

SUSTAINABLE DEVELOPMENT

Shin Kong Life always strives to live up to parent company Shin Kong Financial Holding's sustainable development value proposition of “low carbon, innovation, and mutual benefit.” SKL has developed the corporate sustainability vision, strategies, and medium- to long-term targets based on our core competencies, and have also promoted and implemented various sustainability/ESG initiatives to move towards sustainable corporate development.

VISION: Aim to become a benchmark company for sustainable operation and a trusted financial partner.

MISSION: Provide financial products that are friendly to the global environment, all corners of society and all stages of life, and promote sustainable financial development together with our stakeholders.

1. Sustainable Shin Kong

SKL Sustainable Chronicle



1. Sustainable Shin Kong

1.1 About SKL | GRI 2-6、2-7 |

Since founded six decades ago, Shin Kong Life Insurance (SKL) has strongly emphasized value to the lives of human beings in hopes of bringing happiness to people. We always adopt a humble approach to providing down-to-earth services and giving back to society. Aiming to make insurance available to all and provide security for every family, SKL has shaped an organizational culture of “maintaining status quo means lagging behind, quality and service first, respecting human sentiment and honor, and incorporating to build a splendid life.” We actively transforming ourselves into a leading life insurance company with stable profitability and customer trust.

1.1.1 Business Philosophy

The happiness of most people in society hinges on the sustainable development of life insurance companies. Therefore, the future of the insurance industry should focus on “returning to protection, serving policyholders, making stable profits, and developing sustainably”. SKL adopts the people-oriented strategies, upholds the business philosophy of “innovation, service, sincerity, and giving back to society.”, as well as strives to make a contribution to a sustainable society as a responsible corporate citizen with its stakeholders.

Innovation

To catch up with and respond to the changes in the business environment plays an important role in the success for companies to gain a competitive advantage.

Service

With the advancement of the service era, the principles of “putting the customer first” and “serving with sincerity” are deeply rooted in the heart of every employee of SKL.

Sincerity

SKL has always adhered to the corporate spirit of “honesty, integrity, and trust.” We have established the most optimal brand image, cared a great deal about our reputation, kept the promises we made for insurance to our customers, and aimed to transform our vision into reality.

Giving Back to Society

SKL has always adhered to the philosophy of the founder, insisting that “one should give back to the community on which its success is built.” We respectively established the Shin Kong Wu Foundation and the Shin Kong Life Foundation to help the people in need of social assistance. Also, we have been offering scholarships to incentivize students to study hard.

Company name:	Shin Kong Life Insurance Co., Ltd.
Date of incorporation:	July 27, 1963
Headquarters:	Taipei City, Taiwan
Number of employees:	9,632 full-time employees and 3,931 unofficial employees
Total capital:	NT\$80 billion
Scope of products:	savings insurance, protection insurance, investment-linked insurance, medical injury insurance, group accident insurance, etc.
Scope of services:	payments, claims, living benefits, modifications of insurance contracts, policy loans, online transactions, etc.



Operations

Domestic Operations across Taiwan

Region	Branches	Regional sales offices and branch offices	Service centers
Regions with low population density (Note 1)	2	13	1
Offshore islands (Note 2)	1	2	0
Total (main island and offshore islands)	23	319	34

Note 1: According to the area of administrative districts and the population at the end of December 2022, these regions are administrative districts in municipalities, counties, and cities with a population density of fewer than 100 persons/square kilometer, including Hualien County and Taitung County.

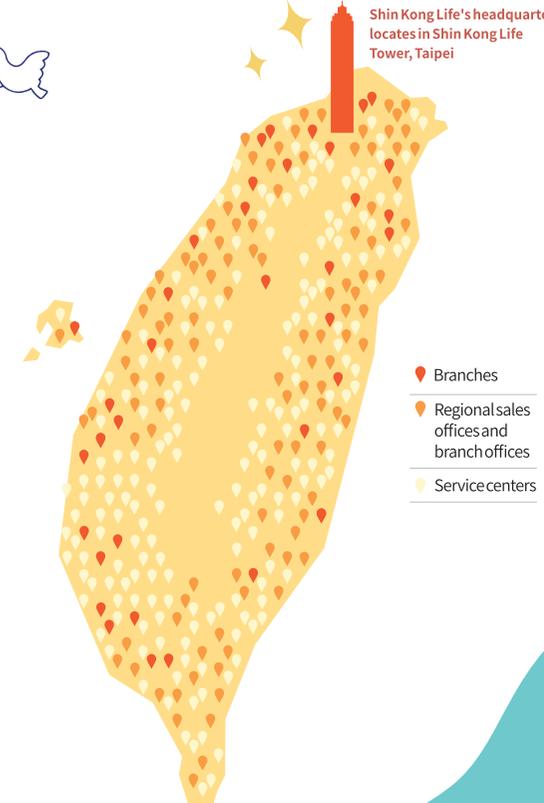
Note 2: Offshore islands refer to Kinmen County, Penghu County, and Lambai Island.

Note 3: Refer to the website at <https://www.sk.com.tw/serviceCenter.html>.

Overseas Operations

Country	Explanation	Number of Operations
Myanmar	In 2015, SKL set up Yangon representative office, the first Taiwanese life insurance company which set up a representative office in Myanmar.	1
Vietnam	In 2006, SKL set up Hanoi representative office in Vietnam to collect information and maintain the relationship between industry, government, and academia.	1

Shin Kong Life's headquarter locates in Shin Kong Life Tower, Taipei



1.1.2 Economic Performance | GRI 2-2、201-1 |

SKL continues its strategy of stacking commodity values and reducing debt costs, resulting in total assets of NT\$3.6 trillion in 2022, representing annual growth of 4.3%. The first year premium (FYP) amounted to \$53.7 billion, and total premium income reached \$189.5 billion, with a market share of 8.1%. Under the strategy of actively promoting foreign-currency policies and pan-protection products, foreign-currency policies accounted for 76.9% of the total FYP, and will continue to stack foreign-currency policies to reduce hedging costs. In addition, the cost of liabilities continued to drop by 4bps to 3.69% from the previous year. Looking ahead to 2023, we will continue to manage hedging costs, earn stable income and increase the value of new contracts.

Marketing Channels

Unit: NTD million

Item	Premium Income	Percentage
Sales representatives	33,444	62.28%
Banks	15,000	27.93%
Insurance brokers and others	5,254	9.78%
Total	53,698	100.00%

Note 1: Premium Income is the first year premium (FYP) of each marketing channels in 2022.

Note 2: Others include direct marketing and other marketing channels.

Premium Income by Insurance Type

Unit: NTD million

Item	Premium Income	Percentage
Personal life insurance	141,283	74.57%
Personal health insurance	33,824	17.85%
Personal accident insurance	6,310	3.33%
Annuity insurance	5,373	2.84%
Group insurance	2,670	1.41%
Total premium income	189,462	100.00%

Note: The figures in this table are premium income reported to the Life Insurance Association of the Republic of China.

SKL's Financial Performance in the Past Three Years

Unit: NTD million

Item	2020	2021	2022
Operating revenue	412,756	360,771	289,810
Earnings per share (NTD)	1.14	1.86	-0.68
Operating costs	398,061	339,702	281,200
Employee wages	10,293	9,572	8,688
Employee benefits	1,636	1,491	1,358
Dividends for shareholders ^(Note 2)	0	0	0
Payments to the government	1,121	1,175	1,225
Charitable contributions ^(Note 3)	52	84	71
Economic value retained ^(Note 4)	1,593	8,747	-2,732
Retained earnings	80,422	94,175	89,569

Note 1: The data above come from SKL's 2021 parent company only financial statements and 2021 annual reports to shareholders.

Note 2: The Company adopts a stable and balanced dividend policy for the distribution of dividends and bonuses. The distribution of dividends may be adjusted appropriately depending on the needs of business operations and funds, approval of competent authorities, and major amendments to laws and regulations. In recent years, to supplement capital in response to the application of IFRS17, SKL had no plan to distribute cash dividends.

Note 3: Charitable contributions were compiled by SKL. (Refer to CH8 Creating a Society of Mutual Benefit)

Note 4: Economic value retained: "direct economic value generated" less "economic value distributed." Direct economic value generated refers to revenue; economic value distributed includes operating costs, employee wages and benefits, payments to providers of capital, payments to the government by country, and charitable contributions.

1.1.3 Participation in External Organizations | GRI 2-28 |

Shin Kong Life has been participating in external organizations and associations to advocate for sustainability, while cooperating with partners from the industry, government, and academia on the research of emerging issues, in an attempt to further the development of the life insurance industry.

In 2022, the Company invested about NT\$14.88 million in participating organizations and associations, including Taiwan Alliance for Net Zero Emission and Taiwan Center for Corporate Sustainability (TCCS). To stay competitive in the industry, SKL also cooperated with organizations and associations with influence on the development of the financial sector to keep abreast of the latest trends and dynamics of the industry at home and abroad.

Engagement	Organization
Strategic Membership	<ul style="list-style-type: none"> Financial Ombudsman Institution Life Office Management Association (LOMA) Financial Information Sharing and Analysis Center (F-ISAC) Fin & Tech under Taiwan Academy of Banking and Finance Institute of Financial Law and Crime Prevention Asia Investor Group on Climate Change (AIGCC) International Insurance Society, Inc. (IIS) Actuarial Institute of the Republic of China (Taiwan) Taiwan Financial Services Roundtable
Director, Council Member or Supervisor	<ul style="list-style-type: none"> Life Insurance Association of the Republic of China Taiwan-ASEAN Business Council International Corporate Governance Network (ICGN) Chinese Excellent Management Association (CEMA) Taiwan Insurance Institute Chinese Insurance Service Association (CISA) Chinese Human Resource Management Association (CHRMA) Real Estate Association of R.O.C. Institute of Internal Auditors-Chinese Taiwan Computer Society of the Republic of China Information Management Association
	Life Insurance Management Institute of the Republic of China (LIMI), Taiwan Institute for Sustainable Energy (TAISE), Financial Governance and Compliance Society of the Republic of China, Insurance Society of the Republic of China

Sustainability Initiative

- In 2021, SKL proudly joined the Asia Investor Group on Climate Change (AIGCC) as the second member from Taiwan. With a commitment to ongoing participation, SKL not only attended regular meetings, but also ensured its internal team benefited from AIGCC's training courses. SKL played a proactive role in contributing to research reports, joining hands with international investors to explore both the risks and opportunities presented by climate change. This active engagement facilitated a greater understanding of emerging technologies and the latest international trends concerning climate change. By participating in this collective initiative, all members of the AIGCC, including SKL, strived to leverage their influence as institutional investors to generate social value through sustainable investing.
- SKL and SKFH joined forces to form the Taiwan Alliance for Net Zero Emission, aiming to promote the initiative, "Net Zero 2030/2050." In 2021, together with sustainability pioneers from various sectors, we established the "Taiwan Net Zero Emissions Association" (TNZEA) to continuously monitor both domestic and international net zero trends. Since its establishment, TNZEA has organized multiple forums and expert seminars, in which SKL actively participates in exchanges with relevant industry, government, and academic sectors to put forth great effort in realizing Taiwan's transition to a net zero society.

1.2 Corporate Sustainability Committee | GRI 2-9、2-12、2-13、2-14、2-16 |

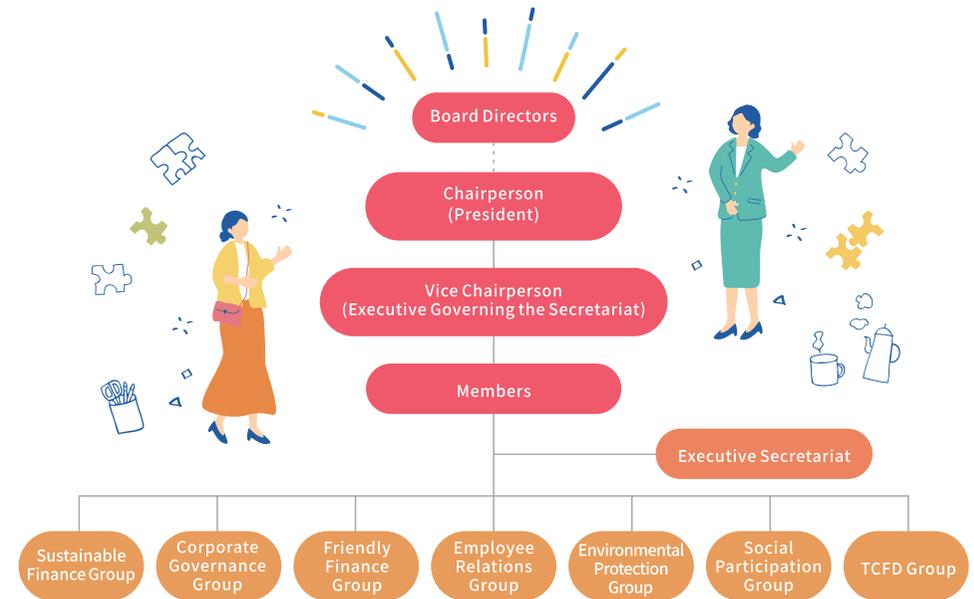
SKL incorporates the concept of sustainable development into day-to-day business activities, in addition to the establishment of a dedicated organization, we also encourage employees to receive ESG training to improve their knowledge and skills in relation to sustainability, in an attempt to make sustainability part of the Company's DNA. In 2013, SKL established the "Corporate Social Responsibility Committee", which was later renamed as the "Corporate Sustainability Committee" (CSC) in 2021, following approval by the Board of Directors. The committee is chaired by the President and comprises members who are senior executives from various departments to supervise and manage the operation of the working groups. The committee consists of an executive secretary and seven execution groups, with each group led by a department head, responsible for conducting discussions on relevant topics and implementing specific projects.

Committee Operating Mechanisms

The CSC execution groups meet on a quarterly basis to track the progress of their respective initiatives. Regular meetings of the CSC are also held to monitor the overall progress of sustainability initiatives. Annually, updates on sustainability goals and performance are reported to the Board of Directors.

2022 outcomes

- Convened four meetings of the groups and four meetings of the committee to follow up on the implementation of sustainability actions, revision of organizational procedures, review of corporate sustainability reports, confirmation of major sustainability issues, to draft annual sustainability targets and sustainability implementation results, etc.
- Presented annual sustainability goals and performance results on material issues (e.g. TCFD and honest management) to the Board of Directors on two occasions
- Held 4 ESG seminars, covering topics such as women's empowerment, green finance, and gender equality.
- Held ESG workshops for 30 participants with a course satisfaction score of 4.45 out of 5



1.3 Sustainability Strategy and Target

Shin Kong Life always strives to live up to parent company Shin Kong Financial Holding's sustainable development value proposition of "low carbon, innovation, and mutual benefit". SKL has developed the corporate sustainability vision, strategies, and medium- to long-term targets based on our core competencies, and have also promoted and implemented various sustainability/ESG initiatives to move towards sustainable corporate development.

Sustainable Strategy Blueprint

Low
carbon

Strengthening Climate Resilience



Plan

- ◆ Improve climate risk management and disclosure



Short-term Target(2023)

- ◆ Strengthen the quality of TCFD obtain third-party verification, and publish TCFD reports
- ◆ Complete SBTi investment and financing portfolio carbon reduction pathway program



Medium- to long-term Target (2026 as the target year)

- ◆ Comply with the green finance 3.0 and sustainable development process of the competent authorities
- ◆ Implementing SBTi phased carbon reduction targets in accordance with SKFH
- ◆ Improve sustainable finance-related policies and practices



Major Performances in 2022

- ◆ Completed the TCFD report and presented the Board of Directors with the execution results.
- ◆ Formulated risk management measures for climate change
- ◆ Calculated financed emissions and develop a list of carbon-intensive industries
- ◆ Held 2 training sessions for directors and senior executives

Materiality

- ◆ Risk management
- ◆ Sustainable finance
- ◆ Actions for climate change

Towards a Net Zero Future



Plan

- ◆ Develop an environmental management mechanism
- ◆ Construct green buildings
- ◆ Planning a net zero carbon emission plan for SKL operations



Short-term Target(2023)

- ◆ Reduce GHG emissions in own operations by 2%
- ◆ Obtain one green building candidate certificate

Medium- to long-term Target (2026 as the target year)

- ◆ Achieve net zero emissions at the headquarters by 2026
- ◆ Achieve net zero emissions at the headquarters and main office locations by 2030.
- ◆ Obtain green building certificates (silver and above) for all new projects
- ◆ Expanding ISO50001 Import Locations

Major Performances in 2022

- ◆ Completed SKL's 2025 and 2030 operational carbon reduction targets and plans
- ◆ Obtained 6 green building certificates and 1 green building candidate certificate

Materiality

- ◆ Actions for climate change



Sustainable Strategy Blueprint

Innovation

Nurturing Diverse Talents



Plan

- ◆ Encourage rotations for the accumulation of knowledge and experience
- ◆ Provide abundant training resources
- ◆ Listen to the employees' opinions

Short-term Target(2023)

- ◆ Conduct regular surveys of employees' career intentions
- ◆ Provide training programs designed for female employees
- ◆ Continue to implement succession plans
- ◆ Increase training hours
- ◆ Conduct employee engagement survey every two years

Medium- to long-term Target (2026 as the target year)

- ◆ Average training hours per employee > 100 hours
- ◆ Percentage of open positions filled by internal candidates > 60%
- ◆ Retention rate of outstanding talent > 90%
- ◆ Percentage of females in senior management positions : 27%

Major Performances in 2022

- ◆ Average training hours per employee:85 hours
- ◆ Percentage of open positions filled by internal candidates: 55.7%
- ◆ Retention rate of outstanding talent: 96.2%
- ◆ Percentage of females in senior management positions: 15.3%
- ◆ Increased study leave to 2 days

Materiality

- ◆ Talent recruitment and retention

Excellent Customer Experience



Plan

- ◆ Strengthen business digital power
- ◆ Expand customer ownership
- ◆ Strengthen product inclusion
- ◆ Light up friendly service

Short-term Target(2023)

- ◆ Improve the digital capabilities of sales representatives and sales channels
- ◆ Expand digital customers and services to boost customer satisfaction
- ◆ Develop at least one financial inclusion good or service
- ◆ Optimize the user experience of people with disabilities and ways to conduct telephone interviews with them

Medium- to long-term Target (2026 as the target year)

- ◆ Maintain more than 95% of the e-insurance usage rate in our own channels
- ◆ Percentage of e-agent > 65%
- ◆ Online members reach 1.21 million
- ◆ Percentage of NPS > 80%
- ◆ Continue to promote the fair treatment of customers and friendly financial services to rank top front in the fair treatment of customer assessment

Major Performances in 2022

- ◆ Percentage of own channel e-insured usage rate reached 95.7%
- ◆ Percentage of e-agent reached 56.1%
- ◆ Online members reached 960,000
- ◆ Overall net recommendation value (NPS) of policy administration process is 82.8%.
- ◆ Launched "Food Safety Insurance" to enhance digestive system disease protection and combine with social welfare feedback
- ◆ Received four awards from the FSC, including the Outstanding Performance Award of Fair Treatment of Customers, and Aging-Insurance Outstanding Performance Award.

Materiality

- ◆ Innovation and digital finance
- ◆ Customer relationship management
- ◆ Financial inclusion



Note: Financial inclusion is key material Issues for SKFH in 2022.

Sustainable Strategy Blueprint

Mutual benefit

Realizing Sustainability Governance



Plan

- ◆ Strengthen the operation mechanism of the Board of Directors and functional committees
- ◆ Promote integrity management
- ◆ Strengthen information security protection

Short-term Target(2023)

- ◆ Conduct annual training for directors and employees on integrity management
- ◆ Maintain ISO 27001:2013 and BS 10012:2017 validation

Medium- to long-term Target (2026 as the target year)

- ◆ Assist SKFH's corporate governance evaluation
- ◆ The actual attendance rate of the board of directors maintained at over 85%
- ◆ Complete performance evaluation and disclosure of the Board of Directors and functional committees
- ◆ Maintain information security certification

Major Performances in 2022

- ◆ Established the Company's Integrity Management Policy and Code of Conduct and the Integrity Management Procedures and Conduct Guidelines
- ◆ Obtained British Standards Institution (BSI) ISO 22301 Business Continuity Management System (BCMS) international standard certification
- ◆ Continued certification to ISO 27001:2013 and BS 10012:2017

Materiality

- ◆ Corporate governance and ethical corporate management
- ◆ Risk management
- ◆ Information security
- ◆ Legal Compliance

Unleashing the Importance of Sustainable Finance



Plan

- ◆ Promote sustainable finance
- ◆ Expanding the Influence of Sustainable Finance
- ◆ Implementing sustainable supply chain management



Short-term Target(2023)

- ◆ Continue to enhance sustainable finance policies and related measures to achieve sustainable and robust investment outcomes
- ◆ Supporting Sustainable Financial Commodities or Green Energy Industries
- ◆ Strengthen engagements with investees
- ◆ Green procurement accounts for more than 15% of the available purchase amount



Medium- to long-term Target (2026 as the target year)

- ◆ Achieve a 3% CAGR in the amount of securities investments under the principles of sustainable investing in 5 years
- ◆ With 2020 as the baseline year, the investment growth rate of project investment in green energy-related businesses is 400%
- ◆ Continue to identify potential thematic and impactful investments
- ◆ Gradually increase the proportion of suppliers who sign commitment statements before price negotiations

Major Performances in 2022

- ◆ Revised investment and financing related practices
- ◆ Total investment in ESG themes exceeded \$213.9 billion
- ◆ Continued investment in sustainable financial products and green energy industry reached NT\$45.6 billion, a 72% increase
- ◆ Distribution of climate change and investor questionnaires with a response rate of 75%
- ◆ Green procurement accounts for more than 19% of the available purchase amount

Materiality

- ◆ Sustainable finance

Creating a Society of Mutual Benefit



Plan

- ◆ Make ongoing strategic plans for philanthropic activities
- ◆ Encourage employees to participate in corporate volunteering



Short-term Target(2023)

- ◆ Form public-private strategic alliances and work with employees and customers to initiate philanthropic projects
- ◆ Achieve 2.5 volunteer hours per capita



Medium- to long-term Target (2026 as the target year)

- ◆ Partner with external organizations to plan and execute ongoing philanthropic activities
- ◆ Percentage of business initiatives and social investments: 90% of the total social contribution
- ◆ Achieve 4 volunteer hours per capita in 2025

Major Performances in 2022

- ◆ Invested NT\$70.86 million in community engagement, benefiting up to 520,000 people
- ◆ Percentage of business initiatives and social investments: 90% of the total social contribution
- ◆ Achieved 4.3 hours of corporate volunteering
- ◆ Calculated SROI for the "Happy Dining Table with an Acre of Land" Program, which created NT\$9.85 for every NT\$1 spent on the program

Materiality

- ◆ Social participation

Note: Social participation is key material issues for SKFH in 2022.

1.4 Material Issues Assessment

1.4.1 Material Issues Identification | GRI 3-1 |

Shin Kong Life selected the potential sustainability issues by referring to domestic and international trends, and conducted a survey to identify the material issues of the 2022 SKL CS Report based on the views of various stakeholders through the groups of the Corporate Sustainability Committee. The disclosures in this report and the future direction of our sustainability strategy are based on these material issues.

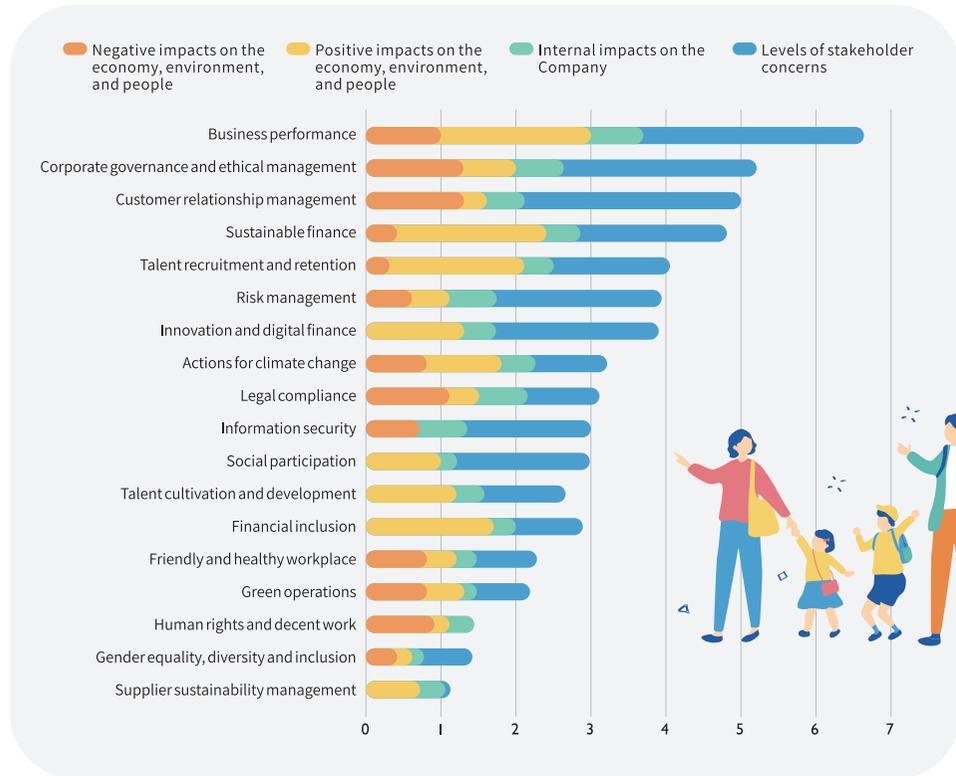
SKL's Material Issues Identification Procedure



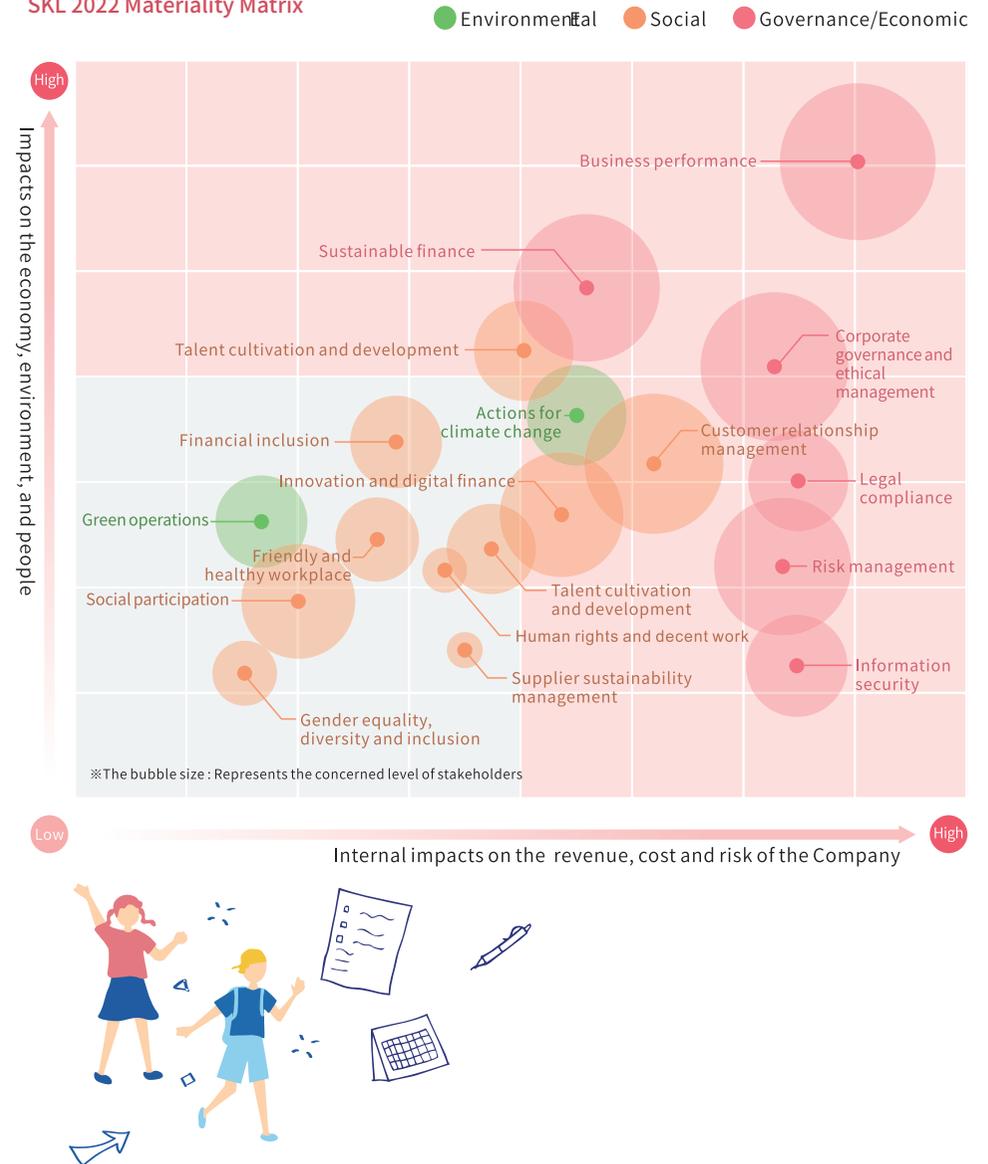
1.4.2 Material Issue Impact Assessment | GRI 3-2 |

SKL conducted a quantitative analysis and ranking of the impacts of the 18 sustainability issues on its internal operations, external positive and negative impacts, and stakeholder concerns. Based on this analysis, a three-dimensional Material Issues Matrix was created. The X-axis represents the internal impacts of the issues on the Company's revenue, costs, and risks, while the Y-axis represents the impacts on the economy, environment, and people (including their human rights). The size of the Z-axis corresponds to the level of stakeholder concern for each issue. The placement of the issues on the matrix reflects their materiality, categorized as either "material issues" or "secondary issues". We focus our reporting and disclosure efforts primarily on the material issues, addressing the concerns of various stakeholders.

Ranking of Material Issues



SKL 2022 Materiality Matrix



Material Issues and the Impact Boundaries

Sort	Material Issues	GRI-specific topic	SASB Standards	Value Chain Impact			
				Upstream	SKL		Downstream
				Supplier / Contractor	Operation	Distribution Channel	Policyholder/ Customer
1	Financial performance	■ GRI 201 Economic Performance	FN-IN-000.A	▲	●		●
2	Corporate governance and ethical management	■ GRI 2-1 Organizational details ■ GRI 2-9~2-21		▲	●	▲	●
3	Customer Relationship Management	■ GRI 417 Marketing and Labeling ■ GRI 2-27 Compliance with laws and regulations	FN-IN-270a.1 FN-IN-270a.2 FN-IN-270a.3 FN-IN-270a.4		●	▲	●
4	Sustainable finance	■ GRI 201 Economic Performance ■ GRI 203 Indirect Economic Impacts	FN-IN-410a.1 FN-IN-410a.2		●		
5	Talent recruitment and retention	■ GRI 401 Employment ■ GRI 404 Training and Education			●		
6	Risk management	■ GRI 201 Economic Performance	FN-IN-550a.1 FN-IN-550a.2 FN-IN-550a.3		●		○
7	Innovation and digital finance	■ GRI 203 Indirect Economic Impacts	FN-IN-410b.2		●	▲	●
8	Actions for climate change	■ GRI 201 Economic Performance ■ GRI 305 Emissions	FN-IN-450a.1 FN-IN-450a.2 FN-IN-450a.3	▲	●	▲	○
9	Legal Compliance	■ GRI 2-27 Compliance with laws and regulations			●	▲	○
10	Information security	■ GRI 418 Customer Privacy		▲	●	▲	●

Note 1: ● indicates direct impacts; ○ represents indirect impacts; ▲ means impacts arising from a business relationship.



1.4.3 Material Issues and Management Approaches (Sorted by impact level) | GRI 2-25 \ 3-3 |

Material Issues and Description of impact	Management Mechanism	Policy	Commitment	Target	Communication Channel/ Complaints Mechanism	Outcome and Action
 <p>Financial performance</p> <p>SKL values the rights and interests of shareholders and stakeholders and develops meticulous operational strategies and directions to achieve long-term stability and profitability, bringing positive impacts to stakeholders and the financial market.</p>	<p>In the second half of each year, the Company will plan on the overall business strategy, including key business strategies and target profits for the following year, taking into account the industry trends, market conditions, and changes in laws and regulations. The Company also convenes monthly performance review meetings to review the achievements.</p>	<p>Corporate Governance Best Practice Principles Regulations for Performance Management and Development</p>	<p>Focusing on the essence of life insurance, we aim to be a profitable and highly trusted life insurance company that creates sustainable value for shareholders and investors.</p>	<p>Actively promote foreign currency-denominated insurance products and protection insurance products; control the cost of hedging, stabilize income, and increase the value of new business</p>	<ul style="list-style-type: none"> Hotline: (02)2389-5858 Investor relations email: ir@skfh.com.tw 	1.1 About SKL
 <p>Corporate governance and ethical management</p> <p>SKL places great emphasis on corporate governance and integrity, implementing comprehensive education and training programs and standards. By prohibiting unfair competition, insider trading, and transactions with entities involved in dishonest practices, we have established robust corporate governance and risk management mechanisms, enhancing the effectiveness of corporate governance and gaining public trust. These efforts have a positive impact on the Company's operations and business activities from an economic perspective.</p>	<p>In addition to formulating internal regulations on corporate governance and ethical corporate management, we establish mechanisms for integrity consultation and whistleblower confidentiality and protection and provide training for the Board of Directors and the staff, hoping to make integrity part of our DNA.</p>	<p>Code of Ethical Conduct Personnel Management Rules Regulations for Handling Employee Complaints Regulations for Handling Reported Cases Life Insurance Enterprises' Anti-Money Laundering and Countering Terrorism Financing Policies and Procedures</p>	<p>We strive to establish a sound anti-money laundering and counter-terrorism financing (AML/CTF) structure in accordance with the laws and regulations at home and abroad to curb money laundering and terrorism financing.</p>	<p>Require that all staff should carry out business activities with fairness and integrity and in compliance with laws and regulations</p>	<ul style="list-style-type: none"> Email: whistleblower@skf.com.tw Supplier complaint hotline: (02)2389-5858#2002 Employee feedback mail: speaklouder@skf.com.tw 	6.1 Corporate governance and ethical management
 <p>Customer Relationship Management</p> <p>SKL practices ethical management and promotes a financial-friendly environment by ensuring that all services and products comply with legal regulations. This reduces operational and penalty risks. Through satisfaction and NPS surveys, as well as providing customer communication channels, we understand customer pain points and continuously improve to enhance customer relationship management efficiency. These efforts have a positive impact on customers, human rights, and social aspects.</p>	<p>Prior to the launch of new products or services, SKL will disclose the product information in detail in accordance with laws and regulations and internal policies, hoping to make information accessible to the public easily and efficiently.</p>	<p>Self-regulation of Advertisements in the Insurance Industry Guidelines for the Review of Personal Insurance Products Relevant Provisions on Non-dividend Dividend Life Insurance Policy for Sales in the Life Insurance Industry SKFH Financial Inclusion Policy</p>	<p>To implement fair treatment of customers and financial friendliness, we make sure that customers understand the product features, risks, and protection, as well as their rights.</p>	<p>Require that all staff should abide by the regulations to protect the interests of all stakeholders</p>	<p>Opinions can be submitted through competent authorities, service locations and business operations, and other complaint channels, including telephone, email, and letters, fax, as well as stakeholder area of the company website.</p> <ul style="list-style-type: none"> Customer service hotline: 0800-031-115 Complaint email: whistleblower@skf.com.tw 	5.3 Fair Treatment of Customers
 <p>Sustainable finance</p> <p>We continue to enhance sustainable finance policies and regulations, seek sustainable investment targets, and promote inclusive and sustainable economic growth. We support the development of sustainable industries and achieve sustainable and sound investment results. By strengthening engagement with our investees, we exert a positive influence on environmental, social, and human rights aspects.</p>	<p>Following the competent authorities' policies and SKFH's Sustainable Finance Policy, we incorporate ESG criteria into the operating procedures and regulations for investing and lending, and communicate with investees using our core competencies and influence in the financial sector.</p>	<p>Stewardship Principles for Institutional Investors Self-Regulation Regulations on Asset Management in the Insurance Industry SKFH Sustainable Finance Policy Rules and Procedures for Sustainable Investing in Securities</p>	<p>We strive to strengthen responsible investing by investing in low carbon products or philanthropic activities to facilitate the sustainable development of the investees.</p>	<p>Improve the procedures and regulations for responsible investing according to the United Nations' Principles for Responsible Investment (PRI); strengthen our engagement with investees to implement the due diligence of institutional investors</p>	<p>We communicate with investors about responsible investing operations through SKFH's investor conferences, shareholders' meetings, press releases, etc.</p> <ul style="list-style-type: none"> Investor relations email: ir@skfh.com.tw Institutional investor due diligence area on company website 	7.1 Promote sustainable finance
 <p>Talent recruitment and retention</p> <p>SKL values talent recruitment to infuse new energy and vitality into the organization. We help employees develop clear career directions and achieve optimal utilization of human resources, ensuring a talent development strategy for the sustainable development of the organization. This has a positive impact on employees and social aspects, including human rights.</p>	<p>To bring in new blood and vitality to the organization, help employees have a clear career path, and achieve optimum manpower utilization for the sustainable development of talent within the organization</p>	<p>Personnel Management Rules Regulations for Education and Training Management Regulations for Internal Lecturer Management Regulations for Overseas Continuing Education Regulations for Performance Management and Development Regulations for Rewarding the Professional and Technical Personnel</p>	<p>We aim to be a reassuring company that takes the best care of its employees by creating a friendly workplace.</p>	<p>By 2026:</p> <ul style="list-style-type: none"> Average training hours per employee > 100 hours Percentage of open positions filled by internal candidates > 50% Retention rate of outstanding talent > 90% Percentage of females in senior management positions > 27% 	<ul style="list-style-type: none"> Employee feedback email: speaklouder@skf.com.tw Feedback area on the Internet Dissuasion from leaving Labor-management meeting Employee survey Sexual harassment grievance email: shinkong113@skf.com.tw 	<p>4.1 Diverse Recruitment</p> <p>4.2 Nurturing Talent</p> <p>4.3 Happy Workplace</p>

Material Issues and Description of impact	Management Mechanism	Policy	Commitment	Target	Communication Channel/ Complaints Mechanism	Outcome and Action
 <p>Risk management</p> <p>For the main risks faced in insurance industry, major global political and economic issues, environmental issues, and emerging risks, we have established relevant risk management regulations and guidelines to assess the impact of these risks. In addition, through the implementation of Business Continuity Management Systems (BCMS), we have strengthened our ability to respond to and recover from major events, safeguarding the interests of customers and all stakeholders, which has positive impacts on society and the economy.</p>	<p>SKL establishes relevant risk management mechanisms and regulations for major risks and reviews the implementation status of risks by the Risk Management Committee on a quarterly basis. Subsequently, an overall risk management report is submitted to the Board of Directors.</p> <p>Regular risk assessments are conducted for operational continuity interruptions, and departmental Business Continuity Plans (BCP) are continuously</p>	<p>Risk Management Best Practice Principles in the Insurance Industry SKL Risk Management Policy Business Continuity Management</p>	<p>Continuously monitor both internal and external environmental changes for potential risk impacts on the Company. Strengthen and enhance the existing risk management mechanisms accordingly.</p>	<ul style="list-style-type: none"> Implement effective risk management practices to swiftly address emerging risks. Introduce new measures or reinforce existing ones to ensure robust risk management. Consistently improve and refine BCMS to meet the Company's operational continuity needs and conduct regular drills and exercises to validate its adequacy and effectiveness. 	<p>The following information on risk and crisis management is conveyed to the public on the company website and in the annual report:</p> <ul style="list-style-type: none"> Composition, responsibilities, and operations of the Risk Management Committee Risk management information Annual report - risk management and assessment 	6.2 Risk management
 <p>Innovation and digital finance</p> <p>SKL prioritizes people and adopts a user-centric design approach. We continuously enhance our offerings in response to policyholder needs, societal changes, advancements in underwriting technology, and product development. We strive to provide a wide range of insurance services and digital technologies that cater to these factors. Moreover, we collaborate with government agencies, academic institutions, and social enterprises to deliver diverse digital services to the public, thereby making a positive impact on society and the economy.</p>	<p>Adopting a people-oriented approach, SKL innovates customer experience through technology. We also strengthen the supervisory function to implement the fair treatment of customers. In addition to setting out indicators for tracking and monitoring, we continue to explore new opportunities for customer service.</p>	<p>Act to Implement the Convention on the Rights of Persons with Disabilities Guidelines for Friendly Financial Service in the Insurance Industry SKFH Financial Inclusion Policy</p>	<p>We improve processes and services based on user-driven design to enhance user experience and increase the diversity and accessibility of financial services.</p>	<p>Continuously change the service model for business transformation, deepen customer relationship, improve business performances, and expand applications</p>	<ul style="list-style-type: none"> Customer service hotline: 0800-031-115 	5.2 Innovative Digital Services
 <p>Actions for climate change</p> <p>While climate change may cause economic and environmental impacts to our business operations in terms of costs and revenue, it also presents opportunities for the industrial transformation. We have implemented the TCFD framework, set carbon reduction targets and implemented measures to reduce our operational carbon footprint. Furthermore, we utilize our financial resources, such as the management of carbon-intensive industries and green investments, to facilitate the transition to a low carbon economy. These efforts allow us to leverage our financial influence and contribute positively to both the environment and the economy.</p>	<p>Following the climate governance mechanisms in accordance with the TCFD framework, SKL has Sustainable Finance Group, Environmental Protection Group and TCFD Group under the Corporate Sustainability Committee in place to incorporate carbon reduction targets and TCFD implementations into the KPIs of the company. We follow up on their achievements each quarter and report to the Board of Directors on a regular basis.</p>	<p>Guidelines on Climate-related Financial Disclosures of Insurance Companies Environmental Policy Greenhouse Gas Reduction and Management Act SKFH Regulations for Greenhouse Gas Reduction and Carbon Pricing</p>	<p>We continuously pay attention to climate risks, plan mitigation and adaptation measures, and practice low carbon business operations, hoping to address the impacts of climate change.</p>	<ul style="list-style-type: none"> Implement climate risk management and conduct TCFD in accordance with the regulations Reduce GHG emissions (Scopes 1 and 2) by 2% annually Achieve net zero emissions at the headquarters and all other offices by 2030 	<ul style="list-style-type: none"> Disclose the implementation of our climate change management through our sustainable official website and annual reports We, together with SKFH, have joined the Taiwan Alliance for Net Zero Emission to promote the initiative, "Net Zero 2030/2050". In addition to energy conservation and carbon reduction practices within the organization, we hold annual events such as "Earth Hour" and "Light Shirts in Summer". 	2 Strengthening Climate Resilience
 <p>Legal Compliance</p> <p>Build a comprehensive legal compliance management and oversight framework and review the compliance level of each department. Conduct regular training and education to enhance the legal compliance awareness of all employees, ensuring company compliance and optimizing customer service while reducing operational risks and the risk of penalties to achieve positive impact on the economy</p>	<p>We conduct regular self-assessments on the effectiveness of compliance. In the event of major disciplinary actions, we will report the cause, possible impact, and recommendations for improvement of material deficiencies or malpractices to the Board of Directors.</p>	<p>Internal Control System Rules and Procedures for Compliance Assessment Regulations for Reporting Material Compliance Incidents</p>	<p>The Company aims to ensure that business operations comply with laws and regulations.</p>	<p>Develop the compliance personnel to help drive corporate compliance and mitigate the risk of disciplinary actions</p>	<ul style="list-style-type: none"> Employee feedback email: speaklouder@skl.com.tw Complaint email: whistleblower@skl.com.tw Supplier complaint hotline: (02)2389-5858#2002 	6.1 Corporate governance and ethical management
 <p>Information security</p> <p>Commit to providing customers with a sense of security and continuously promote a culture of information security, mitigating the risks of improper data usage and privacy violations, to achieve positive impact on business operations and human rights.</p>	<p>We set up the Information Security Committee, along with the Information Security and Personal Data Protection Group under the committee, to promote information security and personal data protection, including maintaining the information security and personal data management system etc.</p>	<p>Information Security Policy Personal Data Protection Policy Privacy Statement</p>	<p>We are committed to living up to the highest standards for personal data protection and information security, demonstrating our determination and obligation to maintain the confidentiality and security of information.</p>	<p>Strengthen employees' awareness of personal data protection and compliance with laws and regulations</p>	<p>Opinions can be submitted through competent authorities, service locations and business operations, and other complaint channels, including telephone, email and letters, fax, as well as stakeholder area of the company website.</p> <ul style="list-style-type: none"> Customer service hotline: 0800-031-115 Complaint email: whistleblower@skl.com.tw 	6.3 Information security

1.5 Stakeholder Engagement | GRI 2-29 |

Shin Kong Life identified eight groups of stakeholders, and used various channels to communicate with stakeholders about their concerns and respond in a timely manner. Through the operations of the Corporate Sustainability Committee, SKL also integrates ESG topics that concern stakeholders into the responsible groups' annual to-do list. The implementation of these topics is regularly reviewed and reported to the Board of Directors. Communication results in 2022 are as follows:

Issues and Results of Communication with Stakeholders

Stakeholder / Importance to SKL	Concerned Issues	Channel of Communication	Frequency of Communication	Communication Results in 2022
 <p>Shareholder/ Investor Robust financial performance and effective investment risk management are topics that shareholders and investors care about.</p>	<ul style="list-style-type: none"> Financial performance Sustainable finance Corporate governance and ethical management Social participation 	Shareholders' meeting Extraordinary shareholders' meeting Institutional investors' conference Company website Market Observation Post System (MOPS)	Annually Irregular Quarterly Permanent Permanent	<ul style="list-style-type: none"> Held the annual shareholders' meeting, and set up a shareholders' equity area on the company website to disclose matters such as corporate governance and shareholders' equity Held 8 institutional investors' conferences in both Chinese and English with SKFH Set up an information disclosure area on the company website to regularly disclose information on the finances, credit rating, corporate governance, and fulfillment of corporate social responsibility Posted financial statements, annual reports, and other information on the MOPS
 <p>Employee Employees are an important asset for the sustainable development of the Company. How to correctly convey SKL's people-oriented approach through employees and actively respond to employees' opinions is the key to long-term business viability.</p>	<ul style="list-style-type: none"> Financial performance Talent recruitment and retention Talent cultivation and development Occupational health and safety Human rights and decent work 	Feedback area on the Intranet E-newsletters (HR & OHS) Email and hotline for employee communication Labor-management meeting Employee engagement survey Occupational Safety and Health Committee Labor on-site health services	Permanent Irregular Permanent Quarterly Once every two years Quarterly Twice per month	<ul style="list-style-type: none"> Added 28 comments to the feedback area on the Intranet Issued 4 HR e-newsletters to publicize incentives and benefits, internal vacancies, and new employees; issued 1 OHS e-newsletters and 20 articles to promote epidemic prevention and occupational safety and health Received 2 employee complaints and 4 labor disputes Held 4 labor-management meetings Employee satisfaction rate: 70% Convened Occupational Safety and Health Committee 4 times Conducted 668 on-site health service sessions, totaling 1,356 hours
 <p>Policyholder Insurance is all about serving people. To ensure business sustainability, SKL timely responds to and meets the diverse policyholders' needs for products and communication and continuously enhances service.</p>	<ul style="list-style-type: none"> Risk management Corporate governance and ethical management Sustainable finance Innovation and digital finance Social participation 	Customer service hotline (080) Company website SKL app EDM Policyholder quarterly Service locations SKL Facebook fan page Satisfaction survey Insured care project Complaint/Reporting email	Permanent Permanent Permanent Irregular 4 times/year Permanent Permanent Regular Irregular Permanent	<ul style="list-style-type: none"> NPS: 82.8% Answered nearly 500,000 customer service calls, with an 95.8% satisfaction rate (Refer to 5.3.2 Customer Service and Communication Results of the presentation (please see the link for details))
 <p>Key investees and borrowers We pay close attention to investees and ensure the availability of sufficient and effective information on investees to maximize the interests of customers and shareholders.</p>	<ul style="list-style-type: none"> Financial performance Sustainable finance 	Institutional investor's due diligence report Institutional investors' conference/shareholders' meeting Personal visit	Annually Annually Irregular	<ul style="list-style-type: none"> Published the institutional investor's due diligence report Attended a total of 174 shareholders' meetings (Participation Rate 100%) Voted on 887 proposals Distributed SKL Climate Change Risk Survey questionnaire, response rate reached 75%

Stakeholder / Importance to SKL	Concerned Issues	Channel of Communication	Frequency of Communication	Communication Results in 2022
 <p>Community and NPO/NGO Having long adhered to the business philosophy of giving back to society, SKL strives to invest resources in the communities to promote social welfare.</p>	<ul style="list-style-type: none"> Sustainable finance Risk management Corporate governance and ethical management Business impact on the environment 	Lecture Art and cultural activity Philanthropic activity Disaster relief Foundation Website	Irregular Irregular Irregular Irregular Permanent Permanent	<ul style="list-style-type: none"> A total of 56 seminars on health promotion and financial education were held, targeting different ethnic groups, with 35,924 participants. Sponsored local art and cultural activities such as Beehive Fireworks Festival and Dajia Mazu Pilgrimage Worked with Shin Kong Life Foundation and NPOs/NGOs to increase the public awareness of environmental issues and organize philanthropic activities for the elderly Invested NT\$70.86 million in social participation, benefiting approximately 520,000 participants (Refer to CH8 Creating a Society of Mutual Benefit)
 <p>Government and competent authority As banking and insurance are highly regulated by competent authorities, SKL maintains sound and steady operations in strict compliance with the laws and regulations.</p>	<ul style="list-style-type: none"> Sustainable finance Legal Compliance Risk management Information security Innovation and digital finance Customer relations and service quality Financial inclusion Actions for climate change 	Official letter Meeting organized by the competent authority Court activity Seminar	Irregular Irregular Irregular Irregular	<ul style="list-style-type: none"> Ranked top 20% in the corporate governance evaluation Attended policy discussions and seminars organized by competent authorities
 <p>Supplier We partner with suppliers to meet the stakeholders' needs in course of achieving sustainable development.</p>	<ul style="list-style-type: none"> Supplier sustainability management Information security Legal Compliance Occupational health and safety 	Suppliers' commitment statement Price negotiation meeting Contract negotiation Supplier meeting Complaint hotline	Irregular Irregular Irregular Irregular Irregular	<ul style="list-style-type: none"> Had 100% of new suppliers sign the supplier CSR commitment letter Conducted a human rights risk assessment for suppliers in terms of labor relations, privacy protection, and occupational safety and health (Refer to 7.2 Sustainable Supply Chain)
 <p>Media/Evaluation institution The media/evaluation institutions play a vital role in carrying messages for SKL. To ensure unimpeded communication with stakeholders, it is important to maintain good interaction with the media/evaluation institutions.</p>	<ul style="list-style-type: none"> Legal Compliance Corporate governance and ethical management Actions for climate change Business impact on the environment Sustainable finance Financial inclusion Information security Talent cultivation and development 	Evaluation survey Seminar/Workshop Press release Press conference Interview	Irregular Irregular Irregular Irregular Irregular	<ul style="list-style-type: none"> Participated in competitions such as National Brand Yushan Award, Commonwealth Magazine ESG Sustainability Awards, and Faith, Hope & Love Awards of Insurance Issued 1,021 press releases (media coverage) Organized 5 press conferences Arranged and facilitated 69 media interviews