

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: <ul style="list-style-type: none"> 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.		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)	<ul style="list-style-type: none"> 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. 	All locations with measurable benefits from EMS are included. If there are other new or relocated branches, we will evaluate for inclusion.	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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