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2.2.1.2 Leader in Climate and Nature Engagement Actions

Climate Strategies and Targets

As one of the systemically important banks in Taiwan, CUB fully understands the importance of climate action in enhancing the resilience of financial assets. By translating climate ambitions into practical actions, the Bank uses advocacy and engagement to raise clients' awareness of the importance of energy efficiency and decarbonization. CUB communicates with investees and borrowers to encourage them to disclose carbon inventory results, set more specific medium and long-term emissions reduction targets, or join international decarbonization organizations such as SBTi/RE100. CUB actively engages with borrowers to encourage them to join SBTi. Cathay FHC commits to having at least 33% of its long-term corporate loan portfolio by outstanding balance within the fossil fuel, electrical and electronic equipment, general manufacturing, and semiconductor sectors covered by SBTi validated targets by 2026.

Climate Actions and Progress

◆ Promoting Climate Engagement

Leveraging the Cathay FHC's comprehensive financial industry chain, CUB is committed to bridging Taiwan's zero-carbon policies and industrial transition trends and integrating sustainable finance into our core businesses. In addition, CUB references the "Taiwan Sustainable Taxonomy" and work through various direct and cooperative engagement channels to assist and support clients in planning and executing transition action plans. We hope to support clients to mitigate or adapt to the impacts of climate change, which can ensure a competitive industry while in transition, fostering an orderly shift towards a green economy and collectively creating a net-zero future. For details on progress toward SBT targets (of the SBT Portfolio Coverage Approach) in 2025, please refer to 2.2.1.1 Net Zero Emissions in Financial Assets by 2050.

During 2025, CUB also collaborated with the Metal Industries Research & Development Center (MIRDC) to engage enterprises in selected regions and provided Sustainable Loans to clients demonstrating a willingness to decarbonize, thereby helping clients take concrete actions to mitigate climate change.

● Taiwan Sustainable Taxonomy

To support Taiwan's goal of Net Zero by 2050, competent authorities issued the "Taiwan Sustainable Taxonomy" in December 2022, with the second edition published in December 2024. The guidelines encourage listed companies to disclose the following in their sustainability reports, annual reports, or on their websites:

1. The eligibility and alignment of their main economic activities or projects with the guidelines
2. Specific improvement or transition plans
3. The sustainability assessment of the main economic activities. Financial institutions are also advised to refer to the Taxonomy for investment and lending assessments and decisions, product design, and corporate engagement when labeling investments, lending, or financial products as "green", "ESG," or "sustainable."

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The Bank references the regulatory authority's announcement of the Taiwan Sustainable Taxonomy to expand the scope of applicable industries and has established criteria to determine whether economic activities make a substantial contribution to environmental objectives, helping to defi ne what constitutes a sustainable economic activity and to assess whether clients meet the sustainability standards set forth in the Taxonomy. CUB has designed related processes for engaging with investees and borrowers based on the Taiwan Sustainable Taxonomy, as detailed below.

Investment

To track and disclose the allocation of funds to economic activities that are eligible to or aligned with the guidelines, the Bank has incorporated the recognition of sustainable economic activities into its internal investment evaluation framework. The guidelines have also been integrated as a core element of corporate engagement, encouraging listed companies to fill out JCIC's "Corporate ESG Information & Sustainable Economic Activities Self-assessment Questionnaire." This covers GHG emissions, energy management, environmental protection, social responsibility, corporate governance, and self-assessment of applicability/ compliance with the "Taiwan Sustainable Taxonomy" and their public disclosure.

For companies whose economic activities are not applicable to the Taxonomy, the Bank encourages the development of climate-related action plans to support investment evaluation and direct capital toward sustainable economic activities and orderly decarbonization. The Bank discloses the amount and sustainability ratio of its domestic investment portfolio based on the Taxonomy:

Type	Economic Activities	Contributes to at least one environmental objective	Do no significant harm (DNSH) to any of the six environmental objectives	Do no significant harm (DNSH) to social safeguards	Self-assessed sustainability level	Issuers	Amount (NT$ 100 million)
Ordinary Economic Activities (OEAs)	Semiconductors	Aligned	Aligned	Aligned	Aligned	2	361.08
Forward-Looking Economic Activities (FLEAs)	Renewable energy generation, facilities, and related components	Aligned	Aligned	Aligned	Aligned	1	23.92
Sustainable Bond[Note1]		Aligned	Aligned	Aligned	Aligned	3	80.95

2025 Domestic Investment – Amount and Sustainability Ratio	Amount (NT$ 100 million)	Share of Investment (%)
A. Investment Amount Eligible	467.65	24.79%
A-1 Investment Amount Aligned	465.95	24.70%
Sum of Each Investee's Aligned Ratio Multiplied by the Investment Amount	146.56	7.77%
Green Bonds	289.39	15.34%
Social Bonds	-	-
Sustainable Bonds	30.00	1.59%
Sustainability-linked Bonds	-	-
Total Amount of Funds Complying with the ESG Fund Review Supervisory Principles	-	-
Investment Real Estate — Buildings (only buildings that comply with the construction, building, and real estate indicators under the revised Taxonomy are recognized)	-	-
A-2 Investment Amount Eligible but Not Aligned	1.70	0.09%
Eligible / Aligned Ratio	99.64%	

Note 1: The Taiwan Sustainable Taxonomy currently do not yet cover the economic activities applicable to these bond issuers.
Note 2: CUB invested in 29 sustainable bonds aligned with OEAs/FLEAs; 17 cases in the Bank's investment portfolio were both eligible and aligned with the guidelines.

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Corporate Loan

To encourage corporate borrowers to transition to low-carbon operations and promote sustainable development, CUB has incorporated Green Loans[Note 1], Sustainability-Linked Loans[Note 2], and social loans[Note 3] into its internal policies, establishing procedures for recognition, evaluation, and review to guide relevant personnel. In response to the guidelines, the Bank has also integrated them into its financing evaluation, decision-making, product design, and corporate engagement practices, aiming to channel capital toward sustainable economic activities and support an orderly corporate transition to low-carbon operations.

The Bank also discloses its engagement activities with borrowing companies reference to the guidelines. In 2025, 799 corporate borrowers completed "Corporate ESG Information and Self-Assessment Questionnaire on Sustainable Economic Activities" and successfully submitted them to the JCIC, accounting for 8.28% of domestic customers with credit facility approvals and renewals (excluding overdue accounts). In 2025, total domestic lending portfolio eligible to the guidelines amounted to NT$104.5 billion, of which NT$103.2 billion was aligned with the Taxonomy, including NT$6.4 billion in loans calculated based on the eligibility and alignment status of financed counterparties and NT$96.8 billion in other Green Loans or Sustainability-Linked Loans that were certified or verified by third parties or had obtained relevant labels.

Code	Type	Economic Activities	Number of Cases	Result of Sustainability Self-assessment		
				Aligned	In Transition	Not Aligned
C01	OEA	Cement	3	2	-	1
C04	OEA	Iron and Steel	1	1	-	-
C05	OEA	Textiles	2	1	1	-
C09	OEA	Computers and Peripheral Equipment	4	-	2	2
E03	OEA	Waste Reuse	1	1	-	-
F01	OEA	New Buildings	2	1	-	1
F06	OEA	Installation and Maintenance of Renewable Energy Technology Equipment	1	1	-	-
H05	OEA	Road Transport and Public Transport Infrastructure	1	1	-	-
Z01	FLEA	Renewable energy generation, facilities, and related components	9	9	-	-
Z02	FLEA	Hydrogen application technology R&D and infrastructure	1	1	-	-
Z04	FLEA	Manufacture of High-efficiency Equipment and Related High-efficiency Technology Applications	1	1	-	-
Z09	FLEA	Carbon Capture, Utilization and Storage (CCUS) Technology R&D and Application	1	1	-	-
Z13	FLEA	Installation of equipment or systems, technology development, and professional services for water conservation, water resource recycling, or new water-source development	1	1	-	-

2025 Domestic Corporate Loan – Balance and Sustainability Ratio	Balance (NT$ 100 million)	Share of Corporate Loan (%)
A-2 **Total Loans Eligible (Corporate)**	1,044.90	13.35%
A-2-1 **Total Loans Aligned (Corporate)**	1,031.93	13.18%
Loan Amount Calculated Based on the Eligibility and Alignment Status of Financed Counterparties	63.94	0.82%
Other Green Loans or Sustainability-Linked Loans Verified by Third Parties or Certified with Relevant Labels	968.00	12.37%
Eligible / Aligned Ratio	98.76 %	

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Note 1: Green Loans: Any types of loans made available to green projects and is based around the following core components:

(1) Use of Proceeds: The funds are made available exclusively for green projects with substantial environmental benefits. Common uses of proceeds of Green Loans include renewable energy, energy efficiency, pollution prevention and control, natural resource management, biodiversity, clean transportation, water management, climate change adaptation, circular economy, and green buildings.

(2) Environmental Benefit Objectives and Evaluations: Shall include the environmental sustainability objective(s) of the borrowers; and the environmental benefit objectives of the use of proceeds and the evaluation indicators; and if the use of proceeds relates to GHG emissions, business units shall have a process in place to identify borrower's greenhouse gas emission situation, restrictions, difficulties and action plans (including technology and financial needs, etc.) in the carbon reduction process during the KYC (Know Your Customer) stage.

(3) Management of Fund Flow: To ensure that the funds are used for expenditures for green projects, it is necessary to establish clear control methods.

(4) Fund Utilization Report: During the loan period, borrowers shall specify the use of funds of Green Loans and the implementation progress or situation of the environmental benefit objectives.

Note 2: Sustainability-Linked Loans: Loans where the lending criteria are linked to predetermined sustainable development performance goals, offering economic incentives to encourage the borrower to achieve sustainability goals; is based around the following core components:

(1) Key Performance Indicator: The Bank and the borrowers will agree on KPIs to measure the borrower's performance on environmental, social and corporate governance aspects. KPIs include GHG inventory and disclosure, emissions reduction target setting, sustainability assessment results, net zero initiatives, and water resources, etc.;

(2) Sustainability Performance Target: Suitable quantitative targets set according to KPIs;

(3) Economic incentives set according to credit criteria (rewards/penalties) for SPT achievement and applicable period;

(4) Reporting: To assess progress toward SPTs, the borrower must provide annual verification data during the loan period.

(5) Verification: Agreed format, frequency, and submission deadlines for information to be provided post-lending. The information shall be verified by a third-party institution to confirm achievement of KPIs.

Note 3: Social Loans refer to financing provided for expenditures related to social responsibility projects. Core components include:

(1) Use of Proceeds: Must be allocated to social projects that deliver substantial social benefits. Common categories include affordable basic infrastructure, access to essential services, affordable housing, job creation, food safety and sustainable food systems, and socioeconomic advancement and empowerment.

(2) Project Evaluation and Eligibility Process: Includes the borrower's social responsibility goals, procedures for determining eligibility under qualified social project categories, and identification and management of environmental and social risks related to the project.

(3) Fund Management: A mechanism must be established to track and control the fl ow of funds for identifiable uses.

(4) Reporting: The borrower must provide annual updates on the use of proceeds and progress toward social impact targets during the loan period.

The Bank has established an engagement and guidance process for those who have not reached the "aligned" level of sustainability as defined by the "Taiwan Sustainable Taxonomy." This is designed to guide clients in conducting internal reviews and formulating transition plans. Where a company demonstrates a willingness to improve its sustainability performance, has already begun planning climate change-related action plans, or expresses such intentions through the Bank's engagement process, the Bank will provide encouragement in accordance with its Principles Governing Corporate Banking Sustainable Loans. The Bank will also assist in preparing transition plans and related documentation and, where necessary, may extend support through transition finance to help companies progressively achieve their sustainability transition goals.

Identifying Gaps

The Bank identifies carbon-intensive clients as priority engagement targets. It assists clients in evaluating the sustainability of their current economic activities and understanding the gaps between their current status and the Guidelines. The Bank may also convene joint engagement meetings and provide professional advisory services to help clients formulate transition and improvement plans covering production processes, supply chain management, and energy use, thereby gradually enhancing the sustainability of their economic activities. In addition, the Bank participates in joint engagement initiatives organized by Cathay FHC and actively supports improvement efforts for industries in transition. During the year, the Bank shared engagement experience with clients in the petrochemical and aviation sectors.

Encouraging Transition through Preferential Financing

In addition to assisting clients in developing transition and improvement plans, the Bank also provides green finance products and preferential interest rates to support their transition, such as Green Loans and Sustainability-Linked Loans. This helps companies reduce costs during the transition process and improve economic benefits.

Setting Targets with Regular Follow-ups

The Bank assists clients in establishing long-term transition timelines and setting sustainability targets. It also reviews and monitors their transition progress during annual review stages and makes adjustments based on market developments and changes in guideline requirements, ensuring that companies meet sustainability standards as early as possible.

Education and Training

To help clients stay informed about domestic and international sustainability trends and regulatory guidance, the Bank regularly holds ESG forums to provide the latest knowledge on sustainable development and case analysis, thereby enhancing corporate sustainability awareness and practical capabilities. In addition, the Bank also offers courses related to supporting economic activities and key strategic industries for both internal employees and corporate clients.

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For companies whose economic activities are not eligible to the "Taiwan Sustainable Taxonomy," the Bank, in the course of credit and other business relationships, provides information on climate change and sustainability issues as appropriate, taking into account each company's size, industry characteristics, and actual operational needs. The Bank also encourages such companies to gradually adopt basic response actions, improvement measures, or transition plans within their capabilities.

Where a company demonstrates a willingness to improve its sustainability performance, the Bank may also assist it in setting appropriate sustainability targets and measurement indicators through financial products such as Sustainability-Linked Loans, thereby enabling the company to make tangible progress in climate change mitigation and sustainability actions. In 2025, the Bank engaged with clients in industries such as printed circuit board manufacturing, electronic component manufacturing, and optoelectronic component manufacturing, whose economic activities are currently not eligible to the Taiwan Sustainable Taxonomy. Through engagement, the Bank encouraged these companies to adopt decarbonization measures and actions and further provided sustainable finance products, including Sustainability-Linked Loans, to support these companies in setting decarbonization targets, implementing decarbonization strategies in concrete ways, and jointly advancing climate change mitigation.

◆ Engagement Case Study

Target	Topics	Content	Achievements
A domestic rubber products manufacturer	Clean technology, toxic emissions and waste management, carbon emissions	Based on material sustainability topics in the tire industry, the Bank explained the key sustainability transition areas most emphasized by international rating agencies and investors. It also discussed sustainability practices that, while not identified as material by rating agencies, are commonly prioritized by leading companies in the industry, such as circular materials. The Bank further assisted the company in connecting its sustainability strategy with sustainable finance instruments to promote the industry's low-carbon transition.	This engagement led to the provision of a sustainability-linked loan. The Bank and the company reached consensus on setting sustainability performance targets (SPTs), including management targets for greenhouse gas emissions, total water withdrawal, and hazardous industrial waste management. These targets are measured based on the company's annual environmental performance and will serve as the basis for post-lending interest rate adjustments and sustainability performance reviews, thereby providing concrete support for the company's sustainable development and orderly decarbonization transition.

● Direct Engagement

Due Diligence as Institutional Investor

In compliance with due diligence policies, CUB actively engaged with investees in 2025, participating in votes at 56 shareholder meetings, 308 investor conferences, and 118 direct engagements on environmental issues via phone calls, emails, etc. Focus areas included occupational safety, energy conservation, environmental protection, climate change, and environmental impacts. Related actions are as follows:

(1) CUB's investment team engages monthly with the investee's management team via phone calls and on-site visits, expressing CUB's opinion and gaining further insight on material issues. In addition, CUB refers to trends in industry and regulatory landscapes to evaluate whether engagement with investee is required on specific issues.

(2) In the event of major news or announcements in contradiction with CUB's sustainability ideals, CUB will communicate with investee's management team by attending shareholder meetings, attending board of director or supervisory board meetings when applicable, and sending letters or emails to ensure investee's policies remain aligned with CUB's sustainability ideals. CUB will vote against any proposals that raise concerns regarding an investee's approach or ability to address environmental and social risks.

(3) CUB will evaluate ESG risks based on engagement results with investees, which will serve as a reference for decisions on whether to continue investing in those companies. The bank also conducts regular reviews of investee ESG ratings and provides written recommendations to support improvements. In addition, CUB refers to information such as the "Corporate Governance Evaluation System" conducted by the TWSE, TPEx, and SFI, as well as the ESG rating database of domestic and foreign ESG rating agencies on the "ESG Investor Relations Platform" of the TDCC, to monitor ESG-related risks and opportunities of investee companies.



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Due Diligence as Institutional Investor

Direct Engagements on Climate Issues

CUB sustains its efforts in observing industry trends to identify changes in external environments, such as carbon taxes, stricter chemical safety regulations, and nation-wide commitments toward Net Zero, confronting investees in the future. As a responsible investor, CUB has sought insight on mid-to-long-term net-zero transition issues from two investees, encouraging them to set decarbonization strategies. In addition, CUB encourages investees to develop the following four major decarbonization strategies to achieve carbon neutrality by 2050: low-carbon energy transition, circular economy for energy conservation and decarbonization, increase renewable energy use and carbon capture, and strengthen ESG disclosure. ESG disclosure can be strengthened by providing detailed descriptions of ESG practices and improving corporate governance ratings. The climate action progress of two engagement targets in 2025 is as follows. CUB will continue to track their progress and factor the results into in-house investment decisions. (The actual engagement targets are investee companies of CUB, referred to as Company A and Company B.)

Company A

1. The company undergoes ISO 9001 and ISO 14001 certification assessments to maintain internationally recognized environmental and quality standards across its supply chain.
2. In accordance with ISO 14064-1, the company conducts greenhouse gas inventories and promotes low-power product design and product miniaturization, with the aim of reducing environmental impacts across the product life cycle.
3. It is recommended that the company adopt measurement methodologies such as Social Return on Investment (SROI) or Business for Societal Impact (B4SI) to assess and quantify the social or environmental impacts of its philanthropic activities, thereby making its social contributions more tangible and measurable.

Company B

1. The company received a BB rating in the TIP Taiwan Sustainability Ratings.
2. It is recommended that the company disclose whether it has undertaken green innovation and integrated green concepts into its environmental management policies and activities to build a green value chain, and disclose specific results achieved, such as energy savings generated through green logistics policies.
3. Regarding occupational safety indicators, it is recommended that the company's logistics operations also be included within the reporting scope.
4. The company should target achieving a BBB rating or above in the TIP Taiwan Sustainability Ratings in the future.

Thematic Engagement

Engagement Topics and Scope

- Enhance internal carbon awareness and promote actions
- Improve energy management efficiency

Engagement Background and Actions

CUB's Low-Carbon Economy Task Force engages with senior executives or sustainability-related management teams of corporate banking clients through ESG engagement meetings. These thematic discussions focus on companies' practical needs and challenges encountered during the decarbonization process, such as equipment replacement. Through in-person meetings, CUB exchanges views with companies and discusses action plans.
Topics covered include assisting companies in setting decarbonization commitments aligned with the 1.5°C pathway and providing financial support for industrial sustainability transition. Guided by the dual engagement pillars of "ESG Ratings and Disclosure" and "Climate Change," CUB encourages engagement counterparties to proactively address climate change and transition-related challenges.

In addition to providing advisory services on sustainability issues and customized green finance solutions, CUB also leverages external partner resources to help companies formulate appropriate solutions. This ensures that companies can advance their decarbonization transition smoothly and achieve their carbon reduction targets on schedule. Through concrete actions, CUB helps enhance ESG performance and supports net-zero commitments, creating sustainable value together with Taiwanese enterprises.

Achievements

The company responded positively to the topics discussed and subsequently began planning its internal low-carbon transition in order to align with sustainability trends.

To improve internal energy management efficiency, the company plans to optimize and upgrade its production lines and enhance energy efficiency, thereby reducing carbon emissions and energy consumption at its plant sites.

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Forums/Workshops

CUB ESG Forum: Toward a Net-Zero and Sustainable Future

CUB collaborated with CDP and the Industrial Technology Research Institute (ITRI) to host the Cathay United Bank ESG Forum, centered on corporate sustainability needs and focusing on key topics such as environmental disclosure, plastic reduction policies, carbon markets, and green finance. During the forum, CDP shared insights on climate- and nature-related risks, as well as key considerations for companies in advancing environmental disclosure. ITRI provided insights into industry transition pathways amid the trend toward plastic reduction, while the Taiwan Carbon Solution Exchange further examined the development potential of the carbon market, helping companies gain practical insights and recommendations for their net-zero transition. The event received an enthusiastic response from corporate clients, and through multi-stakeholder exchange, helped companies gain insight into challenges and opportunities in the era of carbon pricing, while working together toward sustainable transformation goals.



2025 Achievements

CUB recognized and presented the **Best Climate Action Award** and **Best Carbon Disclosure Award** to **6 outstanding companies** that participated in and completed the CDP questionnaire.

The forum attracted **84** in-person participants.





New Opportunities in Deep Energy Saving: Seminar on Toward a Net-Zero and Sustainable Future

CUB, in collaboration with Cathay Century Insurance, hosted the "New Opportunities in Deep Energy Saving: Seminar on Advancing Toward Net Zero and Sustainability", centered on corporate needs for energy saving and carbon reduction, with a focus on energy management, energy-efficiency strategies, and net-zero transition. The event invited the Metal Industries Research & Development Centre (MIRDC) to share practical experience in energy and carbon management and to illustrate corporate energy-saving strategies through case studies. MIRDC also introduced its achievements in technology development and advisory services relating to circularity, hydrogen energy, carbon capture, and regenerative thermal oxidation, and provided corporate clients with ESCO energy-saving advisory, diagnostic, and measurement report services. From the perspective of loss prevention services, Cathay Century Insurance also analyzed market trends in renewable energy and energy storage, highlighting the value of energy saving in risk management.
CUB additionally introduced Cathay One, its one-stop transition finance platform, which integrates financial products, services, and external partner resources to provide comprehensive solutions that combine operational efficiency with sustainability value. The seminar attracted enthusiastic participation from corporate clients, and through professional sharing and exchange, helped companies respond to net-zero trends and developments in carbon fee mechanisms.

2025 Achievements

Participating companies: **67**

Number of participants: **82**

Participating companies covered diverse sectors, including metals and steel, chemicals and plastics, and energy supply.

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CDP Corporate Banking Program

CUB is the first financial institution in Asia to participate in CDP's Corporate Banking Program. Since 2023, CUB has continuously promoted the CDP Corporate Banking Program for three consecutive years, supporting companies of different sizes and at different stages of maturity in progressively strengthening their environmental disclosure capabilities. By inviting clients to participate in CDP scoring projects, CUB helps them understand the importance of achieving net-zero emissions and managing environmental impacts. The program also encourages companies to demonstrate concrete actions in response to the climate crisis and improve the quality of carbon disclosure, while supporting SMEs in obtaining CDP scores and entering international sustainable supply chains.

2025 Achievements

- CUB continues to support companies in completing CDP environmental disclosure and obtaining scores. As of the end of 2025, the cumulative number of disclosures completed exceeded 200, further expanding the Bank’ s positive impact on corporate carbon transparency and climate governance capabilities.
- Companies' willingness to participate and the maturity of their disclosures have improved year by year, demonstrating that environmental disclosure has gradually evolved from one-time participation into a more regularized and continuously improving practice.
- In 2025, CUB again participated in the CDP questionnaire advisory group, continuing to help optimize the questionnaire structure for SMEs.
- In 2025, overseas branches were included in the program for the first time, successfully establishing a cross-border model for corporate engagement and the promotion of environmental disclosure, thereby further expanding the Bank's sustainability impact.

Direct Climate Engagement Case

One manufacturing company's low-carbon transition journey is a representative case of CUB's long-term engagement. When the company first made a CDP disclosure, it received only a D score. As customer requirements increased, the company's management decided to establish a dedicated ESG unit and continued to participate in CUB's CDP Corporate Banking Program from 2023 to 2025. Over time, the company gradually established its inventory management system, initiated substantive carbon reduction actions, completed organizational inventory verification, expanded its Scope 3 data collection to cover the supply chain, and promoted green design and packaging reduction. These transition efforts were also reflected in its CDP scores, which improved from C in 2023 to B in both 2024 and 2025.

To encourage the company to achieve further progress in sustainability performance, CUB agreed with the company on sustainability performance targets and linked them to financing terms, providing economic incentives when the client met the targets. Two indicators were set, covering corporate governance and greenhouse gas reduction. Through this collaboration, sustainability is no longer merely a disclosure requirement, but a key issue that materially affects the company's financing costs and strategic planning. Throughout this transition journey, CUB has gone beyond being simply a provider of capital. Through engagement, it has helped the company transform sustainability from a disclosure obligation into governance capability and operational resilience, making the company's low-carbon transition more robust and long-term.

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Commitments to Domestic & International Initiatives

To align with global sustainable development trends and bridge the influence of financial institutions in Taiwan and beyond, CUB actively participates in, signs, and complies with domestic and international sustainability standards and initiatives. We consistently challenge and assess ourselves using the highest standards available, guided by the vision of "bringing Taiwan to the world and bringing the world to Taiwan." CUB is dedicated to gleaning from forward-looking global insights and sharing international practices with Taiwanese businesses. We hope that Taiwan's efforts toward Net Zero become visible on the world stage.

CUB's Domestic/International Sustainability Standards & Initiatives

國泰金控
Cathay Financial Holdings

- 1st financial institution from Taiwan to join RE100
- 6th financial institution in Asia to pass SBTi verification
- Joined the Coalition of Movers and Shakers on Sustainable Finance to support the FSC
- Joined the PCAF

國泰世華銀行
Cathay United Bank

- 1st in Taiwan to sign the Equator Principles (EP)
- 1st bank to voluntarily comply with the Principles for Responsible Banking (PRB)
- Complies with the GRI Standards
- Sustainability Accounting Standards Board (SASB)
- IFRS S1 & IFRS S2
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)
- UN Sustainable Development Goals (UN SDGs)

Note: Sustainability standards and initiatives supported by Cathay FHC are also applicable to CUB.

NET ZERO

Strengthening Clients' Net-Zero Transition Capabilities and Advancing Toward a Net-Zero Future by 2050

Net-zero transition refers to actions taken to address climate change and achieve net-zero GHG emissions globally. To this end, CUB has implemented a series of mechanisms to strengthen our clients' ability to transition to Net Zero, thereby enhancing our influence on clients.

1. CUB has adopted the Equator Principles (EPs) and voluntarily followed the United Nations' Principles for Responsible Banking (PRB). We integrate the Task Force on Climate-Related Financial Disclosures (TCFD) and the Taskforce on Nature-Related Financial Disclosures (TNFD) frameworks, aligning with CDP and Science-Based Targets (SBTs) to establish internal management rules that incorporate ESG, climate risks, and response measures of clients into our investment and lending processes. This includes disclosure of environmental factor management and transition assessments of carbon emissions. Additionally, to promote clients' net-zero transition goals, we manage lending portfolios in line with SBT methodologies, setting short- and midterm emissions reduction targets for different types of financial assets. CUB also designs "carbon emission calculators" for various asset types to estimate carbon emissions of lending cases, assessing their contribution to our overall carbon emissions and impact on our SBTs. This aligns with our commitment to achieving net-zero emissions for financial assets by 2050.
2. As an EP bank, CUB commissions independent third-party professional institutions to assist in evaluating the environmental and social risks of projects and to propose mitigation measures, requiring clients to comply with EP requirements to ensure the implementation of plans and actions that protect natural ecosystems. In accordance with EP Principle 2, for all projects in all locations where combined Scope 1 and Scope 2 Emissions are expected to be more than 100,000 tCO_2e annually, CUB must consider the relevant transition risks and complete an assessment to reduce greenhouse gas emissions. Alternative analysis of GHG emissions is required for eligible project borrowers to follow. CUB leverages Principle 2 to influence clients, requiring them to strengthen contributions to net-zero transition.
3. Following the third principle of the UN PRB, we strengthen cooperation with clients, encouraging practices that support sustainable net-zero transition and promote the development of economic activities that create shared prosperity for current and future generations.
4. As a pioneer in sustainable finance within Taiwan's financial sector, CUB collaborates with clients and encourages them to commit to climate engagement and support international climate initiatives. CUB lends full support to investees and borrowers in planning and rolling out low-carbon transition action plans. We also leverage funds (e.g., SLLs, Green Loans, Green Deposits, etc.) to direct industries and society to net zero and strengthen the quality of green financial products and services, positioning ourselves as a crucial partner in the sustainable financial value chain and encouraging clients to actively strive toward Net Zero by 2050.
5. If the investment or lending clients or engagement counterparties are listed companies, the bank will refer to external ESG databases, including the Taiwan Depository & Clearing Corporation's ESG IR Platform, to evaluate their ESG performance. If areas for improvement are identified, these will be incorporated into engagement themes or proposed as one of the KPIs for sustainability performance-linked loans.

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Next Steps

As a pioneer in Taiwan's financial sector, CUB remains committed to participating in climate engagement initiatives and international climate initiatives. We assist and support our investees and borrowers in developing and implementing low-carbon transition plans, serving as a key partner in the sustainable financial value chain. Our efforts aim to contribute to Taiwan's transition toward net-zero emissions by 2050.

Leading Climate Engagement and Sustainable Partnerships for a Low-Carbon Future

- **Creating a one-stop transition financial platform:** To support companies in progressing from information disclosure to tangible transition action, CUB launched the Cathay One One-Stop Transition Finance Platform in 2025. Leveraging the Bank's extensive experience in sustainability engagement, the platform brings together the key resources and solutions companies need throughout their low-carbon transition journey, providing practical sustainability transition support applicable across industries and to businesses of various sizes.

  With "One" as its core concept, Cathay One integrates the sustainability influence and professional expertise of Cathay Financial Holdings Group and connects companies with external strategic partners to provide comprehensive support throughout their low-carbon transition journey, from baseline assessments to advanced transition initiatives. The platform offers advisory and technical services covering carbon inventories, decarbonization technologies, carbon neutrality, ESG disclosure, and third-party verification and assurance. In terms of financial products, it also leverages the Group's capabilities to provide a wide range of solutions, including Sustainability-Linked Loans, Green Loans, and Carbon Credits Trading Fund Trust Service, helping companies align their transition efforts with their sustainability objectives while securing appropriate financing and resource support.

  In addition, Cathay One offers ESG engagement meetings and industry workshops to help companies define their transition pathways, connect with technical partners, and develop comprehensive solutions by integrated financial tools, thereby enabling a comprehensive transition from disclosure to action.

2.2.2 Products and Services

As a leading green finance brand, CUB focuses on its core business, uses capital to lead industries and society toward net-zero transition, develops more convenient digital services, and continuously improves the quality of green financial products and services, with the aim of creating shared environmental and economic prosperity.

2.2.2.1 Provide Comprehensive Climate Finance Solution

Climate Strategies and Targets

Through capital, financial products, and services, the Bank supports enterprises and industries in creating opportunities for low-carbon transition, mitigating or adapting to climate change, enhancing competitiveness, and helping society move in an orderly manner toward a green economy.

Climate Finance Solution Targets

Climate Target

Sustainable Loans[Note]

Short-term Target (2026)

Amount: 82.3 billion TWD

Mid-term Target (2030)

Amount: 122.2 billion TWD

Long-term Target (2035)

Amount: Exceed 200 billion TWD

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," with 2023 used as the base year for target-setting. In 2025, CUB also added "Social Loans."