國泰世華銀行
Cathay United Bank

2024 SUSTAINABILITY REPORT

Cathay United Bank

國泰世華銀行
Cathay United Bank

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About this Report

Cathay United Bank Co., Ltd. (hereinafter referred to as CUB, the Bank, or we) envisions becoming a leading brand in sustainable finance. We are actively advancing towards assisting in the sustainable development of the environment and society, and continuously leveraging the influence of financial institutions to fulfill corporate social responsibility. The Bank adheres to the core values of "Integrity, Accountability, and Innovation" established by Cathay Financial Holdings Co., Ltd. (hereinafter referred to as Cathay FHC or the Group). The Bank aims to convey the idea of sustainable development and specific execution outcomes to various stakeholders through this Sustainability Report (hereinafter referred to as this Report).

This Report aims to showcase our practices in the field of sustainability. In the future, the Bank will regularly publish sustainability reports annually, continuing to disclose our relevant actions and contributions to the Environmental (E), Social (S), and Governance (G), and sustainable development.

Reporting Period

This report primarily covers the period of the year 2024 (from January 1, 2024, to December 31, 2024). Some content will include historical information and mention achievements in 2025, duly noted within relevant sections. This report will be published annually in August, starting in the future, to provide more valuable information, facilitating ongoing understanding and participation by all stakeholders and the general public in CUB's journey toward sustainable development.

Reporting Boundary and Scope

This report covers all operational locations of CUB. The financial information revealed in this Report aligns with the Bank's consolidated financial statements, with relevant statistical figures calculated based on international standard indicators and presented in New Taiwan Dollars. Any special disclosure requirements that may result in differences between the content of this report and the disclosures in the consolidated financial statements will be noted in each section, specifying the scope and calculation methods. Any data that has been recompiled due to adjustments in defined boundaries, calculation methods, or data sources will be detailed in the relevant sections.

Reporting Principles

This report follows the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Version 2021, and aligns with the United Nations Sustainable Development Goals (SDGs). CUB actively responds to both domestic and international sustainability trends, referencing the "Operating Procedures for Listed Companies to Compile and Report Sustainability Reports" issued by the Taiwan Stock Exchange Corporation, Sustainability Accounting Standards Board (SASB) standards, and recommendations for disclosure from the Task Force on Climate-related Financial Disclosures (TCFD) under the Financial Stability Board (FSB). Additionally, this report adheres to Sustainability Reporting Standards under International Financial Reporting Standards (IFRS) S1. Any restatements of information in this report will be explained in the corresponding sections. The financial performance data in this report has been verified by Deloitte and is publicly available in the annual shareholder meeting report. Non-financial performance data in this Report is based on information reported by associations, regulatory agencies, or data verified by external units of management system certification.

Audit and Assurance

CUB engaged PwC (PricewaterhouseCoopers) to perform independent limited assurance on selected sustainability performance indicators reported according to the GRI Standards. This assurance was conducted in accordance with Statement of Assurance Engagement Standards No. 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' issued by the Accounting Research and Development Foundation of the Republic of China (which references ISAE 3000 (Revised)). The limited assurance report is included in the appendix of this report.

Feedback

If you have any feedback on this report or suggestions for our sustainable development initiatives, we sincerely welcome your guidance and opinions.

- **Responsible Unit:** International Credit Risk Management Department
- **Phone:** 02-8722-6666
- **Email:** EP/ESG.Team@cathaybk.com.tw
- **Contact Address:** No. 7, Songren Road, Xinyi District, Taipei City
- **Sustainability Website:** https://www.cathaybk.com.tw/cathaybk/csr/index.html

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Sustainable Development Milestones

2001

In response to the diversification and globalization of the financial industry, as well as the formulation of domestic financial institution acquisition and integration regulations, Cathay Financial Holdings Co., Ltd. was officially established on December 31, 2001, with a registered capital of 120 billion.

2002

The First Trust and Investment Co., Ltd., restructured as Cathay Commercial Bank, and United World Chinese Commercial Bank, founded in 1975, joined Cathay FHC successively, becoming two wholly owned subsidiary banks under the holding company. Combined with diversified financial institutions such as insurance, securities, and banks, Cathay FHC has established a comprehensive platform for financial products and services.

2003

Officially changed the name to Cathay United Bank Co., Ltd.

2007

On January 1, 2007, as the record date, the Bank completed a merger with the Lucky Commercial Bank. Additionally, for continued growth, on December 29, 2007, we purchased and assumed specific assets, liabilities, and operations of the China United Trust & Investment Co. from the Central Deposit Insurance Corporation. Following the merger, the number of domestic branches continued to increase.

2013

CUB established the first solar-power branch in Taiwan.

2015

In March 2015, CUB decided to adopt the Equator Principles, an international environmental financing framework, and became the first signatory in Taiwan. Subsequently, we set management guidelines, standard procedures of loan approval and review.

2016

In March 2016, we facilitated Taiwan's first offshore wind power financing project compliance with the Equator Principles. Furthermore, we have been evaluating and pursuing international project financing opportunities in the Asia-Pacific region with the objective of becoming an international benchmark bank for sustainability.

2018

- In December 2018, CUB became the first bank in Taiwan to announce its voluntary compliance with the United Nations' Principles for Responsible Banking (PRB). In light of this commitment, CUB has endeavored to demonstrate its resolve and fulfill its obligations by integrating the PRB into its core competencies. CUB has reinforced its commitment to sustainability and corporate social responsibility. We will continue to pursue the deepening of our corporate sustainability initiatives, translating our commitment into concrete actions with the objective of fulfilling the corporate social responsibility of the financial industry. By assisting Taiwan's industries and international benchmark enterprises, we endeavor to facilitate mutually beneficial development of both the economy and the environment, thereby fostering prosperity for businesses, society, and the environment alike.
- We are the first financial institution globally to have successfully completed the ISO 20400: 2017 Sustainable Procurement Guidance audit.

2021

- In February 2021, CUB also became the first bank in Taiwan to obtain limited assurance about its PRB implementation from an accounting firm.
- A zero-coal financing policy and timeline were established with the objective of eliminating financing for coal-related industries by the first quarter of 2027.
- Cathay FHC has declared its alignment with the global RE100 initiative (100% renewable energy), thereby demonstrating its commitment to climate action. By the year 2030, all business locations in Taiwan of the company aspire to achieve 100% renewable energy usage. By the year 2050, the company aims to achieve net-zero carbon emissions.
- CUB is the first financial institution in Taiwan to obtain dual certifications of Carbon Footprint Label and Carbon Reduction Label for "personal unsecured loan service. "

2022

- The Science Based Targets initiative (SBTi) approved Cathay FHC's goals for reducing carbon within its operations and financial assets.
- Cathay FHC became the first RE100 member in the financial sector in Taiwan.
- We have intensified our dedication to sustainable governance by integrating the remuneration of our Presidents and senior executives with sustainable performance metrics.

2023

- CUB is the first financial institution in Taiwan to obtain dual certifications of Carbon Footprint Label and Carbon Reduction Label for "personal housing loan service."
- CUB obtained the carbon footprint verification (ISO 14067 : 2018) of "Coin Deposit/ Payment Services at Multi-Function ATM" in 2023.
- CUB published the Executive Work Report on ESG and Climate Risk Management.
- In May 2023, the Sustainable Development Committee was established under the Board of Directors.

2024

- CUB ranked as a leading bank in the FSC's Sustainable Finance Evaluation for two consecutive years (top 20% in 2023 and top 25% in 2024).
- With outstanding financial services and innovation, CUB received five awards at The Elite Awards: Best Personal Trust Finance (Outstanding), Best Green Finance Project (Outstanding), Best Wealth Management (First Prize), Best Consumer Banking (First Prize), and Financial Inclusion Promotion Award - Fraud Prevention (Special Award).
- Obtained ISO 14067 Carbon Footprint Verification and Carbon-Footprint Label for "Online Credit Card Applications."
- PAS 2060 carbon neutrality certification for HQ and three green branches.
- Implemented internal carbon pricing for operations.

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Climate

- **Number of solar-power sites and installed capacity:**
  The establishment of **11** **solar-power sites**, with a total installed capacity of **395.14** **kW**, by CUB is indicative of the Bank's practical experience and leadership position in the field of renewable energy.
- **The scale of green procurement and green energy usage:**
  In 2024, the total value of green purchases reached **440** **million**. Furthermore, CUB's total consumption of green energy, including distributed green electricity and renewable energy certificates, reached approximately **20.85** **million kWh**, which is indicative of the Bank's dedication to green supply chains and the implementation of effective measures to reduce its carbon footprint.
- **Effectiveness of digital financial tools promotion:**
  Through the promotion of digital financial tools, achieved savings equivalent to **306.35** **million sheets of paper** in 2024, highlighting our emphasis on efficient resource utilization.
- **Carbon Credits Trading Fund Trust Service:**
  In response to the establishment of the Taiwan Carbon Solution Exchange by the end of 2023, the Bank has developed the "**International Carbon Credits Trading Fund Trust Service.**" We have integrated the payment and settlement mechanism, assuming the role of a clearing bank, to enhance the international carbon trading mechanism. Our aim is to empower customers in their carbon reduction efforts and drive industries towards low-carbon transformation as a priority.

Health

- **Fraud prevention:**
  The Bank considers anti-fraud efforts as a top priority, demonstrating unwavering commitment to financial security. According to statistics from the National Police Agency, for two consecutive years in 2023 and 2024, **CUB led the industry in number of intercepted fraud at bank counters.**
- **Enhancement of financial literacy:**
  CUB's Financial Health Initiative has demonstrated significant impact. The bank produced 9 videos in the "Please Support Financial Management" series, which have accumulated **5.78** **million** views.

Empowerment

- **Social responsibility investment:**
  In 2024, CUB's expenditure on public welfare projects reached **23.33** **million**, reflecting the Bank's active engagement in fulfilling its social responsibilities.
- **Volunteer service hours:**
  In 2024, employees contributed **6,556.5** **hours** of volunteer service, demonstrating their enthusiasm and dedication to community service.

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Sustainability Awards and Recognition

In 2024, CUB received several important awards for its efforts in sustainable development and corporate social responsibility. These awards recognize the Bank's achievements in business innovation, customer service, social contributions, and environmental protection. They also motivate us to keep improving and striving towards our sustainable development goals.

2024 Sustainability Awards

Financial Supervisory Commission R.O.C. (Taiwan) (FSC)

Sustainable Finance Assessment
- Ranked in the top 25%

2024 Financial Education Contribution Award
- Best Collaboration Award (Excellence Award)

Taiwan Academy of Banking and Finance

The Elite Awards for Taiwan Banking Excellence
- Best Personal Trust Finance
- Best Green Finance Project
- Financial Inclusion Promotion Award - Fraud Prevention (Special Award)

Taiwan Institute for Sustainable Energy (TAISE)

Taiwan Sustainable Investment Awards (TWSIA)
- Model of Influential Institution

2024 17th Taiwan Corporate Sustainability Awards (TCSA)
- Talent Development Leadership Award
- Information Security Leadership Award

Ministry of Environment

6th National Enterprise Environmental Protection Award
- Silver Award

Wealth Magazine

2024 Taiwan Financial Award
- Impact Investment Trust, Excellence Award

Asian Banking & Finance

2024 Retail Banking Awards
- Fraud Initiative of the Year - Taiwan

Enterprise Asia

Asia Responsible Enterprise Awards
- Social Empowerment

The Asset

2024 Triple A Sustainable Finance Awards
- Best Sustainability-Linked Loan – Private Equity
- Best Syndicated Loan

2024 Triple A Sustainable Infrastructure Awards
- Renewable Energy Restructuring Deal of the Year

The Stevie Awards

The Stevie Award for Great Employers
- 2 Gold, 1 Silver, and 2 Bronze awards, a total of 5 awards

CTgoodjobs

Best HR Awards 2024
- Employer of the Year Award
- Top Happiest Culture Award
- Best Corporate Wellbeing Program Award
- Best ESG Award

HR Asia

Asia Best Companies to Work for in Asia Singapore 2024
- HR Asia Best Companies to Work For in Asia Awards 2024
- HR Asia Diversity, Equity and Inclusion Awards 2024
- HR Asia Sustainable Workplace 2024
- HR Asia Most Caring Company Awards 2024

Hong Kong Quality Assurance Agency (HKQAA)

2024 Green and Sustainable Finance Awards
- Outstanding Award for Green and Sustainable Loan Structuring Advisor (Taxtile Industry; Water Industry) - Visionary Sustainability-linked Loan Performance Metrics
- Leadership Award For Green and Sustainable Development
- Strategist Award For Green and Sustainability Finance Development

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Message from the Chairman

With the global political and economic landscape shifting rapidly, sustainable development has become critical for corporations as they advance into the future. In 2024, in alignment with GRI, SASB, IFRS S1 guidelines, Cathay United Bank published its first sustainability report for the year 2023, sharing our diverse efforts across all ESG dimensions. This not only demonstrated our commitment to engaging proactively with all stakeholders but also earned us the Gold award for Asia's Best Sustainability Report (First Time) at the Asia Sustainability Reporting Awards 2024.

As a member of the Coalition of Movers and Shakers on Sustainable Finance, Cathay United Bank has always upheld the principle of creating shared value with society. We have embedded sustainability into our daily operations and strategic planning as we strive to leverage our core financial capabilities to drive positive impact. To such ends, we have inherited the three core themes central to Cathay Financial Holding's (Cathay FHC) sustainability strategy blueprint: "Climate," "Health," and "Empowerment," seeking to entrench and enforce these priorities into all businesses and management across our bank.

Looking back at 2024, in the "Climate" dimension, we continued to cultivate a "low-carbon economy" and promote "environmental sustainability." In September, we launched Asia's first "sustainability-linked payroll services," which offering service fee discounts based on clients' sustainability performance and encourages corporate clients and customers to take sustainability action. We continued to promote sustainability-linked loans and green loans, with outstanding sustainable loan balances reaching NT$74.5 billion by the end of 2024 – a 21% growth from the previous year. During the same time, we reached out to internal and external authorities to collaborate and develop diverse sustainable financial products and services, reinforcing our role as a trusted partner on their transition journeys.

For the "Health" dimension, our mission was to support our customers and all levels of stakeholders achieve "financial health" and "physical and mental health. "To this end, we assembled cross-functional anti-fraud task forces to safeguard the public's assets. Our efforts culminated in us leading the industry in amount of potential fraud intercepted at bank counters and accuracy rate for early credit card scam detections. To promote our employee's physical and mental well-being, we also supported the group's "Every Step Counts" charity campaign with our own "Step into Health, Walk into Happiness!" event and other related lectures. These were complemented with robust EAP services to further ensure our employees and their families can enjoy a balanced life.

In the "Empowerment" Dimension, Cathay United Bank focused on "career empowerment" and "social impact." Internally, we organized several training courses and collaborated with external institutions to bolster our employees' professional competencies. In 2024, we organized a Chartered Sustainable Finance Manager (CSFM) training program aimed at raising sustainability awareness and sustainable finance competencies for all employees, with a remarkable 99% pass rate among participants. In addition, we continue to recruit and train interns, bridging students into the financial sector. We also collaborated with the Cathay United Bank Foundation to support 5,854 underprivileged students and sponsor 17 sports teams.

In response to international trends and regulatory requirements, we continued to enhance our sustainability efforts. In 2024, we introduced an internal control system for sustainability information, embedding rigorous sustainability governance across multiple dimensions to ensure the integrity and accuracy of our disclosures. Our work has been recognized by domestic and international institutions: we ranked in the top 25% of banks in a Sustainable Finance Evaluation, won the National Enterprise Environmental Protection Award, the ASRA Gold Award, and the Stevie Awards for Great Employers, among others.

Looking ahead, Cathay United Bank will uphold the spirit championed by Cathay FHC of "Better Together" as we uphold "corporate sustainability" and strive to ensure the interests of shareholders, employees, and various stakeholders. We will continue to leverage our core financial functions to drive impact in the hope of creating shared prosperity and common good with our society.

The Chairman of CUB:
MingJian Kuo
郭明鑑



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1

Blueprint of Sustainable Strategy

1.1 About CUB

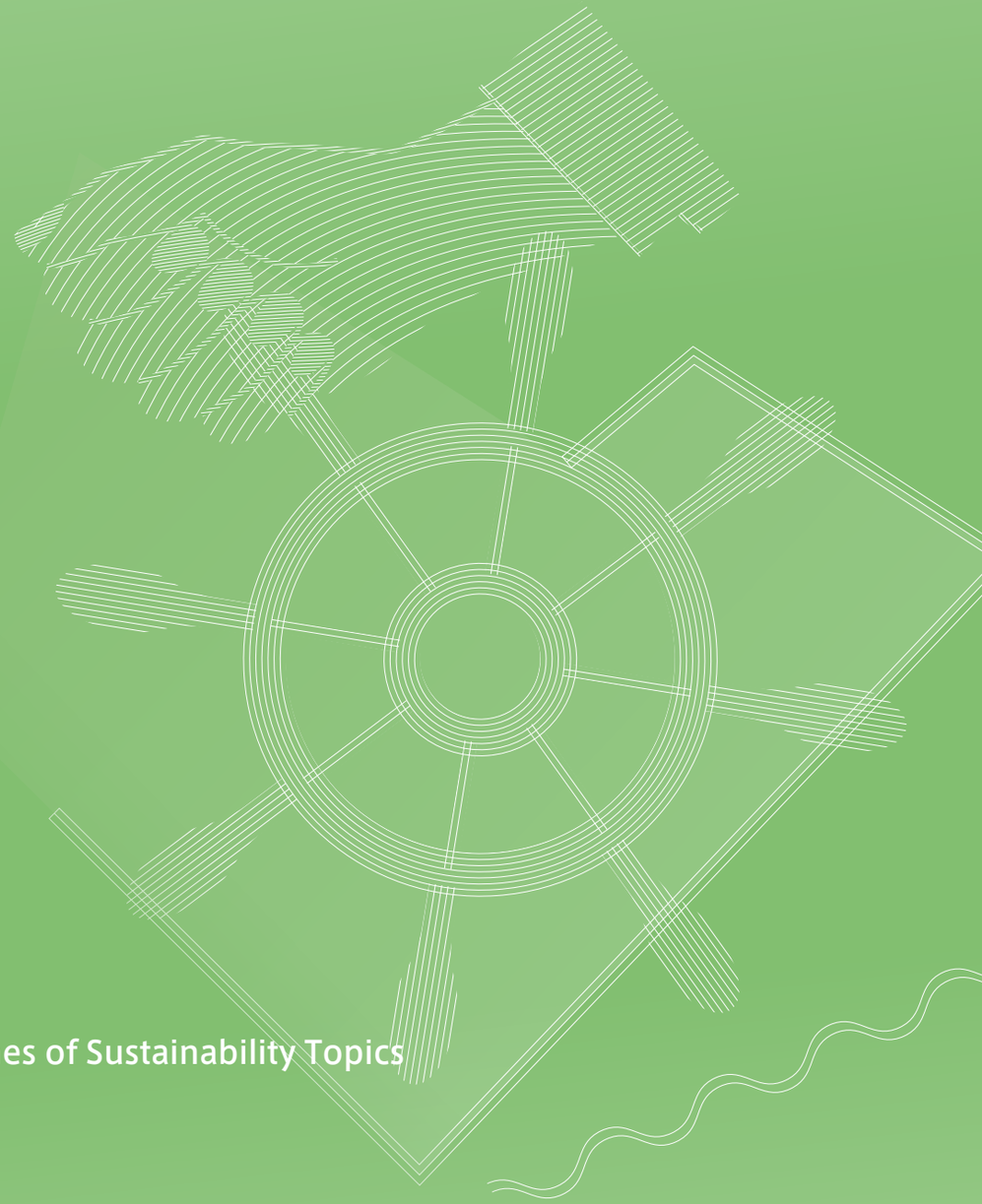
1.2 Focus Areas for Sustainable Strategy

1.3 Stakeholder Identification and Communication

1.4 Material Sustainable Issues Identification

1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics

1.6 The Targets for Sustainability Issues



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1.1 About CUB

As a significant member of Cathay FHC, CUB is dedicated to providing comprehensive and diverse financial services to its customers, leveraging its deep expertise and experience. As a large private bank in Taiwan, CUB achieved a profit of 38.3 billion in 2024, demonstrating robust financial health and excellent management. CUB has one of the most extensive networks among Taiwan-funded banks in the ASEAN region, with branches or offices in Singapore, Vietnam, Malaysia, Philippines, Myanmar, Laos, Cambodia, Thailand, and Indonesia.

The Bank's extensive network of 67 overseas locations enables it to offer localized services and comprehensive cross-border financial solutions to meet customers' needs in funding, investment, and risk management. It assists businesses in enhancing their international competitiveness by tapping into local customer bases and Taiwanese multinational corporations, strengthening cross-border cooperation platforms, engaging in syndicated lending, strategic participation loans, and direct lending, promoting green energy project financing, and developing robust corporate financial solutions. CUB assists its customers in developing Taiwan's market while establishing a global presence.

Introduction of CUB

Headquarters location	No. 7, Songren Road, Xinyi District, Taipei City
Date of Establishment	Officially established on January 4, 1975
Chairman	MingJian Kuo
President	WeiZhang Li
Industry	Publicly-traded finance and insurance industry
Amount of Paid-In Capital	120,113,138,660
The Total Number of Operating Locations	165 domestic branches 67 overseas locations
Number of Employees	11,537 Note
Participation of Important External Associations	・The Bankers Association of the Republic of China ・The Equator Principles Association (renamed Equator Principles Limited as of January 2024)

Note: The number of employees includes overseas employees, excluding contract employees.

Distribution map of CUB's operating locations



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1.1.1 Overview of Operations

In response to international market fluctuations and the changing opportunities brought about by climate change, the Bank will accelerate business development in three major areas: new retail, new fintech, and new markets. This will be driven by digitalization and intelligence. The Bank will pursue this growth under the customer-centric vision of "One Bank." At the same time, we will continue to lay the groundwork in talent development, information technology, risk management, and sustainable operations, advancing towards the goal of "expanding across the Asia-Pacific region and tackling new challenges."

The Bank will allocate and plan overall funds optimally, taking into account factors such as market conditions, economic fluctuations, interest rate trends, and historical experience, to devise business priorities and growth targets. We provide regular updates to the Board of Directors on business performance, enabling them to oversee operational outcomes.

Operating Performance in the Last Two Years (Thousand)

Item	2024	2023	Growth rate
Total Assets	4,606,285,032	4,233,700,808	8.80%
Total Liabilities	4,306,237,002	3,957,835,133	8.80%
Total Shareholder Equity	300,048,030	275,865,675	8.77%
Profit before Tax	46,770,404	36,069,193	29.67%
Income Tax Expense	8,429,626	7,102,387	18.69%
Profit after Tax	38,340,778	28,966,806	32.36%
Direct Economic Value	107,822,105	86,897,830	24.08%
Economic Value Distributed	60,269,887	52,854,062	14.03%
Economic Value Retained	47,552,218	34,043,768	39.68%

Profitability in the Last Two Years

Item	2024	2023	Growth rate
Return on Assets	0.87%	0.71%	22.54%
Return on Equity	13.31%	11.19%	18.95%
Earnings per Share (Dollar)	3.15	2.40	31.25%

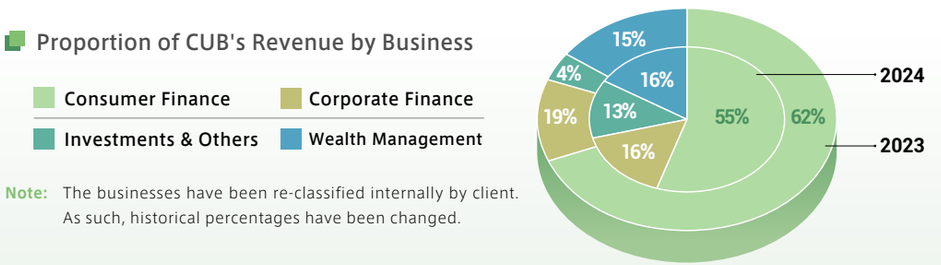
The Bank is fully compliant with all tax regulations in all operational jurisdictions, adheres to the highest international tax standards, and ensures accurate and timely tax reporting to fulfill all tax obligations. In accordance with the tax governance policy of Cathay FHC, it ensures the effective operation of tax management mechanisms, refrains from tax avoidance through low-tax jurisdictions or tax havens, and honestly pays taxes in value-creation areas. Tax information is disclosed to stakeholders on a regular basis through public channels.

As the second-largest privately-owned bank in Taiwan and the Taiwanese bank with the most extensive operational presence in the ASEAN region, we are dedicated to providing comprehensive financial services to meet the diverse needs of individuals and businesses. Our services encompass a comprehensive range, including wealth management, consumer finance, corporate finance, international finance, electronic finance, trust services, investment, and financial product sales. In addition to our traditional banking services, we are at the forefront of financial innovation, demonstrating our competitiveness and growth potential in various financial fields.

Overview of CUB's Services

By Business	Brief Description of the Service Item
Wealth Management Business	Provide clients financial management, insurance and asset allocation planning.
Consumer Finance Business	Provide foreign exchange deposit and loan business.
Corporate Finance Business	Include corporate finance, project loans, joint loans, trade finance and other services.
International Finance Business	Provide a full range of financial services for overseas customers.
Electronic Finance Business	Optimize ATM functions and facilitate branch automation.
Trust Business	Involve mutual funds, real estate trusts, individual and corporate trusts and custody businesses.
Investment and Financial Products Sales Business	Selling derivative financial products and bonds, as well as providing related advisory services.
Credit Card Business	Issuing credit cards and processing credit card revolving credit and cash advance transactions.
Financial Payment Business	Include special store acquiring and emerging payment services.
Digital Banking Business	Lead digital financial services, including smart investing.
Overseas Business	Provide cross-border financing, cash management and high-end private banking services.

Proportion of CUB's Revenue by Business



Note: The businesses have been re-classified internally by client. As such, historical percentages have been changed.

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1.1.2 Sustainable Development Committee

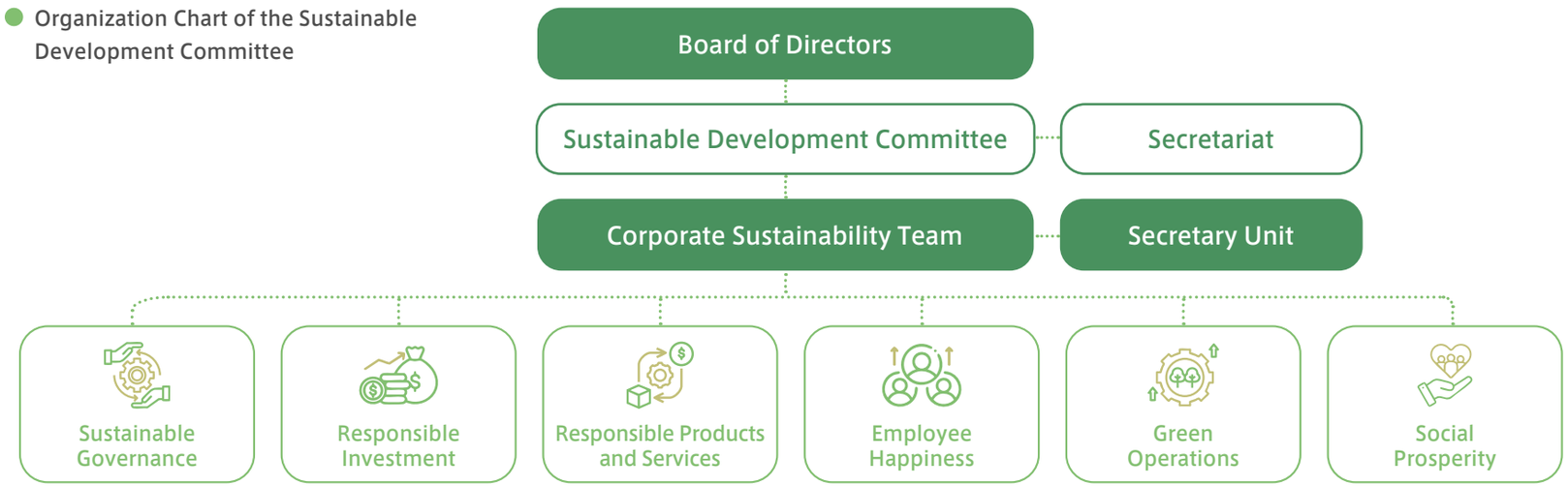
In 2023, the Bank established the Sustainable Development Committee as the core organization to realize our corporate sustainability vision. We implemented the "Sustainable Development Committee Organizational Regulations" to demonstrate our firm determination to promote sustainable finance and enhance our competitiveness in the field of sustainability development. The current Sustainable Development Committee is a functional committee under the jurisdiction of the Board of Directors, with the Chairman of the Board serving as its chairman. The committee's responsibilities include formulating and revising annual plans and strategic directions for sustainability development, defining sustainability projects and activity plans, convening meetings at least quarterly to track and review the implementation effectiveness of sustainability development plans and projects, and reporting to the Board of Directors. As the highest guiding and supervisory body for the Bank's sustainability development initiatives, the Board of Directors leads the Bank in implementing corporate sustainability principles and policies from top to bottom, actively promoting comprehensive sustainable development.

The Sustainable Development Committee has established the "Corporate Sustainability Team (CS Team), " chaired by the president, to oversee and supervise related matters. The task force serves as the primary organizational unit responsible for promoting corporate sustainability within the Bank. Through the Environmental(E), Social(S) and Governance(G) dimensions, the task force implements sustainable development initiatives. The Corporate Sustainability Task Force convenes quarterly meetings and regularly reports on sustainability work plans and execution results to the Sustainable Development Committee.

The CS Team is further subdivided into six sustainability task groups, each with a specific mission. The following areas are covered by the task force: sustainability governance, responsible investment, responsible products and services, employee happiness, green operations, and social prosperity. Each department participates in different task groups according to its functions. These groups are responsible for implementing the annual plans and strategies adopted by the committee and developing execution plans. In addition to regularly reviewing the implementation of action plans, it also establishes and plans business objectives and budgets to ensure that executing units receive corresponding resources.

Moreover, key objectives are included in the annual KPIs of executives at the level of Vice President and above to ensure alignment of action execution with goals. This approach advances sustainability development work related to the Bank's corporate sustainability vision of "Leading Green Finance, Co-creating a Sustainable Future," thereby realizing and strengthening the Bank's corporate social responsibility efforts.

Organization Chart of the Sustainable Development Committee



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1.2 Focus Areas for Sustainable Strategy

In line with Cathay FHC's vision of "Best Financial Institution in Asia Pacific," CUB consistently integrates the concept of corporate sustainability into its core operations. By leveraging our financial influence and implementing effective risk management strategies, we are driving the advancement of sustainable finance. Additionally, CUB is actively supporting Cathay FHC's three sustainability themes of "Climate, Health, and Empowerment." To such ends, we've established a sustainability strategies, blueprints, and planning task forces to promote low-carbon economy, environmental sustainability, health promotion, financial health, workplace empowerment, and social empowerment in reference to the UN SDGs.

CUB is the first financial institution in Asia to collaborate with the CDP (formerly known as the Carbon Disclosure Project) to promote the participation of domestic small and medium-sized enterprises in its Carbon Disclosure Rating Project. AS Cathay FHC is the first RE100 member in the entire Taiwan financial industry, CUB has committed to full renewable energy usage (100% renewable energy across all CUB locations in Taiwan and 60% across global locations) by 2030 and net zero emissions by 2050.

CUB offers individuals the opportunity to entrust a range of assets for specific purposes, ensuring the safe inheritance of assets. We are the only financial institution to have been honored with the Best Trust Financial Award at the Elite Award six times. At the same time, we concentrate on external social welfare initiatives and internal talent transformation programs. These efforts ensure that employees can adapt to changes in the external environment and align with the standards of international benchmark enterprises.

Corresponding Table of the Focus Areas and Development Goals of the Sustainability Strategy and the Corresponding SDGs

	Summary of Development Goals	Chapters
Climate In the face of the challenges of climate change, the Bank has set a 2050 net-zero emission target, participated in global initiatives and actively negotiated with customers through low-carbon economy and environmental sustainability strategies, and strengthened sustainable development partnerships. The Bank has introduced green operation management thinking in the daily management process, using green electricity and environmentally friendly decoration to move towards a zero-carbon operation future.	**Net zero emissions from financial assets by 2050** 1. The Bank has set scientific and quantifiable decarbonization targets as well as a zero-coal financing goal to promote the low-carbon transformation of financial assets, steadily implementing the target of net-zero emissions from financial assets by 2050. 2. Set science-based carbon reduction targets (SBT): Establish carbon reduction pathways for investment and financing portfolios based on emission and impact basis; at the same time, use impact basis to promote investment targets and loan customers in general manufacturing, semiconductor, oil and gas, petrochemical, and electronics manufacturing industries. Establishment of a target of 45% of the loan portfolio by 2026. 3. The Bank is also withdrawing from financing coal-fired power generation and promoting financing for natural gas and renewable energy to achieve the goal of "zero coal financing" by the end of the first quarter of 2027, when all coal credit limits will be reduced to zero.	2.2.3 Net-Zero Emissions from Financial Assets By 2050
	Provide Comprehensive Climate Finance Solution 1. The Bank actively supports the national "Green Energy and Renewable Energy" policy through corporate lending, setting a target for the proportion of credit for renewable energy in electricity supply to reach 85% by 2025. This goal provides a tangible measure to monitor the effectiveness of the Bank's support for renewable energy lending. 2. Funds from green lending must be used for green projects such as renewable energy, energy conservation, pollution control, and natural environmental management, ensuring that the investment improves environmental benefits. 3. Through sustainability-linked loans, CUB links credit criteria (e.g., interest) with borrowers or their affiliated enterprises' sustainability performances as a way to encourage the achievement of sustainability goals. CUB's goal is to exceed hundreds of billions of New Taiwanese Dollar in sustainable loans by 2030. Note: As competent authorities place a stronger focus on socially responsible lending, CUB has also introduced the new category of social loans to our sustainable loans in 2025. As such, 2025 Sustainable Loans = Outstanding Green Loans + Outstanding SSLs + Outstanding Social Loans.	2.2.1 Sustainable Finance
	2050 Zero Carbon Operations 1. Green Energy: Promote energy transition to achieve 100% renewable energy usage for all Taiwan operational sites by 2030, and 100% renewable energy usage for all global operational sites by 2050. 2. Green Operations: Implement the "Three Workplace Strategies" (mobilize operations, digitalize services, and share workspaces) and aim to reach a total green procurement amount of 156 million by 2030. 3. Green Real Estate: Construct a low-carbon real estate ecosystem to drive industry participation in energy transition. The goal is to have 100% of renovated branches meeting environmentally friendly renovation standards by 2030, with a branch compliance rate of environmentally friendly renovation reaching 45%.	2.3 Environmental Sustainability

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The Bank takes responsibility for ensuring a safe working environment and actively organizes various health promotion activities and nutrition seminars to encourage employees to maintain physical and mental health and improve their quality of life. At the same time, we promote healthy financial concepts to the public and develop innovative digital financial products to prevent fraud, combat organized crime, and promote inclusive financial infrastructure.



Summary of Development Goals	Chapters
Financial Health 1. The target for the total assets under management entrusted to the Bank by clients is set to reach 1.64 trillion by 2025. 2. The goal for the number of elderly clients entrusting their assets to the Bank with peace of mind is to reach 1.89 million by 2025. 3. The target for the number of wealth management clients investing in funds announced in the ESG section of the Fund Information Observation Station is set to reach 22,000 people, with an investment scale of 7 billion by 2025.	3.2.2 Digital Transformation and Innovation
Financial Inclusion 1. Continuously enhance the Bank's anti-fraud capabilities, with a target of investing 30 million in education, training, and system resource optimization by 2025, actively safeguarding the security of customers' assets. 2. Continuously promote financial education for financially vulnerable groups and rural schools, with a target of reaching 2.4 million people by 2025, producing 12 youth financial education videos, organizing 10 financial education courses for rural schools and eight courses or lectures to promote trusts. 3. Provide the necessary funding for the operation and development of small and medium-sized enterprises, accompanying their growth and prosperity. The target for a loan amount is to reach 337 billion by 2025, supporting 5,700 families. **Note:** As the Central Bank's Special Accommodation Facility to Help SMEs (Program C) has concluded, existing loans under the program are now maturing and repayments are being made, resulting in the decrease in loans to SMEs.	3.2.3 Financial Inclusion
Employee Health Services 1. Continuously improve health promotion activities. By 2026, the goal is to maintain the percentage of employees with normal BMI at over 52%; by 2030, the target is to maintain the percentage at over 55%. 2. Provide effective psychological support programs for employees, by 2025, the target is to assist 80% of employees in maintaining their mental and physical health continuously. 3. Continuously maintain the effectiveness of the ISO 45001 Occupational Health and Safety Management System as a short-, medium-, and long-term goal. 4. Provide health checks for employees every two years that exceed regulatory requirements. By 2026, the goal is for 83% to undergo cancer screenings; and by 2030, the target is for 85% to undergo cancer screenings.	3.1 Physical and Mental Health

Empowerment

The Bank values the growth of its employees and provides professional skill development to empower the principles of Diversity, Equity, and Inclusion (DEI), creating an innovative and inclusive workplace. Externally, the Bank is committed to promoting financial literacy, taking action to provide quality education, reduce social inequality, and promote sustainable lifestyles to encourage responsible consumption.



Summary of Development Goals	Chapters
Enhancing Employee Skills and Workplace Support 1. Increase digital proficiency training coverage to achieve a goal of a 50% coverage rate on the theme of "AI Collaboration Skills" by 2025. 2. By 2025, the target is to achieve a 90% coverage rate for ESG sustainability programs to equip employees with the necessary professional knowledge and skills to respond to future trends. 3. By 2025, the target is to attain an 80% retention rate for employees returning from parental leave; achieve a 90% coverage rate for DEI micro-courses.	4.1 Workforce Development
Youth Empowerment 1. Enhance students' understanding of banking roles through the Cathay Seed Program (CSP) and collaborations with colleges and universities, with a target of partnering with 25 schools by 2025. 2. Through the Cathay Internship Program (CIP) initiative, provide professional training in information technology, digital finance, financial management, and operational planning for student , expanding to include 5 non-financial internship positions within the Bank by 2025. 3. Offer programming language courses and practical training to individuals from non-traditional IT backgrounds to develop their programming skills, aiming to have 250 interns by 2025.	4.2.1 Youth Development
Supporting the Underprivileged 1. By 2025, aim to serve 10 rural elementary schools, with a cumulative total of 35 served by the end of the year. 2. Achieve a total of 50 person-time and a total of 400 hours of service from CUB online financial education volunteer instructors by 2025. 3. Continue the Elevated Tree Program, providing scholarships for students and sponsoring special educational programs in schools.	4.2.2 Supporting the Underprivileged

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1.3 Stakeholder Identification and Communication

The Bank has always attached great importance to the voices of stakeholders, providing diverse communication channels and mechanisms to continuously listen to, understand, and strive to meet the expectations and needs of stakeholders. This enables us to gain a deeper understanding of stakeholders' concerns regarding sustainability. Following the GRI guidelines and the AA1000 Stakeholder Engagement Standard, we adhere to four core principles of stakeholder engagement: significance, effectiveness, flexibility, and respect. We identify seven major stakeholder groups and through continuous interaction and deep engagement, strengthen trust and common interests. Together, we move forward and create a sustainable future.

Stakeholder Engagement

Stakeholder Category	Importance	Communication Frequency	Communication Channels	Communication Status
Employees	Employees are the most important asset of the Bank, which directly affects the Bank's service quality and innovation capabilities. Employee satisfaction, professional development and health and happiness are the keys to achieving sustainable business goals.	Regularly	Conduct regular employee surveys to gather feedback.	• The Bank's 2024 Employee Satisfaction Survey revealed an overall employee satisfaction score of 4.4 (out of 5). • Cathay FHC and its subsidiaries organize 4 labor-management meetings in accordance with the "Guidelines for Implementing Labor-Management Meeting" in 2024.
		Irregularly	Management regularly communicates the Bank's mission and vision to employees.	
		Regularly	Organize regular labor-management meetings to facilitate dialogue.	
		Irregularly	Arrange occupational health and safety meetings to ensure workplace safety.	
Customers	Customers are at the heart of our business, and we are committed to improving customer satisfaction and creating greater customer value by listening to their opinions and needs.	Regularly	Conduct regular surveys on customer satisfaction and the Bank's image to improve the Bank's service quality.	• The Bank's regular surveys on customer satisfaction reached 93% in 2024. • In 2024, the Bank's customer service center achieved a tNPS score of 67.1, while the CUBE App recorded an rNPS score of 37.2.
		Irregularly	Provide customer complaint channel and customer service hotline to respond quickly to customer needs.	
Suppliers	We see the sustainable practices of our suppliers as an important strategy to maintain supply chain stability and reduce environmental impact.	Irregularly	Establish a regular communication mechanism with suppliers, including face-to-face meetings and telephone communication.	• In 2024, Cathay FHC hosted an in-person supplier conference to communicate with suppliers on sustainability issues.
		Irregularly	Organize supplier ESG education, training and promotion to promote communication.	
NGO/NPO	NGOs/NPOs play a crucial role in promoting social welfare, environmental conservation, and philanthropic endeavors. Through collaboration with these organizations, the Bank has strengthened our efforts in corporate social responsibility and sustainable development.	Regularly	Regularly publish donation or payment lists and information about charitable activities on Cathay United Bank Foundation's website.	• The Cathay United Bank Foundation promotes its missions to drive education and charitable activities and compiles the Cathy Charity Group Annual Report each year.
		Irregularly	Establish partnerships with other non-profit organizations to collaborate on social projects.	
Communities	Through engagement and investment in community development, we are committed to promoting community prosperity and positive social impact.	Irregularly	Organize community service activities and encourage employee participation to fulfill the Bank's social responsibility.	• The Bank organized several volunteer activities, specifically focusing on services to NGOs and NPOs spotlighting environmental protection, older adults, the underprivileged, and those with intellectual disabilities. In 2024, CUB employees volunteered for 6,556.5 hours.
Government	The Bank is committed to creating a robust operating environment by actively responding to government policies and strictly complying with regulatory requirements.	Irregularly	Participate in seminars or briefings organized by the government and regulatory authorities.	• Cathay FHC participated in the 11th Corporate Governance Evaluation and ranked among the top 6%-20%. • The Bank signed Taiwan's Stewardship Principles for Institutional Investors. • The Bank made the List of Companies with Better Institutional Investor Stewardship Disclosure 2024.
		Quarterly	Publish audited financial reports on a quarterly basis.	
		Annually	Release sustainability reports and annual reports annually.	
Shareholders and investors	Through the pursuit of sustainable development and transparent communication, we are committed to maintaining the trust and support of our shareholders and investors.	Monthly	Publish revenue updates monthly.	• Cathay FHC hosts 8 corporate briefings (including 4 in Mandarin and 4 in English). • Cathay FHC hosts one shareholders meeting. • Cathay FHC responds to international investor ESG surveys (e.g., DJSI and CDP) each year.
		Quarterly	Host corporate briefings.	
		Irregularly	Participate in global investor conferences and forums to provide insights on important financial and business information about the Bank.	
		Irregularly	Establish an investor relations section and communication channel on the Bank's official website.	

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1.4 Material Sustainable Issues Identification

In addition to integrating feedback from stakeholders, CUB selected 16 material sustainability topics that affect stakeholders by referencing the GRI Standards, sustainability topics identified in peer benchmarking, and disclosure topics defined by SASB for the banking industry. The Bank adopts a double materiality approach, considering both financial materiality and impact materiality, to assess the effects of sustainability topics on both organizational operations and sustainable development. Under this approach, financial materiality is evaluated based on the potential impact of each topic on the Bank's business vision and financial performance, while impact materiality assesses the extent to which the Bank's operations and business activities affect external stakeholders in terms of climate, environment, and sustainability. The results of this double materiality analysis are confirmed by the CUB's Sustainable Development Committee and subsequently reported to the Board.

Material Sustainable Issues Identification Workflow



Step 01
Collect Sustainable Issues

During our day-to-day operations and communication with stakeholders, we conduct in-depth research on global sustainability disclosure standards, sustainability ratings, benchmark companies, and international trends. Through preliminary analysis, the Bank has included a total of 16 sustainability issues covering governance, environment, products and society.

Step 02
Operational Impacts

Through the questionnaire survey, the Bank guided all departments to participate in the assessment and construction of a materiality-based materiality analysis process, and distributed a materiality issue questionnaire to a total of 52 units of department heads and sustainability committees to assess the possible impact of these sustainability issues on the four operational indicators of "customer loyalty", "employee recognition", "operational risk" and "profit growth", and then identify the possible impact of these issues on the organization's operations.

Step 03
Sustainable Development Impact

When identifying key issues, we focus on areas with significant positive or negative impacts. These impacts are categorized into "actual impacts" and "potential impacts," and we consider their timing, whether long-term or short-term. "Actual impacts" refer to current, measurable, or clearly observable effects, while "potential impacts" are those that might happen in the future and carry some uncertainty. Our assessment covers economic, environmental, and human rights aspects, including profit increase, cost savings, market expansion, reduced resource consumption, pollution prevention, ecological protection, improved labor conditions, enhanced customer satisfaction, and community engagement, as shown in the upper left image on the next page.

Step 04
Sort Sustainability Issues

The Bank ranked the sustainability issues according to the attention of stakeholders and the assessment results from the perspectives of operational impact and sustainability impact, as shown in the lower left image on the next page.

Step 05
Define Material Issues

Through in-depth discussions with senior management and our sustainability team, adding the basic issue of "Green Operations" based on our sustainability strategy, we categorized the key issues into 7 key material issues, 8 focus issues, and 1 basic issue. This totals to 16 material issues, which are shown in the table below. Each year, the material issues are reported to the Board and Sustainable Development Committee before the publication of this report.

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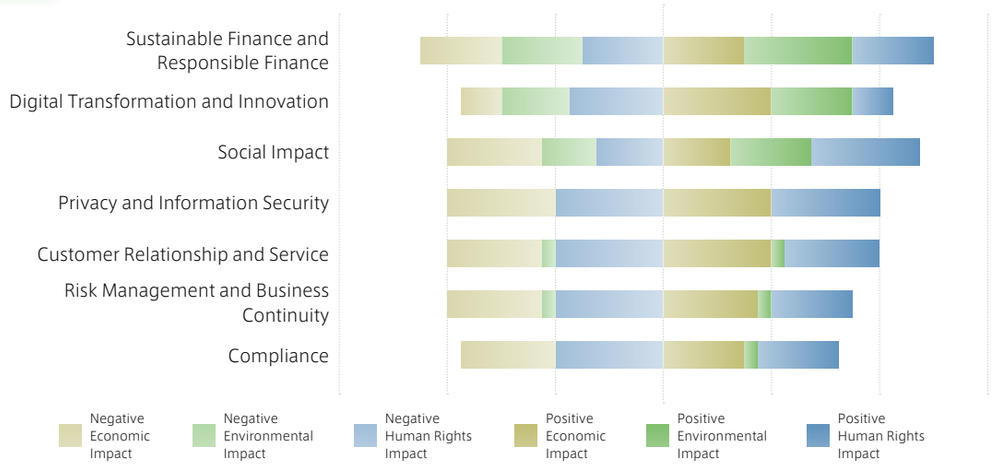
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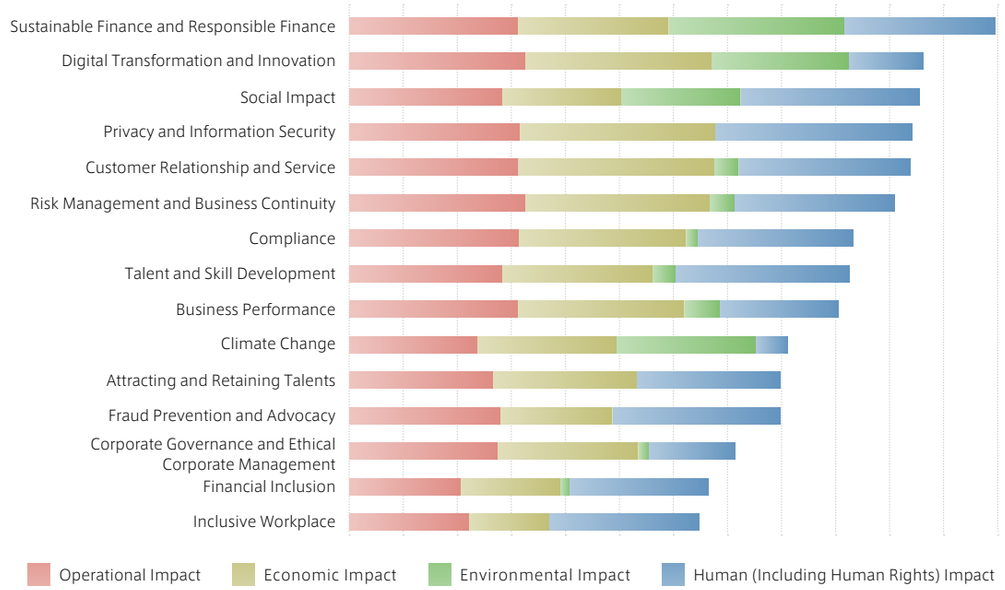
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Step 03 Sustainable Development Impact



Step 04 Prioritizing Sustainability Topics



Step 05 Material Issue Identification Results

Key Material Issues

- Sustainable Finance and Responsible Finance — P Product
- Digital Transformation and Innovation — P Product
- Social Impact — S Social
- Privacy and Information Security — G Governance
- Customer Relationship and Service — P Product
- Risk Management — G Governance
- Compliance — G Governance

Focus Issues

- Talent and Skill Development — S Social
- Business Performance — G Governance
- Climate Change — E Environmental
- Attracting and Retaining Talents — S Social
- Fraud Prevention and Advocacy — P Product
- Corporate Governance and Ethical Corporate Management — G Governance
- Financial Inclusion — P Product
- Inclusive Workplace — S Social

Basic Issue

- Green Operations — E Environmental

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1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics

For the identified key material issues with financial materiality and impact materiality, we follow the IFRS S1 sustainability standards to evaluate the risks and opportunities these issues present to the Bank. Based on the GRI guidelines, we establish management policies and set short-, medium-, and long-term targets and response measures. We will regularly review our progress and disclose it in our sustainability report, continuously improving our management policies to achieve the targets of sustainable business operations.

Key Material Issues

Sustainable Finance and Responsible Finance

Integrate ESG factors into our core business activities and work with our clients to implement sustainable value to achieve the goal of corporate and ecological coexistence and co-prosperity.

Opportunities and Risks	• Sustainable finance and responsible finance values support environmentally and socially responsible investment projects that promote environmental and social well-being. • Achieving sustainable value not only enhances the Bank's market position, but also contributes to long-term profitability, providing ongoing economic benefits to the Bank. • If invest in investments in projects with high environmental risks or low social responsibility may result in failure to value sustainable and responsible finance, as well as on the Bank's long-term profitability and market position.
Action Plans	• Incorporate ESG and climate risk management into investment and lending processes to monitor client climate performance, facilitate their transition, and strengthen engagement. • Set decarbonization targets and zero-coal financing targets to reliably progress towards net zero emissions across financial assets by 2050. • Launch green consumer loans.
Specific Performance	• Enhance the Equator Principles (EP) policy and the review mechanism for EP cases. • Plan, promote, and analyze ESG standards. • Align and manage international ESG and corporate sustainability frameworks. • Adhere to and promote the United Nations Principles for Responsible Banking.
Management Policies and Commitments	• Cathay FHC and its subsidiaries must adhere to the "Cathay FHC and Subsidiaries Responsible Investment and Lending Policy" when making investments and loans. This is to fulfill the responsibility of financial institutions to stakeholders, prudently manage environmental, social, and governance (ESG) risks, pursue long-term investment performance, leverage financial influence, promote continuous improvement in ESG performance of investment and lending targets, contribute to global sustainable development goals, and achieve sustainable society and business operations.
Management Assessment Mechanisms	• Cathay FHC and its subsidiaries have established the "Cathay FHC and Subsidiaries Policy on Prohibited Investments and Loans, " which clearly defines areas of concern, including controversial industries and countries. The Responsible Investment working group reviews companies and countries in these areas annually based on specific screening criteria, updating the "Exclusion List for Investments and Loans." Subsidiaries are required to exclude these targets from their investment and lending activities.

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Digital Transformation and Innovation

Enhancing business models and service quality through technological innovation and digital strategies.

Opportunities and Risks	• By leveraging digitalization and technological innovation, business process efficiency and customer experience can be improved, thereby enhancing market competitiveness. • Digital transformation also helps protect the environment by reducing resource consumption and improving energy efficiency, thereby reducing the Bank's environmental impact. • Lacking digital skills and innovative thinking can lead to customer churn and limited ability to innovate. • Employees whose skills lag behind digital trends can affect operational efficiency and service quality, ultimately impacting market competitiveness.
Action Plans	• Assist clients in conducting a financial health assessment and provide them with a personalized and diverse range of high-quality financial products and financial planning tools. This promotes healthy financial behavior among clients.leverage technology to continuously develop inclusive digital financial products, promote and optimize intelligent assistant capabilities, and enable customers to access financial services without the limitations of physical branches and hours of operation, thereby expanding financial accessibility and affordability.
Specific Performance	• CUB has launched a variety of innovative products such as the CUBE App, CUBE Online Banking, and Financial Service Stations, obtaining 13 invention patents. These initiatives empower customers from all walks of life to achieve their personal financial goals through personalized digital banking experiences, enabling them to take control of their future. • The Bank's digital and data-related talents now exceed 700 individuals, spanning across departments such as digital, data, and platform, bringing positive impacts to the Bank's digital transformation efforts.
Management Policies and Commitments	• CUB's digital banking services prioritize "customer experience" as the core focus. It actively participates in financial innovation policies and Fintech development, continuously playing an active role. In addition to consistently introducing diverse innovative digital services and products, it also collaborates with internal and external partners to develop various scenario-based services. This aims to create the best online and offline experiences while committing to enhancing digital security, making digital channels an indispensable part of customers' lives.
Management Assessment Mechanisms	• The board of directors of CUB encourages all relevant units to carry out business digital transformation. In addition to providing necessary assistance, they also regularly supervise the development progress and implementation status of the aforementioned projects. • Continue digital transformation to maintain uninterrupted financial services; make full use of the abundant resources of the Bank and Cathay FHC to launch new financial products and services. Through cross-device/cross-platform virtual and real integration, it provides digital cash flow services, strengthens account collection and payment functions, and becomes the main bank account of customers.

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Social Impact

Social impact includes the implementation of measures aimed at promoting the welfare of the community and protecting the environment.

Opportunities and Risks	• Actively improve strategic satisfaction and productivity among strategic partners to promote stable cooperation. Respond to customer and community needs to strengthen customer relationships and expand business opportunities. Comply with environmental protection regulations to enhance public trust and corporate reputation. • Neglecting strategic partners can lead to dissatisfaction and reduced productivity, which can affect the stability of cooperation. Ignoring customer and community needs can damage customer relationships and limit business development. Failure to comply with environmental protection regulations may result in public dissatisfaction and legal liability, affecting corporate reputation and long-term development.
Action Plans	• Promote youth self-awareness, career exploration, and skill development to bridge the gap between education and employment, equipping youth with both soft and hard skills for the workplace. Eliminate social inequalities so that everyone can improve their quality of life through their own efforts.
Specific Performance	• Java Talent Development Program：A total of 31 candidates were recruited, with a final qualification rate of 78%. The satisfaction rate of trainees in the classes was 4.9 out of 5. • CSP Internship Program：A total of 120 interns were recruited, with a conversion rate of 50%. • CIP Internship Program: A total of 33 interns were recruited, with an average satisfaction rating of 4.6 out 5 and willingness to work in the financial sector score of 4.61 out of 5. • In 2024, the cumulative volunteer hours totaled 6,556.5 hours, involving 893 individuals. • CUB continues to promote financial education and organized three financial education sessions and campaigns for rural schools in 2024. A total of 54 people participated in these sessions.
Management Policies and Commitments	• The Bank focuses on two main pillars: "Youth Empowerment" and "Supporting the Underprivileged." We support young people and people with disadvantage in acquiring knowledge and skills. By actively leveraging the Group's resources to promote sustainable actions, we are committed to advancing social sustainability and envision building an inclusive and equitable society.
Management Assessment Mechanisms	• Set annual metrics and targets and review the achievement of goals regularly. • Expanding our internship program by partnering with more schools and offering internships in a wider range of fields, while also increasing the number of participants. Additionally, we are actively working to improve the satisfaction, recommendation, and reputation of our internship program among students.

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Privacy and Information Security

Protecting customer data to prevent unauthorized access and leaks.

Opportunities and Risks	• Effectively protecting customer privacy and data security builds customer trust and reputation. • Failure to properly manage customer privacy and data security can lead to customer dissatisfaction and a crisis of confidence. Data breaches or information security incidents can result in legal action and fines, which can damage a company's reputation and subsequently affect customer loyalty and business opportunities.
Action Plans	• Mitigating the risk of malicious cyberattacks on the enterprise involves more than just strengthening information security measures in software and hardware infrastructure. It also involves mitigating and transferring uncertain risks to ensure stable business operations.
Specific Performance	• In response to the Financial Cyber Security Action Plan, the Bank has adopted the international cybersecurity management standard ISO 27001. Every half year, it commissions independent third-party organizations to verify compliance. Additionally, network security assessment tools for cybersecurity maturity assessments had been implemented, and we regularly review and improve based on assessment results. Risk transfer through cybersecurity insurance strengthens operational resilience, enhances corporate governance assessments, boosts customer and shareholder confidence, and contributes to sustainable development.
Management Policies and Commitments	• Establishing the "Information Security Policy," with the decision-making level being the Board of Directors, to be reviewed annually to ensure the confidentiality, integrity, availability, and legality of information assets.
Management Assessment Mechanisms	• 7×24 Cybersecurity Monitoring Center Service Mechanism involves multidimensional correlation analysis of cybersecurity equipment, network devices, operating systems, and other logs to provide real-time alerts and identify cybersecurity events, abnormal connections, and other behaviors. • Cathay FHC has established a cross-company "Cybersecurity Emergency Response Team" to promptly assess and control the cybersecurity situation of the Bank and its subsidiaries through event reporting and emergency response procedures. • Various scenario playbooks are developed and utilized to continuously conduct cybersecurity incident response drills. • External cybersecurity consultants and response teams are engaged to provide appropriate and professional advice and emergency response support. • Planning and construction of the zero trust framework is now completed. CUB will now be gradually adopting and rolling out the zero trust framework based on the five pillars of CISA's ZTMM. • Continuously monitored network threat trends and periodically assessed and adjusted the scope of cybersecurity insurance coverage.

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Customer Relationship and Service

Maintaining and enhancing relationships with customers by providing high-quality service is crucial, alongside ensuring the legality and integrity of marketing activities.

Opportunities and Risks	• Providing excellent customer service and effective relationship management builds trust and satisfaction, ensuring long-term business stability and success. Conducting legal and ethical marketing campaigns avoids misleading advertising and strengthens the Bank's public image and brand reputation. • Failure to maintain high standards of customer service and relationship management can lead to a decline in customer trust and satisfaction. Misleading advertising and unlawful marketing strategies can result in legal action and fines, which can severely damage the Bank's public image and brand reputation.
Action Plans	• Continue to provide fair and equitable service to customers, while continually adjusting product or service offerings to meet consumer protection standards. Customer satisfaction with the digital service experience.
Specific Performance	• Conduct training on the principle of fair customer treatment. • Reduce customer complaints this year through the customer complaint reduction plan. • Customer service center scored 67.1 points in Transactional Net Promoter Score (tNPS) (reference standard is 60 points). • CUBE APP scored 37.2 points in NPS (reference standard is 30 points).
Management Policies and Commitments	• To establish a corporate culture that values consumer protection in financial services, "Fair Customer Treatment" is designated as a core corporate culture and a key principle of the Bank. It is made a core value and behavioral guideline for all employees of the Bank. Approved by the Board of Directors, the "Fair Customer Treatment Policy" is implemented to realize a customer-centric approach. Through continuous improvement of consumer service processes, we ensure a positive customer experience, providing secure and high-quality financial services. We have established policies, strategies, and internal regulations that exceed current regulatory requirements to promote sustainable innovation and inclusive financial services. The Board of Directors serves as the highest decision-making and supervisory body for the Bank's "Fair Customer Treatment Policy. "Together with senior management, it leads the implementation of fair treatment principles in the Bank. We have set up a Treating Customers Fairly Committee, chaired by the CEO, to promote related measures and financial-friendly services in accordance with the Bank's fair treatment policy guidelines, and to report regularly to the Board of Directors.
Management Assessment Mechanisms	• Reporting to the Board of Directors every six months on the implementation of the Fair Customer Treatment Policy, and quarterly reporting review and improvement of complaint cases to the Board. • Directors and senior management lead the "Service Quality Team," introducing FinTech to enhance customer service quality. • Implement a digital platform NPS customer feedback collection mechanism to better align with customer needs. • Continuously update the implementation of the Fair Customer Treatment Policy, digital financial service processes, and privacy protection policies to comply with legal changes and adapt to the latest technological advancements. This ensures the organization's commitment to safeguarding customer rights and interests. • Utilize technology to develop inclusive digital financial products and services, catering to a diverse customer base. Enhance digital platforms and optimize smart assistant functionalities to deliver high-quality financial services, thereby expanding accessibility and affordability of financial services for all.

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Risk Management

Identify, assess, and manage various risks that may affect operations, including financial, legal, environmental, social, and corruption risks.

Opportunities and Risks	• Effective risk management strategies and procedures, including regular risk assessments and emergency response measures, ensure stable operations and long-term development of the enterprise. Good risk management helps reduce financial losses, avoid legal issues, and enhance the company's reputation and market position. • Lack of effective risk management strategies and procedures may lead to unstable operations and affect long-term development. Poor risk management can result in financial losses, legal issues, and environmental and social problems, thereby impacting the company's reputation, customer trust, and market position.
Action Plans	• Maintain sound capital adequacy and robust risk management mechanisms to achieve sustainable development goals.
Specific Performance	• The operational status meets the capital adequacy ratio target for D-SIBs. • The Risk Management Unit regularly prepares risk management reports and presents them to senior management and the Board of Directors according to internal processes.
Management Policies and Commitments	• "Risk Management Policy" is established in accordance with the Enterprise Risk Management (ERM) framework. Through the integration of the frontline, middle, and rear of defense, business units, risk management units, and audit units collaborate jointly, each fulfilling its respective responsibilities to monitor risks.
Management Assessment Mechanisms	• A Business Continuity Management (BCM) mechanism has been established, along with corresponding strategies and various backup and recovery plans, to ensure operational continuity and resilience. This enables CUB to swiftly resume critical operations in the event of a major emergency, minimizing losses and safeguarding customer interests. • Regularly conduct bank-wide stress tests and take necessary responsive measures based on the results, continuously enhancing the resilience verification mechanism for climate/natural issues (e.g., climate- and nature-related scenario analysis) to strengthen the Bank's operational resilience.

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Compliance with Legal Requirements

Comply with relevant laws and regulations, including those in labor, environment, and finance to maintain the long-term stability and development of the Bank.

Opportunities and Risks	• Effective risk management strategies and procedures, including regular risk assessments and emergency response measures, help ensure stable operations and long-term development. Sound risk management reduces financial losses, avoids legal issues, and enhances the company's reputation and market position. • Lack of effective risk management strategies and procedures may lead to operational instability and hinder long-term development. Poor risk management can result in financial losses, legal issues, environmental and social issues, ultimately damaging the company's reputation, customer trust, and market position.
Action Plans	• Establish an effective compliance system that fully embraces the importance of adhering to laws and regulations.
Specific Performance	• Conducted legal compliance awareness courses, 21 units in total. • Conducted online induction courses on compliance regulations for new employees. • Monthly conducted 15-hour annual in-service training for compliance personnel. • Conducted two training units: "Employee Code of Conduct: Guidelines on Gifts and Illicit Gains" and "Case Studies on Employee Integrity." • Organized mandatory courses on the reporting system for the entire bank in 2024. • Held domestic and international regulatory compliance supervisor contact meetings in 2024, 8 sessions in total.
Management Policies and Commitments	• "Legal compliance" is an integral part of our corporate culture and a cornerstone of our business activities. The development of our business should inevitably adhere to legal requirements and should not conflict with them. Sacrificing legal requirements for short-term gains is not an option. • "Legal compliance" is a shared responsibility among all levels of management and every employee in the Bank. Senior management should lead by example, and all levels of management and employees must understand that legal compliance is not solely the responsibility of senior management but also an everyday duty for every employee and department. Each employee should be aware that complying with relevant laws and regulations is a fundamental part of their job responsibilities. By embracing and practicing the concept of legal compliance across the organization, we can operate within a framework of sound risk management policies, ultimately leading to greater returns and creating more value for our stakeholders. • To establish a robust legal compliance system within the Bank and strengthen employees' understanding of the rule of law, we are enhancing the dissemination and education of financial laws and ethical norms. This initiative aims to ensure that our daily management and business activities consistently adhere to relevant legal requirements, thereby promoting the sound operation of the Bank. In accordance with our organizational structure and risk management policies, the Board of Directors has approved the formulation of the "Implementation Guidelines for Legal Compliance System" for the Bank. These guidelines are designed to implement legal compliance practices and continuously enhance employees' awareness of financial laws and regulations. We will optimize our legal compliance control mechanisms, both domestically and internationally, to ensure that the Bank strictly adheres to relevant legal requirements in daily management and business activities. We will maintain open communication, coordination, and collaboration with legal compliance supervisors and colleagues in various departments, adapting promptly to changes in the domestic and international economic environment and relevant financial regulation amendments. Furthermore, we will continuously strengthen the legal compliance awareness of all employees and effectively supervise the implementation of relevant internal regulations in each department. This ensures that the Bank consistently complies with relevant legal requirements in daily management and business activities, thereby promoting the sustainable operation of the Bank. Together, we are committed to realizing the vision of "everyone is responsible for legal compliance, and compliance and accountability leads to shared benefits."
Management Assessment Mechanisms	• Each unit shall conduct self-assessment of relevant legal compliance matters semi-annually based on the latest revised "Self-Assessment Checklist for Legal Compliance." At the same time, the Legal Compliance Department shall assess the effectiveness of legal compliance operations in each unit (excluding the Audit Office). The annual legal compliance assessment results, approved by the President, will serve as a reference for evaluating management and department heads. • Quarterly meetings with legal compliance officer are held to ensure that the entire organization adheres to internal and external regulations in its daily operations. • Supervise overseas subsidiaries to collect and report local legal changes and regulatory focal points monthly, assessing their impact on business operations to enable headquarters to identify legal compliance requirements and local regulatory demands for overseas subsidiaries. • Continuously track the progress of operations and management regulation updates across various units on the "Group Compliance System" to ensure that the Bank's operational activities comply with legal requirements. • Plan to adopt the "Cathay Group Regulations Database Platform" in phases and leverage AI tools to map relationships between internal and external regulations. The Platform features functions to help improve the operational efficiency of various units. Functions include daily regulatory update notifications, internal/external regulation analysis tools, and maintenance features for information relevant to internal regulations. • Implement checks on the suitability of compliance managers and personnel at overseas subsidiaries and confirm whether local compliance resources are adequate to ensure that the subsidiaries comply with local laws.

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Identification of Focused and Basic Issues

Sustainability Issues	Impacts	Management Policies
Talent and Skill Development	• Investing in the professional growth and skill development of employees to effectively adapt to rapid market changes and technological innovations.	4.1 Workplace Empowerment
Business Performance	• Financial performance, including revenue growth, cost control, and asset utilization efficiency.	1.1.1 Overview of Operations
Climate Change	• Policies and actions related to climate change, including the assessment and management of physical risks (such as loss of assets or business interruption due to natural disasters) and transition risks (such as the impact of policy changes on the business).	2.1 Climate and Nature-Related Financial Disclosures
Attracting and Retaining Talents	• Attracting and retaining key talent through effective human resource management strategies to support business objectives and long-term development.	4.1.1.2 Attracting and Retaining Talents
Fraud Prevention and Advocacy	• Prevent fraud through effective policies and procedures, as well as awareness campaigns.	3.2.1 Anti-Fraud Guard Network
Corporate Governance and Ethical Corporate Management	• Ensure transparency, accountability, and integrity in business operations through effective governance structures, diverse governance teams, and rigorous conflict of interest management.	5.1 Corporate Governance 5.2 Ethical Corporate Management
Financial Inclusion	• Provide broad and affordable financial services, especially to low-income and vulnerable groups, to promote economic inclusion in society.	3.2.3 Financial Inclusion
Workplace Diversity and Inclusion	• Promote diversity and equal opportunity in the workplace.	4.1.1.1 Diverse and Inclusive Workplace
Green Operations	• Environmental policies and practices related to workplace operations, including the use of green energy, promotion of digital workflows, and green building renovations.	2.3 Environmental Sustainability

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1.6 The Targets for Sustainability Issues

Sustainability Issues: Sustainable Finance and Responsible Finance

Items	2024 Targets	2024 Progress to Targets	Short-term Targets 2025	Mid-term Targets 2027	Long-term Targets 2030
Sustainable loans	Amount: 69.8 billion.	Achieved	Amount: 76.1 billion.	Amount: 87.6 billion.	Amount: 101.5 billion.

Note: 2024 Sustainable Loans = Outstanding Green Loans + Outstanding SSLs，2025 Sustainable Loans = Outstanding Green Loans + Outstanding SSLs + Outstanding Social Loans. (As competent authorities place a stronger focus on social loans, CUB has also introduced the new category of social loans to our sustainable loans in 2025.)

Sustainability Issues: Digital Transformation and Innovation

Items	2024 Targets	2024 Progress to Targets	Short-term Targets 2025	Mid-term Targets 2027	Long-term Targets 2030
Total invested assets managed by the Bank	1.25 trillion	Achieved	1.64 trillion	1.98 trillion	2.64 trillion
Total managed invested assets entrusted to the Bank by senior clients	470 billion	Achieved	590 billion	720 billion	960 billion
Number of senior clients	1.78 million	Achieved	1.89 million	2.15 million	2.59 million
Satisfaction with the wealth management services	Over 80%	Achieved	Over 80%	Over 80%	Over 90%
Digital Inclusive Finance Products	Maintain percentage of customers using digital services (penetration rate) at 80%.	Achieved	Maintain percentage of customers using digital services (penetration rate) at 80% and continue to optimize digital financial services, product application processes, and security.	Continue to optimize digital financial services, product application processes, and security.	Continue to consider the customer perspective and provide diverse financial services and products (continue to plan and innovate products and services and assess their feasibility and legality).
Launch innovative digital inclusive financial product or service	At least one per year	Achieved	At least two per year		

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Sustainability Issues

Social Impact

Items	2024 Targets	2024 Progress to Targets	Short-term Targets 2025	Mid-term Targets 2027	Long-term Targets 2030
Increase in the number of partner schools	23 schools	Achieved	25 schools	25 schools	25 schools
Diversify internship fields: Offer non-financial internships	3	Achieved	5	5	5
Increase in the number of internships	More than 250 interns.	Achieved	More than 250 interns.		
Course Satisfaction	More than 4 out of 5.	Achieved	More than 4 out of 5.		
Enhance the corporate identity	More than 4 out of 5.	Achieved	More than 4 out of 5.		
Willingness to work in the financial sector	More than 3.5 out of 5.	Achieved	More than 3.5 out of 5.	More than 3.5 out of 5.	More than 4 out of 5.
Willingness to recommend courses	More than 3.5 out of 5.	Achieved	More than 3.5 out of 5.	More than 3.5 out of 5.	More than 4 out of 5.
Online financial education	50 volunteer instructors served for a total of 400 hours of service.	Achieved	50 volunteer instructors served during the fiscal year, for a total of 400 hours of service.		
	10 rural schools served during the fiscal year, for a total of 25 rural schools served.	Achieved	10 rural schools served during the fiscal year, for a total of 35 rural schools served.	10 rural schools served during the fiscal year, for a total of 55 rural schools served.	10 rural schools served during the fiscal year, for a total of 85 rural schools served.
	Impacted the financial literacy of students with a score of 3 or higher.	Achieved	Impacted the financial literacy of students with a score of 3 or higher.		Impacted the financial literacy of students with a score of 3.5 or higher.
	-	-	-	-	Brand loyalty scores 4 points or higher.

Sustainability Issues

Privacy and Information Security

Items	2024 Targets	2024 Progress to Targets	Short-term Targets 2025	Mid-term Targets 2027	Long-term Targets 2030
Strengthen information security risk control	1. Enroll in cybersecurity insurance for 2025–2026 by August 2025. 2. Continuously monitor network threat trends and periodically evaluate and adjust the scope of cybersecurity insurance coverage. 3. Maintain the effectiveness of ISO 27001 certification, and implement ISO 27017.	Achieved	Continuously monitor network threat trends and periodically evaluate and adjust the scope of cybersecurity insurance coverage.		
			Maintain the effectiveness of ISO 27001 certification and implement ISO 27017 Cloud Security certification.	Continue to uphold international information security standards through ISO 27001 and ISO 27017 certifications.	Continue to uphold international information security standards through ISO 27001 and ISO 27017 certifications.

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Sustainability Issues: Customer Relationship and Service

Items	2024 Targets	2024 Progress to Targets	Short-term Targets 2025	Mid-term Targets 2027	Long-term Targets 2030
Safeguard customer rights and interests	1. Excluded from top 3 in Q3 of 2024. 2. Develop fair treatment highlights within the Bank through the subgroups of the Fair Treatment Committee, consider overseas regulatory trends, and optimize internal measures to achieve the vision goal of "leading industry peers and aligning with international standards".	Achieved	1. Continually reduce the number of customer complaints and provide warm and empathetic service. 2. Develop fair treatment highlights within the Bank through the subgroups of the Fair Treatment Committee, consider overseas regulatory trends, and optimize internal measures to achieve the vision goal of "leading industry peers and aligning with international standards". 3. Achieve over 80% satisfaction rate, CUBE App Net Promoter Score (NPS) of 30 or higher.		

Sustainability Issues: Risk Management

Items	2024 Targets	2024 Progress to Targets	Short-term Targets 2025	Mid-term Targets 2027	Long-term Targets 2030
Strengthen risk management mechanisms for the Bank	1. Ensure the capital adequacy ratio meets the target requirements for D-SIBs. 2. Ensure that stress test results meet regulatory requirements for "capital adequacy under stress scenarios". 3. Participate in related discussions hosted by the Bankers Association of the Republic of China.	Achieved	1. Maintain compliance with capital adequacy targets for domestic systemically important banks (D-SIBs). 2. Ensure that stress test results meet regulatory requirements for "capital adequacy under stress scenarios" for D-SIBs. 3. Continue to enhance climate/natural disaster resilience testing mechanisms (e.g., climate change risk scenario analysis) to strengthen the Bank's operational resilience. 4. Maintain validity of ISO 22301 certification.		
Ensure business continuity for critical operations	Maintain validity of ISO 22301 certification complete the recertification audit in 2024.	Achieved			

Sustainability Issues: Compliance with Legal Requirements

Items	2024 Targets	2024 Progress to Targets	Short-term Targets 2025	Mid-term Targets 2027	Long-term Targets 2030
Develop regulatory compliance system	To ensure that all of the Bank's operations and management regulations comply with relevant laws and regulations and are updated in a timely manner, continue to track the progress of updating the operations and management regulations of each unit in the "Group Compliance System" to ensure that all of the Bank's operational activities comply with legal requirements.	Achieved	To ensure that all the Bank's operations and management regulations comply with relevant laws and regulations and are updated in a timely manner, continue to track the progress of updating the operations and management regulations of each unit in the "Group Compliance System" to ensure that all of the Bank's operational activities comply with legal requirements.		

國泰世華銀行
Cathay United Bank

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Climate Strategy

2.1 Climate and Nature-Related Financial Disclosure

2.2 Low-Carbon Economy

2.3 Environmental Sustainability



The growing threat of climate change and environmental degradation increasingly undermines the global economy and social well-being. The Bank actively responds to challenges and deepens climate and nature protection strategies. We hope to use our financial influence to help society adapt to change, strengthen climate and natural resilience, and strive to become a key catalyst for achieving net-zero emissions and financial transformation.

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2.1 Climate and Nature-Related Financial Disclosure

Climate Strategy Blueprint

Striving for net zero with investees, borrowers, and stakeholders

Low-Carbon Economy

Appropriate use of all funds

Environmental Sustainability

Demonstrating resolve to zero-carbon operations

AMBITIOUS GOALS

Financial Assets

Net Zero Emissions in Financial Assets by 2050

Leader in Climate Engagement Action

Products and Services

Provide Comprehensive Climate Finance Solution

Business Operations

Green Energy
Green Operations
Green Real Estate

The Bank has established "Climate" as one of the three main pillars in our sustainability strategy blueprint. Focusing on "low-carbon economy" and "environmental sustainability," we've developed a climate strategy blueprint spanning all segments of the value chain: including downstream financial assets and products/services, CUB operations, and upstream suppliers. We hope that the blueprint can drive corporate sustainability and decarbonization transition in an orderly manner. Following the five key elements outlined in the Transition Plan Taskforce's (TPT) guidelines, the Bank has merged transition plans and climate disclosure to ensure comprehensive and reliable reporting. We regularly track strategies and progress to target and publish annual reports. This allows us to showcase our achievements to stakeholders for enhanced transparency and trust and ensures the efficacy and ongoing evolution of our plans. At CUB, our vision is to become a leading brand in green finance, and we hope to lead our peers in the financial sector in developing greater awareness of climate change and nature-related issues. We will adhere to the guidelines set forth by the Financial Supervisory Commission, including the Guidelines for Domestic Banks' Climate Risk Financial Disclosure, the Task Force on Climate-related Financial Disclosures (TCFD), and the Taskforce on Nature-related Financial Disclosures (TNFD) to publicly disclose the Bank's resilience and financial impact in addressing environmental challenges.

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2.1.1 Climate and Nature Governance Structure

Governance Structure for Climate and Nature Issues Management and Reporting



Organization	Committee Chair/ Supervisor/ Working Group Leader	Reporting/ Meeting Frequency	Roles in Climate and Nature Issues
Board of Directors	Chairman	Semiannually	The highest governing body for ESG risk management, responsible for reviewing and approving climate and nature-related policies, strategies, and goals, and ensuring that climate and nature-related risks and opportunities are considered. It oversees the management and disclosure of climate and nature-related risks.
Risk Management Committee	Chief Risk Officer	Semiannually	Responsible for monitoring and managing climate and nature-related risks, including overseeing the execution of climate and nature scenario analysis, climate change risk appetite statements, limit management, and assessing nature dependency and impact by the risk management unit. It integrates the functions of various risk management units to jointly formulate a three-year climate and nature action plan to respond to and monitor significant climate and nature risks.
Sustainable Development Committee	Chairman	Quarterly	The committee responsible for driving the sustainable development of the Bank, which regularly reports on corporate sustainability issues and implementation efforts to the board of directors.
CS Team	President	Quarterly and convenes ad hoc meetings when necessary	The following are the working groups involved in deeper discussions on climate and nature issues： • **Responsible Investment Working Group:** Manages climate and nature-related risks and opportunities in investment and lending incorporates ESG principles into investment and lending processes, and engages with clients. • **Responsible Products and Services Working Group:** Promotes ESG and green finance-related products and services and evaluates and manages associated risks and opportunities. • **Green Operation Working Group:** Responsible for managing the environmental impact of CUB's operations and leads efforts to reduce Scope 1 and Scope 2 greenhouse gas emissions and increase the use of renewable energy.

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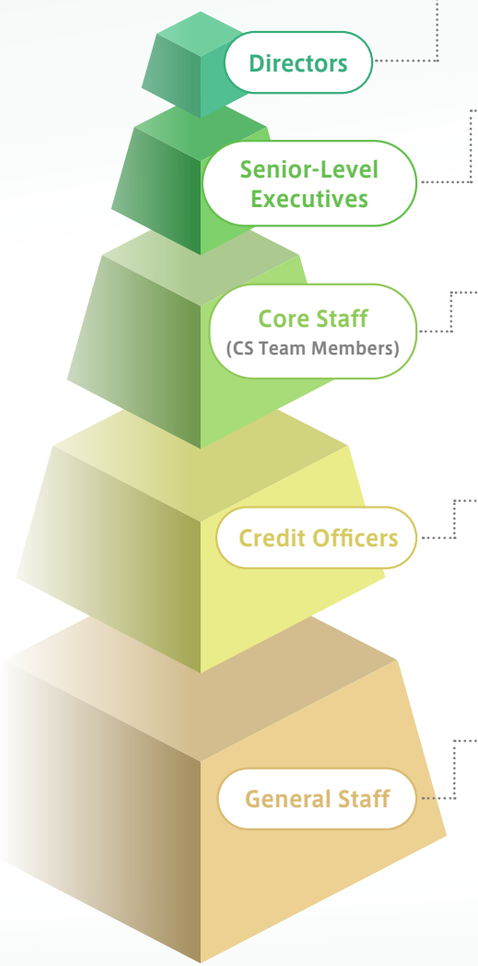
Industry First in Taiwan: Cathay FHC Appoints Chief Climate Officer

In 2024, Cathay FHC became the first in the industry to appoint a Chief Climate Officer (CCO), a role concurrently held by the Chief Risk Officer, to reinforce the formulation and implementation of climate strategies and climate risk management actions. As a member of Cathay FHC's Climate and Nature Working Group, the Bank actively participates in task assignments and discussions to strengthen its management of climate and nature-related risks. In addition, senior executives of the Bank attend Cathay FHC's quarterly Climate Governance Meetings, working collaboratively to improve the group's responsiveness and resilience to climate and nature-related issues.

To actively respond to challenges posed by the UN SDGs, Green Finance 3.0, and the Green and Transition Finance Action Plan, the Bank is committed to enhancing climate risk awareness and management capabilities across all employees. To such ends, we have designed diverse training plans for different positions to ensure that all employees can consider climate risks in their daily work. In 2024, the Bank launched a series of innovative training videos, including digital courses on climate change and an environmental documentary, to help employees learn more about the impacts of climate change. Every March, the Bank reviews and develops an annual sustainability training agenda aimed at strengthening employee's understanding of climate, carbon tariffs, human rights, and supply chain management. At CUB, we work hand-in-hand with our employees to advance the strategic goals of Cathay's transition plan, becoming a key driver in the sustainable transformation of both the bank and our clients.

The Bank's performance management system covers financial targets, business operations, risk management, regulatory compliance, and internal controls. To promote corporate sustainability, climate-related indicators have been incorporated into the performance evaluation criteria of the President and the CS Executive Officer. Through this system, the achievement of indicators is reviewed regularly and assessed annually. Bonus standards are determined based on evaluation results and market performance, thereby reinforcing strategic climate objectives and incentivizing leadership toward sustainability targets, and enhancing both market competitiveness and accountability.

Climate & Nature Governance Framework



Driving Organizational Focus
- Provide flexible ESG governance courses.
- Drive organizational focus and amplifies sustainability impact.

Incorporate into Operation Strategies
- Organize lectures and external training programs on relevant sustainability topics.
- Deepen understanding of sustainability trends and enables more effective strategy development.

Cultivate Sustainability Professionals
- Launch certified "Sustainable Finance Manager" program offering systematic training on sustainability trends and knowledge.
- Cultivate strong sustainability competencies, enabling internal experts to lead sustainability projects.

Enforce Sustainability Practices
- Strengthen thematic training on responsible lending principles for front-, middle-, and back-office credit teams.
- Enhance the principles and decision-making of sustainable loans assessment to facilitate the implementation of sustainable lending.

Promote Sustainable Mindset
- Promote digital course "Understanding Climate Change" and "You Learn, We Donate" campaign, with NT$10 donated per completed course; NT$120,000 donated in 2024.
- Raise sustainability awareness across all staff and reinforces CUB's commitment to sustainable development.

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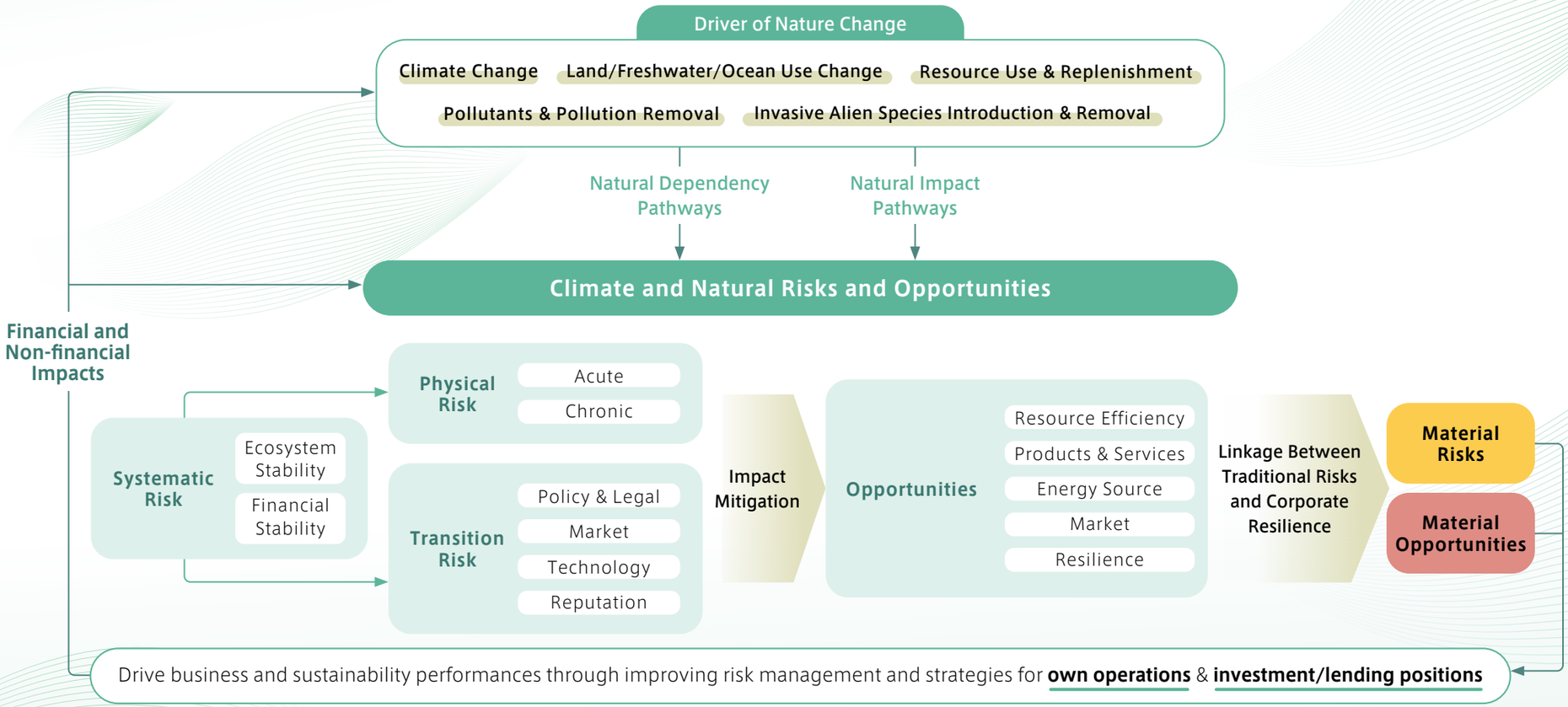
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2.1.2 Identification of Climate and Nature Risks and Opportunities

CUB considered the Group's sustainability strategy and references frameworks such as TCFD, TNFD, and the Network for Greening the Financial System (NGFS) established by central banks and supervisory authorities to understand the transmission pathways of climate and nature-related risks and opportunities. We identify climate and nature-related risks and opportunities associated with the Bank, evaluate their links with existing conventional risks and corporate resilience, and discern their potential financial impacts on our operations or investment and lending positions.

Through the expertise of internal specialists, we establish matrices to rank the significance of risks and opportunities based on "impact severity" and "likelihood of occurrence," and regularly adjust them. Finally, based on the results, we identified six material risks and four material opportunities. We then enhance risk management processes and plan response strategies for our operations and investment and lending positions, aiming to improve the Bank's business and sustainability performance and mitigate both financial and non-financial impacts.



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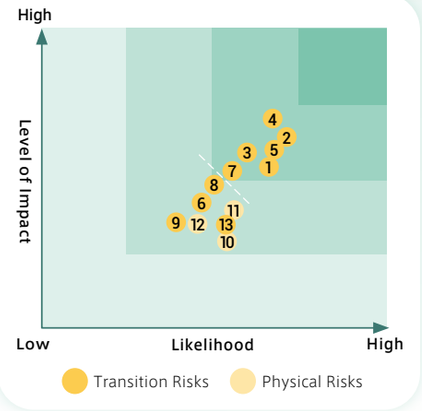
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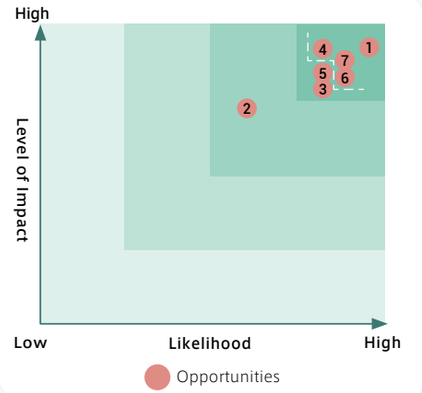
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Risk Matrix



Opportunity Matrix



Material Risks	Current Financial Impacts	Potential Financial Impacts	Impact Dimension	Time Horizon	Relevant Traditional Risks	Relevant TCFD Risks	Relevant TNFD Risks
4 **Transition risks from policy uncertainty**	Changes in policy standards or mechanisms may impact clients' business revenues or result in restrictions, thereby affecting the quality of our lending portfolios	Decreased earnings from investments and loans due to policy uncertainty	Investment & Lending	Mid-term Long-term	Credit risk Market risk	Policy & Legal	Market
2 **Engagement mechanism fails to meet expectations of stakeholders**	No related penalties or fines incurred in 2024	Decreased revenue from negative impact on company reputation	CUB operations	Mid-term Long-term	Reputational risk	Reputation	Reputational
5 **Risks for undertaking green investments and lending**	Emerging low-carbon technologies are not yet mature, which may either lead to high R&D costs or the technologies may not meet market demands, which impacts the quality of our lending portfolios	Decreased earnings from investment and lending due to clients defaulting	Investment & Lending	Mid-term Long-term	Credit risk Market risk	Market	Market Technology
1 **Risk of litigation or penalties relating to climate change and nature**	No related penalties or fines incurred in 2024	Increased operating costs from fines and rulings	CUB operations	Mid-term Long-term	Operational risk Reputational risk	Technology	Policy
3 **Changes in client preferences for investment or financial products**	Developed sustainable finance, with green loans reaching NT$25 billion and sustainability-linked loans reaching NT$49.513 billion by the end of 2024	Decreased revenue due to changes in client preferences	CUB operations	Short-term Mid-term Long-term	Market risk	Technology	Market
7 **Rising credit and market risks in carbon-intensive investment portfolios**	Higher carbon costs for clients may reduce returns on the Bank's investment and lending portfolios	Expected losses from loan assets in high emission industries due to changing costs of carbon emissions	Investment & Lending	Mid-term Long-term	Credit risk Market risk	Policy & Legal	Market

Material Opportunities	Current Financial Impacts	Potential Financial Impacts	Impact Dimension	Time Horizon	Relevant TCFD Opportunities	Relevant TNFD Opportunities
1 **Inspire client trust by building management mechanisms to fulfill sustainability commitments externally**	Participated in and aligned with international initiatives; developed ESG Risk Management Model 2.0 to strengthen the Bank's ESG governance framework, with total spending of approximately NT$5.62 million	Increased revenue due to rising confidence and trust in CUB	CUB operations	Mid-term Long-term	Resilience	Resilience
4 **Develop green and innovative services to increase customer adhesion and strengthen brand value**	By the end of 2024, green loans reached NT$25 billion and sustainability-linked loans reached NT$49.513 billion	Increased revenue from capitalizing on business opportunities	CUB operations	Short-term Mid-term Long-term	Products & services	Products & services
7 **Develop carbon-related business opportunities and services**	Joined international initiatives; subscribed to research materials to identify potential business opportunities; collaborated with consultants to conduct surveys, host forums and workshops, and provide clients with carbon assessments and transition guidance, with total spending of approximately NT$6.59 million	Increased revenue from capitalizing on business opportunities	CUB operations	Mid-term Long-term	Products & services Market	Products & services Market
6 **Exert financial influence through initiatives and engagement actions and work with engagement targets to develop innovative finance for climate and nature**	Organized ESG forums, workshops, sustainability practice lectures, and Chartered Sustainable Finance Manager (CSFM) training programs, with total spending of approximately NT$3.98 million	Increased revenue from actively engaging businesses and developing business opportunities	Investment & Lending CUB operations	Mid-term Long-term	Resilience	Reputational capital

Note: Definition of time frames: Short-term means likely to occur within one year; Mid-term means likely to occur in one to three years; and Long-term means likely to occur in three to five years.

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2.1.3 Climate and Nature-Related Scenario Analysis

To evaluate the financial impacts of climate and nature-related shocks, the Bank conducts regular climate and nature-related scenario analysis annually, which is integrated into internal management rules. We evaluate the potential impact of future scenarios and identify the potential effects of physical and transition risks on investment and lending positions through the scenarios set. We calculate financial losses under each scenario to timely adjust climate and nature risk management strategies. For detailed methodology and analysis results, please refer to our Climate and Nature Report 2024 Section 3.3.3 Risk Measurement and Management.

Scenario	Risk Type		Time Horizon	Scope	Details	Results
Official Climate Change Scenario Analysis (Long-term scenario) [1]	Physical	Floods/Landslides/ Rainfall-caused work stoppage /Drought/ Heatwave	2030 2050	• Domestic corporate & consumer lending • Oversea corporate lending • Domestic and oversea passbook investments	• **Orderly Net Zero (ONZ) Scenario:** aligned with NGFS Net Zero 2050 and IPCC SSP1-1.9. • **Disorderly Transition(DT) Scenario:** aligned with NGFS delayed transition and IPCC SSP1-2.6. • **Passive Transition(PT) Scenario:** aligned with NGFS fragmented world and IPCC SSP2-4.5.	The highest expected loss under long-term scenarios occurs in 2050 under the Passive Transition scenario, accounting for approximately 47.47% of baseline pre-tax profit and 7.37% of baseline net assets. The financial impact is assessed to be within CUB;s risk tolerance levels.
	Transition	Carbon pricing				
Official Climate Change Scenario Analysis (Short-term scenario)	Physical	Floods/Landslides/ Rainfall-caused work stoppage	Within 1 year	• Domestic corporate & consumer lending • Domestic passbook investments	• **Physical Risk Intensity-adjusted (IA) Scenario:** the statistical rainfall data from Typhoon Morakot adjusted to reflect the intensity under climate change conditions. • **Transition Risk (TR) Scenario:** uniform carbon fee applied across all industries and companies. • **Combined Loss (CL) Scenarios:** considers both physical and transition risk scenarios.	The highest expected loss under short-term scenarios occurs in the Combined Loss Scenario, accounting for approximately 26.49% of baseline pre-tax profit and 4.11% of baseline net assets. The financial impact is assessed to be within CUB's risk tolerance levels.
	Transition	Carbon pricing				
Scenario Analysis of Transition Risks on Corporate Loans in Aircraft Leasing Industry [2]	Transition	Policies	–	• Aircraft leasing in Singapore • Corporate lending	• **In-house Scenario:** changes in aircraft preference and valuation under the CORSIA scenario.	Expected credit losses (ECL%) for secured and unsecured credit positions at Singapore branch are 5.33% and 1.20%, respectively. The financial impact on CUB remains manageable.
Water Resources: Droughts Scenario Analysis	Physical	Drought	Short-term: 2020-2040 Midterm: 2030-2050 Long-term: 2040-2060	• Domestic mining industry • Corporate lending	• **In-house Scenario:** aligned with IPCC SSP1-2.6, considering Taiwan's 2050 net-zero target and corresponding emission pathways and strategies.	The highest expected loss (EL%) from physical risk occurs in 2040–2060, at approximately 0.71%. The financial impact on CUB remains manageable.
Trading Book Equities and Bonds: Decarbonization Transition Scenario Analysis	Transition	Carbon pricing/ Electricity price/ Upstream and downstream additional costs	–	• Trading book investments	• **Orderly Transition:** aligned with NGFS Net Zero 2050. • **Disorderly Transition:** aligned with NGFS delayed transition. • **Too Late Scenarios:** aligned with fragmented.	Under the Orderly Transition Scenario, due to lower warming potential and higher carbon price, climate-related losses account for up to 4.9% of market value. The financial impact on CUB remains manageable.

Note:
1 Orderly Net Zero refers to a scenario where the world gradually achieves net-zero emissions by 2050 (approx. 1.5 ° C warming). Disorderly Transition refers to a delayed transition that still achieves net-zero by 2050 (warming below 2 ° C). Passive Transition refers to a scenario where delayed action fails to meet carbon reduction targets, resulting in more severe physical and transition risks (warming exceeds 2° C). These standardized scenarios simulate impacts on macroeconomic indicators such as GDP, unemployment, and interest rates, as well as property value losses due to natural disasters.
2 Revised 2030 CORSIA Target: Due to the significant decline in global aviation demand caused by COVID-19 in 2020, ICAO revised the CORSIA baseline to 85% of 2019 emissions for the 2024–2035 period, making the target more challenging. The original baseline was the average of 2019 and 2020 emissions, with a goal of zero growth in emissions by 2030.

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2.1.4 Climate and Nature Action Plan

The Bank and the group's integration involves the process of identifying, assessing, and prioritizing climate and nature-related risks and opportunities. For detailed results, please refer to our Climate and Nature Report 2024 section 1.2 Risks and Opportunities and 3.3.2 Risk Identification). Based on this, the Bank has developed Climate and Nature Action Plan for the coming three years. The plans will address and monitor material climate and nature risks identified to spotlight the group's key area of focus, perfect CUB's climate and nature-related risk management, and stay ahead of international trends.

Action Plan	Key Points of the Plan
Improve ERM Mechanism	Improve the management of material risks by establishing identification and assessment processes, integrating emerging risks and climate & nature-related risk mechanisms, and incorporating transition plans/speed into investment and financing evaluations. • Material Risk Management • Investment and Financing Risk Management Mechanism
Strengthen Risk Strategy Resilience	Conduct climate quantitative analysis for investment, financing, and owned real estate; enhance scenario analysis applications; establish indicators for physical risk exposure; and use scenario analysis to build a strategy validation mechanism to ensure resilience under various climate scenarios. • Climate Scenario Analysis • Strategic Target Validation and Financial Impact Assessment
Apply Financial Innovation and Tools	Improve the coverage of climate risk information platforms, enhance the application of climate data in business development, and expand the use of climate resources to support strategic business opportunities. • Risk Management Platform • Cross-Domain Data Management and Strategic Opportunity Application
Research and Apply Global Trends	Analyze nature-related risks across industries using tools aligned with the TNFD framework; develop quantitative indicators and management approaches to effectively control nature-related risks and address emerging issues in industry transitions. • Pilot Application of Nature Methodologies • Research on Emerging Issues

Note: At the beginning of 2025, CUB formulated a three-year (2025–2027) Climate & Nature Action Plan. To ensure that the Board of Directors and senior management can effectively oversee the implementation progress of climate and nature-related issues, the action plan was submitted to the Board and the Risk Management Committee in the first quarter of 2025. Cathay FHC will also regularly track the implementation progress across its subsidiaries.

2.1.5 Climate and Nature Indicators and Targets

The Bank integrates sustainability thinking into its operational decision-making core considerations, actively advancing towards the goal of becoming a leading brand in "green finance," and establishing climate and nature-related objectives.

Climate Strategies	Climate Targets
Net Zero Emissions in Financial Assets by 2050	• SBT emissions reduction targets (SBTs) for investment/lending • Reduce credit facilities extended to the coal industry to zero by 2027
Leader in Climate Engagement Actions	• Engage with investment/lending targets to participate in SBTi
Provide Comprehensive Climate Finance Solution	• Exceed NT$100 billion in sustainable loans[Note] by 2030
Green Energy	• Achieve 50% renewable energy usage at CUB locations across Taiwan by 2025 • Achieve 100% renewable energy usage in HQ by 2025 • Achieve 100% renewable energy usage at CUB locations across Taiwan by 2030 • Achieve 100% renewable energy usage at all global CUB business locations by 2050
Green Operations	• Achieve net-zero operations (Scope 1 & 2) by 2050 • Complete carbon footprint verification for main financial products/services by 2030 • Achieve 18 cubic meters per capita water consumption by 2030 • Achieve 27.7 kg per capita waste by 2030 • Achieve NT$156 million in total green procurement by 2030
Green Real Estate	• Achieve 45% of CUB branches retrofitted to eco-friendly standards by 2030

Note: In alignment with international market trends and the Group's sustainability policy, in 2024, CUB established lending targets for "Green Loans" and "Sustainability-Linked Loans," collectively defined as "Sustainable Loans." In 2025, CUB added "Social Loans" for the first time. The base year is 2023, and the target year is 2030.

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2.2 Low-Carbon Economy

The Bank is committed to becoming a leading brand in green finance by focusing on core businesses and promoting digital services alongside high-quality green financial products. Through capital provision and financial services, we support enterprises in their low-carbon transformation, helping industries address climate change, enhance competitiveness, and facilitate a structured transition toward a green economy, achieving shared prosperity for both the environment and the economy.

2.2.1 Sustainable Finance

Provide Comprehensive Climate Finance Solution

Unit: New Taiwan Dollar (NTD)

Green Financial Products and Services	Details	Key Climate Indicator(s)	2023	2024
Environment Investment & Lending	Cathay FHC offers sustainability-themed investment and lending to ensure our environment and society can both flourish. Low carbon and energy storage domains are particularly relevant to the low-carbon transition, representing an important direction for sustainable environmental development. CUB follows Cathay FHC's vision and has defined related services as environmental financing and environmental investments, taking stock of progress in each category to hopefully contribute to the vision of sustainable environmental development. In 2024, the amount of environmental investment and financing increased by 14.2 billion TWD compared to 2023. We hope to exert financial influence through increased capital injection, supporting enterprises in creating low-carbon transformation opportunities or mitigating and adapting to climate change, making industrial transformation more competitive. For more information on sustainable investment and lending, please refer to Appendix Table 6.1-22.	**Amount of environmental financing**	41.3 billion	51.4 billion
		Amount of environmental financing / ***Total amount of corporate lending*** **×100%**	5.43%	6.07%
		Amount of environmental investments	25.7 billion	29.8 billion
		Amount of environmental investments / ***Total investment*** **×100%**	2.14%	2.70%
Investment & Lending in Industries Important to Taiwan's 12 Key Strategies	Taiwan established action plans in the "Taiwan's Pathway to Net-Zero Emissions in 2050" for 12 key domains critical to energy, industry, lifestyle, and social transition policies. The government issued the "12 Key Strategies" to integrate inter-agency resources and show support to all contributing individuals, businesses, and NGOs. The capital market serves a critical role in this process as a major driving force for net-zero transition that can contribute to the development and breakthroughs of new technologies. To exert financial influence, the bank also supports the development of relevant industries with funding, investing in wind power and energy-saving industries, responding to government initiatives and supporting enterprises in the development of green energy and energy-saving industries, moving towards the positive goals of a green electricity home and optimal energy efficiency.	**Investments and lending in industries critical to the "12 Key Strategies" listed in the "Taiwan's Pathway to Net-Zero Emissions in 2050"**	33.212 billion	47.000 billion

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Unit: New Taiwan Dollar (NTD)

Green Financial Products and Services		Details	Key Climate Indicator(s)	2023	2024
Renewable Energy Loans		The Bank focuses on supporting Taiwan's green electricity and renewable energy policies and has set a goal to continue increasing the percentage of renewable energy loans to electricity supply loans until we reach 85% in 2025. This is a measurable goal that helps us monitor the outcome of the bank's support for renewable energy loans. Through technology cultivation, industry upgrading, and attracting external investment, CUB promotes industrial transformation, enhance Taiwan's energy independence and competitiveness, and achieve multiple goals of environmental and energy transition.	**Percentage of renewable energy loans to total electricity supply loans**	93.33%	99.79%
Sustainable Loans	Green Corporate Loans	The use of funds is restricted to specific green projects, including renewable energy, energy conservation and efficiency improvement, clean transportation, water treatment, etc., supporting borrowers in achieving environmental benefits such as carbon reduction and water purification.	**Outstanding amount of green corporate loans**	28.080 billion	25.000 billion
			$\frac{\textit{Outstanding amount of green corporate loans}}{\textit{Total outstanding amount of corporate lending}} \times 100\%$	3.69%	2.95%
	Sustainability-Linked Loans (SLL)	Commercial terms of corporate loans are linked to pre-determined sustainable key performance indicators (KPIs) of the borrower or its controlled and affiliated companies. Currently, most of CUB's sustainability-linked loans have environmental KPIs, encouraging clients to achieve the quantifiable environmental outcome such as carbon reduction, electricity saving, use of green energy, and water conservation.	**Outstanding amount of SLL**	33.036 billion	49.513 billion
			$\frac{\textit{Outstanding amount of SLL}}{\textit{Total outstanding amount of corporate lending}} \times 100\%$	4.34%	5.85%
Sustainable Investments		The bank's sustainability-related investments include investments in domestically and internationally issued green bonds, social bonds, sustainable bonds, and sustainability-linked bonds.	**Amount of sustainable investments**	25.041 billion	43.907 billion
			$\frac{\textit{Amount of sustainable investments}}{\textit{Total amount of investments}} \times 100\%$	2.09%	3.97%
			Investment amount in sustainability-related bonds recognized by the TPEX	14.023 billion	19.291 billion
			$\frac{\textit{Amount in sustainability-related bonds recognized by the TPEX}}{\textit{Total amount of investment}} \times 100\%$	1.17%	1.75%

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單位：新台幣

Green Financial Products and Services	Details	Key Climate Indicator(s)	2023	2024
Renewable Energy Industry Insurance	The renewable energies sector, specifically investments and operations, is susceptible to various risks such as equipment malfunctions, natural disasters, etc. However, insurance products can provide protection against risks, lower investor concerns, and encourage the development of renewable energy projects. CUB and Cathay Century are collaborating together on Cross-Selling to offer applicable insurance to green energy industries in support of their sustainable development and operations.	**Insurance premium of green energy industry clients**	18.68 million	16.24 million
Green Consumer Loans	The bank has launched green consumer loan schemes, covering green building-certified property loans and pure electric vehicle purchase loans, offering diverse preferential interest rates and flexible repayment terms. These schemes contribute to the development of the green economy and reduce negative environmental impacts. Positive environmental benefits include promoting green building development, improving energy efficiency, and reducing transportation emissions. This not only raises environmental awareness in the financial system but also broadly promotes sustainable social development, allowing financial institutions to make positive contributions to protecting the planet while supporting economic development.	**Amount of green consumer loans**	567 million	1,196 million
		Amount of green consumer loans / ***Total amount of consumer lending*** **×100%**	0.04%	0.06%
Green Time Deposit	CUB's guidelines for Green Time Deposit products are designed based on the Green Bond Principles (GBP) established by the International Capital Market Association (ICMA). We also engaged third-party accounting firms to audit and issue limited assurance reports on the use of funds for this program. Green Time Deposit product is offered to enterprise clients to fund green projects in renewable energy and sustainable water sources. Launched in July 2022, the scale of the program has grown to NT$38 billion.	**Green time deposit balance**	2.394 billion	1.007 billion
Digitalization of Insurance Policies & Documents	The life insurance application process is primarily electronic, with customers signing policy documents on mobile devices and transmitting images of application documents via digital systems, enhancing paperless applications and reducing resource waste.	**Ensure 85% of life insurance enrollment are conducted digitally**	93.96%	95.08%
ESG Funds	The bank has listed over 50 ESG funds, allowing clients to contribute to the environment, society, and corporate governance while pursuing financial returns. Through ESG fund investments, we hope to work hand in hand with clients to create a better future.	**Scale of ESG funds**	5.78 billion	10.37 billion
		Number of ESG fund clients	20,059 people	24,604 people

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Green Financial Products and Services	Details	Key Climate Indicator(s)	2023	2024
Offshore Wind Power	CUB has not only undertaken the first offshore wind power syndicated loan project in Taiwan - the 128 MW Marine Offshore Wind Farm Project, but also continued to participate in the equity project financing of the 640 MW Yunlin Offshore Wind Farm Project and 605 MW Greater Changhua Offshore Wind Farm Holdco Finance Project, actively investing in various renewable energy financing projects. In 2022-2023, CUB mainly provided financial advisory services. One of the projects involved providing financial advisory services during the selection phase of the 3-1 offshore wind farm, successfully assisting the client in obtaining the Energy Bureau's allocation and development of a 500MW offshore wind farm permit. There was also participation in discussions on domestic green electricity insurance projects with financial peers and related institutions. As of now, CUB has approved offshore wind power projects totaling 1,373 MW.	**Offshore wind energy capacity from CUB-approved loans**	1,373 MW	1,373 MW
Solar Power Project Financing	CUB undertook the first solar power project financing, the first EP case, and the first syndicated loan for an offshore wind farm in Taiwan. CUB provided loans for 39 solar power stations in Taiwan in 2024, with a total installed capacity of 14 MW. As of the end of 2024, CUB has approved loans for over 2,800 solar power stations in Taiwan and abroad, reducing carbon emissions by 638,000 metric tons each year.	**Total installed capacity**	1,045 MW	1,059 MW

Note:

1 The 2023 column figures are statistics as of December 31, 2023, and the 2024 statistics are as of December 31, 2024.
2 2025 targets for renewable energy loans were met ahead of schedule in the end of 2022. Considering that energy transition is an important strategy for Taiwan's goal of Net Zero by 2050 and that there is still a significant domestic demand for related funding, CUB will continue to track progress until 2025.
3 Total amounts of corporate lending (includes domestic and foreign borrowers but excludes closed accounts, dormant accounts, collections, bad debts, and frozen accounts) were NT$760.978 billion in 2023 and NT$846.894 billion in 2024. Total outstanding consumer loans were NT$1,459.992 billion in 2023 and NT$1,751.016 billion in 2024.
4 The calculation method for 2024 has been adjusted and the disclosure revised, using the premium volume confirmed by Cathay Century Insurance as produced by Cathay United Bank.



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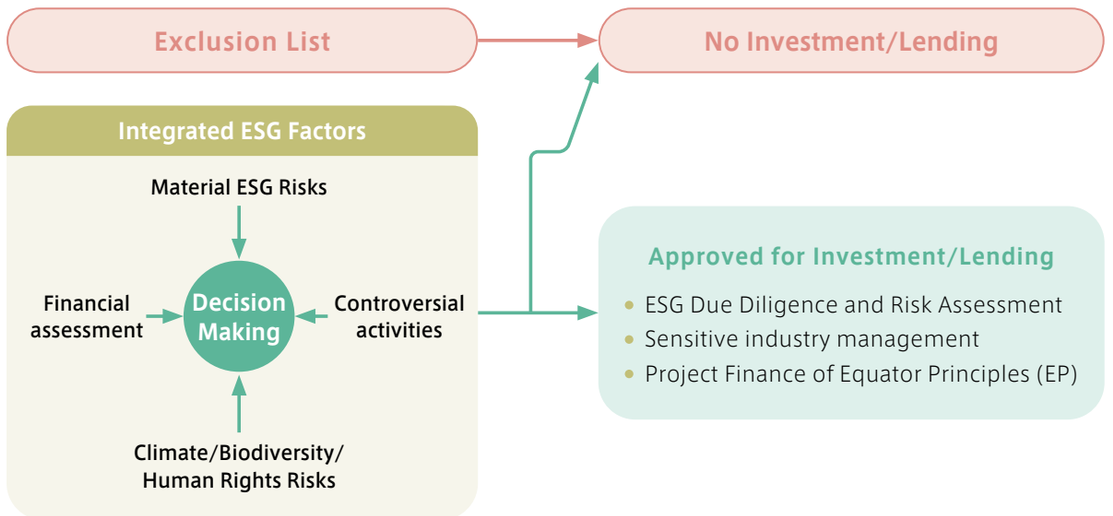
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2.2.2 Responsible Financing

The Bank voluntarily adheres to the Principles for Responsible Investment (PRI) and the Principles for Responsible Banking, integrating ESG and climate risk management into its existing investment and lending processes. Prior to transactions, it diligently assesses the ESG and climate risks of investment targets and manages them accordingly. Post-transaction, it continuously monitors their ESG and climate performance, engaging in dialogue with the companies to assist in their transition, ensuring the appropriateness of the investment and lending portfolios.

Responsible Investment/ Lending Process



Post-Responsible Investment/ Lending Due Diligence Practices

Investment

(1) Sensitive industry concentration of the investment portfolios
(2) Climate risks and ESG performance of investee companies

The above items are reviewed at least semi-annually as a reference for adjusting investment positions or taking appropriate management measures, including monitoring, reduction, or suspension.

Lending

Corporate credit clients shall conduct an annual ESG review during the annual audit, prudently assessing the ESG credit conditions approved in the original case, compliance status, and historical changes in ESG ratings, and continuously monitoring changes in clients' ESG risks and early warning information to facilitate timely responses.

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Relevant Policies and Control Measures

Exclusionary Screening	CUB adheres to the Group's investment and lending policies by establishing an exclusion list of industries/enterprises/business activities that we do not engage with. In 2024, new management measures related to unconventional oil and gas, as well as natural gas, were added.
	We exclude controversial weapons, human rights violations, pornography, mining, coal/nuclear power generation, coal-related activities, conventional/unconventional oil and natural gas upstream extraction, tobacco industry, gambling, tropical rainforest logging, and drift gill-net manufacturing and fishing. This aligns with SDG 14 "Life Below Water" and SDG 15 "Life on Land" to conserve and sustainably use the oceans, seas and marine resources for sustainable development and protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
Integrated ESG Factors	The Bank incorporates ESG factors into existing investment and corporate credit decision-making processes to effectively manage ESG-related risks.

- **ESG Due Diligence and Risk Assessment:** CUB stringently controls the ESG-related risks arising from investment and corporate lending cases and has established an ESG rating management mechanism to conduct differentiated tiered management.
  - **Investments:** For industries classified as sensitive, CUB requires the completion of a "Climate Risk Assessment Form" as part of the due diligence process, incorporating climate risk factors such as carbon emissions, water usage, SBT-related disclosure of potential warming, carbon reduction targets, water resource management, and biodiversity policies. Additionally, if the investment target has poor ESG performance or any negative ESG incidents in the past three years, an "ESG Risk Assessment Form" must be completed to further evaluate whether to invest and determine post-investment management measures.
  - **Corporate Lending:** During the KYC (Know-Your-Customer) process for corporate credit cases, CUB includes the evaluation of ESG-related risks such as environmental pollution penalties, harm to social welfare, human rights violations, governance, and climate and nature risks. This involves reviewing ESG incidents related to the credit client, consulting the client on incident improvement measures, risk mitigation strategies, and tracking inspection items. In addition, CUB encourages clients to provide ESG risk management plans to improve their sustainability performance. For their plans, they are encouraged to refer to the Taiwan Sustainable Taxonomy and Recommended Items for Transition Plans or international net-zero transition standards or guidelines. Recommended items include technical difficulties, funding requirements, water resource management policies, and related information. At the same time, we encourage credit clients to consider transition opportunities, such as green loans or sustainability-linked loans, to promote capital flow toward low-carbon and sustainable development. Reviewers assess the risk mitigation measures and follow-up inspection items based on the ESG risk incidents involved in the credit case, which serve as references for review opinions. If the case involves serious harm or meets exclusion criteria, actions such as loan reduction, setting restrictive conditions, or loan rejection may be applied to guide clients to value relevant issues and implement responsible lending principles. In 2024, there were 47 high-risk cases subject to enhanced environmental review, totaling NT$16.76 billion; 6 cases involving environmental pollution were approved with restrictive conditions, totaling NT$6.44 billion.
- **Management of Sensitive Industries:** Based on the binding nature of government policies in various countries, the impact of each industry on climate-related risks, the Group's climate risk appetite, and quantifiable foundations, CUB uses carbon emissions, water usage, and biodiversity as sensitivity factors to establish a sensitive industry management mechanism and implement tiered management. For highly sensitive industries, a quota management mechanism is introduced, and the usage of quotas for highly sensitive industries is regularly monitored.
- **Project Finance of Equator Principles (EP):** CUB includes biodiversity, climate change, and human rights risks as essential items in the Equator Principles (EP) project finance assessment. Each EP case is reviewed according to the eight IFC Performance Standards, including PS6 on biodiversity, with clear incorporation of review comment.

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Relevant Policies and Control Measures

ESG Rating and Classification Module System

Introduction

Through technologies such as data extraction, analysis, and processing, CUB has developed the "ESG Rating and Classification Module System" by integrating ESG big data. This automated system can quickly screen borrowers' ESG risk levels, support post-lending management and risk alerts, helping the front office to instantly grasp client risks, the middle office to monitor asset quality, and the back office to reduce operational risks. It not only saves manual query time but also identifies potential ESG deficiencies or concerns in clients, reducing reputational or financial risks for the Bank and comprehensively enhancing risk management.

To align with international trends, group development, and the promotion of sustainable finance, in addition to adopting the Equator Principles and voluntarily following the UN Principles for Responsible Banking, the system is periodically updated and processed according to external regulations and international standards to create sustainable value and deepen awareness of environmental, social, and governance risks.

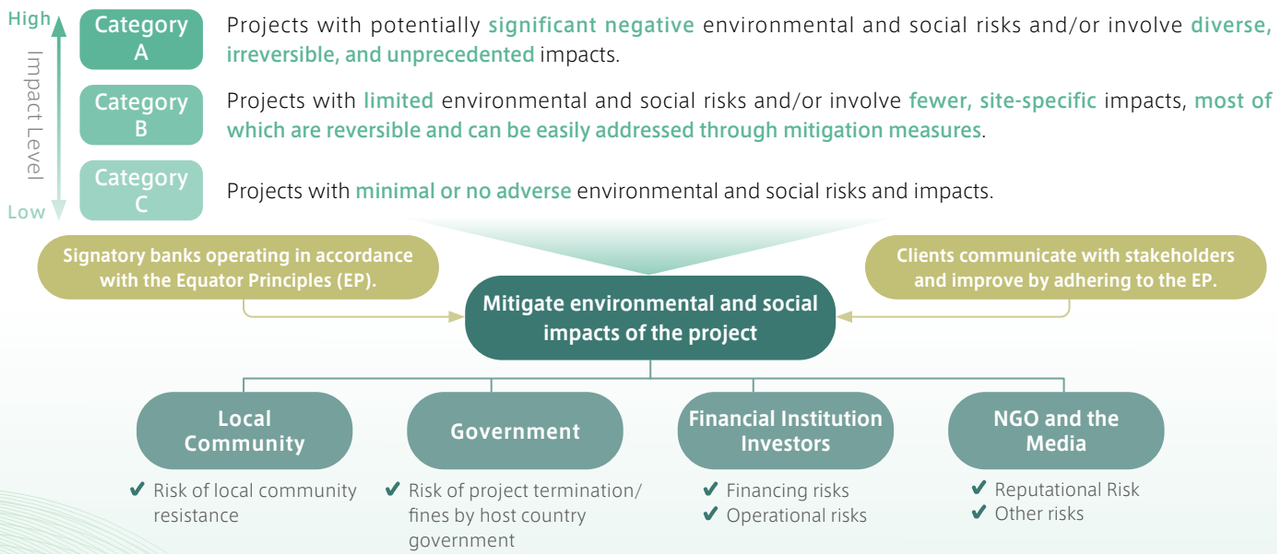
Highlights

- Leading the financial industry in implementing internal ESG rating and management frameworks;
- Pioneering ESG risk classification and differentiated management, covering the entire credit process end-to-end, and using AI algorithms to automatically interpret corporate ESG performance scores;
- Using automated extraction technology to obtain both negative penalty and positive ESG information of clients, including SMEs;
- Through "weighting" design, standardizing and aggregating borrowers' positive and negative performance, and classifying into four rating levels to assess clients' sustainability risks and opportunities, thereby informing credit decisions.

Milestones

- September 11, 2020: "Negative ESG Rating Classification Module" approved as a "Utility Model" patent by the Intellectual Property Office, Ministry of Economic Affairs.
- July 1, 2023: "Negative ESG Rating Classification Module" approved as an "Invention" patent.
- April 21, 2024: "Automated ESG Rating Classification Module" approved as a "Utility Model" patent.
- December 7, 2024: "Automated ESG Rating Classification Module" submitted for "Invention" patent re-examination.

The Equator Principles (EPs) focus on assessing the potential environmental and social risks associated with large-scale project financing. For cases with significant risk levels (i.e., Category A and B projects), the evaluation process requires engagement of professional third-party consultants to conduct independent environmental and social risk assessments. As of the end of 2024, 3 cases reached Financial Close (ready for disbursement upon signing) in accordance with EPs, with new approved lending amounting to approximately NT$ 3.94 billion. By the end of December 2024, CUB has accumulated a total of 27 EP credit cases that have reached Financial Close.



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2.2.3 Net Zero Emissions for Financial Assets by 2050

CUB has rolled out low-carbon transition plans for financial assets using science-based and quantitative decarbonization targets and a goal for zero coal financing, working steadily towards the ultimate goal of net zero Emissions in Financial Assets by 2050.

2.2.3.1 Science-Based Target (SBT) for Carbon Reduction

Asset	Methodology	Base Year	Climate Target - Group's SBT	Annual Emissions Reduction Target
Listed Equities & Bonds (Proprietary Investments)	Temperature Rating	2020	By 2026, decrease Scope 1+2 investment portfolio temperature from 3.08° C to 2.68° C	2.16%
			By 2026, decrease Scope 1+2+3 investment portfolio temperature from 3.13° C to 2.79° C	1.80%
Electricity Generation Project Finance	Sectoral Decarbonization Approach	2019	By 2026, decrease emissions intensity (tCO_2e/MWh) by 33% from base year	4.73%
Commercial Real Estate Loans			By 2026, decrease emissions intensity (tCO_2e/MWh) by 39% from base year	5.56%
Long-Term Corporate Loans (Electricity Generation Industry)			By 2035, decrease emissions intensity (tCO_2e/MWh) by 69% from base year	4.30%
Long-Term Corporate Loans (Commercial Buildings)			By 2035, decrease emissions intensity (tCO_2e/MWh) by 73% from base year	4.57%
Long-Term Corporate Loans (Fossil fuel, Electrical and Electronic Equipment, Semiconductor, General Manufacturing Sectors)	SBT Portfolio Coverage Approach	—	By 2026, 33% of loan portfolio by loan value setting SBTi validated targets	4.76%

Note:

1 Cathay FHC passed SBTi verification in September 2022, setting an overall target to control warming well below 2° C achieve net zero group-wide by 2050. The SBT baseline calculation and target setting for the group include all subsidiaries.

2 (1) Electricity generation project finance: Evaluates the generated capacity and carbon emissions of each power plant based on their installed capacity, using carbon intensity of electricity generation as an indicator.
(2) Commercial real estate loans: Targets leased collaterals and evaluates their total floor area and building use for GHG emissions, using carbon intensity per square meter unit as an indicator.
(3) Long-term Corporate Loans (excl. SMEs): GHG information primarily derived from GHG emissions data disclosed by the companies themselves or, if company does not disclose GHG emissions, estimations according to their business data. Industries/sectors are categorized into electricity generation, commercial buildings, SBT Portfolio Coverage, etc., and managed according to their characteristics.

3 Annual emissions reduction targets refer to linear reduction rates required each year after the base year and target is set.

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In alignment with Cathay FHC's group-wide policies, the Bank has adopted a science-based approach to set decarbonization pathways and targets for investment and lending portfolios. The Bank's key measures and strategies are as follows:

Reference Standards and Guidelines

- Based on the Financial Sector Science-based Targets Guidance (SBT).
- Referenced the ISO 14064-1: Greenhouse Gases.
- Utilizing the framework of the Partnership for Carbon Accounting Financials (PCAF).

Carbon Inventory and Emission Reduction Targets for Investment and Financing

Investment Carbon Inventory:

- Scope includes listed equity and corporate bonds.
- Uses the temperature rating to assess the potential warming impact of investment assets, aiming to achieve the Science Based Targets (SBT) portfolio temperature goal.

Credit Carbon Inventory:

- Scope primarily includes project financing for power generation, commercial real estate loans, and long-term corporate loans.
- Progress is monitored based on sectoral decarbonization approaches and legally binding SBT targets.

Decarbonization Strategies

Emission-Based & Impact-Based Approaches:

- Establish carbon reduction pathways using scientific quantification approaches.

SBT Scope 3 Financed Emissions Inventory Mechanism:

- Develop and implement a carbon inventory mechanism for financed assets.

Ongoing Monitoring and Evaluation

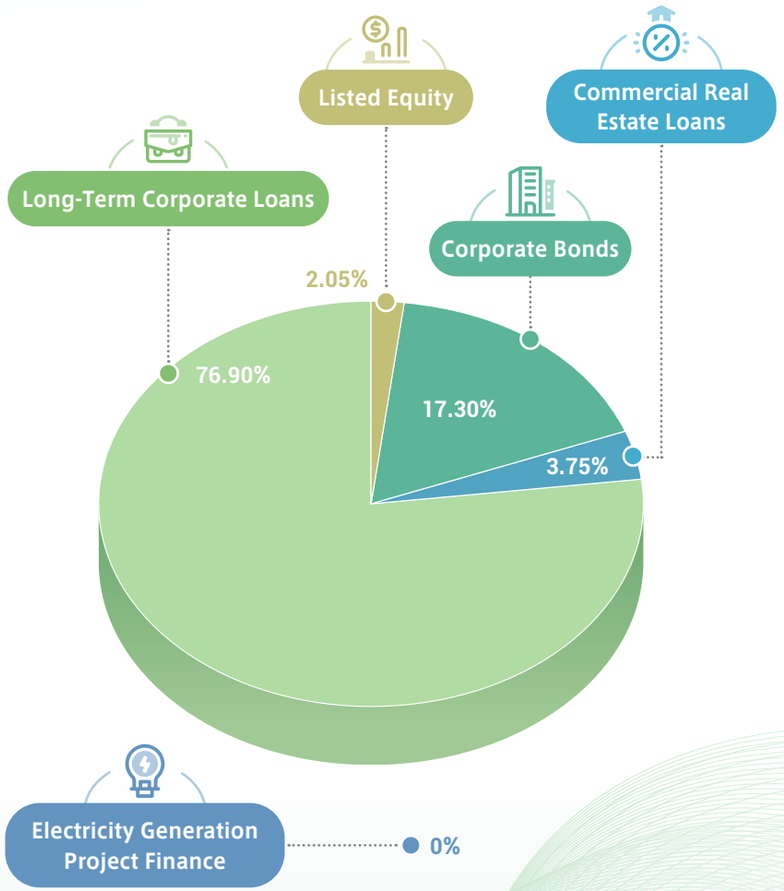
- Conduct annual analysis of investment and financing positions, as well as the carbon emission distribution of companies or industries with high emission intensity.
- The results of this analysis serve as a reference for future adjustments to investment and financing strategies and positions.

Action Plans

- Develop carbon reduction strategies and action plans based on analysis results to achieve emission targets.

Distribution of Carbon Emission

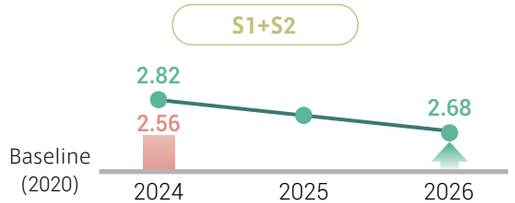
SBT scope 3 carbon inventory for financial assets
837,093 tCO_2e

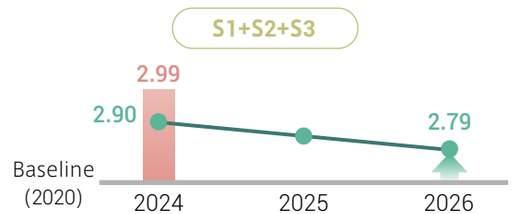


2024 progress towards SBT Scope 3 emissions reduction targets for all financial assets are as follows:

Temperature Rating

Listed Equities and Corporate Bonds (Proprietary Investment Portfolio)

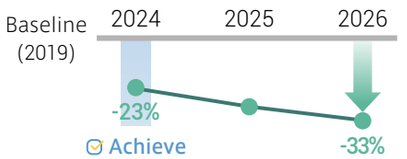




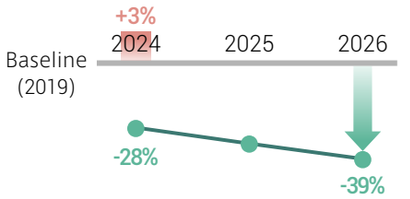
Target Value: SBT-aligned temperature pathway (° C)
Actual Value: Actual temperature changes (° C)

Sectoral Decarbonization Approach

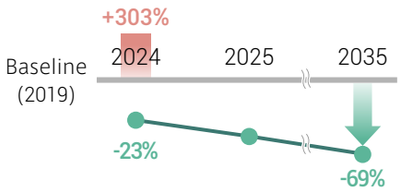
Electricity Generation Project Finance



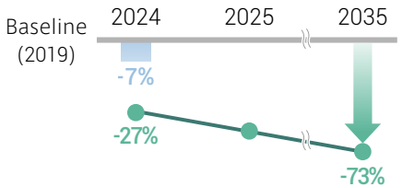
Commercial Real Estate Loans



Long-Term Corporate Loans (Electricity Generation)



Long-Term Corporate Loans (Commercial Buildings)

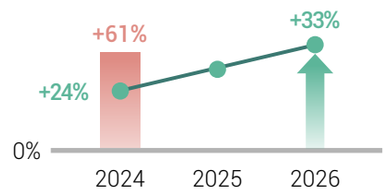


Target Value: Reach required reduction rate from baseline value to meet Cathay FHC' SBT target.
Actual Value: CUB's actual reduction rate from baseline value.

SBT Portfolio Coverage Approach

Long-Term Corporate Loans

Fossil Fuel, Electrical and Electronic Equipment, Semiconductors, General Manufacturing Sectors



Target Value: Engagement outcomes required to meet Cathay FHC's SBT target.
Actual Value: CUB's actual engagement outcomes.

Note:

1 The emission intensity of commercial real estate loans has increased year by year due to the difficulty of estimating building carbon emissions. Currently, estimations are based on building area, property category, and local Energy Use Intensity (EUI).
2 The emission intensity of long-term corporate loans (electricity generation sector) has shown short-term fluctuations, mainly because most electricity generation companies are not publicly listed, making it difficult to collect power generation data. The Bank will continue to improve data collection from business counterparties in the future.

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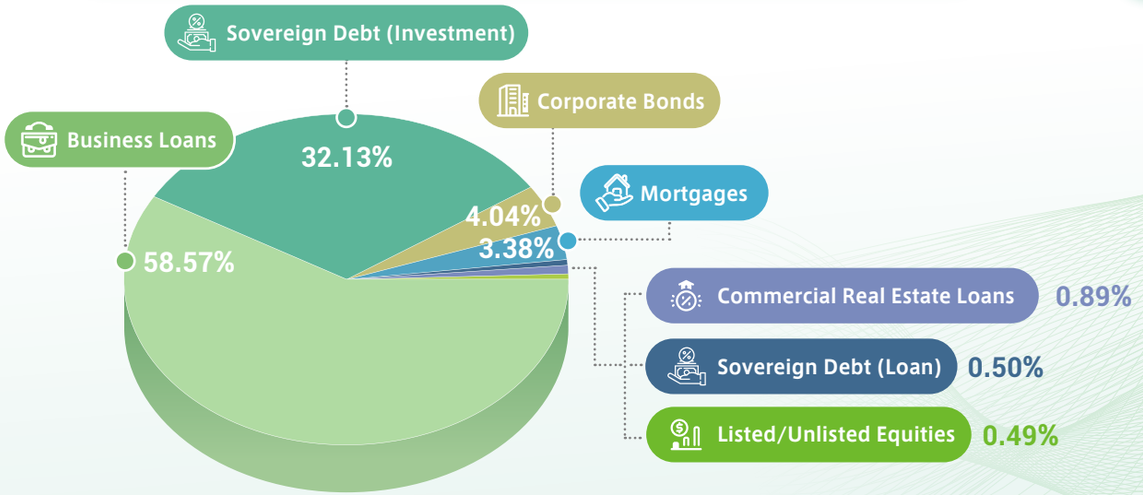
2.2.3.2 Scope 3 Inventory Mechanism for Financial Assets in Compliance with BAROC Guidelines

CUB complied with the Bankers Association of the Republic of China's (BAROC) "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks" to develop a Scope 3 inventory mechanism for financial assets in compliance with BAROC guidelines. The inventory scope is larger and more comprehensive than the Scope 3 inventory for SBT. CUB will leverage BAROC Scope 3 inventory results to develop and establish our emissions reduction strategies and targets. Using the PCAF methodology, CUB's inventory task force conducted carbon inventory for investment and lending positions as of December 31, 2024. The inventory scope covers listed and unlisted equity investments, corporate bonds investments, sovereign debt, business loans, project investments/finance, commercial real estate investments/finance, and mortgages. The inventory is then verified by our in-house verification team for accuracy and reasonableness through cross-checking inventory results, corrected, and then verified and assured by an independent third party. CUB will submit the final version in compliance with guidelines from competent authorities or BAROC.

The results of the carbon assessment for thr ee financial asset categories within the banking association's scope in 2024 are as follows. For detailed information, please refer to CUB Climate and Nature Report 2024.

Distribution of Carbon Emission

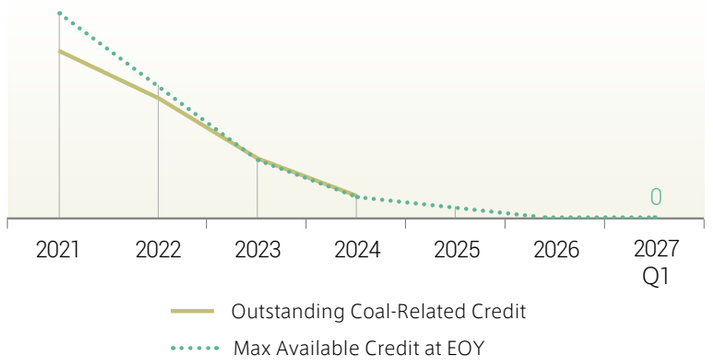
BAROC Scope 3 Financed Emissions Total 3,580,626 tCO_2e



2.2.3.3 The Zero Coal Financing Strategy

The goal of CUB's zero coal financing strategy is to reduce coal value chain credit facilities to zero by 2027 Q1 through regularly monitoring remaining credit lines to coal-related businesses to track current progress toward zero coal financing goals. The following details how CUB verifies strategy resilience:

Resilience Verification of Zero-Coal Financing Strategy



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2.2.4 Leader in Climate Engagement Actions

As one of the systemically important banks in Taiwan, we recognize the critical role that climate action plays in strengthening the resilience of financial assets. The Bank has shouldered the mission of being a pioneer in sustainable finance. As such, we have adopted a strategy to translate climate action, leveraging initiatives and engagements to advocate for dialogue and guide customers in understanding the importance of energy conservation and carbon emissions reduction in a corporate setting. CUB also engages with investees and borrowers to facilitate their disclosure of carbon inventory results, setting mid-to-long-term carbon emissions reduction targets, and participation in initiatives such as SBTi/RE100. To further enhance climate engagement, the Bank leverages the group's financial industry value chain to serve as a key bridge between national net-zero policies, international initiatives, and industrial transition. By aligning with the "Taiwan Sustainable Taxonomy" issued by the government, we support investees and borrowers in developing transition plans that mitigate or adapt to climate change impacts, enhance competitiveness, and accelerate society's transition to a green economy. For detailed information, please refer to CUB Climate and Nature Report 2024.

Investment and Financing Client Engagement

Direct Engagement

- CUB actively engaged with investees, participating in votes at 79 shareholder meetings, 312 investor conferences, and 132 direct engagements on environmental issues via phone calls, emails, etc. Focus areas included energy conservation, environmental protection, and financial impacts from climate change.
- For clients whose sustainability performance does not yet meet the criteria outlined in the "Taiwan Sustainable Taxonomy," we have established a support mechanism to assist them in formulating transition plans aimed at achieving long-term sustainability and net-zero goals. For detailed information, please refer to CUB Climate and Nature Report 2024.

Collaborative Engagement

- In collaboration with CDP - the world's leading environmental disclosure organization - and the Metal Industries Research & Development Center (MIRDC), we hosted the CUB ESG Forum to spotlight the needs of small and medium-sized enterprises (SMEs). The forum focused on sharing trends in climate and nature risks, key points for environmental disclosure, and the application of carbon accounting and reduction technologies, with the aim of supporting businesses in progressing toward net-zero transition goals.



- CUB also collaborated with President Chain Store Corporation - Taiwan's retail leader - for a second time, co-hosting the Circular Economy Workshop to encourage the upstream supply chain to commit to low-carbon transitions, process optimization, energy conversion, and process waste upcycling. The workshop was an opportunity for an industry giant to exert sustainability influence and lead smaller businesses to sustainability.



Domestic and Foreign Initiatives

- As Asia's first financial institution to participate in the CDP Corporate Banking Program, CUB invited corporations to complete surveys. A total of 121 corporations completed the surveys and received a CDP environmental disclosure score.
- To align with global sustainability trends and connect with domestic and international financial institutions to leverage joint impacts, the Bank is actively participating, signing, and complying with domestic and international sustainability guidelines and initiatives as part of our efforts to challenge and inspect ourselves with the highest standards available.

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2.3 Environmental Sustainability

On environmental issues, CUB has formulated our "Zero-Carbon Operation Transition Plan" and dedicated to creating an agile workplace and work culture to reduce operational emissions and promote renewable energy use. In 2022, Cathay FHC became the first financial institution in Taiwan to join the RE100, further exerting the group's influence to support sustainability in real estate ecosystems by offering accessible renewable energy and working with stakeholders to strive toward a net zero economy and sustainability goals.

2.3.1 Green Energy

As around 90% of CUB's carbon emissions from business operations derive from purchased electricity, we are leveraging system management to increase renewable energy use and enhance energy efficiency. In addition, CUB is spotlighting four areas - "Increase Use of Renewable Energies," "Deploy Energy Management Systems," "Implement Internal Carbon Pricing for Operations," and "Install Solar Panels on Proprietary Buildings" - to promote energy transitions, reduce environmental impacts, and commit fully to RE100 to achieve our goal of net zero emissions by 2050.

	Increase Use of Renewable Energies	Deploy Energy Management Systems	Implement ICP for Operations	Install Solar Panels on Proprietary Buildings
Important Actions	CUB actively negotiated Corporate Power Purchase Agreements (CPPAs) for renewable energy and obtained Renewable Energy Certificates (RECs) through various channels. By the end of 2022, CUB had achieved 100% renewable electricity supply for our headquarters. By the end of 2024, the renewable energy usage rate reached 21.5%.	The cloud-based energy management system has been rolled out to over 90% of CUB branches. Through a cloud-based EMS, we can gain insight into energy usage across different branches, improve energy use patterns, and, subsequently, control energy costs to strengthen climate resilience on the foundations of energy management. In the future, we will continue to deploy smart meters to operational sites not yet incorporated into our EMS and extend EMS to units at headquarters to monitor their energy consumption, which can advocate for energy conservation but also help determine if old A.C. units should be replaced, thereby supporting energy conservation and decarbonization.	Since 2023, we have adopted internal carbon pricing as a supplementary tool to drive GHG reduction. The carbon price is adjusted based on our renewable energy usage costs, grey electricity costs, and the electricity emissions factor published by the Bureau of Energy, Ministry of Economic Affairs. In 2024, our internal carbon price is set at NT$12,323 per metric ton. Our internal carbon pricing will be rolled out in phases: • In 2025, a basic carbon fee will be charged to each unit for any non-renewable energy consumption. • In 2026, an excess carbon fee will be charged for electricity usage that exceeds the energy usage threshold. By collecting internal carbon fees, HQ will adopt related energy conservation and decarbonization measures to promote low-carbon operations, increase energy efficiency, reduce operating costs, and achieve carbon-reduction effects.	Committed to renewable energy, CUB negotiates CPPAs for renewable energy and installs solar panels on the rooftops of proprietary buildings. In 2013, CUB established Taiwan's first solar-powered branch. In 2018, we installed solar panels to our Ruihu Branch, turning it into the largest solar-powered branch in the Greater Taipei area. As of 2024, CUB has 11 solar-powered sites across Taiwan with a total installed capacity of 395.14kW.
Short-Term Targets (2025)	Achieve over 50% renewable energy usage across all CUB locations in Taiwan and 100% renewable energy use in HQ.	Manage 62% of total electricity consumption of the 2022 baseline through the Energy Management System (EMS) to strengthen energy conservation efforts.	Adopt internal carbon pricing (ICP) mechanism and begin collecting basic carbon fees each quarterly.	Ramp up the installation of solar energy on CUB's proprietary buildings to reach 500% of the installed capacity compared with 2020.
Mid-Term Targets (2027)	Achieve over 50% renewable energy usage across all CUB locations in Taiwan.	All locations with measurable benefits from EMS are included. If there are other new or relocated branches, we will evaluate for inclusion.	In addition to collecting basic carbon fees from 2026, CUB will start collecting "excess carbon fees" based on increased electricity usage exceeding "energy usage threshold".	Ramp up the installation of solar energy on CUB's proprietary buildings to reach 568% of the installed capacity compared with 2020.
Long-Term Targets (2030/2050)	• By 2030, achieve 100% renewable energy usage in CUB locations across Taiwan. • By 2050, achieve 100% renewable energy usage in CUB locations around the world.		Continue to collect basic carbon fees and excess carbon fees.	By 2030, ramp up the installation of solar energy on CUB's proprietary buildings to reach 618% of the installed capacity compared with 2020.

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2.3.2 Green Operations

	Decarbonize CUB Operations Domestically	Three Workplace Strategies			Water Management	Waste Reduction	Sustainable Procurement
		Digitalize Services: Carbon-Footprint Labels	Mobilize Operations: Mobile Work	Share Workspaces: Workplace Transformation			
Important Actions	In line with our SBT, we aim to achieve an average annual reduction of 4.2% in Scope 1 and Scope 2 GHG emissions from our own operations. These results aim to track environmental data and are independently verified, providing crucial benchmarks for our reduction goals. As of the end of 2024, CUB has achieved a cumulative 23.2% reduction in Scope 1 and Scope 2 emissions from our 2020 baseline. For detailed inventory results, please refer to Appendix 6.1-21.	Due to changes in organizational work models and consumer behavior, we promote green operations to create a low-carbon, agile, and shared workplace. Details of the strategies are as follows: **(1) Digitalize Services:** Promote digital transformation and paperless processes to optimize product experiences. Aim to obtain ISO 14067 carbon footprint verification statements for primary products and services to manage GHG emissions throughout the product lifecycle. **(2) Mobilize Operations:** CUB introduced VDI OA in 2023, bringing information into the cloud and distributing more laptops to roll out remote work and enhance operational convenience. **(3) Share Workspaces:** CUB is transforming workplaces and evaluating spatial modules and designs based on the nature of different functions to develop a new shared office space and ensure a great employee experience, remote working capabilities, energy conservation, and efficient and flexible use of office space.			Climate change has indirectly altered water cycles and rainfall patterns, making water resources a significant global issue. As such, CUB seeks to conserve water resources within our operational scope. To achieve these goals, we have implemented the following measures: (1) Installation of automatic sensors to conserve water and use products certified as water-efficient for faucets, toilets, and other facilities. (2) Setting targets for water conservation, establishing an action plan to ensure targets are met, and working with EDM to remind employees to reduce water consumption. (3) Introducing ISO 46001: Water Efficiency Management System in 2023. (4) In 2024, a rainwater harvesting system was installed at the Xinshu Branch. The system collects, filters, and then stores rainwater into a water tank to reserve for garden irrigation and flushing urinals.	In the financial services sector, waste primarily consists of general household waste and recyclables, with no hazardous waste involved. The Bank regularly reviews waste statistics to monitor data and promptly improve recycling efforts. Through EDM campaigns, we promote awareness among employees about waste and plastic reduction to create positive environmental impacts.	CUB actively promotes green procurement by issuing a Sustainable Procurement Guidance to suppliers, encouraging them to pursue sustainable development. We prioritize the purchase of products and services certified with ecolabels. In 2024, our total green procurement spending reached NT$439.95 million, with a local procurement rate of 96.25%. We were also recognized by the Ministry of Environment as an outstanding green procurement enterprise.
Short-Term Targets (2025)	Cumulatively reduce Scope 1 and Scope 2 GHG emissions from CUB operations by 21% compared with 2020	Commit to carbon footprint verification for 66% of primary products	Complete deployment for 20% of employees eligible for the VDI OA project.	Complete 5 workplaces transformation compared with 2020	18.5 cubic meters per capita water consumption	31.6 kg per capita waste	Total Green Procurement: NT$151 million
Mid-Term Targets (2027)	Cumulatively reduce Scope 1 and Scope 2 GHG emissions from CUB operations by 29.4% compared with 2020	Commit to carbon footprint verification for 83% of primary products	Target to be determined according to actual progress.	-	18.3 cubic meters per capita water consumption	29.5 kg per capita waste	Total Green Procurement: NT$153 million
Long-Term Targets (2030)	Cumulatively reduce Scope 1 and Scope 2 GHG emissions from CUB operations by 42% compared with 2020	Commit to carbon footprint verification for 100% of primary products			18.0 cubic meters per capita water consumption	27.7 kg per capita waste	Total Green Procurement: NT$156 million

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2.3.3 Green Real Estate

	Green Retrofit	Low-Carbon Architecture	Green Landlord
Important Actions	Since 2019, we have adopted eco-friendly design concepts for branch renovations, with green building materials accounting for over 60% of the total surface area. As of the end of 2024, a total of 49 branches or 29.7% of branches have been renovated following eco-friendly design principles, with a total renovation expenditure of approximately NT$1.75 billion. In 2025, we plan to complete eco-friendly renovations at 10 additional branches.	New CUB buildings comply with low-carbon, environmental protection, and energy conservation guidelines. For example, evaluating building exterior, location, enhancing greenery coverage, and adopting equipment with energy and water saving labels as well as assessing rainwater recycling systems and PV systems for new real estate development projects. The goal is to reduce the consumption of traditional energy by generating energy onsite for self-use.	CUB mapped out the green landlord system to outline how landlords can wheel in and distribute renewable energy to building tenants. The program is an effective solution to the renewable energy dilemma that previously prevented tenants under the same electricity account from accessing renewable energies. Under the program, tenants can access renewable energies without entering into multi-party agreements with electricity suppliers, Taipower, and landlords. This ensures tenants have convenient access to green energy, thereby increasing the accessibility of renewable energy to tenants. In 2024, the Bank surveyed tenants on willingness to adopt green energy and assisted willing tenants in using green energy and striving for net zero emissions.
Short-Term Targets (2025)	Ensure all green retrofitted branches in 2025 comply 100% with eco-friendly guidelines and 30% CUB branches have been green retrofitted	–	
Mid-Term Targets (2027)	Ensure all green retrofitted branches in 2027 comply 100% with eco-friendly guidelines and 38% CUB branches have been green retrofitted	–	Continue to offer green energy services to willing tenants.
Long-Term Targets (2030)	Ensure all green retrofitted branches in 2030 comply 100% with eco-friendly guidelines and 45% CUB branches have been green retrofitted	–	

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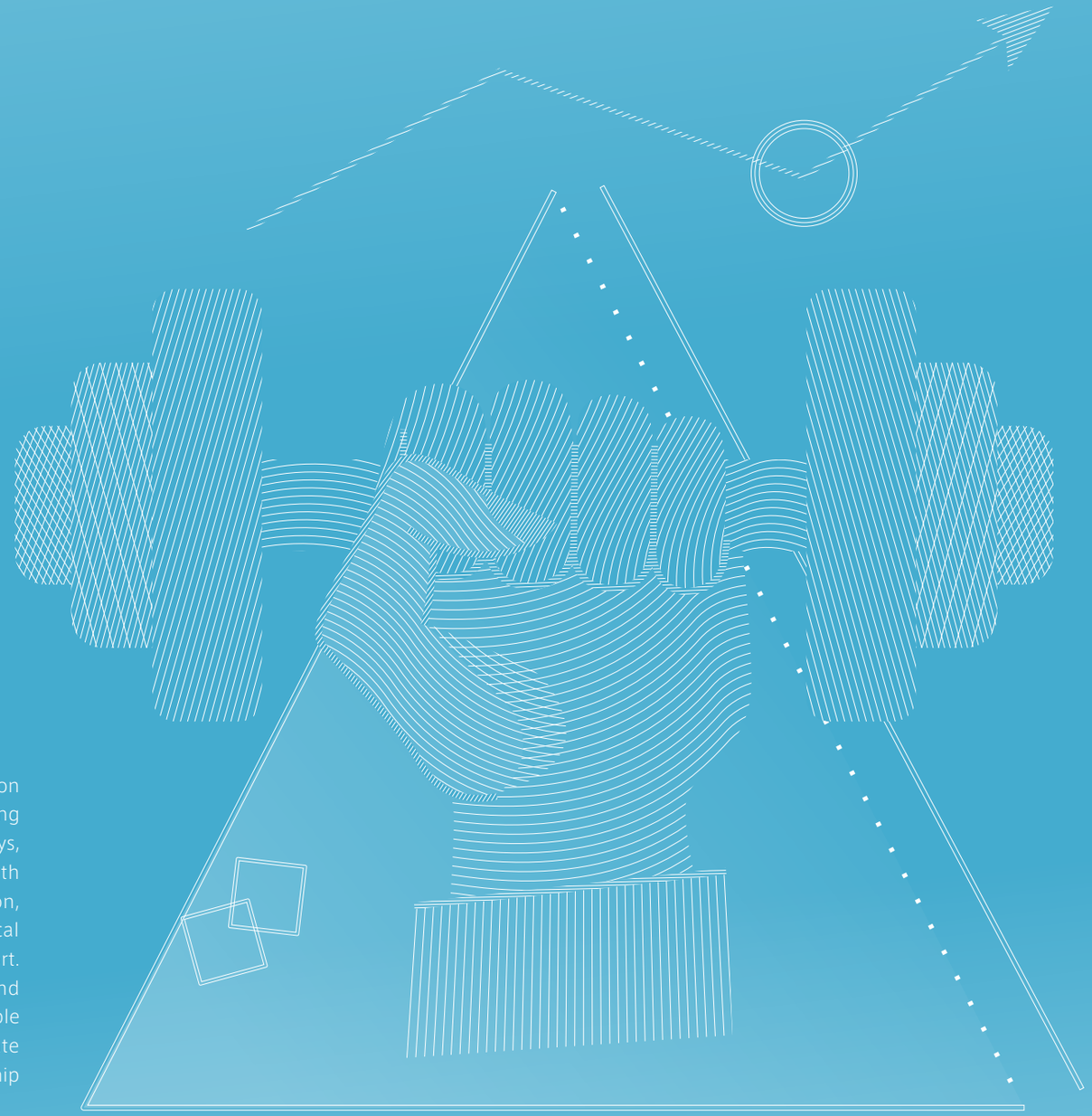
3

Health Strategy

3.1 Physical and Mental Health

3.2 Financial Health

Health is the most important asset, and it is also regarded as the foundation of our societal development. It encompasses not only physical well-being and strength but also psychological, social, and economic health. Nowadays, people face multiple challenges including occupational safety, health risks, and financial security. CUB, as a major domestic financial institution, meticulously manages workplace safety and fully supports the physical and mental health of our employees, standing as their strongest support. Simultaneously, we aim to expand our health promotion efforts beyond ourselves to have a broader impact on society, providing the most reliable and convenient digital financial solutions to help the public accumulate wealth and achieve a happy and healthy life, demonstrating our leadership influence in the industry.



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3.1 Physical and Mental Health

According to the "Healthy Workplaces: a Model for Action" released by the World Health Organization (WHO), workplace health should encompass four main aspects: "Physical Work Environment," "Psychosocial Work Environment," "Personal Health Resources," and "Enterprise Community Involvement". The Bank adheres to the " Cathay FHC Occupational Safety and Health Policy" and conducts various health promotion activities to advocate for comprehensive health, aiming to establish a healthy workplace. Furthermore, we offer group insurance for our employees and their families and work closely with our contractors to guarantee workplace thereby enhancing enterprise community involvement and promoting overall societal health.

3.1.1 Health Work Environment Management System and Governance Structure

A healthy workplace is more than just a slogan. The Bank actively combines internal and external resources, recognizing that a good management system and governance are crucial for effectively enhancing workplace health. From top to bottom, the Bank connects the Cathay FHC Sustainability Development Committee, senior management, and employees across multiple levels of defense. Regular communication is conducted to improve management systems and ensure the effectiveness of measures, thereby creating a safer and healthier work environment and enhancing the overall well-being and productivity of employees.

3.1.1.1 Health Management Policies

Based on the "Cathay FHC Occupational Safety and Health Policy", the "CUB Safety and Health Work Guidelines," the "CUB Occupational Safety and Health Management Guidelines" and the "CUB Occupational Safety and Health Management Program," CUB strictly adheres to relevant laws and regulations. The Bank has introduced and completed third-party independent verification of the international standard ISO 45001 Occupational Health and Safety Management System. During group liaison meetings, the Bank routinely assesses the progress of health and safety strategies and associated programs, establishes risk management mechanisms, defines relevant objectives and action plans, and enhances employees' awareness and skills in occupational health and safety.

3.1.1.2 Occupational Safety and Health & Employee Health Governance

To integrate safety and health awareness into the governance structure and daily operations, CUB conducts Occupational Health and Safety Committees to effectively communicate occupational safety and health issues with employees. The President, serving as the Management Representative, ensures the implementation of the Occupational Health and Safety Management System and regularly reports the Bank's occupational safety and health performance to the Occupational Health and Safety Committee. Through various communication channels, we engage with all employees to ensure a healthy and safe workplace.

Governance

- **Sustainable Development Committee:** The CUB Sustainable Development Committee supervises a Health Promotion Team responsible for managing workplace health and safety issues and regularly reporting work results to the Sustainable Development Committee.
- **Occupational Health and Safety Committees:** The Committees convene quarterly to discuss occupational safety and employee health promotion plans. We will also evaluate the correlation between senior performance-based remuneration and occupational safety and employee health programs.

Employee Health & Workplace Safety Targets

The Occupational Health and Safety Management System covers all workers. In the case of non-employee workers, we require contractors to collaborate by adhering to the "Cathay FHC Occupational Health and Safety Policy" and the "CUB Management Guidelines for Contractor Safety and Health" to create a secure work environment, aiming to achieve "zero disasters, zero accidents."

Management System

Since adopting the international standard ISO 45001 Occupational Health and Safety Management System in 2019, the Bank has continued to foster a safe, health, and sustainable workplace environment through managing risks and enhancing organizational resilience.

Employee Communication

According to the "CUB Occupational Safety and Health Management Methods," an Occupational Safety & Health Committee is established to effectively communicate about occupational safety and health issues and implement resolutions based on achieving consensus.

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3.1.1.3 Occupational Safety Risk Assessment

CUB regularly assesses occupational safety and health hazard factors and risks to plan for preventive measures and emergency response plans. It manages risks related to occupational safety and health to protect employees' physical and mental health and prevent occupational hazards, thereby creating a safe work environment. CUB is classified as a low-risk workplace and continuously provides employees with ample occupational health and safety training to raise their awareness of workplace safety. We evaluate our employees physical and mental well-being each year and host health lectures and stress-relieving activities to maintain their overall well-being.

Emergency Response Plan

The emergency response plan outlines comprehensive incident reporting procedures for various disaster scenarios. CUB conducts annual on-site disaster drills based on the emergency response plan, which include fire, typhoon, robbery, and explosion drills. These drills aim to improve employees' readiness to handle potential accidents or emergencies and reduce disaster-related losses.

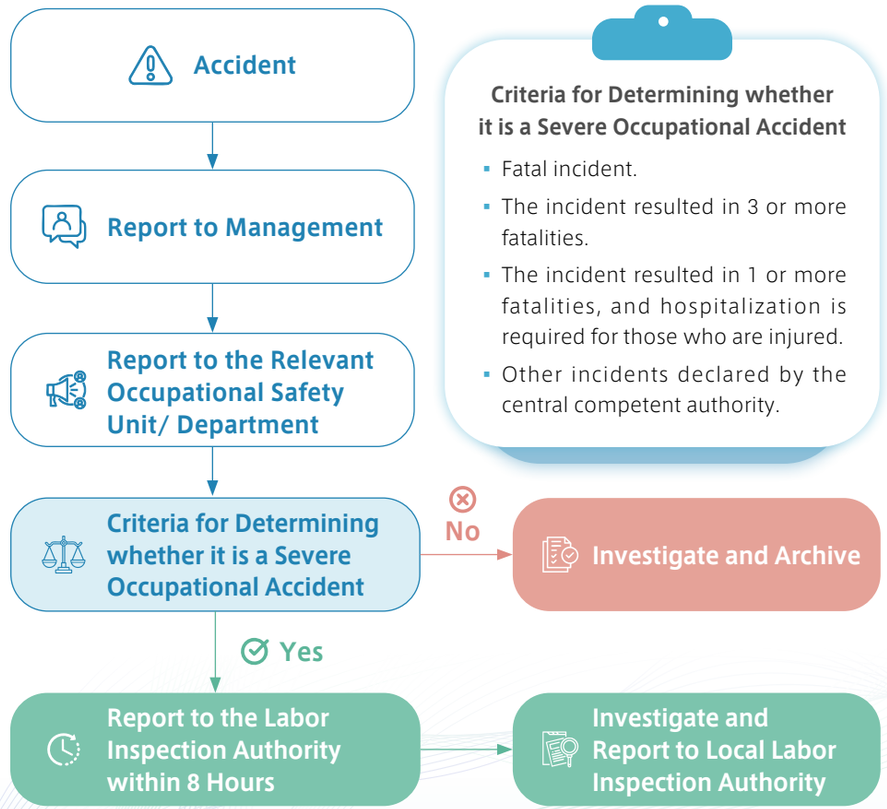
Accident Investigation Mechanism

CUB demonstrates concern for its employees through its occupational safety unit, providing necessary assistance. In the event of an occupational accident, the occupational safety supervisor collects the medical requirements of injured employees, informs relevant departments, and offers support. In cases of significant occupational accidents, the law mandates reporting to the labor inspection authority within 8 hours for investigation. If an employee undergoes surgery or suffers permanent disability due to such an accident, medical professionals will evaluate their ability to resume their original duties, with nurses providing ongoing support until a smooth return to work is possible. Even for minor incidents, CUB adheres to internal protocols for thorough investigation, documentation, statistical analysis, and quarterly reporting to the Occupational Safety & Health Committee.

Last year, 70% of work-related injuries were caused by traffic accidents while commuting, mainly motorcycle accidents. To improve this situation, we are promoting the "Motorcycle Self-Maintenance Inspection Reward Project" to encourage colleagues who ride motorcycles to regularly maintain their motorcycles to keep them in optimal operating condition, prevent disasters due to poor motorcycle condition, and raise awareness of driving safety. In 2024, 821 people participated in the Motorcycle Self-Maintenance Inspection Reward Project, which combined raffles with environmental sustainability by subsidizing electric motorcycle purchases with NT$50,000 and a NT$1,000 EasyCard.

The absence of any employee fatalities due to occupational accidents in the past three years reflects the successful implementation of occupational health and safety policies at CUB. For detailed occupational accident statistics, please refer to Appendix Table 6.1-11.

Investigation Procedure for Occupational Safety and Health Incidents



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3.1.2 Occupational Safety and Health Education Training and Management Measures

CUB provides comprehensive safety and health education training for employees to enhance their awareness of potential risks. The Bank also ensures that it is equipped with sufficient medical supplies and first aid personnel for rapid response to emergencies. Additionally, regular checks of the workplace are conducted to identify and resolve any safety hazards. Through education, training and management measures, CUB reduces the risk of operational losses and strengthens compliance with regulations. This demonstrates the Bank's commitment to corporate responsibility for safety, health, and sustainability, as well as its dedication to "ensuring perfect working conditions, health, welfare, and practicing equality," aligning with the United Nations' Sustainable Development Goals.

3.1.2.1 Occupational Safety and Health Training

To increase employees' awareness of accident prevention, we conduct regular safety and health training for employees. A total of 21,747 hours were devoted to employee safety and health training in 2024. In addition, we introduced the "Zero Accident Reward Project" to focus on teams and promote unit-level advocacy and team cooperation in implementing various prevention measures. In 2024, 178 units successfully maintained zero accidents, representing 76% of the Bank.

In addition to raising safety awareness among all employees, CUB has designated professionally trained first aiders in the workplace and equipped facilities with sufficient first aid kits and Automated External Defibrillators (AED). These efforts are complemented by enhanced first aid training to ensure effective emergency response. The bank currently has 227 AEDs on site that are inspected and maintained every six months. To ensure employees are familiar with how to operate AEDs, HQ organizes one AED training session every two years and branches organize one session every year, with a total of 1,218 hours of training for first aid personnel in 2024.

3.1.2.2 Internal Inspection of the Workplace

CUB has established 7 health rooms to provide rest and treatment for injured employees. It also regularly monitors the daily workplace environment, including lighting levels, carbon dioxide concentrations and water quality of drinking fountains, to reduce eye strain, prevent loss of concentration due to poor air circulation and prevent water-related diseases, thus safeguarding employees' health and improving work efficiency.

In accordance with the "Occupational Safety and Health Act", the Taipei City Labor Inspection Office's "Self-Management Promotion Plan" and the CUB's "Management Guidelines for Contractor Safety and Health", CUB actively supervises all units and contractors to conduct internal workplace inspections. In 2024, no major deficiencies were identified during internal inspections.

Education Programs	Participants		
	2022	2023	2024
New Employee Occupational Safety and Health Training	2,168	2,122	1,871
Annual Occupational Safety and Health Training	10,407	10,694	11,334
Occupational Safety and Health Business Manager Training	44	404	300
Fire Management Personnel Training	37	383	50
First Aid Personnel Training	456	52	79

3.1.3 Physical and Mental Health Assessment Process and Implementation Results

We provide a supportive and compassionate workplace by conducting physical health screenings and offering a variety of mental health programs for employees in the present high-performing and rapidly changing workplace. We offer professional medical consultations and invite experts to address related topics and answer health questions, while encouraging employees to stay active through group-wide wellness events. For health programs, outcomes, and expenses, please refer to Appendix Table 6.1-12.

Externally, we invite the community and neighboring companies to participate in blood donation and flu vaccination activities, extending CUB's healthy and energetic influence to the general public.

3.1.3.1 Physical Health Assessment Process

In accordance with Cathay FHC's policy, we conduct regular health checks for staff. In 2024, the completion rate of health checks for new employees was 100%, and we provided regular employees with health checks every 2 years. According to the "Cathay United Commercial Bank Employee Health Check Follow-Up Management Guidelines", we conduct graded health management based on the results of various statutory inspection items for employees. Nurses follow up with high-risk individuals and, based on their needs and willingness, refer them to on-site physicians, and coordinate with supervisors for necessary work adjustments. Based on the top three health issues identified from employee health check results and statistics from the musculoskeletal questionnaire, which highlights the most affected areas, 4 health lectures were held with 265 participants. The overall satisfaction rate reached 97.7%.

3.1.3.2 Mental Health Plan and Health Seminars

Besides conducting annual psychological surveys to ensure there are no major mental health risk factors, we help employees achieve work-life balance through Cathay FHC's Employee Assistance Program (EAP). All employees can access one-on-one professional counseling services when facing difficulties or stress. These services are delivered by a team of professional counselors to support employees' mental health and enhance work performance. According to the provider's satisfaction survey of employees who use the counseling service, nearly 98% of employees expressed a high level of satisfaction with the EAP service. In addition, CUB organized 3 mental health lectures targeting common issues raised through the Employee Assistance Program (EAP) in the previous year, such as psychological stress and family communication, which may affect mental health. A total of 222 participants attended these lectures aimed at helping employees regain their inner balance, with participants reporting an overall satisfaction rate of 98.4%.

According to the requirements of the "Regulations of the Labor Health Protection", we engage three family doctors from Cathay General Hospital to provide on-site services at the Headquarters Building, Information Building, Jianguo Building and Guangfu Building monthly. In 2024, the resident doctors provided on-site services in 140 sessions, with a total of 202 employees receiving this service. As our service locations are distributed both domestically and internationally, in addition to the nurse-assessed referral appointments, we provide all colleagues with online resident physician appointments every month, which are available in physical, telephone, and video formats for health consultations. Considering the increasing percentage of middle-aged and older employees in the workplace, in order to promote health among this group, professional healthcare providers were invited to conduct lectures and health screenings. 3 health promotion activities for middle-aged and older employees were held, with a total of 144 participants. The overall satisfaction rate was 98.1%.

EAP Service Content

Service Area	Psychological Consultation, Legal Consultation, Financial Consultation, Management Consultation, Health Consultation
Service Channels	24-hour toll-free 0800 number and email reservation, telephone or face-to-face consultation service
Service Platform	Free online mental and physical assessment tools (Emotional Quotient, Overwork Scale, Simple Work Stress Scale)
Service Locations	Cooperation with psychological counseling locations throughout Taiwan to provide face-to-face consultation services

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3.1.3.3 Promoting Employee, Family, and Community Health

CUB recognizes that health is the foundation of both business and society. Therefore, we are committed to organizing various activities to promote the health and well-being of employees, families and the community. Every year, we invest substantial resources in a series of health promotion programs, including chronic prescription pick-up services, stress relief craft workshops, parent-child interaction activities and blood donation. The Group also organizes wellness initiatives such as weight-loss and walking challenges, which not only raise employees' health awareness, but also strengthen family and community cohesion, working together to build a healthier, more harmonious society.

Employee Health Promotion Activities

Weight-Loss Contest

In response to the Cathay FHC Weight-Loss Contest, we held 2 tech-enabled fitness activities to help employees better understand their physical condition. These were complemented by 4 live-streamed nutrition courses and 60 online exercise classes, aimed at fostering healthy eating and exercise habits. In 2024, a total of 2,642 employees participated, with 2,017 successfully completing the contest, and a cumulative weight loss of 7,763 kg.

Brisk Walking

In support of Cathay Life's "Every Step Counts", we launched the "Step into Health, Walk into Happiness!" event to encourage colleagues to exercise through a walking challenge enhanced with a reward mechanism. In 2024, the total number of participants reached 5,143, an 89% growth in participation rate from last year.

Sports Activities

To promote the physical health of employees, the Bank regularly organizes sports events, such as the annual Table Tennis Challenge and the Cathay Run. Through various incentive mechanisms, colleagues are encouraged to exercise and maintain their physical well-being. In 2024, nearly 1,000 participants joined the Table Tennis Challenge, and nearly 3,000 employees and their families signed up for the Cathay Run.

Stress Relief

Based on feedback from employees' questionnaires, we organized 5 DIY stress-relief workshops across northern, central, and southern regions, featuring activities such as woodworking, leather crafting, succulent planting, punch needle embroidery, and candle making. These hands-on courses aimed to help employees unwind and relieve stress outside of work. In accordance with the results of the Abnormal Workload Questionnaire (commonly referred to as the "Overwork Questionnaire"), which is used to monitor employees' physical and mental well-being, priority was given to high-risk individuals. In 2024, a total of 237 employees participated the workshops, with overall satisfaction rate of 98.2%.

Family and Community Health Promotion Activities

Parent-Child Activities

CUB values work-life balance and, in support of the Group's June–November parent-child initiative, organized a series of themed events in 2024 under the banner "Professional Experience." The program integrated environmental and sustainability topics, aiming to instill eco-consciousness in children from an early age through engaging family experiences. A total of 9 events were held, with 670 participants and an aggregate satisfaction rate of 96.5%.

Family Group Insurance

Beyond the regulatory requirements, the Bank provides group insurance for employees and their dependents. Furthermore, employees are eligible for cancer insurance, which alleviates the financial burden for those unfortunate staff members undergoing treatment for cancer.

Blood Donation Activities

Blood donation promotes circulation and metabolism, benefits employees' physical health, and—most importantly—helps save lives. Continuing our annual corporate blood drive tradition, CUB launched the 2024 campaign under the theme "Cathay Cares, Passion Never Fades," inviting employees, customers, and the general public to participate. A total of 7 events were held across northern, central, and southern Taiwan, resulting in 1,014 successful donations and 1,439 bags of blood collected. The overall satisfaction rate reached 99.4%. To thank employees for their participation, those who joined the event were eligible for a prize draw, featuring items such as 10.9-inch iPad Airs, dining vouchers for INPARADISE and SUNRISE, and Bruno multi-functional electric grills.

Combating the Flu Epidemic

Receiving the influenza vaccine not only prevents severe illness and death but also contributes to herd immunity. In response to the flu season, CUB organizes an annual vaccination campaign, inviting employees and staff from neighboring companies to receive publicly funded flu shots. The initiative encourages employees to prioritize health and preventive care. This year, under the theme "Healthy & At Ease," CUB partnered with the Taipei City Hospital Renai Branch—coordinated through the Xinyi District Health Center—to host 3 vaccination sessions.

3.2 Financial Health

According to the definition of the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), financial health includes four elements: daily income and expenditure, financial planning, financial risk resistance and financial confidence. Through offering a diverse range of financial products and services, CUB aligns with the four elements of financial health and practices the value of financial inclusion. Our goal is to become "The Best Guardian of Customer Wealth" and "The Benchmark Enterprise for Financial Inclusion in Taiwan." This is achieved through the following four key areas:

1. **Anti-Fraud Guard:** To promote anti-fraud measures and raise awareness to help customers mitigate the impact of fraudulent activities;
2. **Digital Transformation and Innovation:** To drive digital transformation and develop innovative products, enabling customers to enjoy convenient one-stop digital financial services. We offer user-friendly financial planning tools that help customers make healthy financial decisions, effectively manage their finances, and utilize trusts to safeguard their assets;
3. **Financial Inclusion:** To enhance the resilience against financial risks and the accessibility of using online digital services for diverse groups such as small and micro businesses, SMEs, and social enterprises, while expanding their use of financial services;
4. **Financial Education:** Promoting financial education to raise public financial awareness, helping people make more reasonable financial decisions. This boosts their financial resilience and confidence, supporting individuals in building a confident and happy life.

Through these services, CUB hopes to enhance the financial health of our customers and build a solid foundation for a secure society.

3.2.1 Anti-Fraud Guard Network

As a D-SIBs, we shoulder the responsibility of building an anti-fraud guard network and safeguard the security of daily financial transactions through comprehensive anti-fraud strategies and technologies such as online monitoring of new criminal activities, management of cash flow, improvement of information security, and integration of offline customer services. Furthermore, we proactively enhance public awareness of fraud, reinforcing the first line of defense against fraudulent activities.

Under the leadership of the President, CUB has established a cross-departmental Anti-Fraud Taskforce in July 2023, bringing together expertise from various departments to create a comprehensive anti-fraud governance structure. With an integrative anti-fraud mindset, the Taskforce designed a blueprint for fraud prevention, formulated comprehensive strategies and management goals, and leveraged integrated data technology and staff empowerment through the "Cathay Shield." This framework incorporates four key components - "Knowledge Shield, Technology Shield, Care Shield, and Alliance Shield"- to establish a collaborative defense mechanism that strengthens fraud detection and prevention capabilities, creating a protective network to combat fraud. This Taskforce regularly reports its achievements to the Anti-Money Laundering and Counter Financing Terrorism Committee and the Treating Customers Fairly Committee, evaluates the effectiveness of anti-fraud measures, and continuously refines anti-fraud strategies.

Additionally, to encourage active fraud prevention across business units, the Bank has established a rewards program to commend employees who successfully prevent acts of fraud. The program was established in addition to original incentives. In 2024, a number of 7,817 awards won by employees for their successful fraud prevention efforts.

According to statistics from the National Police Agency of the Ministry of the Interior, in 2024, CUB topped the industry in terms of successfully preventing fraudulent transactions amount at bank counters. Through proactive actions, the Bank protects customers from financial losses, exerts a positive influence, enhances the community's awareness, and demonstrates an unwavering commitment to financial security, strengthening CUB's leadership position in anti-fraud efforts. Looking ahead to 2025, CUB will further enhance fraud prevention measures and work toward establishing a comprehensive anti-fraud ecosystem within the financial sector. Through experience exchange and resource sharing among financial institutions, CUB aims to implement cross-institutional fraud prevention, accelerating the identification and response to new fraud patterns. This will not only improve our ability to detect potential criminal activities but also create a safer financial environment for customers.

Category	2024 Results
Online Platforms	• Effective takedown of 27 counterfeit websites and social media accounts
Credit Card Transactions	• The interception of NT$ 996 million worth of abnormal transactions • The blocking of 2,396 instances of suspicious credit card bindings • Successful interception of 81,784 fraudulent card transactions • Early detection rate was on average 37% higher than the industry, with an annual growth rate of 14%
Deposit & Remittance	• Successful interception of 4,528 fraudulent cases at bank counters, with a number of 7,817 awards won by employees for their efforts. The total blocked amount reached NT$ 3.04 billion • Initiated controls over 57,865 accounts for abnormal transactions, blocking NT$ 1.58 billion in abnormal cash flows
Educational Campaigns	• Over 65 million exposures from fraud prevention education and promotional activities throughout the year

Note 2024 Results is derived from internal statistics as of December 31 of the same year.

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Knowledge Shield

- In 2024, CUB published the first "Anti-Fraud Behavior Survey Report," revealing that everyone, instead of specific populations, are susceptible to frauds and that half of all fraud victims never report the incident. Therefore, we are in collaboration with the Criminal Investigation Bureau of the National Police Agency, launching the "Report online, Call 165, Speak up " initiative, and leveraged TV channels, social media, and on-site promotions to expose various fraud techniques and teach fraud detection skills. We expect to adopt various media across all age groups to improve their the ability to identify fraud.
- Launched 4 short videos on security technology protection, which garnered over 1.34 million views.
- Conducted a quiz-based anti-fraud campaign using MBTI personality tests to demonstrate the connections between fraud scenarios (investment fraud, romance scams, fake police scams, lottery scams, etc.) and personality traits. The campaign reached around 22.4 million exposures, with more than 18,000 online participants.
- For rural students, CUB's online financial education courses were designed to include fraud awareness, teaching children how to handle possible fraud situations targeting students.
- In 2024, 243 anti-fraud events (including 9 online) were held, with over 13,000 participants.
- Fraud techniques and detection were shared over self-media platforms regularly (including EDM, Facebook, LINE, ATM, etc.), reaching over 48 million impressions.

Technology Shield

- Based on common fraudulent or suspicious transaction patterns published by the Bankers Association, monitoring rules were established to provide system controls and alert reports for abnormal accounts.
- Leveraged a fraud detection system to strengthen identification of fraud risks associated with applications.
- Continued to monitor suspicious credit card transactions in real-time through the early warning detection system and a 24-hour professional team, triggering investigation and blocking mechanisms. If fraud is suspected, credit card transactions are temporarily suspended, and abnormal merchants are locked to prevent card skimming.
- Using Technology to Prevent and Detect Fraud.

Precautions Beforehand

- By purchasing the internationally renowned counterfeit and fraudulent website detection and removal service (RSA FraudAction Service). Once counterfeiting is discovered, the removal process will be immediately initiated, effectively stopping fraudulent activities from happening.
- By gathering intelligence from the dark web, we can promptly identify and address potential leaks of customer information (such as credit card numbers or account information) and take corresponding measures to protect customers from further losses.
- CUB has introduced digital signature authentication to verify the authenticity of email sources for recipients. This measure strengthens defenses against social engineering fraud techniques (such as ransomware or phishing emails).
- Provided a "Card Security Lock" feature for customers to lock their credit cards by region (domestic/overseas), type (physical/cardless), time, and amount, to safeguard credit card security.
- Improved device security for card binding, requiring TWID (by TWCA) SIM verification before allowing credit card binding to devices, preventing fraudulent card binding to mobile payment applications for cardholders.
- Strengthened the virtual card number (VCN) application by adding identity verification steps in the online application process to enhance verification strength and security. This reduces the risk of personal data fraud and counterfeit applications for VCN, mitigating the associated risk of fraudulent card use.
- Offered the "SMS Inbox" feature to allow customers to verify the source of SMS messages. When customers receive suspicious scam messages, they can log into their CUBE App to check the message instead of calling our customer service center to confirm the legitimacy of these messages.

Responses Afterwards

- Analyzed transaction patterns of fraud and fraudulent credit card use in real-time every day, continuously adjusting and optimizing detection rules to improve the accuracy of our early warning detection system.
- The 3DS verification system continuously adjusts detection rules, monitors abnormal transactions in real-time every day, and blacklists stores and device IPs used for fraud to block transactions requiring online verification.
- Leveraged the Cathay Shield risk detection platform to accurately monitor abnormal cash flows, implement real-time detection technologies, and accelerate the time from abnormal activities to initiation of lockdown controls.
- Partnered with other financial institutions to launch the "Cross-Financial Federated Learning Anti-Fraud PoC" through FinTech Space, a financial technology innovation hub, integrating model parameters from different organizations and successfully increasing abnormal account detection rates by 20%.
- A cross-departmental emergency response team was established to cooperate with domestic information security experts to share fraud techniques and prevention strategies and provide professional emergency response support.

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Cathay Shield
Four-pronged Joint Defense Mechanism

Care Shield

- CUB requires all staff members to undergo "Fraud Recognition and Prevention Education", which includes (1) Through "Fraud Recognition and Prevention Workshops," training courses have been conducted to enhance the professional competence and anti-fraud awareness of employees in all 165 branches nationwide. The course covers key control points and tools used within the Bank, fraud scenario analysis, techniques for strengthening careful questioning, case studies, and hands-on exercises. (2) Through conducting pattern analysis of suspicious accounts and discussing scenarios of fraudulent techniques during monthly branch operational meetings offer key reminders. (3) Manuals such as "Service Desk High-Risk Transaction KYC Communication Handbook" and "High-Risk Transaction Counter Communication Skills" are compiled to provide various practical questioning techniques. (4) Regular fraud prevention reports are issued to disseminate the latest fraud information from the Criminal Investigation Bureau, share exemplary cases of fraud prevention, and provide updates on the latest anti-fraud information. (5) For failed fraud interception cases at the counter, analysis and review are conducted, and explanations and reminders are provided during monthly branch operational meetings, strengthening the depth of customer questioning through inter-bank case analysis and feedback.
- Each branch has designated "Fraud Prevention Seeds" and established an internal notification group called the "C_Team Anti-Fraud Vanguard". When a branch teller identifies suspicious behavior or potential fraud during customer applications or in-person transactions, the teller may contact the customer's family or local police to provide assistance as needed. These seeds can report on cases of attempted fraud or fraudulent activities intercepted at the counter. This facilitates simultaneous awareness among branches regarding interception situations and handling methods, reduces communication barriers, promotes mutual learning, and strengthens collaborative capabilities of the branches.
- CUB specifies in its "Deposit and Remittance Operations Principle" that "identity verification" and "caring questioning" must be implemented, and account opening procedures should be confirmed step-by-step according to the KYC checklist. For automated services, we must understand the purpose and reasonableness of the customer's transaction and strengthen the KYC checklist and recordkeeping. The requirement for enhanced questioning of customers and internally establishes relevant audit items to remind staff of the focus areas, reviewing implementation status.
- Developed a user risk rating detection module, which is prioritized in the review process for high-risk application services, with a focus on strengthening careful questioning for medium/high-risk users.
- Established relevant procedures to initiate corresponding control measures for any accounts suspected to be operated by someone other than the account owner.

Alliance Shield

- Join the "AI Intelligent Anti-fraud Alliance" and collaborating with Cathay FHC, the Ministry of Justice Investigation Bureau, the Criminal Investigation Bureau and the District Prosecutors Office to share fraud intelligence.
- Collaborates with the Criminal Investigation Bureau of the National Police Agency to stay updated on the latest fraud patterns and jointly promote the "Report online, Call 165, Speak up" campaign.
- Participated in anti-fraud seminars organized by the Central Police University, Criminal Investigation Bureau, and local police stations, exchanging insights on identifying fraud tactics and suspicious cash flows, and collectively improving fraud prevention expertise.
- Branches identified over 4,200 cases in 2024 where customers were suspected of being victims or perpetrators of fraud, leading to the involvement of local police officers for assistance.
- To prevent fraudulent activities as an organized crime, CUB provided detailed information about suspected credit card fraud cases to the police to expedite investigations. In 2024, a total of 67 such cases were reported.



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3.2.2 Digital Transformation and Innovation

CUB prioritizes customer-centric values and remains dedicated to providing innovative financial services that are flexible, autonomous, and digitally empowered. Through digital transformation, data analysis, technological applications, and cross-departmental collaboration, we strive to develop more advanced, convenient, and customer-oriented financial services and products. CUB's overarching goal is to evolve into a "technology company offering financial services," which underscores not only technological innovation but also emphasizes delivering exceptional user experiences for our customers. CUB firmly believes that integrating digital technology with financial services enables us to better cater to customer needs and offer them more convenient, efficient, and satisfactory financial experiences.

In recent years, driven by the inexorable trend of digital finance, CUB has embraced the brand ethos of the new CUBE, "Making Financial Life Safer and Simpler with Technology." Addressing the everyday needs of the public and starting from customer demands and scenarios, we've launched smart wealth management and developed autonomous and flexible financial products, providing customers with a richer and more autonomous financial experience. In 2024, we were honored with awards such as The Elite Awards by "Best Wealth Management", 3 big awards at "Best Wealth Management", "Best Digital Smart System", "Best Innovative Trust Service" by Wealth Magazine, "Best Asset Protector" by Business Today Magazine; "Best Wealth Manager" by The Asset; "Best Wealth Management Bank in Taiwan" by The Asian Banker; and "Financial Innovation Award among others."

By the end of 2024, CUB had launched a diverse range of innovative products including the CUBE App, CUBE Online Banking, and Financial Service Stations, acquiring 13 invention patents. These initiatives aim to provide personalized digital financial experiences for customers of all backgrounds, empowering them to achieve their individual financial goals and take control of their future.

3.2.2.1 All-in-One Digital Financial Platform: CUBE App

The CUBE App integrates various financial services to provide users with a convenient one-stop digital financial experience. Through the CUBE App, users can enjoy a variety of convenient and secure money transfer services, apply for a Taiwan dollar/foreign currency/securities account online, switch CUBE Card benefits, set up exchange rate alerts for online currency exchange, set up regular investments (funds/Taiwan/U.S. stocks/Smart Investments), inquire about insurance, and apply for loans, etc. With one app, users can enjoy the convenience of CUB, Cathay Securities, Cathay Life and Cathay Century in one convenient digital financial service.

CUBE App is the first in the industry to introduce the international security standard Fast Identity Online (FIDO), which allows users to experience a secure and convenient login method. The CUBE Card Privilege Program and Flex Credit, which can be customized according to users' needs, provide users with greater autonomy in arranging the use of products that meet their individual needs.

The CUBE Credit Card Privilege Program switching mechanism is the first of its kind in the Bank. Users can switch their privileges once a day through the CUBE App and enjoy rewards at designated merchants within the privileges. In addition, the Bank has developed a highly flexible and visualized coupon mechanism within the CUBE App. From time to time, exclusive coupons are offered for Taiwanese dollars, foreign currency, debit cards, and credit cards. Once claimed through the CUBE App, customers can automatically enjoy benefits such as waived transfer fees, discounted foreign exchange spreads, or cashback on card spending, creating a win-win-win for customers, businesses, and the Bank.

The "FlexiLoan" is an exclusive product for CUBE App users, offering a fully digital process that is not constrained by the operating hours of physical branches. Users can get approval in as fast as 5 minutes, completing the application, disbursement, and repayment in just 3 easy steps. With features like no face-to-face meetings, no binding contracts, flexible borrowing and repayment terms, and interest calculation based on actual usage, the FlexiLoan caters to the personalized loan needs of different customers. CUB is committed to alleviating the financial burden of young professionals and meeting various financial needs. Additionally, the Bank offers flexible fund utilization plans, including the "Principal and Interest Amortization Plan" and "Extension of Loan Contract Term Service." The Principal and Interest Amortization Plan provides a fixed monthly repayment amount, making it easy for customers to plan their budgets and manage their finances effectively. The Extension of Loan Contract Term Service allows FlexiLoan customers to apply online to extend the loan term, meeting the requirements for medium-term loans and better addressing customers' needs for flexible fund utilization. As of the end of 2024, FlexiLoan has served 76,714 customers, with a total loan amount of 10.99 billion.

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CUB's digital users has exceeded 7 million this year, and the number of monthly users of financial services through CUBE App and CUBE Web has reached 40 million, with the number of CUBE App users and transactions increasing twofold over the past three years, leading to a threefold increase in digital revenue. CUBE App and CUBE Web have been widely recognized and awarded for their efficiency and convenience. In 2024, CUB was recognized for outstanding digital services by several international organizations. We were honored with eight awards, including "Best Digital Bank in Taiwan" by Euromoney, "Best Wealth Management Bank in Taiwan" by The Asian Banker, and "Best Mobile Banking Application" by The Asset.

In 2024, CUB actively launched new features such as the "Payment Calendar," "Balance Sheet" (which refers to a personalized asset management dashboard)," "Video Services," and "Insurance Zone." Additionally, by strengthening mechanisms such as two-step login, security checks, and security guards, the Bank continues to safeguard digital security. For detailed feature descriptions, please refer to the table below.

New Features to Be Launched in 2024 for CUBE App and CUBE Web

Payment Calendar

The accounting calendar is the first of its kind in the industry, integrating payment information for 6 CUB products: credit cards, loans, funds, smart investments, scheduled transfers, and goal-based savings. It helps customers manage their daily spending, making the CUBE App as a thoughtful and reliable personal finance assistant.

Balance Sheet

The personalized asset management service dashboard integrates cross-product information such as local currency, foreign currency, investment, credit card, loan, etc., and integrates asset allocation in real time through new visual charts. It adds a chart of asset level changes in the past year to help users grasp the changes in assets, increase the sticking between customers and the Bank, and enhance the overall contribution.

Video Services

The 365-day uninterrupted "Video Appointment of Foreign Currency Account of Other Banks" service enables users to complete the foreign currency account service through the CUBE App, allowing customers to open the CUBE App as if they walked into a branch, just like the user journey of the service desk in the air.

Insurance Zone

The "Insurance Zone" integrates Cathay FHC and its subsidiaries' individual insurance policies and related information, and simultaneously provides personalized online insurance services, recommending suitable property and casualty insurance products according to the needs of customers in different periods.

Fully Upgraded Cardless Withdrawals with Mobile Phones

We collaborated closely with the Financial Information Service Co., Ltd. to establish a uniform interbank mobile withdrawal process across Taiwan, and rallied industry peers to join the initiative. With just the CUBE App, our customers can now easily withdraw cash using QR codes at nearly 70% of ATMs nationwide, providing them a simple and convenient service experience.

3.2.2.2 Financial Service Station that Breaks Traditional Time and Space Limitation

In line with the original intention of bringing financial services into people's lives and promoting financial inclusion, CUB partnered with PX Mart in 2020 to launch "CUB Financial Service Stations". Breaking away from traditional banking hours and locations, these stations extended service hours until 9 p.m., adopting a highly mobile service model to bring financial services to areas in Taiwan with relatively lower financial institution penetration. On-site services include account opening, digital service promotions and consultations, credit card applications and promotions, as well as guidance and tutorials for using automated banking equipment. Starting from the trial phase, they ventured into residential, industrial, and commercial areas to observe differences in financial needs among different communities. After their official launch, they actively expanded into areas with lower branch density. By the end of 2024, these financial service stations had reached 185 towns and cities across Taiwan, including 40 areas identified by the Banking Bureau as needing additional financial services, thus bridging gaps in financial service provision, had served more than 153,000 people, and received recognition from the 11th Taiwan Banking and Finance Best Practice Awards for promoting financial inclusion and the TSAA Taiwan Sustainable Action Award.

3.2.2.3 Trust for Happiness and Security

CUB's trust business professional team leads the industry, is the only six-time winner of the "Best Trust Financial Awards" of the Elite Awards, through physical seminars and 24-hour online trust consultation, CUB's trust business professional team reaches out to enterprises, hospitals, caregivers and neighborhoods to promote the concept of financial security through trusts.

With an innovative mindset, CUB has developed a wide range of customized trust products to meet the needs of different customer segments through the three strategies of "Service Scenario, Product Diversification and Contract Modularization". For example, by introducing suitable trust products based on common client scenarios, we have launched the Insurance Claims Trust and Children's Protection Trust for younger customer segments. For the senior segment, we have also launched products such as Micro Elder Care Trust, Easy Living Retirement Trust, Disability & Retirement Trust, Foreign Bond Reservation Trust and Testamentary Trust, etc. The terms of individual

trust contracts are standardized into four modules: "Provision of Trust Agreements," "Trust Assets," "Trust Asset Management and Allocation," and "Provisions for Trust Payments," with flexible options provided to enhance customization and suitability.

Secondly, before providing trust services, we first seek to understand each client's specific needs in order to recommend the right trust products. The trust agreements are designed with considerable flexibility, allowing for customized arrangements to ensure the selected trust product or service is appropriate for the client. Furthermore, when investing and allocating trust assets, we comply with relevant trust regulations to conduct risk tolerance assessments of the trustor or related parties. After verifying and matching the products, investments only take place after the Bank confirms the selected investment aligns with risk tolerance to ensure investments meet the client's needs. Prior to signing trust contracts or executing investments or asset allocations, we provide clients with all necessary information, trust agreements, and product or service disclosures (including risk disclosures and potential returns) to ensure clients are fully informed before any trusts are initiated or executed.

The Bank continues to actively promote trust-related knowledge across all segments of society, helping the public safeguard their assets and care for themselves, their families, and their legacy through trusts. In 2024, we held a total of 23 in-person outreach sessions.

1	As part of the Trust Association's "Trust Outreach Program for Rural Communities," we promoted the use of trusts under the themes of "protecting assets, preventing fraud, and supporting senior care." These sessions aimed to raise public awareness of the risks faced by older adults and explain how trusts can be effectively used to safeguard their assets.	4 sessions
2	CUB hosted sessions at the New Taipei City Government's Senior University and the MOE University for Seniors (hosted by Hsuan Chuang University) to explain trusts and their applications.	4 sessions
3	CUB promoted the benefits and use of trusts to social welfare organizations such as the Taiwan Delayed Children Angel Eden Association and Zeelandia Dementia Association.	4 sessions
4	CUB promoted the concept of trusts to the Taiwan Bar Association, Healthy Ageing Tech Show, and other company associations.	11 sessions

In addition, CUB and Cathay Life jointly launched the "mutual promotion of insurance claims trust", becoming the first financial institution in Taiwan to integrate the resources of a financial control group to provide "mutual promotion of insurance claims trust" services, so as to enable the trust to give full play to its universal value, and help the people to advance their life and realize their wishes of taking care of themselves, protecting family members and passing on wealth.

Lists of Diverse Trust Products

Micro Elderly Care Trust

To protect the property and well-being of the elderly and disabled, CUB seeks to offer trust services that allows the public to entrust cash, insurance payouts, stocks, real estate, and other assets into trusts, ensuring that these diverse assets are used exclusively for retirement and long-term care purposes. Micro Elderly Care Trusts, in particular, accepts cash for trusts and is a pre-open trust with a set-up fee of less than NT$1,000. By the end of 2024, there were 302 effective beneficiaries and trust property totaling $2.619 billion for the elderly and the disabled trust. Among every 10,000 individuals who have opened various deposit accounts, an average of 0.67 people have set up the trust. The principal balance of Elderly Care Trust accounts for 0.4% of the total principal balance across all trust businesses involving cash, real estate, and securities.

Insurance Claims Trust

Insurance products provide policyholders with a fundamental net, and insurance Claims trusts further strengthen this safety net, making it more secure. Through these trusts, we plan the use of insurance claims, with the Bank disbursing funds for living and education expenses according to the contract. This ensures that the compensation is used exclusively for the designated purposes, effectively taking care of the family's needs.

Foreign Currency Reservation Bond Trust

The Foreign Currency Reservation Bond Trust accepts foreign currency bonds entrusted by customers, ensuring a worry-free retirement. This product not only adopts a pre-open trust model, allowing customers to deliver foreign bonds to the trust until they reach old age, but also innovatively introduces the nation's first foreign bond reservation delivery trust mechanism.

This means that when the settlor experiences guardianship declaration, severe disability, dementia, or accidental coma, the foreign bonds held by them can be delivered to the trust as agreed, activating the caregiving payment mechanism. In terms of trust management fees, discounted rates are set based on the nature of the delivered assets and whether the trust payment is activated, allowing customers to plan for their annuity trusts most conveniently and affordably, making these trusts their best asset guardians.

CPBL Anti-Gambling Trust

In 2009, CUB pioneered the "CPBL Anti-Gambling Trust" and the "CPBL Player Signing Bonus Trust" to help players prevent gambling and plan for retirement, to improve the professional baseball environment in Taiwan. During the trust period, if the player needs to withdraw funds temporarily, the Bank will only allocate the funds with the consent of the Taiwan Professional Baseball Players Association, and after the player retires, the trust property will be fully returned to him for daily use, to ensure the quality of life in his retirement. A total of 236 active players participated in the program, with the trust property exceeding NT$174 million as of the end of 2024. As a result, CUB has sponsored the Taiwan Professional Baseball Players Association's "Giving Back Tour" for 12 consecutive years, creating opportunities for countless children from over 100 schools and institutions across Taiwan to meet their baseball idols. This initiative inspires a passion for sports and promotes sports education.

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3.2.3 Financial Inclusion

The UNSGSA noted that "Financial inclusion is therefore an enabler and accelerator of broad-based economic growth and resilience, improved financial health, job creation and development." and that finance is for everyone, not just the rich. Recognizing the critical role of financial inclusion in promoting the overall development of a society and enhancing its economic vitality, CUB commit to introducing a variety of financial products and services that meet the needs of different sectors of society or different ethnic groups and tailor to meet the needs of the community. Therefore, through innovative and inclusive strategies, we are committed to introducing a wide range of financial products and services that meet the needs of different sectors of society and different ethnic groups, with a view to shaping a "people-centered" financial system that promotes the well-being of the public. We are constantly innovating to enhance the accessibility and convenience of our financial services, and we are committed to providing a more friendly and convenient financial environment for customers with different backgrounds and needs. The Bank firmly believes that through continuous innovation and inclusiveness, we can realize true financial inclusion, which in turn will promote the overall harmonious development of society and the economy, and create a better future together with our customers and all sectors of the community.

3.2.3.1 Support the Development of Social Enterprises and Small and Medium-sized Enterprises

CUB has joined forces with the Taipei City Government on the "Social Enterprise Preferential Financing Project" since 2017. Through cooperation with the Small and Medium Enterprises Credit Guarantee Fund, it provides direct guarantees and low-interest loans to qualified social enterprises to help these enterprises. Businesses obtain necessary working capital. This project not only encourages social enterprises to actively solve social problems with business models, strengthens their social influence, but also demonstrates the active practice of social responsibilities of financial institutions.

In addition, the Bank has established key performance indicators (KPIs) for both the number and amount of loans extended to SMEs (including micro-enterprises) and launched a series of micro-finance preferential loan programs for small enterprises, covering supplier financing and franchisee loans, etc., to meet the diversified development and operational needs of enterprises. These loan programs specifically designed for small businesses not only provide more favorable loan terms, but also effectively reduce the financial burden of small businesses, thereby supporting their growth and development.

By the end of 2024, the cumulative amount of loans approved under the Social Enterprise Preferential Financing Project reached $89.88 million, benefiting 18 social enterprises. Meanwhile, the results of the Supplier Financing Program were also remarkable, with a cumulative total of 196 loans approved and a loan balance of 350 million. These achievements fully demonstrate CUB's active role in promoting financial inclusion and supporting the development of social enterprises and SMEs.

Meanwhile, to support the development of cultural and creative activities or industries in Taiwan, we successfully assisted an entrepreneur to apply for the "Loan for Strengthening the Upgrading and Restructuring of Cultural and Creative Industries" in 2024, which was reviewed and approved by the Academy of Cultural Content Policy, met the eligibility criteria and completed the application process for the relevant grant.

Through the successful implementation of these projects, CUB has not only deepened its support for enterprise development, but also demonstrated through practical actions that financial institutions can play a key role in promoting economic growth and social progress. We look forward to exploring and developing more innovative financial solutions in the future to meet a wider range of societal needs and further promote the development of financial inclusion.

Social Enterprise Preferential Financing Project Results

	2022	2023	2024
Cumulative Amount of Approved Loans for Preferential Financing Projects of Social Enterprises (unit: thousand)	81,000	84,000	89,880
Cumulative Approved Enterprises for Preferential Financing Projects of Social Enterprises	15	16	18

3.2.3.2 Promoting Innovative and Customer-Friendly Financial Services

In order to promote the concept of sustainable investment, the Bank has specially designed ESG funds and themed webpages, aiming to cultivate sustainable investors. With detailed website content guidance, the number of investors in ESG funds has exceeded 24 thousand with a total investment scale of 10.37 billion. Additionally, the number of users using our target-based financial planning tools for retirement planning has reached 330 thousand times. On the website, we emphasize, "Your choice is the driving force for a sustainable planet, riding with the world towards an environmentally friendly and sustainable future," encourage more people to join ESG investments and create a green future together.

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3.2.3.3 Promoting Inclusive Financial Services to Diverse Communities

CUB recognizes the importance of accessibility and convenience in financial services to meet the needs of various customer groups. Therefore, we actively introduce a series of friendly financial initiatives and measures to create comprehensive and inclusive financial environment.

Visually Impaired Individuals

Inclusive Financial Initiatives

- **Set up online banking:** Provides 11 services including Taiwan dollar transfer, account details inquiry, user ID and online banking password change.
- **Accessible webpage:** Provide 6 services including Taiwan dollar deposit interest rate inquiry, foreign exchange deposit interest rate inquiry, and real-time exchange rate inquiry. Provide identifiable and easily readable web content, and keyboard cursor position indications, meeting the usage needs of visually impaired individuals. Additionally, we set up Access Key shortcuts on webpages to facilitate rapid keyboard navigation for physically disabled individuals.
- **ATMs for the visually impaired:** To enable the visually impaired to make independent withdrawals and transfers by following voice instructions. By the end of 2024, a total of 867 ATMs for the visually impaired will be installed, an increase of 213 ATMs, or a growth of 33%, and will account for 16.3% of the total number of ATMs in the Bank.
- **CUBE Touch Card (Debit Card):** Special design with a circular notch on the edge and the embossed characters of CUBE on the front, making it easier for visually impaired users to identify the card.

Hearing Impaired Individuals

Inclusive Financial Initiatives

- On-site & Video Conferencing Sign Language Interpretation: In partnership with the Taiwanese Association of Sign Language Interpreters, the Bank offers sign language interpretation services for individuals with hearing impairments. Customers must apply via phone or email at least 24 hours in advance. Both in-person and online interpretation services are available to ensure that hearing-impaired individuals enjoy equal access to financial services, upholding their fundamental rights and ensuring fairness and reasonable accessibility.

Middle-aged and Older Adults

Inclusive Financial Initiatives

- Age-friendly counters in inclusive branches provide friendly services and care to older adults.
- Articles on financial literacy for older adults provide information on financial management and retirement planning.
- Digital Security: Provide anti-fraud information to ensure financial safety.

The accessible online banking set up by the Bank has obtained the AA grade certification from the Research, Development and Examination Association. In 2011, CUB spearheaded the launch of the "Barrier-Free ATM for the Visually Impaired", which is an industry leader in improving the accessibility of financial services for the visually impaired at public transportation stations. In 165 branches across Taiwan to ensure that the financial services needs of the physically disabled are adequately met. This not only demonstrates CUB's strong commitment to financial inclusion but also underscores our team's resolve to providing more comprehensive financial services to our customers.

CUB aims to provide warm services for the elderly, establishing a one-stop query service in the friendly section of our official website, where they can inquire about elderly counters, financial education, and digital security services. Considering the evolving methods of fraud, our digital anti-fraud section provides easily accessible financial education and digital security services to help customers obtain the information they need and enhance their protection against digital fraud.

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3.2.4 Financial Education

As digital finance reaches new heights and the accessibility to financial products and services increases significantly, the risks of financial crime also rise. Therefore, the practice of financial education becomes increasingly critical. Cathay FHC and its subsidiaries have long been committed to providing diverse financial knowledge learning resources. We actively utilize various channels such as forums, financial education videos, and physical seminars, combining interesting topics with easily understandable content to enhance public financial awareness. This helps individuals make more rational financial decisions and achieve financial health and security in their lives.

CUB plans a series of innovative and diversified initiatives to enhance the financial literacy of the general public. We have invited financial experts to participate in live financial education events, sharing the latest investment trends. Additionally, we organize forums on financial management and investment trends to accelerate the dissemination of financial concepts into the public domain and enhance financial literacy among the general population.

Wealth Management Digest

To ensure the innovation and practicality of its content, we have established a content management team that holds regular thematic meetings every week. By incorporating AI language reading capabilities, we transform professional financial knowledge into easily understandable points for the general public. Through website announcement, electronic direct mail (EDM), and LINE push notifications, we enable the public to receive easily comprehensible financial knowledge. The single-time open rate has exceeded 300,000 of people.



Financial Health Check Platform

Providing a one-stop experience service through three steps: testing, obtaining reports, and improving financial health improvement plans. This platform enables instant and rapid initiation of financial health promotion actions. Thematic financial knowledge and videos are also readily available for reading and viewing on the website, helping people understand their financial health and obtain exclusive financial health promotion plans.

Financial Management Videos

Produces practical "Please Support Financial Management" series financial management videos, inviting guests and experts to share their experiences on topics such as buying a house, starting a business, and family financial management.

Global Investment Trend Forums

CUB invited BlackRock's CIO of Global Fixed Income Rick Rieder and Global Chief Investment Strategist Wei Li along with our Chief Economist Chi-Chao Lin, to share insights on the macroeconomic environment and investment trends, providing diverse financial knowledge learning resources and enhancing public financial awareness. Through these carefully planned educational activities and resources, we aim to promote rational financial decision-making.

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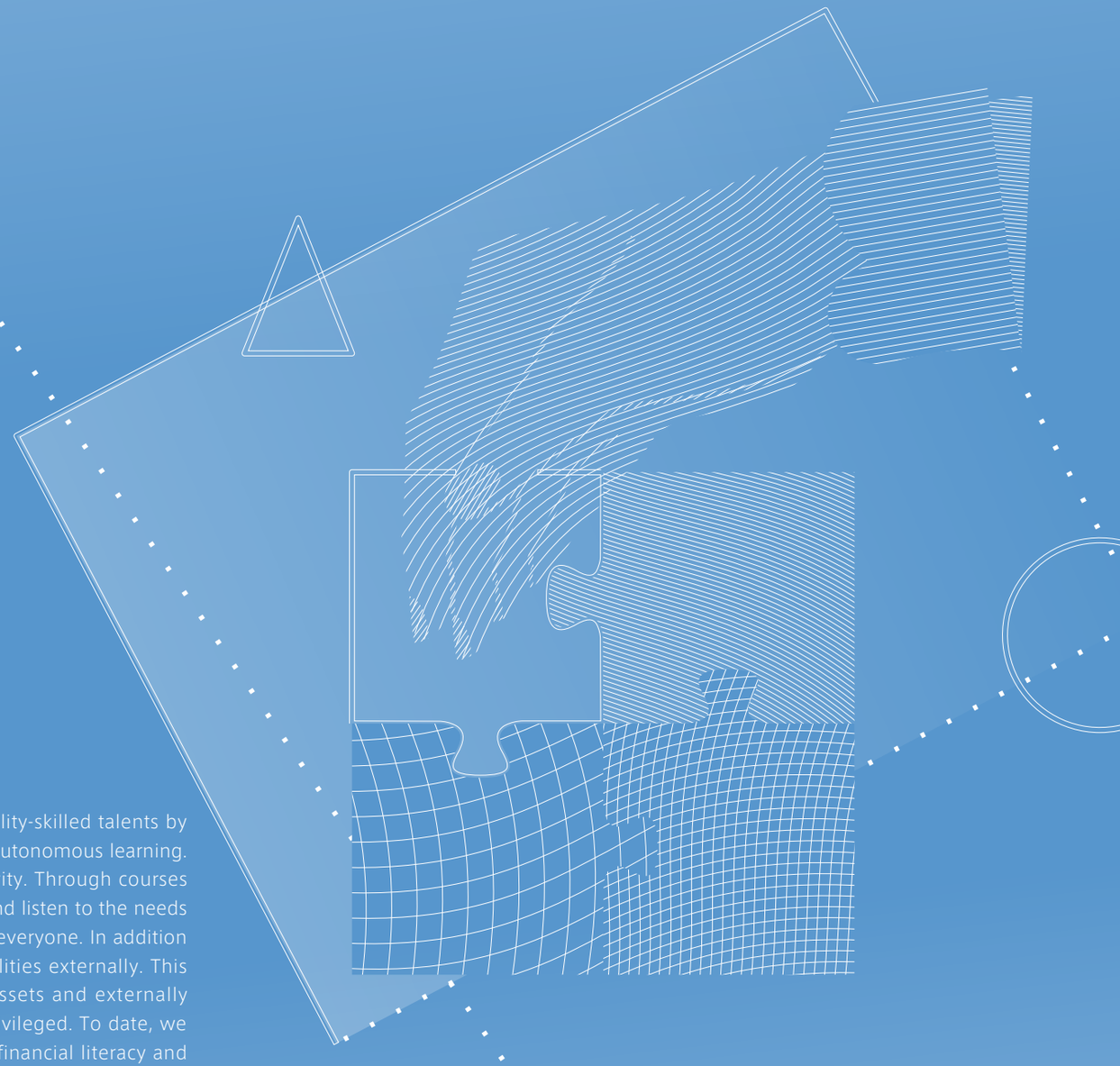
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Empowerment Strategy



4.1 Workplace Empowerment

4.2 Social Impact

CUB is dedicated to nurture diverse, cross-disciplinary, and sustainability-skilled talents by investing resources and offering various online courses to encourage autonomous learning. We cultivate DEI mindset that promotes diversity, equity, and inclusivity. Through courses and activities, we enhance cultural awareness, foster team cohesion, and listen to the needs of different groups to create a workplace that is safe and fulfilling for everyone. In addition to internal talent development, we prioritize showcasing our capabilities externally. This includes implementing anti-fraud measures to protect customer assets and externally supporting childhood education in remote areas and for the underprivileged. To date, we have assisted hundreds of thousands of students in improving their financial literacy and raised awareness about drug prevention, achieving our corporate social responsibility.

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4.1 Workplace Empowerment

Amid rapid changes in the market landscape and workplace models, every role within the organization is facing unprecedented challenges. CUB recognizes that talent is the key driver of sustainable development. Upholding our commitment to "investing in the future of employees," we are actively building a learning-oriented organization and promoting diverse training programs. These span critical areas such as data analytics, sustainable finance, agile skills, and AI collaboration. We have also established comprehensive talent development mechanisms to help employees upskill and reskill in response to digital transformation and future work trends. Meanwhile, we are dedicated to developing leadership pipelines and fostering an inclusive and diverse workplace, where talents from different backgrounds can fully unleash their potential. We firmly believe that by growing together with our employees, we can create a better and more sustainable future.

Strategies	Action Plans	2024 Targets	2024 Progress to Targets	Short-term Targets 2025	Mid-term Targets 2027	Long-term Targets 2030
Creating DEI Workplace (Diversity, Equity &Inclusion): Creating a diverse and inclusive workplace environment to unlock the potential of all talents at Cathay, enhancing organizational competitiveness.	• Cultivating a Foundation of Diversity and Inclusion: Openly advocating for respecting each unique Cathay member, promoting the acceptance of diverse individuals, and fostering an environment of equal rights. • Establishing Diverse and Inclusive Networks: Safeguarding the basic labor rights of employees and prioritizing the job rights of female employees, indigenous employees, and employees with disabilities. • Support measures for slowing down without dropping out: Open learning resources will continue to be available to help employees during the slowdown period (employees will not have to stop studying due to suspension of work).	• 90% of DEI micro-course coverage rate. • 40% of total female Managers. • 25% of female middle to senior-level managers. • 45% of female junior managers. • 60% of female employees. • 35% of female STEM talent. • 80% of return-to-work rate after maternity and paternity leave.	Achieved	• 90% of DEI micro-course coverage rate. • 40% of total female Managers. • 25% of female middle to senior-level managers. • 45% of female junior managers. • 60% of female employees. • 35% of female STEM talent. • 80% of return-to-work rate after maternity and paternity leave.		
Reskilling Employees: Identifying the future skills required to meet upcoming trends and ensuring employees possess the necessary expertise and knowledge.	• Drive reskilling initiatives to enhance employee digital literacy learning coverage. • Foster sustainable culture literacy.	• 50% of digital literacy learning coverage rate (based on annual training program). • 90% of ESG Sustainability Program Coverage Rate.	Achieved	• 50% of digital literacy learning coverage rate (based on annual training program). • 90% of ESG Sustainability Program Coverage Rate.		
Upskill Employees: Provide tailored training resources according to employees' developmental needs at different stages, continuously enhancing their job capabilities.	• Tailor learning resources according to job categories/levels to strengthen job skills, continuously integrating various physical and digital learning resources to meet diverse learning needs. • Establish different-level training programs to cultivate talent in various roles. • Create a comprehensive career development system to lead the key construction of employees' diversified development.	• Annual Employee Engagement training satisfaction rate reaches 4 out of 5. • 85% of employees rated 4 or higher in the 360-degree performance evaluation.	Achieved	• Annual Employee Engagement training satisfaction rate reaches 4 out of 5 • 85% of employees rated 4 or higher in the 360-degree performance evaluation.		
Establishing a Leadership Pipeline: Strengthening talent pools at different management levels to deepen the bench strength and ensure the sustainable development of the organization.	• Regularly review talent pools at all levels and implement tailored development plans to cultivate management talent required for business operations.	• Key talent retention rate for middle-level talent pool (Assistant Manager/Manager level) at 80%. • Key talent retention rate for Young Talent pool at 50%.	Achieved	• Key talent retention rate for middle-level talent pool (Assistant Manager/Manager level) at 80%. • Key talent retention rate for Young Talent pool at 50%.		

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4.1.1 Diverse and Inclusive Workplace

CUB adheres to local labor laws and international frameworks such as the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact, UN Sustainable Development Goals (SDGs), and relevant regulations of UN International Labour Organization. According to "Human Rights Policy of Cathay FHC," we ensure the protection of employees' rights and prohibit discrimination based on personal factors such as gender, sexual orientation, race, socioeconomic status, age, marital status, family status, language, religion, political affiliation, nationality, appearance, disability, or other factors. As of 2024, the Bank employed a total of 11,537 full-time employees and 64 non-regular employees. For detailed information on our number of employees, regional distribution, gender, and age statistics, please refer to Appendix Table 6.1-2.

The Bank has established a process for conducting human rights due diligence, which involves regularly assessing and managing potential impacts on identified stakeholders. The "Human Rights Risk Assessment and Management Form" considers international human rights frameworks and corporate development strategies. After discussions by various committees of the Cathay FHC CSR Committee, topics are selected with input from employees, external consultants, scholars, and other stakeholders. Based on the nature of the issues, health risk assessments, labor-management meetings, and other sources are used to identify and manage risks.

To ensure every employee can reach their full potential at CBU, the Bank continues to provide measures and management mechanisms that go beyond regulatory requirements. In line with the "CUB Code of Conduct for Employee," the Bank has established the "CUB Code of Conduct for Employee," which clearly outlines behavioral guidelines and principles. These guidelines safeguard key employee rights such as freedom of association. From their very first day, all employees are expected to acknowledge and commit to upholding workplace ethics and integrity, and to carrying out their duties in a lawful and responsible manner.

Human Rights Policy of Cathay FHC

4.1.1.1 Creating a Diverse and Inclusive Workplace

Fostering a Diverse and Inclusive Culture

Employees are our most valuable asset. In line with the Human Rights Policy of Cathay FHC and the Labor Standards Act, the Bank has established work regulations that have been reviewed and approved by the competent authorities to ensure the protection of labor rights. In response to our DEI principle, we conduct diversity and inclusion training and community events to foster cultural awareness and strengthen team cohesion. By publicly advocating respect for every unique individual at Cathay and encouraging openness to different voices and backgrounds, we aim to help employees embrace the values of equality and inclusion.

DEI Implement the Initiatives

Understanding
Cultural Awareness Foundation
Starting from acknowledging and eliminating unconscious biases, correcting and establishing accurate perceptions, and continuing to gather feedback, communicate, and advocate.

Experience
Seminar Event Arrangement
Organizing a series of physical seminars on DEI themes to promote the idea of accepting individuals with different backgrounds, helping colleagues establish a sense of equity.

Establishment
Women's Learning Resources
Establishing learning resources addressing various issues faced by women at different stages of their careers, with a total of 1,276 e-books and 794 digital courses introduced.

Implementation
System Review and Optimization
Implementing uninterrupted parental leave resources program, where internal learning platforms, e-books, and EAP employee assistance programs are all available continuously.

Support measures for slowing down without dropping out

We support employees in balancing work and family life by offering supporting resources of flexible work arrangements and slowing down without dropping out. Employees on parental leave can access psychological and learning support, including professional consultation through the Employee Assistance Programs (EAP). In addition, a wide range of digital learning resources are available to support daily parenting, financial planning, and skill refreshers before returning to work. These efforts ensure that employees feel supported throughout every stage of their career and personal development. For detailed statistics on parental leave at CUB please refer to Appendix Table 6.1-10.

4.1.1.2 Attracting and Retaining Talents

Quarterly labor-management meetings are convened to facilitate communication between both parties regarding employee benefits and management systems, promoting interaction and communication while balancing the interests of employees and the operational needs of the Bank. Various communication channels, such as regional communication meetings and real-time feedback systems, are established to collect employee suggestions and convey core values, providing opportunities for employees to express their opinions.

For the protection of employee rights, the Bank has formulated work rules in accordance with the Labor Standards Act, which are implemented with the approval of competent authorities. Additionally, the Bank has established an employee care hotline (02-87226666 #8885) and email (8885@cathaybk.com.tw), strictly adhering to confidentiality and protection principles. These channels address issues such as workplace misconduct, and harassment complaints, serving as a communication bridge between employees and company management or peers. In 2024, no complaints related to discrimination were reported. A total of 5 cases involving unlawful workplace conduct and sexual harassment were received, all of which were handled and closed in accordance with established procedures.

In summary, the Bank complies with local labor laws, values employee feedback rights, and formulates relevant management regulations accordingly. Information is disseminated through public channels to ensure employees' full understanding and protection of their legal rights and interests.

Labor-management Major Issues	Action Measures	Performance in 2024
Forced Labor and Working Hours	• The Bank has established a program for preventing diseases caused by abnormal workloads. Regular surveys on abnormal workloads (overwork) of shift workers, night workers, and those working long hours are conducted. High-risk groups are identified considering individual risk factors and work pattern risk factors. • Promotion and implementation of daily/monthly overtime hour limits. • Establishment of flexible working hours and flexible scheduling systems.	• Provide flexible working hour system according to employee needs. • 96% of abnormal workload-triggered disease prevention self-assessment form response rate. • A total of 171 people participated in the stress relief activities, with an overall satisfaction rate of 100%.
Diversity, Inclusion, and Equal Opportunity	• Ensure that all employees have the opportunity to participate in clubs and associations. • Organize labor-management meetings to fully communicate and address various major labor-management issues, and take action based on meeting consensus. • Maternal Worker Health Protection Program • Develop a "Prevention Plan for Job-related Unlawful Acts" to provide supervisors with a checklist for self-assessment of workplace unlawful behavior and promote awareness through training.	• Held a total of 4 labor-management meetings. • Achieved a 100% completion rate for sexual harassment prevention training courses.

Employee Engagement Survey

According to Cathay FHC's policy, we conduct an annual Employee Engagement Survey to analyze employee expectations through qualitative feedback, sampling interviews, thematic questionnaires, and other measures. The survey covers five major dimensions: Corporate Sustainability (CS), Organizational Commitment, Employee Happiness, Leadership Management, and Overall Recognition.

In 2024, the response rate for the Employee Engagement Survey was 85.5%, with an overall satisfaction rating of 4.40 out of 5, and additional pulse surveys were conducted on an ad hoc basis to gather employee feedback on various policy developments and evaluations, thereby establishing effective and open channels of communication.

Employee Performance

The Bank offers competitive compensation and benefits packages to attract, motivate, and retain top talent. To ensure the alignment of all employees' annual performance goals with our strategies and to continuously develop their capabilities, we have established the "CUB Employee Performance Management and Development Guidelines" to regularly evaluate employee performance. We provide diverse reward mechanisms, including competitive salaries and "Guidelines on Incentives for Senior Employees", "Long-term Service Awards" for senior employees based on different tenure thresholds. In 2022, we introduced an Employee Share Ownership Trust (ESOT) plan, allowing employees to voluntarily allocate a portion of their salary to purchase company stocks in the open market, encouraging them to share in the company's performance results. We have established the Employee Promotion Entry Threshold that values both performance and managerial capabilities, actively promoting outstanding talents and providing them with higher job responsibilities and developmental goals. Additionally, we regularly organize the Talent Development Committee to promote internal rotations, ensuring discussions on talent competency gaps and planning rotation paths.

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Employee Welfare Support

In addition to providing statutory labor and health insurance, the Bank offers a comprehensive range of welfare programs to support employees in building better lives. These include support for employee learning, subsidies for professional certifications, English proficiency exams, and professional-related training courses. We also provide access to online learning platforms and a digital library, as well as measures such as "one-day paid learning leave" and language learning subsidies to encourage self-directed learning and strengthen both professional and language skills. To promote work-life balance and employee well-being, we offer workplace massage services, regular health checkups, travel subsidies, and various wellness activities such as road races, table tennis tournaments, online walking challenges, club activities, and wellness programs like weight management. Employees also receive holiday bonuses, birthday gifts allowance, scholarships for their children, and allowances for weddings, funerals, and childbirth. Insurance coverage includes term life, accident, cancer, and dependent medical insurance. To strengthen employees' sense of belonging, we have established an Employee Share Ownership Trust, allowing employees to participate in the company's long-term development as shareholders, thereby increasing engagement and encouraging long-term retention.

The Bank is also values a friendly workplace environment. We actively plan maternal employees protection programs, including continued access to learning resources for employees on parental leave, and support through Employee Assistance Programs (EAP). As well as offering additional services include employee health education, psychological counseling, and more flexible hybrid work environment designed. Through these diverse welfare measures, the Bank strives to foster a healthy and harmonious work environment, with the aim of building a long-lasting and stable workplace together with our employees.

Office Layout	• Implementing Flexible Shifts • Piloting Hybrid Work
Development of Learning	• Digital Learning Resources (e.g., online learning platforms and digital libraries) • Learning Development Resources about Study, Certification and Licensing Support /Continuing Education Assistance • Learning Leave
Insurance Coverage	• Group Term Life Insurance for Employee • Accidental Insurance for Employees • Cancer Insurance for Employees • Medical Insurance for Dependents
Family-Friendly Policies	• 7 days of Family Care Leave • Exclusive Parent-Child Activities • Monetary Gifts for Marriage, Bereavement, and Childbirth • Child Education Subsidy • Maternity and Paternity Leave Benefits better than requirements in the Act • Childcare Support Policy • Maternal Employees Supporting Programs
Health and Leisure Benefits	• Travel Subsidies • Holiday Bonuses • Workplace Massage • Health Promotion Activities (e.g., road runs, table tennis tournaments, online walking challenges, weight management programs) • Regular Health Check-ups • Employee Assistance Program (EAP) • Birthday Gift Allowance
Social Activities	• Club Subsidies • Family Day • Volunteer Leave
Investment and Property Management	• Cross-Bank Withdrawal/Transfer Discounts • Cathay Construction Home Purchase Benefits • Employee Preferential Deposit Rates • Employee Share Ownership Trust (ESOT) • Stock Subscription

CUB Maternity Plan

Cathay Pregnancy Club

Establish work risk assessment mechanism for pregnant female employees. Formulate maternal healthcare plan with questionnaires for pre/postpartum mothers and new fathers. We offer "Parent-Child Blessing Gifts" and other perks to support different needs from pregnancy to postpartum. Our support includes holistic care for physical and mental well-being, suitable work adjustments, LV-level lactation rooms, and seamless return-to-work arrangements. We also host various parent-child workshops and ensure ongoing support. CUB attracted a lot of good reviews from employees and won Excellent Project Award of 2018 CSR Happy Corporate Category.

Cathay Dad-to-Be Handbook

In 2019, CUB expanded the "Cathay Pregnancy Club" from focusing solely on female employees to including fathers as well. We introduced the "Cathay Dad-to-Be Handbook," which was created in collaboration with Cathay General Hospital and Cathay Health Management. This handbook combines professional health education with practical life experiences to help new fathers understand the physical and emotional changes their partners undergo during pregnancy. It encourages them to actively support their partners, becoming invaluable teammates. The Handbook is a pioneering effort in the industry, aligning with government and medical institutions' initiatives to promote equal parental involvement during pregnancy. It includes sections such as "The 280 Days of Pregnancy with Daddy," "Understanding the Physical and Emotional Changes of Expectant Mothers," and "Welcoming the New Baby," representing a significant breakthrough in corporate social responsibility.

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Cathay Health Promotion Activities

Case Study

Team Road Run – Promoting Wellness and Unity Among Employees

Employees shared that in response to the Bank's annual large-scale road run, many formed teams with colleagues from their own or other departments to participate. This not only encouraged collaborative progress at work but also created opportunities for informal interactions and strengthened camaraderie. Many expressed appreciation for the Bank's continued support of the road run, which encourages a healthy lifestyle beyond work and helps employees balance their professional and personal lives.



Case Study

Cathay Family Carnival – Sharing Quality Time with Loved Ones

One employee who joined the Cathay Family Carnival two years in a row brought their three-year-old child to participate in the balance bike race. The event provided professional-grade equipment, including bikes, helmets, and protective gear. The employee shared that their child was thrilled to place in the top three of the 2–3 year-old category and proudly wore their medal all day. In addition to the race, the carnival featured various fun activities like crawling contests and diaper races, catering to infants and toddlers of all ages. The Bank also thoughtfully prepared snacks and balloons, creating a joyful and fulfilling afternoon for employees and their families.



Case Study

Cathay Family Program – "Little Professionals" Career Experience Day

An employee reflected on their first-time participation in Cathay's group-wide family program last year. While they had always known about the Bank's childbirth subsidies and welcome gifts for newborns, becoming a new parent revealed an even broader range of family-friendly initiatives. One of the most popular was the "Little Professionals" experience series, which included a mini firefighter training program where children donned gear and lived out their dream of being a fire hero. The children also participated in fire safety drills and learned emergency response skills. The employee expressed gratitude for these activities, which offered a meaningful opportunity to grow alongside their children while enjoying quality time outside of work.



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4.1.2 Reskilling Employees

The Bank encourages employees to enhance their professional knowledge and skills to adapt to future trends by organizing a series of skill transformation training programs. These include courses on remote work management and data analysis, aiming to cultivate employees' diverse digital management abilities and mindset to address changes in digital transformation and future work patterns. Additionally, sustainable-related training programs have been introduced to strengthen the integration of sustainability thinking with business operations, fostering a shared concern for sustainable development. Through diverse and flexible learning platforms, employees are provided with the necessary learning support at different career stages to nurture more talented individuals. For details on employee training statistics, please refer to Appendix Table 6.1-18.

4.1.2.1 Anchoring Sustainability Mindset Systematically from the Top to Down

In order to ensure that every employee receives optimal career development and support to cultivate more outstanding talents, the Bank treats all employees equally and provides sustainability literacy training programs at different levels. These programs aim to facilitate employees in integrating sustainability into their daily business activities, valuing the importance of sustainable development and practicing the spirit of both altruism and self-interest. Through diverse and flexible platform resources, we have created an agile and user-friendly learning environment to meet employees' learning needs at different stages. As of the end of 2024, a total of 12,463 people had participated in this program, enhancing employees' awareness and practical abilities in sustainability values, and promoting the deepening and development of the Bank's sustainability culture.

Explanation of the Employee Training Content

Training Target	Training Methods & Content	Effectiveness & Application Scenarios	Training Hours	Participants
General Staff	Launched the digital course "Understanding Climate Change" and organized the "You Learn, We Donate" campaign. For every employee who completes the course, the company donates NT$10 to a related non-profit organization. In 2024, a total of NT$120,000 was donated.	Raises sustainability awareness across all staff and reinforces CUB's commitment to sustainable development.	25,998	9,027
Credit Officers	Thematic training on responsible lending principles for front-, middle-, and back-office credit teams.	Enhances the principles and decision-making of sustainable loans assessment to facilitate the implementation of sustainable lending.	6,448	2,816
Core Staff (CS Team Members)	Certified "Sustainable Finance Manager" program offering systematic training on sustainability trends and knowledge.	Cultivated strong sustainability competencies, enabling internal experts to lead sustainability projects.	4,126	139
Senior-Level Executives	Lectures and external training programs on relevant sustainability topics.	Deepens understanding of sustainability trends and enables more effective strategy development.	498	468
Directors and supervisors	Flexible ESG governance courses.	Drives organizational focus and amplifies sustainable impact.	193	13

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Strengthening Training and Cultivating Sustainable Finance Talent

In support of Taiwan's sustainable development goals and to build a solid foundation of sustainability talent, the Bank continues to promote its employee sustainability transformation program. In 2024, the prepared budget and actual expenditure for employee training is NT$120 million to enhance professional knowledge across sustainable finance and digital transformation.

Our in-house experts regularly deliver ESG- and climate-related training tailored to market developments. These internal roadshows cover a diverse and forward-looking curriculum, including international initiatives, regulatory trends at home and abroad, ESG rating and evaluation frameworks, climate-related risks and opportunities, and the landscape of green finance products and markets. The content is closely aligned with the Bank's sustainability strategy, enabling departments to deepen core competencies and strengthen our competitive advantage in the field of sustainability.

In terms of sustainable finance talent development, the Bank launched a strategic partnership with the Taiwan Institute for Sustainable Energy (TAISE) in 2024 to offer the "Sustainable Finance Manager" certification program. Courses were taught by experienced professionals from academia and industry, with a structured curriculum designed to build practical expertise and market insight. The program guided participants in developing the mindset and skills of professional sustainability managers. A total of 87 employees from departments aligned with the sustainability strategy blueprint and core members of the CS Task Force participated, over 50% of whom were mid- to senior-level managers. The sustainability certification exam pass rate reached 99%.

Looking ahead, CUB will continue to cultivate internal sustainability experts. In collaboration with key departments, our goal is to designate "at least two sustainability champions per department." To that end, we will promote the "Advanced Sustainable Finance Certification" and build a structured development pathway for sustainability talent to support project implementation. At the same time, we will broaden awareness of sustainability across the organization by expanding the reach of the "Basic Sustainable Finance Certification." Full exam fee subsidies and small incentives will be offered to encourage participation and help realize our shared sustainability vision. For more information on department-specific training and sustainable finance talent development initiatives in 2024, please refer to Appendix Table 6.1-14.

4.1.2.2 Promoting Agile Culture Bankwide to Foster New Work Skills

In response to the rapidly changing financial landscape, the Bank has proactively promoted agile transformation to enhance organizational flexibility, innovation, and work efficiency. We firmly believe that agility is not just a working method but rather a key cultural driver for improving both employee productivity and overall organizational effectiveness. In 2024, CUB allocated differentiated resources across employee groups to promote agile mindsets and new agile work practices. Through innovative showcases, we shared successful experiences of applying agile approaches to real projects, breaking traditional work constraints and strengthening adaptability and responsiveness.

Looking ahead, beyond continuing to embed agile thinking and practices as a long-term driver of sustainable development, we will introduce AI training to cultivate employees' understanding of AI literacy and application concepts. This will include a tiered AI talent development plan to help employees build practical AI skills for everyday work, paving the way for future human-AI collaboration.

Item	Training Approach	Training Content	Training Outcome
Agile Teams	Introduced agile coaching resources and promoted agile project management	To effectively promote agile collaboration, pilot projects were first launched in departments with high collaboration demands and planning responsibilities using a small-step, fast-iteration approach. Guided by agile coaches, teams identified pain points and enhanced their practical skills, while also developing agile work methods that could be applied within their own departments to improve existing workflows.	Successfully cultivated 25 internal agile ambassadors. A company-wide agile exhibition showcased their achievements and tools, drawing nearly 2,000 participants over three days and encouraging broader adoption across teams.
Managers / Assistant Managers	Offered a series of agile training sessions to enhance agile thinking and practical ability	The series covered practical workplace collaboration skills such as design thinking, process optimization, cross-functional collaboration, and meeting facilitation. These courses were designed to strengthen agile thinking and implementation capabilities for management-level employees.	Over 45 departments participated, with a total of 246 employees completing the training.
General Employees	Encouraged self-directed learning and fostered a culture of agile development	Under the annual theme "Skill Up Hub," the Bank offered 30 curated workplace skill courses, paired with initiatives such as unlimited access to learning resources and paid learning leave to encourage employees to engage in self-directed learning and apply what they've learned to their daily work.	In 2024, nearly 4,000 employees qualified for learning leave, effectively boosting learning motivation and laying a strong foundation for AI talent development.

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4.1.3 Upskilling Employees

In response to changing learning needs and formats, the Bank encourages to engage in cross-disciplinary learning. We facilitate this by providing training mechanisms, introducing diverse external resources, and offering platforms for knowledge sharing, thereby enhancing employees' learning abilities. Apart from developing comprehensive general knowledge bases and professional competency courses, we have tailored digital literacy courses to align with technological trends. We have designed learning blueprints, nurtured development guidelines, and crafted personal development plans for employees at different career stages. This ensures that all employees, regardless of hierarchy or tenure, can continuously grow and improve through uninterrupted learning.

4.1.3.1 Training Programs at Different Levels to Cultivate Talent Across Various Roles

Training Program Statistics and Results

Amid rapidly evolving global financial markets and regulatory frameworks, we have strengthened collaboration between headquarters, branches, and regional units, while progressively transforming the talent development model for channel talent. This approach ensures that employees across all functions continue to enhance their capabilities through training, enabling us to deliver more professional and sustainable financial services in a fast-growing regional market. To this end, we implemented differentiated training strategies for two key groups—financial consultants and business supervisors, strengthening job skills and business transformation capabilities to adapt to diverse business challenges in a more flexible manner. Learning resources investment increased from NT$16.91 million in 2023 to NT$30.63 million in 2024 (a year-on-year growth rate of 81%).

Role Title	Program Start Year	Number of Batches	Total Trainees	Transformation / Training Highlights
Personal Banking ARM	2020	20	188	Wealth Management Reserved Talent Development Program: Builds specialized knowledge through standardized course content and daily activities. Trainees rotate between branches and the training center to gain practical experience and develop into well-rounded banking professionals. Key initiatives include: • Establishment of regional training centers • Standardized curriculum design • Implementation of class advisor system • Practical simulations and case study analysis • Program optimization and progress tracking
Elite Wealth RM	2023	2	34	Training is designed from the client's perspective, extending from high-net-worth individuals to family and corporate needs. The program deepens relationship-building skills and expands client engagement. Key initiatives include: • Relationship-based client management • Integration of group resources • Insights into offshore financial trends
Corporate Banking ARM	2017	21	140	In response to the rapid growth of the corporate banking business, trainees undergo standardized training and rotations between front-line business and credit review units. The program develops technical expertise, client management, financial analysis, and risk control skills, creating well-rounded corporate banking professionals. Key initiatives include: • Standardized centralized development • Rotational training across corporate banking channels • Dedicated instructor system • Hands-on project experience

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4.1.3.2 Linking Development Tools into a One-stop Career Development System

The Bank has established a one-stop career development system that connects various development resources across different platforms, creating a comprehensive career development framework. This system aims to become a key tool in guiding employees towards diverse career growth opportunities.

One-stop Career Development System

Development Tools & Primary Features	Purpose or Objective
iCareer **Identifying skill gaps and providing career direction guidance**	Developing talent profiles and designing career paths to help employees identify skill gaps. Utilizing data analysis to offer capability enhancement and position development recommendations. Encouraging employees to acquire professional and common competencies through skill labeling.
iTalent **Focusing on consensus development for development, establishing learning application schemes**	Using job responsibilities, annual goals, and career development direction as the framework, facilitate consensus building between employees and supervisors. This will help in choosing suitable learning methods and formulating individual development plans (IDP).
iLearning **Integrating data applications to provide personalized learning resources**	Leveraging data analytics to understand employees' learning preferences and offer personalized learning resources, thereby igniting their motivation to learn. In 2024, employees collectively spent 550,000 hours on learning, with an annual feedback satisfaction rating of 4.41 out of 5.
iMatch **Internal recruitment mechanism that encourages talent mobility across different domains**	Integrating with the iCareer platform to provide comprehensive matching for skills, expertise, and traits. This allows both supervisors and talent to make mutually beneficial selections. Employees can find suitable career directions and positions, while supervisors can identify suitable candidates based on team needs, thus promoting internal talent mobility within the organization.

4.1.3.3 Pioneering Diverse Training Initiatives to Enrich Learning Experience

The Bank is pioneering diverse training models to meet various training needs through different channels, formats, and methods. Utilizing internal community platforms to gather learners for two-way exchange and feedback, and through mechanisms like competitions, creating an ecosystem of co-creation and co-learning. Additionally, fostering internal trainers who embody the spirit of "everyone can be an expert", assisting interested individuals in building their personal brands, and ensuring the transfer of organizational knowledge. The aim is to enhance the learning experience through diverse and enriching training resources, thus fostering learning culture.

Employee Training Explanation

Dimension	Item	Description	Highlights
Diverse Learning Experiences	**In-house Digital Courses**	The Bank is the first in the country to have an in-house digital course production team, covering both professional domains and soft skills topics.	Produced a total of 141 digital courses in 2024.
	Business Review Articles	Introducing professional digital content providers such as Harvard Business Review, Master Cheers, Common Wealth Magazine, etc., to offer a rich array of learning resources.	Offering over 100 digital multimedia learning resources.
	Learning Community	Leveraging social platforms to build learning communities and encouraging peer-to-peer knowledge sharing through point-based mechanisms such as team interaction and collaboration.	Organizing the "Personal Banking Talent Pool" event and encouraging participation through a points system.
	Internal Trainer System	Cultivating internal trainers to facilitate knowledge transfer and assist aspiring individuals in building their personal brands.	A total of 955 trainers, the average teaching satisfaction rate reached 96.3 out of 100.
A Rich Platform Resource for Continuous Learning	**Hahow Learning Platform**	Collaborating with Hahow Learning Platform to provide a diverse range of professional courses.	Accumulated 794 professional courses, with a accumulated completion of 222,000 course sessions so far, over 344,000 hours of learning time.
	Digital Library	Providing a rich resource of e-books and digital magazines.	The digital library boasts over 1,267 recent popular collections, with a reading count of 100,000 times for e-books.

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4.1.4 Establishing a Leadership Pipeline

The Bank has established talent pools for management at different levels and in various fields, enhancing the breadth and depth of talent reserves. Through the design of diverse training and development resources and the implementation of comprehensive support mechanisms, we invite supervisors at all levels to participate in leadership development. Tailored individual development plans are crafted based on different professional fields, language proficiency, and suitability analysis, combined with personal preferences and organizational needs, to identify development directions. Empowering talent to unleash their potential more flexibly enables the organization to adapt more agilely to future challenges, thereby laying the cornerstone for sustainable corporate development.

Talent Pool	Characteristics
Head Office Talent Pool	Promoting internal talent engagement and cultivating diverse integrated talents within the organization, we implement rotational career path planning based on individual traits, experiences, and organizational development. Each quarter, through talent development meetings, we focus on current development status and provide suggestions for the next steps, aiding employees in broadening their thinking scope and enhancing decision-making abilities. As of 2024, 12 employees have been promoted to senior managers positions, nearly 90% of whom possess cross-functional experience.
Personal Banking Channel Talent Pool	Providing differentiated training based on succession readiness levels by integrating resources from the head office and regional units to co-create diverse real-world practice scenarios that build job-ready talent. In 2024, 96% of newly appointed managers came from this talent pool. Practical training includes: • Conduct audit as a one of team: Assigning talents to participate in internal audit to enhance daily management and risk control awareness. • Acting branch manager: Establishing a mechanism of acting as a proxy for vacationing branch managers to assist talents in gaining early exposure to branch operations. • Scenario-based branch management workshops: with channel executives acting as course instructors and examiners to enhance practical abilities and managerial skills through situational simulation.
Corporate Banking Channel Talent Pool	Enhancing cross-selling and collaborative marketing capabilities by selecting and promoting talent based on clear criteria. Designing personalized development paths that encourage potential talents to experience cross-client and cross-product rotations to strengthen professional skills and foster interdepartmental collaboration. In 2024, 100% of newly appointed managers had cross-client and cross-product rotation experience, and all were promoted from within the talent pool.
Young Talent Pool (CMA)	Developing future leaders through a goal-oriented learning roadmap focused on Personal Financial Planning and Legal Financial International, based on 2023's two core pillars. Strengthening awareness of development among reseved young talents cadres through cross-functional training rotations. Hosting large-scale cross-cohort and cross-functional networking events to break down silos, encourage diverse thinking, and build a strong, interconnected talent community that embraces continuous self-development.

4.2 Social Impact

In Taiwan, one out of every two people is a customer of Cathay FHC and its subsidiaries. Therefore, the Bank actively utilize the Group's resources to promote sustainable actions, with the vision of helping to build an inclusive and equitable society. We form alliances with diverse strategic partners to jointly advance social sustainability. Focusing on "Youth Empowerment" and "Supporting the Underprivileged," we aim to help young people and disadvantaged groups acquire knowledge and skills, enabling them to remain confident and self-reliant in the face of a rapidly changing social environment, and to achieve their personal goals. For details on the costs associated with social impact initiatives, please refer to Appendix Table 6.1-16.

4.2.1 Youth Empowerment

The aging population and declining birth rates are reshaping demographics, demanding a more diverse set of skills from future generations. Organization for Economic Cooperation and Development (OECD)'s "Skills for 2030" report highlights three key abilities: cognitive thinking, social-emotional, and practical learning skills as crucial. To cultivate self-awareness, career reflection, and skill development among youth, bridging the gap between education and employment, and empowering them for the workplace, the Bank organizes the Cathay Youth Internship Program (CSP, CIP), and coding classes. We actively collaborate with universities across Taiwan, providing practical training during internships, engaging in business operations, understanding corporate strategies, and enhancing the potential of our talent pool. We aspire to expand our influence continually, driving positive developments in society and the environment.

4.2.1.1 Java Talent Development Program

The goal of this program is to recruit individuals interested in pursuing information-related careers but from non-traditional IT backgrounds, providing aspiring young people and job seekers without technical backgrounds with a pathway to build professional skills. Through a 15-week curriculum combining programming courses and hands-on training, the program equips participants with programming capabilities to serve as an entry point for junior IT talent in the financial sector. Given the strong outcomes of the previous two Java training cohorts, the program continued in 2024, admitting 31 participants and onboarding 28, with a final conversion rate of 78%, and the participants rated the course satisfaction at 4.9 out of 5.

4.2.1.2 Cathay Seed Program (CSP)

This program collaborates with universities to provide students with early exposure to the banking industry during their academic studies. It aims to enhance their understanding of banking roles and allows the Bank to identify and assess talented individuals in advance. Through rigorous practical training, the program strengthens interns' willingness and readiness to join the Bank upon graduation. In 2024, the program offered opportunities in six career paths, including branch operations, operational centers, financial services, corporate finance, overseas planning departments and personal finance. We recruited 120 interns, of whom 60 successfully transitioned to full-time positions, resulting in a conversion rate of 50%. Considering the Bank's talent needs, we plan to introduce new internship paths in personal finance and overseas planning departments in 2025. We also aim to expand collaboration with more universities, hoping to identify potential talents by deepening relationships with targeted academic institutions in various regions.

4.2.1.3 Cathay Internship Program (CIP)

The CIP is a two-month summer internship program designed to help students gain a deeper understanding of financial industry operations. Through hands-on participation in internal bank projects, ESG case competitions, and networking sessions with senior executives and mentors, students gain practical experience and explore potential career paths. This year, internship openings were offered across four major tracks: information technology specialists, digital finance, financial management, and operations planning. A total of 33 interns were selected. The program received an average satisfaction score of 4.6 out of 5, and participants reported an average score of 4.61 out of 5 in willingness to pursue a career in finance. Following the program, 7 interns continued with extended internships in their respective departments, reflecting a retention rate of 21%.

Cathay Internship Program(CIP)Standout Activities



Application of Sustainability Strategy Blueprint

ESG Project Competition

This year's project competition continued to focus on sustainability. CIP interns invited from various subsidiaries formed teams to propose implementable ideas by combining what they had learned about products or planning with their understanding of Cathay's sustainability strategies and actions. Proposals included gamified approaches to promoting financial literacy among the public and using high cashback credit cards as incentives for eco-friendly behaviors. Final presentations were judged by executives from across the group based on impact, logic, and innovation.



Environmental Sustainability

Beach Cleanup Activity

A total of 147 CIP interns and company leaders participated in a beach cleanup at Fulong Beach. Before the activity, a session was held to educate participants on the composition and sources of marine waste. The cleanup was structured as a team competition to motivate participants to collect and sort trash while gaining hands-on awareness of environmental sustainability. The final collection weighed a total of 103.9 kilograms.



Financial Well-being

CIP Financial Literacy Micro-Courses

These courses aligned with Cathay's sustainability strategy blueprint under the "financial health" pillar. CIP teams scripted, filmed, and edited short educational videos to promote financial literacy from a youth perspective to the puplic . The topics covered included:

1. **Managing Daily Finances:** "Track your spending, save regularly, and manage your cash flow to protect your wallet!"
2. **Achieving Financial Goals:** "Prepare for the unexpected—how to use insurance to secure your future!"
3. **Avoiding Financial Risks:** "Be alert to scams—don't share your account information carelessly!"



Knowledge Sharing

Appointment with Vice Presidents

This session provided a space for open dialogue between vice presidents and CIP interns. Discussions covered the design of the internship program, project planning, and event execution. Leaders also shared personal career experiences and advice, encouraging interns to stay curious and courageous when facing challenges, and to turn those challenges into fuel for growth.

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4.2.2 Supporting the Underprivileged

4.2.2.1 Online Financial Education / Financial Discovery Camp

To fulfill our ESG commitment and align with Cathay FHC's sustainability strategy focused on youth empowerment, the Bank designed a series of financial literacy courses for elementary schools in rural areas. These courses aim to equip children with the knowledge and tools needed to make sound financial decisions, helping them develop positive money values and financial habits that will benefit them throughout life. This year, anti-fraud awareness was also incorporated into the curriculum to further enrich the educational content. We mobilized our employees to apply their professional expertise and serve as volunteers, helping students in rural communities establish sound financial values. Since 2021, the Bank has pioneered live-streamed online financial education courses, breaking down geographical barriers to deliver distance learning each year. In 2024, we incorporated an in-person, two-day experiential trip as part of the program. Partnering with the "Elevated Tree Program," we invited students from participating schools to travel to Taipei, where CUB's employees led hands-on financial and sustainability education sessions and guided the children on branch visits. The students also participated in the Bank's annual road run, Cathay Run, gaining a unique and memorable learning experience that connected financial education to real-life practice. This year, the Bank continued to promote financial education for financially underserved and rural students, delivering 12 rural school programs and outreach events. As of the end of 2024, 258 students benefited from financial education courses under the CUB Financial Education. For details on volunteer hours and participation, please refer to Appendix Table 6.1-17.

4.2.2.2 Dedicated Donation Page

In addition to caring for disadvantaged children's education issues, the Bank also aims to assist other vulnerable groups through the influence of the financial industry. Therefore, we have set up a donation page on our official website to provide a channel for the public to donate. This not only facilitates legitimate donations but also helps reduce the risk of fraud by counterfeit foundations. We collaborate with numerous foundations, including Beunen Foundation, Taiwan Prevent Blindness, Syin-Lu Social Welfare Foundation, and The Garden of Hope Foundation etc. Each organization's services are listed in the donation page, with links to their websites for downloading donation forms and online donation services. Furthermore, to encourage people to spread love, we have initiated the "Micro Donation" program. Our credit card customers can redeem 100% of their credit card rewards points (Tree Points) for donations. This initiative aims to increase people's willingness to donate and provide tangible support to these organizations to help more vulnerable groups.

4.2.2.3 Cathay United Bank Education Foundation

The Bank supports the public welfare initiative "Elevated Tree Program" by the Cathay United Bank Education Foundation, working together to address issues related to underprivileged groups, remote areas, and child development, while fulfilling our corporate social responsibility. A summary of the foundation's public welfare initiatives are briefly described as follows:

Elevated Tree Program – Scholarship Sponsorship Program

In 2024, the Foundation awarded scholarships to 5,907 outstanding and financially disadvantaged students across elementary and junior high schools in ten counties, including Taitung. We also sponsored 17 school sports teams, such as the basketball team of Nan'ao Elementary School in Yilan County, to promote athletic education in sports, including weightlifting, judo, archery, and basketball. At the same time, the Foundation supports the "Sunrise Village Cup National Junior Football Game" and sponsors the "Gothic Cup Youth Football Invitational Tournament" and other events.
Additionally, to extend the spirit of sustainability, the Foundation sponsored Yue-Ming Elementary & Junior High School's "Sailing Blue Together" program. This initiative connected 36 schools from coastal and outlying areas to complete a round-the-island sailing journey, engaging hundreds of students and teachers in ocean conservation efforts. The program not only helped students promote environmental protection and marine education, but also simultaneously combined with sailing sports, the educational values of Elevated Tree Program is integrated into marine sustainability actions, cultivating students to become future marine citizens.

Cathay Charity Group Activities

To go on the educational public welfare concept of Elevated Tree Program, the Foundation continued to participate in Cathay Group's educational charity activities, such as the "Cathay Youth Excellence Scholarship," "Cooperation with Teach For Taiwan," "Dream Come True Program," "AfterSchool Care Program," and the "Winter Warmth Program," additionally, and publishes the Cathay Charity Group Annual Report.

Elevated Tree Program – Charitable Painting Exhibition

To promote art education in Taiwan, the Foundation hosted public art exhibitions and art lectures at the Cathay United Art Center, offering the public free space to art appreciation and learning about art. In 2024, the Foundation held 10 exhibitions and 4 art lectures, including inviting amateur artists to hold the "4th Elevated Tree Program Charity Painters' Charitable Painting Exhibition" to contribute to rural students. In addition, outstanding artworks by local artists were selected for the production of the 2025 Cathay Group art desk calendar and greeting cards, conveying blessings through art while appreciating the beauty of art.

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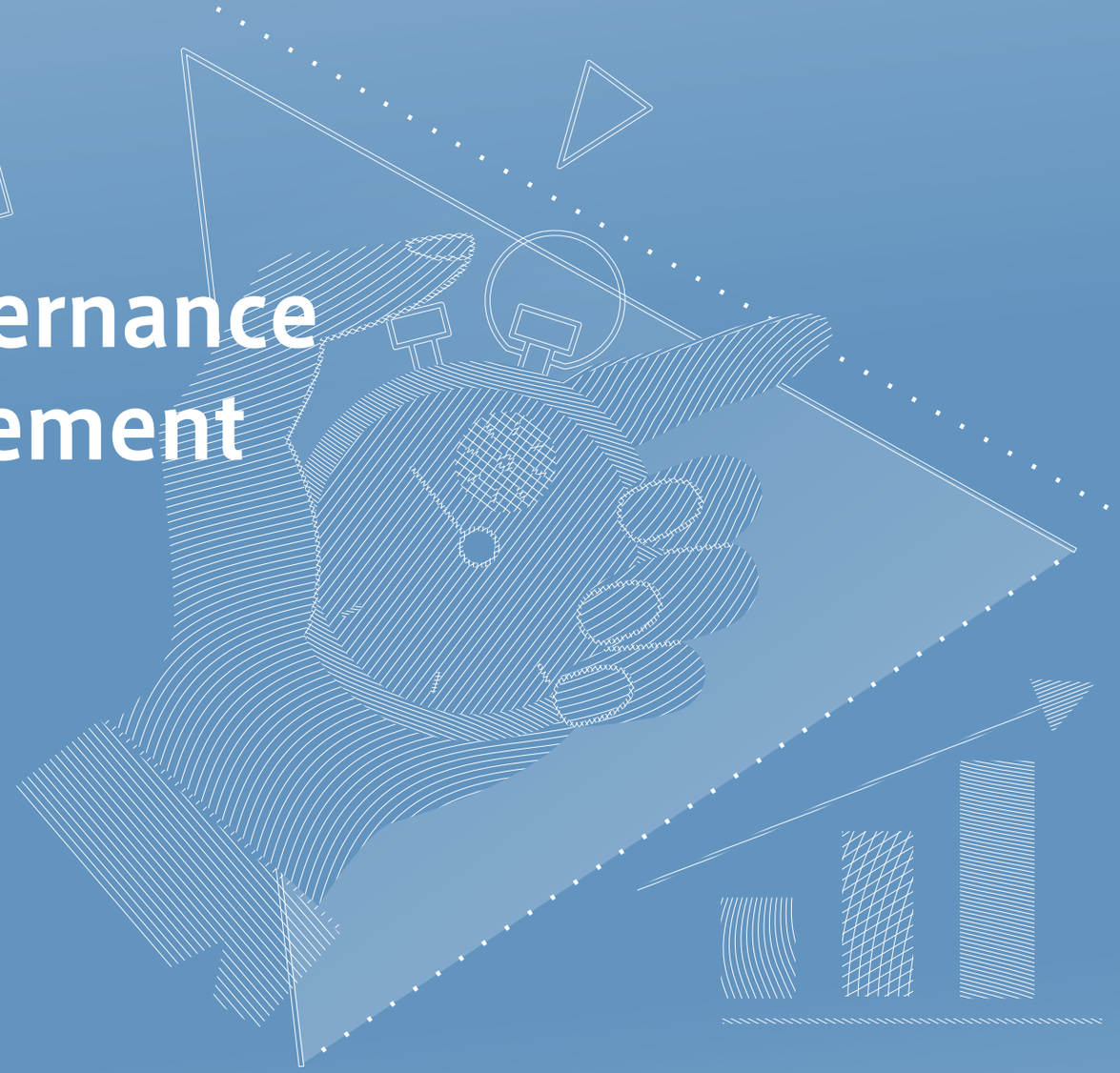
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5.2 Ethical Corporate Management

5.3 Risk Management

5.4 Information Security

5.5 Compliance

5.6 Anti-Money Laundering , Combating the Financing of Terrorism and Countering Proliferation Financing

5.7 Service Quality and Customer Rights

CUB's sustainable governance is founded on "risk management" and "internal control systems," dedicated to maintaining a healthy corporate structure while valuing commitments to stakeholders and sustainable value. We strictly adhere to relevant laws and regulations and strive to establish a comprehensive corporate risk culture to achieve sustainable development goals. While complexity of business environment increases, CUB upholds risk management principles to ensure that operations comply with domestic and international regulations. With a core objective of "automated efficiency and intelligent risk control," we continuously optimize our risk management and compliance systems. We actively promote a bank-wide risk management culture, integrating risk management principles into daily operations and decision-making to minimize potential risks and provide shareholder value.

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5.1 Corporate Governance

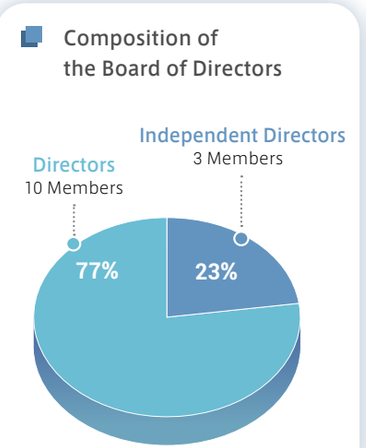
The Bank actively responds to the Financial Supervisory Commission's "Sustainable Development Action Plans for TWSE- and TPEx-Listed Companies," and planned to focus on four pillars: governance, transparency, digitalization, and innovation. We also take into account international corporate governance trends, and we continuously improve our corporate governance practices to ensure sustainable development.

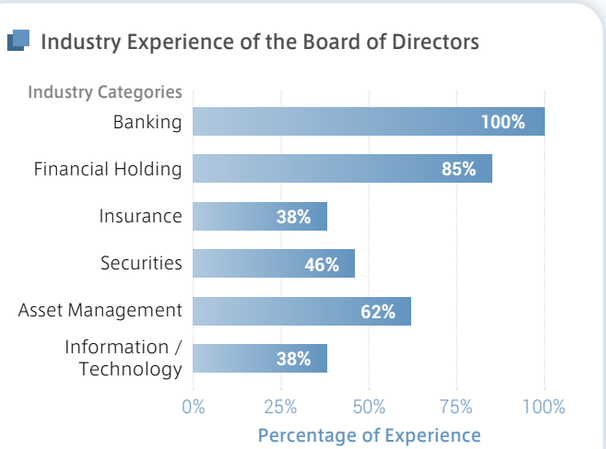
Within the corporate governance framework, our Board of Directors plays a crucial role in supervision and leadership, providing strategic guidance, and overseeing the implementation of our strategies and business operations. The Board of Directors has established functional committees: the Audit Committee and the Sustainable Development Committee. These Committees support the Board of Directors to enhance corporate governance effectiveness and lead the Bank in promoting continuous corporate sustainability.

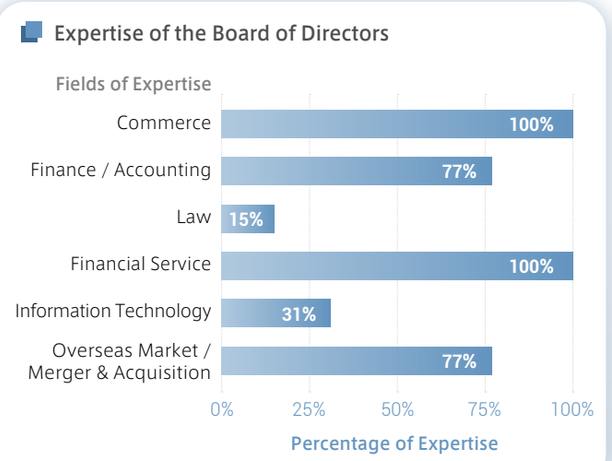
To ensure professionalism and gender diversity among our Board of Directors, " Cathay United Bank Corporate Governance Guidelines" include relevant regulations. The composition of the Board of Directors shall take various needs into consideration, such as the Bank's business structure, business development direction, and future trend. The guidelines advised that the Bank evaluates a wide spectrum of aspects, e.g., fundamental criteria, (e.g., gender, age, nationality), professional experience (e.g., financial holdings, banking, insurance, securities, industry, and information/ technology), professional knowledge and skills (e.g., commerce, finance, accounting, law, marketing, FinTech, overseas market/merger and acquisition, and risk management).

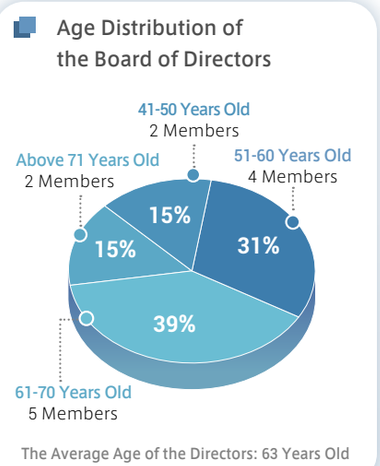
Our Board members collectively possess the knowledge, skills, qualities, and abilities necessary for executing business operations. This contributes to our group's efforts in promoting strategies for "globalization," "digitalization," and "financial innovation and application."

The Bank will continue to update our diversity policies in accordance with the operations of the Board of Directors, business structure, and development needs. We aim to strengthen the breadth of professional experience and knowledge skills, ensuring that Board members can effectively support the Bank's strategic objectives and drive sustainable development. We aspire to better adapt to the rapidly changing market environment and create greater value for shareholders, customers, and society. In 2024, our directors completed a total of 193.4 hours of continuing education, with an average of 14.9 hours of continuing education per director.









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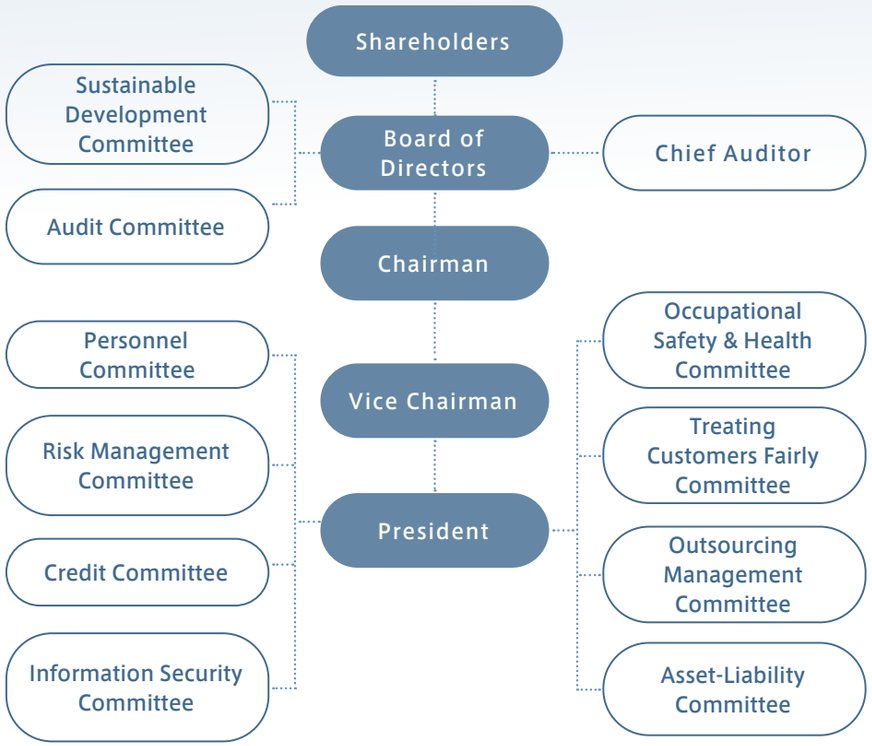
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Organization Chart



5.1.1 The Operation of the Board of Directors

The Board of Directors serves as the highest decision-making body of the Bank. In 2024, seven Board meetings were convened, with an attendance rate of 95.6%. On average, the directors have served for 10.3 years, and the three independent directors have served an average of 7.2 years. In promoting corporate governance and sustainable development, the Bank actively established a system of functional committees under the Board of Directors, which involves the independent directors' participation. This system aims to enhance the quality of the Board of Directors' decision-making, strengthens the foresight, objectivity, and comprehensiveness of the Board of Directors' decisions and effectively address challenges related to economic, environmental, and social issues. For details on the implementation of the Board of Directors' diversity policy, please refer to pages 35-36 of the Traditional Chinese edition annual report. For information on corporate governance operations, please refer to pages 58-133 of our Traditional Chinese edition annual report.

To avoid conflicts of interest, all directors adhere to high standards of self-discipline. "Cathay United Bank Rules of Procedure for Board Meetings" clearly states that, "If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall explain the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that item, shall furthermore recuse him or herself during discussion and voting on that item, and may not act as another director's proxy to exercise voting rights on that matter." For details on directors' recusal from conflicted matters in 2024, please refer to pages 59-60, and 75 of the Traditional Chinese edition annual report.

5.1.2 Audit Committee

To enhance the professional functions of the Board of Directors and align with international standards, the Bank established the Audit Committee under the Board of Directors. By virtue of the Audit Committee's specialization and independency, the Audit Committee assists the Board of Directors in making critical decisions. The Audit Committee shall be composed of all independent directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

In 2024, the Audit Committee convened seven times with a 100% attendance rate. The main purpose of the operation of the Audit Committee is to supervise the following matters: fair presentation of the financial statements of the Bank, the hiring (and dismissal), independence, and performance of certificated public accountants of the Bank, the effective implementation of the internal control system of the Bank, compliance with relevant laws and regulations by the Bank, management of the existing or potential risks of the Bank, review of matters relating to mergers and acquisitions, senior management's accountability and promotion of the responsibility map.

To effectively execute independent oversight and checks and balances, all proposals are reported to and discussed by the Board of Directors. If any director or a juristic person represented by a director is an interested party with respect to any proposal, and the relationship is likely to prejudice the interests of the Bank, the director shall recuse him or herself therefrom, to align with the best interests of stakeholders.

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5.1.3 Performance Evaluation and Remuneration Policy

To enhance the corporate governance system and create long-term value for shareholders, while ensuring that remuneration is linked to roles and responsibilities, the Bank has established the "Guidelines for Evaluation of Directors' Performance," "Guidelines for Directors' Remuneration," "Performance Management & Development Guidelines for Cathay Managers," and "Guidelines for Remuneration of Senior Management." These documents clearly define the various remuneration items and performance evaluation standards for directors and managers. Additionally, specific guidelines for the overall operation of the Board of Directors and functional committees have been stated in the "Regulations Governing the Evaluation of the Board and Functional Committee's Performance," which include corporate sustainability indicators. This ensures that the Bank fulfills its responsibilities in corporate governance, business operations, and the practice of corporate sustainability.

• Performance Evaluation Aspects:

1. The Bank has established the "Regulations Governing the Evaluation of the Board and Functional Committee's Performance" to assess the overall performance of the board and functional committees. The evaluation encompasses five major aspects, each divided into "qualitative" and "quantitative" measurement indicators: participation in company operations, enhancement of board (and functional committees) decision-making quality, composition and structure of the board (and functional committees), selection and continuing education of directors (and functional committee members), and internal controls. To further enhance the functionality and efficiency of the board, the Bank conducts internal performance evaluations at least once a year, and external effectiveness evaluations by independent external professional organizations or by experts and scholars at least once every three years.
2. The Bank has established the "Guidelines for Evaluation of Directors' Performance," which includes indicators such as understanding company goals and missions, supervising the Bank's financial performance, supervising the Bank's internal audit and control, risk management, compliance with laws and regulations, and other reference items (such as company credit ratings and corporate social responsibility performance, board participation rates, etc.). Additionally, we have the "Performance Management & Development Guidelines for Cathay Managers," which includes measurement indicators such as annual strategic goals, other important tasks (e.g., corporate sustainability indicators), and job responsibilities (including "operational management," "effectiveness of internal control execution," "effectiveness of compliance with laws and regulations"). Annual performance evaluations are conducted at the end of each year to ensure that both board members and executives fulfill their duties.

• Remuneration Policy Aspects:

To enhance overall operational efficiency and long-term business performance, the Bank has established the "Guidelines for Directors' Remuneration," which clearly outline the remuneration items and standards for directors, including remuneration, benefits, and transportation expenses. Director remuneration is determined by considering each director's level of participation in company operations, contribution value, and industry norms. It is submitted to the Audit Committee for review and approval by the Board of Directors.

Furthermore, to create long-term shareholder value and ensure remuneration alignment with job position and job responsibilities, the Bank has established the "Guidelines for Remuneration of Senior Management." Fixed remuneration of senior management is determined based on job responsibilities, performance, and capabilities, taking into account external benchmark market standards. Variable remuneration is based on the "Performance Management & Development Guidelines for Cathay Managers," reviewed and assessed annually, and year-end bonuses are granted based on the Bank's net earnings and overall performance relative to market standards. Additionally, we also attract, motivate and retain outstanding talents through following the Cathay FHC Long-Term Incentive Plan.

Evaluation Results

internal evaluations

In 2024, CUB's Board of Directors and functional committees were evaluated to have "exceeded standards" in internal performance evaluations.
In 2024, CUB's Board of Directors received a "pass" for all evaluations.

external evaluations

In 2020 and 2023, CUB commissioned the "Taiwan Institute of Ethical Business" to complete the external performance evaluations for the Board's performance in 2019 and 2022 and implemented enhancement measures based on the Institute's optimization suggestions.

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5.2 Ethical Corporate Management

"Integrity" is one of the core values of the Bank. We conduct our business activities based on principles of fairness, honesty, trustworthiness, and transparency. To implement our policy of integrity in operations and actively prevent dishonest behavior, we adhere to the "Policy and Code of Operation Integrity" of Cathay FHC, "Code of Ethics" of Cathay FHC as well as relevant laws in the jurisdictions where the Bank, Cathay FHC, and its subsidiaries operate. We have established the "Procedures and Guidelines of Conduct for Ethical Management" and "Code of Conduct," which specifically state the duties of our practicing directors, managers, and employees at work. They are required to comply with relevant laws and integrity policies, avoid conflicts of interest, and refrain from bribery and seeking personal gain, to enhance our corporate governance. We have established internal regulations for each business area and implemented a comprehensive review mechanism. Additionally, using a risk-based approach, we regularly monitor employee behavior through data analysis and implement robust off-duty mechanisms to mitigate the risk of dishonest behavior. When planning new business services, we undergo rigorous review processes and risk assessments to ensure the protection of consumer rights. CUB also complies with the Human Rights Policy of Cathay FHC and adheres to internationally recognized human rights policies to safeguard the fundamental human rights of our employees, customers and stakeholders while also urging business partners to do the same.

Procedures and Guidelines of Conduct for Ethical Management of CUB

CUB has established the "Procedures and Guidelines of Conduct for Ethical Management" to strengthen the principles of fairness, honesty, trustworthiness, and transparency in business practices. This guideline applies to all directors, supervisors, managers, and employees, explicitly prohibiting any form of dishonest behavior, including but not limited to bribery and corruption. The guidelines specify standards for accepting gifts and reception, with a dedicated unit regularly reporting the implementation of integrity to the board of directors.

Code of Conduct of CUB

To uphold the Bank's core values and business philosophy of "Integrity, Accountability, Innovation" and to achieve the Bank's development vision, all employees must recognize and commit to adhering to workplace ethics and morals, being lawful and reasonable at work. Based on the "Code of Ethics" of Cathay FHC, the Code further establish essential guidelines for employees to ensure compliance with laws and regulations, providing a basis for understanding and making correct decisions. The guidelines serve as the fundamental behavioral norms for employees in handling daily business and as guiding principles that all employees must comply with and implement.

The Bank upholds Cathay FHC's spirit of integrity management and ethical standards. The CS Team is responsible for promoting and overseeing the implementation of integrity management, and the CS Team regularly reports to the Board of Directors. To deepen the corporate culture of integrity and highlight its importance, key departments such as Human Resources, Education & Development, and Compliance Departments simultaneously conduct employee awareness education and compliance training. We comprehensively implement integrity management policies by regularly organizing training sessions and compliance-related meetings. These include regulatory compliance education for new employees, liaison meetings with high-level managers, and "Code of Conduct Training" achieving a 100% completion rate. These ensure all employees to deeply understand and are familiar with the regulations. Before special holidays like the Mid-Autumn Festival and New Year, the Human Resources Department also reinforces promotion by sending out "We Don't Accept Gifts" reminders via the office email to all employees. This enhances employees' compliance with ethical behavior standards, further solidifying the practical outcomes of our ethical guidelines.

Whistleblower Mechanism & Reporting Channels

The Bank adheres to the "Code of Conduct for Reporting Unethical or Dishonest Cases" and the "Reporting Mechanism" of Cathay FHC, establishing reporting channels and handling procedures to protect the legal rights and interests of whistleblowers and related parties. The Bank is committed to maintain strict confidentiality regarding the identity of whistleblowers and investigators, and we ensure that they do not suffer unfair treatment or retaliation due to their reports. The Bank encourages individuals that consider an illegal activity had happened to come forward, facilitating early detection and proper handling of such cases to prevent potential risks and minimize losses. The official website provides information on reporting channels, with the Compliance Department designated as the unit for receiving reports. Strict procedures are established for investigating reported matters, implementing post-investigation measures, and ensuring case confidentiality. "Code of Conduct for Reporting Unethical or Dishonest Cases" clearly states that the confidentiality of the whistleblower's identity must be protected, and it is prohibited to fire, dismiss, demote, reduce salary, damage the legitimate rights and interests of the whistleblower, or take other adverse sanctions due to the whistleblower, in order to implement protection of the whistleblower. In 2024, there were no complaints involving insider trading, anti-competitive behavior, monopolistic practices, market manipulation, or unethical or dishonest conduct.

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5.3 Risk Management

5.3.1 Risk Management Policy

As the business environment becomes increasingly complex, the types of risks and their impact have also become more diversified. In accordance with ERM, we have formulated the "Risk Management Policy" to establish a comprehensive risk management framework. Through steps such as identification, assessment, response, and monitoring, we continuously improve and implement risk management in our operational activities, reducing potential risks, and striving for sustainable business operations.

The scope of risk management in the Bank includes market risk, credit risk, operational risk, liquidity risk, reputation risk, ESG and climate risk. We carefully assess the relationships and interactions among various risks and actively monitor global trends and industry changes to establish relevant risk management regulations. In order to strengthen ESG and climate-related risk management mechanisms, we have included ESG risk in our risk management scope since 2018. In 2021, we further implemented the "ESG and Climate Risk Management Guidelines" as a core framework for establishing or implementing ESG and climate risk management mechanisms throughout the Bank. Following these guidelines, we have developed various management regulations related to ESG risk and climate risk, including the establishing climate risk appetite statements and limits management, to enhance our efforts in managing ESG and climate-related risks.

To effectively manage the Bank's capital, ensure a sound capital structure, and promote prudent business growth, we have established corresponding management strategies and processes for various risks. We have formulated regulations such as the "Capital Management Policy," "Capital Adequacy Management Guidelines," and "Stress Testing Management Guidelines." Regular supervisory and internally developed stress tests are conducted to assess the potential financial impact of various risk factors and to serve as a reference for setting management targets. The results are reported to the Risk Management Committee and the Board of Directors to ensure that the Bank's outcomes under various stress scenarios comply with the regulatory requirements for "capital adequacy under stress" applicable to Domestic Systemically Important Banks (D-SIBs), and that contingency mechanisms are activated when necessary. For more information on capital adequacy management, please refer to the dedicated section on the Bank's official website.

CUB establishes a robust and comprehensive risk management culture and environment through channels such as announcements and information dissemination, regular risk management meetings, and employee training, thereby implementing risk management functions. The Risk Management Unit regularly compiles risk management reports and submits them to senior management and the Board of Directors, allowing senior management and the Board to fully understand the risks faced by the Bank in its operations. This assists management in formulating business decisions and helps achieve the Bank's sustainable development objectives.

- **Board of Directors:**As the highest approving authority for the Bank's risk strategy and major risk policies, the Board of Directors approves risk management strategies, policies, and frameworks. The Board of Directors oversees the management outcomes of credit risk, operational risk, capital adequacy management, reputation risk, and emerging risks, and they ensure the appropriate allocation of relevant resources.
- **Risk Management Committee:**Manages tasks related to credit, market, and operating risks. The Committee conducts discussions on key risk management reports, including credit ratings (scoring), market valuations, risk indicators, and capital adequacy ratios, among other relevant topics. Meetings are held monthly and chaired by the Chief Risk Officer.
- **Risk Management Unit:**Operates independently from business units to handle risk management activities (e.g., credit risk, market risk, and operational risk), the Unit identifies, measures, monitors, and responds to risks. The unit convenes regular risk management meetings, reports risk management information to senior management, and issues early warnings to prevent minor issues from escalating.
- **Audit Department:**Formulates audit plans, audits, and evaluates internal control-related systems. Tracks and controls the execution status of various units and assists responsible units in improvement efforts.

The core focus of our risk management at the Bank is "Automated Efficiency and Intelligent Risk Control," continually optimizing risk control and legal compliance frameworks to promote a culture of risk management throughout the Bank. As a key component of corporate governance, the Bank emphasizes the importance of internal controls. This process requires oversight from the Board of Directors, guidance from management, and participation from all employees.

Through the integration of the three-line defense structure, CUB collectively ensures risk management with dedicated roles played by business units, The Risk Management Unit, and The Audit Department. By establishing these three lines of defense, we ensure the stability of our business activities while effectively managing and mitigating potential risks, safeguarding the long-term interests of the Bank and stakeholders.

Three-Line Defense Structure for Risk Management

First Line of Defense	The first line of defense comprises the business management units, product units, IT departments, and accounting departments that directly face customers and markets. They are responsible for managing and controlling risks inherent in daily business activities.
Second Line of Defense	The second line of defense is responsible for formulating the Bank's overall risk management policies and procedures, monitoring the risk profile of business units, and ensuring alignment with the Bank's risk appetite. This line includes the Risk Management Unit, Compliance Department, and information security departments. Their responsibilities involve overseeing and assessing the effectiveness of risk management practices within business units and reporting risk management outcomes to senior management.
Third Line of Defense	The third line of defense is the internal audit unit, which is responsible for auditing and assessing the effectiveness of the internal controls and risk management systems designed and implemented by the first and second lines of defense. It also provides timely recommendations for improvement. Additionally, sustainability-related matters, including ESG risk management and compliance with corporate governance standards, have been incorporated into the audit scope.

5.3.2 Risk Identification and Response Measures

Categories of Risk	Risk Management Response Measures	The Information Covered in Risk Management Reports and the Frequency of Reporting
Market Risk	Market risk refers to the risk of losses resulting from fluctuations in the prices or volatility of financial market instruments, which in turn affect the value of the Bank's financial assets. This risk is managed through various risk management measures, including setting and managing limits, regular reporting processes, independent monitoring management units, and oversight by senior committees. The adequacy of these management mechanisms is regularly reviewed.	The market risk reporting and measurement system covers portfolio valuation, various limits, profit and loss monitoring, management and calculation, stress testing and scenario analysis, pricing models, and qualitative/quantitative risk reporting or VaR (Value at Risk) analysis. These are regularly reported to the Board of Directors, senior management, and the Risk Management Committee.
Credit Risk	Credit risk refers to the risk that counterparties, including businesses, individuals, and financial institutions, with whom the Bank engages, may fail to fulfill their obligations as agreed, leading to potential financial losses. Engagement includes credit transactions such as lending activities, investment activities, and transactions involving financial products or contracts. Credit risk measurement includes the operation of various mechanisms, including credit approval processes, limit management, credit rating information, collateral information, periodic credit reviews, and non-performing asset management. The Bank continuously refines its risk quantification techniques and strengthens its risk measurement models while improving assessment mechanisms such as stress testing to adequately understand changes in asset quality and proactively adopt necessary precautionary measures when needed.	The regular risk management reports are submitted to the Board of Directors, senior management, and the Risk Management Committee. Please refer to the Traditional Chinese edition annual report for detailed information.
Operational Risk	Operational risk refers to the risk of loss resulting from misconduct or failed internal processes, personnel, systems, or external events, including legal risks but excluding strategic and reputational risks. The Bank employs mechanisms such as operational risk self-assessment, reporting of operational risk events, and regular monitoring of key risk indicators to achieve the objectives of identifying, assessing, and monitoring operational risks, ensuring the effectiveness of risk avoidance and mitigation tools. Results of operational risk self-assessment and monitoring of key risk indicators categorize the risk exposure levels into high, medium, and low, with corresponding response measures formulated for each level to effectively monitor and mitigate operational risk exposure. Additionally, regular tracking of operational risk events and reporting of analytical information serve as references for improvement initiatives such as process or system optimization.	Database establishment for operational risk events, and operational risk self-assessment and key risk indicator mechanisms will be executed regularly. The identification and assessment results, as well as the corresponding improvement measures, will be reported to the Risk Management Committee quarterly and annually. Relevant risk information will also be included in the semi-annual risk management report presented to the Board of Directors.

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Categories of Risk	Risk Management Response Measures	The Information Covered in Risk Management Reports and the Frequency of Reporting
Liquidity Risk	Liquidity risk refers to the risk that a financial institution may not be able to obtain funds at a reasonable price within a reasonable time frame to support asset growth or meet maturing liabilities, which may result in losses. The Bank adheres to the principle of maintaining stable liquidity, with conservative estimates of fund requirements. Diversification and stability are valued in fund sourcing, while fund utilization balances safety and profitability, with attention given to diversifying liquidity risk. When significant changes or anticipated changes in liquidity positions occur, relevant business units promptly inform the Finance & Accounting Department and the Market Risk Management Department. If necessary, an Asset and Liability Management Committee meeting may be convened to discuss response measures, with subsequent reporting to the Board for approval.	To manage liquidity risk, the Bank regularly prepares reports to ensure that all liquidity indicators meet liquidity requirements. Additionally, liquidity stress tests are conducted quarterly to assess the Bank's ability to meet repayment obligations in the event of a liquidity crisis. The results of these tests are reported to the Board every six months.
ESG and Climate Risk	Based on the "ESG and Climate Risk Management Guidelines" as the benchmark, and integrating various core functions, corresponding ESG management regulations are formulated to reduce environmental, social, and governance risks, as well as to seize opportunities in these areas. Efforts are also made to optimize internal credit, investment management mechanisms, and enhance external services and products. The Bank adheres to the Group's climate risk appetite statement: "For industries or enterprises sensitive to climate change risks, and regions with high physical risks, if it is assessed that related risks are difficult to manage or control, involvement or undertaking should be reduced or avoided." Accordingly, the "Highly Sensitive Industry Quota Business Management Rules" are established, introducing quota management mechanisms to regularly monitor the use of financing in high-sensitive industry quotas, thereby strengthening climate and natural risk management.	The Bank has established both a "Sustainable Development Committee" and a "Risk Management Committee" to oversee their respective areas. Specialized units regularly report sustainability, ESG, and climate risk-related issues to the Board of Directors.
Reputational Risk	Potential risks to brand value and shareholder equity arising from misconduct by the company or employees, or negative media coverage are identified. The severity, speed of dissemination, and scope of impact of such events are assessed. By promptly notifying events, relevant response measures can be taken, and the negative impact of event development or media coverage can be continuously monitored.	Regularly organize reputation event data for presentation to the Risk Management Committee and reporting to the Board of Directors for verification.
Emerging Risks	Identify emerging risks that may not yet be apparent but could arise due to changes in the environment or society, in order to assess the significant impact these risks may have on the company's sustainable operations and to promote the Bank's sustainability objectives. This involves identifying and assessing emerging risks, compiling an annual risk map, and planning response and control measures.	Draw an annual risk map, report to the Risk Management Committee, and submit it to the Board of Directors for approval.

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5.3.3 Crisis Management and Business Continuity Management

The Bank has established the "Business Crisis Response Management Guidelines," which clearly regulate emergency response measures in the event of liquidity crises, insufficient capital adequacy ratios, or other crises, including disruptions in market clearing operations, significant fines imposed by domestic and foreign regulatory authorities, natural disasters, man-made disasters, outbreaks of infectious diseases, political unrest, and employee strikes.

When a business crisis occurs, in addition to the units responsible for daily management, a crisis management team is established as the highest command unit. This team rapidly and effectively assesses the severity of the crisis, formulates and activates response measures to prevent the crisis from escalating further until it is resolved. The Bank conducts crisis response exercises annually to evaluate the effectiveness, which serves as the basis for review and revision.

To address the risk of significant operational disruptions resulting from major emergencies, the Bank has established a Business Continuity Management (BCM) mechanism. This involves assessing the frequency, impact, and predictability of risk sources to identify high-risk scenarios such as natural disasters, pandemics, or other events. Corresponding strategies and contingency recovery plans are developed to ensure the continuity and resilience of operations. In the event of a major emergency, these plans aim to swiftly restore critical business functions, minimizing losses and safeguarding customer interests. To ensure the continuous operation of information systems, in the event of a significant unexpected disaster in the information system environment, measures are in place to restore normal operations as quickly as possible. The Bank conducts two information system recovery backup exercises annually. In 2024, a total of two off-site backup drills were conducted, all of which were completed successfully and met the objectives of the exercises.

In addition, CUB obtained the British Standards Institution (BSI) ISO 22301:2019 certification for Business Continuity Management System in May 2022, and successfully passed the re-certification in March 2024. Furthermore, details regarding the Business Continuity Management are publicly disclosed on the Bank's Traditional Chinese edition official website.

5.3.4 Risk Management Training

To establish a robust and comprehensive risk management culture and environment, and to implement risk management functions effectively, the results of the risk management and internal control training conducted this year are as follows:

Total Risk Management Training Results

General Risk Management Course	Results
Number of Employees (people)	11,359
Total Training Hours	1,931.03 Hours
The Completion Rate	99.58 %

5.4 Information Security

5.4.1 Information Security Management Policy

To enhance the quality and stability of financial services and effectively manage information security risks, CUB has established the Information Security Policy following the information security blueprint of its parent company, Cathay FHC. This policy serves as the guiding principle for implementing information security protection measures, continuously strengthening cybersecurity capabilities, and achieving secure, convenient, and uninterrupted financial services. The Bank has set up an Information Security Department as the dedicated unit responsible for formulating the bank-wide information security policy, planning the information security architecture blueprint, coordinating the handling of major information security incidents, reviewing information security defense mechanisms, and reviewing emergency response plan inspection. It supervises the overall implementation of information security, conducts information security advocacy and education training, and reviews compliance with information security laws and regulations. In 2022, the Bank established the position of Chief Information Security Officer to oversee the promotion of information security policies and the allocation of related resources. The Information Security Department submits an annual report on the overall implementation of information security to the Board of Directors and holds Information Security Committee Meetings supervised by the President and relevant department heads every half year.

The authority for approving the Information Security Policy is the Board of Directors, which annually reviews to ensure the confidentiality, integrity, availability, and legality of information assets. To ensure compliance with and promotion of information security policies, as well as to supervise and coordinate information security management efforts, CUB has established a cross-departmental "Information Security Committee." Chaired by the President, the committee includes supervisory heads from information-related, legal, regulatory compliance, risk management, information security, and digital transformation units. The Chief Information Security Officer serves as the executive secretary, and the committee convenes meetings at least every half year.

To adapt to industry trends, emerging technologies, and cloud applications, CUB adheres to relevant regulations and self-regulatory standards to maintain the validity of international cybersecurity certifications. This includes verification by third-party independent organizations for ISO 27001:2022 every half year, as well as annual verification for Payment Card Industry Data Security Standard (PCI DSS). Additionally, CUB has implemented the "Federal Financial Institutions Examination Council Cybersecurity Assessment Tool (FFIEC CAT)" and the "National Information Security Center's Government Agency Information Security Governance Maturity Assessment Mechanism" to assess cybersecurity maturity. Based on assessment results, regular reviews and improvements are undertaken. Annually, independent professional consultants are engaged to conduct information security assessments, ethical hacker hacking tests, and implement necessary enhancements to continuously strengthen the Bank's information security defenses. Furthermore, recognizing the evolving nature of financial service outsourcing and cross-industry collaborations, CUB reinforces its third-party information supplier management mechanisms to avoid potential information security risks originating from the supply chain.

5.4.2 Information Security Action Plan and Achievements

- **Collaborated with third-party professional consultants to assess the implementation of information security both domestically and internationally:**

In order to enhance overall information security and comply with regulatory requirements in the financial industry, the Bank conducts regular computer system security assessments including our overseas branches every year. An independent professional consulting firm is engaged to evaluate the Bank's overall information security performance annually. The assessment results, along with an internal control statement, are submitted to the Board of Directors before the first quarter of the following year. Additionally, to gain deeper insights into the information security practices at overseas branches, information security personnel, along with third-party consultants, conduct on-site inspections. This ensures that operations at overseas branches comply with information security regulations and adhere to various security control requirements, aiming to embed information security into the corporate culture and enhance the Bank's overall security posture.

- **Implementing financial cybersecurity action plans:**

The Bank has completed the items under the "Financial Cyber Security Action Plan 1.0" issued by the Financial Supervisory Commission, including the appointment of a Chief Information Security Officer, establishment of an Information Security Advisory Group, adoption of international cybersecurity and business continuity management standards with verification, alignment with the Group's computer security incident response plan, conducting cybersecurity governance maturity assessments, establishing a cybersecurity monitoring service center mechanism,

encouraging cybersecurity personnel to obtain international certifications, and incorporating practical business operations verification into offsite backup drills. In response to the "Financial Cyber Security Action Plan 2.0" released on December 27, 2022, the Bank has completed additional initiatives such as completing Breach and Attack Simulation (BAS), initiating the implementation of a zero trust framework, and implementing a project for safeguarding data in response to major cybersecurity incidents and natural disasters. These efforts aim to continuously strengthen the Bank's cybersecurity capabilities, ensuring the provision of secure, convenient, and uninterrupted financial services, and enhancing the Bank's information security management.

- **Information Security Protection and Strengthening Measures:**

The Bank regularly conducts computer system information security assessments, various contingency drills, penetration testing, cloud service safety configuration testing, intrusion and attack simulation drills, and white hat hacker red team drills, as well as strengthening measures for customer service program testing. Additionally, we implemented mechanisms for information security intelligence collection and processing, a security monitoring center, and incident response mechanisms to be well prepared at all stages for various emerging cybersecurity threats. Furthermore, the Bank annually invests in cybersecurity insurance to ensure appropriate measures are in place against all new types of cybersecurity threat, protect its and its customers' interests, and minimize losses from cybersecurity incidents. This year, a total of 205.3 million was spent for cybersecurity expenses, including software and hardware licenses, personnel training, etc., accounting for 1,098.67 million, which is approximately 18.6% of the Bank's total information budget. The Bank also encourages employees to obtain cybersecurity certifications, with a total of 164 cybersecurity certifications achieved by the end of this year, covering both management and technical certifications such as ISC2 CISSP/CC, ISACA CISM/CISA/CRISC, ISO 27001/27017/27018/27701/42001, EC-Council CEH/ECSA/CHFI/ECIH/CTIA, CompTIA Security+, iPAS Mid-level Cybersecurity Engineer, and other certification.

5.4.3 Defensive measures for transaction systems and internal operations

CUB's security protection setup includes monitoring and defense against abnormal network traffic, network firewalls, web application firewalls, intrusion detection and prevention systems, as well as endpoint protection mechanisms (anti-virus and EDR). An Information Security Monitoring and Management Platform is established to aggregate security event logs from various security protection devices, and to centrally manage, store, search, and forward them to the Security Operation Center (SOC). This monitoring center provides 7×24 service and is responsible for analyzing and monitoring any messages that may violate the confidentiality, integrity, or availability of information in the system. Once abnormal events are detected, they are immediately reported, processed, and tracked to ensure the security of transactions and the effectiveness of protection measures.

5.5 Compliance

The Bank has established a Compliance Department to establish and execute mechanisms for disseminating legal updates, providing training, maintaining contact with legal compliance operations domestically and internationally, and promptly notifying the Board of Directors of any changes, ensuring that all operations comply with legal regulations. The Chief Compliance Officer regularly reports to the President on the implementation of the Bank's legal compliance system and reviews the content. Additionally, at least every half year, reports on the execution of legal compliance operations and the implementation of fair customer treatment principles are submitted to the Board of Directors and the Audit Committee. In the event of significant violations of laws or a downgrade by financial regulators, the Directors should be promptly notified, and matters of legal compliance should be reported to the Board and the Audit Committee to effectively supervise and promote the implementation of legal compliance operations throughout the Bank. In order to comply with regulatory supervision and the recommendations of financial inspections, the Compliance Department continues to plan optimization measures and responses for various legal compliance operations. The Compliance Department also provides opinions on new products, services, or business lines that whether it complies with regulatory requirements of regulatory authorities and internal policies. Through existing channels such as business contact meetings, training, supervisory management, and improvement review, the Bank will continue to supervise the implementation effectiveness of legal compliance affairs in domestic units and overseas branches. The Department will also thoroughly review and improve based on the opinions of regulatory authorities, the Cathay FHC, and the Bank's Internal Audit Department, aiming to achieve the goal of full compliance with laws and regulations. The Bank will introduce financial technology to optimize operational processes and establish a compliance system to centrally manage the execution of various legal compliance operations. Additionally, utilizing artificial intelligence (AI) technology to develop tools for analyzing the correlation between internal and external regulations.

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5.6 Anti-Money Laundering , Combating the Financing of Terrorism and Countering Proliferation Financing

In response to global trends in anti-money laundering (AML), combating the financing of terrorism (CFT), and countering proliferation financing (CPF), and in line with the Group's overseas expansion strategy, the Bank adopts a "risk-based approach" to continuously enhance its AML/CFT/CPF framework. Internal policies and regulations are updated promptly to comply with external regulatory changes, and correct concepts are disseminated with major current events as examples to strengthen the consensus and risk awareness of all staff regarding AML/CFT/CPF.

The Bank has established policies and regulations including the "Anti-money Laundering and Counter Financing Terrorism Policy", "Anti-Money Laundering and Counter-Terrorism Financing Guidelines", "Rules Governing Customers' Money Laundering and Terrorist Financing Risk Assessment and Due Diligence", "Management Rules Governing AML/CFT of the Overseas Entities", "Rules Risk Assessment on Money Laundering and Financing Terrorism of Product and Service Offerings and Related Channels and Platforms", and "Rules Governing Reporting on Cash Transactions, Suspicious Transactions and Designated Sanctioned Individuals or Entities". These regulations are reviewed regularly each year to ensure their appropriateness in light of domestic and international trends and changes in the financial market.

Taking into account recommendations from Financial Action Task Force (FATF) and best practices from banking associations, Cathay FHC establishes an information sharing mechanism with its subsidiaries while Cathay FHC being the core. This mechanism includes sharing group lists, types of suspicious transactions, information about suspicious customers/transactions, and risk data across subsidiaries to deploy a collective defense network against money laundering and financing of terrorism.

By identifying and assessing potential money laundering, terrorist financing and proliferation financing countering risks, specific assessment items are formulated based on the identified risks to further control, mitigate, or prevent risks. The Bank has established an Anti-Money Laundering and Counter Financing Terrorism Committee, chaired by the CEO, with heads of various business units serving as committee members. Regular meetings are held to report and discuss issues related to AML/CFT. The committee reports on the Bank's AML/CFT efforts to the board of directors semi-annually. Additionally, we refer to external and internal information, including reports from FATF, foreign related reports, the National ML/TF/PF Risk Assessment Report (NRA) process conducted by the Anti-Money Laundering Office, Executive Yuan, and Sectoral Risk Assessment (SRA) conducted by the Financial Supervisory Commission. Regular institution-wide risk assessments are conducted and submitted to the Audit Committee for review and approval by the Board of Directors, with reports provided to regulatory authorities for reference.

To effectively enhance the Bank's ability to monitor suspicious transactions associated with money laundering (ML), terrorist financing (TF), and proliferation financing (PF), and to mitigate related risks, the Bank has adopted a centralized approach to monitoring transactions. A standardized suspicious transaction investigation procedure has been established to ensure consistent review standards and strengthen the quality of monitoring operations. A bank-wide digital information system has been implemented to systematize the alerting, reviewing, and reporting processes for transactions suspected of ML/TF/PF. Through centralized reviews and division of responsibilities, we enhance the investigative expertise of monitoring personnel. The Bank also holds regular review meetings on transaction monitoring investigations and reporting, and has established a quality assurance mechanism to periodically review the handling of monitoring cases to ensure their effectiveness.

The Bank regarding anti-money laundering, counter the financing of terrorism and proliferation financing conducts diverse education programs to cultivate talent in technology compliance, anti-money laundering (AML), counter the financing of terrorism (CTF), and counter proliferation financing (CPF). These programs aim to instill a culture of compliance from within and address the specific needs of employees based on their roles. Educational materials are developed to address internal and external regulations, international trends, industry enforcement cases, and emerging threats in electronic commerce and financial technology. This ensures that employees understand their responsibilities and obligations in AML, CTF and CPF efforts and are equipped with the necessary expertise to fulfill their duties professionally.

AML/CFT/CPF Process Flow Chart

1. The Bank has established an internal audit mechanism for business units and subsidiaries/branches, focusing on risk-based internal audits. Internal audits are conducted regularly to examine the effectiveness of the Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) measures in the first line of defense (business units) and the second line of defense (compliance, risk management, and various business management units). This ensures the effectiveness of the procedures established in the first and second lines of defense against AML/CFT/CPF.
2. Regular cross-functional communication is facilitated among the three lines of defense to ensure the effective implementation of the AML/CFT/CPF framework.
3. Additionally, the Bank annually engages independent third-party organizations to conduct special audits.

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5.7 Service Quality and Customer Rights

5.7.1 The Fair Customer Treatment Policy and Implementation Status

The Bank is dedicated to implementing the fair customer treatment principle, with the establishment of several key guidelines and committees: "Fair Customer Treatment Policy", "Treating Customers Fairly Committee Organization Regulations", "Consumer Dispute Review Committee Operating Rules", "Service Quality Team Establishment Guidelines". The Board of Directors serves as the highest decision-making and oversight body for the "Fair Customer Treatment Policy." The President is the committee chairperson and senior managers are members of the Treating Customers Fairly Committee. The Committee collaborates across departments in sales management, quality control and system development and report status to the Board of Directors every six month in order to improve continuously. The Board of Directors and the Audit Committee regularly review reports on customer complaints, compliance with laws and implementation of fair customer service, to ensure being effectively supervised.

Fair Customer Treatment Principles Management Process

Planning Phase：

- Develop Products, Business, and Services Aligned with Fair Customer Treatment Principles.
- Establish Contracts, Internal Regulations, and Codes of Conduct that comply with fair customer treatment principles.
- Conduct Regular Employee Training Programs for tellers, enhance fair customer treatment awareness.
- Implement report and internal reward mechanisms, oversee and award tellers to comply with customer protection culture and guidelines.

Execution Phase：

- Adherence to fair customer treatment principles when operating, selling products, and fulfilling contracts, to avoid disputes.
- Unit supervisors supervise each unit to implement the fair customer treatment principle and report risk events in a timely manner.

Management Phase：

- The business management unit handles customer complaints or consumer disputes prudently and provides reasonable and easy-to-use service consultation and complaint channels.
- Examine whether the consumer dispute resolution system violates the fair customer treatment principle. Review and revise the system in a timely manner.

To enhance customer service quality and ensure consumer rights, the Bank continues to develop digital financial services. We have introduced new features such as remote insurance application services, allowing customers to apply for insurance policies anytime and anywhere with a "zero-contact" process. Additionally, we have extended our video service hours to non-business days and introduced foreign currency scheduled transfer services. These innovations ensure that customers can access secure and high-quality services without needing to visit a branch, meeting their financial needs conveniently. We have also established a cross-departmental anti-fraud task force to enhance anti-fraud measures, reflecting our commitment to safeguarding customer assets and our ongoing efforts to prevent fraud.

The Bank continues to improve inclusive financial services to ensure that customers with different needs can use our services with confidence. This includes the launch of Taiwan's first visually impaired-friendly "CUBE Touch Card (Debit Card)," the provision of a smart credit card service that connects customers aged 80 and above to a representative upon calling, and the establishment of age-friendly service counters to ensure that all customer groups can enjoy better services and banking environments.

Through continuous year-round training, we aim to enhance employees' awareness of fair customer treatment, ensuring that they strictly adhere to relevant regulations and the Bank's established standards in their daily work. Our Board Members, responsible person, and senior managers have all received inclusive financial education training, which includes content on the Convention on the Rights of Persons with Disabilities (CRPD) and the protection of rights for people with disabilities.

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5.7.2 Customer Care

CUB implements a "customer-centric" business model, where every service staff member interacts with customers based on the three key principles of "sharing wholeheartedly, touching sincerely, and caring attentively." By integrating warmth and sincerity into professional service, we have successfully created a culture of heartfelt service. In addition to actively addressing customer complaints, the Bank proactively manages customer feedback from the perspective of consumer rights. By systematically optimizing and adjusting consumer service processes, we ensure the maintenance of excellent customer experiences, reflecting the Bank's commitment to continuously enhancing customer satisfaction.

Complaints Handling Channel

Dedicated Department	Financial Services Department
Channels for Complaint Submission	The Financial Services Department is dedicated to handling complaints. We have set up a 24-hour customer service hotline at (02) 2383-1000 or toll-free at 0800-818-001 for inquiries. Additionally, we provide various other channels for complaints, including service emails on our official website, intelligent customer service, branch offices, and written correspondence. We continuously enhance our intelligent services, integrating online and offline channels to improve operational efficiency and provide customers with a comprehensive 360-degree financial service experience. Customers are encouraged to utilize any of the aforementioned channels to provide feedback or share their thoughts.
Number of Complaints Received	In 2024, there were a total of 1,667 complaints filed.
Handling Mechanism	• Cases are classified according to severity, and relevant business units are notified to enhance processing efficiency. • Senior executives convene the "Consumer Dispute Review Committee" to effectively handle customer dispute cases. • Educational training is conducted for common, recurring, or significant compliance cases to reinforce compliance with operational and sales standards among colleagues. • Pain points in products or processes are reviewed to provide recommendations for root cause improvements, reducing the occurrence of customer disputes and enhancing service quality.
Status of Handling	For cases filed with the Financial Supervisory Commission's Banking Bureau's Public and Financial Ombudsman Institution, they are typically processed within an average of 17 business days. As for dispute cases, they are typically resolved within an average of 20 business days, with agreements reached with customers to conclude the process.
Improvement Measures	• Expand the functionality of the AI assistant, "A Fa (阿發)," continuously adding self-service applications to create personalized digital services, with the aim of enhancing service processing efficiency. • Present to the Board of Directors every six months the implementation status of the fair customer treatment principles, and report to the Board quarterly to track complaint cases and review improvement measures, ensuring the fair treatment of customers from top to bottom. • Align with the ISO 10002 international standard for complaint handling mechanisms: 1. Establish clear standards for handling customer complaints, strengthen the effectiveness and efficiency of complaints handling, and implement a risk-based escalation mechanism to identify customer pain points and design corresponding solutions. 2. Develop customer complaint analysis dashboard: Leverage visualized tools to present Treating Customers Fairly cases and customer complaints across the whole bank, enabling quick insights and adjustments to the complaint handling mechanism, thereby safeguarding the rights and interests of financial consumers.
Industry Performance	In 2023, the Bank ranked 2nd in the number of public petition cases among all banks. However, in 2024, our ranking in the number of cases dropped to 5th place.

CUB has established a "Digital Platform NPS Customer Feedback Collection Mechanism" to effectively gather user feedback on platform experiences through NPS surveys combined with customer interviews or usability tests. This approach allows us to design platform experiences that better meet users' actual needs and expectations, thereby enhancing overall customer satisfaction.

Our customer service center conducts Transactional Net Promoter Score (tNPS) surveys for customers who call in daily. This not only helps in promptly recording customers' feelings about the service but also assesses their satisfaction and loyalty. By analyzing questionnaire feedback, call reasons, and related product interactions, we delve into gaps in the customer experience. We then report these findings to relevant units monthly, allowing us to formulate service strategies that are more closely aligned with customer needs. In 2024, the tNPS for our customer service center was 67.1 points(Standard Score of 60), while the tNPS for the CUBE APP was 42.9 points(Standard Score of 30).

In 2024, customers maintained a high level of satisfaction with our customer service center. We will focus particularly on key factors directly impacting customer satisfaction and continuously improve upon them to understand the service touchpoints better. Besides striving to meet customer expectations, we are committed to exceeding them and create more personalized and seamless service experiences. Through these efforts, we aim to solidify and enhance our position as a leading provider of financial services in the industry, while consistently delivering high-quality service experiences to our customers. This will further deepen the trust and loyalty between our customers and the Bank.

The Result of the 2024 Satisfaction Survey

	Result for 2024	Target for 2024
Satisfaction Survey	93%	90%

5.7.3 Customer Information and Privacy Protection

The Bank places great importance on the protection of customers' personal information and privacy. We have established the "Personal Information Management Guidelines and Related Operating Standards" and set up a "Personal Information Management Committee" responsible for supervising matters related to the personal information protection mechanism. We handle the collection, processing, and utilization of personal information and act in accordance with the "Personal Data Protection Act" and relevant laws and regulations. Before collecting information, we inform individuals the purpose of collection and sharing recipients, ensuring that it does not exceed the necessary scope for specific purposes. We explicitly define customers' rights regarding inquiries, requests for access, provision of copies, correction, supplementation, cessation of collection, processing, utilization, or deletion of personal information. Additionally, we require third parties to comply with the Bank's policies on personal information protection. Personal information is deleted, stopped from processing, or utilized when the specific purpose of collection disappears or when the deadline expires, unless otherwise stipulated by laws or contracts. We retain trace Information or relevant evidence for at least five years.

Our "Privacy Policy" statement outlines how we collect, apply, and protect personal information provided by customers. To safeguard users' personal Information and maintain online privacy, we will update the privacy protection policy in accordance with changes in laws and the adoption of new technologies. This is to fulfill our mission of safeguarding customer rights. If there are any questions about the privacy protection policy or the use of personal Information, individuals can contact the service windows through the contact information provided on the official website.

The Management Process for Customer Information and Privacy Protection

Personal Information Protection Policy Website	https://www.cathaybk.com.tw/cathaybk/personal/about/news/customer-benefits/client-privacy/
Rules and Regulations for the Mutual Use of Customer Information Among Subsidiaries within the Group	Each subsidiary within the Group adheres to the "Financial Holding Company Act," "Personal Data Protection Act," "Rules Concerning Cross-Selling by Financial Holding Company Subsidiaries," and other relevant legal provisions for the collection, processing, storage, integration, and use of customer Information. It is declared that subsidiaries involved in customer information undertake strict confidentiality measures when conducting related business and utilize the Information in accordance with legal requirements.
Incident Response Procedure	The Bank has established an "Emergency Response Procedure for Personal Data Breaches" along with a drill mechanism. Through regular drills, the Bank aims to enhance employees' response and protection capabilities to prevent incidents from impacting the Bank and minimize harm to the parties involved. Simultaneously, these drills verify the effectiveness of internal procedures, identifying any inadequacies in personal Information protection measures and continuously improving relevant safeguards. Additionally, the Bank conducts annual Information protection training sessions for all employees to strengthen their awareness and reduce the occurrence of Information breaches.
Audit Mechanism	Every year, The Bank undergoes third-party audits and verifications using the "BSI10012:2017 Personal Information Management System" and accounting firm projects for personal Information protection, anti-money laundering, and counter-terrorism financing mechanisms. These audits are conducted to ensure the effectiveness of personal Information protection measures.
Data Breaches Event	We had 6 data breaches events in 2024, including cases identified by the Bank, customer complaint cases, and cases announced by the Financial Supervisory Commission. 41 customers were affected by such violation. In which 100% of data breaches events was involved with personally identifiable information.

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6.1 ESG Performance Data

Table 6.1-1 Distribution of All Employees (By Employee/Non-Employee Workers and Gender)

Item	Male	Female
Number of Full-Time Employees	4,454	7,083
Number of Temporary Employees	39	25

Note:
1 Including overseas employees; the Bank has no part-time employees, no guaranteed-hour employees, or permanent employees.
2 In 2024, a total of 171 interns were recruited. However, due to varying durations of each internship program, there were 13 interns as of December 31, 2024.
3 The statistics cover full-time employees in Taiwan and overseas, excluding part-time employees, directors, supervisors, dispatch employees, hourly employees, interns, contracted employees, and other personnel not belonging to the Cathay FHC and its subsidiaries. Overseas refers to "expatriate employees + local hires," and subsequent tables follow this definition unless otherwise specified.

Table 6.1-2 Distribution of All Employees (By Region)

Item	Taiwan	Hong Kong	Singapore	Vietnam	Malaysia	Laos	Philippines	Myanmar	Thailand	Indonesia	Cambodia	Mainland China	Total
Full-Time Employees	10,911	173	149	159	15	22	32	17	2	4	26	27	11,537
Temporary Employees	46	10	5	3	0	0	0	0	0	0	0	0	64
Total	10,957	183	154	162	15	22	32	17	2	4	26	27	11,601

Table 6.1-3 The Distribution of New Full-Time Employees

Item	Gender	Under 30	30-49	50 and Above	No. of People	As a Percentage of All Full-Time Employees
Taiwan	Male	425	365	13	803	15.71%
	Female	595	383	32	1,010	
Overseas	Male	18	33	2	53	0.98%
	Female	22	28	10	60	

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Table 6.1-4 The Distribution of Full-Time Employees who Voluntarily Resigned

Item	Gender	Under 30	30-49	50 and Above	No. of People	As a Percentage of All Full-Time Employees
Taiwan	Male	231	338	21	590	11.42%
	Female	302	394	32	728	
Overseas	Male	4	17	3	24	0.59%
	Female	11	28	5	44	

Table 6.1-5 The Diverse Composition of Full-Time Employees

Item	Number of Employees	As a Percentage of Total Full-Time Employees
Indigenous People	31	0.27%
Foreign Nationals	Employees of foreign nationality working in Taiwan: 28 Employees for foreign nationality working overseas: 475	4.34%

Table 6.1-6 The Distribution of People with Disabilities

Item	Number of Employees	As a Percentage of Total Full-Time Employees
People with Disabilities	90	1.2%

Note: According to government regulations, CUB is required to employ persons with disabilities equivalent to at least 1% of its 7,821 insured employees. As of the reporting period, this requirement has been met.

Table 6.1-7 Full-Time Employee Distribution (by Level of Education)

Item	Total (people)	As a Percentage of Total Full-Time Employees
Doctorate	15	0.13%
Master's	2,608	22.61%
Bachelor's / Associate	8,545	74.07%
High School	365	3.16%
Below High School	3	0.03%

Note: Excluding advisors/consultants (those commissioned through labor contracts).

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Table 6.1-8 Distribution of Full-Time Employees (by Position)

Item	Male (people)	Female (people)	National (excluding Indigenous)	Indigenous (people)	Foreign
Managerial Positions	379	435	789	1	Managers of foreign nationality working in Taiwan: 3 Managers of foreign nationality working overseas: 21
Non-managerial Positions	4,075	6,648	10,214	30	Employees of foreign nationality working in Taiwan: 25 Employees of foreign nationality working overseas: 454
Total	4,454	7,083	11,003	31	

Note: Management positions are defined as section managers, department managers, vice presidents, senior vice presidents, presidents, vice chairpersons, and chairpersons.

Table 6.1-9 Distribution of Female Full-Time Employees

Item	No. of People	Percentage	
Female Senior Executives and Middle Management	93	As a Percentage of All Senior Executives and Middle Management Managers	33.94%
Female Junior Managers	342	As a Percentage of All Junior Managers	63.33%
Female General Staff Managers	6,648	As a Percentage of General Staff	62.00%
Total Female Employees	7,083	As a Percentage of All Full-Time Employees	61.39%

Table 6.1-10 Parental Leave Statistics

Item	Female (people)	Male (people)	Total (people)
Employees that Took Parental Leave in the Current Year	129	16	145
2024 Number of Employees on Leave Expected to Return（A）	121	14	135
2024 Employees that Took Parental Leave（B）	100	10	110
Return Rate（B/A）	82.64%	71.43%	81.48%
2023 Employees Who Returned from Parental Leave（C）	117	14	131
2023 Number of Employees Still with the Company 12 Months after Returning from Leave（D）	103	10	113
Retention Rate（D/C）	88.03%	71.43%	86.26%

Note:
1 Figures include CUB's Taiwanese employees, expatriate employees, and local hires in overseas locations.
2 After completing six months at CUB, employees may apply for parental leave without pay for each child before the child reaches the age of three. The leave may continue until the child turns three, but shall not exceed two years. For those raising more than one child simultaneously, the duration of parental leave without pay shall be calculated collectively, with a maximum limit of two years for the youngest child. This shall be determined in accordance with the calculation method for childbirth subsidy applicants.
3 Return Rate = (Number of employees returning to work / number of employees expected to return) x 100%

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Table 6.1-11 Occupational Accident Statistics

Item		2022	2023	2024
Number of Injuries (Cases)	Male	10	14	20
	Female	35	51	64
Number of Fatalities (Cases)	Male	0	0	0
	Female	0	0	0
Total Work Days Lost (Days)	Male	56	188	268
	Female	248	550	845
Disabling Injury Frequency Rate[1]	Male	1.22	3.75	2.14
	Female	2.64	1.64	4.30
Disabling Injury Severity Rate[2]	Male	6	40	28
	Female	18	22	56
Total Person-Work Hours[3]		21,374,160	22,063,392	24,191,207

Note:
1 Disabling Injury Frequency Rate (DIFR) = (Times of Disabling Injuries ÷ Total Person-Work Hours) × 1,000,000.
2 Disabling Injury Severity Rate (DISR) = (Total Work Days Lost ÷ Total Person-Work Hours) × 1,000,000.
3 Refers to the sum of total hours worked by employed workers.

Table 6.1-12 Results and Expenditure of Health-related Programs Implementation

Programs	Number of Users	Number of Sessions	Activity Period	Total Hours	Corporate Contribution (NTD)
Health Check-Ups for Managers and Expatriate Staff	1,078	-	Year 2024	-	11,084,155
Consultation with On-Site Physicians	202	140	Year 2024	420	3,402,000
Employee Assistance Program (EAP)	461	461	Year 2024	461	1,441,892
Group Weight-Loss Contest	2,642	-	July to September 2024	-	2,704,380
Tech-Enabled Fitness	163	2	Year 2024	6	53,280
Stress Relief Activities	237	5	Year 2024	10	405,000
Parent-Child Activities	670	9	Year 2024	43	867,900
Blood Donation Activities	1,014	7	Year 2024	49	244,983
Health Lectures	265	4	Year 2024	4	51,000
Parenting Classes	105	2	Year 2024	3	20,200
Activities for Middle-Aged & Older Employees	144	3	Year 2024	5	27,050
EAP Seminars	222	3	Year 2024	4.5	46,383
Walking Events	5,143	-	May to June 2024	-	781,207
Influenza Vaccination Administration	104	3	Year 2024	3	0
Prescription Pick-Up Services	283	92	Year 2024	46	18,400

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Table 6.1-13 Effectiveness of Financial Inclusion Promotion

Item	2022	2023	2024
Amount of Property Principal in CUB's Charitable Trust (NT$100M)	378.89	377.49	378.97
Charitable Trust Donation Amount (NT$100M)	2.83	1.85	2.55
No. of ATMs Designed for the Visually Impaired (ATMs)	268	654	867
Total Balance of Loans to Microfinance Institutions (US$1M) [1]	74.24	41.41	58.18
Total Balance of Loans to SMEs (NT$100M) [2]	3,042	3,240	3,352
Total Balance of Loans to Small Business (NT$100M) [3]	1,088	1,280	1,469
Total Number of Loans to Small Business (Loans) [3]	8,738	8,275	8,037
Balance of Personal Loans (NT$100M)	1,362.5	1,431.5	1,545
Balance of Personal Loans to Customers Aged 35 and Under (at the Time of Application) (NT$100M)	360.7	400.7	441.2

Note:

1 According to the World Bank's literature, there is a clearly defined Micro Finance Institution (MFI) credit account.

2 The Ministry of Economic Affairs defines small and medium enterprises (SMEs) as businesses whose paid-in capital is no more than NT$100 million, or which hire fewer than 200 regular employees. The total balance of loans to SMEs, including overdue and collection amounts.

3 Small enterprises are defined as corporate customers and their group affiliates with a combined revenue of 500 million or less.

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Table 6.1-14 Courses to Enhance Training and Cultivate Sustainable Financial Talents According to Unit Characteristics

Courses	Content Highlights	Subjects	Cumulative hours	Cumulative Number of People
Sustainable Finance Courses	The climate trilogy course series offers an in-depth exploration of environmental policies, social adaptation, and international support. It also introduces learners to climate change and climate impacts, helping to raise their understanding and encourage them to reflect on the urgency of climate change and global environmental responsibilities.	General Staff	25,845.0	8,615
Responsible Investment & Lending Principles	Help credit assessment and lending personnel learn more about sustainability and how to uphold sustainable practices into daily work by introducing different industries.	Credit Assessment and Lending Personnel	5,286.0	1,762
Chartered Sustainable Finance Manager	Offer training courses to help employees in core sustainability functions develop a comprehensive understanding of sustainability concepts and serve as drivers for sustainability within the Bank.	Core Members	3,480.0	87
External Sustainability Training (incl. Online)	Middle/senior executives or related personnel participates in external sustainability training or online courses specific to their work duties.	Middle and Senior Executives, Related Organizations	2,459.1	1,986
ITRI: Carbon Credits & Carbon Trading Workshop	To enhance corporate banking personnel's understanding of low-carbon finance and explore potential client opportunities, the Bank plans to collaborate with ITRI College's Net Zero School to strengthen our corporate banking personnel's professional knowledge in carbon credit and trading.	HQ Employees in Sustainability Functions	7.0	40
ARM Program	To familiarize our corporate banking personnel with ESG, we added ESG courses to the ARM Program, the onboarding program for corporate banking personnel.	Corporate Banking ARM	2.5	41

Table 6.1-15 Full-Time Non-managerial Employees Salary Information

Item	2022	2023	2024
Average Number of Full-Time Non-Managerial Employees (people)	9,964	10,253	10,723
Mean Salary of Full-Time Non-Managerial Employees (NT$1K)	1,380	1,499	1,696
Median Salary of Full-Time Non-Managerial Employees (NT$1K)	1,146	1,228	1,308

Note The numbers were calculated according to "Notes on Reporting of Full time Non-managerial Employees Salary Information" and "FAQ" published by Taiwan Stock Exchange Corporation

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Table 6.1-16 Cost of Social Impact (By activity)

Unit: New Taiwan Dollar (NTD)

Events & Activities	Amount
Business Facilitation	80,000
Community Involvement	23,254,767
Total Investment	23,334,767

Table 6.1-17 Number of Volunteer Hours and Attendances

Event Name	Volunteer Hours(Hour)	Volunteer Participants(People)
Beach Cleaning Activities	1,434	181
Weekend Basketball Camp for Autistic Children	570	143
CUB's Financial Education Courses for Rural Schools (Online + In-Person)	613	88
Blood Donation Volunteer	318	38
Removal of Invasive Plant Species	232	29
Clean Mountain Activity	164	21
Charity Sale Activity	148	30
FORMOSA 3D Movie Tour	54	17
Other Charity Activities	3,023.5	346
Total	6,556.5	893

Table 6.1-18 Employee Education & Training

Employee Education & Training	Category	2023	2024
Total Hours	Male Employees	187,980	201,852
	Female Employees	331,745	351,289
	Managerial Positions	34,324	35,608
	Non-Managerial Positions	485,401	517,533
	Statutory Training	219,656	226,261
	Additional Training	300,069	326,879
	Total	519,725	553,140
Average Hour	Male Employees	44	45
	Female Employees	49	50
	Managerial Positions	42	44
	Non-Managerial Positions	47	48
	Statutory Training	20	20
	Additional Training	27	28
	Total	47	48

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Table 6.1-19 Outcomes of the Information Security Training

Item	General Staff Information Security Training	Designated Personnel Information Security Training	Board Member Training
Training Participants	The entire staff	Personnel responsible for information security	Members of the Board of Directors
Training Objectives	Continuously strengthen and enhance cybersecurity awareness	Continuously strengthen and enhance cybersecurity expertise and knowledge	Continuously strengthen the cybersecurity supervisory function of the management level
Training Frequency	Conducted annually	Conducted annually	Conducted annually
Training Channels	Online Learning Platform of Cathay FHC	Online Learning Platform of Cathay FHC and external training programs	Online Learning Platform of Cathay FHC and physical or online seminars
Number of Trainees (people)	11,398	30	9
Completion Rate	100%	100%	100%
Training Hours(hours)	37,841	1,254	22

Table 6.1-20 Results of Fair Customer Treatment Training

Course Topics	Number of Participants in Training (People)	Completion Rate
Employee Confidentiality Policy	11,251	100%
Banking Industry Self-Discipline Regulations for Fair Treatment of Elderly Customers	2,616	100%
Consumer Protection Principles: Standardized Contracts, Business Marketing, and Advertising	2,530	100%
Fair Customer Treatment Principles	10,586	100%
Banking Industry Inclusive Financial Services	11,245	100%
Policy on Giving Gifts or Freebies	2,519	100%
Inclusive Financial Training	11,245	100%
Whistleblower System	11,343	100%
Regulations and Penalty Cases Concerning Stakeholders	3,944	100%
Recent Penalty Cases in the Banking Industry and Points to Note	13,423	100%
Employee Code of Conduct: Gifts & Illicit Gains	2,490	100%

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Table 6.1-21 Greenhouse Gas Emissions

Item	Unit	2022		2023		2024	
Scope 1- Direct GHG Emissions	tCO_2e	Taiwan	1,169.69	Taiwan	1,141.74	Taiwan	995.58
		Overseas	731.28	Overseas	882.11	Overseas	865.84
Scope 2- Indirect GHG Emissions from Imported Energy (Location-Based Emission)		Taiwan	20,800.54	Taiwan	20,653.02	Taiwan	20,805.72
		Overseas	3,151.31	Overseas	3,156.64	Overseas	2,880.85
Scope 2- Indirect GHG Emissions from Imported Energy (Market-Based Emission)		Taiwan	18,850.55	Taiwan	16,991.85	Taiwan	16,422.40
		Overseas	3,151.31	Overseas	3,156.64	Overseas	2,880.85
Scope 1 +Scope 2 (Location-Based Emission)		Taiwan	21,970.23	Taiwan	21,794.76	Taiwan	21,801.30
		Overseas	3,882.59	Overseas	4,038.76	Overseas	3,746.69
Scope 1 +Scope 2 (Market-Based Emission)		Taiwan	20,020.24	Taiwan	18,133.59	Taiwan	17,417.98
		Overseas	3,882.59	Overseas	4,038.76	Overseas	3,746.69
Scope 3- Indirect GHG Emissions from Transportation		34.99		284.73		420.87	
Scope 3- Indirect GHG Emissions from Products Used by Organization		595.05		781.20		368.97	
Scope 3- Indirect GHG Emissions from Use of Organization's Products		1,679.70		1,931.98		1,752.48	
Carbon Credit Purchase		—		10,000 [6]		—	
Carbon Offset		—		—		3,320 [7]	
Intensity	(Scope 1+Scope 2) tCO_2e/NT$1M	0.32		0.26		0.20	
Renewable Power Purchase(PV)	kWh	2,391,024		7,276,290		8,076,752	
Renewable Energy Certificate (T-REC)	Number of Certificates	1,440		120		1,171	

Note:

1 A rolling review of inventory sites is conducted annually. In 2023, 273 domestic locations and 72 overseas locations were inventoried. In 2024, the number increased to 348 domestic locations and 71 overseas locations (including overseas branches, Cathay United Bank (China), Cathay United Bank (Cambodia), and Indovina Bank). Scope 1 and Scope 2 cover both domestic and overseas locations, while Scope 3 covers only domestic locations and includes categories such as waste generated in operations, water usage, business travel, credit card services, and personal unsecured loan services.

2 (1) Since 2018, the new version of ISO 14064-1:2018 standard has been adopted, and from 2020, BSI has been commissioned for external verification.
(2) Greenhouse gas emissions are calculated using the "Operational Control" approach.

3 The emission factors are adjusted annually according to the Bureau of Energy: 2022: 0.509 kg CO_2e/kWh; 2023: 0.495 kg CO_2e/kWh; 2024: 0.474 kg CO_2e/kWh.

4 Since 2022, with the purchase of Renewable Energy Certificates or use of Renewable Energy, in accordance with Appendix E of ISO 14064:2018, Scope 2 emissions are disclosed under both the "Location-Based" and "Market-Based" methods.

5 Intensity (tCO_2e /NT$1M): Calculated based on the market-based method.

6 Carbon credits purchased in 2023 were all certified by the Gold Standard: 1,000 tCO_2e from the Eritrea Community Boreholes Project, 3,500 tCO_2e from the AMI KHANH HOA Solar Project, 2,500 tCO_2e from the Central Mozambique Safe Water Programme, 1,000 tCO_2e from the Household And Commercial Biogas Plants In Kenya, 2,000 tCO_2e from the Santa Marta Landfill Gas (LFG) Capture For Electricity Generation Project, totaling 10,000 tCO_2e.

7 On September 18, 2024, 3,320 tCO_2e of carbon credits from the AMI KHANH HOA Solar Project were retired in accordance with the PAS 2060 carbon neutrality standard. These credits were used to offset the 2023 GHG emissions from CUB's HQ building (including Business Department), Tongde, Xinshu, and Ruihu branches. The offset was verified by a third-party verification body, and a carbon neutrality verification statement was obtained.

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Table 6.1-22 Environmental Investment and Financing Implementation Results in 2024 (Billion)

Cathay Sustainable Investment and Financing Types	Investment	Financing
Alternative Energy	0.2	189.81
Architecture	—	229.01
Waste Recycling	—	44.56
Transportation	30	38.44
Energy Saving Industry	0.9	3.89
Green Bonds	267	—
Carbon Sink	—	—
Low Carbon Transition Infrastructure	—	8.5

Note: Figures exclude overseas subsidiaries.



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6.2 GRI Index

Usage Statement	CUB has reported on the period from January to December 2024 with reference to the GRI Standards.
Cited in the GRI Content Index Table is based on	GRI 1: Foundation 2021

GRI 2：General Disclosures 2021

GRI Number	Disclosure Items	Chapters
2-1	Organizational details	1.1 About CUB
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	Any restatements of information in this report will be explained in the corresponding sections.
2-5	External assurance	About This Report
2-6	Activities, value chain and other business relationships	1.1 About CUB
2-7	Employees	4.1.1 Diverse and Inclusive Workplace Table 6.1-1 Distribution of All Employees (By Employee/Non-Employee Workers and Gender) Table 6.1-2 Distribution of All Employees (By Region)
2-8	Workers who are not employees	Table 6.1-1 Distribution of All Employees (By Employee/Non-Employee Workers and Gender) Table 6.1-2 Distribution of All Employees (By Region)
2-9	Governance structure and composition	5.1 Corporate Governance
2-10	Nomination and selection of the highest governance body	5.1.1 The Operation of the Board of Directors
2-11	Chair of the highest governance body	5.1.1 The Operation of the Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	1.1.2 Sustainable Development Committee

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GRI Number	Disclosure Items	Chapters
2-13	Delegation of responsibility for managing impacts	1.1.2 Sustainable Development Committee
2-14	Role of the highest governance body in sustainability reporting	1.1.2 Sustainable Development Committee
2-15	Conflicts of interest	5.1.1 The Operation of the Board of Directors
2-16	Communication of critical concerns	5.1.1 The Operation of the Board of Directors
2-17	Collective knowledge of the highest governance body	5.1 Corporate Governance
2-18	Evaluation of the performance of the highest governance body	5.1.3 Performance Evaluation and Remuneration Policy
2-19	Remuneration policies	5.1.3 Performance Evaluation and Remuneration Policy
2-20	Process to determine remuneration	5.1.3 Performance Evaluation and Remuneration Policy
2-21	Annual total compensation ratio	Under confidentiality regulations, disclosure is restricted
2-22	Statement on sustainable development strategy	Message from the Chairman
2-23	Policy commitments	5.2 Ethical Corporate Management
2-24	Embedding policy commitments	5.2 Ethical Corporate Management
2-25	Processes to remediate negative impacts	5.7.2 Service Quality and Customer Rights
2-26	Mechanisms for seeking advice and raising concerns	5.7.2 Service Quality and Customer Rights
2-27	Compliance with laws and regulations	5.5 Compliance
2-28	Membership associations	1.1 About CUB
2-29	Approach to stakeholder engagement	1.3 Stakeholder Identification and Communication
2-30	Collective bargaining agreements	The Bank has no labor unions or collective agreements. According to the definition by the Ministry of Labor, a collective agreement refers to an agreement on labor-related matters signed between the employer and a 'labor union.' Therefore, as CUB does not have a labor union, there are no 'collective agreements'

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GRI 3：Material Topics

GRI Number	Disclosure Items	Chapters
3-1	Process to determine material topics	1.4 Material Sustainable Issues identification
3-2	List of material topics	1.4 Material Sustainable Issues identification
3-3	Management of material topics	1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics

GRI 200：Economic

GRI Series	GRI Number	Disclosure Item	Chapters
201	201-1	Direct economic value generated and distributed	1.1.1 Overview of Operations
	201-2	Financial implications and other risks and opportunities due to climate change	2.1.2 Identification of Climate and Natural Risks and Opportunities
	201-4	Financial assistance received from government	Did not receive any government financial assistance in 2023 and 2024

GRI 300：Environment

GRI Series	GRI Number	Disclosure Item	Chapters
302	302-4	Reduction of energy consumption	2.3.2 Green Operations
	302-5	Reduction in energy requirements of products and services	2.3.2 Green Operations
305	305-1	Direct (Scope 1) GHG emissions	Table 6.1-21 Greenhouse Gas Emissions
	305-2	Indirect energy (Scope 2) GHG emissions	Table 6.1-21 Greenhouse Gas Emissions
	305-3	Other indirect (Scope 3) GHG emissions	Table 6.1-21 Greenhouse Gas Emissions
	305-4	GHG emissions intensity	Table 6.1-21 Greenhouse Gas Emissions
	305-5	Reduction of GHG emissions	2.3.2 Green Operations
306	306-3	Waste generated	2.3.2 Green Operations
	306-4	Waste diverted from disposal	2.3.2 Green Operations
	306-5	Waste directed to disposal	2.3.2 Green Operations
308	308-1	New suppliers that were screened using environmental criteria	2.3.2 Green Operations

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GRI 400：Social

GRI Series	GRI Number	Disclosure Item	Chapters
401	401-1	New employee hires and employee turnover	6.1 ESG Performance Data Table
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.1.2 Attracting and Retaining Talents
	401-3	Parental Leave	Table 6.1-10 Parental Leave Statistics
403	403-1	Occupational health and safety management system	3.1.1.1 Health Management Policies
	403-2	Hazard identification, risk assessment, and Incident Investigation	3.1.1.3 Occupational Safety Risk Assessment
	403-3	Occupational health services	3.1.2 Occupational Safety and Health Education Training and Management Measures 3.1.3 Physical and Mental Health Assessment Process and Implementation Results
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.1.1.2 Occupational Safety and Health & Employee Health Governance
	403-5	Worker training on occupational health and safety	3.1.2.1 Occupational Safety and Health Training
	403-6	Promotion of worker health	3.1.3.3 Promoting Employee, Family, and Community Health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.1.1 Health Work Environment Management System and Governance Structure
	403-8	Workers covered by an occupational health and safety management system	3.1.1 Health Work Environment Management System and Governance Structure
	403-9	Work-related injuries	Table 6.1-11、Occupational Accident Statistics
	403-10	Work-related ill health	Table 6.1-11、Occupational Accident Statistics
404	404-1	Average hours of training per year per employee	Table 6.1-18 Employee Education & Training
	404-2	Programs for upgrading employee skills and transition assistance programs	4.1.3.2 Linking Development Tools into a One-stop Career Development System
	404-3	Percentage of employees receiving regular performance and career development reviews	4.1.1.2 Attracting and Retaining Talents
405	405-1	Diversity of governance bodies and employees	5.1 Corporate Governance
406	406-1	Incidents of discrimination and corrective actions taken	4.1.1 Diverse and Inclusive Workplace
407	417-1	Requirements for product and service information and labeling	5.7.1 The Fair Customer Treatment Policy and Implementation Status
	417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance with regulations regarding product and service information and labeling in 2024.
	417-3	Incidents of non-compliance concerning marketing communications	No incidents of non-compliance with marketing communication regulations in 2024.

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6.3 IFRS S1 Index

The following index table refers to the disclosure requirements related to "Core Content" in paragraphs 25 to 53 of IFRS S1 "General Requirements for Sustainability-RelatedFinancial Disclosures."

Table 6.3 The Core Content Index Table of IFRS S1 Standard

Disclosure Requirements for Core Content		Chapters
Governance		
Governance	Paragraph 27(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: (i) How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions, and other related policies applicable to that body(s) or individual(s); (ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities; (iii) how and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities; (iv) how the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (v) how the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets (see paragraph 51), including whether and how related performance metrics are included in remuneration policies.	1.1.2 Sustainable Development Committee
	Paragraph 27 (b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about: (i) Whether the role is delegated to a specific management-level position or management-level committee, and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities; and if so, how these controls and procedures are integrated with other internal functions.	1.1.2 Sustainable Development Committee

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Disclosure Requirements for Core Content		Chapters
Strategy		
Sustainability-related Risks and Opportunities	Paragraph 30(a) Describe sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics
	Paragraph 30(b) Specify the time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur.	1.4 Material Sustainable Issues Identification
	Paragraph 30(c) Explain how the entity defines "short-term," "medium-term," and "long-term," and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics
Business Model and Value Chain	Paragraph 32(a) A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	2.2.1 Sustainable Finance 3.2.2 Digital Transformation and Innovation
	Paragraph 32(b) A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	1.1.1 Overview of Operations
Strategy and Decision-Making	Paragraph 33(a) How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	1.2 Focus Areas for Sustainability Strategy 1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics
	Paragraph 33(b) The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information.	1.6 The Targets for Sustainability Issues
	Paragraph 33(c) Trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	2.3 Environmental Sustainability 3.2.2 Digital Transformation and Innovation

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Disclosure Requirements for Core Content		Chapters
Strategy		
Financial Position, Financial Performance, and Cash Flows	Paragraph 35(a) How sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics
	Paragraph 35(b) The sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	1.4 Material Sustainable Issues Identification
	Paragraph 35(c) How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability related risks and opportunities, taking into consideration: (i) Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and (ii) its planned sources of funding to implement its strategy.	1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics 2.2 Low-carbon Economy
	Paragraph 35(d) How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	1.5 Risk/Opportunity Analysis & Management Guidelines of Sustainability Topics 2.1 Climate and Nature-related Financial Disclosure
Resilience	Paragraph 41 An entity shall disclose information that enables users of general purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	1.1.1 Overview of Operations 1.1.2 Sustainable Development Committee 2.1 Climate and Nature-related Financial Disclosure

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Disclosure Requirements for Core Content		Chapters
Risk Managemen		
Risk Management	Paragraph 44(a) The process and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about: (i) The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks; (iii) how the entity assesses the nature, likelihood, and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the entity prioritises sustainability-related risks relative to other types of risk; (v) how the entity monitors sustainability-related risks; and (vi) whether and how the entity has changed the processes it uses compared with the previous reporting period.	1.1.2 Sustainable Development Committee 1.4 Material Sustainable Issues Identification 2.1 Climate and Nature-related Financial Disclosure 5.3 Risk Management
	Paragraph 44(b) The process the entity uses to identify, assess, prioritise, and monitor sustainability-related opportunities.	1.4 Material Sustainable Issues identification
	Paragraph 44(c) The extent to which, and how, the process for identifying, assessing, prioritising, and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	1.2 Focus Areas for Sustainability Strategy 1.3 Stakeholder Identification and Communication 1.4 Material Sustainable Issues identification 5.3 Risk Management
Metrics and Targets		
Metrics and Targets	Paragraph 46(a) Metrics required by an applicable IFRS Sustainability Disclosure Standard.	6.3 IFRS S1 Standard Index Table
	Paragraph 46(b) Metrics the entity uses to measure and monitor: (i) That sustainability-related risk or opportunity; and (ii) its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	1.2 Focus Areas for Sustainability Strategy 1.6 The Targets for Sustainability Issues

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6.4 Sustainability Accounting Standards Board (SASB)

Table 6.4 SASB Standards for Commercial Banking-2023

SASB Code/Metric	Disclosure	Chapter/Explanation
FN-CB- 230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	(1) Number of data breaches: 6 incidents； (2) Percentage of leaked data containing personal information: 100%; and (3) Number of affected customers: 41 individuals 5.7.3 Customer Information and Privacy Protection
FN-CB- 230a.2	Description of approach to identifying and addressing data security risks	5.4 Information Security
FN-CB- 240a.1	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	3.2.3 Financial Inclusion Table 6.1-13 Financial Inclusion Promotes Effectiveness
FN-CB- 240a.2	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Non-disclosure of overdue items; this indicator is not disclosed now.
FN-CB- 240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	3.2.3 Financial Inclusion
FN-CB- 240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	4.2.2 Supporting the Underprivileged
FN-CB- 410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	2.2.2 Responsible Financing
FN-CB- 410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Table 6.1-21 Greenhouse Gas Emissions
FN-CB- 410b.2	Gross exposure for each industry by asset class	2.2.3 Net Zero Emissions for Financial Assets by 2050
FN-CB- 410b.3	Percentage of gross exposure included in the financed emissions calculation	2.2.3 Net Zero Emissions for Financial Assets by 2050

<table>
<tr><th>Indicator Code</th><th>Indicator Description</th><th>Chapter/Explanation</th></tr>
<tr><td>FN-CB- 410b.4</td><td>Description of the methodology used to calculate financed emissions</td><td>2.2.3 Net Zero Emissions for Financial Assets by 2050</td></tr>
<tr><td>FN-CB- 510a.1</td><td>Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations</td><td>5.2 Ethical Corporate Management</td></tr>
<tr><td>FN-CB- 510a.2</td><td>Description of whistleblower policies and procedures</td><td>5.2 Ethical Corporate Management</td></tr>
<tr><td>FN-CB- 550a.1</td><td>Global Systemically Important Bank (GSIB) score, by category</td><td>Not Applicable</td></tr>
<tr><td>FN-CB- 550a.2</td><td>Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities</td><td>5.3 Risk Management
Annual Report Sections "Four. Fundraising Situation" and "Seven. Review and Analysis of Financial Position and Operating Results with Risk Management Matters"</td></tr>
<tr><td>FN-CB- 000.A</td><td>(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business</td><td>Number and amount of deposit accounts
<table>
<tr><th></th><th></th><th>Number</th><th>Amount (100 Million NT dollars)</th></tr>
<tr><td rowspan="2">Check Accounts</td><td>Personal</td><td>146,458</td><td>20</td></tr>
<tr><td>Small and Medium Enterprises (SMEs)</td><td>22,185</td><td>43</td></tr>
<tr><td rowspan="2">Savings Accounts</td><td>Personal</td><td>12,722,221</td><td>26,046</td></tr>
<tr><td>Small and Medium Enterprises (SMEs)</td><td>133,588</td><td>2,746</td></tr>
</table>
Note:
1 Small and medium-sized enterprises (SMEs) are defined according to the White Paper on Small and Medium Enterprises issued by the Ministry of Economic Affairs. SMEs are businesses with paid-in capital of less than 100 million or those that regularly employ fewer than 200 employees.
2 Amounts are as of December 31, 2024.
3 Excludes overseas subsidiaries.</td></tr>
<tr><td>FN-CB- 000.B</td><td>(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate</td><td>Loan Balance
<table>
<tr><th></th><th>Loan Balance (100 Million NT dollars)</th></tr>
<tr><td>Personal</td><td>780.8</td></tr>
<tr><td>Small and Medium Enterprises (SMEs)</td><td>3,352</td></tr>
<tr><td>Enterprises</td><td>5,227</td></tr>
</table>
Note:
1 Small and medium-sized enterprises (SMEs) are defined according to the White Paper on Small and Medium Enterprises issued by the Ministry of Economic Affairs. SMEs are businesses with paid-in capital of less than 100 million or those that regularly employ fewer than 200 employees.
2 Amounts are as of December 31, 2024 (including overdue loans and receivables under collection).
3 Excludes overseas subsidiaries.</td></tr>
</table>

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6.5 The Execution Status of PRI and PRB

Table 6.5-1 The Six Principles of PRI

Incorporate ESG issues into investment analysis and decision-making processes.	1. Established the Responsible Investment and Lending Policy and the Investment and Lending Exclusion Policy. 2. Established an ESG risk review process and investment management principles for sensitive industries. 3. Defined themed investing and increased investments in sustainable investment targets. 4. Continue to monitor investment portfolio emissions and calculate climate risks for appropriate ESG management. 5. Established net zero and SBT targets for financial assets. 6. Investment team regularly organizes education and training.
Be active owners and incorporate ESG issues into our ownership policies and practices.	1. Establish engagement policies and establish procedures for engagement processes and upgrading engagements. 2. Sign the Code of Corporate Governance, establish voting policies, and disclose voting records annually. 3. Engage with investee companies through dialogues, engagement activities, voting and advocating Cathay's interests at shareholder meetings to facilitate improvement in ESG management and disclosure.
Seek appropriate disclosure on ESG issues by the entities in which we invest.	1. Identify companies of concern through Cathay's engagement strategy; conduct engagement activities to encourage investee companies to improve their ESG disclosure and strengthen their climate change management. 2. Encourage investees to complete CDP surveys, provide ESG information, and fill out self-assessment surveys on sustainable economic activities; and to disclose carbon emissions and efforts to mitigate climate change. 3. Continue to host the Cathay Sustainable Finance and Climate Change Summit; urge the financial industry to prioritize ESG disclosure and management, and take proactive action on climate change. 4. Participate in or support the PCAF, Partnership for Biodiversity Accounting Financials (PBAF), TCFD, and TNFD initiatives as part of our commitment to promoting sustainable disclosure for financial institutions and companies.
Promote acceptance and implementation of the Principles within the investment industry.	1. Proactively participate in external activities or sustainability evaluations to communicate Cathay's responsible investment policies and encourage industry peers to jointly implement responsible investment policies. 2. Proactively share responsible investment trends with the government to help government agencies understand their importance and strengthen responsible investment promotion. 3. Support academic institutions in their research and study of sustainable investment development in Taiwan to understand the status of sustainable investment in Taiwan and help the industry and the government promote its development.
Work together to enhance our effectiveness in implementing the principle.	CUB supports Cathay FHC's participation in Climate Action 100+, the CDP Non-Disclosure Campaign and Nature Action 100 to facilitate engagement with international investors and improve the effectiveness of corporate engagement.
Report on our activities and progress towards implementing the Principles.	1. CUB publishes an annual report to disclose responsible investment activities and the status of implementation of stewardship principles. 2. CUB publishes Climate and Nature Report and Sustainability Report every year.

Table 6.5-2 The Six Principle of PRB

Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	CUB was established in 1975 and has developed into a regional bank over the decades, committed to providing comprehensive financial services. By the end of 2024, it had over 10,000 employees and a capital of 120.113 billion, making it the privately-owned bank with the most operating domestic branches. It holds market-leading positions in services such as securities settlement, credit cards, corporate banking, and wealth management. With Taiwan as its main operational base, it has 67 overseas branches, mainly located in Greater China and Southeast Asia, offering international enterprises comprehensive cross-border financial services. CUB aligns its existing products and services with important international initiatives and agreements outlined in PRB Principle 1, such as the SDGs and the Paris Agreement, to identify those with significant impact, organized according to business aspects and influence. We translate the social responsibility mission of the Cathay FHC into various positive actions, working hand in hand with all stakeholders to exert the Bank's positive financial influence. We also continuously monitor and address the negative impacts of environmental changes and pandemic outbreaks on society, the economy, and individuals.
Principle 2: Impact & Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	• CUB uses the UNEP FI Portfolio Impact Analysis Tool for Banks to identify impact areas across our global banking services. These impact areas include (1) climate stability, (2) availability, accessibility, affordability, and quality of resources and services, (3) biodiversity and health ecosystems, and (4) circularity. We also incorporated our material sustainability topics, stakeholder feedback, and assessments of climate- and nature-related risks and opportunities to map the financial services with greater potential environmental and social impacts, such as renewable energy loans, sustainability-linked loans, social enterprise loans, microfinance, and inclusive financial services. Recognizing our role as a regional bank and the importance of environmental and social responsibility, we have prioritized the impact areas of Sustainable Finance and Zero-Coal Financing for goal setting and strategy development. Additionally, we plan to explore biodiversity-related products in the future. • In line with international green trends and government policies on net-zero emissions and energy transition, CUB actively responds to the SDGs through corporate lending and supports energy transition. By supporting green energy industries, including renewable energy and energy-saving technologies, funds are directed to green energy technology and innovation, guiding companies toward a low-carbon economy and sustainable development. To ensure continued support for renewable energy financing and exert financial influence, the Bank has set measurable targets for high-carbon industry loans and sustainable loans for 2024. "Zero Coal Financing" has ceased to extend credit facilities for coal-related loans since April 2021, and the changes and progress in loan amounts are tracked quarterly. "Sustainable loans" is based on the baseline of 2023 and is also tracked quarterly. Both of these targets are reported to the Board at least once a year. Four such reports were submitted in 2024. ▪ Target of "zero coal financing" of loans to high carbon emission industries : To completely exit coal project financing by the first quarter of 2027. ▪ Target of "sustainable loans": Based on the baseline of 2023, the Bank has set a target amount of more than one trillion by 2030. • In 2024, CUB established an inter-departmental ESG Strategic Engagement Task Force to align with market growth, meet the group's expectations for advancing sustainability policies, and take action to achieve goals. The Task Force is responsible for designing sustainable finance products and services, developing and planning sustainability projects for different customer segments, and creating notable services for sustainability markets. In addition, the Task Force will host sustainability conferences or marketing campaigns to develop new customers, actively engage with customers, and link ESG performance to KPIs, demonstrating our commitment to help customers strive for low-carbon transition and facilitate sustainable development in industries and customers.

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Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

CUB actively integrates its core functions with a commitment to the environment, society, and customers. Through the positive impact of its products and services, the Bank communicates and collaborates with clients to promote environmental and social contributions. Summary as below:

- **Renewable energy financing:** CUB is committed to promoting renewable energy services. Since 2011, it has taken the lead in financing Taiwan's first solar power projects, including solar farms and offshore wind projects. By the end of 2024, CUB has approved loans for more than 2,800 solar power plants, with a total installed capacity of 1,059 MW, supporting customers to work with the environment through lending.
- **Personal financial Services:** With nearly millions of existing depositors, the Bank focuses on providing customized services to meet customer needs. For instance as below:
  - The CUBE credit card was launched in 2021, offering customizable benefits.
  - The Bank expanded its ATM network to over 5,333 machines by December 2024, ranking second in the industry, facilitating access to cash and promoting financial inclusion.
  - The CUBE App serves as a cornerstone for the Bank's influence in personal finance and digital banking, offering users a comprehensive financial services experience.

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Cathay FHC, the parent company of CUB, follows the AA1000 SES (Stakeholder Engagement Standards) to engage with stakeholders. Through communication and discussion meetings led by senior executives, nine key stakeholders are identified: government, investors, employees, customers, suppliers, associations, media, communities, and youth. In addition to identifying primary stakeholders, diverse channels are used to enhance communication with customers, industry professionals, and academia. The aim is to expand and leverage the Bank's role in the financial industry to exert substantial influence. Summary as below:

- Participate in sustainable finance project planning and discussions organized by associations, as well as delivering lectures or training sessions at schools/institutions, to share and exchange relevant experience.
- Integrate our core functions with carbon reduction efforts, encouraging employee participation in social welfare activities. Publicly disclose performance metrics for evaluation and participation in competitions.
- Gather customer feedback through interviews and customer service interactions to understand their needs and local community demands. Utilize financial services to enhance social welfare.
- Host events like the "Cathay Sustainable Finance and Climate Change Summit" and the "TWCAE Youth Forum," inviting diverse stakeholders for interaction to enhance awareness and collaboration.

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Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

- Building a responsible banking culture: CUB, inheriting the three sustainability pillars of Cathay FHC — Climate, Health, and Empowerment—established its Sustainable Strategy Blueprint in March 2024. Leveraging its banking expertise, the Bank actively engages in key initiatives, accompanying stakeholders in addressing ESG challenges and leading sustainable development in the industry. With a vision to become a leading brand in green finance, the Bank is actively progressing towards "Environmental, Social, and Economic Sustainability," continually leveraging its financial influence and fulfilling corporate social responsibility. Currently, the Bank has integrated internal resources and gradually internalized its mission, becoming a proactive leader in meaningful change. Several goals have been planned, summary as below:
  - Net Zero Emissions in Financial Assets by 2050: Taking substantive action to become Taiwan's first financial institution actively divesting from coal.
  - Leader in Climate Engagement Actions.
  - Actively participating in domestic and international organizations, aligning with international frameworks, and jointly participating in initiatives like RE100, SBTi, and Coalition of Movers and Shakers on Sustainable Finance with Cathay FHC.
  - Provide Comprehensive Climate Finance Solution: Through offerings such as green credits, sustainable performance-linked loans, assistance in sustainable supply chains, and underwriting green bonds, supporting enterprises in transitioning to low-carbon and green practices.
- Establish an effective management structure: To strengthen the oversight and promotion of corporate sustainability, the Bank has established Sustainability Development Committee, composed of three directors, two of whom are independent directors. CUB has established a "Corporate Sustainability Team" to oversee the implementation of sustainable development strategy. The President of the Bank serves as the chairman and supervises six working groups: Responsible Investment, Sustainable Governance, Responsible Products and Services, Employee Happiness, Green Operations, and Social Prosperity. The Bank's Vice President serves as the executive secretary, convening quarterly meetings to align with the Group's sustainability pillars, formulate short, medium, and long-term action plans combining core functions, and deeply embed the concept of sustainable development into various business sectors within the Bank. Presentation on key matters and progress must be submitted to the Board of Directors at least once a year, with four such presentations were submitted in 2024.

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

CUB demonstrates its commitment to responsible banking and influence through regular assessments of principle implementation and public disclosure. This report summarizes the measures taken by the Bank to apply the PRB and manage products and services. Leveraging core functions, ESG elements are integrated to strengthen relevant business decisions.
As a pioneer in the industry, the Bank adheres to international sustainability benchmarks and is the first bank in Taiwan to voluntarily adopt the United Nations Principles for Responsible Banking (PRB). The progress of implementation is outlined as follows:

- The Bank's PRB progress report has been publicly disclosed annually on the Bank's corporate sustainability website and in Cathay FHC's Sustainability Report since 2021. Starting from 2024, the PRB progress report will be consolidated into CUB's sustainability report for public disclosure, which will be available to the public and investors.
- The Bank regularly discloses the status of Equator Principles (EP) and corporate credit ESG audits in Cathay FHC's Sustainability Report and periodically on its official website. Every year, efforts are made to enhance compliance with ESG and EP standards, monitor and track climate-related risks, and continually improve management mechanisms. In 2024, revisions to the "Environmental, Social, and Governance (ESG) Rules for Corporate Loans" and "Rules Governing Project Finance of Equator Principles" were completed.

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6.6 Auditor's Assurance Report

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Independent Limited Assurance Report

PWCM24000833

To **Cathay United Bank Co., Ltd**

We have been engaged by **Cathay United Bank Co., Ltd** ("**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 2024 Sustainability Report. The scope of the aforementioned Identified Key Performance Indicators is set out in the "About this Report" of the 2024 Sustainability Report.

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the 2024 Sustainability Report in accordance with the respective 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 Limitations

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

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.

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686
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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" 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:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, information systems and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed substantive testing on a selective basis, including inquiries, observation, inspection, and reperformance to obtain evidence for limited assurance.

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the 2024 Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the 2024 Sustainability Report are not prepared, in all material respects, in accordance with the applicable criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the applicable criteria have been subsequently modified.

Chao, Yung-Chieh
CHAO, YUNG-CHIEH
Partner
For and on behalf of PricewaterhouseCoopers, Taiwan
September 26, 2025

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6.7 Summary of Subject Matter Assured

No.	Subject Matter Information	Applicable Criteria	Page
1	We had 6 data breaches events in 2024, in which 100% of data breaches events was involved with personally identifiable information. 41 customers were affected by such violation.	The total number of data breaches events, the percentage of the data breaches events which was involved with personally identifiable information of the data breaches events, and the total number of customers affected by data breaches events in 2024, as reported in accordance with Cathay Financial Holdings and its subsidiaries' "Major Information Security Incident Reporting and Emergency Response Management Guidelines" and Cathay United Bank's "Personal Data Breach Incident Management Measures."	93
2	As of the end of 2024, the outstanding amount of loans to small business was NT$146.9 billion and the total number of small business loans was 8,037.	The total number of loans and the outstanding amount of loans of CUB and its overseas branches to small business as of December 31, 2024. Pursuant to the Corporate Customer Segmentation and Management Guidelines of CUB and its overseas branches, small business customers are corporate customers and affiliated accounts with consolidated annual revenue of NT$500 million and under.	99
3	As of the end of 2024, 258 students benefited from financial education courses under the CUB Financial Education.	Total number of students that participated in courses under CUB Financial Education in 2024.	78
4	As of the end of 2024, 3 cases reached Financial Close in accordance with EPs.	Total number of CUB's financing projects that reach financial close according to the CUB's "Rules Governing Project Finance of Equator Principles" in 2024.	42
5	CUB provided loans for 39 solar power stations in Taiwan in 2024, with a total installed capacity of 14 MW.	1. Solar power stations: Total number of CUB-financed stations approved by the Bureau of Energy in 2024. 2. Domestic financed capacity: The sum of installed capacities from the lower of the projects with approval documents issued by the Bureau of Energy or Taipower Electricity Purchase Contract and financed by CUB head office and all domestic branches in 2024.	39
6	CUB aligns its existing products and services with important international initiatives and agreements outlined in PRB Principle 1, such as the SDGs and the Paris Agreement, to identify those with significant impact, organized according to business aspects and influence.	Through the internal procedures of CUB, the impact areas are identified.	116

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No.	Subject Matter Information	Applicable Criteria	Page
7	The Setting of PRB Targets conducted by CUB. (a) Target of loans to high carbon emission industries: The goal of "zero coal financing" is to completely exit coal project financing by the first quarter of 2027. (b) Target of "sustainable loans": Based on the baseline of 2023, the Bank has set a target amount of more than one trillion by 2030.	The targets approved through the internal procedures of CUB.	116
8	The implementation, monitoring, and progress of PRB targets. (a) Zero coal financing: Implementation: The Bank has ceased to extend credit facilities for coal-related loans since April 2021, and the changes and progress in loan amounts are tracked quarterly. The tracking report should be submitted to the Board of Directors at least once a year. Monitoring: All data as of the end of December 2024. (b) Sustainable loans: Implementation: Based on the baseline of 2023 and is tracked quarterly. The tracking report should be submitted to the Board of Directors at least once a year. Four such reports were submitted in 2024. Monitoring: The amounts of sustainable loans as of the end of December 2024.	For detailed content, please refer to the sustainability report.	116
9	Cathay United Bank has established Sustainability Development Committee, composed of three directors, two of whom are independent directors. CUB has established a "Corporate Sustainability Team" to oversee the implementation of sustainable development strategy. The President of the Bank serves as the chairman and supervises six working groups, led by senior executives of the bank, convening meetings quarterly. Presentation on key matters and progress must be submitted to the Board of Directors at least once a year. Four such presentations were submitted in 2024.	For detailed content, please refer to the sustainability report. The total number of times the execution status is reported to the Board in 2024.	118

國泰世華銀行
Cathay United Bank