



國泰人壽
Cathay Life Insurance

2024

Cathay Life Insurance

Sustainability Report



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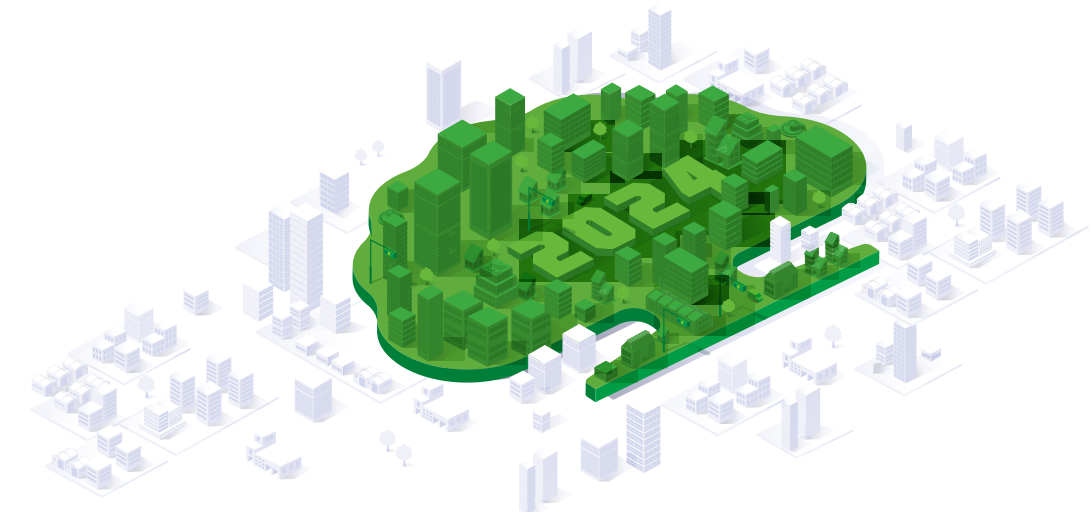
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About this Report

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With a vision to "Lead the way in sustainable insurance and ensure the happiness of society," Cathay Life Insurance incorporates environment, society, and governance (ESG) in its decision making, and since the domestic and international markets attach great importance to sustainable finance, we established short-term, mid-term, and long-term goals and action plans based on three main sustainability themes, including climate, health, and empowerment.

■ Reporting Period

This report discloses information from January 1, 2024 to December 31, 2024. Some of the contents will include information before January 1, 2024 or after December 31, 2024 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 Board (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
	ISO 14064-1:2018 GHG Inventory Standards	
	ISO 14067:2018 Carbon Footprint Standards	
Environment	ISO 20400 Sustainable Procurement – Guidance	BSI Taiwan
	ISO 14001 Environmental Management Systems	
	ISO 50001 Energy Management Systems	
	ISO 46001 Water Resource Efficiency Management System	
	PAS 2060 Carbon Neutrality Standards	
Customer service	ISO 10002 Customer satisfaction – Guidelines for complaints handling in organizations	SGS Taiwan
	ISO 9001 Quality Management Systems	
Information security	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	
Occupational Safety	ISO 22301 Business Continuity Management System	
Occupational Safety	ISO 45001 Occupational Safety and Health Management System	

■ Report assurance

The Company has engaged PwC Taiwan to corroborate its selected information in the report compiled based on the GRI Standards using the standards published by the Accounting Research and Development Foundation in Statement of Assurance Principles No. 3000, "Audit and Review of Non-financial Information," and the "Assurance Engagements on Greenhouse Gas Statements" (referencing ISAE3410), to which PwC has concluded with an opinion of limited assurance. The scope of assurance covers information from 2024, and it does not include information on and before December 31, 2023. 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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<https://patron.cathaylife.com.tw/ODAB/>

Message from the Chairman 2-22 Principle 1

The world continued to face many challenges and profound changes in 2024, including rising geopolitical risks, restructuring of global political and economic order, frequent extreme weather disasters, and disruptive changes brought by generative AI, all of which have raised demands on corporate sustainability. Cathay Life Insurance has always upheld the core philosophy of "people-oriented," adhered to its original intention of being "customer-centric" and the brand value proposition of "Better Together." We incorporated the Group's three major sustainability themes "climate, health, and empowerment" into our corporate governance, business decisions, and corporate culture, fulfilling our responsibility as a pioneer in sustainable finance, and continuing to exert the industry's positive influence to jointly create a resilient future together with the public.

Leading enterprises towards net zero transformation

Climate change has become one of the systemic risks that the world can no longer take lightly. Facing the profound impact of extreme weather on the economy and industry, Cathay Life Insurance actively responded to the goals of the Paris Agreement by fully incorporating ESG issues into the Company's internal investment and business decisions, committing to SBTs and RE100, and formulating our own carbon reduction pathway and action plans. At the same time, Cathay Life Insurance actively leverages the capital of financial institutions to influence discourse, and formulated low-carbon, renewable energy investment and green leasing strategies, guiding capital to support enterprises in green transition. We work with enterprises to contribute to the mitigation of global warming through practical actions, leveraging the long-term advantage that the life insurance industry has in terms of capital to create resilient and forward-looking climate action models, in order to fulfill our commitment to environmental sustainability.

Creating a comprehensive health ecosystem

As Taiwan officially becomes a super-aged society, health issues have become key issues that affect the quality of life and sustainability of Taiwanese society. Cathay Life Insurance leverages core competencies to extend the value of insurance to ex-ante prevention, and continues to expand the definition and action plans for health protection, develop innovative insurance products and services, gain support from society, and actively develop a complete health ecosystem for all ages. In 2024, Cathay Life Insurance published the industry's first "Policyholder Health Annual Report" and made a new service proposition that "health benefits you," expanding Cathay Life Insurance's comprehensive care for "body, mind, and wealth" to protect and accompany citizens towards a healthier life, realize the social value of insurance, and create a healthy and mutually beneficial future.

Build internal momentum for sustainability

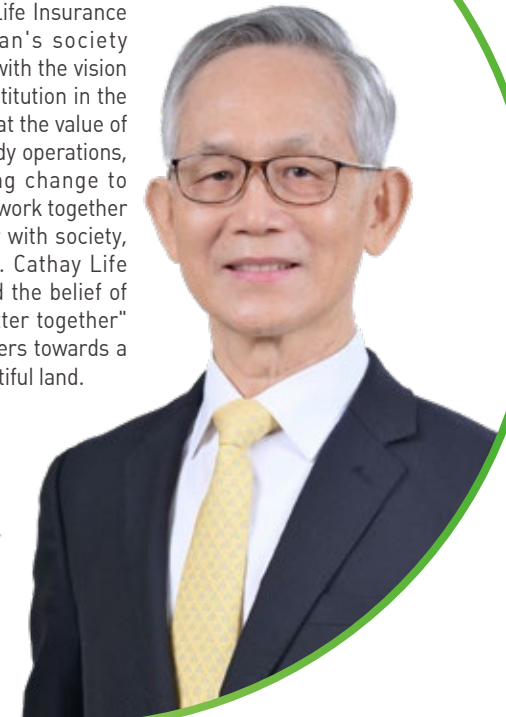
Talent is the fundamental force that drives the transition towards sustainability and is also Cathay Life Insurance's most valuable asset. Cathay Life Insurance has made a long-term commitment to creating a workplace culture that is diverse, inclusive, and learning-oriented, providing a variety of resources and welfare systems to encourage every employee to continue to grow and innovate within the organization. We also take action to participate in social development and uphold the philosophy of "Happiness is giving happiness." We combined the strengths and resources of Cathay employees all over Taiwan to respond to the needs of society, whether it may be supporting the disadvantaged, caring for students, youth cultivation, care for the elderly, or community engagement, we hope to transform corporate resources into a force that supports social stability, and continue to accompany the public to jointly create a cycle of sustainable prosperity, so that we can bring happiness into every corner of society.



For more than 60 years, Cathay Life Insurance has been by the side of Taiwan's society through the changes of each era with the vision to become the "Best Financial Institution in the Asia-Pacific." We firmly believe that the value of an enterprise lies not only in steady operations, but also in whether it can bring change to society, bring hope for the future, work together with the industry, thrive together with society, and mutually benefit all people. Cathay Life Insurance will continue to uphold the belief of being "people-oriented" and "better together" and move forward with stakeholders towards a better future together in this beautiful land.

Chairman

Ming-ke Hsing



Message from the President

2-22

Principle 1

Despite the global impact of tariffs, the trend of AI, aging population, and extreme weather, Cathay Life Insurance continues to demonstrate corporate social responsibility through our efforts in sustainability. We are focused on the three themes of “climate, health, and empowerment” in our efforts to develop sustainable finance and sustainability governance, and have taken action to support more than 8 million policyholders to jointly face future challenges. Cathay Life Insurance is the first life insurance company in Taiwan to voluntarily comply with the United Nations’ Principles for Sustainable Insurance (PSI), and took the lead in supporting the government’s Green Finance Action Plan 3.0, showing our determination to promote sustainability of the industry. We have gained wide recognition for the outcomes we achieved over the years, and not only gained the trust of our policyholders, but was also selected into “Insurance 100” by Brand Finance for ten consecutive years (including 2024). Moreover, we were recognized by the Financial Supervisory Commission in the 2nd Sustainable Finance Evaluation, becoming the only life insurance company to rank in the top 25% for two consecutive years. This shows that Cathay Life Insurance’s brand value in terms of operations and sustainable development is recognized internationally and by competent authorities.

Taking action to protect the climate

In response to the international concern for extreme weather and natural resource protection, Cathay Life Insurance actively responds to the global renewable energy initiative RE100 and is committed to achieving net zero emissions by 2050. We adopted the dual strategies of “zero carbon operation transformation” and “low-carbon investment allocation.” We continue to reduce carbon emissions and use renewable energy in our operations, and have further expanded our financial influence to drive the industry’s net-zero transformation. In 2024, we launched the “First Year of Carbon Management” and formally established the Group’s internal carbon pricing mechanism, so that all units will gradually understand that carbon emissions come at a price, encouraging internal departments to use resources carefully and building consensus on carbon reduction. Step by step, we are moving towards the goal of net zero emissions by 2050, jointly contributing to the sustainability of the Earth.

Fulfilling our commitment with good health

With people living longer than ever before, people are now more concerned about “the quality of life in good health,” which is Cathay Life Insurance’s mission for health. In 2024, Cathay Life Insurance proposed a brand-new health proposition “health benefits you,” and developed a comprehensive health promotion mechanism for four major aspects: products, services, platforms, and cross-domain talent recruitment. We deepened the “Six Good” services in the health ecosystem, including good diet, good exercise, good sleep, good mood, good tests, and good care, transforming our concepts into actions. At the same time, we continue to promote anti-drug and anti-fraud education on campuses so that the youth will know how to protect themselves and have mental fortitude. We also care for elderly people, strengthen health promotion and fraud awareness, improve the safety and quality of life of the elderly, and comprehensively show Cathay Life Insurance’s sustainability commitment to protecting public health, the safety of youth, and well-being of the elderly.

Light up hope with empowerment

Cathay Life Insurance upholds the core values of diversity and inclusion and employee empowerment, continues to create a happy, friendly, and trustworthy workplace, and establishes a complete career development system to help employees continue to grow in a rapidly changing environment. In response to the trend of AI and digital technology development trends, we continue to promote AI citizenship, empower employees to participate in innovation in AI applications, cultivate cross-domain adaptability, and maximize the value of customers, channels, and employees. In 2024, Cathay Life Insurance won “The Digital Banker” and the “Global Insurance Innovation Award” from The Global Insurer, becoming the only winner in Taiwan’s financial industry. At the same time, Cathay also upholds the philosophy of “bringing stability and happiness to society,” taking action to care for community development, and engaging in local revitalization to create a circular economy. We implemented the KITURU Dreams Come True Program for children in rural areas and take action to care for the elderly, in order to provide warmth and support to every corner of society in need, thereby realizing the value of corporate sustainability and mutual benefit.



Cathay Life Insurance works with employees, policyholders, suppliers, investee companies, and other stakeholders to reverse the climate crisis and create a sustainable environment for a green future.

President

Andrea Liu



Company Profile

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Basic Information

Company Name

Cathay Life Insurance Co., Ltd.

Date of Incorporation

October 1962

Core Values

Integrity, Accountability, and Innovation

Number of Employees

29,109 people

Number of Customers

8,040,357 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)

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.



Business locations

Cathay Life Insurance's business locations around Taiwan include 21 branches and 34 service centers and 324 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 51 sales and service agencies in total across China. Cathay Life Insurance (Vietnam) Co., Ltd. currently operates 125 sales and service agencies, while its dedicated business team continues to show steady growth.

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 2024, Cathay Life Insurance generated NT\$**487.6** billion in premium income. Our market share was approximately **20.0%**, placing us at the lead in the industry.

Unit: NT\$, in thousands

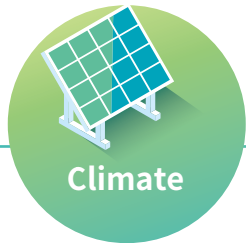
	2022	2023	2024
Total assets	8,056,833,117	8,394,447,445	8,864,868,834
Total premium income	480,430,016	465,602,547	487,570,079
Operating income	667,000,217	686,071,861	766,221,525
Net profit after tax	33,667,168	16,343,087	66,883,309

Region	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Offshore Islands
Branches	7	6	5	2	1
Service center	15	8	11	-	-
Agencies	132	83	102	6	1

Note: Regions are defined in accordance with the Department of National Spatial Planning and Development, National Development Council.



Sustainable Governance



Climate

- Expanded the commitment to divest from coal and unconventional oil and gas industries in 2024, and included companies with plans to expand coal and extract Arctic oil and gas in the scope of control.
- Invited to share a successful engagement case in the 2024 CDP Non-Disclosure Campaign Results report, which was one of the only two cases in the world to be selected.
- In 2024, the total renewable energy use exceeded 15.33 million kWh, reaching **RE 25.2**, which is equivalent to reducing carbon emissions by approximately **7,266** metric tons.
- Our mobile and electronic services reduced paper usage by **83.965** million sheets in 2024, which is equivalent to **16.5** times the height of Taipei 101, reducing approximately **571** metric tons of carbon emissions. Our green procurement exceeded NT\$**470** million.



Health

- In 2024, the FYP of protection insurance products amounted to NT\$**17.59** billion and the FYP of spillover-effect products amounted to NT\$**17.85** billion.
- In 2024, the overall customer satisfaction reached **98.9%**, while the net promoter score (NPS) reached **43.1**.
- In 2024, a total of **1.25** million individuals participated in FitBack, garnering approximately **1.71** trillion steps.



Empowerment

- In 2024, the total learning hours on the Hahow self-learning platform reached **58,264.9** hours.
- In 2024, a total of 10,703 **volunteers** received **69,216** hours of training.



Sustainable Finance

- Cathay Life Insurance is the first insurance company in Taiwan to sign the (Taiwan) Stewardship Principles for Institutional Investors, and the only domestic institutional investor to be selected into the TWSE's list of companies with better institutional investor stewardship disclosures for the fifth consecutive time. In addition, Cathay Life Insurance has received full scores in 30 evaluation indicators for **three consecutive years**.
- In December 2024, we partnered with our subsidiary, Cathay Power, to invest no more than NT\$27.3 billion in 50% equity of the Greater Changhua Offshore Wind Farm of Ørsted, which has an installed capacity of approximately **583**MW. This project is the largest wind power investment by a domestic life insurance company. It is also the first in Taiwan to adopt the suction bucket jacket (SBJ) foundation, which has a relatively low impact on the ecosystem. In addition to meeting the of life insurance companies for long-term stable income and taking into account our sustainable energy development strategy, we also hope to play a leading role in the industry.



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): Asia's Best Climate Reporting Gold Award

Taiwan Institute for Sustainable Energy

Taiwan Corporate Sustainability Awards (TCSA): Taiwan Business Sustainability Awards - Best Performance of Specific Categories, Climate Leadership Award

Health

Financial Supervisory Commission

Assessment on treating customers fairly: Top 25% of companies; micro-insurance competition: Excellent Performance Award, Caring for the Physically and Mentally Challenged Award and Petty Amount Whole Life Insurance: Elderly Friendly Award

The Stevie Awards

The Stevie® Awards for Sales & Customer Service: Bronze Award in the Best Financial Customer Service Center of the Year

Commercial Times

2024 Taiwan Service Industry Evaluation: Life Insurance Industry Gold Award

2024 Taiwan Best Customer Center Award: Life Insurance Industry Gold Award

The 3rd Digital Finance Service Award: Digital Innovation Award (Gold Award), Digital Service Award (Gold Award), Digital Treating Customers Fairly Award (Gold Award), Digital Information Security Award - Security Category (Gold Award), Digital Inclusion Award (Award of Excellence)

Empowerment

Asia Insurance Review

The 9th Asia Trusted Life Agents & Advisers Awards: Young Executive of the Year

Association For Talent Development (ATD)

BEST Awards: 11th in the world

The Stevie Awards

Awards for Great Employers: Best Youth Employment Strategy (Silver Award)

Sustainable Finance

Taiwan Institute for Sustainable Energy

Taiwan Sustainable Investment Awards (TWSIA): Influential Institution Award Life Insurance Model

Taiwan Stock Exchange

2024 List of Companies with Better Institutional Investor Stewardship Disclosure

Governance

Asia Insurance Review

The 28th Asia Insurance Industry Award (AIIA): Best Sustainability Award

Brand Finance

Insurance 100 2024

Taiwan Corporate Governance Association

Rating from the Corporate Governance System Assessment: Excellent

Financial Supervisory Commission

Ranked the top 25% in the 2nd Sustainable Finance Evaluation

RMIM

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

Excellence Magazine

2024 Excellent Insurance Rating: Excellence in Risk Management, Excellence in Brand Image, and Excellence in Sustainable Finance (ESG)

Taiwan Institute for Sustainable Energy

Taiwan Corporate Sustainability Awards (TCSA): Corporate Sustainability Report Awards - Platinum Award



Sustainable Organization

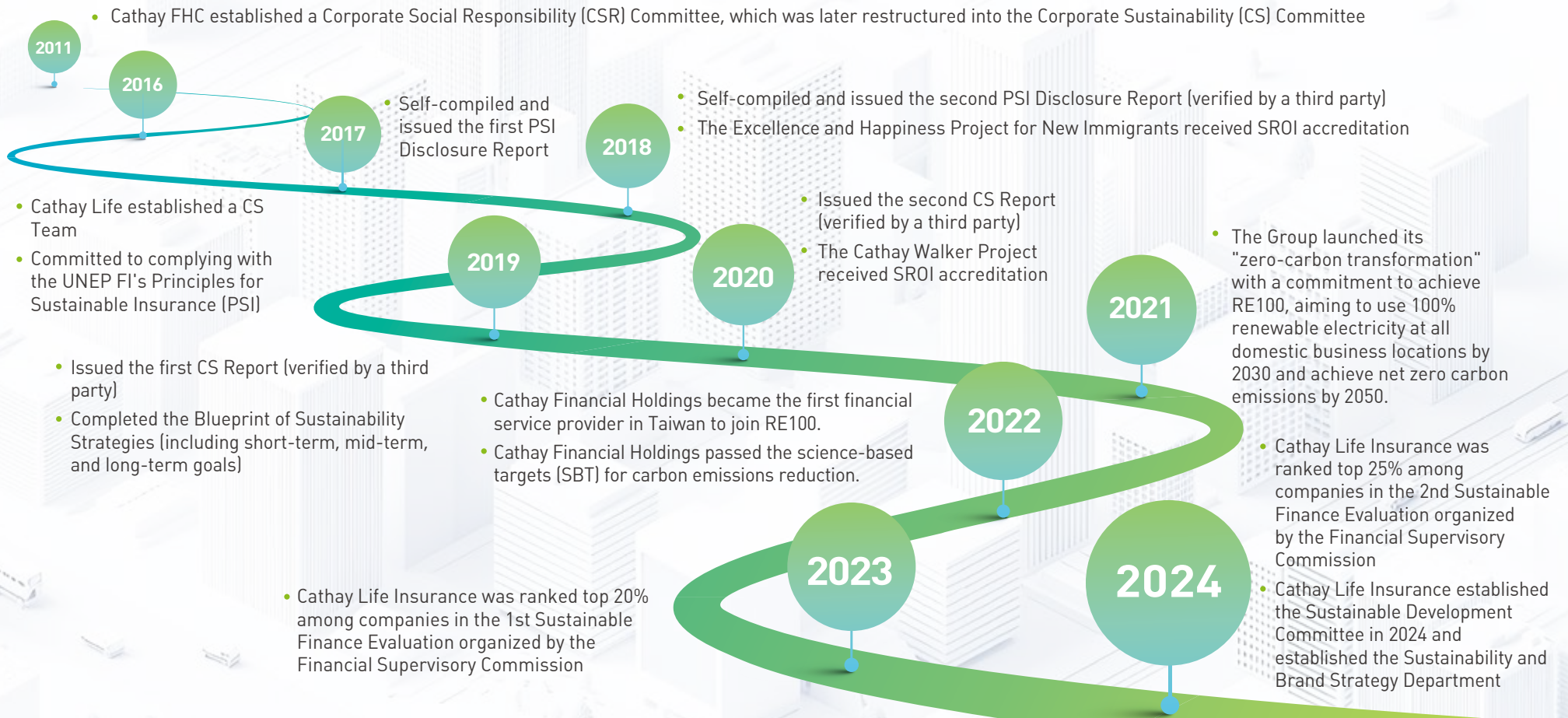
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Principle 1

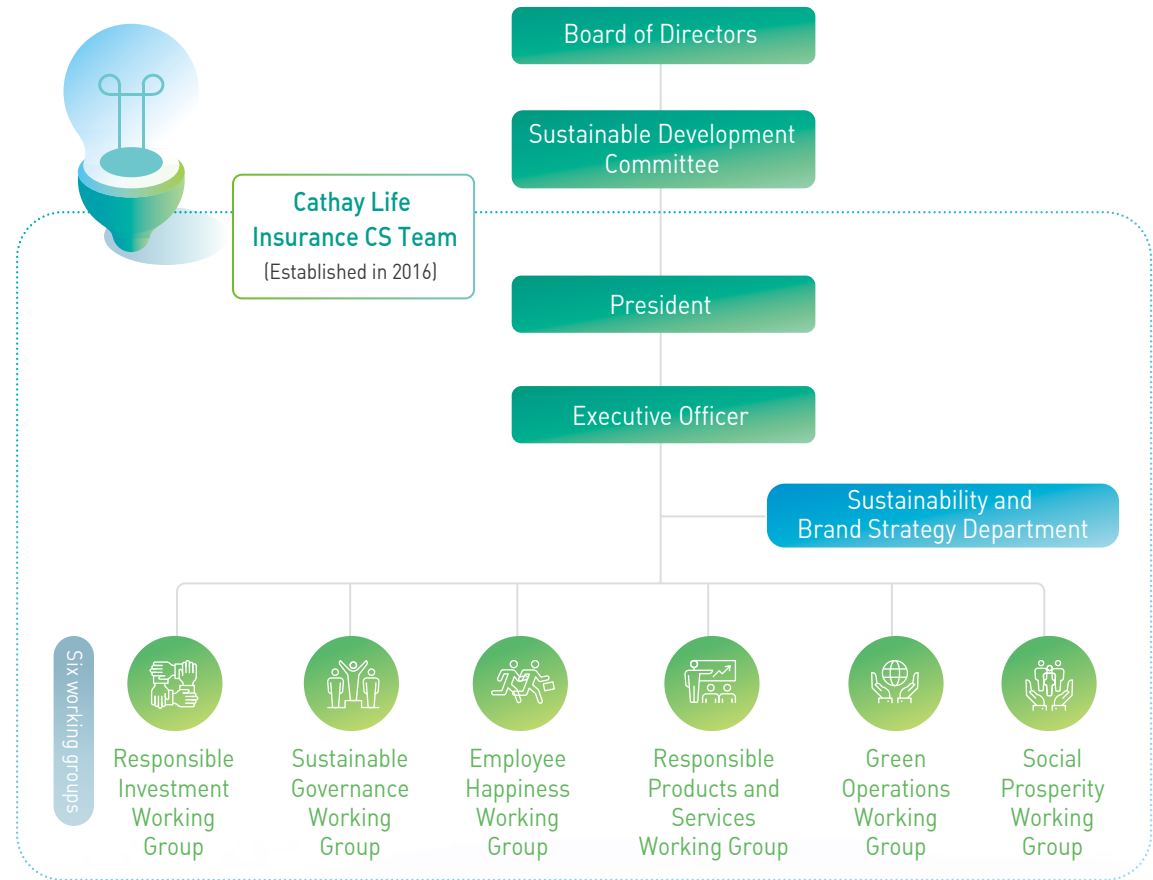
■ Sustainability-related Events



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, as described below:

 <p>Supervision and management</p>	<p>The president serves as the supervisory committee member responsible for supervising the team's operations. An executive vice president or higher level supervisor serves as the executive officer and coordinates of the six subordinate working groups, each headed by an executive vice president or higher level supervisor, who is responsible for managing the supervisors and members of departments responsible for execution.</p>
 <p>Operating mechanisms</p>	<p>The Sustainability and Brand Strategy Department attends CS Committee meetings of Cathay Financial Holdings each quarter, and also convenes quarterly meetings to monitor the progress of each working group. The department submits a report on the implementation of CS measures to the Board of Directors semi-annually.</p>
 <p>Issuance of the Sustainability Report</p>	<p>We issue a Sustainability Report each year to strengthen our information disclosure. Furthermore, we communicate the values of sustainability to customers, employees, competent authorities, and suppliers through internal and external channels.</p>



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.148 for the Medium and Long Term (2025-2030) Goals.

Please see P.154 for the Principles for Sustainable Insurance (PSI).

Climate

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.

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 30% of revenue.
- Participated in 9 organizations/initiatives, 5 overseas climate engagement activities, and 2 overseas nature-related initiatives with Cathay Financial Holdings or independently.
- Engage key domestic TWSE/TPEX-listed companies with 64.4% financed emissions.
- Low-carbon investments grow by 58% with 2020 as the baseline year.

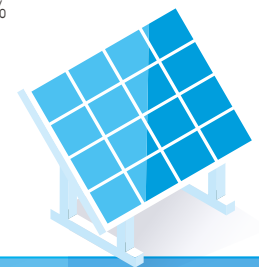
Environmental Sustainability

Corresponding Material Topics

Green operations

Short-term goal achievement

- Total renewable energy use exceeded 15.33 million kWh, reaching RE25.2.
- In 2024, smart meters were installed at 6 representative locations, and the Energy Management System (EMS) pilot project was completed. At the same time, electricity data from 31 sites was integrated, covering over 45% of total electricity usage.
- Completed ISO50001, ISO14001, and ISO46001 verification for key buildings each year.
- Continued to organize electricity-saving and carbon reduction activities and incorporated the internal carbon pricing mechanism, in hopes of further reducing electricity consumption. At the same time, we actively purchased renewable energy and renewable energy certificates
- Mobile Office: The transition and introduction of VDI OA has been completed on the devices of 15% of suitable employees.
- External (SBT commitment): With 2020 as the baseline year, carbon emissions were reduced by 19.3%, exceeding the original target of 16.8%.
- With 2020 as the baseline year, water consumption increased by 1%.
- With 2020 as the baseline year, domestic waste decreased by 12.8%
- Selected by the Ministry of Environment, Executive Yuan for excellent performance in green procurement, which reached NT\$470 million in 2024, up NT\$170 million (57%) compared to 2023.
- Building low carbon buildings: All new buildings have obtained the green building or LEED certification since 2023.
- A total of 38 buildings have been used for green leasing.



Health

Health promotion

Corresponding Material Topics

Health Promotion and Life Protection

Short-term goal achievement

- 1.245 million members participated in the health promotion plan
- 3 iconic partners in the cross-industry ecosystem
- Assisted 934 thousand members in health management, and the total monthly participants reached 16.07 million members
- The cumulative number of steps uploaded is the equivalent of reducing carbon emissions by 243 thousand metric tons
- Number of new policyholders with sufficient medical insurance coverage (daily hospitalization benefits \geq NT\$2,000) in the year reaches 129 thousand
- Continued to improve health promotion events and maintained the number of employees with normal BMI at 50%
- Provided Employee Assistance Programs (EAP) to assist 90% of employees with maintaining physical and mental health
- The total number of steps walked by employees reduced carbon emissions by 3,801 metric tons
- Maintain the effectiveness of ISO 45001
- Teacher recommendation for the anti-drug campaign reached 93%, with anti-drug activities organized in 1,417 schools and reaching 2.63 million people
- Promoted elderly care activities in collaboration with NGOs and schools to strengthen social support, and provided care for 5,623 elders
- Policyholders aged 55 years old and above that purchased A&H insurance reached 28.48%
- Cumulatively cultivated 66.6% of sales agents and 69.5% 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 4.96% of the ideal retirement savings of citizens under the age of 65 years old
- Digital service satisfaction reached 97%
- The number of users of financial calculation functions reached 81,796
- Accumulated 1 financial inclusion project
- The problem-solving rate (24-hour) of the chatbot reached 94.6%
- Total number of chatbot users reached 2.29 million
- The number of beneficiaries of micro and small-amount insurance reached 179,000 people and above
- A total of 11,246 people participated in fraud prevention education activities

Digital service satisfaction reached **97%**



Empowerment

Workplace Empowerment

Corresponding Material Topics

Human Capital

Short-term goal achievement

- Achieve a 50% completion rate for digital skills training programs 86%
- Achieve a 94.6% 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 rate of 4.26 for annual job dedication training(out of 5)
- The percentage of employees who scored 4 points and above on the 360-degree ability assessment reached 97.2%
- The retention rate of key mid-level talents in the talent pool: The retention rate of stars of tomorrow (manager level) reached 97.1%, 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%
- Retention rate after unpaid parental leave reached 89%
- 74% of employees are female
- 49% of STEM talents are female
- 57% of all managers are female;57% of entry-level managers are female;30% of mid-level and senior managers are female.
- DEI online course completion rate reached 93.5%



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
- 24 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 26 cases
- Mixed Disabled Troupe and Happiness Farms volunteer participation: Maintained at 149 participants and 447 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 2,000 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
Operation Integrity

Short-term goal achievement

- Expanded the scope of departments for linking senior manager performance to corporate sustainability
- Established a nature-related risk management framework according to the TNFD
- Optimized the the time period and scope of calculation of the climate change scenario analysis
- Followed the implementation schedule of the competent authority's Corporate Governance Blueprint 3.0 and Sustainable Development Action Plan
- Completed the transition for the ISO27001 Information Security Management Standard and obtained the latest version ISO/IEC 27001 certification



Stakeholders and Material Topics

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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) Establish an internal employee communication network, employee welfare network, physical bulletin boards, and employee communication mailbox Complain channels for sexual harassment and violations of gender equality: 81755@cathylife.com.tw	Information Security and Customer Privacy Legal Compliance and Response Operation Integrity Workplace Safety and Health	<ol style="list-style-type: none"> In the 2024 Employee Engagement Survey conducted by Cathay Life Insurance, overall employee engagement reached 4.08 points (out of 5). The Employee Assistance Programs (EAP) offers a 24-hour helpline. In 2024, a total of 151 employees used the consultancy service; 99% of the users found it helpful in solving problems. In addition to providing all employees with 3 hours of information security courses, we also sent 18 dedicated information security personnel to receive a total of 700 hours of professional information security training courses. A total of 28,848 people received training in 2024, totaling 86,544 hours. We conduct legal compliance online courses for office staff and the front desk: The number of trainees was 29,016. The total training hours reached approximately 262 thousand hours. Annual AML/CFT training for back office and front desk: Cumulative number of trainees in 2024: 45,683 participants. A total of 33,000 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 0800-036599, and the Customer Relationship Enhancement Department will handle the matter	Information Security and Customer Privacy Legal Compliance and Response Customer Rights Protection and Treating Customers Fairly	<ol style="list-style-type: none"> In 2024, our overall customer satisfaction reached 98.9% and NPS reached 43.1, further improving on the 35.1 in 2023, the fifth consecutive year of positive growth. Obtained ISO 9001 Quality Management System and ISO 10002 Customer Complaint Management System certifications. There were no major personal data infringement incidents in 2024. We continue to strengthen management and training. The Company has established a whistleblowing system that has been approved by the Board of Directors, and provides information on the whistleblowing mailbox, hotline, e-mail, and mailing address on the company website. 	<p>2.1 Health promotion</p> <p>2.2 Financial Health</p> <p>5.1 Sustainability Governance</p>
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 Team stewardship@cathlife.com.tw Tel: 02-27551399	Sustainable Finance & Investment Climate-related and Nature-related Initiatives	<ol style="list-style-type: none"> Published the 2024 Responsible Investment and Stewardship Report in Chinese and English In 2024, we participated in 9 organizations/initiatives, 5 overseas climate engagement activities, and 2 overseas nature-related initiatives In 2024, there was a total of 2,769 participants in visits to 656 company and a total of 2,487 times, with an average of 3.8 visits per company In 2024, Cathay Life Insurance engaged with 140 companies a total of 328 times on 15 material ESG issues In 2024, Cathay Life Insurance attended 247 shareholders' meetings and voted on a total of 2,324 proposals 	<p>1.1 Low-Carbon Economy</p> <p>4.1 Responsible Investment</p> <p>5.2 Sustainability Governance</p>


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 Department9z00000@cathaylife.com.tw Tel: 02-27551399 Responsible Investment Team stewardship@cathlife.com.tw Tel: 02-27551399	Sustainable Financial Investment Financial Inclusion Climate-related and Nature-related Initiatives Corporate Governance Information Security and Customer Privacy	<ol style="list-style-type: none"> 1. Published the 2024 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 implemented the Sustainable Campus Project with the K-12 Education Administration of the Ministry of Education. 7. Won First Place, the Sprint Award, and the Mentally Challenged Award in the Micro Insurance Contest held by the Insurance Bureau, Financial Supervisory Commission (FSC) in 2024 	<p>1.1 Low-Carbon Economy 2.1 Health promotion 2.2 Financial Health 4.1 Responsible Investment 5.1 Sustainability Governance</p>
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 Department9z00000@cathaylife.com.tw Responsible Investment Team stewardship@cathlife.com.tw Tel: 02-27551399	Sustainable Financial Investment Technological Innovation Financial Inclusion	<ol style="list-style-type: none"> 1. The 2023 Taiwan Service Industry Evaluation of Commercial Times: Life Insurance Industry Gold Award, 3rd Digital Finance Gold Award 2. Cathay has held the Sustainable Finance and Climate Change Forum for seven consecutive years, inviting the media to participate, in order to keep abreast of developments in climate change issues internationally and in Taiwan. 	<p>1.1 Low-Carbon Economy 2.2 Financial Health 4.1 Responsible Investment 5.1 Sustainability Governance</p>
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	<ol style="list-style-type: none"> 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 2024. 3. Completion rate of supplier education and training reached 100% in 2024. 4. In 2024, the amount of green procurement reached NT\$470 million, with the goal of prioritizing the procurement of products with environmental protection labels. 5. The 2024 supplier conference was held in person to communicate sustainability-related issues with suppliers. 	<p>1.2 Environmental Sustainability 2.1 Health promotion 5.1 Sustainability Governance</p>

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	<ol style="list-style-type: none"> 1. Published the 2024 Annual Report on Charitable Works, which can be downloaded at: https://patron.cathaylife.com.tw/ODAY/F0/ODAYF042 2. Recommendation for the anti-drug campaign reached 93%, with anti-drug activities organized in 1,417 schools and reaching 2.63 million people. 3. Promoted elderly care activities in collaboration with NGOs and schools to strengthen social support, and provided care for 5,623 elders. 	<ol style="list-style-type: none"> 1.1 Low-Carbon Economy 1.2 Environmental Sustainability 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 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.or directly visit the official website of the Cathay Charity Foundation for more information https://patronc.cathaylife.com.tw/ODAY/	Information Security and Customer Privacy Operation Integrity Customer Rights Protection and Treating Customers Fairly	<ol style="list-style-type: none"> 1. Total investment-linked plus traditional wealth-management insurance premiums make up for 4.96% of the ideal retirement savings of citizens under the age of 65 years old. 2. The number of users of financial calculation functions reached 82 thousand. 3. The number of beneficiaries of micro and small-amount insurance reached 179,000 people and above. 4. Continued to launch 1 project for innovative products or services for financial inclusion. 	<ol style="list-style-type: none"> 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

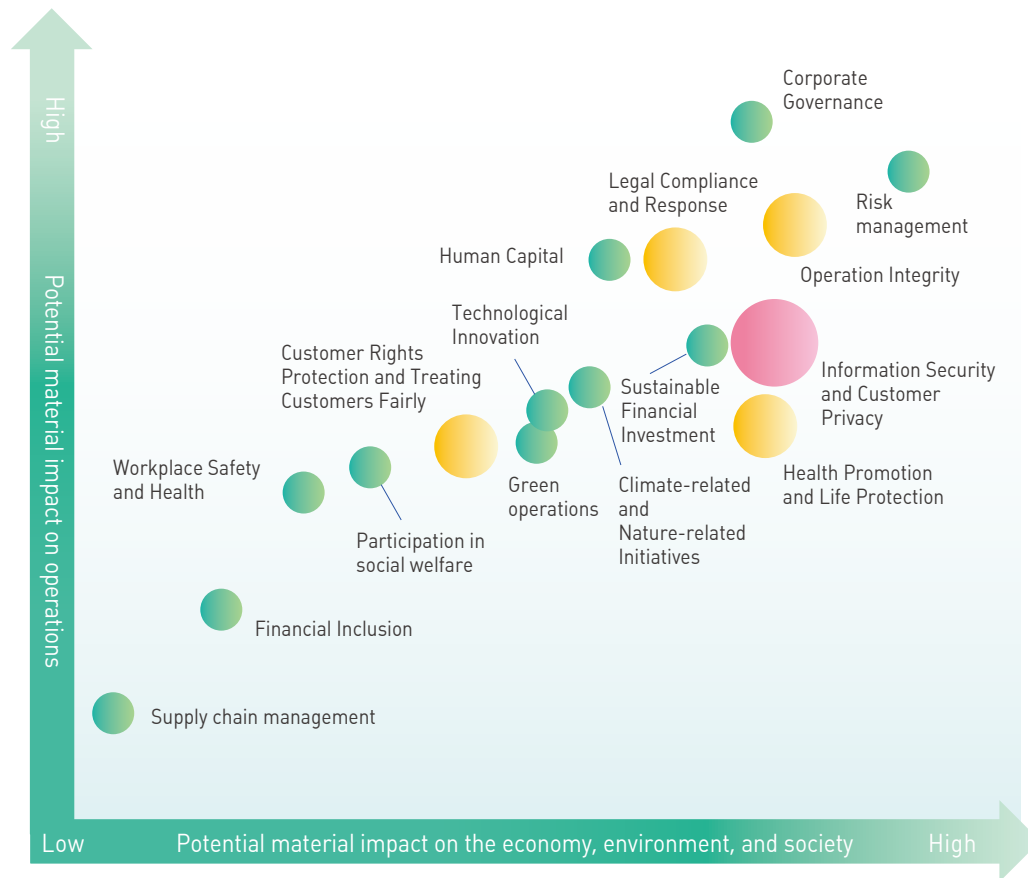
To identify material topics that have an impact on the organization's operations, stakeholders, and sustainable development, Cathay Life Insurance referenced the concept of double materiality advocated by the EU's Corporate Sustainability Reporting Directive (CSRD), and identified material topics with 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.

Analysis process

<p>Step 1 Identify stakeholders</p>	<p>7 types of stakeholders that the Company frequently communicated with were identified based on industry characteristics and the current situation of operations.</p>	<p>Stakeholders identified by the Company in 2024 are as follows: Public, community/NGOs/NPOs, government and competent authorities, media experts, suppliers, customers, and employees</p>				
<p>Step 2 Compile material topics and prepare questionnaires on level of concern and internal questionnaires for senior managers</p>	<p>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.</p>	<p>16 sustainability issues</p>				
<p>Step 3 Distribute questionnaires and evaluate issues</p>	<table border="1"> <tr> <td data-bbox="591 874 833 976"> <p>Survey stakeholders' level of concern</p> </td> <td data-bbox="846 874 1671 976"> <p>Distributed questionnaires to 7 types of stakeholders to survey their level of concern for the 16 sustainability issues.</p> </td> </tr> <tr> <td data-bbox="591 986 833 1161"> <p>Determined based on double materiality for senior managers</p> </td> <td data-bbox="846 986 1671 1161"> <p>(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.</p> </td> </tr> </table>	<p>Survey stakeholders' level of concern</p>	<p>Distributed questionnaires to 7 types of stakeholders to survey their level of concern for the 16 sustainability issues.</p>	<p>Determined based on double materiality for senior managers</p>	<p>(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.</p>	<p>Distribute questionnaires on stakeholders' level of concern: A total of 1,863 valid questionnaires</p> <p>Distribute questionnaires to senior managers: A total of 13 valid questionnaires</p>
<p>Survey stakeholders' level of concern</p>	<p>Distributed questionnaires to 7 types of stakeholders to survey their level of concern for the 16 sustainability issues.</p>					
<p>Determined based on double materiality for senior managers</p>	<p>(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.</p>					
<p>Step 4 Analyze and prioritize material topics</p>	<p>(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.</p>	<p>9 material topics</p>  <p>9 material topics: E 1, S 4, G 4</p>				
<p>Step 5 Disclose and report topics</p>	<p>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.</p>					

● 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

This year, we conducted double materiality analysis that considers both the potential impact on the economy, environment, and society, and the potential impact on the Company's operations. Unlike in the past, when we only considered the impacts on the economy, environment, and society. Therefore, the material topics identified will be different from last year.

Comparison of material topics in 2024 and 2023:

Material topics in 2024		Changes compared to 2023	Material topics in 2023	
Topic			Topic	
1 Risk management	↑	1 Corporate Governance and Operation Integrity		
2 Corporate Governance	↓	2 Customer Rights Protection and Service Quality		
3 Operation Integrity	↓	3 Sustainable Financial Investment		
4 Information Security and Customer Privacy	New	4 Integrated Risk Management		
5 Health Promotion and Life Protection	New	5 Sustainable Products and Services		
6 Sustainable Financial Investment	↓	6 Financial Technology Application		
7 Legal Compliance and Response	-	7 Legal Compliance and Response		
8 Human Capital	↑	8 Green Operations		
9 Customer Rights Protection and Treating Customers Fairly	↓	9 Employee Rights and Benefits		

● 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 good corporate governance will lead to significant deficiencies in the Company's operations. In addition to the Company's financial losses caused by penalties imposed by competent authorities and litigation and compensation, the Company will also lose the trust of employees and customers in the Company, which will hinder the Company's business development.	-	Cause	Cause	GRI 2-1 Detailed information of the organization GRI 2-9-2-21 Governance	5.1 Sustainability Governance
Operation Integrity	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.	-	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 and privacy protection will improve the Company's brand image and attract attention, which will indirectly stabilize or expand business. If an information security incident occurs, it will violate personal data-related laws and regulations, resulting in penalties imposed by the competent authority. It will also cause the Company to lose public trust, which will affect business operations and reduce 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 Financial 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.	Taking sustainability factors into consideration in the investment process can help other companies move towards low-carbon transformation and sustainable transformation, thereby creating new investment and lending markets and new business and product opportunities for the Company, which may have a positive financial impact on the Company. 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	<p>The Company complying with and implementing policies and regulatory requirements of the government and competent authorities will protect the rights and interests of customers, employees, and other stakeholders, and help stabilize the financial market and insurance market.</p> <p>Failure to comply with laws and regulations will not only negatively impact the economy, environment, and society, but also damage the Company's reputation, and may result in penalties and increase the Company's operating costs.</p>	<p>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.</p>	-	Cause	Cause	<p>GRI 2-27 Regulatory Compliance</p> <p>GRI 307: Environmental Compliance</p> <p>GRI 419: Socioeconomic Compliance</p>	5.1 Sustainability Governance
Human Capital	<p>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.</p>	<p>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.</p> <p>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.</p>	-	Cause		<p>GRI 401 Employment</p> <p>GRI 404 Training and Education</p>	3.1 Workplace Empowerment
Customer Rights Protection and Treating Customers Fairly	<p>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.</p>	<p>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.</p>	-	Cause	Cause	<p>G4 Financial Services Sector Disclosures - FS15 Policies for the fair design and sale of financial products and services</p> <p>GRI 417 Marketing and Labeling</p> <p>GRI 2-27 Regulatory Compliance</p> <p>GRI 416: Customer Health and Safety</p>	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 bring together the government, suppliers, employees, and 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.

Performance highlights

19.8%

Expanded the commitment to divest from coal and unconventional oil and gas industries in 2024, and included companies with plans to expand coal and extract Arctic oil and gas in the scope of control.

Cathay Life Insurance participated in the 2024 CDP Non-Disclosure Campaign, and encouraged companies not participating in the campaign to respond to the CDP questionnaire, with a successful engagement rate higher than the international average of 19.8%. Due to maintaining good relations with the CDP over a long period of time and high success rate of engagement, Cathay Life Insurance was invited to share a successful engagement case in the 2024 CDP Non-Disclosure Campaign Results report, which was one of the only two cases in the world to be selected.

15.33
million kWh

In 2024, the total renewable energy use exceeded 15.33 million kWh, reaching RE 25.2, which is equivalent to reducing carbon emissions by approximately 7,266 metric tons.

The first
“Net Zero” building
in Taiwan

Our Wuri Building in Taichung successfully achieved 50% energy saving for building energy efficiency level 1+ (near zero building label). It also led the industry in becoming the first “Net Zero” building in Taiwan through the implementation of green electricity measures, allowing the Group to more effectively achieving the target of RE100.



Material Topics Management

Green operations

Policy commitment

Cathay Life Insurance set the target of 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

Implement green procurement

Environmental education and promotion

Performance tracking/stakeholder engagement

- Adhere to SBT guidelines in setting the goal of zero carbon business transition.
- Implement various net zero carbon emissions projects in three aspects, i.e., Green Energy, Green Operations, and Green Real Estate.
- In 2024, the total renewable energy use exceeded 15.33 million kWh, reaching RE 25.2, which is equivalent to reducing carbon emissions by approximately 7,266 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 15% compared to 2023. The usage rate of e-policies in 2024 was 99.54%. Approximately 25,000 people and 100,000 policies used the Cathay Vision Experience (CVX) remote insurance services.
- The use of mobile and electronic services reduced paper usage by 83.96 million sheets, which is equivalent to 16.5 times the height of Taipei 101, reducing approximately 571 metric tons of carbon emissions.

- Green procurement amount reached NT\$470 million in 2024, which increased by NT\$170 million (57%) compared to 2023. From 2018 to date, the cumulative green procurement has amounted to over NT\$1.52 billion.
- Recognized by Taipei City Government as a private enterprise with outstanding green procurement performance for 15 consecutive years.
- All of the suppliers shall sign Cathay's Sustainability Value Declaration and complete the sustainability education and training courses.

- All departments within the Company have dedicated personnel in charge of energy conservation issues to undertake tasks involving environmental education promotion and energy conservation measures.
- Responded to the Environmental Education Act by attending at least four hours of environmental education each year. In 2024, all employees have accumulated more than 130,000 hours.
- We organized and cooperated with 10 beach cleanup activities in 2024, inviting policyholders and colleagues to participate. In total, over 1,100 kg of coastal waste was removed.
- In 2023, we introduced an internal carbon pricing mechanism through a carbon reduction incentives event. The event reduced 385 tons of carbon in total, and accumulated NT\$5.45 million in the fund for carbon fees.

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 Investment 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 investment 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 (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 and green energy 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 investment 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 "55%, 80%, and 85% growth in 2025, 2027, and 2030 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 to 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 serves as a partner in corporate transition by investing in sustainability-linked bonds that are 100% performance-based on greenhouse gas reduction targets (Section 4.1.2 Sustainability Investment Actions – Sustainability-Linked Bonds, P.105), and by allocating investments to companies with long-term and specific carbon reduction goals (companies committed to SBT and Net Zero). In doing so, the company 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, and replace investment targets with high carbon emissions and without carbon reduction targets. In doing so, we will achieve allocation transformation.

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 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 in the exclusion list, new investments shall not be made in the company. For companies on the watchlist, the investment team must issue an ESG assessment report, and the Responsible Investment Working Group may take appropriate stewardship actions as needed.



Coal-related industries

- ✓ Coal-related industries: Coal power industry, coal mining industry, coal freight industry, and coal services industry
- ✓ Coal-related enterprises "with coal expansion plans or coal revenues exceeding a certain threshold " and that are not actively transitioning



Unconventional oil and gas industry

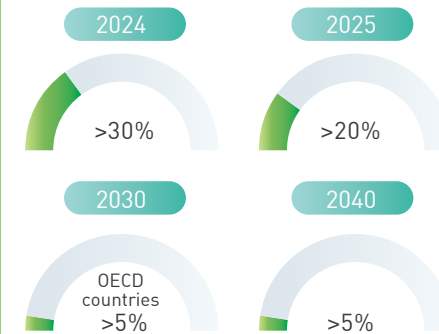
- ✓ Definition of unconventional oil and gas: involving oil sands, shale oil and gas, and Arctic oil and gas (including onshore and offshore).
- ✓ Companies with unconventional oil and natural gas revenue exceeding a certain threshold and that are not actively transitioning

Scope

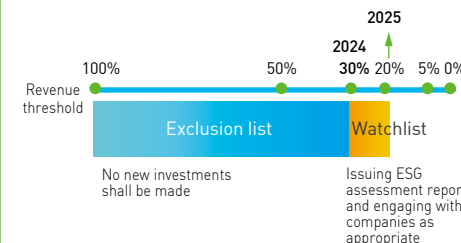
Phase-out plan

Management Measures

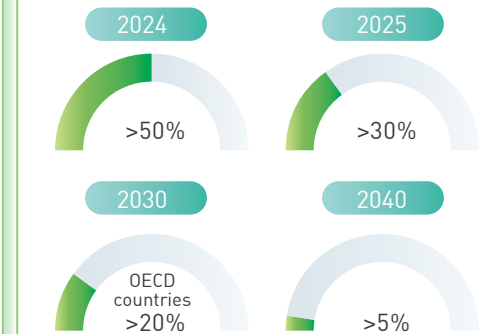
- ✓ Gradually lower the revenue threshold for coal-related activities



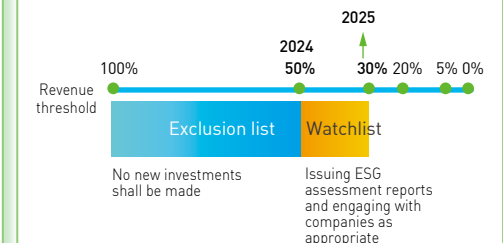
- ✓ Identify exclusion list and watchlist in accordance with the phase-out plan



- ✓ Gradually lower the revenue threshold for unconventional oil and gas



- ✓ Identify exclusion list and watchlist in accordance with the phase-out plan



● Green Engagement – Focusing on Sustainability and Leveraging the Power of Dialog



Please refer to 1.1 Low-Carbon Economy P.36

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 climate 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.

《Climate Engagement 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 according with the SBTi Financial Institutions' Near-Term Criteria.
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 on net-zero benchmark indicators are conducted based on CA 100+, covering capital allocation for low-carbon transformation, and climate policy engagements, climate governance, and just transition, in order to improve its compliance with the net-zero benchmark indicators.

Engagement progress and results

Company C faces challenges in technology R&D, resources, and capital investments due to industry characteristics. For example, low-carbon steelmaking technology is not yet mature, and the infrastructure will require a large amount of capital to construct. Despite the difficulties in achieving carbon reduction results, Company C continues to invest its resources in R&D and testing, and strives to develop low-carbon transition technologies to achieving the carbon reduction goals set by Company C.

Company C has actively responded to requirements of the CA 100+ net-zero benchmark and made significant progress. Its score improved from 37.5% in 2023 to 43.5% in 2024, surpassing the industry average of 37.9%. Furthermore, Company C was selected as the only case study of the steel industry in the CA 100+ 2024 Progress Update report. During the 2024 engagement process, Cathay Life Insurance continued to provide climate actions to Company C, assisting them in optimizing their CA 100+ net-zero benchmark score and proposing additional concrete action plans. Company C also actively responded to CA100+ improvement projects and is committed to continuing to make improvements.



Source of image: CA 100+ 2024 Progress Update



《Climate Accountability Case》

Company C is in the oil and gas industry with high carbon emissions and was listed as a company in focus by CA100+

Main focus of analysis

Company C is currently compliant with the TCFD standards and has set mid-term reduction targets for Scopes 1 and 2. However, other oil and gas companies that have set more ambitious emission reduction targets and committed to net-zero emissions in the entire value chain by 2050, or have committed to reducing their Scope 3 emissions by reducing investments in oil and gas and working with customers to reduce the demand on oil and gas. In comparison, Company C has not set targets to reduce Scope 3 emissions or long-term climate targets, and it is also not in line with the net-zero scenario.

Climate accountability actions

If global markets take more proactive actions to limit global warming to within 2°C in the future, Cathay Life Insurance expects Company C to face greater regulatory, competitive, legal, and financial risks, and therefore abstains from voting on all directors elections of Company C. The reasons for abstention are as follows:

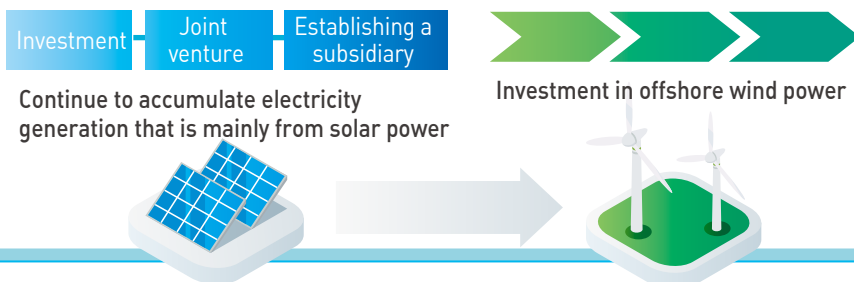
- ✔ The company's commitment to achieving net zero emissions by 2050 does not include Scope 3 emissions.
- ✔ Failed to issue a statement on net zero GHG emissions, which clearly states that it will reduce Scopes 1 and 2 emissions by at least 95% by 2050 or earlier.
- ✔ Failed to ensure that the target of net-zero GHG emissions covers categories of Scope 3 GHG emissions that are the most relevant to the company's industry.
- ✔ The policy influencing activities failed to align with the Paris Agreement, and was directly involved in the lobbying of fossil fuel expansion and opposing setting climate targets.

● 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 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, as we were optimistic towards the national energy transition policy and the company's RE100 commitment to drive up the long-term trend of green power demand, we consolidated our solar power plant investments and established Cathay Power to undertake such investments. We became the first insurance service provider to establish a solar power subsidiary.

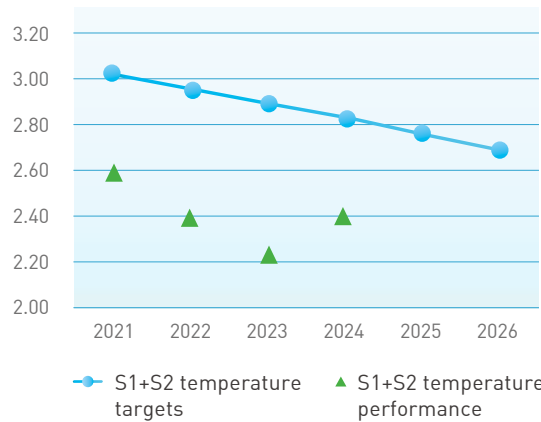
Furthermore, Cathay Life Insurance integrated internal and external resources and established an offshore wind farm project evaluation team. After more than a year of technical, financial, and legal on-site audits, we evaluated the release of 50% of shares of Greater Changhua 4 Offshore Wind Farm by Ørsted in 2023. In December 2024, we partnered with our subsidiary, Cathay Power, to jointly invest in 50% of shares of Greater Changhua 4 Offshore Wind Farm at a price of no more than NT\$27.3 billion. The wind farm has an installed capacity of approximately 583MW. This is the largest investment by a domestic insurance company in a wind farm. We hope to play a key role in narrowing the gap between renewable energy supply and demand, while answering the call of the government's energy transformation policy, and supporting more Taiwanese companies in obtaining green electricity.



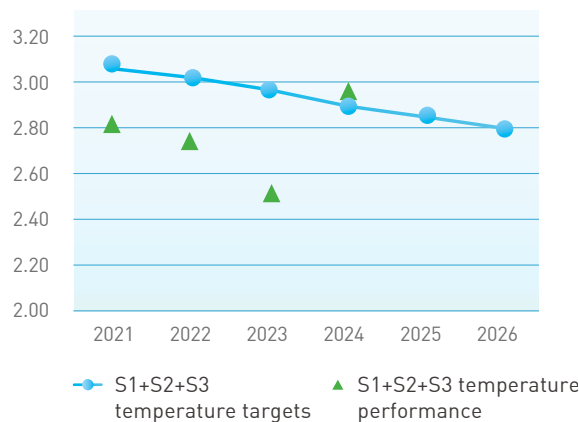
Under the strategy of low-carbon investment allocation, Cathay Life Insurance not only pays attention to the development of innovative climate-related technologies, but also carefully evaluates the potential upside of investee companies, and also carefully assesses investment risks in each area. For example, in the 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 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 power 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 investment allocation strategies.

We are gradually achieving targets on the temperature reduction pathway of the SBTi through the "low-carbon investment allocation" strategy and the three major action plans of "green capital," "green engagement," and "green business." Our results in 2024 are as follows, in which our S1+S2 temperature performance has already achieved the 2024 target and exceeded the 2026 target. However, our 2024 SBT S1+S2 temperature performance increased compared to 2023, which was mainly due to the CDP-WWF Temperature Scoring Methodology adjusting the default temperature of companies without effective climate target data to 3.4°C. However, our S1+S2+S3 temperature performance of slightly exceeded the 2024 target and the achievement rate was 99%. Our temperature performance increased compared to 2023, mainly due to the CDP-WWF Temperature Scoring Methodology adjusting the default temperature of companies without effective climate target data to 3.4°C, and the CDP-WWF Temperature Scoring Methodology adopting a more conservative but steady way to estimate the temperature of S3. Therefore, the S1+S2+S3 temperature of most companies significantly increased compared to the S1+S2+S3 temperature last year.

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



Achievements in S1+S2+S3 temperature reduction of listed equities 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

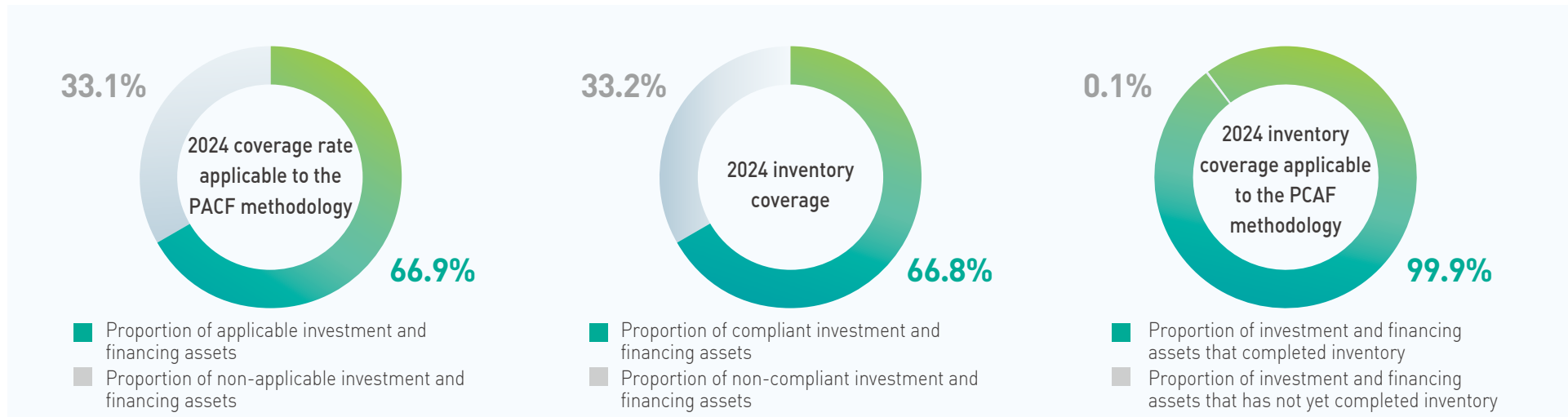
The methodology used for financed emissions of our investment and loan portfolio in 2024, boundaries and scope of the financed emissions inventory, and databases are described below:

Methodology	Calculation is based on the methodology of the Partnership for Carbon Accounting Financials (PCAF) and the guiding principles set forth in the "Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Loan Portfolios for Insurance Companies."	
Organizational boundaries	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.	
Types of assets	Listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, and sovereign bonds.	
Account title	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Loan Loan positions listed under "Loans."
Record date of inventory	December 31, 2024	
Scope of Greenhouse Gas Emissions	Except for the items separately explained below, all other assets in the inventory are calculated as Scope 1 and Scope 2 GHG Emissions. <ul style="list-style-type: none"> Investments in sovereign bonds are calculated in Scope 1. The Scope 1, Scope 2, and Scope 3 GHG emissions of investments in listed equity and corporate bonds are separately calculated for companies in the "oil and gas industry, metals and mining industry, transportation industry, and construction materials industry." All project investments and financing are renewable energy loans, and are therefore separately calculated to avoid carbon emissions. 	
Database/Source	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 7 asset classes in the PCAF methodology are listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, and sovereign bonds. However, Cathay Life Insurance does not undertake motor vehicle loans, so it is not listed below.

Inventory coverage

Since 2020, Cathay Life Insurance has voluntarily complied with the guidelines of the Partnership for Carbon Accounting Financials (PCAF), and used the PCAF methodology to calculate the financed emissions of its own investment portfolio (Scope 1 and Scope 2). After accumulating experience in compiling carbon inventory and including the investment and loan portfolio into the scope of the inventory, the inventory coverage of our overall investment and loan portfolio applicable to the PCAF methodology was 99.9% in 2024.



Note 1: Coverage rate applicable to PCAF methodology: The investment and 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 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.

Investment/ Loan carbon inventory results

Cathay Life Insurance compiles the carbon footprint inventory of its investment portfolio each year to fulfill its commitment to the Paris Agreement and prepare in advance for the growingly strict supervision of carbon emissions by countries around the world. Since 2018, we have calculated the weighted average carbon emissions from our listed equity and corporate bond investment portfolio according to TCFD recommendations. Starting in 2020, we used the PCAF methodology to calculate the financed emissions and portfolio carbon intensity of listed equity and corporate bonds. We then expanded the calculation of financed emissions and portfolio carbon intensity to the 7 asset classes in the PCAF methodology in 2023. However, Cathay Life Insurance does not undertake motor vehicle loans, so it is not listed below. In the future, we will continue to regularly review the financed emissions of investment and loan portfolios to monitor the changes in carbon emissions.

1. Carbon emissions of the investment and loan portfolio

In 2024, the financed emissions from investment and loan amounted to 15,539,267 tCO₂e^{Note}, the portfolio carbon intensity was 95.4 tCO₂e/US mn invested, and the data quality score was 2.57. Although financed emissions and portfolio carbon intensity increased by 4.78% and 4.48% compared to 2023, respectively, the data quality score still decreased by 0.3% compared to the previous year, indicating an improvement in the accuracy and completeness of carbon emissions data.

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

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



Financed emissions
Unit: t CO₂e

14,831,053 15,539,267



2023 2024



Economic Emission Intensity
Unit: t CO₂e/US mn invested

91.3 95.4



2023 2024



Data quality score
Unit: Points

2.58 2.57



2023 2024



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, and sovereign bonds (excluding LULUCF).

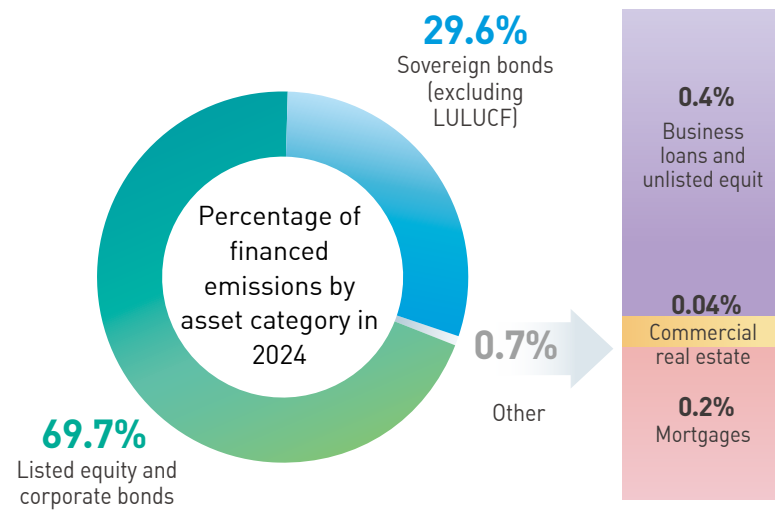
Note 2: LULUCF stands for land use, land-use change and forestry: Human activities cause changes in carbon cycle between the terrestrial biosphere through LULUCF, leading to the alteration of carbon dioxide in the atmosphere.

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

The financed emissions in 2024 were mainly from corporate bonds, government bonds, and listed equity, which are further described below by asset, industry, and country:

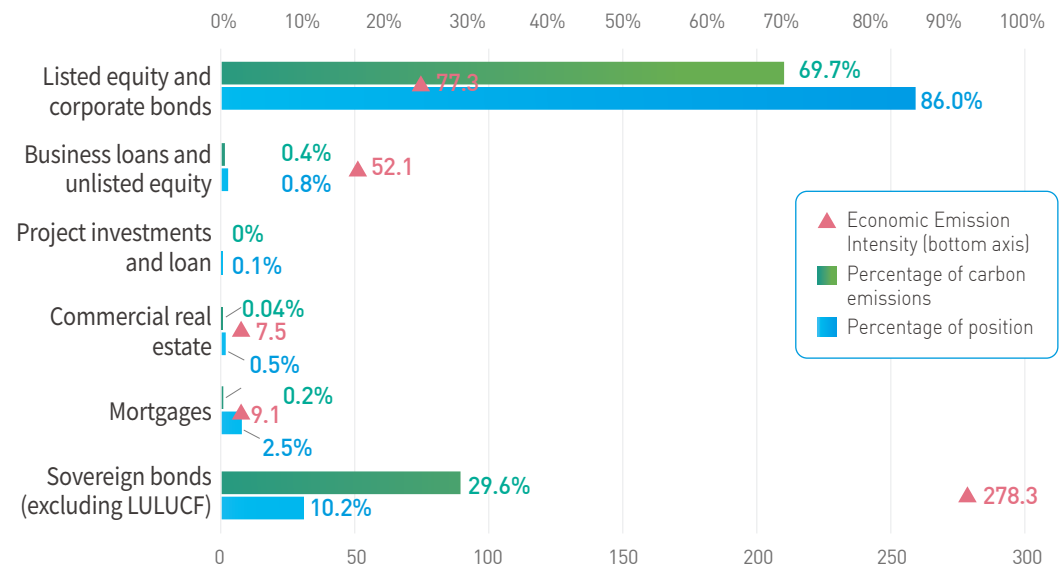
Breaking down financed emissions by asset, listed equities and corporate bonds accounted for the highest proportion, reaching 69.7%, followed by sovereign bonds (excluding LULUCF), accounting for 29.6%. Other asset classes, such as business loans and unlisted equity, commercial real estate, and mortgages, only accounted for 0.7% of the total. Therefore, we will focus on the carbon emissions of main asset classes from here on. In terms of carbon emission distribution by asset and portfolio carbon intensity, our sovereign bonds position only accounts for 10.2% of our portfolio, but it accounts for 29.6% of our carbon emissions, indicating that it has highly concentrated carbon emissions and has the highest portfolio carbon intensity among all assets. In contrast, our listed equity and corporate bonds position accounted for 86% of our portfolio, but only 69.7% of our carbon emissions. Cathay Life Insurance will continue to monitor and analyze changes in carbon emission intensity of each asset class. Based on industry analysis, the carbon emissions of the energy, raw materials, and utilities accounted for a significantly higher percentage compared to other positions, and their portfolio carbon intensity was also relatively higher. Hence, we will focus on tracking the industries in the future. In terms of distribution by country, the Americas ranked first in terms of carbon emissions and the percentage of our positions. The Asia Pacific (excluding Taiwan) had a similar position as other regions, it had higher carbon intensity, reflecting the high carbon emission characteristics of local investee companies. Cathay Life Insurance will continue to track changes in the region.

Percentage of financed emissions by asset



Note: The total of items in "Others" is not 0.7% because they are rounded to the first decimal place.

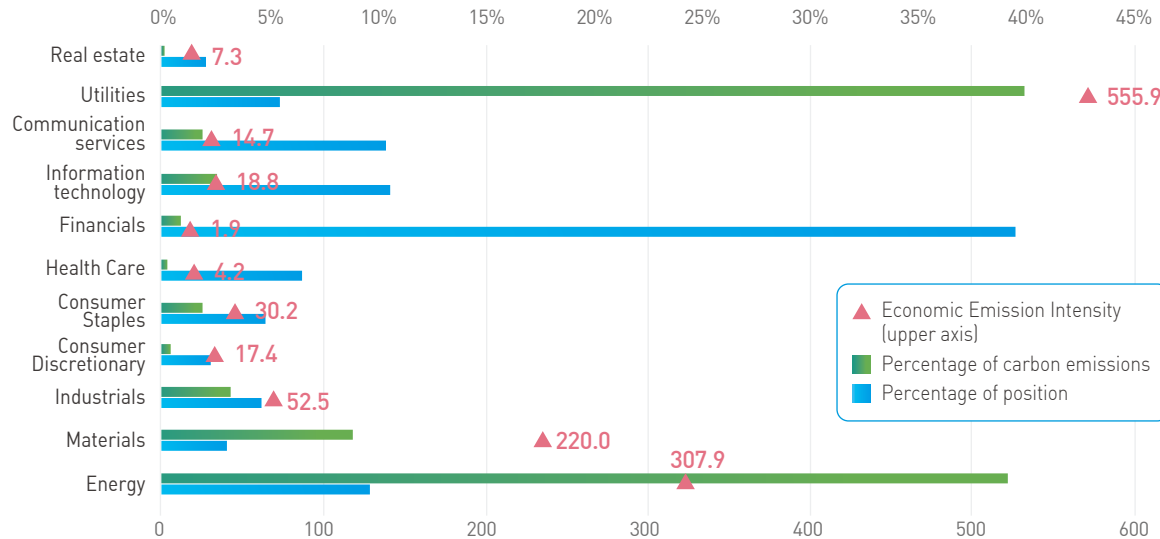
Distribution of financed emissions by asset



Note: The total of carbon4 emissions and positions is not 100% because it is rounded to the first decimal place.

1.1 Low-Carbon Economy 1.2 Environmental Sustainability

💡 Distribution of financed emissions by industry



2. Description of carbon emissions from main assets

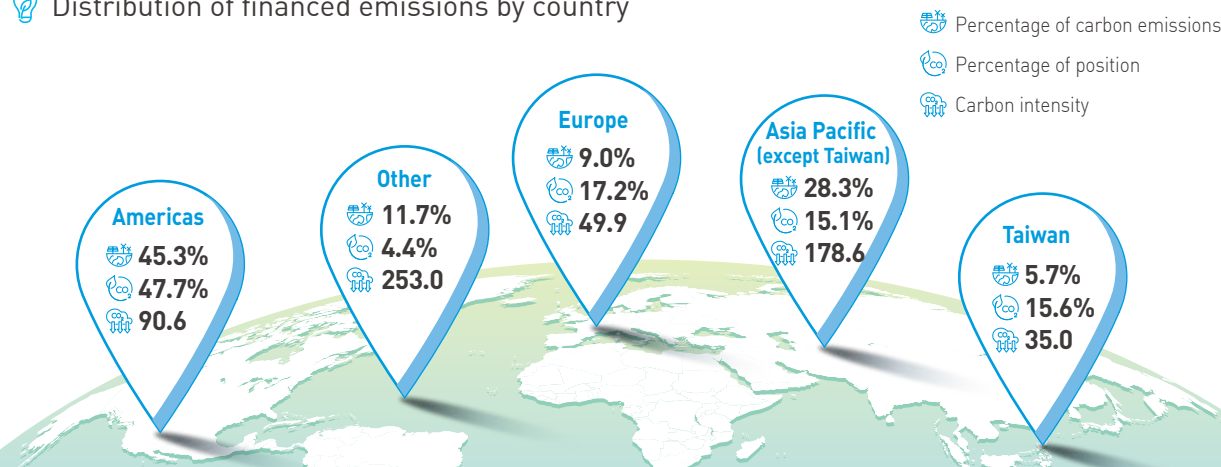
Financed emissions of the investment and loan portfolio are mainly from corporate bonds, government bonds, and listed equity. Hence, these three asset classes are further described below:

- **Financed Emissions of listed equities and corporate bonds**
- **Own operations (Scopes 1 and 2)**

Cathay Life Insurance has calculated the financed emissions of its own investment portfolio (Scopes 1 and 2) in accordance with the methodology developed according to the PCAF guidelines in 2020. According to the inventory results in 2024, the financed emissions of listed equities and corporate bonds was 10,828,690 tCO₂e, the portfolio carbon intensity was 77.3 tCO₂e/US mn invested, and data quality was 2.3 points, up 10.6%, 10.3%, and quality improved by 3% compared to 2023note, respectively. The increase in financed emissions was mainly due to carbon emissions from corporate bonds.

The top 50 companies in financed emissions of listed equity accounted for 87.4% of emissions, and the top 100 companies in the financed emissions of corporate bonds accounted for 89.4% of emissions. Among the financed emissions of industries with high climate change-related risks, our "Integrated oil and gas" position accounted for only 4.4%, but its carbon emissions accounted for 17.7%. We will continue to observe changes in indicators and engage companies with high carbon emissions.

💡 Distribution of financed emissions by country



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 of renewable energy is 0, the corresponding Scope 1 and Scope 2 emissions are both 0 and avoided carbon emissions was 39,723 tons.

1.1 Low-Carbon Economy

1.2 Environmental Sustainability

Listed equity

	Unit	2024	Annual change	2023
Financed emissions	t CO ₂ e	638,092	-28.2%	888,764
Economic Emission Intensity	t CO ₂ e/US mn invested	31.8	-27.0%	43.6
Coverage ratio	%	100%	-	100%
Data quality score		2.2	-	2.2

Corporate bond

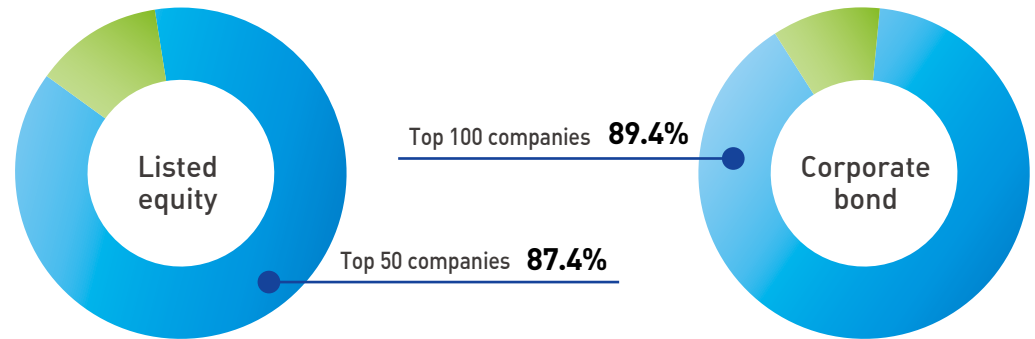
Financed emissions	t CO ₂ e	10,190,598	14.5%	8,901,387
Economic Emission Intensity	t CO ₂ e/US mn invested	84.9	13.8%	74.7
Coverage ratio	%	100%	-	100%
Data quality score		2.4	-	2.5

Total

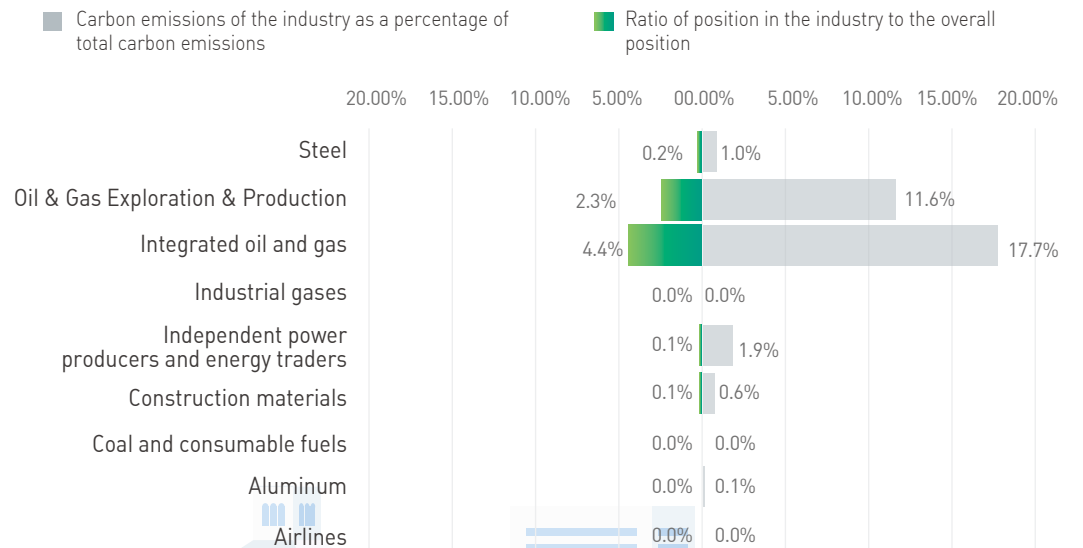
Financed emissions	t CO ₂ e	10,828,690	10.6%	9,790,151
Economic Emission Intensity	t CO ₂ e/US mn invested	77.3	10.3%	70.1
Coverage ratio	%	100%	-	100%
Data quality score		2.3	3% ^{note}	2.4

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

💡 Analysis of the concentration of financed emissions of listed equities and corporate bonds in 2024



💡 Distribution of financed emissions across high climate risk industries in 2024



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

To have a more comprehensive understanding of the investment portfolio's carbon emission, Cathay Life Insurance has expanded the scope of its inventory of listed equity and corporate bonds since 2022. In addition to Scope 1+2 emissions of investee companies, we also began including Scope 3 emissions of investee companies to compile a complete inventory. Considering poor disclosure quality and low completeness of the carbon information of companies in scope 3, Cathay Life Insurance referenced the PCAF guidelines and incorporated the industries in Scope 3 for calculating the total carbon emissions from the operations (scope 1 and scope 2) and value chain (scope 3) of companies in the "oil and industry, metals and mining industry, transportation industry, and Construction materials industry," and continues to observe data changes. In the future, we will gradually compile an inventory of Scope 3 emissions from all industries depending on the coverage and carbon information disclosure quality of companies.

	Financed emissions (t CO ₂ e)	Coverage ratio	Data quality score
Oil and gas			
Scope 1+2	4,241,362	100%	2.7
Scope 3	28,514,582	100%	3.2
Metals and mining			
Scope 1+2	425,797	100%	2.7
Scope 3	2,218,203	100%	2.7
Transportation			
Scope 1+2	20,621	100%	3.4
Scope 3	439,315	100%	2.3
Construction materials			
Scope 1+2	70,109	100%	2.7
Scope 3	26,675	100%	2.6

Sovereign bond financed emissions

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

Sovereign bonds (Scope 1, excluding LULUCF)	Unit	2024	Annual change	2023
Financed emissions	t CO ₂ e	4,602,060	-6.4%	4,914,419
Economic Emission Intensity	t CO ₂ e/US mn invested	278.3	-8.3%	303.6
Coverage ratio	%	99.9%	-	96.0%
Data quality score		4.0	-	3.4

Sovereign bonds (Scope 1, including LULUCF)

Financed emissions	t CO ₂ e	4,600,215	-6.5%	4,920,338
Portfolio carbon intensity	t CO ₂ e/US mn invested	305.1	-8.7%	334.3
Economic Emission Intensity	%	91.2%	-	87.3%
Data quality score		4.0	-	3.3

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

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 2024 are summarized as follows:

■ 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 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.



International Initiatives



Engaged with companies

9

International Initiatives

Worked with international investors



Valuing Water Finance Task Force



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



Individual Engagement

Directly engaged with companies

140 companies

5

Climate Engagements Activities

Asian Utilities Engagement Program



CDP Non-Disclosure Campaign
CDP Municipal Disclosure Campaign
CDP Science-Based Targets Campaign



2

Nature Engagements Activities



Valuing Water Finance Initiative



Collective Engagement

Invited all companies

2,751 companies

● Asian Corporate Governance Association (ACGA)

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



■ Actively engaging with companies to exert influence in sustainable finance

Cathay Life Insurance has participated in the CDP Non-Disclosure Campaign, CDP Science-Based Targets Campaign, CDP Municipal Disclosure Campaign, Climate Action 100+, AIGCC Asia Utilities Engagement Program, Valuing Water Finance Initiative, and Nature Action 100 to communicate with companies through collaborative engagement together with other international investors, or directly engages with companies, and also organized forums to engage multiple companies at the same time:

● 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: Successfully engaged 11 out of 44 companies to achieve a success rate of 25%, which is higher than the international average success rate of 19.8%.
- ✔ Due to maintaining good relations with the CDP over a long period of time and high success rate of engagement, Cathay Life Insurance was invited to share a successful engagement case in the [2024 CDP Non-Disclosure Campaign Results](#) report, which was one of the only two cases in the world to be selected.



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

CDP Science-Based Targets Campaign

Cathay Financial Holdings is represented as a participant and will jointly call with CDP every year starting from 2021, hoping that the global most influential companies will set a 1.5°C emission reduction target and achieve net-zero emissions along its value chain by 2050.

Key performance:

- ✓ In 2023-2024, a total of 70 companies were prompted to commit to SBT targets, 21 of which have been approved by SBTi.

Climate action 100+

Climate Action 100+ was launched in 2017 and is the world's largest investor climate initiative ever. It urges companies to take carbon reduction actions pursuant to the Paris Agreement. Of the 169 companies around the world on the watchlist, Cathay Life Insurance is actively engaging with all three listed Taiwanese enterprises in the hope that they will enhance disclosure of financial information related to climate change in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), and reduce carbon emissions in response to the Paris Agreement to achieve the goals and commitment to transition to a low-carbon economy and achieve 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 benchmark score from 37.5% to 43.5% in 2024, surpassing the industry average of 37.9% and was the only steel and iron industry case study to be included in the CA 100+ [2024 Progress Update report](#). The score of Company H increased from 29% to 31%, just slightly higher than the industry average of 30%. Although the Company's score only exhibited a slight increase, it still demonstrated an attitude of assertive response.

CDP Municipal Disclosure Campaign

Cathay Financial Holdings is represented as a participant, and starting from 2023, has annually collaborated with CDP to urge local governments and the public sector to disclose environmental data and climate information through CDP each year, enabling institutional investors to better assess climate change risks and opportunities when investing in local government debt.

Key performance:

- ✓ In 2024, 11 North American local governments have disclosed their environmental data to CDP.

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.

Cathay Life Insurance has participated in the program since 2021.

Key performance:

- ✓ Company P, with which Cathay Life Insurance and other investors jointly engaged in dialogue, has committed to ceasing the construction of coal-fired power plants, actively increasing the proportion of renewable energy in the power supply plan, and focusing on the development of renewable energies such as solar energy, hydropower, and geothermal energy. At the same time, the capacity factor of coal-fired power plants is gradually reduced to support Taiwan in achieving Nationally Determined Contributions (NDC) net-zero emission goals.
- ✓ Company P also published their first independent TCFD report in 2023 to strengthen their climate disclosure. They further pledged to disclose climate-related information in accordance with the IFRS S2 framework in 2024 and align with the TNFD framework for nature-related disclosures.

Ceres Valuing Water Finance Initiative

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

Nature Action 100

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

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

Background

Company P is a coal-fired power generation company listed as an engagement target under the Asia Utilities Engagement Program. It is the most important local power supplier 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 P as a collaborator with four other foreign institutional investors. The first engagement meeting was held in 2022.

Engagement contents

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

Engagement Progress and Results

During the engagement , Company P showed a high level of identification with the issue of low-carbon transition, and communicated and interacted well with investors. During the engagement, Company P actively increased the percentage of renewable energy in the power supply plan. In the future, it will focus on the development of renewable energy, such as solar energy, hydropower, and geothermal energy to support the country in achieving its nationally determined contributions (NDC).

Company P has not issued a report in line with the TCFD framework in the past. With the encouragement and recommendation of investors, Company P understood the value of climate-related information disclosure to investors and other stakeholders. It also published its first independent TCFD report in 2023, and further committed to disclose climate-related information in accordance with the IFRS S2 framework and align with the TNFD framework for nature-related disclosures.

Considering that including climate-related indicators into the performance of senior managers has gradually become an actual governance measure of international ESG benchmarks, when engaging the company, we recommended that the performance of its management be linked to climate-related indicators. When we engaged Company P in the 2024, it mentioned that it has included the proposal in the company's short-term plans. In the future, it will use ESG indicators for measurement.

● 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: Environment - Water Stress, Opportunities in Clean Tech

Background

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



Engagement contents

1. Water resource information disclosure
Since being selected by Cathay Life Insurance as a water security questionnaire engagement target in 2022, Company T was issued a letter detailing the importance of the CDP water questionnaire. They then actively contacted us to understand investors' expectations for CDP disclosure and expressed their challenges in manpower shortage and need to improve related statistics. After two years of engagement, Company T successfully responded to the CDP water security questionnaire in 2024.
2. Improving water resource management and opportunities in clean tech
Since Company T responded to the CDP water security questionnaire in 2024, Cathay Life Insurance focused on setting water withdrawal or water consumption targets when engaging the company in 2024. Furthermore, Cathay Life Insurance also engaged the company regarding opportunities in clean tech. We analyzed where the company can make improvements in the issue and provided practices of the international benchmark enterprise to Company T for reference.

Engagement progress and results

Responded to the CDP water security questionnaire in 2024 (the engagement progress was successful). In the future, we will continue to track and understand the company's progress in water stress, opportunities in clean tech, and carbon reduction.

《Case 2》

Engagement Topics: Social - Chemical Safety

Background

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



《Case 2》

Engagement Topics: Social - Chemical Safety

Engagement contents

1. In-depth discussions on chemical safety issues

After discussing chemical safety issues with Company G at the end of 2023, Company G immediately began internal planning and discussions. In 2024, Cathay Life Insurance held two meetings with Company G to discuss the registration of chemical substances by Company G, the commitment and planning for gradual elimination of chemical substances, and the disclosure of chemical ingredients. During the meetings, we further analyzed the actual contents and key points of evaluating sub items under this material topic, and discussed ways Company G can make improvements. We also provided the practices of the international benchmark enterprise for each sub item to Company G for reference. After communication and discussion on each item, Company G disclosed the registration status of its concerned chemical substances and committed to including environmental and health standards into its product design.

2. Discussion of carbon reduction goals and strategies

Since 2023, Cathay Life Insurance has discussed with Company G its pathway to net-zero emissions and commitment to carbon reduction targets. As Company G committed to SBTs in 2023, it needed to compile a comprehensive inventory of Scope 3 emissions, which resulted in a significant increase in carbon emissions. It thus revised its pathway to net-zero emissions in 2024 to meet the SBTs, Cathay Life Insurance also encouraged it to disclose its pathway to net-zero emissions.

Engagement progress and results

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

● 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.

In 2024, upholding the concept of "Bringing Taiwan to the World and the World to Taiwan," and acting as a pioneer in climate finance, the Group invited domestic and foreign leaders from industry, government, and academia to share global frontline trends, 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.

The number of applicants of the forums hit record high in 2024, with 5,231 people registered for physical and online forums in total. Of which, 2,751 were corporate organizations. The listed companies that participated in the forum accounted for 82% of Taiwan's market capitalization, while carbon emissions of the listed companies accounted for more than 50% of Taiwan's total carbon emissions.

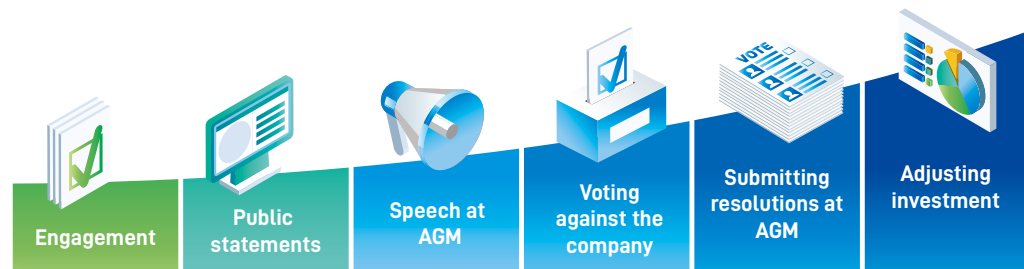


● Adoption of Engagement Escalation Strategy

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.

1.1 Low-Carbon Economy

1.2 Environmental Sustainability



- ✓ Invite major stakeholders of engagement targets to join
- ✓ Increase in communication frequency
- ✓ Increase the rank of representatives of both parties
- ✓ Encourage and support ESG-related actions of key investee companies engaged
- ✓ Urge companies to be more proactive in improving ESG performance

《Description of Engagement Escalation Case》

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

In 2023, MSCI officially included Company L in the scope of its ESG ratings. The companies that are being evaluated for the first time generally do not know that they have been evaluated, do not understand the MSCI methodology, or do not know how to improve their ESG rating. We explained the MSCI rating framework to Company L and how it can improve its rating during engagement meetings in 2023. In addition, to further encourage Company L to continue to interact with ESG rating agencies and improve its ESG rating performance, Cathay Life Insurance attended and spoke during Company L's shareholders' meeting in 2024, encouraging the company to make improvements in ESG and thereby create a positive and long-term impact on both parties.

We are delighted to see Company L's progress and efforts in the key issues, including improving and disclosing more specific corporate governance mechanisms and water resource management. This enabled Company L to improve by one grade in the MSCI ESG rating at the end of 2024.

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

三、報告事項

第一案：112年度營業報告。

說 明：112年度營業報告書，請參閱附件一。

股東戶號：[REDACTED] 國泰人壽保險股份有限公司代表出席人員發言(摘要節錄)：

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

主席回覆摘要：

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

● 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 investment and loan and climate 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.

Cathay Life Insurance uses its experience in responsible investment and climate change response to jointly provide opinions to various working groups under the net-zero promotion platform together with our parent company. In 2024, Cathay Life Insurance represented the Life Insurance Association of the Republic of China in the "Guidelines Formulation Team" of the "Policy and Guidelines Working Group" led by E.SUN FHC, and discussed the "Guidelines for Transition Finance Credit Review" with National Taipei University and industry peers.

1.2 Environmental Sustainability

As the largest insurance company in Taiwan, Cathay Life Insurance is fully aware that its every action is sufficient to have 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	2022		2023		2024		Compared to 2023	
Direct Emissions (Scope 1)		The Company	2,548.05	The Company	2,617.78	The Company	4,478.31	1,860.53	71.1%
		All subsidiaries included in the consolidated financial statements	2,643.75	All subsidiaries included in the consolidated financial statements	3,157.19	All subsidiaries included in the consolidated financial statements	4,590.62	1,433.43	45.4%
Indirect emissions (Scope 2) Market-based emissions		The Company	25,272.99	The Company	24,523.49	The Company	21,536.26	-2,987.23	-12.2%
		All subsidiaries included in the consolidated financial statements	28,448.75	All subsidiaries included in the consolidated financial statements	28,582.34	All subsidiaries included in the consolidated financial statements	24,887.85	-3,694.49	-12.9%
Indirect emissions (Scope 2) Location-based emissions	tCO ₂ e	The Company	27,043.28	The Company	27,514.79	The Company	28,696.96	1,182.17	4.3%
		All subsidiaries included in the consolidated financial statements	30,219.04	All subsidiaries included in the consolidated financial statements	31,573.64	All subsidiaries included in the consolidated financial statements	32,100.81	527.17	1.7%
Direct Emissions (Scope 1) + Indirect Emissions (Scope 2) Market-based emissions		The Company	27,821.04	The Company	27,141.27	The Company	26,014.57	-1,126.70	-4.2%
		All subsidiaries included in the consolidated financial statements	31,092.50	All subsidiaries included in the consolidated financial statements	31,739.53	All subsidiaries included in the consolidated financial statements	29,478.47	-2,261.06	-7.1%
Direct Emissions (Scope 1) + Indirect Emissions (Scope 2) Location-based emissions		The Company	29,591.33	The Company	30,132.57	The Company	33,175.27	3,042.70	10.1%
		All subsidiaries included in the consolidated financial statements	32,862.79	All subsidiaries included in the consolidated financial statements	34,730.83	All subsidiaries included in the consolidated financial statements	36,691.43	1,960.60	5.6%

1.1 Low-Carbon Economy

1.2 Environmental Sustainability

Item	Unit of measurement	2022	2023	2024	Compared to 2023	
Carbon emission intensity	tCO ₂ e /person	0.90	0.91	0.89	-0.02	-1.8%
Carbon emission intensity	tCO ₂ e /NT\$1 million in revenue	0.0417	0.0396	0.0340	-0.006	-14.3%
Electricity use	kWh	53,130,216	55,585,434	60,767,113	5,181,678	9.3%
Electricity use intensity	kWh/person	1,716.26	1,867.10	2,087.57	220.47	11.8%
Renewable energy use	10,000 kWh	369.1	627.4	1,533.2	905.8	144.4%
Water consumption	m ³	340,260	391,355	408,694	+17,339	4.4%
Water consumption intensity	m ³ /person	10.99	13.15	14.04	+0.89	6.8%
General domestic waste consumption	kg	264,474	279,038	274,053	-4,985	-1.8%
General domestic waste consumption intensity	kg/person	8.5	9.4	9.4	-	-

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)The new version of the ISO 14064-1:2018 standard was adopted in 2018, and the external verification institution BSI has been commissioned to conduct inspections since 2020.

(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 0.509 (2022), 0.495 (2023), and 0.474 (2024) kg CO₂e/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 2024 include all domestic and overseas locations.

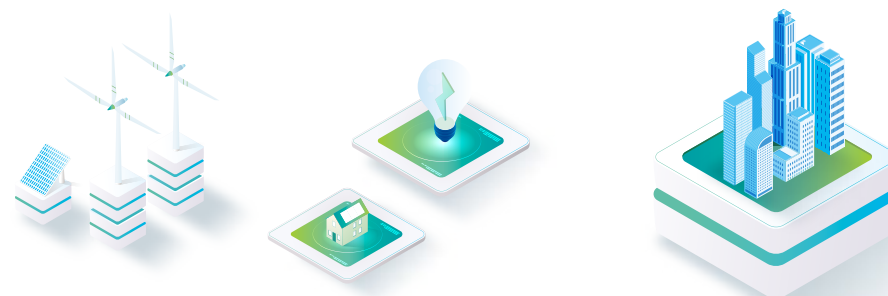
There were 194 domestic business locations in 2023. In 2024, there were 200 domestic business locations, 88 domestic non-business locations (with idle space), and 571 locations of domestic subsidiaries (including Cathay Securities Investment Consulting, Cathay Research & Design, Cathay Power, Cathay Wind Power Holdings, and Cathay Wind Power), and 160 locations of overseas subsidiaries (including Cathay Lujiazui Life Insurance and Cathay Life Insurance (Vietnam)).

Note 6: In 2024, 94 new buildings were added to the inventory (new locations and idle spaces in investment properties without business locations were included in the boundaries), resulting in an increase in Scope 2 location-based emissions and energy consumption. Electricity consumption increased by a total of 6.508 million kWh. After deducting the new electricity consumption, 54.258 million kWh of electricity was shared (the electricity consumption within the original boundary in 2024 was 1.33 million kWh lower than in 2023, down 2.5%), and the electricity consumption intensity per person was 1863.98 kWh. Scope 1 emissions within the original boundary also decreased by 34 metric tons of CO₂e (-1.3%).

Note 7: The number of employees at locations in the scope of inventory amounted to 30,957 (2022), 29,771 (2023), and 29,109 (2024).

Note 8: 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 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 observing the changes in Taiwan's energy structure, Cathay Life Insurance made a commitment in 2021 to become aligned with the global "RE100" initiative, and set the ambitious goals of achieving 100% renewable energy use at the headquarters in 2025, all of the Company's domestic locations in 2030, and all locations worldwide in 2050.

Recent Implementation and Outcome

Corporate Power Purchase Agreement (CPPA)	Installation of solar panels for on-site energy use	Renewable energy certificates (T-REC)	Green energy charity and mutual benefit model
Renewable energy use exceeded 15.33 million kWh, which is equivalent to reducing carbon emissions by approximately 7,266 metric tons. The percentage of renewable energy use has reached 25.2%, surpassing the annual target of 25% (RE25).			
<p>Cathay Life Insurance is proactively signing Corporate Power Purchase Agreements (CPPAs) as part of its annual renewable energy procurement plan, integrating external renewable energy into its operations to achieve long-term renewable energy goals. To date, the Company has procured over 70 million kWh of green electricity and continues to expand renewable energy adoption across its operations.</p> <p>In 2024, subsidiaries and offices under Cathay Financial Holdings—including headquarters, branch locations, and our office tenant clients—utilized over 32 million kWh of green electricity (including declarations for self-generated renewable energy certificates). This initiative supports both the Group's and tenants' energy strategies and drives the transition toward sustainable development.</p>	<p>Cathay Life has strengthened its renewable energy efforts by installing on-site solar panels as part of its green energy strategy. By the end of 2024, the total installed solar capacity reached 2,054 kW across 10 buildings, representing an increase of 1,542 kW compared to the previous year.</p>	<p>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 2024, we purchased 104 T-RECs (1 T-REC = 1,000 kWh) and obtained a total of over 5,000 T-RECs through Green Leasing 2.0.</p>	<p>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.</p> <p>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.</p>

Short-term Goals for 2025

Cathay Life Insurance's headquarters operate on 100% renewable energy (RE100), while the Company's domestic locations have reached 50% renewable energy usage (RE50).

Mid-term and Long-term Goals for 2030

The Company's domestic locations use 100% renewable energy

1.2.3 Green Operation

● Ambitious Goal

Cathay Life Insurance set the target of 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.

Recent Implementation and Outcome

Mobile/Electronic insurance services	Energy Management System (EMS)	Internal carbon pricing (ICP)
Reduced carbon emissions from operations (Scopes 1 and 2) by 19.3% compared to the baseline year of 2020 (32,224.42 tons of carbon emissions), exceeding the original target of 16.8%.		

Cathay Life Insurance is committed to reducing the carbon footprint of insurance services, and calculates the carbon emissions per policy in accordance with ISO 14067 (Carbon Footprint Calculation Standard) and the Environmental Protection Administration's Product Category Rules (PCR) for life insurance. The emissions are then verified by a third-party verification unit.

In 2023, we completed the "2021 Life Insurance Service Carbon Footprint Inventory" and found that the carbon footprint of each life insurance service was 2.58 kg CO₂e, the lowest among similar types of products with a valid carbon reduction label. Compared with the base period of 2016, we achieved an annual carbon reduction reaching 27% and once again obtained the Carbon Reduction Label and Carbon Label from the Ministry of Environment.

(2) 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	2024	
	Cumulative number of cases (10,000 cases)	Usage Rate
Mobile Insurance Application	77.49	99.54%
Mobile Claims	74.83	91.58%
Mobile Policyholder Services	98.98	86.34%
Mobile Premiums	63.10	67.00%
E-policies ^(Note 1)	58.30	67.40%
E-statements	288.80	50.27%

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

Note 2: There was a total of 863,300 new policies in 2024.

We began implementing the Energy Management System (EMS) Development Project in 2024, and installed smart meters in 29 representative self-owned buildings. Using real-time data monitoring and analysis, we identified abnormal electricity consumption situations, and issued timely improvement notifications to effectively improve management precision and response abilities.

Preliminary trial results show that data-driven management measures improved overall energy efficiency by 5%-10%. Based on these results, the Company is gradually expanding locations with EMS and strengthening smart energy management as an important action plan for achieving SDGs.

Cathay Life introduced the internal carbon pricing (ICP) mechanism to strengthen the Group's carbon management. Starting from 2023, the Group set the carbon cost per ton at US\$100 based on relevant studies. This price is used to drive carbon reduction strategies and decarbonization plans, and gradually shift from incentives to carbon fees.

The Company's carbon reduction incentives and activities reduced carbon emissions by a total of 385 tons, and accumulated NT\$5.45 million in the fund for carbon fees. We used the electricity fees saved to set up a fund for carbon fees. A portion of the fund will be used to provide carbon reduction incentives and zero-carbon projects, showing that the Company is taking action to fulfill its commitment to low-carbon transition.

In addition, we introduced a shadow price mechanism in the equipment replacement process to internalize the cost of future carbon emissions. We assess and select equipment with the highest energy efficiency and lowest carbon emissions based on carbon reduction benefits, further achieving resource optimization and providing strong support for sustainable development.

Carbon neutrality	Energy, environment, and water resources management
Reduced carbon emissions from operations (Scopes 1 and 2) by 19.3% compared to the baseline year of 2020 (32,224.42 tons of carbon emissions), exceeding the original target of 16.8%.	
<ul style="list-style-type: none"> Introduced the international carbon neutrality standard PAS2060, and carried out carbon neutrality work based on "first reduction, then offset." The headquarters obtained the PAS 2060 Carbon Neutrality Certificate after passing verification by a third-party international verification institution in 2024, showing the Company's determination to implement carbon reduction actions. 	<p>In accordance with the "Cathay Financial Holdings Environmental and Energy Policy," we have introduced energy and environmental management systems (ISO14001 and ISO50001) in key electricity-consuming buildings in 2013, and strengthened the water efficiency management system (ISO46001) in the buildings in 2023.</p> <p>Maintained and replaced equipment on a rolling basis based on the service life and energy consumption of equipment each year to improve electricity efficiency.</p> <p>Implemented energy-saving measures, including automatic shutdown and remote turn on/shutdown management, effectively reducing the number of computers not shut down by 82%.The replacement of high-energy consumption desktop computers with laptops resulted in significant electricity savings. Following the headquarters' success in saving electricity, we expanded the experience to other locations and implemented a number of energy-saving measures such as automatically turning off lights at night and adjusting equipment operation, to work towards our sustainable development and zero-carbon emission goals.</p> <ul style="list-style-type: none"> Replacement of air conditioning equipment in 2024: Saves 5.65 million kWh of electricity and reduces carbon emissions by 2,678 tons CO₂e each year.

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 2024, the amount of green procurement was approximately NT\$470 million (up 56% compared to 2023), and the cumulative amount exceeded NT\$1.52 billion. We were also selected by the Ministry of Environment for outstanding performance in green procurement, and dedicate our efforts to promoting the development of a circular economy. We also evaluate suppliers every year. In 2024, 407 suppliers were jointly evaluated by the requisitioning department and procurement department, and the evaluation results were "good." We engaged external consultants to help establish sustainability inspection items and conduct on-site audits, in order to understand suppliers' sustainability-related operations, and also let suppliers understand our philosophy of sustainable procurement, in hopes of influencing suppliers to respond together. We review the items each year to verify and make sure they are suitable.

Short-term Goals for 2025

Reduce carbon emissions from operations (Scopes 1 and 2) by 21% or more compared to the baseline year of 2020 (32,224.42 tons of carbon emissions)

Mid-term and 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 Implementation and Outcome

Driving Building ESG Transition

Revamping Our Buildings for Energy Efficiency

Improving building energy efficiency is an ongoing priority aligned with the government's 2050 net-zero transition policy. Our Taichung Wuri Building represents a significant milestone as the first net-zero office building in Taiwan, designed with green building principles from the outset. Through continuous optimization—including the installation of solar panels, high-performance insulated glass, and rainwater recycling systems—we have reduced the building's energy consumption and environmental impact. The Wuri Building has achieved a 50% energy savings, earning the "Nearly Zero Energy Building" certification. By powering the Wuri Building with green electricity, Cathay Life enabled it to achieve Net Zero status, making it the first office building in Taiwan to receive official Net Zero certification. This milestone supports the Group's progress toward its RE100 goals.

Embedding Green Design Principles in New Developments

Since 2016, Cathay has mandated that all architectural designs for newly constructed buildings in its development projects comply with green building design standards. These standards include energy and resource efficiency, greening, and waste management indicators. Furthermore, all new buildings that obtain construction permits from 2023 onward are required to achieve Taiwan's Green Building Label certification or LEED certification.



Green Service Locations - Smart Green Landlord

Green Electricity Services: Cathay Life's Green Leasing Program

Reimagining Office Services

As global office use continues to evolve, Cathay Life Insurance launched the Hub Office Service to help corporate tenants achieve energy conservation, carbon reduction, employee well-being, and data management goals. Anchored in the three principles of 'Green,' 'Humanity,' and 'Technology,' the service officially debuted in 2024 at the Cathay Songjiang Commercial Building in Zhongshan District, Taipei City.

Integrating Energy-Saving and Low-Carbon Solutions

In addition to designing buildings with energy-saving and carbon-reducing features, we have integrated green leasing solutions and provide renewable energy in office buildings to help tenants more easily achieve their RE100 targets.



Prioritizing Employee Wellness

We are actively creating human-centric and sustainable office environments by introducing daily dining, relaxation, and fitness amenities in shared spaces that support both work and lifestyle needs. Environmental quality sensors continuously monitor air quality, temperature, and humidity, advancing companies' efforts to foster healthier, more resilient workplaces that prioritize employees' physical and mental well-being.

Empowering Tenants with Smart Building Data

We have implemented advanced digital hardware and software in office buildings to collect energy consumption data (electricity usage) and display it in real time on the tenants' digital platform. This enables tenants to easily access, monitor, and manage their energy usage.



In Taiwan's current green electricity market, limited supply and complex procurement requirements make it challenging for companies leasing commercial office spaces—where multiple tenants share a single electricity meter—to access renewable energy. Traditionally, tenants must sign three-party contracts with landlords and electricity suppliers to participate.

To solve this challenge, Cathay Life Insurance partnered with the Ministry of Economic Affairs in 2022 to launch the Green Leasing Program 2.0. Through this initiative, Cathay Life takes the lead in procuring green electricity on behalf of tenants and allocates it based on each tenant's annual RE100 targets. This streamlined model eliminates procurement barriers and accelerates tenants' transition to renewable energy.

By 2024, we signed agreements with 24 companies covering 80 leasing locations^{Note} and hosted a briefing session to promote the Green Leasing Plan and drive wider participation.

Note: One customer with multiple locations is counted as one customer.

Short-term Goals for 2025

Mid-term and Long-term Goals for 2030

1. Apply for energy efficiency certification for buildings that achieve a Level 2 or higher energy efficiency rating and submit them for review.
2. Implement upgrades for buildings with insufficient energy efficiency, including replacing or improving air conditioning systems, elevators, and lighting fixtures, and align these improvements with major renovation plans.
3. Complete energy efficiency assessments for at least eight buildings annually.
4. All new buildings are required to obtain certifications such as Taiwan Green Building Label, LEED, and WELL.

02 — Health

2.1 Health promotion

2.2 Financial Health



Core philosophy

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

Performance highlights

17.59 billion

In 2024, the first-year premium total income from spillover-feature insurance products was NT\$17.85 billion.

98.9%

In 2024, the overall customer satisfaction reached 98.9%, while the net promoter score (NPS) reached 43.1.

1.25 million individuals

In 2024, a total of 1.25 million individuals participated in FitBack, garnering approximately 1.71 trillion steps.



Material Topics Management

Health Promotion and Life Protection

Policy commitment

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

Management Action

Create a health ecosphere

Improve the elderly protection network

Performance tracking/stakeholder engagement

- Since 2018, we have proactively promoted and continued to optimize the health promotion ecosystem, and developed a wide range of spillover-effect products deeply rooted in the everyday life of citizens, guiding them to recognize the importance of health management and get into the habit of exercise, thereby improving their physical condition and lowering the medical expenses incurred by our society as a whole.
- The "FitBack" platform accumulated a total of 1.25 million members.
- In 2024, the first-year premium total income from spillover-feature insurance products was NT\$17.85 billion.

- We introduced the most comprehensive insurance products specialized for the elderly, and continued to develop heart-warming services for the elderly to satisfy their insurance needs and ensure their physical and mental health, so that the elderly can enjoy a high-quality life in their golden years.
- A total of 166 thousand policies were sold as of 2024.

Customer Rights Protection and Treating Customers Fairly

Policy commitment

By upholding a customer-centered service philosophy, Cathay Life Insurance works to ensure customers fully comprehending its products, services, and their interests and rights. We regularly follow up on the conditions of our customers and provide various communication channels to respond to customer feedback, to enhance service quality and protect customer interests and rights.

Management Action

Principles of Treating Customers Fairly

Better management of customer satisfaction

Provide convenient services

Performance tracking/stakeholder engagement

- We became the first in the industry to establish the Treating Customers Fairly Committee, which is actively partaken and promoted by the Board of Directors to protect the interests and rights of customers. Cathay Life Insurance has been rated excellent (ranked top 25% among insurance companies) in fair customer treatment by the FSC for six consecutive years.

- We continue to develop the "customer experience management system" to improve customer experiences. In 2024, overall customer satisfaction reached 98.9%; net promoter score (NPS) reached 43.1 points.

- We use 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.

2.1 Health promotion

Principle 1

Principle 2

As the largest insurance company in Taiwan, Cathay Life Insurance is committed to increasing the breadth and depth of protection for the public, in hopes of assisting policyholders and employees in achieving holistic health. After analyzing the health data of 8 million policyholders, Cathay Life Insurance's "Policyholder Health Annual Report" published in 2024 showed that those with insurance coverage have three major health advantages:

- 1.The first is "longer average life": Using Cathay Life Insurance's policyholders as an example, the average life expectancy was 83.3 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 112.9, lower than the 167.4 nationwide. This shows that policyholders actively manage their own health through preventive or timely treatment that lower their health risks.
- 3.The third is "better treatment results": In the case of cancer, which is the leading cause of death among Taiwanese people, policyholders' 5-year survival rate (69% for males and 83% for females) was significantly better than that in Taiwan (48% for males and 65% for females). This shows that policyholders are able to choose a more suitable treatment method and obtain better treatment results with the full support of insurance resources. In the future, we will continue to publish annual reports to drive the development of products and services that will improve the health of policyholders and lead policyholders toward a longer healthy life.

In the future, Cathay Life Insurance will continue to promote insurance protection and help the public be well-prepared for risks by raising public awareness of the risks they face. We continue to promote health management by releasing promotional videos, promoting health promotion activities, and offering diverse spillover-effect products. We also offer insurance products in coordination with government policies. In 2024, the first-year premium total income from protection insurance products was NT\$17.59 billion, and the first-year premium total income from spillover-feature insurance products was NT\$17.85 billion. As employees are regarded as our most important asset, we provide diverse health promotion activities, employee stress test, employee assistance programs (EAP), and occupational safety maintenance measures, creating a happy workplace through comprehensive mechanisms to care for employees' physical and mental health.

2.1.1 Raising risk awareness

■ Raising public awareness of insurance and examining and filling in coverage gaps

- In 2024, Cathay Life Insurance published the marketing handbook "Recommending Good Insurance," which makes customers aware of their coverage and understand their own gaps in insurance through claims cases. We also collaborated with well-known artists to share cases such as cancer treatment and long-term care experience to strengthen communication. In addition, we allow the public to browse through relevant information on their own through the website "A Wonderful Life in the Golden Years" and the "Insurance Novice Village" animation series that educates the public on insurance knowledge, improving the public's understanding of insurance and deeply embedding the concept of insurance planning.

● A Wonderful Life in the Golden Years

Information related to insurance and medical care is incorporated in the website (including the importance of insurance protection, articles and videos on popular topics, real-life cases, and interactive games/questionnaires) to raise citizens' awareness on insurance protection and assess their own needs.



The cumulative number of views reached **126,000** in 2024.

● Insurance novice village

Animations on insurance-related knowledge (e.g., basic concepts, insurance portfolio, knowledge of claims, and career stages) were produced to improve citizens' understanding of insurance protection.



[Link to Insurance Novice Village](#)

In 2024, 21 new short animations were released, with a total of **576,000** views.

■ Promote anti-drug education on campuses to improve students' knowledge of drugs and protect their own health

● Since 2017, Cathay Life Insurance has offered National Student Group Insurance of the Ministry of Education for eight consecutive years, providing insurance protection for high/vocational school students and under to kindergarten children, and protecting the personal safety of 2.88 million children. We further collaborated with the K-12 Education Administration, Ministry of Education to implement the "Campus Sustainability Plan," launching a campaign on anti-drug, environmental protection, campus safety, and financial and insurance knowledge on campuses. We also incorporated the three themes of Cathay Life Insurance's sustainability "climate, health, and empowerment" to realize the core values of health and empowerment. In 2019, we began focusing on the "Campus Anti-Drug Campaign," which combines "anti-drug and e-sports" through a wide variety of interesting and systematic anti-drug activities, so that students will recognize drugs, say no to drugs, and oppose drugs, providing a healthy and non-toxic future for the younger generation.

● Anti-drug e-sports

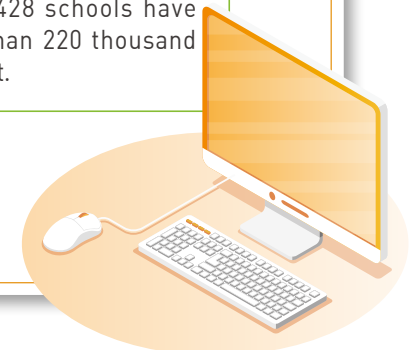
Cathay Life Insurance cooperated with the online game-based learning platform PaGamO and sent volunteers on campus to promote anti-drug e-sports, providing game-based anti-drug education instead of lectures. With a gaming model where players answer anti-drug questions to gain territories, we enable children to learn about drug prevention through entertainment, and achieve the goal of "gaining drug knowledge" and "drug prevention," hoping to thereby raise children's awareness so that they stay away from drugs.

PaGamO Online Anti-drug Mission

Professors from National Taiwan Normal University and National Chung Cheng University were commissioned to design anti-drug questions and detailed explanations for elementary school and junior high school students. The questions were reviewed by the K-12 Education Administration of the Ministry of Education, and the 440 anti-drug questions and detailed explanations are provided for children to learn drug prevention knowledge through online games. More than 2.362 million participants have taken part since 2019.

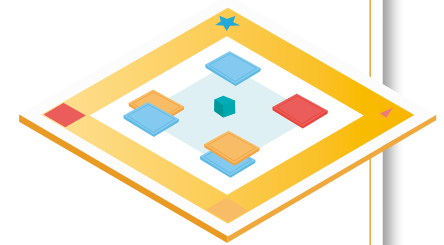
Volunteers go on campus organize small anti-drug e-sports competitions

Nearly 6,000 Cathay Life Insurance volunteers have engaged with schools to organize small class-based anti-drug e-sports competitions. Since 2019, a total of 1,428 schools have participated, and more than 220 thousand participants have taken part.



● Anti-drug board games

In 2024, we collaborated with the K-12 Education Administration and the social enterprise Pley School to organize 10 anti-drug board game workshops with the theme "Path of Destiny" across Taiwan, providing professional training for teachers. This board game was adapted from actual cases and uses situational design to help teachers master teaching skills and guide students to understand the risks of drugs. At the same time, it also helps children clearly see the impact of interpersonal relationships, so that they will be able to think the right way and make the right judgment.



■ Create a health ecosphere

Using technology to promote health

Cathay Life Insurance developed the health promotion platform FitBack to help policyholders become healthier, using data, digital, and technology to protect the health of users, who are not only able to earn discounts on premiums of spillover-effect products through health missions, but also discounts of cross-industry partners (such as: Uni-President, Industrial Technology Research Institute, Great Tree Pharmacy). As of the end of 2024, the cumulative number of members was approximately 1.25 million. To improve the health of policyholders, FitBack has launched "Six Good" health services to better meet the needs of users for health promotion and preventive care.



FitBack results as of the end of 2024

- Approximately **1.25 million** members
- Total number of steps reached **1.71 trillion** steps (Burned 85.6 billion calories)
- Reduced carbon emissions by **243,000 tons** for the Earth



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

► Results of FitBack in 2024

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

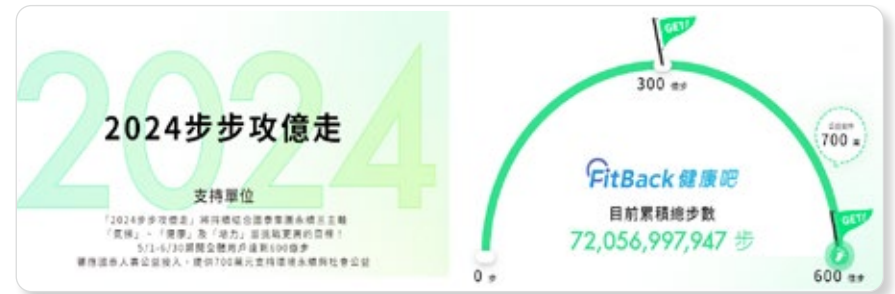
● Every Step Counts

Cathay Life Insurance has organized the event "Every Step Counts" since 2022, which conveys the philosophy of walking for your own health, for social welfare, and for the sustainability of the Earth. When participants achieve the walking goal, their efforts for their own health will be transformed into long-term support for sustainability, so that every step will create a virtuous cycle for the environment and society and bring the public closer to sustainability. When participants walk the target number of steps, Cathay Life Insurance has made a commitment to provide funding to support a number of public welfare activities, covering rural education, environmental protection, and green energy development.

The event combines the health promotion platform FitBack with diverse health promotion scenarios and game-based mission design, allowing participants to easily join at any time, anywhere, and making walking more interesting. As of the end of 2024, the cumulative number of users has reached 1.25 million.

In 2024, the event "Every Step Counts" attracted more than 273,000 participants who walked a total of 72 billion steps. Over the past three years, close to 660,000 people have participated in the event, and the cumulative number of steps has reached 164.5 billion steps, which is equivalent to reducing carbon emissions by approximately 23,000 tons. Cathay Life Insurance supported a total of 5 public welfare projects with a total of NT\$19.7 million, and generated more than 2.13 million kWh of green electricity.

Every Step Counts calls on people to pursue sustainability, and successfully linked health and public welfare to sustainability. Cathay Life Insurance hopes that support for public welfare will not be a one-time donation, but rather the discussion with local units to formulate local revitalization plans that are feasible in the long-term, so that the concept of sustainability can be implemented and circulated in remote areas.



► 2024 Every Step Counts meet the standards

2024 Support Projects: Pingtung Green Electricity Vanilla Garden

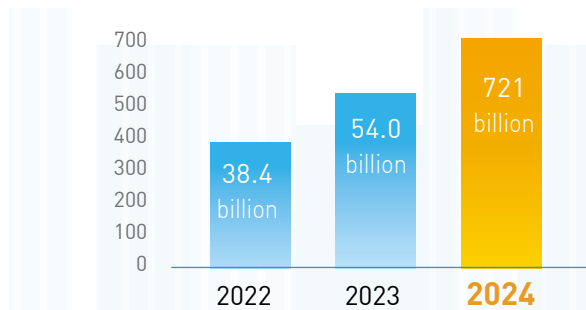
Installed solar panels on the rooftops of the greenhouse, and income from the green electricity support the restoration of endangered plants, cultivation of economic crops, and promotion of ecological education on campus to increase biodiversity. With energy transition justice in mind, we use agro-photovoltaics to drive local industries, improve the stability of the rural economy, promote employment for disadvantaged groups, and expand the impact on stakeholders.



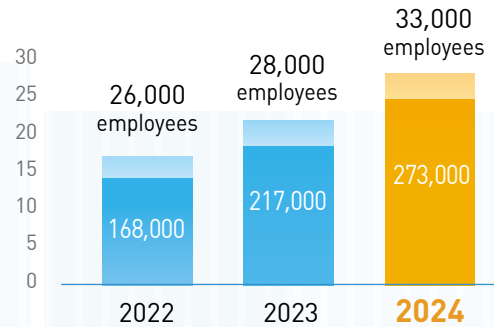
The cumulative number of steps, total number of participants, and number of teams have grown over the years



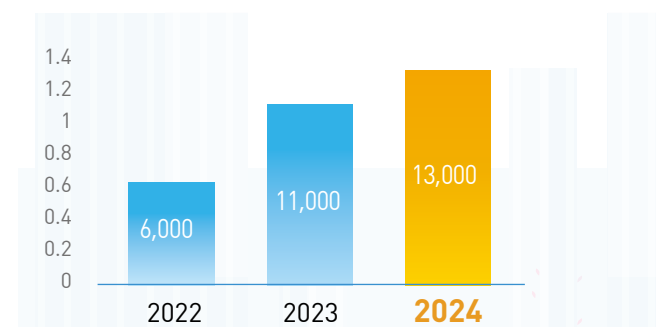
Total number of steps



Number of participants



Number of groups



● FitBack-Workplace Health Promotion Tool

We launched the "Enterprise Version FitBack" at the end of 2023 to help companies improve employee health and realize sustainability goals, becoming the best partner for promoting workplace health. During Every Step Counts in 2024, 60 companies used the "Enterprise Version FitBack" service, affecting 58,000 employees (the number of companies is calculated based on the number of unified business numbers).



Up to 3% policy rebates

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

● Good test - 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 condition, identify their risk of cognitive dysfunction early, and attach greater importance to the prevention of dementia. Simple interactive games are provided to attract users to regularly participate in the 1-minute "Brain Training" game, as well as the cognitive function testing and services of "Brain Age Test" + "Brain Health Exercise." The games not only help users understand their health condition, but also award "Tree Points," which can be used to redeem actual goods. In 2024, the "Cognitive Function Test" service was used over 1 million times.

Task		Brain Training		Brain Age Test
Targets		FitBack members		Cathay Life spillover-effect policyholders
Content		2 minutes of interactive game-based training per week to maintain brain health		Take 15-minute test per month to keep track of brain health risks

The "Cognitive Function Test" service was used over **1 million** times.

進行檢測 ▶ (檢測示意) ▶ (檢測示意) ▶ 查看檢測結果 ▶ 進行大腦健康操



● Good mood - Meditation task

Mental health is an important issue that modern people are concerned about. Cathay Life collaborated with "Couchspace" to offer a mindfulness and meditation course, which uses missions on FitBack to inspire customers to be aware of their own state and attach importance to mental health. The meditation course for gaining initial self-awareness and relaxation exercises is designed with five major themes (mindfulness breathing, reshaping beliefs, emotional awareness, muscle relaxation, and sleep relaxation). Participants can choose to listen and practice according to their needs. The mindfulness exercises help policyholders stabilize their emotions, cultivate internal calmness, and further improve physical and mental health.



2.1.2 Developing diverse spillover-effect products

Spillover-effect products are insurance products that not only provide the protection needed by policyholders in life, but also a health promotion management system which encourages the insured to implement or strengthen health management concepts and behaviors. As a result, insurance can achieve both ex-post compensation and ex-ante prevention, thereby helping the public obtain positive effects from health promotion.

■ The customized design of the spillover-effect mechanism can meet different health requirements of policyholders.

The public has become more health aware in recent years, and it has led to an increase in the number of people who regularly exercise. However, everyone's pursuit of health is different, and Cathay Life Insurance has therefore designed spillover-effect insurance to meet customers' individual needs in everyday life. Policyholders can accept the challenge of different health missions (including exercise, diet, sleep, etc.) according to their preferences. They upgrade their membership level as they accumulate points from completing missions, and receive more rewards when they reach higher levels. The game-based approach allows us to accompany policyholders towards achieving the goal of living a healthy lifestyle.

■ Provide diverse spillover-effect products with multifaceted protection to meet the different needs of policyholders in life

To meet the different insurance protection needs of people, Cathay Life Insurance continues to develop spillover-effect products with multiple protections, including major injuries/illnesses insurance, hospitalization insurance, cancer insurance, long-term care insurance, dementia insurance, and life insurance. In 2024, Cathay Life Insurance continued to lead the industry by selling 427,000 spillover-effect insurance policies with the first-year premium total income from spillover-feature insurance products was NT\$17.85 billion.

2.1.3 Providing thoughtful and caring services

■ In-kind benefits services

We formed a cross-industry alliance with excellent service providers, and led the industry in offering in-kind benefits products that allow policyholders to choose between care services or insurance benefits. If a customer needs of long-term care services, the customer may choose to convert the cash benefit into care services provided by a professional team, with in-home health care and companionship for those with physical/mental illness and in need of long-term care, there by alleviating the burden on family members.

■ Cathay Healthcare Professional

To lead the transformation of the sales teams into promoters of healthy lifestyles for customers, we have combined the Group's resources and cooperated with Cathay Healthcare Management and Cathay General Hospital in the "Cathay Healthcare Professional Certification" to help our sales partners gain insights into the four major fields of "health data, precision treatment, fat loss and blood sugar control, and elderly care." Since 2022, we have cultivated 1,023 "Healthcare Professional" sales partners. Healthcare professional sales partners not only provide existing insurance services, but also provide customers with the latest health information, and even become guardians who help customers discover health warnings sooner. They also serve as seed instructors internally, and have held 344 new knowledge sharing seminars to date, allowing sales teams to learn together and share the latest trends, showing the value of differentiation led by professionals. Cathay Life Insurance aims to train 1,000 healthcare professionals each year to accelerate the spread and application of health knowledge.

 For more thoughtful services for the elderly, please refer to 2.2 Financial Health on P.64

2.1.4 Ensuring the physical and mental health of employees

401-2

Principle 1

■ Creating a safe workplace

● Occupational safety and management GRI 403-1, 403-2, 403-4

Cathay Life Insurance promotes workplace safety and health, and established an occupational health and safety management system in 2019. We obtained ISO-45001 and TOSHMS certification, becoming the first life insurance company in Taiwan to obtain both certifications at the same time. We have continued to obtain re-certification every three years. Our Occupational Safety and Health Committee is chaired by the president and has 6 members. The Committee meets on a quarterly basis to track and promote a safe and healthy workplace culture. Cathay Life Insurance appointed 197 occupational safety and health managers, 7 occupational safety and health management personnel, 536 first aid personnel, and 8 full-time occupational healthcare personnel (nurses) throughout Taiwan, who regularly conduct workplace safety inspections, disaster prevention and health education promotion events, and health promotion events. A total of 626 workplace safety inspections were conducted in 2024, and physicians and nurses provided 84 sessions and 271 sessions of on-site services, respectively.

Pursuant to the Enforcement Regulations Governing Workplace Environmental Monitoring, we monitored the CO2 in 176 buildings in 2024, ensuring that they meet legal standards (less than 5,000 ppm), protecting employee health and ensuring good indoor air quality.

● Safety and health education GRI 403-5

We organize training for new employees through a 2-hour course on the e-learning platform of the Occupational Safety and Health Administration and a 1-hour in-person course provided by occupational safety personnel. We also established an occupational safety and health management platform in 2023. The platform automatically sends training notifications to improve the training completion rate and employee satisfaction rate (the satisfaction rate in the questionnaire after the courses reached 96%). Employees can complete the 1 hour online on-the-job training course on general safety and health every year on the Cathay e-Learning platform. A total of 32,094 people received training in 2024, including new employee training for 3,105 people, on-the-job training for 28,989 people, safety and health supervisor retraining for 90 people, and first aid personnel retraining for 259 people.

● Workplace safety and health week

In 2024, the Occupational Safety and Health Administration supported the World Day for Safety and Health at Work on April 28 by organizing a series of activities for the Occupational Safety and Health Week at the end of April. The safety and health seminars, evacuation drills, and the challenge - journey of safe and healthy provided a fun and entertaining way to raise employees' safety and preventive health awareness. Senior managers led the declaration of Cathay Life Insurance's commitment to "healthy life, diversity, co-prosperity, and co-creation of a safe workplace."

● Total loss due to occupational injury GRI 403-9

Year	2022	2023	2024
Office staff/Field personnel			
Occupational injuries	1/5	10/35	6/13
Occupational deaths	0/0	0/0	0/0
Disabling injury frequency rate	0.01/0.08	0.16/0.58	0.19/0.42
Disabling injury severity rate	0/3	4/19	4/10

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



Promoting physical and mental health of employees

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 526 units assessed in 2024.
- In 2024, there were 18 complaints of unlawful infringement while performing duties, including 16 cases of general workplace friction and 2 cases of physical violence. In addition to initiating surveys, we also show care during meetings and refer them to relevant employee assistance programs (EAP) as needed. Cathay Life Insurance also promotes "zero tolerance of workplace bullying" to all employees and tier 2 supervisors and above from time to time, utilizing win-win communication skills to create a fearless workplace.

Promotion of first aid training

- In 2024, 182 AED_CPR practical training sessions were held across Taiwan with 8,420 participants, improving employees' first aid skills and the immediacy of rescue, creating a friendly and safe workplace environment.



Healthy Workplace Certification

- The Company engages in health promotion in the workplace, provides employees with comprehensive health resources, comprehensively evaluates and improves the physical and psychological work environment, fulfills corporate social responsibility, and jointly creates a healthy workplace. In 2023, we obtained the Badge of Accredited Healthy Workplace - Health Promotion for 2 buildings (Headquarters and Keelung Renai Building) and the Badge of Accredited Healthy Workplace - Smoke-free for 1 building (Jiaoxi Toucheng Section). In 2024, we obtained the Badge of Accredited Healthy Workplace - Health Promotion for 8 buildings (Changhua Building, Fengshan Guangfu Building, etc.), and was recognized with in the Excellent Division of "Go Healthy with Taiwan" from the Department of Health, Kaohsiung City Government.

Plan for the Middle-aged and Elderly

- We have formulated and implemented the "Work Suitability Management Plan for the Middle-Aged and Elderly," conducted work environment hazard identification and engaged in a health education awareness campaign in coordination with physicians and nurses on site, and also planned exclusive health examination services for middle-aged and elderly employees, providing abdominal ultrasound and exclusive cancer screening. Cathay Life also organized influenza vaccination activities at the workplace at public expense to encourage middle-aged and elderly people to receive vaccination and reduce the chance of infection in the workplace.

Implementing the Maternal Health Protection Plan

- Cathay Life Insurance implemented the Cathay Pregnancy Club under the Maternal Health Protection Plan. We not only seek to understand the requirements of workplace protection from pregnant employees through questionnaires or interviews, but also prepare prenatal and postpartum gifts (e.g., baby care products) for new parents to take care of their babies with peace of mind.
- We learn about the periodic prenatal exams, health condition, and suggestions of pregnant employees through Cathay Pregnancy Club, and provide new parents with prenatal and postpartum gifts, so that new parents can take care of their babies with peace of mind. Currently, a total of 22 locations across Taiwan provide breastfeeding-friendly workplaces for mothers. In addition to receiving the Excellence Award from the Department of Health, Taipei City Government, 4 other locations have obtained the breastfeeding-friendly certification. In 2024, there were 681 employees who were pregnant or just given birth, in which 426 employees received health education, care, and consultation.

Physical health

Prevention and tiered management of health risk

- The frequency of employee health examinations was increased to once every two years starting in 2023. The health examination was conducted in hospitals in 2024 to improve the experience. In addition to the health examination items required by law, ultrasound examination was added and the types of cancer screened was increased. Employees were given three options: comprehensive screening, cardiovascular disease screening, and digestive screening. A total of 25,252 employees received health examinations in 2023-2024.
- We implement tiered management based on ten-year cardiovascular disease risk analysis through the health management system, and provide health education to employees with medium and high risks through physicians and nurses. In 2024, follow-up and health education was completed for 231 employees.

Diverse health promotion activities

- Cathay Life Insurance organized diverse health promotion activities in 2024 with a total of 3,079 participants, including 235 vaccinations at public expense, 371 screenings for four types of cancer, 847 people were tested for blood pressure, blood sugar, and cholesterol, 681 participants in health promotion seminars, and 945 participants in physical fitness activities.



BMI management activities

- We organize the Rich and Skinny Weight-Loss Competition every year to encourage employees to set weight loss goals accordingly. In addition, we link the competition to a charity event by donating NT\$100 for each kilogram lost. We mainly make donations to subjects involved in renewable energy issues. In 2024, all 6,270 participants lost a total of 14,320 kg.

Prevention of musculoskeletal-related injuries in workers

- We set up an online questionnaire survey system for musculoskeletal symptoms to identify individuals who are risk level 5 (confirmed disease) and level 4 (improvement through ergonomic engineering or health promotion). In 2024, we conducted follow-up and provided health education guidance for a total of 8 individuals identified as risk level 5 and 69 individuals identified as risk level 4. We also held a total of 8 human-factor hazard prevention lectures in high-risk units across Taiwan, explaining the prevention of ergonomic hazards and providing stretching exercises to solve daily pain problems.

Mental health

Employee Assistance Program (EAP)

- We established Employee Assistance Programs (EAP), which offer a 24-hour helpline. In 2024, a total of 151 employees used the consultation service; 99% of the users found it helpful in solving problems.

Prevention of illness caused by abnormal workload

- Cathay Life Insurance also designed an online questionnaire system for the burnout scale, which is integrated with an analysis performed by Hygeia's health management system, so as to identify high-risk cases for medical and health education. Through the EAP, we also provide psychological counseling and employee care. In 2024, there were 10 cases of risk level 4 and 130 cases of risk level 3 which underwent health education guidance.

2.2 Financial Health

Principle 1 Principle 3

With our vision to "combine insurance and technology to bring you closer to happiness [with smart, simple, and safe services]," Cathay Life continues to improve its financial services in terms of accessibility, usability and quality via technology to meet the financial needs of the elderly, youth and disadvantaged groups. In doing so, we satisfy people's insurance needs and protect the happiness of families, thus fulfilling our corporate mission to "shelter you like a big tree and make your life easier."

2.2.1 Implement Financial Inclusion

To eliminate economic, physical, time, and space barriers that expose individuals or families to personal risks, Cathay Life Insurance is committed to increasing the accessibility of financial services in our insurance products to improve people's willingness to purchase insurance and facilitate insurance enrollment. We proactively work to build an inclusive financial environment. As an insurance company, we serve as a stabilizing force for our society.

■ Microinsurance

In 2009, we were the first to offer micro-insurance services, for which we have worked with county and city governments and charity organizations to provide micro-insurance with basic protections to those people in need. As of 2024, such effective insurance contracts were provided to nearly 167 thousand individuals, reaching a total of NT\$57.8 billion. Through micro-insurance, more than 1,500 families have received the timeliest financial support.

In 2024, we won **First Place, the Sprint Award, and the Mentally Challenged Award in the Micro Insurance Contest held by the Insurance Bureau, Financial Supervisory Commission (FSC).**



■ Elder friendliness

The declining birth rate and the increasing rate of aging and unhealthy life expectancy in Taiwan have placed individuals, families, and the society under significant economic pressure, and imposed a massive burden on the healthcare system. As such, people’s awareness of elderly care issues is increasing. Cathay Life Insurance continues to develop thoughtful services for elderly people. By integrating them into different products for the elderly, and providing a comprehensive range of elderly services with the concept of "Products and Services," we work to help people enjoy a high-quality life in their golden years.

● Elderly protection products

Exclusive products for the elderly

As the average life expectancy of Taiwanese people gradually increases and medical expenses continue to increase, the insurance coverage planned by many elderly people in the past no longer enough to meet future needs. When elderly people want to re-plan their insurance coverage, they are no longer able to purchase insurance due to their physical condition. Cathay Life Insurance launched "Exclusive Insurance Products for the Elderly" to provide a variety of coverage, such as life insurance, long-term care, hospitalization, surgery, cancer, accidents, and specific injuries and illnesses. We also increased the eligibility to 75/80 years old and relaxed the physical condition requirements, so that more elderly people can obtain the coverage they need. We also established "elderly product appropriateness assessment" to protect the rights of elderly customers when purchasing insurance, helping elderly people improve their coverage network. Since the launch of the product, a total of 166 thousand policies were sold as of the end of 2024.

Petty Amount Whole Life Insurance

In 2017, Cathay Life Insurance launched the industry's first petty amount whole life insurance, a policy that can be purchased by almost anyone. This product allows citizens who cannot purchase insurance because they are too old or in poor physical condition to also enjoy basic insurance coverage by purchasing the petty amount whole life insurance, which has low enrollment requirements and low premiums. As of 2024, there were a total of 271 thousand effective contracts, providing insurance coverage of approximately NT\$90.5 billion against personal risks.

Care	Content
Life insurance coverage	Cathay Life Insurance launched USD-denominated whole life insurance in 2024 with high multiple death benefit, helping elderly policyholders pass down their assets after death. If policyholders receive five specific types of post-cancer treatment, such as targeted therapy, they can collect a high amount of benefits in advance to pay for the expensive treatments, making it a reserve account for receiving advanced post-cancer treatment.
Long-term care of elderly people	Cathay Life Insurance launched exclusive long-term care insurance in 2023, and raised the maximum age limit to 75 years old, so as to reduce the burden of long-term care for the elderly.
Medical insurance	As elderly people continue to age, they face a gradually aging body, such as hearing, visual impairment, or joint deterioration, and their need for surgery and medical device subsidies will also increase. Cathay Life Insurance offers exclusive insurance policies to provide hospitalization and surgery related coverage and subsidies for medical devices, so as to meet the coverage needs of the elderly.
Cancer coverage	To meet the needs of the elderly, we offer cancer products with a lump-sum payment for the elderly. Policyholders will immediately receive a lump-sum payment of insurance benefits when they are diagnosed with cancer, providing them with the funds needed to cover the expenses of treatment.
Accident coverage	Elderly people are more susceptible to falling and fracture due to physical reasons, such as slower response, visual and hearing impairment, and mobility issues. Cathay Life Insurance offers exclusive accident insurance for elderly people aged 55 and above in 2024 to help elderly people protect themselves and their loved ones in the event of an accident.
Special injury care	When middle-aged and elderly customers suffer from cardiovascular diseases, they will need better healthcare and may need to reduce their workload, which will affect their income. Hence, Cathay Life Insurance began offering specific injury and illness insurance for elderly people in 2024. For the five specific cardiovascular diseases that elderly people are at relatively high risk of, we provide a one-time payout along with up to 10 times of living subsidies to help elderly people improve the quality of their healthcare and life after becoming ill.

● Thoughtful services for the elderly

Elderly-friendly marketing materials

To make it easier for elderly people to read, we not only provide exclusive products for the elderly that meet their coverage needs, our sales documents (DMs) also adopt a font size and layout that make it easier to understand the contents.

Integrated platform with exclusive resources for middle age and elderly people – "A Wonderful Life in the Golden Years" website

We established the first exclusive platform integrating resources for elderly people, which is designed with a library, canteen, and health check station, to provide a variety of information on elderly care and elderly services, as well as games for dementia prevention and questionnaires to improve knowledge accessibility for the public and to meet the elderly care needs of society. The cumulative number of views reached 126,000 in 2024.

Lectures on long-term care

In 2024, we held 3 lectures on long-term care in cooperation with external professional long-term care institutions, inviting middle-aged and elderly people from business units throughout Taiwan to participate, and providing education on the correct long-term care knowledge, raising public awareness of the need for long-term care coverage.

Friendly Financial Hotline

To meet the financial service needs of elderly customers and socially disadvantaged groups, and to provide friendly financial services to the disabled, Cathay Life Insurance has upgraded the elderly care hotline to a friendly financial hotline to serve customers over 65 years old and disabled customers. We formed customer service teams that prioritize answering phone calls from elderly people. Our service personnel will talk slowly and provide simple explanations to questions regarding insurance policies. They also provide relevant information of "elderly value-added services" to help older people obtain resources they need and kindly remind them of important matters to protect their rights and interests as policyholders. According to different scenarios (for example, physically disabled, visually impaired), we provide customer service personnel with communication skills and situations that require attention.

USR Health Promotion Program

Cathay Life Insurance collaborated with National Taipei University to create an elderly life protection network for the elderly through "caring for the body, caring for the mind, and protecting wealth." We organized ten "Elderly Health Tour" seminars in counties and cities across Taiwan, inviting more than 350 elderly people to attend, providing daily health knowledge and guidance to exercise at home. We also use board games to raise anti-fraud awareness and improve the physical, mental, and financial health of elderly people.

■ Student group insurance

Since 2017, we have offered National Student Group Insurance for eight consecutive years, providing insurance coverage to high/vocational school students and under to kindergarten children, and protecting the personal safety of 2.88 million children with a total insured amount of approximately NT\$2.9 trillion.



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

Cathay Life Insurance began offering online insurance enrollment services at the end of 2014 and continues to improve its product portfolio and functions. In addition to travel insurance, life insurance, annuity insurance, health insurance, accident insurance, and investment-linked insurance, Cathay Life Insurance began offering micro insurance, small-amount whole life insurance, critical illness insurance, and term life insurance on the "Retirement Preparation Platform" in 2022 under the competent authority's insurance product policy. In 2023, we began offering the industry's first online health insurance for hospitalization. We currently offer 16 products in 6 categories of insurance. We support multiple payment methods to enrich policyholders' experience when paying insurance premiums online. Additionally, we revised the contents and visual design of our website in 2024, adding product comparison tables and insurance tips, and introducing the chatbot "Alpha" to help customers understand the content of insurance policies, thereby providing a friendlier digital platform. In 2024, the overall customer satisfaction with our digital services reached 96%, in which the satisfaction rate with online insurance enrollment reached 97% for five consecutive years.

Insurance View and Insurance Assets

Cathay Life Insurance has created an insurance view that allows customers to comprehensively examine their personal coverage and insurance assets. Through the journey design of "what's there," "what's missing," and "what to make up for," customers can identify gaps in their coverage consult with life insurance consultants. Insurance assets have been viewed over 1 million times since they were made available online in August 2023. The Insurance view was accessed approximately 250,000 times between September 2024 and December 2024.

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 2024, the "Customize My Insurance Portfolio - Investment Planning" function was used nearly 140,000 times.

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, etc., thus not only elevating service efficiency, but also reducing the use of paper for relevant documents and creating tremendous environmental benefits.



please refer to 1.1 Environmental Sustainability on P.46 for details

Smart Digital Customer Services

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: coverage, policy loan inquiries, and product information.

In 2024, the number of smart digital customer service users was 2.29 million and the average number of services reached 191 thousand per month. Among them, the problem-solving rate^{Note 1} was 97.0%, and satisfaction rate^{Note 2} was 94.6%, which accounted for 78% of all customer service calls, effectively reducing customers' waiting time during phone calls or counter visits. This shows that Alpha has become a smart assistant well received by customers.

Note 1: The rate of customers not seeking manned service channels such as calling, writing an e-mail to customer services, or others within one hour after using smart digital customer services.

Note 2: The customer satisfaction percentage of a four-point score or above after using chatbot Alpha.

Sky Counter Remote Services

Cathay Life Insurance is the first to allow changes to the proposer, changes to the beneficiary, and policy loan applications to be made online. We continue to provide a variety of services to meet customer needs. As long as policyholders log into the Cathay Life Insurance's app and make an appointment for the "Sky Counter", they can arrange for multiple people in different locations to handle insurance policy changes at the same time. The whole process is paperless and time-saving, making it the only insurance policy service in the industry that remove restrictions on physical networks and counter services.

Virtual queuing

We implemented the virtual queuing mechanism, which allows policyholders to check their waiting time after calling the customer service hotline and choose to either wait online or make a reservation for the customer service officer to call back, enabling policyholders to manage their time more flexibly.

Internet phone call service

Those who have an Internet connection can make Internet phone calls via Cathay Life Insurance's website or app to contact our customer service 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 Internet phone 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. Policyholders can immediately speak with the chatbot without needing to wait for human customer service personnel, and will be able to successfully apply for travel insurance in three minutes. The insurance application process is as simple as chatting with Siri on your iPhone. In addition, customer service personnel can seamlessly take over to offer assistance if policyholders have specific needs.

We launched Smart KYC (Know Your Customer) in November 2022, where customers complete identify verification with the chatbot and then use a single sentence to describe what they need, after which human customer service personnel will seamlessly take over to continue providing service, quickly and accurately meeting customer needs.

● Offline service

Friendly service environment

In 2024, Cathay Life Insurance deployed service bells in 55 service locations across Taiwan, and provides different assistive devices, such as reading glasses and hearing aids, to care for customer needs. Moreover, we have installed video magnifiers and provide wheelchairs at hotspots for elderly customers, in order to protect their rights and interests. Our locations also have blood pressure monitors to care for customers' health.

We put up multi-language signs at the entrances of locations with a larger population of new immigrants, welcoming new immigrants and foreign customers to visit the counter.

Listening to the voices of different groups with zero distance communication

Cathay Life Insurance provides interpretation services for sign language and other languages at service counters via video chat, protecting the rights of hearing-impaired customers and new immigrants, while expanding the accessibility of financial services. In 2024, we introduced the real-time text interaction function at service counters, using interactive screens to provide real-time text assistance, providing customers with more convenient communication methods and barrier-free communication with different groups.

We also collaborated with the Health Promotion Administration, and all of our service locations have obtained the dementia friendly badge. Furthermore, we also formed a dementia protection network in the community with staff who are certified "Dementia Friendly Angels" to provide timely care to families with a dementia patient.

Extensive service network

With a team of 27 thousand sales agents and 324 offices across Taiwan, Cathay Life Insurance provides friendly local services, for which customers can visit any of the 55 service locations and 24-hour chatbot customer service center, providing customers with high-quality and professional services through cross-channel service support and standby arrangement.

■ Innovative online services

The advancement of digital technology has significantly changed the behavior of consumers and made online activities the norm. In response to these changes, Cathay Life Insurance has developed convenient one-stop online insurance services. Online services featuring innovative components and platforms were planned to introduce a brand-new online insurance service model that enables all groups, including the youth and elderly, to enjoy fast and convenient online services.

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 2024, approximately 9.6 million visitors visited the official website of Cathay Life Insurance, and the number of Free-choice Coverage cases reached 31 thousand, with an overall satisfaction rate reaching 94%.

CVX platform

Cathay Life Insurance is committed to providing comprehensive remote insurance services, which overcame the barriers of time and space during the COVID-19 pandemic, and has now become a convenient service channel. The CVX platform is the industry's only total solution for remote insurance, capable of providing online insurance enrollment, policy changes, policy loans, claims applications, and premium services, and also the only remote insurance platform to obtain a utility model patent. Since its launch in 2021, the platform has accumulated more than 101,000 policies (as of 2024), with a customer satisfaction rate of over 95%.

Cathay Life Insurance continues to extend the application of the CVX platform from sales channels to insurance agency channels. In 2023, we applied to the competent authority for remote insurance enrollment by insurance agents on a trial basis, and successfully obtained approval on October 4, 2024. By providing insurance agency channels, policyholders no longer need to complete insurance applications in person, and insurance sales is no longer limited by time and place.

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 2024, the "groupins+" platform had accumulated 470,000 visitors and output more than 1,600 customized group insurance quotations, providing companies with more transparent and flexible coverage options.

iSmart Variable Life Insurance

Cathay Life Insurance and Cathay United Bank jointly launched the new investment portfolio product "Cathay Life Insurance iSmart Variable Life Insurance" and was successfully approved by the Insurance Bureau to be implemented on a trial basis! Combining smart investment services with life insurance, it allows customers to enjoy the benefits of smart investment and gain life insurance coverage, giving customers and their families peace of mind, which is suitable for the Sandwich Generation who are the breadwinners of their family and people who are about to retire. Utilizing technologies of Cathay United Bank's ROBO smart wealth management platform, we provide customized portfolio recommendations for investment-linked insurance policies. The platform monitors changes in the investment portfolio around the clock, provides customers with re-balancing suggestions in real time, stabilizes investment performance, and extends the duration of policies to facilitate asset accumulation and protection. As of 2024, premium income has reached a total of NT\$200 million.

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 internalizing the spirit of "treating customers fairly" in its employees. In 2018, we became the first in the industry to establish the Treating Customers Fairly Committee, which is partaken and promoted by the Board of Directors to protect customers' rights and interests. In 2020, the KPIs for the principle of treating customers fairly were established 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 2024, Cathay Life Insurance implemented treating customers fairly based on the four focus areas, namely "sustainability governance," "friendly empathy," "technology protection," and "empowerment":



External recognition of efforts to continue making improvements each year:



Obtained 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 in the Service Survey in Taiwan of Commercial Times for the 8th consecutive time, setting a record in the financial industry.



Rated excellent (ranked top 25% among insurance companies) in terms of fair customer treatment by the FSC for 6 consecutive years.



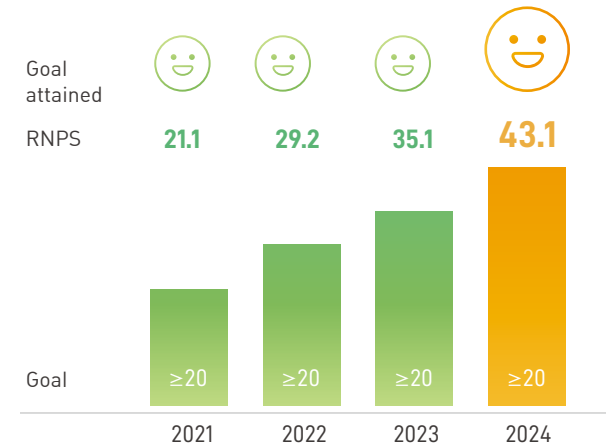
Ranked in the top 25% in the FSC Sustainable Finance Evaluation for 2 consecutive years.



[Link to Official Website of Cathay Life Insurance - Treating Customers Fairly Section](#)

Better management of customer satisfaction

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 make key improvements for highlights of the journey. In 2024, our overall customer satisfaction reached 98.9% and NPS reached 43.1, further improving on the 35.1 in 2023, the fifth consecutive year of positive growth.



Promoting financial education and raising awareness for fraud prevention

In cooperation with industry, government and academia, we developed the Fraud Defense Board Game to introduce board game activities, which combine education and entertainment, to local communities and schools. By playing these games, the public will become more aware of fraud prevention, shifting from "fraud detection" towards "fraud prevention." Since 2019, the activities have reached more than 19,000 participants, and were awarded the "2023 Excellent Financial Education Case" by the FSC. In 2024, we organized 90 sessions with a total of 4,550 participants. For employees and the general public, we organized 3,868 fraud recognition education sessions in 2024, with more than 20,000 participants.



Game-based Campaign - Play to learn about fraud prevention

Feature 1
Fraud cases are authentic

Feature 2
Anti-fraud knowledge is applicable

Feature 3
Learning process is interactive



03 — Empowerment

3.1 Workplace Empowerment

3.2 Social Empowerment



Core philosophy

Every bit of Cathay Life Insurance's success is owed to the collective efforts of our employees. We are committed to fostering the best working environment and employee care, so that every employee can realize their fullest potential and fulfill their greatest purpose. We do this so that our employees bring the care and devotion we show them to every corner of society. The Great Tree of Cathay Life, with more than 60 years of history in Taiwan, will continue to contribute to the prosperity of society.

Performance highlights

58,264.9 hours

In 2024, the total learning hours on the Hahow self-learning platform reached 58,264.9 hours.

69,216 hours

In 2024, a total of 10,703 volunteers received 69,216 hours of training.



Material Topics Management

Human Capital

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

Established a comprehensive training system

Provide a comprehensive benefits system

Established a friendly work environment

Performance tracking/stakeholder engagement

- Offer courses related to professional competencies, and utilize digital resources to allow employees to learn on their own according to their individual plans.
- In 2024, 2,289 people applied for learning leave, and the number of learning hours on Hahow amounted to 58,264.9 hours.

- Provide a wide range of benefit policies related to protective, developmental, recreational, financial and service.

- Promoted business operation streamlining, through which business operations of each department are sorted and existing processes are digitized. In addition, agile tools and cloud office application tools are phased in on an annual basis to improve the efficiency and information security of internal information exchanges.
- 30% of personnel are allowed to work remotely to improve self-management of supervisors and partners, and build a trusted team.

3.1 Workplace Empowerment

Employees are our most important asset. Cathay Life Insurance has created a workplace with diversified developmental systems and benefits to create an environment of trust, inclusion, happiness, and growth, so that our employees can find their most suitable position and shine in the workplace.

Please see P.163 of the appendix for our employee structure



Cathay Life Insurance has received the Talent Training Award in the Taiwan Insurance Excellence Award for **10** consecutive years, and won the BEST Award presented by the U.S. Association for Talent Development (ATD) all five times that it participated, ranking **11**th in the world in 2024.



Engagement score (5-point scale)

Cathay conducts an annual Employee Engagement Survey to understand employees' dedication to work and expectations for the Company. We continue to optimize the employee development system and care measures based on survey results, so that employees will continue to have a sense of abundance.



3.1.1 Talent attraction, diversity, and inclusion

In response to the trend of digital development and sustainability, Cathay Life Insurance is actively building a diverse talent pool and is committed to creating a fair and inclusive recruitment environment. Following the changes in usage habits of job applicants, we are also actively using digital recruitment channels, attracting outstanding talents from different backgrounds, ages, genders, and cultures through diverse channels, ensuring that every job applicant has an equal opportunity in a non-discriminatory environment, fully utilizing their capabilities, and finding the most suitable position for them.



Cathay Match Facebook fan page



Cathay Match Instagram



■ Cathay Match Facebook fan page

Cathay Life Insurance has been building its brand as an employer since 2019, and uses Facebook as a virtual recruitment channel by posting talent recruitment information. We utilize current events or popular topics to create a new image. We periodically share internal events and news to interact with potential job applicants, and make it a habit for job seekers to pay attention to and learn about the Company, so that they will identify with and trust our brand.

As of the end of 2024, there were **29,607** fans. Reached approximately **3.21** million people in total with **210,000** interactions.

■ Cathay Match Instagram

We created a fan page on Instagram in 2021, and featured the changes in mentality of new employees in the workplace. In response to the different expectations of current job seekers when choosing a career, we share workplace activities, internship records, talent recruitment plans, social updates, and work practices through pictures and short videos, so that job seekers can gain an in-depth understanding of the Company's benefits and corporate culture.

As of the end of 2024, the number of followers reached **11,915**, and the total number of views reached **2.29** million.

■ Establishment of Office Talent Pool

Cathay Internship Program (CIP)

Since 2005, we have implemented the Cathay Internship Program (CIP) to recruit quality talents ahead of time and improve Cathay's corporate image and their identification with Cathay. This program provides students with internship opportunities during summer vacation to establish connections ahead of time.

Since 2021, the internship program has adopted hybrid working and helped CIP interns better understand their career directions through various online courses and unit resources. As of 2024, 19.0% of CIP interns who completed the internship have become our employees.

"IT's Time" recruitment project

Financial innovation and practice rely on quality IT talents. Cathay Group launched the "IT's Time" recruitment project in 2017. By organizing recruitment events targeting IT talents, we implement the project via speedy document reviews, one-day interviews, and quick job-vacancy matching, while providing open and transparent recruitment information to recruit talents.

In 2024, we received 787 resumes, interviewed 48 applicants, and accepted 27 candidates. In other words, 6.1% of applicants were interviewed and 3.4% were accepted.

Cathay Agile Program (CAP)

Since 2018, Cathay has initiated the Cathay Agile Program (CAP) to cultivate students into digital technology talents. Centered on the agile project, students and our office staff conduct agile collaborations to spark more creative ideas.

In 2024, 22 interns of Cathay Life Insurance participated in the program and produced 21 project ideas for the Company to put into practice. As of 2024, a total of 28 former CAP interns returned to work for Cathay, representing a reinstatement rate of 12.2%.

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 9th CIM Project in 2024 received a total of 467 resumes and 7 applicants were accepted. Among them, 3 applicants will report for duty in 2025 due to military service, 4 applicants participated in training and are expected to be officially assigned to units in 2025. A total of 4 CIMs were accepted for the 8th CIM Project in 2023, all of them passed the one-year training, and 3 were promoted to assistant manager in 2024.

Career Diary

Cathay Life Insurance and City Wanderer have organized the Career Diary Challenge since 2017, with the hope to help students understand their future job career options and close the gap between education and employment through various activities such as exploring personal values, interviewing seniors, and internship experience. In 2024, the sixth event was organized in a 5-day camp and cooperated with the Cathay Internship Program for the first time.

In 2024, a total of 118 people applied and 91 people were accepted, with an overall satisfaction of 4.4 points, and the event reached more than 1.45 million people. Seven people subsequently applied for the Cathay Internship Program and two of them were accepted.



For the response from students, please refer to the Career Diary Medium

Field talent 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 2024, we had a total of 2,774 CAs with a retention rate of close to 67.8%.



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

We provide college students with "workplace internship" opportunities in our business units every year. In 2024, we collaborated with 60 departments of universities under the Business Elite Internship Program, and helped 208 students explore their personal careers. Among them, 100 (48.1%) became student sales agents in the part time team of Cathay Life Insurance, and 18 (8.7%) became full-time employees.

"Big Dreams Market" camps on campus

Since 2017, we have been organizing 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 2024, we held a total of 17 sessions of Big Dreams Market; 396 out of the 649 participating students completed training. As of 2024, 19.7% of the trainees had registered with Cathay Life Insurance.



Tree Campus website

Diverse and inclusive workplace

Cathay Life Insurance believes that diverse teams can inspire innovative and inclusive thinking. Therefore, we are committed to creating a fair, just, and open work environment. To ensure that all employees are not treated differently due to gender, age, nationality, race, or physical and mental condition, we provide a stage for fair competition for recruitment, promotion, and development opportunities, so that every talent can realize their potential.

Cathay Life Insurance actively promotes gender equality

In 2024, 74.4% of employees were female and 25.6% of employees were male; 56.6% of managers were female and 43.4% of managers were male. In addition, to support the employment rights of persons with disabilities and indigenous peoples, we established the "Regulations Governing Rewards and Subsidies for Recommending Employees with Disabilities and Indigenous Employees" to encourage employees to recommend suitable talents. In 2024, a total of 344 people with disabilities were employed, which is a number of 1.17 per 100 employees, better than the regulatory requirements of the People with Disabilities Rights Protection Act, showing our commitment to a diverse and inclusive workplace.

Reappointment of retirees as sales agents

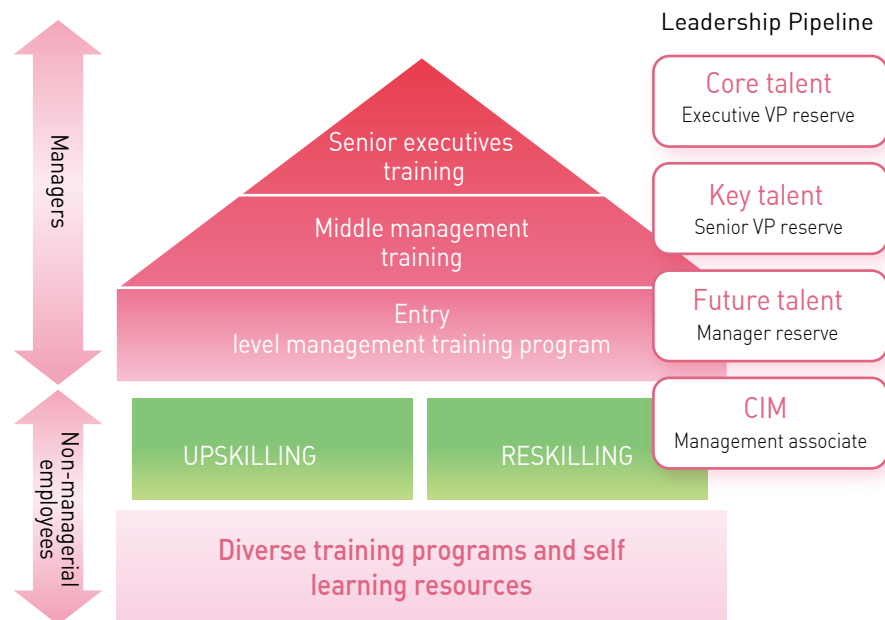
Cathay Life Insurance encourages senior sales agents to continue to exert their influence. If sales agents are in good health condition and have stable sales performance, they may be re-appointed after retirement. This practices the concept of lifelong employment. As of the end of 2024, the Company had 1,424 insurance agents who are 65 years old and above (accounting for 9.2%), showing that the Company values and continues to appoint elderly employees. Cathay Life values the professional value of employees and partners of all ages.

3.1.2 Talent development & cultivation

401-1 404-1 404-2 Principle 1

A healthy talent cultivation system is the key to sustainable development of organizations. Cathay Life Insurance promotes career development through a diverse job rotation, while enhancing employees' digital literacy and ESG competencies to equip them with the core capabilities for sustainable transformation. At the same time, we have established a comprehensive training system, enriched the talent pool at all levels, and cultivated insurance elites and cross-disciplinary talents to drive the continued growth of the Company.

In 2024, the turnover rate of head office staff was 6.48%, which lay within one standard deviation in the past three years. The retention rate of sales agents reached 67.1%.



■ Diversified job rotation system

Cathay Life Insurance has proactively developed diversified talents, encouraged job rotations across departments and companies, cultivated employees' cross-disciplinary thinking, and improved their ability to integrate.

Cross-series job rotation

To encourage office staff to continually explore their diverse competencies, we introduced systematic operations since 2020 to allow departments recruiting new employees to offer job vacancies online and provide advice via different channels to lower employees' sense of uncertainty during transitions.

- Percentage of employees in the job rotation system in 2024: 24.6% for specialized staff and 17.6% for administrative staff.

In addition, to enhance back-office employees' understanding of life insurance operations, we arrange rotations of professional staff to business units every year, and hold briefings that invite senior employees to share their experience and answer questions.

- In 2024, more than 100 people participated in the online briefing, and the number of back office staff transferred was: 39 (the number of deputy manager and higher level employees transferred accounted for 38%, and assistant managers accounted for 46%).

War Room

Digital transformation and agility have become a new culture of Cathay Life Insurance. We continue to form a mixed team of diverse personnel to work towards transformation goals through the Situation Room. In the past 2 years, we have also used the in-house collaboration model in BUs bringing the transformation culture and agile work model into the daily operations of BU teams. The combination of internal agility instructors along with timely guidance from external consultants has accelerated the expansion of the breadth and depth of influence.

- As of 2024, we have expanded to 44 departments, with a total of 428 employees (excluding managers) participating in the transformation, which is a coverage rate of approximately 22.2%.

■ Cultivating diverse competencies

In response to the trend of global competition and digital transformation, Cathay Life Insurance is actively cultivating employees' digital literacy and ESG-related abilities, ensuring that employees are able to flexibly use technology and incorporate sustainability concepts. Through diverse learning resources and development programs, we support continuous employee growth and contribute to the Company's long-term sustainable development.

■ Agile & digital skills upgrade

Fostering the seed of agility

To promote agile thinking and methods within our organization, we not only organize courses and workshops, but also encourage employees to obtain international certifications.

As of 2024, a total of 208 employees obtained international certifications for agile development, such as PMI-ACP or PSM, while the number of internal agility seed instructors surpassed 91, driving the development of agile thinking in our organization.

Robotic Process Automation (RPA)

We actively introduced the Robotic Process Automation (RPA) tool to replace repetitive processing tasks, helping employees improve work efficiency. We also implement programs to transform administrative staff into computing programming personnel to work on RPA development at our IT department.

In 2024, 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. We have trained 954[Note 1] people to use the RPA software, and cumulatively replaced working hours by approximately 81 thousand hours per year[Note 2], thus considerably reducing working hours for process operations and effectively improving production capacity.

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.

Gen AI Citizenship Project

AI capabilities of all employees

To improve employees' AI literacy, we launched the GenAI course for all employees, covering AI principles, applications, governance, and transformation strategies, using courses under the five topics to lay the foundation for digital transformation.

- As of 2024, the completion rate of office staff reached 90%;83% of the trainees are willing to use AI in their work.

Data talent training and certification

To accelerate the data analysis capabilities of employees in related departments and accelerate digital transformation capabilities, we launched a 9-month systematic data talent training course, developing data analysis and data science-related capabilities.

- As of 2024, a total of 332 employees have passed the data talent certification and 191 data managers were trained.

■ Sustainability

The development of corporate sustainability concepts will become an indispensable soft power in the future. Since 2018, Cathay Life Insurance has designated "corporate sustainability training" as a mandatory course for all employees. We also continue to organize internal sustainability-related training, and offer 8 mini-courses on ESG and DEI for the Group. At the same time, we encourage employees to receive training at external institutions to deepen their awareness of sustainability in our organization. See [1.2 Sustainable Finance on P.90](#) for details on training of the Responsible Investment Working Group. See [5.2 Sustainability Governance on P.123](#) details on climate and nature-related training.

Category	Course content
Internal training	Topics of all-staff general education and departmental professional training include: ESG, DEI, climate and nature, sustainable finance, sustainable underwriting/ investment, and other online and in-person courses.
External training	Employees submit applications based on their business needs, topics include: sustainable finance, low-carbon transformation, corporate governance, responsible investment, green finance, and other online and in-person courses.

In addition to promoting sustainability-related training, Cathay Life Insurance continues to encourage employees to obtain sustainability-related certifications and cultivate their sensitivity to sustainable finance issues, so that employees link ESG concepts to business:



■ 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. We also created a space for co-learning to promote mutual exchanges and expand knowledge and experience accumulation by employees and our organization.

Self-learning platform – Hahow

In 2020, we collaborated with Hahow for Business on an online self-learning project, which encourages employees to use their spare time to continually improve their knowledge. Cathay also offers one-day learning leave to those who reached certain learning hour targets. We also organized a learning event themed "Everyone Back to School" in 2024, with annual individual development plans (IDP) serving as the basis for personalized web-pushed courses to improve learning effectiveness. At the same time, we also provide flexible learning support mechanisms to meet employees' career and family care needs. Employees can continue to use the learning platform during unpaid parental leave.

In 2024, 2,289 people applied for learning leave, and the number of learning hours on Hahow amounted to 58,264.9 hours.

JoSeal co-learning platform

To promote community learning, Cathay Life Insurance has introduced JoSeal, a highly interactive, practical knowledge-centered learning platform, and established a model for social network co-learning through the "RSC" (Reading, Sharing, Creating) model.

As of 2024, courses on JoSeal have been viewed over 6.78 million times. The number of interactions (including posts/comments, likes, and notes) has amounted to over 1.06 million times. More than 6,200 exclusive micro-course videos have been produced with an average satisfaction reaching 95.8%.

MDRT ambassadors sharing network

This was adjusted to a business elite organization in October 2024, establishing the Cathay Polaris Club with 105 members. In just two months, successful cases were shared internally in 100 sessions both online and in-person.

In addition, we also created the MDRT CARE team, which shares on professional topics of tax, finance, and insurance gratuitously with external organizations and campuses. A total of four sessions have been held.

Witkey Lectures

Since 2021, we have been holding the Witkey Lectures live-streaming sharing events, which seek to understand employees' learning needs through the recruitment mechanism. We also offer courses on diverse themes, including: insurance expertise, sales and marketing, organizational management, workplace skills, diverse living, healthcare, and financial and tax knowledge. We combined the course resources of Cathay SITE, Cathay General Hospital, and Cathay Securities, as well as well-known speakers from other companies. A total of 280 sessions have been held with more than 220,000 attendees participating in the live streams. On average each course had 300-500 viewers.

3.1.3 Creating an equal and happy workplace

401-2

Principle 1

In addition to career development, Cathay Life Insurance hopes that employees will focus on "advancing dreams and working together," and provides various benefits systems to create an equal and friendly workplace, allowing employees to be passionately committed to their careers under Cathay's shelter and live worry-free.

Equality, inclusion, and human rights protection

■ Promoting human rights in the workplace

Cathay Life is committed to creating an equal and inclusive environment to ensure that every employee works with peace of mind. In addition to complying with the parent company's Code of Ethical Conduct and human rights policy, we have also formulated a number of internal regulations, including: Cathay Life Insurance Employee Code of Conduct, Cathay Life Insurance Procedures for Operation Integrity and Code of Conduct, etc., to further strengthen employees' concepts of human rights and equality in the workplace. We routinely provide training and organized a total of 4 training sessions on human rights-related issues for all employees (including senior managers) in 2024, including: gender equality, workplace bullying, unlawful infringement, and friendly financial services for persons with disabilities (including CRPD contents). For the front desk, we additionally offered: Insurance coverage courses for elderly customers. In 2024, all senior managers of Cathay Life Insurance received CRPD-related training.

At the same time, we have established the "Sexual Harassment Prevention Measures, Grievance and Disciplinary Measures" for human rights in the workplace, established a Sexual Harassment Complaint Investigation Committee, and provided diverse complaint channels for complaints, such as: hotline, fax, and e-mail. All cases are handled confidentially by dedicated personnel. If a sexual harassment case is verified, the accused will be subject to penalties in accordance with the Company's regulations, and the complainant will receive necessary care, such as psychological counseling. In addition, the Company has also implemented the "Illegal Infringement at Work Prevention Plan." Units carry out preventive measures, such as hazard identification, risk assessment, and training according to the plan. A handling team is immediately formed to conduct an investigation when a complaint of unlawful infringement is received. Please refer to [2.1 Health Promotion on P.60](#) for details.

■ Implementing harmonious communication between labor and management

The Cathay Life Insurance Labor Union was officially established on March 5, 2024 as an important platform for collective communication between the Company and employees. Cathay Life Insurance maintains an open attitude to respect employee rights and promote good labor-management relations. We have established regular communication mechanisms with the labor union to discuss employee welfare, working conditions, and workplace safety issues, reflecting the Company's commitment and response to employees' voices. We hope to improve employee satisfaction and cohesiveness through positive communication mechanisms, not only improving the Company's image and corporate social responsibility, but also allowing labor and management to thrive together, creating a win-win relationship between labor and management.

■ Human rights risk management

To implement human rights protection, Cathay Life Insurance complies with the parent company's "Cathay FHC Human Rights Policy" and its human rights due diligence process, and regularly conducts impact assessments on stakeholders, formulating mitigation measures and compensation mechanisms for management, including: We select risk issues from the perspective of stakeholders based on the international human rights framework, the Company's development strategy, and external trends, and then review the risk rating of each issue and identify high-risk groups for management.

 [Cathay FHC Human Rights Policy](#)

■ Friendly Work Environment - Shaping a Hybrid Workplace Culture

To adapt to the trend of digital transformation and develop next-generation talents, we work to not only cultivate employees' agile thinking, but also began simplifying business operations in 2020. We combed through the business of each department and digitalized existing processes. In addition, agile tools are phased in on an annual basis to improve the efficiency and information security of internal information exchanges. Furthermore, in terms of organizational culture, we also endeavor to create an open culture for dialog to revolutionize our workplace and working patterns, thereby shaping a flexible and highly efficient workplace culture for the new generation.

Agile tools

• C_Team+ (social media platform)

To date, we have established 135 service channels for operations. As a result, messages within Cathay can be rapidly disseminated to quickly solve problems, and it also improves Cathay’s communication culture.

Other individuals, associations or groups can establish teams according to their contact needs. Cathay has established more than 6,700 teams in total to achieve faster and more effective exchanges.

• C-Drive (cloud file exchange platform)

Since its trial run in January 2021, a total of 4,265 employees have successfully applied for an account to enjoy the real-time file exchange cloud service.

• C_Booking (conference booking platform)

The platform integrates calendars and virtual and physical meeting room borrowing, so that people attending a meeting can have their personal schedules matched quickly, in addition to venue booking and notification performed on a single platform.

The platform matches nearly 30,000 cases a month, allowing nearly 5,492 meetings to be successfully scheduled every month, and reducing thousands of working days and paperwork.

New type of workplace


• Convenient work models

- 30% of personnel are allowed to work remotely to improve self-management of supervisors and partners, and build a trusted team.
- Use Microsoft 365 (M365) to improve the efficiency of remote work and teamwork.
- Implement the VDI OA^{Note} project and utilize low-wattage equipment, so as to achieve energy conservation and carbon reduction, no personal download of online data, and flexible office hours.


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.

• Renovating the workplace




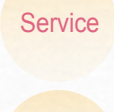

• Updating to energy-efficient equipment

 Please refer to 1.2 Environmental Sustainability on P.47

● **Creating a happy workplace**

Cathay Life Insurance continues to create a safe and friendly workplace environment for every employee to enjoy their work and achieve work-life balance. The Company provides a comprehensive welfare system and physical and mental care mechanism to ensure that employees receive appropriate support and care at different stages of life, in hopes of becoming the strongest support for employees in life and jointly moving towards a happy and sustainable future. See  2.1 Health Promotion on P.60 for details on employee physical and mental health.

■ **Employee Benefits**

 Financial	Bonuses for 3 major holidays (Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival), birthday gifts, wedding/funeral subsidies, children education subsidy, mortgage interest rate discount, etc.
 Protective	Parental leave, National Health Insurance, Labor Insurance, pension, employee welfare committee, employee health exam, and health subsidies
 Developmental	Foreign language learning subsidies, professional examination incentives and subsidies, overseas training opportunities, and on-the-job training incentives
 Service	Senior employee rewards, resource sharing with affiliated companies, and designated shop offers
 Recreational	Travel allowance, year-end party subsidies, family activities, mountain-climbing exercise events, club subsidies, and family day

3.2 Social empowerment

Principle 3

Upholding the belief that "happiness is bringing happiness to others," Cathay Life Insurance has continuously utilized its core insurance competencies in conjunction with corporate volunteers and many other resources to create a stabilizing force in society. We offer support and care to people so that, together, we can find a new balance in turbulent times.

Volunteer involvement

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

Public welfare expenses

Cash donation	29,473,625
Time contributed	37,030,560
Management expenses	804,685

Total
NT\$ 67,308,870



Subjects
Second-generation immigrants
Plan

- Leadership Development Camp for 2nd Generation Immigrants

Subjects
Students & teachers in remote areas
Plan

- Dream Come True Program
- After-school Care Program

Subjects
Young students
Plan

- Cathay Youth Excellence Scholarship
- Student and Inmate Care Program

Subjects
Local communities
Plan

- Social Care
- Charitable donations through points accrual
- Elder-friendly communities
- Summer Blood Donation Campaign
- Winter Warmth Program

Subjects
Culture industry
Plan

- Performing arts
- Movie tour
- Arts and culture



Cathay Charity Foundation website

3.2.1 Foreseeing a new force

In a multicultural society, tolerance and mutual understanding are needed as cultures clash and fuse. In 2005, Cathay Life Insurance became the first advocate for assisting new immigrants to adapt to life in Taiwan. As the demand for second-generation immigrant education increases, we have turned our focus to second-generation immigrant empowerment in recent years by bringing into play their bi-cultural advantages and improving their self-identity and confidence.



■ Leadership Development Camp for 2nd Generation Immigrants

The 2024 Leadership Development Camp for Second-Generation Immigrants aimed to cultivate the unique strengths and diverse capabilities of children from immigrant families. This year, we promoted Thai and Vietnamese cultural experiences to promote identification with diverse values and the sense of inclusion among ethnic groups. In addition, we combined financial education courses with group competitions for students to learn the concept of income and expenses and fraud prevention in an entertaining way, giving them the right concepts of money.

We also led them to participate in community charity services to enhance social integration and care for the environment and ecology.

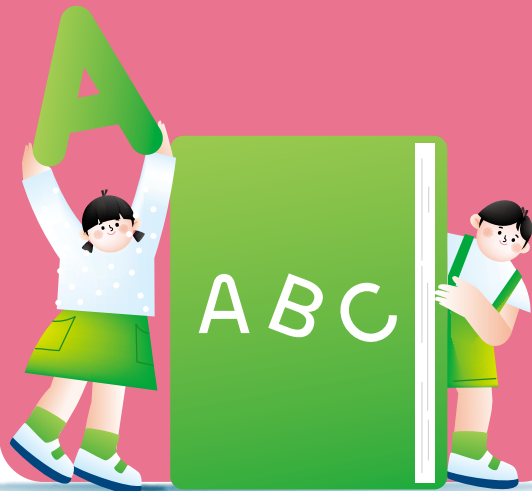


A total of **1,741** people received training in 2024.



3.2.2 Education for rural communities

In order to narrow the gap in learning resources for students in rural communities and support enthusiastic teachers' long-term commitment to such, Cathay Charity Foundation has sent out volunteers to bring teaching resources to these areas, in order to motivate local children to pursue their dreams and help them discover more possibilities in life.



■ Dream Come True Program

We launched the Dream Come True Program in 2013. The program does not directly make donations and instead encourages students in rural areas to chase their dreams without being constrained by their location and adversity. A total of 24 schools were selected for the 11th Dream Come True Program in 2024, supporting 480 students in the courageous pursuit of their dreams.

To encourage teachers who are enthusiastic about education to record the journey towards their dreams, we organized the Dream Come True Documentary Award so that they will record the persistence of students through difficulties, and use the stories of chasing dreams to encourage even more people. A total of 8 videos won the "Dream Come True Documentary Award" in 2024.



In 2024, we invested over NT\$ **1.7** million to care for about **150** local students.



 Cathay Charity Foundation YouTube Channel

■ After-school Care Program

Since 2011, Cathay Charity Foundation has jointly offered after-school tutoring courses with Taipei Children's Playfulness Education Association, New Taipei City Taiwan Urban and Rural Sustainability Care Association, Yunlin County Chongwen Women's Association, Hualien County Cultural Creative Industry Care and Welfare Association, and Penghu County Ocean Citizens Association, providing a safe learning environment to close the learning gap between children, and increasing their willingness to learn and their self-worth.

3.2.3 Dreaming forward

Cathay Life Insurance has lent a helping hand to a lot of people so that they can pursue their dreams with courage. Grants and scholarships are not the only means to change lives, other people's stories can also inspire those who are at the nadir of their lives to start a new chapter.



■ Cathay Youth Excellence Scholarship

The Cathay Group began providing scholarships for financially disadvantaged students in 1980, and transformed it to the Cathay Youth Excellence Scholarship in 2016 in response to social trends, taking action to fulfill the responsibility and mission of youth empowerment, and encouraging youth to create change and solve social and environmental issues. The program is divided into two categories: "Specific Accomplishment Grants" and "Outstanding Students." Internal and external scholars and experts are invited to serve as judges. A total of 26 "Specific Accomplishment Grants" and 100 "Outstanding Students" were awarded a total of NT\$8.4 million, a record high since the program was launched.



■ Student and Inmate Care Program

Struggling with the pressures of adolescence, young people often feel disoriented and anxious. Through charity performances, we seek to inspire young people to overcome challenges with courage. Since 2007, we have sponsored the Mixed Disabled Troupe, which members have different types of disabilities. The troupe performs in youth detention centers, junior and senior high schools and communities free of charge to inspire viewers to get back on their feet through stories of resilience. Simultaneously, people with disabilities have more opportunities to showcase their talents on stage.

In 2024, it toured across **7** schools and communities, and reached approximately **2,000** viewers.



3.2.4 Contributing to the community

"We will go wherever society needs us." Cathay works with stakeholders, colleagues and people from all walks of life to find solutions to social issues together.



2024 Chinese New Year Dishes Donation

■ Social Care

In response to the potential impact of various disasters, Cathay Life Insurance has promptly launched a comprehensive service mechanism to care for policyholders, including a number of measures such as rapid claims, condolence payments for deceased policyholders, and deferred premium payment. On the day of the great earthquake in Hualien in April 2024, Cathay Charity Foundation contacted volunteers in the disaster area and used a Line group to provide policyholders with necessary and immediate support and assistance at any time. A total of 27 natural disaster emergency aid cases filed in Hualien were accepted, and more than NT\$330,000 in emergency relief funds was distributed, providing the most immediate assistance and care for Hualien residents during the disaster.



■ Charitable donations through points accrual

Rising prices in recent years have exacerbated the difficulties of disadvantaged families. Cathay Charity Foundation collaborated with Symphox Information to launch the "2024 Chinese New Year Dishes Donation" on the Tree Buy charity platform, calling on policyholders and affiliated bank cardholders to redeem their bonus points to donate Chinese New Year dishes. The event collected over 15,000 Chinese New Year's dishes, helping more than 1,500 disadvantaged families to experience the warmth of society during their family gathering on the eve of Chinese New Year. In addition, we continued to collaborate with Tri-Small Market and Taipei Orphan Welfare Foundation in 2024. Cathay employees made donations to collect Chinese New Year dishes for 302 orphan families, protecting children who have lost their families.

The event collected over **15,000** Chinese New Year's dishes, helping more than **1,500** disadvantaged families

■ Elder-friendly communities

Cathay Life Insurance is committed to becoming a promoter of mutual aid in communities and local care for elderly people to address the issue of social isolation among the elderly. We combined the capabilities of the industry, government, and academia to set up "Cathay Happiness Farms" in rural areas, utilizing local resources and advantages to develop local features, not only giving elderly people a greater sense of achievement, but also driving microeconomic development of communities. In 2024, we added the fifth Cathay Happiness Farm in Chunri Community in Yuli Township, Hualien County. Nearly a hundred volunteers participated in care activities of Cathay Happiness Farms in each region that year, with cumulative volunteer hours exceeding 400 hours.



■ Summer Blood Donation Campaign

Since 2000, we have cooperated with Taiwan Blood Services Foundation in organizing national blood donation activities. In 2024, there were 157 branches in northern, central, southern, and eastern Taiwan taking turns to replenish the blood supply for healthcare, so that more patients who need blood can enjoy a healthy life.



We have collected over **640,000** bags of blood over a **25**-year period.

■ Winter Warmth Program

We have organized the "Cathay Charity Group - Winter Warmth Program" since 2002, continuing to spread the power of kindness to elementary schools in rural areas throughout Taiwan for 23 years. In 2024, we reached a total of 154 schools across Taiwan, spreading the love of Cathay employees to every corner of Taiwan.



We visited **154** elementary schools in rural areas and spread love to **12,500** students.

3.2.5 Cultural sustainability

Cathay Life Insurance attaches great importance to the sustainable development of cultural diversity in Taiwan, supporting Taiwanese culture by investing in performing arts, movie tour, and arts and culture. By exerting its influence, Cathay Life Insurance has helped spread the unique beauty of Taiwanese culture.



Over **300** performances and tours have been held and accumulated more than **2.7** million participants.

■ Performing arts

Cathay Financial Group has worked with Cloud Gate Dance Theatre for 29 years and developed the "Cathay Cloud Gate Walking Together," setting the record for "the largest outdoor dance event on the planet." When a severe earthquake struck Hualien in April 2024, two events were specially held in Hualien, in hopes of using the power of art to ease people's minds, encourage them to stay positive, bravely face changes, and jointly create a better future.



■ Movie tour

Cathay Financial Group has partnered with the Association of Formosa 3D since September 2022 to organize the "Formosa 3D Movie Tour" at schools in rural areas across Taiwan. The movies include "Formosa 3D," which provides environmental education, and the "Taiwan Unsung Hero" series, which encourages charity. We recruited over 800 Cathay volunteers to assist during the movies, using the power of films for education to let children in rural areas see the beauty of Taiwan from different perspectives, and help the children see a future and hope.



In 2024, there was a total of **466** performances at elementary schools in rural areas across Taiwan with a total of **55,000** viewers.

■ Arts and culture

Cathay Life Insurance has long promoted art and culture activities, and organized the "Beautiful World - Cathay National Children's Painting Competition" for 49 consecutive years to encourage children to show their creativity. The theme this year was "I Love a Healthy Life" in response to one of Cathay's sustainability themes, "health." The theme symbolizes the end of the pandemic and a new start towards health, encouraging children to draw the blueprint for a healthy and happy life.



A total of **56,000** works have been obtained as of 2024.

04 — Sustainable Finance

4.1 Responsible Investment



Performance highlights

The only domestic for the fifth consecutive time

Cathay Life Insurance is the first insurance company in Taiwan to sign the (Taiwan) Stewardship Principles for Institutional Investors, and the only domestic institutional investor to be selected into the TWSE's "List of Companies with Better Institutional Investor Stewardship Disclosure" for the fifth consecutive time. In addition, Cathay Life Insurance has received full scores in 30 evaluation indicators for three consecutive years.

This project is the largest wind power investment by a domestic life insurance company.

In December 2024, we partnered with our subsidiary, Cathay Power, to invest no more than NT\$27.3 billion in 50% equity of the Greater Changhua 4 Offshore Wind Farm of Ørsted, which has an installed capacity of approximately 583MW. This project is the largest wind power investment by a domestic life insurance company. It is also the first in Taiwan to adopt the suction bucket jacket (SBJ) foundation, which has a relatively low impact on the ecosystem. In addition to meeting life insurance company's need for a long-term stable income and taking into account our sustainable energy development strategy, we also hope to play a leading role in the industry.



Material Topics Management

Sustainable Financial Investment

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

Performance tracking/stakeholder engagement

- Since 2015, we have voluntarily complied with the Principles for Responsible Investment (PRI).

Establishment of accountable unit

- In 2016, we established the Responsible Investment Team. In 2022, we established a dedicated unit responsible for overseeing and planning responsible investment matters.
- We have 5 dedicated responsible investment staff members, of whom 3 have obtained a total of 5 certifications or passed examinations related to sustainable finance.

Stewardship measures

- Interact with investee companies through dialog, engagement, and exercise of voting rights.

Sustainable investment actions

- Sustainability investments amounted to approximately NT\$1.5 trillion in 2024, an increase of 1.1% compared to 2023.
- 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.

4.1 Responsible Investment

Principle 1 Principle 3

Responsible investment exerts positive impact on finance and serves as a stabilizing force for society. It is also one of our core competencies for increasing the long-term value of assets. Cathay Life Insurance thus established the Responsible Investment Working Group and set up a comprehensive responsible investment system. Cathay Life Insurance's total assets exceed NT\$9.1 trillion (NT\$8 trillion of which is investment assets), accounting for approximately 1/4 of Taiwan's overall life insurance industry and making us one of the largest institutional investors in Taiwan. Through Cathay Life Insurance's core competency of investment, we can properly utilize the funds of shareholders and policyholders to establish a sustainable investment mechanism, taking concrete actions to support investment targets that focus on sustainable development. We exercise our expertise and influence as an institutional investor to encourage more companies to jointly create a sustainable future.

4.1.1 Sustainable Investment Mechanism

Cathay Life Insurance has voluntarily complied with the Principles for Responsible Investment (PRI) since 2015, and was the first insurance company to become a signatory to the Taiwan Stewardship Principles for Institutional Investors issued by TWSE in 2016. Since 2018, we have published a Stewardship Report on an annual basis. In 2020, we added details regarding our responsible investments in the report. These efforts demonstrate our determination as an institutional investor to fulfill the requirements of stewardship and responsible investment, making us the first insurance company in Taiwan to fully disclose relevant measures. We were also the only insurance company in Taiwan to be included consistently^{Note} in Taiwan Stock Exchange's List of Companies with Better Institutional Investor Stewardship Disclosure, received full score for 30 indicators for 3 consecutive years.

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

■ 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 2024, we have 5 employees handling responsible investments, and 3 of them have obtained a total of 5 sustainable finance-related certifications or passed the examination^{Note}.

Note: CFA Certificate in ESG Investing x1, CFA Climate Risk, Valuation, and Investing Certificate x1, Sustainable Finance Manager x2, Passed the Basic Test on Sustainable Development x1.

The Responsible Investment Working Group continues to exchange with and learn from international benchmark enterprises and study their responsible investment measures and climate change practices. The Group periodically organizes internal training courses, participates in external conferences, and publishes CLIMATE PLUS, a monthly e-newsletter on responsible investment, to help investment teams better understand responsible investment, climate change, and international trends. In addition, "Corporate Sustainability and Responsible Investment" is a mandatory training course for new employees in investment teams.

In 2024, a total of **276** employees participated in internal ESG training courses and external conferences, with an average of **468** minutes of training per person per year. Of these, **271** employees attended training courses organized by Cathay Life Insurance, with an average of **457** minutes of training per person per year.

 2024 Cathay Life Insurance Responsible Investment and Stewardship Report

4.1 Responsible Investment



5 people
Dedicated personnel



5 certificates
Sustainable Finance

- In 2016, we established the Responsible Investment Working Group.
- In 2022, we established a dedicated unit responsible for overseeing and planning responsible investment matters.
- 3 employees handling responsible investments hold 5 sustainable finance certificates or pass the examination

Including: CFA Certificate in ESG Investing x1, CFA Climate Risk, Valuation, and Investing Certificate x1, Sustainable Finance Manager x2, Passed the Basic Test on Sustainable Development x1

Note: CFA Certificate in ESG Investing was renamed Sustainable Investing Certificate on April 8, 2025



To progressively internalize ESG concepts into investment teams, thereby making sustainable investment an integral part of everyday investment.

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

- ✔ Organize two responsible investment training courses every year, and arrange a workshop titled "Be an ESG specialist time!!"
- ✔ Conduct online ESG training for all investment teams once a 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: International climate initiatives, ESG policies and guidelines, and industry carbon reduction trends.



■ Establish responsible investment management measure

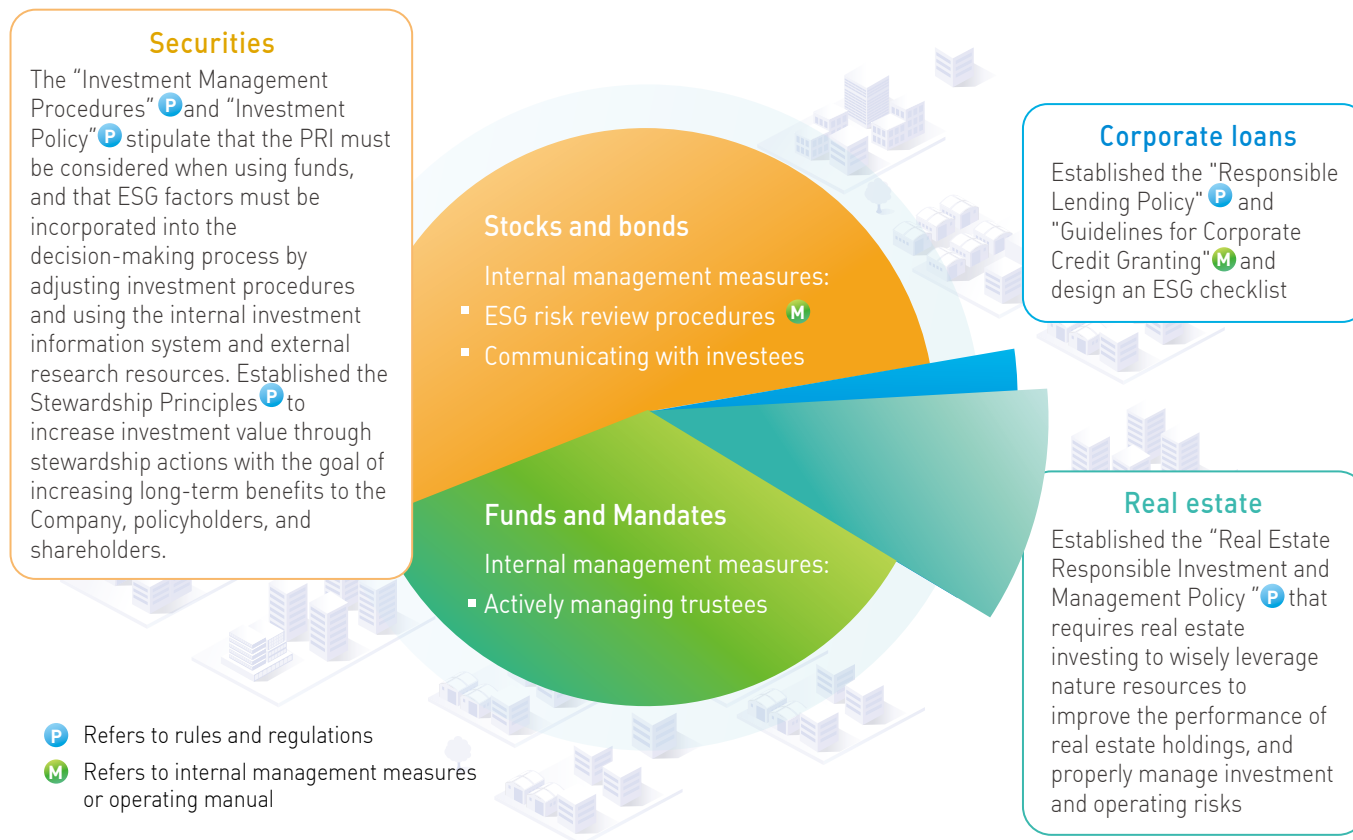
We not only comply with the Responsible Investment and Lending Policy established by Cathay FHC, but also establish relevant ESG directions and management measures tailored to individual investments in businesses of different natures. In addition, we report the implementation results of responsible investment 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\$7.2 trillion.

■ Complying with international standards

Following the Global Sustainable Investment Alliance (GSIA), CFA Institute and the Principles for Responsible Investment (PRI), in 2023, Cathay Life Insurance formulated a framework consisting five responsible investment measures and six PRI principles to continuously pay attention to sustainability issues and take various relevant actions so as to keep track of ESG risks and opportunities.

● Integrating ESG factors into investment decision-making

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



4.1 Responsible Investment

💡 ESG risk review procedures

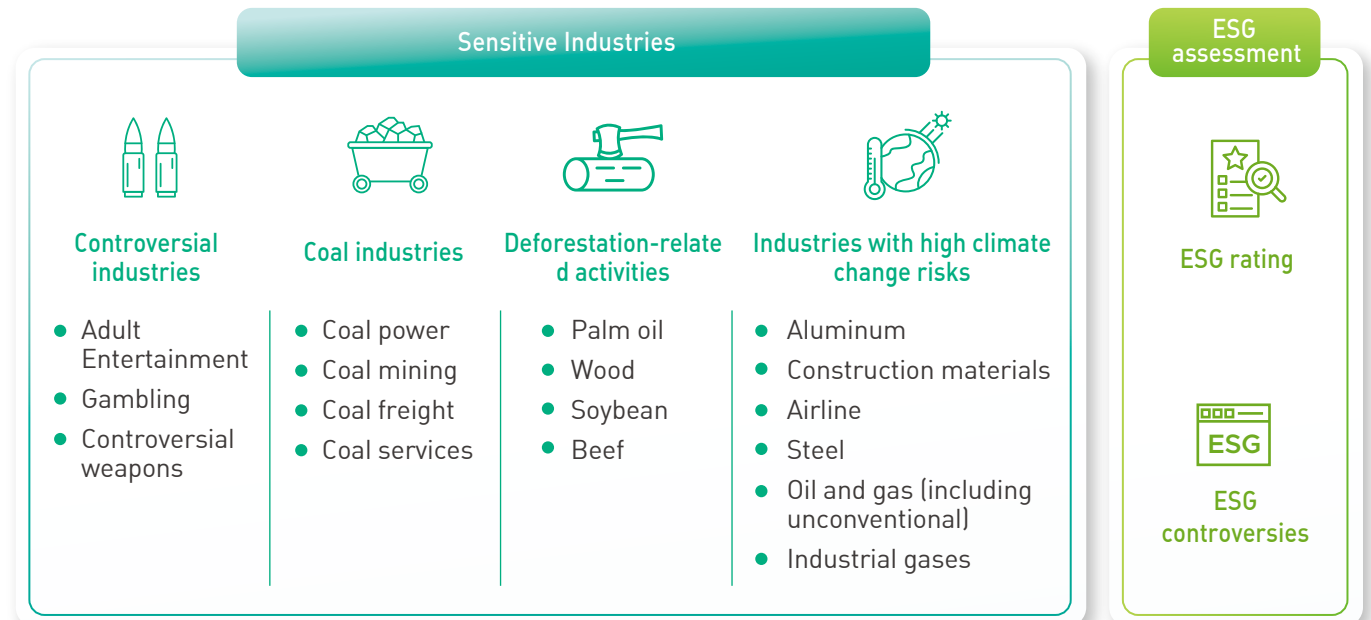


Eliminating controversial investment targets

To comply with Cathay Financial Holdings and Subsidiaries' Investment and Lending Exclusion Policy and Cathay Life Insurance's Investment Management Principles for Sensitive Industries, we place controversial industries that systematically violate international human rights standards, involve countries with major disputes, and involve high environmental, social and, moral risks that can lead to negative social impacts on the "Investment and Lending Exclusion List."

Carefully considering the ESG performance of investment targets

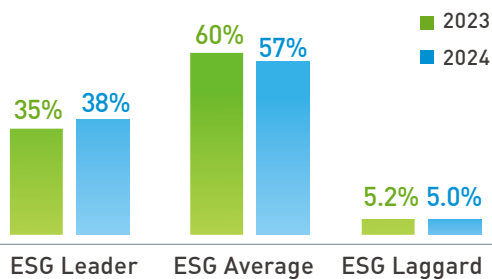
We established a watchlist of investment targets with potential ESG risks (e.g., investment targets with poor ESG performance, controversial ESG events and sensitive industries). When establishing a list of investees, Cathay Life Insurance starts by conducting ESG risk reviews and monitors the changes in the ESG performance of existing investment targets (including listed equities, corporate bonds, financial bonds and government bonds). When an investment target's ESG performance declines and is placed on the watchlist, investment teams must immediately provide an evaluation report and take appropriate risk management measures (e.g., continuing to observe and follow up on developments, reducing position size, or holding current position). In every September, we conduct comprehensive ESG reviews of existing investment targets.



4.1 Responsible Investment

In 2024, we completed a full review of our listed equities, corporate bonds, financial bonds, and government bonds with potential ESG risks, totaling 317 cases. We removed one investment target from the list of potential investee companies after considering business and ESG performances.

In addition, after reviewing the distribution of ESG ratings in listed equities, corporate bonds, bank debentures, and government bonds in 2024, the percentage of our investment positions with an ESG rating of "Leader" increased, while the percentage of "Average" and "Laggard" decreased. This is the result of actively engaging with investee companies, tracking their ESG progress, as well as selecting investment targets with better ESG performance into our investment portfolio. In the future, we will continue to engage with "Laggard" companies to help them improve their ESG rating.



Note: MSCI ESG ratings can be divided into three categories:

AAA	AA	A	BBB	BB	B	CCC
LEADER		AVERAGE			LAGGARD	

Evaluating counterparty ESG performance

Cathay Life Insurance is convinced that it is possible for the company to select the PE/HF funds that are in line with our investment philosophy by conducting due-diligence and understanding the ESG policies and measures of counterparties. Therefore, from 2017 onwards, we have included ESG into considerations of new transaction counterparties in our PE/HF fund investment assessment 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 **2,769** participants took part in 2024



A total of **2,487** visits to **656** companies were made, averaging **3.8** visits per company.

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 corporate 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.

4.1 Responsible Investment

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.

1. In 2024, Cathay Life Insurance communicated with 140 companies a total of 328 times on 15 material ESG issues. The main subjects of engagement are companies in the "Information Technology" and "Public Utilities" industries. If break down by asset classes, stocks accounted for 53% and bonds accounted for 47%. Among the companies engaged, 8% of cases were successfully closed, mainly companies that successfully responded to the CDP questionnaire; 46% are heading in a positive direction, and 46% have not made any clear progress. We will continue to follow up on their progress in the future. The main method of engagement is communication via "email" (59%), followed by "online or in-person meetings" (31%). The main regions of engagement are Taiwan (65%), followed by North America (26%). In terms of the level of communication between the two parties, Cathay Life Insurance mainly communicates through the "head and members of the Responsible Investment Working Group," while investee companies mainly communicate through their "IR Team, sustainability team, or other relevant departments," followed by "senior managers, spokesperson" and "directors." The main topics of communication topics include "adaptation to climate change," "carbon emissions," "water stress," and "corporate governance."

2. 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' Near-Term Criteria 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 adapting to climate change or reducing carbon emissions. We would encourage companies to review and disclose the degree of sustainability of their main economic activities by referencing the "Taiwan Sustainable Taxonomy" and also engage companies with general economic activities that have not yet met the degree of sustainability specified in the "Taiwan Sustainable Taxonomy" in order to understand whether they have formulated a transition or improvement plan, in hopes that the companies can gradually meet the sustainability criteria specified in the guidelines.

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

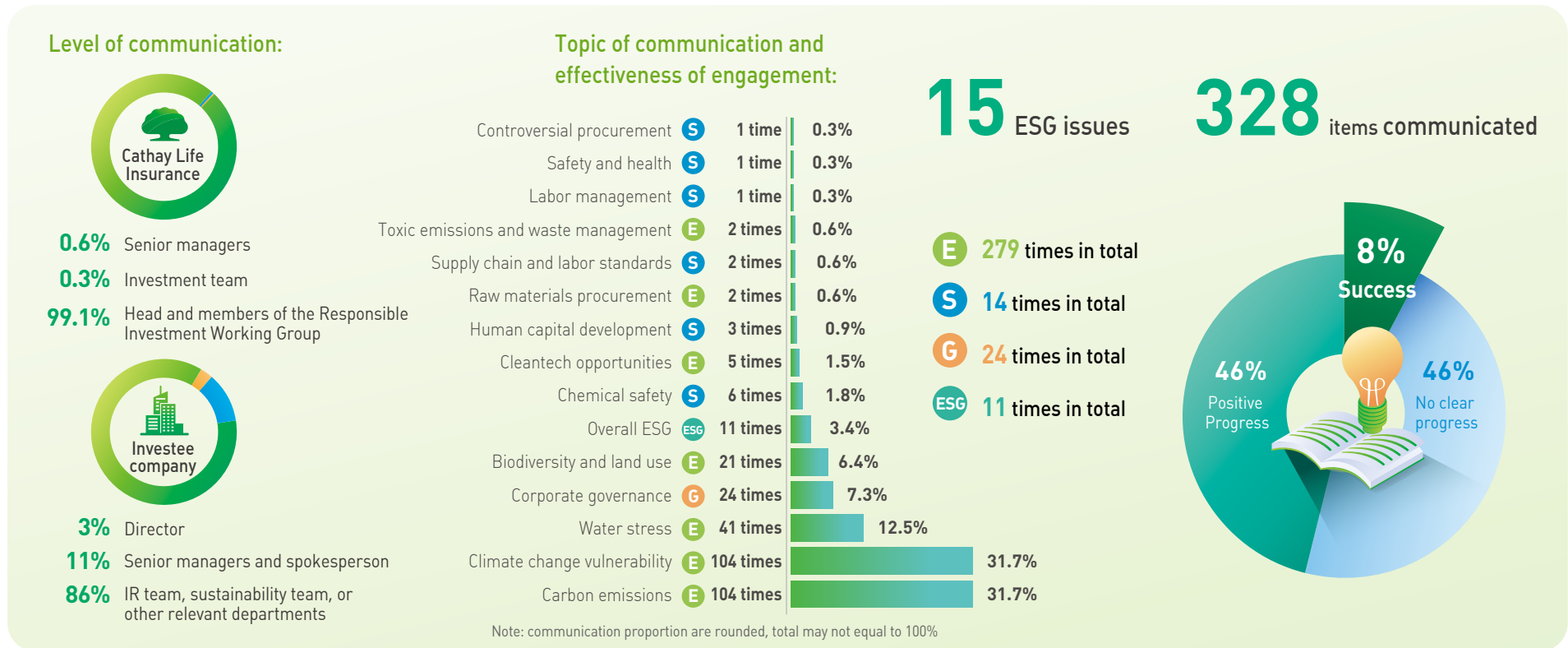


Note 1: The progress of the Company's engagement is displayed as the best progress in each communication issue. As there are currently no cases "Heading in a negative direction" and "Unsuccessful & closed," the data of these two milestones is therefore not displayed.

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; totals may not equal 100%.

4.1 Responsible Investment



Note: The engagement statistics above do not include simply participating in investor conferences or shareholders' meetings without mentioning ESG content.

Proxy 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 actions on climate change. Meanwhile, we pay attention to proposals involving labor disputes, diversity and equality, and human rights issues that may exert significant impact on society. We support inclusive environments within enterprises, keeping in line with international human rights standards, and making substantial contributions in eliminating inequality in society. However, we do not support unreasonable proposals with contents that obstruct the sustainable development of investee companies.

4.1 Responsible Investment

Environmental factors considered

Climate change

Appeal

Require companies to disclose Scope 3 GHG emissions

Background

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

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

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

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



Social factors considered

Supply chain human rights

Appeal

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

Background

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

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

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

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



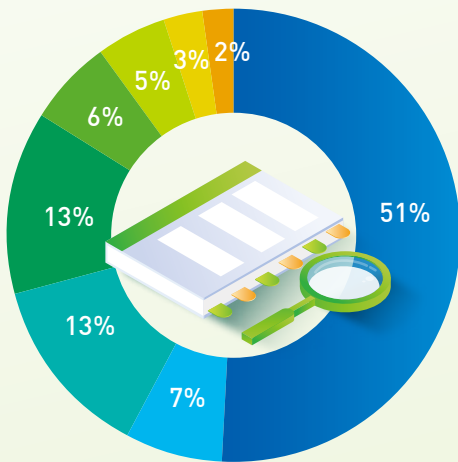
On the other hand, rather than directly voting against certain proposals in shareholders' meetings, Cathay Life Insurance believes that it may better exert its influence as an institutional investor by familiarizing itself with key issues and communicating with investee companies before shareholders' 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 [2024 Cathay Life Insurance Responsible Investment and Stewardship Report](#)

4.1 Responsible Investment

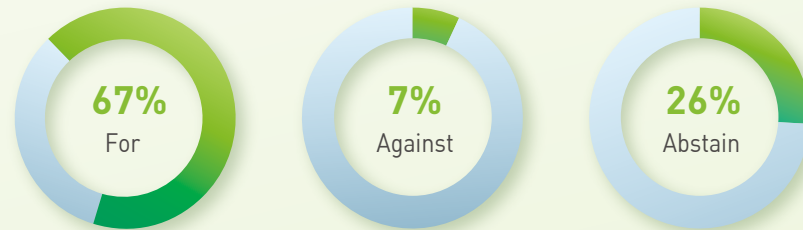
In 2024, Cathay Life Insurance attended 247 shareholders' meetings and voted on a total of 2,326 proposals, voting results are as follows:

Proposals Type



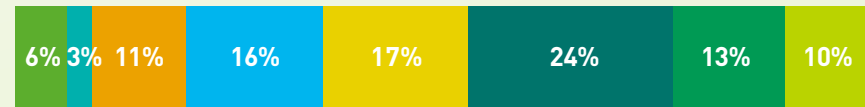
- Directors Related: Election
- Routine Business
- Financial Reports
- Capitalization
- Directors Related: Other
- Remuneration
- Sustainability-related
- Others

Voting Results

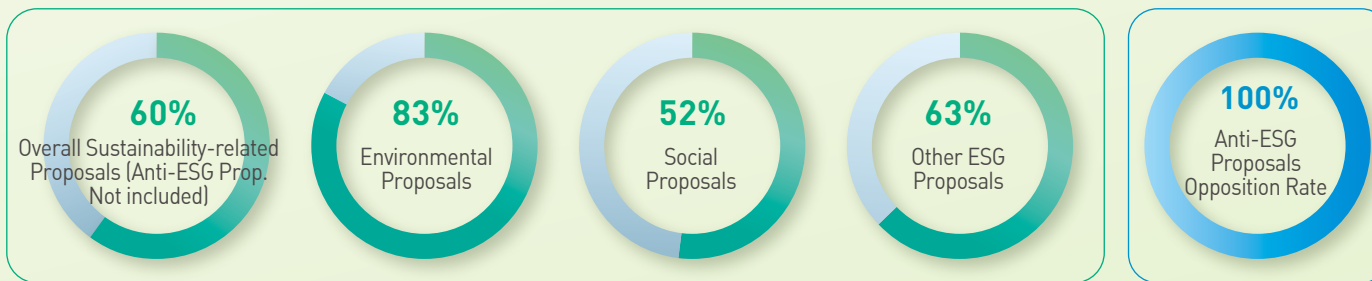


Note: the Voting Results do not sum to 100% due to "One Year" voting option.

Reasons for Opposition



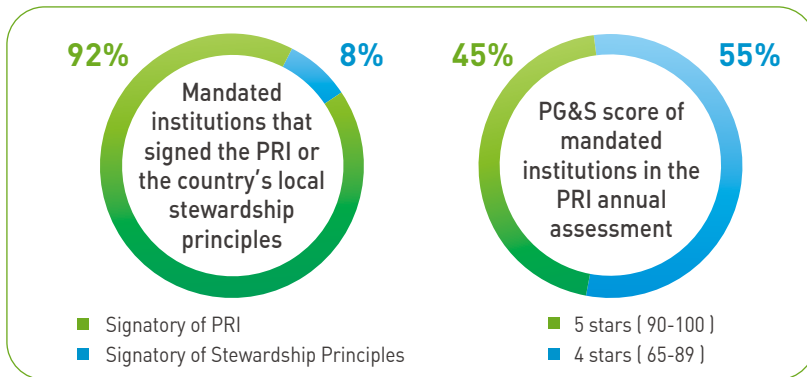
ESG Proposals Support Ratio



- Directors Related: Other
- Financial Reports
- Others
- Routine Business
- Sustainability-related
- Directors Related: Election
- Capitalization
- Remuneration

● Mandate Institutions management

We take signing the Principles for Responsible Investment (PRI) into consideration for mandate partner evaluation to ensure that Cathay Life Insurance’s mandate partners fulfill their duties as asset managers. We also stipulate when signing agreements that responsible investment must be included in decision-making considerations, and that the investment targets’ fulfillment of obligations in accordance with relevant ESG regulations be assessed. We will also ask our mandate partners to present review reports detailing their ESG measures on an annual basis. Of the mandated assets^{Note 1} entrusted by Cathay Life Insurance for discretionary investment in 2024, 100% of assets were entrusted to asset managers that are signatories to the PRI or local stewardship principles. Among the mandated institutions subject to the annual PRI assessment, 55% received four stars (65-89 points) for Policy Governance and Strategy (PG&S)^{Note 2}, and 45% received five stars (90-100 points), as opposed to the median score of all signatories to the PRI of only 61 points (40-65 points is three stars), showing the excellent performance of mandated institutions selected by the Company.



Note 1: Mandated institutions refer to the discretionary investment institutions that made transactions of positions entrusted by Cathay Life Insurance in 2024.

Note 2: The Policy Governance and Strategy item mainly assesses the overall results of signatories in terms of responsible investment (including responsible investment policy, reporting and disclosure, voting & engagement, and climate change and sustainability actions), are divided into 1 star (0-25 points), 2 stars (25-40 points), 3 stars (40-65 points), 4 stars (65-90 points), and 5 stars (90-100 points).

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.

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

- 1.The investment teams of mandated institutions have responsible investment units or other dedicated units. In addition to following the Investment and Lending Exclusion Policy, and the Company's Investment Management Principles for Sensitive Industries, international ESG rating agencies or internal databases are also used for ESG performance review, indicating that all of Cathay Life Insurance's assets are managed by units that attach importance to ESG risks and opportunities.
- 2.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:

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

● 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 2024



- ▶ Climate risk and biodiversity awareness and action survey on April 17, 2024
- ▶ Share Cathay Life Insurance's climate and nature investment strategies with 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

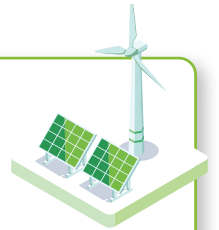
Cathay FHC has set five sustainability themes since 2017, including low carbon, infrastructure, water resources, aging society and health, and community and financial inclusion. Related investments amounted to NT\$1.46 trillion in 2024, up 10.1% compared to 2023.

Low-carbon investments

To respond to climate risks and strengthen the climate resilience of the investment portfolio, Cathay Life Insurance has adopted a low-carbon investment strategy and actively invested in low-carbon industries. As of 2024, our total investment in low-carbon reached NT\$259.1 billion, in which NT\$33.2 billion was invested in the government's "12 Key Strategic" Industries. The investments included solar power and wind power (1. Wind/Solar Photovoltaic Power), power grid equipment (4. Power System and Energy Storage), energy saving industry (5. Energy Saving and Efficiency), waste recycling (8. Resource Recycling with Zero Waste), public transportation (7. Carbon-free and Electric Vehicles/10. Green Lifestyle), and green bonds (11. Green Finance), supporting the government's strategic plans to achieve net-zero transformation by 2050.

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 power as the core of its green electricity business. Initially, we made investments, and then moved on to forming joint ventures, before consolidating all solar power plants under our management and renaming the establishment Cathay Power. We increased our shareholding ratio in Cathay Power to 70%, and became the first insurance service provider to establish a solar power subsidiary. Cathay Life continues to accumulate power generation assets and operating experience through making direct investment in solar power projects and reinvestment in our subsidiary Cathay Power. As of 2024, the actual investment amount totaled NT\$4.26 billion, with installed capacity of 512.9MW connected to the grid.

Offshore wind power

In addition to actively investing in solar power plants, Cathay Life Insurance established a risk assessment team for offshore wind farm projects. After carefully assessing investment risks, we evaluated the release of 50% of shares of Greater Changhua 4 Offshore Wind Farm by Ørsted in 2023. In December 2024, we partnered with our subsidiary, Cathay Power, to jointly invest in 50% of shares of Greater Changhua 4 Offshore Wind Farm at a price of no more than NT\$27.3 billion. The wind farm has an installed capacity of approximately 583MW. This is the largest investment by a domestic insurance company in a wind farm. It is also the first project in Taiwan to adopt suction bucket jacket (SBJ) foundation, which has a relatively low impact on marine ecosystem. In addition to meeting the need of life insurance companies for long-term and stable returns and taking into account our sustainable energy development strategy, we also aim to play a leading role in the industry.

Green building

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.



In order to demonstrate our commitment to the Earth's ecology and environmental protection, since 2016, we require the architects of our building development projects to meet green building design standards, and all buildings that obtain a building permit after 2023 have obtained the U.S. LEED certification or green building certification. As of 2024, the investment and financing amount of green buildings was NT\$84.1 billion.

Water resources

Cathay Life Insurance monitors developments in environmental sustainability issues. In addition to the risk of climate change, the shortage of water resources, the dramatic increase of urban population, and the extreme climate change have rendered the effective use and treatment of water resource a major concern of the present era. Cathay Life Insurance is also the first insurance company to set up joint ventures with water resource suppliers. We hope that our investments in household wastewater treatment and water resource development can complement local sewage systems in ways that improve the living environment. As of the end of 2024, our total investment amounted to NT\$7.8 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 2024, our total investment in infrastructure reached NT\$804.6 billion.

Aging society and health

Cathay Life not only pays attention to public health through products and events, but also uses the power of investment to proactively invest in health-related industries, including drug developments and biotechnologies. As of the end of 2024, our total investment amounted to approximately NT\$485.4 billion.

Community and financial inclusion

Upholding our philosophy of being "people-oriented," which is incorporated into our core competencies of investment, Cathay Life Insurance invests in industries related to education and microfinance, hoping in doing so to contribute to the realization of inclusive finance. As of the end of 2024, our total investment amounted to approximately NT\$2.8 billion.

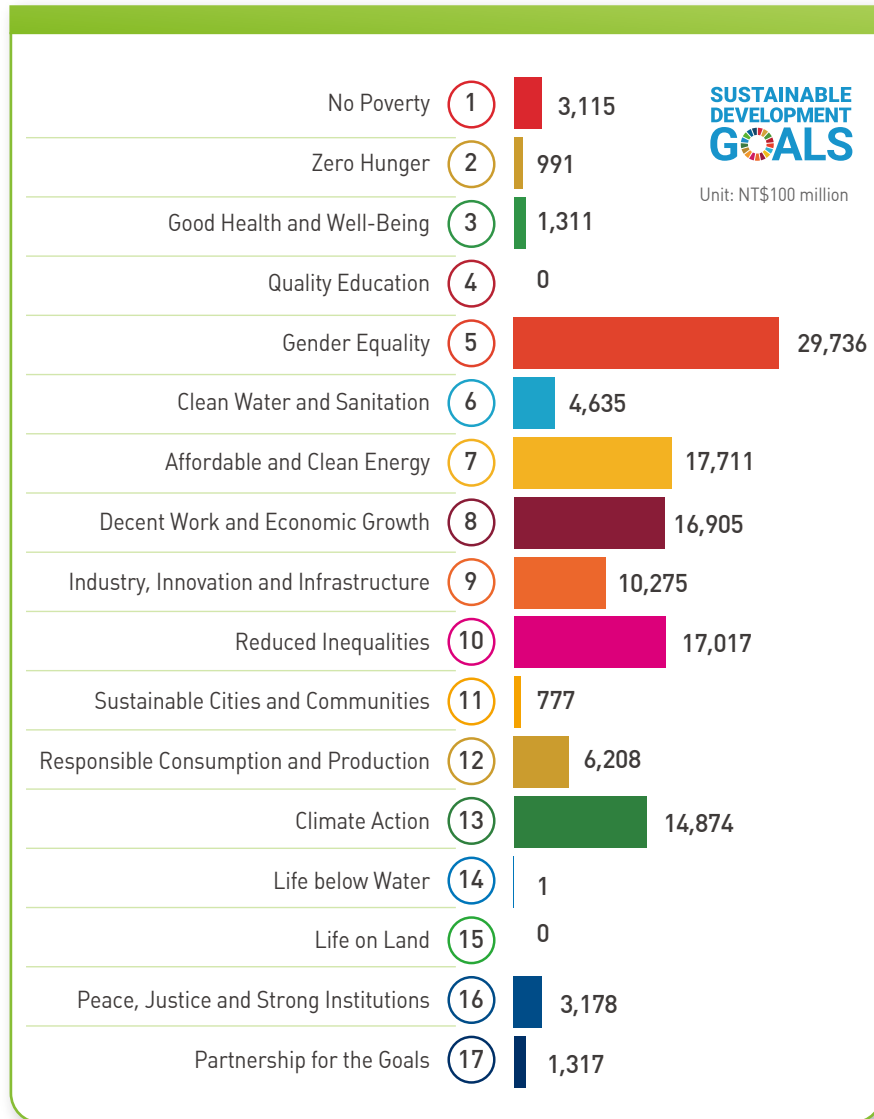
● Investments linked to the 17 Sustainable Development Goals (SDGs)

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 has financial assets all over the world. As a citizen of the Earth, we have a profound understanding of the importance of the 17 SDGs on "economic growth," "social progress," and "environmental protection." Before making an investment, we carefully evaluate whether the investee company can solve specific social or environmental issues and adhere to the 17 SDGs. We use the MSCI SDG Alignment Tool to review whether the operations or products of domestic and foreign listed stocks and corporate bonds (excluding sustainability-related bonds) are aligned with the SDGs. As of the end of 2024, the investment portfolio of domestic and foreign listed equities and corporate bonds was most connected to SDG 5: Gender Equality, SDG 7: Affordable and Clean Energy, SDG 10: Reduced Inequalities, SDG 8: Decent Work and Economic Growth, and SDG 13: Climate Action.



4.1 Responsible Investment



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

■ Impact investing

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

● Defining the scope of assets:

Considering that impact investing may be across asset classes and have measurable impact, sustainability-related bonds, private equity investments, and impact funds are investment targets that can actively address specific social or environmental issues with measurable contribution, so the outcome of their impact is 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.

4.1 Responsible Investment

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:

NT\$ **48.3** billion 4.9 billion **43.4** billion

Green bonds

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

NT\$ **36** billion 6 billion **30** billion

Sustainability Bonds

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

■ Sustainability bonds recognized by the TPEX

NT\$ **6** billion 100 million **5.9** billion

Social Bonds

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

NT\$ **6.2** billion 500 million **5.7** billion

Other




























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.

As of the end of 2024:
Amount of impact investing reached
NT\$96.5 billion

4.1 Responsible Investment

- 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	IRIS + Themes	Corresponding SDGs	Environmental or social indicators – Contributions from the Company's investments (Cumulative amount in 2022-2024)
 Energy	Energy Access	    	<p>CO₂ equivalent avoided 92,484 Mt CO₂e</p> <hr/> <p>Number of households benefiting from renewable energy 245,259 Households</p>
 Pollution	Pollution Prevention	  	<p>Total volume of wastewater treated 15,184,087 Cubic meters (tons)</p>
 Water	Sustainable Water Management	 	<p>Total water conservation 6,236,722 Cubic meters (tons)</p>
 Education	Access to Quality Education	  	<p>Students benefiting from lunch subsidies 49,682 Head count</p>
 Real Estate	Affordable Quality Housing	  	<p>Number of beneficiaries of affordable housing 860 Head count /Households</p>
 Financial Services	Financial Inclusion	  	<p>Individuals from underprivileged groups whose quality of life has been improved 1,184,613 Head count</p>
 Health	Access to Quality Health Care		<p>Beneficiaries of improved healthcare 507,578 Head count</p>

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

For relevant cases, please refer to the

 2024 Cathay Life Insurance Responsible Investment and Stewardship Report

■ Sustainability-Linked Bond (SLB)

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

■ Taiwan's Sustainability-Related Economic Activities - Investment and loan Economic Activities

To lead the net-zero transformation of Taiwan's industries through the influence of finance, we calculated and disclosed the key performance indicators (KPIs) of our investment and loan economic activities in accordance with the description for calculating the percentage of sustainable investments and loans in the financial industry in the second version of the "Guidelines for the Determination of Sustainable Economic Activities" (hereinafter referred to as the "Taxonomy") published on December 31, 2024, as well as the trial calculation sheet provided in the insurance industry workshop in 2024.

Version: The second version of the "Guidelines for the Determination of Sustainable Economic Activities" announced on December 31, 2024.

Eligible and aligned are explained in the table below



💡 Investment Economic Activities

Description of Investment Assets	Amount (NT\$ million)
Total investment assets(A) ^{Note 1}	7,131,097
Investment assets excluded from sustainable economic activities under the Taxonomy (A1) ^{Note 2}	756,421
Investment assets included from sustainable economic activities under the Taxonomy (A2)	6,374,676
Investment Taxonomy-non-eligible activities or Investment Taxonomy-eligible activities but not disclosure (B1) ^{Note 3}	5,832,521
Investment Taxonomy-eligible activities (B2)	542,155
Investment Taxonomy-non-aligned activities or Investment Taxonomy-aligned activities but not disclosure(C1)	516,375
Investment Taxonomy- aligned activities (C2) ^{Note 4}	25,780

KPI of investment economic activities	%
Taxonomy-eligible Ratio-Investment (B2)/(A2)	8.5%
Taxonomy-aligned Ratio-Investment (C2)/(A2)	0.4%
Taxonomy-aligned/ Taxonomy-eligible Ratio-Investment (C2)/(B2)	4.8%

Note 1: Financial assets at fair value through other comprehensive income, financial assets measured at amortized cost, Investments accounted for using the equity method, financial instruments at fair value through profit or loss, Investment property-Building

Note 2: Denominator exclusions include derivatives, mortgage-backed securities, and claims of central governments, central banks, and supranational issuers

Note 3: Molecular exclusions include overseas enterprises, financial institutions, ineligible or non-disclosing non-financial institutions (i.e., industries that have not yet met technical screening criteria for sustainable economic activities, or meet the criteria but have not disclosed its eligibility), unlisted companies, and indirect investments

Note 4: Covering sustainability-related bonds (including those issued in the financial industry); ESG funds that comply with Jin-Guan-Zheng-Tou-Zi No. 1100362463 and Jin-Guan-Zheng-Tou-Zi No. 1100365536; listed companies consistent with classification of economic activities; investment real estate and supporting economic activities that comply with Guidelines for Determination of Sustainable Economic Activities - Construction and Real Estate Industry Indicators.

4.1 Responsible Investment

 Loan Economic Activities

Description of loan assets	Amount (NT\$ million)
Total loan assets(a)	247,965
Loan assets excluded from sustainable economic activities under the Taxonomy (a1) ^{Note 1}	0
Loan assets included from sustainable economic activities under the Taxonomy (a2)	247,965
Loan Taxonomy-non-eligible activities(b1) ^{Note 2}	150,719
Loan Taxonomy-eligible activities-consumer loan(b2)	93,346
Loan Taxonomy-eligible activities-corporate loan (b3)	3,900
Loan Taxonomy-non-aligned activities (c1)	91,511
Loan Taxonomy-aligned activities-consumer loan (c2) ^{Note3}	1,835
Loan Taxonomy-aligned activities-corporate loan (c3) ^{Note4}	3,900

KPI of loan economic activities	%
Consumer loan	
Taxonomy-eligible Ratio-Loan (b2)/(a2)	37.64%
Taxonomy-aligned Ratio-Loan (c2)/(a2)	0.74%
Taxonomy-aligned/ Taxonomy-eligible Ratio-Loan (c2)/(b2)	1.97%
Corporate loan	
Taxonomy-eligible Ratio-Loan (b3)/(a2)	1.57%
Taxonomy-aligned Ratio-Loan (c3)/(a2)	1.57%
Taxonomy-aligned/ Taxonomy-eligible Ratio-Loan (c3)/(b3)	100%

Note 1: Interbank lending, derivatives, and loans from the central government, central bank, and supranational issuers, i.e., items excluded in the denominator.

Note 2: Overseas enterprises, ineligible non-financial institutions (industries that have not yet met the technical screening criteria for sustainable economic activities), unlisted companies, i.e., items excluded in the numerator.

Note 3: 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.

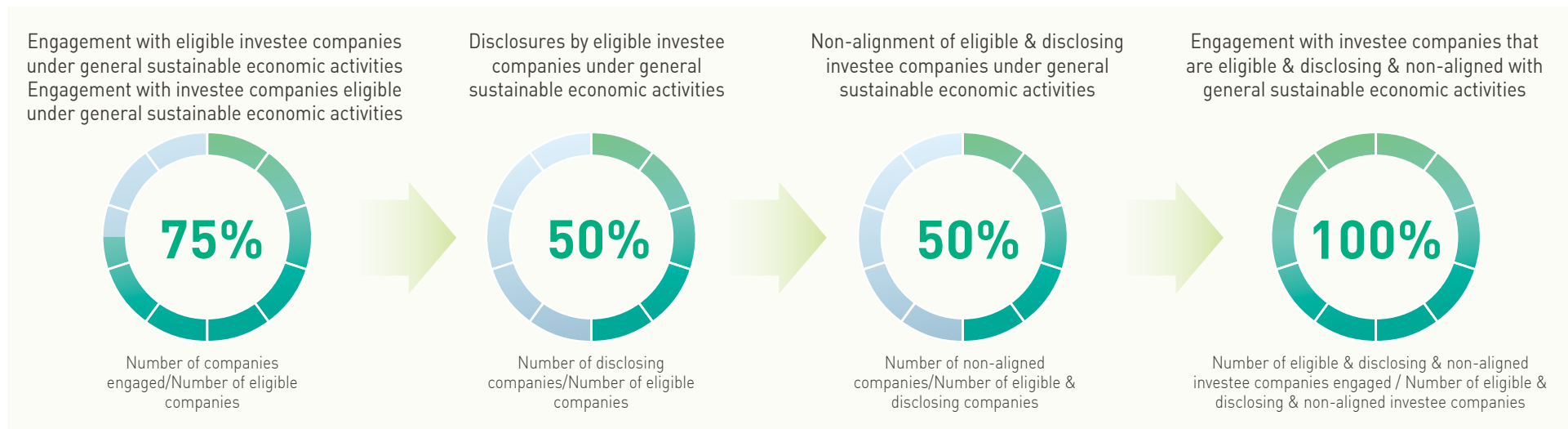
Note 4: Include loans calculated based on the eligibility and alignment of financing targets, other green loans or sustainability linked loans with third-party certification or relevant labels, and supporting economic activities.



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

1. Description of engagement with investee companies

The Company uses the Standard Industrial Classification of the Directorate General of Budget, Accounting and Statistics and information on main business operations disclosed in the annual reports of Taiwanese companies to screen investee companies (4 in total) that are listed companies with operations that may be applicable to the first version of general sustainable economic activities (i.e., the first version of the technical screening criteria for Sustainable Economic Activities). We then selected three of the companies for engagement, and encouraged the companies to follow the Guidelines for Determination of Sustainable Economic Activities (hereinafter referred to as the "Taxonomy") when determining the possibility that their main economic activities or projects publicly disclosed in their sustainability reports, annual reports, or company website will be "Eligible" and "Aligned." In addition, we also engaged one company with general economic activities that have not yet met the level of sustainability stipulated in the Taxonomy to understand whether the company has formulated a transition or improvement plan, in hopes that the company will gradually meet the sustainability criteria set forth in the guidelines.



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 2024, a total of 4 questionnaires were distributed to corporate clients taking out new loans. The result was that the economic activities of 3 companies were not eligible under the Guidelines for the Determination of Sustainable Economic Activities, and 1 company was not aligned with the technical screening criteria for Sustainable Economic Activities. We will further review the reasons for non-alignment.

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 consecutive 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 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.



Material Topics Management

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

Compliance with Governance 3.0 - Sustainable Development Roadmap

Sound corporate governance structure

Strengthen competencies of the Board of Directors

Performance tracking/
stakeholder engagement

- 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 2024, there were 37 evaluation items, and the overall evaluation results outperformed the standards.
- Organized continuing education of the Board of Directors. In 2024, board members on average received 15.3 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 98.2% (excluding attendance by proxy) in 2024.

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

Performance tracking/
stakeholder engagement

- 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).

- Develop a risk map in response to the diverse forms of external risks, understand the thinking and strategies of responsible units, senior managers, and external stakeholders, review and follow up on the adequacy of management measures, and improve forward-looking risk management.

Material Topics Management

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	Establish committees and dedicated units	Information security	Personal data management
Performance tracking/ stakeholder engagement	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Established a rigorous information security management framework, and no significant information security events were found in 2024. Continued to invest resources to establish effective information security mechanisms. The total information security budget in 2024 was approximately NT\$73.15 million, accounting for approximately 5.9% of the overall IT budget. 	<ul style="list-style-type: none"> Established a comprehensive personal data management system and mechanisms, becoming the first insurance company to obtain both BS10012 and ISO29100 certifications. There were no major personal data infringement incidents in 2024.

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	Establishment of accountable unit	Establish the compliance management system	Legal compliance education and training
Performance tracking/ stakeholder engagement	<ul style="list-style-type: none"> Establish a dedicated legal compliance unit. 	<ul style="list-style-type: none"> Establish the Legal Compliance Management System. 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. Legal compliance self-evaluation and self-inspection are conducted twice a year. 	<ul style="list-style-type: none"> Periodically issue the monthly newsletter "Regulatory Compliance Auditing and Information Security Monthly." Conduct online legal compliance tests two times every year. We provide legal compliance online courses for both office and field staffs. In 2024, the number of trainees was 29,016. The total training hours reached approximately 262 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) via a rigorous organization and system.		
Management Action	Establish committees and dedicated units	Establish management mechanisms	Implement education and training
Performance tracking/ stakeholder engagement	<ul style="list-style-type: none"> Establish the Anti-Money Laundering and Counter-Terrorist Financing Committee. Established a dedicated AML/CFT unit. 	<ul style="list-style-type: none"> Continued to optimize the money laundering and terrorism financing risk management mechanisms through prevention beforehand, control during incidents, and inspections afterwards. 	<ul style="list-style-type: none"> We regularly organize AML/CFT education and training for both office and field staffs every year. In 2024, a total of 45,683 people received 33,000 hours of training.

5.1 Sustainability Governance

Cathay Life Insurance upholds the core value of Integrity, Accountability, and Innovation, and aims to strengthen sustainable governance in compliance with the Corporate Governance 3.0 -Sustainable Development Roadmap issued by the FSC. In addition to improving corporate governance efficiency, it 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 six 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

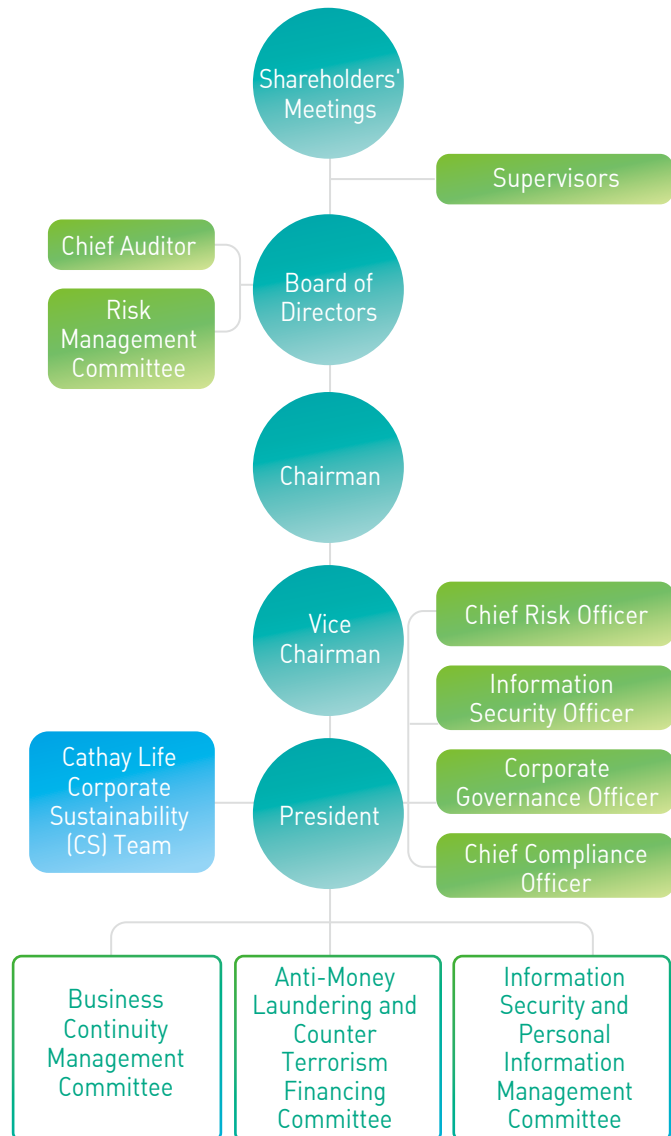
■ 2024 Key Corporate Governance Refinement Project

- 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.
- Received the highest rating (Excellent) in the Corporate Governance System Assessment organized by the Corporate Governance Association in Taiwan in December.
- 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 as a functional committee of under the board of directors, but also use a dual-track system of both independent directors and supervisors. The supervisors are responsible for supervising 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 currently has 11 directors, including 5 non-executive directors, 3 independent directors and 3 executive directors (president, executive vice president, and senior vice president), which have professional skills and experience in business, accounting, law, finance, actuary, foreign investment, and risk management.

Please refer to the board structure, diversity policy, and board independence



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. Furthermore, the Board of Directors pays special attention to sustainability-related issues. In 2024, quarterly meetings of the Board of Directors discussed 11 proposals, including GHG and carbon emissions inventory, climate risks, natural environment, sensitive industry management, investment, and national risk management in the environmental aspect; employee relations and supply chain in the social aspect; sustainability-linked KPIs for senior managers, annual corporate governance plan, enhanced corporate governance, and risk management in the governance aspect.

In 2024, **10** board meetings were held, with one meeting held every 1.2 months on average.

The overall attendance rate of directors was **98.2%** (excluding attendance by proxy)

Board performance evaluation and continuing education

2024 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 results outperforms the standards.

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 2024 to be able to fully serve their business decision-making and leadership and supervision functions.

See P.49 of Cathay Life Insurance's 2024 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 the conflicts of interest, please refer to the

Internal Procedures and Regulations Governing Cathay Life Insurance's Transactions Other than Loans with Stakeholders

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

2024 Board performance evaluation

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

116 participants
2024 total training hours for board members

15.3 hours
In 2024, each director received an average of more than six hours of training as required by law

100%
Board member ESG course completion rate

■ Remuneration for Directors/ Supervisors

The Company formulated its directors'/supervisors' remuneration policy according to 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 to improve operational risk management. The annual evaluation results will affect the remuneration of directors/supervisors.

■ Remuneration of Managers

The Company established 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, and the president and two independent directors were re-appointed as committee members. 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 also the highest-level supervision organization in the Company that manages and monitors climate-related risks and issues.

In response to the diverse external risks, Cathay Life Insurance developed a risk map with reference to international trends and methods of industry peers to monitor the Company's risk structure, integrating 10 internal and external quantified risks that were identified, and covering 34 qualitative risks in six 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.

💡 2025 Qualitative Risk Map and Results

Ranking	1-year risk item		5-year risk item	
1	Technology	Suspension of digital services	Governance risks	Capital adequacy risk
2	Technology	Financial digital competition	Politics and economics	Political and economic risks
3	Technology	Information security risks	Technology	Suspension of digital services
4	Politics and economics	Political and economic risks	Politics and economics	Economic fluctuation risks
5	Politics and economics	Economic fluctuation risks	Social risks	Risks of declining birthrate and aging population

● Technology:

- In response to the rapid development of artificial intelligence (AI) and digitalization, Internet fraud and phishing attacks are on the rise as we become increasingly dependent on information systems. Meanwhile, we are facing new competition in the industry or across industries with the constant release of innovative digital products, services, and business models. Technology risks within 1 year have jumped to the top three, and we will continue to pay attention to risks in the next five years.

● Politics and economics:

- Due to the continued rise in global geopolitical risks, uncertainties in the tariff policy after U.S. President Trump took office, and market fluctuations caused by the U.S.-China trade war, political and economic fluctuation risks have been included in the top five risks within the next year and next five years. President Trump will add more variables to the global political and economic situation during his term. Therefore, there are concerns that economic volatility in the next five years will be greater than the coming year.
- In addition, the decrease in monetary and fiscal policy risks in the coming year was mainly due to the impact of inflation slowing down and the Fed starting a rate cut cycle. We will continue to pay attention to developments in relevant policies.

● Governance and social risks:

- As the timetable for transitioning to the new-generation solvency system and IFRS 17 in 2026 approaches, financial statements and solvency will be assessed at fair value and will have fluctuation risks due to market influence. Coupled with the capital pressure generated by transition measures gradually being removed after the transition, it will pose a major challenge to capital management in the future. In addition, considering the impact of the macro-economic trends and aging population on assets and liabilities, uncertainty will increase over time, so capital adequacy risk is not as apparent in the short-term, but will jump to the top place over the next five years.
- Taiwan has become a super-aged society in 2025, the average age of the Company's main customers has increased, and average life expectancy of the population is expected to continue to increase. Changes in demographic structure will affect insurance demand, and bring about long-term challenges for the Company's business operations, product promotion, and experience analysis. However, relevant effects will need more time before they appear, so the risk of declining birth rate and aging population is ranked higher over the next five years.

In addition, climate and nature-related risks are included in the environmental risk category. Only climate transition risks are in the mid-range ranking among all risks in the international trend of net-zero transformation, while climate-related physical risks and natural resources and biodiversity (including pollution events) are ranked behind other risks (climate-related transition risks ranks 13th in the coming year and 11th in the next five years; climate-related physical risks ranks 20th in the coming year and 14th in the next five years; natural resources and biodiversity (including pollution events) ranks 25th in the coming year and 28th in the next five years).

■ Complying with international standards

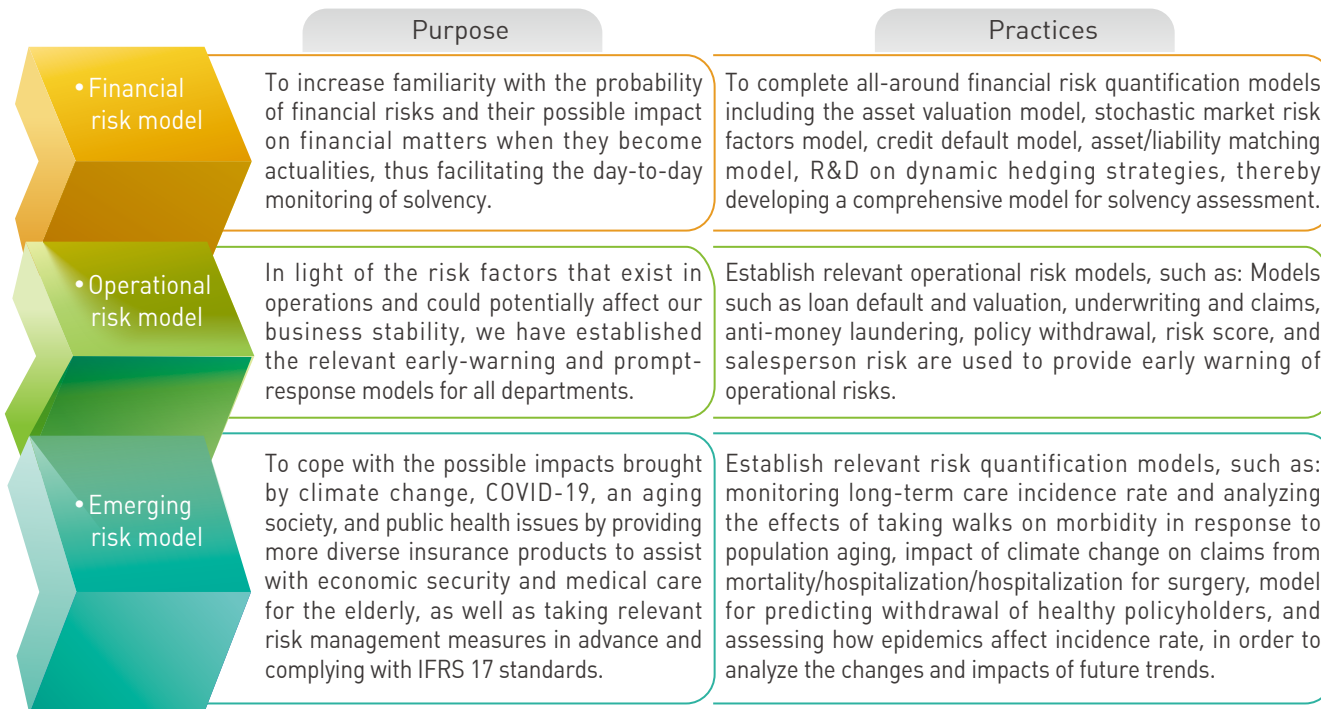
Cathay Life Insurance has improved its professional technology and risk management skills by obtaining relevant experience via international exchanges in the past years. It voluntarily participated in trial IFRS 17 and ICS calculations, so as to understand the impact of international systems. In addition, 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 on 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, commodities, and distribution channel strategies, with regular monitoring of the current status. We aim to keep track of our compliance with international standards through real-time monitoring and response measures in case of any deviation.



■ 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 2024, we have developed 46 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 Disclosure (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.



■ 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 simulation 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 IT security governance system is based on the ISMS framework. The IT Security Department is in charge of the formulation of information security policies and management standards, coordinating the development of IT security policies, and is responsible for IT 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\$73.15 million was spent on information security in 2024, accounting for 5.9% 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 (PCIDSS)," 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, and obtained 13 new personal information security certifications in 2024. The Company as a whole has obtained 68 information security certifications in total. Under such a rigorous information security management framework, no major information security incidents occurred in 2024. We also obtained the new version of ISO/IEC 27001:2022 certification, becoming the first life insurance company in Taiwan to obtain the new version certification. In 2024, we launched the certification expansion plan with the goal of obtaining company-wide certification, continuing to align with international information security standards.

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 2024
- Appointed an Information Security Officer

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

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 2024

Building cybersecurity joint defense capabilities

- Expand the control scope of the Security Operation 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-ISAC

To instill the concept of information security among all employees, in addition to providing all employees with 3 hours of information security courses, we also sent 18 dedicated information security personnel to receive a total of 700 hours of professional information security training courses. A total of 28,848 people received training in 2024, totaling 86,544 hours.



■ 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 information misuse 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 2024, 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 continues to optimize the legal compliance management system in 2024 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 2024, 223 products and services (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 20 cases were received through the whistleblowing channel in 2024. After reviewing each case, none of the cases met the definition of whistleblowing cases according to the Company's whistleblowing system, so they were transferred to be handled by relevant responsible units. The contents of the cases are as follows: Customer service disputes (9 cases), employee behavior management (10 cases), and labor-management disputes (1 case). The cases were transferred to the responsible departments to be subsequently handled. Most of the cases were closed after being properly handled and there were no further disputes 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 "Regulatory Compliance Auditing and Information Security Monthly," promoting information such as major changes to relevant laws, personal data protection, information security, AML/CFT, major external events, or businesses related to legal compliance, thereby allowing employees to understand the risks in Cathay Life Insurance's operations.
- We conduct legal compliance online courses for both office and the field staffs: The number of trainees was 29,016. The total training hours reached approximately 262 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 29,016. The total training hours reached 497 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: 2024 major fines and improvement measures: None

Note 2: Major fines are defined as fines of more than NT\$3 million.

Note 3: Other fines and improvement measures

 See P.108 of Cathay Life Insurance's 2024 Annual Report for details

5.1.5 Ethical Corporate Management

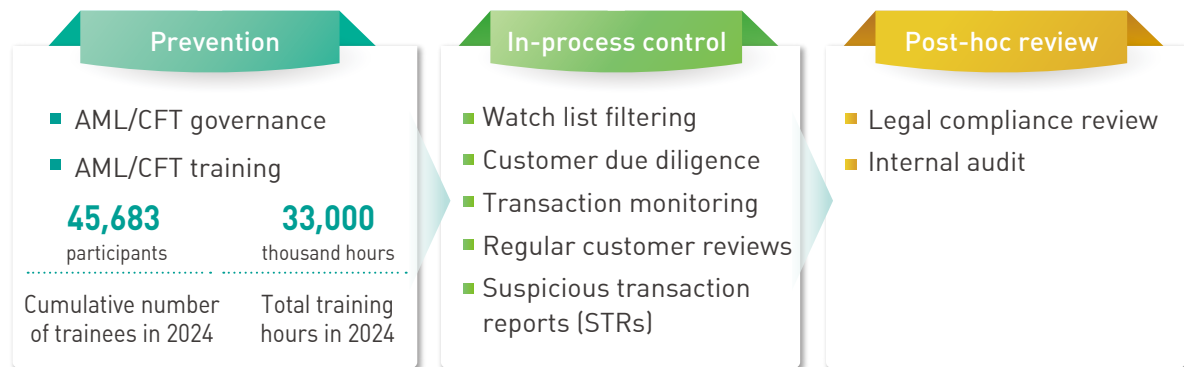
Integrity, Accountability, and Innovation are the core values of Cathay Life Insurance. We strive to create an organizational culture of legal compliance to implement ethical corporate management and enhance our control of and response to anti-money laundering (AML)/countering the financing of terrorism (CFT) 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 in daily operations.

■ AML/CFT

- In addition to establishing a comprehensive AML/CFT 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 risk management mechanism and support the government's promotion of AML/CFT.
- In terms of education and training, Cathay Life Insurance regularly organizes AML/CFT education and training for both office and field staffs 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 laws and regulations. The training participation rate reached 100%.



💡 AML/CFT processes:



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

A global risk report from the World Economic Forum (WEF) in 2025 pointed out that the top-five 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 Financial Holdings voluntarily became a signatory to the Task Force on Climate-related Financial Disclosures (TCFD) 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 dependency and impact, 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 nature-related 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 see P.112

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 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.121

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.

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.

President

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

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."

Since 2022, relevant indicators have been linked to the performance of the president and senior managers.

Established a dedicated sustainability department and Sustainable Development Committee in 2024

See P. 9 for details on the structure of the sustainability organization

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.

For specific measures, see P.24 and p.90

Green Operation Working Group (staffed with 3 climate specialists)

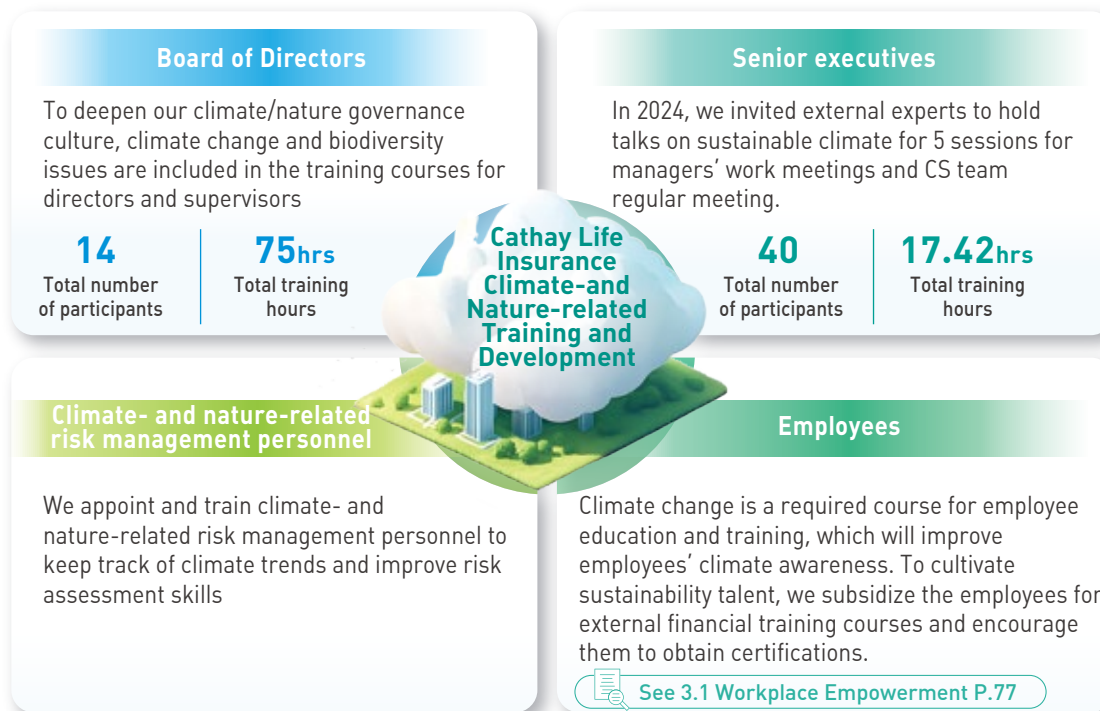
The working group is led by the vice president of Cathay Life Insurance's operations management department. Focusing on the Company's daily operations, the working group evaluates the Company's impact on climate and nature through the management of energy resources and supply chains to reduce carbon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

For specific measures, see P.43

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.



Training course and lecture topics:

- Alignment with IFRS Sustainability Disclosure Standards S1 and S2
- Green Finance Trends-Renewable Energy Industry Sharing
- International Sustainability Trends and Challenges through Climate Disclosure
- My Solar Dream: Creating a Shared-Value Agricultural Ecosystem



In June, Tung-Jung Lin, CEO of Princess Green Nursery, was invited to share the company’s specific actions under the biodiversity framework and its green supply chain at the supervisor’s work meeting.

● 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.

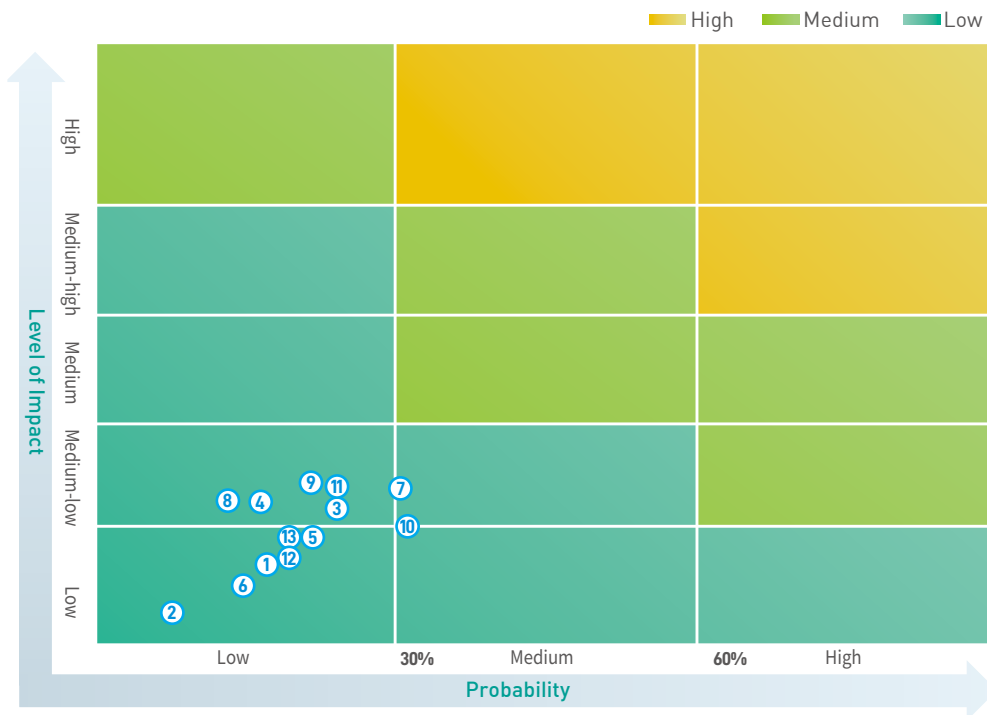
Strategy

For the ranking results of climate-related and nature-related risks in the risk map, please refer to [5.1 Corporate Governance on P.111](#)

Identify climate-related and nature-related risks and opportunities

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 and opportunity 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. After reviewing climate-related and nature-related risks and opportunities, only the "development of innovative green services" is assessed as a material opportunity, as shown in the figure below:

Cathay Life Insurance Climate-related and Nature-related Risk Matrix



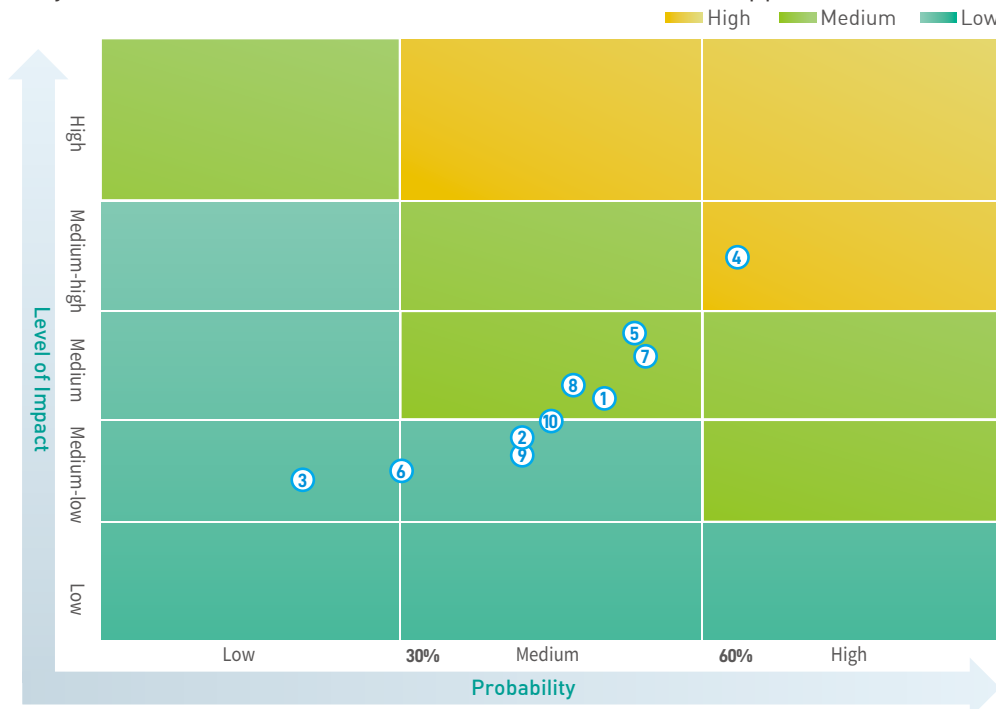
Own operations Investments and loans Insurance products

- ① Risks of climate-related and nature-related litigation or penalties
- ② [Cooperation with Cathay Financial Holdings]The engagement mechanism (including risk management) failed to meet the expectations of external stakeholders (For example: financial supervision)
- ③ Changes in customer investment or preferences for financial products
- ④ Transition risks due to policy uncertainty
- ⑤ Risks that arise from implementation of green investment and financing and insurance products
- ⑥ Risk of stakeholders opposing climate strategies
- ⑦ Increased credit and market risks for high-emissions investment portfolios
- ⑧ Risks that arise from inconsistency between sustainability commitments and the actual management and actions
- ⑨ The dilemma of low carbon transition of the Company's operations
- ⑩ More severe climate disasters cause an increase in losses of fixed assets
- ⑪ Extreme weather and climate cause operational risks to the Company and its investment and lending targets.
- ⑫ Investment and lending targets face nature-related physical risks
- ⑬ Investment and lending targets face nature-related transition risks

5.1 Sustainability Governance

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

💡 Cathay Life Insurance Climate-related and Nature-related Opportunities Matrix



Own operations
 Investments and loans
 Insurance products

- ① Establish a management mechanism to fulfill sustainability commitments and gain customer trust
- ② Deepen climate-related and nature-related risk management mechanisms to protect customer rights and interests
- ③ Improve loss prevention and operational resilience of business locations
- ④ Develop green innovative services to increase customer loyalty and strengthen brand value
- ⑤ Transition to net zero in real estate and energy service management to increase real estate value
- ⑥ Exert financial influence through initiatives and engagements, and develop climate-related and nature-related innovative finance together with collaborative companies
- ⑦ Develop business opportunities and services for carbon-related issues
- ⑧ Expand climate innovation and nature-based investment and lending opportunities
- ⑨ Develop climate innovation and nature-based insurance products and services
- ⑩ Improve employer brand loyalty

💡 Overview of climate-related and nature-related risks and opportunities

• The results of this year's risk assessment are all ranked as low risks, with the top three risks listed as follows:

Risk ranking	Risk category	Risk item	Potential financial impact	Corresponding existing risk	Aspect	Duration of outcomes	Impact on the value chain
1	Transition	7 Increased credit and market risks for high-emissions investment portfolios	Industries with high carbon emissions will be subject to stricter supervisory requirements in Taiwan and overseas as governments around the world are beginning to collect carbon fees and carbon taxes. As a result, investee companies with high carbon emission that do not actively transition (reduce emissions) will face greater costs, resulting in a decrease in the price of securities they issue, or the risk of higher default rates, which will further reduce their income and asset value.	Market Credit	Investments and loans	Medium and long term	Downstream
2	Physical	10 More severe climate disasters cause an increase in losses of fixed assets	Natural disasters, such as rise in sea level, typhoons, floods, extreme temperatures, and droughts caused by climate change may result in higher real estate maintenance costs or increased real estate damages for companies and investment and lending targets, further affecting the Company's income.	Operational Market Credit	Own operations	Medium and long term	Midstream and downstream
3	Transition	9 The dilemma of low carbon transition of the Company's operations	The Company may encounter transition costs due to low carbon transition, further incur more transition costs if the transition process failed to successfully develop related services, which will affect the Company's revenue and lower clients' willingness to do business with the Company.	Reputation	Own operations Insurance products	Medium and long term	Midstream and downstream

- This year's assessment results cover only one material opportunity as follows:

Opportunities ranking	Opportunity item	Potential financial impact	Aspect	Duration of outcomes	Impact on the value chain
1	4 Develop green innovative services to increase customer loyalty and strengthen brand value	Driven by the transition to net-zero emissions, the Company has accelerated the development of innovative green services and improved system performance by refining existing digital technologies, such as optimizing the app and developing innovative electronic and mobile services, steadily moving towards the goal of net-zero operations, while meeting customers' diverse service needs and increasing their willingness to engage with the Company.	Own operations Insurance products	Short-term, mid-term, and long-term	Midstream and downstream

Note 1: Definitions of periods: Periods of 1years (inclusive) or less are defined as short term, periods ranging from 1to 3years (inclusive) are defined as medium term, and periods longer than 3 years are defined as long term.

Note 2: "Climate change and nature-related litigation or penalties risk" is the risk of fines or lawsuits when the Company and investment and lending targets fail to comply with environmental regulations, implement climate-related and nature-related external guidelines and regulations, and do not act in the best interests of society. The risk was ranked 11th in the assessment, the period mainly impact was long-term.

● 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).

5.1 Sustainability Governance

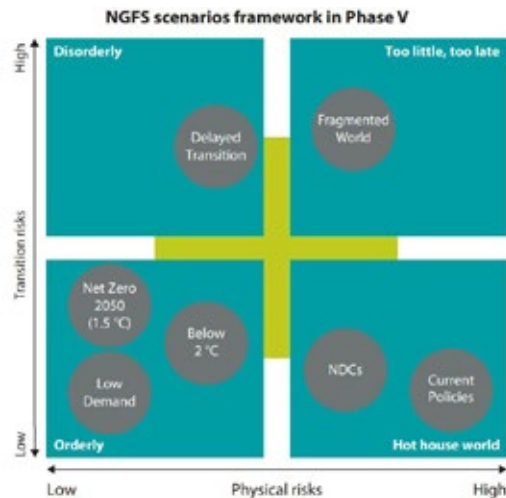
5.2 Climate-Related/Nature-Related Financial Disclosures (TCFD/TNFD)

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.



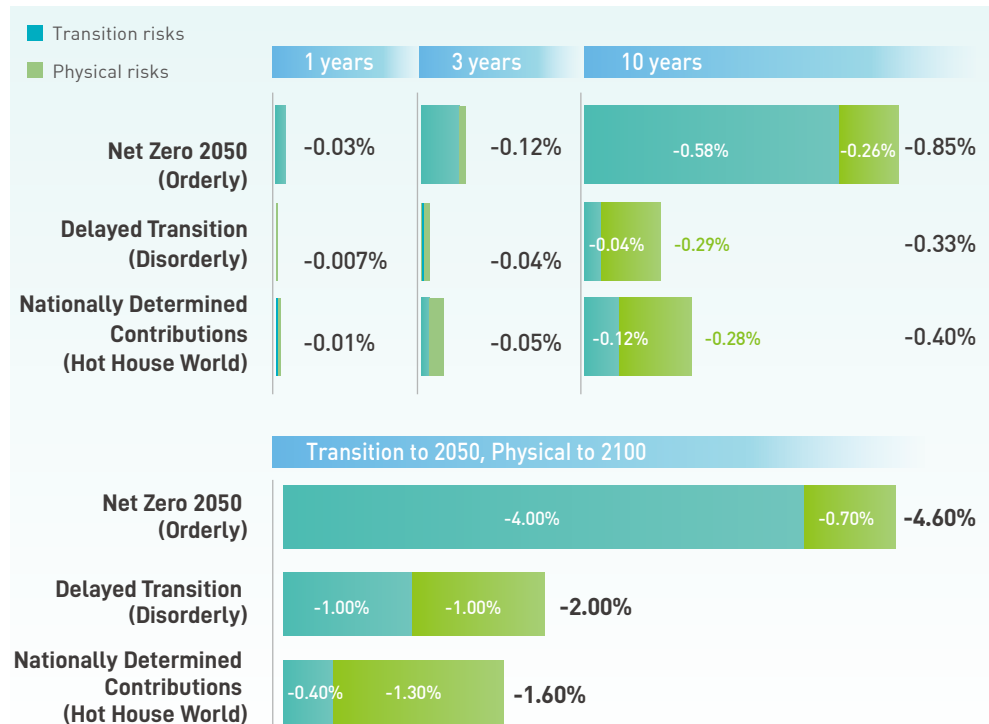
Source: NGFS Climate Scenarios for central banks and supervisors, November 2024

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	Formulate climate policies in advance and implement them gradually. We expect to achieve net zero emissions and limit temperature increase to 1.5°C by 2050. Physical and transition risks - medium risks	Assuming that the scenarios will remain the same before 2030, there may be high transition risks as transition costs may surge by the sudden implementation of strong emission reduction policies after 2030.	Transition risks are the lowest, but the physical risks may be the highest if the scenario only covers existing national policies, without new actions on carbon reduction.
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 4% 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 with maximum GHG emissions	2020	2020	2025
GHG emission reduction (2020-2050, CAGR)	-11.7%	-8.1%	-1.2%
Description of transition risks	[Medium Risk] Timely and orderly implementation of climate policies	[High Risk] Delayed and disorderly implementation of climate policies	[Low Risk] Implement the existing commitment to the NDCs, without new actions on carbon reduction
Description of physical risks ^{Note 2}	[Medium Risk] Extreme climate change scenario linked to NGFS 1.5°C	[Medium Risk] Extreme climate change scenario linked to NGFS 2°C	[High Risk] Extreme climate change scenario linked to NGFS 3°C

Listed stock and bond investment portfolio analysis results using MSCI CVaR scenarios

Based on MSCI's model database under the NGFS scenario, the CVaR results in specific years in 2024 (the next 1 year, 3 years, 10 years, and until 2050)Note 3 can analyze the downside risks of climate change on company stock and bond values. According to the scenario analysis results, in the "Transition to 2050 and Physical to 2100" scenario, the loss in each scenario accounts for 1.6% to 4.6% of the investment portfolioNote 4. In particular, in the Net Zero 2050 orderly transition scenario, the Company's CVaR is -4.6%, which is the largest possible loss in the three scenarios and is due to the Company's investment in industries with higher transition risks. 1 year, 3 years, and 10 years are relatively short periods and only result in minor losses, so the overall risk of loss is controllable.

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

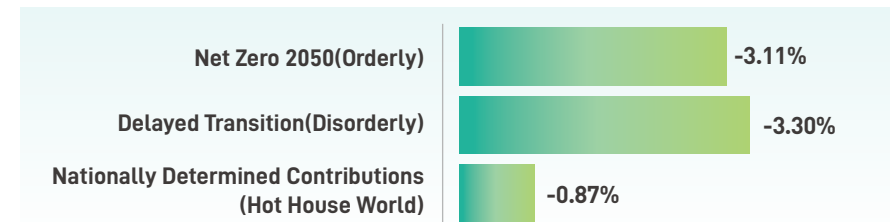


Sovereign bond investment portfolio analysis results using MSCI Sovereign CVaR^{Notes 5, 6} scenarios

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.

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

💡 2024 sovereign bond investment portfolio analysis results using MSCI Sovereign CVaR scenarios



Note 1: Climate Value-at-Risk (CVaR) refers to the discounted cost 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 individuals in the short, medium and long term is calculated by using the MSCI underlying data.

Note 4: All CVaR values are rounded to the first 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, 2024; (2) The MSCI data covers 55% of the overall sovereign bond investment portfolio.

• Impact of water stress on expected losses in specific investment positions

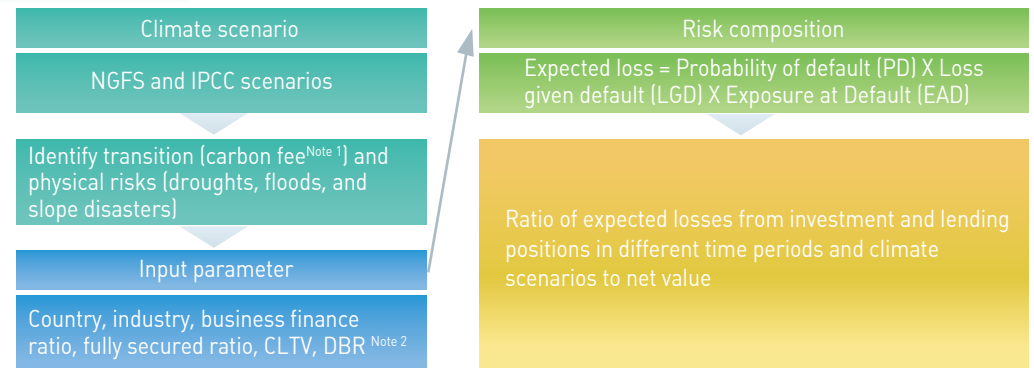
With reference to the TNFD recommendations, the ENCORE tool was used for nature-related dependency and impact analysis (please refer to the section on risk management on P.133 for a complete assessment of the nature-related dependency and impact of sensitive industries), which comprehensively examine 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 Program 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 scenario of once-in-a-century drought 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 0.91% and 0.02% of the net value, respectively. We see limited impact from drought hazards on investment positions of related industries.

• 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

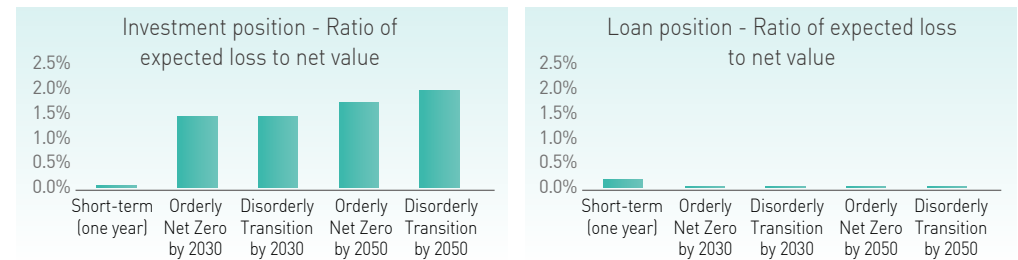


Note 1: Carbon pricing levels directly obtained from the corresponding scenario/period in the corresponding NGFS scenario.

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 0.1% to 2.0% of net value in different periods in different climate scenarios. The expected loss of the loan position accounts for approximately 0.01% 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 Sustainable Governance Risk Management on P.129 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 ^{Note 1}	Vulnerability ^{Note 1}	Exposure
Flooding risk	Probability of flooding ^{Note 2}	(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 ^{Note 3}	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 types caused by slope disasters ^{Note 4}	

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 2024.

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 0.05%-0.13% of the Company's pre-tax net profit, while investment property may see a potential market value drop of 0.13%-0.37%. 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

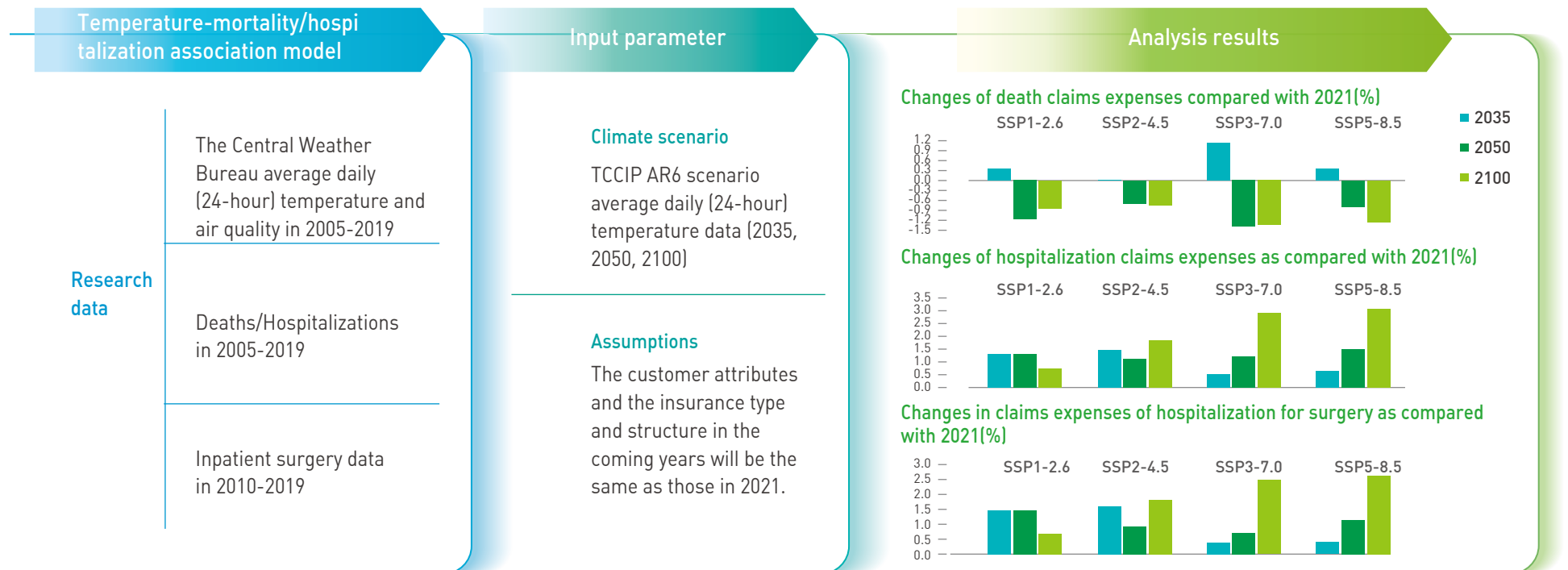
Purchase insurance for real estate with higher asset value to transfer the risk and reduce losses.

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 (2005-2019) 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 an model to assess the impact of global warming on all-cause mortality rate and hospitalization rate, and further discuss the impact on surgery during hospitalization due to all causes. 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, while the number of high risk low temperature days decreased. Since Taiwanese people are more adaptable to high temperatures than to low temperatures, 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 reduce Cathay Life’s overall deaths claims expenses by 1%, 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%-4%, and inpatient surgery claims expenses by 1%-3%, as the utilization of medical services will generally increase alongside the rise in temperature.



- 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. Cathay Life Insurance continues to promote health promotion activities to enhance citizens' ability to adapt to climate change.

 Please refer to 2.1 Health Promotion on P.52

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:

- Low-carbon transformation opportunities are expected to emerge in the short, medium, and long term.
- Scenario analysis results show that the expected financial losses in investment assets, insurance products, and Cathay's operations are all controllable; however, we may be confronted with severer losses in scenarios of direr global warming.

The data and results of scenario analysis 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.

After gaining an in-depth understanding of the potential risk scenarios and potential financial losses brought by climate change, we also considered the increasingly stringent climate policies and regulations of Taiwan and other countries, requirements of international initiatives, and investors' high level of concern for the financial industry's carbon reduction commitments and strategies for its own operations (Scope 1 and Scope 2) 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.

See  See 1.2 Environmental sustainability on P.43 for details on the zero-carbon operation strategy and  1.1 Low-carbon economy on P.24 for details on low-carbon investment allocation.

Low-carbon investment allocation strategies and action plans

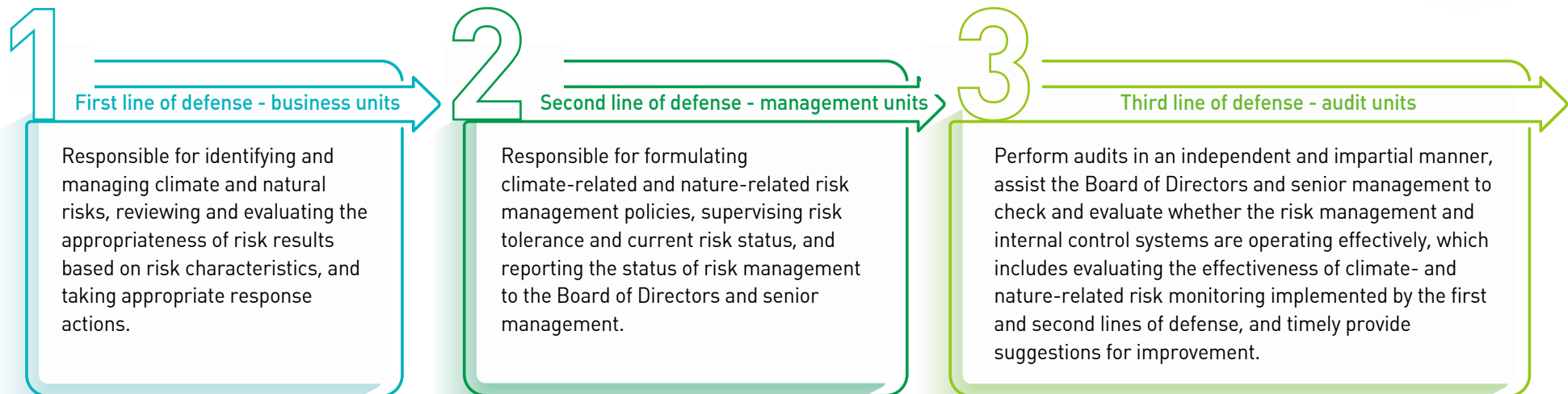
Facing the impact of climate change and the world accelerating low-carbon transformation, Cathay Life Insurance responded to the global trend of net-zero emissions by setting a science-based reduction path based on the temperature method of the SBTi. We implemented the "low-carbon investment allocation" 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.24 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:



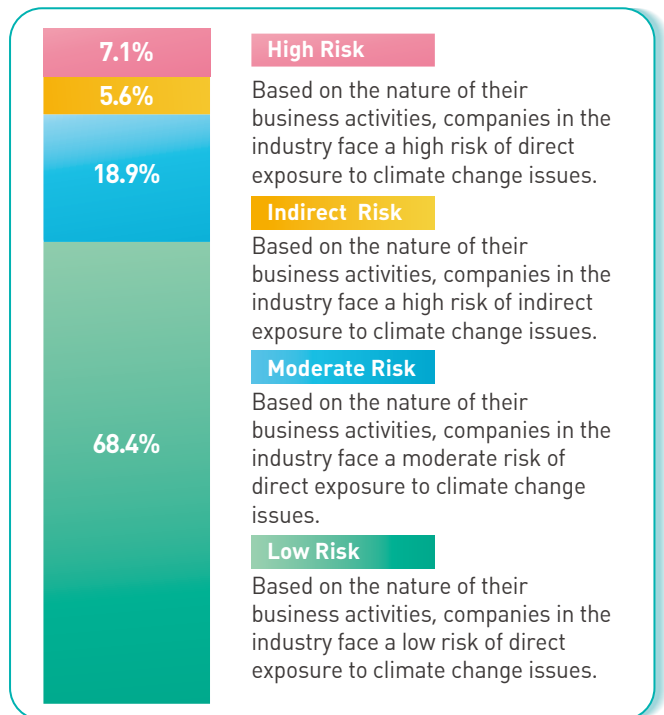
Roles and responsibilities of the three lines of defense



● **Inventory of indicators with high climate-related and high natural capital risks**

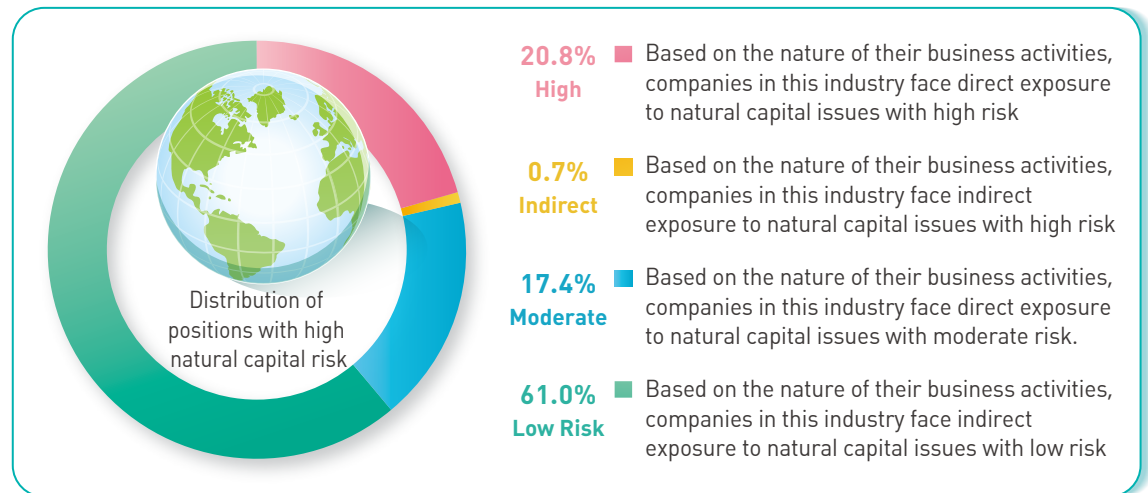
- Inventory of positions in industries with high climate-related risks

Based on the MCSI ESG methodology, Cathay Life Insurance identified the impact of major climate-related risks on the core businesses of investee companies. In 2024, the inventory showed that 7.1% of our investment positions in stocks and corporate bonds had high climate-related risks, which was about the same as the previous year. The climate risks were thereby, deemed controllable.



- Inventory of investments with high natural capital risks

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

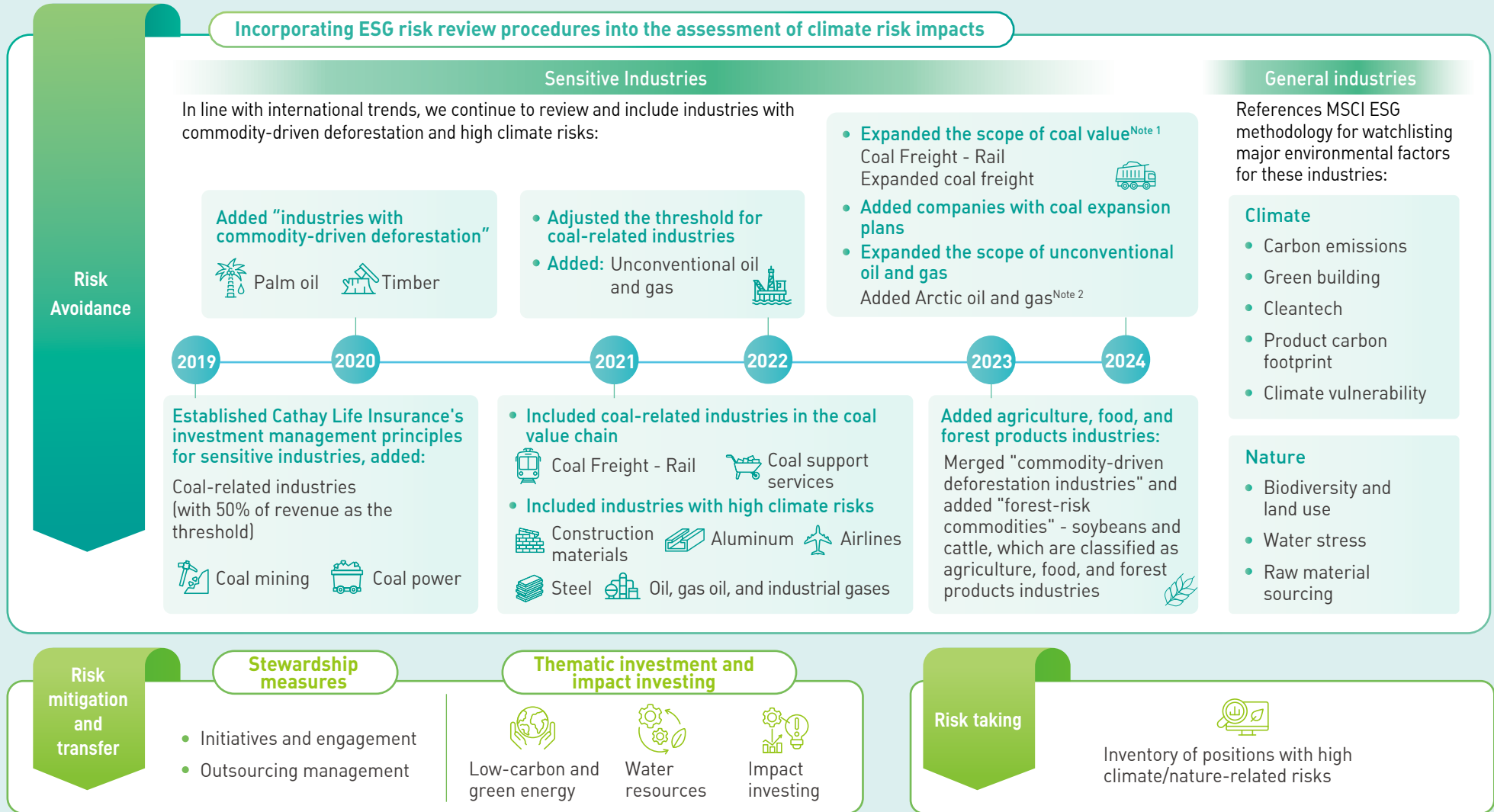


Note: The total is not 100% because the figures are rounded to the first decimal place.

● **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 industries with high climate change risks 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 and 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 risk impacts



Note 1: In addition to the scope of "Coal Freight - Rail," port transportation, transportation operations, and logistics were added.

Note 2: Unconventional oil and gas, including oil sands, shale oil and gas, and Arctic oil and gas (including onshore and offshore)

Note 3: See 1.1 Low-Carbon Economy on P.25 for Cathay Life Insurance's withdrawal from coal.

Incorporating ESG risk review procedures 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, we carefully evaluate 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:

- 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.

1.High climate risk industries

Since "coal phase-out" has become an international consensus to achieve carbon reduction goals and combat climate change, Cathay Life Insurance was the first to include coal-related industries (coal power, coal mining, coal freight, and coal services) and other industries that have a high impact on the climate (integrated oil and gas industry, oil and gas exploration and production industry, industrial gases industry, construction materials, aluminum industry, steel industry, and airlines industry) in the list of sensitive industries.

2.Commodity-driven deforestation

Cathay Life Insurance classified timber and palm oil as sensitive industries in 2020 to reduce the risk of land degradation by reducing deforestation. In the past two years, 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.

- 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. In 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

- 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.

 [See 1.1 Low-Carbon Economy on P.36 for details](#)

- 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 asset managers 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.

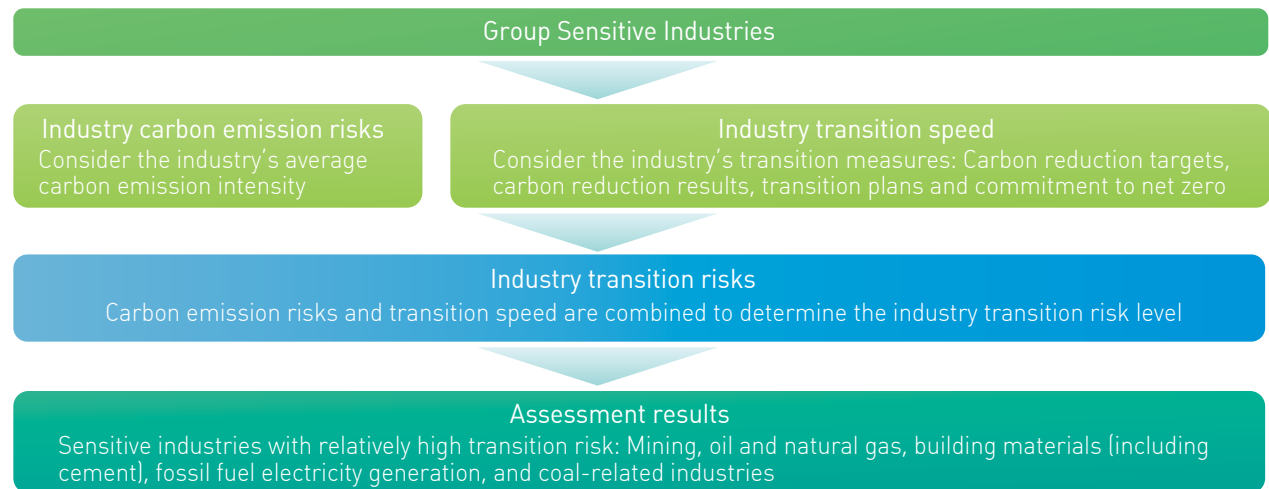
Country risk management

We follow the management measures for the group's country risk levels and limits, reference the data of international institutions to select countries with higher ESG risks, and integrate them into the country risk control mechanism.

● **Climate Transition Risk Assessment Framework**

The transition of industries with high carbon emissions has become an issue that brooks no delay due to the global trend of net-zero emissions. Cathay Life Insurance actively evaluates the climate transition risks of investment and lending targets, and implements relevant management measures in advance to reduce the potential financial and reputation impact from asset impairment, higher risk of default, or stricter regulatory restrictions.

Cathay Life Insurance evaluates the Group's sensitive industries (accounting for approximately 11% of total investment and lending exposure) based on the MSCI evaluation method, and combines information from external databases (such as MSCI and CDP) to further incorporate the transition progress of companies for determination based on the carbon emission risk of industries. For industries with relatively high transition risks, we conduct more detailed analysis of the transition speed of investment and lending positions to gain a comprehensive understanding of overall climate transition risks.



• **Assessment results**

Transition risk analysis for sensitive industries of the Group

Mining, oil and natural gas, building materials (including cement), fossil fuel electricity generation, and coal-related industries are sensitive industries with relatively high transition risk. These four industries account for 66.8% of investment and lending exposure in sensitive industries.

5.1 Sustainability Governance

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

Transition speed analysis of investment and lending positions

- (1) Overall transition speed: Among the four high-risk industries above, 98.8% of investment and lending positions had "fast" or "moderate" transition speed, while "lagging" only accounted for 1.2%, indicating that most companies have initiated transition actions.
- (2) Transition indicator analysis: 98.8% of the investment and lending targets have set carbon reduction targets, which shows that the companies are highly aware of carbon reduction issues, followed by the net-zero commitment (58.8%) and actual carbon reduction results (35.3%). However, only 15.3% of investment and lending positions have formulated specific transition plans, indicating that companies still need to make improvements in taking action.
- (3) Industry analysis: In industries with more stringent regulatory requirements (e.g., fossil fuel electricity generation and coal industry), companies have significantly faster transition speed. The progress of transition may vary in other industries due to technical thresholds, market demand, or data availability.

Note: Investment and lending positions as of the end of December 2024.

• Management action

- (1) Implement limit control for the Group's sensitive industries and regularly monitor exposure of investment and lending positions.
- (2) Continue to adjust and strengthen transition risk assessment indicators in coordination with the database update to ensure that they can immediately reflect the latest transition progress of companies.
- (3) Continue to monitor the development trends and potential risks of sensitive industries with higher transition risks to strengthen the quality of climate risk management and investment and lending decisions.

● Assessment of Nature-related Dependencies and Impacts of Sensitive Industries

We conducted nature-related dependency and impact assessments based on the "Network for Greening the Financial System (NGFS) Nature-related Risk Guidelines" and the "ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) assessment results of the World Wide Fund for Nature (WWF)," and further classified the Group's sensitive industries into industries susceptible to nature-related physical risks and nature-related transition risks as the basis for identifying and managing nature-related risks.

Refer to international ESG industry reports and opinions of internal experts	Group Sensitive Industries	Susceptible to nature-related risks		Dependency					Impact					Exposure (%/%)			
		Physical	Transition	Water resources	Atmosphere	Species	Soil	Habitat	Water consumption	Other resource use	Climate change	Natural ecological changes	Pollution		Species disruptions		
																■ Very high ■ High ■ Medium ■ Medium-low ■ Low ■ No data	
Establish sensitive industry management mechanisms	Agriculture/Forestry/Fishery/Animal husbandry	●		■	■	■	■	■	■	■	■	■	■	■	■	■	0.02
Regular review and adjustment	Food and beverage manufacturing	●		■	■	■	■	■	■	■	■	■	■	■	■	■	2.91
	Oil and natural gas	●	●	■	■	■	■	■	■	■	■	■	■	■	■	■	5.88
Discussion and reporting	Chemical raw materials related industries			■	■	■	■	■	■	■	■	■	■	■	■	■	0.73
	Building materials (including cement)		●	■	■	■	■	■	■	■	■	■	■	■	■	■	0.15
	Mining	●	●	■	■	■	■	■	■	■	■	■	■	■	■	■	1.15
	Fossil fuel-based electricity generation and coal-related industries	●		■	■	■	■	■	■	■	■	■	■	■	■	■	0.19
	Aviation			■	■	■	■	■	■	■	■	■	■	■	■	■	0.01
	Total																11.03

Note 1: The percentage of exposure 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 2024.

Note 2: ENCORE provides the degree of dependency and impact of each industry on various natural capital assets and driving factors.

● Indicators recommended by the TNFD guidance for financial institutions

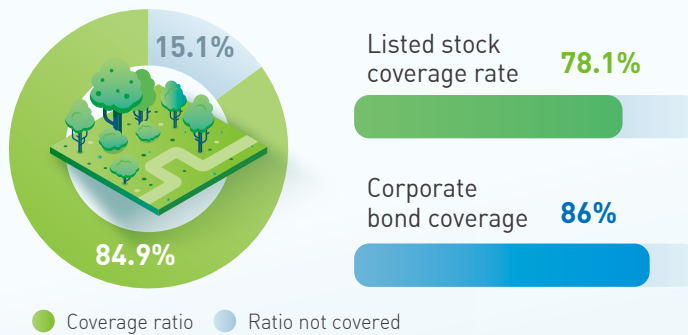
The TNFD guidance for the financial industry recommends disclosing the exposure of investment assets to industries with high nature-related dependencies and impacts, as well as those located in sensitive areas. In addition to core indicators, TNFD also provides other optional indicators for disclosure,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

- Core indicators: Indicators of exposure in sensitive areas - Investing on the frontier of deforestation

Since agricultural expansion is one of the main causes of deforestation and biodiversity loss around the world, we have prioritized the frontier of deforestation to analyze the operations of Cathay Life Insurance's investee companies in sensitive areas. The management of investments in agriculture, food, and forest products industries potentially has great significance. If management and monitoring are not properly carried there will be the risk of deforestation.

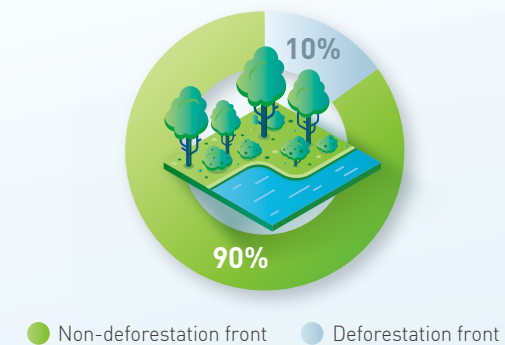
● Coverage ratio

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



● Measurement results

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



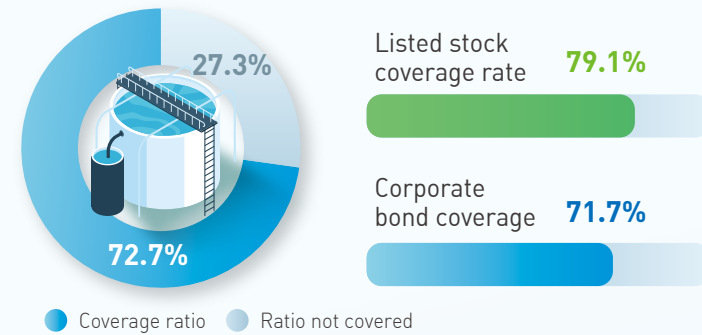
Note: The MSCI tool determines whether a company has more than three (inclusive) physical assets operating within 1.5 kilometers of the deforestation front.

- Other indicators: Resource use/replenishment

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

● Coverage ratio

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



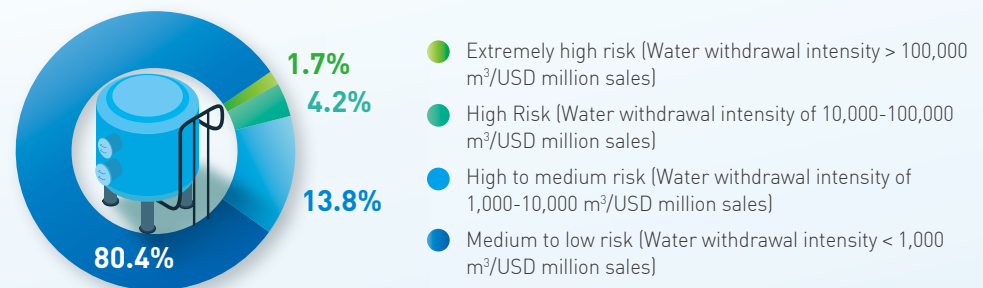
● Measurement results

(1) Total water withdrawal and water withdrawal intensity

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

(2) Risk distribution of water withdrawal intensity

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

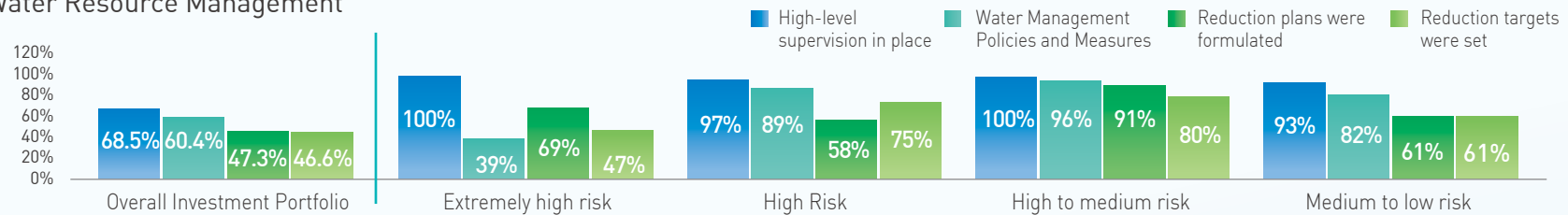


Note: The total is not 100% because the figures are rounded to the first decimal place.

• Water Resource Management

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

💡 Water Resource Management



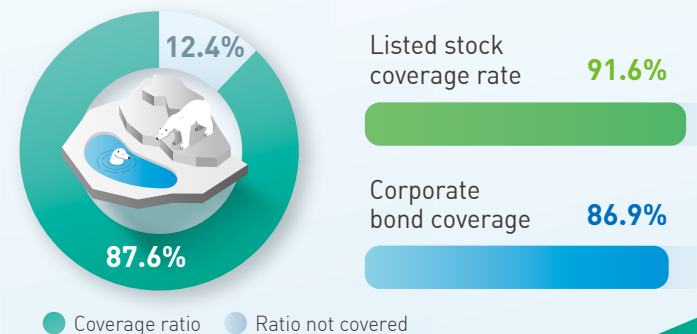
• Other indicators: State of Nature

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

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

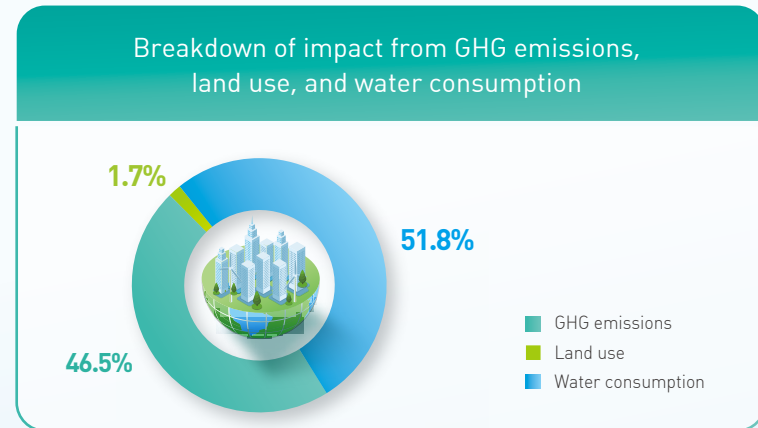
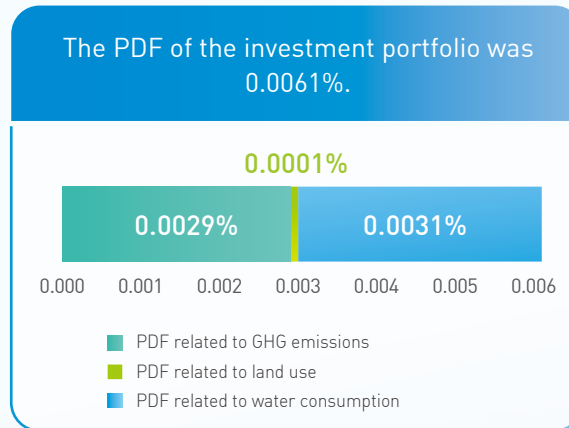
● Coverage ratio

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



● Measurement results

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



● Climate-related and nature-related physical risk management

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 business locations, locations of mortgage customers, and locations of self-owned real estate. After examining the physical risk of flooding at Cathay's business locations, locations of mortgage customers, and locations of self-owned real estate in the RCP8.5 climate change scenario during the base period (1976-2005) as of the end of 2024, the future flood risk (2036-2065) was deemed controllable.

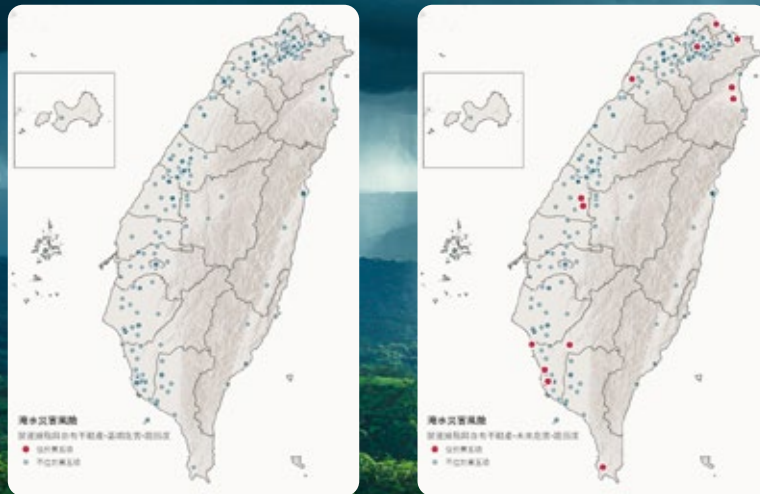
💡 Ratio of regions with high risk of flooding

	Base period (1976-2005)	Estimate for the middle of the century (2036-2065)
Business locations and locations of self-owned real estate	0%	4.60%
Location of mortgage collateral	0.29%	5.65%



💡 Exposure to areas with high flooding risk in Taiwan

Distribution of business locations and locations of self-owned real estate:



Base period (1976-2005)

Estimate for the middle of the century (2036-2065)

Distribution of mortgage collateral and balances:



Base period (1976-2005)

Estimate for the middle of the century (2036-2065)

• 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 and quickly restore normal operations. If a natural disaster is deemed by the responsible unit as potentially causing failures of key businesses and systems without recovering in time, or causing severe casualties in the Company and complete disruption of key businesses and systems, the vice president of business management will evaluate whether to activate the business continuity emergency response team and act as its convener to take charge of coordinating the members to handle the incident. The vice president of business management will simultaneously notify risk management units, which will in turn, notify the Business Continuity Management Committee to make a decision on whether to notify relevant departments to carry out the business recovery procedure.

• Mortgage business management mechanism

The Company continues to implement the mortgage business management mechanism in response to the impact of major natural disasters, 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 acceptance of collateral and reasonable price, borrower solvency, and credit ratings, and determine the reasonable loan percentage to effectively control risks).

Identify exposure to nature-sensitive areas

Taiwan's mid- and high-altitude mountainous areas already have state-owned forest land and the Central Mountains Conservation Corridor, which provide good protection for rich biological resources. However, flatlands and low-altitude mountainous areas face conservation pressure and lack a complete protected area system. As one of the largest real estate investors in Taiwan, Cathay Life Insurance refers to the LEAP-Locate approach to evaluate if business locations, locations of self-owned real estate, and locations of mortgage collateral are in sensitive areas^{Note}, including "Biodiversity Hotspots", "Land Ecological Green Network Concern Areas", and "Red Book Endangered Plant Habitats." The percentage of locations in "Biodiversity Hotspots" or "Red Book Endangered Plant Habitats" is as follows:

Business locations and locations of self-owned real estate	1.8%
Location of mortgage collateral	1.4%

Exposure to nature-sensitive areas in Taiwan



Note: The exposure to nature sensitive areas recommended by indicators of TNFD v.1.0 refer to locations where assets/activities directly operated by an organization are in contact with nature, such as: Important biodiversity areas.



• 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.

2023 Re-breeding brilliant red deer lily

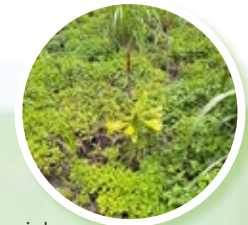
Taiwan's endemic species of brilliant red deer lily has a suitable growing environment in Pingxi District, New Taipei City. However, it has faced a serious conservation crisis due to human development in the past. Collaborating with Pingxi Elementary School, Cathay Charity Foundation assisted in renovating the school's rehabilitation base that was built more than 20 years ago, which is an important milestone for ecological sustainability and development in Pingxi.



2024 Cultivating saplings in Taiwan's shallow mountains



The Cathay Charity Foundation and its volunteers took action to support the Taiwan Reforestation Association in cultivating saplings. The plant nursery aims to produce 10,000 saplings each year, covering more than 70% of the native tree species of local natural forests, which can be used by the government for forestation, contributing to the restoration of Taiwan's mountains and forests.



Conservation of native tree species in Nanao, Yilan County

In 2024, Cathay Life Insurance collaborated with financial institutions, such as Crédit Agricole CIB, to launch the first investment-linked product with annual dividends - "Cathay Life Insurance Investment-linked Insurance" linked to eight-year green bonds. The insurance is linked to New Zealand Dollar investment targets settled in NTD, and offered to people between the ages of 15 to 75 years old. The funds raised from the bond will be used in green investment projects. To expand the positive impact on the environment, Cathay Life Insurance, Crédit Agricole CIB, and GoodPoint Exchange jointly launched the "Taiwan Greening Project" in 2024, with the goal of planting 1,000 trees. When policyholders of Cathay Life Insurance purchase designated products with a cumulative investment amount equal to NZD100,000, Crédit Agricole CIB will support the cultivation or planting of one tree of a native species of Taiwan (Hibiscus tiliaceus, Pandanus tectorius, Scaevola taccada, Millettia pinnata, Elaeagnus oldhamii, and Melia azedarach) through a local organization in Taiwan. Crédit Agricole CIB has committed to supporting the cultivation of no less than 1,000 trees through this project, and promotes the conservation of tree species along the coasts of Nanao, Yilan County.



5.1 Sustainability Governance

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

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. Regarding nature-related issues, the action plans to reduce water usage are adopted based on TNFD recommendations, in order to avoid or reduce the nature-related impact or dependency at business locations, and at the same time achieve better operational efficiency and cost reduction. Cathay Life Insurance uses water consumption per capita as key nature-related indicators and goals, and continues to track the progress.

See P.122 for details on the governance framework for monitoring and reporting.

	Indicator	Baseline year	Short-term goals 2025	Medium-term goals 2027	Long-term goals 2030
Operations	Water 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 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 ₂ e)	2020	Reduced by 21%	Reduced by 29.4%	Reduced by 42%
Investment	Carbon reduction path of investment portfolio	-	2026: S1+S2: 2.68°C S1+S2+S3: 2.79°C Note: The goals here are the Company's goals. For the Group's overall goals, please refer to the document on the official website of the SBTi .		
	Growth rate of low-carbon investments	2020	Low-carbon investments grow by 55% with 2020 as the baseline year	Low-carbon investments grow by 80% with 2020 as the baseline year	Low-carbon investments grow by 85% 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 52% 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 Scope: Coal power industry, coal mining industry, coal freight industry, and coal services industry	-	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 industry Note: Oil sands, shale oil and gas, and Arctic oil and gas (including onshore and offshore).	-	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.

See 1.1 Low-Carbon Economy on P.24 for details

● 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—the percentage of renewable energy use (under the "green energy" strategy) and the growth rate of low-carbon investments (under the "expanding support for green industries" strategy)—as items for monitoring, comparison, and trend analysis, in order to verify the resilience of our climate strategy.

Verification strategy	Verification target	Verification method	Description of verification results
Zero Carbon Operation Transformation	Actual indicators and goal performance Percentage of renewable energy used	Monitoring and comparison	To implement the zero-carbon operation transformation 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 relevant executives 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 target percentage of renewable energy use was set at 25% for 2024, 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	Tracking and comparison Trend analysis	Tracking and comparison To expand support for green industries, the key climate goal set for low-carbon investment growth rate in 2023 was "21% growth in 2024, 35% growth in 2025, 40% growth in 2026, and 50% growth in 2030, with 2020 as the baseline year." To verify the resilience of this climate action, we verified whether the low-carbon investment growth rate met the target in 2024 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 investment in 2024 was NT\$259 billion, an increase of 58% 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 investment target set in 2023 already achieved in 2024 ahead of schedule, we conducted an internal review and set even more ambitious low-carbon investment goals, with the latest goals to achieve "55%, 80% and 85% growth in 2025, 2027, and 2030, 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 2025 will achieve the goal. Analyzing Cathay Life Insurance's low-carbon investments, the two main components are securities investment and green building investment plans: <ul style="list-style-type: none"> • 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 investment targets, we assess the scale of investment and then estimate the amount of low-carbon investment. • Real estate: On the basis of the green building investment amount at the end of 2024, the amount invested in green buildings is estimated by comprehensively considering the progress of building construction, changes in building value, and the increase and decrease of green building labels each year. • The results show that Cathay Life Insurance can achieve the goal of "growth in low-carbon and green energy investment of 21% by 2024, 35% by 2025 and 50% by 2030, 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.44 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.24 for details**

Medium and Long Term (2025-2030) Goals

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Related Data Tables

Independent Limited Assurance Report

Appendix

Medium and Long Term (2025-2030) Goals

Sustainability Theme	Strategic Direction	Medium and Long Term (2025-2030) Goals
Climate	Low-Carbon Economy	<p>Science Based Targets - Carbon Reduction Path of the Investment Portfolio</p> <ul style="list-style-type: none"> 2026: S1+S2: 2.68°C, S1+S2+S3: 2.79°C <p>Note: Cathay Life Insurance follows the SBT methodology to set the carbon reduction pathway for its investment portfolio. We jointly set targets with our parent company Cathay Financial Holdings and passed the SBTi review in 2022. The department's targets are the Company's targets. For the Group's overall targets, please refer to the document on the SBTi official website.</p> <p>Gradually withdraw from coal-related industries that do not actively engage in transition</p> <ul style="list-style-type: none"> 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 (2027) For OECD countries, 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 5% of revenue (the threshold for non-OECD countries is still 20%). <p>Gradually withdraw from the unconventional oil and gas industry, which does not engage in proactive transition</p> <ul style="list-style-type: none"> No new investments in companies with more than 30% of revenue from unconventional oil and gas and not actively engaging in transition. (2027) 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%) (2030) <p>Engagement activities</p> <ul style="list-style-type: none"> Participate in three to five domestic and foreign climate and nature-related engagement activities, and look into the feasibility participating in climate change and nature-related engagement activities overseas. Engage key domestic TWSE/TPEX-listed companies with 52% financed emissions (2027) Engage key domestic TWSE/TPEX-listed companies with 55% financed emissions (2030) <p>Low-carbon investments</p> <ul style="list-style-type: none"> Increase low-carbon investment amount by 80% using 2020 as the baseline year (2027) Increase low-carbon investment amount by 85% using 2020 as the baseline year (2030)
	Environmental Sustainability	<p>Green Energy</p> <ul style="list-style-type: none"> The headquarters uses 100% renewable energy, and the Company's domestic locations use 50% renewable energy (2025) All business locations in Taiwan use renewable energy for 100% of their power, and business locations worldwide use renewable energy for 60% of their power (2030) Adopt energy management systems in 41 of the Company's key self-owned buildings (2025) Manage 80% of the annual electricity usage (2030) Install solar panel capacity for self-use in Cathay buildings, which is an increase of 2,750% in comparison with that in 2020 (2026) Install solar panel capacity for self-use in Cathay buildings, which is an increase of 3,000% in comparison with that in 2020 (2027) Install solar panel capacity for self-use in Cathay buildings, which is an increase of 3,750% in comparison with that in 2020 (2030)

Medium and Long Term (2025-2030) Goals

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Sustainability Theme	Strategic Direction	Medium and Long Term (2025-2030) Goals
Climate	Environmental Sustainability	<p>Green operations</p> <ul style="list-style-type: none"> • Implement the SBT carbon reduction commitment (Scope 1 and Scope 2) <ul style="list-style-type: none"> -Based on the 1.5 °C scenario, reduce carbon emissions by 21% compared with 2020 (2025) -Based on the 1.5 °C scenario, reduce carbon emissions by 25.2% compared with 2020 (2026) -Based on the 1.5 °C scenario, reduce carbon emissions by 29.4% compared with 2020 (2027) -Based on the 1.5 °C scenario, reduce carbon emissions by 42% compared with 2020 (2030) -Set the Scope 3 emissions reduction target in 2025 • Conservation of water resources [Note: Due to the inclusion of empty buildings in the water inventory in 2024, we did not achieve the per capita water consumption target and will review the target next year.] <ul style="list-style-type: none"> -Water consumption per capita of 12.5 KL (2025) • Waste reduction (Regularly review the reasonableness of targets) <ul style="list-style-type: none"> -Amount of waste per capita of 19.56 kg (2025) -Amount of waste per capita of 19.3 kg (2026) -Amount of waste per capita of 19.1 kg (2027) -Amount of waste per capita of 18.4 kg (2030) • Mobile office <ul style="list-style-type: none"> -Continue implementing VDI OA, with a target of equipping 30% of eligible employees with devices meeting the new plan by 2025 -Continue implementing VDI OA, with a target of equipping 50% of eligible employees with devices meeting the new plan by 2026 -Continue implementing VDI OA, with a target of equipping 50% of eligible employees with devices meeting the new plan by 2027 -Continue implementing VDI OA, with a target of equipping 50% of eligible employees with devices meeting the new plan by 2030 • Carbon label <ul style="list-style-type: none"> -Reduce product carbon footprint through digital services, and commit to continue compiling the carbon footprint inventory of major products and obtaining the Ministry of Environment's carbon label. • Green procurement <ul style="list-style-type: none"> -Selected by the Ministry of Environment for outstanding performance in green procurement -The amount of green procurement grows by 3% compared to 2023 each year starting from 2024 <hr/> <p>Green real estate</p> <ul style="list-style-type: none"> • Continue to promote green leasing for office buildings in the six special municipalities (2027) • Green leasing of office buildings around Taiwan (2030)

Medium and Long Term (2025-2030) Goals

PSI Index

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Independent Limited Assurance Report

Sustainability Theme	Strategic Direction	Medium and Long Term (2025-2030) Goals
Health	Health promotion	<p>FitBack</p> <ul style="list-style-type: none"> • 1.8 million members participate in the health promotion plan (2027) • 2.4 million members participate in the health promotion plan (2030) • Assist 1.35 million members in health management with cumulative participants in monthly health management reaching 19.19 million (2027) • Assist 1.8 million members in health management with cumulative participants in monthly health management reaching 24.31 million (2030) • The cumulative number of steps uploaded is the equivalent of reducing carbon emissions by 360 thousand metric tons (2026) • The cumulative number of steps uploaded is the equivalent of reducing carbon emissions by 697 thousand metric tons (2030)
		<p>Increase the insurance amount of health insurance for citizens</p> <ul style="list-style-type: none"> • Number of new policyholders with sufficient medical insurance coverage(daily hospitalization benefits ≥ NT\$2,000) in the year reaches 120 thousand (2027)
		<p>Employee health</p> <ul style="list-style-type: none"> • Continue to improve health promotion events, maintaining the number of employees with normal BMI at 53% and above. (2030) • Provide Employee Assistance Programs (EAP) to assist 82% of employees with maintaining physical and mental health (2027) • Provide Employee Assistance Programs (EAP) to assist 85% of employees with maintaining physical and mental health (2030) • The total number of steps walked by employees in Every Step Counts reduced carbon emissions by 6,360 metric tonnes (2027) • The total number of steps walked by employees in Every Step Counts reduced carbon emissions by 9,540 metric tonnes (2030) • Maintain the effectiveness of ISO 45001 • General employee cancer screening rate reached 85%. (2030)
		<p>Sustainable Campus Project</p> <ul style="list-style-type: none"> • Teacher recommendation for anti-drug activity reaches 80% (2026, 2030) • Anti-drug activities reach 3.4 million people (2026) • Anti-drug activities reach 5 million people (2030)
		<p>Elderly care</p> <ul style="list-style-type: none"> • Promote elderly care activities in collaboration with NGOs and schools to strengthen social support, and provide care for 1,400 elders. (2027) • Provide diverse physical and mental health services in cooperation with partners from different industries to meet the requirements of the golden years (2030) • Policyholders aged 55 years or older that purchased the A&H insurance reaches 28% (2027) • Policyholders aged 55 years or older that purchased the A&H insurance reaches 30% (2030) • Cumulatively cultivated 69% of sales agents and 69% of back-office personnel to obtain health care certification (Dementia-friendly angels) (2027) • Cumulatively cultivated 80% of sales agents and 80% of back-office personnel to obtain health care certification (Dementia-friendly angels) (2030)

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Sustainability Theme	Strategic Direction	Medium and Long Term (2025-2030) Goals
Health		<p>Guardian of customers' assets</p> <ul style="list-style-type: none"> • Use financial planning tools to help build feasible and stable investment portfolios, with the number of beneficiaries for using financial planning tools reaching 110,000 people (2027) • Connect with the Group's wealth management platform to provide a more consistent customer experience and better user satisfaction (2030) • Total insurance premiums making up for the ideal retirement savings rate of income of citizens under the age of 65 constituting 10% (2027) • Total insurance premiums making up for the ideal retirement savings rate of income of citizens under the age of 65 constituting 16% (2030) • Provide friendly pre-underwriting care services before elders purchase insurance products, with phone visit contact rate of 100%. • Minimize customer fraud risk, with the cumulative number of participants in the fraud prevention education campaigns reaching 29,000 people (2027) • Minimize customer fraud risk, with the cumulative number of participants in the fraud prevention education campaigns reaching 44,000 people (2030) • In response to new fraud techniques, participate or organize at least one "new anti-fraud measure," which is promoted by the public sector or by the Company
	Financial Health	<p>Financial Inclusion</p> <ul style="list-style-type: none"> • Customer satisfaction with digital service experience reaching 80% or higher • Smart assistant services reached 82% of the total service volume of the smart customer service center (2027) • Expansion of intelligent voice in financial and insurance services, reaching 85% of the total services in the Contact Center (2030) • The problem-solving rate of the chatbot reaches 90% and above • 99% of customers use mobile insurance application to purchase life insurance products • Continue to launch new innovative products or services for financial inclusion, at least 3 projects (2027) • Continue to launch new innovative products or services for financial inclusion, at least 3 projects (2030) • The number of insured persons of group occupational disaster insurance reaches 300,000 people and above (2027) • The number of insured persons of group occupational disaster insurance reaches 400,000 people and above (2030) • The number of beneficiaries of micro and small-amount insurance reaches 100,000 people and above (2027) • The number of beneficiaries of micro and small-amount insurance reaches 120,000 people and above (2030)

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Empowerment	Workplace Empowerment	<p>Employee Reskilling</p> <ul style="list-style-type: none"> Digital training: achieve a 50% completion rate for digital skills training programs (2027-2030) Annual digital capacity training completion rate reached 80% (2027-2030) Sustainability training: Achieve a 90% completion rate in foundational ESG online courses (2027-2030) Completion rate of 3 hours of ESG sustainable finance training courses: 100% (targeting senior managers and personnel engaged in investment and financing activities) (2027-2030)
		<p>Employee Upskilling</p> <ul style="list-style-type: none"> Satisfaction rate of 4/5 for annual job dedication training (2027-2030) The percentage of people who score 4 points and above on the 360-degree ability reaches 85% (2027-2030)
		<p>Building a leadership Pipeline</p> <ul style="list-style-type: none"> The retention rate of key entry- and mid-level talent reaches 80% (2027-2030) The retention rate of key Young Talent reaches 50% (2027-2030)
		<p>A workplace of Diversity, Equity & Inclusion</p> <ul style="list-style-type: none"> Retain 80% of employees taking parental leave (2027-2030) 50% ± 5% of employees are female (2027-2030) 40% ± 5% of STEM talents are female (2027-2030) 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 (2027-2030) DEI online course completion rate reaches 90% (2027-2030)

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Sustainability Theme	Strategic Direction	Medium and Long Term (2025-2030) Goals
Empowerment	Social Empowerment	<p>Youth Empowerment</p> <ul style="list-style-type: none"> • Satisfaction with courses/events is maintained at 4 points or higher (2030) • Corporate identity score reaches 4 points and above (2026) • Corporate identity score is maintained at 4 points and above (2030) • Corporate course recommendation score reaches 4 points and above (2026) • Corporate course recommendation score is maintained at 4 points and above (2030) • Willingness to join the financial industry in the future reaches 4 points or higher (2026) • Willingness to join the financial industry in the future is maintained at 4 points or higher (2030)
		<p>Empowerment of the Disadvantaged</p> <ul style="list-style-type: none"> • 15-20 schools in remote areas benefit from the Dreams Come True Program (2027) • Score of self-affirmation questionnaire for the Excellence Scholarship Program and Dreams Come True Program (corporate identification) reaches 3 points or higher (2027) • Featured cases of the Excellence Scholarship Program reaches 20 cases (life insurance blueprint) (2026) • Combine group resources for diverse applications (e.g., channels, tools, volunteers, etc.) and exert influence by providing the resources to students in remote areas (2030) • Happiness Farm and Mixed Disables Troupe volunteer participation: Maintained at 250 participants and 500 volunteer hours (2027) • Corporate identity score of volunteers in Happiness Farm and Mixed Disables Troupe reaches 4 points and above (life insurance blueprint) (2026) • Beneficiaries (offline) of Mixed Disabled Troupe maintained at 2,000 and above (2027) • Self-motivation score of the elderly participants of Happiness Farm and audience (the elderly or listeners) of the Mixed Disabled Troupe reaches 4 points and above (2027) • Proactively propose initiatives and combine industry, government and academia to develop diverse services (2030)
Governance	Corporate Governance	Maintain "Excellent" rating by Taiwan Corporate Governance Association
	Information Security and Customer Privacy	<ul style="list-style-type: none"> • 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

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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 managers 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.120
		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.78

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Stakeholders	Description		Corresponding Chapter	Page
Managers	Risk management	Develop quantified financial risk, operating related risk, and emerging risk models through industry-academia cooperation.	5.1 Sustainability Governance	P.116
		To align with international standards (IFRS 17 and ICS) in advance, make strategic adjustments in investment, products, and channels, and regularly monitor the achievement of goals to ensure smooth transition.		
		Establish an inter-departmental and cross-subsidiary climate and nature-related task force, and identify climate-related risks and opportunities by the four-pillar framework of governance, strategy, risk management, and metrics and targets.	5.2 Climate-Related/ Nature-Related Financial Disclosures (TCFD/ TNFD)	P.122
Investors and borrowers	Investment management	Established regulations and mechanisms to incorporate the Principles for Responsible Investment (PRI) into the investment decision-making process.	4.1 Responsible Investment	P.90
		Established the Cathay Life 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 stewardship reports each year. Note: Since 2019, the reports have been renamed the Cathay Life Insurance Responsible Investment and Stewardship Report		
		Cathay Financial Holdings has held the Cathay Sustainable Finance and Climate Change Summit for 8 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.41

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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.52
		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.58
		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.68
	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.52
	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.52
	Underwriting management	Introduced AI models to improve the efficiency of underwriting new contracts and the accuracy of risk management.	5.1 Sustainability Governance	P.116

● Principle 2: Raise awareness of ESG issues among customers and business partners

Stakeholders	Description		Corresponding Chapter	Page
Customers	The FitBack Project combines the app and reward mechanisms to encourage policyholders to get into the habit of exercise.		2.1 Health promotion	P.54
	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.58
	Promote sustainability actions through the sustainability website, sustainability related videos, and physical events, in order to raise their awareness and participate in sustainability actions.			P.53
	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.65
	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.47
	Promote green procurement; our green procurement amount was approximately NT\$470 million in 2024.			

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● 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.90
	Continue to invest in low-carbon industries in response to the government's "12 Key Strategies" listed in the "Pathway to Net-Zero Emissions in 2050."	1.1 Low-Carbon Economy	P.24
	Develop a series of spillover-effect products for health promotion. Provide student group insurance to protect students' health.	2.1 Health promotion	P.58
	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.121
	Jointly implemented the Sustainable Campus Project with the K-12 Education Administration of the Ministry of Education.	2.1 Health promotion	P.53
	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.45
Other major stakeholders	Jointly develop quantified financial risk, operating related risk, and emerging risk models with academia to complete risk mechanisms.	5.1 Sustainability Governance	P.116
	Actively respond to the initiatives taken by international organizations and related to ESG, including: The International Association of Insurance Supervisors (IAIS), AIGCC, Ceres Valuing Water Finance Task Force, CDP Non-Disclosure Campaign, Climate Action 100+, and TCFD.	1.1 Low-Carbon Economy 5.1 Sustainability Governance	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.82
	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

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GRI Index

Usage Statement	Reporting contents from January 1, 2024 to December 31, 2024 according to the GRI Standards.
Version of GRI 1 used	GRI 1: Basic 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.163
	2-8 Non-employee workers	Appendix	P.163
	2-9 Governance framework and composition	5.1 Sustainability Governance	P.111
	2-10 Nominating and selecting the highest governance body	5.1 Sustainability Governance	P.111
	2-11 Chair of the highest governance body	5.1 Sustainability Governance	P.111
	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 Sustainability Governance	P.111
	2-16 Communicating critical concerns	Stakeholders and Material Topics	P.13

GRI Standards	Disclosure Items	Corresponding Chapter	Page/description omitted	
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	5.1 Sustainability Governance	P.111	
	2-18 Performance evaluation of the highest governance body	5.1 Sustainability Governance	P.111	
	2-19 Remuneration policy	5.1 Sustainability Governance	P.114	
	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	3.1 Workplace Empowerment 5.1 Sustainability Governance	P.79 P.119	
	2-26 Mechanisms for advice and concerns	5.1 Sustainability Governance	P.120	
	2-27 Regulatory Compliance	5.1 Sustainability Governance	P.119	
	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	

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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.109
Corporate Governance			
GRI 3: Material Topics 2021	3-3 Material Topics Management	Chapter 5. Governance	P.109
Operation Integrity			
GRI 205: Anti-corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	5.1 Sustainability Governance	P.120
Information Security and Customer Privacy			
GRI 3: Material Topics 2021	GRI 3: Material Topics 2021	Chapter 5. Governance	P.110
Health Promotion and Life Protection			
GRI 3: Material Topics 2021	GRI 3: Material Topics 2021	Chapter 2. Health	P.51
Sustainable Financial Investment			
GRI 3: Material Topics 2021	GRI 3: Material Topics 2021	Chapter 4. Sustainable Finance	P.89
Legal Compliance and Response			
GRI 3: Material Topics 2021	3-3 Material Topics Management	Chapter 5. Governance	P.110
GRI 419: Socioeconomic Compliance 2016	419-1 Violation of social and economic laws and regulations	5.1 Sustainability Governance	P.119

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.71
GRI 401: Employment 2016	401-1 New employee hires and employee turnover 401-2 Benefits for full-time employees (excluding temporary or part-time employees)	3.1 Workplace Empowerment, Appendix	P.76 P.164
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs		P.78 P.164
Customer Rights Protection and Service Quality			
GRI 3: Material Topics 2021	3-3 Material Topics Management	Chapter 2. Health	P.51
G4 Financial Services Sector Disclosures	FS15 Policies for the fair design and sale of financial products and services	2.2 Financial Health	P.62

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Topic	Code	Evaluation Indicator	Information Disclosed
Operational indicator	FN-IN-000.A	Number of valid insurance policies: (1)Property insurance (2)Life insurance (3)Re-insurance	<ul style="list-style-type: none"> In 2024, Cathay Life Insurance offered 48.511 million valid life insurance policies <p>Note: The number of policies only accounted for individual cases, excluding group insurance (the number of policies in group insurance is calculated based on the number of people).</p>
Information transparency and treating customers fairly	FN-IN-270a.1	Total monetary losses due to litigations arising from marketing and communication of insurance products to new/existing customers	<ul style="list-style-type: none"> 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
	FN-IN-270a.2	Customer complaint rate	<ul style="list-style-type: none"> Official Website of Cathay Life Insurance / Information Disclosure / Business Overview / Applications Acceptance Rate and Average Number of Days to Process Applications (Including Review of Claim and Non-Claim Applications Review) by the Financial Ombudsman Institution (FOI) https://www.cathaylife.com.tw/cathaylife/laws-policies/public-info/info-business
	FN-IN-270a.3	Customer retention rate	<ul style="list-style-type: none"> Market Observation Post System for the Insurance Industry / Public Information on Insurance / Single Entry Point for Inquiries / Cathay Life Insurance Co., Ltd. / Various Financial Indicators https://ins-info.ib.gov.tw/customer/Info2-12.aspx?UID=03374707
	FN-IN-270a.4	Procedures for providing customers with related product information	<ul style="list-style-type: none"> 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 / Various Insurance Products https://www.cathaylife.com.tw/cathaylife/
Integrating ESG factors into investment management	FN-IN-410a.1	Total investment assets by industry and asset class	<ul style="list-style-type: none"> Official Website of Cathay Life Insurance / Information Disclosure / Financial Status / Fund Use https://www.cathaylife.com.tw/cathaylife/laws-policies/public-info/info-financial Cathay Life Insurance's Corporate Sustainability Website / Stewardship Section https://patronc.cathaylife.com.tw/ODAB/stewardship
	FN-IN-410a.2	Incorporating environmental, social and governance (ESG) factors into investment management processes and strategies	<ul style="list-style-type: none"> Cathay Life Insurance Sustainability Report / 4.1 Responsible Investment Cathay Life Insurance's Corporate Sustainability Website / Stewardship Section https://patronc.cathaylife.com.tw/ODAB/stewardship

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Topic	Code	Evaluation Indicator	Information Disclosed
Policies that promote responsible conduct	FN-IN-410b.1	Net premium income related to energy efficiency and low-carbon technologies	N/A
	FN-IN-410b.2	Develop insurance products that promote healthy and safe lifestyles or environmentally responsible conduct	<ul style="list-style-type: none"> • Clauses on incentives related to health promotion mechanisms (e.g., premium discount, increase in insurance amount, etc.) are added to spill-over effect products, and products are priced in accordance with relevant regulations. • Cathay Life Insurance Sustainability Report/2.1 Health Promotion
Environmental exposure	FN-IN-450a.1	Most probable maximum loss of climate-related disaster insurance products	N/A
	FN-IN-450a.2	Disclosure based on type of incident and geographic region: (1)Established risk models for natural disasters (2)The total monetary loss of insurance benefits related to natural disasters for which no risk model has been established (disclosed on the basis of net reinsurance and gross reinsurance)	N/A
	FN-IN-450a.3	Describe how environmental risk is incorporated into: (1)The insurance process of individual contracts (2)Corporate-level risk management and capital adequacy ratio management	N/A
Systematic risk management	FN-IN-550a.1	Exposure to derivative financial products by type: (1)Total potential exposure to derivative financial products not in central clearing house (2)Total fair value of acceptable pledges announced by central clearing house (3)Total potential exposure to derivative financial products in central clearing house	N/A
	FN-IN-550a.2	Total fair value of securities lending collateral assets	N/A
	FN-IN-550a.3	Describe the management measures for capital and liquidity related risks of systematic non-insurance activities	<ul style="list-style-type: none"> • Auditors' Report on Consolidated Financial Statements for Cathay Life Insurance Co., Ltd. and its Subsidiaries in 2024 and 2023 - Liquidity Risk (P.152) <p>https://reurl.cc/Dq0Zke</p>

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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.121
III	Insurance companies shall establish internal rules and mechanisms to regularly review whether they comply with the requirements under the Guidelines.		P.122
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.122
	(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.122
V	(I)Identifying the financial impact of climate-related risks and opportunities on finance, businesses, products, and investments		P.124
	(II)Prioritizing climate-related risks based on materiality		P.124
	(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.132
	(IV)Reviewing and adjusting the climate-related risk management policies according to the scenario-based analysis and stress testing results		P.126
VI	(I)Risk management and monitoring		P.133
	(II)Scenario analysis and stress testing		P.126
	(III)Investment management		P.135
VII	(I)Setting indicators for the assessment and management of climate-related risks		P.146
	(II)Setting climate-related risk management targets		P.146
	(III)Setting indicators to prioritize climate-related risks based on materiality		P.146
	(IV)Considering incorporating climate-related risk management into performance indicators	P.123	

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● 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	42	926	905	64	987	373	0	0	0	0	5	7	3,309
General employees	1,779	8,543	9,473	1,331	3,625	990	0	3	0	0	43	13	25,800
Total	1,821	9,469	10,378	1,395	4,612	1,363	0	3	0	0	48	20	29,109

Note 1: This table includes personnel of Cathay Life Insurance in Taiwan and overseas.

Number of non-regular employees

Category	Female			Male			Total
	< 30 years old	30-49 years old	≥ 50 years old	< 30 years old	30-49 years old	≥ 50 years old	
Number of people	15	4	5	12	0	1	37

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	3,708	10,923	11,249	2,296	5,391	2,084	35,651
Employees of contractors	19	104	16	2	13	15	169

Note: Contract-based employees refer to salespersons.

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(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	761	965	793	566	350	43	0	0	0	0	0	0	3,478
Departures	288	465	279	200	241	31	0	0	0	0	3	0	1,504

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	2022	2023	2024
Total training hours (Hours)	Male employees	2,194,797	1,955,823	2,297,425
	Female employees	6,590,992	6,043,216	6,470,189
	Managers	914,185	863,127	716,350
	General employees	7,871,603	7,135,913	8,051,264
	Total	8,785,789	7,999,039	8,767,614
Average training hours per person (Hours)	Male employees	276	258	309
	Female employees	285	272	299
	Managers	248	248	216
	General employees	287	271	312

(V) Number of employees with disabilities

	2022	2023	2024
Number of people	297	316	344
Percentage (%)	0.95	1.06	1.17

Note: The calculation method for employees with disabilities in 2024 includes full-time and part-time employees.

MSCI's Climate VaR (CVaR) Data Usage Declaration

The MSCI Climate Value-at-Risk (CVaR) data in this report includes, but 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.

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Summary of Subject Matter Assured

No.	Subject Matter Information	Applicable standard	Page
1	In 2024, the first-year premium total income from spillover-feature insurance products was NT\$17.85 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 2024, the first-year premium total income from spillover-feature insurance products were sold by Cathay Life Insurance. <i>Note: First-year premium income refers to the income received in the first year of the insurance products during the current year.</i>	2.1 Health Promotion P.50-52,58
2	In 2024, the number of smart digital customer service users was 2.29 million, the problem-solving rate was 97.0%, and satisfaction rate was 94.6%.	Total number of usages: Total number of Smart Digital Customer Services (SDCS) usage in 2024. Problem-solving rate: Customers not contacting customer service personnel within 1 hours after using SDCS in 2024 divided by customers' total number of SDCS usage. <i>Note: Customers' total number of SDCS usage is the number of people who use SDCS and log in member account and password.</i> Satisfaction score: Number of customers who give 4 or above score divided by number of customers who give scores in satisfaction surveys in 2024.	2.2 Financial Health P.66
3	As of 2024, our total investment in low-carbon reached NT\$259.1 billion. As of the end of 2024, our total investment in infrastructure reached NT\$804.6 billion.	Cathay Life Insurance determines low-carbon investments in the following three ways: 1. Industry categories include alternative energy, building, waste resource recycling, transportation, energy-saving and efficiency industries, and natural carbon sinks. 2. The company's business items fall into above categories. 3. The investments target is on the list of green bonds on the Bloomberg platform . Cathay Life Insurance determines infrastructure investments in the following two ways: 1. The industrial categories include transportation, public utilities, social housing, environmental remediation facilities, low-carbon transition-related infrastructure, infrastructure construction, and software. 2. The company's business items fall into 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 2024.	4.1 Responsible Investment P.100-101
4	In the "Proposals Type" graphic, the percentage of Cathay Life Insurance voted in shareholders' meetings proposal type in 2024. In the "Voting Results" graphic, the percentage of Cathay Life Insurance voted in shareholders' meetings proposal type in 2024. In the "Reasons for Opposition " graphic, the percentage of Cathay Life Insurance voted in shareholders' meetings proposal type in 2024. In the "ESG Proposals Support Ratio" graphic, the percentage of Cathay Life Insurance voted in shareholders' meetings sustainability-related proposal type in 2024.	Statistics of voting results, proposals type, reasons for opposition, and ESG proposals support ratio during shareholders' meeting of investment targets attended by Cathay Life Insurance in 2024.	4.1 Responsible Investment P.98

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No.	Subject Matter Information	Applicable standard	Page
5	<p>The IT security department is in charge of the formulation of information security policies and management standards.</p> <p>Appointed an Information Security Officer.</p> <p>2 information security management and review meetings were held in 2024.</p>	<p>The information security unit Cathay Life Insurance has established.</p> <p>The total number of top executives responsible for information security.</p> <p>The total number of information security management review meetings held in 2024.</p>	5.1 Corporate Governance P.117
6	<p>In 2024, a total of 344 people with disabilities were employed, which is a number of 1.17 per 100 employees.</p>	<p>Cathay Life Insurance reported to the Taipei City Resource Center for the Disabled in January 2025 that the total number of employees with disabilities was recorded as of December 31, 2024.</p> <p>The number of employable persons with disabilities per 100 employees is calculated by dividing the number of such hires 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, 2024.</p>	3.1 Workplace Empowerment P.75
7	<p>All directors and supervisors of Cathay Life Insurance have completed the information security training courses in 2024.</p>	<p>The percentage of training records and participation in information security education and training courses for 2024.</p>	5.1 Sustainability Governance P.117
8	<p>In 2024, a total of 276 employees participated in internal ESG training courses and external conferences, with an average of 468 minutes of training per person per year.</p>	<p>The total number of people who participated in sustainability-related training and the average training hours per person each year in 2024 are calculated based on the scope of the investment team defined by Cathay Life Insurance.</p> <p>Personnel covered by the scope of the investment team defined by Cathay Life Insurance is based on the number of employees as of December 31, 2024, 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.</p> <p>The scope of sustainability-related training and training duration (in minutes) defined by Cathay Life Insurance are as follows:</p> <p>1.Climate Plus</p> <p>Cathay Life Insurance’s Responsible Investment Working Group sends out monthly sustainability Climate Plus to all investment team members.</p> <p>Total learning hours of the year =The total number of active employees in the investment team as of December 31, 2024, multiplied by the number of minutes ^(NOTE)each employee reads the Climate Plus each month for 12 months.</p> <p>2.Educational Training Courses</p> <p>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.</p> <p>Note: Estimated based on each person reading the Climate Plus for 15 minutes per month.</p>	4.1 Responsible Investment P.90
9	<p>Directors and responsible persons of Cathay Life Insurance all received CRPD-related training in 2024</p> <p>In 2024, all senior managers of Cathay Life Insurance received CRPD-related training.</p>	<p>Directors, responsible persons, and senior managers ^(NOTE)of Cathay Life Insurance all received CRPD-related training</p> <p>Note: According to Cathay Life Insurance’s internal definition, senior managers refer to executives at the level of vice president and above.</p>	5.1 Sustainability Governance P.113 3.1 Workplace Empowerment P.79

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10	<p>The financed emission indicators for various asset investment and loan portfolios in 2024 include:</p> <p>1. Inventory coverage rate:</p> <ul style="list-style-type: none"> Coverage rate applicable to the PACF methodology was 66.9%. Inventory coverage was 66.8%. Inventory coverage applicable to the PACF methodology was 99.9%. <p>2. In 2024, financed emissions from investment and loan amounted to 15,539,267 tCO₂e, and the data quality score was 2.57.</p> <p>3. In 2024, data quality score of listed equity and corporate bond was 2.3.</p> <p>4. In 2024, data quality score of sovereign bonds including LULUCF was 4.0.</p> <p>5. In 2024, data quality score of sovereign bonds excluding LULUCF was 4.0.</p> <p>6. In 2024, financed emissions of listed equity and corporate bond in the oil and gas industry, metals and mining industry, transportation industry and construction materials industry.</p>	<p>In reference to Partnership for Carbon Accounting Financials (PCAF) standards, Cathay Life formulated the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Loan Portfolios for Insurance Companies to establish its "Portfolio Financial Carbon Emissions Calculation Criteria" to compile and disclose financed emissions for each credit asset category.</p> <ul style="list-style-type: none"> Financed emissions from investment and loan portfolios: <ol style="list-style-type: none"> Except for the specific items listed below, other investment and loan portfolios are included in the calculation of Scope 1 and Scope 2 categories: <ol style="list-style-type: none"> For sovereign bonds, only Scope 1 category is calculated. Financed emissions of listed equity and corporate bond in the specific industries will be separately calculated for Scope 3 category. The carbon emissions in metric tons of CO₂ equivalent (tCO₂e). <p>Cathay Life Insurance strives to use the "latest obtainable emissions data or estimation data for Scope 1, Scope 2 and the specific industries Scope 3 categories":</p> <ol style="list-style-type: none"> Latest obtainable emissions data or estimation data for Scope 1, Scope 2 and the specific industries Scope 3 categories includes: <p>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.</p> 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, 2024, conducted an inventory of listed equities, corporate bonds, unlisted equities, commercial real estate investments and sovereign bonds 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, 2024, 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. Definition of the specific industries: oil and gas, metals and mining, transportation, and construction materials industries. Inventory coverage rate: <ol style="list-style-type: none"> 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}. 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}. 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. <p>Note: The total investment and financing positions sourced from the Cathay Financial Holding Co., Ltd. 2024 fourth quarter institutional investor conference, specifically the total investment amount of Cathay Life Insurance's asset allocation.</p>	<p>1.1 Low-Carbon Economy P.30-35</p>

● Independent Limited Assurance Report



Independent Limited Assurance Report

To Cathay Life Insurance Co. Ltd. PWCM24000764

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 2024 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 aforementioned Identified Key Performance Indicators is set out in the "Boundaries and Scope of this Report" of the Sustainability Report.

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 is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission 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 Company on proxy data. As there are currently no legislative requirements or regulation prescribing the preparation, disclosure and verification of the Company's Portfolio Financed Emissions, the Portfolio Financed Emissions needs to be read and understood together with the portfolio financed emissions calculation criteria designed by the Company.

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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 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 Financed 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 selective basis, including inquiries, observation, inspection, and reperformance to obtain evidence for limited assurance.

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. Furthermore, our assurance does not extend to information disclosed in the Sustainability Report for the period ended December 31, 2023 or prior periods.



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.

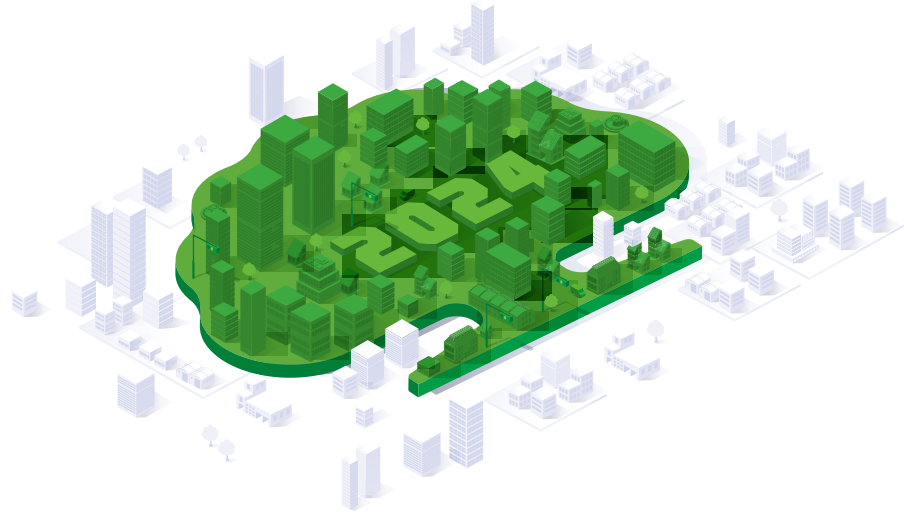
Chao, Yung-Chieh

CHAO, YUNG-CHEIEH

Partner
For and on behalf of PricewaterhouseCoopers, Taiwan
28 August, 2025



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Cathay Life Insurance



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