

Cathay Financial Holdings (Cathay FHC) Human Rights Commitment

2024.08.03 approved

1. Objective

Cathay Financial Holdings (hereinafter referred to as Cathay FHC) is committed to fulfilling its corporate social responsibility by protecting the fundamental human rights of all employees, customers, and stakeholders. Cathay FHC adheres to internationally recognized human rights principles, including freedom of association, care for vulnerable groups, prohibition of child labor, elimination of all forms of human trafficking and forced labor, and elimination of discrimination in respect of employment and occupation. In line with the principles and standards of international human rights conventions such as the "UN's Universal Declaration of Human Rights," the "United Nations Guiding Principles on Business and Human Rights," the "United Nations Global Compact," and the "International Labour Organization," Cathay FHC has established the Cathay Financial Holdings (Cathay FHC) Human Rights Commitment.

2. Scope of Application

This Commitment applies to Cathay FHC and its subsidiaries (hereinafter collectively referred to as "the Companies"). Suppliers, contractors, partners (including joint ventures, customers, and investees and borrowers), and other stakeholders are encouraged to adhere to the principles outlined and strive to eliminate all human rights violations.

3. Human Rights Commitment

1. Employees

- (1) **Prohibition of Forced Labor:** Any form of forced labor (such as human trafficking and child labor) is strictly prohibited. In addition, to ensure that employees do not work excessive hours, regulations regarding working hours and overtime are clearly defined. Regular monitoring and management of employee attendance is conducted to ensure employee well-being.
- (2) **Equal Opportunity and Freedom from Discrimination and Harassment:** There will be no discriminatory language, attitudes, or behavior based on an individual's gender, sexual orientation, race, socioeconomic status, age, marital status, family status, language, religion, political affiliation, nationality, appearance, physical characteristics or disability. Employment policies ensure non-discriminatory practices and promote fairness and equity in hiring, compensation, benefits, training, evaluation, and promotion opportunities. A zero-tolerance policy is adopted for any form of workplace harassment. Codes of conduct, such as the "Code of Conduct," "Code of ethical conduct," and "Rules for Prevention and Complaint and Discipline of Sexual Harassment," are established and published to create a work environment of equal opportunity that is free from discrimination and harassment.
- (3) **Workplace health and safety:** Provide employees with a safe and healthy work environment and the necessary health and first aid facilities. Regularly review workplace health and safety risks and strive to reduce the risk of occupational hazards to protect the physical and mental

well-being of employees.

- (4) **Freedom of Association and Collective Bargaining:** Respect employees' right to freedom of association to protect their work-related rights and interests. Maintain open channels of communication with employees and provide an employee grievance mailbox to protect and enhance employee rights. Efforts shall be made to promote harmonious labor relations.

2. Suppliers

To address social, economic and environmental issues in collaboration with suppliers, reduce procurement risks and create sustainable business opportunities to achieve the goal of sustainable supply chain management, Cathay FHC has established and published the "Sustainable Procurement Policy". The policy supports and ensures that suppliers implement sustainable development and human rights principles. In addition, periodic communication meetings and training sessions are conducted to promote the adoption of sustainable procurement practices among suppliers.

- (1) Assess procurement needs and select sustainable procurement options, such as green procurement and circular procurement.
- (2) Establish transparent procurement procedures and strictly prohibit any unethical behavior.
- (3) Respect, consider, and respond to the concerns of key stakeholders related to procurement.
- (4) Comply with regulations and require suppliers to do the same.
- (5) Adhere to United Nations Human Rights Policy and strictly prohibit any human rights violations.
- (6) Provide fair competition opportunities and encourage supplier innovation.
- (7) Incorporate sustainability into procurement practices to achieve sustainable procurement goals.
- (8) Promote sustainable procurement throughout the supply chain and make continuous improvement.

3. Customers and Partners

To ensure that value chain activities and the establishment of business relationships align with sustainable development trends and the protection of human rights, Cathay FHC regularly reviews the principles of treating customers fairly and establishes the "Policy and Code of Operation Integrity" and "Policy and Code of Operation Integrity Procedures and Behavioral Guidelines." This approach aims to implement sustainable finance and protect the rights and interests of customers, shareholders, and stakeholders.

- (1) **Protection of Customer Rights:** Integrate the principles of treating customers fairly into internal control and audit systems to raise employee awareness of financial consumer rights and compliance. Establish consumer grievance channels to ensure the implementation of the principles of reasonableness, fairness, mutual benefit, and integrity, thereby protecting the rights of financial consumers.
- (2) **Privacy Protection:** To fully protect the privacy rights of customers and stakeholders, Cathay FHC has established a comprehensive information security management system and adheres to strict control standards and protective measures. In accordance with the Personal Data Protection Act, Cathay FHC has formulated the "Personal Data Management Policy" to prevent the violation of customers' rights and to promote the reasonable use of personal data.

- (3) Responsible Investment and Lending:** In line with international financial sustainability principles such as the Principles for Responsible Investment (PRI) and the Equator Principles (EPs), Cathay FHC incorporates material environmental, social, and governance (ESG) considerations into its investment analysis and decision-making, as well as its corporate credit review processes. This approach aims to effectively drive long-term value, manage risk, enhance shareholder value, and achieve corporate sustainability.

IV. Management Mechanism

1. Human Rights Risk Assessment

The Companies' respective related departments shall consider specific industry characteristics and operational requirements when implementing this Commitment.

Cathay FHC regularly conducts risk assessments on human rights issues, incorporates external expectations, and communicates with key stakeholders.

2. Disclosure

Cathay FHC shall disclose human rights protection activities through its sustainability report, annual shareholder report, and company website to keep key stakeholders informed.

3. Grievance Channels

Cathay FHC provides effective and appropriate grievance channels and disciplinary mechanisms, while striving to protect the safety of complainants. If employees become aware of possible human rights violations, they can report anonymously or use various communication mechanisms to provide feedback or report suspected violations to the company, which will then initiate corresponding procedures.

Cathay FHC President

A handwritten signature in black ink, appearing to read 'Cheng Chen', is written over a horizontal line.