach allows us to support policyholders on their journey toward a healthy life by becoming part of their daily routine.

■ Comprehensive spillover-effect health insurance products to expand health impact

Based on the core philosophy of "prevention is better than treatment", Cathay Life Insurance encourages policyholders to adopt healthy behaviors and reduce long-term health risks through spillover-effect product designs. To bring more policyholders into the positive cycle of health promotion, Cathay Life Insurance achieved full spillover in health insurance by 2025--that is, every health insurance product now incorporates a spillover mechanism, integrating protection functions with health management to strengthen policyholders' lifelong health support. In 2025, the total first-year premium income from spillover-effect products was NT$34.79 billion, with a total of 585,000 policies sold, continuing to lead the industry.

2.1.3 Providing thoughtful and caring services

■ Product Integration Services

Cathay Life Insurance focuses on both men's and women's health issues and has launched a new "Product x Service" sales model, shifting from "Product Sales" to "Comprehensive Physical and Mental Health Protection". For example, women's cancer prevention insurance is now combined with psychological counseling services provided by the Metamorphosis Counseling Center, while men's cancer prevention insurance is combined with AI Care physical therapy services. We aim to continue supporting policyholders in strengthening their health and fulfilling our brand commitment to "Creating Health Together".

In addition to providing protection, in 2025 we collaborated with external professional institutions and physicians to organize six health engagement events, including cancer screenings, bone health lectures, and meditation and movement-based wellness courses for women. At the same time, we organized physical therapy seminars for men and invited the public to participate through business units across Taiwan. Through health knowledge sharing and hands-on experiences, we guided participants to assess their own health risks and protection needs.

■ Post-claims Care

Adhering to the concept of customer-centered sustainable management, we actively provide post-claims care services after claim payment, extending insurance coverage to customers' treatment and recovery stages, and assisting them in managing the physical and mental challenges caused by illness or accidents. This enables insurance to provide not only monetary compensation but also tangible and timely support.

Currently, post-claims care services have been developed into two representative programs: fracture care pack and cancer care pack. The Fracture Care Pack provides customers who file fracture claims due to accidents with rehabilitation care information and access to professional physical therapy services, helping them receive proper care guidance during the critical recovery period. The Cancer Care Pack addresses the needs of first-time cancer patients during treatment and post-claims. It combines treatment care information, psychological support resources, and routine care guidelines to help alleviate the anxiety and burden faced by customers and their families when confronting major illnesses.

In terms of implementation results, as of the end of 2025, Cathay Life has provided post-claims care services to a total of approximately 29,000 customers. Moving forward, we will continue to optimize the content of post-claims care services, expand professional care resources through cross-domain collaboration, and leverage data analysis to enhance service accuracy, deepen the long-term impact of post-claims care, and uphold our corporate commitment to customers, society, and health sustainability.

■ Cathay Healthcare Professional

To transform the sales team into promoters of healthy lifestyles for customers, we have leveraged the Group's resources and collaborated with Cathay HealthCare Management and Cathay General Hospital through the "Cathay Healthcare Professional Certification," helping our sales partners gain expertise in four key areas: health data, precision treatment, fat loss and blood sugar control, and elderly care. Since 2022, we have cultivated 2,158 "Healthcare Professional" sales partners. Healthcare Professional sales partners not only provide traditional insurance services but also share the latest health information with customers, acting as guardians who help identify potential health risks early. They also serve as internal seed instructors, enabling sales teams to learn collaboratively and share the latest trends, demonstrating the value of professional-led differentiation. Cathay Life Insurance aims to train 1,000 Healthcare Professionals annually to accelerate the dissemination and application of health knowledge.

2.1.4 Ensuring the physical and mental health of employees 401-2 Principle 1

■ Creating a safe workplace

● Occupational Safety Governance GRI 403-1,403-2,403-4

Cathay Life Insurance promotes workplace safety and health. In 2019, we established an Occupational Safety and Health Management System and obtained ISO 45001 certification, which has been successfully re-certified every three years. Our Occupational Safety and Health Committee, chaired by the Executive Vice President, comprises 9 members in total. The Committee meets quarterly to monitor and promote a safe and healthy workplace culture. To maintain a safe workplace environment, the company has appointed Occupational Safety and Health Supervisors, Occupational Safety and Health Management personnel, first-aid personnel, and full-time occupational healthcare personnel (nurses) in accordance with regulations. They regularly conduct workplace safety inspections, disaster prevention and health education activities, and health promotion events. In 2025, a total of 621 workplace safety inspections were carried out, and physicians and nurses provided 87 and 276 on-site service sessions, respectively.

Pursuant to the Enforcement Regulations Governing Workplace Environmental Monitoring, we conducted CO_2 monitoring in 180 buildings in 2025, ensuring compliance with legal standards (below 5,000 ppm), protecting employee health, and maintaining good indoor air quality.

● Safety and Health Education GRI 403-5

Cathay Life Insurance provides new employee occupational safety training through a two-hour course on the Occupational Safety and Health Administration's e-learning platform and a one-hour in-person course conducted by occupational safety personnel. We have also established an Occupational Safety and Health Management platform that automatically issues training notifications, improving completion rates and employee satisfaction (post-course questionnaire satisfaction rate of 97%). In addition, employees complete one hour of general occupational safety and health on-the-job training each year through in-person classes. In 2025, a total of 32,150 employees received training, including 3,052 new employees, 28,853 employees completing on-the-job training, 93 safety and health supervisors, and 152 first-aid personnel.

● Workplace Safety and Health Week

In 2025, the Occupational Safety and Health Administration supported World Day for Safety and Health at Work on April 28 by organizing a series of activities during Occupational Safety and Health Week at the end of April. Safety and health seminars, evacuation drills, and the "Journey to Safety and Health" challenge provided a fun and engaging way to enhance employees' awareness of safety and preventive health. Senior managers also led the declaration of Cathay Life Insurance's commitment to "healthy living, diversity, shared prosperity, and the co-creation of a safe workplace."

● Total Loss Due to Occupational Injury GRI 403-9

Year	2023	2024	2025
Office staff/Field personnel			
Occupational injuries	10/35	6/13	8/18
Occupational deaths	0/0	0/0	0/0
Disabling injury frequency rate	0.16/0.58	0.19/0.42	0.13/0.30
Disabling injury severity rate	4/19	4/10	2/12

Note: In accordance with the definition provided by the competent authority for statistical purposes.

Promoting physical and mental health of employees

GRI 403-2,403-3,403-6,403-10

Safe Workplace

Prevention of unlawful infringement at workplace

- Cathay Life Insurance periodically fills out and analyzes the Hazard Identification and Risk Assessment Form for Preventing Illegal Infringement in the Workplace. We conducted inspections and assessments on workplace configurations in Taiwan, set up cameras at entrances and exits of office building driveways, examined the angle of cameras at entrances, staircases, and hallways, improved lighting, replaced the air conditioning system, and improved ventilation in the workplace. There were no high-risk workplaces in the 548 units assessed in 2025.
- In 2025, there were 29 complaints of "unlawful infringement in the performance of duties," in which 5 complaints of psychological abuse/verbal violence were found to be true. In addition to initiating investigations, we also expressed care and referred affected employees to relevant Employee Assistance Programs (EAP) as needed. Cathay Life Insurance also periodically promotes a zero-tolerance policy on workplace bullying to all employees, while fostering a fearless workplace through win-win communication skills.

Implementation of the Maternal Health Protection Plan

- To create a supportive work environment, Cathay Life promotes the Cathay Pregnancy Club under its Maternal Health Protection Program. In addition to using questionnaires and interviews to understand the workplace protection needs of pregnant employees, we also provide prenatal and postpartum gifts (e.g., baby care products) for new parents, allowing them to care for their babies with peace of mind. In 2025, we distributed a total of 587 gifts.
- Through the Cathay Pregnancy Club, we track and support the periodic prenatal exams, health status, and needs of pregnant employees, and provide new parents with prenatal and postpartum gifts, enabling them to care for their babies with peace of mind. Currently, 23 office locations across Taiwan feature breastfeeding-friendly workplace facilities for employee use. In addition to receiving the Excellence Award from the Department of Health, Taipei City Government, four other locations have obtained breastfeeding-friendly certification. In 2025, 469 employees were pregnant or had recently given birth, of whom 252 received health education, care, and consultation.

Promotion of First Aid Training

- In 2025, 191 AED/CPR practical training sessions were held across Taiwan, with 7,969 participants. These sessions enhanced employees' first aid skills and response readiness, contributing to a safe and supportive workplace environment.

Healthy Workplace Certification

- The Company promotes workplace health by providing employees with comprehensive health resources, systematically evaluating and improving the physical and OK work environment, fulfilling its corporate social responsibility, and fostering a healthy workplace for all. In 2025, seven buildings were awarded the Health Promotion Label. In addition, starting in June 2025, the "Healthy Workplace Certification" was transitioned to the "Occupational Health Promotion Self-Assessment" system. This system allows workplaces to conduct self-assessments of their health promotion initiatives, simplifying the content of the assessment forms while retaining the overall workplace health promotion framework. The self-assessment methods are integrated with the familiar PDCA framework, facilitating the systematic implementation of various health promotion measures. In 2025, a total of six buildings successfully obtained certification under the Occupational Health Promotion Self-Assessment system.

Plan for the Middle-aged and Elderly

- We have formulated and implemented the "Work Suitability Management Plan for Middle-Aged and Elderly Employees," conducted on-site work environment hazard assessments in coordination with physicians and nurses, and carried out health education initiatives. In addition, we have planned exclusive health examination services for middle-aged and elderly employees, including abdominal ultrasounds and specialized cancer screenings. Cathay Life also organized government-funded workplace influenza vaccination programs to encourage middle-aged and elderly employees to get vaccinated and reduce the risk of infection in the workplace.

Physical health

Prevention and tiered management of health risk	• Starting in 2023, the frequency of employee health examinations was increased to once every two years. In 2024, health examinations were conducted at hospitals to enhance the examination experience. In addition to the items required by law, ultrasound examinations and enhanced cancer screening were added, and three screening packages--comprehensive, cardiovascular, and digestive--were offered for employees to choose from in order to support regular health examinations. Employee health examinations for 2025–2026 are still in progress. • Through the health management system, we implement tiered management based on a 10-year cardiovascular disease risk analysis and provide health education to medium- and high-risk employees through physicians and nurses. In 2025, follow-up and health education were completed for 247 employees.
Diverse health promotion activities	• In 2025, Cathay Life Insurance organized a variety of health promotion activities, with a total of 8,267 participations, including 796 government-funded vaccinations, 1,684 screenings for five types of cancer, 437 participants in blood pressure, blood sugar, and cholesterol measurements, 3,992 participants in health promotion seminars, and 1,358 participants in physical fitness activities.
BMI management activities	• Each year, we hold the "Rich and Skinny" weight-loss campaign to encourage employees to set weight-loss goals based on their individual circumstances. In addition, the campaign is combined with charitable giving, with NT$100 donated for each kilogram lost. The donations primarily support renewable energy initiatives. In 2025, the 4,834 participants lost a total of 15,004 kg.
Prevention of musculoskeletal-related injuries in workers	• We established an online questionnaire system for musculoskeletal symptom surveys to identify individuals at Risk Level 5, classified as confirmed cases, and Risk Level 4, classified as cases requiring improvement through ergonomic intervention or health promotion. In 2025, follow-up and health education were provided for six individuals at Risk Level 5 and 52 individuals at Risk Level 4. In addition, we held a total of eight ergonomics hazard prevention seminars across Taiwan to explain the prevention of ergonomics-related hazards and lead practical stretching exercises to help relieve everyday aches and pains.

Mental health

Employee Assistance Program (EAP)	• We established Employee Assistance Programs (EAP), which offer a 24-hour helpline. In 2025, a total of 158 employees used the individual consultation service; 99% of the users found it helpful in solving problems.
Prevention of illness caused by abnormal workload	• We designed an "online burnout scale questionnaire system" and integrated it with the Hygeia health management system for analysis to identify high-risk cases for medical and health education. In addition, psychological counseling and care were provided to employees through the Employee Assistance Program (EAP). In 2025, health education guidance was completed for 11 employees at High-Risk Level 4 and 151 employees at High-Risk Level 3.
Emotional stress test	• To enhance employees' awareness and capabilities regarding mental health, the "HRV Emotional Stress Testing Activity" was launched, accompanied by a one-week themed campaign integrated with the promotion of the Employee Assistance Program (EAP) and career development courses. Through a variety of interconnected activities, we enhance employees' understanding of their emotional well-being and awareness of stress management. A total of 204 employees completed HRV testing in 2025.

2.2 Financial Health

Principle 1 Principle 3

Guided by our vision to "combine insurance and technology to bring you closer to happiness [with smart, simple, and safe services]," Cathay Life continues to enhance the accessibility, usability, and quality of its financial services through technology to meet the needs of the elderly, youth, and disadvantaged groups. In doing so, we address people's insurance needs and safeguard family happiness, fulfilling our corporate mission to "shelter you like a big tree and make your life easier."

2.2.1 Implement Financial Inclusion

To remove economic, physical, time, and geographic barriers that may expose individuals or families to personal risks, Cathay Life Insurance is committed to enhancing the accessibility and usability of the financial services in its insurance products to encourage insurance uptake and facilitate enrollment. We actively strive to build an inclusive financial environment and, as an insurance company, serve as a stabilizing force in society.

■ Microinsurance

In 2009, we became the first to offer micro-insurance services, collaborating with county and city governments as well as charitable organizations to provide basic-protection micro-insurance to people in need. As of 2025, these effective insurance contracts covered nearly 170,000 individuals, with a total sum insured of NT$55.7 billion. Through micro-insurance, more than 1,700 families have received timely financial support.

In 2025, we won the first place in the Micro Insurance Contest held by the Insurance Bureau, Financial Supervisory Commission (FSC).

■ Petty Amount Whole Life Insurance

In 2017, Cathay Life Insurance launched the industry's first petty amount whole life insurance, a policy accessible to nearly anyone. This product enables individuals who are unable to purchase insurance due to age or health conditions to obtain basic coverage through a policy with low entry requirements and affordable premiums. As of 2025, a total of 272,000 effective contracts were in force, providing approximately NT$91.8 billion in coverage against personal risks.

In 2025, we won the Elderly Friendly Award for our petty amount whole life insurance from the Insurance Bureau, FSC.

■ Student group insurance

Since 2017, we have offered National Student Group Insurance for nine consecutive years, providing coverage for students from kindergarten to high and vocational schools, protecting the personal safety of 2.83 million children with a total insured amount of approximately NT$2.8 trillion.

Exclusive products for the elderly

As the average life expectancy in Taiwan gradually rises and medical expenses continue to increase, the insurance coverage that many elderly people had previously planned is no longer sufficient to meet their future needs. When they wish to adjust or expand their coverage, many are unable to purchase additional insurance due to their health conditions. Cathay Life Insurance launched "Exclusive Insurance Products for the Elderly" to provide a range of coverage, including long-term care, hospitalization, surgery, cancer, accidents, and specific injuries and illnesses. Eligibility was extended to 75-80 years of age, and health requirements were relaxed, allowing more elderly individuals to obtain the coverage they need. In addition, we established "Appropriateness Assessments for Insurance Products for the Elderly" to protect the rights and interests of elderly customers when purchasing insurance and to help them strengthen their coverage network. Since the launch of the product, a total of 192,000 policies had been sold as of the end of 2025.

Care	Content
Long-term care of elderly people	In response to the growing demand for long-term care, Cathay Life Insurance launched exclusive long-term care insurance and became the first to raise the maximum age limit to 75, helping reduce the long-term care burden for elderly individuals.
Medical insurance	As elderly individuals continue to age, they experience gradual physical decline, including hearing or vision impairments and joint deterioration, leading to an increased need for surgeries and medical device support. Cathay Life Insurance offers exclusive insurance policies that provide coverage for hospitalization and surgery, as well as subsidies for medical devices, to meet the coverage needs of elderly individuals.
Cancer coverage	To address the needs of elderly individuals, we offer cancer insurance products that provide a lump-sum payment. Policyholders receive the full insurance benefit immediately upon a cancer diagnosis, ensuring they have the funds necessary to timely cover treatment expenses.
Accident coverage	Elderly individuals are more prone to falls and fractures due to physiological factors such as slower reaction times, declining vision and hearing, and reduced mobility. To address this, Cathay Life Insurance introduced exclusive accident insurance for individuals aged 55 and above, helping them protect themselves and their loved ones in the event of an accident.
Special injury care	When middle-aged and elderly customers develop cardiovascular diseases, they often require higher-quality medical care and may experience reduced work capacity, which can affect their income. To address this, Cathay Life Insurance introduced exclusive specific-injury and illness insurance for elderly individuals. For the five cardiovascular and cerebrovascular conditions with relatively higher risk among elderly people, the policy provides a one-time payout as well as up to ten living-subsidy payments, helping them maintain their medical care and quality of life after illness.

Segmented cancer prevention coverage to address the differing health risks between men and women

Cancer has become a leading factor affecting people's health, with men and women facing different types of health risks. To enhance coverage accuracy, Cathay Life Insurance has developed cancer prevention policies with a segmented approach, considering insurance product suitability. These policies address gender-specific differences in disease risk and medical needs, helping individuals access more comprehensive support both before and after a diagnosis.

Cancer has become a major factor affecting people's quality of health, with men and women facing different types of health risks. To enhance coverage precision, Cathay Life Insurance has developed cancer prevention policies from the perspective of product suitability, adopting a segmented approach to address gender-specific differences in disease risks and medical needs. This enables individuals to access more comprehensive support both before and after the onset of illness.

Cathay Life Insurance has developed differentiated coverage plans based on the common cancers and surgical needs of men and women at different stages of life. The women's plan covers high-incidence cancers such as breast cancer, endometrial cancer, and ovarian cancer, as well as surgeries related to urinary incontinence that are common in later life. The men's plan focuses on colorectal cancer, prostate cancer, and prostate-related treatments, reflecting the typical disease patterns faced by men in middle age and beyond and ensuring that coverage more closely aligns with actual medical needs.

Friendly for diverse groups

Friendly environment and services at service locations

Friendly service environment	Cathay Life Insurance has deployed service bells at all 56 external service locations across Taiwan and provides various assistive devices, such as reading glasses and hearing aids, to better address customer needs. Moreover, we have installed video magnifiers and provide wheelchairs at hotspots for elderly customers, in order to protect their rights and interests. The design of low counters at all locations further facilitates access for people with disabilities. Our locations also have blood pressure monitors to care for customers' health. Multi-language signs have been installed at the entrances of branches located in areas with higher populations of new immigrants, welcoming new immigrants and foreign customers and fostering a friendly, inclusive environment.
Listening to diverse communities and communicating with no barriers	Cathay Life provides multi-language video interpretation services to safeguard the rights and interests of new immigrants and broaden their access to financial services. When serving customers with visual impairments, Cathay Life Insurance staff provide assistance based on a structured four-step guiding protocol. This includes proactively asking whether assistance is needed, using non-intrusive tactile cues to initiate guided support when requested, providing guided mobility assistance with appropriate positioning during movement, and offering advance verbal descriptions of the surrounding environment and any potential obstacles to ensure safe navigation. For customers with hearing impairments, instant text interactions and sign language video interpretation services are available at the counter. Through these text and sign language supports, we enhance communication convenience and create a friendly, accessible service environment. In addition, all service locations have received the "Dementia-Friendly Badge" certification from the Health Promotion Administration. Service personnel trained as dementia-friendly angels provide appropriate guidance to elderly and dementia-affected customers and form part of the community dementia protection network, delivering friendly services for individuals with dementia.
Extensive service network	With a team of over 23,000 sales agents and 372 offices across Taiwan, Cathay Life Insurance provides friendly, local services. These are complemented by 56 service locations and a 24-hour chatbot customer service center, allowing customers to choose their preferred service channel and receive high-quality, professional support through omnichannel assistance and coverage arrangements.

Friendly Financial Services Hotline

To address the financial service needs of elderly customers and socially disadvantaged groups, and to provide accessible services for individuals with disabilities, Cathay Life Insurance upgraded its elderly care hotline to a friendly financial hotline serving customers aged 65 and above, as well as disabled customers. Dedicated customer service teams prioritize answering calls from elderly callers. Service personnel communicate at an appropriate pace and provide clear explanations of insurance policies, share relevant information on "elderly value-added services" to help older customers access necessary resources, and courteously remind them of important matters to safeguard their rights and interests as policyholders. Customer service personnel are provided with tailored scripts and guidance based on different scenarios, such as physical or visual disabilities, to ensure appropriate and sensitive interactions.

When disadvantaged or elderly customers call the general customer service hotline, the system used by service personnel displays labels indicating the customer's status and age, and provides relevant service scripts to help personnel deliver more effective and tailored support.

Friendly Financial Services Zone

Cathay Life Insurance's "Friendly Financial Services Zone" has achieved the highest AAA level of accessibility certification and offers three user-friendly features: adjustable font size, real-time voice reading, and dark mode switching. These functions not only enhance information accessibility for persons with disabilities and middle-aged or elderly users but also encourage the use of dark mode, supporting the ESG concept of energy-saving device usage. The zone received a total of 16,000 views in 2025.

Thoughtful Services for the Elderly - USR Health Promotion Program

Cathay Life Insurance, in collaboration with University of Taipei, established a life protection network for the elderly centered on "caring for the body, caring for the mind, and protecting wealth." We organized the "Senior Fitness Program" in Da'an District, Taipei City, recruiting 40 elderly participants aged 65 and above who live alone or are in frail or pre-frail condition. The program provided a total of 12 weeks of diverse exercise classes, totaling 48 hours, including gym and weight training sessions. Based on pre- and post-program assessments, elderly participants showed significant improvements in upper- and lower-limb strength, agility, balance, and grip, enhancing their independence in daily life and reducing the risk of falls. In addition, the program incorporated board games to strengthen anti-fraud awareness, promoting the physical, mental, and financial well-being of participants.

New immigrant life consultation services

Cathay Life Insurance embraces sustainability and aligns with the government's vision of fostering a multicultural-friendly society. In 2025, we launched the "Lifestyle Counseling Digital Platform" for new immigrants, providing essential information for living in Taiwan, including insurance services, language learning, and general legal knowledge. By offering multilingual support, cross-cultural guidance, and contextually relevant information, the platform helps new immigrants integrate more smoothly, reduces information gaps and financial barriers, and delivers targeted support for daily life as well as financial protection and planning.

2.2.2 Utilizing digital technology

Principle 1 Principle 2

■ Optimizing financial services

In order to serve a wide range of customers around Taiwan, Cathay Life Insurance uses digital technologies at service nodes to improve the convenience of financial services and overcome geographical, temporal, and physical limitations, thus providing customers with a better service experience.

● Online services

Online insurance enrollment

Since the end of 2014, Cathay Life Insurance has offered online insurance enrollment, providing a secure, anytime-and-anywhere digital experience while continuously enhancing its product range and functionality. In addition to travel, life, annuity, health, accident, and investment-linked insurance, the company launched micro insurance, petty-amount whole life insurance, critical illness insurance, and term life insurance on the "Retirement Preparation Platform" in 2022, in line with regulatory policies for protection-oriented products. In 2023, Cathay Life introduced the industry's first online hospitalization daily-amount health insurance. Currently, it offers 16 products across six insurance categories. We offer multiple payment methods to enhance policyholders' experience when paying insurance premiums online. In addition, in 2024, the website underwent a content and visual redesign, with added supplementary information on insurance products and the introduction of the virtual assistant "Alpha" to help customers better understand professional insurance concepts. In 2025, the travel insurance application process was revised to simplify and optimize the interface, making it easier to use and providing a more user-friendly digital platform. In 2025, overall customer satisfaction with our digital services reached 96%, while satisfaction with online insurance enrollment remained at 97% for the sixth consecutive year.

Insurance View and Insurance Assets

Cathay Life Insurance has developed an insurance view that allows customers to easily and comprehensively review their personal coverage and insurance assets. Through a journey structured around "what's there," "what's missing," and "what to make up for," customers can identify gaps in their coverage and consult with life insurance advisors. A total of 820,000 people logged in and used the insurance view in 2025.

Customize my insurance portfolio - Investment planning

Considering the wide variety of insurance products in the market and how hard it is to understand the terms Cathay Life Insurance released the "Customize My Insurance Portfolio - Investment Planning" function to lower the threshold for selecting insurance as part of investment planning. The function guides interactions with customers to determine their risk tolerance, budget, or expected target amount based on the age and background of customers. Utilizing our professional data algorithm module, we recommend up to three investment options for customers to choose from, including recommended combinations of traditional interest-sensitive insurance and investment-linked insurance. In 2025, the "Customize My Insurance Portfolio - Investment Planning" function was used nearly 273,000 times.

Family insurance policy management

Cathay Life Insurance upholds a customer-centric philosophy, shifting from the traditional individual-focused insurance approach. The Cathay Life app introduced the industry's first "Family Insurance Policy Management" feature, enabling users to toggle between "My Perspective" and "Family Perspective" to access family policy information in one place. It also integrates group insurance data, presenting both individual and family members' personal and group insurance coverage to ensure a more comprehensive view.

The Cathay Life app guides users from passively receiving recommendations to actively managing their insurance risks and coverage. It provides a clear view of individual insurance policies while supporting family-wide policy integration, inquiries, and protection recommendations, addressing the needs of cross-generational users. As of the end of 2025, the app had over 3.5 million users, with 620,000 monthly active users (MAU), reflecting an innovative, technology-driven, and customer-focused digital service experience.

CVX platform

Cathay Life Insurance's remote insurance service, Cathay Vision Experience--the industry's only comprehensive remote insurance total solution--integrates functions such as online insurance enrollment, policy changes, policy loans, claims applications, and premium payments. Initially designed to overcome the constraints of time and space during the COVID-19 pandemic, CVX has since evolved into a convenient and reliable customer service channel.

To better serve more policyholders, Cathay Life expanded the use of "Cathay Vision Experience" from the "Original Business Channel" to the "Insurance Broker and Agency Channels" at the end of 2024. Through the remote service platform, policyholders and employees can complete various insurance services without meeting face-to-face, overcoming time and space constraints, and significantly enhancing service convenience and overall experience. By 2025, approximately 107,000 remote insurance applications had been completed.

Mobile/Electronic Insurance

Cathay Life Insurance began providing mobile insurance services in 2012, which integrate insurance enrollment, claims, premiums, and conservation changes. Customers can complete various insurance service processes using tablet PCs, thus saving the trouble of sending documents back and forth. In conjunction with smart underwriting technology and claims risk rating system, this system significantly shortens the time for follow-up processing, thus providing immediate insurance services. In addition, we introduced many electronic documents such as e-statements, e-policies, and payment details, not only improving service efficiency, but also reducing the use of paper for relevant documents and creating tremendous environmental benefits.

please refer to 1.2 Environmental Sustainability on P.47 for details)

Virtual Assistant

Since Cathay Life Insurance launched the chatbot "Alpha" in 2018, customers have been able to use "Alpha" on Cathay Life Insurance's website, app, Line account, EDM and text messages to quickly solve all kinds of insurance issues, including: customer rights, protection coverage, policy loans, premium account inquiries, product information, and related services.

In 2025, the chatbot recorded 2.7 million usage sessions, with an average of 225,000 interactions per month. The problem-solving rate[Note1] was 97.7%, and the satisfaction rate[Note2] was 94.8%, accounting for 81% of all customer service inquiries and effectively reducing wait times for phone or counter services. This demonstrates that "Alpha" has become a widely appreciated and trusted smart assistant for customers.

Note 1: The percentage of customers who did not contact manned service channels—such as phone calls, emails to customer service, or other methods—within one hour after using the chatbot "Alpha."

Note 2: The percentage of customers who gave 4 points or higher in the satisfaction survey after using the chatbot "Alpha".

Sky Counter Remote Services

For the first time, customers can complete policyholder changes, beneficiary updates, and policy loans online. We have continued to expand our range of services, including name changes, travel insurance extensions, and facial recognition registration, to meet customers' remote service needs. By logging into Cathay Life Insurance app and making an appointment for the "Sky Counter," policyholders can make online appointments and have multiple people in different locations simultaneously handle policy changes. The entire process is paperless and time-saving, breaking the constraints of physical branches and counter services. It is the most comprehensive remote service counter in the industry.

Note: In addition to saving customers' time and costs when applying for services, relevant management measures have been incorporated into the department's internal control procedures. Internal supervision mechanisms, including annual self-audits, have been established to regularly monitor implementation status and performance.

Virtual queuing

We implemented a virtual queuing mechanism that allows policyholders to check their waiting time after calling the customer service hotline and choose either to wait online or schedule a callback from a customer service officer, enabling more flexible time management.

Online telephone call service

Those who have an Internet connection can make online telephone calls via Cathay Life Insurance's website or app to reach our Contact Center. Customers abroad can thus save international roaming call charges and easily complete service processes, such as extension of travel insurance and insurance policy inquiries. When policyholders experience physical discomfort while traveling, they can call the "Overseas Emergency Assistance Hotline" via online telephone to use our emergency medical consultation service online.

Complaint hotline

We formed a team of experienced customer service personnel to provide professional services, quickly assess problems, and discuss solutions with related departments to reduce the likelihood of customer complaints, quickly solve customers' problems, and reduce negative media coverage.

Easy-Call Travel Insurance

Cathay Life Insurance was the first to introduce easy-call travel insurance, allowing policyholders to interact immediately with the chatbot without waiting for human customer service. Travel insurance can be successfully applied for in just three minutes, making the process as simple as chatting with Siri on an iPhone. In addition, customer service personnel can seamlessly take over to provide assistance if policyholders have specific needs. In November 2022, we launched Smart KYC (Know Your Customer), allowing customers to complete identity verification through a chatbot and express their needs in a single sentence. Human customer service personnel then seamlessly take over, quickly and accurately addressing customer requirements.

Innovative online services

The advancement of digital technology has significantly changed consumer behavior, making online activities the norm. In response, Cathay Life Insurance has developed convenient, one-stop online insurance services. These services, built on innovative platforms, introduce a new online insurance service model that allows all groups, including youth and the elderly, to enjoy fast and convenient digital access.

Full-Scenario Facial Recognition Service

Approved by the Insurance Bureau of the FSC, Cathay Life Insurance officially launched the life insurance industry's first "Full-Scenario Facial Recognition Service" pilot program in July 2025. It was the first to comprehensively apply face recognition technology across five major insurance service processes—insurance enrollment, policy changes, premium payment authorization, claims applications, and over-the-counter services—truly achieving "one-time registration, applicable across all scenarios." Customers only need to complete a one-time facial registration, after which face recognition can replace most signatures, confirmation paper submissions, telephone interviews, and OTP identity verification. This not only significantly reduces application time but also enhances the reliability of identity verification. All facial registration and verification processes are conducted within a strictly monitored information security environment. The system is certified under international information security standards (ISO/IEC 27001, BS10012, and ISO 29100) and encrypts all data during transmission and storage, comprehensively safeguarding customer data security and ensuring service stability.

Cathay Life is committed to advancing insurance services with a customer-centric approach and launched the industry's first full-scenario facial recognition service. By combining the three key features of "Smart, Simple, and Safe," it not only delivers an innovative digital insurance experience but also demonstrates Cathay Life's commitment to information security. During the six-month trial period, more than 20,000 customers have registered their faces and more than 5,500 facial authentication cases have been verified.

Free Assortment

Targeting young people with highly autonomous insurance needs, Cathay Life Insurance has developed the first personal insurance digital platform, called the "Free-choice Coverage," to provide convenience for policyholders to freely choose a plan that meets both their budget and needs. Together with interactive demand analysis, including customized insurance combinations, career advice, and retirement calculators on the official website, we provide exclusive insurance combinations for all customer groups, in order to meet all types of insurance needs. In 2025, the official website of Cathay Life Insurance received approximately 9.98 million visits, and the number of Free-Choice Coverage cases reached 24,000, with an overall customer satisfaction rate of 96%.

Official website AI search engine

Cathay Life introduced an AI search engine on its official website, built on Google Cloud Platform (GCP). Leveraging natural language analysis and deep learning technology, the engine supports multiple data formats and is regularly updated to provide accurate search results. An enhanced search portal was added to the official website to make the function more user-friendly and information easier to find, helping customers quickly access the information they need. If no results are found, a follow-up link to the virtual assistant "Alpha" is provided to ensure uninterrupted service. After the launch of the official website's search function in 2025, it was used a total of 117,166 times during the year.

Group insurance self-payment digital platform

Cathay Life Insurance's Group Insurance Self-Payment Digital Platform is Taiwan's first fully digital group insurance service. It helps companies cut over 90% of administrative tasks, mitigate the risk of personal data exposure, and actively promote financial inclusion and ESG-related social responsibility. During the platform's trial implementation, 80 companies and over 500 uses participated, successfully facilitating regulatory easing and establishing a new B2B2C group insurance model in Taiwan.

Cathay groupins+

Cathay Life Insurance continues to carry out the digital transformation of group insurance, and provides the intelligent and efficient insurance enrollment platform "groupins+" for corporate customers to select a combination of coverages and quickly obtain a quote for their customized group insurance. We also created the industry's first O2O business model that allows companies to make an online appointment with an exclusive group insurance consultant, and encourage them to improve the health and well-being of their employees. We combined the "FitBack" health promotion plan to offer spillover-effect group insurance for companies, creating a new business model. As of 2025, the "groupins+" platform had accumulated 700,000 visits and output more than 2,300 customized group insurance quotations, providing companies with more transparent and flexible coverage options.

2.2.3 Treating customers fairly

Principle 1 FS15

Cathay Life Insurance has created a friendly financial environment based on the philosophy of being customer-centered, and continues to listen to customers to protect their rights and interests.

Principles of Treating Customers Fairly

Cathay Life Insurance is committed to embedding the principle of "treating customers fairly" into its organizational culture. In 2018, we became the first in the industry to establish the Treating Customers Fairly Committee, led and supported by the Board of Directors, to ensure the protection of customers' rights and interests. In 2020, the KPIs for the principle of treating customers fairly were stablished based on three major aspects: service, equity rights, and professionalism, so as to measure the achievement rate of execution strategies for each principle. We set nine key indicators for nodes before, during, and after sales in 2021, and developed a dashboard to monitor the implementation of the principles of treating customers fairly.

In 2025, Cathay Life Insurance systematically optimized its products, services, and internal control processes across three dimensions: Smart (technology empowerment), Simple (clarity and transparency), and Safe (reliable protection). We focus on enhancing service accessibility and consistency through digital technology, improving understanding and decision-making quality through transparent information, and safeguarding customers' rights and interests through risk protection:

Smart
Empowering Technology Enhance Service Accessibility

1. Mobile insurance allows customers to verify their identity via facial recognition, streamlining the process by reducing multiple signatures, shortening the processing time for new contracts, and enhancing the overall customer experience.
2. A new AI voice-reading feature was added to the mobile enrollment process, with smart voice assistants helping salespeople read text aloud, thereby reducing comprehension difficulties for elderly customers.
3. Customers can use the app to book the "Sky Counter" for video-based service, overcoming time and location constraints while saving travel time and costs. In 2025, the service was upgraded and a remote service team was established to expand product consultations, insurance enrollment, and online policy services.
4. The AI Coach smart training system was developed with the sales process as its core scenario. Using generative AI to simulate roles, it conducts scenario-based drills, provides personalized feedback, and helps sales personnel practice a complete customer interaction process.

Simple
Simple and transparent making information easy to understand

1. A notification management platform was established to consolidate all customer communications from Cathay Life Insurance, standardize the layout, and make messages easier for customers to identify and read.
2. We assist hearing-impaired, new immigrants, and foreign customers in completing transactions with confidence by providing sign language video interpretation, real-time interactive text services, and multilingual interpretation, ensuring that customers fully understand the information.
3. The Cathay Life Insurance app offers full information disclosure and introduced the industry's first "Family Insurance Policy Management" feature. It visualizes the "Insurance View" and integrates policy and health functions, empowering policyholders to independently complete after-sales services.
4. Through diverse media and materials, such as short videos and the insurance knowledge section on the official website, people can learn about the features of insurance products, quickly understand the coverage they need, and grasp the risks associated with each stage of life.

Safe
Reliable protection Safeguarding customers' rights and interests through risk coverage

1. According to statistics from the National Police Agency, Cathay Life successfully intercepted 198 cases of fraud, involving a total of over NT$150 million. Both the number of cases and the total amount accounted for more than 85% of the life insurance industry, effectively protecting customers' assets.
2. Cathay Life launched the policy designated contact person service. When a policyholder applies for a policy cancellation, partial withdrawal, or policy loan exceeding a certain amount, Cathay Life notifies the policyholder's designated contact person as stipulated in the contract and verifies the application motive through a third party, thereby reducing the risk of fraud.
3. Products and services are tailored to customer segments. For example, the female-oriented "Healthy & Happy" and male-oriented "Strong & Happy" plans provide coverage for cancer, specific surgeries, and accidental fractures, while also integrating psychological counseling and physical therapy services..
4. Enhanced the senior manager accountability system to ensure that senior managers are responsible for each management and business function, and use it as the basis for accountability in cases of misconduct.

External recognition of our continuous improvement efforts:

- Achieved the ISO 9001 Quality Management System and ISO 10002 Customer Complaint Management System certifications, and the service and complaint handling mechanisms meet international standards to implement the principles of treating customers fairly.
- Received the Gold Medal at the Commercial Times Service Industry Awards, marking **9** consecutive years of recognition.
- Rated excellent (ranked top **25%** among insurance companies) in terms of fair customer treatment by the FSC for **7** consecutive years.
- Ranked in the top **25%** in the FSC Sustainable Finance Evaluation for **3** consecutive years.

Official Website of Cathay Life Insurance - Treating Customers Fairly Section

Better management of customer satisfaction

1.Cathay Life Insurance introduced the Net Promoter Score (NPS) in 2016 to keep abreast of customers' voices and make rapid improvements. Together with professional consultants, Cathay Life Insurance compiled the "Customer Experience Map" based on our insurance service journey, which combines daily tracking and management mechanisms to identify needs from the user's perspective and implement improvements at key customer journey touchpoints. In 2025, overall customer satisfaction reached 98.9%, with an NPS of 40.8 points, maintaining a consistently high level of satisfaction.

Year	2021	2022	2023	2024	2025
RNPS	21.1	29.2	35.1	43.1	40.8
Goal	≥20	≥20	≥20	≥20	≥20
Goal attained	☺	☺	☺	☺	☺

Attained ☺

2.Elderly customer segment[Note1]

The Net Promoter Score (NPS) for elderly customers reached 42.3, the highest among all age groups. This segment also recorded the highest proportion of promoters and the strongest repurchase intention, indicating a high level of recognition of Cathay Life Insurance's overall performance. In terms of key areas of concern, elderly customers place primary importance on the comprehensiveness of policy coverage. Satisfaction with this aspect has remained at a consistently favorable level.

Note 1: The elderly customer segment refers to customers aged 51 and above. Sample size: 1,902.

3.Disadvantaged customer segment[Note2]

The Net Promoter Score (NPS) for disadvantaged customer groups reached 60, which is significantly higher than that of other customer segments. Overall customer satisfaction within this group reached 100%, reflecting strong recognition and appreciation of Cathay Life Insurance's services.

Note 2: Disadvantaged groups include persons with disabilities, Indigenous peoples, and new immigrants. Sample size: 45.

Creating a National Fraud Prevention Safety Network

Amid the continual evolution of fraud schemes and threats to public financial security, Cathay Life has long considered fraud prevention a core responsibility to protect its customers. In 2025, we further strengthened collaboration with the Criminal Investigation Bureau of the National Police Agency and officially launched the Fraud Prevention Safety Network. Focusing on four key areas--knowledge network, technology network, joint defense network, and care network--the initiative comprehensively enhances the public's ability to detect and protect against fraud.

Fraud prevention education and promotion

Regarding the knowledge network, Cathay Life Insurance has integrated fraud prevention knowledge into the customer service process through systematic employee education and training, as well as daily service interactions with over 23,000 sales personnel across Taiwan. At the same time, we continue to promote fraud prevention education for all age groups through community centers, schools, and long-term care institutions. Innovative promotion methods include an upgraded "Fraud Defense Team" board game and the "Five Noes of Fraud Prevention" singing and dance video, "Anti-fraud Win All," designed to cater to the learning styles of different generations and strengthen people's ability to detect fraud.

The "Caring Network" focuses on customer engagement and reinforces awareness of common fraud schemes and anti-fraud regulations through business visits, counter reminders, and educational activities, helping to reduce the risk of victimization.

Results in 2025 are as follows:

- **657** anti-fraud campaigns were held for customers and the public, with a total of **25,198** participants
- **3,372** employee fraud prevention courses were held with more than 23,000 people participating
- **7** policyholder events were held, with police invited to set up anti-fraud booths, reaching more than 100 participants.
- **63** fraud prevention campaigns were held with over a thousand students attending

"Fraud Defense" Board Game

- In 2019, Cathay Financial Holdings collaborated with the Criminal Investigation Bureau of the National Police Agency and students from National Taiwan University's intellectual learning program.
- Version 3.0 was updated in 2025, incorporating 12 real-life fraud scenarios so that participants can learn to identify fraud in the game and apply that knowledge to real-world situations.

Fraud Prevention Promotion and Results

Regarding the "Technology Network," Cathay Life Insurance uses AI models to assess customers' fraud risk and has successfully helped identify more than 80% of high-risk cases. At the same time, through multiple measures—such as online transaction alerts, over-the-counter care, and dedicated telephone interviews—we have strengthened real-time early warning capabilities.

The "Joint Defense Network" focuses on cross-industry collaboration and information integration. Internally, Cathay Shield is implemented to accurately verify customer identities, improve the accuracy of risk monitoring, and enable cross-channel joint defense through information sharing. Externally, we have established early warning cooperation mechanisms with the 165 Anti-fraud Hotline to enhance the joint defense efficiency of external parties.

Fraud prevention results in 2025:

- Successfully blocked **198** cases of fraud
- Protecting the assets of the public: Over NT$**150** million
- The amount of fraud blocked accounted for more than **85%** of the life insurance industry total, ranking first in the industry.

This achievement highlights the vital role of financial institutions in serving as the frontline defense for protecting the public's assets. Cathay Life has also comprehensively promoted the Policy Designated Contact Person service, using real-time third-party intervention to reduce fraud risk among elderly and vulnerable groups. At the same time, service centers and agents across all regions have implemented the four principles of "See, Listen, Ask, and Block," serving as a key frontline in preventing fraud. Several successful cases demonstrate that the vigilance and proactive reporting mechanisms of frontline employees have become a critical force in safeguarding the financial assets of the Taiwanese public.

Financial education for disadvantaged groups

In 657 fraud prevention campaigns, Cathay Life Insurance also implemented special initiatives targeting disadvantaged groups.

People with disabilities

Dedicated events were held in Zhongquan Community in Changhua, using a board game to present insurance fraud scenarios, such as false diagnoses, forged documents, and misleading individuals into purchasing insurance. This approach allowed participants to learn anti-fraud knowledge in a relaxed setting and strengthen their self-protection skills. A total of 42 participants took part in the program, including 36 individuals with disabilities.

Indigenous peoples

Three rural schools—Wenshui Elementary School in Miaoli, Baoshan Elementary School in Hsinchu, and Jhulin Elementary School in Yilan—were supported by volunteers experienced in board games, who helped children understand common fraud schemes and strengthen their fraud prevention awareness. A total of 386 students participated in the program.

New immigrants

Facing over 600,000 new immigrants in Taiwan (approximately 2.5% of the total population), Cathay Life Insurance conducted interviews in 2025 with NGOs, KOLs, foreign in-house employees, and new immigrant sales agents to gain in-depth insights into the challenges new immigrants face in living and working in Taiwan. These insights will serve as the foundation for financial education and career counseling programs planned for 2026.

03 Empowerment

3.1 Workplace Empowerment
3.2 Social Empowerment

Core philosophy

Cathay Life Insurance regards employee empowerment as the foundation of corporate sustainability and adopts a people-centered approach: We are committed to fostering a workplace built on trust and providing comprehensive support, enabling employees to demonstrate their value and continue to grow, while externally, we leverage employees' actions and professional expertise to extend our care to society and broaden the positive impact of insurance. Upholding our commitment to Taiwan for more than 60 years, we continue to work with society to foster shared prosperity and build a better future together.

Performance highlights

50,578 hours

In 2025, over 90% of office staff used the Hahow self-learning platform, accumulating a total of 50,578 learning hours.

57,594 hours

In 2025, volunteers participated 8,895 times, contributing 57,594 service hours

422 individuals

As the only CFP® corporate training institution in Taiwan's financial industry, Cathay Life Insurance had 422 certifications approved as of 2025, the highest in the industry

728 certifications

The cumulative number of certifications in sustainable finance, including both basic and advanced levels, increased to 728, approximately 12.5 times that of 2024.

Policy commitment

Cathay Life Insurance values talent and supports employees to unleash their potential at all stages of their careers through complete recruitment, training, and benefits systems. We uphold the core values of respecting human rights, protect employees' rights, promote a culture of diversity, equality, and inclusion, create a trustworthy and friendly work environment, and help employees achieve steady growth with peace of mind.

Management Action

Performance tracking/stakeholder engagement

Establish a comprehensive training system	Provide a comprehensive benefits system	Offer diversified work models
• Provide training resources and diverse learning programs tailored to employees at different career stages to prepare them for the next stage of their career development. • Professional competency-related courses are offered and combined with digital resources to enable employees to plan and pursue self-directed learning.	• Provide a wide range of benefit policies related to protective, developmental, recreational, financial and service.	• Promote business process streamlining by reviewing departmental operations and digitizing existing processes.In addition, agile tools and cloud-based office application tools are phased in on an annual basis to improve the efficiency and information security of internal information exchanges. • Up to 30% of personnel are permitted to work remotely, fostering self-management among supervisors and employees while cultivating a trusted team.

3.1 Workplace Empowerment

Employees are Cathay Life Insurance's most valuable asset. Amid digital transformation, sustainability trends, and intensifying talent competition, a workplace built on trust, inclusion, and well-being is fostered through comprehensive systems and employee-oriented benefits, enabling individuals to grow and apply their expertise in roles that best fit their capabilities. Building on this foundation, Cathay Life recruits potential talent through diverse channels and leverages varied learning resources, cross-functional rotation programs, and leadership development initiatives for both office staff and sales agents gradually establishing a comprehensive talent development pipeline that supports employees' growth at every stage of their careers.

3.1.1 Diverse and inclusive workplace

Please see P.184 of the appendix for our employee structure.

Cathay Life Insurance is committed to fostering an inclusive workplace that respects diversity and protects human rights, ensuring every employee can work with peace of mind. The Company complies with applicable labor laws and internationally recognized frameworks , including the Universal Declaration of Human Rights , the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the conventions and standards of the International Labour Organization. Guided by the Cathay FHC Human Rights Policy, the Company strictly prohibits discrimination based on gender, sexual orientation, race, socioeconomic status, age, marital or family status, language, religion, political affiliation, nationality, appearance, facial features, physical or mental disability, or any other characteristic, with the goal of maintaining a workplace free from human rights risks.

At the same time, in accordance with Cathay FHC's Code of Ethical Conduct, the Company has established a number of internal policies, including the Employee Code of Conduct of Cathay Life Insurance and the Procedures for Ethical Management and Guidelines for Conduct of Cathay Life Insurance. These policies clearly define the standards of conduct expected of employees, serve as key principles guiding employee behavior, and safeguard employees' fundamental rights. For related details, please refer to Section 5.1, Sustainable Governance, P.123.

Furthermore, guided by a people-centric philosophy, Cathay Life Insurance values the sustainable development of employees' careers. Through diverse benefits and support measures ,efforts are made to alleviate the pressures associated with multiple roles at different career stages and to foster an environment in which employees can engage in their work with peace of mind.

Cathay FHC Human Rights Policy

Promoting human rights in the workplace

To establish a workplace that respects human rights and diversity, Cathay Life Insurance continues to implement relevant measures and systems while strengthening employee education and training:

- Cathay Life Insurance established the Regulations Governing Rewards and Subsidies for Referrals of Employees with Disabilities and Indigenous Employees to encourage employees to recommend suitable talent. As of the end of 2025, the Company employed 366 employable persons with disabilities, equivalent to 1.24 employees with disabilities per 100 employees, exceeding the requirements of the People with Disabilities Rights Protection Act.
- A post-retirement reappointment system has been established for insurance sales agents. Employees who remain in good health and maintain stable performance may be reappointed after retirement, encouraging senior sales agents to continue contributing and embodying the philosophy of lifelong employment. As of the end of 2025, 1,888 sales agents over the age of 65 were still actively employed.
- A total of four human rights–related training topics were promoted for all employees, including senior executives, covering gender equality, workplace bullying, unlawful infringement, and accessible financial services for persons with disabilities (including CRPD contents). Additional training on protecting the insurance rights and interests of elderly customers was provided for sales agents. The overall training completion rate exceeded 99%, and all senior managers of Cathay Life Insurance received CRPD-related training in 2025.

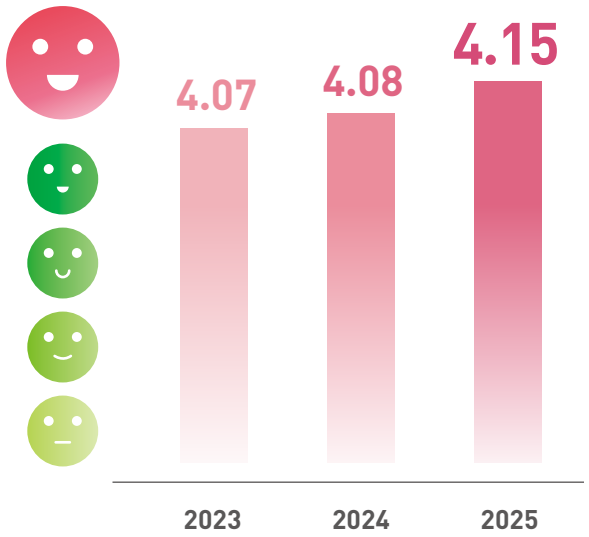
Implementing employee communication

To demonstrate the Company's commitment to its employees and promote equitable, transparent, and supportive interactions, multiple communication channels and mechanisms have been established to hear employees' voices:

Employee engagement survey

An annual employee engagement survey is conducted to analyze feedback across five key areas, including corporate sustainability, organizational commitment, employee satisfaction, leadership management, and job recognition, in order to understand employees' level of engagement and expectations of the Company. In 2025, the response rate reached 83.6%, with an overall engagement score of 4.15. The overall employee satisfaction score was 4.24. In response to employee feedback and survey results, the company will continue to foster a diverse and inclusive workplace culture and provide relevant resources and benefits to support employee growth and development. The survey results and subsequent improvement measures will be published on the internal website. In 2025, the turnover rate of office staff was 5.3%, which lay within one standard deviation in the past three years. The retention rate of sales agents reached 69.5%.

Three-Year Engagement Scores



Employee Communication Channels

Labor-management meetings are held regularly to discuss employee rights and interests and to provide appropriate channels for employees to express their views, such as employee discussion forums, the Chairman's mailbox, and the Group Independent Director Mailbox, thereby listening to employee feedback and promoting their suggestions. A total of four labor-management meetings were held in 2025. Furthermore, Cathay Life Insurance's labor union was formally established on March 5, 2024, reflecting the Company's open approach to respecting employee rights and fostering positive labor relations. It serves as an important platform for collective communication between the Company and its employees. The Company has also established a regular communication mechanism with the union to jointly discuss employee welfare, working conditions, and workplace safety issues, demonstrating our commitment to responding to employee voices.

Complaints Related to Sexual Harassment and Unlawful Infringement

To safeguard human rights in the workplace, the "Sexual Harassment Prevention, Complaint, and Disciplinary Measures," have been established. A Sexual Harassment Complaint Investigation Committee has been set up, and multiple reporting channels, including a dedicated hotline and email address, are provided. All related cases are handled by designated personnel under strict confidentiality. If a case of sexual harassment is substantiated, disciplinary action will be taken against the respondent in accordance with the Company's regulations, while the complainant will be provided with necessary support, such as psychological counseling. In 2025, a total of five cases related to sexual harassment or violations of gender equality were accepted, and all were closed in accordance with established procedures. In addition, a "Workplace Unlawful Infringement Prevention Plan" has been implemented. Each unit carries out preventive measures in accordance with the plan, including hazard identification, risk assessment, and training. When a complaint of unlawful infringement is received, a dedicated task force is formed immediately to conduct an investigation. For details, please refer to Section 2.1, Health Promotion, P.56.

Labor-Management Issues	Action plans
Forced labor, work hours	▶ Promote compliance with daily/monthly overtime limits. ▶ Establish remote working and flexible working hour arrangements. ▶ Implement prevention programs for work-related health risks associated with excessive workloads.
Diversity, Inclusion, and Equal Opportunity	▶ The Employee Code of Conduct and the Code of Ethical Conduct explicitly prohibit discrimination, sexual harassment, and all forms of conduct that violate human rights. ▶ Conduct labor-management meetings to ensure effective communication on key labor-management issues and implement actions in line with agreed-upon decisions. ▶ Implement sexual harassment prevention measures and workplace violence prevention programs, supported by employee education and training.

Fostering a Happy Workplace

To continue fostering a safe and supportive workplace, Cathay Life Insurance provides an environment where employees can engage in their work, achieve a balance between professional and personal life, and benefit from innovative work models and a comprehensive welfare system that offers appropriate support at every stage of life. Guided by the belief of "Let dreams and work grow together," the Company aspires to be a trusted partner throughout employees' life journeys, working together toward a happier and more sustainable future. For details on employee physical and mental health, please refer to Section 2.1, Health Promotion, P.56.

Innovative Work Model

- Up to 30% of personnel are permitted to work remotely, fostering self-management among supervisors and employees while cultivating a trusted team.
- Use Microsoft 365 (M365) to improve the efficiency of remote work and teamwork.
- Implement the VDI OANote 1 project and adopt low-power equipment to promote energy conservation and carbon reduction, ensure no personal downloading of online data, and support flexible work.

Note: Virtual Desktop Infrastructure Office Automation (VDI OA) is a system that sets up a computer desktop environment on a remote server and data storage, where individual access is not subject to restrictions on time, place, and device.

Employee Benefits

Recreational

Senior employee rewards, resource sharing with affiliated companies, and special offers at designated stores.
Employee travel subsidies, Cathay Family Day, mountain hiking, art awards, fun contests, year-end party subsidies, health program subsidies, health promotion activities, parent-child activities, and club subsidies.

Financial

Holiday and birthday gifts, marriage and funeral subsidies, children education allowances, mortgage interest discounts, and other benefits.

Service

Senior employee rewards, resource sharing with affiliated companies, and special offers at designated stores.

Developmental

Internal and external training subsidies, foreign language continuing education subsidies, professional certification incentive subsidies, off-duty education subsidies, and overseas training opportunities.

Protective

Parental leave, employee welfare group insurance, accident insurance, employee stock ownership trust, health examinations, and other benefits.

3.1.2 Talent Attraction

Amid rapid changes in job-seeking behavior and evolving preferences of the new generation, Cathay Life Insurance has strengthened its engagement with talent through digital platforms. At the same time, a campus-based talent development approach forms a core strategy. Through industry-academia collaborations, internship programs, and professional training initiatives, students are supported in gaining an early understanding of the financial and insurance industry, exploring career development opportunities, and cultivating core competencies through practical experience. These early-stage connection and development opportunities help attract high-potential talent from diverse backgrounds to join both office and field operations, injecting new momentum into the Company's sustainable development.

Cathay Match Facebook page

Cathay MatchInstagram

■ Office Staff Recruitment

Cathay Internship Program (CIP)

In order to attract outstanding talent and enhance the Group's brand recognition, Cathay Life Insurance has implemented the Cathay Internship Program (CIP) since 2005, providing students with summer internship opportunities. Through a variety of courses, lectures, and departmental resources, the program helps interns better understand their career paths and gain early exposure to the workplace.

As of 2025, 22.4% of CIP interns who completed the internship have become our employees.

Cathay Agile Program (CAP)

Since 2018, Cathay Life Insurance has launched the Cathay Agile Program (CAP) to cultivate students into digital technology talent. Focused on agile projects, students collaborate with our office staff using agile methods to generate innovative ideas.

In 2025, 22 interns of Cathay Life Insurance participated in the program and produced 22 project ideas for the Company to put into practice. As of 2025, a total of 34 former CAP interns returned to work for Cathay, representing a reinstatement rate of 13.1%.

Cathay Investment Manager (CIM) Project

Since 2016, Cathay Life Insurance has launched the Cathay Investment Manager (CIM) Project to cultivate well-rounded investment planning talent highly sensitive to investment opportunities. It develops professional knowledge of the stock market, foreign exchange, bonds, risk management and financial accounting through a year of rotational appointments among investment, transaction, and planning departments.

The 10th CIM Project in 2025 received a total of 489 resumes and 5 applicants were accepted. Among them, 1 applicant will report for duty in 2026 due to military service, while 7 applicants participated in training and are expected to be officially assigned to units in 2025. A total of 7 CIMs were accepted for the 9th CIM Project in 2024, all of them passed the one-year training, and 4 were promoted to assistant manager in 2025.

Sales agents Recruitment

Golden Plan

In response to generational changes, newcomers to the workplace are concerned with not only salary and benefits offered by their companies but also future career developments. Since 2018, Cathay Life Insurance has launched the "Young Golden Plan" in response to generational changes to help young people with an ambition to become business managers and elite sales agents to attain their ultimate career paths and million-dollar annual salaries. Following the "slash"career trend, Cathay took a step further to launch the "ϖ Golden Plan" in 2020, encouraging "slashies"to join our sales teams and become a "slashie agent"through our unique "Golden Academy" classroom-based courses and one-to-one mentoring mechanism.

As of the end of 2025, the Company had a total of 2,470 CAs with a retention rate of close to 73.9%.

Young Golden Plan website

Industry-academia cooperation

To attract more young people to join the ranks of life insurance consultants, Cathay Life Insurance engages young people by interacting with students on campus and holding dialogs via cross-field cooperation, so as to foster their understanding of life insurance. This will also help Cathay Life Insurance better connect with younger generations.

Business Elite Internship Program

the Company provides college students with "workplace internship" opportunities in our business units every year. In 2025, the Business Elite Internship Program partnered with 45 university departments and supported 161 students in exploring their career paths. Among them, 82 became student sales agents in the part time team of Cathay Life Insurance, and 12 became full-time employees.

Big Dreams Market camps on campus

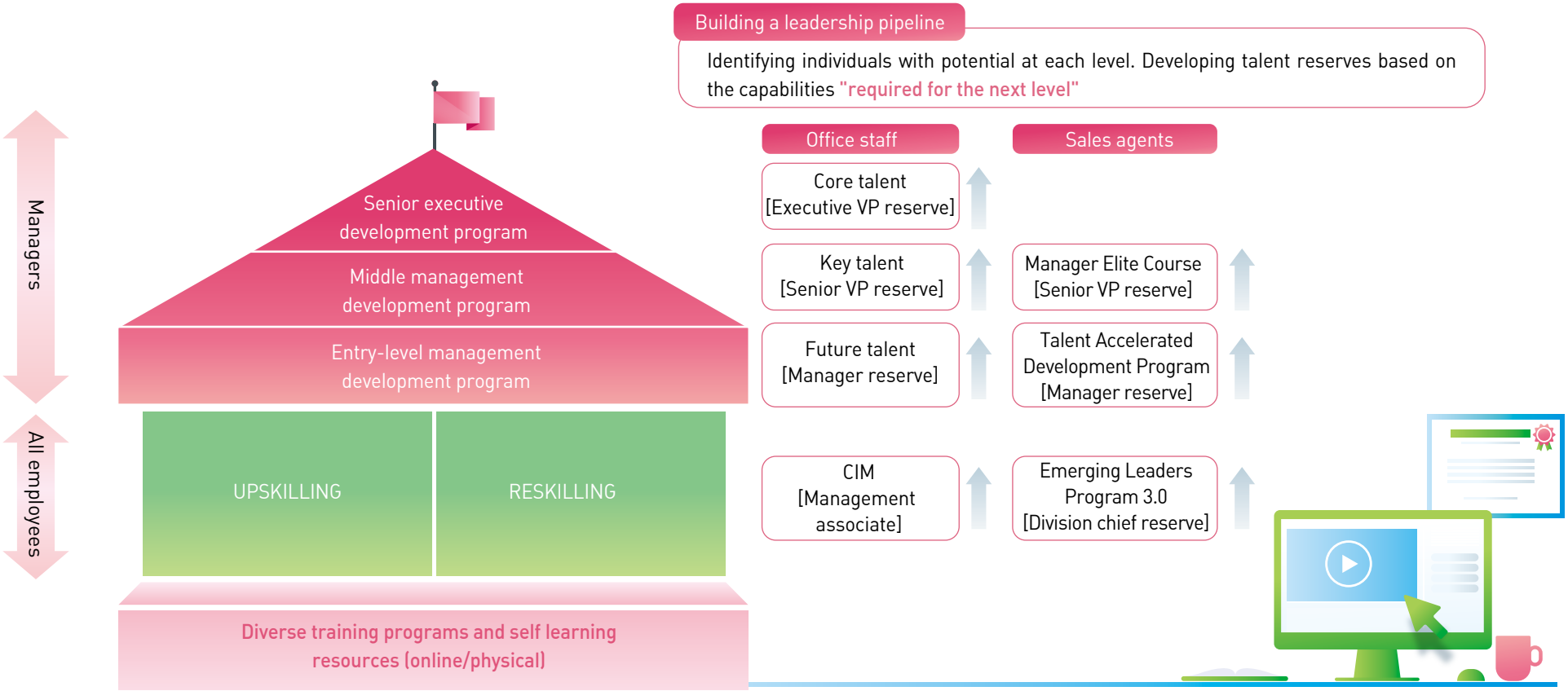
Since 2018, the Company has organized the "Big Dreams Market" short-term camps for students. Participating students can find out more about Cathay Life Insurance and learn basic financial and insurance concepts through a wide variety of camp-based courses. The camps also provide various incentives to encourage participating students to obtain life insurance certificates and sign up as part-time employees.

In 2025, the Company held a total of 17 sessions of Big Dreams Market; 406 out of the 651 participating students completed training. As of 2025, 33.1% of the trainees had registered with Cathay Life Insurance.

Tree Campus website

3.1.3 Employee Upskilling 401-1 404-1 404-2 Principle 1

A sound talent development system is key to the sustainable growth of the organization. Cathay Life Insurance allocates appropriate training resources according to employees' development needs at different career stages and provides a variety of training programs and self-directed learning channels. In addition, cross-departmental and cross-company rotation programs are encouraged to support cross-functional exploration and to strengthen the ability to integrate strategic thinking with practical application. By cultivating talent with both professional depth and cross-disciplinary breadth, the overall competitiveness of the organization is enhanced. Cathay Life Insurance has received the Talent Training Award at the Taiwan Insurance Excellence Awards for 11 consecutive years and has won the BEST Award from the U.S. Association for Talent Development (ATD) in all five times it participated.



Promoting self-learning

To meet the learning needs of diverse talents, Cathay Life Insurance not only offers courses related to professional competencies, but also utilizes digital resources to allow employees to learn on their own according to their individual preferences and time schedules. In addition, co-learning environments have been established to encourage peer exchange and to further enrich the accumulation of knowledge and experience at both individual and organizational levels.

Self-learning platform – Hahow

In 2020, the Company partnered with Hahow for Business to launch an online self-learning program, encouraging employees to use their spare time to continuously enhance their skills. Employees who met the required learning hours were granted one day of learning leave as an incentive. In 2025, the Company also organized the group-themed learning event "Exploring the Night Market Together," using employees' annual Individual Development Plans (IDPs) to recommend personalized courses via the online platform, thereby enhancing learning effectiveness. At the same time, to support employees' career development and family care responsibilities, the Company also provides flexible learning support mechanisms. Employees can continue to use the learning platform during unpaid parental leave. In 2025, 2,970 people applied for learning leave, and the number of learning hours on Hahow amounted to 50,578 hours.

C-Learning co-learning platform

To promote collaborative learning, Cathay Life Insurance has introduced a highly interactive co-learning platform focused on practical knowledge, and established a model for social network co-learning through the RSC (Reading, Sharing, Creating) framework. Courses on JoSeal have been viewed over 9.27 million times. The number of interactions (including posts/comments, likes, and notes) has amounted to over 4.12 million times. More than 8,000 exclusive micro-course videos have been produced with an average satisfaction reaching 95%.

Witkey Lectures

Since 2021, Cathay Life Insurance has organized the Witkey Lectures, a live-streamed learning series designed to identify employees' learning needs through a course proposal mechanism. The program covers a wide range of topics, including insurance expertise, sales and marketing, organizational management, workplace skills, lifestyle, healthcare, and finance and taxation. The Company also integrates learning resources from Cathay SITE, Cathay General Hospital, Cathay Securities, and renowned external speakers. As of 2025, a total of 337 sessions have been held with more than 250,000 attendees participating in the live streams. On average each course had 300-500 viewers.

Cathay Polaris Elite

In October 2024, it was adjusted to become the business elite organization "Cathay Polaris Elite" in order to uphold Cathay Life Insurance's spirit of "Gratitude, Inheritance, Dedication, and Mutual Benefit." The aim is to cultivate diverse professional competencies and promote the Company's internal cultural heritage. By the end of 2025, a total of 640 successful cases were shared internally through both in-person and online sessions. In addition, the Cathaylife CARE team was established to provide pro bono knowledge-sharing on tax, finance, and insurance topics to external organizations and campuses. A total of 8 sessions have been conducted.

Enhancing Professional Competencies

To further strengthen the professional service capabilities of its sales agents, Cathay Life Insurance encourages them to enhance their expertise in wealth management and retirement planning through systematic training programs and a professional certification system. This approach cultivates highly skilled professionals equipped with comprehensive financial consulting capabilities.

CFP® certification

Cathay Life Insurance is the only corporate training institution in Taiwan's financial industry licensed to provide CFP® programs, aimed at enhancing the financial planning capabilities of its agents and encouraging them to obtain the CFP® designation as internationally certified senior financial planning consultants. By the end of 2025, 422 employees had achieved CFP® certification, ranking first in the industry.

RFA Certification

Through the Retirement Financial Advisor(RFA) program, the Company provides systematic training and professional certification to continuously enhance the retirement financial planning capabilities of sales agents, strengthening their professional expertise as retirement financial consultants. As of the end of 2025, 288 employees had obtained RFA certification, demonstrating the program's outstanding achievements in retirement financial management professional certification.

Diversified job rotation system

Cross-series job rotation

- To encourage office staff to continually explore their diverse competencies, the Company has implemented systematic operations since 2020, allowing departments to post job vacancies online and providing advisory support through various channels to reduce employees' uncertainty during role transitions. In 2025, the employee rotation rates were 19.3% for professional staff (non-IT personnel), 8.6% for professional staff (IT personnel), and 14.2% for administrative staff.
- In addition, to help office staff gain a deeper understanding of life insurance operations, the Company also implements an annual Sales Agent Rotation Program, under which professional staff are assigned to business units for on-the-job rotation. Prior to each rotation, briefing sessions are held where senior employees who have previously participated in the program share their experiences and engage in Q&A discussions. In 2025, a total of 21 employees participated in the Sales Agent Rotation Program. Among them, 48% were deputy managers and above, while 52% were assistant managers.

War Room

Digital transformation and agility have become integral to the culture of Cathay Life Insurance. Through the "War Room," the Company continues to form cross-functional teams composed of diverse talent to advance transformation initiatives. Over the past two years, the Company has further embedded an in-house collaboration model within business units, integrating transformation culture and agile ways of working into daily operations. Supported by internal agile coaching teams and supplemented by external consultants as needed, the Company has accelerated both the breadth and depth of transformation impact. As of the end of 2025, this approach has been extended to over 30 departments, with a total of 470 employees (excluding supervisors).

Performance Management through Two-Way Communication

Cathay Life adopts a systematic approach to performance management and people-centric development mechanisms to support employee growth through clear goals and continuous feedback. In accordance with the Employee Performance Management Development Guidelines, annual evaluations are conducted to implement the performance management cycle, including individual goal setting at the beginning of the year, mid-year reviews, and year-end evaluations, turning performance management and Individual Development Plans into important tools for supporting employees' career development.

During the individual goal-setting phase, employees review their development direction based on 360-degree feedback from the previous year. Supervisors serve as dialogue facilitators, helping to clarify goals, provide development suggestions, and jointly formulate concrete and feasible development actions through two-way dialogue, aligning personal growth with organizational needs. For sales agents, Cathay Life promotes the Coach-to-Coach (C2C) counseling mechanism to strengthen supervisors' coaching leadership capabilities. Supervisors are encouraged to replace direct instruction and providing answers with questioning, guidance, and constructive feedback in their daily management. By integrating team co-learning scenarios with action-based performance review dialogues, and through on-site observation and real-time feedback, supervisors are supported in deepening their listening and focus skills. This approach effectively enables sales agents to continuously enhance their professional competencies and gradually fosters a management culture that shifts from performance assessment toward development-oriented feedback.

Through two-way communication, coaching, and continuous support, Cathay Life Insurance positions performance management not only as an evaluation tool, but also as a cyclical mechanism that promotes ongoing employee development and strengthens overall talent competitiveness.

3.1.4 Employee Reskilling

In response to global digital transformation and sustainability trends, Cathay Life Insurance actively supports employees in building the skills required for the new era, while enhancing their digital capabilities and ESG-related knowledge. Through diverse learning models and development mechanisms, employees are enabled to quickly acquire emerging technologies and integrate sustainability thinking, stay aligned with market developments, and further create long-term growth momentum for the Company.

■ AI Capabilities

AI Capabilities

AI capabilities of all employees

To enhance employees' foundational AI literacy, Cathay Life Insurance launched a GenAI program for all employees, covering AI principles, applications, governance, and transformation strategies. Through five thematic course modules, the program lays the foundation for digital transformation. As of the end of 2025, the completion rate among office staff reached 97.5%.

Enhancing AI Literacy for sales agents

The Company launched the "AI Technology Insights" series, inviting external experts to share insights with sales agents on AI technologies and applications. In addition, The Company also launched the "AI for Everyone" series of micro-courses, featuring short videos that showcase AI applications in daily business scenarios, gradually strengthening sales agents' proficiency in using AI tools and their awareness of legal compliance. Through in-person training, employees receive practical guidance on using AI tools, enabling them to apply AI more effectively in their daily work and enhance productivity.

AI Data Academy

To accelerate the data analysis capabilities of employees in relevant departments and drive digital transformation, we launched a nine-month systematic data talent training program, covering data analysis and data science-related capability development. As of the end of 2025, a total of 474 employees had obtained data talent certification, and 544 data managers had been trained.

■ Digital skills

Agile Talent

To promote agile thinking and methods within our organization, the Company not only provides courses and workshops, but also encourages employees to obtain international certifications. As of 2025, a total of 226 employees obtained international certifications for agile development, such as PMI-ACP or PSM, while the number of internal agility seed instructors surpassed 127, driving the development of agile thinking in our organization.

Robotic Process Automation (RPA)

Cathay Life Insurance has actively adopted Robotic Process Automation (RPA) to automate repetitive tasks, helping employees improve productivity and work efficiency. In addition, the Company has launched a program to transform administrative staff into software developers within the IT Department to support RPA development. In 2025, a total of 15 staff members were successfully transformed and will act as internal professional lecturers in the future to assist other employees in using RPA resources. A total of 1,089 (Note 1) have been trained in the use of RPA software. The implementation of RPA has saved approximately 94 thousand hours per year (Note 2), thus considerably reducing working hours for process operations and effectively improving productivity.

Note 1: In addition to Cathay Life Insurance's internal employees, employees from the securities and futures subsidiaries also received training. In 2024, Cathay Life Insurance accepted the invitation from the Department of Accounting of National Taipei University for industry-academia collaboration in RPA software development.

Note 2: Hours saved per year = Monthly average of cases handled x Time consumed per case x 12 (months) - Monthly average of cases handled after adoption x Time consumed per manually handled case.

Sustainability

Cultivating a sustainability mindset is an essential capability for the future. Cathay Life Insurance continues to organize internal sustainability-related education and training while encouraging employees to participate in external learning programs, embedding sustainability awareness throughout the organization. See 4.1 Responsible Investment on P.100 for details on training of the Responsible Investment Working Group See 5.2 Sustainability Governance on P.134 for details on climate and nature-related training.

General Knowledge Training

Since 2018, corporate sustainability training has been a mandatory course for all employees. In addition, five ESG-themed micro-courses are offered, covering topics such as global climate change risks, carbon credits and carbon trading, and the green transition, enabling employees to better understand sustainability trends and Cathay's sustainability initiatives.

Cathay News

The Company regularly publishes themed issues, such as "Sustainability," to share its sustainability actions and progress.

Sustainability education and training sharing sessions

External experts were invited to conduct sustainability education sharing sessions, covering topics such as nature-related risk management in the financial industry, the current status and challenges of the renewable energy market, and the development of science-based carbon reduction targets. A total of four sessions were held in 2025, with 226 participants and 452 training hours in total.

In addition to promoting sustainability-related training, Cathay Life Insurance actively encourages employees to obtain sustainability-related certifications and cultivate their sensitivity to sustainable finance issues, thereby linking ESG concepts to business practices. Key initiatives include an application fee subsidy program for the Basic Test on Sustainable Development, the promotion of unit-based co-learning activities with incentive programs, and full subsidies for advanced external training. The cumulative number of certifications in sustainable finance, including both basic and advanced levels, increased to 728, approximately 12.5 times that of 2024.

Sustainable finance advanced competency certificate
52
Cumulative number of certificates obtained

Basic Test on Sustainable Development
676
Cumulative number of certificates obtained

Sustainable Investing Certificate
2
Cumulative number of certificates obtained

Certified Professional in Sustainable Finance
42
Cumulative number of certificates obtained

3.1.5 Building a leadership Pipeline

To ensure the steady development and sustainable succession of leadership, Cathay Life Insurance has established a systematic talent pipeline based on position levels. Through phased training programs, competency development, and succession planning mechanisms, the Company strengthens leadership capabilities and strategic vision, cultivates leaders who can grow alongside the Company, and builds a strong foundation for sustainable corporate development.

■ Office Staff Leadership Pipeline

Talent pool/Pipeline	Plan	Content
High-potential Talent Pool/ Young Talent	Cathay Investment Manager (CIM)	Five major course modules—including stocks, foreign exchange, bonds, risk assessment, and financial accounting—have been designed, complemented by one-year investment strategy training, risk assessment, rotations in investment management-related departments, and project-based experience to cultivate outstanding talent in financial investment.
Entry-level Reserve Talent Pool/ Manager-level Pipeline	Future Talent cultivation	Through the selection and planning of competency-based training courses and experience-sharing sessions, feedback from instructors and direct supervisors is incorporated to cultivate the mindset and capabilities required for managerial roles. Topics include guidance and development, team leadership, and management mindset. A total of seven courses and two sharing sessions were held in 2025.
Mid-level Reserve Talent Pool/ Senior VP-level Pipeline	Key Talent cultivation	Conducted in-depth assessment of leadership bench strength across the group. Adopted a" prioritize talent utilization" approach to define development paths for each talent pool candidate.
Senior Reserve Talent Pool/ Executive VP-level Pipeline	Strategic Talent Cultivation	

■ Sales Agent Leadership Pipeline

Talent pool/Pipeline	Plan	Content
Entry-level Reserve Talent Pool/ Division Chief-level Pipeline	Emerging Leaders Program 3.0	The program is designed based on the competency requirements of entry-level talent, with a focus on recruitment process management. It helps participants strengthen their capabilities in market development, team leadership, and talent development, preparing them for future roles.
Entry-level Reserve Talent Pool/ Manager-level Pipeline	Talent Accelerated Development Program	The course content is planned based on the functional roles of unit managers and the AG engineering framework of business channels, with an emphasis on sharing best practices from outstanding managers to strengthen practical application.
Mid-level Reserve Talent Pool/ Senior VP-level Pipeline	Manager Elite Course	The program focuses on the core competencies of senior vice presidents in block business districts, including leadership mindset, strategic thinking, talent development, and organizational culture. It incorporates practical sharing and conceptual guidance, followed by hands-on implementation by the respective units. Deputy Presidents in Northern and Southern Taiwan provide case-based guidance to further enhance learning effectiveness.

3.2 Social Empowerment

Principle 3

Cathay Life Insurance upholds the core philosophy of "giving happiness is happiness" and continues to combine the energy and diversified resources of corporate volunteers with the foundation of insurance to become a positive force for promoting social stability. We are committed to supporting and accompanying the public, finding a new balance in the rapidly changing environment, and realizing our commitment to social sustainability with practical actions.

Cathay Charity Foundation website

Total
85,602,037

Volunteer involvement

Cash donation	53,835,441
Time contributed	30,812,790
Management expenses	953,806

Volunteer involvement

Year	Volunteer participation	Hours of Volunteer Participation
2021	7,664	48,331 hours
2022	8,289	62,315 hours
2023	10,053	59,195 hours
2024	10,703	69,216 hours
2025	8,895	57,594 hours

Subjects
Young students
Plan
- Cathay Youth Excellence Scholarship
- Student and Inmate Care Program
- "Taiwan Superman" Campus Public Broadcast Sponsorship Project

Subjects
Local communities
Plan
- Social Care
- Elder-friendly communities
- Summer Blood Donation Campaign
- Winter Warmth Program

Subjects
Students in rural areas
Plan
- Dream Come True Program
- After-school Care Program

Subjects
Culture industry
Plan
- Performing arts
- Arts and culture
- Local Maritime Culture

3.2.1 Education for rural communities

Cathay Life Insurance works with volunteer teams to bring diverse educational resources to schools in rural areas, helping bridge learning resource gaps and supporting the long-term commitment of dedicated teachers. Through continuous care and guidance, we encourage children to pursue their dreams and help them discover more possibilities in life.

■ Dream Come True Program

The "Dream Come True Program" was launched in 2013 and is committed to supporting the diverse development of students in rural and non-urban areas. As of the end of 2025, the cumulative investment exceeded NT$36 million, covering 211 projects and benefiting 4,800 schoolchildren. The 12th program selected 23 schools and supported 420 students in developing life resilience in culture, music, and sports. Furthermore, through the "Dream Come True Documentary Award," teachers were encouraged to document the challenges and growth of both teachers and students. A total of 11 outstanding teams were selected and awarded NT$310,000, with the aim of guiding children to discover their potential and envision a brighter future under this educational spotlight.

■ After-school Care Program

Since 2011, we have implemented the After-school Care Program to build a safety net for children and youth through long-term companionship efforts. In 2025, we continued to operate five service locations, including Twilight Box in Wenshan District, Taipei City; the Chongwen Women's Association in Kouhu Township, Yunlin County; the Xiangyang Care Association in Jiadong Township, Pingtung County; the Let Love Fly Association in Xiulin Township, Hualien County; and the People and Ocean Citizens Foundation in Siyu Township, Penghu County. By providing a stable learning environment and diverse experiential learning courses, we helped bridge learning gaps, inspired children to unlock their potential, and supported them in rebuilding confidence.

Cathay Charity Foundation YouTube Channel

In 2025, we invested NT$6.44 million and supported 610 students in rural areas.

3.2.2 Dreaming forward

To encourage more people to pursue their dreams, Cathay Life Insurance not only provides substantial support through the scholarship program, but also hopes to help those experiencing difficult times regain their strength by sharing real-life stories. May every real journey be a guiding light that illuminates the path ahead and leads everyone to start a new chapter in their lives.

■ Cathay Youth Excellence Scholarship

Since the establishment of the scholarship in 1980, we have upheld the belief that "long-term support can drive change" and have supported nearly 20,000 students over the past 46 years. In 2025, the "Cathay Youth Excellence Scholarship" awarded a total of NT$9.26 million, including the "Specific Accomplishment Grants" category, which supported 28 ESG-related social impact and research proposals, helping strengthen environmental and social impact. The "Outstanding Students" category supported 100 disadvantaged students to ensure equal access to education. The "Excellent Record Award" encouraged the sharing of personal development experiences. In December, we recognized the "Seed of Good" award recipients at a ceremony, encouraging them to apply their expertise, give back to society, and continue contributing to Taiwan's innovation and sustainable growth.

■ Student and Inmate Care Program

Since 2007, we have been a long-term sponsor of the "Mixed Disabled Arts Group" composed of people with diverse disabilities, who tour campuses and shelters to convey the courage to never give up. The project not only bridges the gap in urban and rural educational resources, but also plants positive seeds in the minds of young people through the performers' perseverance in overcoming physical challenges. Students' feedback shows that life education has transformed into willingness and confidence to overcome difficulties, not only helping children emerge from difficult times, but also motivating them to realize their potential and give back to society. Cathay will continue to support the cultivation of resilience, and work with the younger generation to transform the future and become a light for each other.

■ "Taiwan Unsung Hero" Campus Public Broadcast Sponsorship Project

The documentary "Taiwan Unsung Hero" shows the stories of many determined Taiwanese characters, conveying the belief that "everyone can be their own hero." In 2025, Cathay Life Insurance organized special private movie screenings across Taiwan. However, in many remote areas, due to the lack of cinemas or traffic difficulties, children were not given the opportunity to watch "Taiwan Unsung Hero" and they were less likely to draw their strength and inspiration from the film.

Cathay Life Insurance and Cathay Charity Foundation therefore jointly launched the "Taiwan Unsung Hero" campus broadcasting project, which was launched from elementary and junior high schools in remote areas across Taiwan. It was also the first time that employees joined the broadcast fundraising campaign to spread the influence of public welfare to more schools. This time, we worked with more than 300 employees to raise over NT$1.14 million and jointly reach more than 554 schools. Education is one of the key forces in transforming life. Through this program, we hope to open a window to see the world for children, and plant the seed of "I can also become a hero."

In 2025, NT$3.14 million was invested to support more than 554 elementary and junior high schools in remote areas.

3.2.3 Contributing to the community

Adhering to the spirit of "Where society needs us, we will be there," Cathay brings together employees across Taiwan and works closely with stakeholders from all sectors to join forces in responding to social needs and addressing pressing social issues.

Social Care

In September 2025, Guangfu Township, Hualien County was hit by a natural disaster. The disaster relief project was launched immediately and continued through the end of the year, and NT$16.89 million was invested in relief funds, benefiting 2,278 households. At the outset, the Group called on more than 1,450 volunteers to participate. In addition to assisting local sales personnel in the distribution of relief funds, 126 employees also volunteered during the Mid-Autumn Festival holiday to enter the disaster area to help clear debris on school campuses and accelerate the return to school. Cathay provided stability in the disaster area through funding and long-term support from the Yellow Vest volunteers, and fulfilled its corporate commitment to mutual prosperity and resilience with local communities.

Elder-friendly communities

In the face of a super-aged society, Cathay has made "Elder-friendly" one of its core strategies. Since 2019, we have supported the "Happiness Farm" project and developed localized elder-friendly services at five locations across Taiwan. For example, we introduced muscle-strengthening courses in Nandi, Changhua, and established an accessible aquaponics system in Chunri, Hualien, to promote sustainability education. The program integrates health promotion, cultural heritage, and anti-fraud education to help slow physical and mental decline among older adults while rebuilding social connections through community engagement. This enables older adults to "continue to learn, participate, and feel needed" in familiar surroundings. Through support that is closely integrated into their daily lives, the program advances the vision of sustainable and secure aging.

Summer Blood Donation Campaign

Since 2000, we have been jointly organizing national blood donation events with the Taiwan Blood Services Foundation. In 2025, we organized 550 donation events across Taiwan, collecting 54,769 units of blood and receiving the "Excellent Blood Donation Award" from the Ministry of Health and Welfare. In September of the same year, our headquarters hosted a record-breaking drive that collected 203 units, led by senior executives together with employees, healthcare professionals, and community members.

Through long term and consistent efforts, Cathay has become a vital stabilizing force for Taiwan's healthcare system during critical moments for society.

Cathay has cumulatively collected close to **750,000** units of blood over the past **26** years.

Winter Warmth Program

Cathay Century Insurance entered its 24th year and reached a new milestone in 2025. The program covers 225 elementary schools and TFT partner schools across Taiwan, benefiting 18,000 students. In addition to donating supplies to rural communities and disaster-affected areas, we introduced "financial fraud prevention" education this year for the first time, improving students' awareness of fraud identification and self-protection through scenario-based interactive learning. Adhering to the spirit of long-term stability and combining material support and financial literacy, we plant seeds of love and knowledge in children's hearts to comprehensively protect the growth of the next generation in Taiwan.

We visited **225** elementary schools in rural areas and spread love to **18,000** students.

3.2.4 Cultural sustainability

Cathay Life attaches great importance to sustainable development of cultural diversity in Taiwan, supporting Taiwanese culture by investing in performance art, movie tour, arts and culture, and sports talent cultivation. By exerting influence, Cathay Life helped spread the unique beauty of Taiwanese culture.

■ Performing arts

Cathay Financial Group and Cloud Gate Dance Theatre marked the 30th year of their partnership in 2025. Over the years, more than 300 performances and tours have been held across 22 cities and counties in Taiwan, attracting a cumulative total of over 2.7 million participants.

To commemorate the milestone of the 30th anniversary of the Cathay–Cloud Gate partnership in 2025, the internationally acclaimed dance work LUNAR HALO was specially brought to the outdoor stage and once again toured to Hualien. Through the vitality of movement and dance, the performances sought to continue bringing comfort and encouragement to people. Through long-term and consistent support for the arts, Cathay brings world-class artistic experiences into local communities, fulfilling its enduring commitment to making art a part of everyday life.

Over **300** performances and tours have been held , attracting a cumulative total of more than **2.7** million participants.

■ Arts and culture

Cultivate aesthetic education and enter the milestone of the 50th Cathay National Painting Competition in 2025. In response to the Group's "healthy" sustainability theme, this year's theme is "healthy growth and preservation of a beautiful homeland", guiding children to use colors to illuminate their future imagination of life. The project has been held for half a century and has become the longest and largest children's painting event in Taiwan. Through the award ceremony and award-winning works tour exhibition, we are committed to instilling the environmental protection and beauty awareness of the next generation, sowing seeds of sustainability in children's hearts, and jointly creating a healthy and beautiful future.

A total of **50,000** works were obtained in 2025.

Arts and Inclusion

To bridge the emotional distances through the performing arts, Cathay Life Insurance joined the "Performing Arts on Social Prescription" initiative by the National Theater & Concert Hall (NTCH) in 2024, making the performing arts a remedy for the physical and mental well-being of middle-aged and older adults , while promoting social connections. Through the performing arts, the program improves the physical and mental health of middle-aged and elderly people and fosters closer community bonds. Through the performing arts, the program improves the physical and mental health of middle-aged and elderly people and fosters closer social connections.

In 2025, Cathay Life Insurance supported NTCH's "FormosArt" project by sponsoring a co-production with a Japanese director of *Night Never Gets Darker*, an immersive walking performance centered on dementia. By bringing performing arts into the community, the production created an immersive artistic experience and encouraged the public to empathize with social issues through participation. The performances concluded in September 2025.

Local Maritime Culture

Cathay Life Insurance joined hands with the USR team of National Taiwan Ocean University(NTOU) and the Mao'ao Community Development Association in New Taipei City to launch the "Mao'ao Fishing Village ESG Tourism Revitalization Project", taking action to protect Taiwan's precious ama(female free-diving) culture and injecting new vitality into the local community. With a history spanning over a century, the ama culture, in which women dive into the ocean to harvest agar and shellfish, and showcase the wisdom of coexistence between humans and nature, is at risk of disappearing. Starting with empoyee trips, Cathay Life Insurance hopes to extend the initiative to parent-child activities and new employee training, allowing the concept of sustainability to be promoted not only in the workplace, but also spread to employees' daily lives, further strengthening employees' awareness and identification with the Company's sustainability actions. Cathay Life Insurance also helped shape a sustainable tourism economy in the local community through co-creation experiential tours, so that the ama culture can be preserved while becoming a new driving force for local development.

In 2025, a total of **8** sessions of the Tourism Revitalization Project were held, with a total of **340** participants.

04 Sustainable Finance

Performance highlights

List of Institutions with Better Stewardship for six consecutive years

Cathay Life Insurance is the first insurer in Taiwan to voluntarily sign the Taiwan Stewardship Principles for Institutional Investors. It is also the only domestic institutional investor to have been selected for the TWSE's List of Institutions with Better Stewardship Disclosure for six consecutive years. In addition, it has received full scores across all 30 evaluation indicators for four consecutive years, and was also recognized with the Excellence Award in 2025, placing it among the top 10%.

Note: In 2025, the "List of Companies with Better Institutional Investor Stewardship Disclosure" recognized institutional investors ranking in the top 25% of each industry. Among them, those ranking in the top 10% were awarded the Excellence Award, while those ranking between 11% and 25% received the Merit Award.

Record in Taiwan's life insurance industry

For two consecutive years, we have jointly invested in offshore wind farm projects with our subsidiary, Cathay Power, setting the highest investment record in Taiwan's life insurance industry. In addition to meeting the life insurance sector's need for long-term stable capital returns and supporting sustainable energy development strategies, we also strive to play a leading role in the industry and help advance Taiwan's energy transition.

- In 2024, we invested in a 50% equity stake in Ørsted's Greater Changhua 4 Offshore Wind Farm. With an installed capacity of 583 MW, this project is the first large-scale offshore wind farm in the Asia-Pacific region to adopt suction bucket jacket foundations on a large scale, using pile-free underwater foundation technology. This technology offers significant advantages, including near-noise-free installation, minimal environmental disturbance, and the ability to be fully removed from the seabed upon decommissioning. In 2025, the project completed installation of all underwater foundations and successfully achieved partial grid connection of wind turbines, beginning to supply clean electricity.
- In 2025, we also committed to invest in a 55% equity stake in Ørsted's Greater Changhua 2 Offshore Wind Farm, which has an installed capacity of 632 MW. The Phase 2 project of this wind farm also adopts suction bucket jacket foundations for its underwater foundation design.

Policy commitment

Cathay Life Insurance has established a sustainable investment system that takes into account ESG risks during the investment process. Cathay Life Insurance supports investment targets that attach importance to sustainable investments through its actions, and utilize its expertise and influence as an institutional investor to channel more capital toward sustainability.

Management Action

Complying with international standards	Establishment of accountable unit	Stewardship measures	Sustainable investment actions
• Since 2015, we have voluntarily complied with the Principles for Responsible Investment (PRI).	• In 2016, we established the Responsible Investment Working Group.In 2022, we established a dedicated unit responsible for overseeing and planning responsible investment matters. • We currently have five dedicated responsible investment professionals, all of whom hold certifications related to sustainable finance.	• Interact with investee companies through dialog, engagement, and exercise of voting rights.	• Sustainability investments amounted to approximately NT$1.52 trillion in 2025, an increase of 7.9% compared to 2024. • We quantified the positive impact of sustainability investments on society and the environment based on the "Theory of Change" and the international influence framework of "IRIS+ Impact Themes and Categories" published by GIIN, utilizing the influence of capital.

Performance tracking/stakeholder engagement

4.1 Responsible Investment

Principle 1 Principle 3

Responsible investment aims to leverage the positive influence of finance to create a stabilizing force for society, while also serving as one of the core capabilities for enhancing the long-term value of assets. Accordingly, Cathay Life Insurance established the Responsible Investment Working Group and has developed a comprehensive Responsible Investment framework. Cathay Life Insurance has total assets of approximately NT$9.08 trillion (including approximately NT$8.08 trillion in investment assets), accounting for around one-quarter of Taiwan's overall life insurance industry and making us one of the largest institutional investors in Taiwan. By leveraging our core investment function, we prudently manage every dollar entrusted by shareholders and policyholders, and through the establishment of a sustainable investment framework, we take concrete actions to support investment targets that prioritize sustainable development. We also leverage our professional expertise and influence as an institutional investor to encourage more companies to work together toward a sustainable future.

4.1.1 Sustainable Investment Mechanism

Cathay Life Insurance has voluntarily followed the Principles for Responsible Investment (PRI) since 2015, and was the first insurance company to sign the Taiwan Stewardship Principles for Institutional Investors issued by TWSE in 2016. Since 2018, we have published a Stewardship Report on an annual basis, and in 2020, we added details regarding our Responsible Investment practices. These efforts demonstrate our determination as an institutional investor to fulfill stewardship responsibilities and implement Responsible Investment, making us the first insurance company in Taiwan to fully disclose relevant practices. We were also the only insurance company in Taiwan to be included consistently [Note1] in the Taiwan Stock Exchange's List of Companies with Better Institutional Investor Stewardship Disclosure. In addition, we achieved full scores across all 30 evaluation indicators for four consecutive years and received the Excellence Award [Note2] in 2025.

Note 1: Evaluation of TWSE's List of Companies with Better Institutional Investor Stewardship Disclosure was only conducted in 2019, 2021, 2022, 2023, 2024, and 2025.

Note 2: Starting in 2025, the "List of Companies with Better Institutional Investor Stewardship Disclosure" was reclassified into two categories: the Excellence Award (top 10% performers in each industry) and the Merit Award (ranked 11%–25% in each industry).

2025 Cathay Life Insurance Responsible Investment and Stewardship Report

Establishing the Responsible Investment Working Group

Cathay Life Insurance is the first insurance company in Taiwan to establish a Responsible Investment working group. At the end of 2016, the front, middle and back offices of Cathay Life Insurance's investment teams jointly established the Responsible Investment Working Group, with the senior executive of the equity investment department as group leader. In 2022, we established a dedicated Responsible Investment planning unit, for which we set up goals as well as yearly implementation plans, in order to advance and improve our sustainable investment project. As of 2025, there are five dedicated Responsible Investment officers, and all have obtained sustainable finance-related certifications [Note].

Note: CFA Sustainable Investing Certificate (x1), CFA Climate Risk, Valuation, and Investing Certificate (x1), Certified Professional in Sustainable Finance (x2), Basic or Advanced Sustainable Finance Certification (x1)

The Responsible Investment Task Force continues to study the practices of global benchmark companies in Responsible Investment and climate change, and actively engages in exchange and learning. At the same time, we regularly organize internal training programs, participate in external seminars, and publish a monthly e-newsletter on Responsible Investment titled CLIMATE PLUS. The content covers international trends in sustainable development and key issues promoted by domestic competent authorities (such as carbon fees, Enabling Activity, and development trends of the 12 Key Strategies), to enhance the investment team's understanding and further support the sustainable development of domestic industries. In addition, "Corporate Sustainability and Responsible Investment" is a mandatory training course for new employees in investment teams.

In 2025, a total of **269** Cathay employees participated in the internal ESG training courses and external conferences, with average training time of **428** minutes per person. Of which, a total of **264** employees participated in the training courses organized by Cathay Life Insurance, and the average training hours stood at **410** minutes per person.

5 Dedicated personnel

100% Sustainable Finance

TWSE Stewardship Rating:

- In 2016, we established the Responsible Investment Working Group
- In 2022, we established a dedicated unit responsible for overseeing and planning Responsible Investment matters
- 100% of our 5 dedicated responsible investment personnel hold sustainable finance-related certifications
- Excellence Award in the 2025 List of Institutions with Better Stewardship Disclosure(top 10%)
- The only domestic institutional investor selected in all six iterations of the list
- Received full scores for all 30 evaluation indicators for 4 consecutive years

Including: CFA Sustainable Investing Certificate (x1), CFA Climate Risk, Valuation, and Investing Certificate (x1), Certified Professional in Sustainable Finance (x2), Basic or Advanced Sustainable Finance Certification (x1)

Embedding sustainability into the investment team, making it an integral part of the investment process

Investment Manager (including entry level managers and mid-/high-level managers)

- Share the latest ESG trends and potential investment opportunities in work reports and weekly investment meetings on an ad hoc basis.

Courses for new employees

- Training for new employees of investment teams covering Responsible Investment.
- The themes covered: Introduction to ESG basic concepts and internal Responsible Investment mechanism.

Responsible investment training courses

- Conduct two in-person Responsible Investment training sessions annually, complemented by a workshop titled "Be an ESG Specialist!"
- Conduct online ESG training for investment teams each year
- The themes covered: ESG trends, climate change, nature and biodiversity.

E-Newsletter on Responsible Investment

- Issuance of CLIMATE PLUS, a monthly e-newsletter on Responsible Investment
- Topics: the 12 Key Industries, just transition, climate policy, and industry trends

Establish Responsible Investment management measure

We not only comply with the Responsible Investment and Lending Policy established by Cathay FHC, but also establish relevant ESG directions and management measures tailored to individual investments in businesses of different natures. In addition, we report the implementation results of Responsible Investment to the Board every year. We have corresponding Responsible Investment management measure across asset classes, excluding assets that fall outside the scope of Responsible Investment operations (e.g., cash, foreign exchange hedging, and foreign currency policy reserve debt). The total Responsible Investment assets amounted to NT$7.3 trillion.

Securities

The "Investment Management Procedures"(P) and "Investment Policy"(P) stipulate that the Principles of Responsible Investment (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(P) Principles to increase investment value through stewardship actions with the goal of increasing long-term benefits to the Company, policyholders, and shareholders.

Corporate loans

Established the "Responsible Lending Policy"(P) and "Guidelines for Corporate Credit Granting"(M) and designed an ESG checklist

Real estate

Established the "Real Estate Responsible Investment and Management Policy"(P) to ensure the prudent use of natural resources in real estate investments, enhance the value and performance of real estate holdings, and effectively manage investment and operational risks

(P) Refers to rules and regulations

(M) Refers to internal management measures or operating manuals

Complying with international standards

In alignment with the five Responsible Investment approaches jointly consolidated in 2023 by the Global Sustainable Investment Alliance (GSIA), CFA Institute, and the Principles for Responsible Investment (PRI), as well as the six Principles for Responsible Investment, Cathay Life Insurance continues to monitor sustainability issues and actively implement initiatives to proactively identify ESG risks and opportunities.

Integrating ESG factors into investment decision-making

Cathay Life Insurance has established a set of ESG Risk Review Procedures. 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. ESG Risk Review Procedures .

ESG risk review procedures

Eliminating controversial investment targets

In accordance with Cathay Financial Holdings Investment and Lending Exclusion Policy, investment targets that systematically violate international human rights standards or involve countries with significant controversies are placed on the Exclusion List. In addition, pursuant to Cathay Life Insurance's Investment Management Principles for Sensitive Industries, Controversial Industries associated with high environmental, social, and ethical risks and negative social impacts are also included in the Exclusion List.

Carefully considering the ESG performance of investment targets

Cathay Life Insurance maintains a watchlist of investees with potential ESG risks, including those with ESG performance requiring improvement, involvement in controversial ESG events (including human rights-related controversies), or exposure to sensitive industries. ESG reviews are conducted during the establishment of the investable universe, and the ESG performance of existing investees—including listed equities, corporate bonds, financial debentures, and government bonds—is continuously monitored. When an investee's ESG performance deteriorates and it is placed on the watchlist, an evaluation report is prepared promptly and appropriate risk management measures are implemented, including continued monitoring, position reduction, or suspension of new investments. In September each year, we conduct comprehensive ESG reviews of existing investees.

Sensitive Industries

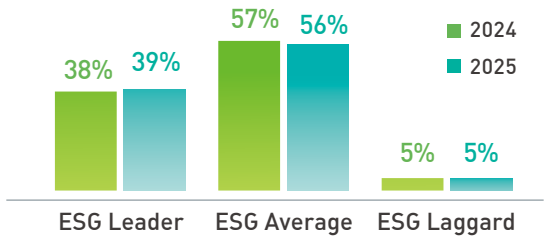
Controversial Industries	Coal Industries	Unconventional Oil and Gas industry	Commodity-driven deforestation	High Climate Risk Industries
• Adult Entertainment • Gambling • Controversial Weapon	• Coal power • Coal mining • Coal freight • Coal services	• Oil sands • Shale Oil & Gas • Arctic Oil & Gas	• Palm Oil • Timber • Soybean • Cattle • Rubber • Coffee • Cocoa	• Aluminum • Construction Materials • Airlines • Steel • Oil & Gas, and Industrial Gases

ESG assessment

- ESG rating
- ESG controversies

In 2025, we completed a full review of our listed equities, corporate bonds, financial debentures, and government bonds with potential ESG risks, totaling 336 cases. We removed one investment target from the list of potential investee companies after considering its fundamentals and ESG performance.

In addition, after reviewing the distribution of ESG ratings of our proprietary positions in listed equities, corporate bonds, financial debentures, and government bonds in 2025, the proportion of positions rated "Leader" increased, the proportion rated "Average" decreased, while "Laggard" positions remained stable. This reflects our active engagement with investee companies and ongoing tracking of their ESG progress, as well as our focus on allocating capital to investment targets with stronger ESG performance. Going forward, we will continue to engage with companies rated "Laggard" to support improvements in their ESG ratings.



Note: MSCI ESG ratings are classified into the following three categories:

AAA	AA	A	BBB	BB	B	CCC
LEADER		AVERAGE			LAGGARD	

Evaluating counterparty ESG performance

Cathay Life Insurance believes that, when selecting counterparties for PE/HF fund investments, conducting due diligence on their ESG policies and practices enables the Company to identify counterparties aligned with its investment philosophy. Accordingly, since 2017, ESG has been incorporated into the assessment of new counterparties in PE/HF fund investment evaluation reports.

Stewardship measures for institutional investors

Interacting with investee companies through dialogue, engagement, and proxy voting to demonstrate our due diligence as an active owner:

Dialogue

Cathay Life Insurance communicates with senior management, investor relations departments, or CSR units of investee companies via telephone conferences, forums, investor seminars, or attendance to shareholders' meetings. Among the methods of investee evaluation 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, identify the gap between disclosed information and actual situation, timely keep track of key risks and opportunities, and refine the soundness of our investment analysis.

A total of **2,337** participant attendances were recorded.

Total visits **676** companies,
2,048 companies Averaged
3 visits per company visited

Engagement

Cathay Life Insurance is fully aware that only by progressing with other companies towards sustainability can we bring a virtuous cycle between society, environment, and economy, and make Cathay Life Insurance a force of social stability that bring positive impact.

For this reason, in 2018, Cathay Life, Cathay FHC, and various Cathay subsidiaries jointly established the "Engagement Policy", which publicizes Cathay's spirit of sustainability and governance values to exert our influence as a sustainable investor. We uphold the importance of engagement and adopt a progressive approach in the hopes of delivering support and co-learning than supervision and questioning. We aspire to co-create the greatest benefits for the stakeholders of both Cathay Life and investee companies and realize an ideal common good, thereby translating our "financial" influence into a "mass" effect.

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

Depending on the topic of engagement, Cathay Life Insurance analyzes the progress of corporate sustainability, customizes the content of engagement, and grows together with companies in hopes of becoming trusted partners that they can consult and discuss ESG with.

In 2025, Cathay Life Insurance communicated with 137 companies on 13 material ESG issues, with a total of 382 engagements.

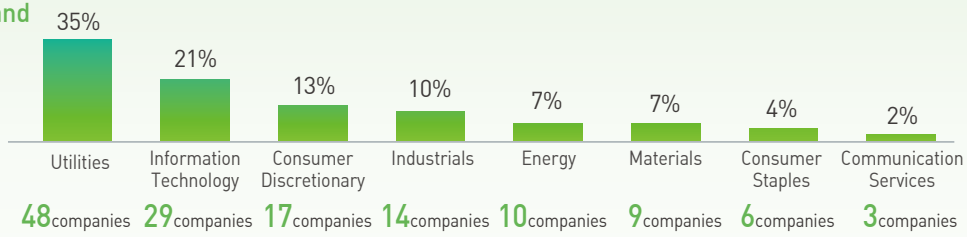
- The main subjects of engagement are companies in the "Public Utilities" and "Information Technology" industries.
- Broken down by asset class, equities accounted for 47% and bonds accounted for 53%.
- The primary method of engagement was communication via "email" (55%), followed by "online or in-person meetings" (27%), with telephone contact accounting for 17%.
- Engagement activities were mainly concentrated in Taiwan (55%), followed by North America (37%), and the Asia-Pacific region (excluding Taiwan) at 7%; Europe accounted for 1%.
- In terms of communication levels, Cathay Life Insurance primarily engages with investee companies through the head and members of the Responsible Investment Working Group, with the investment team participating as needed. On the investee side, communication is mainly conducted through IR teams, sustainability teams, or other relevant departments, followed by senior management, spokespersons, and directors.
- The main engagement topics include Climate Change Vulnerability, Carbon Emissions, Water Stress, and Governance. Of these, 2% have been successfully closed, primarily involving companies that have responded satisfactorily to the CDP questionnaire. Meanwhile, 46% have shown positive progress, while 52% have not demonstrated clear progress and will continue to be monitored.

Cathay Life Insurance not only engages companies regarding Overall ESG ratings or specific material topics with the Company based on the MSCI ESG database, but also follows the SBTi Financial Institutions Net-Zero Standard in setting SBTs or ambitious carbon reduction targets. We also discuss the companies' carbon reduction plans, low-carbon transition response plans, or climate change adaptation actions, and provide suggestions after understanding the limitations and difficulties the companies have addressing Climate Change Vulnerability or reducing carbon emissions. At the same time, we encourage companies to conduct assessments and disclosures with reference to the "Taiwan Sustainable Taxonomy" to better understand the sustainability of their principal economic activities. We also engage with companies whose general economic activities have not yet met the sustainability criteria set out in the "Taiwan Sustainable Taxonomy," encouraging them to formulate transition plans (including climate change–related strategies and specific actions), with the aim of enabling them to progressively meet the sustainability criteria specified in the guidelines. For companies outside the scope of the Guidelines for the Identification of Sustainable Economic Activities, we encourage the development of climate change–related plans (including specific actions).

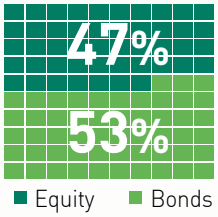
Please refer to P.36 for participation in international engagement activities and individual cases

Number of companies and industries engaged:

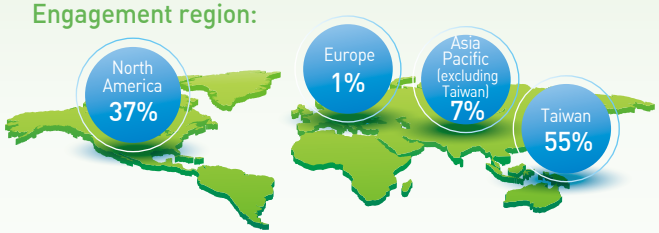
137 companies



Percentage of assets engaged:



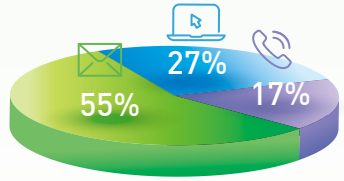
Engagement region:



Company engagement progress and asset ratio:

Success	Positive Progress	No clear progress made
4 companies, 0.1%	60 companies, 6.8%	73 companies, 4.7%

Engagement method:



Note 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.

Note 2: refers to the amount invested the stocks and corporate bonds of the companies engaged as a percentage of total assets invested domestic and foreign stocks and corporate bonds.

Note 3: Industry proportions are rounded to the nearest whole number, so totals may not equal 100%.

Note 4: Statistics cover pre-investment engagement under the equity method.

Level of communication:

0.3% Senior executives

2% Investment team

97.7% Head and members of the Responsible Investment and stewardship team

2.3% Director

9.3% Senior managers and spokesperson

88.4% IR team, sustainability team, or other relevant departments

Topic of communication and effectiveness of engagement:

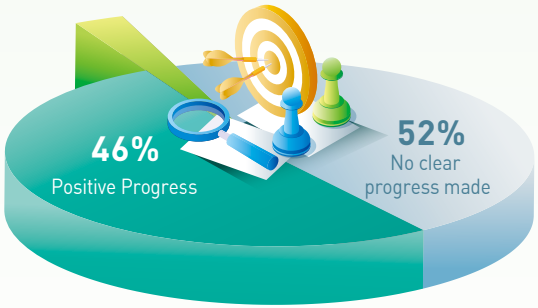
Topic		Times	Effectiveness
Opportunities in Clean Tech	E	1 times	0.3%
Toxic Emissions & Waste	E	2 times	0.5%
Chemical Safety	S	4 times	1.0%
Controversial Sourcing	S	4 times	1.0%
Opportunities in Renewable Energy	E	6 times	1.6%
Human Capital Development	S	9 times	2.4%
Labor Management	S	9 times	2.4%
Overall ESG	ESG	19 times	5.0%
Biodiversity & Land Use	E	22 times	5.8%
Governance	G	25 times	6.5%
Water Stress	E	37 times	9.7%
Climate Change Vulnerability	E	122 times	31.9%
Carbon Emission	E	122 times	31.9%

13 material ESG issues

382 items communicated

- E: **312** times in total
- S: **26** times in total
- G: **25** times in total
- ESG: **19** times in total

2% Successful/Case closed



Note: The engagement statistics above include pre-investment engagement under the equity method and exclude mere participation in investor conferences or shareholders' meetings where ESG topics were not addressed.

Voting

Cathay Life has established the Implementation Rules for Exercising Voting Rights on Proposals in Shareholders' Meetings of Investee Companies, under the guidance of which we attend shareholders' meetings via delegates or mandates to exercise our voting right as a shareholder and express our opinions on proposals in shareholders' meetings of investee companies. In principle, we support Sustainability-related proposals such as strengthening investee companies' capability to develop long-term value, as well as mitigating major environmental and social risks. At the same time, we will support the climate-related proposals that are "in line with the Paris Agreement emission-reduction targets," with the hope to guide companies in taking more concrete Climate Actions. We also pay attention to proposals involving labor disputes, diversity and equality, and human rights issues that may have a significant impact on society, in order to promote companies' respect for different genders and ethnic groups, meet international human rights standards, and make substantive contributions to reducing social inequality. However, unreasonable Sustainability-related proposals that hinder the sustainable development of investee companies, particularly anti-sustainability shareholder proposals that have emerged in the U.S. market in recent years, are in principle not supported, as an expression of our support for the sustainable development of investee companies.

Environmental Proposal - Case Study

Environmental factors considered Climate change

Proposal Call for the company to disclose a climate transition plan

Background

Company M is a global leader in the technology industry. With the rapid development of generative AI, the Company's data center energy consumption has increased significantly. According to the Company's disclosures, its electricity consumption has risen by approximately 200% compared with the level prior to the expansion of its data centers, indicating that data center expansion has become a significant source of the Company's carbon emissions and energy-related risks. Accordingly, shareholders submitted a proposal seeking disclosure of a climate transition plan, requesting that Company M explain to shareholders how it will ensure that the additional energy demand arising from data center expansion will be offset by newly added renewable energy capacity or accelerated emissions reductions.

For the following reasons, Cathay Life Insurance supported Company M's shareholder proposal requesting disclosure of the Company's climate transition plan:

- Insufficient progress in transition efforts compared with industry peers: In comparison, industry peers have made more forward-looking commitments. Its major competitors have committed to achieving 24/7 carbon-free electricity (24/7 CFE) across all operations, a standard widely regarded as one of the best practices in sustainable energy governance within the technology industry. Although Company M has implemented a number of renewable energy procurement measures, it still lacks sufficient transparency and verifiability with respect to its strategies, target setting, and implementation progress for ensuring that additional energy demand is fully covered by newly added renewable energy capacity.
- Enhance investors' understanding of the climate risks arising from industry expansion: By formulating and disclosing a clearer climate transition plan, Company M will enable investors to better understand how it manages the carbon emissions arising from data center expansion and the associated regulatory risks.

In conclusion, disclosure of the Company's climate transition plan would not only help strengthen its governance of climate-related risks, but also support its ability to respond to future regulatory requirements, enhance operational resilience, and ensure the Company can maintain long-term sustainable development amid competition in energy-intensive industries. Cathay Life supports this shareholder proposal based on the need to enhance information transparency, promote stronger climate governance practices by the Company, and respond to market and investor expectations regarding responsible energy use in the technology industry.

Social Proposals-Case Study

Environmental factors considered Human Rights in the Value Chain

Proposal Call for the company to publish a human rights impact assessment and governance report

Background

Company J is a major global pharmaceutical company. The Company's product development, manufacturing, marketing, pricing, and supply chain management have a significant impact on multiple human rights issues worldwide. The pharmaceutical industry plays a key role in the global public health system. Its value chain activities involve not only health-related issues, but also a broad range of human rights risks, including labor rights, data protection, protection of vulnerable groups, and labor conditions and transparency within the supply chain.

As regulatory authorities, investors, and the general public place increasing expectations on corporate human rights responsibilities, pharmaceutical companies' performance in areas such as product safety, clinical trial management, research ethics, information disclosure, supply chain governance, and accessibility has become an important indicator of the maturity of governance. Industry peers such as Sanofi and Novo Nordisk have not only established comprehensive human rights policies, but also implemented systematic human rights due diligence processes, including regular human rights impact assessments and public disclosure of related risk management measures and improvement outcomes. This indicates that the pharmaceutical industry is gradually establishing new industry standards for transparency and accountability in human rights governance.

Although Company J has established a human rights policy and expressed its commitment to human rights issues, in light of the social controversy and regulatory pressure it has previously faced in relation to product safety, health risks, and compliance matters, market concern over the Company's ability to identify, manage, and respond to human rights risks across its value chain continues to increase. In the absence of a clear, systematic, and human rights-focused impact assessment report, it is difficult for investors to comprehensively assess whether the Company has fully identified the actual impacts of its operations and value chain activities on human rights, as well as the effectiveness of the corresponding governance measures.

For the following reasons, Cathay Life voted in favor of Company J's shareholder proposal "calling for the Company to conduct a human rights impact assessment report":

- Responding to industry best practices and international standards: Internationally recognized human rights standards, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), clearly require companies to conduct ongoing human rights impact assessments and management across their operations and value chain activities. Most industry peers have publicly disclosed the results of relevant assessments. In comparison, Company J still lags behind industry trends in terms of transparency and institutionalized practices relating to human rights governance.
- Strengthening the systematic identification and management of human rights risks across the value chain: The human rights risks faced by pharmaceutical companies are not limited to the impact of end products on patients, but also encompass multiple dimensions, including the protection of clinical trial participants' rights and interests, labor conditions within the supply chain, manufacturing and product quality safety, information disclosure, and market conduct. Conducting a formal human rights impact assessment would help the Company identify potential and actual human rights risks across its value chain in a more comprehensive and forward-looking manner, and establish systematic response measures.
- Third-party assessments help enhance the credibility of governance: The shareholder proposal calls for an independent and objective assessment process, which would help reduce information asymmetry and enhance the accountability of the Board of Directors and management with respect to human rights issues.
- Reducing legal and reputational risks: Global pharmaceutical regulatory requirements and the intensity of product liability litigation continue to increase, and a lack of transparency in risk management may lead to higher compliance costs and reputational damage. Conducting human rights impact assessments would help proactively address and mitigate related risks.

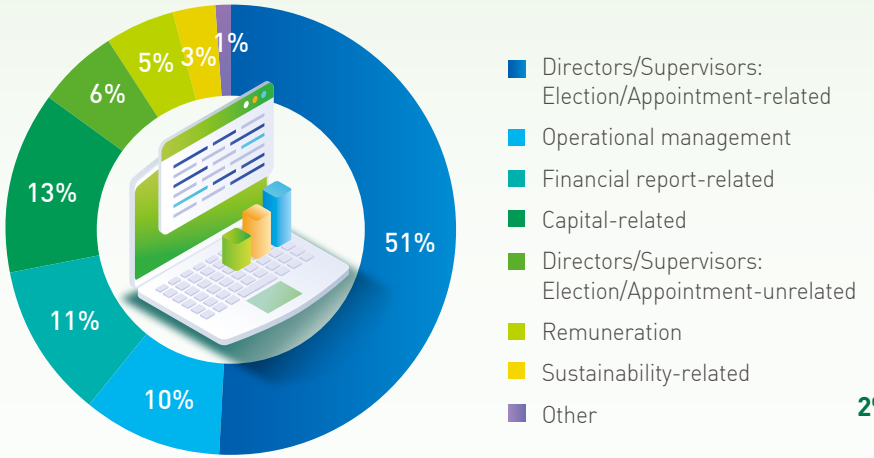
Considering the highly sensitive nature of the human rights risks involved across the pharmaceutical industry's value chain, and that Company J still has room for improvement compared with industry peers in terms of transparency and institutional maturity in human rights governance, we believe that the human rights impact assessment called for by the shareholder proposal would help address key gaps in the Company's human rights due diligence practices. This would not only enhance the robustness of the Company's human rights governance, but also strengthen its overall ability to respond to external regulatory requirements, investor concerns, and societal expectations. Therefore, we support this shareholder proposal.

On the other hand, rather than directly voting against certain proposals in shareholders' meetings, Cathay Life Insurance believes that it may better exert its influence as an institutional investor by familiarizing itself with key issues and communicating with investee companies before shareholders' meetings are held to reach consensus on proposals. This way, Cathay Life Insurance, investee companies, and society at large may simultaneously benefit.

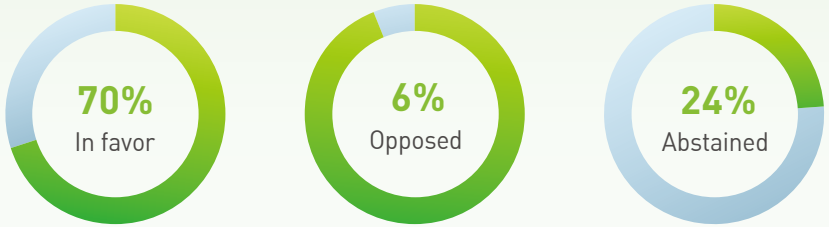
For individual cases of communication, please refer to the 2025 Cathay Life Insurance Responsible Investment and Stewardship Report

In 2025, Cathay Life Insurance attended 254 shareholders' meetings and voted on a total of 2,417 proposals. The voting results are as follows:

Type of Proposal



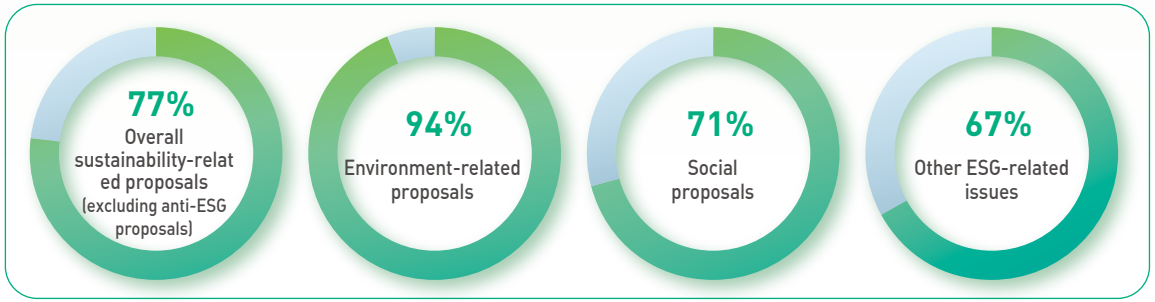
Voting Results

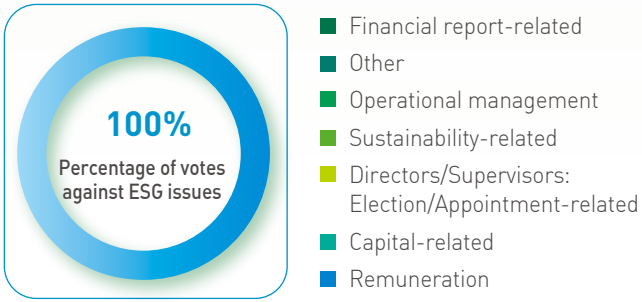


Type of Proposals Opposed

Note: Due to rounding to whole numbers, the percentages of types of proposals opposed may not add up to 100%.

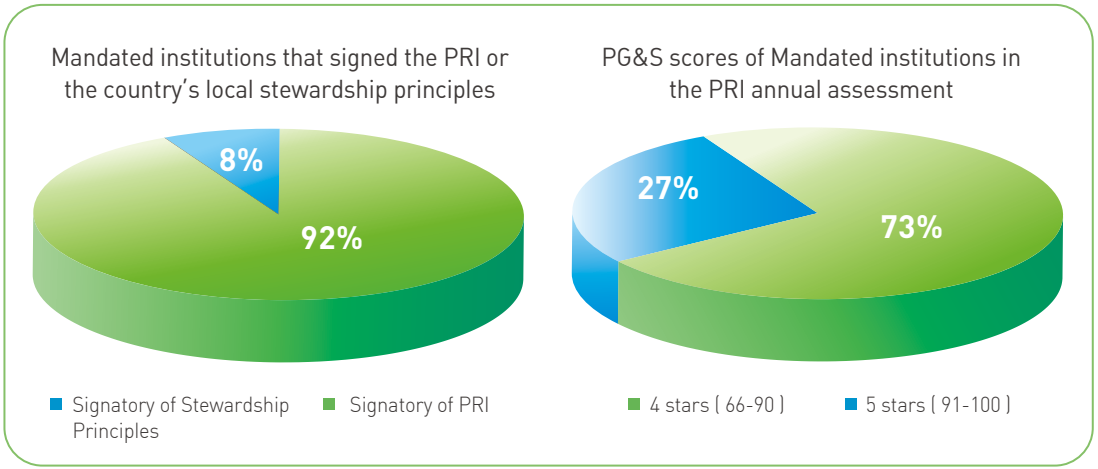
% of Votes Cast in Favor of Sustainability-related Proposals





Oversight of external managers

To ensure that entrusted asset management companies fulfill their responsibilities as asset managers, signing the United Nations-supported Principles for Responsible Investment (PRI) or the stewardship principles of their respective countries is included as one of the evaluation criteria for external asset managers. In addition, agreements signed with external asset managers expressly stipulate that Responsible Investment shall be incorporated into investment decision-making, and that investment targets shall be assessed for compliance with relevant ESG requirements, with annual reviews conducted accordingly. Of the assets entrusted by Cathay Life Insurance for discretionary investment in 2025 [Note1], 100% were managed by asset management companies that are signatories to the PRI or local stewardship principles. Among the Mandated institutions subject to the annual PRI assessment, approximately 73% received four stars (66–90 points) in the Policy, Governance and Strategy (PG&S) assessment category [Note2], while 27% received five stars (91–100 points). In comparison, the median score for all PRI signatories in this category was only 66 points, demonstrating the strong performance of the external asset managers selected by the Company in terms of governance and strategy.



Note 1: Mandated institutions refer to the discretionary investment institutions that made transactions of positions entrusted by Cathay Life Insurance in 2025.

Note 2: The Policy, Governance and Strategy (PG&S) assessment category primarily evaluates signatories' overall performance in Responsible Investment policy, including Responsible Investment policies, reporting and disclosure, voting and engagement, and climate change and sustainability initiatives. Ratings are classified into 1 star (0–25 points), 2 stars (26–40 points), 3 stars (41–65 points), 4 stars (66–90 points), and 5 stars (91–100 points).

Note 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.

Furthermore, our annual review results indicate that external asset managers have also demonstrated a certain level of maturity in the implementation of Responsible Investment and human rights governance practices:

1. 100% of Mandated institutions have incorporated ESG factors into investment decision-making or established dedicated Responsible Investment teams, indicating that Responsible Investment has become a core function within the investment management frameworks of most external asset managers. In addition to complying with the Group's Negative Investment and Lending Policy and the Company's Investment Management Principles for Sensitive Industries, all external asset managers also utilize international ESG rating agencies or internal databases to assess the ESG performance of investment positions, demonstrating that all discretionary investment assets of Cathay Life Insurance are managed by institutions that place importance on ESG-related risks and opportunities.
2. In terms of human rights risk identification and assessment methodologies, discretionary asset management companies with human rights management measures generally adopt international standards or frameworks such as the UNGPs, OECD Guidelines, UN Global Compact (UNGC), and ILO standards as important reference frameworks for evaluating the human rights performance of investee companies.
3. To ensure that discretionary asset management companies fulfill their role as active investors, Cathay Life Insurance also regularly reviews ESG engagement progress of our Mandated institutions:

   External discretionary asset manager F has continued to engage with Company S on grievance mechanisms and risk management issues, prompting Company S to publish its Global Grievance Resolution Policy in 2024 in accordance with the United Nations Guiding Principles on Business and Human Rights, and to expand its scope of application to its semiconductor business in 2025. Company S also disclosed grievances involving tier-2 suppliers, demonstrating that the grievance mechanism has been effectively implemented and has promoted best practices across the supply chain.

Promotion of Responsible Investment

Since natural disasters cause severe economic and insurance losses, institutional investors with large amount of financial assets bear the risk across various industries. Cathay Life Insurance acknowledges the importance of promoting ESG and climate change to stakeholders, working together to achieve mutual growth and develop towards sustainability and green economy in Taiwan. Therefore, by communicating ESG concepts with companies, we ensure that the students and companies are informed of ESG impact on corporate operations, understand the importance of ESG, and finally implement ESG actions. Meanwhile, Cathay Life Insurance also shares practical experiences of Responsible Investment with industry peers, with the hope to promote the implementation of Responsible Investment and create a positive cycle within the investment industry.

Number of sessions of promoting Responsible Investment to students and companies in 2025

2 sessions
Campus

2 sessions
Companies

The 15th Taipei Corporate Governance Forum on Oct. 16, 2025
Share Taiwan's and Cathay Life Insurance's stewardship practices with investee companies

4.1.2 Sustainable Investment Actions Principle 1 Principle 3

In addition to establishing a comprehensive system and procedures for Responsible Investment, Cathay Life Insurance also leverages its financial power to invest in projects related to environmental sustainability and improvement of social development. Through active investment, financial institutions not only promote industrial innovation and transition, but also sustainable economic development, leveraging financial power to jointly create value for social sustainability and business.

Themed Investing

Investment in accordance with Cathay FHC's 5 sustainability themes

Cathay Financial Holdings has defined five sustainability themes since 2017, including low-carbon transition, infrastructure, water resources, aging society and health, and community and financial inclusion. Related investments reached NT$1.52 trillion in 2025, representing a 7.9% increase compared with 2024. Investments in ESG- and Sustainability-related public infrastructure, industries (including but not limited to renewable energy and the circular economy), infrastructure projects, and related products and services accounted for 17% of the Company's total assets.

Low-carbon investments

To address climate risks and strengthen the climate resilience of its investment portfolio, Cathay Life Insurance has adopted a low-carbon investments strategy to increase the allocation of Green Capital and actively invests in low-carbon industries. As of 2025, total low-carbon investments and financing amounted to NT$242.1 billion.

Renewable energy

Cathay Life Insurance continues to invest in renewable energy projects. In addition to answering the call of the government's key strategies for net-zero transformation, we hope to play a key role in narrowing the gap between renewable energy supply and demand, supporting more Taiwanese companies in obtaining green electricity.

Solar power

Cathay Life Insurance focuses on solar energy as the core of its green business development, and established a solar power plant subsidiary through investments, joint ventures, and subsequent integration of its solar power plants. Cathay Life Insurance continues to accumulate power generation assets and operational experience through direct investments in solar power projects and its solar power plant subsidiary. As of 2025, cumulative actual investment had reached NT$4.27 billion, with installed grid-connected capacity totaling 520 MW.

Note: Considering adjustments to the business strategies of partner companies, certain project sites are expected to be disposed of in 2026, resulting in a reduction of approximately NT$120 million in investment amount and 50 MW in installed capacity.

Offshore wind power

In addition to actively investing in solar power plants, Cathay Life Insurance established a dedicated offshore wind project evaluation team focused on assessing offshore wind investment risks. After prudently evaluating investment risks, Cathay Life Insurance assessed the sale of a 50% equity stake in Ørsted's Greater Changhua 4 Offshore Wind Farm project in 2023. In December 2024, Cathay Life Insurance, together with its subsidiary Cathay Power, jointly invested up to NT$27.3 billion to acquire a 50% stake in Ørsted's Greater Changhua 4 Offshore Wind Farm, which has an installed capacity of approximately 583 MW. In December 2025, Cathay Life Insurance and Cathay Power further jointly invested up to NT$34 billion to acquire a 55% stake in Ørsted's Greater Changhua 2 Offshore Wind Farm, which has an installed capacity of approximately 632 MW. These investments not only fulfill the life insurance industry's need for long-term and stable returns on capital and align with the Company's sustainable energy development strategy, but also aim to demonstrate industry leadership through a pioneering role.

A key feature of the Greater Changhua 4 Offshore Wind Farm is its suction bucket jacket foundations, making it the first large-scale offshore wind project in the Asia-Pacific region to adopt pile-free suction bucket jacket (SBJ) foundation technology. This technology offers advantages including near-silent installation, low environmental disturbance, and complete removal from the seabed upon decommissioning. The Phase II project of the Greater Changhua 2 Offshore Wind Farm also adopts suction bucket jacket foundation technology.

Green buildings

Cathay Life Insurance's Real Estate Responsible Investment and Management Policy prescribes that real estate investments must properly utilize Earth's resources to improve the performance of its real estate holdings, and manage investment and operational risks.

To demonstrate its commitment to ecological sustainability and environmental protection, since 2016, Cathay Life Insurance has required all architects commissioned for self-developed building projects to adopt green building designs. Since 2023, all newly constructed buildings obtaining construction permits have been required to obtain either U.S. LEED certification or Taiwan Green Building Label(EEWH). In addition, beginning in 2025, building energy efficiency labeling has been incorporated into the design guidelines for newly constructed commercial office buildings, with Intelligent Building Lable expected to be further incorporated starting in 2026. As of 2025, total investment and financing for green building development amounted to NT$98.9 billion.

Water resources

Cathay Life Insurance has long focused on issues relating to environmental sustainability. In addition to climate change risks, the scarcity of water resources, rapid urban population growth, and increasingly extreme climate conditions have made the effective utilization and treatment of water resources one of today's most critical issues. Cathay Life Insurance is also the first life insurance company in Taiwan to establish a joint venture with a water resource company. Through investments in domestic wastewater treatment and water resource development projects, the Company aims to support more comprehensive public sewerage systems and improve the quality of the living environment in local communities. As of 2025, total investment amounted to NT$1 billion.

Infrastructure

As infrastructure satisfies people's basic needs and serves as a key category in the foundations of national development, improvement of infrastructure, which aims to maintain economic and social growth, eradicate poverty, and help adapt to the impact brought by climate change, is therefore a key to perpetuate sustainability. Cathay Life Insurance has been investing in industries related to developments of infrastructure to contribute to the funds necessary for the sustainable development of cities and the changes to people's lifestyles. As of the end of 2025, our total investment in infrastructure reached NT$842.7 billion.

Aging society and health

In addition to promoting public health through its products and initiatives, Cathay Life Insurance also leverages the power of investment to actively invest in health-related industries, including pharmaceutical development and biotechnology. As of 2025, total investment amounted to NT$501.4 billion.

Community and financial inclusion

Upholding its people-oriented philosophy, Cathay Life Insurance leverages its core investment capabilities to invest in industries related to education and microfinance, with the aim of contributing to the advancement of inclusive finance. As of 2025, total investment amounted to NT$80 million.

Support investment in the orderly net-zero transition of Taiwan's industries

Cathay Life Insurance supports Taiwan's 2050 net-zero emissions pathway and strategy, and prioritizes investments in areas such as Sustainable bonds, the 12 key strategic industries, and Enabling activities in order to meet enterprises' financing needs for low-carbon transition, thereby promoting an orderly transition toward a green economy.

Sustainable bonds

As of 2025, Cathay Life Insurance had invested NT$11.8 billion in Sustainable bonds approved by the Taipei Exchange, including green bonds, social bonds, sustainability bonds, and sustainability-linked bonds, accounting for 0.3% of its total bond[Note] investments.

Note: Relevant definitions in accordance with the Insurance Act and the Regulations Governing Foreign Investments by Insurance Companies.

12 key Strategies

In support of the National Development Council's "12 Key Strategic Strategies" policy, Cathay Life Insurance's total domestic investments and financing aligned with the strategic industry classifications amounted to NT$133.8 billion as of 2025. Investment and financing projects cover areas including solar and wind power generation (1. Wind/Solar Photovoltaic Power), grid equipment (4. Power System and Energy Storage), energy-saving industries (5. Energy Saving and Efficiency), public transportation (7. Carbon-free and Electric Vehicles / 10. Green Lifestyle), waste recycling (8. Resource Recycling with Zero Waste), and green bonds (11. Green Finance).

Enabling activities

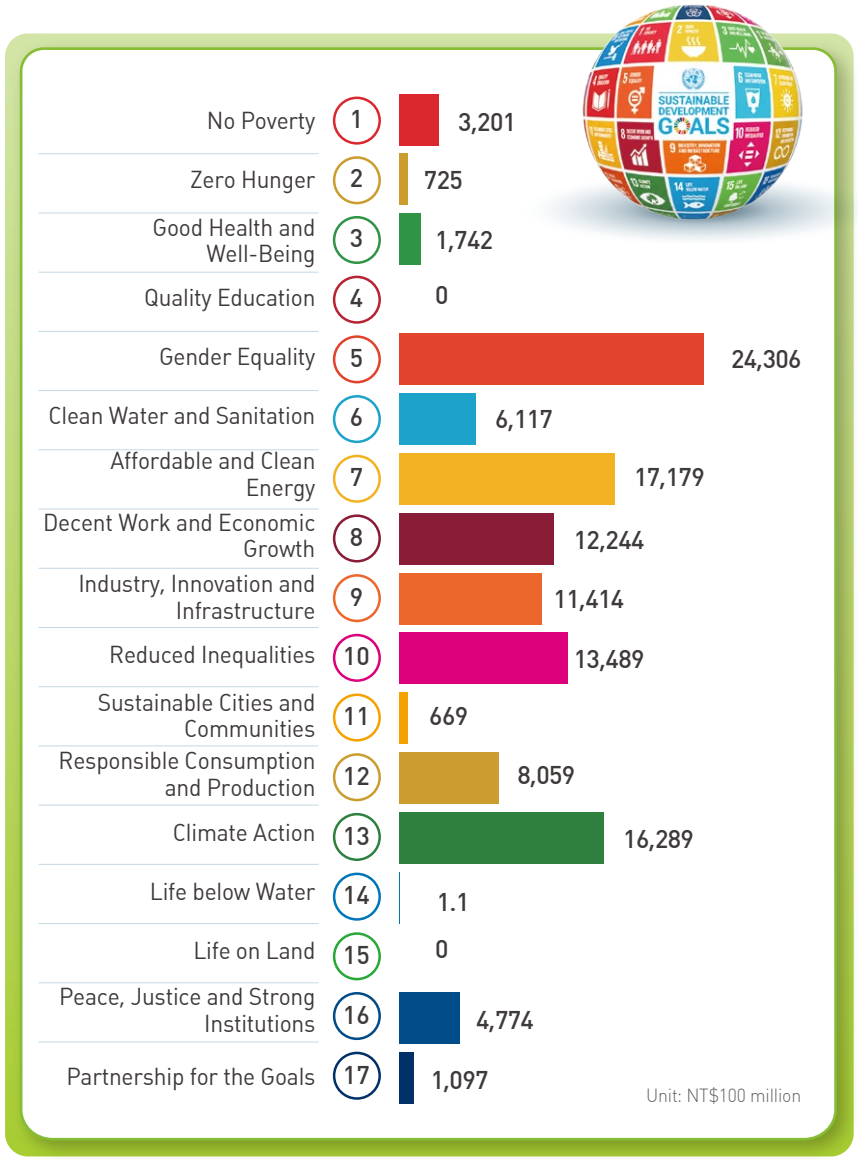
Enabling activities can help accelerate the implementation of key strategic industries for transition. As of 2025, Cathay Life Insurance's total domestic investments and financing aligned with Enabling activities under Taiwan Sustainable Taxonomy amounted to NT$28.9 billion. Investment and financing projects cover areas including solar and wind power generation (1. Renewable energy generation, installations and related equipment), grid equipment, and cement energy storage systems (10. Energy storage facilities and related equipment).

Investments linked to the 17 Sustainable Development Goals (SDGs)

The United Nations adopted the 2030 Agenda for Sustainable Development in 2015, proposing 17 SDGs for moving towards sustainable development. It provides guidance on the decision-making, investments and actions for central governments, local governments, enterprises, and citizen groups 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 with sustainable production, consumption, and use of natural resources, including air, land, rivers, lakes, groundwater, and ocean.

Cathay Life Insurance's financial assets are distributed across the globe. As a global corporate citizen, the Company deeply recognizes the importance of the 17 Sustainable Development Goals (SDGs) to economic growth, social progress, and environmental protection. When making investment decisions, the Company carefully evaluates whether investee companies can positively address specific social or environmental issues and maintain alignment with the United Nations' 17 SDGs. Cathay Life Insurance also utilizes the MSCI SDG Alignment Tool to assess the degree of alignment between the operations or products of domestic and overseas listed equities and corporate bond investments (excluding Sustainability-related bonds [Note]) and the SDGs. As of the end of 2025, the domestic and overseas listed equity and corporate bond investment portfolio showed the highest levels of alignment with the following United Nations Sustainable Development Goals, in order: SDG 5 Gender Equality, SDG 7 Affordable and Clean Energy, SDG 13 Climate Action, SDG 10 Reduced Inequalities, and SDG 8 Decent Work and Economic Growth.

Note: Sustainability-related bonds referred to herein include green bonds, social bonds, and sustainability bonds.



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

Impact investing

To strengthen the positive impact on society and the environment, Cathay Life Insurance references the Global Impact Investing Network's (GIIN) definition of impact investing and incorporates the four core principles of "intentionality," "measurability," "cross-asset applicability," and "financial returns" into its investment decision-making and investment target screening considerations. The Company also selects investment targets that can positively address specific social or environmental issues and whose contributions can be concretely measured. We also reference international frameworks when assessing and taking inventory of the positive impacts of investee companies.

Defining the scope of assets

Considering that impact investing can be conducted across asset classes and emphasizes measurable impact assessment, asset types such as Sustainability-related bonds [Note], private equity investments, and impact funds can provide investment targets that positively address specific social or environmental issues and offer concretely measurable contributions, and therefore their impact outcomes are calculated.

Select the assessment method

To effectively explain the impact goals and intention of contributing to positive and eventual social and environmental solutions, Cathay Life Insurance refers to the "impact investing" 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+ Impact Themes and Categories" framework published by GIIN. Meanwhile, we also use the 17 SDGs to match with impacts of the Theory of Change:

- Impact investing involves the Theory of Change, which requires credible explanation of investor contribution or catalytic role.
- The measurement of impact investing must be based on widely recognized impact measurement and management indicators, 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

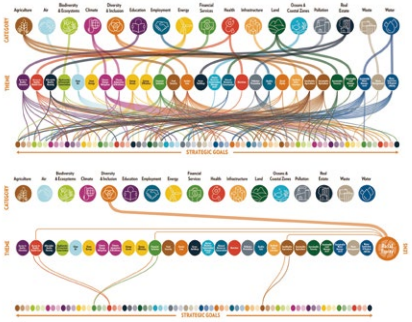
Note: Sustainability-related bonds referred to herein include green bonds, social bonds, and sustainability bonds.

THEORY OF CHANGE

Input	Resources required to achieve goals (including human resources, R&D expenditure, funding, etc.)
Activities	Operations utilizing resources invested
Output	Outputs are the direct results of activities
Outcome	Short-term changes brought by outputs
Impact	Systemic changes brought by outputs

IRIS+

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.



Source: IRIS+ Thematic Taxonomy

SUSTAINABLE DEVELOPMENT GOALS

Impact investing results

As of the end of 2025: Amount of impact investments reached NT$121.9 billion

53.3 billion Green bonds

5 billion | 48.3 billion

The development items of the green bond we invest in include renewable energy, energy efficiency, clean transportation, green buildings, and wastewater management

9.1 billion Social Bonds

1.1 billion | 8 billion

By investing in social bonds related to improving the lives of disadvantaged groups, providing affordable housing to address residential needs, and developing essential services, Cathay Life Insurance helps governments and enterprises generate positive and tangible social impacts.

32.8 billion Sustainability Bonds

5.7 billion | 27.1 billion

In addition to directly investing in green bonds and social bonds, Cathay Life Insurance also invests in sustainability bonds that simultaneously support green investment projects and social impact investment initiatives, encouraging governments and enterprises to devote greater efforts to social and environmental improvement issues.

26.7 billion Other

0.5 billion Impact funds | 26.2 billion Private equity

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.

■ Sustainable development bonds recognized by TPEx

• Impact 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 investing results. Meanwhile, the environmental or social indicators will be adjusted based on the current situation.

IRIS+ Categories Ω	IRIS+ Themes	Corresponding SDGs	Environmental or social indicators – Contributions from the Company's investments(Cumulative amount in 2022-2025)	
Energy	Energy Access	7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 14 Life Below Water	CO_2 equivalent avoided	137,697 Mt CO_2e
			Number of households benefiting from renewable energy	312,080 Households
Pollution	Pollution Prevention	6 Clean Water and Sanitation; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production	Total volume of wastewater treated	20,779,344 Cubic meters (tons)
Water	Sustainable Water Management	6 Clean Water and Sanitation; 11 Sustainable Cities and Communities	Total water conservation	31,546,663 Cubic meters (tons)
Education	Access to Quality Education	1 No Poverty; 4 Quality Education; 10 Reduced Inequalities	Students benefiting from lunch subsidies	109,804 Number of people
Real Estate	Affordable Quality Housing	1 No Poverty; 10 Reduced Inequalities; 11 Sustainable Cities and Communities	Number of beneficiary families of affordable housing	1,205 Households
Financial Services	Financial Inclusion	1 No Poverty; 2 Zero Hunger; 10 Reduced Inequalities	Individuals from underprivileged groups whose quality of life has been improved	1,920,273 Number of people
Health	Access to Quality Health Care	3 Good Health and Well-Being	Beneficiaries of improved healthcare	612,348 Number of people

For relevant cases Please refer to the 2025 Cathay Life Insurance Responsible Investment and Stewardship Report

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

Sustainability-Linked Bond (SLB)

In addition to impact investing, Cathay Life Insurance also invests in sustainability-linked bonds (SLBs). Through a mechanism that links bond principal and interest payment terms to the issuer's sustainability performance targets, these instruments help ensure that issuers incorporate sustainable development into their business decisions and operating models. 100% of the sustainability-linked bonds invested in by Cathay Life Insurance include greenhouse gas (GHG) reduction targets as their sustainability performance targets, supporting companies in embedding carbon reduction into their operations. As of 2025, the investment amount totaled NT$7.2 billion.

Taiwan Sustainable Taxonomy—Investment and loan Economic Activities

To leverage the influence of finance to guide Taiwan's industries toward net-zero transformation, the Company calculates and discloses the eligibility and alignment of its investment and loan economic activities, as well as the sustainability ratio (KPI):

- Version: The second version of the "Guidelines for the Determination of Sustainable Economic Activities" announced on December 31, 2024.
- The eligibility, alignment status, and sustainability ratio (KPI) are presented in the table below.

Investment Economic Activities

Description of Investment Assets	Amount (NT$ million)
Total domestic investment assets (A) Note1	1,406,146
Investment assets excluded from sustainable economic activities under the Taxonomy (A1) Note2	46,685
Investment assets included from sustainable economic activities under the Taxonomy (A2)	1,359,460
Investment Taxonomy-non-eligible activities or Investment Taxonomy-eligible activities but not disclosure (B1) Note3	1,065,580
Investment Taxonomy-eligible activities (B2)	293,880
Investment Taxonomy-non-aligned activities or Investment Taxonomy-aligned activities but not disclosure (C1)	123,346
Investment Taxonomy-aligned activities (C2) Note4	170,534

Sustainability ratio (KPI) of investment economic activities	%
Taxonomy-eligible Ratio-Investment (B2)/(A2)	21.6%
Taxonomy-aligned Ratio-Investment (C2)/(A2)	12.5%
Taxonomy-aligned/Taxonomy-eligible Ratio-Investment (C2)/(B2)	58.0%

Note 1: Primarily domestic investments, including Financial assets at fair value through other comprehensive income, Financial assets measured at amortized cost, Investments accounted for using the equity method, Financial assets at fair value through profit or loss, and Investment property-Building.

Note 2: Exclusions from the denominator include derivatives, mortgage-backed securities, and debt issued by central governments, central banks, and supranational organizations.

Note 3: Overseas enterprises, and enterprises whose economic activities are not eligible to or have not disclosed taxonomy alignment (i.e., industries for which technical screening criteria for sustainable economic activities have not yet been established, or companies that may fall under such criteria but have not disclosed their eligible status).

Note 4: Including Sustainability-related bonds (including green bonds, social bonds, sustainability bonds, and sustainability-linked bonds), domestic ESG funds that comply with FSC Official Letter No. 1100362463 and FSC Order No. 1100365536, domestic enterprises whose economic activities are aligned with the taxonomy, investment properties that comply with the indicators set out in the Reference Guidelines for the Recognition of Sustainable Economic Activities – Construction and Real Estate Industry, and Enabling activities.

Note 5: The eligibility or alignment ratio for listed companies is determined based on data from the ESG GenPlus Platform

Loan Economic Activities

Description of loan assets	Amount (NT$ million)
Total loans- consumers and corporates (a1)	258,151
Total loans- consumers (a2)	246,188
Total loans-corporates (a3)	11,963
Loan Taxonomy-non-eligible activities or Loan Taxonomy-eligible activities but not disclosure (b1) Note1	135,390
Loan Taxonomy-eligible activities-consumer loan (b2)	119,183
Loan Taxonomy-eligible activities-corporate loan (b3)	3,579
Taxonomy-eligible but non-aligned or undisclosed financing assets (c1)	117,118
Loan Taxonomy-aligned activities-consumer loan (c2) Note2	2,064
Loan Taxonomy-aligned activities-corporate loan (c3) Note3	3,579

Note 1: Overseas enterprises, economic activities not applicable to or undisclosed under the taxonomy (i.e., industries for which technical screening criteria for sustainable economic activities have not yet been established), and unlisted companies are excluded from the numerator.

Note 2: Include green building housing loans, electric vehicle loans, and other green loans or sustainability linked loans with third-party certification or relevant labels that comply with the Guidelines for Determination of Sustainable Economic Activities - Construction and Real Estate Industry Indicators.

Note 3: Include loans calculated based on the eligibility and alignment of financing targets, other green loans or sustainability linked loans with third-party certification or relevant labels, and Enabling activities.

Sustainability ratio (KPI) of financing economic activities	%
Consumers	
Taxonomy-eligible Ratio-Loan (b2)/(b2)	48.4%
Taxonomy-aligned Ratio-Loan (c2)/(a2)	0.8%
Taxonomy-aligned/Taxonomy-eligible Ratio-Loan (c2)/(b2)	1.7%
Corporates	
Taxonomy-eligible Ratio-Loan (b3)/(a3)	29.9%
Taxonomy-aligned Ratio-Loan (c3)/(a3)	29.9%
Taxonomy-aligned/Taxonomy-eligible Ratio-Loan (c3)/(b3)	100.0%
Consumers + Corporates	
Taxonomy-eligible Ratio-Loan (b2+b3)/(a1)	47.6%
Taxonomy-aligned Ratio-Loan (c2+c3)/(a1)	2.2%
Taxonomy-aligned/Taxonomy-eligible Ratio-Loan (c2+c3)/(b2+b3)	4.6%

● Direction of application: As the basis for future investment and loan evaluations and engagement

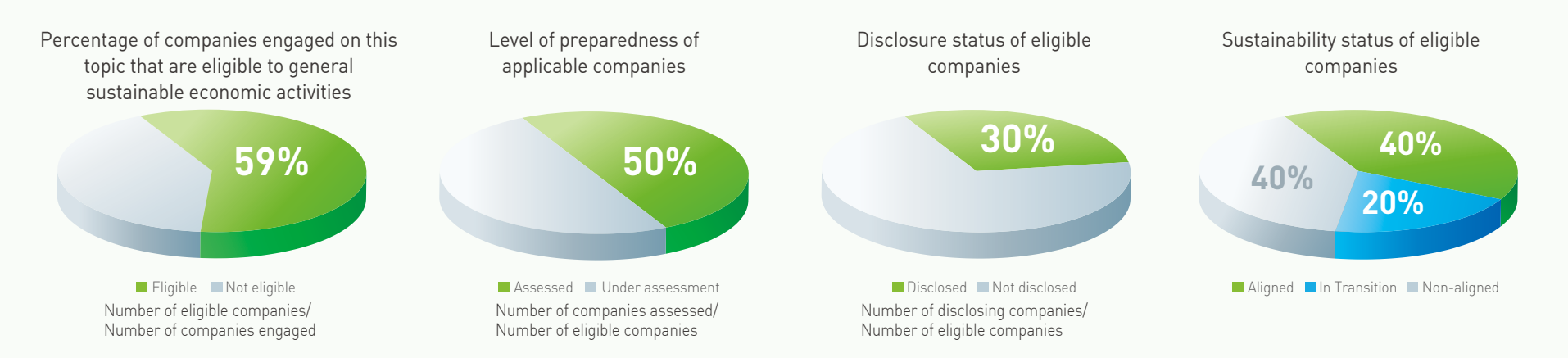
1.Description of engagement with investee companies

In engagement meetings with investee companies, the Company incorporates Taiwan Sustainable Taxonomy as a key topic of discussion. Discussions cover whether the companies' business operations are applicable to the second edition of the Reference Guidelines for the Recognition of Sustainable Economic Activities, and assess whether they meet the relevant criteria for general economic activities. At the same time, investee companies are encouraged, upon completion of the assessment, to publicly disclose the eligibility" and "alignment" status of their principal economic activities or projects in sustainability reports, annual reports, company websites, or the ESG GenPlus Platform, in order to enhance information transparency.

We engaged with a total of 17 companies during the year. In addition, we engaged with companies whose general economic activities have not yet met the sustainability criteria set out in the Reference Guidelines for the Recognition of Sustainable Economic Activities to understand whether they have established transition or improvement plans, with the expectation that they will gradually meet the sustainability criteria set forth in the Guidelines.

Engagement status:

- Among the companies engaged on this topic, 41% were not eligible to the Reference Guidelines for the Recognition of Sustainable Economic Activities, and were encouraged to formulate transition plans (including climate change-related plans and specific actions). Meanwhile, 59% of the companies were eligible to general sustainable economic activities, and we further inquired about their level of preparedness. Of these applicable companies, 50% had completed the relevant assessment processes, while the remaining 50% were still undergoing evaluation, indicating that most companies have begun responding to the relevant requirements.
- In terms of information disclosure, only 30% of eligible companies disclosed information related to sustainable economic activities. Regarding the sustainability status of eligible companies, 40% were classified as aligned, 20% were in transition, and 40% were not yet aligned. For companies that have not yet achieved "alignment," we encourage them to formulate transition plans, with the expectation that they will gradually meet the sustainability criteria set forth in the Guidelines. We will continue to monitor their progress going forward.



2.Description of borrower engagement

- We encourage corporate clients to fill out the "Corporate ESG Information and Sustainable Economic Activity Self-Assessment Questionnaire" to enhance their understanding of the "Guidelines for the Determination of Sustainable Economic Activities", so that they will gradually meet the standards set forth in the Guidelines for the Determination of Sustainable Economic Activities.
- In 2025, a total of four questionnaires were distributed to new corporate loan customers. Based on the responses received, all four companies were found to be not eligible under the Guidelines for Identifying Sustainable Economic Activities. The Company will continue to promote ESG and ESCO energy-saving initiatives, with the aim of supporting companies in progressively meeting the sustainability criteria set out in the Guidelines.

05 Governance

5.1 Sustainability Governance
5.2 Climate-Related/Nature-Related Financial Disclosures (TCFD/TNFD)

Core philosophy

Corporate governance is the cornerstone of corporate sustainability. In response to rapid change in the financial market and emerging risks and impacts, Cathay Life Insurance not only established a rigorous framework of corporate governance, but also strengthened competencies of the Board of Directors, enhanced the leadership skills of the management team, and refined its risk management organization and mechanisms to protect the rights and interests of Cathay stakeholders, including shareholders, employees, and customers.

Performance highlights

4 terms

Received the highest rating (Excellent) in the Corporate Governance System Assessment organized by the Corporate Governance Association in Taiwan for four consecutive terms.

Obtained both certifications

Obtained both BS10012 and ISO29100 certifications.

Taiwan's first

Became the first life insurance company in Taiwan to complete the new version ISO 27001: 2022, thereby aligning with international information security standards.

Corporate Governance

Policy commitment

Cathay Life Insurance has established an effective management framework that ensures shareholders' equity and also takes into account the interests of other stakeholders. This enables Cathay Life Insurance to achieve its business goals, while fully disclosing relevant information to the public.

Management Action

Corporate Governance 3.0-Sustainable Development Roadmap	Sound corporate governance structure	Strengthening board functions
• The Company handles related affairs based on five main aspects, including strengthening board functions, increasing information transparency, strengthening stakeholder engagement, aligning with international standards, and deepening corporate culture related to sustainable governance. • Received the highest rating (Excellent) in the Corporate Governance System Assessment organized by the Corporate Governance Association in Taiwan for four consecutive terms.	• Adopting the dual-track governance of independent directors and supervisors. • Appointed corporate governance officers to assist directors in executing related affairs, in order to improve board efficiency.	• Established the board performance evaluation system. In 2025, there were 37 evaluation items, and the overall evaluation results was "Outstanding. " • Organized continuing education of the Board of Directors. In 2025, board members on average received 19.43 hours of training (higher than the 6 hours required by law). • The Board of Directors proactively participated in meeting discussions, and the overall attendance of Directors was 98% (excluding proxies) in 2025.

Performance tracking/stakeholder engagement

Risk Management

Policy commitment

Cathay Life Insurance has incorporated ESG issues into various business processes, and established complete mechanisms, objectives, and emergency response plans for risk management, so as to monitor and respond to potential operational, financial, and emerging risks related to environmental or social trends.

Management Action

Establish the Risk Management Committee	Complying with international standards	Comprehensive risk management system
• Establish the Risk Management Committee under the Board of Directors. • Quarterly meetings are convened and reports are submitted to the Board of Directors.	• Establish a comprehensive risk assessment process, goals, and response plans through enterprise risk management (ERM) to align with the Insurance Core Principles (ICP).	• Identified emerging and major risks in response to the increasingly diverse external risk landscape, clarified the responsibilities and strategies of responsible units, senior management, and external stakeholders, reviewed and tracked the implementation of mitigation measures, and enhanced forward-looking risk management.

Performance tracking/stakeholder engagement

Information Security and Customer Privacy

Policy commitment

Cathay Life Insurance has established a comprehensive information security and personal data management system, and builds the resilience of overall information security by strengthening information security supervision, enhancing financial resilience, deepening information security governance, and leveraging information security joint defense. We continue to optimize mechanisms of the personal data management system to protect personal data.

Management Action / Performance tracking/stakeholder engagement

Establish committees and dedicated units	Information security	Personal data management
• Established an Information Security and Personal Data Management Committee, which meets once every six months. • Established a dedicated unit for information security and personal data management.	• Established a rigorous information security management framework, and no significant information security events were found in 2025. • Continued to invest resources to establish effective information security mechanisms. The total information security budget in 2025 was approximately NT$124.55 million, accounting for approximately 9% of the overall IT budget.	• Established a comprehensive personal data management system and mechanism, becoming the first insurance company to obtain the "BS10012" and "ISO29100" dual certifications. There were no major personal data infringement incidents in 2025. There were 8 cases of accidental leaks of policy information, at the lowest level of severity, and they have all been properly handled.

Legal Compliance and Response

Policy commitment

Cathay Life Insurance strives to form an organizational culture of legal compliance, and complies with various internal and external laws and regulations, while keeping track of the changes in statutes to make timely business adjustments. In addition, we monitor the legal compliance status through our management system, with a sound mechanism to handle violation of laws and regulations and make improvements.

Management Action / Performance tracking/stakeholder engagement

Establishment of accountable unit	Establish the compliance management system	Legal compliance education and training
• Establish a dedicated legal compliance unit.	• Establish the Legal Compliance Management System. • Regularly organized the Second and Third Lines of Defense Joint Meeting (on Legal Compliance, Risk Management, Information Security, and Auditing) and the Legal Compliance Meeting. • Legal compliance self-evaluation and self-inspection are conducted twice a year.	• Periodically issue the monthly newsletter "Regulatory Compliance Auditing and Information Security Monthly." • Conduct online legal compliance tests twice a year. • Legal compliance online courses were provided for both office and field staff. In 2025, the number of trainees was 28,652. The total training hours reached 254 thousand hours.

Ethical Corporate Management

Policy commitment

We strive to create an organizational culture of legal compliance to implement ethical corporate management and enhance our control of and response to anti-money laundering (AML)/countering the financing of terrorism (CFT) or proliferation financing (CPF) via a rigorous organization and system.

Management Action / Performance tracking/stakeholder engagement

Establish committees and dedicated units	Establish management mechanisms	Implement education and training
• Establish the Anti-Money Laundering and Counter-Terrorist Financing Committee. • Established a dedicated AML/CFT unit.	• Continued to optimize the money laundering, terrorism financing and proliferation financing risk management mechanisms through prevention beforehand, control during incidents, and inspections afterwards.	• Regularly organized education and training on AML/CFT/CPF for both office and field staff every year. In 2025, a total of 46,001 people received 35,000 hours of training.

5.1 Sustainability Governance

Cathay Life Insurance upholds the core values of Integrity, Accountability, and Innovation, and aims to strengthen sustainable governance in compliance with the Sustainable Development Action Plan for TWSE and TPEx Listed Companies issued by the FSC. In addition to improving corporate governance efficiency, the Company also actively participated in various external evaluations by professional institutions. As a result, Cathay Life Insurance received the highest rating (Excellent) in the Corporate Governance System Assessment organized by the Corporate Governance Association in Taiwan for four consecutive terms. As a subsidiary of Cathay Financial Holdings, Cathay Life Insurance supported Cathay Financial Holdings in being selected as a constituent stock of the DJSI Emerging Markets Index and DJSI World Index for eight consecutive years since 2018, indicating that Cathay Life is one of the top scoring companies in the world in terms of corporate governance performance.

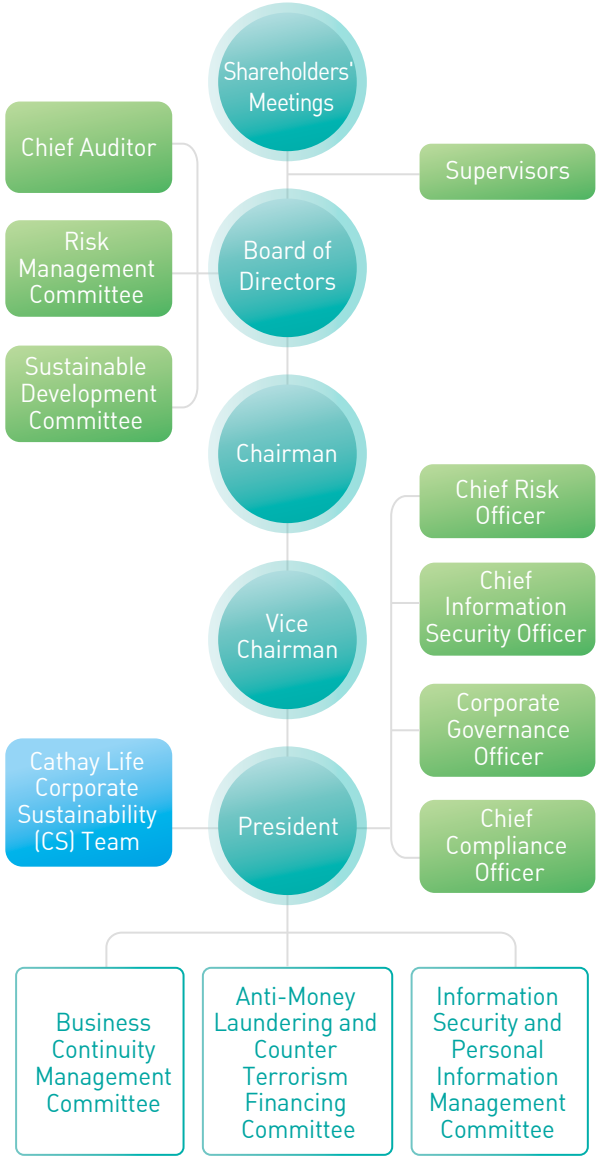
5.1.1 Corporate Governance

■ 2025 Key Corporate Governance Refinement Project

- In compliance with the Corporate Governance 3.0-Sustainable Development Roadmap, while referencing the Sustainable Development Action Plans for TWSE-and TPEx-Listed Companies (2023), the Company handles related affairs based on five main aspects, including strengthening board functions, increasing information transparency, strengthening stakeholder engagement, aligning with international standards, and deepening corporate culture related to sustainable governance.
- Established a senior management accountability system and used a responsibility map to clearly clarify the scope of authority of managers.
- On average, the actual attendance rate of the board of directors, training hours, internal performance evaluation results, and diversity policy all exceed legal requirements.

■ Corporate Governance Organizational Structure

To improve the corporate governance structure, we not only established the Risk Management Committee and Sustainable Development Committee as functional committees under the Board of Directors, but also use a dual-track system of both independent directors and supervisors. The supervisors are responsible for overseeing board operations and decision-making, while independent directors participate in the Company's business decisions, in order to actively keep in line with international trends and TWSE's Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers. Since 2019, the corporate governance supervisor has been appointed to provide directors with information on business operations and legal compliance, and assist directors in performing their duties, in order to improve the performance of board operations.

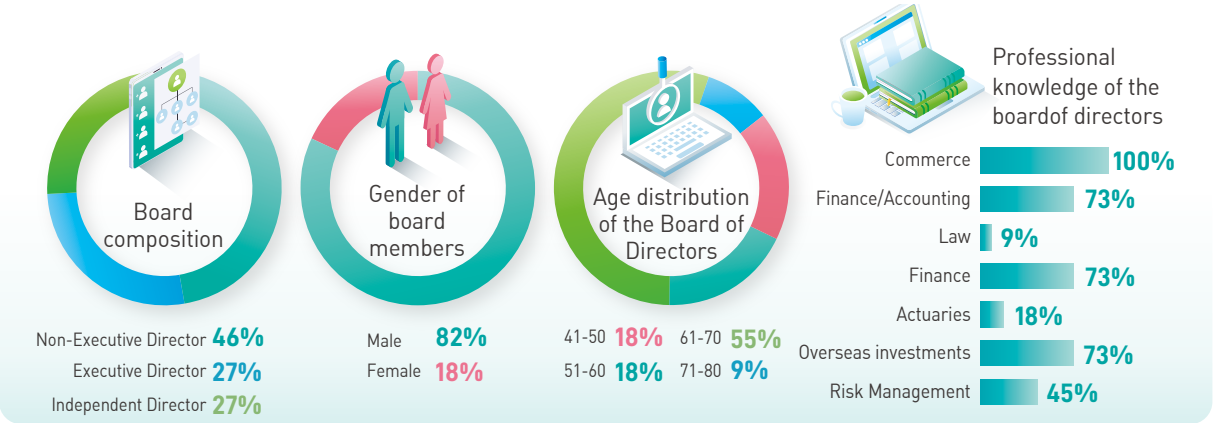


■ Board Diversity and Operation

● Board Diversity

The Company has 11 directors, including 5 non-executive directors, 3 independent directors and 3 executive directors (president, executive vice president, and senior vice president), who possess professional expertise and extensive experience in business, accounting, law, finance, actuary, overseas investment, and risk management.

Please refer to the sections on Board Structure, Board Diversity Policy, and Board Independence for more information.



● Operations of the Board of Directors

To implement board functions, all directors actively participated in discussions, requiring business units to keep track of the progress of key proposals discussed in the board of directors meeting, and periodically report to the board of directors. The board of directors' annual work plan is formulated every year, focusing on key proposals for effective decision-making of the board of directors. In addition, the Board of Directors pays special attention to sustainability-related issues. In 2025, apart from approving the 2025 annual sustainable development plan, goals, and related projects, and the 2024 Sustainability Report, the board also reviewed 16 reports submitted, including quarterly sustainability implementation work reports, 2024 GHG inventory results and future operation plans, quarterly GHG inventory results, current development status and development activities of potential talent, communication with stakeholders, compliance with the principle of treating customers fairly every six months, 2024 corporate governance business report, and 2025 corporate governance plan.

In 2025, **9** board meetings were held, with 1 meeting held every 1.3 months on average.

The overall attendance rate of directors was **98%** (excluding attendance by proxy).

Board performance evaluation and continuing education

The 2025 board performance evaluation results are as follows:

The board actively partakes in the Company's operations and attaches great importance to corporate sustainability issues such as disclosure of climate-related information and green finance; fulfilling its duties to instruct and supervise the Company's strategies, major business activities, and risk management practice, and establishing suitable internal control system. The sustainable business practices are consistent with the Company's operating goals, etc. There are 37 evaluation items, and the overall evaluation result was "Outstanding. "

Board of Directors

- Participation in the Company's operations
- Quality of board decisions
- Board composition and structure
- Selection of directors and continuing education
- Internal control

Individual director

- Board meeting attendance
- Understand proposals before the meeting, and participate in board discussions
- Interaction with the management team
- Compliance with laws and best practice principles
- Improve corporate governance
- Continuing education courses related to corporate governance
- Understanding of the company, management team, and industry
- Other matters designated by the competent authority or the board of directors

Competencies and continuing education of the Board of Directors

To strengthen sustainability governance of the Board of Directors, and become aligned with international trends, directors continue to participate in external courses and seminars, and actively provide core courses in compliance with relevant laws and regulations and required by the competent authority. The Company also organizes core courses and professional courses every year (including 5 categories: teamwork and operations, financial business and technology, risk management and internal control, digital governance and corporate governance, and treating customers fairly and CRPD) for board members to participate according to the directors' training plan and questionnaires, so as to gain a better understanding of their fields through diverse channels, and fulfill their duties of loyalty and due care as a good administrator. Directors and responsible persons of Cathay Life Insurance all received CRPD-related training in 2025 to be able to fully serve their business decision-making and leadership and supervision functions.

2025 total training hours for board members

In 2025, each director's training hours exceeded the six hours of training required by law

Board member ESG course completion rate

See P.52 of Cathay Life Insurance's 2025 Annual Report for details

For the nomination and selection of the Board of Directors Please refer to the Procedures for the Election of Directors and Supervisors of Cathay Life Insurance

For conflicts of interest Please refer to the Internal Procedures and Regulations Governing Cathay Life Insurance's Transactions Other than Loans with Stakeholders

Remuneration for Directors/ Supervisors

The board passed a resolution to establish the Guidelines for Directors'/Supervisors' Remuneration, and the remuneration of directors/supervisors is determined by the Board of Directors based on each individual director's/supervisor's level of participation, contribution to the Company's operations, the Company's business performance, and individual performances, in reference to industry peers.

The Company's business operations, finance operations, and risk management indicators are considered in the performance evaluations of directors and supervisors to improve operational risk management. The annual evaluation results will affect the remuneration of directors/ supervisors.

Remuneration of Managers

The Company established the remuneration policy of managers in accordance with the Guidelines for Remuneration of Managers to create long-term value for shareholders. The remuneration of managers is approved according to their position, duties, performance, ability, and market standards. For example, the variable portion of remuneration to the president is linked to business indicators, financial indicators, risk management, internal control, and corporate sustainability indicators.

We analyze the competitiveness of remuneration each year and assess the remuneration of individual managers each year to verify the reasonableness of manager's remuneration.

5.1.2 Risk Management

Cathay Life Insurance upholds the Principles for Sustainable Insurance (PSI), and has incorporated ESG (Environmental, Social and Governance) issues into our daily operations. We monitor and promptly respond to potential operational, financial, and emerging risks in relation to environmental or social trends. We have established a complete risk assessment process, goals, and response plans through enterprise risk management (ERM) mechanism, keeping in line with Insurance Core Principles (ICP), ensuring the smooth operation of risk management mechanisms, while mitigating the negative impacts of risks when they occur.

The Risk Management Committee (hereinafter referred to as the "Committee") was established in 2010. The Committee is subordinate to the Board of Directors, with an independent director serving as the chairperson. With reference to the Risk Management Best Practice Principles for TWSE/TPEx Listed Companies, over half of the Committee's members should be independent directors, in order to improve and strengthen risk management functions. In 2023, the Committee was restructured into a functional committee, with three directors serving as committee members, including two independent directors. At the same time, senior vice presidents of the financial investment system, the operations management system, and the numerical actuarial system, and the Chief Risk Officer were invited to participate in Committee meetings to discuss issues. The Committee convenes quarterly meetings. The Risk Management Department periodically submits work reports on risk management to the Committee for review and reports to the Board of Directors. The Risk Management Committee is a climate risk oversight committee under the Board of Directors, and monitors climate-related risks and issues.

In response to the diverse external risks, Cathay Life Insurance identified emerging and major risks with reference to international trends and methods of industry peers to monitor the Company's risk structure, integrating 9 internal and external quantified risks that were identified, and covering 29 qualitative risks in 6 major categories (Environment, Politics and Economics, Society, Governance, Health, and Technology). We understand the thinking and strategies of responsible units, senior managers, and external stakeholders for different aspects through the annual questionnaire survey on risks, review and follow up on the adequacy of control measures, and improve forward-looking risk management.

Top 10 Qualitative Risk Identification Results in 2026

Ranking	Category	Risk item
1	Technology	Information security risks
2	Healthcare	Medical advancements and innovations
3	Politics and economics	Political and economic risks
4	Social risks	Risks of declining birthrate and aging population
5	Technology	Financial digital competition
6	Healthcare	Social Health Impact Risks Arising from Social Isolation and Loneliness
7	Environment and energy	Climate physical risks
8	Politics and economics	Monetary and fiscal policy risks
9	Governance risks	Competition posed by industry peers
	Technology	Potential Risks of AI-driven Emerging Technology Applications

Technology

Information security risks, financial digital competition, and potential risks of emerging AI-driven technology applications

Information security risks are the top-ranked risks in 2026, reflecting the rapid development of AI technology and the increase in the frequency of cyberattacks and fraud incidents. For example, recent class actions in Australia and South Korea due to major data leakage incidents have posed a significant threat to the operations and customer trust of the insurance industry. Financial digital competition remains one of the top risks. Due to the FSC opening applications for digital insurance licenses in August 2025, it is possible that new companies will erode the Company's market share, indicating that the competitive pressure between the traditional financial industry and emerging technology companies continues. Ranking ninth, the potential risks of emerging AI-driven technology applications have risen due to increased regulatory supervision in 2025, and the rapid application of AI technology in business scenarios.

Healthcare

Social health impacts caused by medical advancements and innovations, and risks of social health impacts arising from social isolation and loneliness

Risks associated with medical advancements and innovations ranked second in 2026 due to the increase in costs arising from the improvement of medical technology and innovative medical models. The trend of treatment shifts from inpatient care to outpatient care, which influences the pricing and claims on health and medical insurance products. In addition, the risks of social health impacts arising from social isolation and loneliness will further affect the Company's product and protection structure as Taiwan became a super-aged society in 2025, causing changes to social models due to shifts in demographic structure and digitalization, and the demand for medical and long-term care will increase.

Politics and economics

Political and economic risks, and monetary and fiscal policy risks

Political and economic risks persist due to geopolitical tensions around the world. Furthermore, the U.S.-China trade friction and technological competition is intensifying, affecting the supply chain and market stability. Therefore, in 2026 the Company will continue to pay attention to these risks, which ranked third overall. Monetary and fiscal policy risks are frequently affected by changes in policies of major economies, and the market remains highly sensitive to interest rate policies and inflation pressure. Under this trend, the ranking of economic volatility risks mainly affected by macroeconomic changes has dropped significantly.

Environment and energy

Climate physical risks

Climate physical risks ranked seventh, reflecting the increase in the frequency of extreme weather events, which cause business disruptions and have a direct impact on the insurance market. This indicates that the current focus remains on the direct impact of physical disasters.

Governance and social risk

Risks from low birthrates and aging, competition in the industry

The risks of the declining birthrate and aging population ranked fourth, indicating accelerated demographic changes. Taiwan became a super-aged society by 2025, resulting in an increase in the average age of the Company's main customer base. This trend is increasingly influential on the insurance industry. The aging population increases the demand for medical and long-term care, while the low birth rate leads to insufficient labor force. This further affects the design and business strategies of insurance products.

In addition, the Company closely monitors the competition posed by industry peers, mainly due to the increase in investment risks. Furthermore, to strengthen asset and liability management after adhering to IFRS 17, the Company expects to expand the scale of domestic investments. However, the shallowness of Taiwan's bond market, and synchronized industry peer activity may extend the timeline for fund redemptions. The Company may also be exposed to additional market fluctuation risks during this period.

Emerging risk management

The emerging risks identified in 2026 are "potential risks of emerging AI-driven technology applications" and "risks of social health impacts arising from social isolation and loneliness." The assessment results are as follows:

Risk category	Potential risks of emerging AI-driven technology applications	Risks of social health impacts arising from social isolation and loneliness
Description	Potential hazards or adverse influences may arise when developing, deploying, and using AI systems. These risks may come from technology, data, algorithms, or interactions within human society.	Social isolation and loneliness are associated with increased risks of depression, anxiety, addiction, self-harm, and suicidal tendencies.
Response Measure	Operations: In response to the trend of AI technological development, the Company is upholding risk-based and responsible investment principles, and has established governance mechanisms for AI applications in order to strengthen the management AI applications and the ability to control related risks. 1.Establish AI application risk classifications: When developing, introducing, and using AI applications, the Company classifies risks based on application scenarios, complexity of models, degree of automation, and impact on customer rights and interests. Units such as risk management, legal compliance, information security, and information services are all involved in evaluations and reviews. 2.Implement AI application review and monitoring mechanisms: Relevant review and inspection procedures must be conducted before the official launch of AI applications in order to verify compliance with the requirements of fairness, privacy and customer rights protection, system stability, information security, transparency, and explainability. The Company also conducts continuous monitoring and regular reviews after the launch of an AI application based on the risk level, and implements corrective and improvement measures as needed to ensure the effectiveness, stability, and reliability of the AI application. 3.Cultivating talent with AI literacy: The Company continues to promote AI literacy courses to help employees understand trends in AI technology development, risk awareness, and governance requirements, thereby improving the whole organization's understanding of AI and its governance capabilities. Furthermore, the Company also pays close attention to how the development of AI will impact future work patterns. By continuously cultivating employees' AI literacy, colleagues can strengthen their competencies and respond to digital transformations and changes in work patterns, thus enhancing talent sustainability and organizational resilience. We also promote AI applications that are trustworthy and align with the spirit of sustainable governance while taking into account innovation and risk management. 4.AI risk management Mitigate risks through resource diversification and verification mechanisms; purchase information security insurance to transfer risks; disable generative AI websites by default, implement regular tiered reviews and verification, and include data protection clauses in agreements with vendors to protect rights and interests and ensure information security; AI services must be reviewed and verified by multiple departments before implementation, and a continuous monitoring mechanism must be established to ensure compliance and security to control risks. Life insurance: AI is only used as a claims assistance tool. The final decision is made by a human, and risk thresholds and response plans are set to address risks.	Operations: Through the Employee Assistance Program (EAP), career counseling and online psychological counseling services, and incorporating mental health issues into supervisor training, the Company regularly conducts employee health surveys and resignation interviews, promotes seminars and care activities to create a friendly workplace culture, establishes a support network between employees and supervisors, and implements mental health care. Life insurance: Health insurance products are designed with limits on the number of claims and benefit amounts. Through reinsurance, the potential claims risks from insufficient experience or difficulty in identification can be shared. The Company monitors claims rates based on social isolation factors, strengthens the inbound marketing campaign and the promotion of spillover products for high-risk individuals, and incorporates mental health services and embedded spillover mechanisms in product design. The 2026 Life Risk Trend Survey includes international indicators on isolation/solitude in order to broadly determine the social isolation/solitude status of the public and policyholders. The Company bears the risk of claims for existing products.

In addition, climate and nature-related risks are included in the environmental risk category. Ranking seventh, climate physical risks have increased along with the frequency of global extreme weather events, which has a direct impact on corporate operations. Climate transition risks ranked 12th due to the international net-zero transition trend. Although natural resources and biodiversity (including pollution events) are the focus of future international regulatory trends, they have not caused any direct or immediate losses to the Company, and therefore ranked behind other risks (26th place).

Complying with international standards

Cathay Life Insurance has improved its professional technology and risk management skills by obtaining relevant experience via international exchanges in the past years. It voluntarily participated in trial IFRS 17 and ICS calculations, so as to understand the impact of international systems. In addition, we have made constructive recommendations to the International Accounting Standards Board (IASB) and the International Association of Insurance Supervisors (IAIS) in response to the regional characteristics of Taiwan and risks in Taiwan's life insurance industry, which have been approved, so that the ICS can reasonably reflect the actual financial performance and solvency of life insurance companies in Taiwan.

The Company actively participates in research and discussions in the industry (e.g., Actuarial Institute of Chinese Taipei (AICT), Life Insurance Association of the Republic of China, and Taiwan Insurance Institute) to prepare for the transition of accounting and solvency systems in Taiwan. In addition to feedback and international exchange experience, the Company also proposed localization adjustments and transitional conversion measures based on the regional characteristics of Taiwan's life insurance industry and its influence together with peers and the Life Insurance Association of the Republic of China, and shared its experience in seminars to help the industry comply with the international standards. Internally, the Company has formulated and adjusted self-management plans to comply with the IFRS 17 and ICS. The contents cover investment, product, and distribution channel strategies, with regular monitoring of the current status. We keep track of our compliance with international standards through real-time monitoring and response measures in case of any deviation. Upon formal implementation, we will continue to implement product, investment, and asset and liability management strategies, and regularly monitor the achievement status to strengthen the net value and Qualifying Capital Resources of the Company, achieving the goal of financial stability and sound operations.

Developing risk management systems through industry-academia cooperation

Cathay Life Insurance, along with the Life Insurance Association and other insurance service providers, has jointly completed the 2017 White Paper of Advice on the Sustainable Development Policy for the Life Insurance Industry to provide relevant advice to the competent authorities, thereby ensuring sound risk management for the insurance industry. Since 2005, Cathay Life Insurance has been collaborating with experts and scholars with various fields of expertise from various countries in establishing quantitative models for financial risks, operating risks, and emerging risks, in order to establish an effective risk control mechanism and formulate response plans in advance. As of the end of 2025, we have developed 47 models, such as financial distress prediction models, various empirical models of incidence rate, smart insurance policy analysis, claims and abnormality detection, and anti-money laundering models. We began responding to Task Force on Climate-Related Financial Disclosures (TCFD) requirements in 2019, and worked together with scholars in the modeling and quantitative assessment of the effect of climate change on claims of life insurance products, so as to improve our tools for risk assessment.

	Purpose	Practices
• Financial risk model	To increase familiarity with the probability of financial risks and their possible impact on financial matters when they become actualities, thus facilitating the day-to-day monitoring of solvency.	To complete all-around financial risk quantification models including the asset valuation model, stochastic market risk factors model, credit default model, asset/liability matching model, R&D on dynamic hedging strategies, thereby developing a comprehensive model for solvency assessment.
• Operational risk model	In light of the risk factors that exist in operations and could potentially affect our business stability, we have established the relevant early-warning and prompt-response models for all departments.	Establish relevant operational risk models, such as: models for loan default and valuation, underwriting and claims, anti-money laundering, policy lapse, risk score, sales agent risk, and experience fluctuation assessments, are used to provide early warnings of operational risks.
• Emerging risk model	To cope with the possible impacts brought by climate change, COVID-19, an aging society, and public health issues by providing more diverse insurance products to assist with economic security and medical care for the elderly, as well as taking relevant risk management measures in advance and complying with IFRS 17 standards.	Establish relevant risk quantification models, such as: monitoring long-term care incidence rate and analyzing the effects of taking walks on morbidity in response to population aging, impact of climate change on claims from mortality/hospitalization, model for predicting withdrawal of healthy policyholders, and assessing how epidemics affect incidence rate, in order to analyze the changes and impacts of future trends.

Business Continuity Management

Given technological development and environmental changes, companies are facing more diverse operating risks, such as natural disasters, human-caused disasters, infectious diseases, and IT incidents, which may cause operational disruptions. Cathay Life Insurance has established an emergency response and operations resumption mechanisms. To verify the appropriateness and feasibility of the mechanism, the Company conducts various drills on a regular basis. In addition, when implementing remote backup drills, the business operations verification is also included to ensure that all of the Company's businesses and customer services are not affected by risk incidents and continue delivering customer services. The Company invested in the establishment of Qingpu Information Centre, which was the first in the financial industry to obtain Uptime Tier 3 Certification, with improved dual center operation mechanism of the IT system to ensure that the computer rooms maintain operations without interruption. Furthermore, we use international verification standards to examine our insurance services, administrative operations, claims services, and customer consultation services. As a result, Cathay Life Insurance became the first insurance company in Taiwan to receive ISO 22301 certification in 2021, with the largest business scope. We will continue to strengthen operation and management mechanisms in a comprehensive manner to provide uninterrupted and convenient services.

5.1.3 Information Security and Customer Privacy

■ Information security

Cathay Life Insurance's information security governance system is based on the ISMS framework. The Information Security Department is in charge of the formulation of information security policies and management standards, coordinating the development of information security policies, and is responsible for information security technology research and monitoring. Furthermore, we established a cybersecurity architecture based on the NIST cybersecurity framework for defense-in-depth, monitoring and deployment, covering identification, protection, detection, response and recovery actions. We adopted an ex-ante preparation, in-process investigation, and post-hoc monitoring approach, with the hope to ensure continuous system operations and data security. Furthermore, in response to the Financial Cyber Security Action Plan 2.0, we place emphasis on increasing cybersecurity monitoring, enhancing the resilience of financial operations, bolstering information security management, and building collaborative defense capabilities. In doing so, we ensure the resilience of cybersecurity, thereby creating a secure environment for the development of financial services.

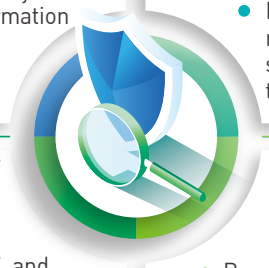
To continuously strengthen defense capabilities and refine the information security governance system, approximately NT$124.55 million was spent on information security in 2025, accounting for 9% of the overall IT budget. Since 2007, we have sequentially obtained international certifications such as "ISO/IEC 27001 Information Security Management System", "ISO27017 Cloud Security Control System", and "Payment Card Industry Data Security Standard (PCI DSS)," making us the life insurance company with the most international certifications for information security in Taiwan. We also continue to cultivate personnel from the Information Security Department to acquire the necessary professional skills. As of 2025, the Company as a whole has obtained 62 information security certifications in total. Under such a rigorous information security management framework, no major information security incidents occurred in 2025. We also obtained the new version of the ISO/IEC 27001: 2022 certification, becoming the first life insurance company in Taiwan to obtain the new version certification. Continuing to align with international information security standards, in 2024, we launched the certification expansion plan with the goal of obtaining company-wide certification; in 2025, all back office departments passed certification.

Strengthening cybersecurity monitoring

- Establish the Information Security Advisory Team under the Board of Directors
- Offered information security education and training courses for directors and supervisors. All directors and supervisors of Cathay Life Insurance have completed the information security training courses in 2025.
- Appointed a Chief Information Security Officer (CISO)

Building cybersecurity joint defense capabilities

- Expand the control scope of the Security Operations Center (SOC)
- Assist subsidiaries in strengthening their cybersecurity capabilities
- Establish a cybersecurity incident monitoring and response system and share intelligence and collaborate with the F-ISA



Bolstering information security governance

- Maintain the effectiveness of international information security certifications (e.g., ISO27001, 27017, and PCI DSS certifications)
- Improve the maturity of financial cybersecurity governance
- Established the Information Security and Personal Information Management Committee, and 2 information security management and review meetings were held in 2025.

Enhancing the resilience of financial operations

- Ramp up Distributed Denial of Service (DDoS) drills
- Participate in major financial information security incident response drills
- Implement a zero trust information framework

To instill the concept of information security among all employees, we provide three hours of information security promotion courses to all employees. A total of 29,048 participants received training in 2025, totaling 87,144 hours. In addition, we also sent 18 dedicated information security personnel to receive a total of 804 hours of professional information security training courses.

- General knowledge of information security
- Global information security trends and threats
- Social engineering
- Personal data protection
- Internet of Things(IoT) security
- Cloud information security
- Analysis of common cases
- Safety precautions when working from home
- Self-protection measures
- Information security policy

■ Personal data management

● Sound personal data management system

Cathay Life Insurance established an Information Security and Personal Data Management Committee and a sound personal information management system, which passed the BSI and obtained the BS10012 Personal Information Management certificate in 2014, and passed the reversion certification in 2018. In response to GDPR requirements, the Company was the first in the industry to introduce and pass the ISO29100 Information Technology-Security Techniques-Privacy Framework certification, and the first insurance company to obtain both BS10012 and ISO29100 certifications.

● Robust personal data management system

To ensure the protection and reasonable use of customer data, we will continue to optimize the personal data management system, and strengthen system applications for the protection of personal data. To reduce the risk of personal information leakage, various protection mechanisms have been established, such as gateway data leakage prevention mechanism, the mobile device APP control mechanism. We also manage the use of personal information by personal information inventory of the Company's PCs, and the establishment of a "Personal File Administration Classified Section," so as to effectively prevent data leakage and achieve personal data protection.

● Continually strengthen response measures to personal data incidents

Cathay Life Insurance has formulated the Management Regulations on Personal Information Misuse Incidents, which stipulates the emergency response procedures for personal data breach incidents. To achieve better effectiveness of the response procedures, we refer to external case studies every year, plan scenarios, and strengthen emergency response capabilities through simulation drills. There were no major incidents of personal data infringement in 2025, and we continue to strengthen control and training to improve personal data protection mechanisms, thereby ensuring the rights and interests of customers and employees.

5.1.4 Legal Compliance and Response

■ Legal Compliance

Cathay Life Insurance establishes systematic channels for the dissemination of laws and regulations, control, and education to raise our employees' legal compliance awareness, ensure legal compliance for all businesses, and reduce the probability of operational risks. The Company continued to optimize the legal compliance management system in 2025 to improve compliance efficiency.

● Mechanisms

- A specialized legal compliance unit was established, which sends information of legal and regulatory changes to relevant departments, and tracks response and implementation statuses using our patent-certified Legal Compliance Management System.
- Legal compliance self-evaluation and self-inspection were conducted twice a year to ensure compliance and remedy any deficiencies in the operations of our business departments. The result was included in the criteria of manager assessment to urge our managers to pay due attention to legal compliance.
- We also regularly organize the Second and Third Lines of Defense Joint Meeting (on Legal Compliance, Risk Management, Information Security, and Auditing) and the Legal Compliance Meeting, seeking to raise awareness of legal compliance and risk management.
- In 2025, 274 business matters (including business trials, new types of operations, and new products that require review opinions of the Chief Compliance Officer) were subjected to the review procedure to ensure that these products comply with laws and internal regulations, and relevant opinions were expressed by the Chief Compliance Officer.
- Whistleblowing System

1. The Company has established a whistleblowing system that has been approved by the Board of Directors and provides a variety of convenient whistleblowing channels such as the whistleblowing mailbox, whistleblowing hotline, e-mail, and mail on the Company's website. The report is disclosed on the website, and a dedicated compliance unit that independently exercises its authority is responsible for accepting and investigating the report.

2. A total of 27 cases were reported through whistleblowing channels in 2025, of which 2 cases were opened for investigation, 1 case was found to be without proof, and 1 case was a subsidiary case. The remaining 25 cases were all reviewed individually and were cases incongruent with the definition provided by the Company's whistleblowing system. The contents of the cases are as follows: customer service disputes (6 cases), employee behavior management (15 cases), and cases incongruent with the system's purposes (4 case). The cases were transferred to the responsible departments to be subsequently handled. Most of the cases were closed after being properly handled or were closed because no evidence was found after investigation. The responsible units imposed penalties or issued warnings for the remaining mild cases. There have not been any major violations.

● Training

- We continue to regularly issue the monthly newsletter " Legal Compliance, Risk Management, Internal Audit & Information Security Monthly," promoting information such as major changes to relevant laws, personal data protection, information security, AML/CFT/CPF, major external events, or businesses related to legal compliance, thereby allowing employees to understand the risks in Cathay Life Insurance's operations.
- We provide online legal compliance training for both office-based and field staff The number of trainees was 28,652. The total training hours reached 254 thousand hours.
- We conduct online legal compliance tests twice a year, and require participants to get full marks in the test, so that they are more familiar with the law and aware of legal compliance.
- All units are required to conduct legal compliance education every week, while departments at the headquarters are required to hold at least one Compliance Committee Meeting every year: The number of trainees was 28,652. The total training hours reached 490 thousand hours.

● Overseas supervision

- In order to balance overseas business development, our legal compliance unit has jointly established a contact mechanism with overseas branches and investee companies. By using this mechanism, we regularly track major regulatory changes and inspections by local authorities as well as improvements, and plan and implement supervision.

Note 1: 2025 major fines and improvement measures: None
Note 2: Major fines are defined as fines of more than NT$3 million.
Note 3: For other fines and improvement measures, Please refer to P.113 of Cathay Life Insurance's 2025 Annual Report.

5.1.5 Ethical Corporate Management

Integrity, Accountability, and Innovation are the core values of Cathay Life Insurance. We strive to create an organizational culture of legal compliance to implement ethical corporate management and enhance our control of and response to anti-money laundering (AML)/ countering the financing of terrorism (CFT) or proliferation financing (CPF) via a rigorous organization and system. In 2020, the "Ethical Corporate Management Procedure and Code of Conduct" was promulgated so that every employee is able to implement compliance, intellectual property protection, as well as AML/CFT/CPF in daily operations.

■ Full Implementation of Ethical Corporate Management Strategies

- Cathay Life Insurance's Corporate Sustainability (CS) Team is responsible for overseeing the implementation of ethical corporate management. The "Sustainability Governance Group" is responsible for promoting ethical corporate management-related matters, and the Human Resources Department is responsible for the planning of ethical corporate management and the implementation of related education and training.
- In accordance with Article 66 of the "Corporate Governance Best-Practice Principles for Insurance Enterprises," the "Senior Manager Accountability System Guidelines" and "Employee Code of Conduct" have been established to implement ethical corporate management in employees' daily operations.
- Observations of employee behavior are regularly conducted annually, with the risk assessment items for unethical behavior included in the evaluation, thereby preventing unethical behavior incidents from the source. The annual implementation results are submitted to the Board of Directors.
- In terms of education and training, Cathay Life Insurance has made employee integrity and ethics training a compulsory course every year. A total of 28,919 employees completed the courses in 2025. There were no incidents of corruption in the current year.

Statistics on violations of ethical corporate management in 2025

Type of Incident	Corruption or Bribery	Discrimination or Harassment	Customer privacy data	Conflict of interest	Money Laundering or Insider Trading
Number of Cases	0 cases	5 cases	8 cases	0 cases	0 cases

AML/CFT/CPF

- In addition to establishing a comprehensive AML/CFT/CPF policy, Cathay Life Insurance has also established an Anti-Money Laundering and Counter-Terrorist Financing Committee. Through the participation and instructions of senior managers, along with the cooperation of task forces across departments, and external consultants, we continue to optimize our AML/CFT/CPF risk management mechanism and support the government's promotion of AML/CFT/CPF.
- In terms of education and training, Cathay Life Insurance regularly organizes AML/CFT/CPF education and training for both office-based and field staff every year. The courses include but are not limited to tax crime practices, analysis of national risk assessment reports, anti-corruption, anti-proliferation, and whistleblower protection courses, as well as key introductions and case studies on the latest amendments to AML/CFT/CPF laws and regulations. The training participation rate reached 100%.

Solid organization and system establishment

- Continuous operations of AML/CFT committee and task forces
- Approve AML/CFT policies and plans

Resource investment and supervisory practices

- Continually optimize manpower, budget, and systems
- Report to the Board of Directors by designated responsible officer on a regular basis

Assessment criteria and culture formation

- Include in the criteria for supervisor assessments and employee rewards and punishments
- Participate and supervise the implementation of training

Board of Directors

AML/CFT/CPF process:

Prevention

- AML/CFT/CPF governance
- AML/CFT/CPF training

46,001 participants — Cumulative number of trainees in 2025

35,000 hours — Total training hours in 2025

In-process control

- Watch list filtering
- Customer due diligence
- Transaction monitoring
- Regular customer reviews
- Suspicious transaction reports (STRs)

Post-hoc review

- Legal compliance review
- Internal audit

5.2 Climate-Related/ Nature-Related Financial Disclosures (TCFD/TNFD)

A global risk report from the World Economic Forum (WEF) in 2026 pointed out that the top three most severe global risks in the next ten years are all associated with climate change and nature and biodiversity issues. Climate change leads to more frequent extreme weather events, which is also one of the key drivers of changing the state of nature. Climate change is correlated with nature. In face of the impact of climate change, the issue of how to promote "nature positive" has become equally important as net-zero emissions. Cathay Life Insurance continues to deepen the implementation of TCFD recommendations, integrating climate risks into the existing risk management framework, improving scenario analysis. With the risk identification and inventory of TNFD initiative, we gradually introduce nature-related risk assessment and trial applications, strengthening corporate resilience, and respond to future climate-related and nature-related challenges in cooperation with all stakeholders.

Cathay Life Insurance and Cathay Financial Holdings voluntarily became a signatory to the Task Force on Climate-related Financial Disclosures (TCFD) in support of the FSB in June 2018 and joined the Task Force on Nature-related Financial Disclosures (TNFD) in August 2022. The following section describes Cathay Life Insurance's climate-related and nature-related actions in terms of "Governance," "Strategy," "Risk Management," and "Metrics and Targets."

Knowledge of TNFD

The TNFD recommendations are designed to help organizations report and take actions in response to the change of nature-related issues, provide decision-makers in business and capital markets with better information, and thereby strengthen corporate and investment portfolio risk management. The ultimate goal is to support global financial flows to benefit nature. Based on the successful experience with the TCFD, the TNFD framework references the TCFD recommendations, with "Governance," "Strategy," "Risk and impact management," and "Metrics and Targets" as the four core elements to be adopted and applied by enterprises. However, the new TNFD assessment of nature-related issues for companies needs to take into account the perspective of dependencies and impacts, propose human rights governance of indigenous peoples and local communities, focus on the disclosure by "regions," and deepen the concept of value chain assessment. In addition to climate change, land/freshwater/ocean use change, resource use/restoration, pollution/pollution removal, and invasive alien species and their removal are also driving factors that change nature and ecosystem.

Source: Recommendations of the Taskforce on Nature-related Financial Disclosures September 2023

■ Governance

● Cathay Life Insurance Climate and Nature Governance Framework

Cathay Life Insurance Board of Directors

The Board of Directors has the ultimate responsibility for climate-related and nature-related risk management and is responsible for approving and supervising climate risk appetite and climate-related management structures and policies.

Risk Management Committee

The Risk Management Committee under the Board of Directors convenes quarterly meetings, while the Risk Management Department periodically submits Own Risk and Solvency Assessment (ORSA) Reports and Risk Management Implementation Reports on risk management to the Committee for review and reports to the Board of Directors.

- In 2019, the Board of Directors approved the adjustment to the Company's "Risk Management Policy" and added the "Guidelines for Emerging Risk Management." In 2021, the Board of Directors further approved the "ESG and Climate Risk Management Guidelines." In 2025, the Company continued to refine the climate-related and naturerelated risk management measures in the guidelines and renamed it the "ESG Risk Management Guidelines." The Board of Directors and the Risk Management Committee supervise climate-related and nature-related risk management, implement the three lines of defense for managing and monitoring climate-related and nature-related risks, and create a culture of climate and nature governance.

For the composition of the Committee, please refer to P.126

Risk Management Department
(staffed with 3 climate-related and nature-related risk management personnel)

We have incorporated climate-related/nature-related risk management issues in the ORSA Report and Risk Committee in 2024 Management Implementation Report, which are submitted to the Board of Directors periodically to report on the Company's business plans, climate-related/nature-related risk tolerance, and risk management status.

For specific measures, see P.134

Climate and Nature Working Group (Note)

In 2018, Cathay Financial Holdings Risk Management Division established the cross-subsidiary TCFD Task Force (renamed the Climate and Nature Working Group in 2024). The task force is divided into four working groups based on our business characteristics, including core products, real estate investment and mortgage, negotiable securities, and corporate credit loans. The primary mission of the four working groups is to study the ways in which climate phenomena impact economic activities and corporate risks in the hopes of establishing models for scenario analysis, and to discuss incorporating climate-related/nature-related risk into our risk control mechanism.

Sustainable Development Committee

Sustainability and Brand Strategy Department

The Corporate Sustainability (CS) Team, led by the President of Cathay Life Insurance, has formulated an implementation plan that incorporates climate factors into the overall strategies for short, medium, and long terms since 2018. The team meets on a quarterly basis, not only to keep track of the work progress of each working group, but also the achievement of goals for each indicator according to the follow-up frequency. The implementation results are reported to the Board of Directors every six months. In 2024, a dedicated sustainability department and a Sustainable Development Committee were established to deepen corporate sustainability. To actively respond to climate-related and nature-related risks and opportunities, the Responsible Investment Working Group and Green Operation Working Group have formulated response measures and compiled carbon footprint inventories from the perspectives of investment and business operations.

- Since 2020, we have also incorporated the results of responsible investment (including climate change) into the Investment Policy Review Report, which is submitted to the Board of Directors on an annual basis. Since 2021, climate risk scenario analyses and investment portfolios have also been added to the report.
- In 2021, in response to the Group's commitment to the RE100 initiative and science-based targets (SBTs), Cathay Life Insurance implemented the dual strategy of "Zero Carbon Operation Transformation" and "Low-Carbon Investment Allocation."
- Cathay Life Insurance's "Development Guidelines for Managerial Performance Management" links relevant sustainability indicators to the performance of managers (including the president, vice president-level managers, and department heads). They have been approved by the Board of Directors to strengthen sustainable governance.
- Established a dedicated sustainability department and Sustainable Development Committee in 2024.
- Incorporated sustainability information management into the internal control system and established the "Sustainability Information Management Guidelines, " which have been approved by the Board of Directors. The "Management Regulations for Greenwashing Prevention" have also been established to strengthen the quality and credibility of sustainability information disclosure.

Responsible Investment Working Group
(staffed with 5 dedicated personnel)

Since the greatest impact of climate-related and nature-related issues on Cathay lies in our investment portfolios, our Equity Investment Department, led by its vice president, emphasizes incorporating climate-related and nature-related factors into the investment decision-making processes, seizing investment opportunities for low-carbon transformation, and implementing stewardship, such as engaging investee companies and exercising voting rights as shareholders, thereby adapting to the impact of climate change on investment portfolios.

Green Operation Working Group
(staffed with 3 climate specialists)

The working group is led by the vice president of Cathay Life Insurance's operations management department. Focusing on the Company's daily operations, the working group evaluates the Company's impact on climate and nature through the management of energy resources and supply chains to reduce carbon emissions generated from operations.

For specific measures, see P.47

Non-periodic reporting mechanism

To ensure that when a major natural disaster occurs, Cathay's staff can report it as quickly as possible to a unit of the right level of authority and quickly keep track of the incident status. The measure is helpful in quickly returning to normal operations so as to protect personal and property safety and the Company's rights and interests. As such, we have established guidelines for reporting disasters and important notices on handling major events, and handling natural disasters according to their level of severity. If an incident fulfills the criteria for a major event, relevant information will be compiled and reported by the Audit Department to the Board of Directors.

Note: The International Sustainability Standards Board (ISSB), established by the International Financial Reporting Standards (IFRS) Foundation, released the International Sustainability Disclosure Standards in June 2023, which cover IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information," which is the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain, as well as IFRS S2 "Climate-related Disclosure, " which is the first thematic standard, and sets out requirements for entities to disclose information about climate-related risks and opportunities. As the Company takes over the supervision of the Task Force on Nature-related Financial Disclosures (TCFD) in 2024, the original TCFD Working Group was renamed the Climate and Nature Working Group with consideration to the increased global attention on nature-related and biodiversity issues.

Climate-related and nature-related education and training

Cathay Life Insurance's emphasis on climate-related and nature-related issues is deeply embedded in our core corporate culture. Each year, we link internal education and training, topic presentations, and exchanges with external institutions to internal and external resources and technologies, in order to raise the climate awareness of Cathay employees and strengthen climate-related and nature-related risk management.

Board of Directors

To deepen our climate/nature governance culture, climate change and biodiversity issues are included in the training courses for directors and supervisors

11 people Total number of participating directors

63hrs Total training hours

Senior executives

In 2025, we invited external experts to hold talks on sustainable climate for 5 sessions for managers' work meetings and CS training sessions.

52people Total number of participants at the vice president level and above

213hrs Total training hours

Climate-and nature-related risk management personnel

We appoint and train climate-and nature-related risk management personnel to keep track of climate trends and improve risk assessment skills

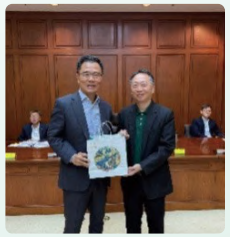
Employees

Climate change is a required course for employee education and training, which will improve employees' climate awareness. To cultivate sustainability talent, we subsidize the employees for external financial training courses and encourage them to obtain certifications.

See 3.1 Workplace Empowerment P.80

Training course and lecture topics:

- Changes to the Requirements for Sustainability, Climate Information, and Annual Reports for Shareholders' Meetings in the ISSB Sustainability Disclosure Standards
- Nature-related Risk Management in the Financial Industry
- Renewable Energy Market Status and Challenges
- After the Establishment of Science-based Targets for Carbon Reduction



In May, Professor Wen-Jer Chang of National Taiwan Ocean University was invited to a managers' work meeting to share the CSR+USR+SDGs+ESG results as well as the results from the collaboration with Cathay Life on the Every Step Counts program

● Linking climate change indicators and goals to performance assessment mechanisms

To align with international trends and facilitate effective climate governance, Cathay Life Insurance has initiated the Zero Carbon Operation Transformation Plan, incorporating operational carbon reduction rate and green energy usage rate into annual KPIs of the president and senior managers of related departments since 2022 to enhance management. We also supervise the progress of the plan on a regular basis and link it to the remuneration policy. We make adjustments to the aforementioned performance indicators and goals every year on a rolling basis according to external trends and policy developments.

■ Strategy

● For the ranking results of climate-related and nature-related risks in the identification of emerging and major risks Please refer to 5.1 Corporate Governance on P.126

● Identification of climate and nature-related risks

After understanding the overall risk profile, the climate-related and nature-related working group and CS team members cooperate with relevant units, conducting a more comprehensive risk assessment on climate-related and nature-related issues, in order to identify the financial impact that arise from climate-related and nature-related issues, as well as its materiality ranking.

1.Risk identification method

(1)Subjects of survey: The CS Team, consisting of 6 executive vice president-level managers, and the responsible units of 12 departments.

(2)Measured aspects: For various physical and transition risks, influences in five new business categories were added in 2025, which consist of investments, financing, life insurance, real estate, and operations. This allows for comprehensive assessment of the time horizon of impacts on the Company (short/medium/long-term), possibility of occurrence, and degree of impact (such as financial or reputational).

(3)Survey method: Qualitative questionnaires are used to evaluate and prioritize the possibility of occurrence and the degree of impact.

- Responsible unit: Chosen by taking into account all business categories, as the impact will be greater when more business categories are affected.
- Senior managers: Comprehensive assessment is performed with no distinction between business categories.

The senior managers and responsible units are ranked accordingly, and the results are then summarized with a weight of 50% for both.

2.Assessment results

(1)Climate- and nature-related risk ranking for the year

Ranking	Risk item
1	Long-term changes in climate patterns - average temperature rise
2	Extreme weather events - droughts, extreme high temperatures
3	Extreme weather events - typhoons and floods
4	Long-term changes in climate patterns - sea level rise
5	Nature-related physical risks
6	Increasingly stringent or uncertain policies related to carbon emissions
7	Nature-related transition risks
8	Increase in sustainability/climate disclosure and internal control requirements
9	Changes in consumer preferences
10	Risk of technical uncertainty
11	Sustainability/climate litigation and penalties, and negative reputation risks

(2)Overview of major climate- and nature-related transition risks (top 3 in risk materiality ranking):

Ranking	Risk category	Risk item	Impact on business model and value chain	Corresponding conventional risk	Impact on crucial business	Time Horizon	Response strategies
1	Physical	Long-term changes in climate patterns - average temperature rise	Continuous rises in average temperatures will increase the demand for energy, decrease labor productivity, and increase health risks, which may lead to the proliferation of disease and public health challenges. Such changes will increase operating costs and may accelerate the depreciation and impairment of specific assets, as well as increases in insurance claims.	Market credit operational insurance	investment Financing Operations Life insurance	Short-term mid-term and long term	● Investments: Periodically conduct scenario analysis. ● Financing: Periodically conduct key reviews for post-loan management. ● Operations: Continue to make improvements to energy-saving equipment and energy management systems. ● Life insurance: Reduce the sale of long-term health insurance and set claims limits; transfer risks through reinsurance; regularly review the claims experience and adjust financial adequacy assessments based on climate trends.
2	Physical	Extreme weather events - droughts, extreme high temperatures	Climate change may increase the frequency of droughts and extreme high temperatures, resulting in water resource shortages and the worsening of work environments, which in turn lead to lower operational efficiency and increased health and safety risks. Such impacts may subject the Company to issues such as asset impairment, operational disruptions and rising costs, increased insurance claims expenses, and adverse impacts on financial positions.	Market credit operational insurance	investment Financing Operations Life insurance	Short-term, mid-term, and long-term	● Investments: Periodically conduct scenario analysis. ● Financing: Incorporate data from long-term observations by professional institutions into the financial model for offshore wind power. Conduct stress tests for construction and financing projects to assess cash flow during the loan period. ● Operations: Continue to improve business continuity management, and optimize cooling and thermal insulation as well as smart energy saving systems. ● Life insurance: Avoid designing heat injury insurance products and include related claims in the review of high-risk products; transfer risks through reinsurance; provide heat prevention and management services for high-risk policyholders.
3	Physical	Extreme weather events - typhoons and floods	As climate change intensifies, the frequency and intensity of typhoons and floods may increase, causing assets located in low-lying or flood-prone areas to be exposed to flooding and typhoon disasters. This will result in physical asset damage, business disruption, and financial losses, affecting the asset value and financial stability of the Company.	Market, credit, operational	investment Financing Operations Real estate	Short-term, mid-term, and long-term	● Investments: Periodically conduct scenario analysis. ● Financing: Reduce typhoon damage via wind turbine site selection and stop mechanisms during typhoons; avoiding bodies of water, sloped areas, and areas vulnerable to typhoon damage during construction financing. ● Operations: Transfer risks through insurance in real estate; improve business continuity management and equipment protection. ● Real estate: Focus investment evaluations on other assessment factors such as soil liquefaction and slopes.

Note 1: Definitions of periods: Periods of 1 year (inclusive) or less are defined as short term, periods ranging from 2 to 5 years (inclusive) are defined as medium term, and periods longer than 6 years are defined as long term.

Note 2: "Increasingly stringent or uncertain policies related to carbon emissions" refers to various countries' carbon emission-related policies and regulations becoming more stringent, including carbon taxes, carbon fees, energy efficiency regulations, renewable energy policies, etc., or uncertainties in the implementation of climate-related policies, thereby resulting in companies having to face rising operating costs, transition pressure, and difficulty in making predictions and adjusting their operational plans. In addition, when investment and financing counterparties are companies with high carbon emissions and are not actively transitioning, then the increase in transition costs may lead to worse financials, which in turn increases the risk of defaults as well as falling prices in negotiable securities. It was ranked 6th in the assessment, and the main duration of outcomes is short, medium, and long term.

Note 3: "Sustainability/climate litigation and penalties, and negative reputation risks" means that if an enterprise fails to meet the requirements of sustainability/climate regulations, or discloses false information, lawsuits may incur and penalties may be imposed, resulting in legal liabilities, financial losses, and damage to the enterprise's reputation. In addition, if the sustainability commitment cannot be declared to the public due to practical management, relevant negative news may be reported which will weaken the trust of stakeholders. It is ranked 11th in the assessment, and the main duration of outcomes is short, medium, and long term.

3.Only one climate- and nature-related opportunity was identified as a material opportunity in the current year's assessment, as presented below:

Ranking	Opportunity category	Potential financial impacts	Impact on crucial business	Time Horizon	Value Chain Affected by the Impact
1	Develop green and innovative services to enhance customer engagement and strengthen brand value.	Driven by the net-zero transition, Cathay Life Insurance has accelerated the development of green and innovative services while enhancing system performance through continuous improvements to its digital technologies. Key initiatives include optimizing its mobile app and expanding innovative digital and mobile-enabled services. These efforts not only support the Company's steady progress toward its net-zero operations goal but also address customers' diverse service needs, enhance the customer experience, and strengthen customer engagement with the Company.	Operations Life insurance	Short-term, mid-term, and longterm	Midstream, Downstream

Note: Based on a review of the market environment, industry trends, and the Company's business model, no material structural changes were identified. Accordingly, the types of opportunities and their potential impacts remain highly consistent with the results of the previous assessment. The Company will continue to monitor relevant developments and conduct regular reviews and updates to ensure the timeliness and completeness of its assessments.

Forward-looking scenario analysis

For further quantitative assessment of the Company's high carbon emission investment portfolio and the risk of increased loss in fixed assets caused by climate disasters, Cathay Life Insurance adheres to the Guidelines on ESG Risk Management to make the risk management department responsible for conducting annual climate scenario analysis, which will be submitted to the board of directors after review by the committee.

Instead of financial forecasts, the scenario analysis results are estimated based on the combination of various assumptions under specific scenarios, using the existing data to simulate the potential financial impact. For considerations of uncertainties in data and modeling, please refer to [Data and Modeling Limitations].

Cathay Life Insurance develops and continues to improve scenario analysis for investment and lending, insurance, and operations, and formulates climate strategies based on the scenario analysis results, in order to measure the financial impact of climate change and improve the resilience of Cathay's strategies. For the investment business, drought scenario analysis is used to measure investee companies' degree of dependency on nature-related issues. The implementation of scenario analysis of each core business is described as follows.

Data and modeling limitations

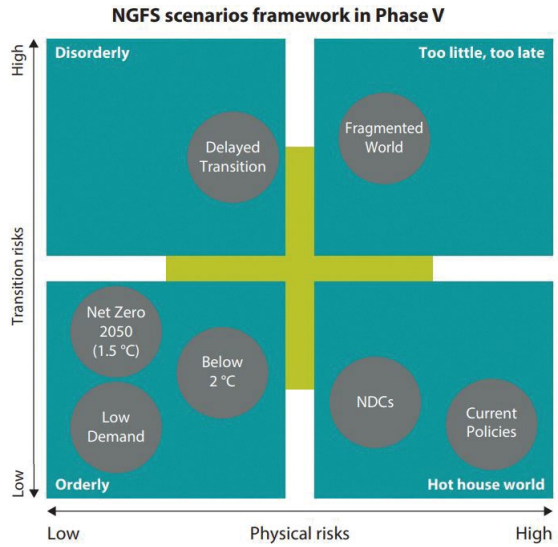
- The data is limited by the extent of disclosure by the investee companies, relying on MSCI database collection and cleaning.
- The modeling limitations are classified into data or methodology. Using the MSCI CVaR model as an example, due to insufficient amount of reliable and computable data sources, the physical risk value cannot estimate the losses from supply chain interruptions and the amount of property insurance loss recovery. It should be noted that the approach to transition risk value assumes that all carbon reduction costs turn into climate technology opportunities, which is different from the actual situation (carbon taxes and carbon offset credits in carbon reduction costs are not included as technology investments).

Investment and Lending-Investment and Lending Positions

In response to climate change, companies may need to pay additional carbon emission costs in the future, and will also face the impact of extreme weather events on assets, equipment, and operating capacities, which may lead to the loss of asset value for investors. Cathay introduced a model developed by MSCI to measure the Climate Value-at-Risk (Climate VaR, CVaR)[Note 1] of listed equity, bond and sovereign bond investment portfolios under three different transition and temperature scenarios.

- Description of NGFS scenario

Cathay Life Insurance 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.



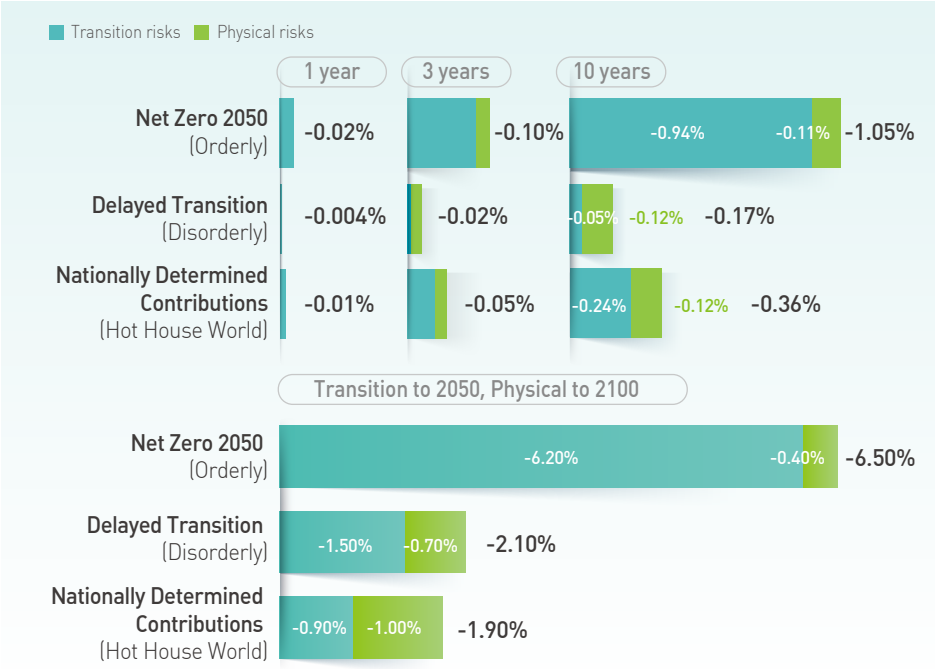
Source: NGFS Climate Scenarios for central banks and supervisors, November 2024

NGFS Scenario	Net Zero 2050 (Orderly)	Delayed Transition (Disorderly)	Nationally Determined Contributions (Hot House World)
Temperature rise by the end of the century	1.5°C	2°C	3°C
Scenario assumptions	Immediately promote ambitious climate policies. We expect to achieve net zero emissions and limit temperature increase to 1.5°C by 2050.	Assuming that the status quo will remain until 2030, strong emission reduction policies will be promoted to limit global warming to below 2°C.	Only the existing policies of Taiwan are included, there are no new carbon reduction actions.
Real GDP growth (2020-2100, CAGR)	2.0%	2.0%	2.0%
Energy use portfolio (2050, based on fuel used for electricity generation)	RE 94% Nuclear power 3% Gas 3% Coal 0%	RE 94% Nuclear power 3% Gas 3% Coal 0%	RE 80% Nuclear power 3% Gas 16% Coal 1%
Maximum carbon storage per year ($MtCO_2$/yr)	8,779	5,926	5,342
Carbon price (2050)	672.7	621.9	34.1
Year of Peak GHG Emissions	2020	2020	2025
GHG emission reduction (2020-2050, CAGR)	-11.7%	-8.1%	-1.2%
Description of transition risks	Timely and orderly implementation of climate policies	Delayed and disorderly implementation of climate policies	Implement the existing commitment to the NDCs, without new actions on carbon reduction
Description of physical risks[Note 2]	Extreme climate change scenario linked to NGFS 1.5°C	Extreme climate change scenario linked to NGFS 2°C	Extreme climate change scenario linked to NGFS 3°C

- Listed stock and bond investment portfolio analysis results using MSCI CVaR scenarios

The Company used MSCI's model database under the NGFS scenario as well as the CVaR results using 2025 as the base year and assessing the 1-year, 3-year, 10-year, and 2050 horizons[Note 3] to analyze the downside risks of climate change that may happen to company stock and bond values. According to the scenario analysis results, in the "Transition to 2050 and Physical to 2100" scenario, the potential loss in each scenario is -1.9% to -6.5% of the investment portfolio[Note 4]. In particular, in the Net Zero 2050 orderly transition scenario, the Company's CVaR is -6.5%, 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.

2025 equity and bond investment portfolio (excluding sovereign bonds) analysis results using MSCI CVaR scenarios

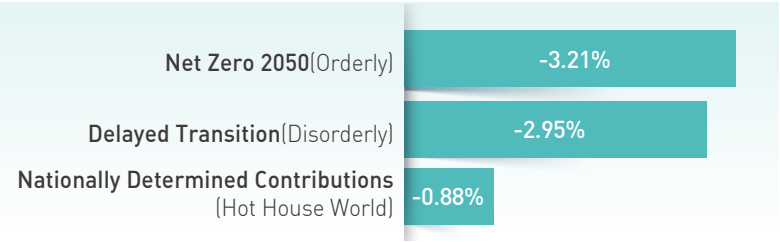


Sovereign bond investment portfolio analysis results using MSCI Sovereign CVaR[Notes 5,6] scenarios

As MSCI added a new method to measure the CVaR of sovereign bonds in 2022, Cathay Life Insurance 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 margin of losses caused by rising bond yields on the overall sovereign bond investment portfolio in different NGFS transition scenarios.

The results showed that the CVaR in the Net Zero 2050 scenario was higher than in the Delayed Transition scenario, mainly due to the need to achieve net zero to significantly reduce emissions immediately, and the impact of short-term yield rates was higher. Furthermore, the Company allocated more short-term sovereign bonds in the United States, which further increased losses. Overall, the potential losses to investment portfolios due to sovereign bond scenarios ranges from -0.88% to -3.21%. The losses from transition risk are controllable.

2025 sovereign bond investment portfolio analysis results using MSCI Sovereign CVaR scenarios



Note 1: Climate Value-at-Risk (CVaR) refers to the discounted cost accumulatively borne by investment portfolios in the future, with transition risk up to the year 2050; physical risk up to the year 2100. Please refer to the MSCI website for details.

Note 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.

Note 3: To comply with the IFRS S2 "Climate-related Disclosures": The estimated financial impact of climate-related risks of individual investments in the short, medium and long term is calculated by using the MSCI underlying data.

Note 4: All CVaR values are rounded to one decimal place, and no adjustments are made for the rounding difference when calculating the sum.

Note 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.

Note 6: Description of the MSCI Sovereign Climate VaR data source: (1) The latest data is dated December 31, 2025; (2) The MSCI data covers 57% of the overall sovereign bond investment portfolio.

Impact of water stress on expected losses in specific investment positions

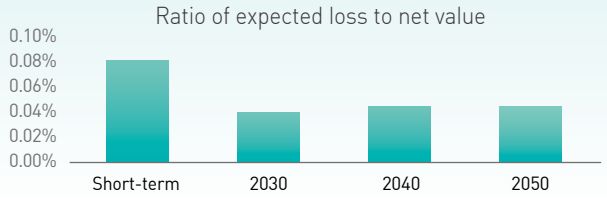
With reference to the TNFD recommendations, the ENCORE tool was used for nature-related dependency and impact analysis (please refer to 5.2 Risk Management on P.152 for natural resource dependency and impact assessment and exposure), which comprehensively examine the investment and financing positions and percentage of each industry, as well as the impact dependency score. We identified the key industries exposed to nature-related risks as the "integrated oil, gas and petrochemical industry", and among all industries, "food and beverage manufacturing" is the most dependent on natural capital. After further analysis of the driving factors of ecosystem services from the food and beverage manufacturing industry and integrated oil, gas and petrochemical industry, it revealed that among all factors that rely on ecosystem services, the "water resources" issue is the main source of investment and lending risks.

Therefore, Cathay Life Insurance adopts the Drought Stress-Test Prototype Tool of the United Nations Environment Programme Finance Initiative (UNEP FI) for quantitative analysis, which covers the "integrated oil, gas and petrochemical industry" and "food and beverage manufacturing industry," assessing the drought risks for investments in risky countries, including the amount of expected loss in Brazil, China, Mexico and the U.S. under the 2011 scenario of drought of 100-year return period that lasts for 5 years. It has been assessed that the losses in the food and beverage manufacturing industry and the integrated oil, gas and petrochemical industry represented 0.88% and 0.002% of the net value, respectively. We see limited impact from drought hazards on investment positions of related industries.

Domestic drought scenario analysis

A domestic drought scenario analysis was conducted based on the water resource supplementation indicators in the TNFD framework, in which the investment/financing target's operating bases/major production plants were used as the basis for space positioning, while also taking into account the company's water withdrawal intensity, business operation information, and regional drought expected values, in order to establish an assessment framework of "water withdrawal intensity - drought exposure - expected loss." The exposure amount is weighted to the investment/financing portfolio level, and the impact of water resource drought on investment and financing positions is calculated for water-intensive industries (selected raw materials industry, essential consumer goods industry, technological hardware and semiconductor industry) based on SSP1-2.6 (SSP126).

Analysis results

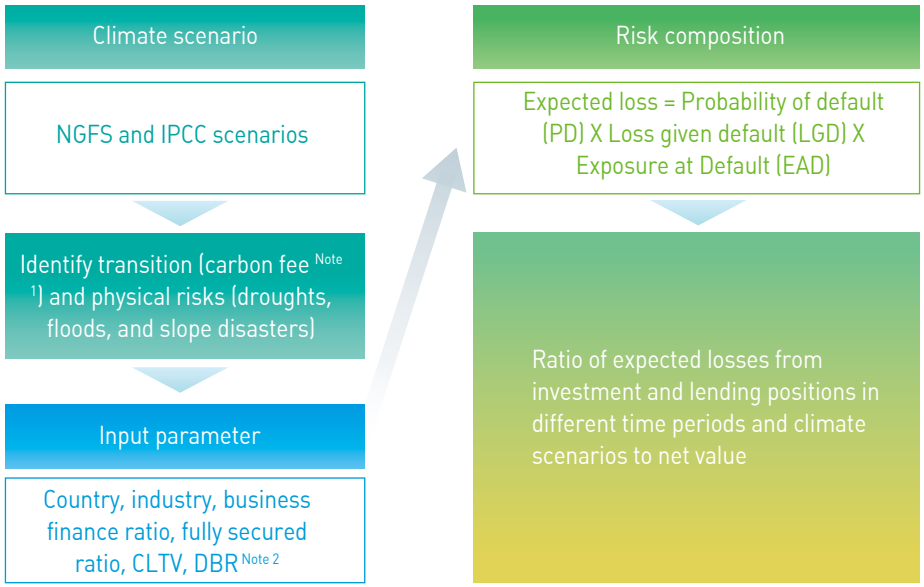


The expected loss of investment positions accounted for approximately 0.04% to 0.08% of net value in different periods in droughts.

- Investment and lending positions impacted by stricter policies and regulations and natural disasters

In line with Cathay FHC's plan, we conduct climate change scenario analysis in accordance with the "Operating Plan for Domestic Banks to Handle Climate Change Scenario Analysis". Using NGFS and IPCC scenarios, we consider transition and physical risks, and classify the risks of domestic and foreign investment and lending positions by industry and region, and evaluate the expected losses in the short-term (one year), 2030 and 2050 in the "orderly transition" and "disorderly transition" scenarios, in order to adjust asset strategy planning in a timely manner.

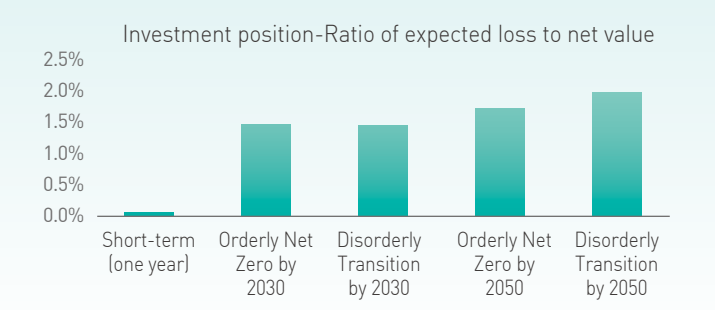
Analysis process

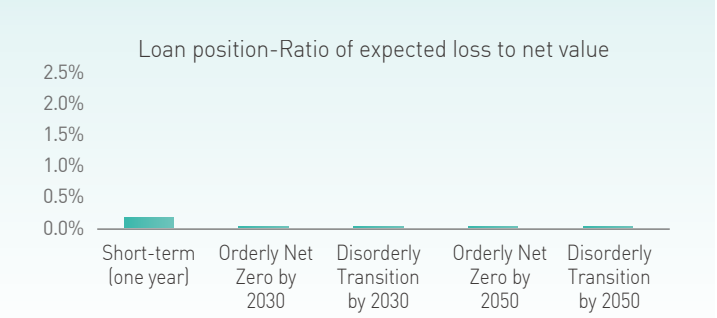


Note 1: Carbon pricing levels directly obtained from the corresponding scenario/period in the corresponding NGFS scenario.
Note 2: CLTV (Current Loan-To Value): Ratio of current mortgage loan amount to collateral value, Debt Burden Ratio (DBR): Ratio of unsecured consumer loans to monthly income

Analysis results

The expected loss of investment positions accounted for approximately 0.6% to 1.9% of net value in different periods in different climate scenarios. The expected loss of the loan position accounts for approximately 0.02% to 0.2%, and the overall risk of losses from investment and lending positions is controllable.





Risk response measure

Cathay Life Insurance has established relevant management mechanisms and regularly reviews and adjusts them.

Please refer to 5.2 Risk Management on P.146 for relevant measures

Operations - Self-Owned Real Estate

To understand the short, medium, and long-term financial impacts of physical risk factors of flooding and slope disasters on Cathay Life Insurance's self-owned real estate in different scenarios of future climate change, Cathay Life uses the four future scenarios of IPCC AR6, namely SSP1-2.6, 2-4.5, 3-7.0, and 5-8.5, for climate scenario analysis, and uses the hazard and vulnerability parameters provided by the "Financial Industry Climate Physical Risk Information Integration Platform" to estimate the amount of potential losses sustained by real estate in Taiwan due to flooding and slope disaster. Considering the accessibility of parameters, the scope mainly includes real estate in Taiwan, which is divided into self-occupied and investment. Only flooding is assessed for self-occupied real estate, while flooding and slope disaster are assessed for investment property. The former estimates the amount of losses from the perspective of recovery after a disaster, while the latter estimates losses from decrease in real estate value caused by the two types of disasters. The calculation method and analysis results are as follows. Overall, flooding and slope disasters have limited short, medium, and long-term financial impacts on the Company in each scenario. Please refer to the description below for the risk response measures adopted by Cathay Life Insurance to maintain climate resilience.

Analysis process

Climate scenario

SSP1-2.6, 2-4.5, 3-7.0, 5-8.5
Time scale: 2030, 2050, 2080

Input parameter

Real estate market value, floor area (ping), location, and building type.

Calculation method

The loss amount from flooding and slope disaster risks is considered based on "Hazard x Vulnerability x Exposure"

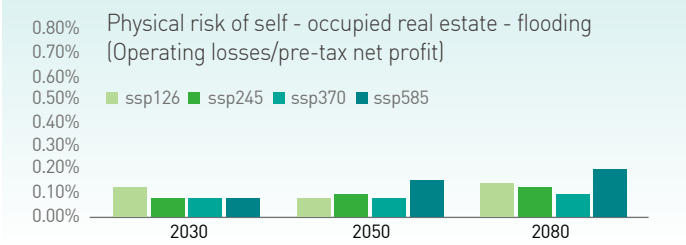
	Hazard[Note1]	Vulnerability[Note1]	Exposure
Flooding risk	Probability of flooding[Note2]	(1) Self-occupied real estate: Loss amount per ping resulting from different depths of flooding (2) Investment property: Ratio of losses of different building types caused by flooding[Note3]	Floor area and market value of real estate
Slope disaster risk	Probability of slope disaster and geographical factors	Investment property: Ratio of losses of different building Input parameter types caused by slope disasters[Note4]	

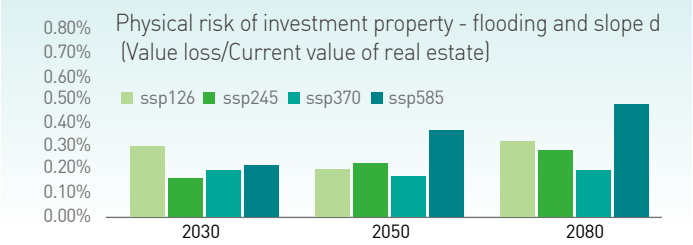
Note 1: Source of data on hazard and vulnerability: Financial Industry Climate Physical Risk Information Integration Platform
Note 2: Assuming daily rainfall exceeds 650mm
Note 3: Estimated based on historical flooding severity, frequency, and local actual transaction price registration information. Therefore, it is limited by the completeness of data samples and uncertainties in data integration.
Note 4: Estimated based on historical slope disaster statistics and local actual transaction price registration information.
Note 5: Assuming that the real estate asset portfolio in future years will remain the same as that in 2025.

Outputs: Amount of operating losses (disaster damage recovery) from self-owned real estate, loss of investment property value

Analysis results

In scenario SSP 5-8.5, physical disasters cause the greatest loss to real estate. Based on future scenarios and periods, the expected loss of self-occupied real estate accounts for approximately 0.07%-0.19% of the Company's pre-tax net profit, while investment property may see a potential market value drop of 0.16%-0.47%. The ratio of losses to net value in each scenario is only 0.1% to 0.3%, which has a limited financial impact on the Company.





Risk response measure

Risk avoidance

Business locations or investment targets are carefully selected after considering the potential impact of flooding, debris flow, and earthquakes on assets.

Risk management

(1) Regular maintenance of buildings and enhanced safety inspections.
(2) Business continuity management: Formulate business continuity strategies and regularly conduct drills. If self-occupied real estate encounters a disaster, we will promptly report and handle the incident, and establish an emergency response team or initiate business recovery procedures as needed.

Risk transfer

Purchase insurance for real estate with higher asset value to transfer the risk and reduce losses.

Insurance - Life insurance products

Climate change has caused the continued rise of global temperatures and resulted in heat waves around the world in recent years. Global warming combined with the urban heat island effect have increased the frequency of extremely high temperatures, as well as the duration of such high temperatures in Taiwan, which may even become the new normal in the future. Cathay Life Insurance utilized historical data (2010-2024) related to weather, air quality, mortality/hospitalization, and AR6 climate scenario analysis data available on the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), and set up a model to explore the impact of global warming on all-cause mortality rate and hospitalization rate. This will help us estimate the future changes in expenses due to life insurance benefit claims.

According to the TCCIP simulations of temperatures in Taiwan in different SSP-RCP climate scenarios, the number of high temperature days in counties and cities in Taiwan showed an upward trend. Assuming that our customer structure remains the same, the assessment results of extreme scenarios by the middle and end of this century are as follows:

- The rising temperatures will slightly increase or reduce Cathay Life's overall deaths claim expenses by approximately 1.5%, which is not a material financial impact on insurance claims.
- The rising temperatures will drive up Cathay Life's overall hospitalization claims expenses by 1%-3%, as the utilization of medical services will generally increase alongside the rise in temperature.

Temperature-mortality/ hospitalization association model

Research Information

2010-2024 Central Weather Administration average daily (24-hour) temperature and air quality data

2010-2024 mortality data
(Data from the COVID-19 pandemic from 2020 to 2022 is excluded)

2010-2019 hospitalization data [Note]

Note: After excluding the years affected by the COVID-19 pandemic from the hospitalization data, the updated model was still affected by changes in people's behavior toward seeking medical treatment, and thus did not reach the ideal stable level. Therefore, the contents on hospitalizations from the 2024 report is used herein for the time being, and adjustments to the model and analysis methods will be reviewed in the future.

Input parameter

Climate scenario

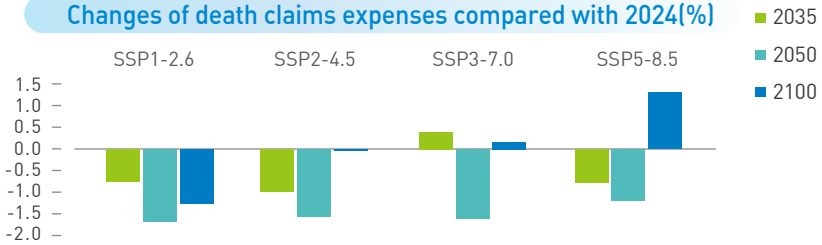
TCCIP AR6 scenario average daily (24-hour) temperature data (2035, 2050, 2100)

Assumptions

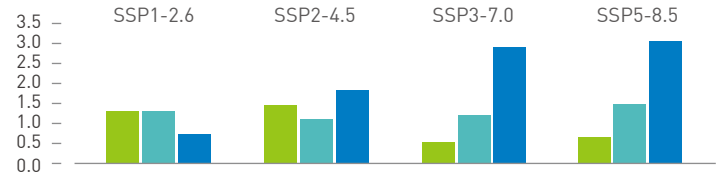
The customer attributes and the insurance type and structure in the coming years will be the same as those in
2024 (Deaths)
2021 (Hospitalizations)

Analysis results

Changes of death claims expenses compared with 2024(%)



Changes of hospitalization claims expenses as compared with 2021(%)



Risk response measure

According to domestic and international studies, climate change may increase the severity of extreme weather events (such as rainstorms and typhoons), and even accelerate the spread of infectious diseases. Domestic research data is limited and currently mainly focuses on rising temperatures, but nonetheless Cathay Life Insurance will continue to make improvements and determine the climate risks of life insurance products. In the future, we will also evaluate opportunities to leverage external resources to introduce climate adaptation tools, thereby helping policyholders and employees respond to extreme weather conditions. Please refer to 2.1 Health Promotion on P.56

In summary, by reviewing the main businesses of Cathay Life Insurance through the identification of climate-related and nature-related risks and opportunities, and analysis of forward-looking scenarios, we determined the materiality of relevant risks and opportunities. We also take assessment results of relevant scenario analyses into consideration, in order to review and evaluate whether climate-related risks management policies should be adjusted, and periodically report the results to the Risk Management Committee and the Board of Directors.

Climate strategies and action plans

We have identified through scenario analysis the following climate risks and opportunities:

The Company's climate and nature-related risks are identified through qualitative questionnaires, with each unit and senior management assessing related risks based on their business characteristics. Most units considered their existing transition response measures during the assessment process, and made judgments from the perspective of residual risks. The results showed that physical risks (such as rising temperatures and extreme weather events) are relatively significant. The impacts caused by physical risks are more direct, so the risk perception is clearer.

Furthermore, through scenario analysis, the Company has assessed the potential financial impacts of climate change on investment assets, insurance products, and our own operations under different warming scenarios. The analysis results showed that compared to physical risks, transition risks are the main sources of financial impacts, and overall financial losses remain controllable. However, in the higher temperature rise scenario, the degree of impact is relatively significant.

The data and results of scenario analysis stated above can verify the suitability of the current development direction for climate strategies, and serve as an important basis for the formulation of climate strategies, so as to strengthen the Company's climate resilience, and create long-term value for stakeholders.

We also referenced the increasingly stringent trends of domestic and foreign climate policies and regulations, as well as the requirements of international advocacy organizations based on an in-depth understanding of the possible risk scenarios brought by climate change and potential financial losses,and considered factors such as investors' high level of concern toward the financial industry's carbon reduction commitments and strategies for the Company's own operations (Scope 1) and investment assets (Scope 3). The goal is not only to ensure that Cathay Life Insurance actively mitigates the negative impact of climate risks on the Company in the process of responding to climate change, but also to exert the influence of the financial industry and drive the development of transformation technologies through capital, in order to seize the business opportunities of global low-carbon transformation to realize this goal. Cathay Life Insurance has formulated the dual strategies of "zero-carbon operation transformation" and "low-carbon investment allocation." We have comprehensively launched various climate action plans for operations and investments, manage climate risks, and seized opportunities brought by market transformation. For this reason, Cathay Life Insurance and its parent company, Cathay Financial Holdings, became the first financial institution in Taiwan to join RE100 in 2022. Cathay Life Insurance and its parent company, Cathay Financial Holdings, jointly set SBTs, which passed the review the same year, setting the long-term goal of "RE100 by 2030 and net-zero emissions by 2050," becoming the first company in Taiwan's life insurance industry to make a commitment.

For details on the zero-carbon operation strategy See 1.2 Environmental Sustainability on P.47

For details on low-carbon investment allocation See1.1 Low-Carbon Economy on P.25

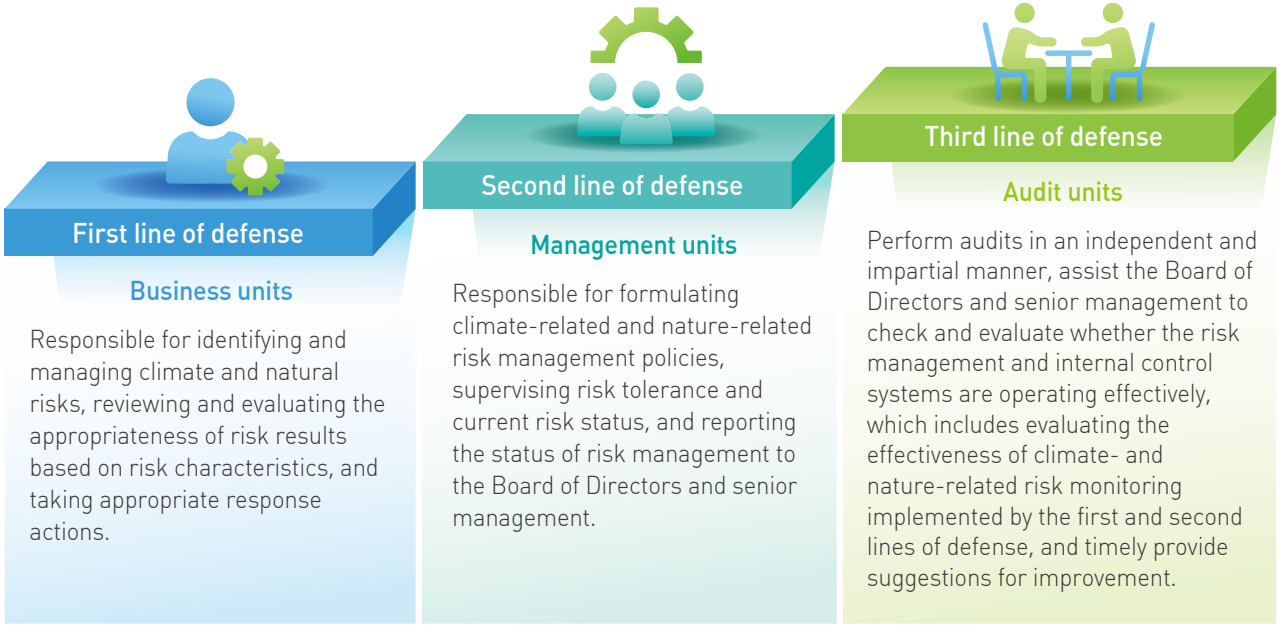
Low-carbon investment allocation strategies and action plans

Facing the impact of climate change and the world accelerating low-carbon transformation, Cathay Life Insurance responded to the global trend of net-zero emissions by setting a science-based reduction path based on the temperature method of the SBTi. We implemented the "low-carbon investment allocation" strategy, which is supported by three major action plans: "green capital," "green engagement," and "green business," and manage climate change risks of our investment portfolio and seize opportunities for transition to a low-carbon economy on this basis. Please refer to 1.1 Low-Carbon Economy on P.25 for more information

■ Risk Management

Cathay Life Insurance believes that climate change and the loss of biodiversity will aggravate existing risks. To systematically manage climate-related and nature-related risks, we established a comprehensive climate-related and nature-related risk management procedure. In addition to the Guidelines for Emerging Risk Management established in 2019, we also incorporated climate change and nature-related risks into the overall risk management system. Since 2021, we have actively responded to the policies of Cathay Financial Holdings and established "ESG and Climate Risk Management Guidelines." We continued to improve climate-related and nature-related risk management measures set forth in the Guidelines in 2025, and renamed it the "ESG Risk Management Guidelines." In addition, we have also established climate risk appetite and related limit indicators to improve enterprise risk management mechanisms. Related actions are described below:

● Roles and responsibilities of the three lines of defense



● Securities Management - Listed Equities and Corporate Bonds

To reduce the impact of climate change on investment assets, we established an ESG risk review process, included High Climate Risk Industries in the scope of management, and referenced their CVaR to avoid investing in companies with high climate risks. In addition, protecting the natural ecosystem and biodiversity is also a key factor in avoiding further aggravating climate change, so nature-related factors are gradually taken into consideration. The climate risk management after investments are made is implemented through stewardship measures and communications with investee companies on "climate change vulnerability,"Carbon Emissions," "Water Stress," and " Biodiversity & Land Use," thereby mitigating climate risks. Lastly, we periodically compile an inventory and track investments with high climate-related and nature-related risks to ensure the reasonableness of risk-taking.

Incorporating ESG risk review procedures into the assessment of climate/nature-related risk impacts

Risk Avoidance

Sensitive Industries

In line with international trends, we continue to review and include industries with commodity-driven deforestation and high climate risks:

2019
- Established Cathay Life Insurance's investment management principles for sensitive industries, added:
  Coal-related industries (with 50% of revenue as the threshold)
  - Coal mining
  - Coal-fired power generation

2020
- Added "industries with deforestation-related activities
  - Palm oil
  - Treesetting

2021
- Included coal-related industries in the coal value chain:
  - Coal Freight - Rail
  - Coal Support Services
- Included industries with high climate risks:
  - Construction Materials
  - Aluminum
  - Airlines
  - Steel
  - Oil & Gas and Industrial gases

2022
- Adjusted the threshold for coal-related industries
- Added: Unconventional Oil and Gas

2023
- Added Agriculture, Food, and Forest Products industries:
  Merged "commodity-driven deforestation industries" and added "forest-risk commodities" -Soybeans and cattle, which are classified as Agriculture, Food, and Forest Products industries

2024
- Expanded the scope of coal value [Note1]
  Coal Freight - Rail
  Expanded coal freight
- Added companies with coal expansion plans
- Expanded the scope of Unconventional Oil and Gas
  Added Arctic oil and gas

2025
- Adjusted the thresholds for coal-related industries [Note 2]
- Established separate controls for the Unconventional Oil and Gas industry [Note 3]
- Adjusted the thresholds for the Unconventional Oil and Gas industry [Note 4]
- Expanded the scope of the Agriculture, Forestry and Food industry:
  Added coffee, cocoa and rubber

General industries

References MSCI ESG methodology for watchlisting major environmental factors for these industries:

Climate
- Carbon emissions
- Product Carbon Footprint
- Climate vulnerability
- Green building
- Cleantech

Nature
- Biodiversity & Land Use
- Water stress
- Raw Material Sourcing

Risk mitigation and transfer

Stewardship measures
- Initiatives and engagement
- Mandate management

Thematic investment, SDG investment, impact investment
- Low carbon and green energy
- Water resources
- 17 SDGs — SDG investment
- Impact investment

Risk taking

Inventory of positions with high climate/nature-related risks

Note 1: In addition to the scope of "Coal Freight-Rail," port transportation, transportation operations, and logistics were added.

Note 2: In 2025, the threshold for coal-related industries was lowered to 20%. Any companies with revenue exceeding this threshold and not actively transitioning will be included in the exclusion list, and no new investment will be made.

Note 3: In 2025, the Unconventional Oil and Gas industry will be separated from "industries with high climate risks" and further divided into "oil sands, Shale Oil & Gas, and Arctic Oil & Gas " for control

Note 4: In 2025, the threshold for unconventional oil and gas was lowered to 30%. Any companies with revenue exceeding this threshold and not actively transitioning will be included in the exclusion list, and no new investment will be made.

Note 5: Cathay Life Insurance's divestment process for coal and unconventional oil and gas Please refer to 1.1 Low-Carbon Economy on P.25

Incorporating ESG Risk Review Procedures s into the assessment of climate/nature-related risk impacts

To ensure that the impact of our investee companies on the environment will not lead to an increase in Cathay's investment risks or negative public image, Cathay Life Insurance carefully evaluates their activities in relation to the environment, climate, natural capital, or other sustainability-related issues. We established the Investment Management Principles for Sensitive Industries, and referenced the MSCI material environmental issues to assess the ESG risks of companies, and incorporate the results into our investment decision-making processes as one of the issues for engaging investee companies:

(1)Establishing Investment Management Principles for Sensitive Industries

Sensitive industries are divided into exclusion list and watchlist industries based on a number of factors, including the impact of the industry on climate and nature, the severity of the impact of climate change risks, the degree of preparedness to face climate change and the ability to manage nature, and the proportion of operating income from the business item.

A.High climate risk industries	B.Coal and unconventional oil and gas industry	C.Commodity-driven deforestation
Due to the nature of business activities in the oil & gas and industrial gases industry, Construction Materials industry, Aluminum industry, Steel industry, and Airlines, companies in these industries have high direct exposure to climate change issues and are therefore included as sensitive industries.	"Phasing out coal" has become an international consensus for carbon reduction and combating climate change, therefore Cathay Life Insurance has taken the lead in including coal-related industries (including Coal Power, coal mining, Coal Freight, and Coal Services) as sensitive industries. Furthermore, the Company has also observed that the extraction and refining processes of Unconventional Oil and Gas have a severe ecological impact. Therefore, Unconventional Oil and Gas-related industries (including oil sands, Shale Oil & Gas, and Arctic Oil & Gas) have been further included as sensitive industries.	Cathay Life Insurance classified timber and palm oil as sensitive industries in 2020 to reduce the risk of land degradation by reducing deforestation activities. Furthermore, Cathay Life Insurance has continued to explore nature-related issues and understand the potential crisis that changes and loss of biodiversity may cause to the sustainability of the economy and life. Therefore, we expanded the scope of management to the Agriculture, Food, and Forest Products industry in 2023, and escalated management actions to land use change and management of the production and use of commodities related to deforestation, including companies that produce and use cattle, soybeans, palm oil, and timber, in hopes of preventing and reversing land degradation and the loss of biodiversity. As international regulations gradually prohibit the sale of Agriculture, Food, and Forest Products that cause deforestation, the issue of deforestation has officially been raised to the level of regulatory supervision. In 2025, the Company further expanded the management scope of the Agriculture, Food, and Forest Products industry and included companies that produce rubber, cocoa, and coffee into the management.

(2)Referencing major environmental issues for general industries

Cathay has referenced information provided by MSCI ESG research institutions and determined the key climate-related and nature-related issues, including material climate change factors such as carbon emissions, green building, cleantech, product carbon footprint, climate change vulnerability, as well as natural capital factors such as biodiversity, land use, water stress, and raw materials sourcing. addition, we have considered other ESG factors, identified and assessed our exposure to risks in terms of ESG factors, carefully considered major ESG factors of investment targets in the list of potential investee companies, and conduct regular and irregular reviews of the ESG performance of existing investments.

Stewardship measures

(1)Initiatives and engagement

In addition to exerting our influence through participating in international initiatives, organizing forums or conferences, and collective engagement, we also communicate and cooperate with stakeholders in the financial value chain to gain an in-depth understanding of the companies' carbon governance and carbon disclosures. We encourage them to disclose climate change response actions in accordance with the TCFD framework and actively set SBTs or net-zero targets to encourage companies to take specific climate response actions and strengthen their climate resilience. In addition, considering that the loss of biodiversity will have an irreversible and serious impact on the Earth's ecology, we also discuss nature-related issues with investee companies. Since nature-related issues are relatively widespread and are still developing, we engage companies through three stages: "awareness, recognition, and active implementation," first making companies aware of their impact or dependency on nature, then recognizing the importance of nature-related issues, and finally being able to actively manage nature-related risks and implement them into business operations.

Please refer to 1.1 Low-Carbon Economy P.36

(2)Asset manager mandating and monitoring

We take signing the Principles for Responsible Investment (PRI) into consideration in asset manager evaluations to ensure that Cathay Life Insurance's mandated asset managers fulfill their duties and pay attention to climate-related risks and opportunities. We also stipulate in mandate agreements that PRI must be included in decision-making considerations, and that the investment targets' fulfillment of obligations in accordance with relevant ESG regulations must be assessed. We not only review our asset managers' ESG measures on an annual basis, but also ask them to present stewardship and climate-related policies every year in order for us to understand their responsible investment measures, climate-related commitments, and carbon reduction goals. All of these measures are taken in the hope to mutually benefit with our Mandated institutions and work with them to tackle climate risks and opportunities.

Climate risk appetite and related exposure limit indicators

Cathay Life Insurance established its climate risk qualitative appetite, which recommends reduction of investments in or avoidance of insurance services for climate risk sensitive industries or companies and regions with high physical risks, if assessments find related risks difficult to manage or control.

To enhance our risk appetite control mechanism, we have developed exposure limit indicators corresponding to the risk appetite, so as to manage climate change and ESG risks.

Management of the Group's Sensitive Industries	We follow the group's sensitive industry management and quotas, reference the data of external institutions and international trends, and manage securities investment standards in response to the operational or financial impact of climate change, environment, and society. We periodically review the use of our investment and credit extension limits based on the sensitive industries list. The exposure limits of sensitive industries in 2025 complied with internal regulations.
Country risk management	We follow the management measures for the group's country risk levels and limits, incorporating ESG risks into consideration, and integrating them into the country risk control mechanism.

The Group's assessment of climate and nature-related risks in sensitive industries

- Sensitive industries vulnerable to climate transition risks: The SASB Standards and IFRS S2 were referenced to define oil and gas, chemical and raw materials-related industries, building materials (including cement), mining, fossil fuel power generation, and coal-related industries as six sensitive industries that are vulnerable to climate transition risks. The Climate Transition Risk Assessment Framework was formulated on this basis.
- Industries vulnerable to nature-related physical risks and nature-related transition risks: We conducted nature-related dependency and impact assessments based on the " Network for Greening the Financial System (NGFS) Conceptual Framework on Nature-related Financial Risks " and the "ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) assessment results of the World Wide Fund for Nature (WWF)," and classified the Group's sensitive industries into industries vulnerable to nature-related physical risks and nature-related transition risks as the basis for identifying and managing nature-related risks.

Group Sensitive Industries	Exposure Ratio	Sensitive to Climate Transition Risks	Exposure to Nature-related Risks in Specific Industries	
			Sensitive to Nature-related Transition Risks	Sensitive to Nature-related Physical Risks
Oil and natural gas	6.9%	●	●	●
Food and beverage manufacturing	2.9%			●
Real estate development and management	0.3%			
Mining	1.1%	●	●	●
Chemical raw materials	0.7%	●		
Automotive and parts manufacturing	0.3%			
Construction materials (including cement)	0.2%	●	●	
Transportation	0.004%	●		
Fossil fuel power generation and coal-related	0.1%	●		●
Agriculture, forestry, fishery, and animal husbandry	0.02%			●
Total	**12.5%**	**9.0%**	**8.2%**	**11.0%**
			11.2%	

Note 1: Exposure Ratio refers to the percentage of the investment and financing balance of each sensitive industry to the total investment and financing balance.

Note 2: Climate transition risk indicators were established according to IFRS S2 indicators in order to identify the concentration of exposure to high carbon emission industries in sensitive industries. In 2025, the concentration of exposure to industries sensitive to climate transition risks was 9.0% of the portfolio.

Note 3: Exposure to nature-related risks in specific industries is defined as linked exposure to nature-related transition risks and nature-related physical risks.

Climate transition risk assessment

Cathay Life Insurance uses climate transition risk assessment to determine the climate transition maturity of specific industries in Cathay Life Insurance's investment and financing positions. Cathay Life Insurance defines "sensitive industries vulnerable to climate transition risks" in accordance with the "industry's average carbon emission intensity," and further uses international databases to identify the transition maturity of enterprises receiving investment and financing.

Assessment Framework and Process

Group Sensitive Industries: Industries sensitive to climate transition risks: The industry's average carbon emission intensity

Industries sensitive to climate transition risks:
- Oil and natural gas
- Fossil fuel power generation and coal-related
- Mining
- Chemical raw materials related industries
- Transportation
- Construction Materials (including cement)

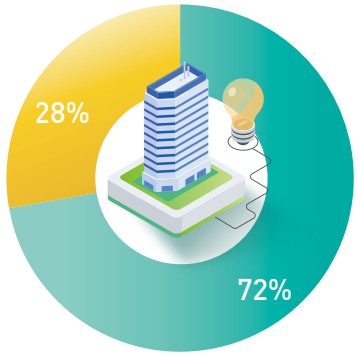
Climate transition indicators: Decarbonization targets, Decarbonization performance Transition plans, Net-zero commitments

Climate transition maturity: Fast | Medium | Slow

Climate Transition Assessment Results for Specific Industries

Scope of Analysis

Portfolio Exposure to Climate Transition Risk-Sensitive Industries



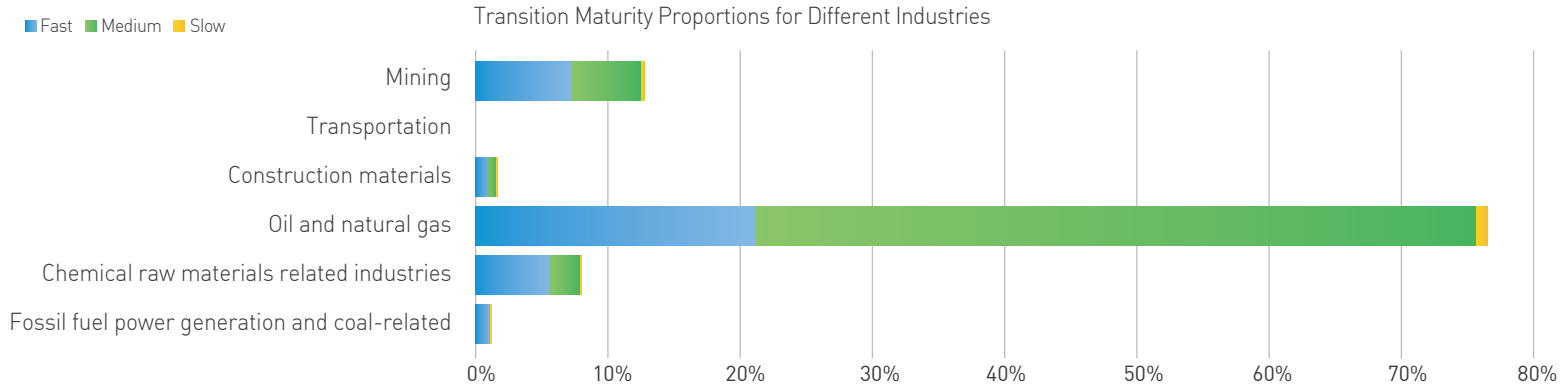
- Climate Transition Risk-Sensitive Industries
- Other Sensitive Industries

Sensitive industries accounted for 12.5% of the Group's total investment and financing exposure. Among them, the oil and natural gas industry, chemical raw materials, construction materials (including cement), mining, fossil fuel power generation and coal-related industries, and the transportation are classified as "industries sensitive to climate-related transition risks", accounting for 72% of the Group's exposure to sensitive industries.

Assessment results

Among the six high-risk industries identified above, 98.9% of the Group's investment and financing exposure falls into the "Fast" or "Medium" climate transition maturity categories, while only 1.1% falls into the "Slow" category.

Further analysis shows that, among the sensitive industries vulnerable to climate transition risks, more than 70% of the Group's investment and financing exposure is concentrated in the Oil & Gas. Within this industry, more than 90% of the exposure is classified as having "Fast" or "Medium" climate transition maturity.



- Management action

(1) Implement limit control for the Group's sensitive industries and regularly monitor exposure of investment and lending positions.

(2) Update the international database annually to strengthen the review of climate transition indicators, thereby ensuring that it can always reflect the transition maturity of investment and financing counterparties.

(3) Pay attention to changes in trends in sensitive industries vulnerable to climate transition risks and adjust the scope of industry definitions in a timely manner, thereby strengthening the quality of climate risk management and investment and financing decisions.

Assessment and Exposures of Depencies and Impacts on Natural Resources

The ENCORE [Note1] tool was used to examine the drivers of each industry's "Dependence" and "impact" on natural resources. The results showed that the average degree of Dependence on water resources is higher than that of other factors. In terms of "impact," water resources use, pollution, and species disturbances are also significant issues, and most industrial activities have a comprehensive impact on the overall ecosystem. The external qualitative rating results of ENCORE will be referenced to focus on industries with high "Dependence" and high "impact" characteristics, and the Group's top three domestic industries in terms of Exposure Ratio will be prioritized for sensitive location map overlays (see P.153 for a complete assessment).For industries that are highly dependent on water resources, an incorporated domestic drought scenario analysis was further incorporated (see Strategy on P.141 for a complete assessment) to strengthen nature-related risk identification and management.

Environmental Risk Heatmap

■ Very high ■ High ■ Medium ■ Low ■ No data

Industry	Dependence					Impact						Exposure Ratio (%) [Note 2]
	Water resources	Air	Species	Soil	Habitat	Water use	Use of other resources	Climate change	Changing ecosystems	Pollution	Species disturbances	
Industrial Ancillary Services	Low	Low	Low	Low	Low	Low	No data	High	Low	Low	Low	1.8
Industrial products	Low	Low	Low	Low	Low	Low	No data	Low	Low	Low	High	1.8
REITs & Services	Low	Low	No data	High	Low	Low	No data	Low	No data	Low	Low	1.5
Real estate management and development	High	Low	Low	Very high	Low	Low	No data	Very high	Very high	High	Very high	0.3
Utilities	High	Low	Low	Low	Low	Low	High	Very high	Low	High	Very high	5.5
Public administration	Low	Low	Low	Low	Low	Low	No data	Low	No data	Low	Low	14.6
Consumer Staples	Very high	Low	High	High	Low	Very high	Very high	Low	Low	High	High	3.5
Oil and natural gas [Note3]	Low	Low	Low	Low	Low	Low	No data	Very high	Low	Very high	Very high	8.4
Renewable energy	High	Low	Low	Low	Low	Low	No data	Low	No data	Low	High	0.1
Financials - Non-bank	Low	Low	No data	Low	Low	Low	No data	Low	No data	Low	Low	10.6
Financials - Banking	Low	Low	No data	Low	Low	Low	No data	Low	No data	Low	Low	21.8
Consumer Discretionary Services	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	0.4
Consumer Discretionary Goods	Low	Low	Low	Low	Low	Low	No data	Low	No data	Low	High	0.7
Technological hardware and semiconductors	Low	Low	Low	Low	Low	Low	No data	Low	No data	Low	High	7.8
Materials	High	Low	Low	Low	Low	Low	Very high	High	Low	Very high	Very high	2.9
Software and technical services	Low	Low	Low	Low	Low	Low	No data	Low	Low	Low	Low	1.1
Media	Low	Low	Low	Low	Low	Low	No data	Low	Low	Low	Low	2.8
Retailers	Low	Low	Low	Low	Low	High	No data	High	No data	Low	Low	2.1
Telecommunications	Low	Low	Low	Low	Low	Low	No data	Low	Low	Low	Low	6.4
Health Care	Very high	Low	Low	Low	Low	Low	No data	Low	No data	Low	Low	5.9
Total												**100**

Note 1: ENCORE provides the degree of dependency and impact of each industry on various natural capital assets and driving factors.

Note 2: The Exposure Ratio is the exposure to domestic and overseas stocks/bonds, unlisted stocks, short-term notes and other non-cash equivalent securities positions, as well as corporate lending as a percentage of total exposure as of the end of December 2025.

Note 3: According to the Group's Industry Risk Management Guidelines, there are differences in the BICS industry classification level applicable to individual industries of the Group and sensitive industries of the Group, resulting in differences in exposure ratio.

Climate-related and nature-related physical risk management

Identify exposure to nature-sensitive areas

Based on the "dependency/impact" analysis results of the ENCORE tool as the starting point for risk hotspot identification, and aligned with the TNFD's "Additional Guidance for Financial Institutions" and international benchmark practices, the LEAP methodology was adopted to systematically implement nature-related risks into the investment and financing and operational management processes.

The Company's scope of analysis also covers investment and financing counterparties[Note], its own operating sites and owned real estate sites, as well as residential mortgage collateral. In terms of investment and financing, the nature-related risks of financial institutions are mostly transmitted through the flow of capital. The operating activities and location of counterparties often determine the degree of dependency and impact on the ecosystem, and further affect financial risks such as credit, compliance, and reputation. Therefore, monitoring their exposure to key risks is a priority. The scope of analysis for investment and financing transaction counterparties is based on the external qualitative rating results of ENCORE. Furthermore, considering that existing analysis tools are mainly for domestic counterparties, we prioritized the top three domestic industries with high dependency and high impact, including consumer discretionary goods, real estate management and development, and materials.

The Company also examined the ecological and environmental characteristics and sensitivity of its own operating sites, owned real estate sites, and residential mortgage collateral, and identified their exposure to areas with high nature-related sensitivity to strengthen the identification and control of nature-related physical risks.

Process

Under the LEAP framework, the location of the assessed subjects (including the operating locations of counterparties, such as factories, as well as the Company's own operating sites, owned real estate sites, and residential mortgage collateral) are used as the evaluation units, and the nature sensitivity map overlays are created in the Locate/Evaluate stage, and the "Taiwan Bankers Association Handbook on Natural Physical Risks" is referenced to classify by "area sensitivity" and "species sensitivity": The former identifies whether the location is in an area of high natural value such as protected areas and key biodiversity areas; the latter assesses the sensitivity of surrounding endangered or important species and habitats. Finally, targets in the "first priority level" area are selected based on the comprehensive rating of the two sensitivities, and the targets are prioritized for resource allocation in the Assess/Prepare phase, thereby improving the accuracy of risk identification and strengthening consistency with TNFD disclosure.

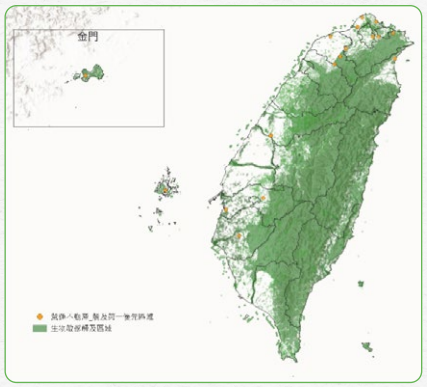
Analysis results

According to the scope of the above analysis, among the investment and financing transaction counterparties, there were a total of 9 business locations in "first priority level" regions, and the corresponding exposure amount was NT$15.38 billion. In addition, the Company's locations of operating sites and owned real estate sites accounted for 6.1% of the "first priority level" regions, while residential mortgage collateral accounted for 6.7%. Based on these results, the Company will identify highly sensitive hotspots and key sources of exposure as a priority basis for subsequent optimization of internal management mechanisms and decision-making processes, and will continue to improve its ability to identify and manage nature-related risks.

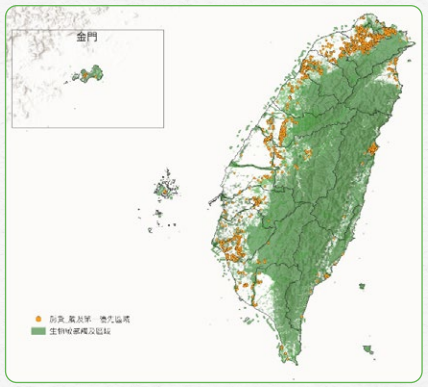
Risk exposure in the first priority level areas of concern

Distribution of investment and financing transaction counterparties

Distribution of operating sites and owned real estate sites



Distribution of locations of residential mortgage collateral



Note: IFRS S2 indicators were referenced to establish climate physical risk indicators in order to identify business locations with the highest risk of level 5 future flood hazard vulnerability, the proportion of business locations, self-owned real estate, and mortgage balances. An accounting firm was commissioned for limited assurance.

Exposure to the risk of flooding due to climate change

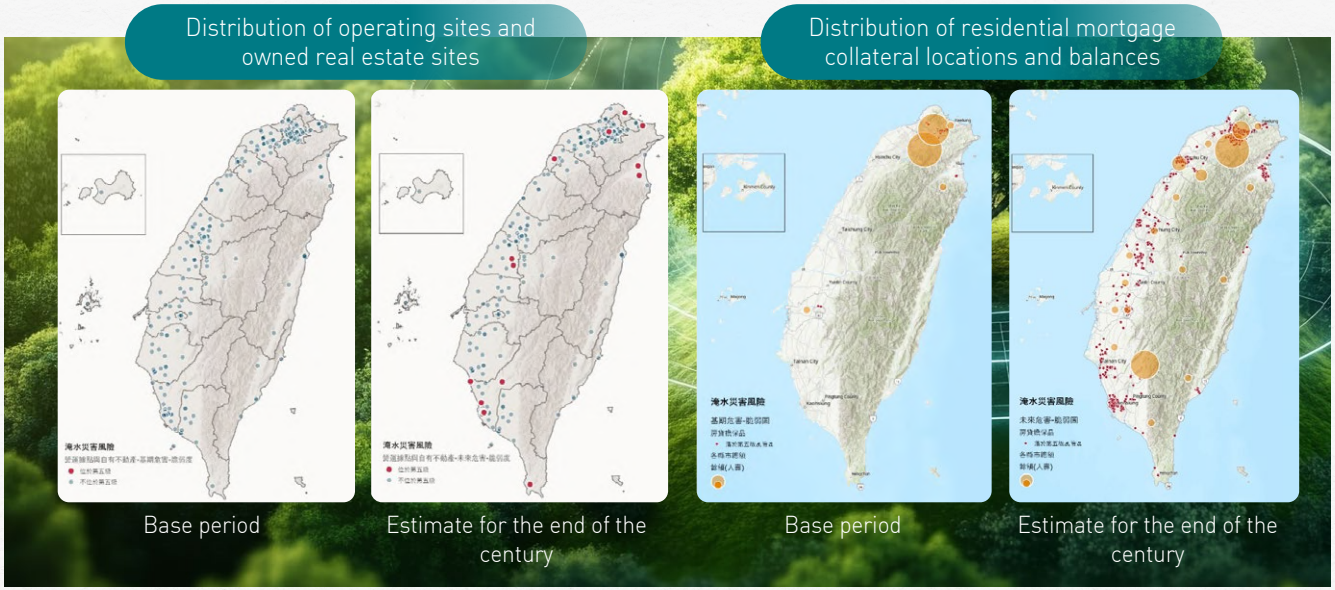
We have prepared a risk heat map of projections for the end of the century based on flood risks identified by the National Science and Technology Center for Disaster Reduction (NCDR), in which flood hazard is divided into five levels. Areas with level 5 hazard vulnerability are all areas that rank in the top 20% in terms of hazard vulnerability. Areas with the highest level flood risk are compared with operating sites, residential mortgage collateral, and owned real estate sites. After examining the physical risk of flooding at Cathay's operating sites, residential mortgage collateral, and owned real estate sites in the RCP8.5 climate change scenario during the base period as of the end of 2025, the future flood risk was deemed controllable.

Note: IFRS S2 indicators were referenced to establish climate physical risk indicators in order to identify business locations with the highest risk of level 5 future flood hazard vulnerability, the proportion of operating sites, owned real estate sites, and residential mortgage balances. An accounting firm was commissioned for limited assurance.

Ratio of regions with high risk of flooding

	Operating sites	Owned real estate sites	Residential mortgage
Base period	0%	0%	0.39%
Estimate for the end of the century	6.03%	3.35%	6.05%

Exposure to areas with high flooding risk in Taiwan



- Business continuity management mechanism

We established guidelines for reporting disasters to ensure that when a major natural disaster occurs, employees will report it to the correct level of authority as quickly as possible, so that the handling method can be determined promptly and quickly restore normal operations. Furthermore, the Company has established procedures for disaster reporting and a crisis management team. When the responsible unit determines that critical operations and systems may not recover in a timely manner due to a natural disaster, or significant casualties may occur as a result thereof, causing the Company's critical operations and systems to be completely interrupted, the executive vice president will evaluate whether to form a crisis response team and serve as the convener. The executive vice president will be responsible for overseeing and coordinating team members in implementing incident response and handling, while simultaneously releasing information to the relevant departments to initiate various business and system recovery procedures to ensure that the Company's operations are restored to normal within the shortest time.

- Residential mortgage business management mechanism

In response to the impact of major natural disasters, the Company has continued to strengthen its residential mortgage loan business management mechanism, which includes asset management (regularly review the concentration of assets in high-risk areas, evaluate the overall development of real estate in Taiwan, and adjust the credit policy when appropriate) and credit risk management (evaluate the location of collateral, borrower solvency and credit ratings, and determine the reasonable loan percentage to effectively control risks).

- Ecological protection and restoration activities

During the TNFD analysis process, we paid attention to the impact of biodiversity loss on the natural environment, so we actively combined various public welfare sponsorship activities to support local restoration plans and protect the affected biodiversity hotspots, hoping to stop and reverse the loss of biodiversity and facilitate the positive growth of nature.

Every Step Counts 2025 Project

Guishan Township Protection Project

Cathay Life Insurance supports the Taiwan Cetacean Society by installing satellite trackers every year on five minor green turtles that are either stranded, rejuvenated, or released to the wild to analyze their marine habitats and utilization patterns. The cumulative tracking data for three years is expected to map out the habitats of the green turtles most commonly found in Yilan and Northeast Point, and help the society plan a suitable range for potential other effective area-based conservation measures (OECMs) for green turtles.

Friendly Tea Garden

Pinglin Tea Garden Sustainable Transformation Program

Cathay Life Insurance has continued to pay attention to sustainable agriculture and biodiversity issues. In July 2025, the Company collaborated with the consulting company Shin Sen Green to provide guidance to tea farmers in Pinglin to achieve an eco-friendly transformation through the "cover crop cultivation" approach. By supporting the production of teas grown in a natural way, we reduced the investment of chemical fertilizers and pesticides, and promoted soil conservation, water resource protection, and ecological habitat restoration. In 2025, the cumulative hours of counseling for tea farmers reached 115, and the Agricultural Net-Zero Carbon Technology and Management Innovation Research Center was commissioned to establish soil testing baseline to record the effectiveness of counseling. Additionally, Cathay Life Insurance has encouraged employees to take tangible action, donating 478 boxes of tea through purchases, group purchases, and gifts in 2025, thus integrating the concept of sustainability into daily life and interpersonal exchanges. We further conveyed the value of the "cover crop cultivation" approach to customers, partners, and the general public, teaching them about its environmental friendliness, so that every tea gift is not only a conveyance of best wishes, but also a part of supporting sustainable land initiatives.

Ocean Oasis Project

East Coast Cetacean Conservation Project

Cathay Life Insurance supports the Kuroshio Ocean Education Foundation for conducting deep sea whale species surveys. Each survey includes recording of time and space distribution, sound collection, and measurement of hydrological conditions. We also use DSLR cameras, DVs, and aerial cameras to collect precious images of cetaceans in the ocean. A total of 143 cetacean records (15 species of cetaceans), 70,920 cetacean photographs, 1,367 marine video recordings, and 72 cetacean audio recordings (7 species of cetaceans) were collected in 2025. Recorded deep sea cetacean species include 44 sightings of Risso's dolphin groups, 16 sightings of sperm whale groups, 1 sighting of a pygmy sperm whale group, 6 sightings of dwarf sperm whale groups, 2 sightings of Kogia species, 8 sightings of Cuvier's beaked whale groups, 1 sighting of a Longman's beaked whale group, and 8 sightings of beak whale groups, and 2 sightings of short-finned pilot whale groups, totaling 88 records. The Kuroshio Ocean Education Foundation will use this survey data to continue applying for the IUCN's Important Marine Mammal Areas (IMMAs) certification internationally. In Taiwan, it will propose to establish marine protected areas/marine shelters for cetacean protection.

To enhance the influence of marine education, Cathay Life Insurance collaborated with the Kuroshio Ocean Education Foundation to donate Taiwan's first science-based documentary book series, Kuroshio Whale Search, to 1,140 state-owned high schools across Taiwan. The Company also promoted the concept of cetacean conservation and marine sustainability to more than 840,000 students and policyholders, thereby strengthening younger generations' understanding of and attention toward marine ecological issues.

Cathay Life Insurance combined policyholder services and sustainability initiatives, and collaborated with the Kuroshio Ocean Education Foundation and Turumoan Whale Watching Company to promote marine education and ecotourism. It is promoted on the policyholder value-added service platform to encourage people to approach the ocean in a responsible manner, and to understand the importance of cetacean ecology and marine conservation. The project has reached a total of 2,231 people, with 806 discount vouchers downloaded, thus demonstrating the willingness and support of policyholders to take action for marine sustainability.

■ Metrics and Targets

● Key climate-related and nature-related indicators and goals

To monitor whether its own climate mission of net-zero carbon emissions is in line with the Paris Agreement, Glasgow Climate Pact, and Taiwan's Nationally Determined Contributions (NDC), Cathay Life Insurance supports the RE100 initiative, in which it is committed to using 100% renewable energy in all business locations in Taiwan by 2030. Furthermore, Cathay Life Insurance also uses a scientific and quantitative method to set the carbon reduction targets for Scope 1 and Scope 2, which are underpinned by emission-based considerations. In addition, it also devised a specific and ambitious carbon reduction path for the investment and lending portfolio underpinned by impact-based considerations. Cathay Life Insurance and its parent company, Cathay Financial Holdings, jointly set science-based targets (SBTs), which were approved by the Science Based Targets initiative (SBTi) in 2022. To achieve the above tasks, upon reviewing the relevance, reliability and comparability of the relevant indicators, the following key climate goals have been set, and the achievements of the Corporate Sustainability (CS) team will be reviewed at quarterly meetings for continuous improvement.

Indicator		Baseline year	Short-term goals 2026	Medium-term goals 2030	Long-term goals 2035
Operations	Water resource consumption per capita	-	12.5 kL	Note: Due to the inclusion of empty buildings in the water inventory in 2024, we did not achieve the per capita water resource consumption target and will review the target next year.	
	Percentage of renewable energy use	-	50% in the current year	70% in the current year	100% in the current year
	Growth of solar panel capacity installed for self-use in Cathay buildings	2020	Increase by 1,000%	Increase by 2,500%	Increase by 3,750%
	Scope 1 and Scope 2 emissions (Metric tons CO_2e)	2020	Reduced by 21%	Reduced by 29.4%	Reduced by 42%
Investment	Reduction path of investment portfolio [Note 1.2.3] Portfolio temperatures of listed equities and corporate bonds:	-	S1+S2: 2.68°C S1+S2+S3: 2.79°C	S1+S2: 2.42°C S1+S2+S3: 2.56°C	S1+S2: 2.08°C S1+S2+S3: 2.28°C
	Growth rate of low-carbon investments [Note4]	2020	Low-carbon investments grow by 85% with 2020 as the baseline year	Low-carbon investments grow by 110% with 2020 as the baseline year	Low-carbon investments grow by 115% with 2020 as the baseline year
	Engagement action	-	Engage with key domestic companies accounting for 50% carbon emissions of the investment portfolio	Engage with key domestic companies accounting for 55% carbon emissions of the investment portfolio	Engage with key domestic companies accounting for 55% carbon emissions of the investment portfolio
	Gradual management of coal-related industries, including: Coal Power, Coal Mining, Coal Freight, and Coal Services	-	No new investment in companies in coal-related industries with coal expansion plans or coal accounting for over 20% of revenue and not actively engaging in transition		For OECD countries, no new investment in companies in coal-related industries with coal expansion plans or coal accounting for over 5% of revenue and not actively engaging in transition (The threshold for non-OECD countries is still 20%)
	Gradual management of unconventional oil and gas industries, including: oil sands, Shale Oil & Gas, and Arctic oil and gas	-	No new investments in companies with more than 30% of revenue from unconventional oil and gas and not actively engaging in transition.		For OECD countries, no new investments in companies with more than 20% of revenue from Unconventional Oil and Gas and not actively engaging in transition (the threshold for non-OECD countries is still 30%)

Note 1: The targets herein are Cathay Life Insurance's, not Cathay Financial Holdings'.

Note 2: The targets in the table above are in line with the year listed in Cathay Financial Holdings' low-carbon economy blueprint. However, Cathay Life Insurance has established a carbon reduction pathway up to 2030 in accordance with the methodology approved by the SBTi in 2022.

	2026	2027	2028	2029	2030
S1+S2	2.68°C	2.62°C	2.55°C	2.48°C	2.42°C
S1+S2+S3	2.79°C	2.73°C	2.68°C	2.62°C	2.56°C

Note 3: In accordance with the timetable set by Cathay Financial Holdings, it is expected that the SBTs set after 2027 (inclusive) will be re-examined, and the targets will be updated in the future based on the final review results.

Note 4: In response to the increasingly granular industry classifications adopted by international databases, certain investments previously classified as low-carbon investments were re-evaluated and determined to no longer meet the definition of low-carbon investments. Accordingly, the calculation scope was adjusted, baseline year figures were retrospectively revised, and the short-, medium-, and long-term targets were updated accordingly. Based on the re-definition of low-carbon investments, the total amount of low-carbon investments and loans in 2020 (baseline) was NT$132.6 billion.

Verification of climate strategy resilience

To fulfill our commitment to net-zero emissions by 2050, Cathay Life Insurance has launched the dual strategy of "Zero Carbon Business Operation Transformation" and "Low-Carbon Investment Allocation," along with strategic action plans. We selected two key climate goals, i.e., "green energy" and "expanding the support of green industries" under the "green energy" and "growth of low-carbon investments" strategic action plans for monitoring, comparison, and trend analysis.

Verification strategy	Verification target	Verification method	Description of verification results	
Zero Carbon Operational Transformation	Actual indicators and goal performance - Percentage of renewable energy used	Monitoring and comparison	To implement the zero-carbon business transition strategy, Cathay Life Insurance has set mid- and long-term goals for renewable energy use for its domestic business locations, with the targets to achieve 50% renewable energy by 2025 and 100% renewable energy by 2030. These targets will be integrated in the annual performance appraisal of the president and senior managers to strengthen management. With the baseline year for assessing annual electricity consumption and renewable energy use. In the future, annual growth of electricity consumption due to expansion of business locations, energy-saving owing to equipment replacement, and experience in matching renewable energy supply will be considered when estimating the total annual electricity consumption and percentage of renewable energy use. Based on the historical results of renewable energy use before 2021 and future renewable energy procurement plans, the 2024 percentage of renewable energy use was set at 25%, while the actual percentage of renewable energy use was 25.2% in 2024. By comparing the target completion status, Cathay Life Insurance will assess the effectiveness of the climate actions taken. The assessment results show that its strategies and actions are climate-resilient (verification results benchmark: target completion status for percentage of renewable energy use).	
Low-carbon Investment Allocation	Actual/ Expected indicator and target performance of low-carbon investment growth rate	Track comparison and trend analysis	Monitoring and comparison To expand support for green industries, the key climate goal set for low-carbon investments growth rate in 2024 was "55% growth in 2025, 80% growth in 2027, and 85% growth in 2030, with 2020 as the baseline year." To verify the resilience of this climate action, we verified whether the low-carbon investments growth rate met the target in 2025 will be used as the verification target, and compared the progress to evaluate the effectiveness of climate actions taken. The results show that the amount of low-carbon investments in 2025 was NT$242.1 billion, an increase of 83% compared to 2020, achieving the key climate goal that was set and showing that current climate actions are climate resilient. (Verification results and baseline: Achievement of key climate goals set internally).	Trend analysis With the low-carbon investments target set in 2024 having been achieved in 2025 ahead of schedule, we conducted an internal review and set even more ambitious low-carbon investments goals, with the latest goals to achieve "85%, 110% and 115% growth in 2026, 2030, and 2035, respectively, with 2020 as the baseline year." To verify the resilience of this climate action, we will verify whether the growth rate of low-carbon investments in 2026 will achieve the goal. Analyzing Cathay Life Insurance's low-carbon investments, the two main components are securities investment and green building investment plans: ● Securities: Based on the Company's capital growth and asset allocation planning under future changes in the overall economic environment, as well as the future issuance of low-carbon investments targets, we assess the scale of investment and then estimate the amount of low-carbon investments. ● Real estate: On the basis of the green building/energy-efficient label building investment amount at the end of 2025, the amount invested in green buildings/energy-efficient label buildings is estimated by comprehensively considering the progress of building construction, changes in building value, and the increase and decrease of green/energy-efficient building labels each year. ● The results show that Cathay Life Insurance can achieve the goal of "growth in low-carbon investments of 85% by 2026, 110% by 2030 and 115% by 2035, with 2020 as the baseline year," indicating that the current climate strategies and actions are climate-resilient. (Verification results and baseline: Achievement of key climate goals set internally)

Key climate indicators

When establishing key climate indicators for management, Cathay Life Insurance realizes that there are limitations in climate indicators and tools (e.g., coverage, data availability and time frame, and uncertainties in the methodology developed). However, these indicators are valuable as reference for governance, policy, and risk management.

- In terms of business operations, key climate indicators include the total energy use indicator and electricity and water use indicators. Please refer to 1.2 Environmental Sustainability on P.47 for details
- The key climate indicator for investment is "investment and lending portfolio carbon emissions." After considering the availability of data on the investment portfolio, we established a systematic climate tool to help the investment team understand the four major aspects of the investee company, including climate governance, carbon reduction performance, carbon reduction targets, and low-carbon transition planning. We also track and measure the changes in carbon emission data of the investment portfolio every year. see 1.1 Low-carbon Economy on P.25 for details

Nature-related disclosure indicators

The TNFD Global Core Disclosure Guidelines recommend that companies (including the financial industry) disclose relevant indicators to measure their dependency and impact on nature as well as the nature-related risks and opportunities they face. Furthermore, the guidance for the financial industry recommends disclosing the asset portfolio exposure to industries with high nature-related dependencies and impacts, as well as those located in sensitive areas.

In accordance with the TNFD recommendations, Cathay Life Insurance has preliminarily identified the extent to which investee companies' core businesses are affected by their industries' "climate change risks" and "nature risks." Given that nature-related factors involve more dependencies, impacts, and a broader range of industries, the evaluation results show that exposure to high nature risk is greater than exposure to high climate risk positions. See "Risk Management - Risk Assessment of Sensitive Industries" on P.149. After identifying the overall industry's exposure to nature-related factors, subsequent efforts will focus on "water resources" and "biodiversity" issues, assess the risks and management measures of investment portfolios regarding specific nature-related factors, thereby responding to the indicators of "resource use/replenishment," "state of nature," and "risk" in the guidelines related to dependencies and impacts. Furthermore, the amount of investment in nature-related industries will be disclosed to respond to the "opportunity" indicator.

Water resources

Water resources are a key aspect of corporate operations, and whether water resources can be stably obtained can create physical risks for corporate operations. Therefore, when assessing the nature-related risks of investment portfolios, Cathay Life Insurance focuses on the use of water resources by investee companies, and applies quantitative indicators to determine their dependency on water resources.

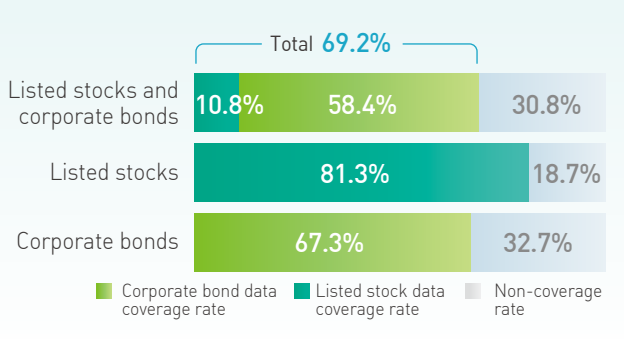
Resource use / replenishment - Total water withdrawal / water withdrawal intensity and physical risks - High water resource access risks

Total water withdrawal and water withdrawal intensity are used as indicators of resource use/replenishment to quantify the potential reliance on natural resources vis-a-vis water resources by companies that issued the listed stocks and corporate bonds in our investment portfolio. We also conducted cross-analysis with risk indicators for water resource availability (i.e., areas with scarce water resources) to identify the exposure of the Company's investment positions to water resource issues.

Note: 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).

Coverage ratio

The water withdrawal indicator covers 69.2% of positions of listed stocks and corporate bonds in the investment portfolio, in which the data coverage of listed stocks and corporate bonds is 81.3% and 67.3%, respectively.



Measurement results and management

After summarizing the data, the total water withdrawal of all investee companies in was approximately 2 trillion m3, overall water withdrawal intensity was 19,492 m3/USD million sales.

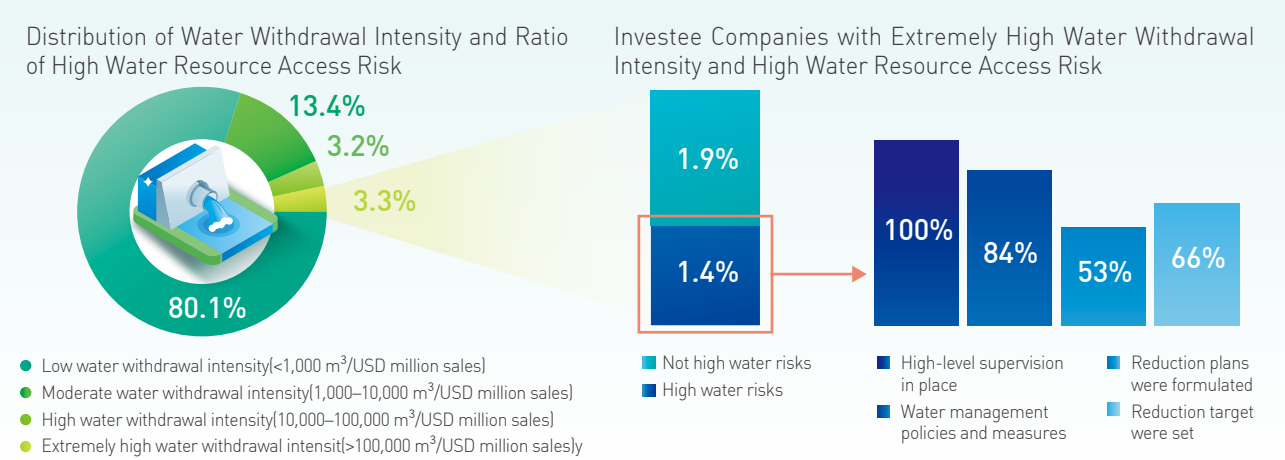
Water withdrawal intensity is divided into four risk areas and the proportion of investment positions is calculated. Overall, more than 90% of our investment positions are in the medium to low water withdrawal intensity range. If an investee company's water withdrawal intensity is extremely high and is located in an area with a higher water resource access risks, it may face physical risks such as operational disruptions or rising costs. Consequently, Cathay Life Insurance examines investee companies whose water withdrawal intensities are in extremely high areas and have water resource access risks. The results show that such investments only account for 1.4% of the portfolio, and the overall risk is still controllable.

In addition to reviewing the use of water resources by investee companies, Cathay Life Insurance also evaluates the maturity of its management in response to water resource issues based on the two aspects 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."

For investee companies with extremely high water withdrawal intensity and more assets with high water resource access risks, the analysis results showed that 100% of them have established a senior unit responsible for supervising water resource management strategies and performance. Furthermore, 84% have established water management policies and measures with high-level commitments, or cover water reduction plans, target setting, water footprint management, and supply chain management. In addition, 53% have implemented water reduction plans in operations, and 66% have set specific and quantified water consumption or water withdrawal reduction targets.

Overall, most investee companies have established a governance framework for water resource management and demonstrated a certain degree of high-level commitment. Related policies have gradually been incorporated into supply chain management measures. However, in terms of strategy execution, while certain companies have set clear and quantified long-term reduction targets at the, there is still room for improvement in the implementation of water-saving actions. In the future, Cathay Life Insurance will continue to pay attention to water resource issues and incorporate them into engagement topics, thereby helping investee companies strengthen the resilience of their water resource management under high water risk scenarios.

Note: For data integrity reasons, the analysis is based on the total water withdrawal data of the investee companies in 2023.



Biodiversity

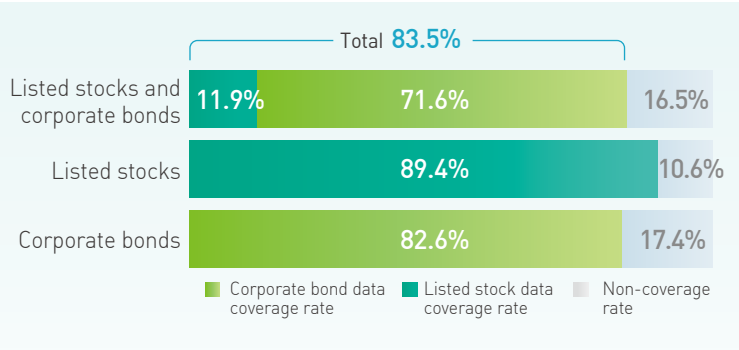
Forests play an important role in the maintenance of biodiversity. As a result, Cathay Life Insurance prioritizes analyses of the proportion of positions in "the deforestation front" and "global forest canopy loss high-risk areas" when conducting biodiversity impact assessments, and further uses "potentially disappeared fraction" (PDF) as a quantitative indicator to assess the extent of biodiversity loss.

(1)Exposure in sensitive areas indicator - Investing on the frontier of deforestation

Due to the expansion of agriculture (such as for planting soybeans and palm oil), logging, and population growth factors, tropical and subtropical areas have become the main hotspots for global deforestation. Highly concentrated deforestation activities not only cause the disappearance of large portions of forests, but also threatens the remaining forests. Accordingly, Cathay Life Insurance follows the recommendations for the indicators in the TNFD Core Metrics for Financial Institutions and prioritizes the analysis of investment in deforestation fronts.

Coverage ratio

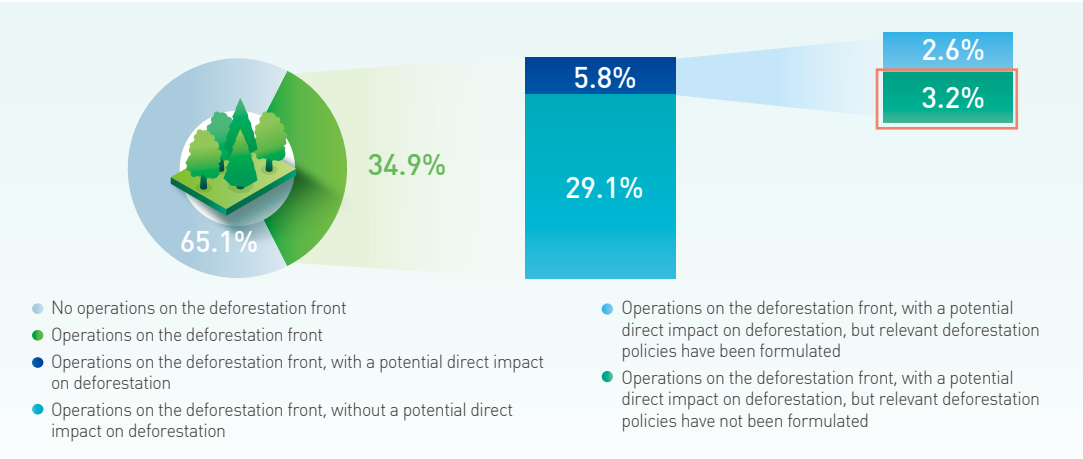
The investment in deforestation fronts indicator covers 83.5% of positions of listed stocks and corporate bonds in the investment portfolio, in which the data coverage of listed stocks and corporate bonds is 89.4% and 82.6%, respectively.



Measurement results and management

Based on the MSCI nature methodology, Cathay Life Insurance identified whether investee companies are engaged in deforestation front operations. In 2025, 34.9% of our listed equity and corporate bond investment positions were engaged in deforestation front operations. However, the location of operations alone has been determined to be insufficient to equate the impact of deforestation directly; further analysis showed that only 5.8% of investment positions have a potential direct impact on deforestation, and the overall risk is still controllable.

After determining the impact of investment positions on deforestation, the Company also assessed the management maturity of investee companies with high-risk positions in response to deforestation risks from the policy management level. Among the high-risk positions, accounting for 5.8% of the portfolio, 2.6% have already formulated related deforestation policies, while the remaining 3.2% do not yet have appropriate management measures. As described in the preceding paragraph, since agricultural expansion is a direct cause of deforestation, a lack of proper management and monitoring will further exacerbate related risks. Therefore, in addition to paying attention to whether a company has a deforestation policy, the Company also attaches great importance to the investment and management of the agricultural and forestry food industry, thus reducing the possible impact of deforestation on biodiversity (for management methods, please refer to the ESG risk review process for inclusion in the assessment of climate and nature risk impacts on P.147).



Note 1: Definition of operations on the deforestation front: The MSCI tool determines whether a company has more than three (inclusive) physical assets operating within 1.5 kilometers of the deforestation front.

Note 2: Definition of a potential direct impact on deforestation: The MSCI tool determines that one of the following conditions has been met: whether the company produces products that cause deforestation, whether it belongs to a high-risk industry located at the deforestation front, and whether it is involved in controversial incidents of deforestation.

(2)Transition risk indicator - Percentage of risks impacted by forest canopy loss

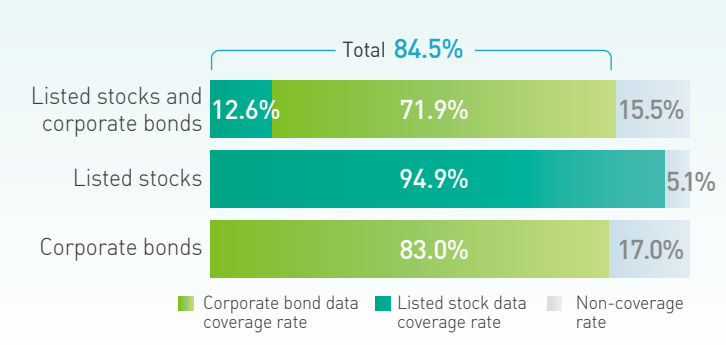
In terms of biodiversity, since deforestation is one of the main drivers of biodiversity loss, the Company prioritizes the analysis of investment positions in "deforestation fronts" that are highly deforested due to human economic development when conducting biodiversity impact assessments.

In addition, investment positions in "high risk of global forest canopy loss areas"[Note] were also included for evaluation. Although there are currently no significant deforestation activities in these areas and the forest is relatively undamaged, it is critical to the maintenance of biodiversity and ecological functions. We also prioritize the prevention of potential forest canopy loss due to business operations in the future, which may lead to regulatory, legal, or corporate reputation damage.

Note: The forest canopy refers to the area where the top layer of the forest is interwoven by tree branches and leaves, and encompasses leaves, twigs, and epiphytes. In addition to being an important zone for gas exchange in the forest, it is also the habitat of many animals and plants, which is critical to the maintenance of the biodiversity and ecological functions of the forest.

Coverage ratio

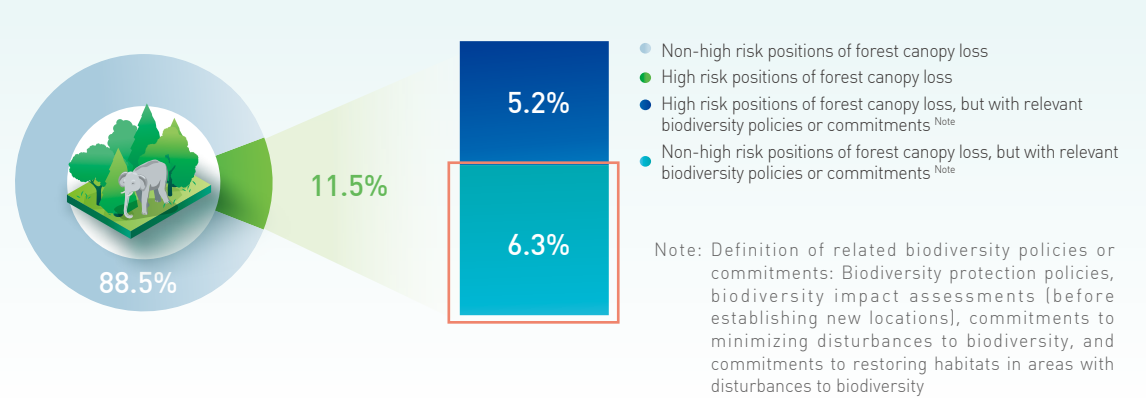
The high risk of global forest canopy loss indicator covers 84.5% of positions of listed stocks and corporate bonds in the investment portfolio, in which the data coverage of listed stocks and corporate bonds is 94.9% and 83.0%, respectively.



Measurement results and management

Based on the MSCI methodology, Cathay Life Insurance identified the proportion of assets affected by the loss of investee companies in forest canopy loss. In 2025, 11.5% of listed stocks and corporate bonds were exposed to the risk of forest canopy loss.

After determining the transition risks of our investment positions regarding biodiversity, the Company also evaluated the preparedness of investee companies in high-risk positions from the perspectives of policy management and corporate commitment. The results showed that among the 11.5% of positions at high risk for forest canopy loss, 5.2% have implemented relevant biodiversity policies or commitments. This shows that some companies have integrated biodiversity into their operational regulations and are willing to preemptively assess potential impacts on the natural environment as their corporate scale expands. In the future, the Company will continue to monitor whether high-risk positions possess appropriate management policies to mitigate the risks that may arise from biodiversity changes.



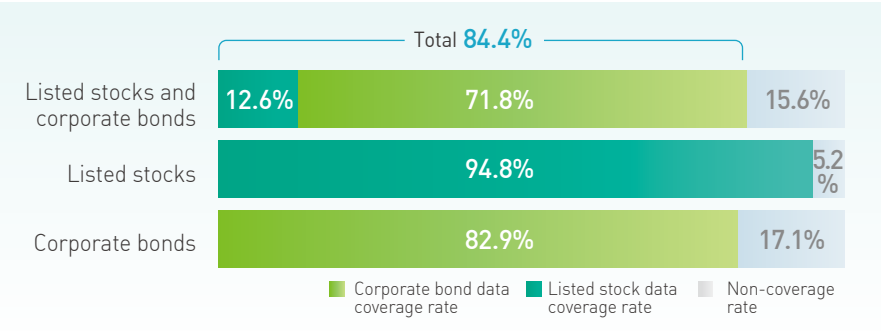
(3)State of nature indicator - Potentially disappeared fraction of species

After analyzing the potential impact of corporate operating activities in "high-density deforestation front areas" and "global forest canopy loss high-risk areas", Cathay Life Insurance further identified the impact of the Company's existing operating conditions on the future extinction of species and determined the negative effect on biodiversity. In accordance with the indicators in the TNFD Global Core Disclosure Metrics, changes in the state of nature can cover multiple aspects, so TNFD currently does not specify a single disclosure indicator, instead it encourages companies to disclose the overall status of the ecosystem and the extinction of species. For this reason, the Company uses the MSCI's "potentially disappeared fraction of species" (PDF) indicator as a measurement tool.

The MSCI's PDF indicator 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.

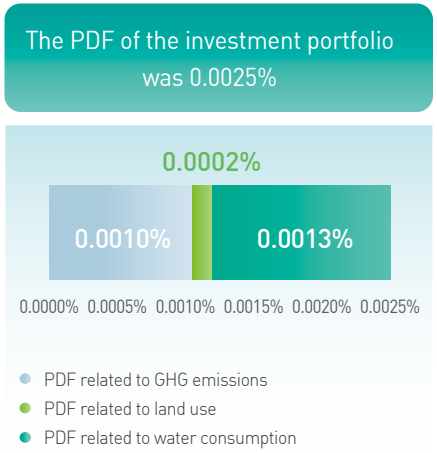
Coverage ratio

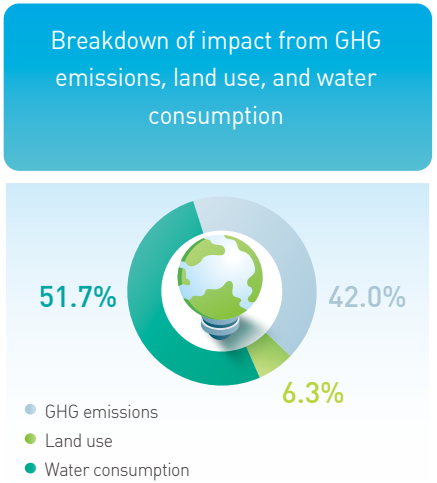
The indicator PDF covers 84.4% of the investment portfolio, in which the data coverage of listed stocks and corporate bonds are 94.8% and 82.9%, respectively.



Measurement results

Among the listed stocks and corporate bonds positions in 2025, companies may cause the extinction of 0.0025% 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.





Opportunity indicator - SDG investment

Cathay Life Insurance discloses the investment amounts in nature-related opportunities in accordance with the TNFD Global Core Disclosure Metrics. Among the 17 core SDGs of the United Nations, the amount among the Company's investment portfolio of operations or products that aligns with SDG6 "Clean Water and Sanitation" amounted to NT$611.7 billion, indicating that the Company's operating activities or products help maintain clean water sources and promote the construction of basic sanitation infrastructure, which benefits people's everyday lives. In addition, the amount that aligns with SDG14 "Life Below Water" reached NT$100 million, demonstrating the Company's operating activities' or products' contributions to promoting marine ecological protection and sustainable fishery management.

See 4.1 Responsible Investment on P.100 for details

Comparison Table of TNFD Indicators

	Corresponding TNFD Indicator		Disclosure Status of Cathay Life Insurance	Corresponding Page
Core Financial Indicators	FI.C0.0(Exposure to sectors)		The Group's assessment of climate and nature-related risks in sensitive industries	P149
	FI.C0.1(Exposure to sensitive locations)		Investing on the frontier of deforestation	P160
Global Core Indicators	Dependencies & Impacts - Natural change drivers	C3 (Resource use/ replenishment)	Total water withdrawal/ water withdrawal intensity	P159
		C5 (State of nature)	PDF	P161
	Risks and opportunities	C7.0 (Transition Risk)	Percentage of risks caused by forest canopy loss	P161
		C7.1(Physical Risk)	Percentage of high water resource access risk	P159
		C7.3 (Opportunity)	Investment amount in line with SDG 6 "Clean Water and Sanitation" and SDG 14 "Life Below Water"	P162

Appendix

Explanation of Changes to the Sustainability Strategy Blueprint for the 2025 FHC Sustainability Report

- With the vision of becoming a leading financial institution in the Asia-Pacific region, Cathay Financial Holdings leverages its core strengths in capital influence and risk management to actively advance sustainable finance. Since 2021, Cathay Financial Holdings has aligned Group-wide consensus through its Sustainability Strategy Blueprint, establishing three core sustainability pillars, namely Climate, Health, and Empowerment, and further extending them into six action dimensions: Low-Carbon Economy, Environmental Sustainability, Health Promotion, Financial Health, Workplace Empowerment, and Social Empowerment. Specific implementation plans and quantifiable, trackable targets have been established, with progress reviewed and reported annually to the ESG Strategy Committee, Corporate Sustainable Development Committee, and the Board of Directors of the financial holding company. Continuously creating long-term value.
- In response to rapidly evolving global conditions in recent years, including the restructuring of the global political and economic landscape, post-pandemic shifts in the operating environment, and the rapid evolution of sustainability disclosure and regulatory requirements, Cathay Financial Holdings initiated its first comprehensive review of the Sustainability Strategy Blueprint and its targets after five years of implementation. The overall target achievement rate reached 83% (Note), with certain action dimensions, such as Health Promotion and Social Empowerment, achieving completion rates of over 90%. Results related to the 2025 targets have been reported to the ESG Strategy Committee, Corporate Sustainable Development Committee, and the Board of Directors of Cathay Financial Holdings in accordance with established governance procedures, and are also disclosed in the appendix to this report.
- Upholding the spirit of continuous improvement, Cathay Financial Holdings brought together senior executives from the financial holding company and its five subsidiaries to review international trends and current business conditions. With a more ambitious, forward-looking, and systematic perspective, supported by rigorous governance and review mechanisms, the Group continuously refines its Sustainability Strategy Blueprint and related targets, with the aim of creating broader and more meaningful sustainability impact. Cathay Financial Holdings has comprehensively enhanced its approach from issue selection and target management to action implementation, while continuing to build on its six action dimensions and expanding its positive impact based on existing achievements:
  - In response to emerging sustainability trends at home and abroad, Cathay Financial Holdings continues to expand the impact of sustainable finance: Cathay Financial Holdings continues to stay attuned to stakeholder priorities and focuses on key issues that are critical to the long-term development of both Taiwan and the world. In response to the growing global focus on nature-related issues and Taiwan's formal transition into a super-aged society, Cathay Financial Holdings has added "Nature and Biodiversity: Promoting Nature-Positive Actions" under the Environmental Sustainability dimension, as well as "Empowering Older Adults: Enablers of Healthy Aging" under the Social Empowerment dimension, together with their corresponding tracking targets.
  - Systematically reviewing goals for sustainability to strengthen the Group's resource allocation and management effectiveness: Existing goals for sustainability are systematically reviewed based on strategic relevance, materiality, and implementation progress, with differentiated management principles adopted to focus resources on initiatives that generate substantive impact across Climate, Health, and Empowerment, while maintaining consistency with the Company's overall sustainable development commitments. Targets that have been achieved ahead of schedule or for which regular management mechanisms have already been established are transitioned to subsidiaries or relevant units for ongoing management and tracking as part of routine operations.Items that no longer align with current development priorities due to changes in the operating environment or strategic adjustments are removed from the Sustainability Strategy Blueprint targets following evaluation through internal review procedures.Targets of strategic importance, regardless of whether they have already been achieved, remain included in the Sustainability Strategy Blueprint and continue to be regularly reviewed and tracked through rigorous governance mechanisms.
  - Continuous alignment with the latest sustainable finance standards: As domestic and international sustainable finance product regulations, net-zero methodologies, and related standards (such as ISSB and SBTi) continue to mature, the baseline years, calculation methods, and statistical approaches for certain indicators have been standardized to enhance comparability and transparency.

Note: The target achievement rates and related data for Low-Carbon Economy and Environmental Sustainability are currently undergoing external assurance and verification. Any adjustments will be based on the final confirmed results

Sustainability Strategy Blueprint (2026-2035) Goals

Sustainability Theme	Strategic Direction	Sustainability Strategy Blueprint (2026-2035) Goals
Climate	Low-Carbon Economy	Science Based Targets-Carbon Reduction Path of the Investment Portfolio • 2030: S1+S2: 2.42℃, S1+S2+S3: 2.56℃ • 2035: S1+S2: 2.08℃, S1+S2+S3: 2.28℃ Note: Cathay Life Insurance follows scientifically based quantitative decarbonization methodologies and has established decarbonization pathways for its investment portfolio. Together with its parent company, Cathay Financial Holdings, the Company set targets that were approved by the SBTi in 2022. The targets presented here are those of Cathay Life Insurance. Based on the methodology approved by the SBTi in 2022, the Company established decarbonization pathways for 2030 and 2035. Cathay Life Insurance plans to reassess its SBT targets in alignment with the timeline of Cathay Financial Holdings and will update the targets in accordance with the final review results.
		Gradually withdraw from coal-related industries that do not actively engage in transition • 2030 and 2035: For OECD countries, no new investment in coal power, coal mining, coal freight, and coal services with coal expansion plans or coal accounting for more than 5% of revenue (the threshold for non-OECD countries is still 20%). Gradually withdraw from the unconventional oil and gas, which does not engage in proactive transition • 2030 and 2035: For OECD countries, no new investments in companies with more than 20% of revenue from unconventional oil and gas and not actively engaging in transition (the threshold for non-OECD countries is still 30%)
		Engagement initiatives and engagement actions • 2030 and 2035: Participate in 5 domestic and international climate or nature-related engagement initiatives, and study the feasibility of participating in other international responsible investment initiatives, including those related to climate change • 2030 and 2035: Engage with domestic TWSE/TPEx-listed companies accounting for 55% of financed emissions from investment and financing positions
		Low-carbon investments • 2030: Increase low-carbon investment amount by 110% using 2020 as the baseline year • 2035: Increase low-carbon investment amount by 115% using 2020 as the baseline year Note: In response to the increasingly granular industry classifications adopted by international databases, certain investments previously classified as low-carbon investments were re-evaluated and determined to no longer meet the definition of low-carbon investments. Accordingly, the calculation scope was adjusted, baseline year figures were retrospectively revised, and the medium- and long-term targets were updated accordingly.
	Environmental Sustainability	Green Energy • Fulfilling the RE100 commitment to increase renewable energy use 1.100% renewable electricity across all Taiwan operational sites by 2030 2.Renewable electricity to account for 60% of total electricity consumption across global operational sites by 2030, and 75% by 2035 • Expand solar power facilities in self-owned buildings to strengthen green electricity self-generation and self-consumption Cumulative installed capacity of solar facilities for self-generation and self-consumption to reach 7,500 kW by 2030, representing a 3,750% increase compared with 2020 Continue increasing the cumulative installed capacity of solar facilities for self-generation and self-consumption to strengthen the Company's sustainable brand value, a 2035 target

Sustainability Theme	Strategic Direction	Sustainability Strategy Blueprint (2026-2035) Goals
Climate	Environmental Sustainability	Green Operation • Fulfilling SBT commitments through carbon reduction in [Scope 1] and [Scope 2] emissions 1.Aligned with the 1.5℃ scenario, achieve a cumulative carbon reduction of 42% by 2030 and 63% by 2035 compared with the 2020 baseline 2.Linking the performance evaluation of the President and General Managers of Cathay Financial Holdings and its subsidiaries to carbon reduction performance (2030/2035) • Reduce [Scope 1] emissions to decrease reliance on fossil fuels Achieve 100% adoption of new energy vehicles with separate targets for 2030 and 2035 • Reduce [Scope 2] emissions by promoting energy-saving practices through carbon pricing mechanisms 1.Continue promoting energy-saving competitions and integrating them into the internal carbon pricing mechanism, extending this mechanism across the Company to encourage employees to adopt energy-saving practices with separate targets for 2030 and 2035 2.Progressively establish an internal carbon pricing mechanism to internalize carbon emission costs and enhance carbon reduction awareness among departments and employees (1)Establish a comprehensive internal carbon pricing mechanism and carbon fee estimation system, gradually integrating carbon cost considerations into departmental management and planning processes with 2030 as the target year of completion (2)Incorporate internal carbon pricing into operational decision-making and capital expenditure evaluation mechanisms to strengthen carbon cost internalization and support the Company's net-zero transition and long-term carbon reduction targets with 2035 as the target year • Implement [Scope 2] emissions management by gradually expanding the coverage of the energy management system and promoting cost savings, energy conservation, and green electricity management Continue collecting and integrating electricity consumption data across all locations, leveraging foundational electricity monitoring and early warning mechanisms to effectively manage cost savings, energy conservation, and green electricity use with separate targets for 2030 and 2035 • Advance [Scope 3] emissions inventory and reduction for financial products and services through digitalization, reducing carbon emissions across the product life cycle Complete ISO 14067 product carbon footprint inventory and verification for at least one product, or obtain the Ministry of Environment's Carbon Label by 2030/2035 • Promote sustainable procurement and supply chain collaboration to reduce the environmental impact of operations, advance resource circularity and ecological protection, and establish a sustainable partnership model across the supply chain 1.Hold annual supplier conferences to build consensus on sustainable green transformation and drive collective impact with separate targets for 2030 and 2035 2.Achieve an annual growth rate of 3% compared with the 2023 baseline year with separate targets for 2030 and 2035 • Implement [Scope 3] water resources and waste reduction initiatives to generate a positive environmental impact 1.Annual per capita water consumption (offices and business locations): 13.9 m^3/year by 2030 and 13.8 m^3/year by 2035 2.Annual per capita waste generation (offices and business locations): 24.3 kg/year by 2030 and 23.9 kg/year by 2035
		Green Real Estate • Advancing building ESG transformation to create low-carbon and sustainable spaces 1.Disclose annually the status of green building certifications, such as Taiwan Green Building certification or U.S. LEED certification, obtained for newly constructed buildings, as well as other ESG certifications obtained during the year, with separate targets for 2030 and 2035 2.Cumulatively obtain 50 Level 2 (or above) Energy Efficiency Label certificates by 2030Continue improving building energy efficiency and obtaining Energy Efficiency Label certificates to advance energy performance upgrades for commercial office building assets by 2035 • Implement environmentally friendly renovations to reduce environmental impact Expenditure on renovations for business locations (including offices) that complies with green procurement requirements to account for at least 75% by 2030;Continue increasing the proportion of green procurement expenditure in line with developments in the building materials market by 2035 • Become a smart green landlord to support tenants in reducing carbon emissions 1.Promote green leasing initiatives for commercial office buildings across the six metropolitan areas, providing at least 20 million kWh of green electricity services annually by 2030;Continue expanding green electricity services, moving toward the goal of providing green electricity services in every Cathay Life Insurance building by 2035 2.Provide a new-generation office service space HUB centered on data governance, employee well-being, and energy conservation and carbon reduction, becoming a smart green landlord that connects locations across the six metropolitan areas by 2030;Continue expanding the number of HUB locations, broadening service coverage from point to area by 2035

Sustainability Theme	Strategic Direction	Sustainability Strategy Blueprint (2026-2035) Goals
Climate	Environmental Sustainability	Nature and Biodiversity • Support nonprofit organizations, industry–academia collaboration, and local industries to advance nature conservation initiatives Support at least two nature-positive projects each year, with separate targets for 2030 and 2035
Health	Health promotion	Customer Health • Number of participants (members) in the FitBack Health Promotion Program to reach 3 million by 2030 • Number of participants (members) in the FitBack Health Promotion Program to reach 4 million by 2035 • Add three new health promotion service offerings each year (2030/2035) • Support members in health management, with total annual health management interactions reaching 48 million by 2030 • Support members in health management, with total annual health management interactions reaching 64 million by 2035 • Train 900 people each year to obtain Healthy Home certification by 2030 • Achieve a cumulative total of 10,000 individuals trained to obtain Healthy Home certification by 2035 • Achieve an 80% adequate coverage rate for insured persons under newly issued medical insurance (hospitalization insurance) policies each year, defined as cumulative daily hospitalization coverage of at least NT$2,000 (2030/2035) • Achieve a 30% proportion of policyholders aged 55 and above holding A&H products (2030/2035) • Achieve an 80% completion rate among employees for health expertise training (Dementia-Friendly Angel Training Program) by 2030 • Increase the proportion of employees completing health expertise training (Dementia-Friendly Angel Training Program) to 85% by 2035
		Social Health • Promote nationwide health initiatives, with the annual step target for the "Every Step Counts" campaign reaching 150 billion steps by 2030 • Promote nationwide health initiatives, with the annual step target for the "Every Step Counts" campaign reaching 200 billion steps by 2035
		Employee health • Continue enhancing health promotion initiatives and maintain the proportion of employees with a normal BMI at 53% (2030/2035) • Achieve an annual walking target of 15 billion steps for employees under the "Every Step Counts" program (2030/2035) • Achieve 18,200 employees reaching FitBack Practitioner level or above by 2030 • Achieve 19,700 employees reaching FitBack Practitioner level or above by 2035 • General employee cancer screening rate reached 85%. (2030) • Achieve an 88% cancer screening rate among general employees by 2035 • Provide employees with effective Employee Assistance Programs (EAP) and achieve an 85% satisfaction rate in employee mental health self-assessments (2030/2035) • Maintain the effectiveness of ISO 45001

Sustainability Theme	Strategic Direction	Sustainability Strategy Blueprint (2026-2035) Goals
Health	Financial Health	Guardian of customers' assets • Use financial planning tools to help individuals establish sound investment portfolios, with the number of users of financial planning tools reaching 100,000 by 2030/2035 • Reduce customers' fraud risk, with participation in in-person anti-fraud education and awareness activities reaching 10,000 people by 2030/2035 • In response to evolving fraud schemes, participate in or implement at least one new anti-fraud initiative promoted either by public authorities or by the Company (2030/2035)
		Financial Inclusion • Achieve an 85% share of smart services in the total service volume of the customer service center by 2030 • Achieve an 90% share of smart services in the total service volume of the customer service center by 2035 • Issue resolution rate of customer inquiries handled by the digital smart assistant reaches 95% (2030, 2035) • Digital self-service adoption rate among senior customers reaches 47% (2030) • Digital self-service adoption rate among senior customers reaches 48% (2035) • Number of SMEs fully covering group insurance premiums for employees reaches 24,000, supporting enterprise risk transfer, stable operations, and fulfillment of corporate responsibilities (2030) • Number of SMEs fully covering group insurance premiums for employees reaches 30,000, supporting enterprise risk transfer, stable operations, and fulfillment of corporate responsibilities (2035) • Number of beneficiaries of microinsurance and small-amount insurance reaches 120,000, providing basic insurance coverage for disadvantaged groups and broader protection for the public (2030) • Number of beneficiaries of microinsurance and small-amount insurance reaches 150,000, providing basic insurance coverage for disadvantaged groups and broader protection for the public (2035) • Financial education initiatives for specific groups reach 17 sessions and 850 participants annually (2030) • Financial education initiatives for specific groups reach 17 sessions and 1020 participants annually (2035)
Empowerment	Workplace Empowerment	Employee Reskilling • Annual digital capacity training completion rate reached 80% (2030-2035) • Sustainability training: Achieve a 90% completion rate in foundational ESG online courses ((2030-2035) • Completion rate of 3 hours of ESG sustainable finance training courses: 100% (targeting senior managers and personnel engaged in investment and financing activities) (2030-2035) • Number of Sustainable Finance Certification – Basic Competency certificates reaches 1,200 (2030) • Number of Sustainable Finance Certification – Basic Competency certificates reaches 1,600 (2035)
		Employee Upskilling • Satisfaction rate of 4 points (out of 5) for annual job dedication training (2030-2035) • Competency feedback survey shows 85% of employees demonstrate common competencies that meet the required standards (2030–2035)

Sustainability Theme	Strategic Direction	Sustainability Strategy Blueprint (2026-2035) Goals
Empowerment	Workplace Empowerment	Building a leadership Pipeline • Retention rate of high-potential talent in the succession talent pool reaches 80% (2030–2035) • Retention rate of high-potential young talent in the talent pool reaches 50% (2030–2035)
		A workplace of Diversity, Equity & Inclusion • Retain 80% of employees taking parental leave (2030-2035) • 50%±5% of employees are female (2030-2035) • 40%±5% of STEM talents are female (2030-2035) • 50%±5% of all managers are female;30%±5% of mid-level and senior managers are female;50%±5% of entry-level managers are female (2030-2035) • Completion rate of inclusive leadership training reaches 90% (2030–2035)
	Social Empowerment	Supporting the Underprivileged • 300 students benefited (2030) • 320 students benefited (2035) • 170 beneficiary schools (2030) • 180 beneficiary schools (2035) • Number of featured public welfare project proposals receiving grants reaches 40–45 cases (2030, 2035) • Total volunteer participation reaches 10,000 person-times (2030, 2035) • Total volunteer service hours reach 60,000 hours (2030, 2035) • Volunteer identification with the Company reaches a score of 4 or above (2030, 2035) Empowerment of the Elderly • Nationwide coverage rate of support locations in Taiwan reaches over 40% (2030) • Nationwide coverage rate of support locations in Taiwan reaches over 80% (2035)
Governance	Information Security and Customer Privacy	• Obtain ISO certifications or pass the compliance tests for a total of 6 items in the field of information security to enhance the resilience of information security in multiple aspects • Include all back office departments in the scope of ISO 27001 certification, verifying the overall information security system using international standards for the implementation of information security management • Maintain the validity of 2 international certifications "BS10012 Personal Information Management System" and "ISO29100 Privacy Framework" to ensure that customer privacy mechanisms remain effective • Evaluate and plan the implementation of the "ISO 27701 Privacy Information Management System" to enhance personal data protection and privacy management measures through information security, and strengthen the Company's sustainable development

PSI Index

In 2012, the United Nations Environment Programme Finance Initiative (UNEPFI) formulated and promulgated the Principles for Sustainable Insurance (PSI) as the sustainable development guidelines for the insurance industry.

Cathay Life Insurance became Asia's first life insurance company to adopt UNEP FI's Principles for Sustainable Insurance (PSI) on its own initiative in 2016. The four principles incorporate ESG into the business decision making process. We are jointly promoting ESG with our customers, partners, government agencies, and other stakeholders.

● Principle 1: Incorporating ESG issues into the insurance company's decision-making process

Stakeholders		Description	Corresponding Chapter	Page
Board of Directors Employees	Company Strategy	Cathay Life Insurance established the Cathay Life Corporate Sustainability (CS) Team in 2016 in compliance with Cathay Financial Holdings' CS Committee Organizational Framework, and further established the Sustainability and Brand Strategy Department in 2024. The president is a supervisory committee member, and vice presidents (inclusive) and higher level management positions serve as executive officers who supervise the team's operations.	About Cathay Life Insurance	P.8
		The CS team incorporates ESG issues into decision-making for routine operations, reports the progress of corporate sustainability to the Board of Directors every six months, and periodically meets with senior executives to discuss ESG issues.		
		Establish an internal compliance culture and offer courses on compliance, information security, AML/CFT, and anti-proliferation. Improve employees' understanding of corporate sustainability through online and in-person courses and channels.	5.1 Sustainability Governance	P.132-133
		We created a healthy workplace with diversity, equality and safety through mechanisms and welfare policies. We provide multiple internal communication channels to respond to employees' voices and protect employees' rights, and have created a learning environment for diverse forms of learning and complete career development.	3.1 Workplace Empowerment	P.86
Managers	Risk Management	Develop quantified financial risk and emerging risk models through industry-academia cooperation.	5.1 Sustainability Governance	P.128-129
		Adjusted strategies for investments, products, and fees in advance to smoothly transition to and reduce the impact of IFRS 17.		
		Establish an inter-departmental and cross-subsidiary TCFD team, and identify climate-related risks and opportunities by the four-pillar framework of governance, strategy, risk management, indicators and targets.	5.2 Climate-Related/ Nature-Related Financial Disclosures (TCFD/TNFD)	P.135
Investors and borrowers	Investment management	Incorporated the Principles for Responsible Investment (PRI) into the investment decision-making process by formulating regulations and mechanisms.	4.1 Responsible Investment	P.102-106
		Established the Cathay Life Insurance Stewardship Principles, interacted with investee companies through dialogue, engagement, and the exercise of voting rights, actively implemented the stewardship principles for institutional investors, and issued Responsible Investment and Stewardship Reports each year.		
		Cathay Financial Holdings has held the Cathay Sustainable Finance and Climate Change Summit for 9 consecutive years, inviting industry, government, and academia leaders and investees to discuss domestic and international trends and share their experience. This has been an important event for promoting sustainable development in Taiwan.	1.1 Low-Carbon Economy	P.43

Stakeholders		Description	Corresponding Chapter	Page
Customers	Products and services	Continue to offer innovative products in response to sustainability issues, and help each group gain a safety net of basic coverage.	2.1 Health Promotion	P.63-64
		Launched spillover-effect insurance policies that combine member health promotion plans with incentive mechanisms (e.g., premium discounts) to extend the function of insurance from ex-post compensation to ex-ante prevention by encouraging policyholders to become healthier.	2.1 Health Promotion	P.63-64
		Established the customer-centric Treating Customers Fairly Committee to listen to the voices of customers, and used the power of digital technology and innovation to provide customers with a more convenient, safe, and fast service experience.	2.2 Financial Health	P.74
	Sales promotion	Disclosed information to enable customers to fully understand the products they purchased and their rights, and use a variety of materials to raise their insurance awareness.	2.2 Financial Health	P.56
	Claims management	We led the industry in promoting mobile insurance to improve the quality of claims services, and also provide a variety of claims services to simplify claims application procedures for customers.	2.2 Financial Health	P.71-73
	Underwriting management	We incorporated ESG considerations in underwriting processes such as ethical hazards, fairness, inappropriate sales, and personal data protection.	5.1 Sustainability Governance	P.74
		Establish a model and system to calculate the risk score of new insurance contracts, with automatic alerts to help improve insurance underwriting decisions.		P.129

● Principle 2: Raise awareness of ESG issues among customers and business partners

Stakeholders	Description	Corresponding Chapter	Page
Customers	Promote "FitBack" which integrates a mobile app and incentive mechanisms to encourage the public to develop healthy exercise habits.	2.1 Health Promotion	P.60-62
	Introduce spillover-effect insurance and encourage policyholders to develop healthy habits through mechanisms such as premium discounts and various activities, and by transforming the function of insurance from ex-post compensation to ex-ante prevention.		P.63-64
	We have promoted e-policies and paperless services, and calculated the carbon footprint of insurance services, becoming the first life insurance company in Taiwan to obtain the Carbon Reduction Label from the Environmental Protection Administration, allowing consumers to identify low-carbon choices.	2.2 Financial Health	P.71-72
	Use FinTech applications such as "Alpha" and mobile insurance to improve the service efficiency of sales agents and customer experience.		
Suppliers	Co-organize corporate sustainability sharing events with suppliers together with Cathay FHC and communicate ESG issues with suppliers.	1.2 Environmental Sustainability	P.24、51
	Promote green procurement; green procurement spending amounted to approximately NT$810 million in 2025.		

Principle 3: Jointly promote ESG with the government and other stakeholders

Stakeholders	Description	Corresponding Chapter	Page
Government	Issued a Responsible Investment and Stewardship Report to show our stewardship as an institutional investor.	4.1 Responsible Investment	P.100
	Cathay Life Insurance supports Taiwan's 2050 net-zero emissions pathway and strategy by prioritizing investments in areas such as sustainable development bonds, the 12 key strategic industries, and supporting economic activities, thereby helping meet enterprises' financing needs for low-carbon transition and promoting an orderly transition toward a green economy.	4.1 Responsible Investment	P.113
	Develop a series of spillover-effect products for health promotion. Provide student group insurance to protect students' health.	2.1 Health Promotion 2.2 Financial Health	P.63 P.68
	Participate in the promotion of sustainable finance and TCFD by the Life Insurance Association, sharing our experience to help promote sustainability in the industry.	5.2 Climate-Related/Nature-Related Financial Disclosures (TCFD/TNFD)	P.134
	Jointly implement the Sustainable Campus Project with the K-12 Education Administration of the Ministry of Education. Cooperate with the Criminal Investigation Bureau of the National Police Agency to promote anti-fraud activities.	2.1 Health Promotion 2.2 Financial Health	P.57 P.76
	Use self-generated renewable energy, purchase renewable energy certificates, implement green procurement, apply for carbon footprint labels, and support the government's environmental policies.	1.2 Environmental Sustainability	P.47
Other major stakeholders	Jointly develop quantified financial risk and emerging risk models with academia to complete risk mechanisms.	5.1 Corporate Governance	P.129
	Actively respond to the initiatives taken by international organizations and related to ESG, including: AIGCC, ACGA, Ceres Valuing Water Finance Task Force, CDP Non-Disclosure Campaign, Climate Action 100+, Asia Utilities Engagement Program, Nature Action 100, TCFD, TNFD,and PCAF.	1.1 Low-Carbon Economy	P.36
	Collaborate with numerous NGOs to jointly promote sustainability issues, such as health promotion and education for second-generation immigrants.	3.2 Social Empowerment	P.91
	Promote sustainability concepts to stakeholders through a variety of online channels and physical events.	1.2 Environmental Sustainability	P.23

Principle 4: Regularly disclose PSI implementation progress

Stakeholders	Description	Corresponding Chapter	Page
Other major stakeholders	Issued Sustainability Reports prepared in accordance with the GRI Standards since 2018. Relevant results are disclosed according to the PSI with a third party for assurance and verification.	About this Report	P.1

GRI Index

Usage Statement	Reporting contents from January 1, 2025 to December 31, 2025 according to the GRI Standards.
Version of GRI 1 used	GRI 1: Foundation 2021

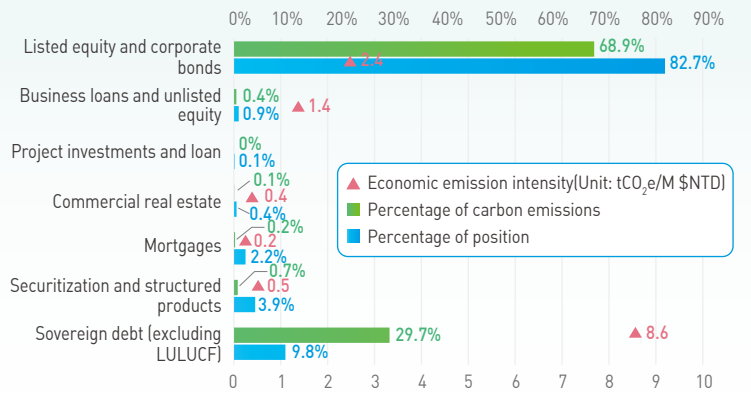
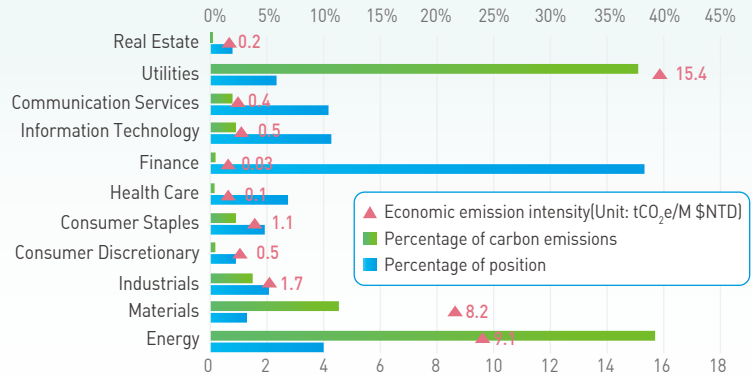
GRI Standards	Disclosure Items	Corresponding Chapter	Page/ description omitted
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organization details	About Cathay Life Insurance	P.4
	2-2 Entities included in the organizational sustainability reporting	About this Report	P.1
	2-3 Reporting period, frequency, and contact person	About this Report	P.1
	2-4 Restatements of information	About this Report	P.1
	2-5 External guarantee/assurance	About this Report	P.1
	2-6 Activities, value chain, and other business relationships	About Cathay Life Insurance	P.4
	2-7 Employees	Appendix	P.184
	2-8 Non-employee workers	Appendix	P.184
	2-9 Governance framework and composition	5.1 Corporate Governance	P.123
	2-10 Nominating and selecting the highest governance body	5.1 Corporate Governance	P.123
	2-11 Chair of the highest governance body	5.1 Corporate Governance	P.123
	2-12 Role of the highest governance body in the monitoring of impact management	Sustainable Organization	P.8
	2-13 Appointment/assignment of responsible personnel for impact management	Sustainable Organization	P.8
	2-14 The role of the highest governance body in sustainability reporting	Sustainable Organization	P.8
	2-15 Conflicts of interest	5.1 Corporate Governance	P.123
	2-16 Communicating critical concerns	Stakeholders and Material Topics	P.13
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	5.1 Corporate Governance	P.123
	2-18 Performance evaluation of the highest governance body	5.1 Corporate Governance	P.123
	2-19 Remuneration policy	5.1 Corporate Governance	P.126
	2-20 Process for determining remuneration	-	The Company's confidential information
	2-21 Annual total remuneration ratio	-	The Company's confidential information
	2-22 Sustainable Development Strategy and Framework	About Cathay Life Insurance	P.2、P.3
	2-23 Policy commitment	Strategy Blueprint and Goals	P.10
	2-24 Inclusion of policy commitments	Strategy Blueprint and Goals	P.10
	2-25 Negative impact remedial procedures	5.1 Corporate Governance	P.131
	2-26 Mechanisms for advice and concerns	5.1 Corporate Governance	P.132
	2-27 Regulatory Compliance	5.1 Corporate Governance	P.131
	2-28 Membership in associations	About Cathay Life Insurance	P.4
	2-29 Stakeholder Engagement Paths	Stakeholders and Material Topics	P.13
	2-30 Collective bargaining agreements	-	No collective bargaining agreements
Material topics			
GRI 3: Material Topics 2021	3-1 Process for Determining Material Topics	Stakeholders and Material Topics	P.13
	3-2 List of material topics	Stakeholders and Material Topics	P.13

GRI Standards	Disclosure Items	Corresponding Chapter	Page/ description omitted
Risk Management			
GRI 3: Material Topics 2021	3-3 Material Topics Management	Chapter 5. Governance	P.121
Corporate Governance			
GRI 3: Material Topics 2021	3-3 Material Topics Management	Chapter 5. Governance	P.121
Ethical Corporate Management			
GRI 205: Anti-corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	5.1 Corporate Governance	P.133
	205-3 Confirmed incidents of corruption and actions taken		
Information Security and Customer Privacy			
GRI 3: Material Topics 2021	GRI 3: Material Topics 2021	Chapter 5. Governance	P.122
Health Promotion and Life Protection			
GRI 3: Material Topics 2021	GRI 3: Material Topics 2021	Chapter 2. Health	P.55
Sustainable Finance & Investment			
GRI 3: Material Topics 2021	GRI 3: Material Topics 2021	Chapter 4. Sustainable Finance	P.99
Legal Compliance and Response			
GRI 3: Material Topics 2021	3-3 Material Topics Management	Chapter 5. Governance	P.122
GRI 419: Socioeconomic Compliance 2016	419-1 Violation of social and economic laws and regulations	5.1 Corporate Governance	P.131

GRI Standards	Disclosure Items	Corresponding Chapter	Page/ description omitted
Employee Rights and Benefits			
GRI 3: Material Topics 2021	3-3 Material Topics Management	Chapter 3. Empowerment	P.79
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.1 Workplace Empowerment, Appendix	P.85
	401-2 Benefits for full-time employees (excluding temporary or part-time employees)		P.185
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		P.86
	404-2 Programs for upgrading employee skills and transition assistance programs		P.85
Customer Rights Protection and Service Quality			
GRI 3: Material Topics 2021	3-3 Material Topics Management	Chapter 2. Health	P.55
G4 Financial Services Sector Disclosures	FS15 Policies for the fair design and sale of financial products and services	2.2 Financial Health	P.68

SASB Index

Code	Indicator Description	Disclosure	Improvement Actions / Future Targets	Reference Section	Page
Topic: Providing Customers with Transparent Information and Fair Advice					
FN-IN-270a.1	Total monetary losses due to litigations arising from marketing and communication of insurance products to new/existing customers	• Official Website of Cathay Life Insurance/Information Disclosure/ Other Matters/ Matters Subject to Disposition by the Competent Authority in the Past Two Years https://www.cathaylife.com.tw/cathaylife/laws-policies/public-info/info-other	In accordance with the parent company, Cathay Financial Holdings' Code of Ethical Conduct and Integrity Management Guidelines, Cathay Life Insurance complies with all applicable management requirements for insurance agents and fully implements the Fair Customer Treatment Principles.	2.1 Health Promotion	P.56
FN-IN-270a.2	Claims complaint rate	The Claims complaint rate was 0.2317.	See Section 2.1 Health Promotion of the Sustainability Report.	2.1 Health Promotion	P.56
FN-IN-270a.3	Customer retention rate	The Customer retention rate was 0.9257.	See Section 2.1 Health Promotion of the Sustainability Report.	2.1 Health Promotion	P.56
FN-IN-270a.4	Description of Practices for Disclosing Product Information to Customers	• Cathay Life Insurance Sustainability Report/2.2 Financial Health • Official Website of Cathay Life Insurance/About Us/Brief Overview/Treating Customers Fairly Section https://www.cathaylife.com.tw/cathaylife/fairtreatmentpolicyarea/vision • Official Website of Cathay Life Insurance /Business and Products https://www.cathaylife.com.tw/cathaylife/	Maintain a strong commitment to integrity management and continuously strengthen the internal control system to prevent unethical conduct.	2.2 Financial Health	P.68-73
Topic: Integrating Environmental, Social, and Governance Factors into Investment Management					
FN-IN-410a.2	Description of Practices for Integrating Environmental, Social, and Governance (ESG) Factors into Investment Management Processes and Strategies	• Cathay Life Insurance Sustainability Report/4.1 Responsible Investment • Cathay Life Insurance Sustainability Website / Stewardship https://patronc.cathaylife.com.tw/ODAB/en/stewardship	See Section 4.1 Responsible Investment of the Sustainability Report.	4.1 Responsible Investment	P.102-104
Topic: Designing Insurance Policies That Encourage Responsible Behaviors					
FN-IN-410b.1	Premiums Written for Insurance Products Related to Energy Efficiency and Low-Carbon Technologies	As a life insurance company, Cathay Life Insurance does not underwrite insurance products related to energy efficiency or low-carbon technologies. Accordingly, this disclosure is not applicable.			
FN-IN-410b.2	Discussion of Products or Product Features That Encourage Responsible Health, Safety, or Environmental Actions and Behaviors	• Spillover-effect products incorporate health promotion incentive mechanisms into their policy terms, including incentive provisions such as premium discounts and increased insurance coverage. Product pricing is determined in accordance with these incentive mechanisms and the applicable pricing requirements. • Cathay Life Insurance Sustainability Report/2.1 Health Promotion	See Section 2.1 Health Promotion of the Sustainability Report.	2.1 Health Promotion	P.56-67

Code	Indicator Description	Disclosure	Improvement Actions / Future Targets	Reference Section	Page
Topic: Financed Emissions					
FN-IN-410c.1	Total Absolute Financed Emissions from Investments and Financing, Disaggregated by (1) Scope 1, (2) Scope 2, and (3) Scope 3	• In 2025, total financed emissions from investments and loan amounted to 15,495,377 tCO_2e for Scope 1 and Scope 2, and 60,855,449 tCO_2e for Scope 3. (For the asset classes covered under Scope 1 and Scope 2, please refer to page 31 of the Sustainability Report. Scope 3 covers listed equity and corporate bond investments.)	The Company conducts an annual assessment of the financed emissions associated with its investment portfolio using the PCAF methodology as one of its internal ESG management measures. The results are used to monitor whether the carbon emissions of the investment portfolio are progressively declining over time.	1.1 Low-Carbon Economy	P.32-35
FN-IN-410c.2	Total Exposure by Asset Class and Industry	Distribution of financed emissions by asset  	See Section 2.1 Health Promotion & Sustainability Strategy Blueprint of the Sustainability Report.	1.1Low-Carbon Economy Sustainability Strategy Blueprint	P.32-35 P.164
FN-IN-410c.3	Percentage of Total Exposure Included in the Financed Emissions Calculation	Distribution of financed emissions by industry  			

Code	Indicator Description	Disclosure	Improvement Actions / Future Targets	Reference Section	Page
FN-IN-410c.4	Description of the Methodology Used to Calculate Financed Emissions	• Calculated in accordance with the latest methodology published by the Partnership for Carbon Accounting Financials (PCAF) in December 2025, with reference to the guiding principles set out in the Practical Handbook on Financed Emissions for Scope 3 Investment and Financing Portfolios of Taiwan's Insurance Industry.	-	1.1 Low-Carbon Economy	P.31
Topic: Exposure to Physical Risks					
FN-IN-450a.1	Maximum Probable Loss from Weather-Related Natural Hazards for Insurance Products	Cathay Life Insurance primarily provides life, health, accident, and annuity insurance. As the Company does not underwrite weather-related natural catastrophe insurance products for property and casualty insurance, this disclosure is not applicable.			
FN-IN-450a.2	Disclose, by event type and geographic region: (1)Total monetary insurance losses related to modelled natural hazards. (2)Total monetary insurance losses related to non-modelled natural hazards. (disclosed on both a gross and net of reinsurance basis.)	Cathay Life Insurance primarily provides life, health, accident, and annuity insurance. As the Company does not underwrite weather-related natural catastrophe insurance products for property and casualty insurance, this disclosure is not applicable.			
FN-IN-450a.3	Describe how environmental risks are incorporated into: The insurance underwriting process for individual insurance contracts; and Enterprise-wide risk management and capital adequacy management.	N/A			

Code	Indicator Description	Disclosure	Improvement Actions / Future Targets	Reference Section	Page
Topic: Systemic Risk Management					
FN-IN-550a.1	Disclose the following by category of derivative financial instruments: (1) Total potential exposure of non-centrally cleared derivative financial instruments; (2) Total fair value of collateral eligible for central clearing counterparties (CCPs); (3) Total potential exposure of centrally cleared derivative financial instruments.	N/A			
FN-IN-550a.2	Total fair value of collateral assets for securities lending transactions.	N/A			
FN-IN-550a.3	Describe the measures implemented to manage capital- and liquidity-related risks associated with systemic non-insurance activities.	• Consolidated financial statements and accountant audit reports of Cathay Life Insurance Co., Ltd. and its subsidiaries for 2025 and 2024/ Liquidity risk (P.148) https://reurl.cc/Dq0Zke	Cathay Life Insurance has established a comprehensive liquidity risk management framework by assessing and monitoring short-term cash flows in accordance with the nature of its business operations. In addition, the Company prudently manages market liquidity risk by taking into consideration market trading conditions and the liquidity characteristics of its investment positions.	-	-
FN-IN-000.A	Number of In-Force Policies, by Product Line: (1) Property and Casualty Insurance (2) Life Insurance (3) Assumed Reinsurance Business				

Insurance type	Property and Casualty Insurance	Life Insurance	Assumed Reinsurance Business	Total Number of Policies
Number of In-Force Policies as of December 31, 2025	-	48.937 million	-	48.937 million

Note: The figures include individual policies only and do not include group policies, which are calculated based on the number of insured persons.

Index of Guidelines for Climate-related Risks and Financial Disclosures in the Insurance Industry

Guidelines	Disclosure Items	Corresponding Chapter	Page
I	These Guidelines were established to strengthen management and disclosure of climate-related risks and opportunities in the insurance industry.	-	-
II	Insurance companies are required to establish appropriate mechanisms for climate-related risk management and opportunities based on the scale and nature of their business activities, and must disclose information on climate-related risk management in terms of governance, strategy, risk management, and metrics and targets. The status of climate-related risk management and opportunities shall be included in the corporate social responsibility report, and posted on the Company's website by June 30 each year.	5.2 Climate-Related/ Nature-Related Financial Disclosures (TCFD/ TNFD)	P.134
III	Insurance companies shall establish internal rules and mechanisms to regularly review whether they comply with the requirements under the Guidelines.		P.135
IV	(I)The board of directors and senior management shall ensure that the Company takes into account the identified climate-related risks when formulating its risk appetite, strategies, and business plans, with continuous monitoring of the management and disclosure of climate-related risks.		P.135
	(II)The Company may establish a committee that is subordinate to the board of directors, clearly differentiating the duties of the board of directors or a committee that is subordinate to the board of directors and senior management.		P.135
V	(I)Identifying the financial impact of climate-related risks and opportunities on finance, businesses, products, and investments		P.137
	(II)Prioritizing climate-related risks based on materiality		P.137
	(III)The impact of climate-related risks and opportunities shall be considered when setting annual business targets, as well as the Company's business, product, and investment strategies.		P.145
	(IV)Reviewing and adjusting the climate-related risk management policies according to the scenario-based analysis and stress testing results		P.139
VI	(I)Risk management and monitoring		P.146
	(I)Scenario analysis and stress testing		P.139
	((I)Investment management		P.147
VII	(I)Setting indicators for the assessment and management of climate-related risks		P.156
	(II)Setting climate-related risk management targets		P.156
	(III)Setting indicators to prioritize climate-related risks based on materiality		P.156
	(IV)Considering incorporating climate-related risk management into performance indicators		P.137

Sustainability Disclosure Indicator - Financial and Insurance

No.	Indicator	Type of Indicator	Annual Disclosure	Page
I	Number of data leakage events, percentage of data leakage events involving personal data, and number of customers affected by personal data violations.	Quantitative	In 2025, Cathay Life Insurance recorded eight cases of policyholder data leakage, all of which were classified at the lowest severity level.[NOTE] Personal data breaches accounted for 100% of the information leakage incidents, affecting a total of eight customers.	Charpter 5. Governance P.122
II	Number and balance of loans to assist the development of small enterprises and communities.	Quantitative	N/A	
III	Number of participants in financial education provided to underprivileged groups that lack access to bank services.	Quantitative	In 2025, Cathay Life Insurance launched the New Immigrant Life Consultation Digital Platform to provide new immigrants with information essential for living in Taiwan, including insurance services, language learning resources, and basic legal knowledge for daily life. The platform helps reduce information gaps and barriers to accessing financial services, and provided consultation services to 638 individuals.	2.2 Financial Health P.70
			Cathay Life Insurance partnered with the University of Taipei to establish a support network for healthy aging by organizing the Senior Fitness Workshop for adults aged 65 and above who live alone or are in the pre-frail or frail stages. The program promotes participants' physical, mental, and financial well-being. In addition, board games were incorporated into the curriculum to strengthen financial fraud prevention awareness. A total of 40 participants attended the program.	2.2 Financial Health P.70
IV	Products and services designed by each business operation to create environmental or social benefits	Qualitative Description	In 2025, Cathay Life Insurance achieved full adoption of spillover-effect mechanisms across its health insurance product portfolio, ensuring that every health insurance policy incorporates a spillover mechanism integrating insurance protection with health management. During the year, the Company had 585,000 spillover-effect insurance policies in force, generating approximately NT$34.78 billion in first-year premium income.	2.1 Health Promotion P.64
			Cathay Life Insurance has been a pioneer in promoting microinsurance since 2009. Working in partnership with local governments and social welfare organizations, the Company provides basic insurance protection to underserved and vulnerable groups in need of microinsurance coverage. As of the end of 2025, more than 170,000 microinsurance policies were in force, with total insurance coverage exceeding NT$55.7 billion.	2.2 Financial Health P.68
			Cathay Life Insurance launched its small-amount whole life insurance products in 2017, providing affordable basic protection through low eligibility thresholds and affordable premiums. As of the end of 2025, 272,000 policies were in force, providing approximately NT$91.8 billion in life insurance coverage to society.	2.2 Financial Health P.68
			Cathay Life Insurance continues to expand its renewable energy portfolio and operational expertise through direct investments in solar power projects and solar power generation subsidiaries. As of the end of 2025, the Company's cumulative investment had reached NT$4.27 billion, with a total grid-connected installed capacity of 520 MW.	4.1 Responsible Investment P.112
			In December 2025, Cathay Life Insurance and Cathay Power further jointly invested up to NT$34 billion to acquire a 55% stake in Ørsted's Greater Changhua 2 Offshore Wind Farm , which has an installed capacity of approximately 632 MW.	4.1 Responsible Investment P.112

Note: Classification is based on the information security incident severity definitions set forth in the Cathay Life Insurance Information Security Incident Reporting and Response Procedures.

● Survey on the Implementation of the "Financial-Giveback Initiatives" by the Insurance Industry

Reference Date: December 31, 2025

Category	Benefit Program	Implemented Benefit Measures and Outcomes	Disclosure of Benefit Initiatives	Page
Supporting Local Communities and Vulnerable Groups	Campus Sustainability Plan	▪ Anti-Drug Education 1. Since 2017, Cathay Life Insurance has been entrusted with administering the National Student Group Insurance Program commissioned by the Ministry of Education for eight consecutive years, providing personal accident protection for approximately 2.88 million students. In partnership with the K-12 Education Administration, Ministry of Education, Cathay Life Insurance has also promoted the Sustainable Campus Program. Since 2019, the program has focused on drug prevention education on campus. Nearly 6,000 Cathay Life Insurance volunteers have visited schools across Taiwan to organize classroom-based anti-drug e-sports competitions, reaching 1,491 schools with cumulative participation exceeding 239,000 attendances. Through the PaGamO online anti-drug missions, students learn drug prevention knowledge through gamified learning, attracting more than 3.044 million cumulative participations. 2.In 2024, Cathay Life Insurance collaborated with the K-12 Education Administration, Ministry of Education and the social enterprise School of Play to organize ten "Road of Destiny" anti-drug board game workshops across Taiwan and promote the "Path of Destiny+" online game. Following the training sessions, participant satisfaction reached nearly 98%, while more than 90% of participants agreed that "Path of Destiny" was highly effective in advancing anti-drug education. In 2025, the Company further enhanced the "Path of Destiny+" online game by lowering access barriers, increasing interactivity, and expanding the diversity of scenario design. In addition to drug-related risks, the upgraded game addresses a broader range of everyday issues, including family life, interpersonal relationships, and online social interactions, enabling students to learn through play anytime and anywhere. ▪ "Taiwan Unsung Hero" Campus Public Broadcast In 2025, Cathay Life Insurance joined forces with the Cathay Charity Foundation, Cathay United Bank Foundation, and Cathay Real Estate Cultural and Educational Foundation, in collaboration with the 3D Taiwan Association, to sponsor the campus public screening rights of the public service film "Taiwan Unsung Hero". The film has been introduced to nearly 400 schools in rural and underserved areas. Through film appreciation combined with curriculum-based learning, the initiative promotes life education, inspiring students to face adversity with courage while fostering resilience and hope.	■ Disclosed through News Media https://www.ctee.com.tw/news/20240117701439-430304 ■ Disclosed through News Media https://dailyview.tw/popular/detail/32699 https://www.ctee.com.tw/news/20251013701457-430305	2.1 Health Promotion P.58 3.2 Social Empowerment P.93
Supporting Local Communities and Vulnerable Groups	Dream Come True Program	▪ Since 2013, Cathay Life Insurance has organized the Dream Come True Program. Rather than simply providing financial assistance, the program encourages students in rural and underserved areas to overcome geographical and socioeconomic barriers by taking action to pursue their dreams. In 2025, the 12th Dream Come True Program selected 23 schools to participate, supporting 420 students in pursuing their aspirations. The program invested NT$2.4 million and extended care and support to 190 local students. ▪ In 2025, a total of 23 Dream Come True projects were implemented, empowering 420 students to pursue their dreams. The program awarded NT$4.04 million in Dream Come True Grants, helping students overcome limitations in resources and geographic accessibility while inspiring their intrinsic motivation and passion. In addition, the Dream Come True Documentary Award presented an extra NT$310,000 in prize money, using documentary storytelling to preserve the spirit of the program and showcase the inspiring journeys of students striving to achieve their dreams.	■ Disclosed through News Media https://udn.com/news/story/7241/8935740	3.2 Social Empowerment P.92

Category	Benefit Program	Implemented Benefit Measures and Outcomes	Disclosure of Benefit Initiatives	Page
Supporting Local Communities and Vulnerable Groups	Cathay Youth Excellence Scholarship	▪ Since 1980, the Cathay Public Welfare Group has provided scholarships for financially disadvantaged students. In response to evolving social needs, the program was transformed into the Cathay Excellence Scholarship Program in 2016, demonstrating the Group's commitment to empowering young people and inspiring them to drive positive change and address social and environmental challenges. The program consists of two categories—Special Achievement Scholarships and Outstanding Student Scholarships—with recipients selected by a panel of internal and external experts. In 2025, the program recognized 28 Special Achievement Scholarship projects and 100 Outstanding Students, awarding a total of NT$9.26 million in scholarships. ▪ In 2025, the Cathay Excellence Scholarship Program awarded nearly NT$10 million in scholarships to support students in transforming their futures. From 460 applications, 132 outstanding young individuals and teams were selected to receive a total of NT$9.26 million in scholarships. Through this program, Cathay aims to serve as a strong source of support for the next generation, working together with young people to expand positive social impact and create meaningful change for society.	▪ Disclosed through News Media https://money.udn.com/money/story/5613/9180381	3.2 Social Empowerment P.93
Supporting Local Communities and Vulnerable Groups	Winter Warmth Program	▪ Since 2002, the Cathay Public Welfare Group has organized the Winter Warmth Campaign, bringing care and support to elementary schools in rural and underserved communities across Taiwan for 24 consecutive years. In 2025, the campaign reached 225 schools nationwide, benefiting approximately 18,000 students and extending the care and compassion of Cathay employees to communities throughout Taiwan. ▪ Cathay visited 225 elementary schools in rural areas and spread love to 18,000 students. In 2025, the Winter Warmth Campaign further expanded its outreach to include schools affected by typhoon disasters and rural elementary schools supported through its partnership with Teach For Taiwan (TFT). The campaign also mobilized volunteers from across the Cathay Group, with managers and employees from Cathay Financial Holdings and its subsidiaries participating in volunteer services. Activities were held across 16 cities and counties and 98 townships and districts, including New Taipei, Hsinchu, Miaoli, Taichung, Nantou, Yunlin, Chiayi, Tainan, Pingtung, Yilan, Hualien, Taitung, and Penghu. More than 225 volunteer activities were organized, delivering care and encouragement to nearly 18,000 students.	▪ Disclosed through News Media https://money.udn.com/money/story/5613/9179509	3.2 Social Empowerment P.95
Supporting Local Communities and Vulnerable Groups	Microinsurance	▪ Cathay Life Insurance has been a pioneer in promoting microinsurance since 2009. In partnership with local governments and social welfare organizations, the Company provides basic insurance protection to underserved and vulnerable groups in need of microinsurance coverage. As of the end of 2025, more than 170,000 microinsurance policies were in force, with total insurance coverage of approximately NT$55.7 billion. Cumulatively, more than 1,700 families have received timely financial assistance through microinsurance benefits. In 2024, Cathay Life Insurance was recognized with First Place in the Microinsurance Competition organized by the Insurance Bureau of the Financial Supervisory Commission (FSC). ▪ In 2025, Cathay Life Insurance received two major awards, including First Place in the Insurance Company Category of the Microinsurance Competition. Guided by its commitment to giving back to society, the Company continues to enhance financial inclusion through concrete actions by providing accessible insurance services for vulnerable groups. It has also expanded the eligibility of its microinsurance program to better serve economically disadvantaged individuals as well as persons with mild, moderate, and severe disabilities. By the end of 2025, more than 170,000 microinsurance policies were in force, providing financial support to over 1,700 families.	▪ Disclosed through News Media https://www.ctee.com.tw/news/20251212701884-430305	2.2 Financial Health P.68
Supporting Local Communities and Vulnerable Groups	Happiness Farm	▪ Cathay Happiness Farm To strengthen older adults' sense of self-worth and expand opportunities for social engagement, Cathay Life Insurance partners with long-term care institutions to establish the Cathay Happiness Farm, creating accessible, senior-friendly community gardens designed specifically for older adults. Through gardening activities, the program helps participants regain confidence while fostering an inclusive and nature-based environment. ▪ To address the growing issue of social isolation among older adults, Cathay Life Insurance is committed to promoting community mutual support and aging in place. By bringing together resources from the public, private, and academic sectors, the Company has established Cathay Happiness Farms in rural communities, leveraging local resources and regional strengths to develop community initiatives. The program not only enhances older adults' sense of achievement but also supports the development of community-based microeconomies. In 2024, the fifth Cathay Happiness Farm was established in the Chunri Community of Yuli Township, Hualien County. During the year, nearly 100 volunteers participated in caring activities at Cathay Happiness Farms across Taiwan, contributing more than 400 cumulative volunteer hours. The program integrates health promotion, cultural heritage preservation, and fraud prevention education to help delay physical and cognitive decline among older adults while rebuilding social connections through community engagement. By enabling older adults to continue learning, participating, and feeling valued within their familiar communities, the initiative provides meaningful companionship and advances the vision of sustainable and dignified aging.	▪ Disclosed on the Cathay Life Insurance Sustainability Website https://patronc.cathaylife.com.tw/ODAB/main-cultivatedetail-issue-4	3.2 Social Empowerment P.94

Category	Benefit Program	Implemented Benefit Measures and Outcomes	Disclosure of Benefit Initiatives	Page
Advancing Financial Education and Literacy	Anti-Fraud Safety Network	■ Key Anti-Fraud Initiatives 1.Development of the "Fraud Defense Squad" Board Game Cathay Life Insurance developed the "Fraud Defense Squad" board game and began promoting it in 2019 as an interactive financial fraud prevention education tool. The initiative received the 2023 Outstanding Financial Education Project Award from the Financial Supervisory Commission (FSC). In 2025, the Company organized 3,372 anti-fraud awareness sessions for employees and the general public, attracting more than 23,000 participants. 2.Anti-Fraud Press Conference In collaboration with the Criminal Investigation Bureau, Cathay Life Insurance launched the "Anti-Fraud Safety Network" initiative, establishing a comprehensive anti-fraud ecosystem built on four pillars: the Knowledge Network, Technology Network, Joint Defense Network, and Care Network. The initiative extends fraud prevention education to people of all ages. In 2025, the Company successfully prevented 198 fraud cases, safeguarding approximately NT$150 million in customer assets. The amount of prevented fraud accounted for approximately 85% of the total across Taiwan's life insurance industry, ranking first among all life insurers. 3.Dedicated Anti-Fraud Information Hub Cathay Life Insurance has established a dedicated anti-fraud section providing policyholders with fraud prevention resources, including the latest fraud alerts, the Peace of Mind Protection Network, the Fraud Prevention Playground, common fraud scenarios, methods for identifying fraudulent schemes, and fraud prevention reminders. 4.Development of a Fraud Detection Model Leveraging data analytics, the Company has developed a fraud detection model that tags high-risk customers for enhanced monitoring. The model achieves an identification accuracy of approximately 80% for high-risk cases. 5.Innovative Anti-Fraud Communication Tools Cathay Life Insurance collaborated with Taiwanese table tennis player Chen Szu-Yu to produce the anti-fraud music video "Fight Fraud, Secure Victory", promoting the memorable "Five Don'ts for Fraud Prevention" to enhance public awareness through engaging and accessible communication.	■ Disclosed through News Media https://www.cw.com.tw article/5135950 https://ubrand. udn.com/ubrand/ story/123651/9179827	2.2 Financial Health P.76-77
Advancing Financial Education and Literacy	Senior High School Financial Literacy	■ Promoting Financial Literacy Courses in Taipei City Senior High Schools Since the 2023 academic year, Cathay Life Insurance has supported the Taiwan Financial Literacy Education Association, sponsoring a total of 792 instructional hours. Through the program, academics and industry experts are invited to senior high schools across Taipei City to share professional knowledge and practical insights from the financial sector, helping students build sound financial management concepts and strengthen their financial literacy. ■ In 2025, Cathay Life Insurance continued its partnership in delivering financial literacy courses in senior high schools and co-organized the Taipei Municipal Zhong shan Girls High School Summer Financial Literacy Camp. 1.During the 2024 academic year, Cathay Life Insurance sponsored 496 instructional hours of financial literacy courses in Taipei City senior high schools. 2.Cathay Life Insurance and its partners jointly organized the Summer Financial Literacy Camp, providing senior high school students with diverse learning opportunities and practical experiences. Through the program, students gained a deeper understanding of financial market trends, strengthened their financial management capabilities, and developed a solid foundation for future academic and career development.	■ Disclosed through News Media https://tbnews.com.tw general/20241225-34804. html ■ Disclosed through News Media https://www.doe.gov taipei News_Content aspx?n=B3 DDF0458F0FFC11&s=F166 CE5F2CA73640	-
Fulfilling Corporate Social Responsibility	Emergency Relief Assistance	■ In 2025, overflow from a landslide-dammed lake on the Mataian River in Hualien, triggered by Typhoon Huajiasa, caused severe damage. The affected area required extensive manpower and several days of recovery efforts. Immediately following the disaster, Cathay volunteers entered the affected areas to assess local conditions, provide continuous situation updates, and organize volunteer care teams. Emergency support was promptly launched, including assistance for policyholders and the delivery of relief supplies. During the Teachers' Day long weekend, Cathay was among the first companies to provide special volunteer leave and one-day domestic travel accident insurance for Cathay Life Insurance employees, enabling them to participate in relief and recovery efforts with peace of mind. To date, more than 200 volunteer participations have contributed to post-disaster recovery and reconstruction. Cathay Financial Holdings Chairman Hong-Tu Tsai also responded immediately by making a personal donation of NT$10 million. Together with an additional NT$10 million contributed by Cathay Life Insurance, as well as condolence payment provided to affected policyholders, total support exceeded NT$20 million, helping communities in the hardest-hit areas recover and rebuild.	■ Disclosed through News Media https://money.udn.com/ money/story/5613/9030237	-
Fulfilling Corporate Social Responsibility	Summer Blood Donation Campaign	■ Since 2000, Cathay Life Insurance has partnered with the Taiwan Blood Services Foundation to organize nationwide blood donation campaigns. In 2025, the Company held 550 blood donation events across Taiwan, collecting 54,769 units of blood. In recognition of its outstanding contribution to blood donation, Cathay Life Insurance received the Outstanding Blood Donation Achievement Award from the Ministry of Health and Welfare. Over the past 26 years, the Company has helped collect more than 750,000 units of blood.	See 3.2 Social Empowerment	3.2 Social Empowerment P.95

Category	Benefit Program	Implemented Benefit Measures and Outcomes	Disclosure of Benefit Initiatives	Page
Green Finance and Sustainable Development	Green Energy	▪ Renewable Energy Consumption Reached 31.84 Million kWh In 2025, total renewable energy consumption exceeded 31.84 million kWh, achieving a renewable electricity ratio (RE53.95) and reducing carbon emissions by approximately 15,095 tCO_2e.	See Charpter 1 Climate	Charpter 1 Climate P.24
Green Finance and Sustainable Development	Green Procurement	▪ In 2025, green procurement spending reached approximately NT$810 million, an increase of NT$340 million (72%) compared with 2024. Cumulative green procurement spending has exceeded NT$2.33 billion since 2018. ▪ Received the Green Procurement Benchmark Award for Private Enterprises and Organizations from the Taipei City Government for 16 consecutive years. ▪ 100% of suppliers signed the Cathay Sustainability Value Declaration and completed sustainability training.	See 1.2 Environmental Sustainability	1.2 Environmental Sustainability P.51
Green Finance and Sustainable Development	Green Real Estate	▪ Building Energy Efficiency Transformation Improving building energy efficiency is a key component of Taiwan's 2050 Net Zero Transition policy. Cathay Life Insurance's Wuri Building in Taichung has become Taiwan's first Net Zero Energy Building. From the outset, the building was designed in accordance with green building principles, incorporating features such as on-site solar photovoltaic systems, high-performance insulated glazing, and a rainwater harvesting system to reduce energy consumption and environmental impacts. By integrating environmental protection and energy efficiency into every aspect of the building's design and operation, the Wuri Building not only achieved the Building Energy Efficiency Rating 1+, representing 50% energy savings, but also became the first building in Taiwan to receive official certification as a Net Zero building through the adoption of renewable electricity. This milestone further supports the Cathay Group's progress toward its RE100 commitment. ▪ Green Building Certification Since 2016, Cathay has required that all newly developed properties financed and developed by the Group be designed in accordance with green building standards. All properties are required to meet specified performance criteria in areas including energy efficiency, resource utilization, green coverage, and waste management. In addition, all newly constructed buildings for which building permits have been obtained since 2023 are required to obtain green building certifications, such as Taiwan Green Building Certification or the U.S. LEED certification.	See 1.2 Environmental Sustainability	1.2 Environmental Sustainability P.52
Green Finance and Sustainable Development	Carbon Neutrality	▪ First Insurance Company to Obtain ISO 14068-1 Carbon Neutrality Certification for Insurance Products Demonstrating its forward-looking approach to sustainable transformation, Cathay Life Insurance became the first insurance company in Taiwan to obtain ISO 14068-1 Product Carbon Neutrality Certification. Two of its flagship products—Travel Accident Insurance and Investment-Linked Lifetime Medical Insurance—were certified in accordance with the ISO 14068-1 international standard, setting a new benchmark for the insurance industry.	▪ Disclosed through News Media https://www.ctee.com.tw/news/20251031701257-431201	Charpter 1 Climate P.23
Green Finance and Sustainable Development	Low-Carbon Investments	▪ To address climate risks and strengthen the climate resilience of its investment portfolio, Cathay Life Insurance has adopted low-carbon investments as a key portfolio transition strategy, actively investing in low-carbon industries. As of the end of 2025, the Company's total low-carbon investments amounted to NT$242.1 billion, supporting the strategic initiatives advanced by the government to achieve its 2050 Net Zero Transition goal.	See 5.2 Climate-Related/ Nature-Related Financial Disclosures (TCFD/TNFD)	5.2 Climate-Related/ Nature-Related Financial Disclosures (TCFD/TNFD) P.157
Green Finance and Sustainable Development	Engagement	▪ In 2025, Cathay Life Insurance, either independently or together with Cathay Financial Holdings, participated in 10 organizations and initiatives, 3 international climate engagement initiatives, 2 international nature engagement activities, and 2 government engagement initiatives. ▪ In 2025, Cathay Life Insurance conducted a cumulative total of 382 engagement interactions with 137 companies on 13 material ESG issues.	See 4.1 Responsible Investment	4.1 Responsible Investment P.106-107
Green Finance and Sustainable Development	Every Step Counts	▪ Launched in 2022, the Cathay Step Up for Good campaign promotes healthy lifestyles while encouraging social participation through the concept of "Walk for Good." Guided by its long-term sustainability commitment of "100 Billion Steps, NT$10 Million for Good," the campaign invites the public to collectively achieve the challenge of 120 billion steps. Upon reaching the target, Cathay Life Insurance will contribute NT$10 million to support two sustainability initiatives—forest restoration in Hualien and marine conservation. Reflecting Cathay Life Insurance's commitment to "Empowering Health," the campaign encourages people to improve their well-being while turning every step into meaningful action for environmental protection. ▪ Since its launch in 2022, the Cathay Step Up for Good campaign has supported indigenous communities in Majia Township, Pingtung County, promoting agrivoltaics and community revitalization in rural areas. Through corporate support, the Company seeks to create positive and lasting impacts on society and the environment. The campaign has also funded the installation of a solar power system at Huayu Elementary School in Penghu, including rooftop solar panels that enable the school to generate its own electricity despite long-standing power supply challenges. As a result, the school became Taiwan's first near-zero-energy elementary school. ▪ In 2025, the campaign surpassed 100 billion cumulative steps for the first time, attracting nearly one million participants, including members of the public and employees from corporate partners. Since its launch, the initiative has invested a cumulative NT$27.7 million in support of seven public welfare projects across Taiwan, making it the nation's largest action platform integrating digital innovation, health promotion, and social impact.	▪ Disclosed on the Cathay Life Insurance Sustainability Website https://www.cathaylife.com.tw/official/news/hotnews/20260506_steps2026 ▪ Disclosed through News Media https://money.udn.com/money/story/5648/9427564 https://csrone.com/news/9405	2.1 Health Promotion P.62

Related Data Tables 2-7 2-8

Talent Structure Data

(I)Number of regular employees

Category	Taiwan						Overseas						Total
	Female			Male			Female			Male			
	<30 years old	30-49 years old	≥50 years old	<30 years old	30-49 years old	≥50 years old	<30 years old	30-49 years old	≥50 years old	<30 years old	30-49 years old	≥50 years old	
Managers	33	890	842	47	951	362	0	0	0	0	4	8	3,137
General employees	1,807	8,472	9,632	1,280	3,738	994	0	5	0	0	41	12	25,981
Total	1,840	9,362	10,474	1,327	4,689	1,356	0	5	0	0	45	20	29,118

Note 1: This table includes personnel of Cathay Life Insurance in Taiwan and overseas.

Number of non-regular employees

Category	Female			Male			Total
	30-49 years old	≥50 years old	<30 years old	30-49 years old	≥50 years old	≧50 years old	
Number of people	23	2	8	26	1	4	64

Note 1: There are no part-time employees overseas.
Note 2: Non-regular employees include part-time/hourly employees and interns.

(II)Statistics of non-employee workers

Category	Female			Male			Total
	<30 years old	30-49 years old	≥50 years old	<30 years old	30-49 years old	≥50 years old	
Contract-based employees	3,353	11,195	11,631	2,132	5,474	2,242	36,027
Employees of contractors	15	106	19	5	13	17	175

Note: Contract-based employees refer to salespersons.

(III)Statistics of the recruitment and turnover of regular employees

Category	Taiwan						Overseas						Total
	Female			Male			Female			Male			
	<30 years old	30-49 years old	≥50 years old	<30 years old	30-49 years old	≥50 years old	<30 years old	30-49 years old	≥50 years old	<30 years old	30-49 years old	≥50 years old	
New hires	701	988	858	464	407	70	0	0	0	0	0	1	3,489
Departures	400	900	441	312	451	67	0	0	0	0	3	0	2,574

Note 1: This table includes personnel of Cathay Life Insurance in Taiwan and overseas.

Note 2: Departing employees include employees who were terminated, but do not including employees who are retiring.

(IV)Average training hours per employee

Item	Category	2023	2024	2025
Total training hours (Hours)	Male employees	1,955,823	2,297,425	2,149,747
	Female employees	6,043,216	6,470,189	6,833,542
	Managers	863,127	716,350	1,036,732
	General employees	7,135,913	8,051,264	7,946,557
	Total	7,999,039	8,767,614	8,983,289
Average training hours per person (Hours)	Male employees	258	309	289
	Female employees	272	299	315
	Managers	248	216	330
	General employees	271	312	306

(V)Number of employees with disabilities

	2023	2024	2025
Number of people	316	344	366
Percentage (%)	1.06	1.17	1.24

Note: Starting from 2024, the calculation of employees with disabilities includes both full-time and non-full-time employees.

MSCI's Climate VaR (CVaR) Data Usage Declaration

The MSCI Climate Value-at-Risk (CVaR) data in this report includes, but is not limited to, information (hereinafter referred to as the "Relevant Information") sourced from MSCI ESG Research LLC and its affiliates (hereinafter referred to as "the Parties"). The Parties do not warrant or guarantee the originality, accuracy, and/or completeness of any data herein, and expressly disclaim all explicitly or implied warranties, including the applicability and suitability for a particular purpose. The information is for internal use only, and may not be reproduced/redisclosed in any form, or used as a basis for or a component of any financial instruments or products or indices. In addition, the Information is not intended to constitute a recommendation to make any investment decision for the purchase or sales of securities. None of the Parties shall have any liability for any errors or omissions in connection with any data contained herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Independent Limited Assurance Report

Summary of Subject Matter Assured

No.	Subject Matter Information	Applicable Criteria	Page
1	In 2025, the total first-year premium income from spillover-effect products was NT$34.79 billion.	Cathay Life Insurance reported to The Life Insurance Association of the Republic of China regarding the "Sales Situation of Insurance Products with Spillover Effects" that in 2025, the first-year premium total income from spillover-effect products were sold by Cathay Life Insurance. Note: First-year premium income refers to the income received in the first year of the insurance products during the current year.	2.1 Health Promotion P.54-55、64
2	In 2025, the chatbot recorded 2.7 million usage sessions, the problem-solving rate was 97.7%, and the satisfaction rate was 94.8%.	The Chatbot Usage: The total number of chatbot usage sessions in 2025. Problem-solving rate: The average monthly problem-solving rate in 2025, calculated by dividing the number of customers who did not contact customer service personnel within one hour after using the chatbot in each month by the total number of customers who used the chatbot during the same month. Note: The total number of chatbot users refers to customers who accessed the chatbot and logged in using their member account and password. Satisfaction rate: The average monthly satisfaction score in 2025, calculated by dividing the number of customers who gave a satisfaction rating of 4 or higher in each month by the total number of customers who completed the satisfaction survey during the same month.	2.2 Financial Health P.72
3	As of 2025, total low-carbon investments and financing amounted to NT$242.1 billion. The total amount of low-carbon investments and loans in 2020 (baseline) was NT$132.6 billion. Note: Recalculated based on the 2025 definition of low-carbon investments. As of the end of 2025, our total investment in infrastructure reached NT$842.7 billion.	Cathay Life Insurance determines low-carbon investments in the following three ways: 1. Industry categories include alternative energy, construction, waste recycling, transportation, energy-saving industries, green bonds, and carbon sinks. 2. The company's business activities include the above categories. 3. The investments are included in Bloomberg's green bond list. Cathay Life Insurance determines infrastructure investments in the following two ways: 1. The industry categories include transportation, public utilities, social housing, senior housing, environmental remediation and protection facilities, low-carbon transition-related infrastructure, infrastructure construction, and software. 2. The company's business activities include the above categories. Investment targets include investment properties, equity investments, and bond investments. The amount of investment properties, equity investments, bond investments, and loans is based on the book value as of the end of 2025.	4.1 Responsible Investment P.111-112 5.2 Climate-Related/ Nature-Related Financial Disclosures (TCFD/ TNFD) P.156
4	Cathay Life Insurance's total domestic investments and financing aligned with the strategic industry classifications amounted to NT$133.8 billion as of 2025.	The total amount of low-carbon investments, financing, and infrastructure investments held by Cathay Life Insurance as of December 31, 2025 that are aligned with the industries covered by the "12 Key Strategies" of Taiwan's Pathway to Net-Zero Emissions in 2050.	4.1 Responsible Investment P.113
5	As of 2025, Cathay Life Insurance's total domestic investments and financing aligned with Enabling activities amounted to NT$28.9 billion.	Total investments and financing held by Cathay Life Insurance as of December 31, 2025 that are determined to be aligned with the "Enabling Activities" defined in the Reference Guidelines for Sustainable Economic Activities. The following priority order is applied in the calculation methodology: 1. For investee companies that have disclosed sustainable economic activity information, the calculation is primarily based on the proportion of "Enabling Activities" disclosed on the ESG Digital Platform, multiplied by the balance of investments and financing held by Cathay Life Insurance as of December 31, 2025. 2. For investments and financing that have not disclosed relevant information or are not covered by the ESG Digital Platform, alignment is assessed based on the nature of the underlying economic activities in accordance with the Reference Guidelines for Sustainable Economic Activities, and the balance of investments and financing held by Cathay Life Insurance as of December 31, 2025 is recognized accordingly.	4.1 Responsible Investment P.113

No.	Subject Matter Information	Applicable Criteria	Page
6	The Information Security Department is in charge of the formulation of information security policies and management standards. Appointed a Chief Information Security Officer (CISO). 2 information security management and review meetings were held in 2025.	The information security unit established by Cathay Life Insurance. The total number of top executives responsible for information security. The total number of information security management review meetings held in 2025.	5.1 Sustainability Governance P.130
7	As of the end of 2025, the Company employed 366 employable persons with disabilities, equivalent to 1.24 employees with disabilities per 100 employees.	Cathay Life Insurance reported to the Taipei City Resource Center for the Disabled in January 2026 that the total number of employees with disabilities was recorded as of December 31, 2025. The number of employable persons with disabilities per 100 employees is calculated by dividing the number of employees with disabilities by the total number of insured employees, based on labor insurance records submitted to the Bureau of Labor Insurance, Ministry of Labor as of December 31, 2025.	3.1 Workplace Empowerment P.81
8	All directors and supervisors of Cathay Life Insurance have completed the information security training courses in 2025.	The percentage of training records and participation in information security education and training courses for 2025.	5.1 Sustainability Governance P.130
9	In 2025, a total of 269 Cathay employees participated in the internal ESG training courses and external conferences, with average training time of 428 minutes per person.	The total number of people who participated in sustainability-related training and the average training time per person each year in 2025 are calculated based on the scope of the investment team defined by Cathay Life Insurance The scope of the investment team, as defined internally by Cathay Life Insurance, is based on the average monthly number of active employees in 2025, and includes full-time employees in 10 departments, namely the Currency Foreign Exchange Management Department, Investment Management Department, Dealing Department, Fixed-Income Investment Department I, Fixed-Income Investment Department II, Fixed-Income Investment Department III, Financial Planning Department, Alternative Investment Department, Equity Investment Department I, and Equity Investment Department II, as well as department-level and higher senior managers who manage the aforementioned investment teams. The scope of sustainability-related training and training duration (in minutes) defined by Cathay Life Insurance is as follows: 1.Climate Plus Cathay Life Insurance's Responsible Investment Working Group sends out the monthly sustainability newsletter, Climate Plus, to all investment team members. Total learning time of the year = The average monthly active headcount of the investment team in 2025, multiplied by the number of minutes [NOTE]spent reading the newsletter by each employee each month for 12 months. 2.Educational Training Courses This includes both internal and external online learning platforms and in-person sessions related to sustainability courses. The definition of sustainability courses can be found in the Sustainability Report, section 4.1.1, under the chapter on the Sustainability Investment System, which outlines sustainability education courses. Note: Estimated based on each person reading the Climate Plus for 15 minutes per month.	4.1 Responsible Investment P.100
10	Directors and responsible persons of Cathay Life Insurance all received CRPD-related training in 2025. All senior managers of Cathay Life Insurance received CRPD-related training in 2025.	Directors, responsible persons, and senior managers [NOTE]of Cathay Life Insurance all received CRPD-related training Note: According to Cathay Life Insurance's internal definition, senior managers refer to executives at the level of vice president and above.	5.1 Sustainability Governance P.125 3.1 Workplace Empowerment P.81

No.	Subject Matter Information	Applicable Criteria	Page
11	The financed emissions indicators for various asset investment and loan portfolios in 2025 include: 1. Inventory coverage rate: • Coverage rate applicable to the PACF methodology was 71.7%. • Inventory coverage was 67.5%. • Inventory coverage applicable to the PCAF methodology was 94.2%. 2. In 2025, the financed emissions from investment and loan amounted to 15,495,377 tCO_2e, and the data quality score was 2.7. 3. Financed Scope 3 emissions from listed equities and corporate bonds amounted to 60,855,449 tCO_2e in 2025.	With reference to the Partnership for Carbon Accounting Financials (PCAF) standards published in December 2025, Cathay Life referenced the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Loan Portfolios for Insurance Companies to establish its "Portfolio Financed Emissions Calculation Criteria" to compile and disclose financed emissions for each credit asset category. • Financed emissions from investment and loan portfolios: 1. Except for the specific items listed below, other investment and loan portfolios are included in the calculation of Scope 1 and Scope 2 categories: a.For sovereign bonds, only Scope 1 category is calculated. b.Scope 1, Scope 2, and Scope 3 greenhouse gas emissions are calculated separately for listed equity and corporate bonds. 2. The carbon emissions in metric tons of CO_2 equivalent (tCO_2e). Cathay Life Insurance strives to use the "latest available emissions data or estimated data for Scope 1, Scope 2, and Scope 3 emissions from listed equity and corporate bond": a. Latest obtainable emissions data or estimation data for Scope 1, Scope 2 and Scope 3 emissions from listed equity and corporate bond includes: MSCI database, PCAF database, emissions data directly obtained from investment and loan companies, the journals of Energy Administration, Ministry of Economic Affairs and the Architecture and Building Research Institute, Ministry of the Interior. b. Estimation data based on the methodology recommended by PCAF, using emissions data calculated from MSCI database classified by industry to calculate estimated industry specific emissions factors. • Scope of Financed Emissions of Investment Portfolios: As of December 31, 2025, conducted an inventory of listed equities, corporate bonds, unlisted equities, commercial real estate investments, sovereign bonds and securitized and structured products held by Cathay Life Insurance. The scope includes the following accounts: "Financial Assets at Fair Value through Profit or Loss (FVTPL)", "Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)", "Financial Assets at Amortized Cost (AC)" and Equity Method for both self-managed and outsourced investment portfolios. • Scope of Financed Emissions of Loan Portfolios: As of December 31, 2025, business loans, project finance (all of which are renewable energy loans), commercial real estate loans and mortgages held by Cathay Life Insurance. • Data quality score: Calculated with PCAF-recommended methodology and includes data quality scores provided by MSCI database and PCAF database. A weighted average is calculated based on investment and loan position values. • Industry classification disclosure: The classification is based on the level fourth of the Global Industry Classification Standard (GICS) structure. • Inventory coverage rate: 1. Coverage rate applicable to the PACF methodology: The investment and financing positions in line with the PCAF methodology as a percentage of the total investment and financing positions[Note]. 2. Inventory coverage: The investment and financing positions that already underwent inventory pursuant to the PCAF methodology as a percentage of the total investment and financing positions [Note]. 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 financing positions in line with the PCAF methodology. Note: The total investment and financing positions sourced from the Cathay Financial Holding Co., Ltd. 2025 fourth quarter institutional investor conference, specifically the total investment amount of Cathay Life Insurance's asset allocation.	1.1 Low-Carbon Economy P.30-35

No.	Subject Matter Information	Applicable Criteria	Page
12	In 2025, the concentration of exposure to industries sensitive to climate transition risks was 9.0% of the portfolio.	Cathay Life Insurance follows Cathay FHC's methodology, which is based on the "Cathay Financial Holdings Management Regulations for Industry Risks" (hereafter referred to as the "Management Regulations for Industry Risks"), to calculate and disclose its exposure concentration to industries sensitive to climate transition risks [Note 1] in 2025. The concentration of exposure to industries sensitive to climate transition risk refers to the ratio of Cathay Life Insurance [Note 2] total investment and lending balances in such industries [Note 3] to their overall investment and lending portfolios. Note 1: Industries sensitive to climate transition risk are defined in accordance with the Management Regulations for Industry Risks. These industries are identified with reference to the SASB Climate Risk Technical Bulletin (Aug 2019) and Part B – Carbon-Related Assets of IFRS S2 Climate-related Disclosures. The industries include oil and gas, chemical manufacturing, construction materials (including cement), mining, fossil fuel-based power generation, coal-related industries and transportation (including airlines and maritime shipping). The classification of these industries is based on the Bloomberg Industry Classification Standard (BICS) and the Directorate-General of Budget, Accounting and Statistics (DGBAS) industry codes. Note 2: Cathay Life Insurance refer to Cathay Life Insurance and its subsidiary Cathaylife Singapore Pte. Ltd.. Note 3: Definitions of investment and lending businesses are based on the Management Regulations for Industry Risks: Investment businesses: Cathay Life Insurance's investment business as of December 31, 2025, includes investments in non-cash marketable securities such as domestic and overseas listed equities and corporate bonds, sovereign bonds, unlisted equities and short-term notes. These investments are calculated based on their book values. This calculation excludes asset-backed securities, funds, venture capital investments, equity method investments, positions in investee companies, strategic trading positions, repurchase agreements and long-term equity investments made in accordance with government policies. Lending businesses: Refers to corporate lending and guarantees provided by Cathay Life Insurance as of December 31, 2025. The calculation is based on the outstanding credit balance.	5.2 Climate Related/ Nature-Related Financial Disclosures (TCFD/TNFD) P.149
13	As of December 31, 2025, operating sites classified as having Level 5 future flood hazard vulnerability accounted for 6.03% of all operating sites, owned real estate classified as having Level 5 future flood hazard vulnerability accounted for 3.35% of all owned real estate, and the outstanding balance of residential mortgages classified as having Level 5 future flood hazard vulnerability accounted for 6.05% of the total outstanding residential mortgage balance.	Cathay Life Insurance follows Cathay FHC's methodology to compare its operating sites, owned real estate sites, and residential mortgage collateral locations against projected flood risk maps through the end of the century provided by the National Science and Technology Center for Disaster Reduction (NCDR). Cathay Life Insurance separately discloses the percentage of operating sites, owned real estate, and the outstanding residential mortgage balance of Cathay Life Insurance that, as of December 31, 2025, were classified as having Level 5 future flood hazard vulnerability, the highest risk level [Note 1]. The percentage of operating sites of Cathay Life Insurance classified as having Level 5 future flood hazard vulnerability as of December 31, 2025, refers to the total number of operating sites [Note 2] of Cathay Life Insurance classified as having Level 5 future flood hazard vulnerability, divided by the total number of operating sites. The percentage of owned real estate classified as having Level 5 future flood hazard vulnerability as of December 31, 2025 refers to the total number of owned real estate sites [Note 3] of Cathay Life Insurance classified as having Level 5 future flood hazard vulnerability, divided by the total number of owned real estate sites. The percentage of the outstanding residential mortgage balance classified as having Level 5 future flood hazard vulnerability as of December 31, 2025 refers to the total outstanding residential mortgage balance [Note 4] of Cathay Life Insurance secured by collateral located in areas classified as having Level 5 future flood hazard vulnerability, divided by the total outstanding residential mortgage balance. Note 1: Level 5 future flood hazard vulnerability, the highest risk level, refers to the flood disaster risk map developed by the National Science and Technology Center for Disaster Reduction (NCDR), based on the risk definition in the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report. The map evaluates flood risk using three dimensions: hazard, vulnerability, and exposure. Flood risk is classified from Level 1 to Level 5, from lowest to highest. Cathay Life Insurance use a hazard-vulnerability assessment, based on the two indicators of hazard and vulnerability, to evaluate flood disaster impacts under different exposure levels. In 2025, the Group used NCDR's Version 3 Multi-model and multi-spatial scale risk maps for flood risk mapping. Note 2: Operating sites are identified based on the domestic operating site records in the proprietary internal communication system of Cathay Life Insurance as of December 31, 2025. The scope includes operating sites in owned real estate, Group-internal leased premises, and externally leased premises. Each headquarters, company branch office, communications office, office building and service center is counted as one operating site. If any unit at or below the department level is not located at the same site as the aforementioned units, it is counted separately as one operating site. Note 3: Owned real estate sites refer to domestic real estate held under the title of Cathay Life Insurance as of December 31, 2025. The scope includes properties used for owner occupation and leasing and excludes parking spaces and land. Each office building [Note 5] is counted as one owned real estate site for the purpose of calculating the number of owned real estate sites. Note 4: Outstanding residential mortgage balance refers to home loan balances held by Cathay Life Insurance as of December 31, 2025, where the borrowers are individuals and the collateral consists of completed residential properties in Taiwan. The calculation is based on the total outstanding residential mortgage balance. Note 5: The same office building may have multiple street addresses. In such cases, one street address is selected as the representative address, and the building is counted as one owned real estate site.	5.2 Climate-Related/ Nature-Related Financial Disclosures (TCFD/TNFD) P.154

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Independent Limited Assurance Report

PWCM25001256

To Cathay Life Insurance Co. Ltd

We have been engaged by Cathay Life Insurance Co. Ltd (the "**Company**") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2025 Sustainability Report (hereinafter referred to as the "**Identified Key Performance Indicators**") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" of the Sustainability Report. The scope of the Identified Key Performance Indicators is set out in the "Boundaries and Scope of this Report" of the Sustainability Report.

The respective applicable criteria referred to above are the latest edition of the GRI Sustainability Reporting Standards (the "**GRI Standards**") published by the Global Reporting Initiative (the "**GRI**"), the Company's portfolio financed emissions calculation criteria, which are based on the Global GHG Accounting and Reporting Standard for the Financial Industry, published by the Partnership for Carbon Accounting Financials (the "**PCAF**") in December 2025, and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported (hereinafter referred to as the "**Applicable Criteria**").

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitation

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

The quantification of the Portfolio Financed Emissions data (hereinafter referred to as the "**Portfolio**

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Financed Emissions") underlying the Portfolio Financed Emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases, and the estimation uncertainty from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge. There are significant limitations in the availability and quality of GHG emissions data from third parties, resulting in reliance by the Company on proxy data. As there is currently no widely accepted reporting framework for Portfolio Financed Emissions, and no legislative requirements or regulations prescribing their preparation, disclosure and verification, the Portfolio Financed Emissions needs to be read and understood together with the portfolio financed emissions calculation criteria designed by the Company.

Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "*Assurance Engagements other than Audits or Reviews of Historical Financial Information*", and the Standard on Assurance Engagements 3410, "*Assurance Engagements on Greenhouse Gas Statements*", of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a

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reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

1. Portfolio Financial Emissions
   - Evaluate the suitability in the circumstances of the Company's use of the respective applicable criteria as the basis for preparing the Portfolio Financed Emissions;
   - Through inquiries, obtained an understanding of the Company's control environment and information system relevant to the Portfolio Financed Emissions quantification and reporting, but did not evaluate the design of specific control procedures, obtain evidence about their implementation, or test their operating effectiveness; and
   - Evaluated the appropriateness and consistency of the Company's methods for developing estimates. However, our procedures performed did not include testing the data underlying the estimates or separately developing our own estimates against which to evaluate the estimates made by the Company;
   - Reconciled the emission data back to the underlying records on a sample basis to obtain evidence for limited assurance. However, our procedures did not include corroborating the accuracy and completeness of the underlying greenhouse gas emissions and financial data from third parties; and
   - Evaluated the presentation and disclosure of the Portfolio Financed Emissions, including the data quality score and the coverage rate of greenhouse gas emission data, but excluding the categorization of data by portfolio types.
2. Other Identified Key Performance Indicators
   - Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, information systems and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and
   - Based on the above understanding and the areas identified, performed substantive testing on a selective basis, including inquiries, observation, inspection, and reperformance to obtain evidence for limited assurance.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the Applicable Criteria have been subsequently modified.

Chao, Yung-Chieh

CHAO, YUNG-CHIEH

Partner
For and on behalf of PricewaterhouseCoopers, Taiwan
31 August 2026

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