CTBC HOLDING
TAIWAN LIFE

2023 Taiwan Life Sustainability Report

ABOUT THIS REPORT

Taiwan Life Insurance Co., Ltd. (hereinafter referred to as "Taiwan Life," "the Company," or "we") has long been committed to promoting sustainable development and implementing sustainable actions. This report is prepared in accordance with the GRI Standards and follows the disclosure standards of the Sustainability Accounting Standards Board for the insurance industry. We voluntarily comply with the Principles for Responsible Investment and Principles for Sustainable Insurance. Our sustainability efforts are guided by the U.N. Sustainable Development Goals and refer to the S1 and S2 disclosure standards of the International Sustainability Standards Board's Sustainability Disclosure Standards. We issue this Sustainability Report annually to review our internal sustainability practices and communicate with stakeholders regarding the results of our sustainable operations.

Reporting Period

Released in 2024, this is Taiwan Life's fourth Sustainability Report. The disclosure period for this report is Jan. 1, 2023, to Dec. 31, 2023, consistent with the scope of Taiwan Life's consolidated financial statements. Any information for periods before Jan. 1, 2023, or after Dec. 31, 2023, is noted accordingly. The Sustainability Report is published every year in June.

Scope of Report

The information disclosed in this report is mainly for Taiwan Life, and its scope is limited to Taiwan. The financial data are consistent with the scope of Taiwan Life's consolidated financial statements. All financial figures are denominated in New Taiwan dollars and certified by the certified public accountant. Some of the information regarding our environmental, social, and corporate governance (ESG) includes CTBC Insurance Co., Ltd. (CTBC Insurance), and is noted as such.

Quality of Information

This report was compiled in accordance with the eight reporting principles of the GRI Standards, namely accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability, and was issued after review and approval by the Chairman of the Board in accordance with the internal sustainability report management mechanism. The information in the report has been certified/assured by the impartial third-party organizations listed below. The Assurance Report is provided as an appendix of this Report.

Information type	Compliance standard	Certification/assurance organization
Sustainability information	ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information	KPMG
Financial data	Annual financial statements	KPMG
Environmental data	ISO 14001 Environmental Management System ISO 50001 Energy Management System ISO 14064-1 Greenhouse Gas Quantification and Reporting ISO 20400 Sustainable procurement Guidance	British Standards Institution (BSI) Taiwan
Information security	ISO 27001 Information Security Management System ISO 27701 Privacy Information Management System BS 10012 Personal Information Management System	Société Générale de Surveillance (SGS) Taiwan
Occupational safety	ISO 45001 Occupational Health and Safety Management System	British Standards Institution (BSI) Taiwan

Feedback

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LETTER FROM THE CHAIRMAN

In 2023, the term "polycrises" became the new normal in this world, and it has also brought forth a new warning, that is, the interactions between risks has impacted the development of global politics and economy, making the business environment even more turbulent. Affected by the continued widening of interest spread between Taiwan and the United States, resulting in increased hedging costs and rising market interest rates, the opportunity for realizing capital gains has been reduced, and the profits of major life insurance companies had all declined compared with 2022. Nevertheless, Taiwan Life Insurance bid farewell to the former gloom of the COVID-prevention policies and yielded significant profit growth in 2023. Outperforming most of our industry peers, we achieved stellar performance in terms of both return on equity (ROE) and return on assets (ROA).

While Taiwan Life has achieved good results in 2023, we will continue to uphold our philosophy of Treating Customers Fairly and Caring for the Disadvantaged. We will consistently promote insurance policy for people with pre-existing conditions and provide dedicated insurance to specific groups, so as to cater to all forms of protection needs of the Taiwanese public, make up for the shortcomings of the social safety net, and create synergistic growth for policyholders, society, and us. Meanwhile, we also pioneer the industry in one-stop policy service by launching the "Remote Security" plan, which provides thoughtful, convenient digital financing services to our customers.

As one of the leading insurance providers in Taiwan, Taiwan Life exerts our financial influence. We align with our parent company, CTBC Holding's sustainability strategy and the TRUST sustainable commitment, and focus on two sustainable development principles - "Deepening Social Impact" and "Achieving Low-Carbon Transition and Responsible Operation." As such, Taiwan Life has formulated a blueprint for sustainable development through four major sustainability strategies, "Ethical Governance," "Sustainable Finance," "Accountable Operation," and "Inclusive Society."

Treat Customers Like Family and Exert Our Social Impact in the Insurance Industry

For the social aspect, we focused on the four action plans of "ABCD" in 2023: Anti-Fraud Story - fraud prevention performance; Board of Directors Involvement - active participation and supervision from directors; Communication and Education - enhancement of financial literacy of young people; and Digital Divide Reduction - diverse avenues to bridge the digital gap. By taking a top-down approach, the Board of Directors' comprehensive supervision mechanism helps the Company improve both internally and externally, thus enabling us to help customers protect their assets, eliminate the digital gap experienced by the elderly and people with physical or mental disability, and build financial literacy for the younger generation. These are some of the ways we practice our philosophy of "treating customers like family and holding true to our visions."

Taiwan Life uses digital innovation to assist customers in health management by digital innovation. Having introduced the Impact Management Project (IMP) to assess the impacts and the values that "TeamWalk App" created, we engaged the Sustainable Transformation Service Team from Deloitte & Touche Risk Management Advisory Co., Ltd to conduct an impact assessment. The results indicated that "positive benefits" generated from the app has exceeded NT$1.2 billion. This is also the first case in Taiwan's life insurance industry for adopting the IMP methodology to analyze the impact of a project, and monetize the benefits generated by the investments. Through analysis, we found that the "TeamWalk App" has created mutual growth for Taiwan Life and our corporate customers, thereby demonstrating the social impact of the insurance industry.

Low-carbon Transition Forms Green Economic Equations

CTBC Holding has adopted the science-based targets (SBTs) and Taiwan Life also took on these targets. Our SBTs have been approved and commit the Company to reducing Scope 1 and Scope 2 emissions by 63% by 2035 compared to emissions in 2021, the baseline year, aiming for a 4.5% reduction per year.

At the same time, we have proposed an "arithmetic-based" green finance methodology, in which we will "add" green financing into the investment evaluation process to build a responsible investment mechanism; Being a pioneer in the renewable energy investment by "mitigating and reducing" the influence of climate change; "multiply" our impact by committing to the SBTi and taking engagement actions; as well as pledging to "divide" ourselves away from the coal mining industry in 2023. Taiwan Life will no longer undertake new investments in this industry, and will completely withdraw investments by 2035. Taiwan Life is committed to leading sustainable development and exerting our financial impact.

Looking forward, we will constantly remind ourselves that insurance is a people-centered industry. In addition to promoting high-quality insurance products to consumers, we continually listen to the voices of consumers, understand the persona and expectations of each customer segmentation, and build an optimal customer experience throughout our journey with them by providing products that best fit their needs and well-rounded services through professional teamwork.

While continuing to strengthen the information infrastructure, we will consistently deploy new technologies to reduce information security risks and improve information security protection, so that the financial and insurance technology can become a driver to enhance customer experience. At the same time, we will integrate sustainable insurance mindset and the spirit of treating customers fairly into our day-to-day operations. By realizing Sustainable Finance through digital finesse, we can create long-term value by enhancing our sustainability, thereby allowing Taiwan Life to achieve sound long-term growth.

Taiwan Life upholds its parent company CTBC Holding's brand spirit, "We are family." Through insurance products, as well as investment and financing services, with positive influence, we aim to protect generations of customers who put their trust in us. Together, we will work to create a sustainable environment and society.

Taiwan Life Insurance Co., Ltd.

Chairman

SUSTAINABLE PERFORMANCE HIGHLIGHTS

Governance

- Named in the TWSE's List of Top Institutional Investors in Stewardship Information Disclosure for **2 consecutive years**.
- Continuously improved the maturity of information security governance, and the rating from SGS, an impartial third-party agency, increased from **4.0** out of 5 in 2022 to **4.23** in 2023.
- Added a **Sustainable Development Meeting** under the Insurance Consultation Meeting composed of senior managers to monitor and supervise the implementation of ESG issues.

Environmental

- Continued implementing sustainable theme investment, with the total approved financing of approximately **NT$66.702 billion**.
- Jointly announced statement on Sustainable Finance with CTBC Holding, as part of which Taiwan Life commits to not making new investments in coal-fired mining-related businesses and to fully withdrawing from such investments by 2035.
- In conjunction with CTBC Holding, Taiwan Life adopted **SBTi** targets and set Scope 1 and 2 reduction targets for its own operations. Taking 2021 as the base year, Taiwan Life will **reduce carbon emissions by 4.5%** every year until 2035.
- Continued to promote paperless measures, including official document digitalization, mobile insurance, and electronic policy services, **reducing paper use by 3.156 million sheets of paper** and avoiding 22.2 tons of carbon emissions.

Social

- Introduced the Impact Management Project (IMP) to evaluate the impact of our **TeamWalk App**. The results indicated that it has generated more than NT$1.2 billion in positive benefits. This is the first time in Taiwan's life insurance industry that the IMP methodology has been used to analyze the impact of a project and quantify the monetary benefits of an investment.
- Frontline service staff successfully prevented three fraud incidents, preventing customers from losing approximately **NT$3.17 million** (as of March 2024).
- Pioneered the "**Bilingual promotional materials for small-amount whole life insurance in Chinese and Vietnamese**," the first Southeast Asian language promotional pamphlet.
- Introduced a new one-day "**family leave**" benefit to encourage employees to attend important activities involving their children, such as commencement day events, in order to enhance family relations (starting from March 2024).
- Organized a **family financial management seminar**, "Combating Risks! I Want to Become a Sailing Monopoly," which was supplemented by "Sailing Monopoly," a board game we created to **promote insurance education** in an entertaining fashion.

Sustainable Finance Initiatives and Participation in Sustainability Evaluations

As a subsidiary of CTBC Holding, Taiwan Life has also joined and complies with international organizations and sustainability standards that the parent company has signed on to, including the following:

Climate Disclosure Project

Principles for Sustainable Insurance (PSI)

Principles for Responsible Investment (PRI)

Task Force on Climate-related Financial Disclosures (TCFD)

Partnership for Carbon Accounting Financials (PCAF)

Global Impact Investing Network (GIIN)

Task Force on Nature-related Financial Disclosures (TNFD)

Sustainability Accounting Standards Board Standards (SASB)

Participates as part of CTBC Holding in ratings evaluations such as DJSI, MSCI, Sustainalytics, FTSE Russell, S&P Global, ISS, and Moody's.

AWARDS & RECOGNITION

Branding

Brand Finance Insurance 100
No. 66

Global Economics Awards
Best Life Insurance Company, Taiwan

Global Brands Awards
Best Life Insurance Brand, Taiwan

Global Business Outlook Awards
Best Life Insurance Company, Taiwan

International Finance Awards
Most Innovative Life Insurance Company, Taiwan

Insurance Asia Awards
New Insurance Product of the Year, Taiwan

Faith, Hope & Love Awards of Insurance
Best Insurance Profession Award - Grand Prize
Best Channel Strategy Award - Grand Prize
Best Product Creativity Award - Grand Prize
Best Integrated Communication Award - Grand Prize
Best Correspondence Office Award - Grand Prize
Best Professional Consultant Award - Grand Award
Best Correspondence Office Award - Excellence

National Brand Yushan Award
Best Product - National Top Prize
Most Popular Brand - National Top Prize
Outstanding Enterprises of the Year - Yushan Award
Best Product - Yushan Award
Most Popular Brand - Yushan Award

Digital innovation

Asia Trusted Life Agents and Advisers Awards
Digital Transformation of the Year

Financial Insights Innovation Awards (FIIA)
Asia's most Resilient Insurer

Future Enterprise Awards
Best in Future of Customer Experience

The Asset Triple A Digital Awards
Best Digital Insurance Experience

Global Economics Awards
Best Digital Innovations In Life Insurance, Taiwan

International Finance Awards
Best Customer Experience In Digital Insurance, Taiwan

Insurance Asia Awards
Digital Transformation Initiative of the Year, Taiwan

Future Commerce Awards
Best Management Innovation - Silver
Best Experience Innovation - Bronze

Taiwan Financial Awards
FinTech Innovative Application (FinTech Insurance) - Gold
Insurance Golden Award

Corporate sustainability

Asia Responsible Enterprise Awards
Social Empowerment
Health Promotion Category

Better Business Awards
Corporate Social Responsibility Award - Excellence

Taiwan Sustainable Investment Awards
Individual Case Impact (ESG Innovation) - Gold
Individual Case Impact (Impact Investing) - Silver

Financial Services Awards
Sustainable Development Award
Senior-Friendly Award
Innovative Platform Award
Cybersecurity Award

Taiwan Corporate Sustainability Awards
Corporate Sustainability Report Award - Financial and Insurance Industries - Silver
Cybersecurity Leader Award

Taiwan iSports
Taiwan iSports
Taiwan iSports – Tainan Branch
Taiwan iSports – Chiayi Branch

Microinsurance Contest
Caring for the Physically and Mentally Challenged Award
Excellent Performance Award

Six Core Industries and Infrastructure Investment Competition
Project Investment Group

Asia-Pacific & Taiwan Sustainability Action Awards
Taiwan Sustainability Action Awards - Gold
Asia-Pacific Sustainability Action Awards - Gold

Sports Activist Awards
Sponsorship Category - Gold
Sponsorship Category (Long-Term) - Sponsorship Award Promotion Category - Bronze

Faith, Hope & Love Awards of Insurance
Best Social Responsibility Award - Excellence

Digital Finance Service Awards
Digital Information Security Award - Excellence

Buying Power Award
No. 3

Company Profile

Founded in 1947, Taiwan Life was the first life insurance company in Taiwan. After being privatized in 1998, Taiwan Life became a subsidiary of CTBC Holding in 2015. With our sound sustainable development strategies, multiple digital innovative services, and excellent brand recognition, we received 56 awards at home and abroad in 2023. Not only did we rank among the "Brand Finance Insurance 100" from the British brand consulting company Brand Finance for the seventh consecutive year, but we were also honored with three highly coveted international awards: Asia's Most Resilient Insurer from renowned tech marketing research and consulting firm IDC's Financial Insights Innovation Awards, the Annual Digital Transformation Award from Asia Insurance Review's Asia Trusted Life Agents & Advisers Awards, and Best Customer Experience In Digital Insurance, Taiwan from international financial media outlet The Asset's Digital Finance Awards. As the only life insurance company in Taiwan with these accolades, Taiwan Life's digital innovation and brand value are clearly widely recognized.

The Taiwan Life brand has also been honored by other internationally renowned financial media outlets, such as Global Business Outlook, Global Economics, and Global Brands Magazine for six consecutive years, including being named Best Life Insurance Company, Taiwan and Best Life Insurance Brand, Taiwan. Our brand value and popularity are deeply rooted in the Taiwanese population. Moreover, we have been long been committed to social welfare; to these ends, we have launched innovative and diverse charity programs and encourage our employees to volunteer. These efforts have also been recognized, including at the Asia Responsible Enterprise Awards for seven consecutive years.

Basic Information

Company name	Taiwan Life Insurance Co., Ltd.	
Establishment	1947	
Business category	Insurance	
Location of headquarters	8F, No. 188, Jingmao 2nd Road, Nangang District, Taipei City	
Number of employees	Back-office personnel: 2,049 people; sales team: 8,021 people	
Assets	NT$2,204,072,613 thousand	
Liabilities	NT$2,062,230,463 thousand	
Owners' equity	NT$141,842,150 thousand	
Capital adequacy ratio	305%	
Operating locations Note	Taiwan	116 locations
	China	1 location

Note: As of February 2024, branches, correspondence offices, international insurance business branches, and China (including Hong Kong and Macau) offices (or liaison offices) are included.

Taiwan Life is committed to building a sustainable financial ecosystem in support of the government's Green Finance Action Plan 3.0. Our commitment to promoting ESG investments is reflected by us being the first life insurance company in Asia to participate in offshore windfarm joint lending, as well as by us receiving a coveted prize in the FSC's "Investment in Six Core Strategic Industries and Public Construction Competition." We also wholeheartedly care for our policyholders, as recently shown by our launch of "Yearly Dementia Life Insurance," the industry's first mild dementia policy, which offers dual benefits for moderate to severe dementia as well as a death benefit, providing triple coverage of medical treatment, care, and life insurance. This product has received positive recognition from various domestic and international organizations, including at the Insurance Asia Awards, First Prize in National Brand Yushan Award, and Faith, Hope & Love Awards of Insurance, which is also known as the Academy Awards of the insurance industry. In addition, we have harnessed digital technology to provide caring customer service. Not only are we the first insurance company to deploy a zero-touch secure digital insurance service upon approval from the FSC, but we also received the Digital Transformation Award at the Asia Trusted Life Agents & Advisers Awards, a benchmark awards ceremony in the Asian insurance industry, making us the first life insurance company in Taiwan to receive the honor. In addition, our "AI Platform for Claims" simplifies claims settlement by providing four major digital claims application services, namely "E-Pay Snap n'Transfer," "ibon Convenience Claims," "E-Claims," and "Mobile Claim Settlement App," making it the most diversified claims service platform in the industry. Finally, we also received IDC Asia's Most Resilient Insurer award, again becoming the first life insurance company in Taiwan to receive the honor. These accolades highlight how our company's digital transformation is progressing and being internationally recognized.

Now in its 75th year, Taiwan Life has been upholding CTBC Holding's service philosophy of "treating customers as family" and its "We are family" brand spirit in order to provide every customer with more thoughtful financial services and innovative products, as well as keep pace with the times by offering innovative digital services, maintaining brand excellence, and using its influence to support sustainable insurance. Taiwan Life is not only the first life insurance company in Taiwan, the company also aims to become the number one brand for insurance services in the Chinese-speaking world. In addition to ensuring prospering for all stakeholders, we also aim to create shared value for all.

Major Administrative Sanction Cases in 2023

Description:

On Aug. 10, 2023, the Financial Supervisory Commission (FSC) conducted a "general financial examination" of CTBC Holding and found major deficiencies in the corporate governance of Taiwan Life, indicating ineffective operation of internal control systems. This was deemed a violation of subparagraphs 4 and 8, paragraph 1 of Article 5 of the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises (authorized by paragraph 1 of Article 148-3 of the Insurance Act). The FSC concluded that these deficiencies posed a risk to the sound operation of the entity. A fine of NT$10 million was imposed according to paragraph 4 of Article 171-1 of the Insurance Act and a corrective action was ordered according to paragraph 1 of Article 149 of the same law. Additionally, according to subparagraph 1, paragraph 1 of Article 149 of the Insurance Act, Taiwan Life was suspended from making new real estate investments for one year (excluding construction-in-progress) until the FSC approves the corrective actions taken, and President Chung-ching Chuang was suspended for one year from the position of president according to subparagraph 7, paragraph 1 of Article 149 of the same law. <Letter No. Jin-Guan-Bao-ShouZi-11204928202, dated Aug. 10, 2023>

Improvement Measures:

1. Taiwan Life issued a material information announcement on Aug. 14, 2023, stating that the position of president would be temporarily acted by the head of the Financial Investment Group.
2. Taiwan Life will conduct appropriate improvement measures in response to the competent authority's ruling. It will maintain continuous communication with the competent authority, aiming for timely recognition of its improvements.

2011
MetLife acquisition
CTBC Holding purchased MetLife and renamed it CTBC Life Insurance.

2014
Manulife M&A
CTBC Life Insurance acquired Manulife to increase its sales force

2015
Taiwan Life M&A
CTBC Holding and Taiwan Life completed a stock swap, and Taiwan Life became a subsidiary.

2016
CTBC Life Insurance/ Taiwan Life merger
The two companies merged under the Taiwan Life brand.

Strategy and Deployment

To align with International Financial Reporting Standards 17 (IFRS 17) and New Insurance Solvency Standard, we are formulating the most appropriate operating and investment strategies. We continue to be committed to sound operations and increasing the sales of high-value insurance products, and are optimizing our asset-liability management to build long-term stable profits and enrich our own capital. In terms of products, Taiwan Life responds to social trends and issues and develops new products according to customer life cycle needs to meet their all-round protection needs. In terms of investment, we balance investment rewards and risks, implement risk control, and increase the stability of profits.

CTBC Holding is a pioneer in the development of digital finance in Taiwan, and it also actively develops innovative digital financial services. By incorporating the Group's strengths in digital development, Taiwan Life is continuing to implement the dual transformation of digital and core systems, create a business and data service middle platform to support digital operations and improve backend stability in order to optimize operational performance. Taiwan Life promotes a customer-centric total transformation from sales to service, and proactively implements various digital tools such as the industry's first-of-its-kind "AI Platform for Claims." By connecting various digital claims application services, we have simplified the claims process, thereby enhancing service efficiency and customer satisfaction. Furthermore, "Smart Customer Service" has been launched and continually optimized to offer 24-hour responses to customers' policy-related questions. We have also launched the "Remote Customer Service" plan, a one-stop policy service that provides thoughtful, convenient digital financing services and other functions to our customers.

In the future, compliance with IFRS17 and New Insurance Solvency Standard is expected to change existing business models. Taiwan Life has set the following four development strategies with the goal of becoming the "most robust insurance company and the insurer most recommended by customers":

1. Pursue stable profit growth so as to ensure the healthiest constitution and optimal capital for adopting IFRS 17 and New Insurance Solvency Standard.
2. Continuously strengthen infrastructure to optimize the customer experience throughout the customer journey, and conduct the IT transformation as well as complete the launch of the new core system to realize the best possible operational efficiency.
3. Continue to promote the two main pillars of Taiwan Life's sustainable development strategy, namely "Deepening social impact" and "Achieving low-carbon transition and responsible operations," and achieve the 2050 net-zero carbon emissions target together with CTBC Holding.
4. Continue to strengthen risk and solvency assessment mechanisms' links with business goals, investment and business plans, capital management, and risk management in order to improve the Company's strategic management of risk appetite. For details, please refer to section "I. Report to Shareholders" in Taiwan Life's 2023 Annual report.

Operating Performance

In 2023, despite challenges from U.S. interest rate hikes shrunk the capital gain of bonds and increased hedging costs, Taiwan Life captured market opportunities and realized capital gains in a timely manner. This helped us to achieve a consolidated after-tax profit of NT$12.38 billion. In addition, our total assets reached approximately NT$2.2 trillion in 2023, and our compound growth rate for the past five years reached 2%.

To align with IFRS 17 and New Insurance Solvency Standard, Taiwan Life has been continuously engaging in a sales transformation, optimizing its product mix, strengthening its capital, and refocusing on the sale of value-based products in order to ensure solid and stable profitability. Our first-year premiums in 2023 totaled NT$49.4 billion; this represented a decline of 14% from 2022, mainly due to the sales of interest-sensitive products, which decreased by 11% from 2022 due to impacts of the investment market. Nevertheless, high-value traditional regular payment products grew 24% from 2022, ranking fourth in the industry. We continued to rank fifth in first-year premiums in the industry, while total premiums in 2023 reached NT$135.8 billion, ranking sixth in the industry.

Financial Information

Unit: NT$ thousand

	2023	2022	2021
Total assets	2,204,072,613	2,159,111,189	2,159,359,973
Operating income	220,331,080	204,760,808	282,723,773
Net profit after tax	12,381,849	(3,406,941)	23,130,827
Return on assets (%)	0.60	(0.14)	1.12
Return on equity (%)	10.52	(2.66)	15.35
Capital adequacy ratio (%)	305	275	342

Note: Return on assets and return on equity are disclosed based on the Company's standalone financial information.

Tax Governance

Taxation plays an important role in achieving the SDGs and is a key mechanism for organizations to contribute to the economies in which they operate. Taiwan Life follows the guidelines of sustainability reporting standards to establish tax governance policies to implement in our daily operations.

In terms of tax strategy, Taiwan Life acts in accordance with the requirements of all relevant tax laws and regulations. In addition to complying with these laws and regulations, effectively managing our tax risks, fulfilling our tax responsibilities, and supporting global economic development, we are fully committed to constantly enhancing the transparency of our tax-related disclosures. We do so both in response to the growing global focus on anti-tax avoidance as well as to foster effective corporate governance and achieve sustainable development.

ch1 SUSTAINABLE GOVERNANCE

1.1 Sustainability Blueprint

Development principles

Deepening social impact

Achieving low-carbon transition and responsible operations

Accountable Operations

Mid-term and long-term goals

- In conjunction with CTBC Holding's SBTi targets, reduce Scope 1 and 2 emissions by 31.5% in 2028 compared with 2021.
- 100% of Nangang HQ to use green energy by 2025.

2024 targets

- Followed the guidance of parent company CTBC Holding to evaluate the purchase of renewable energies in 2023, and began to switch to green energy in 2024. 100% of Nangang HQ is expected to use green energy by 2025.
- In conjunction with CTBC Holding's SBTi targets, reduce Scope 1 and 2 emissions by 13.5% compared with 2021.

Actions taken in 2023

- Completed ISO14064-1 greenhouse gases inventory at 36 locations, reaching a coverage rate of 100%.
- Actively replaced worn equipment, and reduced overall electricity consumption in 2023 by 4% compared with 2022.
- Obtained ISO 14001 and ISO 50001 energy and environmental management system certification at 12 locations.
- The Head Office, Taichung subsidiary, and Kaohsiung subsidiary obtained ISO45001 occupational safety and health management systems certification.
- Offered 27 courses related to ESG series, with 11,739 course participants receiving 13,644 hours of training.

Ethical Governance

Actions taken in 2023

- Published the 2022 Stewardship and Responsible Investment Report and was listed as one of the companies with better institutional investor stewardship disclosure in 2023.
- Published the 2022 Stewardship and Responsible Investment Report and won a silver award for Best Sustainability Report - Financial and Insurance Industries.
- Regularly held sustainability development meetings and issued sustainability e-newsletters to enhance the awareness for sustainability among senior managers and general staff.

2024 targets

- Continue to publish Stewardship Principles and Responsible Investment Reports and Sustainability Reports.
- Continue to practice ethical governance.

Mid-term and long-term goals

- Continue to improve the dishonest behavior risk assessment mechanism.
- Continue to advocate for and organize education and training on ethical management to foster understanding of ethical management.
- Continue to maintain diversity in the composition of the Board.

An Inclusive Society

Mid-term and long-term goals

- Offer comprehensive lineup of spillover-effect health management products.
- Maintain a positive customer satisfaction NPS and increase NPS, or be No. 1 in customer satisfaction NPS among competitors.

2024 targets

- Develop ESG insurance products.
- Donate microinsurance premiums totaling NT$8 million.
- Reach 3 hours of training in sustainable development for all employees (including senior managers) and training completion rate of 100%.
- Complete 10 volunteer activities, 1 Three-Generation Walk for Health, and 1 aging-friendly baseball tournament.

Actions taken in 2023

- Developed 3 Comprehensive Long Term spillover-effect health management Policies.
- Promoted insurance education for all: Organized a family financial management seminar - "Combating Risks! I Want to Become a Sailing Monopoly"; collaborated with CTBC Business School to deploy a new practicum on financial and insurance planning, and held academic exchanges with the Department of Risk Management and Insurance at Feng Chia University to help students understand insurance and finance. Cumulatively trained 373 people.
- Three-Generation Walk for Health: Organized the walk at Taipei Zoo to integrate elements of ecological education. More than 2,000 people participated.
- Added a new one-stop website, "Seniors Club," which integrates products, exclusive services, and health and financial information for older people.

Sustainable Finance

Actions taken in 2023

- Regarding sustainability- themed investments, the cumulative approved financing amount reached approximately NT$66.7 billion.
- Introduced new renewable energy financing for the Hai Long 2 and Hai Long 3 Offshore Wind Power projects.

2024 targets

- Reach total investments of NT$54 billion.
- Complete engagements with 4 investee companies.

Mid-term and long-term goals

- Reach total investments of NT$ 57 billion.
- Engage in targeted management of the Scope 3 investments in listed companies using the Temperature Rating method, with a 2027 target temperature of 2.47°C.

The dual pillars of Taiwan Life's sustainability blueprint, "deepening social impact" and "achieving low-carbon transition and responsible operations," form a foundation that comprehensively and accurately focuses on the core sustainability value of the insurance industry. Upon this foundation, Taiwan Life has established major sustainable development key performance indicators based on four major sustainability strategies: "Ethical Governance," "Sustainable Finance," "Accountable Operations," and "An Inclusive Society."

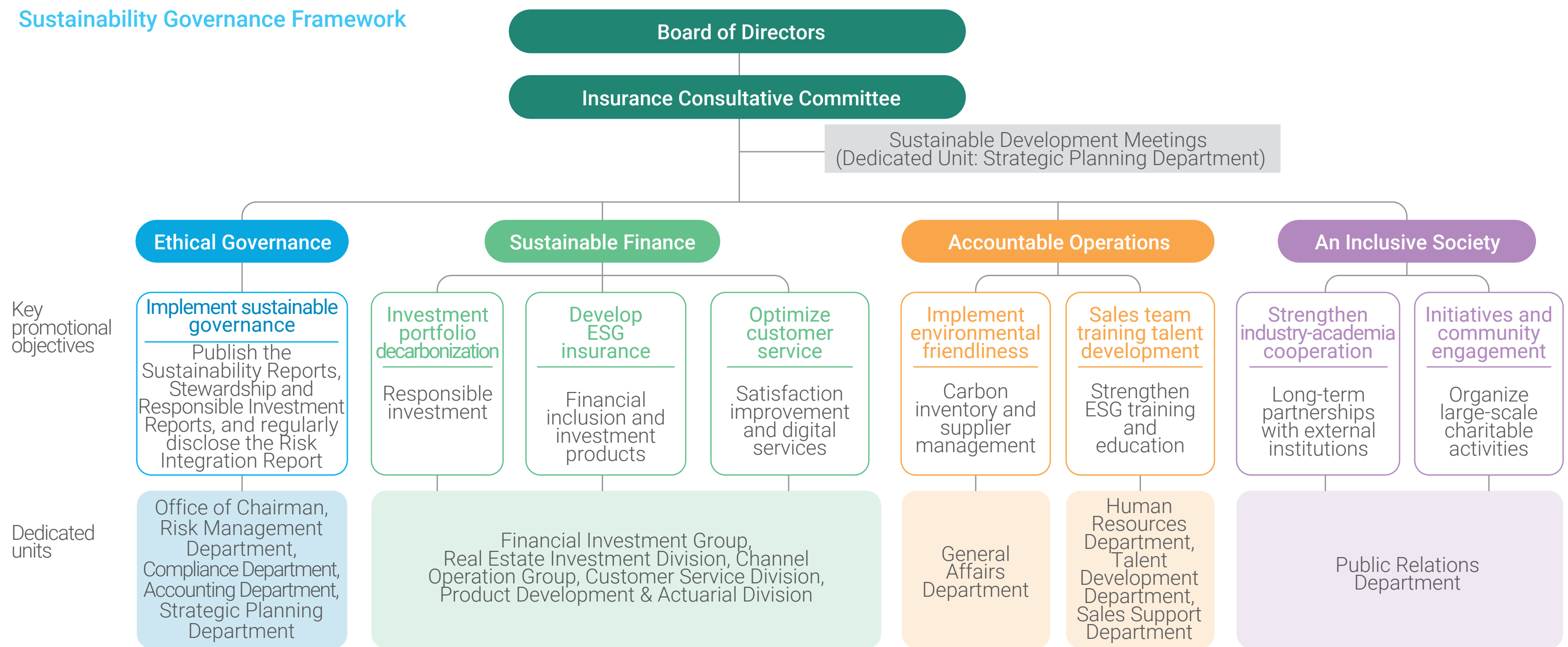
In line with international sustainable development trends and sustainability policies promoted by Taiwan's competent authorities for the economy, environment, and society, Taiwan Life keeps track of and manages its various sustainability-related initiatives. Determined to create long-term benefits for its policyholders, employees, shareholders, and investees, Taiwan Life is guided by the U.N. Sustainable Development Goals (SDGs) and proactively supports government policies. We also continue to participate in ESG-related initiatives, thereby expanding our social impact.

1.2 Sustainability Governance Framework

The Board of Directors of Taiwan Life is the highest authority for sustainable governance affairs, with the President appointed as the person in charge of ESG impact management. In addition, a dedicated ESG unit—the Strategic Planning Department—reports to the President. The Strategic Planning Department oversees sustainability issues and in July 2023 added a Sustainable Development Meeting under the Insurance Consultative Committee. Composed of senior managers, the meeting monitors and supervises the implementation of ESG issues. The department also assigns dedicated units by responsibilities to implement the four pillars of the Company's sustainability strategy and their key objectives. A total of 3 Sustainable Development Meetings were held in 2023.

We have formulated sustainability-related policies including the Sustainable Insurance Policy and Sustainable Development Best Practice Principles under the supervision of the Board of Directors. Accordingly, we regularly reporting corporate sustainability results and action plans at senior management meetings and report ESG-related progress, performance, and future sustainable development goals to the Board every year. Additionally, Taiwan Life incorporates external resources to conduct regular and continuous ESG trend research and benchmarking, allowing senior management to put forward more specific and refined suggestions for sustainable operations. Corporate sustainability indicators will continue to be included in the annual individual management by objectives (MBO) evaluations of senior management at the director level and above, thus linking competitive fixed remuneration and variable compensation to sustainability implementation and individual performance as a reward mechanism.

Sustainability Governance Framework



1.3 Stakeholders and Materiality

Through six major steps of materiality analysis, Taiwan Life identifies and examines issues related to sustainable management, and then proposes corresponding management approaches. As for communication with stakeholders, we maintain multiple channels to collect the opinions of stakeholders, and regularly investigate issues of concern raised by internal and external stakeholders.

Stakeholder Communication Channels and Responses

Based on the AA1000 Stakeholder Engagement Standard, we have identified seven stakeholder groups and established communication channels for each, proactively responding to stakeholders' expectations. In the spirit of transparency and openness, we disclose information through diverse channels in order to ensure that communication with stakeholders is effective. In addition, we have collected and incorporated issues covered in the communication process as a reference for the Company's operation and promotion of sustainable development strategies, thereby enhancing the promotion of sustainable operations. These issues will also be disclosed in our sustainability reports in due course.

Stakeholders	Materiality	Issue	Communication channel and frequency	2023 communication results
Employees	Taiwan Life views its employees as a key asset in sustainable development. Conveying the spirit of "people come first" through employees and proactively responding to employees' concerns have been the Company's key measures for its long-term operation.	▪ Remuneration ▪ Employee benefits	Quarterly ▪ Labor–management meetings ▪ Welfare committee Immediate ▪ Complaint hotline and mailbox	▪ 24 labor–management meetings ▪ 4 welfare committee meetings
Customers	The insurance industry is essentially about people. Taiwan Life works to provide timely responses to policyholders and satisfy their diverse needs. We will continue to improve ourselves to provide services to satisfy our policyholders.	▪ Insurance consultant service	Monthly ▪ Product demand communication (EDM) Immediate ▪ Official website's reservation service	▪ Over 600,000 views and 8,061 reservations made
		Membership (Online member/LINE/ TeamWalk/Call Call card)	Immediate ▪ Introduction on the digital service section of the official website ▪ Policyholder website provides online services ▪ Online insurance application website provides insurance application services ▪ TeamWalk provides online services Irregular basis ▪ Official LINE account push notifications ▪ Marketing event communications (EDM) ▪ Introduction to online services (EDM)	▪ A total of 57,077 online insurance applications ▪ A total of 2.19 million Taiwan Life's official LINE account followers ▪ Added 162,961 new online members, with approximately 710,000 members in total ▪ Added 18,067 new TeamWalk members, with 30,000 members in total ▪ Added 37,369 new Call Call card members, with 70,000 members in total
		Retirement	Annual Media, forum	3 forums/media exposure
		Voice of the customer	Daily Customer service line (service hours: Monday–Sunday 08:00–24:00), smart customer service chatbot A-long, comment section of the Taiwan Life website, customer complaint line Irregular basis Voice of customers, phone contact	▪ Voice of customer: 1,578 ▪ Customer praise: 256 ▪ No. of customers that used smart customer service chatbot A-long: 155,112
Suppliers/ contractors	Taiwan Life works with suppliers to protect the environment, starting from procurement and advocacy to reduce the negative impact of operations on the environment.	▪ ESG advocacy in supply chain ▪ CTBC Holding environmental sustainability policies and relevant regulations	Annual Supplier conference	2023 CTBC Holding Supplier Conference

Stakeholders	Materiality	Issue	Communication channel and frequency	2023 communication results
Investees	Taiwan Life continues to engage investment and financing targets to obtain comprehensive and effective information, and works to achieve the goal of maximizing benefits for customers and stakeholders.	▪ Corporate governance ▪ Social issues ▪ Environmental protection	Irregular basis ▪ Company visits ▪ Phone inquiries ▪ Online meetings ▪ Shareholders' and board of directors meetings of investees ▪ Performance management committee meetings	▪ Visited investment targets three times to discuss relevant municipal government-held project meetings ▪ Attended 18 project development meetings of investee companies and their manufacturers ▪ Had phone discussions with investee companies as and when necessary, based on the project progress ▪ Based on the articles of incorporation and relevant regulations of the investees, convened 26 Board of Directors meetings. eight shareholder meetings ▪ Held 19 performance management committee meetings to provide investees with suggestions from the Chairman
		▪ Corporate governance ▪ Company operations ▪ Capital investment direction ▪ Shareholder equity and profit distribution planning ▪ Corporate social responsibilities: environmental protection	Irregular basis ▪ Attended investor conferences and shareholder meetings ▪ Company visits ▪ Phone/online meetings	Interactions with investees： ▪ 423 in-person visits ▪ 292 online meetings ▪ 5 letter communication Interactions with financing targets: 1.Company financing: 136 (on average, once per target per quarter) 2.Project financing: 16 (on average, once per target per quarter)
Government agencies	Taiwan Life proactively supports government policies and cooperates with relevant laws and regulations, leading Taiwan's insurance industry to enhance its value and spread positive energy through two-way communication and cooperation.	Corporate governance	Irregular basis	▪ Participated in formulating the Guidelines on Climate-related Financial Disclosures of Insurance Companies and helped the TCFD's governance team formulate and examine the first draft of the TCFD survey (governance aspect) ▪ Participated in the 2023 symposium on corporate governance in insurance organized by the Insurance Bureau
		▪ Regulatory compliance ▪ Policy-making consultations ▪ Regulatory promotion	Irregular basis	▪ Participated in the 2023 Enhancing Insurance Regulatory Compliance Seminar held by the Insurance Bureau ▪ Attended ad hoc meetings and courses ▪ Pursuant to the laws and regulations promulgated by the competent authority, the Compliance Department tracked the internal operation norms of each department every month to ensure they were revised and updated in a timely manner
		▪ Board of Directors meeting agenda	Monthly	▪ Submitted the Board meeting minutes to the competent authority for review each month
Shareholders	Stable financial performance and effective risk control are issues of concern to shareholders and investors, and are also the responsibility of Taiwan Life.	Operating performance	Quarterly Official website Quarterly Market Observation Post System	▪ Regularly updated the Company's financial overview in the information disclosure section on the official website. ▪ Published financial reports audited, certified, or reviewed by accountants on the Market Observation Post System.
		▪ Board of Director meeting agenda ▪ Corporate governance	Monthly	▪ The Company is solely owned by one institutional shareholder, namely CTBC Holding. Each month, the Board meeting minutes are submitted to the institutional shareholder for review ▪ Twelve monthly meetings with the supervisor of CTBC Holding's office of chairman were held to report and discuss corporate governance-related matters and important issues were brought up at Taiwan Life Board meetings
Labor unions	In addition to protecting the working rights and interests of employees and providing competitive salaries and welfare system, the labor union must also unequivocally respect and care for employees.	Policy administration and processing system optimization	Ad hoc correspondence	12

Materiality Analysis

Pursuant to the GRI Standards, Taiwan Life identified stakeholders and conducted a materiality analysis while compiling this report. The content of the materiality analysis was submitted to and approved by the Chairman. The Company uses the results of the materiality analysis to further establish its sustainable operation strategies and goals, take inventory of the Company's sustainability measures, and push each department to make further improvements. The materiality analysis also serves as the basis for responding to stakeholders.

Materiality Analysis Process

Step 1 Identify stakeholders

Pursuant to the AA1000 Stakeholder Engagement Standards, Taiwan Life identified seven types of stakeholders to prioritize communication with based on five major principles (i.e., dependency, responsibility, attention, influence, and diverse perspectives). The stakeholders are employees, customers, suppliers/contractors, investees, government, shareholders, and labor unions.

Step 2 Collection of sustainability issues

After analyzing international sustainability-related standards (e.g., GRI Standards, SASB Standards, and IFRS S1 and S2), industry benchmark companies, and organizational sustainable development goals, 18 sustainable issues pertaining to Taiwan Life were compiled.

Step 3 Investigate issues of concern and operational impact

An annual questionnaire based on the seven types of stakeholders is distributed to determine their sustainability-related issues of concern. In 2022, the Company collected 594 questionnaire responses, which served as the basis for our stakeholder concern analysis. The questionnaire was also sent to internal senior executives to solicit their assessment of the issues in order to help identify the "impact level on operations, the external environment, and society." A total of 14 of these completed questionnaires were collected.

Step 4 Confirm material topics

Based on the analysis results generated in Step 3, Taiwan Life's potential material topics were identified. After discussions with senior executives and gathering input from external experts, 10 material topics were selected.

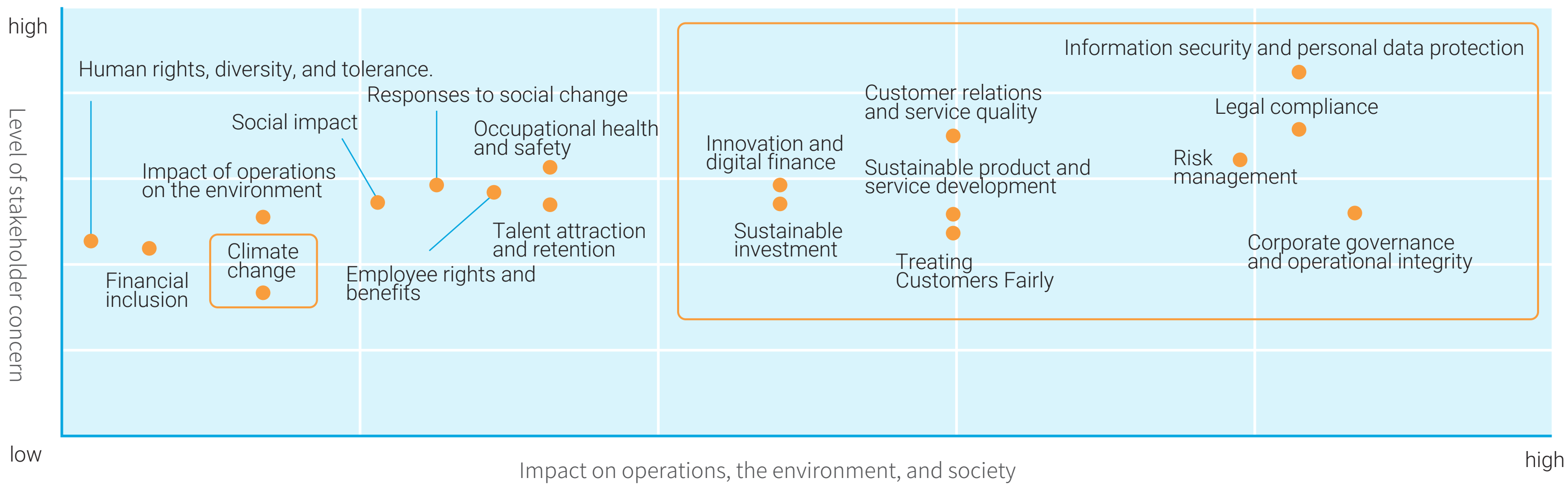
Step 5 Establish management policies for specific topics

Each of the 10 selected material topics was aligned with a corresponding GRI topic. Sustainability-related information was then collected and disclosed according to the reporting requirements and management policies of each specific topic in response to stakeholders' expectations.

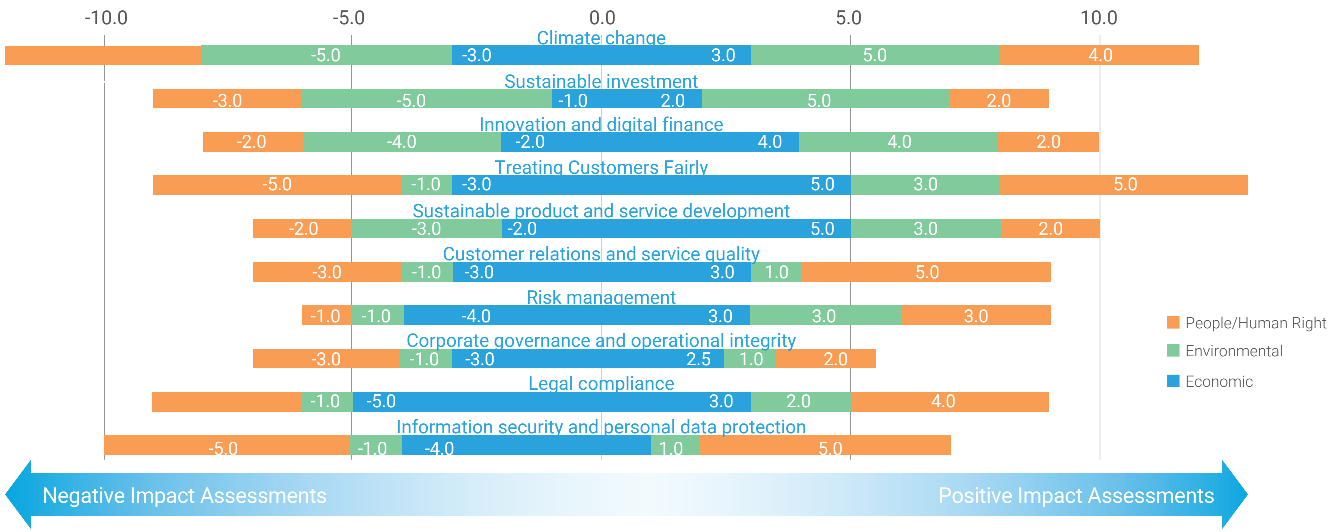
Step 6 Material topic impact significance assessments

The positive and negative impacts of the 10 material topics on people (human rights), the environment, and the economy were assessed.

Materiality Matrix



Material Topic Impact Significance Assessments



Value Chain and Material Topics

Based on the 10 approved material topics, Taiwan Life assessed how each material topic would impact our operations (including financing), people (including human rights), the external environment, and the level of economic impact, as well as impacts on the value chain. We then aligned them with the corresponding GRI topics and disclosed relevant management policies' implementation measures in this report and on the Company's official website.

The following are the financial risks of the top three major themes with the greatest impact: "network security and data protection," "risk management," and "legal compliance":

1 Network security and data protection

Once personal information is leaked, relevant fines and compensations must be paid. According to Chapter 5 of the Personal Data Protection Act, companies can be fined NT$15 million or more (Article 48 of the Personal Data Protection Act). Given this, the Company has formulated an Emergency Response Plan for Personal Data Breaches to ensure that if a personal data infringement incident occurs, there will be a clear reporting mechanism and emergency action plan to avoid the spread of the incident, leading to a major impact on the Company's reputation. For details, see Chapter 1.6.4 Personal Data Protection.

2 Risk management

Once an insurance risk event occurs, including product design and pricing risks, underwriting risks, claims risks, and other events, the Company will face financial losses. As such, the Company has established Insurance Product Design Procedures and the Insurance Product Pricing Policy to rigorously control risks related to insurance products. For details, see 3.2.1 Inclusive Products.

3 Legal compliance

If a compliance incident is caused by improper internal auditing and internal control, the Company will be fined by the competent authority. In addition to having to compensate for the losses caused by improper management, the Company will also have to face penalties. On top of the impact on the Company's reputation, institutional investors will also lose confidence in the Company's management, which could have a financial impact. Therefore, the Company has formulated Compliance Risk Assessment and Reporting Guidelines to reduce compliance risks by conducting self-assessment of legal compliance every six months. For details, see Chapter 1.7 Legal Compliance.

Aspect	Material topic	Significance	GRI Topic/ other material topics	ESG impact location – Internal – Direct impact on the Company	ESG impact location – External – Direct impact caused by business relationship(s) with the Company – Policyholders	ESG impact location – External – Direct impact caused by business relationship(s) with the Company – Suppliers/ contractors	ESG impact location – External – Indirect impact caused by business relations with the Company – Investees	ESG impact location – External – Indirect impact caused by business relations with the Company – Government	ESG impact location – External – Indirect impact caused by business relations with the Company – Shareholders	ESG impact location – External – Indirect impact caused by business relations with the Company – The community and partners	Management approach (corresponding section)
Corporate governance	Risk management	In view of the operational risks, financial risks, and potential emerging risks related to environmental/social trends that the Company may face, Taiwan Life has formulated comprehensive risk management mechanisms, objectives, and contingency plans to mitigate the negative impact of risks when they occur.	GRI 201: Economic Performance	■	■	■			■		Company Profile Operating Performance 1.5 Risk management
	Corporate governance and operational integrity	Taiwan Life has established a sound corporate governance structure to protect the interests of shareholders and take into consideration the interests of all stakeholders. This will allow Taiwan Life to achieve its operational goals and strengthen its disclosure of relevant information.	GRI 205: Anti-corruption GRI 206: Anti-competitive behavior	■	■	■		■	■	■	1.4 Ethical management and corporate governance 1.5 Risk management
	Sustainable product and service development	In response to Taiwan becoming a super-aged society, environmental changes, and climate change, as well as issues related to the continual strengthening of corporate governance and other sustainability topics (social development trends, environmental changes and corporate governance, such as super-aged society or climate change), Taiwan Life has adjusted its insurance products and services.	GRI G4 FS7-related products and services	■	■	■		■		■	3.2 Diverse Protection Products
	Information security and personal data protection	Taiwan Life has placed a strong focus on network and information security issues. It continues to improve its information security capabilities, including by establishing a dedicated information security team to examine and control information security risks.	GRI 418: Customer Privacy	■	■	■	■	■	■		1.6 Information security
	Legal compliance	In accordance with government and regulatory policies and requirements, all units comply with relevant laws and carry out daily operations while fully disclosing any instances of regulatory actions taken.	GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance	■	■	■	■	■	■	■	1.7 Legal Compliance
	Innovation and digital finance	Taiwan Life will continue to listen to customers' needs and use fintech and innovative applications to provide higher-quality and more thoughtful product types and service experiences.	Other material topics	■	■			■			3.1.2 Implementing Financial Inclusion
	Sustainable investment	Taiwan Life will take into consideration sustainability risk factors (corporate governance, the environment, and society) in the investment process, channeling capital to help investees carry out low-carbon transformation and sustainable development.	Other material topics	■	■		■	■	■	■	2.2 Stewardship Policy 2.3 Responsible Investment
Environmental	Climate change	In support of Taiwan's 2050 net-zero emissions policy and the competent authority's expectation for climate change-related disclosures based on the TCFD recommendations, Taiwan Life is working to strengthen its own climate management mechanisms.	Other material topics	■	■	■	■	■		■	1.5 Risk management 2.6 Environment-friendly Operations
Social	Customer relations and service quality	With a focus on the customer experience, Taiwan Life will regularly inspect customer satisfaction levels for different insurance services, take charge of the product development and sales process, fully disclose product information, and set customer rights as a priority.	GRI 416: Customer Health and Safety	■	■			■			3.1 Treating Customers Fairly
	Treating customers fairly	Taiwan Life has implemented the Principles for Financial Service Industries to Treat Clients Fairly. It uses the 10 principles as a guideline for treating customers fairly in all its operations and to protect the rights and interests of customers through service and care.	GRI 417: Marketing and Labeling	■	■			■	■	■	3.1 Treating Customers Fairly

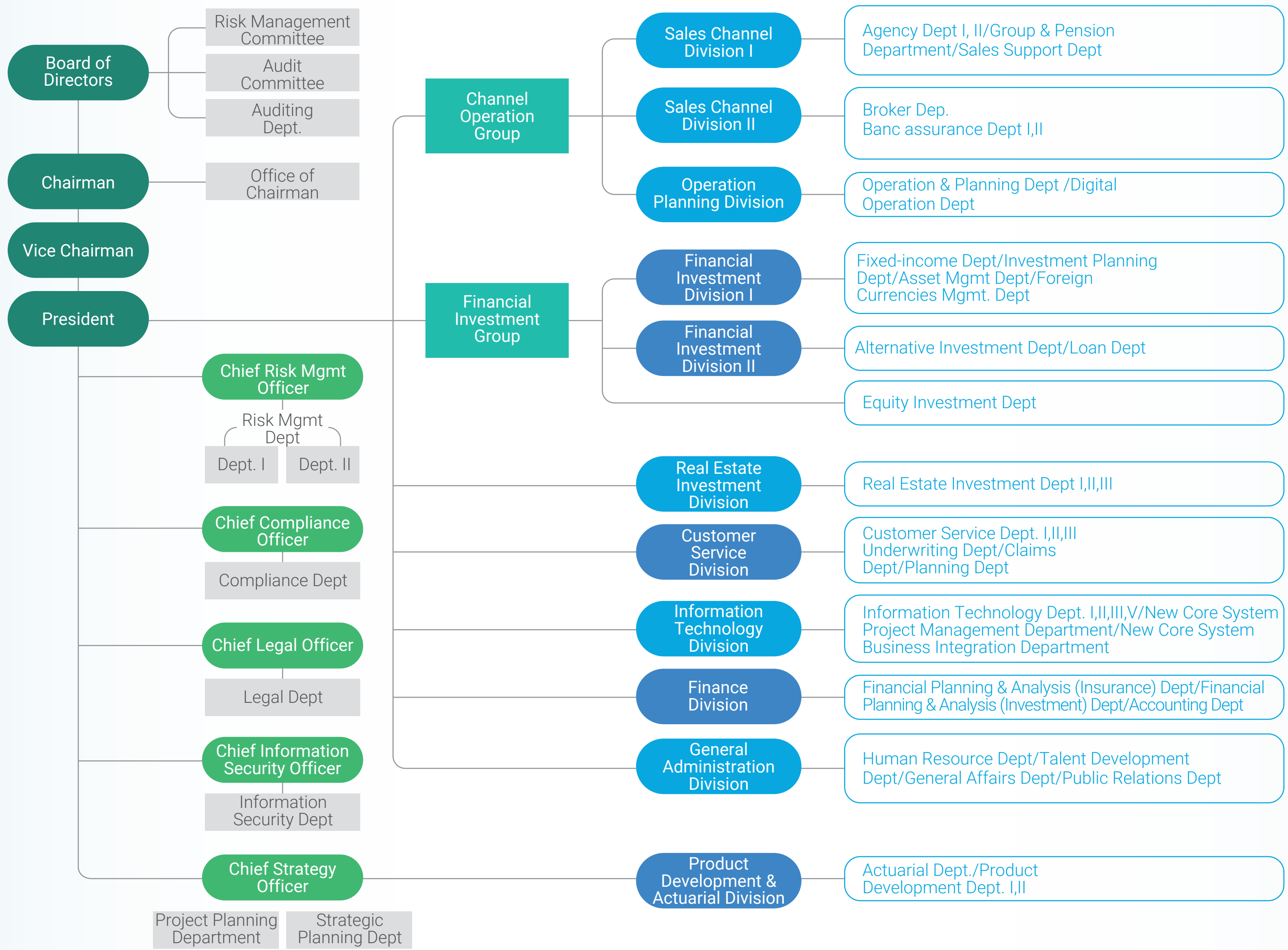
1.4 Ethical Management and Corporate Governance

Management approach: Ethical management and corporate governance

Policy/ commitment	Actions and results	Targets		Corresponding SDG
		Short term	Medium to long term	
Anti-Bribery Policy	Taiwan Life's compliance with its Anti-Bribery Policy is included in the twice-yearly report on the implementation of ethical management and reported to the Board of Directors.	Disclose the implementation of the Whistleblower Policy on the Company's website in a manner consistent with the group's planning principles.	Continue to promote anti-corruption and anti-bribery policies among all of our employees and continue to align ourselves with the policies of CTBC Holding.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Ethical Corporate Management Best Practice Principles	▪ In 2023, the incoming director and senior management signed a Statement of Compliance with Ethical Management before taking office. ▪ Education and training on ethical management is provided to all directors, managers, and employees of the Company each year; the completion rate in 2023 was 100%. ▪ We report to the Board of Directors on the implementation of ethical management of the Company and its subsidiaries every six months.	▪ Report regularly to the Board of Directors on the implementation of ethical management of the Company and its subsidiaries. ▪ Conduct education and training on ethical management every year, and achieve the target completion rate of 100%.	▪ Continue to monitor the results of the Company's compliance with ethical management and report this regularly so that the Board of Directors can keep track of the implementation status of the Company and its subsidiaries. ▪ Regularly update training materials and provide training on an ongoing basis.	
Risk Assessment of Dishonest Behavior Regulations	▪ The Chairman approved the regulations, according to which the risk of dishonest behavior is assessed. ▪ Together with CTBC Holding, the Company has appointed an external consultant to assist in the establishment of a risk assessment mechanism for dishonest behavior.	▪ Carry out a risk assessment of dishonest behavior for the full fiscal year of 2023 in the first half of 2024 to comply with the requirements for the continuous implementation of risk assessment of dishonest behavior. ▪ Recruit external consultants to test the control measures against bribery risk in order to verify the effectiveness of the control measures. ▪ Review and revise the Measures for Risk Assessment and Reporting of Dishonest Behaviors with CTBC Holding to optimize and improve the measures.	▪ Regularly conduct the risk assessment of dishonest behavior, and the assessment results are used as the basis for the audit unit to formulate the audit plan, and to ensure the effectiveness of existing control measures through the internal audit mechanism or tests conducted by external consultants.	
Regulations Governing Board Performance Evaluations	▪ In 2023, the Board of Directors Performance Evaluation Guidelines were revised to further organize and classify the measurement indicators of each aspect of the self-evaluation questionnaire into "qualitative indicators" and "quantitative indicators," and clearly define objective indicators for the results included in the board of directors' tracking management proposals ▪ The Board of Directors' overall self-assessment, individual Board members' self-assessments, and the functional committees' overall self-assessment in 2023 were all reached an achievement rate of 90%, indicating a performance "significantly exceeding standards."	▪ Have Board members conduct annual Board of Directors overall self-assessments, individual Board member self-assessments, and functional committee overall self-assessments, and require the corporate governance officer to conduct performance evaluations for the Board and functional committees.	▪ We will continue to evaluate the performance of the Board of Directors and, in accordance with CTBC Holding's planning schedule, appoint an external professional independent organization or a team of experts and scholars to conduct an external Board Performance Evaluation.	
Performance of directors' duties	▪ All directors of the Company have actively participated in the training courses provided by the competent authorities, CTBC Holding, and the Company itself. In 2023, the training hours of all serving directors met the highest standard set by internal regulations (8 hours or more, 4points). ▪ All directors actively participated in the Board meetings, discussed various motions, and made suggestions during the meetings, with an average Board meeting attendance rate of 99.52%. ▪ Assisted new directors to complete the onboarding process and arrange for initial orientation.	▪ In 2024, together with CTBC Holding, plan and complete the process of appointing new directors in accordance with the relevant laws, regulations, and requirements of the competent authorities, and continue to assist the new directors in performing their duties.	▪ Provide continuing education on a variety of topics to assist our directors in meeting their annual continuing education goals. ▪ Continue to enhance the quality and efficiency of Board meetings based on feedback from directors.	
Corporate governance disclosures	▪ Corporate governance regulations are available on the Company's English website for the reference of CTBC Holding shareholders and stakeholders. ▪ The Company's official website has a corporate governance section to fully disclose information related to corporate governance, which is simultaneously disclosed on the Insurance Industry Public Information Observatory. ▪ In response to the change in the directorship of the Company on April 28, 2023 and April 16, 2024, significant information was released and updated on the Company's official website, the Insurance Industry Public Information Observatory, and the Market Observation Post System of the Securities and Futures Bureau as required.	▪ Annually review the relevant regulations on corporate governance and their implementation, and update the information on the Company's official website, the Insurance Industry Public Information Observatory, and the Market Observation Post System of the Securities and Futures Bureau as required. ▪ Disclose the responsibilities and operations of the functional committees, including the Risk Management Committee, in the annual report. ▪ Disclose 2024 corporate governance future plans in the annual report. ▪ Regularly review and maintain the Company's official website to ensure the accuracy of external information disclosure.	▪ Continue to optimize the disclosure of information related to corporate governance in accordance with the policies and initiatives of the competent authorities.	

Corporate Governance Organization Chart

As of February 2024



1.4.1 Sound Board Structure

In accordance with the Company's Articles of Incorporation, the Board of Directors of the Company shall consist of 7 to 12 directors, with at least three independent directors. As of Dec. 31, 2023, the current 27th Board of Directors of the company comprised 10 directors, including four independent directors. The ratio of independent director exceeds one-third of all members of the Board. All independent directors serve as members of the Audit Committee and Risk Management Committee under the Board, and each member possesses the required professional competence for the committee. The duties of each functional committee are set out in the charter of each committee, and the proposed resolutions are submitted to the Board of Directors for resolution and are accountable to the Board of Directors. Board members have a wide range of backgrounds in academia and industry, with substantial insurance, investment, legal, finance, and risk management expertise as well as practical experience.

Board and Functional Committee Meeting Attendance in 2023

	Board of Directors	Risk Management Committee	Audit Committee
No. of meetings	21	12	21
Attendance rate	99.52%	100%	98.81%
Attendance rate of independent directors	100%	100%	98.81%

Operation of the Board

In order to fulfill the functions of the Board of Directors, the Company holds a Board meeting every month. All directors actively participate in discussions, while business units are required to execute important Board resolutions and report the progress to the Board on a regular basis. In addition, an annual Board meeting schedule is established for routine proposals focusing on key motions in order to facilitate the follow-up and improve decision-making efficiency. In 2023, the average actual attendance rate of all directors at Board meetings was 99.52%, and all four independent directors attended each Board meeting in person.

As of Dec. 31, 2023

Position	Name	Meetings Attended	Meetings Attended by Proxy	Actual Attendance Rate	Note
Chairman	Tai-Keh Cheng	21	0	100%	
Vice Chairman	Shu-Po Hsu	21	0	100%	
Director	Man-Lin Shih	20	1	95.24%	
Director	Chin-Miao Lin	21	0	100%	
Director	Dan L. Ting	21	0	100%	
Director	Tung-Ming Hsu	14	0	100%	Appointed on Apr. 28, 2023
Independent director	Jan-Juy Lin	21	0	100%	
Independent director	Jin-Lung Peng	21	0	100%	Resigned on Apr. 16, 2024
Independent director	Wen-Yen Hsu	21	0	100%	
Independent director	Kuan-Nan Chou	21	0	100%	

Board Director Backgrounds

As of Dec. 31, 2023

Position	Director	Gender	Age	Professional knowledge and ability		Industry experience		
				Commerce, law, finance, accounting, and other professional knowledge	Judge, prosecutor, lawyer, accountant, or other professional certification	Banking	Insurance	Securities
Chairman	Tai-Keh Cheng	Man	71	▪		▪		
Vice Chairman	Shu-Po Hsu	Man	61	▪			▪	
Director	Man-Lin Shih	Man	74	▪	▪	▪	▪	
Director	Chin-Miao Lin	Man	68	▪			▪	
Director	Dan L. Ting	Man	75	▪			▪	
Director	Tung-Ming Hsu	Man	69	▪		▪	▪	
Independent director	Jan-Juy Lin	Man	60	▪			▪	▪
Independent director	Jin-Lung Peng	Man	59	▪			▪	
Independent director	Wen-Yen Hsu	Man	56	▪			▪	
Independent director	Kuan-Nan Chou	Man	54	▪			▪	▪

Note 1: There were ten directors as of Dec. 31, 2023. Directors aged 45–55 accounted for 10%, aged 56–65 accounted for 40%, and aged 66–75 accounted for 50%.
Note 2: All directors of the Company are non-executive directors.
Note 3: The term of office of each Board member is three years.
Note 4: Jin-Lung Peng resigned as independent director on Apr. 16, 2024.

▪ Appointment of Directors

Taiwan Life is a public company owned by a single corporate shareholder, CTBC Holding, which appoints all of its directors in accordance with the laws and regulations. CTBC Holding enacts the principle of selecting the directors and supervisors for subsidiaries. CTBC Holding's Nomination Committee strictly reviews the professional competence of Taiwan Life Board members. Taiwan Life directors are not managers, and the Board's composition is diverse in terms of academic background, professional skills, and industry experience. In order to ensure the function and independence of independent directors, all independent directors are required to have rich academic and practical experience and may not serve more than three terms. In the Corporate Governance Best Practice Principles, Taiwan Life has stipulated that the diversity of the Board of Directors will be further expanded to include professional skills related to business, information, information security, mergers and acquisitions, digital finance, and risk management. In addition, it is also stipulated that the Company may propose to CTBC Holding the need for a diversified Board composition based on the industry expertise, company vision, and development strategy, as a reference for the parent company in appointing directors. To maintain the diversity, professionalism and experience sharing of Board members, CTBC Holding has established a director database in order to facilitate its succession planning as follows:

1. Seek suitable directors from various parties.
2. Build the CTBC Holding group director database and refer to the talent database of independent directors.
3. Invite the current directors, appropriate external organizations, and consultants to propose suitable directors.
4. Reference the results of Board performance evaluations in determining whether to nominate the Company's directors for re-election.

Continuing Education for Directors

To help directors continually improve their professional knowledge, the Company has specified the requirements for directors' continuing education hours in the Regulations Governing Board Performance Evaluations. The regulations require directors to have at least 8 hours of annual continuing education to meet the maximum score requirement of the indicator (4 points), which was accomplished by all Taiwan Life directors in 2023. In addition to arranging for directors to attend specific courses designated by the competent authorities (e.g., on anti-money laundering and combating the financing of terrorism (AML/CFT)), the Company also provides information on relevant external courses to directors from time to time for their reference. In addition, all current directors of the Company participated in courses related to the Principles of Treating Customers Fairly in 2023. The courses included contents related to the protection of the rights and interests of disadvantaged groups such as financial friendliness and the Convention on the Rights of Persons with Disabilities (CPRD).

Furthermore, the Company publishes a Corporate Governance Monthly Bulletin to provide directors with relevant news from the competent authority, new information on the interpretation of laws and regulations, notices of draft laws and regulations, penalty cases, and other current events, assisting directors to keep abreast of the latest laws and regulations.

Director Education and Training Courses

As of Dec. 31, 2023

No.	Course	Participating directors	No. of directors	Proportion of participating directors
1	Latest ESG Regulations, Trends, Impacts, and Response Measures	10	10	100%
2	Treating Customers Fairly and the Protection of Financial Consumers	10	10	100%
3	Exploring AML/CFT Practices	10	10	100%
4	Trends and Practices of Fintech and Regtech	10	10	100%
5	Issues of Concern in Aligning Insurance Operations with IFRS 17	10	10	100%
6	2023 Ethical Management Training	10	10	100%
7	Zero Trust Networking Deployment & Cloud Trend Applications	10	10	100%

Director Meetings

In order to familiarize directors with developments in various business areas and maintain smooth communication channels, the Company organizes additional meetings on important issues once or twice a year. Independent directors, internal auditors, and accountants also communicate through quarterly or semi-annual closed-door meetings. Important issues and sessions in 2023 are listed below:

Q4 2022 communication meeting on key audit matters — Jan. 30, 2023

Independent directors and accountants communicated on matters related to the scope, approach, focus, and findings of the semi-annual and annual audits; internal control audit focuses and results; and other matters related to the audit of financial reports.

H1 2023 TCF meeting — Mar. 17, 2023

The theme of this meeting was "Report on the Fair Treatment of Customers in 2023." It covered the results of TCF implementation in 2022 and the corresponding implementation measures for the ten TCF Principles.

H2 2022 internal control system findings review — Apr. 21, 2023

In addition to attending Audit Committee and Board meetings, the chief auditor of the Company regularly reports to the committee and the Board on the audit opinion or findings raised by the financial examination authority, accountants, and internal audit unit, as well as on the matters listed in the statement of internal control system that should be improved.

Q2 2023 communication meeting on key audit matters — Jul. 21, 2023

Independent directors and accountants communicated on matters related to the scope, approach, focus, and findings of the semi-annual and annual audits; internal control audit focuses and results; and other matters related to the audit of financial reports.

H2 2023 TCF meeting — Sep. 14, 2023

1. Director Lin, Meng-shiang of the Financial Ombudsman Institution was invited to give a speech on the theme of "Financial Consumer Protection - Fair Customer Treatment and Financial Friendliness." He also made suggestions on the direction of improvement of the insurance industry based on the focus of the fair customer treatment evaluation in 2024.
2. Review the performance in 2022 based on the evaluation criteria of fair customer treatment, reviewed the deficiencies in the evaluation and proposed specific improvement measures, and fully discussed and communicated with directors on strengthening the improvement measures.

H1 2023 internal control system finding review — Oct. 20, 2023

In addition to attending Audit Committee and Board meetings, the chief auditor of the Company regularly reports to the committee and the Board on the audit opinion or findings raised by the financial examination authority, accountants, and internal audit unit, as well as on the matters listed in the statement of internal control system that should be improved.

1.4.2 Board Performance Evaluation and Remuneration Policy

The Company has established an Audit Committee and a Risk Management Committee under the Board of Directors. The committees are entirely composed of independent directors and each consists of four members. The independent directors have professional backgrounds in finance and insurance, investment, law, and risk management. The composition and responsibilities of the aforementioned committees are governed by the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the respective charters of the two committees. Members discussed various motions and the deliberations operated smoothly during the meetings.

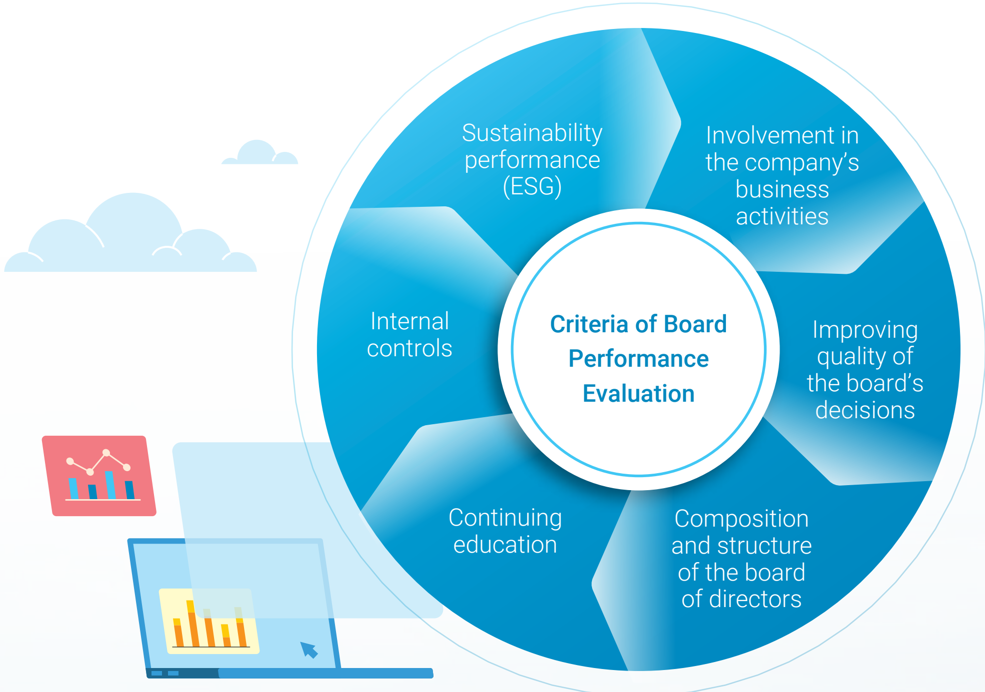
In order to enhance the effectiveness of the Board of Directors, the Company has established Regulations Governing Board Performance Evaluations, which are formulated and amended with the approval of the Board. In addition to overall self-evaluations by the Board and the committees, each director also conducts an individual self-evaluation. Furthermore, the corporate governance officer is required to conduct performance evaluations of the Board and functional committees.

When revising the aforementioned internal rules in 2023, the measurement indicators for each aspect of the self-evaluation questionnaire were further organized and divided into "qualitative indicators" and "quantitative indicators," and in order to set objective measurement standards, the effectiveness of the indicators are included in the Board of Directors' follow-up of management proposals. The results of the 2023 evaluation have been reported to the Board of Directors. Whether it is the annual Board of Directors overall self-assessments, individual Board member self-assessments, functional committee overall self-assessments, or the evaluation of the operations of the Board of Directors and functional committees by the Corporate Governance Officer, the evaluation results were all at the highest level of "significantly exceeding the standards," and the dedicated unit has collected feedback from directors for further consideration of improvement and refinement.

Our director remuneration policy is formulated based on two internal policies, namely the Non-Independent Director Remuneration Policy and the Independent Director Remuneration Policy. Director remuneration is determined with reference to market remuneration survey data and financial industry standards. The relevance of individuals to the Company's business performance and risk management is also taken into consideration by assessing their personal performance, the time they have invested in the Company, the responsibilities they have undertaken, and their contributions to the achievement of the Company's short- and long-term business targets as well as to the Company's financial position. Director remuneration is reviewed and approved by the Board of Directors and the Audit Committee. The Company reviews its remuneration systems in due course according to business operations and relevant laws and regulations, and it endeavors to maintain a balance between sustainable operations and risk control. For more information on the remuneration of the Board of Directors and senior management, please refer to "III. Corporate Governance Report" in Taiwan Life's 2023 Annual Report.

Remuneration that the Company pays to its directors, President, and Vice Presidents include certain percentages of long-term incentives. Directors are offered deferred bonuses, while the President and VPs are offered restrictive stock awards. The value of these incentives is designed to correlate with share price movements, and therefore strike a common interest between the managers and the Company.

Criteria of Board Performance Evaluation



1.4.3 Culture of Ethical Management

We are deeply committed to ethical management, which we strive to foster in our corporate culture by placing integrity, transparency, and responsibility at the core of our self-evaluations and ethics requirements and enabling directors, managers, and employees to have an accurate understanding of relevant laws, regulations, and ethical behavior. The Company incorporates the Ethical Corporate Management Best Practice Principles into the training materials for new employees, and holds annual training sessions for directors, managers, and employees (excluding dispatched staff and those with special circumstances) in order to promote the Company's corporate culture of ethical management. In 2023, Company and subsidiary employees participated in 10,439 training sessions, with a completion rate of 100%.

Communication and Training on Anti-Corruption Policies and Procedures

Employee category	Course Name	Participants	Completion rate	Format
Office staff	2023 Ethical Management Training	1,998	100%	Online and in-person
Board members	2023 Ethical Management Training	10	100%	In-person
Sales agents	Ethical Management Education and Training Courses	7,994 人	100%	Online classes
	Anti-Bribery Education and Training Courses	7,826 人	99.9%	Online classes
CTBC Insurance (including board members)	2023 Ethical Management Training	437	100%	Online and in-person

In order to implement ethical management, the Company requires directors, managerial officers, employees, appointees, and persons authorized to manage the Company's affairs and sign on behalf of the Company to act in a fair, ethical, and transparent manner in the course of conducting business activities in accordance with the Anti-Bribery Policy, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Procedures for Handling Illegal and Unethical. In addition, they shall not directly or indirectly provide, promise, request, or accept any improper benefits, or commit a breach of ethics, unlawful act, or breach of fiduciary duty for the purpose of acquiring or maintaining an improper benefit for themselves. All directors and senior managers of the Company are required to sign an ethical management compliance statement upon taking office to declare that they abide by the Company's various standards on ethical conduct.

In addition, the revised Corporate Governance Best Practice Principles for the Insurance Industry stipulates in Article 66 that the insurance industry should develop measures related to ethical management, including measures for dishonest behavior risk assessments as well as risk management measures for corporate ethical management". The Company has already formulated the Measures for Risk Assessment and Dishonest Behavior Reporting and, together with CTBC Holding, appointed an external consultant to assist in the establishment of a dishonest behavior risk Assessment mechanism. The Company conducts risk assessments on the dishonest behaviors listed in the Ethical Corporate Management Best Practice Principles by evaluating "inherent risks" and "controls" and applying a risk matrix to determine the "residual risks" with reference to the U.S. COSO enterprise risk management framework. The assessment results are then used by the Audit Department as a reference in formulating the annual audit plan. The Company continues to conduct risk assessment of dishonest behavior every year and ensures the effectiveness of existing control measures through the internal audit mechanism or tests conducted by external consultants.

Taiwan Life and its subsidiaries did not receive any whistleblowing reports related to directors or senior managers' violation of ethical corporate management, illegal, unethical, or dishonest behavior in 2023. Moreover, no employees received disciplinary actions from the Employee Rewards and Disciplinary Committee for violating regulations related to ethical management.

1.4.4 Whistleblowing Channel and System

Taiwan Life has formulated the Procedures for Handling Whistleblowing Cases to standardize the principles and procedures for accepting, investigating, and handling reported whistleblowing cases. The Compliance Department is the designated unit for accepting whistleblowing cases, and establishes a dedicated committee to investigate and review cases. The Procedures clearly stipulate the confidential obligations of personnel in the acceptance and investigation units, and to ensure whistleblowers' right to work, it prohibits any adverse punishments against whistleblowers. Those accused of wrongdoing or otherwise involved in a case will have sufficient opportunities to present their statements and defenses during the investigation. If the investigation confirms the presence of illegal or dishonest behavior, appropriate disciplinary action will be taken in accordance with relevant internal regulations. Furthermore, an assessment will be conducted to determine whether improvements to operational procedures or management systems are necessary. In cases where the reported allegations are substantiated by the dedicated committee, the details and outcomes of the investigation will be reported on a quarterly basis to the Board of Directors.

We provide various whistleblowing channels, including email, phone, and post, through which illegal and unethical or dishonest conduct may be reported, and reports can be made anonymously. Our website provides a reporting form for whistleblowers to submit reports as well as disclosing the protections and rewards available for whistleblowers. Through the whistleblowing mechanism, we aim to foster an ethical and transparent corporate culture. In 2023, Taiwan Life's whistleblowing channel received two reports, neither of which met the standards for accepting whistleblowing cases. Thus, they were not accepted in accordance with regulations and the whistleblowers were informed in a timely manner. Neither of the cases involved corruption, fraud, malpractice, or the provision of illegal donations.

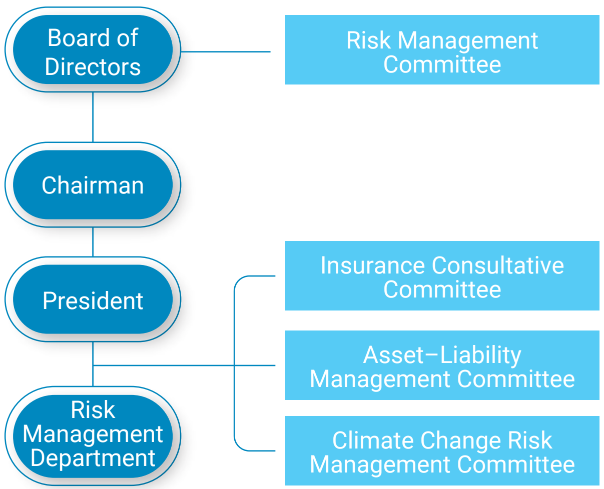
1.5 Risk Management

Management approach: Risk management

Policy/ commitment	Actions and results	Targets: Short term	Targets: Medium to long term	Corresponding SDG
Strengthened Own Risk and Solvency Assessment mechanism and management objectives	To ensure that the Company maintains a stable net worth and meets supervisory requirements on solvency, Taiwan Life continues to adjust its asset–liability management strategies in accordance with the measures to integrate with the two systems (IFRS 17 and New Insurance Solvency Standard) as discussed by the competent authorities. Improved asset–liability management strategies and mechanisms: 1. Product strategies and mechanisms: Optimized the product profit testing model and continued to promote security-type products with Contractual Service Margin (CSM), and expanded the sales of foreign currency products while at the same time developing investment products with low capital requirements. We also set CSM goals and regularly tracked CSM before product launch and after sales, and developed product launch indicators. 2. Investment strategies and mechanisms: Optimized the strategic asset allocation model to improve the matching and duration of asset–liability cash flows while balancing investment returns and risk capital in order to enhance capital utilization efficiency. An alignment indicator dashboard was also established to monitor and adjust the investments.	Optimize the Company's overall risk management mechanisms and strengthen risk management of subsidiaries/ joint ventures.	Continue to strengthen the links of Own Risk and Solvency Assessment mechanisms with business goals, investment and business plans, capital management, and risk management. Engage in risk identification when considering management strategies, investment, and business plans and the external market environment, and include the sources of risk into such considerations in order to improve the Company's risk appetite management.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

1.5.1 Risk Management Organization Structure

Risk Management Organization Structure



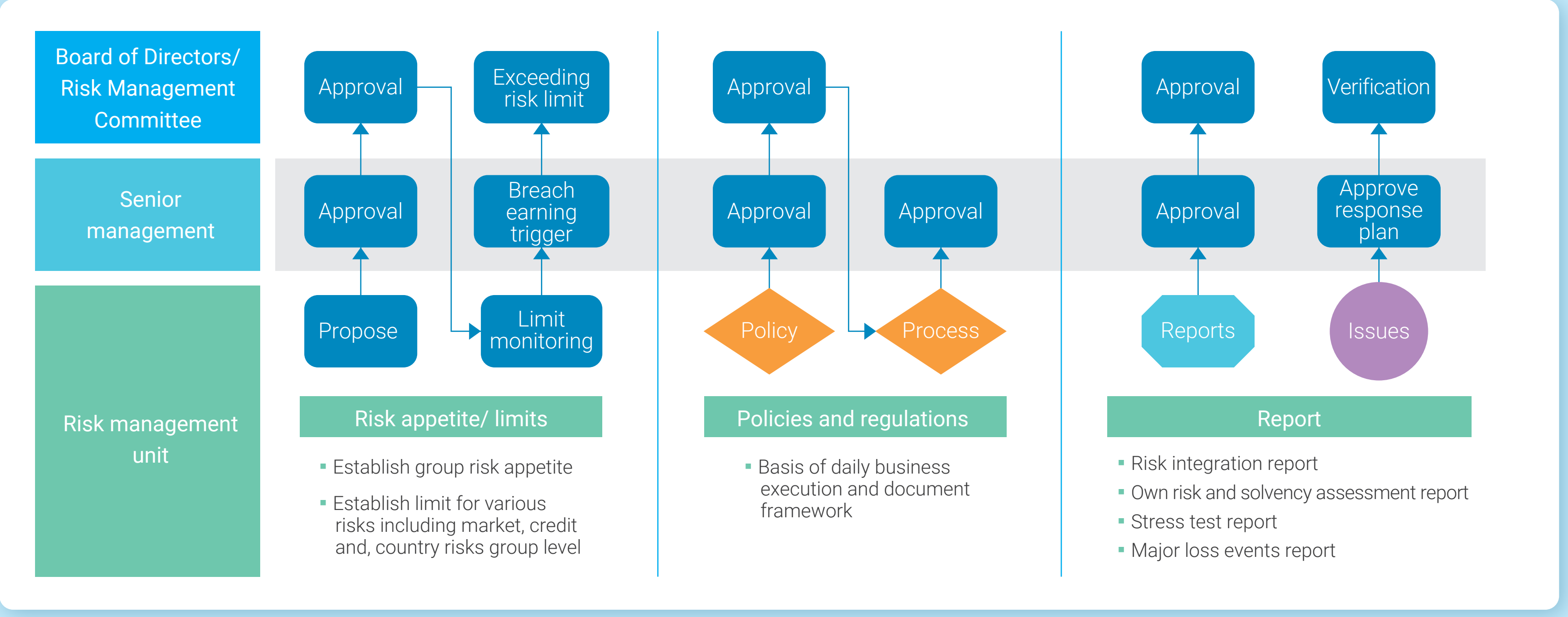
The Company's risk management organizational structure is jointly participated in, as well as promoted and implemented by, the Board of Directors, all levels of management, and employees.

1. The Board of Directors is the highest risk management decision-making unit of the Company. It recognizes various risks associated with the Company's operations, ensures the effectiveness of risk management, and takes the ultimate responsibility for overall risk management. To facilitate the Board of Directors' approval or oversight of various risk management issues, the Risk Management Committee is established to assist the Board of Directors in making final decisions.

2. Our Risk Management Department follows CTBC Holding's guiding principles of risk management as well as the approved risk management policy to maintain the independent management mechanism of the second line of defense. It is also in charge of the planning of the Company's risk management system as well as the monitoring of the implementation of the first line of defense and the effectiveness of the operation of the mechanism. In addition to reporting directly to its Board of Directors, the risk management unit of the subsidiary is also required to report to the Risk Management Department of Taiwan Life on a regular basis in order to facilitate the control of overall risk in a timely and effective manner.

Risk Management Operational Framework

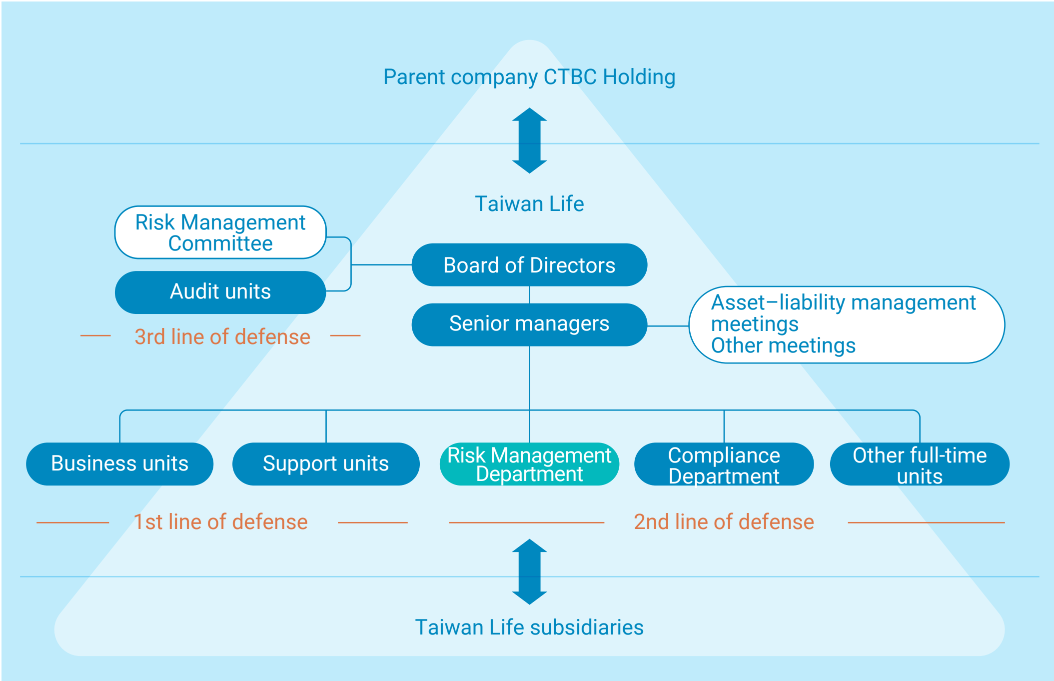
Based on the Company's business strategies and objectives, and considering business growth, risks, and rewards, the Risk Management Department assists in formulating the Company's overall risk appetite for the year and submits it to the Risk Management Committee for review and the Board of Directors for approval. In addition, based on the major risk characteristics and the Company's risk appetite, risk limits are set. The Risk Management Department is also responsible for the risk management system, covering market risk, credit risk, insurance risk, liquidity risk, asset–liability matching risk, and operational risk. Risk management policies, guidelines, and procedures are formulated to control various types of risks. The Risk Management Department monitors the risk limits and operating status of each business unit in accordance with the policies, establishes guidelines and procedures, and regularly reports the monitoring results to the Risk Management Committee.



Risk Management Policy

For the purpose of regulatory compliance and promoting the sound operation and development of the Company, in accordance with Risk Management Best Practice Principles for the Insurance Industry and CTBC Holding's Risk Governance Policy, we have formulated the Risk Governance Policy as the framework for the overall business risk management of the Company and its subsidiaries. The Company and its subsidiaries have established the policies for market risk, credit risk, insurance risk, asset–liability matching risk, and operational risk as the basis for daily risk management.

In line with the Risk Governance Policy, Taiwan Life's Risk Management Unit regularly prepares a Risk Integration Report and submits it to internal management as well as to CTBC Holding's Chief Risk Officer (with a copy to the Risk Management Department of CTBC Holding), thus ensuring that those at the decision-making levels can grasp relevant information in a timely manner and facilitating CTBC Holding to consolidate and monitor material risk-related information of the subsidiaries.



Three Lines of Defense in Risk Management

Risk management is a shared responsibility among all relevant units within the Company. Through full coordination across units, the three lines of defense mechanism for risk management is formed.

1 The first line of defense is composed of the business units and supporting units, which ensure that their business activities are in compliance with risk management regulations and that risk controls are put into practice in daily operations.

2 The second line of defense is composed of the Compliance Department, Risk Management Department, and other dedicated units, which are responsible for planning risk management systems and monitoring the implementation of the first line of defense as well as the effectiveness of risk management mechanisms.

3 The third line of defense is the audit unit, which is responsible for reviewing compliance with various risk management regulations and mechanisms. With these well-established risk defense lines, the Company and its subsidiaries are able to manage various operational risks effectively.

Group Risk Appetite Statement

Taiwan Life and its subsidiaries are expected to uphold the spirit of this risk appetite statement and establish quantitative or qualitative objectives for monitoring and reporting according to their business nature and management requirements to ensure that it is carried out in daily operations.

1.Taiwan Life and its subsidiaries shall undertake risks that are identifiable and manageable in line with the corporate sustainability strategy.

In terms of risk decision-making and risk taking, changes in the political and economic environment must be clearly understood, and all risks must be carefully considered from the Company's overall perspective. In balancing risk and reward, various potential risks and their influence on capital requirements and capital allocation shall be objectively evaluated.

2.Taiwan Life and its subsidiaries shall undertake various types of risk in a prudent and reasonable manner, and shall not conduct business activities that undermine the value or image of the Company.

1.The Company shall maintain a balanced asset–liability structure and shall not be overly exposed to high risk or single target.
2.The Company shall avoid price-cutting competition or predatory loans and shall carry out prudent product pricing strategy and target customer selection to avoid systemic risk or pro-cyclical phenomena.
3.The Company shall prudently evaluate the business undertaken, and the enterprises or industries it deals with, in order to avoid potential negative impacts on the environment and society, and follow the following principles:

(1) For enterprises or industries that are highly sensitive to environmental or climate change risks (including but not limited to carbon-intensive, high natural resource or energy consumption, high pollution, and non-compliance with environmental regulations industries), it is advisable to reduce the exposure or decline to undertake the business if the related risk cannot be controlled or managed after careful assessment.

(2) Business involving pornography, violence, illegal organizations, or terrorist activity that affects social and public safety is prohibited. No assistance will be provided to customers engaging in illegal, extra-legal, fraudulent, whitewashing, tax-evasion, or money-laundering transactions. Controversial business that may violate human rights (including labor rights) shall be avoided, and careful consideration shall be given to business related to politics and military affairs. For customers planning to engage in related party transactions or unconventional arrangements, whether they are reasonable and legal shall be examined.

1.5.2 Conventional Risk Management

Market risk

This refers to the risk that the value of an asset may change during a certain period due to changes in market prices, resulting in a potential loss of the asset. The Company has formulated a market risk management policy and regularly measures, monitors, and reports on market risk factors in terms of value at risk, sensitivity analysis, and scenario analysis.

Credit risk

This refers to the risk that the debtor's creditworthiness is downgraded or the debtor is unable to repay, or that the counterparty fails or refuses to fulfill its obligations. The Company has established a credit risk management policy for financial transactions as well as a credit risk management policy for lending, which set forth the workflow for the credit assessment before the transaction and post-transaction risk monitoring. The Company has set credit risk limits to facilitate the oversight and consistently reviews its credit risk exposure to ensure the exposure is within the Company's credit risk limits.

Liquidity risk

This refers to not having sufficient cash or liquid assets to meet cash outlays. In order to maintain sufficient liquidity, liquidity assessments are conducted under various scenarios to ensure the effectiveness and timeliness of liquidity risk management.

Operational risk

This refers to the risk of direct or indirect loss caused by malpractice or the failure of internal processes, personnel, or systems or by external events. The Company has formulated an operational risk management policy and utilizes three control tools, namely operational risk data collection, risk and control self-assessments, and key risk indicators, to monitor potential operational risks.

Business continuity management

- When a disaster occurs, Taiwan Life strives to minimize damages to ensure personnel safety, customer rights and interests, and the preservation of the Company's goodwill and assets.
- In order to ensure that important services can continue to operate when an incident, facility failure, or damage occurs to business or information services, the Company regularly revises its business continuity management standards and implement them in practice in order to continuously improve and provide uninterrupted customer service.
- To demonstrate our determination to implement business continuity management, Taiwan Life has obtained BSI certification and passed the ISO 22301:2019 Business Continuity Management certification review.

Asset–liability matching risk

This refers to the risk of financial loss resulting from inconsistent changes in the value of assets and liabilities. The Company has established an asset–liability matching risk management policy and regularly monitors the mismatch of assets and liabilities. If there is any irregularity, it will be reported to senior management immediately and the responsible business unit will be notified and requested to submit the rectification plan.

Insurance risk

The mechanisms for managing insurance risk related to product design and pricing, underwriting, reinsurance, catastrophe, claims, and reserve risks are as follows:

- Risk management of product design and pricing
  "Product design and pricing risk" refers to the risk arising from inappropriate, inconsistent or unexpected changes in product design, terms and conditions, and pricing references. In order to ensure effective risk control before and after the sale of products, the Company has established pre-sale insurance product design procedures to ensure compliance with relevant laws and regulations and strengthen the internal control of insurance products. Based on the type and characteristics of the product, the risk is measured by means of profit testing or sensitivity analysis, and at the same time, the Company and its signatory officers are responsible for the review of insurance products. After the product is sold, an insurance product management meeting is held every six months, and the relevant department submits a post-sale review report.
- Underwriting risk management
  "Underwriting risk" refers to the risk of unexpected loss arising from an insurance company's execution of insurance business solicitation, underwriting business review, and related expenses. The Company has established underwriting processing system and procedures, and has formulated underwriting-related operation manual to control underwriting risks.
- Reinsurance risk management
  "Reinsurance risk" refers to the risk of being not able to arrange appropriate reinsurance when undertaking the risk exposure exceeding the limit in the reinsurance business, or the risk that premiums, indemnities, or other expenses are not amortized given the inability of reinsurers to meet their obligations. The Company has a reinsurance risk management program, covering retention risk management, ceded reinsurance risk management, and assumed reinsurance risk management. The amount of retention is assessed based on the risk characteristics and the Company's risk-taking capacity. The reinsurers are selected in accordance with the reinsurer selection criteria and decision-making process. We also regularly monitor the credit rating of reinsurers and related information after the completion of reinsurance arrangements to avoid the risk of default by reinsurers.
- Catastrophe risk management
  "Catastrophe risk" refers to the occurrence of accidents and losses that are significant to cause losses for multiple units in a single or cross-risk categories, and that the total amount of losses caused may affect the Company's credit rating or solvency. The Company measures and manages catastrophe risk by assessing the amount of loss that may be incurred if it occurs again through the catastrophe loss records.
- Claims risk management
  "Claims risk" refers to the risks arising from improper operation or negligence of the Company in the process of handling claims. The Company has established appropriate claims-handling procedures to mitigate the risk arising from improper operation or negligence in the process of handling claims.
- Reserve-related risk management
  "Reserve-related risk" refers to the risk of underestimating the liabilities for the insurance business, resulting in insufficient provision of various reserves to meet future obligations. The Company regularly conducts the adequacy analysis of reserves to reduce the risk that various reserves are not sufficient to meet future obligations.

Information security and personal data risks

Based on risks detailed in the World Economic Forum's Global Risk Report, the Company continues to view technological risks such as cyberattacks, data fraud or theft, and damage to critical information infrastructure as high-risk threats. After reviewing the impacts of these information security risks on the Company's finance and business as well as response measures, we have set relevant risks as key risk indicators and protect against them through various specific information security plans. As a result, no major information security incidents or information security incidents causing losses have occurred.

1.5.3 Emerging Risk Management

In the face of global changes in the business environment and development trends, the establishment of emerging risk identification and management procedures will help the Company identify potential risks as soon as possible and ensure that relevant units have developed control mechanisms to achieve the goal of sustainable corporate governance.

Emerging Risk Identification Process

The Company conducts emerging risk identification every year to evaluate risk factors that could have material impacts on the Company's corporate image, business development, operating management, financial performance, and legal compliance over the long term. Emerging risks encompass two categories: those that are entirely new and have not been encountered before, and those that have been known but their occurrence methods or forms are unpredictable due to constantly changing risk factors caused by overall environmental changes. As a result, the impacts of these risks are inherently unpredictable. In the face of global changes in the business environment and development trends, the establishment of emerging risk identification and management procedures will help the Company identify potential risks as soon as possible and ensure that relevant units have developed control mechanisms to achieve the goal of sustainable corporate governance.

Step 1 Initiate emerging risk identification

The group referenced the annual risk reports and peer review results of credible external organizations, including the World Economic Forum's Global Risk Report 2024 and AXA's Future Risk Report 2022, to identify two necessary emerging risk factors in 2024 for use as a basis for risk assessment.

Step 2 Conduct emerging risk assessment

The risk management unit summarizes the identification results of emerging risks, convenes relevant units to evaluate the probability and impact of various risks, and formulates control measures.

Step 3 Report to CTBC Holding for consolidation

The Company submits the identification results to its President for approval and reports back to CTBC Holding to consolidate the emerging risks faced by the group.

Emerging Risk Identification Results

Risk factor	Risk identification/description		Impact on business operations	Key control mechanism factors (mitigation measures/strategies)
Consumer behavior changes	▪ According to McKinsey research, the revenue of the financial technology (fintech) industry is projected to grow three times faster than that of the traditional financial industry by 2028. ▪ The rapid development of fintech will also have a significant impact on consumer behavior, including changes in payment methods and a decline in physical consumption, resulting in the devaluation of traditional brick-and-mortar stores.	Digital fraud risks Risks such as applying for contract termination or loans online under false pretenses, personal data leaks, etc.	The use of digital platform functions and the resulting instances of fraud, personal data leaks, and improper use will lead to customer complaints and disputes and bring compensation costs and other consequences, which may affect the Company's profits. Customer satisfaction and the trust of the general public will also be reduced, and the Company may be subject to penalties from the competent authority or perform worse in its TCF evaluation results.	Currently, the following control mechanisms are planned for online modification functions involving cash flows: 1. Dual ID verification mechanism for member registration. 2. Identity verification on a transaction-by-transaction basis. 3. Automatic remitting of funds to the policyholder's personal account. 4. The insured must be the same person and must be an adult.
		Deploying new technologies to change customer usage habits For instance, the group's cross-organization identity verification mechanism may result in data use-related or operational risks arising from cooperation with third parties	The increase in the application of new technologies may increase data use-related risks, and may also increase the number of customers denying transactions, triggering customer complaints or regulatory inquiries or penalties.	1. Stipulate terms such as personal data protection and information security in contracts between parties. 2. Increase control measures such as phone-based interviews.
Disinformation and fraud	▪ Disinformation refers to the spreading of false or misleading information for specific purposes, such as political or economic gain. Such false information can also endanger the public interest. ▪ By 2030, the market size of generative AI will exceed US$100 billion, and it will grow at an average annual rate of 35%. This will increase the threat of disinformation and fraud, such as attempts to gain illegal benefits through spoofing or fraud, in turn jeopardizing operations.		Employees may fall victim to business email compromise or and AI-based spoofing scams and perform transactions resulting in financial losses and a negative impact on the parent company's stock price.	Conduct regular social engineering drills, provide education and training on information security and personal data protection, and deepen employees' understanding of the importance of safeguarding customer privacy. Develop and implement anti-fraud measures from the customer's perspective. Act promptly to report and remove spoof websites and apps that imitate Taiwan Life's domain names and trademarks. Establish a collaborative defense mechanism with the Criminal Investigation Bureau, the Ministry of Justice's Investigation Bureau, the Financial Information Sharing and Analysis Center (F-ISAC), and the Financial Security Operation Center (F-SOC) to promptly investigate and prevent the spread of disinformation.

1.5.4 Internal Controls and Audits

1. Internal Control System

In order to strengthen its internal control system, Taiwan Life evaluated its management supervision and control culture, risk identification and evaluation, control operation and management, information and communication, and supervision activities and corrective measures. Based on the results, it established three lines of defense for its internal controls, namely a self-assessment system, a compliance system and risk management mechanism, and an internal audit system. In addition, to encourage staff to proactively promote the three lines of defense, we take the internal control system, information security, and compliance system into account when conducting annual employee performance evaluations.

2.Internal Audit System

We have established an internal audit system in accordance with the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises. We have also set up an independent internal audit unit directly under the Board of Directors to assist the Board and management in evaluating the effectiveness of the internal control system and to provide timely improvement recommendations. The internal audit unit conducts a routine audit on the business operation and compliance system implementation for each unit at least once a year, and conducts ad hoc audits as needed. Audit deficiencies are constantly tracked and reviewed, with follow-up reports submitted to the Board of Directors for oversight. Furthermore, the Board regularly reviews internal control deficiencies and discusses related action plans with the internal audit unit.

1.6 Information Security

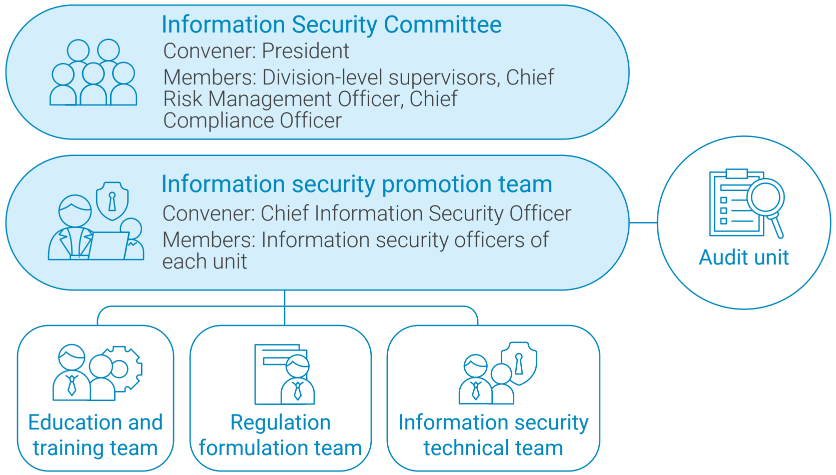
Management approach: Information security and personal data protection

Policy/ commitment	Actions and results	Targets		Corresponding SDG
		Short term	Medium to long term	
In terms of information security protection, we attach great importance primarily to prevention and response measures. We work to construct a comprehensive information security system accordingly by addressing five key areas: information security governance, information security defense, monitoring and response measures, information gathering and joint defense, and personal data protection.	**Information security governance:** Hired a team of expert consultants with a background in information security to provide information security consulting services, and have conducted information security education and training courses for the Board of Directors (Zero Trust Network Deployment and Cloud Application Trends) as well as engaged a third-party verification company to assess the maturity of our information security governance.	Improve the Board's understanding of the information security situation and continue to improve the maturity of information security governance.	Adhere to the FSC's Financial Cyber Security Action Plan 2.0 and enhance the supervisory role of management in information security.	8 DECENT WORK AND ECONOMIC GROWTH
	Information security defense: Completed the deployment of risk vulnerability management platforms, extended detection and response technologies, and conduct red-blue team exercises to simulate real hacking techniques and examine blind spots in information security deployments.	Expand the deployment of extended detection and response technology, continue to increase the intensity of team-based simulation drills, and enhance information security defense.	Use emerging financial technologies and active defense technologies to promote the automation of information security protection so as to block new types of information security attacks.	8 DECENT WORK AND ECONOMIC GROWTH
	Monitoring and response: Established an information security dashboard and configured benchmarks of the financial security monitoring center to improve the immediacy and effectiveness of the information security incident monitoring correlation analysis to enhance the efficiency of collaborative operations.	Strengthen user behavior analysis and automated information security incident response mechanisms to monitor abnormal access behaviors and quickly minimize damages from attacks.	Improve risk management of the supply chain and third-party service providers, and strictly monitor partner suppliers.	8 DECENT WORK AND ECONOMIC GROWTH
	Information gathering and joint defense: Joined the Financial Security Operation Center (F-SOC) and the Financial Information Sharing and Analysis Center (F-ISAC) to share information via F-SOC and enhance the professional capabilities of information security personnel. In the event of an information security incident, the Company can achieve timely analysis and feedback on information security information to strengthen cross-institution coordination and response capabilities.	Establish a virtual command and response system for major information security incidents, and strengthen information security incident supervision and command, cross-agency coordination and communication, and support response capabilities	Use smart and forward-looking technologies to extract and summarize data, and use automated and intelligent mechanisms to improve data analysis capabilities.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Personal data protection: Continued promoting the integration of information security and personal data management, becoming the first life insurance company whose headquarters has received ISO 27701 Privacy Information Management certification to ensure customer privacy security while also enhancing the maturity of information security governance.	Achieve companywide dual certification in personal information protection management systems to protect the privacy of customers' personal information.	Strengthen the security over core IT system and promote offsite or cloud-based data storage based on the principles of "cryptographic splitting" and "cross-region backup."	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

1.6.1 Information Security Governance

The Board has passed an Information Security Policy and an Information Security Committee has been established, with the President as the convener and division-level supervisors under the President, Chief Risk Management Officer, and Chief Compliance Officer as committee members; the Chief Auditor is also invited to attend. The Chief Information Security Officer, who is directly under the President, is responsible for managing the Information Security Department, which is an independent department responsible for information security governance, information security system maintenance, and information security incident response. The key risk indicators of high-risk information security incidents are also reported to the Board of Directors on a monthly basis in the Risk Management Department's Risk Integration Report, and overall performance is reported to the Board of Directors annually. To maximize the synergy of the group's information security governance and management, Taiwan Life's Chief Information Security Officer holds weekly information security supervisor meetings with CTBC Holding (a total of 43 information security meetings were held in 2023), and actively responds to the FSC's promotion of the Financial Cyber Security Action Plan and Emphasis on Information Security Supervision in the Insurance Industry". We have continued to improve our information security maturity and governance, with our rating from SGS, an impartial third-party agency, increasing from 4.0 out of 5 in 2022 to 4.23 in 2023.

Information Security Committee



1.6.2 Information Security Defense

By referencing the National Institute of Standards and Technology's Cybersecurity Framework (NIST CSF), our defense-in-depth (DiD) technology mechanisms have been designed and planned from identification, detection, response, to recovery. In order to understand risks and responses in a more timely manner, technologies such as extended detection and response and third-party automated assessment have been introduced, and in accordance with international standards such as ISO 27001, ISO 27701, ISO 22301, and BS 10012, we have used proper information security and personal data protection mechanisms to detect and block threats from networks, application systems, hardware, operating systems, and data, while strengthening key risk defense engineering. In addition, we simulate real hacking techniques through automated attack and defense drills and team-based simulation drills to verify the effectiveness of information security protection.

We are continuing to expand our investment to enhance our overall information security. We increased information security expenditure by approximately 58% in 2023 from the previous year, with 4% of the total Information Department budget going to information security. The number of staff dedicated to information security in 2023 also increased 8% from the previous year. In 2023, there were no incidents of information leaks, theft, or loss of customer information reported to the competent authorities by Taiwan Life.

International Information Security Standards

Company	Standard	Certification scope
Taiwan Life	ISO 27001:2013 Information Security Management System	All departments of the head office, including all system development, operation and maintenance, network management, computer room, information supporting activities, and other businesses.
	ISO 27701:2019 Privacy Information Management System	
	BS 10012:2017 Personal Information Management System	Entire organization, including all departments of the head office, all branches, regional centers, and correspondence offices
CTBC Insurance	ISO 27001:2013 Information Security Management System	The information unit and information and business related to the Digital Finance Department, such as our corporate website, internal core systems, and external service systems, including the development, operation and maintenance of online insurance, computer room management, network infrastructure, and related information-processing support activities
	BS 10012:2017 Personal Information Management System	Entire Company, including branches, correspondence offices, and service centers and covering personal information protection and related information operations throughout the organization

Monitoring and Response

A 24/7 information security incident monitoring system has been built. We analyze and investigate various information security incidents through the integrative information security management platform and use the information security monitoring configuration benchmarks of F-SOC and vulnerability and information management platform to automatically follow-up and manage vulnerabilities and collect information, thereby improving the immediacy and effectiveness of the information security incident monitoring correlation analysis to enhance the efficiency of collaborative operations. We also conduct off-site backup drills, including external service systems in the scope of the exercises, and perform emergency responses for personal data breaches, cybersecurity incident reporting and response, distributed denial-of-service (DDoS) attack drills, to enhance defensive capabilities and response abilities, and strengthen cybersecurity resilience.

Information Gathering and Joint Defense

We joined the F-SOC and F-ISAC to share information via F-SOC and enhance the professional capabilities of information security personnel. In the event of an information security incident, the Company can achieve timely analysis and feedback on information security information to strengthen cross-institution coordination and response capabilities. In the case of an information security incident, the handling and reporting of such will follow the Company's standardized procedures.

1.6.3 Information Security Training

By developing a learning map for financial information security talent, employees can gradually strengthen their core functions according to their professional fields and functional maps, and the Company can cultivate information security talents that meet its needs. In 2023, 12 information security specialists obtained a total of 26 international information security licenses. The ratio of information security licenses to the Company's total assets is 1.180%. For general employees, we also regularly conduct social engineering drills as well as personal information and information security advocacy to strengthen employees' awareness.

Information Security Training

Target	Course	Course hours	Participants	Format
Specialized information security personnel	Information Security Training Course	38 (The average number of hours completed is higher than the mandatory 15 hours as stipulated by law)	12	Online and in-person
General staff	Information Security Training Course	3	9,919	Online
General staff	Personal Data Protection Act	0.5	9,968	Online

1.6.4 Personal Data Protection

The Company has complied with the ISO 27001:2013 Information Security Management System, ISO 27701:2019 Privacy Information Management System, BS 10012:2017 Personal Data Management System, and ISO 22301:2019 Business Continuity Management System, and has adopted frameworks including strategy, governance, maintenance, and technology to construct an information security and personal data management methodology. By incorporating control measures into the five stages of information system, namely requirement discussion, system analysis and design, development and construction, system testing, and system launch, we have enhanced the quality of software security as well as ensured that rigorous protective measures are implemented throughout operating processes, ranging from personal data collection, storage, processing, transmission, to deletion. An Information Security Policy and Personal Data Management Policy have also been established to protect various operating information and protect the rights and interests of customers. In addition, Personal Information Security Guidelines, the Statement on Personal Data Protection, and the Commitment to Information Confidentiality are also in place to ensure that rigorous protection measures are implemented in the collection, processing, and use of customer information. To strictly protect customer personal data, the information system platform displays only the minimum amount of data required for business, thereby reducing the risk of exposure. A separate Emergency Response Plan for Personal Data Breaches has also been formulated to ensure compliance in the event of a personal data infringement incident. We also continuously carry out information security and personal data protection education, training, and advocacy to improve personnel capabilities and strengthen the awareness for information security and personal data protection.

The Information Security Department oversees the two major tasks of information security management and personal data management. It has established information security and personal data management methodologies, continues to promote the integration of information security and personal data management, and leads the industry in expanding the verification scope of ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System certification to the head office in 2023. Not only does the department build a comprehensive personal data management system, but it also ensures the security of customer privacy by implementing various mechanisms, such as the following:

1. Develop a Personal Data Management Policy and related measures, and disclose the Privacy Protection Policy and Disclaimer on Personal Data Use on our corporate website to reveal personal data protection objectives.

2. Regularly hold personal data management review meetings to report on issues such as improvements on stakeholders and personal data protection technologies, and set up dedicated points of contact for information security and personal data protection in each department to regularly review department-specific business processes, risk assessments and personal data inventory in order to understand the flow of personal data and the implementation of protection measures.

3. Construct a secure software development life cycle (SSDLC) and personal data trace retention mechanism to instill a security-first approach in the information system development process in order to improve software security quality, and formulate various control measures throughout the life cycle of personal data.

4. Regularly hold companywide personal data education and training and personal data protection advocacy to enhance the concept of personal data privacy and security management. Organize practice drills by simulating situations that may occur in the domestic and foreign life insurance industry and integrating them with information security and personal data file infringement incident to improve personnel responsiveness.

1.7 Legal Compliance

Management approach: Legal compliance

Policy/ commitment	Actions and results for 2023	Targets		Corresponding SDG
		Short term	Medium to long term	
1.We ensure that operations are conducted in compliance with regulations as well as Company policies and principles. 2.We reduce compliance risks and build a corporate culture of compliance to enhance customer trust. 3.We conduct self-assessments of our legal compliance and the effectiveness of legal compliance enforcement in order to enhance the effectiveness of legal compliance management.	1.The Compliance Department immediately conveys changes in external regulations to the relevant departments and tracks the situation on a monthly basis to ensure that operations are in compliance with the law. 2.Based on the optimized risk themes in the annual compliance risk assessment report, Taiwan Life effectively monitors business items or units with high legal compliance risk and has submitted the 2023 compliance risk assessment report to the competent authorities. 3.We provided relevant education, training, and advocacy on legal compliance and AML/CFT compliance for different target audiences. 4.The Compliance Department conducts compliance self-evaluations half-annually to ensure that all businesses and operations comply with the regulatory requirements.	1.Establish a rigorous mechanism for conveying and reviewing new information about the law and regulations. 2.Implement legal compliance, AML/CFT education and training, and strengthen the compliance duties of front-line personnel in internal control operations. 3.Optimize the self-assessments of legal compliance and of the effectiveness of the legal compliance enforcement mechanism in order to enhance the management efficiency of the Compliance Department.	1.Build a sound risk assessment mechanism for compliance-related risks, conduct annual compliance risk assessments, and effectively improve compliance risk monitoring in response to the trend toward increasingly stringent financial supervision. 2.Conduct continual legal compliance and AML/CFT education and training, and strengthen the awareness of compliance of all employees 3.Promote the systematization of compliance management.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Taiwan Life continues to enhance its compliance system and relevant measures, and conducts compliance self-evaluations half-annually to ensure that all business and operations comply with the regulatory requirements. We have formulated Compliance Risk Assessment and Reporting Guidelines and have completed the Compliance Risk Assessment Report before the end of April in each year in accordance with the regulations. The assessment results and optimization measures are reported to the Board of Directors. Each unit is required to comply with external laws and regulations when conducting business. If there is any violation, the Compliance Department is responsible for supervising each unit to analyze the reasons for the deficiency, evaluate the potential impact, and put forward improvement plans. The Chief Compliance Officer also reports to the Board of Directors and the Audit Committee half-annually, so that the Board of Directors and relevant senior management are informed of the implementation status of legal compliance matters. In addition to meeting the regulatory requirements at the time of appointment, the Chief Compliance Officer, Compliance Department personnel, and the compliance officers of each business units also receive over 15 or 20 hours of on-the-job training every year.

AML/CFT Compliance

In accordance with the Money Laundering Control Act, Counter-Terrorism Financing Act, and Regulations Governing Anti-Money Laundering of Financial Institutions, Taiwan Life has formulated relevant internal policies and guidelines to improve its AML/CFT systems. The Company also actively promotes related education and training. Senior managers are required to attend the training every year, and Taiwan Life requires all employees to regularly attend AML courses. Moreover, we have established an AML/CFT Committee, which is chaired by the President, with the division-level supervisors of relevant units serving as members. The committee holds meeting once every quarter. Four regular meetings and one ad hoc meeting were held in 2023 to ensure that the risks associated with AML/CFT were well-controlled and the implementation AML/CFT mechanisms were implemented.

2.1 Climate Change Response (TCFD)

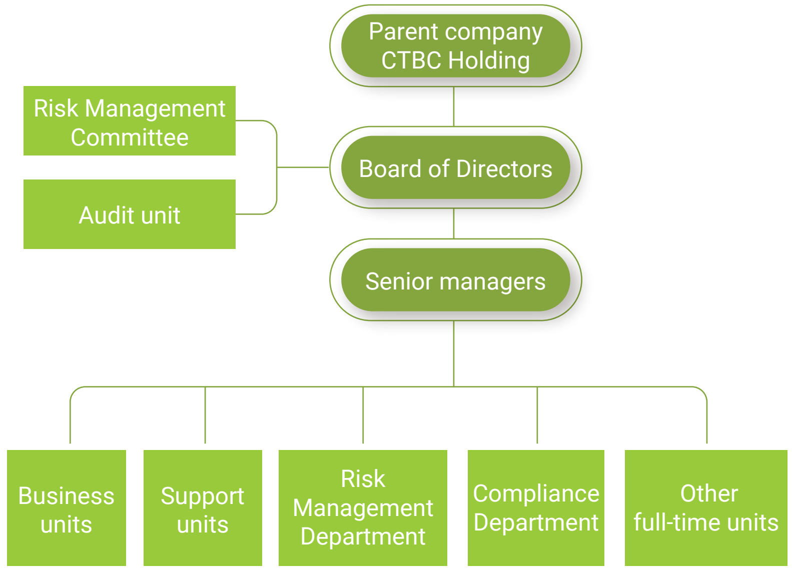
Management approach: Climate change

Policy/ commitment	Actions and results	Targets		Corresponding SDG
		Short term	Medium to long term	
Continue to strengthen and promote the Company's climate risk management.	▪ Stress test scenario analysis for climate change risk.	▪ Formulate management approaches for investment and finance emissions.	▪ Increase contribution ratio of green finance products and services. ▪ Continue to promote ESG and low-carbon products.	13 CLIMATE ACTION

2.1.1 Disclosures on Climate Change Risk

Climate Governance

The Company has formulated a governance mechanism for risks and opportunities related to climate change in accordance with the Guidelines for Climate-related Financial Disclosures for the Insurance Industry promulgated by the competent authority. The Board of Directors bears the ultimate responsibility for managing climate-related risks. The Company has included the management status of climate-related risks in its Risk Integration Report, which is submitted to the Board of Directors. Furthermore, the Company has established a Risk Management Committee under the Board of Directors. The committee is in charge of reviewing, establishing, and approving matters related to risk management. Matters related to the management framework and policy of climate-related risks and opportunities as well as climate-related risk appetite and other relevant matters all need to be submitted to the Risk Management Committee and then the Board of Directors for review. Moreover, in line with the aforementioned policy, the Company has established a Climate Change Risk Management Committee under the supervision of the President as well as formulated the committee's charter. The committee convenes quarterly meetings. Its purpose is to compile and integrate the reports, suggestions, and decisions on issues related to climate risks from the Company and subsidiaries in order to assist management to fully realize its supervisory functions and ensure compliance. In addition, the risk management unit regularly reports climate risk-related issues to the Board of Directors. Issues are all reported in senior management meetings prior to being reported to the Board. The Company's climate governance is implemented through the three-tier management structure consisting of the Board of Directors, the Risk Management Committee, and the senior management meeting, as well as the three lines of defense of climate governance.



Climate Strategy

CTBC Holding's Board of Directors has incorporated the goal of net-zero emissions by 2050 into the group's long-term sustainable development roadmap. As one of its major subsidiaries, Taiwan Life supports this goal. We proactively identify and evaluate short-, medium-, and long-term climate risk factors and opportunities, integrating them into our relevant businesses, products, and investments. By conducting scenario analyses, we can seize strategic business development opportunities.

1.

According to Responsible Investment Regulations, the Company is required to take ESG risks into consideration when determining investment and financing asset allocations in order to reduce profit fluctuations in the overall investment/loan portfolio, in turn also reducing related risks. Therefore, prior to engaging in investment and financing activities, all units are required to assess whether a business or counterparty is associated with significant environmental issues (such as climate change and biodiversity), substantial social concerns, or major governance concerns that could significantly impact corporate value. This evaluation process specifically identifies oil sands and coal mining as carbon-intensive industries, as well as coal-fueled thermal power generation, which are regarded as industries with significant environmental concerns. Accordingly, the investment unit must review and limit our involvement in these industries in accordance with relevant regulations. Alternatively, any involvement in relevant businesses should only commence after a thorough evaluation has confirmed that the project aligns with sustainability criteria.

2.

The Company uses CTBC Holding's list of carbon-intensive industries to determine whether an investment target operates in a carbon-intensive industry. In such cases, the Company will adjust the credit limit accordingly, utilizing the latest carbon footprint data (carbon emissions generated per unit of revenue) as announced by Reuters for reference. If an investment target demonstrates a consistent improvement in its carbon footprint over three consecutive years, the Company may consider increasing its credit limit. Conversely, if actual conditions warrant, the Company reserves the right to decrease the credit limit. Through these measures, we aim to ensure that our operations are aligned with our net-zero emissions goal while actively managing climate risks and seeking out sustainable growth opportunities.

▪ Risk Management

In 2020, Taiwan Life's Board of Directors approved the Sustainable Insurance Policy, which stipulates that insurance operations should take into account ESG-related issues, including climate risks and opportunities. In 2021, in accordance with Risk Management Best Practice Principles for the Insurance Industry and CTBC Holding's Risk Governance Policy, we integrated climate change risk management principles into Taiwan Life's Risk Management Core Strategy, Financial Transaction Credit Risk Management Policy, Operational Risk Management Policy, and Loan Credit Risk Management Policy as the framework for the overall business risk management of the Company and its subsidiaries, as well as amended the Responsible Investment Policy and Responsible Investment Regulations.

Risk Management Procedures

- **Risk identification**: Risk factors; Climate risk transmission pathways; Company business
- **Risk measurement**: Transition risks (Risk exposure to carbon-intensive industries; Financed emissions); Physical risks (Risk factor exposures); Climate scenario analysis
- **Risk management and response**: Regularly monitoring indicators; Included in internal control standards; Formulate response measures

▪ The group's Climate Risk Appetite Statement

For enterprises or industries that are highly sensitive to environmental or climate change risks (including but not limited to high carbon emissions, high natural resource or energy consumption, high pollution, and non-compliance with environmental standards), if such risks are difficult to control after careful assessment, it is advisable to reduce involvement or to avoid engaging in relevant businesses. (For example, tobacco production, business involved in deforestation, oil sands mining and sales, or coal burning, coal mining, or fossil fuel power generation.)

Climate Risk Identification

Climate-related risk factor categories can be divided into: (1) transition risks, which arise from the transition to a low-carbon economy; and (2) physical risks, which are caused by climate change or extreme weather.

The Company has identified climate risk factors and assessed the impact of various climate risk factors on the Company's businesses. The assessment results are divided into own operations, insurance business, and investment and financing as follows:

1 Business operations

Asset repairs, equipment replacement, etc. caused by physical risks in self-owned operational sites, resulting in financial losses.

2 Insurance business

Extreme climate scenarios may cause an increase in mortality or the incidence of diseases (such as heat stroke), resulting in possible losses from increased benefit payouts for hospitalization.

3 Investment and loans

- The increase of risks or costs of issuing companies of bonds and equity targets as an impact of transformation policy could increase the volatility of investment target evaluations.
- Physical risks such as flooding or drought may cause the value of the real estate investment target or collateral to decrease.

Climate risks

Transition risk
- Policy and legal
- Technology
- Market

Physical risk

Acute
- Floodings
- Drought

Chronic
- Rising average temperature
- Rising sea level

Climate risk transmission pathways

Enterprise
- Increased compliance fees
- Asset values either fall or become stranded assets
- Profitability declines

Individuals
- Household income declines
- Damage or depreciation in value of real estate assets

Physical economy
- Energy price changes
- Changes in economic growth trends
- Labor market changes, migration

The Company's businesses

Credit extension
- Institutions' credit with/without guarantee
- Personal credit with/without guarantee

Investment
- Equity investments
- Bond investments
- Real estate

Insurance
- Life insurance
- Property insurance

Business operations

Traditional financial industry risks

Credit risk
- Institutional and individual default rates
- Collateral recovery rate

Market risk/Investment risk
- Asset revaluation

Insurance risks
- Life insurance claims losses
- Property insurance claims losses

Operational risk
- Disruption of operations
- Asset repairs

Other risks including liquidity risk, reputation risk, etc.

▪ Transition Risk

Risk Factor	Description	Impact Description	Risk Item Code	
			Business category - Investments and financing	Business category - Business operations
Policy and legal	Increased carbon emissions costs	Carbon tariffs or carbon pricing may lead to increased operating costs for target investment/financing companies, especially those in carbon-intensive industries.	①	
Policy and legal	Increased sustainability-related regulations	Stakeholders' requirements (e.g., regulatory authorities, investors, supply chains) for corporate sustainability may increase, making the compliance and management requirements of target investment/financing companies even more important. To fulfill the expectations of internal and external stakeholders, including supervisory bodies and investors, we may need to increase our green energy purchasing rate or set up renewable energy generation facilities to achieve net-zero emissions, potentially leading to increased operating costs.	②	③
Technology	Increased expenditure on transition costs	Investment and financing targets carrying out low-carbon transition, such as with renewable energies, electric vehicles, smart grid, and other technological developments, may face risks associated with technological immaturity or inadequate cost control.	④	
Market	Decrease in carbon-intensive products	Consumer preference for businesses or products that are actively transitioning or better at mitigating climate change may lead to declining demand for traditional carbon-intensive products.	⑤	
Reputation	Increased negative feedback from stakeholders	External stakeholders give negative ratings to the Company for not actively engaging in transition, which is detrimental to the Company's image and market position.	⑥	
Reputation	Climate-related litigation	Citizen groups or environmental organizations file climate lawsuits against the Company, demanding responsibility for climate commitments and the environmental costs associated with climate change.	⑦	

▪ Physical Risk

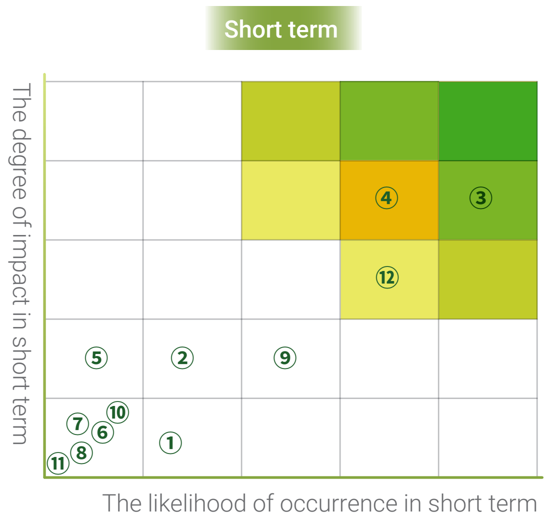
Risk factor	Description	Impact Descriptions	Risk Item Code	
			Business category - Investments and financing	Business category - Own operations
Acute	Increased flooding	The increasing frequency and severity of flooding due to climate change may lead to business interruptions and the devaluation of real estate collateral. The increased frequency and severity of flooding may cause interruptions to business operations and damage to assets and equipment. Climate change has exacerbated the frequency and severity of floods, resulting in an increase in risks associated with typhoon and flood claims.	⑧	⑨
Acute	Increased drought	The increasing frequency of drought due to climate change may interrupt the operations of investment and financing target companies or increase the cost of water (or water purchases) and electricity consumption.	⑩	
Chronic	Rising average temperature	The rise in average temperature may lead to an increase in air-conditioning consumption or a decrease in productivity, leading to an increase in operating costs such as electricity bills or a decrease in revenue for investment and financing targets. The rise in average temperature leads to an increase in air-conditioning power consumption or a decrease in productivity, leading to an increase in operating costs such as electricity bills or a decrease in revenue for investment and financing targets as well as for our own operations.	⑪	⑫

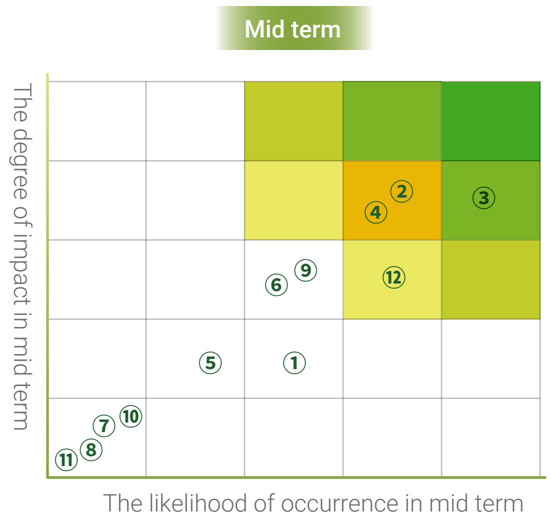
▪ Ranking the Materiality of Climate-related Risk Factors

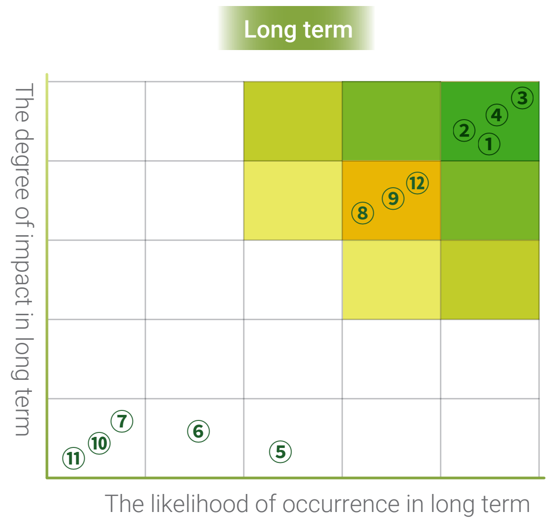
Climate risk items in the climate risk matrix[Note] with a likelihood of occurrence >2 and degree of impact >2 are ranked by materiality (the higher the degree of impact and the higher the likelihood of occurrence, the higher the materiality). The Company has formulated corresponding risk management systems based on the results of materiality ranking. The Company also strives to develop green financial products, is committed to green operations, and actively converts risks into opportunities.

Note: The climate risk matrix is a 5*5 matrix, in which the horizontal and vertical axes are the likelihood of occurrence (1-5) and the degree of impact (1-5), respectively.

Ranking order	No.	Climate risk description			Impact on business operations	Potential financial/business impact	Impact duration
		Risk type	Risk factor	Description of risk			
1	③	Transition risk	Policy and legal	Increased sustainability-related regulations	Business operations	Under the expectations of external stakeholders such as regulatory agencies and investors, it is necessary to increase the rate of green power or to install renewable energy power generation facilities to achieve net-zero transformation, hence operating costs are likely to increase.	Short, mid, and long term
2	④	Transition risk	Technology	Increased expenditure on transition costs	Investments and loans	Investment and financing targets carrying out low-carbon transition, such as with renewable energies, electric vehicles, smart grid, and other technological developments, may face risks associated with technological immaturity or inadequate cost control.	Short, mid, and long term
3	②	Transition risk	Policy and legal	Increased sustainability-related regulations	Investments and loans	Stakeholders' requirements (e.g., regulatory authorities, investors, supply chains) for corporate sustainability may increase, making the compliance and management requirements of target investment/financing companies even more important.	Mid and long term
4	⑫	Physical risk	Chronic	Rising average temperature	Business operations	The rise in temperature may lead to an increase in air-conditioning consumption or a decrease in productivity, leading to an increase in operating costs such as electricity bills or a decrease in revenue for investment and financing targets as well as for our own operations.	Short, mid, and long term
5	①	Transition risk	Policy and legal	Increased carbon emissions costs	Investments and loans	Carbon tariffs or carbon pricing may lead to increased operating costs for target investment/financing companies, especially those in carbon-intensive industries.	Long term
6	⑨	Physical risk	Acute	Increased floods	Business operations	The increasing frequency and severity of flooding due to climate change may lead to business interruptions and asset losses.	Long term
7	⑧	Physical risk	Acute	Increased floods	Investments and loans	The increasing frequency and severity of flooding due to climate change may lead to business interruptions and the devaluation of real estate collateral.	Long term





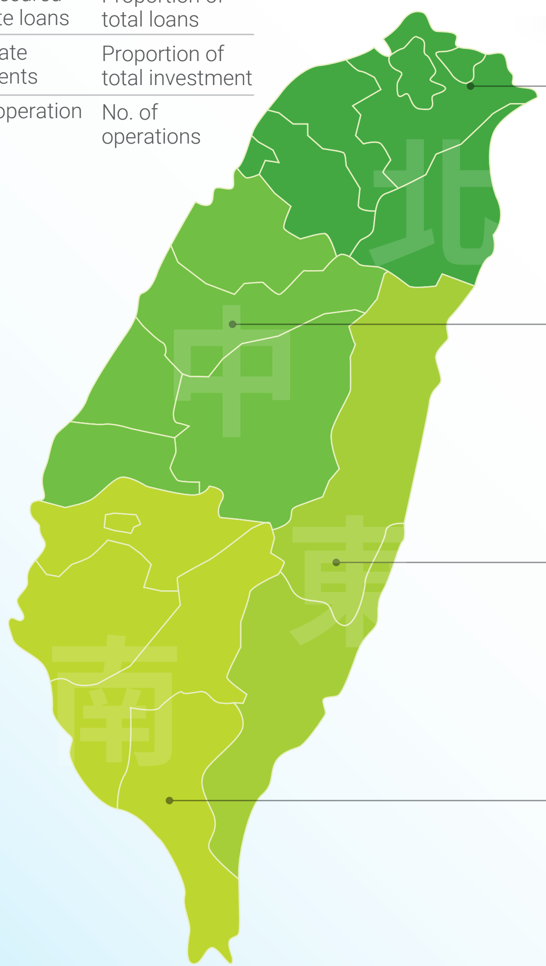


Climate Risk Measurement and Scenario Analysis

▪ Physical risk

To understand the physical risks of various business operations, Taiwan Life, together with CTBC Holding, conducts regular inventories and monitors the exposure of asset portfolios to high physical risk areas. Regarding landslide risk, we referred to the Taiwan-Wide Disaster Risk Map published by the NCDR's Dr. A Climate Change Disaster Risk Adaptation Platform and defined areas with hazard vulnerability level 5 as "high landslide risk areas." Regarding flood risk, we have engaged in long-term collaboration with an external organization, FCS, to enhance our flood risk analysis scale and hazard accuracy, and have defined areas with a 50% or higher chance of being flooded (as estimated by FSC) in all administrative regions of Taiwan as "high flood risk areas."
Based on the Company's businesses as of December 2023, the high-risk exposure to physical risks that various businesses could be subject to are summarized as follows:

Mortgages/real estate-secured corporate loans	Proportion of total loans
Real estate investments	Proportion of total investment
Owned operation sites	No. of operations



Regions Exposed to High Flood Risks

Northern Taiwan	High-risk exposure rate
Mortgages/real estate-secured corporate loans	4.17%
Real estate-secured investments	0.00%
Owned operation sites	0.00%

Central Taiwan	High-risk exposure rate
Mortgages/real estate-secured corporate loans	0.09%
Real estate-secured investments	0.00%
Owned operation sites	0.00%

Eastern Taiwan	High-risk exposure rate
Mortgages/real estate-secured corporate loans	0.003%
Real estate-secured investments	0.00%
Owned operation sites	0.00%

Southern Taiwan	High-risk exposure rate
Mortgages/real estate-secured corporate loans	0.03%
Real estate-secured investments	0.00%
Owned operation sites	0.00%

Regions Exposed to High Slope Disaster Risks

Northern Taiwan	High-risk exposure rate
Mortgages/real estate-secured corporate loans	0.00%
Real estate-secured investments	0.00%
Owned operation sites	0.00%

Central Taiwan	High-risk exposure rate
Mortgages/real estate-secured corporate loans	0.00%
Real estate-secured investments	0.00%
Owned operation sites	0.00%

Eastern Taiwan	High-risk exposure rate
Mortgages/real estate-secured corporate loans	0.00%
Real estate-secured investments	0.00%
Owned operation sites	0.00%

Southern Taiwan	High-risk exposure rate
Mortgages/real estate-secured corporate loans	0.00%
Real estate-secured investments	0.00%
Owned operation sites	0.00%

Regions Exposed to High Flood Risks

Areas	Mortgages/real estate-secured corporate loans		Real estate investments		Owned operation sites	
	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022
Northern Taiwan	4.1723%	4.6727%	0.0000%	0.0000%	0	0
Central Taiwan	0.0890%	0.7762%	0.0000%	0.0000%	0	0
Southern Taiwan	0.0333%	3.2928%	0.0000%	0.0000%	0	0
Eastern Taiwan	0.0034%	0.0045%	0.0000%	0.0000%	0	0
Outlying islands	0.0000%	0.0000%	0.0000%	0.0000%	0	0

Regions Exposed to High Slope Disaster Risks

Areas	Mortgages/real estate-secured corporate loans		Real estate investments		Owned operation sites	
	December 2023	December 2022	December 2023	December 2022	December 2023	December 2022
Northern Taiwan	0.0000%	0.1347%	0.0000%	0.0000%	0	0
Central Taiwan	0.0000%	0.0000%	0.0000%	0.0000%	0	0
Southern Taiwan	0.0000%	0.0000%	0.0000%	0.0000%	0	0
Eastern Taiwan	0.0000%	0.0000%	0.0000%	0.0000%	0	0
Outlying islands	0.0000%	0.0000%	0.0000%	0.0000%	0	0

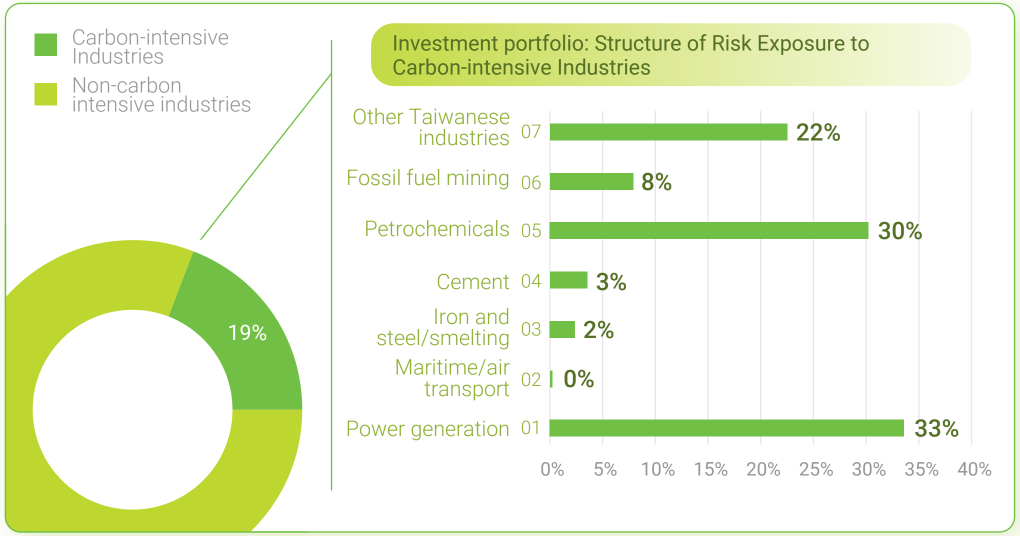
▪ Transition Risk

1.Inventory of Risk Exposure to Carbon-intensive Industries

To mitigate climate change and reduce carbon emissions, new policies in various countries and new international trade rules have been formed. For example, the EU Carbon Border Adjustment Mechanism (CBAM) started being gradually implemented starting from Oct. 1, 2023. The U.S. Congress proposed the Clean Competition Act (CCA), a U.S. version of the CBAM, in 2022. Once passed, it is expected to be implemented starting from 2024. In January 2024, Taiwan's Legislative Yuan passed the third reading of the Climate Change Response Act, officially incorporating the 2050 net-zero greenhouse gas emission target into law. In response to practical operational needs associated with climate change risks, the Group has clearly defined a list of carbon-intensive industries that are sensitive to transition risks and applies them to the Company's investment and loans in order to facilitate evaluation and classification before engaging in investment or financing. The list of carbon-intensive industries is composed of seven industries: power generation, maritime transport and airlines, iron and steel/smelting, cement, petrochemicals, fossil fuel mining, and others, as detailed in the table below.

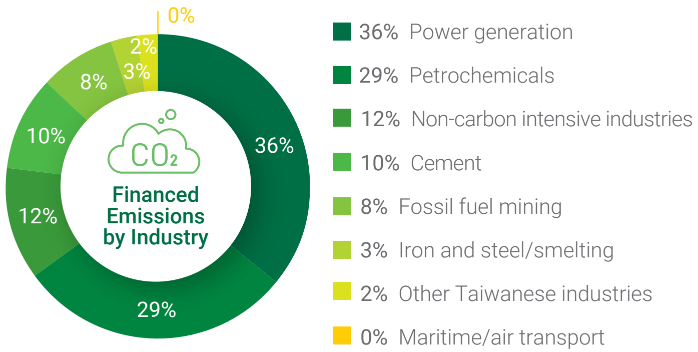
No.	Carbon-intensive industries	Description
1	Power generation	Companies generating electricity from fossil fuel, oil, or natural gas
2	Maritime/air transport	Enterprises engaged in ocean shipping and air transportation services
3	Iron and steel/ smelting	Enterprises engaged in the production/smelting of pig iron, billet, stainless steel, and basic steel parts, and belong to the upstream and midstream industries of the steel industry chain Other non-steel smelting and product manufacturing industries such as copper, aluminum, and lead etc.
4	Cement	Companies engaged in cement or cement clinker manufacturing, and belonging to the midstream industry in the cement industry chain
5	Petrochemicals	Industries that use crude oil, shale gas, or coal as raw materials, engage in petroleum refining, chemical process manufacturing, and plastic raw material manufacturing, and belong to the upstream and midstream industries of the petrochemical and plastics and rubber industry chains
6	Fossil fuel mining	Limited to companies mining coal, oil, natural gas, shale gas, and oil sands
7	Other Taiwanese industries	Companies not in the abovementioned industries but designated as carbon intensive during the most recent year according to the Mandatory Greenhouse Gas Reporting System of the Ministry of Environment, Executive Yuan

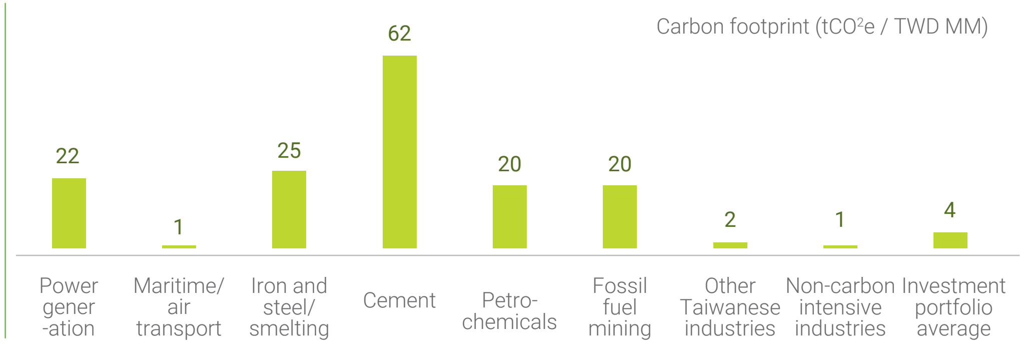
According to the classification of the list of carbon-intensive emission industries, the exposure to carbon-intensive industries in the Company's investment portfolio is approximately 19% of total risk exposures, with most coming from the power supply industry and the petrochemical industry, accounting for 33% and 30% of the exposure to carbon-intensive industries, respectively.



2.Financed Emissions

- Parent company CTBC Holding joined PCAF in October 2020. On November 18, 2020, PCAF proposed "The Global GHG Accounting and Reporting Standard for the Financial Industry, First edition," a global guidance tool for the financial industry that enables financial institutions around the world to measure and disclose greenhouse gas emissions related to their own operations, loans, and investment activities. Financial institutions can only implement a carbon reduction action plan by first taking a thorough inventory of their carbon footprints and by using their influence to promote low-carbon transformation.
- Following the financial asset categories and methodologies stipulated by the PCAF international standard, the Company has been conducting carbon inventories along with CTBC Holding since 2021. The scope of these inventories covers investments (listed & unlisted equity) and corporate bonds. Based on the Company's investments as of the baseline date of Dec. 31, 2023, its financed emissions totaled 4,569,842 metric tons of carbon dioxide equivalent (tCO2e), and the overall data quality score was 1.4 (a score of 1 indicates the best quality while a score of 5 is the worst). A closer inspection of the sources of our carbon footprint (measured in tCO2e) generated per million NTD of investment and financing balance (TWD MM) shows that the cement industry was the main emission source, followed by iron and steel/smelting and power generation. These industries are faced with greater transition risk pressure going forward, and prior to investing, our investment units will strengthen their understanding of the transformation plans of these customers and investment targets through pre-investment assessments and engagement.





Scenario Analysis and Financial Impact Assessment

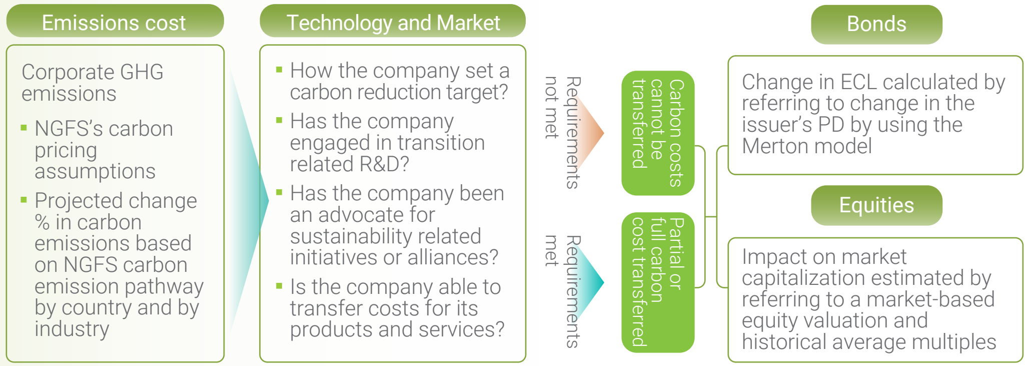
To strengthen our resilience to climate risks, we conducted scenario analysis on different businesses to assess the potential financial impact that they may be subject to from climate risks. The scenario setting follows CTBC Holding's adoption of the seven climate scenarios in the scenario framework in Phase 4 of "NGFS Scenarios for central banks and supervisors" published by NGFS in November 2023. In addition, the three chosen scenarios, namely Net Zero 2050, Delayed Transition, and Current Policies, correspond to the climate change scenarios of IPCC AR6.

- Scenario 1 [Net Zero 2050]: Represents a global achievement of net-zero emissions by 2050. To reach this goal, countries gradually strengthen carbon pricing (or carbon taxes) and other policies that promote transitions, starting immediately. However, considering the varying carbon reduction commitments and economic development among regions, the intensity of carbon pricing and related policies may vary.
- Scenario 2 [Delayed Transition]: Assumes that countries do not actively engage in carbon reduction measures before 2030. However, to still meet the goal of the Paris Agreement (limiting global warming to within 2° C by the end of the century), strong and forceful transition policies (e.g., a rapid increase in carbon pricing) must be implemented after 2030. In this scenario, the NGFS takes into account the differing economic capacities among regions. Although carbon prices in all regions significantly increase by 2050 compared to 2030, the final carbon prices differ among regions.
- Scenario 3 [Current Policies]: Assumes that, apart from existing policies, no additional carbon reduction measures are implemented. In the Greater China region and the United States, carbon prices remain at almost zero cost, and in the European Union, carbon prices even decrease annually. Under this scenario, the global temperature rise by the end of the century exceeds 3° C, resulting in the highest physical risks.
- The estimated losses across scenarios are based on positions held on the baseline date, Dec. 31, 2023. The financial impacts that the group may face are assessed by evaluating the climate risk factors' impacts on its positions at two time periods: 2030 and 2050. The Company formulates corresponding response strategies based on the scenario analysis results.

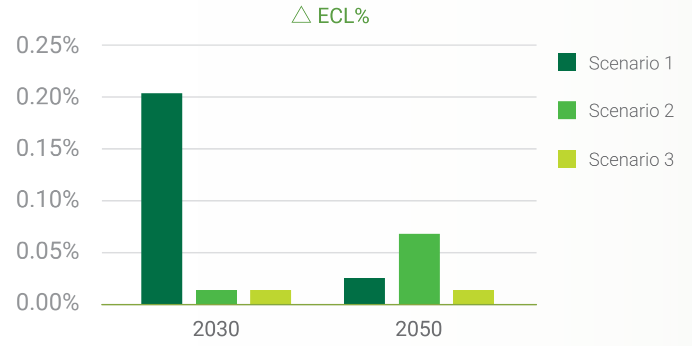
Scenario analysis is carried out on the Company's relevant businesses to assess the potential financial impact of various transition risks under the three different climate change scenarios.

1.Assessment of the impact of transition risks on corporate bonds and equity investments for non-trading purposes

▶ **Purpose of analysis and method of assessment:** To assess the impact of transition policies (carbon pricing costs), we examined the change in risk profiles of corporate bond issuers and equity issuers of the Company's underlying assets and calculated the fluctuations in the profit or loss of the investment portfolio.



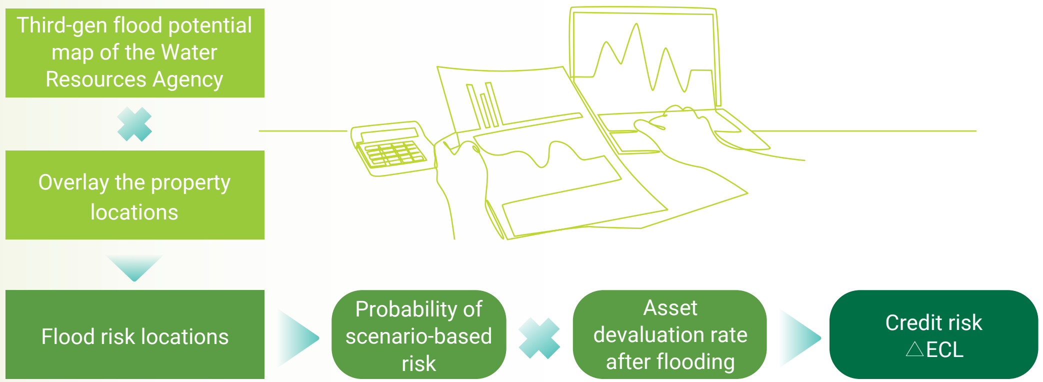
▶ **Assessment results:** In the risk scenario for 2030, Scenario 1 has the largest loss rate. In the risk scenario for 2050, Scenario 2 has the highest loss rate, primarily driven by the maritime/air transport industry.



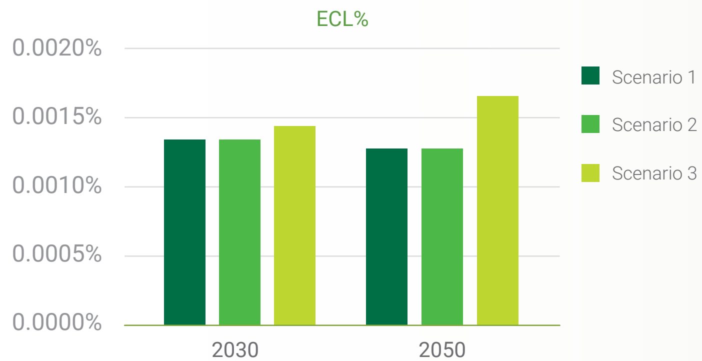
Scenario analysis is carried out on the Company's relevant businesses to assess the potential financial impact of physical risks under the three climate change scenarios.

1.Assessment of the impact of physical risk (heavy rainfall and flooding) on domestic personal mortgages and real estate-secured corporate loans

▶ Physical risk (heavy rainfall/flooding) are recognized within the group as common risk factors in Taiwan with a higher probability of occurrence and of causing significant damage. We used the internal model constructed by CTBC Bank's retail banking risk management team with reference to estimates from an external organization, Formosa Climate Smart Service Limited (FCS), based on IPCC AR6. Next, we overlaid this data on the third-generation flood potential map from the Ministry of Economic Affairs' Water Resources Agency to improve the accuracy of our physical risk analysis.



▶ **Assessment results:** For the 2030 risk scenario, the △ ECL% of all three scenarios are almost identical. For the 2050 risk scenario, Scenario 3 has the highest credit risk loss, with a loss amount of approximately NT$0.46 million and a △ ECL% of approximately 0.17 basis points, mainly due to intensified physical risks.



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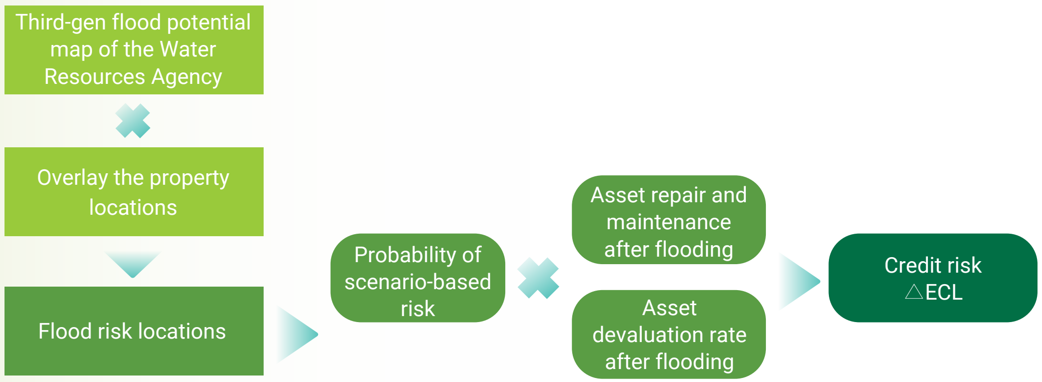
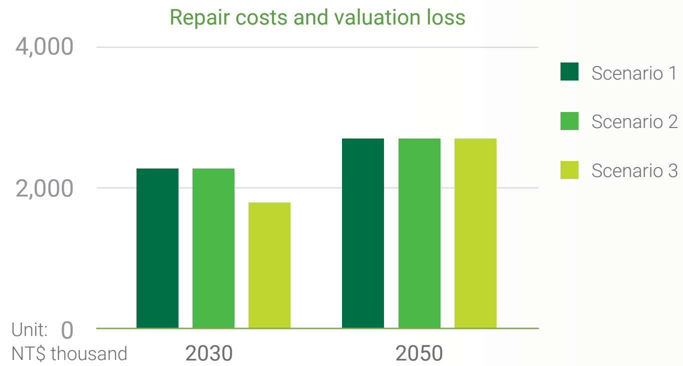
2.Assessment of the impact of physical risk (heavy rainfall and flooding) on income-generating real estate investments

- Assess the financial impairment that income-generating real estate investment assets may face in the event of heavy rainfall/flooding events by referring to the scenario parameters of FCS and the third-generation flood potential map from the Water Resources Agency.

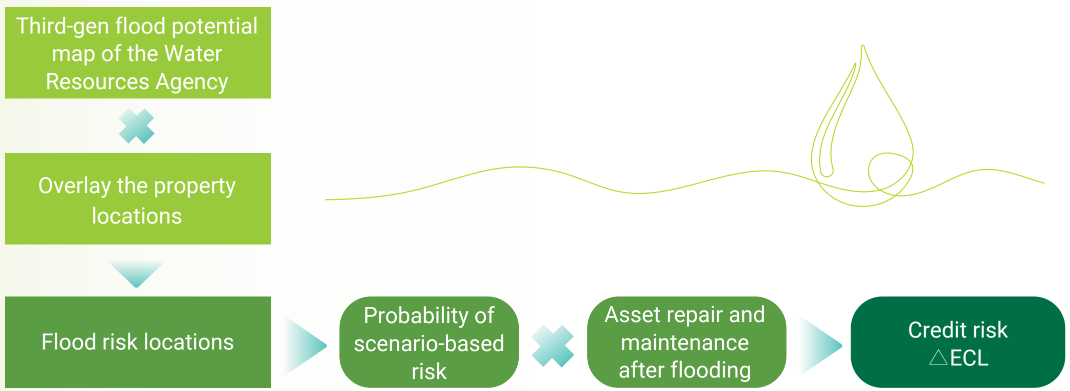


- Outcomes:



3.Assessment of the impact of physical risk (heavy rainfall and flooding) on Taiwan Life's owned operation sites

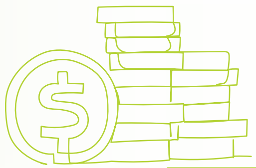
- **Purpose of analysis and method of evaluation:** Refer to the scenario parameters provided by FCS and combine these with the third-generation flood potential map from the Water Resources Agency in order to evaluate the financial losses, such as asset repair and maintenance expenses as well as equipment replacement (operational risk losses), incurred by the Company's owned operation sites due to flooding.

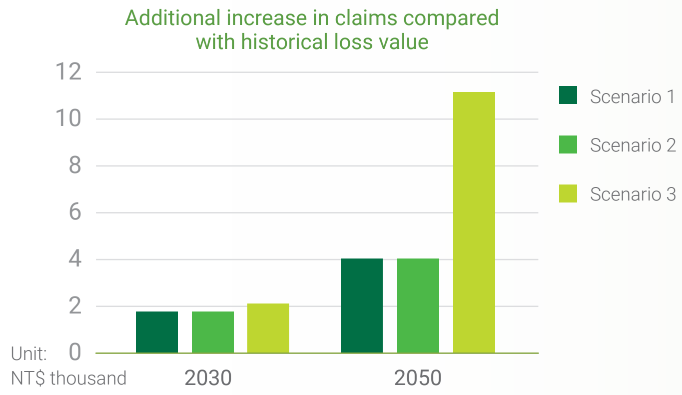


- **Assessment results:** As the group's owned operation sites are situated in metropolitan areas with relatively well-established flood control facilities, the operational risk losses in all three scenarios are deemed controllable.

4.Assessment of the impact of physical risk (heat waves) on inpatient ward payment benefits

- **Purpose of analysis and method of evaluation:** Extreme heat may increase the occurrence of conditions such as heatstroke. Therefore, we evaluated the potential loss from heatstroke in-patient treatment claims by referring to the possible change in the number of days with extreme high temperatures (≥38° C) in Taiwan's six special municipalities.
- **Assessment outcomes:** At the 2030 time point, there is no significant difference in the additional claims amounts across the three scenarios. At the 2050 time point, Scenario 3 has the largest additional claims amount compared with the historical loss value (approximately NT$11 million).





Climate Change Risk Responses and Opportunities

Risk Monitoring and Response Strategies

Business category	Business management category	Possible climate risk factors	Risk response measures
Investment	Corporate bonds and equity investments for non-trading purposes (all industries)	Transition risk factors ▪ Policy and legal - carbon costs ▪ Technology transformation ▪ Market preferences	Sustainable investment policy regulations and methods are used to specify prohibited targets on the exclusion list and highly sensitive industries that should be strictly evaluated. When determining investment and financing asset allocations, the Company is required to factor ESG risks into consideration to reduce fluctuations in the profit from the overall investment portfolio, which also reduces relevant investment risks.
	Income-generating real estate investments	Physical risk factors ▪ Natural disasters including heavy rain and flooding	Management regulations related to real estate investment have been set in place. When acquiring real estate, all risk factors that may affect the transaction price are fully evaluated. For new real estate investment projects, the four major aspects of the ESG checklist (energy, water, waste, and stakeholder engagement) are also used to evaluate the positive and negative impacts of said investment project on local communities and the environment, in order to achieve the sustainable goal of coexisting with local communities and the environment.
Financing	Personal mortgages, real estate-secured corporate loans	Physical risk factors ▪ Natural disasters including heavy rainfall and flooding	Comprehensive credit-related measures such as collateral review, valuation/appraisal management, etc. have been formulated, and the Company is required to determine whether the area where the real estate collateral is located is an area with frequent severe flooding, and to take this into consideration during the review and evaluation process. This is also considered when assessing whether to approve the loan itself or to approve the loan amount requested.
Business operations	Business locations	Physical risk factors ▪ Natural disasters including heavy rainfall and flooding ▪ Drought	A business continuity plan has been established, and disaster prevention and remote backup drills are regularly organized to respond to sudden natural disasters. Relevant units refer to the "Template for Disaster Emergency Response Manual for Financial Institutions" formulated by the competent authority and relevant actual operating scenarios to formulate an "Emergency Response Plan." Prior training and simulation drills help prepare us to respond to and reduce the impact of natural disasters that may occur due to climate change (such as flooding and windstorms) on Company operations.

Opportunities

In 2018, we invested in Copenhagen Infrastructure Partners (CIP) Funds in order to understand the industrial development, risks, and practices of offshore wind power generation. In 2019, in partnership with CIP Funds, we jointly established Taiwan Wind Investment Co., Ltd. to develop an offshore wind farm project in which Taiwan Life invested NT$2.5 billion, representing approximately 43% of the equity. We were also the first life insurance company in Asia to invest in an offshore wind farm project. Later in 2019, we participated in the Formosa 2 syndicated loan for a 376-MW offshore wind farm project, becoming the first life insurance company in Asia to play a role in offshore wind farm syndication

Climate-related opportunities and trends	Corresponding risk factor	Development aspect	Company actions
Global net-zero emissions leading to a carbon reduction boom in corporate supply chains	Policy and legal (carbon costs)	Strengthen stakeholder engagement	Under discussion
From 2020 to 2030, renewable energy in Asian countries will flourish and contribute to two-thirds of the world's renewable energy production capacity	Technology transformation (green energy)	Focus on green energy	▪ For sustainability-related investment and financing results, please refer to Chapter 2.4 Results of Responsible Investment and Financing
The 2021 MSCI "Global Institutional Investor Survey Report" showed that 77% of all investors have either "significantly" or "moderately" increased their ESG investments	Market preferences (changes in investor preferences)		The investment-linked insurance policies include a total of 30 sustainable/green energy funds
It is estimated that global cashless transaction volume will increase by more than 80% from 2020 to 2025, from approximately 1 trillion to nearly 1.9 trillion	Market preferences (changes in personal consumption preferences)	Expand digital serves	▪ In 2023, the number of Mobile Security 2.0 cases totaled 3,566 ▪ In 2023, the usage rate of Mobile POS reached 85%

Engaging in the above response and opportunity actions can reduce the transition risks we are faced with, such as policy and legal, carbon costs, technology transformation, market preferences, etc., and prevent the Company's investees from being affected, which could result in inferior financial and operational performance. It also enables us to better understand the ESG risks of investments by engaging with investees. Nevertheless, sustainability-related knowledge is technical in nature, and we may not be able to determine whether the situation described by the investees during the engagement process is in fact greenwashing in the name of transformation. In addition, while developing products or targets that meet ESG and sustainability themes in the life insurance industry, the sales of such products or targets may face poor sales after being launched because the relevant market concept still require some education.

Metrics and Targets

In compliance with CTBC Holding's SBTi-based goals for Scope 1 and 2 greenhouse gas emissions, we have formulated an annual reduction target of 4.2% by 2035, with 2021 as the baseline year.

For the Scope 3 investments in listed companies, target management is conducted using the Temperature Rating method, and 2027 is set as the target year with a target temperature rise of 2.47° C. The Company's temperature performance in investments as of December 2023 was 2.22° C. This is in line with the carbon reduction pathway and we will continue to maintain this positive performance as well as to promote low-carbon business operations and the low-carbon transition through practical actions in order to achieve the 2050 net-zero goal.

2.1.2 Climate change-related performance of CTBC Insurance

Management approach: Climate change

Policy/ commitment	Actions and results	Targets		Corresponding SDG
		Short term	Medium to long term	
▪ Continuously support TCFD and carbon-reduction goals.	▪ The climate change risk assessment report of CTBC Insurance was completed in Q1 2023.	▪ Have the core risk governance policy and operational risk management policy incorporate the assessment of climate change risks into the management process. ▪ Establish the Climate Change Risk Management Guidelines as a guideline for climate change risk management.	▪ Medium-term goals 1.In line with the TCFD's recommendations for financial holding companies, collect data on investment portfolios' exposure to carbon-intensive industries as well as financed emissions and carbon footprints. 2.Collaborate with CTBC Holding's Risk Management Department to create a model for assessing climate risks and damage. 3.Establish a system for managing exposure to climate risks or set risk exposure limits, as necessary. ▪ Long-term goals 1.Continue optimizing models and tools for quantifying climate change risk and conducting environmental analysis. 2.Gradually reduce risk exposure to high carbon-emitting industries and expand our involvement in green finance products and services.	13 CLIMATE ACTION
▪ Incorporate corporate sustainability issues and climate change risk assessment into the risk management procedures.	▪ Stress test scenario analysis was conducted for climate change risk.	▪ Formulate management objectives for investment and financing portfolio emissions.	▪ Establish a system for managing exposure to climate risks or set risk exposure limits. ▪ Continue optimizing models and tools for quantifying climate change risk and conducting environmental analysis.	13 CLIMATE ACTION
▪ Continuously develop green insurance products.	▪ The premium income from climate change-related insurance products accounted for 20.96% of the total premiums of CTBC Insurance in 2023.	▪ Encourage the development and underwriting of commodity policies that have a positive impact on the environment.	▪ Continue to actively provide risk insurance related to the green energy industry.	13 CLIMATE ACTION

Climate Governance

Subsidiary CTBC Insurance adopted the PSI in 2020 and is committed to promoting various ESG issues ever since, making it one of the few real estate insurers in Taiwan to follow PSI. In addition, it is focused on climate change issues and evaluates climate change risks every year. The evaluation results are included in the Own Risk and Solvency Assessment (abbreviated as ORSA) Supervisory Report for the competent authority.

CTBC Insurance's Risk Governance Policy and Operational Risk Management Policy have incorporated the assessment of climate change risks into relevant management processes. CTBC Insurance has established Climate Change Risk Management Guidelines to guide its climate change risk management.

In conjunction with other CTBC Holding group subsidiaries, CTBC Insurance helped compile the 2023 Climate-related Scenario Analysis Report by conducting the impact assessment of climate change risk factors.

The subsidiary is actively committed to the implementation of sustainable ESG practices, low-carbon transition, and green operations, and has obtained ISO 14064 certification for greenhouse gas emissions, ISO 50001 for energy management, and ISO 14011 for environmental management. CTBC Insurance's Sustainability Report discloses the assessment results regarding the impact of the physical risk of rainstorms and flooding on climate, typhoon, and flood insurance.

Climate Risk Identification

▪ Physical Risks

These are immediate or long-term risks arising from extreme weather or unusual weather events, such as heat waves, drought, heavy rainfall, flooding, and extremely high or low temperatures, that could have a financial or operational impact on CTBC Insurance, such as direct damage to fixed assets resulting in asset damage or a reduction in value, indirect operational impacts resulting from disruptions in the supply chain, leading to huge claims from property insurance. In order to mitigate and adapt to the impact of climate events, CTBC Insurance regularly assesses physical risks, as shown in the following table:

Impact Assessment of Climate Change, Typhoons, and Flooding

Step 1 Purpose of analysis and method of evaluation	Step 2 Scope of analysis	Step 3 Assessment results	Step 4 Risk response measures
Due to the increase in frequency of flooding caused by heavy rainfall from climate change, the number of claims and the extent of losses of CTBC Insurance's related business may increase. CTBC Insurance uses its internal database to sort several types of insurance policies and calculate the potential risks and losses by taking into account their historical claims information and reinsurance allocation ratio.	CTBC Insurance's retained business for commercial typhoon and flood insurance, and typhoon- and flood-related auto insurance products.	At 2050, Scenario 3 (in which governments maintain existing policies) has the largest estimated loss, with an increase in claims of approximately NT$6,175,000 compared with the historical loss experience.	CTBC Insurance regularly checks underlying climate-related products (e.g., typhoon/flood insurance) and analyzes their risks by location to avoid excessive concentration in specific areas; the catastrophic modeling reports provided by reinsurance brokers are also used to annually review whether the reinsurance contracts for catastrophic events (typhoons and floods) can maintain risk within a tolerable range. In addition, the subsidiary is continuing to strengthen its typhoon and flooding underwriting and reinsurance in order to maintain its claims within a tolerable range and effectively transfer climate change-related risk.

▪ Climate Strategy

- CTBC Insurance's Environmental Sustainability Team has continued to promote ISO 14001 environmental management system, ISO 50001 energy management system, and ISO 14064-1 greenhouse gas inventory certification. As a guiding principle of the environmental and energy management system, the greenhouse gas inventory has been conducted and verified annually since 2019, and has been awarded a greenhouse gas inventory certificate by the British Standards Institute, fulfilling CTBC Insurance's environmental sustainability policy and goals as well as Taiwan Life's commitment to sustainability.
- CTBC Insurance conducts an annual review of whether catastrophe (earthquake and typhoon) reinsurance contracts can effectively maintain risk within a tolerable range based on the catastrophe models provided by reinsurance brokers. The subsidiary also continues to strengthen the prudency of its underwriting practices and make appropriate reinsurance arrangements based on its typhoon and flood underwriting in order to control its claim losses within a tolerable range and effectively shift the catastrophe risk that may arise from climate change.
- CTBC Insurance has developed ESG-related products and services, including green insurance and low-carbon marketing, enhanced its business continuity mechanism, and strengthened education and training.

Climate Opportunities

▪ Green Insurance Products

As well as identifying policy and law-related transition risks, which will promote the rapid development of renewable energy in Taiwan, and responding to these risks, CTBC Insurance is also seizing the business opportunities of climate change. It is encouraging the development and underwriting of commodity insurance policies with a positive impact on the environment as well as also proactively providing risk insurance for green energy-related industries.

Unit: NT$ thousand

Products	Description	Premium income in 2023	Premium income in 2022	Premium income in 2021
Home Green Energy Upgrade Insurance clause	When an insured incident occurs, green energy building materials and equipment is used to repair or rebuild the insured target.	95	75	64
Toxicity and Concerned Chemical Substance Operator Liability Insurance	Underwrites claims liability for injury or property damage to a third party due to accidental release of toxics or chemical substances concerned.	81	162	77
Erection All Risks Insurance (solar and wind power)	Supports national energy policies by underwriting insurance related to green energy businesses (such as solar equipment or wind power generation)	2,057	3,791	2,440
Electronic Equipment Insurance (solar and wind power)	Supports national energy policies by underwriting insurance related to green energy businesses (such as solar equipment or wind power generation)	5,789	5,663	3,860
Construction Engineering Insurance (hydropower)	Supports national energy policies by underwriting insurance related to green energy businesses (such as solar equipment or wind power generation)	0	0	1,260

2.2 Stewardship Policy

Management approach: Sustainable investments

Policy/ commitment	Actions and results	Targets: Short term	Targets: Medium to long term	Corresponding SDG
We have in place a Stewardship Policy and Responsible Investment Policy and voluntarily adhere to the PRI to uphold the spirit of sustainability and contribute to sustainable development, as we strive to become a model of responsible investment.	▪ We supported sustainable investment, with approved sustainable investments and financing totaling NT$66.702 billion ▪ Named in the TWSE's List of Institutional Investors with Better Performance on Information Disclosure Stewardship for 2 consecutive years in 2022 and 2023. ▪ Use the "arithmetic-based" investment methodology to expand our investment influence.	▪ Conduct ESG assessments in the investment process and strictly control investments in exclusion list and highly ESG-sensitive sectors ▪ Align major investment projects with SDG classification standards ▪ Increase our investment and financing position in relation to sustainable finance ▪ Continue to engage with investees to realize the spirit of stewardship as an institutional investor.	▪ Continue to strengthen our proficiency in responsible investment and financing.	

"Add" green financing into the investment evaluation process to build a responsible investment mechanism

- Collaborated with sustainability consultant to introduce the PRI in 2019 in order to establish a complete responsible investment system.
- The scope of application includes various types of securities investments, corporate loans, and real estate investments.
- Before investing, whether the investment target involves material ESG issues must be evaluated, and the evaluation aspects include sustainable behavior, climate change, biodiversity, social issues and corporate governance, etc. Investment can only be made if the ESG evaluation is passed.

Be a pioneer in the renewable energy investment by "mitigating and reducing" the influence of climate change

- In 2014, we first invested in solar power plant, setting the precedent for domestic life insurance funds to invest in renewable energy. As of the end of 2023, we have had a total of 18 renewable energy-related investment and financing projects (including solar power plants, sewage treatment plants, low-carbon natural gas power generation, offshore wind power generation, green energy storage equipment, and four offshore wind financing projects), with an approved amount of approximately NT$36.2 billion.
- In 2021, we began to invest in fishery and electricity symbiosis farms, which combine photovoltaic and aquaculture business models to support the development of sustainable fisheries.
- In 2023, we invested in green energy storage equipment projects to strengthen the stability and resilience of Taiwan's power grid and mitigate climate change.

"Multiply" our impact by committing to the SBTi and taking engagement actions

- CTBC Holding passed the SBTi target application in 2023 and strengthened its influence through engagement actions.
- As of the end of 2023, corporate engagement had been completed with 76% of all carbon emissions. Affiliates CTBC Securities and CTBC Investments have also collectively completed in-depth engagements with five enterprises to gradually influence the invested companies to pay more attention to internal ESG development. To improve information transparency and further reduce investment and financing risks, investees are also encouraged to disclose information on emission reduction plans as well as current emissions.

"Divide" ourselves away from the coal mining industry in 2023

- In order to maintain biodiversity and work toward net zero, Taiwan Life joined CTBC Holding in issuing the Statement on Sustainable Finance in 2023, committing to prohibiting new investments related to coal mining and to fully withdrawing from them by 2035.

Stewardship Policy

As part of our efforts to promote sustainable finance, we voluntarily adhere to the PRI and have established a sound system of responsible investment. By doing so, we hope to support invested and financing parties on ESG-related issues while reducing our own investment risks in the process. Taiwan Life is responsible for leading the cross-subsidiary responsible investment project team under CTBC Holding's ESG Taskforce. Following the sustainable finance policy of the parent company, Taiwan Life formulates responsible investment guidelines and sets goals accordingly. In the quarterly ESG Taskforce meeting, Taiwan Life discusses related issues and presents the progress and results, which are consolidated by CTBC Holding's Corporate Sustainability Department and reported to its Corporate Sustainability Committee. Guided by its comprehensive responsible investment strategy and workflow, Taiwan Life is working to realize its commitment to the interests of clients, shareholders, and society; fulfill its responsibilities as an institutional investor; and promote responsible investment and financing.

1. The Company is committed to establishing a corporate governance-related framework, implementing internal management, working in shareholders' interests, strengthening the functions of the Board of Directors, fully leveraging the functions of supervisors, protecting the rights and interests of customers and respecting the rights and interests of interested parties, maintaining solvency, improving information transparency, observing and evaluating the impact of external conditions and environmental changes on the overall operations of the Company at any time, and putting forward sound strategies to face challenges in a timely manner. The members of the Board of Directors possess the necessary knowledge, skills, and qualities to perform their duties, and comply with the Company Act, the Regulations Governing Required Qualifications for Responsible Persons of Insurance Enterprises, and relevant laws and regulations.

2. In order to improve supervision and strengthen management functions, the Company maintains an Audit Committee and Risk Management Committee, each composed entirely of independent directors and responsible to the Board of Directors. The Board of Directors convenes on a monthly basis to track the implementation progress of each business unit's important initiatives in order to realize effective ethical management.

3. The Company determines the manner, extent, and frequency of stewardship actions based on the overall interests of customers and shareholders when investing or performing its fiduciary duties. The Company's stewardship actions include paying attention to the operation of investee companies and having appropriate dialogue and interaction with the directors or managers of these companies through in-person visits, online meetings, attending shareholders' meetings, and exercising voting rights. Taiwan Life understands and participates in the corporate governance of investee companies through the abovementioned diverse engagement practices, and continues to communicate and interact with investee companies in a constructive manner. We aim to promote sustainable development within investee companies, in turn enhancing the long-term interests of customers and positively impacting our entire society, thereby fulfilling the Company's stewardship responsibilities as an institutional investor.

4. With the responsibility of stewardship and adhering to the spirit of contributing to global sustainable development, the Company has established a responsible investment system and is moving toward becoming the model and benchmark of responsible investment. In order to provide the basis for the ESG standard evaluation of the Company's investment-related business, in accordance with the spirit of the six PRI, we have established a responsible investment policy and related evaluation process, covering stocks, bonds, funds, loans, real estate, counterparties, and service brokers. The risks and performance of investee companies in terms of ESG and SDG indicators are taken into consideration and are incorporated into investment evaluation and decision-making processes so that the Company can fulfill its stewardship responsibilities and create long-term sustainable investment value. In addition, regarding the investment decision-making process of domestic and foreign-listed companies and investees traded on business premises, the scores or indicators of external third-party ESG rating agencies are reviewed and incorporated into the ESG risk assessment in order to improve the investment assessment mechanism.

5. To reduce overall risk and maximize the return performance of its portfolio, the Company adjusts asset allocation and makes investment decisions according to the market environment, and refers to the relationships among assets and liabilities, risk tolerance, investment risk and return, liquidity, and solvency as the basis for decision-making, with the aim of enhancing the long-term interests of our customers, shareholders, employees, and interested parties. The manner, extent, and frequency of our stewardship actions are determined by the purpose, costs, and benefits of investments. The Company's stewardship actions include monitoring investee companies, communicating and interacting with their management, attending shareholders' meetings, and exercising voting rights.

6. The Company may entrust some of its stewardship activities to professional agencies (e.g., providing voting advice or voting on behalf of the Company) based on an agreement or under the supervision of the Company in order to ensure that the entrusted agency performs at the request of the Company.

7. The Company's stewardship performance is disclosed on the official website and updated at least once a year.

Management of Conflicts of Interest

We uphold our commitment to customers and take the interests of shareholders as our top priority. In order to avoid conflicts of interest, we enforce regulations for managing such conflicts, conduct awareness raising, and have in place hierarchical responsibility, information control, firewall, and oversight mechanisms. These measures are taken to effectively control and prevent conflicts of interest. In 2023, Taiwan Life recorded no material conflicts of interest.

When conducting business, possible patterns for conflicts of interest include, but are not limited to the following:

Type of conflict	Pattern of conflict	Management regulations	Control measures
Between the Company and customers	Customer complaints or financial consumer disputes	Treating Customer Fairly Policy	In the event of customer complaints or financial consumer disputes, the Company handles them in a timely and appropriate manner in accordance with the Company's rules and regulations and examines whether there is any violation of policies or related financial consumer protection laws and regulations. In addition, we review the Treating Customer Fairly Principles for the Financial Services Industry every year and amend our policy in alignment with the latest laws and regulations.
Between the Company and investees	An employee of the Company, in the course of conducting investment business, learns of material information about the Company, the parent company, or other investee companies due to their position, and makes investments in their own or another's name before or after such information is released to receive improper benefits	Management Policy for Preventing Insider Trading	In accordance with Article 157-1 of the Securities and Exchange Act, the Company has formulated the Management Policy for Preventing Insider Trading to regulate specific employees, who should not, when they become aware of the material information on the parent company or other investee companies in their positions, buy or sell securities of that company in their own names or in the names of others within 18 hours before or after the disclosure. In addition, the responsible units are required to promote or conduct training on a regular basis to ensure that all employees understand and fully comply with the relevant laws and regulations.
		Guidelines for Handling Investment Business and Preventing Insider Trading	When the Company's responsible unit is informed of material information, it notifies relevant employees of the investment department to suspend the trading of securities associated with the material information. To prevent insider trading, the investment department may conduct related investment activities only after the suspension of trading is lifted and required procedures are completed.
Between the Company and employees	In the course of conducting business, an employee directly or indirectly offers, accepts, promises, or requests any improper benefit or engages in unethical or unlawful behavior or any behavior in breach of fiduciary duty for the purpose of acquiring or maintaining benefits for themselves	▪ Ethical Corporate Management Best Practice Principles ▪ Procedures for Ethical Management and Guidelines for Conduct ▪ Procedures for Handling Illegal and Unethical or Dishonest Behavior ▪ Investment Transaction Management Regulations	The Company encourages internal and external personnel to report dishonest behaviors or misconduct, and the reported cases are handled in accordance with the Company's Procedures for Handling Illegal and Unethical or Dishonest Behavior. We regularly conduct education and training for employees to convey the importance of ethical management. The Company has also set up a dedicated unit to oversee the implementation of ethical management and report to the Board of Directors on a regular basis in order to foster an ethical and transparent corporate culture and promote sound business operations.
	An employee of the investment department engages in equity product transactions for themselves or others during the trading period with the intention of unjust profits	Investment Transaction Management Regulations	1. To strengthen the management of conflicts of interest, the head of the Taiwan stock investment department as well as the Taiwan stock manager and trader are restricted from using the internet, information and communication equipment, and mobile devices, and may not access the trading websites of securities dealers. 2. During the normal trading period of Taiwan stocks, information and communication equipment (e.g., mobile phones and laptops) of the abovementioned employees are kept in a separate unit and returned only after the close of trade for Taiwan stocks.
	After an employee leaves the Company or transfers to another position, they illegally access the system to gain benefits	Information System Access Management Rules	1.The Company sets up its computer operating system and authorizations according to the duties and responsibilities of each department and personnel in order to maintain information security. If there is any change in personnel, their access rights are deleted or changed; in addition, in order to protect against password leakage, the Company requires employees to change their passwords regularly. 2. The Company grants appropriate access in the system according to different positions, and non-duty related personnel cannot obtain information by themselves, in order to prevent improper leakage of information.
	An employee uses the Company's information equipment for their own personal part-time jobs	Employee Code of Conduct	1. Employees may not use their position to promote, sell, or refer any goods or services that are not provided by the Company for their own benefit. 2. Employees may not use their own account for a customer's private transactions; nor may they personally undertake transactions for themselves, spouses, blood relatives within the third degree of kinship, or in-laws within the second degree of kinship on the Company's computer operating system.
Between employees and customers	An employee directly or indirectly offers or accepts an improper gift, entertainment, or sponsorship to customers or any third party related to their business	▪ Employee Code of Conduct ▪ Donation and Sponsorship Regulations	1. Employees may not intend to pay bribes or engage in illegal activities in exchange for the convenience of business. 2. When conducting business, employees may not directly or indirectly offer, promise, demand, or accept any form of improper benefits to customers, agents, contractors, suppliers, civil servants, or other interested parties. 3. Direct or indirect donations to political parties or organizations or individuals participating in political activities must comply with the Political Donations Act and the Donation and Sponsorship Regulations, and shall not be offered out of commercial interests.
Between the Company and employees, the Company and customers, employees and customers, or the Company and affiliate companies	The trading conditions of interested parties are superior to those for other similar counterparties	The policy governing lending and transactions other than lending with interested parties	1.Investment transaction and lending conditions (e.g., interest rate, collateral and its valuation, loan tenor, and repayment method of principal and interest) shall not be better than other similar lending obligors. 2. When the Company and non-lending interested parties engage in transactions other than lending as mentioned in Article 11 of this policy, the conditions shall not be superior to other similar counterparts. Such transactions shall be conducted in the presence of more than two-thirds of the directors of the Company and a resolution approved by more than three-fourths of the directors present. 3. Directors present at Board meetings shall recuse themselves from cases involving themselves or those with whom they have a conflict, and shall not represent other directors in attendance or exercising voting rights.

Disclosure of Conflicts of Interest

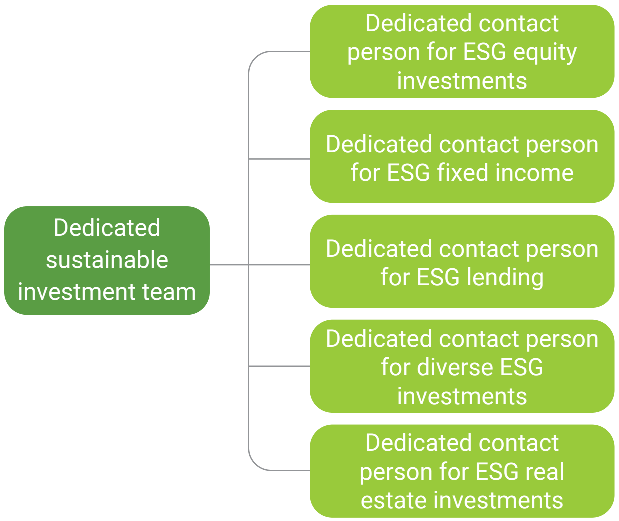
Under the abovementioned conflict of interest management mechanism, the Company recorded no material conflicts of interest in 2023. In the event of a major conflict of interest, the Company will summarize and report the cause of the incident and how it has been handled. The Company will also notify relevant units and follow the above management mechanism to take follow-up measures. We believe that the lack of conflicts of interest reported above demonstrates that our management mechanism is effectively controlling and preventing the occurrence of such conflicts.

2.3 Responsible Investment

We believe that enterprises have a social responsibility to maintain ecological balance and support resource regeneration. To these ends, Taiwan Life has introduced international standards on environmental certification, actively supports energy transformation and the localization of green industry through responsible investment, and is increasing its investment in renewable energy in order to protect the environment and foster a sustainable homeland. In terms of social care, the Company follows the footsteps of CTBC Holding's approach to community engagement, not only to expanding its own business but also to grow together with the community and the environment.

Sustainable Investment

We have formulated a Responsible Investment Policy and Responsible Investment Regulations in accordance with the six PRI to guide our daily operations. Furthermore, we established a dedicated unit for sustainable investment in 2021, responsible for our sustainable investment strategy, policy formulation, and process optimization, and we actively participate in internal and external forums and training activities. In addition, we also included a survey on the Guidelines for the Determination of Sustainable Economic Activities in our engagement questionnaire in 2024 to encourage investment and financing targets to comply with those guidelines and to fulfill our stewardship responsibility as an institutional investor.



Sustainable Investment and Stewardship Inputs

Item		Inputs
Human resources invested	Investment managers	1.Sustainability assessment of each investment project: Responsible investment assessment process for each case takes approximately 6–8 hours 2.Communication and interaction with investees through diverse channels 3.Attendance at internal and external meetings related to sustainable investment 4.Attendance and voting at Shareholders' Meetings and Investor Conferences
	Investment Planning Dept. and Management Dept.	Regular attendance at meetings to follow up on progress toward ESG goals in sustainable investment/financing cases: 1. Monthly Investment Division meetings 2. Once every two months group ESG meetings 3. Quarterly ESG group meetings 4. Other internal and external meetings related to sustainable investment
	Responsible Investment Report, including Stewardship Report	1.Content preparation and design takes approximately 2 months 2.A total of nine staff members involved, including from the Compliance and Audit divisions
System resources	Information disclosure and website creation	Updated annually; website takes approximately 6 months to build
	Bloomberg, Eikon, and MSCI	NT$2 million or more
	Internal R&D of ESG news reporting system	System construction takes approximately 5 months
	Internal R&D of SDG analysis database	Database construction takes approximately 5 months
External seminars and training	In 2023, 83 investment agents participated in external seminars and education training totaling 31.75 hours. Please refer to the Appendix for details.	

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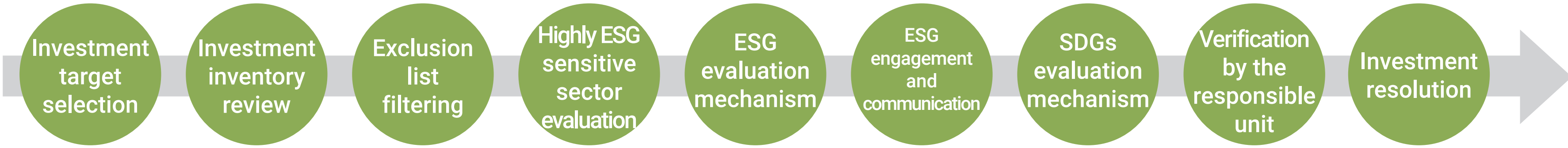
2.3.1 Responsible Investment Process

Taiwan Life has formulated corresponding responsible investment procedures for different investment types and determines whether to proceed with investments or reduce investments based on the evaluation results. The scope of responsible investment covers stocks, bonds, funds, lending, building under construction (BUC) cases, transaction counterparties, and investment service brokers. In 2023, a total of 214 investees and transaction counterparties were invested in/loaned to, according to the responsible investment assessment results.

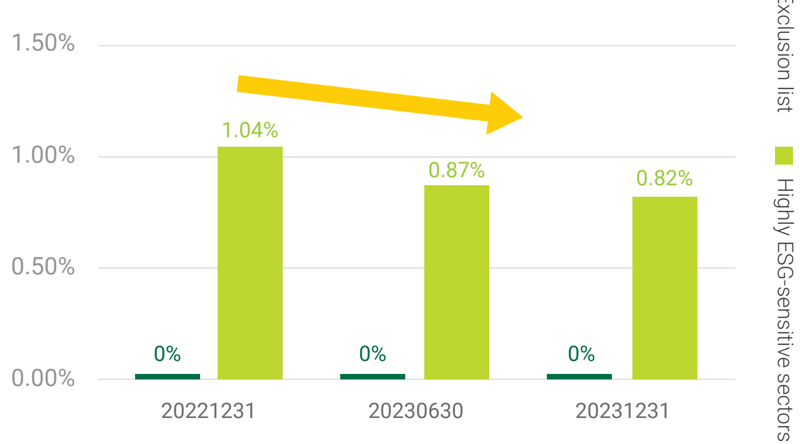
Pre-investment process



Post-investment process

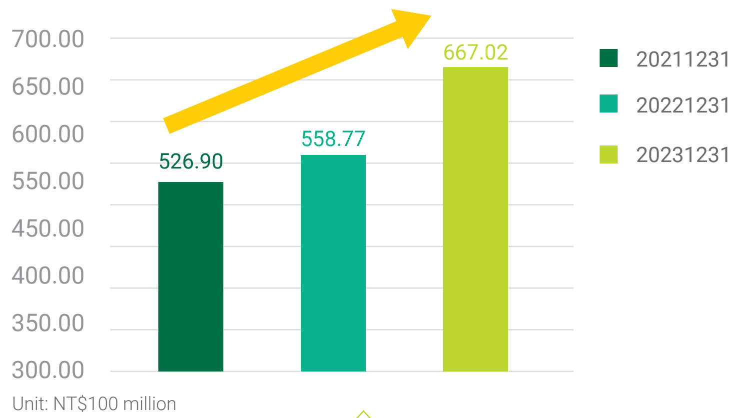
Impacts from Introducing the Responsible Investment Assessment Method

▶ Based on the Responsible Investment assessment process, the proportion of highly sensitive industries has gradually declined.



By clearly defining the exclusion list and highly ESG-sensitive sectors indicators through the responsible investment assessment process, the proportion of investments in highly sensitive bonds has decreased annually.

▶ Growth chart of funds committed to sustainable investment and financing



Through introducing the Principles for Responsible Investment (PRI), the investing unit has been actively investing in renewable energy, green and sustainable investment and financing in accordance with the Responsible Investment assessment process, resulting in an increase in the amount of investment and financing commitments year by year.

1 Domestic and foreign listed stocks and bonds

1. Check exclusion list, highly ESG-sensitive sector evaluation, level of involvement in material ESG issues, external ESG rating systems, and ESG risk assessment.
2. Conduct SDG assessments to determine whether the industry and company rating meet relevant standards.
3. Responsible unit(s) determine presence of risk and the need for further engagement and communication.
4. Derive ESG negotiation results and decide to proceed or withdraw from the investment.

2 Domestic and foreign unlisted stocks and funds

1. Check exclusion list, highly ESG-sensitive sector evaluation, level of involvement in material ESG issues, and ESG risk assessment.
2. Conduct SDG assessments to determine whether the industry of the investees meets relevant standards.
3. Responsible unit(s) assess risk mitigation and determine whether the risk may negatively impact the environment or society.
4. Decide to proceed or withdraw from the investment based on the risk assessment.

3 Real estate

For BUC investments, Taiwan Life conducts a responsible investment assessment during the evaluation and design of the case, and energy, water, waste, and stakeholder participation, among other aspects, are evaluated with reference to the principles of the Global Real Estate Sustainability Benchmark (GRESB).

Note: Due to technical and regulatory restrictions, this is applicable only for BUC investment cases and excludes the purchase or sale of completed properties handled by Taiwan Life and related cases of its subsidiaries for special purposes.

4 Transaction counterparties and investment service brokers

1. Assess whether its investment policies and practices are in line with the spirit of Taiwan Life's Responsible Investment Policy, such as formulating an ESG investment policy, signing or voluntarily complying with the U.N. PRI, or annually assessing the ESG performance of its portfolio companies.
2. Conduct engagement if assessment standards are not met.
3. Responsible unit(s) conduct risk evaluations and make decisions based on ESG engagement results.
4. Determine whether the SDG scores of the counterparty or investment agent meet relevant standards.

Post-investment Management

1. Review the investment inventory on the account regularly every year based on the inspection baseline date and conduct post-investment management.
2. Consider the external ESG rating systems and the degree of involvement in major ESG issues to check whether standards have been met.
3. Post-investment management evaluation; the evaluation document must be signed by a supervisor in charge.

2.3.2 Risk Management for Responsible Investments

The Company is keenly aware that climate change and natural disaster incidents have already posed risks to the global economy, industrial chains, and investment companies. We have stayed current with the development trends of international sustainability evaluations and have taken active control measures for coal mining companies since August 2023. In addition, we also adhere to CTBC Holding's Statement on Sustainable Finance in managing the ESG risks of our investments. While factoring in stable income, we also fulfill our investment responsibilities in due diligence and remind investees of the importance of low-carbon transformation to mitigate the possible impact of climate change. We also strictly control risk exposure to highly environmentally sensitive industries as well as conduct an additional monthly inventory of these investments and track their changes.

Investment Management Measures

Type of Controversial Industries	Industry	Risk assessment and management measures
Exclusion list (prohibited)	Arms	Decline investment; however, arms companies who only supply national defense demands or the government are excluded from this list.
	Pornography	Decline investment.
	Coal mining	Decline investment in companies with more than 25% of total revenue coming from coal mining.
Sensitive industries (strict assessment)	Tobacco	**Description:** More than 10% of a company's revenue comes from tobacco manufacturing and supplying.
	Oil sands	**Definition:** More than 10% of a company's revenue comes from oil sands sales or mining.
	Coal-fired thermal power generation	**Definition:** More than 25% of the power generated comes from thermal power. ▪ Complete withdrawal of financing for coal-fired thermal power generation by 2035[Note]
	Unconventional oil and gas extraction[Note]	**Description:** Companies with more than 10% of total revenue coming from unconventional oil and gas extraction. Unconventional oil and gas includes oil sands, shale oil and gas, polar oil and gas, and deepwater drilling oil and gas. Currently, financing is not available for such customers, and there will be no new ones in the future.

Note: In compliance with CTBC Holding' s Sustainable Finance Statement published on Jun. 30, 2023.

Risk Management for Real Estate Investments

- Implement real estate construction projects according to the health and safety operation plan approved by Taiwan Life.
- Contractors are required to inspect the health and safety of the site every day and produce reports.
- Record and control any deficiencies of health and safety issues, and issue rewards and penalties accordingly.
- Review and statistically analyze health and safety incidents and report them regularly.
- Increase the frequency of the inspection of specific items.

2.3.3 Responsible Financing Management

In accordance with the Responsible Investment Regulations of Taiwan Life, during the credit review and due diligence process, borrowers are investigated to determine whether they have best-in-class ESG practices and sound credit underwriting and evaluations, and to confirm whether they implement environmental protection, ethical corporate management and social responsibility. It is required to confirm "whether it complies with the Company's responsible investment policy and operation guidelines" on the cover page of the credit approval package, and full disclosure of the evaluation information is required to be provided in the credit report, so that managers at all levels can make appropriate decisions.

As the corporate financing business is mostly domestic small and medium-sized enterprises, negative information filtering is mainly used in the due diligence process, such as to check whether the companies and representatives are involved in litigation, examine the general condition of the companies handling their employees' labor pensions, and determine whether any negative information or news about the company has been reported. For post-financing management, the corporate entities, responsible persons, and guarantors are subject to an interim review every six months after a transaction is approved, in accordance with the Guidelines for Review Management. Interim reviews are required to renew the credit investigation and evaluation of information related to changes in operating capacity, loan profile and credit records, anti-money laundering prevention, and ESG assessment.

Responsible Financing Flow Chart

1. Discussion with loan companies
2. ESG checklist
3. Proceed to ESG evaluation
4. Credit evaluation by the business unit
5. Credit unit review by the review unit
6. Credit approval by the authorized manager
7. Loans to customers
8. Review every half year

2.4 Responsible Investment and Financing Results

In recent years, Taiwan Life's investment portfolio has focused primarily on long-term holding and stable profit-making investees (domestic and foreign bonds), hoping to provide reassuring and stable investment protection for the insured and to safeguard their rights and interests. In 2023, the total investment assets of Taiwan Life were approximately NT$1.96 trillion.

In terms of sustainable investments, Taiwan Life adheres to the asset allocation principles of its overall investment portfolio, focusing on domestic and foreign bonds and project financing. As of 2023, the cumulative approved investments and loans to be used for sustainable development totaled NT$66.702 billion. The Company continues to proactively seek investees that meet sustainable development criteria in order to support the government's Green Finance Action Plan 3.0 and promote green energy investment.

Sustainable Investment and Financing

Unit: NT$ thousand

Investment type	Description	Cumulative approved amount[Note]	
		2023	2022
Equity and funds	▪ Public investment: solar power generation, wastewater treatment, wind power generation, and low-carbon natural gas power generation ▪ Sustainability-related funds	15,374,230	13,584,834
Financing	Three offshore wind farm projects: Formosa 2 Wind Power, Changfang & Xidao, and Ørsted subsidiary Mercury Taiwan Holdings	25,459,062	16,459,062
Total		**40,833,292**	**30,043,896**

Note: Cumulative approved amount refers to the cost amount of the investment position as of the end of 2023.

Status of Sustainable Bond Investments

Unit: NT$ thousand

Investment category	Project description	Accumulated investment amount		
			2023	2022
Sustainable bonds	▪ Foreign green bonds, social bonds, sustainability bonds, and sustainability-linked Bonds that meet International Capital Market Association principles or guidelines ▪ Domestic OTC bonds recognized as sustainable bonds ▪ Foreign bond issuers that have more than 50% of their production capacity or revenue in green businesses industries	Domestic	6,400,000	7,400,000
		Foreign	19,468,876	18,432,673
Total			**25,868,876**	**25,832,673**
Types of sustainable bonds	Green bonds		18,058,745	18,396,106
	Social bonds		3,140,481	2,324,287
	Sustainability bonds		3,502,893	3,945,730
	Sustainability-linked bonds		1,166,757	1,166,550

2.4.1 Green Finance

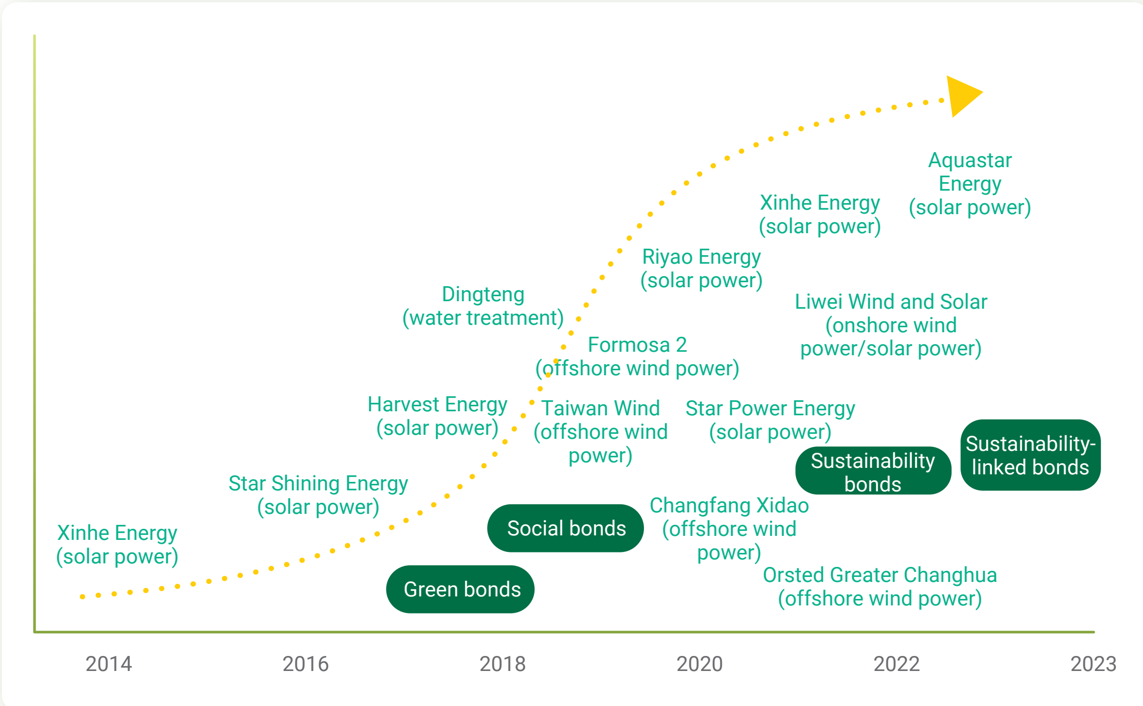
Taiwan Life actively supports the government's green energy policy, in particular the wind power/photovoltaic industry and the power system and energy storage industry among the 12 key industries listed in Taiwan's Pathway to Net-Zero Emissions in 2050. As of the end of 2023, the Company had cumulatively invested NT$15.847 billion in the green energy and renewable energy industries, which are listed among the six core strategic industries, and it continued to add new investment and financing projects in 2023.

Our goal is to lead the insurance industry and to support Taiwan in the process. We were the first Taiwanese life insurance operator, as well as the first in Asia, to engage in a syndicated loan for offshore wind power. In addition, by being dedicated to creating positive impacts related to the SDGs, we are focused on the development of renewable energy. As of the end of 2023, loans that were applicable for financing and that met the criteria for forward-thinking economic activities in the Guidelines for the Determination of Sustainable Economic Activities accounted for approximately 35% of all loans, helping mitigate the effects of climate change through clean, renewable energy.

Our Changfang & Xidao Offshore Wind Farms involvement adopts a dual-track model of both investing and loans, thereby strengthening the level of participation that we as a life insurance operator have in infrastructure construction. The project, has also created many job opportunities, promoted regional development, and maintained positive interactions with the local residents, who joined the government, international wind power developers, and the local finance sector to realize the vision of renewable energy development in Taiwan.

Green Investment Project

In 2022, we invested in a new company, Aquastar Energy Corp., whose "fishery and electricity symbiosis" facility is expected to deliver 75 MW. It focuses on the dual-use of land for both power generation and aquaculture. The project features a combination of power generation and aquaculture operations, and also aims to enhance scientific aquaculture through photovoltaic investment. It will optimize recirculating aquaculture systems, reduce groundwater extraction that causes land subsidence, and promote sustainable development in aquaculture.



Green Financing Projects

Unit: NT$100 million

Financing project	2023		2022		Benefit evaluation[Notes]
	Accumulated actual financing amount	Accumulated Approved amount	Accumulated actual financing	Accumulated approved amount	
Formosa 2 Wind Power syndicated loan	55.3	60.0	amount	Accumulated approved amount	1. Estimated annual carbon emission reduction of 696,000 tons 2. Equivalent of powering 347,000 households every year
Changfang Wind	62.6	69.6	42.2	69.6	1. Estimated annual carbon emission reduction of 1.093 million tons 2. Equivalent of powering 544,000 households every year
Power Co., Ltd./ Xidao Wind Power Co., Ltd. Financing case	33.5	35.0	31.6	35.0	1. Estimated annual carbon emission reduction of 1.112 million tons 2. Equivalent of powering 553,000 households every year
Hai Long 2 Offshore Wind Power Co., Ltd. and Hai Long 3 Offshore Wind Power Co., Ltd.	Not yet used	90.0	-	-	1. Estimated annual carbon emission reduction of 1.893 million tons 2. Equivalent of powering 942,000 households every year
Total	**151.4**	**254.6**	**131.7**	**164.6**	1. Estimated annual carbon emission reduction of 4.794 million tons 2. Equivalent of powering 238,600 households every year

Note 1: The annual power generation is calculated using parameters based on the "annual electricity sales" of the wind power energy wholesale purchase rate in 2023. The offshore wind power production is 3,750 kWh/kW.

Note 2: The annual carbon emission reduction is based on the "2023 Taiwan Electricity Carbon Emission Coefficient" announced by the Energy Administration, MOEA, which is 0.494 kg CO2e/kWh multiplied by the expected power generation.

Note 3: The number of households with available electricity is calculated by dividing the annual power production by the average annual electricity consumption of 338 kWh per household, a statistic in Taiwan as of 2022.

Descriptions of cases in which clients were encouraged to promote ESG through sustainability-linked loans, which offer incentives for the implementation of low-carbon actions:

Financing Project (anonymized)	ESG Credit Extension Terms	Benefits
Hsing X Construction: commercial real estate financing project	Inspect the Sustainability Report of the borrower from the previous year before the end of each September; if the CO2 emissions from electricity use at offices of the borrower has been reduced by 1% or more from the previous year, the interest rate will be further reduced by 0.03% for six months from the interest payment date in the October after the year of inspection, and will resume the original interest reduction criteria from the April payment date from the subsequent period.	In conjunction with the incentives for interest rate reductions, enterprises are encouraged to implement the spirit of sustainability and achieve the effects of energy conservation and carbon reduction.
Hai X Construction: housing inventories financing	For the duration of this project, the electricity bill of the borrower and the operating address of the related enterprise may be reviewed during each review period. If the total electricity consumption in the past three periods has decreased by more than 15% compared with the same period last year, a 0.02% reduction may be given to the loan interest rate for the month following the review date for this project for six months, and interest will be calculated according to the original interest rate pricing method after its expiration.	
Zhu X Construction: housing inventories financing	For the duration of this project, the electricity bill of the borrower may be reviewed during each review period. If the total electricity consumption in the past three consecutive periods has decreased by more than 15% compared with the same period last year, a 0.02% reduction may be given to the loan interest rate for the month following the review date for this project for six months, and interest will be calculated according to the original interest rate pricing method after its expiration.	
Chen X Industries: commercial real estate financing project	For the duration of this project, the electricity bill of the operating address of the borrower may be reviewed during each review period. If the total electricity consumption in the past three periods has decreased by more than 15% compared with the same period last year, a 0.02% reduction may be given to the loan interest rate for the month following the review date for this project for three months, and interest will be calculated according to the original interest rate pricing method after its expiration.	
Yong X Development: commercial real estate financing project	For the duration of this project, the electricity bill of the borrower may be reviewed during each review period. If the total electricity consumption in the past three consecutive periods has decreased by more than 15% compared with the same period last year, a 0.02% reduction may be given to the loan interest rate for the month following the review date for this project for six months, and interest will be calculated according to the original interest rate pricing method after its expiration.	
Wen X Construction: housing inventories financing	For the duration of this project, the electricity bill of the borrower's company address may be reviewed during each review period. The owner is a related enterprise (XX Construction Engineering Co., Ltd.). If the total electricity consumption in the past three consecutive periods has decreased by more than 15% compared with the same period last year, a 0.02% reduction may be given to the loan interest rate for the month following the review date for this project for six months, and interest will be calculated according to the original interest rate pricing method after its expiration.	

Sustainable Corporate Financing

Category	2023 Monetary Value
Green loans	Balance of wind power generation project financing: NT$15,138,591,935
Sustainability-linked loans to juridical persons	Actual loan balance: NT$10,876,710,400
Total lending to juridical persons	NT$42,958,564,405
Total sustainable value	NT$26,015,302,335
Sustainable value as a proportion of total value	60.56%

Note: Juridical persons in this table are defined as corporate households with a capital of more than 100 million.

I. New Renewable Energy Investment Projects in 2023:

As an insurance company with a considerable amount of funds, Taiwan Life is leveraging the green influence of our funds in both "quality" and "quantity." In terms of quantity, the project financing balance of green wind power projects in 2023 exceeded NT$15.1 billion, an increase of 15% from the previous year. We continue to expand our investments in renewable energy and grow them steadily every year, and we fully support the development of Taiwan's clean energy industry and aim to become the driving force behind Taiwan's net-zero 2050 and energy transition. Alternatively, in terms of quality, Taiwan Life's investment team, in addition to evaluating green energy projects from the environmental perspective of power generation benefits, also pay attention to the internal operational changes, corporate social responsibility, and comprehensive ESG strategy assessment of our investment targets from a sustainability perspective. On top of financial performance, this also allows the investment benefits of our funds to extend to non-financial impact.

1 Starlight Energy Company: green energy storage equipment:

Initiated by HD Renewable Energy Co., Ltd. (stock code 6873), Starlight Energy Company Limited is a large-scale energy storage project company jointly invested by the insurance industry. It provides automatic frequency control (AFC) with stable frequency to Taiwan's power grid through energy storage systems. The fast charging and discharging nature of energy storage system enables it to actively adjust the charging and discharging actions to adjust the frequency of the power system, which can improve the reliability of the power system and makes it a solution for system stability under the energy transition policy. In order to achieve Net Zero by 2050, the construction of green power systems is the key to reducing carbon emissions. After a significant number of renewable energy sources achieves grid connection in the future, the power grid will have multiple power sources, thereby increasing the flexibility of the grid.

2 Aquastar Energy: solar power plant with fishery and electricity symbiosis:

Aquastar Energy is an electricity symbiosis farm that combines solar power generation with fisheries. It is located in southern Taiwan. After the optoelectronic manufacturer joined the project, in terms of a humanitarian and cultural aspect, they improved the quality of surrounding roads and the quality of the environment at the site, thereby enhancing the transportation access for local residents and fishery farmers. It is precisely because the optoelectronic manufacturer understands and protects the rights of farmers to work that they have helped improve and upgrade the aquaculture equipment, which in turn enhances the quality of the fisheries. In terms of the environment, the construction of the solar farm has also greatly improved land utilization. The breeding equipment invested by the optoelectronic manufacturer has significantly reduced the demand for breeding water, thereby reducing the extraction of groundwater and also reducing various risks arising from subsidence. By sharing the aforementioned projects, it can be seen that we integrate our promotion of renewable energy development with the promotion of circular economy. Our efforts also echo the UN Sustainable Development Goals (SDG) 6 Clean Water and Sanitation and SDG 7 Affordable and Clean Energy. Taiwan Life implements impact investing with practical actions, works with communities with empathy, and creates a synergistic growth in fisheries and power generation with innovation. It also partners with enterprises to care for and maintain biodiversity, which is a shared philosophy from parent company CTBC Holding to all subsidiaries.

II. New Renewable Energy Financing Projects in 2023:

1 Hai Long 2 and Hai Long 3 offshore wind power:

Hai Long 2 and Hai Long 3 offshore wind power projects are jointly developed by Canada's Northland Power and Japan's Mitsui & Co., Ltd. The wind farm is located 40-70 kilometers off the coast of Changhua, with an installed capacity of 1,022 MW. It is currently the largest offshore wind farm in Taiwan and is expected to be completed in phases from 2025 to 2026. After completion, it can provide electricity for approximately 1.1 million households every year. In the early stage of development, the project went through 15 months of environmental comparative analysis and passed the review from the Ministry of Environment. Review items included impact assessment on the life below water, geological environment, and migratory bird habitat. It is committed to minimizing environmental losses in the process of developing renewable energy while taking into account the coastal fishermen's fishing rights and residents' day-to-day activities. After many communications with local governments and fishermen's associations, a consensus has been reached so that offshore wind power development could achieve mutual benefit and symbiosis between fishermen and residents, and implement the concept of sustainable management and the harmonious development of the environment and society. Finally, the Company successfully raised a total of NT$116.4 billion in project financing with developers, the public sector, and peers from the financial sector, and continued to contribute to the development of domestic renewable energy.

2.4.2 SDG Investment

To practice the PRI and fully realize our impact as an institutional investor, Taiwan Life incorporated the 17 SDGs into our pre-investment evaluation process in 2021. In addition, we use MSCI's SDG database as a source of information to quantitatively assess investment targets against each of the 17 goals. This process helps us to identify the substantial positive and negative results in an investee's operations, products, and services, and to evaluate the relevant levels of impact of our investments. In 2023, after analyzing our major asset position, consisting of equity and bond investments, it was found that the five SDGs that were the most closely related to our investments were SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation, and Infrastructure, SDG 10 Reduced Inequalities, and SDG 6 Clean Water and Sanitation.

Top 5 SDG Investment Goals

Ranking	SDGs	Investment percentage
1	SDG 5 Gender Equality	18%
2	SDG 8 Decent Work And Economic Work	14%
3	SDG 1 No Poverty	10%
4	SDG 13 Climate Action	10%
5	SDG 10 Reduced Inequality	9%

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

Type	Areas	New Investment Amount in 2023 (NT$ million)	Total Approved Amount in 2023 (NT$ million)	2023 Project Description and Impact
Sustainable development bonds	Domestic	0	6,400	-
	Foreign	1,325	19,469	These investments adhere to international standards (ICMA) for green bonds and sustainable development bonds, with the objective of promoting sustainable development.
Equity and fund investment	Domestic green energy industry	700	10,608	▪ **AcSun Energy:** Investing only in domestic solar photovoltaic and acquiring AcBel Polytech's converted power plant. AcBel Polytech is a leading power supply manufacturer in Taiwan. In 2018, the company expanded its operations to include solar power plants, successfully completing a total of 150 MW of solar power generation projects. The installed capacity is approximately 71 MW, with an annual cumulative power generation of approximately 97.5 million kWh in 2023, representing an annual reduction of 482,625 MTCO^{2}e. ▪ **Star Energy Storage Co., Ltd:** is dedicated to providing auxiliary power services through energy storage facilities for grid frequency adjustments, grid resilience, and stability. According to industry estimates, green energy generation needs to be back up by energy storage of approximately 20% in order to mitigate its inherent limitations due to cyclic instability.
	Foreign fund investments	431	4,766	These investments are in compliance with the SFDR standards of the European Union and is an overseas fund that demonstrates good governance and promotes environmental and social responsibility.
Financing	Domestic and foreign total	9,000	25,459	In 2023, new investments were made in the Hai Long 2 and 3 offshore wind power projects in accordance with the government's commitment to green energy development.

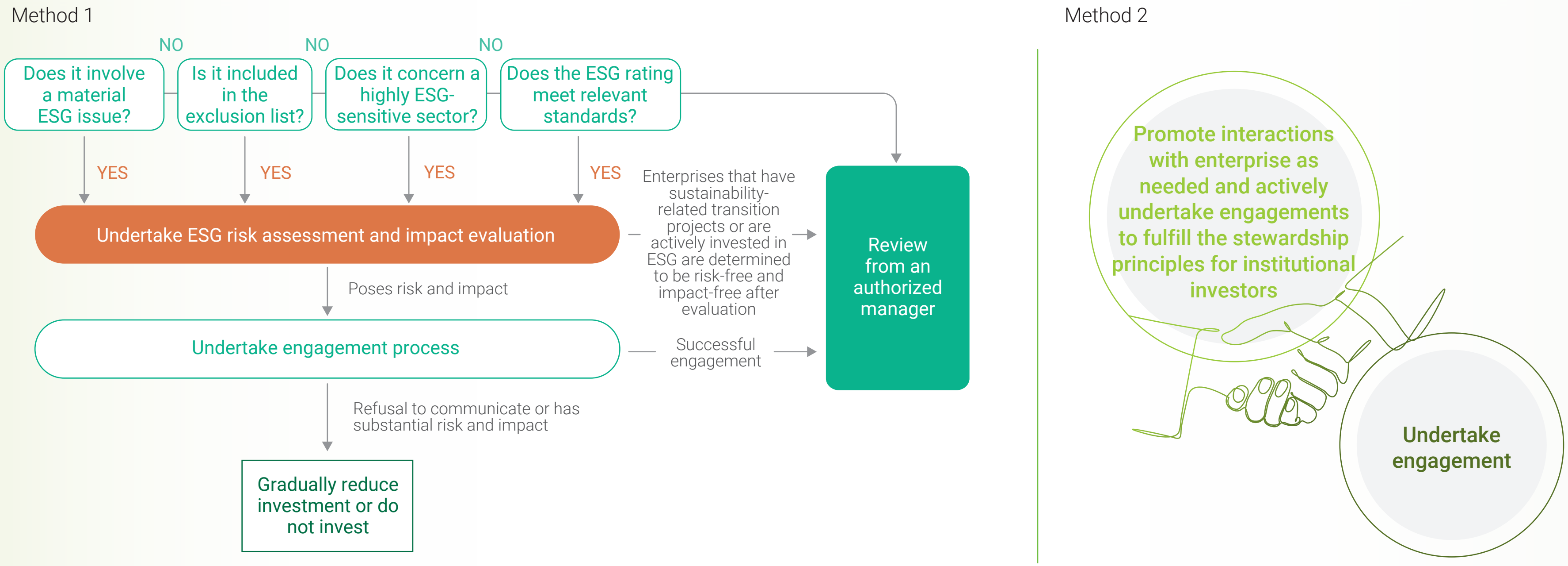
2.5 Engagement and Voting Management

2.5.1 Engagement and Communication

In accordance with our Responsible Investment Policy and relevant operating procedures, we conduct engagements as necessary with investment subjects that fail their ESG assessment or are not included in the ESG rating system. Our engagement methods include personal visits, online meetings, telephone interviews, and written communication.

If a significant ESG risk is identified during an evaluation, follow-up communication is carried out. For investment entities that decline to communicate and are exposed to significant risks, we discontinue investment or gradually reduce our holdings. For less risky investment subjects, the Company communicates with their management or expresses our opinion by exercising our voting rights at shareholders' meetings, and does not exclude the cooperation with other investors to express our demands. The Company will continue to communicate and track the ESG performance of relevant subjects, assess their risks, and plan to track the impact of engagements on investees. The Company holds regular meetings with its two partners that are investment trust and asset management companies. The discretionary contract stipulates that the trustees must consider ESG performance when investing and report to Taiwan Life in the event of a significant ESG-related issue. In 2023, the Company communicated with discretionary companies 18 times and attended real estate management committee meetings 17 times. During that period, no major ESG-related issues were found.

Engagement Evaluation Flow Chart



Institutional investor impact

Taiwan Life will continue to expand its impact as an institutional investor to make compliance requests for investment and financing targets that need to improve their ESG performance or for industries that need to enhance their disclosures. It will also consider making suggestions on occasions where it can exert its influence, such as by making proposals and exercising its voting rights at shareholders' meetings.

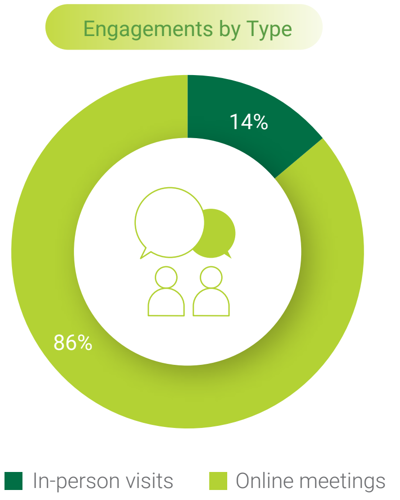
Every year, by attending shareholders' meetings and online meetings as well as through correspondence and in-person visits, the Company conducts appropriate communication and interaction with investee companies, so as to maintain the interests of the Company as a shareholder and fulfill the Company's stewardship responsibilities as an institutional investor.

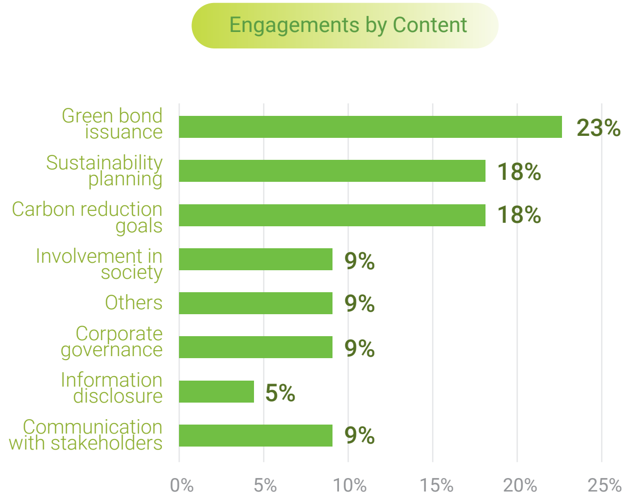
Category	Item	Instances in 2023
Investments and loans	Equity	487
	Fixed income	40
	Project investment/funds	193
	Corporate lending	152
	Discretionary Investments	17
Real estate	Local government meetings	3
	Project development meeting	18
	Board meetings	26
	Shareholders' meetings	8

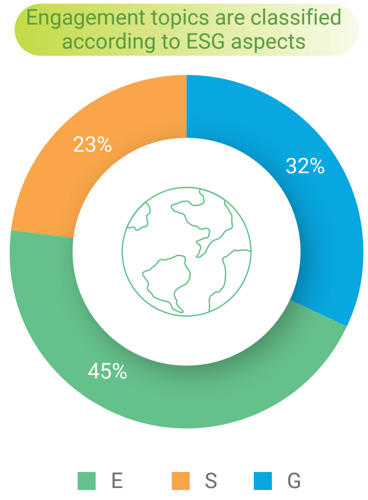
Engagement and Communication Results

Engagement Process

1. Determine the engagement topic and draft the engagement letter, to be sent by the responsible manager.
2. Conduct a preliminary survey of the intent to cooperate and a discussion of relevant issues.
3. Conduct online engagement meetings to explain how to complete the questionnaire and to discuss related issues.
4. All companies are requested to complete the questionnaire within the given time limit, and data is compiled for future internal reference.
5. If there are no issues with the data, the engagement is completed.







Note: July 2022 - June 2023

Scenarios:

- Major penalties or significant internal audit and control incidents result in financial losses, and the stock price of an invested company fluctuates or financial forecasts do not meet expectations.
- The invested company's stable operation is affected by incidents of fraud or negative news during its board and supervisor elections.

Issues for engagement and communication:

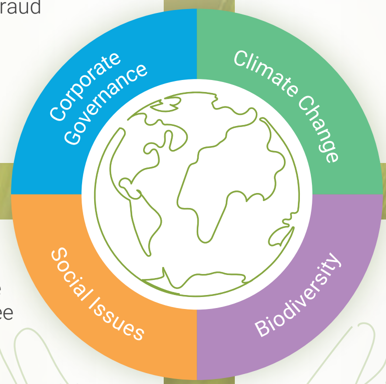
The impact of operational and financial aspects on financial stability.

Scenarios:

The future implementation of carbon taxes and fees impacts existing high-carbon industries, such as fossil fuel power generation, cement, and steel, affecting future investment returns.

Issues for engagement and communication:

Tracking the progress of the transition plan and assessing the financial impact on invested companies in light of the implementation of carbon taxes and fees as well as establishing a transition plan and carbon reduction goals.



Scenarios:

Negative news on major occupational safety incidents that result in the injury or death of employees of invested companies, as well as employee concerns about human rights issues.

Issues for engagement and communication:

This agenda focuses on the following topics: Fluctuations in stock prices and the expected impact period, the scope of the impact on finances, improvement measures for safeguarding human rights, and improvement measures for occupational health and safety. Additionally, in the event of a significant incident that affects operations, track the follow-up resumption plan and insurance compensation matters to fully understand the overall operational and financial impact on the invested company.

Scenarios:

- The environmental protection group has expressed concerns regarding the impact of the invested companies' onsite operations.
- Significant Penalty Case Arising from Environmental Pollution Emissions

Issues for engagement and communication:

Has the incident affected the overall operation of the invested company and caused fluctuations in stock prices? Will the stock price be affected by significant penalty cases? What subsequent measures will be taken for environmental improvement?

Example of an actual engagement

C Company

(Engagement time: March 2023)

Reason for engagement

"C Company" is Taiwan's largest cement and ready-mixed concrete manufacturer, with production lines spread across both sides of the Taiwan Strait. Its main businesses include cement, ready-mixed concrete production, and electric power supply. As its industry involves high carbon emissions, we jointly initiated engagement with investment units of CTBC Investments and CTBC Securities.

Summary of engagement process

After the Company's Sustainable Investment team and members of the PRI team (investment from CTBC Holding's other subsidiaries) jointly discussed and researched the information that C Company had disclosed on its website, we strove to understand issues including low-carbon transition plan, stakeholder interactions, and green bond issuance plans. The survey was sent via the channel for stakeholder communications disclosed on the Sustainable Development section of C Company's website, thereby successfully completing our engagement. C Company's response is summarized below:

Low-carbon transition: C Company has spared no effort in reducing carbon emissions and passed the SBTi carbon reduction target review in 2019, committing to reducing Scope 1 greenhouse gas emission intensity by 11% and Scope 2 indirect greenhouse gas emission intensity by 32% in 2025. Internally, we have also developed a carbon reduction management system and regularly track its data to facilitate goal achievement.

Stakeholder interactions: In order to reduce the impact on the environment and promote the development of local communities, C Company has set up a leisure and sightseeing park in the Hualien area, which has become a well-known local attraction. We also introduced methodologies to identify 12 types of stakeholder groups, and understood changes they perceived after being employed in our park, having participated in and managed booths at the market, and participated in the tour to the three-in-one Heping plant through face-to-face and phone interviews. At the same time, we also organized diverse activities to promote the spirit of sustainable development of the industry and cities.

Green bond issuance: Currently being planned. We will also consider issuing sustainability-related bonds in the international capital market in the future, and also plan to obtain the qualification of green bonds from Taipei Exchange.

Subsequent monitoring plan and impacts

Follow-up plans and action planning: The Company engages in post-investment management every year based on the ESG evaluation process, as part of which an ESG inspection is carried out on C Company to evaluate whether the investment is concerned with material issues that will affect Taiwan Life's investments. In addition, we also continue to pay attention to the carbon reduction targets and carbon emission information disclosed by C Company, and monitor whether it has completed the green bond issuance and obtained the certification for green bond qualification within one year.

Impact on the company from the current engagement: C Company had a positive attitude in responding to our questions, and we gave positive recognition and encouraged C Company to continue to do so going forward. We also explained to C Company that most financial operators are also actively looking for ESG investment targets, and that if it passes the domestic green bond qualification review, it might be a new investment opportunity for investors.

Impacts on the Company's future investment decision: The Company's investment team decided to maintain our existing investments. Going forward, we will continue to monitor its corporate movements, and to adjust our investments on a timely basis.

Whether the goal for engagement have been met: Yes. The main goal of the engagement was to understand whether C Company has set carbon reduction goals and whether it has actively responded to investors' questions. C Company actively carries out carbon reduction and other measures, and also actively responds to investor questions. In terms of green bond issuance, we will regularly follow-up and encourage C Company to issue green bonds.

A Company

(Engagement time: May 2023)

Reason for engagement

As the second largest cement manufacturer in Taiwan, "A Company" has manufacturing plants in Hsinchu and Hualien and is also expanding its business locations to China, specifically in central and southern China. Its major products include cement for general construction projects and cement for underground foundation projects. As its industry involves high carbon emissions, we jointly initiated engagement with investment units of CTBC Investments and CTBC Securities.

Summary of engagement process

After the Company's Sustainable Investment team and members of the PRI team (investment teams from CTBC Investments and CTBC Securities) jointly discussed and researched the information that A Company had disclosed on its website, we designed surveys based on three major aspects, including low-carbon transition, green energy supply, and green bond issuance. The survey was sent via the channel for stakeholder communications disclosed on the Sustainable Development section of A Company's website, thereby successfully completing our engagement. A Company's response is summarized below:

Low-carbon transition:

(1.)Setting carbon reduction objectives: A Company is actively engaged in carbon reduction and has set up its SBTi carbon reduction target in 2019. In the future, it will make a Net Zero commitment to SBTi again and set relevant targets.

(2.)Low-carbon product development: A Company began to sell low-carbon cement products in 2016, and its sales volume has continued to grow. With active promotion, it has also exported as much as 210,000 tons to the United States.

(3.)Renewable energy equipment and planning: In addition to installing solar photovoltaic facilities, A Company is also actively updating the waste heat generation system in its production site in eastern Taiwan, which is expected to reduce electricity consumption starting in 2024.

Stakeholder interactions: A Company has been committed to community services over the long-term to listen to the needs of the people, including friendly policies designed specifically for indigenous people, education for children in rural areas, and the construction of ecological parks to implement the goal of coexistence and co-prosperity with the local residents.

Green bond issuance: There are currently no relevant plans.

Subsequent monitoring plan and impacts

Follow-up plans and action planning: The Company engages in post-investment management every year based on the ESG evaluation process, as part of which an ESG inspection is carried out on A Company to evaluate whether the investment is concerned with material issues that will affect Taiwan Life's investment. In addition, we also track whether A Company has plans to issue green bonds within one year. If it has yet to do so by then, we will encourage it to do so in a timely manner.

Impact on the company from the current engagement: We explained to A Company that most financial operators are also actively looking for ESG investment targets. If it issues green bonds and passes the qualification review from Taipei Exchange, it could become a new green investment opportunity with which investors could convey their support for ESG-related products and green bonds.

Impacts on the Company's future investment decision: The Company's investment team decided to maintain our existing investments. Going forward, we will continue to monitor its corporate movements, and to adjust our investments on a timely basis.

Whether the goal for engagement have been met: Yes. The main goal of the engagement was to understand whether A Company has set carbon reduction goals and whether it has actively responded to investors' questions. A Company actively carries out carbon reduction and other measures, and also actively responds to investor questions. In terms of green bond issuance, we will regularly follow-up and encourage A Company to issue green bonds.

Z Company

(Engagement time: June 2023)

Reason for engagement

The location of headquarters for "Z Company" is in Kaohsiung and it is funded by the government. It is the leader of Taiwan's steel industry and has the largest smelting plant. Its main products are steel plates, steel bars, wire rods, hot-rolled, cold-rolled, electro-galvanized steel coils, electromagnetic steel coils, and hot-dip galvanized steel coils and other steel products. As its industry involves high carbon emissions, we jointly initiated engagement with investment units of CTBC Investments and CTBC Securities.

Summary of engagement process

After the Company's Sustainable Investment team and members of the PRI team (investment teams from CTBC Investments and CTBC Securities) jointly discussed and researched the information that Z Company has disclosed on its website, we designed surveys based on three major aspects, including setting up carbon reduction goals, transition plan, and green bond issuance. The survey was sent via the channel for stakeholder communications disclosed on the Sustainable Development section of Z Company's website, thereby successfully completing our engagement. Z Company's response is summarized as the following:

Setting carbon reduction objectives:
Z Company has set up short, medium, and long-term carbon reduction goals internally. In terms of international carbon reduction targets, we are also actively studying the SBTi guidelines for the steel industry and evaluating the feasibility of internal implementations.

Transition plan: Z Company has promoted internal transition-related measures, including formulating the ability to calculate the carbon emissions of products, promoting emission reductions in steel plant production, and developing recycled steel products.

Green bond issuance: Internal research and discussions are in progress. We will propose an issuance plan that complies with regulations by referencing industry practices, and will subsequently submit a qualification approval to the Taipei Exchange.

Subsequent monitoring plan and impacts

Follow-up plans and action planning: The Company engages in post-investment management every year based on the ESG evaluation process, as part of which an ESG inspection is carried out on Z Company to evaluate whether the investment is concerned with material issues that will affect Taiwan Life's investment. In addition, we also track whether Z Company has completed the issuance within one year.

Impacts on the Company's future investment decision: The Company's investment team decided to maintain our existing investments. Going forward, we will continue to monitor its corporate movements, and to adjust our investments on a timely basis.

Whether the goal for engagement have been met: The main goal of the Company's engagement was to understand whether Z Company has set carbon reduction goals and whether it has actively responded to investors' questions. Z Company met all engagement goals. In terms of green bond issuance, we will regularly follow-up to see whether green bonds have been issued and qualification has been granted.

The three engagement examples above reflect how the Company actively interacts and engages with investees every year. Each engagement re-examines the effectiveness of the investee's ESG policy implementation, with the purpose of supervising the investee's ESG policy implementation. While evaluating investees, we also review whether all procedures of the current engagement comply with Taiwan Life's Stewardship Principles for Institutional Investors, which stipulate: (1) appropriate interactions with the investee; (2) continued monitoring of the investee; and (3) continued follow-up on its progress, in addition to compliance with the Company's responsible investment procedures.

2.5.2 Voting Policy and Ownership

In order to fulfill our stewardship responsibility as an institutional investor, Taiwan Life has formulated and follows operating procedures regarding the exercise of its voting rights. As a matter of principle, to protect the rights and interests of customers and maximize the interests of shareholders, we actively attend the shareholders' meetings of invested companies. Before each meeting, we carefully evaluate the motions on the agenda and related discussions. If necessary, we inquire and communicate with the management before a meeting to gain further understanding of each motion.

In addition to attending meetings in person to cast votes, we also exercise voting rights through eVoting. In principle, the Company exercises its voting rights in order to express its opinions on a motion. To this end, Taiwan Life may evaluate whether a motion will impair the rights and interests of the proposer, insured, beneficiaries, or shareholders, but ultimately whether to support a motion is at its discretion. Major operation procedures are as follows:

1. In order to protect the rights and interests of customers, promote the overall interests of shareholders, and guide the Company's investment department personnel in attending shareholders' meetings and related meetings, Taiwan Life has formulated the Operation Guidelines for Attending Shareholders' Meetings and Related Meetings of Investee Companies to facilitate the management of investee companies and promote their development.

2. When receiving the relevant information on the notice of shareholders' meeting, it is necessary to carefully evaluate whether the motions of each shareholders' meeting and related meetings have a significant impact on the rights and interests of the Company's customers or shareholders, and whether there are major issues; the business unit shall evaluate and retain related documents. If necessary due to the significance of the abovementioned impact, Taiwan Life will communicate with the management of the investee company before the meeting, and explain its evaluation and analysis of the exercise of voting rights. If it is a general meeting of shareholders and Taiwan Life can exercise its voting rights by eVoting, failure to attend meetings should be approved by supervisor.

3. Taiwan Life may not exercise voting rights during election of directors or supervisors of an investee unless the investee meets any one of the following conditions:
① Meets the criteria for insurer's funds in public utilities and social welfare
② Is traded on a foreign exchange or over-the-counter (OTC) market

4. When exercising the rights and interests of shareholders or investors due to the possession of marketable securities, Taiwan Life shall not exchange equity or transfer interests or participate in running the investee company by means of trust, appointment, or other contractual agreement or agreement, authorization, or other method with the investee company or a third party. The exercise of Taiwan Life's rights and interests as a shareholder or investor shall not prejudice the interests of the proposer, the insured, or the beneficiary.

5. Taiwan Life and its affiliated companies shall not act as the solicitor of power of attorney of the investee company or entrust others to be the solicitor of power of attorney or jointly solicit power of attorney with others.

6. The voting rights of Taiwan Life include expressing support, objection, or abstention, but not absolute support for the content of the motions proposed by the investee company. On the basis of respecting the business expertise of the investee company and promoting its effective development, we support proposals put forward by the management in principle. However, proposals that impede the sustainable development of the investee company or violate the Company's Responsible Investment Policy will not be supported in principle.

Attendance principles

To safeguard customers' rights and optimize shareholders' interests, we adhere to the principle of active attendance at investees' shareholders' meetings and exercise voting rights as follows:

1. **Physical attendance/virtual attendance:**
We consider it essential to participate actively in shareholders' meetings to exercise our voting rights effectively. Over the past two years, certain shareholders' meetings have been conducted virtually due to the pandemic. Nonetheless, we consistently raise relevant questions during these meetings in a timely manner whenever we have concerns over any motions. We adopt the same proactive approach, whether attending physically or virtually, and ensure our presence when eVoting is not available.

2. **eVoting:**
In cases where physical attendance is not feasible, either domestically or internationally, due to cost considerations or pandemic-related circumstances, we exercise voting rights through eVoting. We still endeavor to participate in the meetings on-site whenever possible to express our opinions.

3. **Attendance by proxy:**
Currently, we have not utilized proxies to attend meetings, nor have we outsourced research institutions to conduct research or act as agents during voting. Our in-house investment unit handles all relevant research and voting matters internally.

Principles for not attending a meeting due to cost concerns

If either of the following conditions is met, the Company may not attend a meeting to exercise its voting rights:

1. Taiwan Life holds less than 5% of the total number of shares issued by the investee company, and the purchasing cost of the shares was less than NT$1 billion.
2. The reason for not attending the meeting has been stated and approved by the authorized supervisor.

Flow chart of Taiwan Life's attendance at investees' shareholders' meetings and related meetings

The investment department receives the meeting notice from the investee → The investment division head decides whether to attend and the method to exercise voting rights according to the proposal content → Personnel are dispatched to the meeting or eVoting is exercised accordingly → Relevant information, such as the appointment letter or power of attorney, is filed by the attending personnel → After the meeting, the written record of the actual exercising of voting rights is reported to the relevant units according to the nature of the meeting

Descriptions for Exercising of the Voting Rights

Voting rights are exercised proactively in order to ensure that shareholders' interests are protected. An explanation of the exercise of voting rights is as follows:

1 Abstentions

Voting on the election of directors and supervisors:

As per the Insurance Act, insurance companies are prohibited from exercising voting rights in the election of directors and supervisors of invested companies. Consequently, insurance companies abstain from voting on motions regarding the election of directors and supervisors. This stipulation excludes cases where:

(1) Voting is necessary to comply with insurance industry regulations regarding the management of funds for public and social welfare investments.

(2) Traders participate in centralized trading markets or OTC markets for foreign securities.

Abstentions on:

- Election of directors and supervisors
- By-election of directors
- Election of additional directors or independent directors

2 Votes against

Major ESG-related proposals that may impede an invested company's sustainable development or corporate governance or have a significant impact on society will not be supported. Furthermore, a vote against will be cast in the following situations:

(1) The proposal has a significant negative impact on shareholders' equity. The change in capital structure is detrimental to both shareholders' equity and investment value. (For example: company mergers, divisions, reorganizations, or delistings.)

(2) The proposal addresses the negative impact on shareholders' equity that has arisen from a failure to accurately disclose important information in a financial statement.

(3) There is a suspected violation of integrity in business operations, such as a conflict of interest.

(4) The agenda of the shareholders' meeting may impede Taiwan Life's sustainable development or contravene its Responsible Investment Policy.

3 Votes for

If there are concerns regarding points 1 and 2 above, the Company will exercise its voting rights in favor of a proposal, in line with the principle of respecting the business expertise of the investee and in order to promote its effective development.

Explanation on matters to be voted on

Explanation of votes for

In respect of the professionalism of the investees and to promote their effective operation and development, we in principle support motions proposed by their management.

Explanation of abstentions

As a matter of principle, the Company exercises its voting rights in a proactive manner and expresses its opinion for or against the content of motions. Under certain circumstances (e.g., legal restrictions), abstentions are used.
For example, according to Article 146-1 of the Insurance Act, the insurance industry is not allowed to cast a vote in the election of directors or supervisors of investees; therefore, Taiwan Life abstains from voting on such motions.

Explanation of votes against

We do not support proposals that impede the sustainable development of investees or violate our Responsible Investment Policy, such as those that hamper environmental sustainability, social care, and corporate governance.
For example, in 2023, we objected to the proposals of two investees for the following reasons:
1. The investee was transforming into a sustainable fund, causing a delay in its IPO, which would be harmful to the Company's capital recovery schedule.
2. Appropriation of bonus dividends leading to an inflated share capital and diluting the EPS, which would have a negative impact on the stock price.

In 2023, we attended the shareholders' meetings of 440 domestic and foreign investees. We attended 42 meetings in person, while we voted electronically for 392 meetings and via correspondence for six. A total of 1,068 proposals were voted on domestically.

Category of proposal	Content	Total votes	In favor	Against	Abstention
Financial issues	Approval of business reports and financial statements	251	251	0	0
	Earnings distribution or loss offsetting	237	237	0	0
Employee benefits and rights	Issuance of new shares with restriction of	14	14	0	0
	Issuing employee stock options at below market price	1	1	0	0
	Transfer of treasury stock below average repurchase price	0	0	0	0
Shareholders' equity	Company dissolution, merger, acquisition, share transfer, or division	2	2	0	0
	Capital increase (retained earnings, capital reserves, dividend distribution, or cash as capital for issuance of new shares)	35	34	1	0
	Private placement of securities	8	8	0	0
	Capital or cash reduction (for offsetting losses or cash refund)	11	11	0	0
Corporate governance	Amendment of articles of incorporation or operating procedures	197	197	0	0
	Lifting the ban on directors from participating in competing companies	175	169	0	6
	Execution of the right to recover short-swing profit from statutory insiders	0	0	0	0
Personnel organization	Election of directors and supervisors	114	14	0	100
	Dismissal of directors and supervisors	0	0	0	0
Other	Other	23	20	3	0
Total		1,068	958	4	106
		100%	89.70%	0.37%	9.93%

Note: We cumulatively attended and voted at the shareholders' meetings of 253 domestic companies.

2.6 Environment-friendly Operations

2.6.1 Environmental Management Systems and Certifications

The Company and subsidiary CTBC Insurance have introduced ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and ISO 14064-1 Greenhouse Gas Quantification and Reporting certification, with 100% coverage. In 2023, a total of NT$2,664,800 was invested in management system guidance, verification, education, and training. In accordance to the plan–do–check–act (PDCA) management cycle model, we work to strengthen our management mechanisms and achieve our goal of better energy conservation and carbon reduction.

ISO standards and validation coverage reached 100%

Management System	Financial Reporting Sites	Other Sites	Total
ISO 14001 Environmental Management System ISO 50001 Energy Management System	Headquarters and 7 branches	Taipei Shoude Building, Taichung Wuquan Building, Kaohsiung Liuhe Building, Taipei Nanyang Building	12 sites
ISO 14064-1 Greenhouse Gas Quantification and Reporting	Headquarters and 7 branches	Beijing Representative Office, Taipei Nanyang Building, Hsinchu Linsen Road Workplace, Taichung Longbang Building, Taichung Far East. Financial Building, Taichung Wuquan Building, Kaohsiung Liuhe Building, Taoyuan, Miaoli, Yunlin, Chiayi, Nantou, Kaohsiung, Pingtung, and other bases	36 sites

Note: Coverage rate = certified business operation sites / total number of sites.

2.6.2 Energy and Greenhouse Gas Management

Taiwan Life and its subsidiaries regularly review the energy used in daily operations. Taiwan Life Insurance and its subsidiaries start with daily operations, regularly reviewing the energy use in their operations. Through energy-saving counseling programs in cooperation with industry and academia, we diagnose various energy-consuming equipment at each workplace and identify opportunities for energy savings, in turn proposing energy-saving solutions. We also continue to hold electricity-saving competitions, integrating energy saving into daily work habits for all employees. Additionally, we continue to inspect office buildings and to conduct regular maintenance and repairs on air conditioning, lighting, and other systems. This includes replacing old lighting fixtures with LED lights to reduce lighting electricity consumption and replacing energy-consuming air conditioning equipment, to achieve the long-term goal of a 5% reduction in electricity consumption over five years..

Energy use: Taiwan Life

Energy Type	Unit	2023	2022	2021
Electricity	kWh	9,603,801	9,314,997	8,715,108
Electricity consumption per capita	kWh per person	1,278	1,777	1,651
Diesel	Liters	851	487	431
Gasoline (company vehicles)	Liters	9,045	11,827	52,040
Total energy consumption	GJ	34,907	33,937	33,097
Total energy use intensity	GJ per person	4.7	6.5	6.6

Energy use: CTBC Insurance

Energy Type	Unit	2023	2022	2021
Electricity	kWh	1,034,810	917,975	861,114
Electricity consumption per capita	kWh per person	2,211	2,676	2,633
Total energy consumption	GJ	3,810	3,397	3,100
Total energy use intensity	GJ per person	8.1	9.9	9.5

Taiwan Life's total Scope 1 and 2 greenhouse gas emissions in 2023 reached 5,502 metric tons, an increase of 8.8% from 2022. This is mainly due to the inclusion of all business locations in the inventory; thereby including an additional 19 sites (42 correspondence offices) over the previous year. Category 4 emissions reached 1,114 metric tons in 2023, a decrease of 143 metric tons compared with 2022.

In conjunction with parent company CTBC Holding, Taiwan Life has adopted SBTi targets and set Scope I and Scope II reduction targets for our own operations. Taking 2021 as the base year, Taiwan Life will reduce annual emissions by 4.5% and is expected to achieve a 63% reduction goal by 2035. The total amount of Category 1 and Category 2 greenhouse gas emissions in 2023 reached 5,502 metric tons, an increase of 22.8% compared with the base year 2021. This is mostly due to the inclusion of all business locations in the inventory. Our subsequent plans will continue to promote the replacement of energy-intensive equipment and evaluate the purchase of renewable energy, in order to achieve our reduction goals.

Greenhouse Gas Emissions: Taiwan Life

Unit: MtCO2e

GHG Category	2023	2022	2021
Scope 1 GHG emissions	758	315	106
Scope 2 GHG emissions	4,744	4,741	4,376
Scope 1 and 2 total GHG emissions	5,502	5,056	4,482
Scope 1 and 2 GHG emission intensity (tCO2e/person)	0.73	0.97	0.89 Note5
Scope 3 GHG emissions	139	143	107.1853
Scope 4 GHG emissions	1,114.3959	1,257.893	1,451.2139

Note 1: Inventory boundaries were set using the operational control approach.

Note 2: Scope 1: Direct GHG emissions and removals; Scope 2: Indirect GHG emissions from imported energy; Scope 3: Indirect GHG emissions from transportation; Scope 4: Indirect GHG emissions from products used by an organization.

Note 3: Scope 2 GHG emissions are for electricity use; the electricity coefficients in 2021, 2022, and 2023 were 0.509, 0.509, and 0.494 kg CO2e/kWh, respectively.

Note 4: The number of employees at the 15 verification sites in 2021 was 5,046; the number of employees at the 15 verification sites in 2022 was 5,242; and the number of employees at the 36 verification sites in 2023 was 7,512.

Note 5: The data for greenhouse gas emissions intensity for 2021 has been corrected due to misplaced data in the previous report.

Note 6: The Company's carbon emissions per million NTD revenue in 2023 was 0.026 tCO2e. (Calculated based on the revenue stated in Taiwan Life's 2023 individual financial report.)

Greenhouse Gas Emissions: CTBC Insurance

Unit: MtCO2e

GHG Category	2023	2022	2021
Scope 1 GHG emissions	66	56	56
Scope 2 GHG emissions	512	467	432
Scope 1 and 2 total GHG emissions	578	523	488
Scope 1 and 2 GHG emission intensity (tCO2e/person)	1.23	1.52	1.49

Note 1: Inventory boundaries were set using the operation control method.

Note 2: The power use coefficients in 2021, 2022, and 2023 were 0.509, 0.509, and 0.494 kg CO2e/kWh, respectively.

2.6.3 Expanding Energy Savings and Carbon Reductions

In the insurance industry, electricity use is our main source of greenhouse gas emissions. In order to reduce the impact of our operations on the environment, we continue to promote various energy-saving and carbon reduction measures as follows:

1. We continued the 2022 action plan to save energy in 2023, including by replacing the ice water coolers in the Shoude Building and Taichung Wuquan Building and replacing the lights in our photo studio. For the year, we reduced emissions by 9 tCO2e.

2. In accordance with the Montreal Protocol regulations, starting from 2021, the use of ozone-depleting substances (such as R-22 refrigerants) is prohibited. In line with CTBC Holding's plan to replace 50% of air conditioning units in buildings it owns and operates within 5 years and 25% within 3 years, we cumulatively replaced air conditioning units with a combined capacity of 815 tons, representing 84.16% of our total unit capacity of 1,515 tons.

Specific Energy-saving Measures

Improvements	Energy reduction (kWh/ year)	Carbon reduction (tCO2e)
1. Four action plans in 2022 to recognize electricity savings in 2023 (5,418 kWh) **2.** Replacement of ice water cooler in the north part of the 5th floor of the Shoude Building (6,779 kWh) **3.** Replacement of air conditioners in the Taichung Wuquan Building (5,161 kWh) **4.** Replacement of stage lighting fixtures in the studio on the 16th floor of the Shoude Building (690 kWh)	18,048	9

Note: The effectiveness of energy conservation and carbon reduction was calculated using a carbon emission coefficient of 0.509 kg CO2e/kWh in 2022 and 0.459 kg CO2e/kWh in 2023, as announced by the Bureau of Energy.

Paperless Operations

Measures	Performance Indicator	2023	2022	2021
Promote digital official documents and digital document distribution	Rate of digital official documents	Nearly 100%	100%	100%
	Rate of digital document distribution	99%	77.6%	84.8%
Promotion of mobile insurance app service	Rate of mobile insurance policies (mobile insurance applications / applications through sales personnel)	Nearly 100%	98.7%	98.7%
E-policies	Rate of new contract E-policies	19%	12%	4%
Paper sheets saved		3.131 million	1.64 million	1.85 million
Reduced carbon emissions (tCO2e)		22.2 tons	11.5	12.93

Note 1: Mobile insurance application services include mobile insurance applications, action proposals, policy health diagnosis, and demand analysis. Of customers using these services, a small number require the use of paper documents; additionally, in the case of system updates, only paper documents can be used.

Note 2: One sheet of A4 paper produces 7 grams of CO2e. (Source: Environmental Protection Administration's Taiwan Product Carbon Footprint website)

Note 3: The total paper sheets saved in 2021 include sheets saved through the "Digital distribution of premium payment notices and receipts" initiative. In 2022 and 2023, the number of electronic insurance policies was used instead.

2.6.4 Renewable Energy and Green Buildings

In 2023, following the guidance of CTBC Holding, Taiwan Life evaluated the purchase of renewable energy. Over three years, Taiwan Life plans to purchase 4.39 million kWh of green electricity. The plan includes medium- and long-term emission reduction targets and an increased proportion of renewable energy usage. As of 2024, they have already started switching to green electricity, and the Nangang headquarters is expected to use 100% green electricity by 2025.

Solar Panels for Self-owned Buildings

Building	Installed Capacity (kW)	Production (kW)	Electricity Savings (NTD)	Carbon Emissions Reduced(CO^2 e)	Usage	Commencement Date
CTBC Holding Taichung Headquarters	21.125KW	26,585 kWh/year 118,274 kWh/cumulative	NT$96,950/year NT$432,792/cumulative	NT$96,950/year NT$432,792/cumulative	Self-use	May 29, 2019
Kaohsiung General Library	12.2KW	4,080 kWh/year 4,758 kWh/cumulative	NT$12,240/year NT$14,274/cumulative	2.02 metric tons/year 2.35 metric tons/cumulative	Self-use	Nov. 1, 2022

Note: The energy saving and carbon reduction performance are calculated based on the 2023 electricity emission coefficient of 0.494 kg CO2e/kWh as announced by the Energy Administration, MOEA.

Green Buildings

Location	Certification
CTBC Holding Taichung Financial Building, No. 88, Huizhong Road, Xitun District, Taichung City	Obtained the Silver EEWH Green Building Label in July 2020, and currently in operation.
Lot 15, Economic and Trade Park, Nangang District, Taipei land development project	Obtained the Gold EEWH Green Building Candidate Certificate in April 2020 and will obtain the Gold EEWH Green Building Label within 2 years after obtaining the occupancy permit.
Cultural and Creative Industries Hall in Kaohsiung Main Public Library BOT project	Obtained the Silver EEWH Green Building Candidate Certificate in September 2017; the occupancy permit was obtained in March 2020, and obtained the EEWH Silver-level Green Building Label in January 2024.
Taichung Intercontinental Baseball Stadium	▪ The multipurpose sports center and parking tower have obtained the Bronze EEWH Green Building Label, and currently in operation. ▪ The adjoining shopping center is under construction and has been awarded the Silver EEWH Green Building Candidate Certificate in 2023; after the completion of construction, the shopping center is expected to obtain the Silver EEWH Green Building Label following an environmental impact assessment.
Kaohsiung Old City Council	▪ The review criteria for the label were fully discussed during the design phase in 2023, and it is expected to obtain a Gold-level Green Building candidate certificate and a Silver-level Smart Building candidate certificate by 2028.

2.6.5 Water Resources and Management

One hundred percent of the water resources used in Taiwan Life's daily operations come from state-owned utility Taiwan Water Corp. There is no use of groundwater or other natural water bodies. Wastewater is discharged into the sewer system, which has no significant negative impact on the use and discharge of water resources. Total water consumption was estimated to be 142,895 kl in 2023, with per person consumption of 14.19 kl. Water consumption increased by 25.8% compared with 2022, mainly due to the increase in business volume and the number of agents, thereby increasing water consumption as a whole.

In line with the guidance from CTBC Holding, we introduced the goal of acquiring ISO 46001 Water Efficiency Management Systems certificate in 2024. The Company will utilize various water-saving measures to achieve a water reduction of 1%.

Water Use

Item	Unit	2023	2022	2021
Taiwan Life				
Water consumption	kl	142,895	117,647	103,473
Water consumption per person	kl/person	14.19	11.6	11.28
CTBC Insurance				
Water consumption	kl	6,353	5,189	5,323
Water consumption per person	kl/person	13.57	15.13	16.28

Note 1: Water consumption is estimated based on water charges.

Note 2: Calculated based on respective employee numbers in 2021, 2022, and 2023 of 9,177, 10,141, and 10,070 for Taiwan Life and 327, 343, and 468 for CTBC Insurance.

Note 3: The water consumption is estimated based on the total water consumption of the Shoude Building Management Committee × public water bill sharing ratio.

In terms of waste management, the General Affairs Department is currently responsible for cooperating with CTBC Financial Park's waste reduction operations and strictly implementing the classification and recycling of daily lunch boxes and garbage to reduce the generation of waste. With the cooperation and efforts of all employees, the volume of garbage of Nangang headquarters has decreased by 226,169 kilograms compared with 2022, and the waste reduction rate has reached an outstanding 44.8%. We continued to carry out the recycling operation of office waste documents and expired documents in the warehouse, and partner with a document destruction recycling service, which shreds our paper waste and expired documents for use in making recycled paper. From 2021 to 2023, cumulatively 125.87 tons of waste paper were recycled, representing a reduction of 21.4 tCO2e in carbon emissions.

Waste Reduction Measures

Discarded office document and expired warehouse document recycling	2023	2022	2021
	33.68 mt recycled	62.68 mt recycled	29.51 mt recycled

2.6.6 Sustainable Supply Chain

Sustainable Supply Chain Policy

Our efforts to implement environmental sustainability and fulfill our corporate social responsibility are guided by CTBC Holding's Principles for Supplier Management as well as Article 3 of Taiwan Life's organizational regulations and the standards or the division of responsibilities of directors and managers, according to which we formulate our own Supplier Management Principles for use in selecting and managing suppliers so as to reduce ESG-related supply chain risks. We strictly select partners that we are confident we can work with toward sustainable development and to achieve win–win outcomes for enterprises and suppliers alike.

In the spirit of sustainable procurement, the Company has formulated the "Sustainable Procurement Management Handbook" to strengthen supply chain management in accordance with policies and regulations. We have named supplier human rights, environmental protection, and labor safety as key issues of concern, and prioritize the procurement of products and services that emphasize the environment, human rights, and fair trade. By strengthening communications with suppliers, we hope that suppliers can join us in implementing the vision of sustainable procurement. Moreover, we received the ISO 20400 Sustainable Procurement certification in September 2023, thereby achieving the Company's sustainable development goal. At the same time, in order to demonstrate the Company's determination to promote environmental sustainability and to promote an inclusive society, we actively participated in community engagement events over the past year. In addition to partnering with domestic social entrepreneurship organizations on multiple occasions, we also submitted relevant procurement performance to the Ministry of Economic Affairs' 2023 Buying Power Awards and was awarded third place, setting a new milestone in the Company's various sustainable actions.

1. **Supplier meetings:** We hold meetings with suppliers in order to raise understanding of supply chain sustainability, and invite external experts and scholars to share international developments in supply chain management.
2. **Education, training, and promotion:** We carry out supplier education and training, help suppliers to build their CSR management capabilities, and work with them to jointly fulfill their CSR.
3. **Ethical management:** We work with our suppliers to ensure that they operate in an honest and ethical manner that includes avoiding conflicts of interest, bribery, and counterfeiting.

Green Procurement

We encourage our suppliers to actively promote sustainable practices, including by requiring them to comply with our supply chain management policy and prioritize the purchasing of products with environmental protection, energy-saving, green building materials, carbon footprint, and Programme for the Endorsement of Forest Certification labels and certification. In 2023, Taiwan Life's green procurement expenditure totaled NT$46.18 million, mainly going toward printing, business machine leasing, transportation equipment, and green building materials. There was no significant change in suppliers from the previous year. For the year, 100% of our procurement expenditure was with local suppliers, further reducing the emissions generated by the transportation process and supporting the development of Taiwan's green economy.

Green Procurement Data

Unit: NT$

Year	2023	2022	2021
Green procurement expenditure	46,187,386	34,661,479	30,046,127
Green building materials expenditure	1,096,960	2,480,347	
Green procurement rate (including green building materials)	5.59%	1.46%	2.67%
Green procurement rate (excluding green building materials)	5.46%	1.37%	

Local Procurement

Item	2023	2022	2021
Number of local suppliers purchased from	429	416	352
Total number of suppliers	429	416	352
Local procurement rate	100%	100%	100%

Supplier Conference

In support of the SDGs and to align our practices with those of the international community to build a positive cycle of sustainability, Taiwan Life works with CTBC Holding to hold an annual Supplier Conference. The 2023 event was held on Nov. 6 and had comprehensive epidemic prevention measures in place. The theme for the conference was "Converging Carbon Reduction Power and Creating Shared Value in the Net Zero Initiative." Through a "Big Leads Small" model, we encouraged suppliers to work toward the 2050 net-zero target and implement sustainable management mechanisms to enhance the green supply chain ecosystem. We also requested that suppliers implement and abide by ethical management standards as well as protect the rights and interests of employees through three major aspects, namely, "corporate ethics," "environmental protection," and "employee welfare and care." In addition, Ernst & Young, IBM Taiwan, and Cheng Loong Corporation were also invited to share their experiences on ESG and other issues in order to exert a greater collective impact.

Supply Chain Procurement Regulations

We have in place key criteria for selecting and managing suppliers and conduct an annual evaluation, screening, and filtering of suppliers' qualifications. We review and evaluate the human rights, environmental sustainability, code of conduct, and basic background information of suppliers as well as their goodwill, service content, transaction terms, procurement quality, cost, delivery time, and more for reference in our procurement decision-making, thus improving the overall quality of suppliers, reducing business risks, and establishing a sustainable growth partnership.

Supplier Screening Considerations

Human rights

- The supplier shall be committed to establishing a diverse, open, equal, and harassment-free work environment. It shall not allow any violation of human rights, such as child labor or forced labor. It is also prohibited from discriminating against any individual on the basis of sex, sexual orientation, race, class, age, marriage, language, ideology, religion, political affiliation, family origin, birthplace, appearance, facial features, physical or mental disability, or former union membership. Moreover, it shall provide safe and diverse grievance reporting channels to protect employees' rights and interests.
- In addition to abiding by health and safety-related labor regulations, the supplier shall be committed to establishing a healthy, safe, and comfortable work environment.
- The supplier shall respect employees' rights to organize and join organizations. The supplier shall regularly organize labor conference representative elections and hold labor–management meetings as well as provide diverse communication mechanisms and platforms in order to ensure harmonious, mutually beneficial labor relations.

Environmental sustainability

- The supplier's use of raw materials for its business operations shall be in accordance with the principle of protecting natural resources. In conforming to basic quality controls, effort must be made to minimize any negative impact on the environment, with preference during production given to using recycled resources or reusing existing resources and to eliminating the use of potentially hazardous materials.
- The supplier shall identify and manage all materials that may be hazardous if released into the environment, and it shall bear responsibility for protecting and managing the environment in the processing, storage, and disposal of these materials.
- The supplier shall conduct a greenhouse gas inventory and plan as well as establish a carbon management plan in order to reduce any adverse impact on the environment.

Code of conduct

- The supplier shall conduct business in an honest and ethical manner, and its employees shall avoid conflicts of interest and other unethical conduct, including bribery and fraud.
- When the supplier obtains confidential information in accordance with its business needs, it shall protect this information and use it appropriately in order to avoid the privacy of Company or personal information from being compromised.
- The supplier shall abide by intellectual property rights and related regulations.
- The supplier shall comply with the Company's personal data protection management statement.

3.1 Treating Customers Fairly

Management approach: Treating customers fairly

Policy/ commitment	Actions and results	Targets		Corresponding SDG
		Short term	Medium to long term	
We have formulated a Treating Customers Fairly Policy and actively implement the FSC's Principles for Financial Service Industries to Treat Customers Fairly.	▪ We have established a TCF culture, including by holding the IDEA Box employee innovative contest to encourage employees to improve and innovate spontaneously. The number of proposals increased by 150% in 2023. The pioneering Experience Ambassador mechanism was expanded in 2023 to engage office staff and sales team as well as directors to continuously improve customer experience. ▪ We continued to design products and services tailored for elder, people with a disability, and people with any of an extensive list of diseases. Products include microinsurance, exclusive Taiwan Lottery and sports lottery products, dedicated services for senior customers, and diverse product promotions. ▪ In 2023, we continued to maintain the AAA accessibility standard for the Friendly Financial Services section of our website, and continued to launch and update various friendly measures and functions, including audio product information to facilitate visually impaired and disadvantaged customers. In addition, we introduced a new one-stop area for older users, "Seniors Club," which integrates products for older people, exclusive services, health and financial information, etc., so that older people and underprivileged groups can all receive better insurance services.	Further incorporate TCF into our DNA and establish optimal organization, processes, tools, and capabilities.	Promote social sustainability and drive business strategy and customer segmentation through customer demand and social sustainability.	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH

3.1.1 Management Mechanisms for Treating Customers Fairly

Management Framework for Treating Customers Fairly

In 2023, Taiwan Life continued to comprehensively improve its Treating Customers Fairly (TCF) practices through three major policy axes: "Embed TCF in our DNA," "Become the first choice in customer referrals," and "Promote social sustainability." The Company's Operation Planning Department is the dedicated unit responsible for TCF and financial friendliness; it coordinates, plans, and promotes the implementation of TCF across relevant units. The head of the Operation Planning Division is responsible for supervising the implementation of TCF and financial friendliness. The Board of Directors is the highest supervisory body for TCF-related efforts. The Board of Directors meets quarterly with senior executives to present TCF and execution plan results.

TCF Blueprint

Treating Customers Fairly Principles

- Fair and honest contracts
- The right to appeal
- Notifications and disclosures
- Sales agent professionalism
- Fair performance-based remuneration
- Truth in advertising
- Attentiveness and loyalty
- Appropriate products and services
- Friendly services measures
- Ethical management implementation

Three major Taiwan Life policies

- Embed TCF in our DNA
- Become the first choice of customers
- Promote social sustainability

Six major Taiwan Life topics

- Promote a customer-first culture
- Optimize the customer journey experience and promote customer care VOC
- Provide appropriate and understandable information
- Digital leads innovation service
- Provide the most appropriate products and services
- Implement corporate social responsibility and care for disadvantaged people

Three Axes of TCF

Policy Theme		Corresponding Measures
Embed TCF in our DNA	Incorporate the spirit of TFC into all operating principles and policies. To foster a TCF culture, Taiwan Life has established a TCF Committee. The compliance and operations departments perform their respective duties to formulate the charters and regulations for this committee, promote relevant business executions, and regularly track implementation results.	▪ **IDEA Box employee innovative contest** The IDEA Box campaign welcomes staff to propose innovative, TCF-minded solutions, and those whose suggestions are taken on board receive additional points in their performance evaluations. In 2023, a total of 169 proposals were received, with a total of 447 employees across 30 departments participating in the proposals. A total of 10 proposals were selected as finalists, and subsequently, 6 most creative and feasible proposals were selected. ▪ **Experience Ambassadors** We strengthened the implementation of our "experience culture" efforts in 2023 by recruiting internal/external staff and directors who were interested in customer experience to form an Experience Ambassadors group to incorporate this philosophy into management. A total of 103 experience ambassadors were recruited. To strengthen the implementation of older people-friendly service as part of these experience culture efforts, prospective senior personnel were also recruited to join the program. By discovering pain points in the customer journey through mystery shopper tasks and project tasks, we continued to drive for improvements in customer experience. In total, we have completed four major contact point experiences and cumulatively found more than 57 optimization opportunities for the department while assisting major projects to improve customer experience through interviews, tests, and questionnaires at the same time. ▪ **Voice of Customer (VOC) routine reviews** Through the regular compilation of customer comments, 0800 incoming complaints, Net Promoter Score (NPS) questionnaires, and community feedback, we reviewed and improved the pain points to improve customer satisfaction. Through monthly improvement reviews and quarterly NPS reviews, we prevented the recurrence of similar customer issues, thus lowering the likelihood of incoming complaints and customer grievances in the future. A total of 3,150 cases were reviewed in 2023. In addition to analyzing and inspecting controllable situations, six cases were discussed and nine improvement plans were proposed to prevent future problems and avoid recurrence.
Become the first choice of customers	Customer-oriented thinking drives operational development. Besides providing the most suitable insurance product planning, we also review product information and notices from the customer's perspective to ensure that the information we convey to customers is easy to comprehend. At the same time, technology is used to empower the customer journey, spanning insurance, claims, after-sales service, and customer care, thereby effectively combining digital technology with the warmth of human service.	▪ **Pioneering digital signature for mobile insurance services** Taiwan Life was the first company in Taiwan to offer a digital identity verification service across multiple financial institutions under the same financial holding company. In lieu of paper-based consent forms, customers can provide a digital signature using the mobile insurance service by verifying their account information on the CTBC Bank app or through their bank account, which is more convenient, faster, and enhances personal data protection. ▪ **Mobile claims app** Claims applications can be completed in four simple steps: signing, filling, sending, and submission. In addition, by using video chat during claims review operations, the process has become much more efficient. Moreover, customers no longer had to fill out multiple forms since forms can be submitted to other enterprises within our alliance. As of December 2023, the ratio of app usage had reached 33.2% of all cases, following its launch in September 2022. ▪ **Digital investment management service** By introducing AI machine learning and solving customers' queries online through multi-rounds conversations, customers can ask questions on insurance and download application documents at any time, providing customers with a new consultation channel with multiple and uninterrupted services 24 hours a day. In 2023, the text-based customer service served a total of 155,112 people, while live chat customer service reps served a total of 9,213 people. ▪ **Function optimization for policy change applications** Online policy changes: In response to increased customer autonomy and the development of digital tools, customers have become more accustomed to online inquiries and changes to their policies. Taiwan Life currently provides up to 23 items that can be applied for directly online under the member section on the official website, eliminating the need for customers to provide various documentation or to travel to a Taiwan Life branch. The number of blockchain services approximately doubled compared to 2022, and the usage ratio of network security also increased from 26% in 2022 to 26.5% in 2023.
Promote social sustainability	By adopting a customer centric and digital-based approach, we create an excellent service experience that allows customers to perceive heartfelt warmth. We use our core business in insurance industry to protect all families across all parts of society, and encourage employees to invest in public welfare and join us in creating a sustainable and inclusive society.	For details, please refer to Chapter 3.1.2 Implement Financial Inclusion.

Management Mechanisms for Treating Customers Fairly

Item	Management Mechanisms	Description of Mechanisms	Policies and Procedures
Managing the principle of truth in advertising	Advertising and business promotion management mechanisms	1. **Ensuring consumer rights through the Insurance Product Design Procedures and regular post-product launch management meetings that are held every six months:** In order to ensure the rights and interests of policyholders and manage risks before and after product sales, the Company has formulated the Insurance Product Design Procedures for use before product launch to ensure compliance with relevant laws and regulations, strengthen internal control of insurance products, and adopt profit tests or sensitivity tests based on product types and characteristics to evaluate relevant risks. The procedures also ensure that the Company and its signatories are responsible for reviewing insurance products. After a product is introduced, an insurance product post-sales management meeting will be held every six months. The relevant departments will report post-launch review results and evaluate whether necessary adjustments should be made. 2. **Product Advertising Management Operating Guidelines ensure the authenticity of advertising content:** We standardize the development, formulation, and production of insurance product advertising products, and control them through operating procedures. When providing products and services to older people, young people, and all other customer groups, we fully disclose risks such as products, exchange rates, and interest rates in product pamphlets, brochures, and product manuals etc., and these documents are approved by relevant departments such as the product and legal compliance units to maintain the accuracy of advertising documents to implement the principle of authenticity of advertising content. Finally, an advertising product document number is obtained as the basis for final review. In addition, during the solicitation and service process of our agents, in addition to complying with laws and regulations, if there is any violation, necessary measures will be taken in accordance with relevant regulations to enhance sales agents' solicitation quality.	Insurance Product Design Procedures, Product Advertising Management Operating Guidelines, and Insurance Industry Product Development and Management Operating Procedures
Management of the principle of notifications and disclosures	Management mechanisms for fully explaining and disclosing the relevant risks before entering into a contract	**1. Fully notify customers of insurance information** In accordance with the provisions of the Self-regulatory Code for Solicitation and Advertising in the Insurance Industry, the Company's basic information is required to be specified in relevant documents in straightforward and coherent Chinese that is easy to understand, and interest rates, fees, remuneration and risk information must also be clearly disclosed. **2.Complete disclosure of product risks** The Product Advertising Management Operating Guidelines fully disclose product risks: Before publishing and broadcasting advertisements, in order to ensure that customers understand the risks related to the products, in addition to complying with the provisions of the Self-regulatory Code for Solicitation and Advertising in the Insurance Industry, the Company has also internally formulated the Product Advertising Management Operating Guidelines and a disclosures template (risk notifications and precautions, etc.). These procedures and rules standardize that full disclosure should be made during the development, formulation, and production of insurance product advertising materials, and be controlled through operating procedures. Product-related risks need to be disclosed, and have to be approved by relevant departments such as the product, legal compliance, or risk management departments. Finally, an advertising product document number is obtained as the basis for final review. **3.Provision of relevant and understandable information** Materials need to be promoted based on the six major themes of the Treating Customers Fairly Policy, which include providing relevant and understandable information, establishing complete notification and information disclosure measures, and providing policyholders with relevant and understandable insurance needs at every stage based on their own insurance needs.	Product Advertising Management Operating Guidelines, Agent Solicitation System and Procedures, Operating Regulations for the Credit Investigation, Approval and Review of Loans, and Treating Customers Fairly Policy
Managing the principle of the right to appeal	Management mechanism for consumer disputes	The Company has put in place a Financial Consumer Dispute Resolution Committee, with the President acting as the chairman and senior executives from the product actuarial, sales channel, channel management, and customer rights protection units as its members. The committee meets on an ad hoc basis to handle major financial consumer disputes and adjust major complaint handling procedures. The improvement plans and ombudsman complaints rate (including major customer complaints) are regularly reported to the TCF Committee and then submitted to the Board of Directors to examine the root cause of the issue and measures to improve operations. Special ombudsman cases are also reported to the Board of Directors for suggestions and guidance on a case-by-case basis, if necessary. In 2023, four reports were made to the Board of Directors regarding TCF implementation. In addition, one case was reported to the independent directors who served on the Audit Committee for engagement and feedback.	Financial Consumer Dispute Resolution System, Management Measures for the Early Warning Mechanism of Customer Complaint Review Cases, and Financial Consumer Dispute Resolution Committee Charter
Managing the principle of friendly services measures	Management mechanism for the digital gap among underprivileged groups	We regularly solicit customer opinions through T-NPS (Transactional-Net Promoter Score) surveys, and systematically manage customer feedback and assign processing units through the customer feedback analysis platform. If customers report difficulties in operating digital services, dedicated personnel are assigned to assist in guiding or troubleshooting errors. For customers who have difficulty in applying for online services, the customer's needs are also referred to relevant units for assistance. Feedback that includes suggestions for improvement, such as easier webpage readability, interface adjustments, or new features, will be forwarded to the relevant departments for consideration and evaluation of potential improvements. When engaging in optimization or web page revision projects, all units will also refer to the NPS feedback.	Treating Customers Fairly Policy

Item	Management Mechanisms	Description of Mechanisms	Policies and Procedures
Managing the principle of friendly services measures	Management mechanisms for implementing fraud prevention	By sharing fraud prevention-related topics and incidents, we can stay on top of the latest information, stay alert, and enhance fraud prevention awareness. Taiwan Life has established a Three Lines of Defense mechanism against fraud: ▪ **First Line of Defense– Identification and prevention** Sales agents and counter service personnel will raise their alertness if they notice customers urgently wanting to terminate a contract or borrow money, or if they mention keywords such as "investment," "LINE group," or "guaranteed profit." They will engage in casual conversations to understand the customer's reason for wanting to terminate or borrow money. If a potential scam is identified, they will advise the customer and, if necessary, notify the police to assist in persuading the customer. ▪ **Second Line of Defense – Documentation for further protection** In addition to advising, counter service personnel will follow the anti-fraud SOP to note the case in the system and horizontally link the information to prevent the customer from proceeding through other channels. Multiple layers of protection are implemented to prevent fraud.For policy termination or policy loan telephone confirmations, beyond verifying the customer's understanding of their application, customers are reminded to stay calm and carefully verify any suspicious messages or calls to avoid being scammed. ▪ **Third Line of Defense - Care calls** Special anti-fraud protection measures for elderly customers include dedicated personnel making phone calls to care for elderly policyholders applying for policy loans or terminations before payments are made. This ensures they are reminded of anti-fraud information, continuously protecting the customer's rights. **Key Anti-Fraud Projects – Sales Agent Fraud Risk Alert Mechanism** Continually increasing risk alert parameters for comprehensive prevention to prevent agents from being involved in financial fraud According to the Early Warning Report and Operation Key Points for Abnormal Behavior of Agents, if a first-line business supervisor discovers suspicious abnormal behavior, such as unusual financial conditions, the branch supervisor or regional center fills out an Abnormal Behavior Alert Report. Policy checks are conducted if necessary. To supplement the possible oversight of first-line business supervisors, the Company integrates Big Data databases and incorporates risk parameter factors to produce monthly risk alert reports based on policy data. Business units can use these suspected abnormal indicators to observe or interview salespeople, preventing fraud or misappropriation in advance. **Successful Fraud Prevention in 2023** Two successful cases of fraud prevention In the first case, the bank notified the Company, and together they prevented the fraud. In the second case, a policyholder requested assistance from a salesperson to terminate a policy. After questioning the reason for termination, the salesperson identified it as fraud and refused to process the termination. The policyholder then went to the Taipei branch for processing. Due to security procedures, the branch contacted the salesperson, who informed them of the fraud. The handler persuaded the policyholder and reported it to the police. The policyholder reluctantly left. The Taipei branch personnel noted the fraud in the core system, flagging the case for special attention if the termination request was reinitiated. The next day, the policyholder returned to the head office to process the termination. Seeing the notation, the counter staff immediately notified the supervisor, who decided to report it to the police. The policyholder finally realized the fraud and the termination was successfully prevented. Training for special cases and special policyholders emphasizes the need for system notations, ensuring each case is checked in the system before processing.	"Early Warning Report and Operation Key Points for Abnormal Behavior of Agents"
	Implementing the financial friendly mechanisms	We set annual targets for service indicators such as those for underprivileged and older people, and track them to monitor the implementation of friendly financial services, including the insurance underwriting ratio for physical or mental disability, and to regularly report to the Board of Directors in the Implementation Progress Report of Treating Customers Fairly every quarter. To promote care for the underprivileged and financial inclusion products and services, figures such as the number of sales of inclusive products including micro products, are also given annual targets and included in performance evaluations.	Treating Customers Fairly Policy
Optimizing the administrative processes	Supervision mechanism to shorten customer application processing time and costs	The Company sets customer service-related indicators, including the timeliness of underwriting, claims, and contract modifications, and formulates annual goals for these indicators. The implementation of which is supervised in each quarter by senior managers through the Insurance Advisory Committee, which also promotes continuous optimization of relevant operating processes to shorten the time for customers' application processes. In addition, in order to actively promote digital tools to reduce customer application fees and costs, the ESG indicators that the Company regularly monitors also includes e-policy usage ratio, and Mobile POS usage ratio, etc., and these implementations are regularly reported to the Board.	Sustainable Development Best Practice Principles

3.1.2 Implementing Financial Inclusion

Age-friendly

Products

- **Products for seniors and disadvantaged groups**

In response to the trend of Taiwan's aging society, three comprehensive long-term spillover-effect health management insurance products were launched in 2023. These products provide coverage for long-term care, 7 major diseases, 22 specific injuries, major diseases (Type A), and major injury and disease cardholders and other lifetime protection, in addition to health management habits such as walking, health examinations, and cancer screenings. These products are designed to provide a medical protection network for aging policyholders and to make our lifelong protection product offerings more well-rounded. In the future, we will follow the development of medical technology and continue to design and optimize products for the needs of medical care for older people, specific care for people who have pre-existing conditions and require long-term care, practice the principles of treating customers fairly, discover the insurance needs for various customer groups, and move towards constructing a health ecosystem.

- **Know Your Customer measures for investment-linked insurance**

Due to the investment risks of investment-linked insurance policies, understanding the investment risks and suitability of products can be difficult, particularly for older people. In order to provide a more friendly insurance environment for seniors, Taiwan Life not only records consultations with older customers in accordance with the law but has also developed the Policyholder Investment Attribute Analysis Questionnaire Design Process. This limits the investment attributes of investment targets for disadvantaged groups and those aged 65 or older to "stable," with the highest level of risk and return set at RR3.

Services

- **After-settlement care service**

Taiwan Life provides first-of-their-kind post-claims care services, including professional psychological counseling for policyholders who have a disability or serious illnesses. This service aims to alleviate the sudden negative emotions that arise from illness and the treatment process. As of December 2023, a total of 5,943 care letters had been sent to offer the counseling service. Of these, 1,844 care letters were specifically aimed at older people. The customer satisfaction rate for customers who utilized the counseling services was 100%, with a rating of 5 out of 5. With the service, we hope to help policyholders faced with major life events to find professional counseling channels in order to relief their stress and achieve mental and physical well-being.

- **Seniors Club**

The "Senior Club" is a one-stop website section specifically designed for older users. It utilizes age-appropriate design: illustrated content, enlarged fonts, and audio introductions, making it easier for users to access important information. The section includes several key features, such as the "Caring Calendar," which digitally provides daily auspicious and inauspicious activities and seasonal information from the traditional farmer's calendar. It also combines articles on health, diet, retirement planning, and insurance tips. The "Service Map" covers explanations of commonly used insurance services, audio-guided product introductions, and a dedicated hotline for seniors, answering various insurance-related questions. The "Happy Retirement Academy" features the physical "Dream Fulfillment Lecture Hall," where renowned experts share tips on retirement planning, and the online "Happy Retirement Academy," which encourages older people to share their retirement experiences and create self-worth. Finally, there is an interactive dementia prevention game that combines traditional mahjong, encouraging older people to stay mentally active and prevent dementia.

- **Dedicated service team efforts (including hotline and other measures)**

The "Dedicated Service Team for Older Policyholders" includes three patient and empathetic service specialists each for new contracts and policy maintenance. In 2023, they handled about 18,000 new contracts and 70,000 policy maintenance cases for older customers. Additionally, the Senior Service Hotline allows older customers to be automatically recognized by entering their ID upon calling, bypassing voice menus and receiving priority service from a dedicated representative. The service process is slowed down, and explanations are provided in both Mandarin and Taiwanese. If home service is needed, personnel will be dispatched accordingly. In 2023, approximately 54,000 consultation calls were received.

- **Older customer-friendly materials**

Dedicated personnel at our airport counter provide immediate travel insurance services and offer enlarged rate charts and portable magnifying card lenses for older customers, ensuring a comfortable insurance experience.

- **Smart AI Verification of Elderly Voice Recordings**

Previously, sales to customers aged 65 or older required full audio recording. Taiwan Life has used AI to enhance older customer-friendly services specifically by employing machine learning to convert audio conversations between sales and customers into text in real time. If there are any omissions, unclear disclosures, or sound interferences during recording, the system will prompt the sales to consider re-recording. Additionally, the AI assists in marking non-compliant segments, thus improving the efficiency of review personnel. This real-time audio check reduces the failure rate of recordings, avoids repeatedly disturbing clients, and significantly enhances the efficiency of backend reviews, achieving both risk control and considerate customer service.

- **Older user-friendly website**

The entire website offers adjustable font sizes with options for large, medium, and small fonts, which has been used over 3,000 times annually.

Initiatives

- **Taiwan Aging Society Retirement Landscape Survey and Finance for Seniors Forum**

We continue to track the three major indices of retirement confidence index, abundance index, and life satisfaction index every year, actively promote Taiwanese society's retirement preparation awareness and financial and insurance knowledge, and expand our related social impact through industry-academic cooperation. Together, these efforts enhance citizens' preparedness for retirement, including in terms of financial management knowledge, and retirement security.

- **Finance for Seniors Forum**

Multinational and cross-industry experts were invited to discuss the topic of the "Silver Economy and the Great Future" at the 2023 forum. They explored trends such as retirement planning and technology for older people, analyzing the challenges of a super-aged society and new pioneering economic trends in an aged economy.

Caring for Underprivileged People

Products

- **Personal microinsurance products**

  In 2023, we developed a personal microinsurance product, PMADD Personal Micro Accidental Death and Dismemberment, featuring simple applications without a need for a physical examination, and a single premium rate regardless of occupation. In addition, we launched MIYTL Micro-Insurance Yearly Term Life, MIADD Micro-Insurance Accidental Death and Dismemberment, and MIAMR Micro-Insurance Accidental Medical Reimbursement Rider on FundRich's protection-oriented insurance product platform. By doing so, we utilize online insurance application to sell simple and protective products to improve the protection for underprivileged groups in microinsurance in terms of life insurance, accidental personal injury insurance, and full reimbursement injury medical insurance. The cumulative insured amount of microinsurance reached NT$69.52 billion in 2023, an increase of approximately 22% compared to 2022. In the future, the Company will continue to explore the protection needs of various customer groups and expand the scope of customers for microinsurance.

- **Microinsurance donations**

  Taiwan Life has developed personal and group microinsurance products for underprivileged individuals, families, and groups. Since 2015, we have donated premiums from microinsurance policies to expand the demographic and scope of people covered by microinsurance. These efforts protect many in low-income groups and other marginalized groups from falling into hardship in the event of the accidental death or disability of a family member. Since we began making donations to pay for microinsurance premiums, 312,000 people have benefited. The insured amount of group microinsurance reached NT$6.43 million in 2023, and we also received two awards in the FSC's 2023 Insurance Contest, namely the Microinsurance Contest Caring for the Physically and Mentally Challenged Award and the Business Performance Award.

- **Audio descriptions for insurance products**

  The "Product Introduction Audiobook" is an innovative audio recording that features real and AI voices accompanied by light music. It provides a concise and accessible introduction to the product, making it convenient for various customer groups, including older people, those with reading difficulties, and insurance novices, to understand the product features and coverage within 3 to 5 minutes. The audiobook covers important information such as insurance rules, claim items, and premiums. Currently, there are nine product audiobooks available, with the first ones being released catering specifically to older people and vulnerable customer segments.

Services

- **Priority claims settlement for underprivileged groups**

  In line with Taiwan Life's disadvantaged group care policy, the three-day clearance rate for microinsurance claim settlement applications is 100%; in 2023, 30 microinsurance claim settlement cases received priority treatment.

- **Web Accessibility AAA certification**

  We continue to optimize the public information provided in the Friendly Financial Services section of our website, where friendly services and related information is fully disclosed. Besides providing Q&A for practices of the Standards Governing Friendly Financial Services in the Insurance Industry and the Handling Principles for the Insurance Industry in Underwriting Insurance for Persons with Physical or Mental Disability, it also provides the links to various financial friendly service web pages from the FSC, the Non-Life Insurance Association of the Republic of China, and the Life Insurance Association of the Republic of China, as well as links to information on the Convention on the Rights of Persons with Disabilities. Moreover, a one-stop service counter for insurance filing is available on the site, thereby providing more comprehensive information and services to people with disabilities. Taiwan Life's Friendly Financial Services website section obtained the AAA seal, the highest-ranked certification from the Ministry of Digital Affairs on Dec. 26, 2022, and the seal will be valid until Dec. 16, 2025.

- **Online microinsurance enrollment available on FundRich platform**

  In response to the government's inclusive financial policy and reduce the digital gap among underprivileged groups, the FundRich Retirement Platform was established to enable people to complete insurance applications conveniently online at low premiums and obtain basic insurance protection. Microinsurance products, including life insurance, accidental injury insurance, and injury medical insurance with addendum were added in June 2023. Text and image-rich pamphlets in larger fonts and easy-to-understand language, as well as audio files, were made available so that underprivileged groups can better understand our products.

- **Online sign language interpretation service**

  When policyholders need sign language interpretation, they can make an appointment through the "I Have Something to Say" section of Taiwan Life's website, and can use their mobile devices to get real-time sign language interpretation services at home, allowing hearing-impaired customers to gain access to more comprehensive consultation services.

- **Over-the-counter friendly services measures**

  We provide friendly services for people with physical or mental disabilities, ranging from the "door-to-door personal service," which is available through phone appointment, and dedicated personnel service." Accessibility facilities at branches: service bells, accessibility restrooms, reading glasses, and accessibility ramps (except for the Tainan branch) allow underprivileged groups to receive more friendly insurance services when they visit the counters at any of our branches.

- **Smart Customer Service**

  Provide hearing-impaired customers with insurance consultation services using text dialogue through online Smart Customer Service; by providing a new communication channel for customers with a hearing impairment, we have improved the ease of consultation and customer satisfaction.

- **Flexible mechanism of Elderly Voice Recordings**

  For older customers with a hearing or speech impairment, we provide live video recordings instead of voice recordings to protect their insurance-related rights and interests.

Diversity and Equality

- **Developing and promoting product portfolios for new immigrants**

  To address the language barrier faced by new immigrants when purchasing insurance, we have developed a bilingual Vietnamese-Chinese brochure on small-sum endowment insurance. This brochure adheres to the principles of "Catering to vulnerable customer segments" and "Offering suitable and easily comprehensible products." Its goal is to stimulate demand for affordable small-sum endowment insurance.

- **Equipping service counters with translation devices**

  In November 2023, two-way voice translator machines (supporting real-time translation between Chinese and major global languages) were installed at the counters of four branch offices in Taipei, Taichung, Tainan, and Kaohsiung. Whenever a customer not fluent in Chinese wishes for consultation or carries out insurance business at the counter, counter staff can actively conduct one-on-one conversations with the customer through the two-way voice translator. This more considerate, convenient, friendly, and caring over-the-counter experience provides a bilingual financial service environment.

- **We have set up an English website section, and the website also supports the browser translation function to serve multinational customers.**

Young People

- **Promoting insurance education**

[For families] In order to promote healthy understanding of "risk and insurance" and cultivate the public's ability to "make sufficient preparations," Taiwan Life held a family financial management seminar at the CTBC Museum on Aug. 26, 2023, entitled "Combating Risks! I Want to Become a Sailing Monopoly." A professional lecturer from Taiwan Life who holds a CFP international certificate explained the basic knowledge of "Insurance and Mutual Assistance," and supplemented it with Taiwan Life's own board game, "Sailing Monopoly." The seminar was both educational and entertaining, and received a 100% satisfaction rating from the participants. We also promoted more than 20 topics related to financial insurance through our Facebook page of "I Like TW Life," with the posts cumulatively reaching more than 230,000 users.

[For students] By collaborating with CTBC Business School, we deployed a new financial and insurance planning practicum, and held academic exchanges with the Department of Risk Management and Insurance at Feng Chia University to help students understand insurance and finance. A total of 18 courses were given, cumulatively training 373 people.

- **Know Your Customer measures for young people**

By allowing customers to understand the insurance plans that suit them best through easy-to-understand recommendations, video journals, or insurance knowledge contents, we strengthened customers' ability to screen and judge products on their own. In addition, by using our insurance knowledge blog to provide overviews of insurance knowledge for online insurance products and comparing them with similar products, we helped young financial novices to establish accurate insurance mindsets and understand their own needs, making insurance much easier to understand. During the online insurance enrollment process, real-time online inspections are conducted based on age, occupation, annual income, insurance premium paid, and Know Your Customer (KYC) investment risk attributes to ensure that young customers understand the suitability of the insurance contents, are willing to enroll, and have the ability to pay premiums.

- **Insurance recommendation website section**

We provide customized insurance plan recommendations for the six major stages of life. Additionally, we offer easy-to-understand video articles on basic insurance knowledge, helping various customer groups, including young clients and new parents, better understand their insurance planning needs. By considering life stages and specific demographics, we suggest the most suitable combinations of insurance products for users. We also provide a direct link to our online consultancy service. Furthermore, we offer a comparison function for different products within the same type of insurance, enabling customers to quickly grasp the differences and find the product that best suits their needs.

Families	Students	Young people
Education stage	Education stage	Ongoing
		Communication stage
Organized a family financial management seminar, "Combating Risks! I Want to Become a Sailing Monopoly," to iterate basic knowledge of "Insurance and Mutual Assistance," and the seminar was supplemented by "Sailing Monopoly," a board game we created to promote insurance education in an entertaining fashion. 	Held academic exchanges with the Department of Risk Management and Insurance at Feng Chia University and added a practicum on finance and insurance planning to help students understand insurance and finance. 	▪ Built an insurance knowledge blog, designed according to the needs of young online insurance buyers, and provides an overview of insurance knowledge and product comparisons to help them foster accurate insurance concepts. ▪ Launched the insurance recommendation website section, which provides easy-to-understand audios recordings, videos, and articles on basic insurance knowledge, as well as insurance purchase strategies for the six major stages of life.

Digital Finance

Management approach: Digital finance

Policy/ commitment	Actions and results	Targets		Corresponding SDGs
		Short term	Medium to long term	
As customer-centric digital finance becomes ever more ubiquitous, we have adopted three major digital finance strategies: digital tools for intelligent empowerment, digital platforms for complete service, and intelligent operations for back-office support. These strategies aim to promote the online and offline integration of digital engineering, create a service model that offers the industry's best customer experience, and provide an omni-channel digital financial service experience.	▪ In 2023, Taiwan Life's official LINE account began offering personalized notifications and intelligent customer service in 14 categories. This enables customers to access instant and convenient insurance services, such as personalized notifications, inquiries, and service applications. Also in 2023, LINE introduced personalized service updates for insurance sales agents, making it easier for policyholders to find their dedicated sales agents. The official account has reached 2.19 million followers. ▪ We continued to cooperate across industries, including with payment companies, to improve online annuity insurance and with consumer companies to provide quality insurance consultant appointment services. ▪ A total of 45 RPA (robotic process automation applications, using software robots to automate highly repetitive routine operations) were in place in 2023, replacing approximately 2,000 hours of manual labor per month.	▪ Continue to optimize and promote the TeamWalk workplace health management app to enhance the health promotion services for group insurance employees. ▪ Launch the newly revamped Taiwan Life policyholder website to optimize the customer experience and provide more convenient online services. ▪ In response to the government's call for such, launch an online insurance "micro-product" in the Retirement Insurance Zone of FundRich to provide underprivileged people with complementary protection and achieve financial inclusion. ▪ Establish a life insurance recommendation site to recommend the most suitable product combinations for customers. ▪ Centralize the RPA applications and manage them in a labor-free factory mode, with the automation operating 24/7 and a visual dashboard monitoring and analyzing RPA operation status and efficiency.	▪ In line with the development of fintech, expand remote services and offer a wider range of identity verification options to enhance service efficiency and facilitate secure non-face-to face contact insurance services. ▪ Build a cross-channel digital tracking platform, promote online and offline integration, and achieve an omni-channel service experience. ▪ To create a healthcare ecosystem and to become the life insurance company that cares the most about the health of its customers, in addition to catering to the differences in individual and group insurance customer segments, use the TeamWalk workplace health management app to provide the most suitable digital services to our customers.	3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Highlight 1 Pioneering Digital Applications

Digital signatures for mobile insurance applications

In response to the pilot launch of the innovative digital identity verification of the FSC, Taiwan Life became the first in Taiwan to use the customer digital verification service across different financial institutions under the same financial holding company, offering a convenient and fast way to verify customers' identities while protecting their personal data.

1.Choice according to customer needs:

When sales personnel assist customers with insurance using the mobile insurance tool, they can choose to use a digital signature or the original paper method, based on the customer's needs and situation, to confirm agreement to use the mobile insurance service.

2.More convenient digital signature:

Through the CTBC Bank app or bank account information verification, customers can complete identity verification in real-time, regardless of their bank status, replacing the need for paper consent.

Highlight 2 TeamWalk App

Taiwan Life's TeamWalk workplace health management app offers corporate health management and digital group insurance services. TeamWalk, which encourages employees to participate in power walking and to enroll in group insurance, has been honored with a total of 13 domestic and international digital innovation awards, including the health promotion prize at the 2023 Asia Responsible Enterprise Awards, and has received three new patent approvals. In 2023, Taiwan Life hosted the second annual TeamWalk Health Enterprise Awards ceremony and forum, attracting over 30,000 participants. Together, our goal is to achieve 10 billion steps in one year, equivalent to circling Taiwan 6,800 times. As part of the "One Billion Steps, One Tree" project, we have planted 100 trees in important bird habitats such as the Kaohsiung Jiading Wetlands, which has been recognized by BirdLife International. Taiwan Life Insurance has collaborated with businesses to promote workplace wellness. Almost 70% of participating employees believe that TeamWalk can contribute to their health improvement. Participants also believe that the positive effects can be sustained for over six months, thereby fostering a healthier work environment. As of the end of 2023, 3,365 companies had committed to implementing the TeamWalk service among their employees. Moving forward, the Company will continue to optimize TeamWalk and work with enterprises to create healthier lifestyle by injecting positive, healthy energy into workplaces.

TeamWalk App

In 2021, Taiwan Life launched the TeamWalk workplace health management app, which uses a gamified design to overturn the stereotype of health management. The fun interface attracts users to keep using it. Additionally, through the group insurance health spillover endorsement clause "Group Insurance Health Management Feedback Endorsement Clause," we invite corporate clients to implement TeamWalk and the endorsement clause, allowing employees to experience the walking game. This encouragement approach helps corporate clients and us jointly focus on employees' health.

"I discovered the health benefits of walking, and as a result, I changed my habits and now take my health more seriously."

"[They] encourage each other to develop healthy habits, and the process is priceless as it brings everyone together."

"To achieve my target steps, I also take my children out, which has helped to create more family interaction and bonding time."

"I got into a habit of walking because I was using the TeamWalk app, and I not only planned but also finished my personal goal of circling around Taiwan on foot, which is something I wanted to do but never put into action before."

"The cross-unit team competition through the app allows colleagues to get to know each other better and improve our chemistry, resulting in a smoother work flow."

-What the users say-

As Taiwan Life strives to address customers' pain points, actively invest in digital service innovation, and become the life insurer with the best customer experience, it takes digital tools for intelligent empowerment, digital platforms for complete service, and intelligent operations for back-office support as its three main digital finance strategies. We promote online and offline digital engineering to achieve a consistent customer financial service experience across all channels. In addition, with the help of digital technology, we also integrate the potential ESG-related risks and opportunities of various products for improvement and development. We look forward to reducing our environmental impact and creating a greater social influence through the application of digital finance.

Digital Tools for Intelligent Empowerment

Taiwan Life boasts an innovative end-to-end digital insurance service model with a secure, zero-contact experience. Our agents use our digital tools to accurately understand customers' needs, explain the content of products and services through mobile tools, smoothly complete insurance service tasks, track customers' progress, and take the initiative to address abnormalities.

- Nearly 100% of our agents use our mobile insurance app and the mobile security usage rate is nearly 85%, which greatly reduces the filing time and completes the underwriting process faster.
- "iKASH smart assistant" can provide lists of business opportunities accurately and instantly. It provided about 260,000 lists in 2023, cultivating customer loyalty and improving services. The tool also helps our agents to facilitate customer interviews, activity management, and customer management.
- Our remote insurance incorporates a biometric identity authentication mechanism. With just "three swipes" of facial recognition, users can easily verify their identity, confirm declarations, and sign the necessary insurance documents. Additionally, we have introduced a pioneering Parent-Child Facial Recognition feature, enabling minors to complete insurance processes by having their faces pictured in the same frame as a parent. The entire process is contact-free, paper-free, and requires no program downloads. Moreover, encrypted electronic transmission ensures information security.

Intelligent Back-office Support

Since 2018, Taiwan Life has been developing RPA robots to help employees perform highly repetitive operational procedures, such as manual search and logging, to improve administrative efficiency.

As of the end of 2023, RPA was being used for 45 applications, performing more than 2,000 person-hours of labor per month. In 2022, work began to centralize the RPA applications and manage them in a labor-free factory mode, with the automation expected to operate 24/7, with a visual dashboard monitoring and analyzing RPA operation status and efficiency.

Digital Platforms Help Bring Services Closer to Home

- **"Safe and Stable Wealth Inheritance" website**

It includes a three-level concept explanation of the insurance planning sequence, "security, stability and inheritance," and two major sections: "AI fortune-telling" and "Nine square of life"

- **AI fortune-telling section**

By uploading photos of their palm prints, customers can have their fortunes told through an AI-based palm-reading system, with these reports offering corresponding insurance planning suggestions. This unique, highly engaging service is provided in order to effectively increase the public's risk awareness and protection needs.

- **"Nine square of life" section**

From birth to retirement, customers' lives are divided into nine stages. Customers receive customized insurance plans for each stage based on their financial strength. Customers can search for suitable products by using keywords such as product name, product features and insurance benefit items.

- **"Schedule an appointment with an insurance consultant" section on the official website**

Since its launch in 2019, this has facilitated more than 30,000 online consultation appointments, with a service satisfaction rating of 4.7 stars (out of 5), and cumulative views exceeding one million. By observing customer needs, Taiwan Life has also launched an insurance recommendation site that targets the needs of six major groups, such as: newborns, singles etc., and provides recommended insurance plans for them. Customers can also fill in their own information to generate a customized plan to self-examine whether their existing protection needs to be strengthened, and then consult with a consultant.

- **Official LINE account**

By collaborating with Taiwan's most widely used communication app, LINE, our Company's official LINE account allows customers to easily access and apply for various policy services. Customers can receive policy notifications via LINE, ensuring they never miss important information. The official account is also certified by LINE, enabling customers to easily recognize it as an authentic source and avoid scams. Additionally, it features the intelligent customer service assistant, A-long, which uses AI natural language processing and image processing technology to provide real-time consultations. This allows customers to ask questions naturally and receive quick answers. The LINE official account extends customer service into a dynamic 24/7 consultation channel.

- **SmartFuture digital finance management**

Using AI services, we offer customers features such as target conversion, portfolio allocation adjustments, stop-loss and take-profit notifications, and the latest market information. This enables customers to swiftly grasp market changes, assisting them in making investment decisions and managing investment risks.

Digitalizing the Insurance Service Journey and Enhancing Efficiency by Reducing Paper Usage

Before an insurance application

Online insurance enrollment

- The number of online members reached 710,000, and online insurance applications totaled 57,077. The number of new online member registrations exceeded 160,000. In 2023, online insurance application saved approximately 330,000 sheets of paper from being printed, representing approximately 2.5 tCO^2e of carbon emissions.
- The first-year premiums from the FundRich platform reached NT$3.46 million, ranking first in the market from 2021 to 2023.

E-note system

- Through its reply platform, the e-note system offers a time-efficient alternative to sending hard-copy documents back and forth among Taiwan Life staff, reducing the risk of personal data leakage in the process.
- An employee charged with underwriting a policy may send an electronic document via the e-note system, after which a colleague may reply directly online, eliminating the need for document return, registration/mailing, administrative receipt/acceptance and other operational steps, overcoming the distance between time and space, and greatly accelerating the overall service efficiency. The processing time has been shortened from the 7.8 days required when using conventional paper copies to only 2.99 days in 2023.

Insurance policy purchases made over the phone via service number provided on the Call Call Card

- Call Call card members totaled 67,000 members, with 26,000 insurance applications made over the phone. The number of members increased by 37,000 in 2023, accounting for 55.8% of all members.

During the insurance application

Promote e-policies

We have built a dedicated platform for signing and receiving e-policies, enabling customers to sign and download e-policies after receiving notification of delivery via SMS or email. The Life Insurance Association's blockchain service can also be used to check policyholders' e-policies from various insurance companies online, which enhances the policyholders' acceptance of e-policies. In addition to the functions above, Taiwan Life has also collaborated across departments to launch an e-policy channel incentive campaign that incentivizes agents to promote the advantages of e-policies to customers and encourage customers to set up e-policies, thereby increasing their usage. In 2023, 42,747 electronic policies were successfully approved and issued, which reduced the use of more than 2 million sheets of paper and reduced carbon emissions by approximately 14.1 tCO^2e^{Note}.

Issuance of new contract policies in 2023	2023 performance
227,044 copies	42,747 electronic insurance policies, accounting for 19%

Mobile POS, Mobile Insurance Application Platform, and Mobile Security

- In 2023, a total of nearly 110,000 cases were sent through mobile POS. The average operation time has been shortened from 10 days for traditional paper documents to 2.97 days. Through mobile POS operations, nearly 4.4 million sheets of paper were saved in 2023, which reduced carbon emissions of approximately 3.1 tCO^2e^{Note}.
- The rate of agents using the Mobile Insurance Application Platform reached nearly 100%, reducing the printing of about 850,000 certificates of insurance, which could reduce carbon emissions by nearly 6 tCO^2e^{Note}.
- By planning a new form of solicitation for agents, we have reduced sending back and forth various paper documents through touchless online video conferencing and digital signature through Mobile Security, which has accelerated the insurance underwriting process. In 2023, the proportion of Mobile Security application services accounted for 5% of the number of cases on the Mobile Insurance Application Platform, and a total of 3,566 cases were accepted.

After the insurance application

Electronic notifications

We continued to encourage customers to use electronic notifications for receiving notification of payment, receipts, invoices, and statements etc., including adding an addendum for implementing a discount mechanism for customers who accept the use of e-notifications on the policy design in our investment products. This helps to reduce paper consumption, conserve energy, and reduce emissions. The addendum clause was enacted in March 2023, and we continue to promote these measures with channels.

A total of 2,163,076 electronic notifications were issued in 2023, saving a total of 2.367 million sheets of paper, representing nearly 16.6 tCO^2e of carbon emissions^{Note}.

Mobile claims app

Claims applications can be completed in four simple steps, "signing, filling, sending, and submission." In addition, by using video chat during claims review operations, the process has become much more efficient. Moreover, customers no longer need to fill out multiple forms since forms can be submitted to other enterprises within our alliance.

Paperless Claims Settlement

In 2023, our consortium blockchain received more than 10,000 cases, representing a 130% increase over 2022. In addition, ibon Convenience Store Claim received more than 700 cases in 2023, 7% more than in 2022.

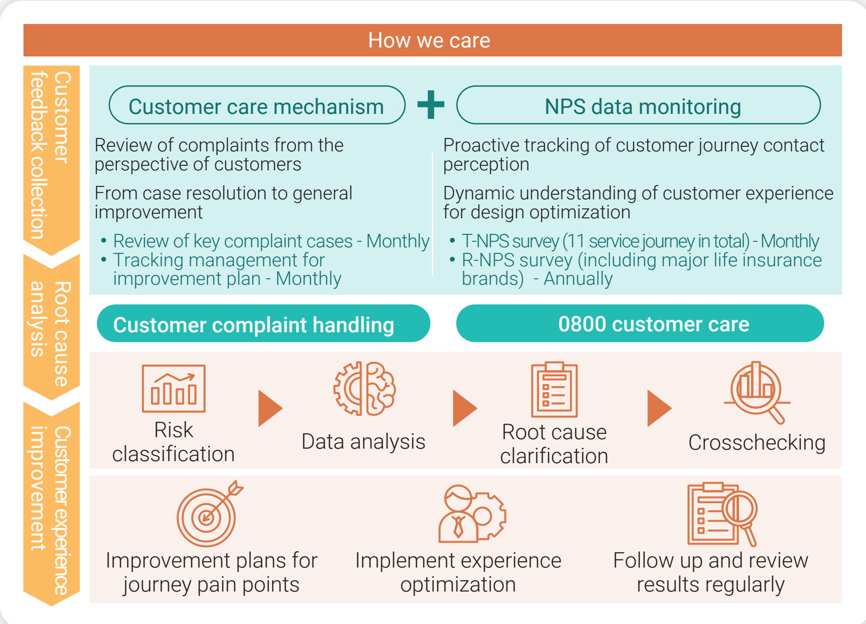
Note: 1 sheet of A4 paper produces 7 grams of CO^2e, source: Carbon Footprint Information Platform of the EPA, Executive Yuan.

3.1.3 Customer Relationship Management

Management approach: Customer relations and service quality

Policy/ commitment	Actions and results	Targets		Corresponding SDGs
		Short term	Medium to long term	
We are committed to listening to the voice of customers, providing the best customer service experience, and becoming the leading life insurer.	▪ We implemented a customer experience management mechanism, integrated VOC management, and conducted the rolling review and optimization of customer experience. ▪ The average customer satisfaction rate for the 0800 Customer Service, Bill Payment Service, Contract Change Service, Claims Service, and Counter Service reached 96%. ▪ The first Experience Ambassador group was launched, identifying over 57 customer pain point through mystery shopper research.	▪ Maintain and improve our Relational-Net Promoter Score (R-NPS).	▪ Become the most recommended insurer among customers and establish a mechanism to optimize the end-to-end customer experience.	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH

We regularly review the satisfaction level of customer service journeys (e.g., the underwriting journey, payment journey, and claim journey). In addition, the Company has set an annual NPS target and 11 customer journey target scores as performance evaluation items in order to encourage the proactive improvement of the customer experience. We have further built our own customer feedback analysis platform and NPS Dashboard, effectively reducing the manual analysis processing time by 64% and speeding up the response to customer feedback. Taiwan Life systematically manages and optimizes customer experiences and perceptions, examines the shortcomings of various processes in response to customer feedback, and collaborates with each unit to develop plans for improvement, thereby continually optimizing the end-to-end customer experience from sales to service to ensure that customer needs are met. These efforts earned us multiple honors at the National Brand Yushan Awards in 2022. In 2023, we continued to optimize our customer feedback analysis platform. The platform now not only processes NPS surveys but also integrates data from customer complaints, grievance appeals, and other sources. It consolidates cross-platform customer feedback and connects to visualization analysis tools, enabling each department to analyze customer opinions and design monitoring reports tailored to their needs.



T-NPS

▪ The Company conducts monthly analysis based on NPS survey results collected from 11 major customer journeys, including policy selection, insurance underwriting, daily contact, payments, policy inquiries, policy contract changes, policy loans, customer services, benefit, claims and policy surrendering. We produce monthly T-NPS reports, revisit customer feedback, prepare NPS analysis reports on a quarterly basis, coordinate all units to solve customers' issues in real time, and formulate improvement plans based on customer opinions, so as to reduce complaints and grievances from customers and obtain positive feedback from customers.

▪ In 2023, Taiwan Life distributed 677,000 tNPS questionnaires. Approximately 8,000 valid completed questionnaires were received, which included nearly 1,000 extra comments. The questionnaires were analyzed for insights to reduce the incidence of customer complaints and find directions for improvement. Example: After receiving feedback on how inconvenient it was to change credit cards during the payment process, we evaluated and adopted customer opinions in subsequent multi-payment projects, and included them as project improvement proposals.

R-NPS

▪ We conduct an R-NPS survey every year and commission a third-party market research company to conduct a market survey on the six major life insurance brands, enabling senior management to gain an overview of the market competition and set strategic directions.

▪ The 2023 survey results indicated that customers were more satisfied with the products and digital experience, and our brand continued to maintain its leading position in the market. In particular, the Company's care for older people and underprivileged groups and its participation in charity activities were positively recognized by customers. The number of valid samples for the survey was 1,996, and age and gender sampling control was carried out according to the population distribution of Taiwan.

Note 1: T-NPS (Transactional-Net Promoter Score) refers to the momentary level of recommendation of customers upon completing an experience of a product or service.
Note 2: R-NPS (Relational-Net Promoter Score) refers to the overall level of recommendation of customers for brands, products, services, etc. in the same time interval (usually on a quarterly or annual basis).
Note 3: The six major life insurance brands are Taiwan Life, Cathay Life, KGI Life, Nanshan Life, Fubon Life, and Shin Kong Life.

Handling Customer Feedback Carefully

To listen to the voice of the customer, Taiwan Life provides multiple complaint channels. For example, in order to protect the rights and interests of our customers, we have established the Financial Consumer Dispute Resolution System, which improves the efficiency and quality of consumer dispute handling. We also have a dedicated unit to clarify the facts of disputes and provide solutions in a timely and appropriate manner. Furthermore, the Company has formulated Management Measures for the Early Warning Mechanism of Customer Complaint Review Cases. For resolved cases in which customers are still unsatisfied and apply for review at the Financial Ombudsman Institution, a monthly warning report is issued for regular control purposes, and the implementation progress of the improvement plans of the responsible units is tracked to ensure such issues do not occur again. We also review and report to the Board of Directors on major customer complaints (e.g., unsuccessful reviews).The improvement plans and ombudsman complaints rate (including major customer complaints) are regularly reported to the TCF Committee and then submitted to the Board of Directors to examine the root cause of the issue and measures to improve operations. In 2023, four reports were made to the Board of Directors regarding TCF implementation.

Ombudsman Application Ratio, Category Analysis, and Improvement Measures

In 2023, there were 168 cases in which customers requested that Taiwan Life seek ombudsman assistance, representing a rate of 0.127 (application review ratio = (review cases / total number of signed contracts) × 10,000). The main types of review applications were claims disputes (74 cases, 44%) and business solicitation disputes (57 cases, 34%). Among the claims disputes, most were disputes over disability insurance conditions/levels (30 cases). Subsequently, the terms of the products sold have been amended to include a six-month survival standard from the date of disability diagnosis. This is to reduce disputes similar to disability insurance policies in the future. Most business solicitation disputes arose from target maturity debt returns not meeting expectations (38 cases). In response to increased market volatility and customer wealth management needs in the future, we will continue to develop guaranteed products and fully discretionary accounts strategies, strengthen investment risk monitoring and fund flexibility, in order to effectively diversify investment risks.

For Taiwan Life, every dispute is a driving force for the Company's learning and growth. Through ongoing adjustment and improvement, we are committed to increasing customer satisfaction.

Enhancing the Customer Experience

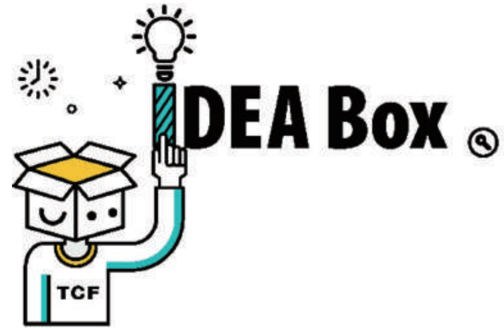
Taiwan Life attaches great importance to the moment of truth (MOT), particularly at the five most frequent points of contact with customers, namely the 0800 customer service hotline, payment, change of policy, claims settlement, and counter service.

We collect customer satisfaction data and feedback through telephone interviews on a regular basis. The average customer satisfaction rate in 2023 was 96%, which we take as an important reference indicator of customer experience.

Customer Service Satisfaction by Year

Item	2023	2022	2021
0800 customer service hotline	99%	99%	98%
Payment service	94%	94%	94%
Policy changes service	95%	94%	96%
Claim settlement services	93%	95%	95%
Counter service	98%	99%	97%
Average	96%	96%	96%

IDEA Box



At the instruction of the Board of Directors, the IDEA Box employee innovative contest was launched in late 2020, giving employees the opportunity to propose innovative TCF-related ideas. In 2023, participation was added as a bonus item to employees' performance evaluations. Through the contest, we encourage employees to make improvements and promote innovation, so that TCF is not only a top-down policy goal of the Board of Directors but is also recognized and embodied by employees. By doing so, it makes our employees take the initiative to identify problems, take responsibility for improvements, and be agile in optimizing practices in order to create a better customer experience.

A total of 169 entries were received in 2023, coming from 447 employees across 30 departments. Ten proposals were selected as finalists, and the six most creative and feasible proposals were crowned winners. This recognition will encourage employees to continue developing ideas and promoting the optimization and implementation of the TCF Principles.

Internal Experience Review Mechanism: Experience Ambassadors

In order to create a customer-oriented culture and internalize the concept of fair treatment, we created the Experience Ambassador mechanism at the end of 2021. In 2023, we expanded our efforts and recruited a total of 103 Experience Ambassadors, including directors and internal/external staff, and also recruiting prospective senior personnel to strengthen the implementation of older people-friendly service as part of these experience culture efforts. In 2023, the Experience Ambassador team undertook quarterly mystery shopper tasks, completing experiences at four key touchpoints: sales channels, digital channels, counters, and customer service hotlines. For example, (1) identifying multiple pain points in policy inquiries, contract changes, and payment processes through online operations; (2) investigating branch offices to identify service flow interruptions; (3) recognizing areas for improvement in some application documents and formatting; (4) evaluating the effectiveness of waiting times, problem comprehension and resolution, and communication attitudes in customer service interactions.

The Experience Ambassador team identified over 57 optimization opportunities for business units and urged each unit to continuously implement enhancement measures to improve the customer experience. Additionally, through interviews, testing, and surveys, they helped various customer-related projects enhance customer experience. For example, reducing customer waiting times at branches by 75%, developing and optimizing the virtual account customer experience process, providing customers with more convenient payment methods, increasing usage from an average of 30 times per month to 1,700 times, and improving account reconciliation efficiency.

In support of the TCF Strategy pillar of "Embed TCF in our DNA," the Company has established a culture promotion team to compile the concept of fair treatment, internal friendly services, and external information into a monthly TCF e-newsletter. In 2023, 12 copies were sent to all employees to raise TCF understanding. In addition, we launched an eight-episode special on our internal Top Channel digital video platform titled "Fair Treatment Between You and Me," inviting employees experienced in serving vulnerable customers to share their stories. Through monthly reports and case sharing, we continuously cultivate employees' awareness of the fair treatment culture and implement it in their daily work.

3.2 Diverse Protection Products

Management approach: Sustainable products and service development

Policy/ commitment	Actions and results	Targets		Corresponding SDGs
		Short term	Medium to long term	
We actively support the government's campaign to strengthen people's protection, filling the gaps in social insurance and social assistance mechanisms through the promotion of microinsurance and small-amount whole life insurance as well as the development of inclusive financial products.	▪ By responding to government's policies and expanding the base of underwriting customers, we have developed personal insurance and launched microinsurance on the FundRich platform to provide policyholders with diverse insurance options.	In line with the government's policies to develop inclusive financial products, expand insurance coverage for our customers, lower the threshold for insurance underwriting, and develop products specifically for underprivileged groups.	Continue to develop insurance products for older people, disadvantaged groups, and people with pre-existing conditions to meet the needs of diverse customers.	1 NO POVERTY 10 REDUCED INEQUALITIES
In response to Taiwan's aging society, we continue to develop various kinds of insurance policies for older people and advocate preventive health care to reduce the burden on medical resources through health promotion products. We have incorporated the concept of sustainability into new product planning. By doing so, we not only create positive value for policyholders and society but also provide a core protection network for older people so they can enjoy retirement without worries.	▪ We developed new products under the comprehensive long-term spillover-effect health management policy category.	Continue the development of insurance products for older people and spillover-effect health management (e.g., comprehensive long-term spillover-effect health management products), providing a series of spillover-effect products linked to health care services.	Build a medical health ecosystem through incorporating multiple diverse cross-industry cooperations and digital technology.	3 GOOD HEALTH AND WELL-BEING

Taiwan Life's Product Design and Development Process

3.2.1 Inclusive Products

Taiwan Life is committed to meeting the needs for our customers throughout the entire country, striving to develop insurance products and pursue innovation, and promoting more high-quality services. Our main product development activities were as follows:

- **Strengthening the sale force of retirement planning products:** In terms of traditional insurance products, the Company primarily emphasizes on variable-interest life insurance products and secondarily on traditional life insurance or annuity insurance products, and promotes these products for meeting customer needs for secured capital allocation and financial planning. In addition, retirement products take advantage of compounding interest rates and accumulation of time to ensure steady cash flow during retirement.
- **Providing the largest variety of A&H specialty products (including impaired-risk policies) in the industry, and expanding the potential customer base:** We have integrated the concepts of preventive medicine and health into our A&H products. To cater to diverse customer groups, we have developed several spillover-effect health management insurance products and various types of insurance products specifically for people with pre-existing conditions. This strategy has allowed our sales agents to serve a wide range of customers. In 2023, Taiwan Life launched a comprehensive spillover-effect health management policy for mild dementia as well as the CIB7 Critical Illness Benefits 7, Catastrophic Illness Card Benefits , and LTCE Permanent Long Term Care. These health management habits include walking, health examinations, and cancer screenings through incentives such as premium discounts in order to create a medical protection network for policyholders as they become older.

Protection for Older People

In order to cover the gaps in social insurance and address inadequacies in social welfare programs, we have not only taken proactive steps to promote small-amount whole life insurance but also extended our support to more seniors. Our commitment to product development includes emphasizing preventive medical services as one of our core values. To tackle the challenges of Taiwan's aging society, Taiwan Life has pioneered the industry's first step-linked spillover-effect health management insurance product. This innovative approach allows us to develop and offer high-quality, practical insurance protection, and effectively reducing the burden of the aging society's costs.

Achievement of Protection Products for Older People

Product Type	Summary	Premium Amount in 2023	People Insured in 2023
Insurance products for older people (including annuity and long-term care)	▪ We provided long-term care insurance to help customers prepare for future care costs in old age. In 2023, the Company introduced a life-time nursing care insurance policy called LTCE Permanent Long Term Care. The policy meets the needs for lifelong protection (including 13 highly relevant specific injuries and illnesses) and a capital-guaranteed mechanism of refunding the total annual insurance premiums payable. ▪ To strengthen the safety protection of health care for older people, we launched the first life insurance product called Yearly Dementia Life Insurance, offering protection for mild dementia. ▪ We continue to promote in-kind long-term care group insurance to provide comprehensive protection through insurance benefits and home care services.	NT$148.299 million	7,151
Small-amount whole life insurance	To support the government's policies to improve the basic coverage protections available in Taiwan, we have launched small-amount whole life insurance products with low premiums, low underwriting thresholds, and no physical examination required, which can meet the basic insurance needs of Taiwanese people.	NT$313.627 million	17,357

Health Promotion

Based on the design concept of "healthy aging, active aging," Taiwan Life combines digital technology to embed health management rewards into the design of its products, encourages people to develop long-term habits of self-motivated exercise and health management, and expands the impact of insurance. The premium income from the new spillover-effect insurance policies amounted to approximately NT$120 million in 2023. We are also developing more diverse cross-industry cooperation programs to generate product differentiation to improve Taiwanese people's health which indirectly reduces the overall medical expenses as a whole and claims expenses of insurance companies, and improve public health.

Achievement of Health Promotion Products

Product Type	Product Name	Summary	Premium Amount in 2023
Health management spillover-effect product	Substandard Diabetes Term Health Insurance	▪ To encourage the effective prevention of diabetes, "premium discount to the third policy year and later" and "health promotion reward" provisions allow policyholders to enjoy a premium discount of up to 35% as well as a health promotion bonus. ▪ Policyholders are encouraged to control their blood sugar in the long term period and develop healthy living habits. If they regularly upload their blood sugar level data and under the set threshold, they can enjoy a premium discount of up to 5% every year from the second policy year and later.	Approximately NT$120 million
Health rewards spillover-effect products	▪ PHH ▪ PHG ▪ PHD	Policyholders are encouraged to maintain their health through the "Benefit Reward for No Hospitalization Claims" feature. As long as the policyholders remain healthy and have not applied for hospitalization-related benefits, they have the opportunity to enjoy the rebate every year.	
Comprehensive spillover-effect products	▪ Yearly Dementia Life Insurance ▪ Yearly Spillover Dread Disease Rider ▪ Yearly Spillover Cancer Medical Rider ▪ Yearly Spillover Hospital Indemnity Rider ▪ LTCC Permanent Long Term Care ▪ LTCE Permanent Long Term Care ▪ CIB7 Critical Illness Benefits 7 ▪ Catastrophic Illness Card Benefits	▪ We offer the pioneering series of Yearly Dementia Life Insurance policies which are innovative combination of, incentives for walking, health examinations, vaccinations, and cancer screenings and other three stages of health management, including number of steps, health check, vaccination or proof of cancer screening, covers dementia, cancer, major diseases and hospitalization days, with up to 8% of premium discount for renewal and guaranteed renewal up to age 85. ▪ LTCC Permanent Long Term Care is a new type of spillover-effect health management insurance product. It provides a 6% premium discount on renewal premiums for long-term care for policyholders who meet the steps target and provide health examination reports. In 2023, we continued to cater to the needs of long-term care, and launched LTCE Permanent Long Term Care for Long-Term Care product to broaden our diversified, long-term care product line. ▪ We mostly focused on comprehensive long-term spillover-effect insurance products in 2023, and launched CIB7 Critical Illness Benefits 7 and Catastrophic Illness Card Benefits, which combine protection for 7 major diseases, 22 specific catastrophic illnesses, major diseases (Type A), specific injuries and illnesses, and catastrophic injury cardholders with spillover insurance mechanisms. The coverage is up to the age of 100, creating a medical protection network for policyholders as they become older without worries.	

Protection for Disadvantaged People

In order to fulfill its corporate social responsibility and practice the TCF Principles, Taiwan Life has identified various medical protection needs for disadvantaged groups, and has subsequently developed seven impaired-risk policies so far. Together, these seven policies cover people with diabetes, hepatitis B, and certain cancers as well as people with a physical disability. We also develop microinsurance policies for people who are financially disadvantaged or from other marginalized groups. By expanding our coverage and providing specific protection for people with disabilities, we have set new benchmarks in the domestic insurance industry. Overall sales of these products have shown healthy growth, and Taiwan Life will continue to promote and develop products for disadvantaged groups moving forward.

Insured Amounts of Products for Disadvantaged People

Product Type	Summary	Achievement 2023	Achievement 2022	Achievement 2021
Microinsurance	▪ **Personal microinsurance products** Taiwan Life cares the basic protection needs for people with disabilities and disadvantaged people. We provide easy underwriting approval of insurance applications, without any physical examination required. Customers only need to pay a small premium to receive protection. In order to expand the insurance coverage to more diverse customer groups, we developed a personal microinsurance product, PMADD Personal Micro Accidental Death and Dismemberment, in 2023. It features a single premium rate regardless of occupation, thereby catering to the demand of diverse customer groups. In addition, we launched the MIYTL Micro-Insurance Yearly Term Life, MIADD Micro-Insurance Accidental Death and Dismemberment, and MIAMR Micro-Insurance Accidental Medical Reimbursement Rider on the FundRich platform. These simple, protection-oriented products are sold online to enhance life and accident insurance coverage for disadvantaged groups, and the addendum offers reimbursement for medical expenses for those with National Health Insurance coverage by increasing accident medical coverage. ▪ **Group microinsurance products** We offer group insurance with low premiums, low coverage, and protection that is easy to understand. These insurance products provide medical protection for people from low-income groups and other marginalized groups in order to reduce the impact of unexpected financial hardship and protect insured people's families.	Accumulated insured amount: NT$69.52 billion People insured during the year: 50,791	Accumulated insured amount: NT$57.09 billion	Accumulated insured amount: NT$39.1 billion
Products for people with physical or mental disability	▪ In 2014, Taiwan Life cooperated with Taiwan Lottery, the administrator of the national public welfare lottery, to tailor products for its sales representatives, including those with a physical or mental disability and people from low-income groups, such as single parents and indigenous people. ▪ In 2018, we launched Taiwan's first whole life medical insurance product for certain mild to moderate physical and mental disabilities, providing life insurance, hospitalization, and surgical protection. ▪ In 2021, we launched Whole Life Insurance, a disability-exclusive product with death and cancer coverage. ▪ In 2023, in conjunction with the upcoming fifth term of the public welfare lottery and third term of the sports lottery in 2024, Taiwan Life launched NTEW0301 Endowment Term Life for its dealers. It provides death claims and maturity benefits, along with the potential for asset growth. Combined with Rider Attached To NTEW0301 Insurance, policyholders can enjoy dual additional protection for accidental death and major burns and scalding, thus enjoying more well-rounded protection.	Accumulated insured amount: NT$3.24 billion People insured during the year: 7,475	Accumulated insured amount: NT$3.24 billion	Accumulated insured amount: NT$3.23 billion
Impaired-risk insurance products	▪ In 2014, we launched the first product for people with pre-existing conditions in Taiwan, which provides exclusive comprehensive medical insurance for patients with type 2 diabetes. ▪ In 2018, we launched Taiwan's first exclusive comprehensive medical insurance for patients with hepatitis B, introducing preventive health insurance with health rebate benefits and providing death or funeral expense and survival benefits as the capital protection mechanism. In the same year, we also launched Taiwan's first exclusive post-cancer insurance policy, PH27 Permanent Health Insurance, which pays medical claims starting in the first year. It is aimed at patients with 13 cancers listed in the terms who wish to strengthen their medical protection, offering a means to fill gaps in their insurance coverage. ▪ In 2019, we launched the Substandard Diabetes Term Health Insurance. This first-of-its-kind insurance product provides dual coverage for diabetes-related injuries and medical expenses, along with dual spillover premium discounts. The purpose is to encourage policyholders to maintain their blood sugar levels and develop healthier habits.	Accumulated insured amount: NT$6.6 million People insured during the year: 364	Accumulated insured amount: NT$4.5 million	Accumulated insured amount: NT$4.4 million

3.2.2 Investment-linked Products

In the process of planning investment-linked products and target selection, we will consider whether the investment strategies involve sustainability related issues, such as water resources, climate change, renewable energy, and ESG themes, and the partner's ESG will be considered in the selection process. As of the end of 2023, the AUM of investment-based instruments associated with sustainability and ESG themes was approximately NT$13.7 billion, accounting for 9.27%, and we are continuing to plan products that meet sustainability and ESG themes to put our green finance concepts into practice.

When introducing new investment-linked targets, we incorporate an evaluation of the issuing company's corporate governance into our selection mechanism and offer ESG-themed options for customers to choose from, increasing opportunities for public funds to invest in sustainable industries. Additionally, we promote sustainability and ESG through digital development, providing customer-friendly services and care mechanisms to achieve inclusive finance.

- **ESG-related investment targets**

  As of the end of 2023, Taiwan Life's investment-linked products with sustainability and ESG themes had a cumulative asset size (AUM) of approximately NT$13.7 billion. An additional eight ESG-compliant funds have been added for policyholders to choose from. In the future, Taiwan Life will continue to follow this approach of linking strategic ESG-related investment targets with product platforms in order to launch new products. We will continually introduce new products that comply with EU Sustainable Finance Disclosure Regulation 8 or 9 or other third-party standards, or that incorporate ESG strategies into portfolio strategies.

- **Product development process incorporates ESG evaluation and management mechanisms**

  Taiwan Life is increasingly working with its partners to deepen its ESG-related practices. The Company revised its Measures for Screening and Selection Targets Linked to Investment Insurance to specifically include ESG evaluation as a selection criterion. We assess the corporate governance status of partners every six months (including whether they are fulfilling environmental protection, ethical business management, social responsibility, etc.), and prioritize cooperation based on the results of the assessment.

Discretionary Investment Account Management Mechanism：

When developing an investment-linked insurance product for a discretionary account, the management team will evaluate the account's investments in sustainable or ESG themes and implement the investment proportions in the contract.

Through discussions with the account management team every six months, the alignment of the account with sustainability or ESG themes is continuously reviewed. Additionally, new themes or sub-funds may be added to ensure the account remains effective and stable.

- **ESG investment target training and commitment to digital system development**

  In October 2022, we launched an investment portfolio planning system (SmartFuture eStart) to help customers observe market changes and access investment portfolio allocation recommendations. In 2023, its website received approximately 260,000 page views. Through digital platforms such as our official LINE account and the Wealth Management Section of our website, we provide internal and external information on sustainability and ESG so as to further increase the AUM ratio of sustainability-themed and ESG-themed investment targets and to strengthen our customer service and care mechanisms.

3.3 Implementing Employee Empowerment

We consider our employees to be our most valuable asset, and we have long been committed to cultivating and developing talent. In accordance with our strategic development direction, we actively cultivate a talent development mechanism, which includes designing career development frameworks and providing comprehensive training and development resources for various positions and supervisors at all levels. Our approach includes the following initiatives:

Managers across levels: We maintain a Leadership Program to reinforce supervisors' management capabilities and organize renowned international management courses to expand their global perspective on management.

New employees: We provide a "New Hire Orientation Program" to help new employees understand the corporate culture and related professional knowledge so that they can quickly integrate into the workplace and realize their full potential.

General employees: In addition to providing professional courses tailored to employees' responsibilities, we offer opportunities for job rotations and assignments to broaden their professional experience. To enrich their learning journey, we organize seminars covering various topics, including industry insights, career development, arts and culture, and other soft skills. This dedication to providing diverse learning resources fosters a healthy work–life balance for our employees.

Through our comprehensive talent development mechanism, we aim to cultivate capable individuals who align with the Company's strategy and grow together with the organization, creating a mutually beneficial environment for both the Company and its employees.

3.3.1 Overview of Employee Structure

As of the end of 2023, Taiwan Life's employees totaled 10,070, comprising 2,049 office staff and 8,021 commission-based sales agent contract workers. Women accounted for 60.13% of the total number, and men accounted for the remaining 39.87%. We provide an equal-opportunity employment environment, including for indigenous people, those with a physical or mental disability, and foreign nationals, in order to foster a diverse workplace. In 2023, we employed 7 indigenous employees and 16 employees with a physical or mental disability.

Office Staff Overview

Office staff	Taiwan				Overseas			
	Women	Proportion (%)	Men	Proportion (%)	Women	Proportion (%)	Men	Proportion (%)
General employees	1,133	91.96	696	85.50	0	0	0	0
Management	99	8.04	118	14.50	0	0	3	100
Total	1,232	100	814	100	0	0	3	100

Note 1: Management refers to supervisors who are responsible for supervision and management at or above the section head level.
Note 2: All employees of Taiwan Life are full-time employees.

Sales Agents Overview

Sales agent	Taiwan	
	Women	Men
General employees	4,254	2,120
Management	1,127	520
Total	5,381	2,640

Note: Management refers to supervisors who are responsible for supervision and management at or above the business head level.

Age Distribution of Office Staff

Office staff	Women						Men					
	30 or younger	Proportion of all office staff	31–49	Proportion of all office staff	50 or older	Proportion of all office staff	30 or younger	Proportion of all office staff	31–49	Proportion of all office staff	50 or older	Proportion of all office staff
General employees	205	10.00%	734	35.82%	194	9.47%	123	6.00%	426	20.79%	150	7.32%
Management	0	0.00%	54	2.64%	45	2.20%	0	0.00%	61	2.98%	57	2.78%
Total	205	10.00%	788	38.46%	239	11.66%	123	6.00%	487	23.77%	207	10.10%

Note: Management refers to supervisors who are responsible for supervision and management at or above the section head level.

Age Distribution of Sales Agent

Sales agents	Women						Men					
	30 or younger	Proportion of all office staff	31–49	Proportion of all office staff	50 or older	Proportion of all office staff	30 or younger	Proportion of all office staff	31–49	Proportion of all office staff	50 or older	Proportion of all office staff
General employees	481	6.00%	2,111	26.32%	1,662	20.72%	435	5.42%	1,116	13.91%	569	7.09%
Management	74	0.92%	492	6.13%	561	6.99%	81	1.01%	281	3.50%	158	1.97%
Total	555	6.92%	2,603	32.45%	2,223	27.71%	516	6.43%	1,397	17.42%	727	9.06%

Note: Management refers to supervisors who are responsible for supervision and management at or above the section head level.

Office Staff by Gender and Contract

Year		2023	2022	2021
Permanent employees	Women	1,222	1,173	1,167
	Men	816	762	718
Temporary employees	Women	10	8	2
	Men	1	3	1
Total		2,049	1,946	1,888

Description:
Permanent employees: Those who have no contractual employment period and can continue to work unless they are laid off or resign voluntarily.
Temporary employees: Those whose employment has a fixed term and who can only continue working after expiration of the contract if the employer renews the contract.
Non-guaranteed hours employees: Employees who are not guaranteed a minimum or fixed wage, but may be available to work upon request.
Note 1: All office staff of Taiwan Life are full-time employees.
Note 2: The number of employees of Taiwan Life did not fluctuate significantly in the past three years.
Note 3: Information on workers who are not employees (e.g., dispatched or contracted employees) of CTBC Holding and its subsidiaries is coordinated by CTBC Holding.
Note 4: Taiwan Life has no non-guaranteed hours employees.

Workplace Diversity

Year		2023	2022	2021
Indigenous people	No. of employees	7	8	8
	No. in management	0	0	0
People with a physical or mental disability	No. of employees (actual)	16	16	14
	No. of employees (weighted)	23	23	20
	No. of employees in management (actual)	0	0	0
	No. of employees in management (weighted)	0	0	0
Foreign nationals	No. of employees	0	0	0
	No. in management	0	0	0

3.3.2 Talent Recruitment

Talent is the key to a company's success, and only happy partners can build a competitive team. In terms of its talent recruitment policy, Taiwan Life continues to actively recruit outstanding professionals in various industries through multiple recruitment channels in order to be geared to IFRS 17 compliance and to support new core IT projects and the digital transformation development strategy. We invested tens of millions of New Taiwan dollars in recruiting in 2023, and in line with CTBC Holding's "We are family" brand spirit, we treat our employees like family and provide competitive and comprehensive compensation and benefits as well as a healthy workplace environment to attract outstanding industry talent.

Office Staff New Hires

Office Staff New Hires	2023				2022				2021			
	Men	Percentage of all office staff	Women	Percentage of all office staff	Men	Percentage of all office staff	Women	Percentage of all office staff	Men	Percentage of all office staff	Women	Percentage of all office staff
30 or younger	77	3.76%	100	4.88%	63	3.24%	102	5.24%	38	2.01%	105	5.56%
31–50	103	5.03%	143	6.98%	115	5.91%	135	6.94%	55	2.91%	90	4.77%
51 or older	12	0.59%	7	0.34%	15	0.77%	14	0.72%	5	0.26%	7	0.37%
Total no. of new employees	192	9.37%	250	12.20%	193	9.92%	251	12.90%	98	5.19%	202	10.70%

Note 1: Due to the different nature of their work, Taiwan Life sales agent are not included in this table.
Note 2: The new hire rate of men/women employed in this age group = the number of new men/women employed in this age group in 2021 / the total number of office staff at the end of 2022.

Office Staff Turnover

Office Staff Turnover	2023				2022				2021			
	Men	Percentage of all office staff	Women	Percentage of all office staff	Men	Percentage of all office staff	Women	Percentage of all office staff	Men	Percentage of all office staff	Women	Percentage of all office staff
30 or younger	32	1.56%	53	2.59%	34	1.75%	50	2.57%	51	2.70%	108	5.72%
31–50	83	4.05%	136	6.64%	82	4.21%	118	6.06%	73	3.87%	104	5.51%
51 or older	23	1.12%	21	1.02%	21	1.08%	31	1.59%	31	1.64%	24	1.27%
Total no. of resigned employees	138	6.73%	210	10.25%	137	7.04%	199	10.23%	155	8.21%	236	12.50%

Note 1: Due to the different nature of their work, Taiwan Life sales agent are not included in this table.
Note 2: The turnover rate of men (women) employed in this age group = the number of men (women) who resigned in this age group in 2021 / the total number of office staff at the end of 2022.

Management Associate Program

Taiwan Life has become the second-largest profit center of CTBC Holding. In order to continue to cultivate elite financial and insurance talent, we have held a Management Associate (MA) program every year since 2012. We continue to invest rich and diverse resources in cultivating talent. With professional, solid, and high-standard training resources, we ensure that MAs comprehensively understand all aspects of the Company's operations and develop a holistic perspective. Our goal is to nurture planning talent who can independently handle responsibilities, excel in project planning, and possess excellent resource integration and coordination capabilities. By leading future market trends in the life insurance industry, we aim to cultivate top-tier professional planning and management talent through the two-year training program.

Internship Program

Taiwan Life actively conducts industry-academia collaboration with relevant departments of colleges and universities to increase students understanding and the exchange of practical knowledge among students of finance and insurance departments. This initiative seeks to identify and nurture potential talent, making it one of Taiwan Life's key channels for talent acquisition.

Each year, we bridge academia and industry through practical experience sharing and career lectures, in collaboration with National Chengchi University and CTBC Business School. Through practical project experience and diverse training courses, dedicated mentors and advisers provide careful guidance. By assigning tasks and evaluating internship results, students gain an in-depth understanding of daily departmental operations, allowing them to explore career directions early. After graduation, we offer opportunities for career development.

In 2023, 28 interns were recruited through this program and subsequently joined the Taiwan Life team. They were placed across various business-related fields to swiftly meet the talent needs of different departments.

On-campus Recruitment

With the effects of the pandemic subsiding over the past two years, Taiwan Life embarked on a campus recruitment tour in 2023. Aligning with its talent recruitment strategy, the Company actively sought talent in product actuarial science and business strategy planning. Additionally, a new management associate insurance strategy group was established to cultivate future leaders in insurance strategy. The Company also offered diverse industry-academia cooperative internship opportunities to help students transition into the workforce. The campus recruitment drive saw impressive results in resume submissions, leading to the hiring of several individuals and management associates to join the team.

CTBC Business School is the cradle of talent cultivation for CTBC Holding, and Taiwan Life provides a variety of employment opportunities every year to recruit talent from the college. Through employment matchmaking with CTBC Business School, Taiwan Life has injected new blood into various business fields and consolidated its business foundation. At the end of each year, two outstanding employees are invited to share their views on financial careers at the career seminar hosted by CTBC Business School, helping students better understand the opportunities and challenges they will face in their future career. In 2023, a total of 13 graduates joined our underwriting, policy service and planning teams after completing their studies and were seamlessly integrated into the workplace.

3.3.3 Employee Remuneration and Incentives

Taiwan Life has established a complete remuneration system. By participating in salary surveys every year, we grasp market salary levels and reference them in salary reviews, salary adjustments, and promotions to ensure that the Company's competitiveness. The salary of employees is based on their experience, abilities, and position. We are committed to equal-opportunity employment, with all candidates and employees standing on the same footing regardless of gender, age, race, religious beliefs, political stance, or nationality. In addition, Taiwan Life has a complete performance management system. Through its management by objectives (MBO) mechanism, it sets up goals according to market needs and Company strategies. The performance indicators on regulation side include internal control, legal compliance, information security, and risk control; they also include cost control, personal improvement, team management, environmental, social, and corporate governance as comprehensive performance indicators. At the beginning of every year, supervisors and employees jointly set personal work goals. Through rigorous assessment processes and transparent rules, we manage employees' work performance, review and revise such in the middle of the year, and give feedback and evaluate the achievement of various goals at the end of the year.

In addition to providing competitive remuneration and an effective performance management system, we also attract and retain outstanding professionals by offering diverse incentives and rewards, such as performance bonuses, employee compensation, employee stock appreciation rights, welfare savings trusts, and financial holding trusts.

Performance bonus

The bonus encourages employees to strive to achieve the Company's operating objectives and is determined by taking into account unit performance, personal performance, compensation level, position value, and job duties according to the Company's revenue performance and market competitiveness

Employee remuneration

To encourage employees to fulfill their potential and improve their business performance, this employee remuneration is allocated annually according to the relative contribution of their position and personal performance appraisal.

Restricted stock awards

A long-term incentive with a five-year deferral period with the actual value relating to the future stock price, and the employee shares the profit results with the Company which acts as an employee retention strategy.

Employee welfare savings

Employees may set aside a certain amount every month, and the Company will allocate a subsidy for the purchase of CTBC Holding shares that will be placed in a trust.

Employee shareholding

A certain amount is withdrawn from the employee's salary every month to purchase CTBC Holding shares; the Company will give 20% of the accumulated amount in the current year as a bonus, and the bonus will be paid in three years, with 5% issued after one year, 5% after two years, and 10% after three years.

Salary Status of Full-time Non-management Employees

In 2023, Taiwan Life's total number of full-time employees in non-management positions was 1,821, and their salaries for the year totaled NT$2,439,449,754 (total salary). Although the insurance industry in 2022 was affected by fluctuations in the general environment, our compensation policy has continued to focus on doing right by our staff, including by maintaining the average salary for full-time employees not in managerial roles (i.e., "total salary"). As the overall economic environment stabilized in 2023, the average salary for full-time non-managerial employees increased. The median and average salaries of full-time employees in non-management positions were as follows:

Unit: NT$

	2023	2022	2021
Employees	1,821	1,730	1,740
Average salary	1,339,621	1,327,653	1,402,463
Median salary	1,202,241	1,162,308	1,189,832

Note 1: "Total salary" in the paragraph above refers to the employee's salary for the current year, based on the accrual of rights and responsibilities and including recurring salary (basic salary and monthly fixed allowance and bonuses), overtime (whether taxable or tax-free), and non-recurring salary (e.g., non-monthly allowance, bonuses, and employee remuneration).

Note 2: The number of full-time non-management employees = all employees - (the number of employees in management positions + the number of employees in overseas branches + the number of part-time employees + others who can be exempted from the data).

3.3.4 Office Staff Professional Development

Taiwan Life's internal training is based on its medium- to long-term insurance goals, setting annual training themes in line with industry trends and strategic development needs. This approach continuously improves key business training blueprints and strengthens talent development at all levels, including potential future leaders. By leveraging CTBC Holding's extensive training resources, we maximize the overall effectiveness of talent development through leadership courses for management, the MA management associate series, industry-academia cooperation for campus talent, and key talent programs. Each year, key roles and positions are reviewed to define core competencies for different job levels. Based on this review, capability gaps are identified, and training resources are focused on addressing these gaps. Career planning includes job rotations, project experience, and professional management training resources to effectively enhance training outcomes. Taiwan Life continues to receive top insurance professional awards and is among the most desired life insurance companies for new graduates from finance and insurance departments.

We launched the industry's first-of-its-kind Insurance Service Elite Candidate Program in 2023, widely recruiting underwriters, claims, and policy staff for tiered training. This cross-disciplinary approach creates a key business talent development hub to improve policy administration efficiency, support ongoing business strategy for product innovation, capture market share, and create competitive advantages in the insurance industry.

In 2023, Taiwan Life's employee education and training expenses totaled NT$17,885,878 with 31,321 participants and 61,837 hours of general course training time. Satisfaction surveys are conducted at the end of each training course, yielding an average score of 4.8 out of 5 in 2023. We will continue to track and evaluate the effectiveness of training and collect suggestions and feedback in real time in order to achieve our training objectives and further enhance the capabilities of our supervisors and employees.

Training Highlights

Type	Course type	Description	Participants
Navigation Program	Advanced Management Program, The Wharton School	We held Executive Programs for senior-level managerial employees and Leadership Development Programs for middle-level managerial employees. These were jointly designed by the CTBC Holding group and the Wharton School of the University of Pennsylvania to upgrade managers' abilities in leadership strategy planning, cross-border operation, and innovative thinking through training in top management thinking. We invited renowned scholars and industry leaders to share their experience at the Master Forum, raising understanding of emerging global trends. In 2023, 49 participants in 8 courses received a cumulative 307 hours of training.	Middle- and senior-level managerial employees
	Advanced management courses and team-building activities	Based on the Company's supervisory competency requirements and strategic goals, we plan training programs for new, existing, and potential supervisors. Through a combination of in-person and online instruction, including by faculty from renowned universities as well as team competitions, dinner events, case studies, strategy seminars, and trend talks, we train the supervisors' decision-making and critical thinking, assimilate into the organizational culture, and build organizational cohesion in order to enhance the leadership and management abilities of Taiwan Life's supervisors. In 2023, 485 participants in 36 courses received a cumulative 3,521 hours of training.	Supervisors of all levels, potential talents
Elite Program	Management Associate Program	To continue to nurture financial and insurance management associates, Taiwan Life has been holding the Management Associate (MA) Program every year since 2012, and continues to invest rich and diverse resources toward cultivating such talent. In 2022, in response to the transformation of various insurance strategies, a new insurance management group was created to take a more holistic view of the Company, grasp operating trends and innovations, and cultivate professional planning and management insurance talent through a comprehensive two-year training program. As of April 2024, 40 courses had been held, with a cumulative 243 MAs receiving 1,068 hours of training.	Management Associates
	Insurance Professional Associate (IPA) Program	We launched the industry's first-of-its-kind Insurance Professional Associate (IPA) Program in 2023 to cultivate a large number of fresh graduates who are interested in a career as underwriting/claim settlement back office professionals. Gathering the knowledge and practical experience of experts in various insurance fields, this three-stage development program provides systematic training courses, as well as an expert coaching team, junior teachers, and senior staff systems, with the goal of cultivating elites with key insurance capabilities. In 2023, 1,102 participants in 21 courses received a cumulative 2,905 hours of training.	Planned personnel
Empowerment Program	Internal instructor training	In order to cultivate the teaching skills and quality of internal instructors, we plan and design internal instructor training courses every year according to the needs of each department to improve the quality of internal instructor training courses and the application rate of internal instructors. In 2023, 20 internal lecturers provided 133 hours of training in 3 courses.	Internal instructors
	Specialized training	We arrange training in specialized skills for each unit. In 2023, 14,678 participants in 374 courses received a cumulative 32,870 hours of training.	All employees
	Life and learning lectures	With topics spanning industry, career development, arts and culture, and related humanities topics, these lectures are organized as part of our commitment to providing more diverse learning resources and helping employees maintain a healthy work–life balance. In 2023, 1,226 participants in 51 courses attended a cumulative 2,969 hours of lectures.	All employees
	Digital courses	We have made external digital learning platforms available to provide more diverse educational resources that meet employees' self-learning needs and cultivate their cross-disciplinary knowledge while also supporting the development of required business capabilities. In 2023, 657 participants in 210 courses received a cumulative 1,195 hours of training.	All employees

Type	Course type	Description	Participants
Empowerment Program	Digital libraries	In keeping with post-pandemic digital learning innovations, the HyRead digital library was introduced to provide employees with a convenient reading platform. It can be access on any device, anytime, anywhere. In 2023, 757 employees applied for access, and the total number of views was 5,218.	All employees
	New hire orientation	To enable new employees to quickly fit into the workplace and understand the Company's culture and values, digital courses have been provided since the pandemic, avoiding the risk of cluster infections posed by physical courses and saving time and transportation costs. In 2023, 1,122 participants in 11 courses received a cumulative 3,225 hours of training.	New employees
	Sustainability Awareness Cultivation course series	Focusing on the dual sustainable development themes of "Deepening social impact" and "Achieving low-carbon transition," we planned and provided courses including Good Life Goals, Analysis of Sustainable Insurance, Personal Data Protection, the Principles of Treating Customers Fairly, Workplace Equality and Sexual Harassment, and Financial Friendly Services for Persons with Physical or Mental Disabilities to enhance the sustainability-related concepts of all internal staff (including senior managers). Moreover, we also encourage employees to participate in talent sustainability forums and courses related to their businesses, including Sustainable Financial Reporting, ESG Legal Compliance, Sustainability Disclosure Standards, and Sustainable Competitiveness and etc. In 2023, 11,739 participants in 27 courses (Social aspect (S) accounts for 49%, followed by overall sustainability aspect (ESG) accounting for 34%) received a cumulative 13,644 hours of training (Social aspect (S) accounts for 62%, followed by overall sustainability aspect (ESG) accounting for 29%).	All employees
Sustainable Campus	Industry-academia cooperation projects	We worked with CTBC Business School to introduce a new financial and insurance planning practicum geared toward preparing students for employment. In addition, we held academic exchanges with the Department of Risk Management and Insurance at Feng Chia University for the first time to actively develop students' professional competencies in an actual business environment by sharing practical experiences and providing career seminars and in-depth learning opportunities. Through hands-on project experiences, diverse training courses, and internship evaluations, we help students to get a head-start in exploring their personal career objectives. Students are all looking forward to continuing to participate in similar academic exchange programs in the future to strengthen their understanding of the insurance and finance field. In 2023, 373 participants in 18 courses received a cumulative 846 hours of training.	Current students

	ESG	E	S	G
Numbers of participants	3,933	49	5,758	1,999
Hours of training	3,966	132	8,518	1,028

Average Annual Office Staff Training

Unit: Hours

	2023		2022		2021	
	Men	Women	Men	Women	Men	Women
General employees	29.7	28.2	25	24	23.4	24.3
Management	42.1	43.6	48	51	58.6	53.0
Average	31.5	29.5	29	26	26.8	27.5

Note 1: Management refers to supervisors who are responsible for supervision and management at or above the section head level.
Note 2: The average number of training hours is calculated based on the number of employees at the end of 2023.

Average Annual Sales Agent Training and Expenditure

Unit: Hours

	2023		2022		2021	
	Men	Women	Men	Women	Men	Women
General employees	28	27	29	28	29	30
Management	42	34	34	34	34	34
Average	30	28	30	29	29	30
Annual training expenses	NT$8,788,377		NT$6,795,932		NT$5,771,882	

3.3.5 Sales Agent Development and Learning

To improve the skills of sales agents, a standardized and systematic business education and training system targeting our 8,017 sales agents has been established. The system covers basic training, bridging training, and professional upgrade certification training, including certification tests, product learning, customer needs, policy risk consultation, asset allocation, and advanced financial planning in order to increase new policyholders and initial annual premiums. The training program has been consistently effective over the years, receiving industry awards for training excellence.

Promoting Transformative Digital Learning and Professional Growth for Front-line Staff

In 2023, we completed a version update of our digital audio and video content platform for agents, Top Channel, dubbed the "Netflix of Taiwan Life." Its four major highlights include:

1. **Personalized design to enable more systematic learning**
My Playlist, viewing history, and viewing progress.

2. **Featured highlights that closely reflect learning themes**
Selected videos are displayed in an eye-catching row on the homepage, making them easier to find and view.

3. **Audio library features an easy search function**
12 categories that focus on different learning aspects.

4. **Theme videos and systematic learning**
In 2023, a targeted customer group strategic campaign was launched. Targeting the four major groups of doctors, retirees, netizens, and high-tech professionals, a series of four videos were launched for each group.

Training Courses for Sales Agents

Category	Course	Participants in 2023	Course format
General	Protection planning for the needs of all age groups	3,022	Physical
General	Training for Type A occupational health and safety personnel	23	Physical
ESG-related education and training	Training on Personal Data Protection Act	8,019	Online
ESG-related education and training	Training on Business Quality Education	8,019	Online
ESG-related education and training	Training on the Treating Customers Fairly Principles	8,019	Online
ESG-related education and training	Training on Workplace Equality and Sexual Harassment Prevention	8,019	Online
ESG-related education and training	Training on Friendly Financial Services for People with a Physical or Mental Disability	8,019	Online
ESG-related education and training	Good Life Goals: How to Implement the SDGs in Your Own Life	8,106	Online
ESG-related education and training	Analysis of Sustainable Insurance	5,747	Online

E-learning Platform and Learning Hours Participation of Sales Agents

Item/year	2023	2022	2021
Online courses	97	161	161
Participation (times)	264,686	323,900	346,909

Note: During the COVID-19 pandemic in 2021 and 2022, certain in-class courses were converted to online courses. In 2023, the in-class courses resumed and the demand for online courses decreased.

Sales Agent Certification

Type	Certificate	Certified employees
General certificates	Insurance Sales License	7,971
General certificates	Foreign Currency License	5,086
General certificates	Investment License	3,855
General certificates	Property Insurance License	4,251

3.4 Comprehensive Employee Care

3.4.1 Employee Benefits Policy

Since the outbreak of the COVID-19 pandemic in 2020, the Company has aligned with CTBC Holding's employee care policy, offering support such as consolation subsidies and epidemic prevention kits. These measures aimed to ensure that all employees can safely return to the workplace and maintain good health. Along with the new care benefits introduced during the epidemic prevention period, we formulated a range of welfare subsidies and protections to help our employees maintain a good quality of life while working. In addition to providing the benefits required by basic laws and regulations, we offer cash gifts and bonuses for major holidays and birthdays; subsidies for marriage, family funerals, and childbirth; long-term service, retiree care, health care, education, and entertainment benefits; preferential mortgage rates; and credit loans and group insurance. We also offer a points-based rewards system, which enables employees to redeem their points for products and services.

3.4.2 Human Rights Protection

Taiwan Life is committed to creating a friendly environment protects employees' human rights. In order to support and implement a number of international human rights conventions, in addition to incorporating diverse human rights issues into the Employee Code of Conduct, we adhere to the CTBC Holding Human Rights Policy. This policy refers to and supports international human rights conventions such as the U.N. Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Furthermore, in response to relevant human rights issues, the Company regularly assesses the level of risks related to human rights, and formulates mitigation measures and strengthens remedial measures based on the assessment outcomes in an attempt to work toward the goal of zero human rights risks in the workplace.

Issues identified	Target	Representative indicators and definitions	2023 risk value	2023 risk assessment results	Mitigation measures	Compensatory measures
Diversity, equality, and inclusion in the workplace	Employees with a physical or mental disability	Employment rate of employees with a physical or mental disability = number of insured units with unfulfilled quota of employees with a disability in the current year / total number of insured units	0%	All relevant insured units met the quota of employees with a physical or mental disability; the risk was determined to be low.	A barrier-free workplace environment that is friendly to people with disabilities has been constructed.	1. All insured units shall fulfill the quota for hiring employees with a physical or mental disability, in accordance with statutory standards. 2. When the quota cannot be met due to unforeseen circumstances, a fee based on the shortfall is paid to the government as required.
Prohibition of child labor	New employees	Zero child labor	0%	No minor under the age of 16 was employed; the risk was determined to be extremely low.	**1. Recruitment phase:** Applicants are required to indicate the correct date of birth on their resumes and sign to certify the accuracy of the information provided. **2.Onboarding phase:** On the day prior to employees starting their job, they are required to submit identity documents for verification.	1. Because identity documents are checked during onboarding, child labor will not occur; if a child worker misrepresents their age, they will be dismissed immediately in accordance with the provisions of subparagraph 1 of paragraph 1 of Article 12 of the Labor Standards Act.
Prohibition of employment discrimination	All employees	Incidence of employment discrimination = number of employment discrimination cases as determined by the competent authority in the current year / total number of employees	0%	No employment discrimination cases; the risk was determined to be extremely low.	1.The employee handbook specifies that discrimination against any job applicant or employee on the basis of race, class, language, thought, religion, political party, ancestry, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, disability, horoscope, blood type, or past membership in a labor union is strictly prohibited. The employee Code of Conduct pledges to establish a diverse work environment free from discrimination and harassment. 2.The Employee Appointment Administration Measures specify that all appointment practices should be based on the principles of fairness, justness, and openness in order to prevent any form of employment discrimination.	1. If an employee's rights are infringed upon and they file a complaint, an internal complaint mechanism is activated, an investigation and interview will be conducted, and immediate and effective handling measures will be taken. 2. If a complaint is validated, in addition to assisting in protecting the employee's rights and interests, counseling will be offered as necessary, and the perpetrator(s) will be disciplined according to the work rules and the Employee Incentives and Punishment Measures
Prohibition of sexual harassment	All employees	Incidence of sexual harassment complaints = number of persons involved in sexual harassment complaints accepted by the Company internally in the current year / total number of employees	0%	There were no confirmed cases, with no employees involved; the risk was determined to be low.	1.Sexual harassment prevention, grievance, and disciplinary measures have been developed in accordance with legal provisions. 2. A dedicated unit for sexual harassment complaints, a complaints hotline, and a dedicated email address are in place to handle relevant cases in accordance with the law. 3. Relevant educational courses are organized on a regular basis.	1. Arrange immediate and effective handling when an employee files a complaint. If a case is established, assist the complainant (victim) to arrange for psychological counseling resources. The counterparty (perpetrator) will be subject to disciplinary actions in accordance with work rules and reward/ disciplinary measures, and gender equality courses will be arranged.
Good labor–management relations	All employees	Labor–management dispute involvement rate = number of persons involved in labor–management disputes as accepted by the competent authority in the current year / total number of employees	0.29%	Lower than the national labor dispute involvement rate in 2023 as announced by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan (15.37‰ , judged to be low risk).	1. Various personnel management systems have been established to ensure employees' rights and interests in accordance with relevant labor laws and regulations. 2. Labor–management meetings and Voice of Employee surveys are regularly arranged to listen to employees' feedback and resolve their concerns. 3. An employee care mechanism is in place to accept employee grievances through multiple channels and to handle them impartially and properly in a confidential manner in order to eliminate possible labor disputes.	1. When an employee requests mediation, whether their claims are legal and reasonable is assessed first; if the request is justified, a settlement plan will be developed.

3.4.3 Providing Diverse Communication Channels for Employees

Taiwan Life is committed to establishing an environment conducive to communication, which not only allows employees to understand important Company information but also provides multiple channels for interactions and for employees to express themselves. We listen to the voice of employees so as to understand and continuously improve, in turn enabling employees to work with peace of mind and efficiency. Specific measures include:

1. Regular meetings and feedback

Important results and goals are announced by the Board of Directors and all employees through quarterly companywide meetings. In addition, feedback is given every quarter by direct supervisors to subordinates to provide timely commendation or assistance, giving employees a sense of accomplishment as well as a direction for improvement, and increasing their sense of satisfaction at work. The response rate for the 2023 quarterly review was 100%, and 98.2% of employees said their supervisors had effectively communicated with them about their work performance.

2. Employee feedback

As well as having in place a dedicated hotline and mailbox along with formal communication channels maintained by a dedicated unit to ensure the rights and interests of employees, we also contract an external agency to conduct surveys on issues such as employee satisfaction, employee opinions, and Company operation and management measures. The survey results serve as a basis for continuous improvement in the goal of enhancing employee cohesion and retention rates.

3. Employee interactions

We provide team meal subsidies to encourage departments to socialize and build camaraderie. In 2023, we launched the employee cultural publication "We are Family," inviting the President, directors, and management team to write personal messages of gratitude and encouragement to employees. We also collected impactful stories from colleagues in various units to foster a stronger sense of unity and engagement within the organization.

3.4.4 Labor–management Meetings

We hold regular meetings of labor and management representatives, discussing issues affecting employees such as labor rights and fair remuneration in order to create a more harmonious working environment. A total of 24 meetings were held in 2023, while a total of 748 full-time employees (7.6%) were covered by a collective bargaining agreement.

2023 Labor Communication Overview

Key topics	Channels	No. of meetings	Results
Number of employees Business overview Change of employer representatives	Labor–management meetings	24	Promote harmonious employer–employee relations

3.4.5 A Healthy Workplace

Occupational Health and Safety Policy and Commitment

Taiwan Life regards the safety of its employees as a top priority. To provide them with the best possible working environment, we have a three-pronged commitment to "Risk-based thinking," "A healthy future," and "A culture of safety." This commitment guides our efforts to ensure healthy and safe working conditions, prevent injuries and adverse health effects in the course of our business activities and services, reduce workplace hazards, actively implement occupational health and safety performance management, and reduce occupational health and safety risks. Specifically, we are working to achieve the goals listed in the checklist to the right.

1. Comply with the requirements of regulations and obligations, and implement a safety-driven procurement strategy.
2. Conduct regular education and training to raise awareness of occupational health and safety.
3. Integrate relevant resources and implement a plan to eliminate hazards and risks.
4. Continually improve workplace health and safety, with regular reviews to achieve the goal of a friendly workplace.
5. Expand and leverage the influence of the Company to encourage surrounding enterprises to participate in the formation of an ecosystem that values occupational safety.

Taiwan Life is implementing various occupational health and safety tasks in a systematic manner; this includes the headquarters deploying the Occupational Safety and Health Management System in 2019. In accordance with ISO specifications, workplace risks and hazard factors are identified every year using the P-D-C-A method. Subsequently, different action plans are formulated based on the levels of risks and the implementation effectiveness of the plans are reviewed through management review and external verification. As of 2023, we had obtained certification for three branches, namely those in Taichung, Kaohsiung, and Taipei. The number of certified employees (including dispatched staff) totaled 923, reflecting the Company's continuous improvement in occupational health and safety.

Occupational Health and Safety Units

The General Affairs Department under the General Administration Division is Taiwan Life's designated unit in charge of managing occupational health and safety. It formulates and implements various health and safety operations. In order to establish a complete occupational safety and protection network, an additional 6 nurses, 3 occupational health and safety managers, 38 business supervisors, 107 emergency medical technicians, and 22 fire prevention managers were designated in 2023 so that first aid can be immediately given at the time of an accident. In addition, a total of 30 automated external defibrillator (AED) devices were installed at our headquarters, branch offices, owned buildings, and correspondence offices to ensure the comprehensive prevention of workplace hazards.

Taiwan Life has in place an Occupational Health and Safety Committee in accordance with the law, the composition of which is as follows: the President serves as the chairman, divisional and departmental supervisors serve as representatives of their respective units, 1 occupational health and safety manager, 1 nurse, 3 representatives of the back-office team, and 3 representatives of the sales team, for a total of 12 members. The ratio of employee representatives one-half of all members, allowing them to adequately reflect problems experienced by the back office team and the sales team. The committee meets every quarter to review various statutory occupational health and safety management and operational matters, and handle the Company's occupational health and safety tasks in a timely manner.

Occupational Health and Safety Committee Composition	Ratio of Employee Representation	Meeting Frequency	Tasks and Responsibilities	
▪ 1 convener (President) ▪ 3 department heads (division and department supervisors) ▪ 1 occupational health and safety managers ▪ 1 nurse ▪ 3 representatives of the back-office team ▪ 3 representatives of the sales team	50%	Convenes quarterly meetings	1.rovide recommendations for management regarding the Occupational Health and Safety Policy. 2.Coordinate and recommend occupational health and safety management plans. 3.Review the occupational health and safety education and training implementation plans. 4.Review the operating environment monitoring plan, monitoring results, and measures to be taken. 5.Review health management, work-related ill health prevention, and health promotion matters. 6.Review various health and safety proposals.	7.Review matters of automatic inspection and health and safety audit from business units. 8.Review the preventive measures for hazards related to machinery, equipment or raw materials and materials 9.Review the occupational disaster investigation report. 10.Evaluate on-site health and safety management performance. 11.Review the health and safety management matters related to businesses. 12.Other matters related to occupational health and safety management.

Occupational Health and Safety Training

In 2023, Taiwan Life conducted a one-hour online general health and safety course, training 2,075 employees from the back-office team and 8,155 members of the sales team, totaling 10,230 employees and achieving a 100% training completion rate. The new hire health and safety training is included in the Talent Development Department's New Hire Team-building Course. In 2023, a total of six sessions were organized, with 269 employees completing the training.

The occupational health and safety managers, occupational health and safety supervisors, first responders, and fire prevention managers designated for each workplace in accordance with the law receive refresher training by external training units according to their specific training schedules. In 2023, a total of 43 employees received refresher training and three new employees were trained, achieving a training completion of 100%.

Training Data for Health and Safety

Course category	Time(s)	Number of employees	Hours of training (unit/ hours per person)	Note
General health and safety training for employees	1	10,230	10,230	Including back-office employees, sales, and contracted employees (one-hour online course)
Health and safety training for new employees	6	269	807	One-hour in-person course and two-hour online course
Total	7	10,499	11,037	

Training Data for Different Types of Occupational Health and Safety Personnel (Professional Certificates and Licenses)

Course category	Time(s)	Number of employees	Hours of training (unit/hours per person)	Note
Occupational health and safety managers (refresher training)	1	1	12	12 hours every 2 years
Occupational health and safety supervisors (refresher training)	20	20	120	6 hours every 2 years
First responders (refresher training)	15	3	45	6 hours every 3 years
Fire prevention managers (refresher training)	7	7	42	6 hours every 3 years
Fire prevention managers (new training)	3	3	36	12 hours each time
Total	46	46	255	

Contractor Management

We require contractors undertaking various projects for our Company to complete a Construction Notification Form or sign the Contractor Safety, Health, and Environmental Management Commitment. Before starting major projects, we convene pre-construction meetings with all contractors involved to inform and require them to strictly adhere to safety operating standards and environmental health requirements during construction. We conduct periodic random inspections during construction to ensure contractors implement self-management practices. In 2023, a total of 190 Construction Notification Forms and Contractor Safety, Health, and Environmental Management Commitments were completed. Additionally, four pre-construction coordination meetings were held. No injuries involving contractors during construction were reported.

Disabling Injury Data

Taiwan Life had no major occupational accidents in 2023. Ten people applied for a total of 40 days of paid injury leave, all due to traffic accidents on the way to or from work. We have strengthened traffic safety precautions in the health and safety education and training courses for employees in order to reduce traffic accidents. The Company's project contractors had no occupational accident notifications. Refer to the table below for more detailed occupational hazard data.

Occupational Hazard Data

Year	2023		2022		2021	
Gender	Men	Women	Men	Women	Men	Women
Total workdays	209,632	325,728	195,830	316,822	176,199	282,132
Disabling injuries	2	8	7	6	5	5
Days lost due to disabling injuries	12	28	104.5	8	76.5	19.5
Disabling injury frequency rate (%)	0.47	1.87	1.71	1.46	1.28	1.28
Disabling injury severity rate (%)	2.80	6.54	25.48	1.95	19.54	4.98
Disabling injury absence rate (%)	4.48	10.46	40.76	3.12	31.26	7.97
Absenteeism due to disabling injuries (%)	0.006	0.009	0.020	0.002	0.044	0.007

Note 1: Employees with a disabling injury = total employees who were temporarily unable to return to work due to a work-related injury.

Note 2: Days lost due to a disabling injury = days when employees were temporarily unable to return to work due to work-related injury.

Note 3: Total work hours = total number of employees × work hours per day × actual number of workdays per year; total workdays = total number of employees × actual number of workdays in the year.

Note 4: Disabling injury frequency rate = total employees with disabling injuries × 1,000,000 / total work hours.

Note 5: Disabling injury severity rate = total workdays lost due to disabling injuries × 1,000,000 / total work hours.

Note 6: Disability injury absence rate = total workdays lost due to disabling injuries / total workdays × 100%.

Note 7: Absenteeism due to disabling injuries = total workdays lost due to disabling injuries / total workdays × 100%.

Creating a Healthy Workplace

Since 2016, the headquarter of Taiwan Life, the Taichung Wuchuan Office, the Tainan Branch, Kaohsiung Liuhe Office, Taipei Shoude Office, Hsinchu Branch, Taichung Branch, and Eastern Taiwan Branch have successively obtained the Healthy Workplace Certification and Health Promotion Workplace Certification, while our Kaohsiung Branch and Chiayi Branch have obtained Healthy Start Workplace Certification. In 2023, the Tainan Minsheng Office, Taipei Asia Plaza, and Taichung Longbang Office obtained the Healthy Start Workplace Certification, while Taipei Nanyang Office obtained Health Promotion Workplace Certification. A total of 14 locations across Taiwan have now been certified. In addition, the headquarters and Taipei Branch received Outstanding and Excellent ratings as part of the Taipei City Department of Health's Excellent Breastfeeding Room certification and selection program. In order to promote employees' health and improve their work efficiency, the Company also encourages employees to establish regular exercise habits, and has received the Taiwan i Sports Certificate of Corporate Wellness from the Sports Administration every year since 2017 for its efforts to implement health awareness activities. Over the past few years, the Kaohsiung Liuhe Office and Taichung Office have also been certified for their health promotion efforts. On top of the headquarters continuing to be certified in 2023, the Chiayi Branch and Tainan Office also received the designation for the first time.

In terms of mental health, we have set up a workplace harassment complaint mailbox to provide an accessible, transparent complaint channel for employees and to protect them from abuse of power and unfair treatment. In 2023, a series of "Healing Time" stress relief lectures was held and proved popular among employees, with registration often reaching capacity. A total of 858 people participated in the 24 lectures and their associated craft activities, with a satisfaction rate of 96.7%. Furthermore, a dedicated medical team has been assigned to formulate annual health management plans and health promotion activities, including annual health checkups, on-site doctor consultations, health seminars, blood donation drives, and physical fitness activities. These are all based on the analysis results of employee health examinations and are organized using the combined resources of the Company, public authorities, and cooperating supply partners.

We provide care and follow-up for employees with abnormal health examination results and potential health risks that warrant further health consultations, in order to help them bring their test results back within normal range or effectively control their diseases. For our workplace health activities held in 2023, the rate of satisfaction was 98.3%. The team of doctors and nurses also formulated health protection plans to improve employees' health and raise their awareness to enable them to engage in self-health management, with areas of focus including ergonomic and musculoskeletal issues, maternal health, and unhealthy workloads.

Workplace Health Activities

Activities		2023	2022	2021
On-site doctor consultations	Sessions	32	34	24
	Participation (times)	337	356	287
	Satisfaction rate	98.4	99.1%	99.5%
Workplace health seminars	Sessions	108	157	120
	Participation (times)	4,263	5,439	4,334
	Satisfaction rate	97.8	98.1%	97.1%
Health promotion activities	Sessions	229	229	180
	Participation (times)	7,870	8,868	5,450
	Satisfaction rate	98.6	98.1%	97.8%
Health education	Articles	36	80	57

Workplace Health and Safety Measures and Effectiveness

Healthy work environment

- We maintain barrier-free spaces, with barrier-free toilets and ramps on each floor and widened first-floor entrance gates.
- Access control ensures office areas are accessible only by relevant personnel.
- Healthy office lighting, constant CO2 detection, and semiannual workplace disinfection.
- Organized 23 sessions of CPR and AED training lectures in 2023
- We promote a smoke-free workplace and smoking is prohibited in offices.
- Each employee is equipped with an adjustable chair, and the height can be adjusted according to their own needs, increasing comfort at work and avoiding back pain.

Workplace benefits

- Breastfeeding and collection room: Breastfeeding rooms are equipped at both the headquarter and branches, and were used by a total of 71 people in 2023. The head office and Taipei branch received Outstanding and Excellent ratings from the Taipei City Department of Health's Excellent Breastfeeding Room certification and selection program.
- Medical room: A medical room is located in the head office, providing a private and safe environment where employees can ask questions about health education. They are also equipped with blood pressure monitors, scales, and beds.
- Nurse station: Medical services and equipment are provided for employees.
- Massage service: Employees can enjoy the services of a professional massage therapist at our massage station for only a small fee, which is donated to the CTBC Charity Foundation. In 2023, the service was used 1,762 times.
- Employee Assistance Program: This program nurtures employees' physical and mental health through health assessments, online testing, and consultations. In 2023, 60 applicants applied for the program.
- Sports discounts: We provide occasional information and ticket discounts for sporting events.
- The employee cafeteria: serves meals every workday, including Chinese, Taiwanese, and Japanese set meals, all using porcelain, stainless steel, and other environmentally friendly tableware in place of single-use products.

Employee health checkups and health promotion plans

- We provide public holiday and health checkups benefits superior to those required by law. Employees aged 40 and older receive a paid checkup every year, while those under 39 receive one every two years.
- Employees whose checkups place them in a high-risk group and those with long work hours receive follow-up screenings and have health promotion plans tailor-made by medical staff.

In order to implement occupational health and safety management, Taiwan Life participated in the Ministry of Labor's National Workplace Health Week in 2023 to promote disaster prevention and mitigation in the workplace as well as to enhance employees' ability to manage their own health. And, as part of the Ministry of the Interior's National Disaster Prevention Day Earthquake Evacuation Drill, we conducted firefighting escape and evacuation training and earthquake evacuation drills. Moreover, police from the nearby precincts were invited to remind employees of safe driving and road use practices as part of Road Safety Month. In addition, regular training of various types of occupational health and safety personnel retraining operations and on-the-job employee education and training is carried out to strengthen the concept of safety. Also in 2023, our team of nursing staff organized 17 blood donation events, with 2,117 bags of blood totaling 529,250 liters donated. These efforts were recognized with a certificate from the Occupational Safety and Health Administration of the Ministry of Labor in December that year.

National Workplace Health Week Events

Electrical appliance safety promotion

No. of sessions：20

National Disaster Prevention Day promotion

No. of sessions：5

Fire drills

No. of sessions：20

Occupational Safety and Health Administration certificate of participation in National Workplace Health Week 2023

Occupational safety e-pamphlet

No. of sessions：14

Health education promotion

No. of sessions：20

Traffic safety promotion

No. of sessions：20

Advocacy for preventing unlawful infringements in the workplace

No. of sessions：30

Creating a Healthy, Family-friendly Workplace

In March 2024, in order to create a friendlier workplace environment, the Company introduced additional forms of leave and new allowances that exceed statutory requirements.

Various child birth-related leave benefits

As well as being entitled to eight weeks of maternity leave before and after childbirth, women employees are also entitled to four weeks or 10 days of leave for miscarriages that occur after more than three months of pregnancy or less than three months of pregnancy, respectively, exceeding legal requirements. And starting in 2024, we again go above and beyond statutory provisions by providing 10 days of prenatal check-up leave, 10 days of paternity check-up and paternity leave, and 70 days of maternity leave (child delivery). By providing more days of leave, we help to facilitate employees' recuperation and bonding with their newborns.

Childbirth allowances

The Company previously provided a maternity allowance of NT$4,000 per child. In response to the increase in childcare-related expenses. In 2024, in order to protect the quality of life of employees, the Company is increasing this allowance to NT$20,000 per child (including double for twins) to reduce the financial burden on employees.

Introducing family leave

During the period when employees' children are in school, 1 day of family leave will be made available every year starting from 2024 to enable our staff to participate in their children's lives and to create a loving family relationship.

Unpaid parental leave

In order to allow employees to strike a healthy balance between work and family, Taiwan Life provides the abovementioned leaves, which are superior to statutory provisions. Moreover, employees can also apply for long-term unpaid parental leave in accordance with the law. When they return to work, we strive to reinstate the employee in their previous department and position. In 2023, a total of 41 employees were eligible to apply for unpaid parental leave; 22% of eligible men and 78% of eligible women did so. Eighty-seven percent of employees who had taken unpaid parental leave returned to work in the Company. In addition, we offer a NT$4,000 childbirth subsidy per child, and issued a total of NT$212,000 in such subsidies in 2023.

Unpaid Parental Leave in 2023

Unit: Employees

	Men	Women
A. Eligible for unpaid parental leave	18	23
B. Applied for unpaid parental leave	4	18
C. Employees whose unpaid parental leave ended	4	11
D. Employees who returned to work after unpaid parental leave	3	11
E. Employees who returned to work after taking unpaid leave the previous year (2022)	7	11
F. Employees who have worked for over a year after returning	2	5
Application rate: B / A	22%	78%
Reinstatement rate: D / C	75%	100%
Retention rate: F / E	29%	45%

3.5 Creating an Inclusive Society

Taiwan Life believes that "insurance is a public service industry." As such, we have long paid attention to various social problems and needs, leveraging our competitiveness in the insurance industry to establish innovative and diverse public welfare action plans to positively impact society. We focus on the three major areas of health promotion, active aging, and caring for disadvantaged people. In doing so, we not only actively support government policies, promote financial inclusion, and directly invest resources where they are most needed, but also work with stakeholders such as organizations, academic institutions, and social welfare organizations to work toward goals like health promotion and intergenerational prosperity, proactively utilizing the sustainable influence of the insurance industry to create shared value.

1 Problems we're addressing

- Insufficient awareness of self-managed health among Taiwanese
- Inadequate retirement preparation and insurance coverage
- Lack of basic subsistence measures and resources for disadvantaged groups

2 Our roles and practices

Taiwan Life places great importance on risk diversification in the insurance industry. We offer a wide range of protection products and AI-powered friendly services to help individuals achieve three main goals for a healthy life: "Prevention × Increased Health Awareness," "Aging Gracefully × Growing Sports Culture among Older People," and "Precision × Effective Utilization of Medical Resources."

3 Our actions

By integrating our core functions of insurance with partners from various sectors, we are able to provide diverse solutions for social issues. Taiwan Life's top priority is "health management" and we see the promotion of comprehensive physical, mental, and financial health management as being the core of our action plans:

- Promoting innovative and diverse health promotion activities, advocating for intergenerational communication between younger and older people, and educating the public on the importance of the early accumulation of health assets and self-health management.
- Promoting comprehensive financial education, advocating for sustainable development issues, raising awareness of retirement preparedness among the public, and reinforcing risk management concepts.
- Supporting vulnerable care services, providing basic insurance coverage, collaborating with social welfare organizations across various sectors to offer long-term care services or basic insurance coverage for disadvantaged groups, such as rural areas or economically disadvantaged populations.

2023 Charity Participation

Investment	Amount
Cash	4,602,948
In-kind donations	0
Time contributed (volunteer involvement)	434,959
Management expenses (charity activities)	49,592,656
Total	54,630,563

2023 public welfare project performance

Projects	Performance in 2023
Microinsurance	▪ We provide personal and group microinsurance products for disadvantaged individuals, families, and other groups. We have been expanding the targets and range of our care provided through microinsurance by donating microinsurance premiums since 2015, ensuring support for disadvantaged families in the case of an accidental death or disabling injury. Since inception, the cumulative insurance amount invested has reached NT$66.8 billion, providing protection for nearly 47,000 policyholders with physical and mental disabilities. ▪ In 2023, we supported 5 public welfare organizations, including Chia-Yi Fu An Guan Charity Association, Chinese Christian Relief Association, Sunshine Social Welfare Foundation, Association of Laryngectomees Taiwan, and Chinese Lottery Ticket Dealers' Rights Alliance, and donated more than NT$5 million in microinsurance premiums. ▪ Received the Excellent Performance Award and Caring for the Physically and Mentally Challenged Award in the FSC's Micro Insurance Contest.
Three Generation Walk for Health	▪ Taiwan Life has been organizing the Three Generation Walk for Health for 12 consecutive years, inviting the whole family to engage in exercise with the ultimate aim of using familial support to encourage self-health management among older adults. This walk has also become a fixed family day event for Taiwan Life. ▪ In 2023, we partnered with international media channel Animal Planet to host the Generations Walk with Animals event at Taipei Zoo. This event integrated physical exercise with animal ecology education, providing participants with an opportunity to improve their health and expand their understanding of ecological conservation. More than 2,000 people participated. Taiwan Life's innovative mobile health management app, TeamWalk, was also used to organize walking events online, promoting public health through digital tools and drawing 23,361 participants. ▪ We connected with a diverse range of partners, including CTBC Brothers basketball team players and cheerleaders, to promote a nationwide walking campaign and encourage the public to build up their health assets from an early age. For the second consecutive year, the Grandparents Shuttle Bus Service helped older adults, including from New Taipei's Pingxi District, to take part in the walk; corporate volunteers from Taiwan Life also accompanied them throughout the walk. Meanwhile, as part of efforts to achieve the 2050 net-zero emissions target, the promotional materials for the event were recycled and repurposed into shoulder bags. ▪ Received the Gold Award in the Taiwan Sustainability Action Awards Social Inclusion Category from the Taiwan Institute for Sustainable Energy.  Taiwan Life volunteers accompanied older adults to participate in the Generations Walk for Health. This event provided participants with an opportunity to improve their health and expand their understanding of ecological conservation.

Projects	Performance in 2023
Taiwan Aging Society Retirement Landscape Survey and Finance for Seniors Forum	▪ Since 2020, we have collaborated with the College of Commerce at National Chengchi University to organize an annual survey on indicators that reflect retirement care issues in Taiwan. The survey analyzes the issues and needs of the retirement landscape and track changes in retirement confidence, retirement adequacy, and life satisfaction indices. Additionally, we host the annual Finance for Seniors Forum, bringing together renowned experts from both domestic and international spheres to propose solutions and enhance public awareness of retirement planning and financial insurance. We are at the forefront of promoting retirement planning within the insurance industry, and by doing so are actively implementing our mission of sustainable finance. ▪ In 2023, the survey revealed that the average age at which Taiwanese people start preparing for retirement is 36.99, which is 2.16 years earlier than in 2022. There are concerns regarding a simultaneous decline in the three key retirement indicators, and the level of satisfaction with retirement is decreasing annually. In 2023, the Finance for Seniors Forum invited a distinguished panel of experts, including Taiwan Vice Premier Wen-Tsan Cheng; Acer Group founder Stan Shih; Japanese aging trends expert Murata Hiroyuki; Professor Huang Hong-Zhi of the Department of Risk Management and Insurance at National Chengchi University; Chun-Chen Liao, president of the Channel Operations Department at Taiwan Life; and Tsung-Chuan Hsieh, director of the Wealth Management Products Department at CTBC Bank. These authoritative figures from government, industry, and academia gathered to discuss the "Silver Economy and the Great Future." They analyzed the challenges of an ultra-aging society, explored new opportunities in the retiree economy, and called for cross-industry collaboration to stimulate diverse perspectives and solutions. The goal was to create a fulfilling third stage of life for the aging population.
Aging-Friendliness Survey and Forum	▪ In 2022, we collaborated with our media partner to organize the Aging-Friendliness Survey and Forum. The event focused on assessing the level of age-friendliness in Taiwan using the WHO Age-friendly Cities Framework. In 2023, the focus shifted to residence and transportation issues. The study examined four key indicators: accessibility, traffic flow, residential friendliness, and quality of life. The results revealed that the average satisfaction scores for these indicators were just above the passing mark. Additionally, the results showed that 76.8% of the public supported the concept of shared wellness villages for retirement and expressed interest in insurance products that include wellness village benefits. ▪ The forum convened experts from the industry, government, and academia in the field of aging. Among the attendees were Tai-Ke Cheng, chairman of Taiwan Life, and Bai-Hong Ye, senior vice president and chief strategy officer. The discussion focused on the vital role played by the life insurance industry in promoting aging-friendly initiatives. Also in attendance were Yen-Hsing Hsu, deputy director-general of the Ministry of the Interior's Construction and Planning Agency; Wen-Jui Chen, director-general of the Ministry of Transportation's Highway Bureau; Ti-Chih Chu, deputy mayor of New Taipei City; Nan-Chih Chiang, director of the Taoyuan City Government's Urban Development Bureau; and Chao-Fu Yeh, director of the Taichung City Government's Transportation Bureau. These experts shared ideas on how the central and local governments can integrate resources across different fields and address the actual needs of older people to create an age-friendly environment. The forum was attended by 250 people.
Sustainable Insurance and Sustainable Impact Forum	▪ In support of the government's goal of achieving net-zero emissions by 2050, the theme for 2023 was "Zero Carbon Taiwan." Experts from government, industry, and academia gathered for the event, including cabinet spokesperson Lin Tze-luen, Deputy FSC Chairperson Hsiao Tsui-ling, TCX Chairman Lin Hsiu-ming, Kaohsiung Deputy Mayor Lo Ta-sheng, Delta Chief Sustainability Officer and spokesperson Chou Chih-hung, and KPMG Sustainability Consulting Director and President Hung Cheng-Chung. The event was attended by nearly 300 professionals from the financial, insurance, and other industries. Through cross-industry and cross-disciplinary discussions, Taiwan Life aims to foster recommendations for achieving global net zero emissions by 2050 and to strengthen its influence in sustainable insurance. ▪ Integrating the group's resources to leverage financial influence, CTBC Holding President James Chen and Taiwan Life President Tony Chuang delivered opening remarks and served as panelists in the forum. They discussed the collaboration between funding sources and enterprises to achieve the goals of energy conservation and carbon reduction. The forum also serves as a means for Taiwan Life to foster mutually beneficial outcomes for the government, enterprises, and customers through sustainable investment and financing as well as promoting the green economy.
Survey on national medical/ health care and insurance needs	▪ For the past three years, we have partnered with Economic Daily News to conduct a survey on national medical/healthcare and insurance needs. From the 2020 survey on "Changes in Public Demand for Health Insurance" to the 2021 survey on "Public Perception and Demand for Personal Risks" and the 2022 survey on "National Workplace Health," we have been consistently investigating health management and medical insurance needs. The results of the 2023 survey have garnered significant attention from the Ministry of Health and Welfare and are intended to serve as reference data for long-term care and medical policy development. ▪ In the 2023 survey, Taiwan Life, under the direction of President Chun-Chen Liao and Vice President Yu-Ching Lai, responded to the results by offering customized recommendations for protection planning at different life stages. They emphasized the importance of insurance policies in mitigating economic risks and covering expenses associated with sudden illnesses, such as dementia. Additionally, they invited experts and scholars to provide their insights and solutions, including Jui-Yuan Hsueh, Minister of Health and Welfare; Liang-Kung Chen, Director of Guandu Hospital; Chen-Fen Chen, Professor of Long-term Care at Taipei Nursing University; and Chung-Jen Hao, Associate Professor of Risk Management and Insurance at Tamkang University. Through a diverse range of perspectives, they advocated for a proper understanding of insurance and healthcare, reminding the public to prioritize their insurance needs. ▪ We also joined hands with media organizations to encourage the public to pay more attention to their insurance needs, and improved public welfare by promoting good healthcare concepts.

Projects	Performance in 2023
Corporate volunteer services	Taiwan Life is committed to realizing its corporate social responsibility, and it partners with NGOs to organize events to this end. We also encourage our employees to actively participate in diverse charitable actions, aiming to become corporate pioneers who embody the principles of ESG. Our ultimate vision is to foster a culture of "everyone volunteers," with our recent performance as follows: ▪ **Enhanced the professional competencies of volunteers** In collaboration with the Federation for the Welfare of the Elderly and the Taiwan Academy of Banking and Finance, we have jointly designed professional training materials for long-term care and finance volunteers. In 2023, we partnered with the League For Persons With Disabilities, R.O.C (Taiwan) to introduce a specialized course on insurance knowledge and rights for people with disabilities. This course was accessible on the Taiwan Life Learning Platform System, enabling volunteers to receive comprehensive training without any time or space constraints. ▪ Organized 10 volunteering activities, with 347 participants contributing 1,549 hours of service. (1) Health promotion: Over 2,000 people spanning three generations of grandparents and grandchildren took part in the Walking with Animals health walk, engaging in casual conversations along the way. Harnessing the power of family, the event promoted self-management of health across all age groups. (2) Beach cleanups and waste reduction: In collaboration with government, subsidiaries, and students and teachers from CTBC Business School, we organized beach and shore cleanups at Sun Moon Lake in Nantou and the Golden Coast in Tainan. Harnessing the "CSR × USR" cross-domain collaboration movement, we collected over 210 kilograms of waste. (3) Rural care: In collaboration with the Pingtung Bjørgaas Foundation, we coordinated the Old Friends Light Travel event. During this event, volunteers accompanied older people with limited mobility from the adult daycare center on a trip to the National Museum of Marine Biology & Aquarium. Additionally, we offered support to older people with dementia through diverse therapies, which included engaging in activities such as baking and herbal hand massages. (4) Care for disadvantaged families: Our volunteers assisted the 1919 Food Bank in packing and distributing 906 packages of food and supplies for delivery to disadvantaged families in central Taiwan. (5) Support through sport: Together with the Hondao Senior Citizens Welfare Foundation and the Taiwan Life Aloong baseball team, we promote baseball education for older adults by organizing training camps, community courses, and the Bulao Baseball Intergenerational Exchange Tournament in order to cultivate healthy self-health management habits.  Taiwan Life's volunteers engaged in beach cleanups and waste reduction, protecting Island's coastline.  Taiwan Life's volunteers offered support to older people with dementia through diverse therapies, making herbal hand massage tools together.  Taiwan Life's volunteers assisted the 1919 Food Bank in packing and distributing packages of food and supplies for delivery to disadvantaged families.
Bulao Baseball League for seniors	▪ We have organized the Seniors Baseball Training Camp for three consecutive years. In 2023, we collaborated with professional baseball coaches and older players to launch the first Community Seniors Baseball Course. Through experience sharing, older people were able to see their peers living healthy and active lives, thereby enhancing their own self-health management. In 2023, five events were held, with 165 participants. ▪ The Bulao Baseball Intergenerational Exchange Tournament was held for the second consecutive year in 2023. For it, Taiwan Life teamed up with the Taiwan Life Aloong adult league team, CTBC Brothers, Bulao Baseball League, Xinshe High School junior league team, and Chui Fen Elementary School. Also joining the tournament was the Hong Kong Bulao Legends Team, marking the first time an overseas team was invited. The participants in the tournament ranged in age from 10 to 79, and their intergenerational cooperation served as an inspiration and showcased the value of aging.  Taiwan Life teamed up with Hondao Senior Citizen's Welfare Foundation to promote Bulao Baseball League for seniors, creating intergenerational cooperation.

Projects	Performance in 2023
Care for people with a disability in rural areas	▪ Since 2017, we have worked with the Bjørgaas Foundation to provide in-home bathing services in seven rural townships in Pingtung County. Our mobile bathing van travels to the homes of people with a disability, providing them with proper bathing services, warmth, support, and a sense of happiness. ▪ In 2023, the service helped 604 people, for a cumulative total of 3,337 people helped since the service was launched in July 2017.
Supporting Taichung City baseball team to practice social welfare through sports	▪ We have sponsored the Taichung City Baseball Team, renamed as Aloong in 2024, since 2015 to support the development of local baseball and build a platform to enhance athletes' skills. In 2023, we paid for the operating and administrative expenses of the Taichung City Baseball Team in order to nurture baseball and promote sports and exercise in the city; campus tours were also organized to promote baseball education, and charity events were held, including the Taiwan Life × Bulao Baseball League friendly tournament, promoting lifelong baseball education to enhance public health self-management and expand influence. ▪ Received the Sports Administration Sports Sponsorship Award for the seventh consecutive year.
Support city basketball games Encouraging participation in sports	Since 2016, we have sponsored the Keelung City Social Basketball Association's New Park Cup Basketball Championship as part of the Ministry of Education's Sports Administration's National Sports Day. In 2023, the event attracted 5,936 participants from Keelung City, Taipei City, New Taipei City, and Yilan County, with 44 teams competing. The players ranged across different generations, fostering intergenerational exchanges and encouraging public participation in sports, thereby promoting a healthy sports culture.
Innovative education for remote areas Expanding children's horizons	We have supported Taiwan's first "rock and life education" band, Rose Tomb, since 2022 by funding its performances in rural schools. This initiative provides children with access to diverse educational experiences, helping them build positive and confident values. In 2023, the band performed at nine rural schools, reaching 1,800 students.
Sponsoring performance art Supporting the youth in remote areas	As part of our efforts to support the arts as well as disadvantaged groups in rural areas, we sponsored the CTBC Foundation for Arts and Culture's Puppet Carnival. The event, held during the CTBC Arts Festival, featured performances by the Puppet & Its Double troupe and students from a rural school in Yilan, bringing arts resources to both urban and rural areas and helping the students build confidence through stage performances. Nearly 1,800 people attended the event.
Blood donations	Taiwan Life has been working with Taiwan Blood Services Foundation since 2013 to hold charity blood drive every year to encourage everyone to donate blood to help others by helping blood banks across Taiwan. In 2023, we continued to call on the public to roll up their sleeves and donate blood. A total of 17 blood drives were held in Taipei, Taoyuan, Hsinchu, Miaoli, Taichung, Tainan, Chiayi, Kaohsiung, and other placeselsewhere, and 2,834 bags of blood were collected.
Charitable gift boxes	Taiwan Life has long supported charitable causes, and has purchased gift boxes from social welfare organizations since 2016 to help underprivileged groups. In 2023, the Company spent NT$712,000 on charity gift boxes.

Appendix

Data and Information Charts

Participation in Public Associations and External Organizations

	Name of Organization	Participatory status
Industry Associations	The Life Insurance Association of the R.O.C., the Non-Life Insurance Association of the Republic of China, the Taipei Leasing Association, R.O.C., the Taipei Rent-A-Car Association, the Taipei Small Truck Rental Commercial Association, the Taipei Medical Instruments Commercial Association.	Member
Association, Society	Insurance Society of the Republic of China, Financial Governance and Compliance Association, Taiwan Insurance Law Association, Computer Audit Association, the Non-Life Underwriters Society of the Republic of China, the Institute of Internal Auditors-Chinese, Engineering Insurance Association, Chung-Hwa Nuclear Society, Risk Management Society of Taiwan, Actuarial Institute of Chinese Taipei.	Member
Others	Taiwan Insurance Institute, Financial Information Sharing and Analysis Center, Joint Credit Information Center, China Credit Information Service, Ltd., Taiwan Depository & Clearing Corporation, Taiwan Residential Earthquake Insurance Fund, Motor Vehicle Accident Compensation Fund, Institute of Financial Law and Crime Prevention, Taiwan Insurance Guaranty Fund, Financial Security Operations Center	Member

Overview of Employee Benefits

Unit: NT$

Employee Benefits		Expenditure in 2023
Three major festival bonuses and birthday cash gift	Cash gifts for Lunar New Year, Dragon Boat Festival, Mid-Autumn Festival, birthdays	54,369,500
Wedding, funeral, and childbirth subsidies	Marriage subsidies, funeral subsidies, wedding and funeral decoration supplies, childbirth subsidies	4,216,455
Benefits for long-term service	Senior employee medal, diamond tour, golden holiday	4,131,768
Retirement perks	Retirement souvenirs, retirement dinner party	216,211
Health care	Health checkups	5,688,103
	Medical subsidy for hospitalized dependents	5,275,551
	External psychological consultation cooperation project (Employee Assistance Program)	255,550
	Covid-19 subsidies	785,000
Education subsidy	Children's education scholarships	1,909,000
Living and entertainment services	Flexible benefits	18,022,110
	Employee travel subsidies (including 2020 deferred subsidies)	17,526,722

Product Category and Premiums from New Contracts and Ratio of Revenue

Unit: NT$ thousand

Revenue item	2023		2022		2021		2020	
	Revenue	Ratio	Revenue	Ratio	Revenue	Ratio	Revenue	Ratio
Life Insurance	40,703,567	82.42%	46,130,227	80.25%	44,383,363	41.62%	49,455,586	55.21%
Accident insurance	862,734	1.75%	667,452	1.16%	596,603	0.56%	540,508	0.60%
Health insurance	2,801,347	5.67%	2,528,495	4.40%	2,709,798	2.54%	3,123,446	3.49%
Annuity insurance	5,017,235	10.16%	8,158,587	14.19%	58,945,118	55.28%	36,453,874	40.70%
Total	49,384,882	100%	57,484,761	100%	106,634,882	100%	89,573,414	100%

Participation in External ESG Training and Seminars from Investors

Event Frequency	Organizer	Event Name	Training Hours	Training Model	Number of Participants
2023.04.14	Taiwan Depository & Clearing Corp. (TDCC)	Inviting the Select Top Institutional Investors to Discuss Future Engagements and Vote on Future Plans	2	Physical	2
2023.05.24	Sustainability Department from CTBC Holding	Analysis from KPMG Consultant on DJSI Investment Matters to be Coordinated	2	Physical	2
2023.05.25	Sustainability Department from CTBC Holding	CTBC Holding SBTi Kick-off Meeting Instructions	1.5	Online	3
2023.05.30	Sustainability Department from CTBC Holding	CBTC Holding SBTi - SDA (Financing) Strategy Explanation	1.5	Online	1
2023.06.13	Sustainability Department from CTBC Holding	CBTC Holding SBTi - ITR Achievement Strategy Explanation	1.5	Online	3
2023.06.27	Sustainability Department from CTBC Holding	CBTC Holding SBTi - Introduction to Financial Instruments	1.5	Online	3
2023.07.11	Sustainability Department from CTBC Holding	Recommended Carbon Reduction Target Allocations	1.5	Online	3
2023.07.12	Sustainability Department from CTBC Holding	KPMG Discusses Decarbonization Strategy in Sustainable Finance Statement	1.5	Online	8
2023.09.13	Sustainability Department from CTBC Holding	CTBC Holding X Bloomberg Climate Change Forum	3	Physical	2
2023.09.19	Sustainability Department from CTBC Holding	KPMG Discusses Decarbonization Strategy in Sustainable Finance Statement	1	Online	8
2023.09.19	Sustainability Department from CTBC Holding	CTBC Holding SBTi - Overview	1.5	Online	3
2023.11.15	Taiwan Business Council for Sustainable Development	Training Course for Scope 3 Verifications	8	Physical	1
2023.10.31	Strategic Planning Dept.	Biodiversity TNFD Methodology	0.5	Physical	6
2023.10.27	Sustainability Department from CTBC Holding	CTBC Holding SBTi - Investment and Financing-Current Carbon Reduction Trends and Subsequent Customer Carbon Emission Data Collection	1	Online	6
2023.11.23	Life Insurance Association	PWC Scope Reference Practice Manual and Greenhouse Gas Emissions	3	Physical/ Online	4
2023.12.01	Asset Mgmt. Dept.	Introduction to Scope 3 at the divisional-wide meeting of Financial Investment Group	0.75	Physical	28
		Total	31.75		83

In 2023, the company commissioned an external consulting team to produce "Sustainable Insurance Analysis" online training materials and to conduct training for all employees at a cost of NT$120,000.

Protection of Intellectual Property Rights

To facilitate the development of Taiwan Life's fintech and innovation services, we engage external consultants to help us handle patent applications, stay on top of industry developments Business provide us IP-related insights. As of the end of 2023, Taiwan Life had obtained 8 domestic invention patents, 19 utility model patents, and 2 design patents, for a total of 29 patents supporting the Company's online insurance, underwriting, claims, and other insurance operations. In addition to these, 9 trademarks have been obtained. In terms of IP management, we established the Company's intellectual property management policy and report regularly to the Board of Directors on the implementation of intellectual property management and installed Smart IT computer asset management software on each computer. This software collects data on the installation and use of software and hardware across the Company and manages computer resources in order to ensure that only legally licensed software is used. The software also regularly scans and checks the computer software programs of each unit to avoid the infringement of IP rights.

GRI Index

Disclosure			Chapter	Page	Note
GRI 1：Foundation 2021					
Requirement 7: Publish a GRI content index			Appendix	105	
Requirement 8: Provide a statement of use			About This Report	1	
GRI 2：General Disclosures 2021					
Organizational profile	2-1	Organizational details	About This Report About Taiwan Life Insurance	1 7	
	2-2	Entities included in the organization's sustainability reporting	About This Report	1	
	2-3	Reporting period, frequency and contact point	About This Report	1	
	2-4	Restatements of information			No restatements of information
	2-5	External assurance	About This Report	1	
Activities and workers	2-6	Activities, value chain and other business relationships	About This Report About Taiwan Life Insurance Chapter 2 Achieving Low-Carbon Transition	1 7 32	Taiwan Life's value chain includes upstream suppliers, individual companies, subsidiaries, downstream entities (policyholders, investment, and financing partners) and other business partners.
	2-7	Employees	3.3 Implementing Talent Empowerment	86	
	2-8	Workers who are not employees	3.3 Implementing Talent Empowerment	86	
Governance	2-9	Governance structure and composition	Chapter 1 Sustainable Governance 1.4 Ethical Management and Corporate Governance	9 16	Please refer to the Taiwan Life 2023 Annual Report for additional information on the key positions of directors and independent directors.
	2-10	Nomination and selection of the highest governance body	1.4 Ethical management and corporate governance	16	
	2-11	Chair of the highest governance body	1.4 Ethical management and corporate governance	16	
	2-12	Role of the highest governance body in overseeing the management of impacts	Chapter 1 Sustainable Governance 1.3 Stakeholder and Materiality	9 11	
	2-13	Delegation of responsibility for managing impacts	1.1 Sustainability Blueprint 1.2 Sustainability Governance Framework	9 10	
	2-14	Role of the highest governance body	1.1 Sustainability Blueprint 1.2 Sustainability Governance Framework	9 10	
	2-15	in sustainability reporting	1.4 Ethical Management and Corporate Governance	16	Please refer to the Taiwan Life 2023 Annual Report for more information on organizational conflicts of interest.
	2-16	Conflicts of interest	1.4 Ethical Management and Corporate Governance	16	Please refer to the Market Observation Post System for major events.
	2-17	Communication of critical concerns	1.4 Ethical Management and Corporate Governance	16	
	2-18	Collective knowledge of the highest governance body	1.4 Ethical Management and Corporate Governance	16	
	2-19	Evaluation of the performance of the highest governance body	1.4 Ethical Management and Corporate Governance	16	Please refer to the Taiwan Life 2023 Annual Report for more information on information related to remuneration policies.
	2-20	Remuneration policies	1.4 Ethical Management and Corporate Governance	16	Please refer to the Taiwan Life 2023 Annual Report for more information on information related to remuneration policies.
	2-21	Process to determine remuneration			There was no disclosure considering the sensitivity regarding salaries.

Disclosure			Chapter	Page	Note
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Letter from the Chairman	3	
	2-23	Policy commitments	1.4 Ethical Management and Corporate Governance 1.5 Risk Management	16 23	For policy commitment related information, please refer to Taiwan Life Insurance's official website.
	2-24	Embedding policy commitments	Chapter 1 Sustainable Governance 1.4 Ethical Management and Corporate Governance 1.5 Risk Management	9 16 23	
	2-25	Processes to remediate negative impacts	3.1 Treating Customers Fairly	70	
	2-26	Mechanisms for seeking advice and raising concerns	1.4 Ethical Management and Corporate Governance 3.4 Comprehensive Employee Care	16 93	
	2-27	Compliance with laws and regulations	1.7 Legal Compliance	31	For details of the company's legal violations and the subsequent penalties, please see pages 90 to 91 of Taiwan Life Insurance's 2023 Annual Report.
	2-28	Membership associations	Appendix	105	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.3 Stakeholder and Materiality	11	
	2-30	Collective bargaining agreements	3.4.4 Labor–management meetings	95	Employees who are not protected by the collective bargaining agreements shall be discussed in the labor-management meeting.
GRI 3：Material Topics 2021					
Material Topics Disclosure	3-1	Process to determine material topics	1.3 Stakeholder and Materiality	11	
	3-2	List of material topics	1.3 Stakeholder and Materiality	11	
	3-3	Management of material topics	1.3 Stakeholder and Materiality	11	
Material Topics：Ethical Management and Corporate Governance					
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	1.4 Ethical Management and Corporate Governance	16	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			None
Material Topics	3-3	Management of material topics	1.4 Ethical Management and Corporate Governance	16	
Material Topics：Risk Management					
Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	1.5 Risk Management 2.4 Responsible investment and financing results	23 52	
Material Topics	3-3	Management of material topics	1.5 Risk Management	23	
Material Topics ：Information Security and Personal Information Protection					
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			None
Material Topics	3-3	Management of material topics	1.6 Information Security	28	
Material Topics ： Digital Finance					
Material Topics	3-3	Management of material topics	3.1.2 Implementing Financial Inclusion	74	

Disclosure			Chapter	Page	Note
Material Topics ： Sustainable Investments					
GRI G4	FS10	Percentage and number of companies held in the institution' s portfolio with which the reporting organization has interacted on environmental or social issues	2.3 Responsible Investment 2.5 Engagement and voting management	49 56	The proportion of the number of domestic equity-negotiable joint ventures was 7%; Consider data sensitivity without disclosing portfolio proportions.
GRI G4	FS11	Percentage of assets subject to positive and negative environmental or social screening	2.3.2 Risk Management for Responsible Investments	51	
Material Topics	3-3	Management of material topics	2.3 Responsible Investment	49	
Material Topics ： Customer Relations and Service Quality					
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			None
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling			None
Material Topics	3-3	Management of material topics	3.1.3Customer Relationship Management	80	
Material Topics ：Treating Customers Fairly					
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling			None
Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications			None
Material Topics	3-3	Management of material topics	3.1.1 Management Mechanisms for Treating Customers Fairly	70	
Material Topics ： Sustainable Products and Service Development					
GRI G4	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	3.2 Diverse Protection Products	82	
Material Topics	3-3	Management of material topics			
Material Topics ：Climate Change					
Material Topics	3-3	Management of material topics	2.1 Climate Change Risk	32	

SASB Insurance Indicators Disclosure

Topic	Code	Evaluation Indicator	Chapters	Disclosure Content
Transparent information &fair advice for customers	FN-IN270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers		None
	FN-IN270a.2	Complaints-to-claims ratio	3.1.3 Customer Relations Management	▪ 4.1.3 Handling customer feedback carefully ▪ Financial Consumer Protection Act-Statistics-Data Reports
	FN-IN270a.3	Customer retention rate	Appendix	In 2023, the customer retention ratio of Taiwan Life was 97.2%. Note: Customer retention ratio (%) = [(total number of customers at the end of the period) - (number of new customers in the current period)] / [(number of customers in the previous period) - (number of customers terminated involuntarily)], all of which exclude employees.
	FN-IN270a.4	Description of approach to informing customers about products	3.1 Treating customers fairly	Taiwan Life Insurance's official website
Incorporation of environmental, social, and governance factors in investment management	FN-IN-410a.1	Total invested assets, by industry and asset class	-	Insurance Public Information disclosure official website https://ins-info.ib.gov.tw/customer/Info2-1.aspx?UID=03557017
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	2.3 Responsible investment	-
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	2.1.2 Climate change of CTBC Insurance	-
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	2.1.2 Climate change of CTBC Insurance 3.2.1 Inclusive Products	-

<table>
<tr><th>Topic</th><th>Code</th><th>Evaluation Indicator</th><th>Chapters</th><th>Disclosure Content</th></tr>
<tr><td rowspan="4">Financed Emissions</td><td>FN-IN-410c.1</td><td>Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3</td><td>2.1 Climate Change Response</td><td>In consideration of the carbon emission disclosures from investees, the current inventory results only include the total Scope 1 and Scope 2 carbon emissions of our investment and financing.</td></tr>
<tr><td>FN-IN-410c.2</td><td>Gross exposure for each industry by asset class</td><td>2.1 Climate Change Response</td><td>-</td></tr>
<tr><td>FN-IN-410c.3</td><td>Percentage of gross exposure included in the financed emissions calculation</td><td>2.1 Climate Change Response</td><td>-</td></tr>
<tr><td>FN-IN-410c.4</td><td>Description of the methodology used to calculate financed emissions</td><td>2.1 Climate Change Response</td><td>-</td></tr>
<tr><td rowspan="3">Physical Risk Exposure</td><td>FN-IN-450a.1</td><td>Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes</td><td>Appendix</td><td>
<table>
<tr><th>Climate-related natural disasters</th><th>Item</th><th>Unit</th><th>Regression of 20 years</th><th>Climate-related natural disasters</th><th>Item</th><th>Unit</th></tr>
<tr><td rowspan="2">Typhoon and Floods</td><td>Probable Maximum Loss of insured products from weather-related natural disasters</td><td>million NTD</td><td>185.93</td><td>495.32</td><td>847.58</td><td>931.93</td></tr>
<tr><td>Net retained losses</td><td></td><td>50.79</td><td>51.45</td><td>52.13</td><td>52.21</td></tr>
</table>
Note 1: The analysis of climate-related natural disaster losses is based on the "Scope and Calculation Formula for Calculating Equity Capital and Risk Capital of the Insurance Industry" issued by the Insurance Bureau. Since there the 0.4% (1/250) item was unavailable, 0.5% (1/200) was used instead.
Note 2: "Typhoons and Floods" includes typhoons, tornadoes, tsunamis, and floods.
</td></tr>
<tr><td>FN-IN-450a.2</td><td>Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance)</td><td>2.1.2 Climate change of CTBC Insurance、Appendix</td><td>
<table>
<tr><th>Catastrophe Risk Assessment</th><th>Unit</th><th>Average loss on contract business</th><th>Average net retained losses</th></tr>
<tr><td>Typhoon and flood</td><td rowspan="2">million NTD</td><td>113.22</td><td>48.01</td></tr>
<tr><td>Earthquake</td><td>75.17</td><td>28.73</td></tr>
</table>
Note 1: The analysis of climate-related natural disaster losses is based on the "Scope and Calculation Formula for Calculating Equity Capital and Risk Capital of the Insurance Industry" issued by the Insurance Bureau.
Note 2: "Typhoons and Floods" includes typhoons, tornadoes, tsunamis, and floods.
Note 3: The above analysis does not include a "non-catastrophe risk assessment" and does not conduct analysis on drought, extreme high temperatures and winter weather.
Note 4: The above table analyzes the regions mainly in Taiwan.
</td></tr>
<tr><td>FN-IN-450a.3</td><td>Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy</td><td>1.5 Risk Management</td><td></td></tr>
<tr><td rowspan="3">Systemic Risk Management</td><td>FN-IN-550a.1</td><td>Exposure to derivative instruments by category: (1) total exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives</td><td colspan="2">For details, please refer to the Chapter VI. Descriptions of Important Accounting Items in the 2023 Taiwan Life Insurance Financial Report. The company currently has no futures options.</td></tr>
<tr><td>FN-IN-550a.2</td><td>Total fair value of securities lending collateral assets</td><td>Appendix</td><td>The fair value of total securities lending collateral assets is NT$11,030.47 million.</td></tr>
<tr><td>FN-IN-550a.3</td><td>Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities</td><td>1.5 Risk Management</td><td>For details, please refer to Chapter III. Liquidity Risk Management Systems in the 2023 Taiwan Life Insurance Financial Report.</td></tr>
<tr><td>Activity Metrics</td><td>FN-IN-000.A</td><td>Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance</td><td>Appendix</td><td>▪ In 2023, Taiwan Life has 2,720,277 personal insurance policies in effect.
▪ In 2023, CTBC Insurance Co., Ltd. has 793,506 effective policies.
▪ Taiwan Life and CTBC Insurance Co., Ltd. have no reinsurance-related business.</td></tr>
</table>

IFRS® Sustainability Disclosure Standard S1& S2

IFRS S1 Sustainability Disclosure Standard-General Requirements for Disclosure of Sustainability-related Financial Information

Indicators		Chapter	Page
Governance	Governance	1.2 Sustainability Governance Framework 1.4 Ethical Management and Corporate Governance	10 16
Strategy	Sustainability-related risks and opportunities	Material Issues Management Objectives in Each Chapter 1.2 Sustainability Governance Framework 1.3 Stakeholder and Materiality	23,28,31,32 44,46,70,76, 80,82,10,11
	Strategy and decision-making	1.3 Stakeholder and Materiality	11
	Business model and value chain	1.4 Ethical Management and Corporate Governance	16
	Financial position, financial performance and cash flows	About Taiwan Life Insurance	7
	Resilience	About Taiwan Life Insurance	7
Risk Management	Risk management	1.3 Stakeholder and Materiality 1.5 Risk Management	11
Metrics and Targets	Risk management	1.1 Sustainability Blueprint	9

IFRS S2 Sustainability Disclosure Standard -Climate-related Disclosures

Indicators		Chapter	Page
Governance	Governance	2.1 Climate Change Response	32
Strategy	Climate-related risks and opportunities	2.1 Climate Change Response	32
	Business model and value chain	2.1 Climate Change Response	32
	Strategy and decision-making	2.1 Climate Change Response	32
	Financial position, financial performance and cash flows	About Taiwan Life Insurance	7
	Climate resilience	2.1 Climate Change Response	32
Risk Management	Risk Management	2.1 Climate Change Response	32
Metrics and Targets	Metrics	2.1 Climate Change Response	32
	Targets	2.1 Climate Change Response	32

IFRS S2 Industry-based Guidance on implementing -Climate-related Disclosures—Insurance

Topic	Code	Metric	Category	Chapter	Page
Incorporation of Environmental, Social and Governance Factors in Investment Management	FN-IN-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies	Discussion and Analysis	2.3 Responsible investment	49
Policies Designed to Incentivise Responsible Behaviour	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Quantitative	2.1.2 Climate change of CTBC Insurance	44
	FN-IN-410b.2	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	Discussion and Analysis	3.2.1 Inclusive Products	83
Physical Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Quantitative	Appendix — SASB Insurance Indicators Disclosure	108
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance)	Quantitative	Appendix — SASB Insurance Indicators Disclosure	108
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy	Discussion and Analysis	—	-
Activity Metrics	FNIN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	Quantitative	Appendix — SASB Insurance Indicators Disclosure	108

Statistics of SDGs Events in 2023

Corresponding SDGs	Event name	Time(s)	Participants (individuals)	Participating stakeholders	Type of event	Description
SDG 1 Strengthen socioeconomic and security care services for the underprivileged groups	Education and Training on the Treating Customers Fairly and Friendly Financial Services for the Persons with Physical or Mental Disabilities	1	1,991	Employees	Online	Routine internal training.
	Charity Bazaar (Proceeds are donated to charity groups)	1	500	General public	Physical	Regular charity event held by the agents at Kaohsiung and Pingtung Regional Centers on an annual basis.
	Volunteer events	7	134	Employees	Physical	Kaohsiung Bulao Baseball for the Elderly community education, Pingtung Guangchun Senior Home One-day Getaway, Three-Generation Walk with Animals volunteer event, Bulao Baseball intergenerational exchange games, Taichung 1919 Food Bank, Pingtung Yongda Multi-Care Center, blood drives etc. For details, See Chapter 3.5 Creating an Inclusive Society.
	Online audio and video platform TOP Channel audio and video courses for sales team	8	3,928	Employees	Online	2023-04-28 A heart-warming story about treating customers fairly: Using empathy to provide accessible service 2023-05-12 A heart-warming story about treating customers fairly: Patience makes the world go round 2023-06-30 A heart-warming story about treating customers fairly: Customer service rep Shu-hui Huang, who excels at helping the physically disabled 2023-07-28 A heart-warming story about treating customers fairly: Customer service rep Hsin-wu Chang, who excels at helping the physically disabled 2023-08-11 A heart-warming story about treating customers fairly: Customer service rep Yi-Chieh Lin, who excels at helping the physically disabled 2023-09-22 A heart-warming story about treating customers fairly: Safeguarding customers and keeping them away from frauds 2023-10-27 A heart-warming story about treating customers fairly: Customer service rep Ya-Yu Chen, who excels at helping the physically disabled 2023-12-29 A heart-warming story about treating customers fairly: Customer service rep Li-Chuan Lin, who excels at helping the physically disabled
	Micro-insurance briefing session for the Association of Laryngectomees Taiwan	1	60	General public	Physical	The company held a briefing on micro-insurance at the Association of Laryngectomees Taiwan in order to explain to this underprivileged group on what insurance is and how to use micro-insurance to obtain basic protection for themselves and their families.
SDG 2 End hunger, achieve food security and promote sustainable agriculture.	Assisted the 1919 Food Bank in distributing care packages	1	906	General public	Physical	Assisted the 1919 Food Bank in distributing care packages to help the 906 underprivileged families in central Taiwan to overcome difficulties.
SDG 3 Ensure healthy lives and promote well-being for all at all ages.	Three-Generation Walk	1	25,361	General public	Physical	Held consecutively for the 12th year, we organized the "Three-Generation Walk with Animals" at the Taipei Zoo for the first time in 2023 by collaborating with the international media "Animal Planet". For details, see 3.5 Creating an Inclusive Society.
	Survey and Forum on Elderly Retirement	3	820	General public	Physical	"Forum on Elderly Finance", "Age-Friendly Survey and Forum", "Sustainable Impact"; for details, see 3.5 Creating an Inclusive Society.
	Promote baseball for the elderly	6	463	General public	Physical	1 inter-generational baseball exchange game for the elderly, middle-aged and young people, and 5 local community senior baseball games.
	On-site medical services from physicians	32	337	Employees	Physical	For internal health promotion activities, see 3.4.5 Creating a Mentally and Physically Healthy Workplace for details.
	Workplace health seminars	108	4,263	Employees	Physical	
	Health promoting activities	229	7,870	Employees	Physical and online	
	TeamWalk Group Insurance Customer Competition	9	5,586	Customers	Online	TeamWalk health promotion app organized an online walking competition in 2023, and targets included corporate customers and internal employees.
	TeamWalk Internal Walking Competition	7	3,195	Employees	Online	
SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Industry-academia cooperation projects	18	373	General public	Physical	Contents of the Sustainability Report
	Family financial management seminar - "Combating Risks! I Want to Become a Sailing Monopoly".	1	60	General public	Physical	Organized family financial management seminar - "Combating Risks! I Want to Become a Sailing Monopoly", by explaining the concept of "Insurance and Mutual Assistance" along with "Sailing Monopoly", a board game we created, we conveyed financial knowledge in an entertaining manner.
SDG 5 Achieves gender equality and empower all women and girls.	Education and Training on Workplace Equality and Sexual Harassment	1	1,996	Employees	Online	Routine internal training.
SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Occupational safety and health education and training (general and new recruits)	7	10,499	Employees	Physical and online	Routine internal training.
SDG 13 Complete mitigation and adaptation actions to respond to climate change and its impacts.	Engagement actions with high carbon-emitting enterprises	4	4	Investees	Online	Design customized questionnaires for high carbon-emitting enterprises for engagement.
SDG 14 Conserve and sustainably use the oceans, seas and marine resources to ensure biodiversity and prevent the deterioration of marine environment.	Beach cleanup activities	2	163	Employees	Physical	Sun Moon Lake cleanup and Golden Coast beach cleanup event.
SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Fraud and virtual currencies	1	12	Employees	Physical	In August 2023, the company invited Prosecutor Min-chin Chen from the Taiwan Taipei District Prosecutors Office to share digital fraud-related cases.
	Analysis of common deficiencies and penalties in the financial industry	1	31	Employees	Physical	In August 2023, the company invited Bing-chih Lee, Prosecutor of Taiwan New Taipei District Prosecutors Office and Resident Prosecutor of the Financial Supervisory Committee, to share types of financial industry penalties and cash fraud prevention.
	Financial crime prevention course (including fraud prevention)	1	56	Employees	Physical	Special topic courses with themes covering anti-fraud issues.
	Anti-corruption and whistleblower protection system training	1	11,850	Employees	Physical	Routine internal training.
SDG 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	Conference	1	168	Suppliers	Physical	A total of 168 suppliers from CTBC Holding and subsidiaries (including Taiwan Life) attended the conference to show their support. See press release for details.
All SDGs	Good Life Goals (Part 2) Internal Training	1	1,972	Employees	Online	Routine internal training.
	Analysis of Sustainable Insurance	1	1,905	Employees	Online	Routine internal training.
	Total	454	84,233			

Accountant's Independent Assurance Report

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Independent Limited Assurance Report

To Taiwan Life Insurance Co., Ltd.:

We were engaged by Taiwan Life Insurance Co., Ltd. ("Taiwan Life") to provide limited assurance over the selected information attached as Appendix I ("the Subject Matter Information") on the 2023 Sustainability Report of Taiwan Life ("the Report") for the year ended December 31, 2023.

Applicable Criteria of the Subject Matter Information

Taiwan Life shall prepare the Subject Matter Information in accordance with applicable criteria required by Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board, and the Sustainability Accounting Standards for Insurance Industry issued by Sustainability Accounting Standards Board ("SASB") as set forth in Appendix I.

Management's Responsibilities

Taiwan Life is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. Taiwan Life is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Taiwan Life;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is 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 a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Taiwan Life. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditors' report is Yu-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
Jun 14, 2024

<u>Notes to readers</u>

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

Appendix I：Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1	2.1.1 Disclosures on Climate Change Risk	■ Climate Risk Identification Climate-related risk factor categories can be divided into: (1) transition risks, which arise from the transition to a low-carbon economy; and (2) physical risks, which are caused by climate change or extreme weather. The Company has identified climate risk factors and assessed the impact of various climate risk factors on the Company's businesses. The assessment results are divided into own operations, insurance business, and investment and financing as follows: 1. Business operations: Asset repairs, equipment replacement, etc. caused by physical risks in self-owned operational sites, resulting in financial losses. 2. Insurance business: Extreme climate scenarios may cause an increase in mortality or the incidence of diseases (such as heat stroke), resulting in possible losses from increased benefit payouts for hospitalization. 3. Investment and loans: • The increase of risks or costs of issuing companies of bonds and equity targets as an impact of transformation policy could increase the volatility of investment target evaluations. • Physical risks such as flooding or drought may cause the value of the real estate investment target or collateral to decrease.	GRI Standards 201-2 Financial implications and other risks and opportunities due to climate change
		■ Transition risk ➢ Policy and Legal • Increased carbon emissions costs: Carbon tariffs or carbon pricing may lead to increased operating costs for target investment/financing companies, especially those in carbon-intensive industries. • Increased sustainability-related regulations: Stakeholders' requirements (e.g., regulatory authorities, investors, supply chains) for corporate sustainability may increase, making the compliance and management requirements of target investment/financing companies even more important. To fulfill the expectations of internal and external stakeholders, including supervisory bodies and investors, we may need to increase our green energy purchasing rate or set up renewable energy generation facilities to achieve net-zero emissions, potentially leading to increased operating costs. ➢ Technology • Increased expenditure on transition costs: Investment and financing targets carrying out low-carbon transition, such as with renewable energies, electric vehicles, smart grid, and other technological developments, may face risks associated with technological immaturity or inadequate cost control. ➢ Market • Decrease in carbon-intensive products: Consumer preference for businesses or products that are actively transitioning or better at mitigating climate change may lead to declining demand for traditional carbon-intensive products. ➢ Reputation • Increased negative feedback from stakeholders: External stakeholders give negative ratings to the Company for not actively engaging in transition, which is detrimental to the Company's image and market position. • Climate-related litigation: Citizen groups or environmental organizations file climate lawsuits against the Company, demanding responsibility for climate commitments and the environmental costs associated with climate change. ■ Physical Risk ➢ Acute	

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		• Increased Flooding: The increasing frequency and severity of flooding due to climate change may lead to business interruptions and the devaluation of real estate collateral. The increased frequency and severity of flooding may cause interruptions to business operations and damage to assets and equipment. Climate change has exacerbated the frequency and severity of floods, resulting in an increase in risks associated with typhoon and flood claims. • Increased Drought: The increasing frequency of drought due to climate change may interrupt the operations of investment and financing target companies or increase the cost of water (or water purchases) and electricity consumption. ➢ Chronic • Rising Average Temperature: The rise in average temperature may lead to an increase in air-conditioning consumption or a decrease in productivity, leading to an increase in operating costs such as electricity bills or a decrease in revenue for investment and financing targets. The rise in average temperature leads to an increase in air-conditioning power consumption or a decrease in productivity, leading to an increase in operating costs such as electricity bills or a decrease in revenue for investment and financing targets as well as for our own operations.	
		■ Ranking the Materiality of Climate-related Risk Factors Climate risk items in the climate risk matrix[Note] with a likelihood of occurrence >2 and degree of impact >2 are ranked by materiality (the higher the degree of impact and the higher the likelihood of occurrence, the higher the materiality). The Company has formulated corresponding risk management systems based on the results of materiality ranking. The Company also strives to develop green financial products, is committed to green operations, and actively converts risks into opportunities. ➢ Note: The climate risk matrix is a 5*5 matrix, in which the horizontal and vertical axes are the likelihood of occurrence (1-5) and the degree of impact (1-5), respectively. ➢ Ranking Order ①: Transition risk–Policy and legal-Increased sustainability related regulations • Impact on business operations：Business operations • Potential financial/business impact: Under the expectations of external stakeholders such as regulatory agencies and investors, it is necessary to increase the rate of green power or to install renewable energy power generation facilities to achieve net-zero transformation, hence operating costs are likely to increase. • Impact Duration: Short, mid, and long term ➢ Ranking Order ②: Transition risk–Technology-Increased expenditure on transition costs • Impact on business operations: Investments and Loans • Potential financial/business impact: Investment and financing targets carrying out low-carbon transition, such as with renewable energies, electric vehicles, smart grid, and other technological developments, may face risks associated with technological immaturity or inadequate cost control. • Impact Duration: Short, mid, and long term ➢ Ranking Order ③: Transition risk–Policy and legal-Increased sustainability related regulations • Impact on business operations: Investments and Loans • Potential financial/business impact: Stakeholders' requirements (e.g., regulatory authorities, investors, supply chains) for corporate sustainability may increase, making the compliance and management requirements of target investment/financing companies even more important.	

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		• Impact Duration: Mid, and long term ➢ Ranking Order ④: Physical risk–Chronic-Rising average temperature • Impact on business operations: Business Operations • Potential financial/business impact: The rise in temperature may lead to an increase in air-conditioning consumption or a decrease in productivity, leading to an increase in operating costs such as electricity bills or a decrease in revenue for investment and financing targets as well as for our own operations. • Impact Duration: Short, mid, and long term ➢ Ranking Order ⑤: Transitional risk–Policy and Legal-Increased carbon emissions costs • Impact on business operations: Investments and Loans • Potential financial/business impact: Carbon tariffs or carbon pricing may lead to increased operating costs for target investment/financing companies, especially those in carbon-intensive industries. • Impact Duration: Long term ➢ Ranking Order ⑥: Physical risk–Acute-Increased floods • Impact on business operations: Business Operations • Potential financial/business impact: The increasing frequency and severity of flooding due to climate change may lead to business interruptions and asset losses. • Impact Duration: Long term ➢ Ranking Order ⑦: Physical risk–Acute-Increased floods • Impact on business operations: Investments and loans • Potential financial/business impact: The increasing frequency and severity of flooding due to climate change may lead to business interruptions and the devaluation of real estate collateral. Impact Duration: Long term	
		■ Risk Monitoring and Response Strategies ➢ Business category: Investment • Business management category: Corporate bonds and equity investments for non-trading purposes (all industries) - Possible climate risk factors: Transition risk factors_ Policy and legal-Carbon costs, Technology transformation, Market preferences - Risk response measures: Sustainable investment policy regulations and methods are used to specify prohibited targets on the exclusion list and highly sensitive industries that should be strictly evaluated. When determining investment and financing asset allocations, the Company is required to factor ESG risks into consideration to reduce fluctuations in the profit from the overall investment portfolio, which also reduces relevant investment risks. • Income-generating real estate investments - Possible climate risk factors: Physical risk factors_Natural disasters including heavy rain and flooding - Risk response measures: Management regulations related to real estate investment have been set in place. When acquiring real estate, all risk factors that may affect the transaction price are fully evaluated. For new real estate investment projects, the four major aspects of the ESG checklist (energy, water, waste, and stakeholder engagement) are also used to evaluate the positive and negative impacts of said investment project on local communities and the environment, in order to achieve the sustainable goal of coexisting with local communities and the environment. ➢ Business category: Financing • Business category: Personal mortgages, real estate-secured corporate loans - Possible climate risk factors: Physical risk factors_ Natural disasters including heavy rainfall and flooding	

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		property insurance. In order to mitigate and adapt to the impact of climate events, CTBC Insurance regularly assesses physical risks. ➢ Impact Assessment of Climate Change, Typhoons, and Flooding • Step 1: Purpose of analysis and method of evaluation - Due to the increase in frequency of flooding caused by heavy rainfall from climate change, the number of claims and the extent of losses of CTBC Insurance's related business may increase. CTBC Insurance uses its internal database to sort several types of insurance policies and calculate the potential risks and losses by taking into account their historical claims information and reinsurance allocation ratio. • Step 2: Scope of analysis - CTBC Insurance's retained business for commercial typhoon and flood insurance, and typhoon- and flood-related auto insurance products. • Step 3: Assessment results - At 2050, Scenario 3 (in which governments maintain existing policies) has the largest estimated loss, with an increase in claims of approximately NT$6,175,000 compared with the historical loss experience. • Step 4: Risk response measures - CTBC Insurance regularly checks underlying climate-related products (e.g., typhoon/flood insurance) and analyzes their risks by location to avoid excessive concentration in specific areas; the catastrophic modeling reports provided by reinsurance brokers are also used to annually review whether the reinsurance contracts for catastrophic events (typhoons and floods) can maintain risk within a tolerable range. In addition, the subsidiary is continuing to strengthen its typhoon and flooding underwriting and reinsurance in order to maintain its claims within a tolerable range and effectively transfer climate change-related risk. ➢ Climate Strategy • CTBC Insurance's Environmental Sustainability Team has continued to promote ISO 14001 environmental management system, ISO 50001 energy management system, and ISO 14064-1 greenhouse gas inventory certification. As a guiding principle of the environmental and energy management system, the greenhouse gas inventory has been conducted and verified annually since 2019, and has been awarded a greenhouse gas inventory certificate by the British Standards Institute, fulfilling CTBC Insurance's environmental sustainability policy and goals as well as Taiwan Life's commitment to sustainability. • CTBC Insurance conducts an annual review of whether catastrophe (earthquake and typhoon) reinsurance contracts can effectively maintain risk within a tolerable range based on the catastrophe models provided by reinsurance brokers. The subsidiary also continues to strengthen the prudency of its underwriting practices and make appropriate reinsurance arrangements based on its typhoon and flood underwriting in order to control its claim losses within a tolerable range and effectively shift the catastrophe risk that may arise from climate change. • CTBC Insurance has developed ESG-related products and services, including green insurance and low-carbon marketing, enhanced its business continuity mechanism, and strengthened education and training. ➢ Climate Opportunities • Green Insurance Products: As well as identifying policy and law-related transition risks, which will promote the rapid development of renewable energy in Taiwan, and responding to these risks, CTBC Insurance is also seizing the business opportunities of climate change. It is encouraging the development and underwriting of commodity insurance policies with a positive impact on the environment as well as also proactively providing risk insurance for green energy-related industries.	

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2	2.3 Responsible Investment	■ Sustainable Investment We have formulated a Responsible Investment Policy and Responsible Investment Regulations in accordance with the six PRI to guide our daily operations. Furthermore, we established a dedicated unit for sustainable investment in 2021, responsible for our sustainable investment strategy, policy formulation, and process optimization, and we actively participate in internal and external forums and training activities. In addition, we also included a survey on the Guidelines for the Determination of Sustainable Economic Activities in our engagement questionnaire in 2024 to encourage investment and financing targets to comply with those guidelines and to fulfill our stewardship responsibility as an institutional investor. ■ Sustainable Investment and Stewardship Inputs ➢ Item: Human resources invested_ Investment managers ➢ Inputs: 1. Sustainability assessment of each investment project: Responsible investment assessment process for each case takes approximately 6–8 hours 2. Communication and interaction with investees through diverse channels 3. Attendance at internal and external meetings related to sustainable investment 4. Attendance and voting at Shareholders' Meetings and Investor Conferences ➢ Item: Human resources invested_ Investment Planning Dept. and Management Dept. ➢ Inputs: Regular attendance at meetings to follow up on progress toward ESG goals in sustainable investment/financing cases: 1. Monthly Investment Division meetings 2. Once every two months group ESG meetings 3. Quarterly ESG group meetings 4. Other internal and external meetings related to sustainable investment	SASB FN-IN-410a.2 Description of approach to incorporation of environmental, social and governance (ESG) factors in investment processes and strategies
	2.3.1 Responsible Investment Process	■ Taiwan Life has formulated corresponding responsible investment procedures for different investment types and determines whether to proceed with investments or reduce investments based on the evaluation results. The scope of responsible investment covers stocks, bonds, funds, lending, building under construction (BUC) cases, transaction counterparties, and investment service brokers. In 2023, a total of 214 investees and transaction counterparties were invested in/loaned to, according to the responsible investment assessment results. ■ Pre-investment process: Investment target selection->Investment inventory review->Exclusion list filtering->Highly ESG sensitive sector evaluation->ESG evaluation mechanism->ESG engagement and communication->SDGs evaluation mechanism->Verification by the responsible unit->Investment resolution ■ Post Investment Process: Investment inventory review->ESG score review->Material ESG issue evaluation->Post-investment management evaluation ➢ Domestic and foreign listed stocks and bonds 1. Check exclusion list, highly ESG-sensitive sector evaluation, level of involvement in material ESG issues, external ESG rating systems, and ESG risk assessment. 2. Conduct SDG assessments to determine whether the industry and company rating meet relevant standards. 3. Responsible unit(s) determine presence of risk and the need for further engagement and communication. 4. Derive ESG negotiation results and decide to proceed or withdraw from the investment. ➢ Domestic and foreign unlisted stocks and funds 1. Check exclusion list, highly ESG-sensitive sector evaluation, level of involvement in material ESG issues, and ESG risk assessment.	

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		2. Conduct SDG assessments to determine whether the industry of the investees meets relevant standards. 3. Responsible unit(s) assess risk mitigation and determine whether the risk may negatively impact the environment or society. 4. Decide to proceed or withdraw from the investment based on the risk assessment. ➢ Real estate • For BUC investments, Taiwan Life conducts a responsible investment assessment during the evaluation and design of the case, and energy, water, waste, and stakeholder participation, among other aspects, are evaluated with reference to the principles of the Global Real Estate Sustainability Benchmark (GRESB). • Note: Due to technical and regulatory restrictions, this is applicable only for BUC investment cases and excludes the purchase or sale of completed properties handled by Taiwan Life and related cases of its subsidiaries for special purposes. ➢ Transaction counterparties and investment service brokers 1. Assess whether its investment policies and practices are in line with the spirit of Taiwan Life's Responsible Investment Policy, such as formulating an ESG investment policy, signing or voluntarily complying with the U.N. PRI, or annually assessing the ESG performance of its portfolio companies. 2. Conduct engagement if assessment standards are not met. 3. Responsible unit(s) conduct risk evaluations and make decisions based on ESG engagement results. 4. Determine whether the SDG scores of the counterparty or investment agent meet relevant standards. ■ Post-investment Management 1. Review the investment inventory on the account regularly every year based on the inspection baseline date and conduct post-investment management. 2. Consider the external ESG rating systems and the degree of involvement in major ESG issues to check whether standards have been met. 3. Post-investment management evaluation; the evaluation document must be signed by a supervisor in charge.	
	2.3.2 Risk Management for Responsible Investments	■ The Company is keenly aware that climate change and natural disaster incidents have already posed risks to the global economy, industrial chains, and investment companies. We have stayed current with the development trends of international sustainability evaluations and have taken active control measures for coal mining companies since August 2023. In addition, we also adhere to CTBC Holding's Statement on Sustainable Finance in managing the ESG risks of our investments. While factoring in stable income, we also fulfill our investment responsibilities in due diligence and remind investees of the importance of low-carbon transformation to mitigate the possible impact of climate change. We also strictly control risk exposure to highly environmentally sensitive industries as well as conduct an additional monthly inventory of these investments and track their changes. ■ Investment Management Measures ➢ Exclusion list (prohibited) • Arms - Decline investment; however, arms companies who only supply national defense demands or the government are excluded from this list. • Pornography - Decline investment. • Coal mining - Decline investment in companies with more than 25% of total revenue coming from coal mining. ➢ Sensitive industries (strict assessment) • Tobacco	

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		- Description: More than 10% of a company's revenue comes from tobacco manufacturing and supplying. • Oil sands - Definition: More than 10% of a company's revenue comes from oil sands sales or mining. • Coal-fired thermal power generation - Definition: More than 25% of the power generated comes from thermal power. - Complete withdrawal of financing for coal-fired thermal power generation by 2035[Note] • Unconventional oil and gas extraction[Note] - Description: Companies with more than 10% of total revenue coming from unconventional oil and gas extraction. Unconventional oil and gas includes oil sands, shale oil and gas, polar oil and gas, and deepwater drilling oil and gas. - Currently, financing is not available for such customers, and there will be no new ones in the future. ➢ Note: In compliance with CTBC Holding' s Sustainable Finance Statement published on Jun. 30, 2023. ■ Risk Management for Real Estate Investments • Implement real estate construction projects according to the health and safety operation plan approved by Taiwan Life. • Contractors are required to inspect the health and safety of the site every day and produce reports. • Record and control any deficiencies of health and safety issues, and issue rewards and penalties accordingly. • Review and statistically analyze health and safety incidents and report them regularly. • Increase the frequency of the inspection of specific items.	
	2.3.3 Responsible Financing Management	■ In accordance with the Responsible Investment Regulations of Taiwan Life, during the credit review and due diligence process, borrowers are investigated to determine whether they have best-in-class ESG practices and sound credit underwriting and evaluations, and to confirm whether they implement environmental protection, ethical corporate management and social responsibility. It is required to confirm "whether it complies with the Company's responsible investment policy and operation guidelines" on the cover page of the credit approval package, and full disclosure of the evaluation information is required to be provided in the credit report, so that managers at all levels can make appropriate decisions. As the corporate financing business is mostly domestic small and medium-sized enterprises, negative information filtering is mainly used in the due diligence process, such as to check whether the companies and representatives are involved in litigation, examine the general condition of the companies handling their employees' labor pensions, and determine whether any negative information or news about the company has been reported. For post-financing management, the corporate entities, responsible persons, and guarantors are subject to an interim review every six months after a transaction is approved, in accordance with the Guidelines for Review Management. Interim reviews are required to renew the credit investigation and evaluation of information related to changes in operating capacity, loan profile and credit records, anti-money laundering prevention, and ESG assessment. ■ Responsible Financing Flow Chart Discussion with loan companies -> ESG checklist -> Proceed to ESG evaluation -> Credit evaluation by the business unit -> Credit unit review by the review unit -> Credit approval by the authorized manager -> Loans to customers ->Review every half year	

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3	2.4.1 Green Finance	■ As of the end of 2023, the Company had cumulatively invested NT$15.847 billion in the green energy and renewable energy industries, which are listed among the six core strategic industries.	Sustainable Investment Amount
4	2.4.1 Green Finance	■ Formosa 2 Wind Power syndicated loan ➢ Accumulated actual financing amount in 2023: 55.3 (Unit: NT$100 million) ➢ Accumulated approved amount in 2023: 60 (Unit: NT$100 million) ➢ Benefit evaluation [note] 1. Estimated annual carbon emission reduction of 696,000 tons 2. Equivalent of powering 347,000 households every year ■ Changfang Wind ➢ Accumulated actual financing amount in 2023: 62.6 (Unit: NT$100 million) ➢ Accumulated approved amount in 2023: 69.6 (Unit: NT$100 million) ➢ Benefit evaluation [note] 1. Estimated annual carbon emission reduction of 1.093 million tons 2. Equivalent of powering 544,000 households every year ■ Power Co., Ltd./ Xidao Wind Power Co., Ltd. Financing case ➢ Accumulated actual financing amount in 2023: 33.5 (Unit: NT$100 million) ➢ Accumulated approved amount in 2023: 35 (Unit: NT$100 million) ➢ Benefit evaluation [note] 1. Estimated annual carbon emission reduction of 1.112 million tons 2. Equivalent of powering 553,000 households every year ■ Hai Long 2 Offshore Wind Power Co., Ltd. and Hai Long 3 Offshore Wind Power Co., Ltd. ➢ Accumulated actual financing amount in 2023: Not yet used ➢ Accumulated approved amount in 2023: 90 (Unit: NT$100 million) ➢ Benefit evaluation [note] 1. Estimated annual carbon emission reduction of 1.893 million tons 2. Equivalent of powering 942,000 households every year ■ Total ➢ Accumulated actual financing amount in 2023: 151.4 (Unit: NT$100 million) ➢ Accumulated approved amount in 2023: 254.6 (Unit: NT$100 million) ➢ Benefit evaluation [note] 1. Estimated annual carbon emission reduction of 4.794 million tons 2. Equivalent of powering 238,600 households every year ■ Note 1: The annual power generation is calculated using parameters based on the "annual electricity sales" of the wind power energy wholesale purchase rate in 2023. The offshore wind power production is 3,750 kWh/kW. ■ Note 2: The annual carbon emission reduction is based on the "2023 Taiwan Electricity Carbon Emission Coefficient" announced by the Energy Administration, MOEA, which is 0.494 kg CO_2e/kWh multiplied by the expected power generation. ■ Note 3: The number of households with available electricity is calculated by dividing the annual power production by the average annual electricity consumption of 339 kWh per household, a statistic in Taiwan as of 2022.	Accumulated actual financing amount, Accumulated approved amount and benefit evaluation of green finance project
5	3.1.1 Management Mechanisms for Treating Customers Fairly	■ Management Mechanisms/Principles for Treating Customers Fairly: Managing the principle of friendly services measures ➢ Management Mechanisms: Management mechanisms for implementing fraud prevention ➢ Description of Mechanisms: By sharing fraud prevention-related topics and incidents, we can stay on top of the latest information, stay alert, and enhance fraud prevention awareness. Taiwan Life has established a Three Lines of Defense mechanism against fraud: • First Line of Defense- Identification and Prevention: Sales agents and counter service personnel will raise their alertness if they notice customers urgently wanting to terminate a contract or borrow money, or if they mention keywords such as "investment," "LINE group," or "guaranteed	Fraud risk prevention mechanism and anti-fraud results of sales agent

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		profit." They will engage in casual conversations to understand the customer's reason for wanting to terminate or borrow money. If a potential scam is identified, they will advise the customer and, if necessary, notify the police to assist in persuading the customer. • Second Line of Defense– Documentation for further protection: In addition to advising, counter service personnel will follow the anti-fraud SOP to note the case in the system and horizontally link the information to prevent the customer from proceeding through other channels. Multiple layers of protection are implemented to prevent fraud. • For policy termination or policy loan telephone confirmations, beyond verifying the customer's understanding of their application, customers are reminded to stay calm and carefully verify any suspicious messages or calls to avoid being scammed. • Third Line of Defense - Care calls: Special anti-fraud protection measures for elderly customers include dedicated personnel making phone calls to care for elderly policyholders applying for policy loans or terminations before payments are made. This ensures they are reminded of anti-fraud information, continuously protecting the customer's rights. • Key Anti-Fraud Projects – Sales Agent Fraud Risk Alert Mechanism: Continually increasing risk alert parameters for comprehensive prevention to prevent agents from being involved in financial fraud According to the Early Warning Report and Operation Key Points for Abnormal Behavior of Agents, if a first-line business supervisor discovers suspicious abnormal behavior, such as unusual financial conditions, the branch supervisor or regional center fills out an Abnormal Behavior Alert Report. Policy checks are conducted if necessary. To supplement the possible oversight of first-line business supervisors, the Company integrates Big Data databases and incorporates risk parameter factors to produce monthly risk alert reports based on policy data. Business units can use these suspected abnormal indicators to observe or interview salespeople, preventing fraud or misappropriation in advance. • Successful Fraud Prevention in 2023- Two successful cases of fraud prevention In the first case, the bank notified the Company, and together they prevented the fraud. In the second case, a policyholder requested assistance from a salesperson to terminate a policy. After questioning the reason for termination, the salesperson identified it as fraud and refused to process the termination. The policyholder then went to the Taipei branch for processing. Due to security procedures, the branch contacted the salesperson, who informed them of the fraud. The handler persuaded the policyholder and reported it to the police. The policyholder reluctantly left. The Taipei branch personnel noted the fraud in the core system, flagging the case for special attention if the termination request was reinitiated. The next day, the policyholder returned to the head office to process the termination. Seeing the notation, the counter staff immediately notified the supervisor, who decided to report it to the police. The policyholder finally realized the fraud and the termination was successfully prevented. Training for special cases and special policyholders emphasizes the need for system notations, ensuring each case is checked in the system before processing. ➢ Policies and Procedures: "Early Warning Report and Operation Key Points for Abnormal Behavior of Agents"	
6	3.1.2 Implementing Financial Inclusion	■ We have built a dedicated platform for signing and receiving e-policies, enabling customers to sign and download e-policies after receiving notification of delivery via SMS or email. The Life Insurance Association's blockchain service can also be used to check policyholders' e-policies from various insurance companies online, which enhances the policyholders' acceptance of	Promotion and performance of e-policies

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		e-policies. In addition to the functions above, Taiwan Life has also collaborated across departments to launch an e-policy channel incentive campaign that incentivizes agents to promote the advantages of e-policies to customers and encourage customers to set up e-policies, thereby increasing their usage. In 2023, 42,747 electronic policies were successfully approved and issued, which reduced the use of more than 2 million sheets of paper and reduced carbon emissions by approximately 14.1 tCO2e. ➢ Issuance of new contract policies in 2023: 227,044 copies ➢ 2023 performance: 42,747 electronic insurance policies, accounting for 19% ➢ Note: 1 sheet of A4 paper produces 7 grams of CO2e, source: Carbon Footprint Information Platform of the EPA, Executive Yuan.	
7	3.1.3 Customer Relationship Management	■ In 2023, four reports were made to the Board of Directors regarding TCF implementation. ■ 2023, there were 168 cases in which customers requested that Taiwan Life seek ombudsman assistance, representing a rate of 0.127 (application review ratio = (review cases / total number of signed contracts) × 10,000). The main types of review applications were claims disputes (74 cases, 44%) and business solicitation disputes (57 cases, 34%). Among the claims disputes, most were disputes over disability insurance conditions/levels (30 cases). Subsequently, the terms of the products sold have been amended to include a six-month survival standard from the date of disability diagnosis. This is to reduce disputes similar to disability insurance policies in the future. Most business solicitation disputes arose from target maturity debt returns not meeting expectations (38 cases).	Customer complaints, cases and ratio of Ombudsman application, times of report to the Board of Directors
8	3.2.1 Inclusive Products	■ Microinsurance ➢ Performance • 2023 Cumulative insured amount: NT$69.52 billion • 2023 People insured during the year: 50,791 ■ Products for people with physical or mental disability ➢ Performance • 2023 Cumulative insured amount: NT$3.24 billion • 2023 People insured during the year: 7,475 ■ Impaired-risk insurance products ➢ Performance • 2023 Cumulative insured amount: NT$6.6 million • 2023 People insured during the year: 364	Cumulative insured amount and people insured of Microinsurance, Products for people with physical or mental disability, and Impaired-risk insurance products in 2023
9	3.2.2 Investment-linked Products	■ When introducing new investment-linked targets, we incorporate an evaluation of the issuing company's corporate governance into our selection mechanism and offer ESG-themed options for customers to choose from, increasing opportunities for public funds to invest in sustainable industries. Additionally, we promote sustainability and ESG through digital development, providing customer-friendly services and care mechanisms to achieve inclusive finance. ➢ ESG-related investment targets As of the end of 2023, Taiwan Life's investment-linked products with sustainability and ESG themes had a cumulative asset size (AUM) of approximately NT$13.7 billion. An additional eight ESG-compliant funds have been added for policyholders to choose from. In the future, Taiwan Life will continue to follow this approach of linking strategic ESG-related investment targets with product platforms in order to launch new products. We will continually introduce new products that comply with EU Sustainable Finance Disclosure Regulation 8 or 9 or other third-party standards, or that incorporate ESG strategies into portfolio strategies. ➢ Product development process incorporates ESG evaluation and management mechanisms Taiwan Life is increasingly working with its partners to deepen its ESG-related practices. The Company revised its Measures for Screening and Selection	Incorporated ESG evaluation and management mechanisms into development process of Investment-linked product

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		Targets Linked to Investment Insurance to specifically include ESG evaluation as a selection criterion. We assess the corporate governance status of partners every six months (including whether they are fulfilling environmental protection, ethical business management, social responsibility, etc.), and prioritize cooperation based on the results of the assessment. ■ Discretionary Investment Account Management Mechanism ➢ When developing an investment-linked insurance product for a discretionary account, the management team will evaluate the account's investments in sustainable or ESG themes and implement the investment proportions in the contract. ➢ Through discussions with the account management team every six months, the alignment of the account with sustainability or ESG themes is continuously reviewed. Additionally, new themes or sub-funds may be added to ensure the account remains effective and stable.	
10	1.1 Sustainability Blueprint	■ 2024 goal: Complete 10 volunteer activities, 1 Three-Generation Walk, and 1 aging-friendly baseball tournament.	Public welfare policies or strategies, and setting priority and key performance indicators for action plan
	3.5 Creating an Inclusive Society	■ Taiwan Life has long paid attention to various social problems and needs, leveraging our competitiveness in the insurance industry to establish innovative and diverse public welfare action plans to positively impact society. We focus on the three major areas of health promotion, active aging, and caring for disadvantaged people. In doing so, we not only actively support government policies, promote financial inclusion, and directly invest resources where they are most needed, but also work with stakeholders such as organizations, academic institutions, and social welfare organizations to work toward goals like health promotion and intergenerational prosperity, proactively utilizing the sustainable influence of the insurance industry to create shared value. ➢ Problems we're addressing: • Insufficient awareness of self-managed health among Taiwanese • Inadequate retirement preparation and insurance coverage • Lack of basic subsistence measures and resources for disadvantaged groups ➢ Our roles and practices: Taiwan Life places great importance on risk diversification in the insurance industry. We offer a wide range of protection products and AI-powered friendly services to help individuals achieve three main goals for a healthy life: "Prevention × Increased Health Awareness," "Aging Gracefully × Growing Sports Culture among Older People," and "Precision × Effective Utilization of Medical Resources." ➢ Our actions: By integrating our core functions of insurance with partners from various sectors, we are able to provide diverse solutions for social issues. Taiwan Life's top priority is "health management" and we see the promotion of comprehensive physical, mental, and financial health management as being the core of our action plans: • Promoting innovative and diverse health promotion activities, advocating for intergenerational communication between younger and older people, and educating the public on the importance of the early accumulation of health assets and self-health management. • Promoting comprehensive financial education, advocating for sustainable development issues, raising awareness of retirement preparedness among the public, and reinforcing risk management concepts. • Supporting vulnerable care services, providing basic insurance coverage, collaborating with social welfare organizations across various sectors to offer long-term care services or basic insurance coverage for disadvantaged groups, such as rural areas or economically disadvantaged populations.	

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