新光金控 | 新光人壽 Shin Kong Life

2022 SUSTAINABILITY REPORT

THE LIGHT IN YOUR HEART

Reporting Standards

| GRI 2-3、2-4 |

Aiming to become a benchmark company for sustainable operation and a trusted financial partner, Shin Kong Life Insurance Co., Ltd. always adopts business strategies taking carbon reduction, innovation, and mutual benefit into account. We are committed to creating corporate sustainability value for the environment, society, and all shareholders. We publish the sustainability report every year for stakeholders to learn about our efforts and achievements on sustainable management.

Boundary and Scope

The specific environmental, social, and governance (ESG) results of Shin Kong Life Insurance Co., Ltd. (hereinafter referred to as Shin Kong Life, SKL, or the Company) in 2022 (January 1 to December 31) are disclosed in this report. The contents of this report and performance data cover the operations of SKL and Shin Kong Life Foundation. The scope of disclosures in this report is not significantly different from the scope in the previous version. To enhance the disclosure of this report, some economic and environmental data have been restated due to adjustments to the boundary, calculation methods, or data sources. The differences from the previous version of this report will be clearly stated.

In addition, some performance data have also been backdated to 2020 to show the effectiveness of projects and indicator trends. This will give readers an insight into the real action and progress of our commitment to corporate sustainability.

Basis for This Report

This report has been compiled in accordance with the international and domestic guidelines, standards, and regulations as follows:

Issued by	Guidelines/Standards/Regulations
The Global Reporting Initiative (GRI)	• GRI Universal Standards 2021 • G4 Financial Services Sector Supplement
Sustainability Accounting Standards Board, SASB	Standards for the insurance industry
Financial Stability Board, FSB	Task Force on Climate-Related Financial Disclosures (TCFD) framework
The United Nations	• Sustainable Development Goals (SDGs) • Principles for Sustainable Insurance (PSI) • The Global Compact's Ten Principles

Third-Party Verification of the Report

SGS Taiwan has certified that the contents of this report comply with AA1000 AS v3 (Type 2 assurance) and SASB’s Insurance Industry Standards, as well as conform with the requirements of the GRI Standards 2021 - Core Option. For the independent assurance statement, refer to the attachment to this report.

Standard

Category	Reporting Basis	Certification Institution
Sustainability	AA1000 AS v3 (Type 2 assurance)	SGS Taiwan
	SASB's Insurance Industry Standards	
	TCFD Performance Assessment Statement at disclosure level	
Finance	Annual financial statements	Deloitte & Touche
Risk Management	ISO 22301 Business Continuity Management System (BCMS)	British Standards Institution (BSI)
Information Security	ISO 27001 Information Security Management System (ISMS)	
	BS 10012 Personal Information Management System (PIMS)	
Environment	ISO 14046:2014 Water Footprint	
	ISO 14064-1:2018 Greenhouse Gases	SGS Taiwan
	ISO 50001:2018 Energy Management System (EnMS)	
Customer Service	Royal Mystery Shopper (RMS)	British Standards Institution (BSI)
	ISO 10002:2018 Customer Satisfaction Management System	
Occupational Safety	ISO 45001 Occupational Health and Safety Management System (OHSMS)	SGS Taiwan

Release Information

SKL regularly publishes the Sustainability Report each year. Readers may also download the electronic version of the report on our corporate sustainability website.

- Current version: June 2023
- Previous version: June 2022
- Next version: June 2024

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SKL Chairman

Po-Tseng Pan

Message From the Chairman and President

| GRI 2-14、2-22 |

Looking back at 2022, the global environment and society were impacted and faced concerns due to various factors such as the resurgence of the COVID-19 pandemic, the outbreak of the Russian-Ukrainian war, escalating inflation, and interest rate hikes by central banks. In addition, challenges such as climate change, digital transformation, aging population, and declining birth rates further tested the adaptability and resilience of businesses worldwide. In the face of such severe challenges, Shin Kong Life Insurance has adopted a positive and proactive approach, viewing crises as opportunities and seizing every chance to excel. Through the operation of our Corporate Sustainability Committee, we have enhanced the sustainability knowledge and capabilities of our directors, senior executives, and employees at all levels. We strive to align with International Financial Reporting Standards 17 (IFRS 17) and Insurance Capital Standard 2.0 (ICS version 2.0), while incorporating climate change into our risk management scope. We continue to develop high-quality and innovative insurance products and digital services for our customers, accelerate talent transformation, and provide employees with a more friendly work environment and excellent benefits. By collaborating with our partners, we further expand our sustainable impact to achieve mutual benefit. In 2023, as Shin Kong Life celebrates its 60th anniversary, we embrace the theme of "Shin Kong 60: Sustainable Innovation" as our annual strategic slogan, in the hopes of integrating the values of "Low Carbon, Innovation, and Mutual Benefit" into our business operations to fulfill every commitment, and meet the expectations of all stakeholders.

Low Carbon

Low Carbon and Net Zero , Green Operations

With our parent company, Shin Kong Financial Holdings, joining the Taiwan Alliance for Net Zero Emission in 2021 and setting a net zero carbon reduction target for 2030, SKL has also established goals to achieve net zero carbon emissions for the headquarters by 2026 and for the headquarters and major office locations by 2030. In 2022, we completed the formulation of our net zero plan. On the one hand, efforts are made to reduce operational energy consumption through the development of sustainable green buildings, the replacement with energy-saving equipment, and the promotion of changes in employee behavior. On the other hand, together with our parent company, we are committed to developing a more concrete net zero emission pathway through Science-Based Targets initiatives (SBTi) to reduce carbon emissions from our investment portfolios and support investments in renewable energy and green financing. At the same time, we focus on improving climate change risk management and the quality of related information disclosure. Climate change issues are considered in operational planning, risk management policies, and risk appetite, while climate-related financial disclosures have been conducted in accordance with the TCFD framework, as well as obtained external verification.

Innovation

Innovative Services and Excellent Experiences

SKL keeps pace with the times by leveraging digital technology to optimize customer experiences and enhance operational efficiency. As the insurance service journey starts with the customer end, we have pioneered the development of the "Policy Appraiser" web page using OCR technology, providing policyholders with the most convenient insurance coverage analysis tool. By introducing the "Light Speed Insurance" service, we have led the trend of zero-contact and paperless insurance application. We have interfaced with the "Claims Consortium Blockchain 2.0" and "Autonomous Personalized Data Application Platform (MyData)" to expedite claims processing and review. Simultaneously, we have upgraded our official LINE

Message From the Chairman and President

account, official app, and website member area to ensure that customers have a seamless and high-quality service experience at every touchpoint. Furthermore, we have incorporated ESG, fair customer treatment and friendly financial services into product design, marketing, and claims appeal services. In 2022, we developed the industry's first ESG trend products, such as "Air Pollution Insurance Policy" and "Food Safety Insurance Policy," to help the public counter air pollution and food safety threats. Also, we have designed products to meet the needs of the elderly, people with disabilities, economically disadvantaged groups, and young people by strengthening KYC, KYP, and protection mechanisms against exploitation of the elderly. Our efforts have received 4 recognitions, including "Excellence Award in the Evaluation of Fair Treatment of Customers", "Micro-insurance Outstanding Performance Award", "Disability Care Award" and "Outstanding Performance Award in Aging Insurance Competition" by FSC. "SKL Hao Shi Guang Insurance Plan" has also won the 19th National Brand Yushan Award for Best Product.

Furthermore, we facilitate talent transformation through digital empowerment. In 2022, we organized an AI digital talent training program to stimulate creative solutions and introduced AI signature recognition to enhance underwriting efficiency and accuracy. We also launched the e-agent project, leveraging big data and mobile commerce apps to assist our insurance agents in customer management and precision marketing. The project has significantly strengthened our digital business capabilities and expansion potential.

Mutual Benefit

Creating a Sustainable and Better Home

To expand SKL's own financial influence, we have distributed climate change questionnaires to investment and financing targets, taken engagement actions, and strengthened risk assessments of carbon-intensive industries. We have implemented responsible investment and fulfilled stewardship, with the amount of ESG-themed investments reaching NT$213.9 billion in 2022. We also extend our influence to the supply chain by requiring cooperation from suppliers to sign commitment statements and adhere to our ESG policies during procurement while conducting supplier risk assessments and on-site audits.

With the belief that "what is taken from the society should be given back to the society", we have contributed to social welfare through three main focuses: "all-round development, health promotion, and environmental sustainability," which align with the United Nations' Sustainable Development Goals (SDGs). We continue to organize various artistic and cultural events to encourage youth development and self-expression. Through collaboration with the Digital Humanitarian Association, we have leveraged our core competencies in the "Remote Health Promotion for Rural Communities" program, providing online health courses and professional medical consultations to elderly individuals in remote areas. We launched the "Happy Dining Table with an Acre of Land" project, signing the "Pledge of Mutual Benefit" with smallholder farmers and donating NT$100 to the Alliance of Taiwan Foodbanks for each food safety policy sold, fulfilling our commitment to public welfare. By highlighting biodiversity and promoting the Reef Check program, we have cultivated professional divers and marine educators, and contributed to the preservation of marine ecology. We have also actively encouraged employees to participate in volunteer activities, supporting community well-being and bringing light to every corner.

With Light, Every Expectation is Realized

The 60th anniversary is a new milestone for SKL. Looking ahead to the next decade and facing the ever-changing external environment, we will fear no difficulties and continue to listen to the voices of stakeholders. With a forward-looking vision and firm determination, we will promote sustainable management and expand the value of sustainable finance. We strive to become a benchmark enterprise for sustainable business and a trusted financial partner of the public. Together with all sectors, we safeguard a sustainable home and work towards a better future.

SKL President

Min-Yi Huang

Awards and Achievements in 2022

Sustainable Operation

24th Trusted Brands of Reader's Digest
Golden Awards

5 awards in the 24th Insurance Faith, Hope & Love Awards
Best Social Responsibility Award, Best Channel Strategy Award, Best Insurance Expertise Award, Best Integrated Communication Award, and Best Professional Consultant Award

5 awards in the 19th National Brand Yushan Award
Top Honor for Enterprise and product, Outstanding Enterprise Award, Best Popular Brand Award, and Best Product Award for two insurance products

2 awards in the 15th Taiwan Corporate Sustainability Awards
Corporate Sustainability Report – Finance and Insurance, Platinum Award, Top 100 Sustainable Companies Award

4 awards in the 29th Insurance Quality Awards
Excellence Award in Most Well-Known Insurer, Outstanding Award in Best Sales Representative, Best Claim Services, and Most Recommended Insurer categories

Green Life Insurance

Buying Power by the Small and Medium Enterprise Administration, M.O.E.A.
First Prize

2022 Plan for the Promotion of Green Procurement and Consumption in Enterprises and Organizations
Outstanding enterprise

Taiwan Real Estate Excellence Award
Best Construction Quality and Best Planning and Design

The National Golden Award for Architecture
Planning and Design Golden Award and First Prize for Construction Quality

Friendly Services

2nd Business Times Digital Finance Award "Digital Information Security Award"

2 Taiwan Financial Awards
Won the Best Recommended by Life Insurance Policyholders Award and Life Insurance Service Quality Award

5 CSEA awards for excellent customer services
Won awards for Best Social Media, Best Service Innovation, and Best Intelligent System Applications, and Best Customer Service system Application, and also won GCCA China Customer Center Alliance Award

4 awards from the Financial Supervisory Commission
Evaluation of Fair Treatment of Customers Excellence Award and Microinsurance Outstanding Performance Award, Disability Care Award, Excellent Performance in Insurance for the Elderly Award

The Best Business Transformation Innovation Award in the 6th Digital Singularity Award

The BSI Information Resilience Excellence Award

4 awards in the 17th Golden Torch Award
3 awards in Innovation Design of the Year and 1 Customer Satisfaction Award

Happy Enterprise

The Exercise Enterprise Certification from the Sports Administration, Ministry of Education for 4 consecutive years

2022 Insurance Dragon and Phoenix Award
Outstanding Award in Best Insurance Companies for Finance Graduates Office and Field categories

Key Sustainability Achievements

LOW CARBON

Strengthening Climate Resilience

- Compliance with TCFD framework, with third-party verification by SGS
- 100% coverage rate of carbon emissions inventory for investment portfolios
- Carbon intensity of 2.649 tCO2e for investment portfolios
- Investments in renewable energy power plants reduce 63,321 tCO_2e

Towards a Net Zero Future

- SO 14064-1:2018 certification of GHG management system, covering 100% of business sites (including overseas)
- SKL's own sales channels e-insurance usage rate: reached 95.7%
- E-based mobile carbon reduction of 144.8 tCO_2e, saving paper equivalent to the height of 4 Taipei 101 buildings
- SKL has obtained a total of 6 Green Building Labels,1 candidate for Green Building Labels, and 1 US LEED certificate

INNOVATION

Nurturing Diverse Talents

- Retention rate of outstanding talent: 96.2%
- Employee stock trust subsidy totaling NT$75.84 million
- Exceeding legal requirements for employing employees with disabilities; issuance of indigenous employment incentive funds of approx. NT$11.58 million
- Increase of 2 days of study leave; allocation of NT$25.48 million for professional certification incentive allowances and awards

Excellent Customer Experience

- Overall NPS for policy administration process: 82.8%, a 4% increase from the previous year
- "First in the insurance industry" to interface with Autonomous Personalized Data Application Platform - Mydata by NDC
- Pioneering air pollution insurance rider and food safety insurance
- Micro-insurance benefiting over 46,000 individuals, providing coverage worth over NT$14.18 billion

MUTUAL BENEFIT

Realizing Sustainability Governance

- Enhancing board functions, with a total of 181 hours dedicated to ESG training for directors
- Acquirement of international certifications related to business continuity and information security, including ISO 22301, ISO 27001:2013, and BS 10012:2017

Unleashing the Importance of Sustainable Finance

- Distribution of climate change and investor questionnaires with a response rate of 75%
- Total amount of investments in ESG-themed projects exceeding NT$213.9 billion, with ESG financing reaching NT$7.92 billion
- 176 new suppliers engaged to sign CSR commitment statements

Creating a Society of Mutual Benefit

- SROI of NT$9.85 achieved by Happy Dining Table with an Acre of Land" project, an increase of NT$4.15 compared to the previous year
- Over 90% of social engagement expenses attributed to business initiatives and community investment in public welfare activities
- Total number of volunteer participants for the year: 11,622, cumulative service hours: 69,571.4

Sustainability Featured Column

Low Carbon Constructing Green Buildings

In the digital and technological society, people's lifestyles have gradually changed. The planning and design of the Shin Kong Life Buildings must conform to sustainable concepts such as ecology, energy conservation, carbon reduction, safety, and health. To comply with the connotation of sustainable building design, we have scrutinized ourselves with the highest standards, aiming to construct buildings with post-disaster recovery capability and sustainability in line with SDG 11. We have obtained certifications such as the Green Building Label - Silver, Intelligent Building - Silver, Earthquake-Resistant Label, and Intelligent Building Label. We are committed to reducing building energy consumption and practicing low carbon and healthy living.

Shin Kong's green building design adopts seven indicators including greenery, soil water retention, daily energy saving, CO2 reduction, construction waste reduction, water resources, and sewage and garbage improvement. We strive to create low carbon smart green buildings by planting a large number of trees and shrubs in the base, installing energy-efficient air-conditioners and LED lights, water-saving bathroom equipment, garbage refrigerators, and adopting considerable quantities of green building materials. At the same time, in response to the post-pandemic era, the air conditioning system is equipped with fresh air exchange regulation to effectively prevent indoor airborne cross-infection. The overall design showcases a new green and low carbon urban style.

As of 2022, we had applied for Green Building Labels for 7 buildings, including 6 Green Building Labels (obtained) and one candidate for Green Building Labels, and obtained one LEED credential. We also expect to apply for Green Building Labels for six projects that will start construction in 2022 or are still under planning. As Shin Kong Life Insurance celebrates its 60th anniversary, the renovation of its first self-owned "ancestral home" - Nandong Building, along with the construction of a new headquarters in Kaohsiung, symbolizes a new era of moving towards a centennial milestone for the Company to continue its legacy sustainably.

Green Building Milestones

Shin Kong Xinban Financial Building	Shin Kong Nangang Software Park Building	Shin Kong Jasper Villa Jiantan	Shin Kong Jasper Villa Xinban- Base C	Shin Kong Jasper Villa Shuiyang	Shin Kong Jasper Villa President
Diamond	Gold	Silver	Gold	Gold	Silver
2017/08	2020/10	2021/02	2021/03	2021/09	2022/08

Sustainability Featured Column

Innovation

Life Lab.

Shin Kong Life Insurance established the LIFE Lab., a new type of insurance experience store, in 2018, to provide a wider range of insurance services to the public and create an integrated virtual and physical insurance service experience. The integration of online digital services and offline store experiences through digital financial tools and excellent consultation service processes has allowed for the provision of digitized, real-time, and accurate insurance concepts that assist the public in effective life planning and risk awareness.

LIFE Lab. enhances the value of insurance and customer experience through innovative digital tools and multiple channels, raising public awareness and appreciation of insurance; Additionally, it contributes to SDG 8, the sustainability goal of economic development, by lowering the average age of policyholders to 39.2 years old, reducing the future burden on social welfare systems, and achieving the mission of social benefit.

By 2022, LIFE Lab. has established its innovative services in locations such as Taipei Main Station, Banqiao, and Songshan, with the aim of benefiting more people. Through continuous innovation, LIFE Lab. has achieved significant results for the Company, including:

For online digital services, we have been actively using our online platforms to deliver the latest insurance knowledge to the public. Since 2018, we have reached 429,948 people through our social media channels; In 2018, we developed the Life Lab +APP, which integrates life insurance consultation, digital services, and interactive technology to facilitate people in completing 22,152 career planning reports online. In 2021, we established the Online Store, an online virtual store that provides services such as career planning and product consultation to people beyond geographical limitations, and we have served a total of 6,534 people so far; In July 2022, we launched the Policy Appraiser, which combines OCR intelligent image recognition technology to speed up the process of individual policy health checks. To date, it has been used by 1,079 people.

For offline physical stores, our flagship store in front of Taipei Main Station, designed as a coffee shop with interactive digital games, has attracted a younger clientele and shortened the distance between customers and insurance providers, with over 100,000 customers having already experienced it. On average, we interact with 62 people per day; The Xinban, Songshan stores, and the administrative center of Shin Kong Life Insurance are combined and manned by dedicated personnel to improve the quality of administrative services. The NPS scores for Xinban and Songshan stores are 90.3% and 85.7%, respectively, showing excellent customer satisfaction.

Innovation and continuous improvement of digital tools have transformed the traditional insurance service model from "sales actively seeking customers" to "customers finding LIFE Lab.." LIFE Lab. places greater emphasis on building customer relationships and developing correct life planning and risk management concepts. It has brought warmth to the relationship between the Company and our customers.

Sustainability Featured Column

Mutual Benefit

Happy Dining Table with an Acre of Land

Shin Kong Life Insurance has long been committed to health and food safety of our fellow citizens. We recognize that a healthy diet is fundamental to a healthy society, and we are dedicated to supporting the SDG 2 of zero hunger. Since 2017, we have launched the "Happy Dining Table with an Acre of Land" project, in collaboration with agricultural units of county and city governments throughout Taiwan and local farmers practicing friendly agriculture. With the Shin Kong Smallholder Farmers' Market as the starting point for happiness, we provide the Shin Kong Life Tower Plaza free of charge as a sales platform for local farmers to promote and sell high-quality agricultural products. By leveraging the corporate power, we aim to achieve the goals of shortening the food miles, reducing carbon footprints, and stabilizing the income of friendly farmers, thus promoting the sustainable development of Taiwan's agriculture and awakening the public's awareness of health.

In 2022, in the presence of the Agriculture and Food Agency, Shin Kong Life Insurance expanded the "Happy Dining Table with an Acre of Land" project, and signed a "Shin Kong's an Acre of Land Pledge of Mutual Benefit" with 67 local farmers to promote friendly agriculture and protect ecological balance. In addition to purchasing fresh seasonal fruits and vegetables from these farmers as corporate gifts, we also purchase agricultural products periodically to donate to socially disadvantaged groups, reducing the burden on social welfare institutions and achieving the goal of mutual benefit. At the same time, we encourage partner farmers to participate in food and agriculture education programs in schools to deepen students' understanding of the food they eat and the value of agricultural activities, and promote environmental friendliness and food safety knowledge; We also invite employees to participate in agricultural experiences, encouraging them to switch their mindset to experience life outside of work, to achieve a balance between work and life, and to further enhance their sense of identification with the Company. In 2022, the second year of the "Happy Dining Table with an Acre of Land" project, we introduced the Social Return on Investment (SROI) assessment, which resulted in a social value of NT$9.85 for every NT$1 invested, an increase of NT$4.15 from the previous year. This has indicated fruitful results from the expanded promotion.

Press conference for SKL Food Safety Lifetime Medical Health Insurance Rider

Moreover, we utilize our insurance expertise to incorporate the concept of protection into food safety issues, returning to the nature of the insurance industry as a social public welfare. In September 2022, we pioneered the "SKL Food Safety Lifetime Medical Health Insurance Rider", which provides policyholders with digestive system health protection, extending the sustainable diet concept of the "Happy Dining Table with an Acre of Land" project. For every policy sold, we donate NT$100 to the Alliance of Taiwan Foodbanks. In addition to financial support, we also encourage Shin Kong farmers to participate in sustainable food programs by donating quality ingredients that are about to expire. By connecting the corporate and social power, we help not only feed but also nourish disadvantaged families, in the hopes of achieving zero food waste and promoting the sustainable development of Taiwan with the spirit of "utilizing one acre of land to affect ten thousand acres."

SKL corporate volunteers assisting farmers in Changhua to harvest cabbage

SKL donated cabbage to Alliance of Taiwan Foodbanks

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

1963
Establishment of SKL

1983
Establishment of SKL Foundation

2012
Establishment of Corporate Social Responsibility dedicated unit
Issuance of CSR report

2013
Establishment of CSR Committee

2014
First financial insurance company to hold a supplier conference

2016
Signing of the "Stewardship Principles for Institutional Investors" compliance statement

2017
Voluntary adherence to the Principles for Responsible Investment (PRI) and Principles for Sustainable Insurance (PSI)

2020
Voluntary adherence to Sustainable Accounting Standards Board (SASB) guidelines

2021
Renaming of the "CSR Committee" to "Corporate Sustainable Committee".
Voluntary adherence to the Task Force on Climate-related Financial Disclosures (TCFD) framework
Membership in the Asia Investor Group on Climate Change (AIGCC)

2022
Publication of an English sustainability report

2023
Celebration of SKL's 60th anniversary

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

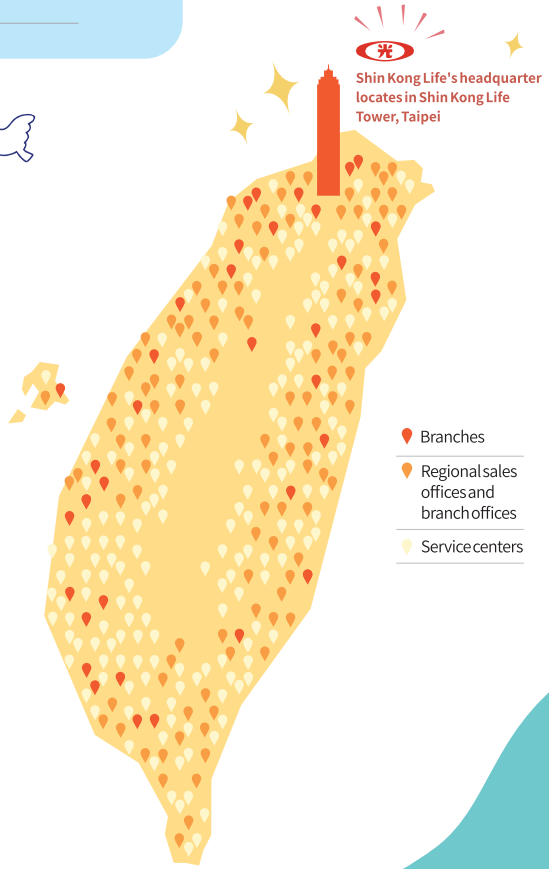
Domestic Operations across Taiwan

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.skl.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



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.

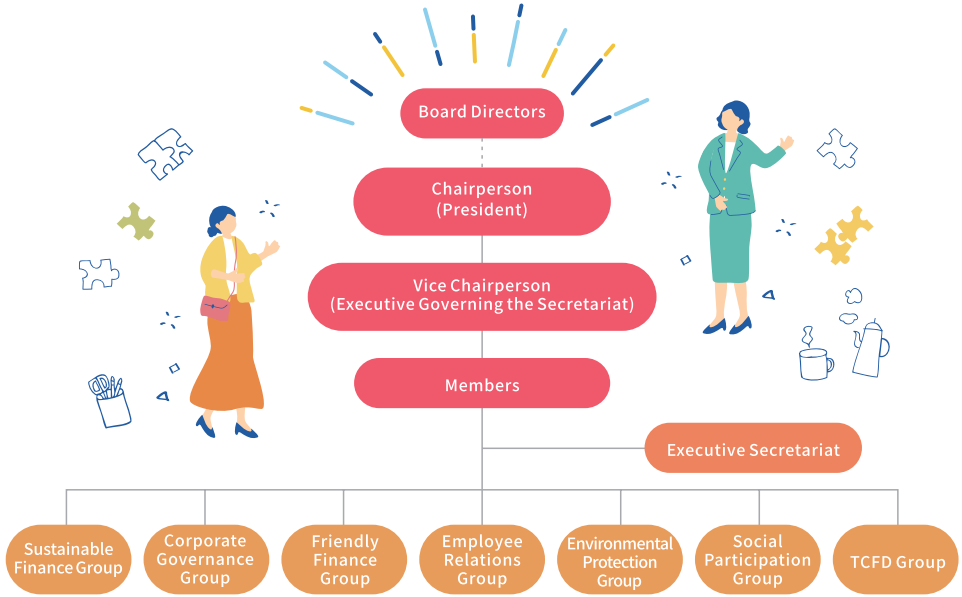
Engagement	Organization	
Strategic Membership	• Financial Ombudsman Institution • Life Office Management Association (LOMA) • Financial Information Sharing and Analysis Center (F-ISAC) • Fin & Tech under Taiwan Academy of Banking and Finance • Institute of Financial Law and Crime Prevention • Asia Investor Group on Climate Change (AIGCC) • International Insurance Society, Inc. (IIS) • Actuarial Institute of the Republic of China (Taiwan) • Taiwan Financial Services Roundtable	• 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
Director, Council Member or Supervisor	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 and1 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.

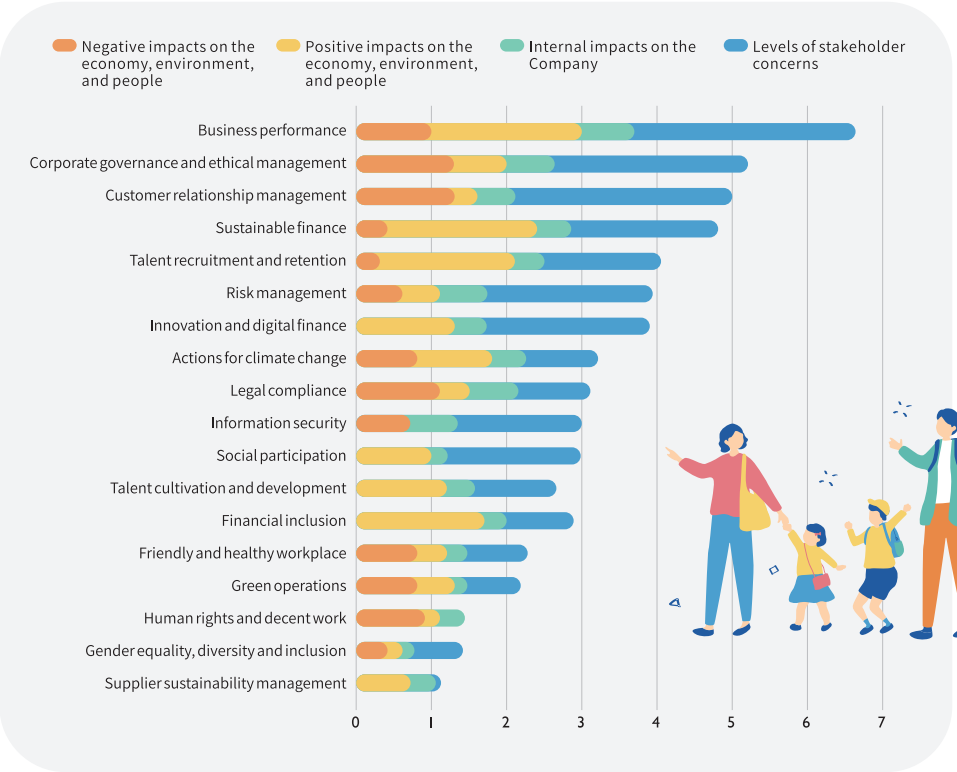
SKL's Material Issues Identification Procedure

Step 1	Collect sustainability issues	• Referred to international sustainable development trends, relevant norms and standards, the latest domestic policies and regulations, as well as significant issues in the financial industry. Identified a total of 18 sustainability issues in collaboration with our parent company, SKFH, adjusting the names of 6 issues this year based on international trends and industry practices.
Step 2	Identify communication targets and value chain	• Considered the parties that might be involved, influenced, or impacted by the operational processes through internal questionnaire surveys and meetings. Identified 8 key stakeholders, including shareholders and investors, employees, policyholders, important investment and credit recipients, government agencies, community/social organizations, NGOs/NPOs, suppliers, and media. Reviewed and summarized the businesses or entities involved in the Company's operational value chain upstream and downstream.
Step 3	Investigate stakeholders' level of concern	• Conducted questionnaire surveys through online platforms, investor meetings, and event lectures, and analyzed the content of calls received on the 0800 hotline to gather stakeholders' level of concern regarding the 18 sustainability issues. A total of 94 external stakeholder questionnaires and 18,373 calls were collected through the 0800 customer service line.
Step 4	Evaluate dual materiality	• Internal impact: Sent the "Material Issue Questionnaire" to relevant departments of the execution groups to assess the internal impacts of sustainability issues on the Company's revenue, costs, and risks. A total of 572 colleagues participated. • External impact: Introduced impact assessment tools and conducted surveys and interviews within the execution groups to evaluate the links between the 18 sustainability issues and positive/negative impact events on the economy, environment, and people (including their human rights), as well as the likelihood of occurrence and the value chain stages where impacts may occur.
Step 5	Analyze operationa impacts and prioritize	• The executive secretary analyzed the results of the internal and external impact assessment surveys of significant sustainability issues and prioritized them based on the level of concern from external stakeholders. Ten sustainability issues with significant impacts and high levels of attention were identified as material issues.
Step 6	Verify material issues	• The executive secretary reported the analysis process and results of material sustainability issues for the current year to the Corporate Sustainability Committee. The President and senior executives verified the integrity of the materiality matrix. The implementation results of material issue-related initiatives were also periodically reported to the Board of Directors.
Step 7	Verify disclosed contents	• The 10 verified material sustainability issues were disclosed in the 2022 Corporate Sustainability Report as highlights of response to stakeholders. The report included explanations of relevant impacts, management mechanisms, commitment goals, and performance related to the disclosed issues.

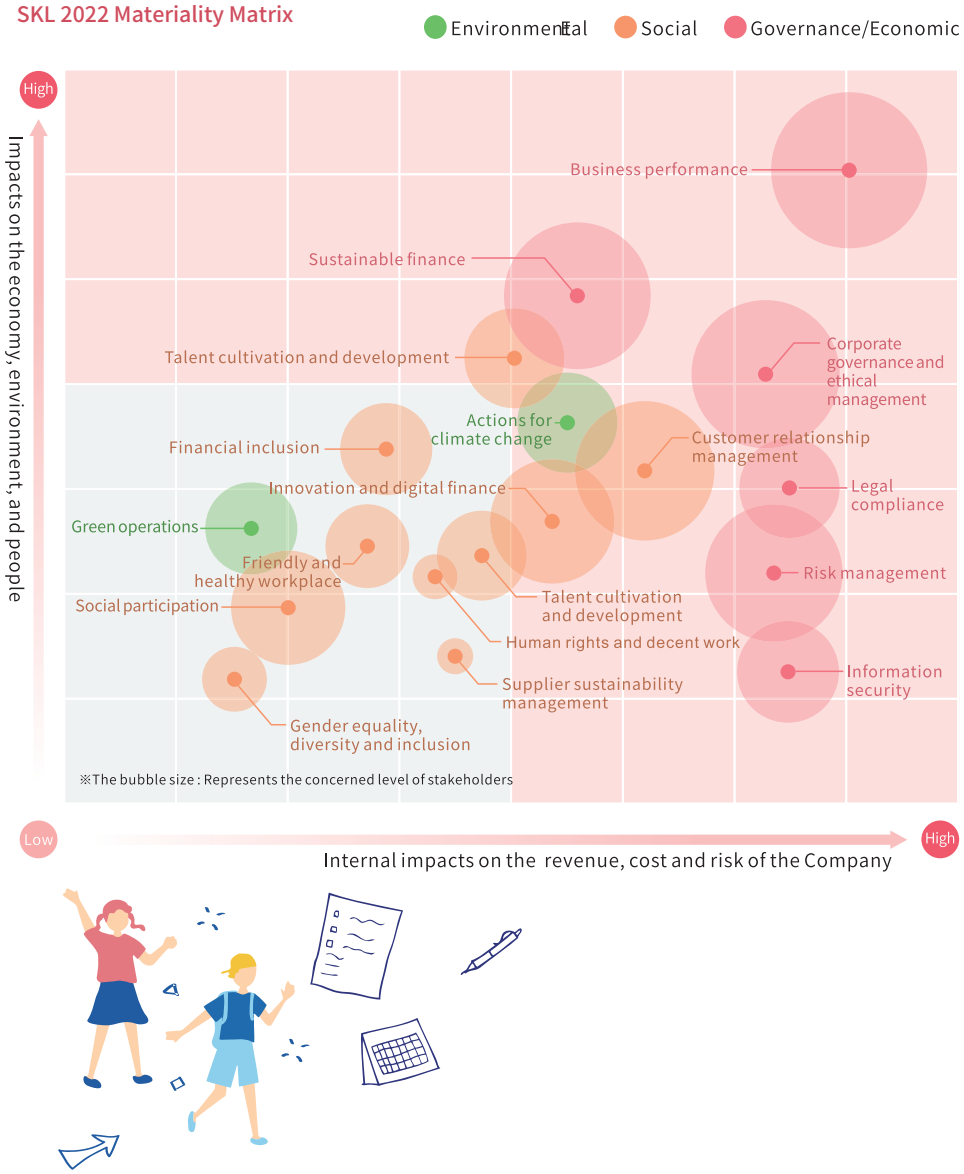
1.4.2 Material Issue Impact Assessment | GRI 3-2 |

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 – Supplier / Contractor	SKL – Operation	SKL – Distribution Channel	Downstream – 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
Financial performance	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.	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.	Corporate Governance Best Practice Principles Regulations for Performance Management and Development	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.	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	• Hotline: (02)2389-5858 • Investor relations email: ir@skfh.com.tw	1.1 About SKL
Corporate governance and ethical management	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.	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.	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	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.	Require that all staff should carry out business activities with fairness and integrity and in compliance with laws and regulations	• Email: whistleblower@skl.com.tw • Supplier complaint hotline: (02)2389-5858#2002 • Employee feedback mail: speaklouder@skl.com.tw	6.1 Corporate governance and ethical management
Customer Relationship Management	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.	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.	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	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.	Require that all staff should abide by the regulations to protect the interests of all stakeholders	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. • Customer service hotline: 0800-031-115 • Complaint email: whistleblower@skl.com.tw	5.3 Fair Treatment of Customers
Sustainable finance	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.	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.	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	We strive to strengthen responsible investing by investing in low carbon products or philanthropic activities to facilitate the sustainable development of the investees.	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	We communicate with investors about responsible investing operations through SKFH's investor conferences, shareholders' meetings, press releases, etc. • Investor relations email: ir@skfh.com.tw • Institutional investor due diligence area on company website	7.1 Promote sustainable finance
Talent recruitment and retention	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.	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	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	We aim to be a reassuring company that takes the best care of its employees by creating a friendly workplace.	By 2026: • 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%	• Employee feedback email: speaklouder@skl.com.tw • Feedback area on the Internet • Dissuasion from leaving • Labor-management meeting • Employee survey • Sexual harassment grievance email: shinkong113@skl.com.tw	4.1 Diverse Recruitment 4.2 Nurturing Talent 4.3 Happy Workplace

Material Issues and Description of impact		Management Mechanism	Policy	Commitment	Target	Communication Channel/ Complaints Mechanism	Outcome and Action
Risk management	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 assesse 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.	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. Regular risk assessments are conducted for operational continuity interruptions, and departmental Business Continuity Plans (BCP) are continuously	Risk Management Best Practice Principles in the Insurance Industry SKL Risk Management Policy Business Continuity Management	Continuously monitor both internal and external environmental changes for potential risk impacts on the Company. Strengthen and enhance the existing risk management mechanisms accordingly.	• 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.	The following information on risk and crisis management is conveyed to the public on the company website and in the annual report: • Composition, responsibilities, and operations of the Risk Management Committee • Risk management information • Annual report - risk management and assessment	6.2 Risk management
Innovation and digital finance	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.	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.	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	We improve processes and services based on user-driven design to enhance user experience and increase the diversity and accessibility of financial services.	Continuously change the service model for business transformation, deepen customer relationship, improve business performances, and expand applications	• Customer service hotline: 0800-031-115	5.2 Innovative Digital Services
Actions for climate change	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.	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.	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	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.	• 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	• 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
Legal Compliance	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	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.	Internal Control System Rules and Procedures for Compliance Assessment Regulations for Reporting Material Compliance Incidents	The Company aims to ensure that business operations comply with laws and regulations.	Develop the compliance personnel to help drive corporate compliance and mitigate the risk of disciplinary actions	• 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
Information security	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.	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.	Information Security Policy Personal Data Protection Policy Privacy Statement	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.	Strengthen employees' awareness of personal data protection and compliance with laws and regulations	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. • 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
 Shareholder/ Investor Robust financial performance and effective investment risk management are topics that shareholders and investors care about.	• 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	• 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
 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.	• 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	• 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
 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.	• 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	• 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)
 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.	• Financial performance • Sustainable finance	Institutional investor's due diligence report Institutional investors' conference/shareholders' meeting Personal visit	Annually Annually Irregular	• 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
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.	• 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	• 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)
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.	• 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	• Ranked top 20% in the corporate governance evaluation • Attended policy discussions and seminars organized by competent authorities
Supplier We partner with suppliers to meet the stakeholders' needs in course of achieving sustainable development.	• 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	• 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)
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.	• 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	• 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

LOW CARBON

Actions for climate change／Risk management／Sustainable finance

CORE VALUES

SKL shoulder environmental responsibility and recognize the impact of our operational activities on the environment and climate. We actively seek solutions to address climate change and other environmental challenges.

2. Strengthening Climate Resilience

3. Towards a Net Zero Future

2. Strengthening Climate Resilience

Facing the challenges of climate change, SKL actively responds to climate-related risks and opportunities as well as develops low carbon transition strategies. In addition to planning climate mitigation and adaptation measures, SKL also continues to seek new climate-related opportunities through investing and financing, and product development.

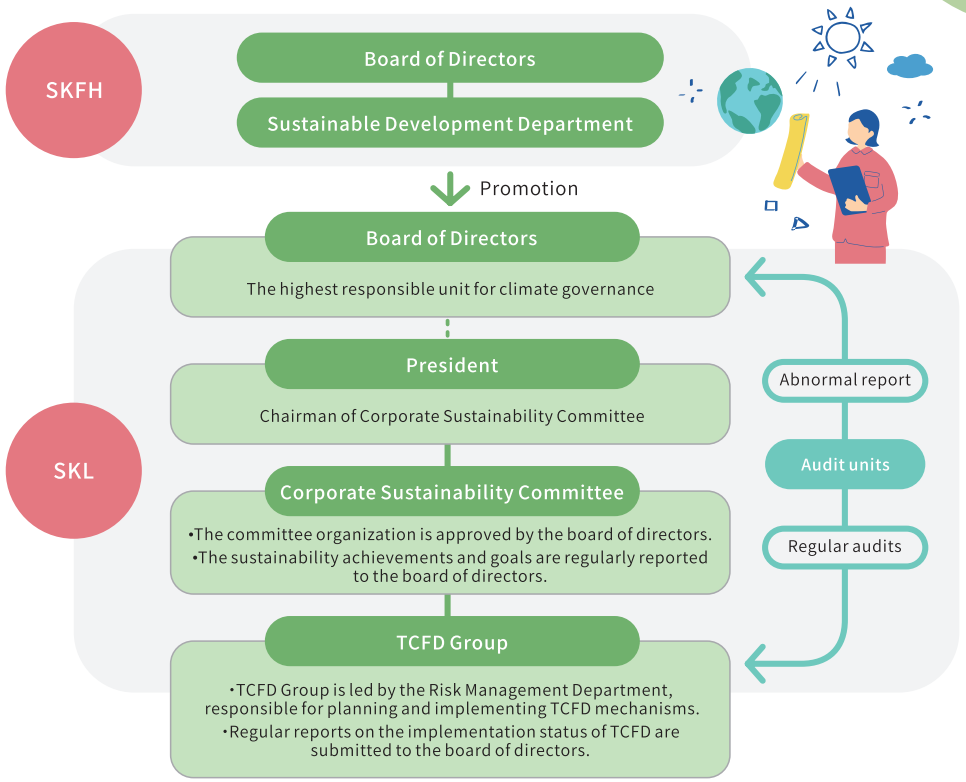
According to the Global Risk Report 2023 released by the World Economic Forum (WEF) in January 2023, the top two risks in the next decade are "Failure to mitigate climate change" and "Failure of climate-change adaptation." This highlights that climate change has become a common global risk, and taking action in response to climate change risks is crucial.

To strengthen climate resilience, following the strategies of SKFH and the introduction of TCFD framework, SKL established a climate governance mechanism (including governance, strategy, risk management, and metrics and targets). We identified climate-related risks and opportunities, and used scenario analysis to assess the potential financial impact of climate change on the Company, and further established management processes, developed climate strategies, and set relevant metrics and targets. Through the disclosure of relevant information according to the TCFD framework, we hope to explore opportunities for transformation. SKL's governance of climate-related risks and opportunities is structured around the four TCFD core elements as follows:

2.1 Climate Governance | GRI 2-23 |

The SKFH Corporate Sustainability Committee under the Board of Directors of SKFH is responsible for overseeing the sustainable development and climate change actions of SKFH and its subsidiaries, including green finance planning and performance, greenhouse gas inventory and emission reduction, and regularly reports climate change-related issues and implementation results to the Board of Directors. The Company also places high importance on the global climate change issue. The Board of Directors serves as the highest responsible unit for climate governance, overseeing the identification and response to climate change risks and opportunities within the organization. Climate change considerations are integrated into our operational plans, risk management policies, and risk appetite. Through the "Corporate Sustainability Committee," we monitor the implementation and outcomes of climate change risk and opportunity management. Regular meetings of the committee and its implementation task force are held to report on corporate sustainability goals, progress, and achievements to the Board of Directors. The committee is chaired by the President and consists of top-level managers from various divisions within the organization. The committee is responsible for effective management of climate change and applying climate change risk and opportunity governance to company operations and asset management. Within the committee, there is a TCFD group led by the Risk Management Department, which is responsible for planning and implementing TCFD mechanisms. Climate change risks are also incorporated into the Own Risk and Solvency Assessment (ORSA) and are regularly reported to the Risk Management Committee and the Board of Directors for discussion and approval.

SKL Climate Governance Framework



In order to effectively implement climate risk management, SKL has set up three lines of internal control and their related responsibilities are as follows:

Lines of Defense	Responsible Unit	Description
1st line	Frontline business units	Responsible for and continuously manage the climate change risks generated by operational activities
2nd line	Risk Management Department	Establish overall policies and management systems to assist relevant units in implementing climate change risk management
3rd line	Audit units	Responsible for auditing and evaluating the effectiveness of internal controls and climate change risk management systems designed and implemented by the first and second lines of defense, and providing timely improvement recommendations

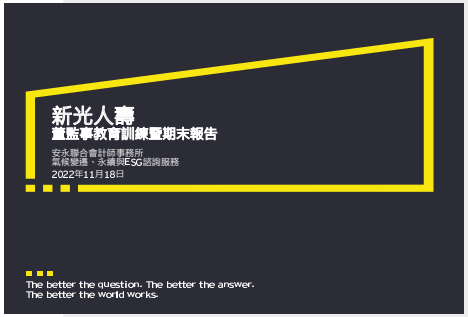
Education and Training

To enhance the knowledge of the Board of Directors and senior management on climate change, regular annual education and training sessions are organized. In 2022, two training sessions to engage the Board and senior management.

Training topics

An introduction to TCFD, carbon pricing and carbon taxation, and the mid-term progress of TCFD implementation within the Company

Net zero emissions pathway and challenges, the SBTi and the end-term outcome of TCFD implementation within the Company



2.2 Climate Strategy | GRI 201-2 |

The impacts of climate change include physical risks and transformation risks, as well as opportunities for enterprises to mitigate and adapt to the risks. In order to develop climate risk strategies and identify short-, medium-, and long-term climate-related risks and opportunities, the Company uses in-house expertise consider the main risk factors, such as transformation risks (policy and legal, technology, market, and reputation) and physical risks (acute and chronic), in accordance with the definition of the TCFD of the International Financial Stability Board (FSB), and lists possible climate-related opportunities to mitigate and adapt to climate change (e.g., by improving resource use efficiency).

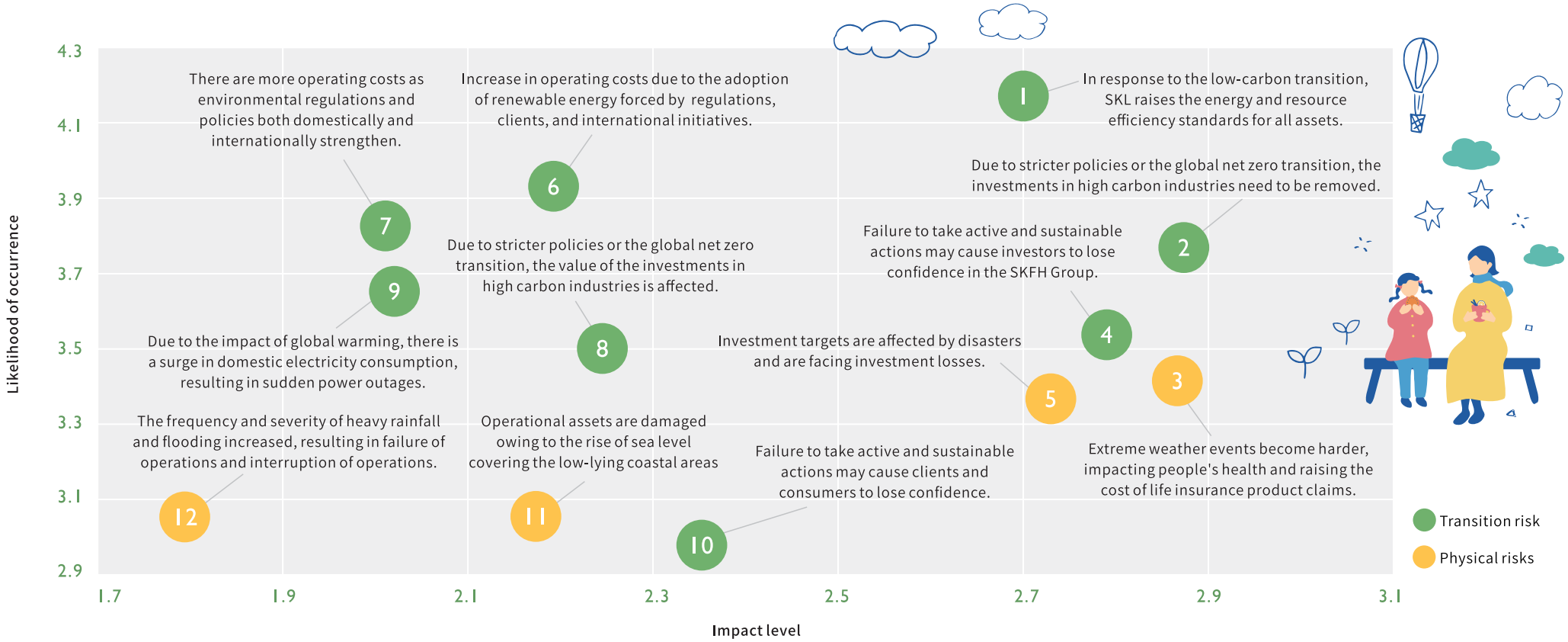
2.2.1 Identification of Climate Risks and Opportunities

The Company referred to the "World Energy Outlook 2022" (WEO 2022) published by the International Energy Agency (IEA) and the "Climate Change 2021: The Physical Science Basis" report (IPCC AR6 WG1) released by the Intergovernmental Panel on Climate Change (IPCC) to establish a climate risk issue repository, which includes climate transition risks and physical risks. The Company inventoried climate-related opportunities in its operations (such as resource efficiency management and the development of climate-related financial products) and investments (such as low carbon energy and investments in emerging technology industries). By conducting internal expert investigations and gathering opinions from departments related to sustainable development, risk management, resource management, investment, and customer relations, we analyzed the impact and implications of climate factors on various aspects of the Company's business. Based on the questionnaire results, 12 climate risk issues and 5 climate opportunity issues were identified, quantified, and ranked according to their "likelihood of occurrence" and "impact level." Detailed explanations and response strategies were developed for material issues:

Term	Short	Medium	Long
Year	1 to 2 years (2023-2024)	3 to 7 years (2024-2030)	8 to 20 years (2030-2050)

A.Climate-Related Risks

Climate Risk Matrix



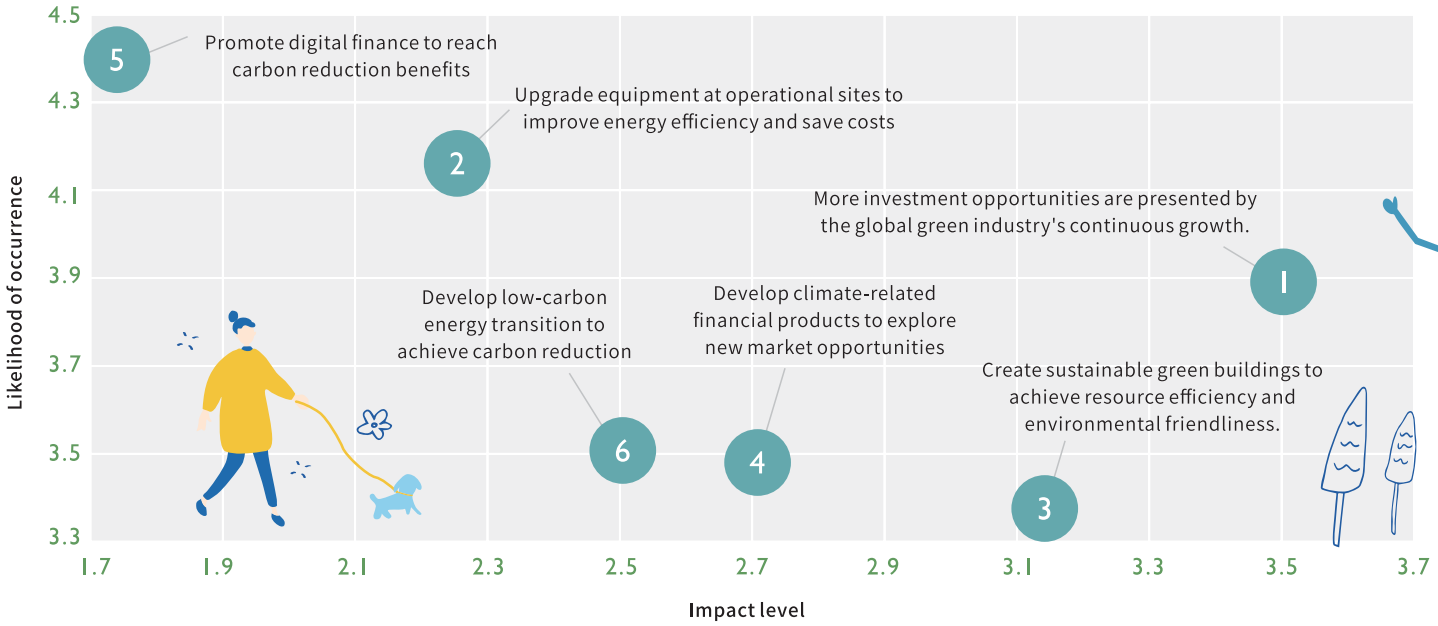
Note 1: Impact levels: On a scale of 1 to 5, from "minor" to "extremely high", the analysis results are between "minor (1)" and "very high (4)".
Note 2: Likelihood: On a scale of 1 to 5, from "Very unlikely" to "Very likely", the analysis results are all between "probable (3)" and "likely (4)".
Note 3: The ranking was based on the average sum of "likelihood of occurrence" and "impact level"

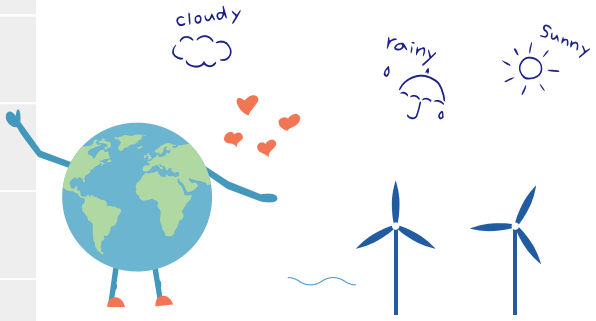
Material Climate Risk Issues

Ranking	Risk Type	Event Time	Risk Description	Financial Impac	Response Measures
1	Transition—Technology	Short-term	Due to the trend of low carbon technology development, increased investment costs are incurred to improve the energy and resource efficiency standards of assets.	Increased operating costs	• Regularly check high-energy-consuming assets at each operating location for replacement to improve energy resource efficiency. • Scheduled to replace the lighting fixtures at all our nationwide locations with LED lights by 2030 to enhance the energy efficiency of air conditioning equipment. • Develop environmental goals and strategies, such as establishing indicators for GHG emissions, green building, and green procurement. (Refer to 3 Towards Net Zero Future)
2	Transition—Market	Mid-term	As the industry moves towards a low carbon economy, high-carbon-emitting industries are expected to be phased out. The existing investment and financing evaluation methods are not applicable to the low carbon economy and may lead to investment or asset depreciation.	Decreased revenue and profits / Reduced asset values	• In accordance with the "SKFH Sustainable Finance Policy", we have conducted careful. assessments of controversial, high ESG risk, and carbon-intensive industries, and have establish industry-specific guidelines and adjusted asset allocation as needed. • Define and list the carbon-intensive industries, take inventory of exposure, and assess the climate change risks associated with such industries. (Refer to 2.4 Climate Indicators and Targets, 7.1 Promote Sustainable Finance)
3	Physical risk—Chronic	Long-term	Extreme heat can deteriorate living conditions and lead to power outages, causing disruptions in company operations; Extreme weather conditions can increase mortality or illness rates, resulting in higher life insurance claim payouts.	Increased operating costs / Decreased revenue and profits	• Analyze the likelihood of operational disruptions, such as prolonged interruptions in operations. • According to the IPCC AR6 report, research on the impact of climate change on human health indicates that under. RCP4.5/SSP3, the population's exposure to heatwaves is projected to increase 16-fold by 2050; Under RCP8.5/SSP3, the exposure is expected to increase 36-fold. Higher temperatures can potentially lead to health risks such as dengue fever and labor productivity losses; additionally, there is an increased likelihood of heat-related injuries (such as heatstroke.) The Company will closely monitor employee occupational safety and health, especially during extreme weather conditions, and provide additional protective measures to prevent related injuries. • We intend to assess and develop new types of products related to climate change. (Refer to 2.2 Climate Strategy)
4	Transition—Reputation	Mid-term	Global markets are increasingly prioritizing sustainable development, and there is a shifting of preference in the market. Failing to adopt proactive sustainability measures may result in a loss of favor from consumers, investors, and other stakeholders, leading to a decline in business opportunities.	Decreased revenue and profits/ Reduced inflow of investment capital	• Actively participating in international sustainable initiatives, alliances, and sustainability assessments such as AIGCC (Asian Investor Group on Climate Change) and Taiwan Alliance for Net Zero, in order to enhance stakeholders' trust in the company and stay informed about domestic and international sustainability and climate change information. (Refer to 1.1.3 Participation in External Organizations)
5	Physical—Acute	Long-term	Extreme weather may pose disaster impacts on business locations, suppliers, and investment targets, leading to potential losses in company infrastructure, equipment, revenue, and investment asset value.	Decreased revenue and profits / Increased operating costs/ Reduced asset values	• Perform scenario analysis of physical risks under RCP2.6 and RCP8.5 • Evaluate the potential physical climate risks of the Company's self-owned and financed real estate through the database to control possible investment losses • Convert some equipment to leasing models to transfer the financial loss risk caused by extreme weather events • Identify the risks of industries with higher climate sensitivity and plan adjustments to the investment portfolio to mitigate investment uncertainties caused by disasters. (Refer to 2.2 Climate Strategy, 2.4 Climate Indicators and Targets)
6	Transition—Policy and legal	Short-term	In response to regulations (such as the Climate Change Response Act, and Renewable Energy Development Act), customer demands, and international initiatives, companies, suppliers, and investment targets may be affected by carbon fees imposition and an increase in the proportion of renewable energy usage.	Increase in operating costs / Decreased profits	• Conduct NGFS scenario analysis to assess credit and market risks of investment and financing in response to policy and regulatory risks associated with the net zero transition trend • Actively engage with high carbon-emitting suppliers or investment targets to urge their low carbon transformation; Adjust procurement targets or investment strategies accordingly for companies that show no improvement. • Conduct thorough assessments of GHG emissions in our own operations and develop. decarbonization strategies. • Invest in renewable energy power plants, purchase green electricity and obtain renewable energy certificates. (Refer to 2.2 Climate Strategy, 3 Towards Net Zero Future, 7.1 Promote Sustainable Finance)

B. Climate-Related Opportunities

Climate Opportunities Matrix





Note1. Impact levels: On a scale of 1 to 5, from "minor" to "extremely high", the analysis results are between "minor (1)" and "very high (4)".
Note2. Likelihood: On a scale of 1 to 5, from "Very unlikely" to "Very likely", the analysis results are all between "probable (3)" and "likely (4)".
Note 3: The ranking was based on the average sum of "likelihood of occurrence" and "impact level"

Material Climate Opportunities

Opportunity Type	Opportunity	Event Time	Financial Impact	Response Measures	Results in 2022
Market	More investment opportunities are presented by the global green industry's continuous growth.	Short-term	Increased revenue	• Continuously monitor the trends in green-related industries and invest in sustainable development industries such as environmentally friendly and green energy industries.	• Investments in environmentally friendly or green energy-related industries reached a value of NT$34.2 billion dollars. (Refer to 7.1.2 Expanding the Influence of Sustainable Finance)
Resource Efficiency	Upgrade equipment at operational sites to improve energy efficiency and save costs	Short-term	Reduced operating costs	• Take inventory of equipment in operating locations and implement a rolling replacement plan for energy-consuming equipment such as air conditioners and lighting fixtures to improve energy efficiency. • Replace all lighting fixtures with LED lights in all locations nationwide by 2030, gradually improving the energy efficiency of AC equipment. • Promote a change in energy resource usage habits among employees through environmental sustainability training.	• Implement energy-saving measures (such as replacing chiller units and upgrading nighttime lighting), resulting in a savings of approximately 727,694 kWh of electricity and a reduction of 370.4 tCO2. • Continuously optimize the electricity usage in data centers. (Refer to 3.2.2 Improving Energy/Resource Efficiency)
Resource Efficiency / Product and Service	Develop sustainable green buildings to achieve environmental friendliness and efficient resource utilization, thereby attracting and gaining the trust of consumers, leading to increased revenue	Short-term	Reduced operating costs / Increased revenue	• Obtain green building certificates (silver and above) for all new projects to enhance the environmental sustainability performance of buildings. • Continuously revitalize existing buildings and equipment by implementing various energy-saving measures to improve the energy efficiency of existing buildings.	• In 2022, Shin Kong President Jasper villa and the Hangzhou North Road Land Use Right Project obtained the Silver-Level Green Building Label and Silver-Level Green Building Candidate Certificate, respectively. As of 2022, a total of 7 buildings applied for green building certifications. (Refer to 3.2.4 Constructing Green Buildings)
Product and Service	Develop climate-related financial products to explore new market opportunities	Mid-term	Increased revenue	• Actively seize climate-related business opportunities and continuously develop environmentally friendly products and services to assist consumers in coping with the environmental or health impacts of climate change. • As the temperature rises, secondary air contaminants form, and the incidence of respiratory and cardiovascular disorders rises (the indirect impact of climate change on humans as defined in the IPCC AR5). We launched the industry's first air pollution insurance policy.	• In 2022, the premium revenue from the air pollution insurance policy amounted to NT$180 million. Among them, the newly developed "Air Pollution Rider" sold 1,445 policies. (Refer to 5.1 Diversified Products)

Note: Climate opportunity types include resource efficiency, energy source, products and services, markets, and resilience.

2.2.2 Climate Scenario Analyses and Stress Tests

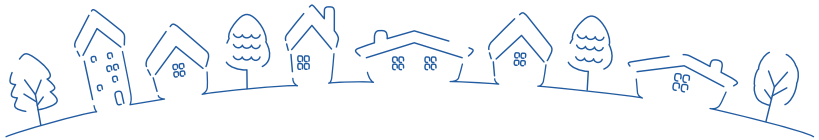
To further understand the impact of climate change risks on SKL, we use climate scenario analysis to measure risk exposure under various climate scenarios for physical and transition risks and actively implement relevant management actions and countermeasures to strengthen climate resilience. The scenarios used and described as follows:

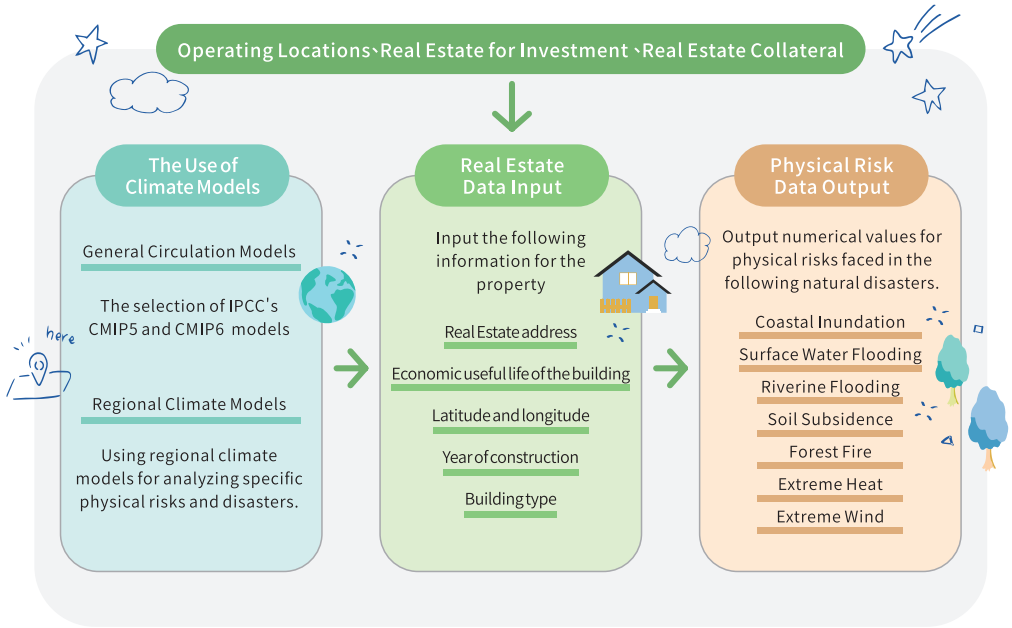
Application	Risk Category	Climate Scenario	Description
Operating locations and Investment property	Physical Risk - Acute and Chronic	RCP2.6、RCP8.5	Calculate the impact of climate risks on real estate investments (maximum climate risk values, reconstruction costs, and possibility of operational disruptions)
Real estate collateral	Physical Risk – Chronic	RCP 2.6、RCP 8.5	Calculate the impact of climate risks on real estate collateral
Life insurance products	Physical Risk – Chronic	RCP 2.6、RCP 8.5	Calculate the impact of temperature rise on heat-related injury claims in life insurance products
Investment portfolios	Transition Risk – Policy and Legal	NGFS-Net Zero 2050、Current Policies	Calculating the changes in credit and market risks for investment and financing positions under stricter climate regulations.

A. Physical Risks

Scenario analysis process for real estate risk assessment:

o review the potential future impact of climate change on operating locations and Investment property, we have established assessable climate models and analyzed the operating locations, investment real estate, and real estate collateral of SKL in Taiwan as of the end of 2022 to determine the Max Value at Risk (MVaR) and Failure Probability (FP) for various types of climate change risks and disasters, including surface water flooding, soil subsidence, coastal inundation, forest fire, and extreme wind, during each decade from 2020 to 2100 under the RCP 2.6 and RCP 8.5 climate scenarios. Required parameters and data outputs as follows:





Note 1: RCP2.6 is the lowest in terms of radiative forcing among the four representative concentration pathways. The RCP2.6 is representative of the literature on mitigation scenarios aiming to limit the increase of global mean temperature to 2° C.
Note 2: RCP8.5 was specifically selected as a high-end baseline scenario, and was intended to be portrayed as the most likely "business as usual" no-policy outcome. RCP8.5 delivers a temperature increase of about 4 ° C.

(1) Operating Locations and Real Estate for Investment:

Max Value at Risk (MVaR)

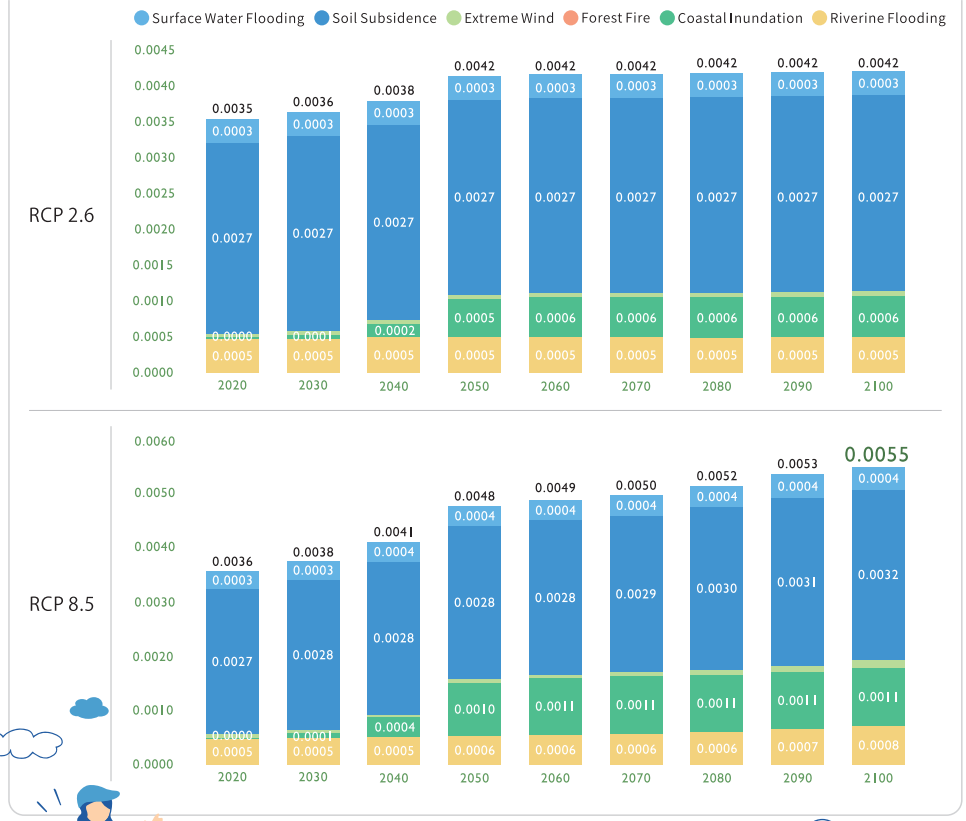
Analysis and results

In 2022, the Company owned a total of 200 real estate assets across Taiwan. Due to Taiwan's susceptibility to natural disasters such as typhoons, heavy rainfall, and floods, the repair costs and operational disruptions of these properties have increased. To address this, we conducted scenario analyses using RCP2.6 and RCP8.5 to determine the MVaR for various climate risk factors. We also referred to construction cost reference tables and the annual growth rate of construction engineering price index to estimate the reconstruction costs of our real estate assets. Furthermore, we analyzed high climate risk areas for all operational locations in Taiwan to establish risk response measures for ongoing operational plans.

Based on the analysis results, within the period from 2030 to 2050 under RCP2.6 and RCP8.5 scenarios, the estimated financial impact ranges from NT$270 million to NT$370 million. In the most severe scenario, RCP8.5, the MVaR for the end of the century is 0.55%, with a financial impact of approximately NT$415 million; Among various climate risk factors, regardless of the RCP2.6 or RCP8.5 scenarios, land subsidence caused by drought has the most significant impact on asset value, followed by river flooding and coastal inundation. Additionally, the analysis of our business locations shows that in both scenarios, by the end of the century, there will be six operational sites classified as high climate change risk areas with a MVaR% exceeding 1%. These sites are located in Hualien, Taitung, Kaohsiung, and Taichung, with the primary climate factors being river flooding and surface water inundation.

Maximum climate risk values (MVaR) under RCP2.6 and RCP8.5 scenarios

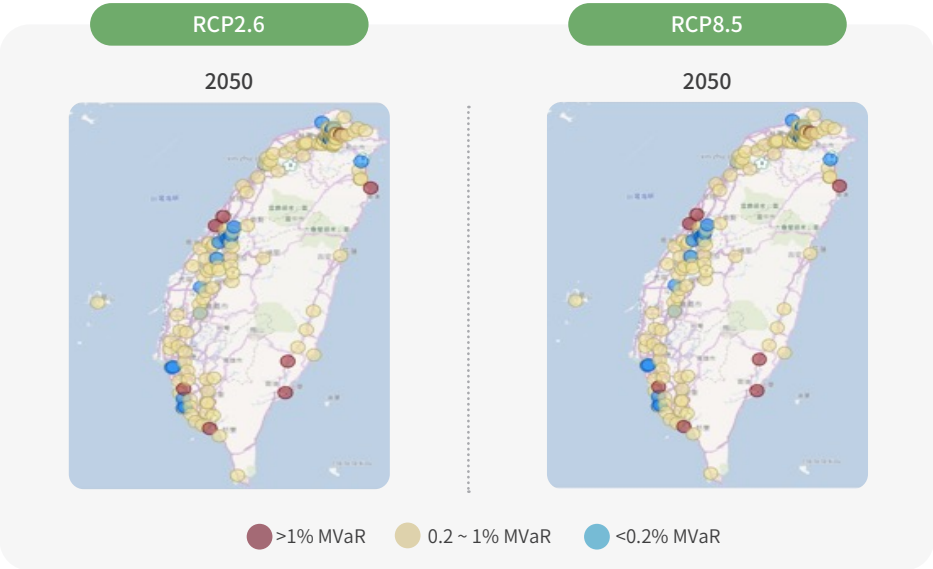
Scenario | Max Value at Climate Risk (Max Value at Risk)



Scenario／Year	2030	2050	2100
RCP 2.6	0.36%	0.42%	0.42%
RCP 8.5	0.38%	0.48%	**0.55%**

Note 1: Climate Value at Risk, VaR%: The percentage of repair costs to asset reconstruction costs for the real estate in a single year after being damaged by climate disasters.
Note 2: Max Climate Value at Risk%: Take the maximum value of the climate VaR% that the asset is exposed to in each year during the period from the initial time of analysis to the time of calculation.

The operating locations and their corresponding risk values under RCP2.6 and RCP8.5 scenarios is as follows:



Risk response

Based on the observations above, the risk assessment results indicate that the impact is relatively minor for the overall company and remains within an acceptable range. As a result, we will use the Land Subsidence Monitoring System of the Water Resources Agency (WRA) under the Ministry of Economic Affairs to monitor the development of land subsidence in the areas where real estate and will take appropriate countermeasures as soon as possible. In addition, we will increase flood control measures during real estate construction and respond to hazards with adaptation plans such as regular drills, backup, and recovery to cope with coastal flooding caused by sea-level rise and surface flooding caused by acute rainfall.

Failure Probability (FP)

Analysis and results

The Failure Probability (FP) means the probability that caused building operations to halt by the climate hazards in that year. Productivity loss is the core concept of the assessment, and the climate-related risks that are taken into account are heat-related work hour loss and heat-related excess mortality rate. According to the analysis results, extreme heat is the most important factor in causing operation failure under both the RCP 2.6 and RCP 8.5 scenarios. Particularly, under the RCP 8.5 scenario, extreme heat contributes to 96.90% of operation failure, which makes SKL attach more importance to promoting low carbon transition.

Risk response

The Company has established a Business Continuity Management System (BCMS) to reduce the likelihood of operational disruption or damage, and strengthen our ability to respond to major events and recover quickly to protect the interests of our customers and all stakeholders.(Refer to 6.2.3 Risk Management Measures and Response Mechanisms) Furthermore, we estimate that under the RCP 2.6 and RCP 8.5 scenarios, there may be a rise in temperature ranging from 0.3° C to 4.8° C in the 21st century, which will increase the possibility of heat illnesses (such as heat strokes) for employees. As a result, we will pay much greater attention to the occupational safety and health of our employees, as well as provide additional protective measures to prevent related injuries by extreme weather.

Failure probability (FP) under RCP2.6 and RCP8.5 scenarios

(2) Real Estate Collateral

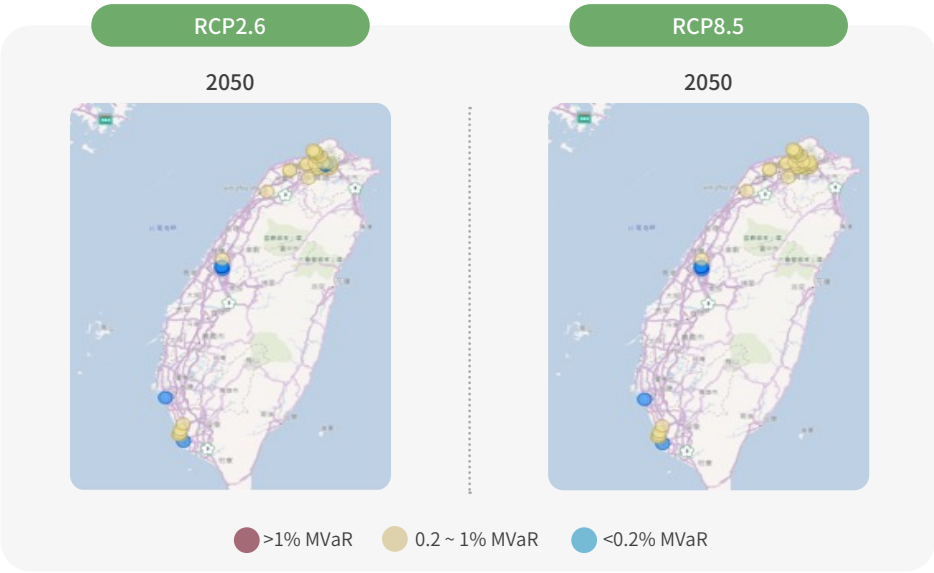
Analysis and results

To assess the physical risks faced by the real estate collateral for loans, the Company conducted a physical risk analysis using climate scenarios RCP 2.6 and RCP 8.5. It was found that, except for one property in Tainan City after 2082, the Value at Risk (VaR%) for the real estate collateral remained below 1% for the loans undertaken between 2020 and 2100. Additionally, the loan terms were short-term. Therefore, the Company determines that the climate change risk for real estate collateral does not pose a high risk in the short run.

Risk response

In the future, when undertaking new loans that require an evaluation of real estate collateral, the Company will enhance the assessment of the physical risks associated with the collateral to mitigate the potential climate change risk faced by the loans.

The locations of real estate collateral and their corresponding risk values under RCP2.6 and RCP8.5 scenarios is as follows:



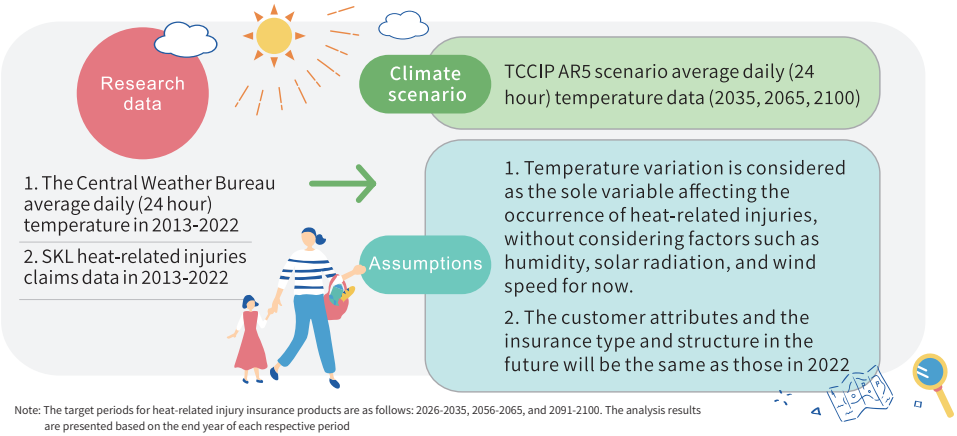
(3) Analysis of Physical Risks in Life Insurance Heat-Related Injury Claim

Analysis and results

To assess the relationship between temperature increase and heat injuries in Taiwan, the Company utilized daily temperature data from the Central Weather Bureau, life insurance claims data, and AR5 climate scenario data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) for the period 2013 to 2022 to analyze the potential changes in future life insurance claims related to heat injuries; Preliminary results indicate that temperature rise is expected to lead to a decrease in heat-related insurance claim payouts, which would not have a significant financial impact on insurance claims. However, it is important to note that the analysis is limited by the availability of historical heat-related claim data, which may not fully represent the overall trend of heat-related incidents affecting the entire population of Taiwan. Additionally, daily average temperature is not the sole variable related to heat-related injuries. Due to limitations in data availability, further analysis must be conducted once data accessibility improves in the future.

Risk response

Given the relationship between life insurance products and climate change, more data and technologies are needed for further assessment. It is expected that more data and advanced analytical methodologies will be available in the future through interdisciplinary collaboration among industry, government, and academia. Continuously improve the understanding of how climate scenarios will affect the well-being of the Taiwanese population, comprehend the risks associated with the life insurance products due to climate change, and help people adapt to increasingly serious changing climates.



Note: The target periods for heat-related injury insurance products are as follows: 2026-2035, 2056-2065, and 2091-2100. The analysis results are presented based on the end year of each respective period

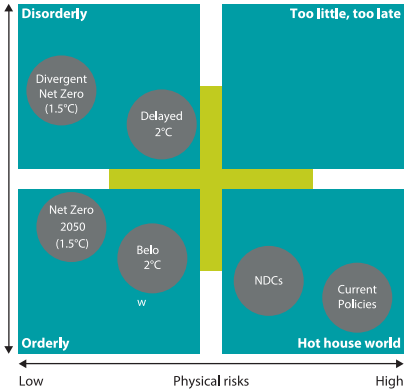
(4) Physical Risks Summary

Based on the comprehensive assessment, the impact of physical risks on the Company's operations is considered limited, and the management approach is categorized as "acceptable." The Company will continue to monitor the climate risk values (Max Value at Risk%) of real estate assets and collateral, and implement corresponding climate action plans based on their fluctuations.

B. Transition Risk

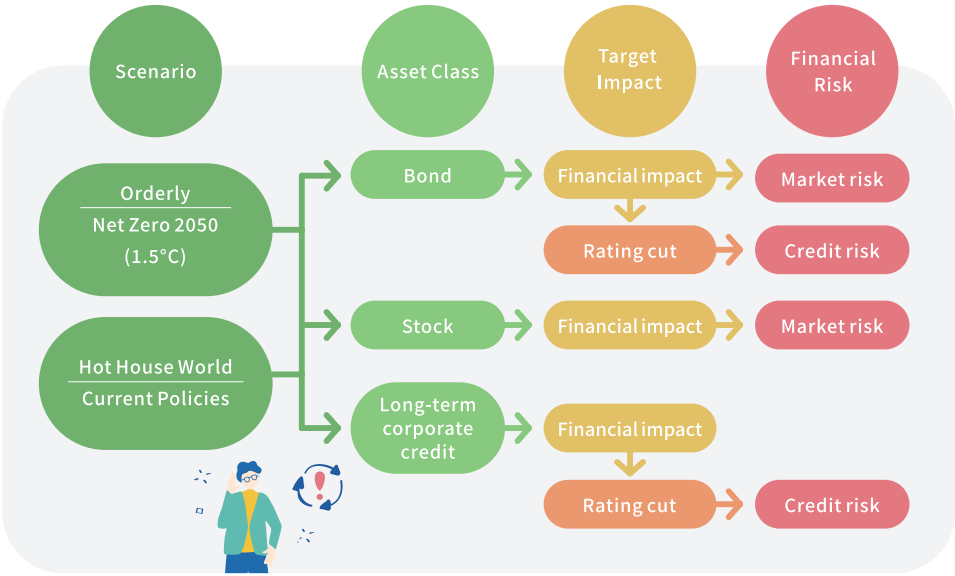
Transition risk scenario analysis is conducted to assess and measure the risks that may arise during the process of transition towards a low carbon economy. It focuses on evaluate the risks associated with the adjustments made in the journey towards a low carbon economy. We use the international data from the Network for Greening the Financial System (NGFS) of central banks and financial supervisors to establish relevant stress test models to measure changes in the ratings of investment targets (Including evaluations of future energy consumption growth rate, energy unit cost, carbon emission growth rate, and carbon fee unit cost).Two scenarios, "Current policies" and "Net Zero 2050," provided by the NGFS Scenario Explorer, were selected as the basis for the analysis of transition risks. A simulation was conducted to construct the distribution of energy consumption and CO_2 emissions for benchmarking industries with high climate change risks. The financial impacts on the target's financial indicators resulting from the influence of the transition risk scenarios were estimated. The following are explanations and results of the related scenario analysis assumptions:

NGFS scenarios framework



Data resource：NGFS Scenarios for central banks and supervisors, September 2022

Transmission Pathway Diagram for Transitional Risk Assessment



(1)Transition risk scenario assumptions

Scenario Categories	Scenario description
Current Policies	• Assessment of transition risk indicators based on the existing policy intensity of governments worldwide • Compare the Current Policies scenario (limited action, existing policies) with the Net Zero 2050 scenario (ambitious action) for conducting a transition risk scenario analysis
Net Zero 2050	Implement proactive measures for an orderly transition towards achieving net zero emissions globally by 2050

Scenario Assumptions					
Scope of Affected Assets	Industry Coverage	Geographic Areas	Forecast Period and Intervals	Input Parameters	
				Scenario Parameters	Financial Parameters
The bond and security investment targets, as well as long-term corporate financing loans that belong to industries with high climate change risk.	Metal and mining, oil and gas, electricity generation, steel, chemical, and aviation, and other industries with high climate change risk.	The Americas, Asia, Europe, and Oceania	2022-2050 (annually)	• Energy consumption • Energy prices • CO2 emissions • Carbon prices	• Balance sheet • Income statement • Cash flow statement

(2) Transition risk scenario analysis results

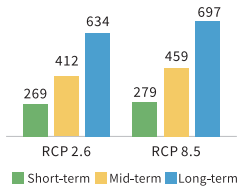
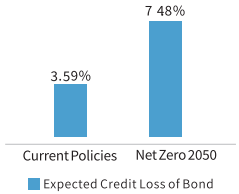
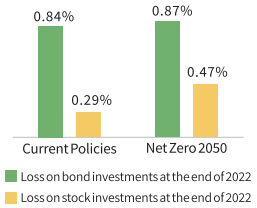
Asset category	Climate Scenario	Rating changes or financial impacts under climate scenarios			Description
		Short-term (2030)	Mid-term (2040)	Long-term (2050)	
Bond investments	Current Policies	Average credit rating downgrade of 0 to 1 notch	Average credit rating downgrade of 1 notch approx.	Average credit rating downgrade of 1 to 2 notches	• Under the Current Policies scenario, the financial impacts on investments in high-climate-risk industries resulted in an average credit rating downgrade of approximately 1 to 2 notches. • Under the Net Zero 2050 scenario, the average credit rating decrease for industries with high climate risk is no more than 2 credits. • Based on the above scenario analysis, the main industries affected are the power generation industry, semiconductor industry, and oil and gas industry. The overall outcome is within our company's acceptable range.
	Net Zero 2050	Average credit rating downgrade of 1 notch	Average credit rating downgrade of 1 notch	Average credit rating downgrade of 1 to 2 notches	
Stock investments	Current Policies	• Financial impact indicator: EBITDA Margin • Compared to 2022, the maximum average EBITDA Margin decrease for investment targets was 3.42%.			Based on comprehensive analysis, the impact of both scenarios on stock investments is limited and falls within an acceptable range for the company.
	Net Zero 2050	• Financial impact indicator: EBITDA Margin • Compared to 2022, the maximum average EBITDA Margin decrease for investment targets was 15.47%.			
Long-term corporate financing	Current Policies	• No rating changes • Compared to 2022, the average net profit of the financing targets during the observation period showed a maximum decline of 1.95%.			In this analysis, although no rating changes or increased default rates were observed for the benchmark corporate financing targets due to the impact of the transition risk scenario, it falls within an acceptable range for the company.
	Net Zero 2050	• No rating changes • Compared to 2022, the average net profit of the financing targets during the observation period showed a maximum decline of 33.74%.			

(3) Transition risk summary

After a comprehensive assessment, the transition risk is determined to have a limited impact on the Company's operations in terms of credit rating changes and financial implications. Therefore, the management approach adopted is "acceptable". However, to actively respond to transition risks and continuously monitor the impact of these risks on the Company's investments, we have incorporated climate risk factors into our investment and financing-related policies. We have established a requirement for careful assessment of climate change risks associated with transaction counterparts before making investment and financing decisions. Ongoing monitoring and management are also implemented following the completion of transactions. (Refer to 2.3 Climate Risk Management, 7.1 Promote Sustainable Finance)

C. Climate Risk Stress Tests

The following calculations were made by the company, using the current risk areas, to determine the expected loss from operational risk, expected loss from credit risk, and impairment of asset value due to market risk:

Climate risk	Physical risks	Transition risk		
Existing risk	Operational risk	Credit risk	Market risk	
Asset category	Operating locations and real estate investments	Bond investments and long-term corporate financing	Bond investments	Stock investments
Evaluation method	Estimate the number of operational risk events and the impact of losses that may be caused by extreme weather events.	Estimate through the changes in credit ratings, Probability of Default (PD), and Loss Given Default (LGD) for collateralized positions affected by physical risk.	Estimate the operational impact on equity and debt issuers due to specific climate stress scenarios related to transition risk.	
Financial Impact Estimated by Stress Tests on the Company	 • Taking the year 2050 as an example, the simulated expected losses for operational risks are not significant. Therefore, the impact on operational risk management can be considered relatively limited, and this climate risk is within an acceptable range.	 • In regard to corporate finance, the analysis is limited to using benchmark data to simulate investment targets' financial condition under two climatic scenarios while taking into account collateralized loans' maturity on the reference date. It was found that the transition risk scenario had not increased the default rates for the corporate finance portfolio. • In the stress test results for corporate financing and bonds, the loss ratios derived from climate change risks are not significant, indicating a limited impact on credit risk, which falls within an acceptable range for the company.	 • The stress test results indicate that the derived loss ratios in stocks and bonds are not high, suggesting a relatively limited impact on market risk. This climate change risk falls within an acceptable range.	

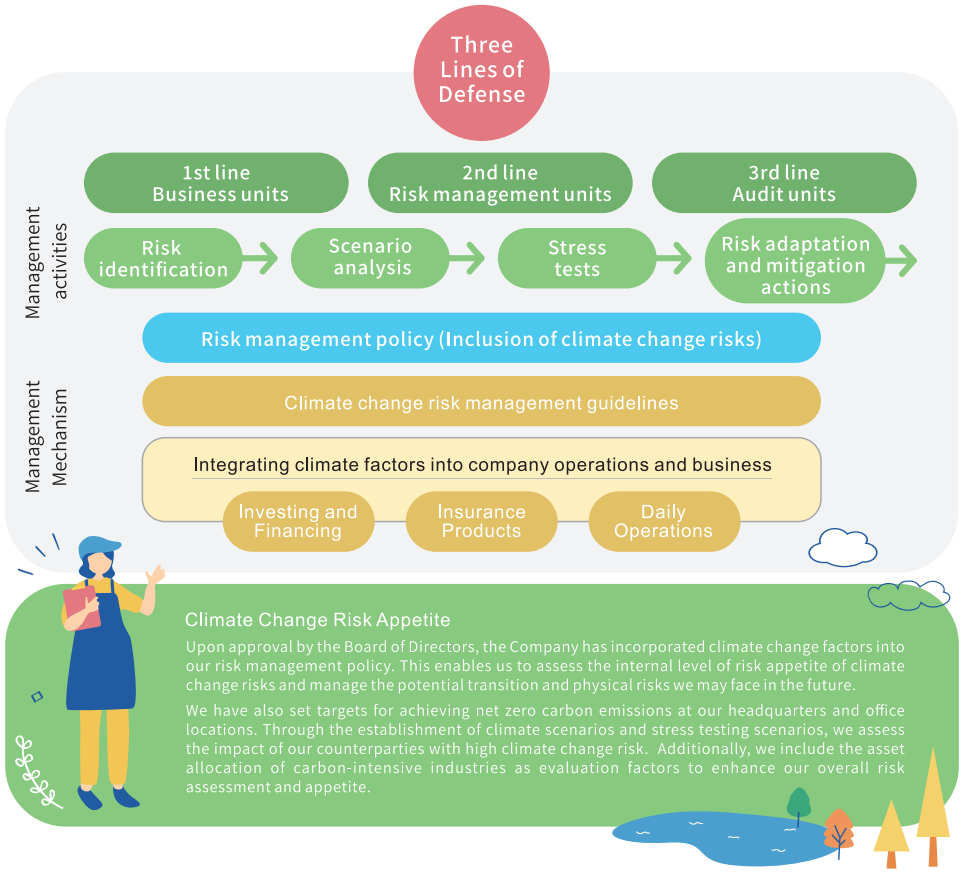
Definitions of time categories: 2030 (short-term), 2040 (mid-term), 2050 (long-term)

In conclusion, the Company considers the risk associated with climate change to be manageable and reasonably limited. However, the Company has introduced climate-related policies and regulations (such as changing the standards for new part selection, preserving the combination of current parts, etc.), including climate-related risks in risk appetite statements, and frequently conducts climate stress tests across the main financial risks in order to effectively manage and mitigate the effects of climate risk. To keep a strong framework for climate governance in place, the findings are communicated to the Board of Directors and pertinent committees.

2.3 Climate Risk Management

Climate change has become one of the most urgent risks globally. Taking voluntary and proactive measures to identify and manage climate change risks and opportunities is essential for harmonizing financial and economic activities, social well-being, and the Earth's ecology. To mitigate the impact of climate change on business operations, the Company has established a climate change risk management mechanism, which follows the guidance of the TCFD framework and aligns with the SKFH Sustainable Finance Policy. We have incorporated "climate change risk" into the Company's risk management policy and continuously seek improvement by integrating it with our existing corporate risk management framework. We employ three lines of defense for internal control to manage climate change risks effectively.

A. Climate Risk Management Framework



The Company's climate change risk management is divided into three lines of defense, with responsibilities assigned accordingly. The business units are responsible for risk adaptation and mitigation actions, while the risk management unit conducts regular risk identification and establishes a climate change matrix. Through scenario analysis and stress testing, the impact of climate change risks is assessed, and relevant indicators are set for monitoring. The audit unit later verifies and provides recommendations.

In addition, to facilitate various risk identification and analysis activities, as well as risk adaptation and mitigation actions, the Company has developed a climate change risk appetite statement and established investment and financing guidelines. These initiatives aim to assist relevant units in gaining a clear understanding of climate change risks and guide them in taking appropriate actions.

B. Climate Risk Management Mechanism

The Company manages climate change risk in investment and financing activities through two aspects. Firstly, we follow the sustainable finance policies established by SKFH. Secondly, we have formulated our own management mechanisms:

(1) Shin Kong Group climate change risk management measures

SKFH Sustainable Finance Policy

- Incorporate ESG factors into investment, financing, and life insurance operations
- Establish guidelines for carbon-intensive industries: including, but not limited to, coal and unconventional oil and gas-related industries. Prudently assess the negative impacts of counterparties due to climate change and actively take appropriate actions. Encourage counterparties to undertake relevant mitigation measures to reduce climate-related risks
- Commit to a schedule for phasing out coal and unconventional oil and gas-related industries, with set interim targets

Finance-related carbon emissions management guidelines

Regularly review counterparties involved in coal, unconventional oil, and gas transactions, with priority given to those with business revenue exceeding 50% of the total revenue

Guidelines for managing large exposures in individual countries, regions, and industries

Set exposure limits for carbon-intensive industries in investment and financing positions and conduct regular monitoring

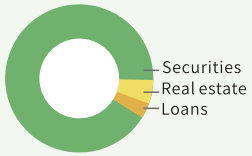
(2)SKL climate change risk management measures

Climate Change Risk Management Guidelines

- Establish a risk management model for climate change in accordance with the framework of the "The execution procedures for the three defense lines for the internal control system of an insurance enterprise".
- Establish investment and financing procedures that consider climate change risks
- Depending business characteristics, choose to establish engagement mechanisms with counterparties or clients to encourage them to take measures to mitigate their climate change risks

Investing and Financing Activities

- Incorporate climate factors into investment, financing, and real estate related regulations
- Identify industries with potential controversial issues
- Conduct climate risk assessments for carbon-intensive industries before making investments. If the transaction involves a carbon-intensive industry, conduct a climate risk assessment.



(Refer to 7.1 Promote sustainable finance)

Risk Management for Insurance Products

- Follow the Principles of Sustainable Insurance (PSI), actively incorporate ESG issues into insurance product decision-making and develop sustainable insurance products to assist policyholders in exploring solutions to environmental changes and other challenges

(Refer to Appendix-PSI)

Operating Activities

- Set up a "Business Crisis Response Team" to establish crisis response measures and the emergency reporting regulations
- Implement a Business Continuity Management System (BCMS) to reduce the likelihood or extent of operational disruptions
- Promulgate environmental policies to integrate the concept of low carbon into various business operations to minimize our impact on the environment

(Refer to 3 Towards Net zero Future, 6.2 Risk management)

2.4 Climate Metrics and Targets

The climate issue has gained international attention, and in response to the global net zero trend, the National Development Council of Taiwan has announced the "Taiwan's 2050 Net zero Emissions Pathway" in March 2022. This pathway aims to achieve the goal of net zero transition through four major transition strategies, two governance foundations, and twelve key strategies.

2.4.1 SKL Climate Metrics and Targets

In line with the national net zero strategy, we have set our own operational carbon reduction goals and took inventory of the carbon emissions of our investment portfolios. We have also established climate-related indicators and identified climate opportunities, aiming to leverage our core competencies in the financial industry to promote the low carbon transition. By establishing and tracking key performance indicators, we have incorporated climate goals into the company strategy, enabling senior executives to effectively align with the Company's business strategy and development plans, facilitating the effective management of climate risks and opportunities. We are committed to responding to the national sustainable transition and gradually achieving a sustainable society with net zero emissions.

Strategic Direction	Strategic Value	Indicator	Unit	Base year	Short-term	Medium/Long-Term Targets	2022 Execution Summary
Towards Net zero Future (refer to 3.2 Low Carbon Actions)	Carbon reduction in own operations	GHG emissions (Scopes 1+2 carbon emissions)	tCO_2e	2019	• Reduce GHG emissions in own operations by 2% annually by the target year of 2025	• Achieve net zero emissions at the SKL headquarters by 2026 • Achieve net zero emissions at the headquarters and main offices by 2030	• GHG emissions Scope 1: 1,553.66 tCO_2e Scope 2: 13,768.62 tCO_2e Cumulative increase of 5.9% since baseline year 2019
Unleashing the importance of sustainable finance (refer to 7.1 Promote Sustainable Finance)	Decarbonization of investment portfolios	Carbon emissions of investment portfolios	$ktCO_2e$	2020	• Based on the SKFH's SBTs and the PCAF methodology, complete an inventory of carbon emissions (tCO_2e) and carbon intensity (tCO_2e/TWD MM Revenue) for investment portfolios, and assess the exposure amount of carbon-intensive assets in investment portfolios • Engage with investment targets through methods such as questionnaire surveys, phone calls, in-person visits, participation in shareholder meetings, and exercising voting rights so that they can learn about our carbon emissions, climate-related actions and goals. Encourage counterparties to undergo transition	• Set carbon emission targets in accordance with SKFH's SBTi and develop carbon reduction strategies. • Formulate a gradual phase-out schedule for coal and unconventional oil and gas industries in accordance with SKFH Sustainable Finance Policy	• Investment portfolios had a carbon emission of 1,915 $ktCO_2e$; The weighted average carbon intensity was 2.649 tCO_2e/TWD MM Revenue • Climate change questionnaire response rate of 75% by 2022 • Climate change management measures, a carbon-intensive industry list, industry-specific guidelines and voting and engagement policies were established
		weighted average carbon intensity	tCO_2e/ TWDMM Revenues				
		Carbon Intensive Asset Exposure	%				
	ESG-Themed Investment	Green finance	NT$100 million	2020	• Continue to strengthen the sustainable investment process to achieve sustainable and robust investment performance. Achieve a 3% CAGR in the amount of securities investments under the principles of sustainable investing in 5 years • Continue to invest in the low carbon green energy industry, with a 400% growth rate in investments in green energy-related businesses.	• Continue to invest in the low carbon green energy industry, strengthen the engagement mechanism of investees, and exert sustainable financial influence.	• The CAGR of securities that comply with the Company's sustainable investment principles achieved 6.69% • Investments in green energy projects experienced a growth of 294%

2.4.2 Financed emissions inventory

As a result of climate change, governments around the world are increasing their regulation of carbon emissions. In addition to potentially incurring additional costs for carbon emissions, businesses may also see their operations and asset values affected. In order to uphold the spirit of sustainable finance, in addition to following the national 2050 net zero policy and action plan, SKFH officially signed up for the Science Based Targets initiative (SBTi) in 2022, joining the international decarbonization efforts. Following the SBTi guidance for financial institutions, we have developed decarbonization strategies and set Science-Based Targets (SBTs) specifically for Scope 3 investment and financing activities. We also set relevant indicators in accordance with the Group's goals.

A. The financed emissions of investment and financing portfolio

investment and financing portfolios using the methodologies provided by the Financial Stability Board (FSB), Science Based Targets initiative (SBTi), and Partnership for Carbon Accounting Financials (PCAF). We report the emissions using total carbon emissions (in $ktCO_2e$), weighted average carbon intensity (per million New Taiwan Dollars of investment and financing company revenue, TWD MM revenues), and carbon footprint (per million New Taiwan Dollars of investment and financing, TWD MM invested).

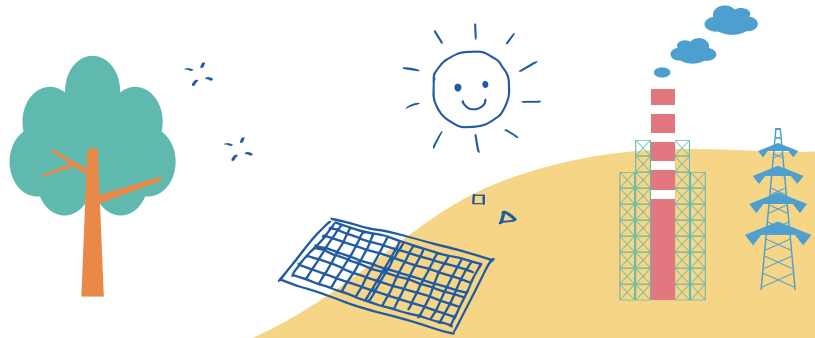
In 2022, the total carbon emissions from our investment and financing activities amounted to 1,915 $ktCO_2e$. Due to the characteristics of insurance company fund allocation, the highest proportion of financed emissions came from corporate bonds, accounting for approximately 86% of the total. This proportion has decreased compared to previous years. In addition, the Company further calculated the weighted average carbon intensity and carbon footprint (the ratio of carbon emissions (tCO_2e) per one million New Taiwan Dollars of investment and financing balance). In 2022, the weighted average carbon intensity was 2.649 tCO_2e/TWD MM revenues, while the carbon footprint was 1.207 tCO_2e/TWD MM invested. Both metrics have shown a downward trend compared to the previous year.

When categorizing industries based on absolute carbon emissions in 2022, the top three industries with the highest emissions were "Energy", "Utilities", and "Raw Materials". However, when examining carbon intensity, both the "Energy" and "Utilities" industries had similar carbon intensities of around 0.7 tCO_2e/TWD MM of revenues. Therefore, the Company has established management guidelines for carbon-intensive industries and dynamically adjusted our trading strategies to effectively achieve the goal of sustainable finance decarbonization.

The financed emissions of investment and financing portfolio by asset

	Financed Emissions ($ktCO_2e$)		Weighted average carbon intensity (tCO_2e /TWD MM revenues)		Carbon footprint (tCO_2e /TWD MM invested)	
Asset class / Year	2021	2022	2021	2022	2021	2022
Listed equity	327.06	262.79	0.780	0.534	1.384	1.270
Corporate bonds	1,717.90	1,651.98	2.558	2.114	1.424	1.199
Long-term loans	2.11	0.23	0.006	0.0003	0.531	0.130
Total	2,047.07	1,915.0	3.345	2.649	1.415	1.207

Note 1: According to Page 46 of the Global GHG Accounting and Reporting Standard for the Financial Industry (the Standard) renewed by the PCAF in December 2022, the scope of assessment excluded financial assets for which the Standard does not provide explicit guidance on methods to calculate financed emissions, including assets held for sale, private equity that refers to investment funds, green bonds, loans for securitization, exchange traded funds, derivatives (e.g., futures, options, swaps), initial public offering (IPO) underwriting.
Note 2: This table is disclosed based on the SBTi target scope.
Note 3: In December 2022, the risk exposure of financed emissions was 100%, of which listed equity accounted for 100%, corporate bonds accounted for 100%, and long-term loans accounted for 100%.
Note 4: The order of data sources (data quality) for the new carbon emission data is as follows: Carbon emissions disclosed by Bloomberg (2), carbon emissions disclosed by Market Observation Post System (2), carbon emissions from actively searched companies (2), estimated emissions by Bloomberg (4), and industry average carbon emissions (5).
Note 5: In this case, 99.79% of the data quality (based on weighted average carbon emission intensity) was rated as 2 (including emissions disclosed by Bloomberg, Market Observation Post System, and actively searched companies), 0.20% as 4 (estimated emissions by Bloomberg), and 0.01% as 5 (industry average emissions).



The financed emissions of investment and financing portfolio by industry

Industry	Ratio to the overall investment portfolios	Carbon emissions coverage rate	Weighted average carbon intensity (tCO_2e/TWD MM)
Energy	5.09%	41.03%	0.741
Utilities	3.21%	26.28%	0.662
Materials	2.62%	11.30%	0.378
Technology	7.71%	6.63%	0.347
Communications	16.99%	6.96%	0.286
Financials	54.39%	1.21%	0.097
Consumer Discretionary	2.11%	2.45%	0.059
Industrials	0.90%	0.87%	0.046
Consumer Staples	2.03%	2.99%	0.024
Health Care	4.84%	0.27%	0.009
Real Estate	0.12%	0.01%	0.0004
Total	100%	100%	2.649

B. Carbon Asset Risk Exposure

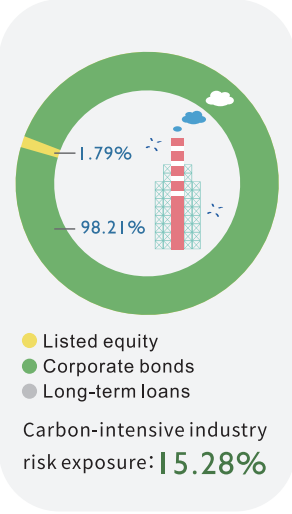
Net zero emissions have become a global trend, and countries worldwide are progressively implementing carbon pricing mechanisms such as carbon taxes and carbon trading. The European Union is also planning to launch the Carbon Border Adjustment Mechanism (CBAM) in 2023. These new policies and trade rules will reshape the market, and governments around the world will introduce relevant policies to drive industrial and energy transformations. It is foreseeable that carbon-intensive industries heavily reliant on fossil fuels and electricity consumption will be most affected, and this will also have significant impacts on the capital market.

In response to this trend, SKL based on the Sustainability Accounting Standards Board (SASB) definition, developed lists of carbon-intensive industries and factored them into climate-related risks analyses for investment and finance decisions. As of 2022, carbon-intensive industries accounted for 15.28% of the SKL's portfolio, of which bonds are the main form (about 98%), and mainly comes from "Electric Utilities & Power Generators" industry. However, under the trend of carbon reduction in the investment and financing portfolio, we will continue to pay attention to the transformation of the industry and monitor the risk exposure. (Refer to 2.3 Climate risk management)

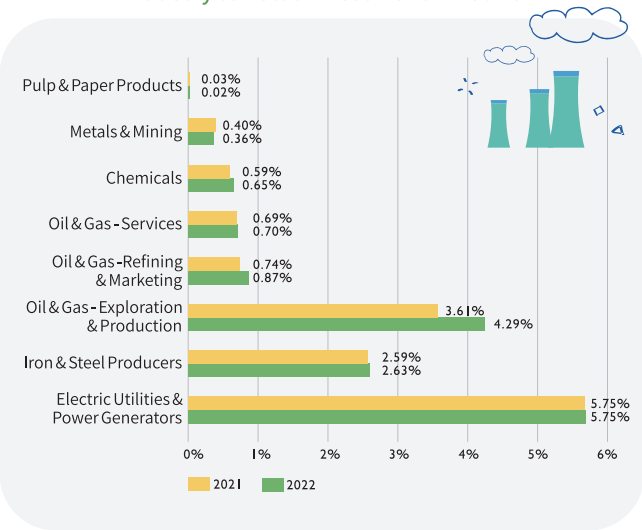
Lists of carbon-intensive industries

Note: The oil and gas industry encompasses exploration and production, refining and marketing, as well as services related to these activities.

Carbon-Intensive Industry by Asset Class



Ratio of Each Carbon-Intensive Industry to Total Investment Amount



C. Project Finance in Power Plants

As defined by PCAF, any loans or financing to projects for specific purposes, such as the operation of a gas-fired power plant or the construction of a wind or solar project, should be included in the project finance asset class when calculating financed emissions. SKL conducted carbon inventories of power plant investment projects, Since SKL does not have any investment in non-renewable energy projects, the annual avoided emissions are calculated based on renewable energy projects. The results show that with the increase in investment in renewable energy power plants, avoided emissions will reach 63.3 $ktCO_2e$ in 2022, a 17% increase from 2021. It is expected that SKL will continue to exert its financial power to promote low carbon transformation under the transformation of the national energy policy. (Refer to 7.1 Promote Sustainable Finance)

3. Towards a Net Zero Future

SKL believes that net zero should not be a slogan. To build a sustainable low carbon future must start from the basic. Hence, we have set goals to steadily move forward on the road to net zero future through rigorous data checks, reduction planning, and internalization of carbon reduction awareness.

3.1 Environmental Policy and Targets | GRI 2-27 |

SKL is absorbed in mitigating the possible impact of financial services on the environment. In addition to participating in and sponsoring various environmental initiatives, we have the "SKL Environmental Policy" in place as the prime directive for promoting environmental sustainability. To effectively promote environmental sustainability, we set up the Environmental Protection Group under the Corporate Sustainability Committee to implement various action plans and report the results of implementation to the Corporate Sustainability Committee on a regular basis. To make net zero emissions by 2030 a reality, we have made an overall plan for the establishment of an enterprise environment and energy management system, hoping to work towards SDG 13 by improving energy efficiency in various business activities.

To improve energy efficiency, we reduce the consumption of resources such as paper, waste, and water. We are also increasing the awareness of our employees and policyholders in hopes of contributing to and being responsible for environmental sustainability together. There was no violation of environmental regulations in 2022.

SKL Environmental Policy

SKL is under obligation to protect the environment. In addition to investing in necessary resources, the management provide assistance in protecting the environment based on the SKL Environmental Policy, which specifies our commitment to the following:

- Comply with environmental laws and regulations to be a responsible global citizen
- Engage all employees in adopting environmentally friendly strategies and establishing the environmental management system
- Promote energy-saving measures and recycling to transform into a low carbon company
- Improve all employees' environmental awareness through environmental education to fulfill CSR
- Optimize the effects of environmental initiatives to achieve sustainable development goals

All employees, together with our suppliers and contractors, are required to follow and carry through the SKL Environmental Policy, and our commitment is also disclosed to the public.

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SKL Environmental Targets

- Achieve net zero emission at the head office building by 2026 and main office locations by 2030.
- Conduct the GHG inventory at all operations to keep track of GHG emissions and make reduction plans accordingly.
- Implement carbon pricing in accordance with the SKFH's "Regulations Governing Greenhouse Gas Reduction and Carbon Pricing" to control the cost of carbon and carbon efficiency.
- Set the annual reduction in Scopes 1 and 2 GHG emissions at 2% by 2025 from 2019.
- Strengthen the mechanisms for managing supplier sustainability, including policy formulation, written commitment, risk assessment, on-site audit, and counseling
- When planning for future investment or development of new buildings, we will move towards compliance with the Green Building Label Silver or above / or Green Building design to enhance the environmental sustainability of buildings.

3.2 Low Carbon Actions

With sound environmental management measures and mechanisms in place, SKL reduces the consumption of energy and resources in day-to-day business operations and overall carbon emissions, contributing to the sustainability of the environment.

In the life insurance industry, business operations do not have a huge negative impact on the environment. Notwithstanding, we still integrate the low carbon concept into our daily business activities based on four low carbon strategies. In 2022, we implemented carbon pricing in accordance with the SKFH's "Regulations Governing Greenhouse Gas Reduction and Carbon Pricing" to control the cost of carbon and carbon efficiency. The carbon pricing regulations described above were further amended in 2022, and specifies that the internal carbon price collected according to the regulations shall be listed as expenses for energy conservation projects in the following year, in order to effectively manage carbon risks. We also set interim (2025, 2030) carbon reduction goals and implementation strategies for operations to achieve net zero emissions, conducted a full review of lighting usage and gradually replaced non-LED lights, and optimized the energy efficiency of energy-consuming equipment, such as air conditioners. We are actively lowering our dependency on energy and resources, and replacing energy and resource use that cannot be reduced with renewable energy and eco-friendly products, which will benefit environmental sustainability. The head office will formally begin using renewable energy in 2023, and will achieve the goal of net zero emissions before 2026.

Four Low Carbon Strategies

3.2.1 Implementing Greenhouse Gas Inventory | GRI 305-1、305-2、305-3 |

It is incumbent on SKL to protect the environment. To implement environmental management, we adopted environmental management certification operations since 2014, and maintained system operation, including ISO 50001 Energy Management System, ISO 14046 Water Footprint, and ISO 14064-1:2018 Greenhouse Gas (100% coverage, including overseas operations). In 2022, we completed the certification of all of these environmental management systems and obtained third-party verifications。

A. GHG Emissions

In 2022, our Scopes 1 and 2 GHG emissions totaled 15,322.28 metric tons of CO2e (tCO2e), with the emission intensity per capita reaching 1.59 tCO2e, slight increase from 2021. We will promote various energy saving and carbon reduction measures, and improve energy efficiency actively to cut down on GHG emissions towards the long-term carbon reduction target. In addition to improving energy efficiency, we will continuously support green energy. SKL will use green electricity to replace part of the general electricity consumption from 2023, and gradually increase the proportion of green electricity usage in line with the SKFH group's net zero goal to combat global warming.

GHG Emissions in the Past Three Years

	2020	2021	2022
Total GHG emissions (tCO_2e)	17,218.16	16,978.56	18,005.67
Scope 1 emissions (C1) (tCo_2e)	1,123.29	1,411.56	1,553.66
Scope 2 emissions (C2) (tCO_2e)	13,071.61	12,910.60	13,768.62
Total controllable GHG emissions Scopes 1 and 2 emissions (C1+ C2) (tCO_2e)	14,194.90	14,322.16	15,322.28
Scopes 1 and 2 emission intensity (tCO_2e / person)	1.35	1.38	1.59
GHG emissions / revenue (tCo_2e / $m revenue)	0.041	0.047	0.063
Other emissions (C3~C6) (tCo_2e)	3,023.26	2,656.4	2,683.39
Scope of other emissions (C3~C6)	Application for insurance / Indirect GHG emissions from purchased energy + destruction of documents	Travel + Application for insurance / Indirect GHG emissions from purchased energy + destruction of documents	Travel + Application for insurance / Indirect GHG emissions from purchased energy + destruction of documents

Note 1: The data have been verified by SGS in accordance with ISO 14064-3:2006 as meeting the requirements of ISO14064-1:2018. The GHG emission factor (GWP) in 2019 and 2020 was based on the Environmental Protection Administration's Greenhouse Gas Emission Factor Table (6.0.4). The GHG emission factor (GWP) in 2022 was based on the Sixth Assessment Report of Intergovernmental Panel on Climate Change (IPCC AR6, August 2021). We have adopted the operational control approach on reporting boundaries.
Note 2: Scope 1 emissions (C1) refers to direct emissions from stationary combustion sources (emergency generator diesel), mobile combustion sources (company car oil), and other man-made system fugitives (air-conditioning refrigerants and septic tanks).
Note 3: Scope 2 emissions (C2) refers to electricity emissions, which are calculated using Taiwan Power Company's latest GHG emission factor for electricity (0.509 kg/kWh in 2022).
Note 4: Other emissions (C3~C6) are selected according to the annual significance assessment. Therefore, C1+C2 refers to the standard for per capita emissions.
Note 5: The scope of the inventory was based on the number of buildings. From 2020 to 2022, the GHG inventory covered 168, 169, and 168 buildings (each including overseas operations), respectively.
Note 6: The Company formally included overseas locations in the inventory in 2019. In coordination with the net zero strategy of Shin Kong Financial Holdings, and to collect complete data on inventory boundaries of companies in the group, 2019 was set as the baseline year of the inventory.

B. Electricity Consumption

Electricity Consumption in the Past Three Years

	2020	2021	2022
Total electricity consumption (kWh)	25,680,966	25,718,341	27,050,327
Number of full-time employees (Person)	10,537	10,346	9,634
Electricity consumption intensity (kWh/person)	2,437.22	2,482.82	2,807.80

C. Energy Consumption for Transportation

Energy Consumption for Transportation in the Past Three Years

	2020	2021	2022
Company car oil (L)	786	1,051	2,381
GHG emissions (tCO_2e/year)	1.85	2.38	5.61

Note 1: The data were based on the emission factor (CO_2：2.2631($kgCO_2$/L)、CH4：0.000816($kgCO_2$/L)、N2O：0.000261($kgCO_2$/L)) under the Greenhouse Gas Emission Factor Table (6.0.4) published by the Bureau of Energy, Ministry of Economic Affairs.

3.2.2 Improving Energy/Resource Efficiency

A. Energy Saving Projects

We comply with regulations of the parent company Shin Kong Financial Holdings, and set the goal to reduce general electricity consumption by 2% a year up to 2025 with 2019 as the baseline year. However, we did not achieve the electricity conservation goal due to epidemic prevention measures, such as remote work and video conferencing, taken in response to the pandemic in 2020, increased electricity consumption after personnel returned to the office as the pandemic subsided, and certain administrative units relocating from Shin Kong Life Tower to Songshan Finance Building. In the future, we will focus even more on replacing energy-consuming equipment, such as air conditioners and lights, and will improve our energy efficiency by participating in energy saving courses, activities, or plans of government agencies, in order to achieve our electricity conservation goal.

Energy Saving Projects in 2022

	Annual Electricity Saving in 2022(MWh)	Annual Energy Saving in 2022(GJ)	Annual Emission reduction in 2022 (tCO_2e)
Taoyuan Finance Building – Water chiller replacement	118.56	426.83	60.35
Shin Kong Life Tower – Replaced 1,000W nighttime lighting with LED	105.30	379.09	53.60
Shin Kong Life Tower – Removed the motor of the mechanical parking	23.13	83.28	11.77
Songshan Finance Building – Shortened the time that air conditioning is used	440.23	1584.84	224.08
Shin Kong Tainan Canal Tower– Replacement of old cooling fins of the cooling tower	40.46	145.67	20.60

Energy saving in data center

Aiming for energy saving and carbon reduction, we select energy-efficient equipment, integrate the virtual environment and resources, and adjust electricity consumption in the data center based on annual business growth. In 2022, PUE of our data center at Bade Building remained between 1.59 and 1.69, rated the bronze benchmark by Green Grid.

Note: Green Grid's benchmark for PUE (power usage effectiveness) bronze is 1.67~2.

B. Water Consumption

Water is mainly used by employees and some consumers for day-to-day business operations. Since the main source is tap water, all domestic sewage is discharged to sewage systems, connected to local cities and do not pose a risk of leakages or pollution entering water sources. SKL is committed to reducing water waste. However, due to the partial relocation of the headquarters and the slowdown of the epidemic, resulting in a decrease in the number of people working from home, the water consumption in 2022 slightly increased by 1.91% compared with last year. In the future, we will draw up all-round water management policies to reduce water consumption.

Water Consumption in the Past Three Years

	2020	2021	2022
Water consumption in buildings across Taiwan (kL)	213,156	201,240	205,083

Due to the partial relocation of the headquarters and the slowdown of the epidemic, resulting in a decrease in the number of people working from home, the water consumption in 2022 slightly increased by 1.91% compared with last year.

Note 1: Water consumption in Shin Kong Life Tower was calculated based on water bills (kL).
Note 2: Water consumption in other buildings was estimated by dividing the water bill amount by the unit price of water; the unit price of water was estimated at NT$14/kL for buildings in Taipei City and NT$12/kL for buildings in other cities/counties.

C. Waste Management

SKL's main source of waste is the household waste generated by employees on a daily basis. By formulating long-term reduction strategies, encouraging employees to use environmentally friendly tableware and actively promoting a waste reduction and recycling classification system, SKL is gradually increasing the total amount of resources recycled and reducing the amount of waste generated.

Waste Statistics in the Past Three Years

	2020	2021	2022
Total recycled waste (Tons)	251.8	310.1	556.7
Total domestic waste (Tons)	1,924.9	1,771.3	1538.2
Total waste quantity (Tons)	2,176.7	2,081.4	2094.9
Waste intensity (Ton/person)	0.21	0.20	0.21

Note 1: In 2022, total recycled waste was the estimate in the headquarters (Shin Kong Life Tower); total domestic waste incinerated was the estimate in five buildings (i.e., Shin Kong Life Tower, Songshan Financial Building, Taichung Fuxing Building, Taichung Huiguo Building, and Chiayi Zhongxing Building).

3.2.3 Shaping a Green Culture

SKL is actively promoting digital finance and environmental education. We are committed to reducing the consumption of energy and resources through mobilize, cloud-based, electronic, and digital services and tools. We also call on employees and their family members and policyholders to exert their influence and take measures to save energy and reduce carbon emissions at work and in their lives.

A. Low Carbon Operation and Life

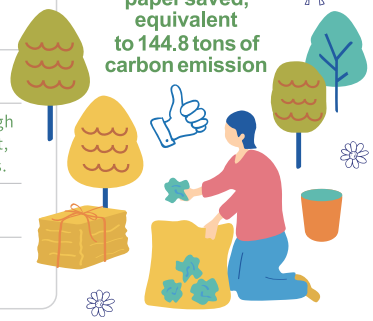
(1) Implementing digital office

In response to the advent of the digital age, SKL has introduced technologies to facilitate marketing and management, cut down on paper consumption, and communicate the concept of energy conservation and carbon reduction to customers. In addition, in response to COVID-19 pandemic in the past two years, in order to reduce the risk of exposure, we have also accelerated the development of digital services, which in turn has improved the performance of paper reduction.

Results of Paperless Operations in 2022

Actions	Results
Administration - paper saving by employees	A reduction of 3,115 packs, or 11.4%, in purchases of paper for administration from the previous year.
Tool - Insurtech	13.461 million sheets of paper saved from e-insurance policies and e-notices.
	About 7.762 million sheets of paper saved through mobile business application: e-insurance, e-visit, e-payment, e-policyholder service, and e-claims.
	About 308,977 sheets of paper saved through online transaction service.
	68,000 sheets of paper saved from 21,393 online applications for insurance.

21.29 million sheets of paper saved, equivalent to 144.8 tons of carbon emission



Note 1：Policy Administration Mobile Tools refer to 5.2 Innovative Digital Services
Note 2: Number of paper consumed/500 (500 sheets in a pack) = Number of paper consumed (pack).
Note 3: Carbon emissions per pack of A4 paper (70g/sheet) total 3.4kg CO_2e.
Note 4: Amount of paper consumed (pack) x 3.4 kgCO2e/1,000 (unit conversion)= Carbon emissions (tCO_2e) saved.

(2) Enjoy low carbon and green life

As the COVID-19 pandemic raged in Taiwan, SKL made a huge change in work arrangements in 2022 by adopting online meetings and training programs avoid unnecessary contact. This not only saved our employees from the risk of infection, but reduced the carbon footprint generated from commuting and movement. We are aware that field staff' s travel produces carbon emissions. In this regard, besides using digital services and tools, we are constantly encouraging the field staff to walk or take low carbon transportation such as bicycles to visit policyholders at short range, which can reduce GHG emissions and is also good for their health.

Continuing to promote the idea of "embracing green life and adapting to climate change," SKL has participated in Earth Hour for 14 consecutive years since 2008, hoping to save energy and reduce carbon with concrete actions. As of 2022, SKL has organized the "Light Shirts in Summer" for 16 years. In response to the government's energy saving and carbon reduction policies, we called on male employees to wear shirts without ties and female employees to wear short-sleeved uniforms; in addition, the temperature for air conditioning in office buildings was kept between 26~28° C in the summer per the Bureau of Energy's instructions.

B. Net Zero Initiative and Action

We support international sustainable development issues, and cooperate with the government's pathway and strategy for achieving net zero emissions by 2050. Besides working with our parent company Shin Kong Financial Holdings and joining the Taiwan Alliance for Net Zero Emission of the Taiwan Institute for Sustainable Energy (TAISE), we also support and promote the Net Zero 2030/2050 Initiative, and formulated carbon reduction goals and implementation strategies for achieving net zero emission by Shin Kong Life Insurance. We plan to replace all lights in locations nationwide with LED before 2030, and gradually improve the energy efficiency of air conditioners. We will use green electricity in our general electricity consumption, and continue to provide training on environmental sustainability, so that employees will change their energy and resource use habits.

C. Maintain Ecological Sustainability

We have monitored ecological conservation and environmental sustainability for years. Besides sponsoring conservation activities and preparing tools to enrich their behavior, we also promoted ecological conservation and education. For ocean sustainability, we assisted with the training of coral reef inspectors and conducted coral reef examinations. We also organized underwater cleaning activities to clear marine waste, which echoes SDG 13-15.(Refer to 8.1.3 Environmental Sustainability)。

3.2.4 Constructing Green Buildings

SKL is constantly adjusting its thoughts on buildings, aiming to construct buildings with post-disaster resilience and sustainability in line with SDG 11 Sustainable Cities and Communities, improve the energy efficiency of existing buildings, and get certified to Green Building Labels. We expect to create an energy-efficient, eco-friendly lifestyle and reduce the environmental impact of our business operations.

SKL's Commitment to Eco-friendly Buildings

- **When planning for future investment or development of new buildings, we will move towards compliance with the Green Building Label Silver or above / or Green Building design to enhance the environmental sustainability of buildings.**
- **Regenerate old buildings and facilities with various energy-saving measures, cut energy consumption, and improve the energy efficiency of existing buildings to be a responsible citizen for the environment.**

Results of Green Buildings

As part of our commitment to eco-friendly buildings, SKL has been constructing energy-efficient and sustainable buildings that will benefit people living there and the environment in perpetuity.

As of 2022, we had applied for Green Building Labels for seven buildings, including six Green Building Labels (obtained) and one candidate for Green Building Labels, and obtained one LEED credential. We also expect to apply for Green Building Labels for six projects that will start construction in 2022 or are still under planning.

In 2022, we obtained Green Building Labels (Silver) for Shin Kong Jasper Villa President and candidate for Green Building Labels for Shin Kong Hangzhou North Road Superficies Case. Following the seven indicators of Green Building Labels (greenery, soil water retention, daily energy saving, CO_2 reduction, construction waste reduction, water resources, and sewage and garbage improvement), we strove to create low carbon smart green buildings by planting a large number of trees and shrubs in the base, installing energy-efficient air-conditioners and LED lights, water-saving bathroom equipment, garbage refrigerators, and adopting considerable quantities of green building materials.

Shin Kong Life Insurance Taichung Jasper won the Best Construction Quality and Best Planning and Design in the Leisure Building Division of the Taiwan Real Estate Excellence Awards in 2022; the new Nandong Building and superficies in Qianjin District, Kaohsiung won the 24th National Golden Award for Architecture – Planning and Design Golden Award. The Company aims to improve the aesthetic and creative design and construction quality of buildings, and further supports the spirit of combining lightweight, carbon reduction, circular economy, innovation, smart, and local cultural features to create an environment for LOHAS where "nature and culture co-exist and ecology and sustainability mutually benefit."

Green Buildings in the Past Three Years

Building	Results	Investment amount	Benefit		
			Amount of CO_2 absorbed (greenery design)	Soil water content	Capacity of rainwater storage (recycling)
Shin Kong Nangang Software Park Building	Green Building Label (Gold) in 2020	NT$2.15 billion	690.31t	982.89m^3	259.79m^3
Shin Kong Jasper Villa Xinban- Base C	Green Building Label (Silver) in 2021	NT$1.88 billion	745.917t	—	183.04m^3
Shin Kong Jasper Villa Jiantan	Green Building Label (Gold) in 2021	NT$1.25 billion	352.47 t	641.31m^3	139.65m^3
Shin Kong Jasper Villa Shuiyang	Green Building Label (Gold) in 2021	NT$1.3 billion	644.33t	15.26m^3	70m^3
Shin Kong Jasper Villa President	Green Building Label (Silver) in 2022	NT$2.42 billion	1477.025t	31.08m^3	217.27m^3
Shin Kong Hangzhou North Road Superficies Case	Candidate for Green Building Label (Silver) in 2022	NT$3.31 billion	357.88t	—	269.10m^3

INNOVATION

Talent recruitment and retention／Innovation and digital finance／
Customer relationship management／Financial inclusion

CORE VALUES

Strive to meet the protection needs of our policyholders and create opportunities for sustainable development for our company.

Place great emphasis on cultivating excellent talent and implement forward-thinking human resources policies, which serve as the foundation for our long-term business sustainability.

4. Nurturing Diverse Talents

5. Excellent Customer Experience

4. Nurturing Diverse Talents

SKL treat every employee as an important asset for business sustainability. We recruit outstanding talents and put the right people in the right place, hope to be a benchmark company that provides quality products and services for policyholders. We also strive to create a safe and friendly work environment to take the best care of our employees.

4.1 Diverse Recruitment

Innovation knows no boundaries, our human strategy is to continuously strengthen competency and ensure the sustainable development of talents, balanced scorecard for business planning, and function-oriented key performance indicators. We have made and implemented the overall human resources management plan covering the selection, employment, cultivation, and retention of talents to ensure the sustainable development of employees in the organization.

4.1.1 Building an Inclusive Workplace | GRI 2-7、2-8、401-1 |

A. Employment Status

SKL attaches great importance to diversity in the workplace. Our workforce mainly comprises Taiwanese employees, and all of our senior executives are Taiwanese. In 2022, we had 2,633 office staff and 6,999 insurance agents, totaling 9,632 full-time employees (excluding commission-only sales representatives); 28% of our employees were male and 72% female.

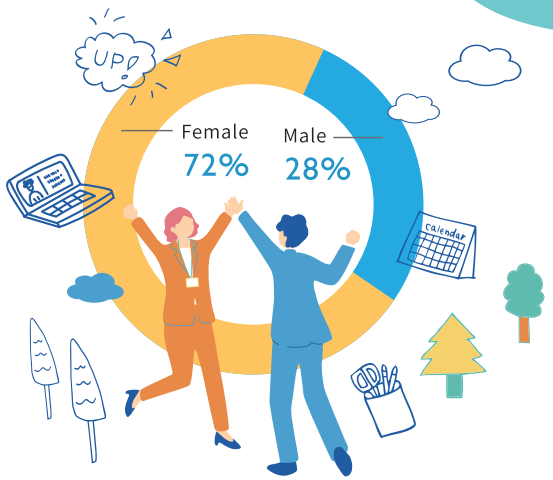
2022 Employee Structure

Unit: Person

	Number of People
Office Staff	2,633
Insurance Agents	6,999
Full-time	9,632

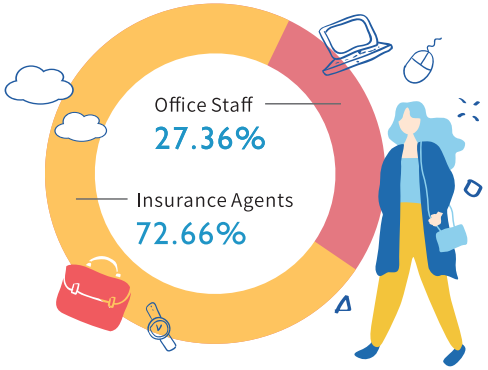
Unit: Person

	Number of People	Percentage
Female	6,938	72%
Male	2,694	28%



Category		Office Staff					Insurance Agents					Total
		Taiwan	Overseas	Taiwanese	Foreign National	Subtotal	Taiwan	Overseas	Taiwanese	Foreign National	Subtotal	
Female	Full-time	1,610	1	1,611	0	1,611	5,327	0	5,327	0	5,327	6,938
	Unofficial	23	0	23	0	23	3,383	0	3,383	0	3,383	3,406
	Subtotal	1,633	1	1,634	0	1,634	8,710	0	8,710	0	8,710	10,344
Male	Full-time	1,019	3	1,018	4	1,022	1,672	0	1,672	0	1,672	2,694
	Unofficial	30	0	30	0	30	495	0	495	0	495	525
	Subtotal	1,049	3	1,048	4	1,052	2,167	0	2,167	0	2,167	3,219
Total	Full-time	2,629	4	2,629	4	2,633	6,999	0	6,999	0	6,999	9,632
	Unofficial	53	0	53	0	53	3,878	0	3,878	0	3,878	3,931
	Subtotal	2,682	4	2,682	4	2,686	10,877	0	10,877	0	10,877	13,563

Note 1: Regular employees are full-time employees.
Note 2: Unofficial office staff refer to temporary workers, student workers, interns and masseurs. Unofficial insurance agents refer to the commission-only sales representatives who contract with SKL, accounting for nearly 30% of all employees.



2022 Full-time Employee Structure

Unit: Person

	Female	Male	Percentage
Office Staff	1,611	1,022	27.36%
Insurance Agents	5,327	1,672	72.66%

Gender	Age	Office Staff						Insurance Agents					
		Senior-level managers	Mid-level managers	Junior-level managers	Management Subtotal	General employees	Proportion of each Age group Note 2	Senior-level managers	Mid-level managers	Junior-level managers	Management Subtotal	General employees	Proportion of each Age group Note 2
Male	< 30	0	0	6	6	93	1.03%	-	-	71	71	469	5.61%
	30 - 50	13	83	136	232	408	6.64%	-	-	263	263	678	9.77%
	> 50	46	53	46	145	138	2.96%	-	-	27	27	164	1.98%
	Subtotal	59	136	188	383	639	10.63%	-	-	361	361	1,311	17.36%
Female	< 30	0	0	2	2	201	2.11%	-	-	43	43	594	6.61%
	30 - 50	3	56	66	125	885	10.49%	-	-	328	328	1,791	22.00%
	> 50	8	23	58	89	309	4.13%	-	-	341	341	2,230	26.69%
		11	79	126	216	1,395	16.73%	-	-	712	712	4,615	55.31%
Total		72	215	314	599	2,034	27.36%	-	-	1,073	1,073	5,926	72.66%
Proportion of each Category Note 3		0.75%	2.23%	3.26%	6.24%	21.11%		-	-	11.14%	11.14%	61.51%	

Note 1: Senior-level manager refer to the president, department heads and above; Mid-level manager refer to deputy heads of department, section managers, and the managers of regional sales divisions; Junior-level managers refer to project managers, sales office supervisors, and sales managers.
Note 2: Proportion of each Age group (%) = (Number of full-time employees by age/Number of all full-time employees).
Note 3: Proportion of each Category (%) = (Number of full-time employees by category/Number of all full-time employees).

Turnover of full-time Employees in 2022

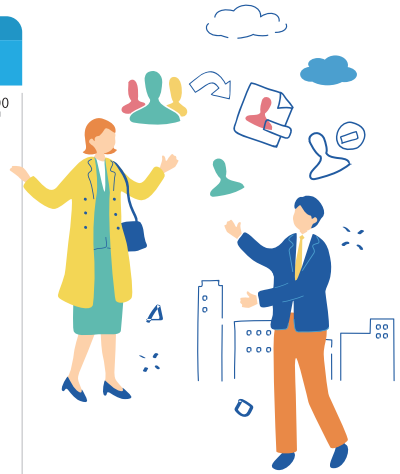
Unit: Person

Total: 2,525

10 20 30 40 100

26.21%

	Age		Note 3
Male	< 30	336	3.49%
	30 - 50	429	4.45%
	> 50	58	0.60%
	Subtotal	823	8.54%
Female	< 30	412	4.28%
	30 - 50	785	8.15%
	> 50	505	5.24%
	Subtotal	1,702	17.67%



Office Staff Total: 178

0 10 20 30 40 100

6.76%

	Age		
Male	< 30	19	0.72%
	30 - 50	62	2.35%
	> 50	2	0.08%
	Subtotal	83	3.15%
Female	< 30	31	1.18%
	30 - 50	62	2.35%
	> 50	2	0.08%
	Subtotal	95	3.61%

Insurance Agents Total: 2,347

0 10 20 30 40 100

33.53%

	Age		Note 2
Male	< 30	317	4.53%
	30 - 50	367	5.24%
	> 50	56	0.80%
	Subtotal	740	10.57%
Female	< 30	381	5.44%
	30 - 50	723	10.33%
	> 50	503	7.19%
	Subtotal	1,607	22.96%

Note 1: Turnover refers to the number of employees who leave an organization voluntarily or as a result of layoff, retirement, illness, or death at work, excluding secondments.
Note 2: Turnover rate of office staff and insurance agents = (Number of office staff or insurance agents left SKL/Total number of fill-time employees of SKL).
Note 3: Total Turnover rate = (Number of full-time employees left office/Total number of full-time employees of SKL).
Note 4: No full-time employees overseas left SKL in 2022.

B. Equal Employment

SKL is absorbed in shaping a corporate culture that values diversity and gender equality in the workplace. By hiring employees of different groups, we can have diverse perspectives and insights, injecting innovation and vitality into the organization.

(1) Maintaining the Rights of People with Disabilities and Indigenous Peoples at Work

We value the rights and interests of people with disabilities and indigenous peoples at work by taking the following measures:

- Employ people with disabilities more than required by law. In 2022, we employed 125 people with disabilities.
- Draw up the "Regulations for Incentive for Increased Recruitment of Indigenous employees" to provide employment opportunities for indigenous peoples. In 2022, we made incentive payments amounting to NT$11.58 million.
- Provide additional one-day special leave and NT$6,000 for indigenous employees to return home for annual festival. In 2022, we provided NT$384,000 to 64 indigenous employees

Diversity in Employment

		2020	2021	2022
Indigenous employees	Number of employees	165	157	165
	Percentage	1.59%	1.49%	1.71%
Employees with disabilities	Number of employees	124	143	125
	Percentage	1.20%	1.36%	1.30%

Note: The statutory number of employees with disabilities to be employed is 100.

(2) Valuing Gender Equality

SKL places much emphasis on gender equality and does not discriminate based on gender or sexual orientation. We attach importance to the workplace participation of female employees, not only for gender balance, but also for bringing diversity of perspectives to the company. The results of the performance evaluation in 2022 showed that more female employees were high performers than male employees. This echoed with our positive arrangements for female employees.

Statistics of Female Managers in 2022

	Number of People	Percentage
Senior-level managers	11	15.7%
Mid-level managers	79	36.7%
Junior-level managers	126	40.1%
Sales Department managers	712	66.4%

Note 1: Senior-level manager refer to the president, department heads and above; Mid-level manager refer to deputy heads of department, section managers, and the managers of regional sales divisions; Junior-level managers refer to project managers, sales office supervisors, and sales managers.
Note 2: Sale Department managers refer to heads of revenue-generating business units, regardless of rank.

4.1.2 Recruiting the Next Generation

A.Insurance Agent Recruitment Plan

Project/Program	Description	Results in 2022
Young Manager Training Program	Hire outstanding young talents as management associates to funnel younger generations into entry-level managers	Hired 200 people
New Talent Training Project	Strengthen the recruitment of low-performing units to attract people who want to change their jobs to work in the insurance industry	Hired 95 people
Young sales Representative Manager Training Program - Sky Promotion Project	Help representatives improve sales skills, develop the organization, and get promoted to managers through a sound training, financial aid, and reward system	18 newcomers
Elite Representative Manager Training Program	Recruit experienced sales representatives and help them thrive in the Company within a year	7 newcomers
Digital Recruitment	Create a certain level of online presence to expand recruitment sources through FACEBOOK exclusive fan pages and digital media.	FB posts exposure: 871,000 times FB posts reach: 879,000 times

B. Industry-University Collaboration Program

- We provide opportunities for college students to visit our company and learn about SKL's business philosophy and operations.
- We provide students with hands-on practice in the business operations of an insurance company through our experienced office and sales personnel to turn them into insurance talents. In 2022, SKL cooperated with 123 departments in domestic colleges and universities. A total of 280 students participated in our industry-university collaboration program, with a spending of approximately NT $2.12 million.

C. Internship Programs

Every year, SKL organizes internships, summer internships, insurance courses, corporate visits, and other projects to share knowledge and experience with students in a series of courses and activities, helping students to understand themselves and plan for their futures.

In 2022, we invested NT$2.16 million in our internship programs that attracted on 4 students in the summer internship, 13 in the industry-university collaboration program, and 10 in the IT internship program. 5 students participating in the IT internship program worked for SKL after graduation.

New Full-time Employees in 2022

Unit: Person

Total: 1,831

19.01%

	Age		
Male	< 30	323	3.35%
	30 - 50	361	3.75%
	> 50	20	0.21%
	Subtotal	704	7.31%
Female	< 30	408	4.24%
	30 - 50	622	6.46%
	> 50	97	1.01%
	Subtotal	1,127	11.70%

Office Staff Total: 220

2.28%

	Age		
Male	< 30	36	0.37%
	30 - 50	59	0.61%
	> 50	1	0.01%
	Subtotal	96	1.00%
Female	< 30	62	0.64%
	30 - 50	61	0.63%
	> 50	1	0.01%
	Subtotal	124	1.29%

Insurance Agents Total: 1,611

16.73%

	Age		
Male	< 30	287	2.98%
	30 - 50	302	3.13%
	> 50	19	0.20%
	Subtotal	608	6.31%
Female	< 30	346	3.59%
	30 - 50	561	5.82%
	> 50	96	1.00%
	Subtotal	1,003	10.41%

Note 1: New insurance agents refer to the insurance agents employed within one year.
Note 2: Percentage of new full-time employees (%) = (Number of new full-time employees/Number of all full-time employees).
Note 3: There was no new full-time employees overseas in 2022.

4.2 Nurturing Talent

4.2.1 Training Strategies and Programs | GRI 404-2 |

As part of our core vision, we place emphasis on the value of human life. Treating every employee as an important asset of the Company, SKL recruits outstanding talents and puts the right people in the right place. In 2022, the outstanding talent retention rate reached 96.2%, and the newcomer retention rate was 78.2%.

Based on the annual business strategy - Provide the Excellent Experience and Become a Sustainable Corporate, SKL set the annual training programs to deliver remarkable business results. We also had ad hoc training programs in place to impart professional knowledge to our employees and teach them to think creatively and adapt to digital finance, thus fulfilling talent cultivation and development.

Sound training system

Complete training and career development plans for employees at all levels

- The training system is divided into two categories: sales (sales personnel) and administration (office staff). It is designed to meet the training needs of core personnel in various categories and establish a diversified learning mechanism to explore career development paths.
- In 2022, we organized 520 sessions of learning map training, and 14,733 people completing the training with the satisfaction score averaging 4.89 (five-point scale).

Leadership team

- We continuously strengthen the depth of internal talent bench and expand the coverage of leadership pipeline to comprehensively enhance management competencies.
- From 2011 to 2022, we trained a total of 864 office staff and promoted 253 of them, with a promotion rate was 29.3%; We trained 390 insurance agents and promoted 190 of them, with a promotion rate of 49%.
- In 2021, we initiated the High-Potential Talent Nomination and Development Program, which involves regular tracking, review, and adjustment of candidates on an annual basis. 109 insurance agents were nominated for the training. 25 of them were promoted, with a promotion rate of 22.9%. We trained 42 insurance agents and promoted 10 of them, with a promotion rate of 24%.

Certification allowances

- To encourage employees to pursue further education independently and pass professional certification, SKL offers allowances for related training courses and certification examinations.
- Allowances cover application fees, annual membership fees, foreign language training fees, EMBA and in-service master's program (including master's programs) fees.
- We also offer certification incentives, continuing education allowances, and study leave.
- In 2022, we allocated NT$25.48 million to certification allowances and incentives.
- The decline in the number of 1-3 insurance certificates among insurance agents can be attributed primarily to the establishment of SKPIA, which resulted in the transfer of license ownership from SKL to SKPIA for some employees. Except for MDRT and IDA, which indicate the number of applicants in the current year, the professional certificates in the table on the right represent the cumulative total.

Category		2021	2022
Office Staff	Life insurance certification	9,295	8,948
Insurance Agents	1. Life insurance agent certification examination	19,032	15,448
	2. Non-investment-type life insurance in foreign currency examination	15,047	12,611
	3. Investment-type life insurance examination	10,851	9,143
	4. Million Dollar Round Table (MDRT)	360	191
	5. International Dragon Award (IDA)	247	176
	6. Registered Financial Consultants (RFC)	119	139
	7. Associate Financial Planner (AFP)	92	104
	8. Certified Financial Planner (CFP)	82	98
	Subtotal	55,125	46,858

Diverse training pipelines

Talent exchange program

- We provide a diversity of flexible talent exchange programs after confirming with employees about their career plans and willingness to participate.
- We provide talents in every function with opportunities to delve into their fields and even other financial sectors and take up management positions and even get promoted to executives.

Online training platforms

- In 2022, we introduced the online education and training platform "Hahow for Business" with a training budget of NT$3.75 million. It provides the opportunity to learn and apply knowledge without geographical limitations, as well as strengthening professional abilities. To encourage employees to learn online, we launched a learning leave system. Employees who read eight hours on the online platform are eligible for one-day study leave, with a maximum of two days per year. In 2022, more than 1,800 employees achieved their learning leave goals, accumulating a total of 57,000 hours of learning on the platform.
- Employees are encouraged to use fragmented time to learn on the "CommonWealth Leader Campus" (CWLC) to stay competitive at work. In 2022, we were honored to receive the "Super Star Award" in the Annual Corporate Learning Awards organized by the CWLC. The results have been remarkable.

Reading status of various courses on the external training platform in 2022

hahow	Headcount	CWLC	Headcount
Diversity in Life	7,931	AI/Big Data	9,202
Foreign Languages for Business	928	Management Competencies	41,906
Programming Languages	794	Political-Economic/Industry Trends	31,419
Visual Design	697	Marketing/Business Development	6,655
Business Management	3,322	Language Learning	10,037
Digital Marketing	1,019	Communication and Expression	52,291
Data Analysis	837	Legal and Financial Basics	3,507
Workplace Skills	5,744	Efficient Work	9,363
Total	21,272	Total	164,380

External training at home and abroad

- In 2022, 1,713 employees took training courses based on the nature of business activities they engage in.

Connecting to international financial development

Bilingual training

- In 2022, our expenditure on English learning for employees amounted to NT$2.23 million. Methods of English learning included English contests and e-sports, online learning platforms and APP, and TOEIC tests.
- In 2022, the average TOEIC test score of all employees increased by 20 points.

Digital talent development

Risk / Opportunity	The wave of financial technology has sent the insurance industry down a path to transformation. / Talent training plans are rolled out in the insurance industry in response to the wave of financial technology.		Kirkpatrick Model
Eight Talent training strategies for Fintech	Develop AI innovation collaborations and organizing digital finance seminars	• Assign employees to take training courses at Taiwan AI Academy on a regular basis. • Implementing the annual strategic focus of "Digital Innovation, Sustainable Succession" and keeping abreast of important trends in digital transformation of business management, we collaborated with Taiwan AI Academy to organize a business performance verification workshop: to effectively improve the recognition rate of Smart Customer Services Chatbot "Shin" and to improve the precision of signature recognition and interpretation through consultant guidance. • We invited the Deputy General Manager of Financial Services Group of Microsoft Taiwan to deliver a presentation on "Implementing Green Finance through Digital Transformation." By leveraging Microsoft's next-generation financial innovation technologies and cloud-based solutions, we aim to drive innovative transformations for customers in the financial industry in Taiwan. • In partnership with CommonWealth Magazine, we organized a digital finance seminar titled "Metaverse + Web 3.0 Trends: Envisioning Future Applications in Finance and Insurance." This seminar explored the concept of the metaverse from three perspectives and delved into its potential applications in the finance and insurance sectors.	L4
	Carry out the Spark Heroes Digital Training Program	• SKFH selected employees who are agile, bold, and collaborative (ABC) to train them to think strategically, be professional, be adaptive, be relationship-led, and keep moving through various programs. They were seeded to assist SKFH group with digital transformation.	L3
	Assign employees to attend Fin & Tech and Bellwether on a regular basis	• We sent a total of five employees to participate in the Information Security Training Program, Cybersecurity and Information Security Executive Program (CISE), Cloud Architect Professional Certification, and Financial Security Talent Development Program. • We opened up opportunities for employees to freely enroll in FinTech-related courses, including the Financial Digital Transformation Workshop, Fin&Tech Transboundary Salon, and the Financial Industry Talent Development Program, with a total training duration of 655 hours. • Promoted the participation of 153 employees in Bellwether's FinTech online and offline courses/forums.	L3
	Continue online courses of Taiwan Academy of Banking and Finance (TABF)	• We continue to work with TABF to offer a series of FinTech digital courses, organizing a mandatory and elective system to encourage all employees to take digital courses such as "AI Development Trends and Applications" and "FinTech and Regulatory Sandbox".	L3
	Develop talents in technology, social media, and big data	• Promoted the digital and financial literacy test and provided cloud-based training resources for insurance consultants. • Integrated Heart-SFA (Sales Force Automation) with iPad to provide a diversity of user-friendly e-services. • Organized lectures on new knowledge and industry trends to familiarize employees with the application and development of the Internet of Things and big data in the insurance industry.	L3
	Set up a dedicated organization to reform the big data process	• Reformed the process through technology, social media, and big data analytics and cultivated talents in FinTech.	L4
	Organize workshops on leading change to replicate success quickly	• Carried out new product development training through workshops. • Held RFC certification training to improve financial expertise and quality of service.	L4
	Digital Insurance Agent Program	• Integrate the use of digital tools at every level of in-person training programs. • Utilize online live streaming to broadcast application scenarios. • Held a nationwide PASS test in January, 2023.	L5

4.2.2 Training Input and Output | GRI 404-1 |

A. Employee Training Input

SKL treats every employee as the most important asset of the Company. In addition to launching strategic products, we recruit and develop young talents through the business transformation program. Each year, we invest in a world of training resources to boost our insurance agents' productivity. In terms of digital service, we continue to train talents in digital finance to provide customers with a diversity of user-friendly smart financial services. In 2022, we allocated NT$25.48 million to certification allowances and incentives.

Employee Training Output in 2022

Unit: Hour

			Office staff	Insurance agents	Total hours	Hours per capita
Male	Management	Senior-level	4,479	-	4,479	76
		Mid-level	11,354	-	11,354	83
		Junior-level	19,840	27,256	47,096	86
		Subtotal	35,674	27,256	62,930	85
	General Employees		45,470	149,942	195,412	100
Female	Management	Senior-level	1,596	-	1,596	145
		Mid-level	8,122	-	8,122	103
		Junior-level	10,943	50,962	61,905	74
		Subtotal	20,661	50,962	71,623	77
	General Employees		122,025	366,454	488,479	81
Total			223,830	594,614	818,443	85

Note 1: Training hours in this table included hours of internal training, external training, overseas training, online training, and orientation.
Note 2: Internal training refers to internal training organized by the Human Resources Department; external training refers to external training which departments assign employees (either office staff or insurance agents) to attend; overseas training refers to training which the Company assigns employees (either office staff or insurance agents) to attend overseas.
Note 3: Senior-level manager refers to the president, heads of department and above; Mid-level manager refer to deputy heads of department, section managers, and the managers of regional sales divisions; Junior-level managers refer to project managers, heads of sales offices, and the managers of sales offices.

Employee Training Expenses

Unit: NT$

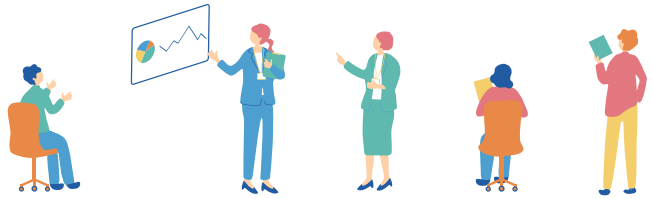
			Office staff	Insurance agents	Total Expense	Expense per capita
Male	Management	Senior-level	1,049,132	-	1,049,132	17,782
		Mid-level	2,389,280	-	2,389,280	17,568
		Junior-level	3,079,861	3,727,115	6,806,976	13,771
		Subtotal	6,518,273	3,727,115	10,245,388	13,734
	General Employees		10,649,693	3,280,165	13,929,858	7,144
Female	Management	Senior-level	373,800	-	373,800	33,982
		Mid-level	1,864,595	-	1,864,595	23,602
		Junior-level	1,875,787	6,824,065	8,699,852	10,382
		Subtotal	4,114,182	6,824,065	10,938,247	11,787
	General Employees		28,580,083	9,620,853	38,200,936	6,356
Total			49,862,231	23,452,199	73,314,430	7,612

Note 1: Training hours in this table included hours of internal training, external training, overseas training, online training, and orientation.
Note 2: Internal training refers to internal training organized by the Human Resources Department; external training refers to external training which departments assign employees (either office staff or insurance agents) to attend; overseas training refers to training which the Company assigns employees (either office staff or insurance agents) to attend overseas.
Note 3: Senior-level manager refers to the president, heads of department and above; Mid-level manager refer to deputy heads of department, section managers, and the managers of regional sales divisions; Junior-level managers refer to project managers, heads of sales offices, and the managers of sales offices.

B. Results of Key Training Projects

A diversity of training courses are designed based on the needs of office and sales personnel at work to train employees to become insurance professionals.

In the wake of the pandemic, our training courses went virtual. We also added courses on digital service and trading to improve insurance agents' capabilities of working as a team and adapt to digital transformation.

Project name	Digital Insurance Agent Program	AI Digital Talent Training Program
Project overview	Building on the Agent+ projects from 2015 to 2019, we have been expanding digital platforms and resources since 2020. In 2022, we promoted the six fundamental skills for digital agents to enhance the effectiveness of precise marketing on the business end and to improve the digital accessibility of customer services, while gradually achieving the mission to reduce paper usage and carbon emissions for ESG purposes.	Digital transformation is an important management trend. In order to maximize organizational synergy, we encourage employees to participate in courses at Taiwan AI Academy, jointly organize seminars, promote operational performance workshops, and exchange technology with the SKFH R&D team, to implement organizational performance and demonstrate results.
Business Benefits	1. Integrate data analysis to facilitate precise marketing: (1) Business opportunity systems have been integrated and a customer dashboard was added to the E-secretary app frequently used by sales agents. Agents can use the filtering mechanism on the customer dashboard to identify suitable business targets and recommend appropriate insurance products. This allows daily visits to be converted into successful transactions, thus achieving the business performance goals through precise marketing. (2) The authority for managing the Power BI platform has been extended to district managers, allowing the front-line business supervisors to track and view the business activities of their subordinate group leaders through Power BI. This enables them to monitor the use of customer dashboards by group leaders to execute initiatives such as customer activation, inflow of funds from matured policies, as well as management of the quarterly customer lists. According to data statistics, the sales agents who frequently use customer dashboards and the business managers who habitually use Power BI as a management tool have significantly improved their performance. 2. Integrate digital services to provide convenience for customer operations: (1) In July 2022, we launched the Instant Insurance Policy Health Check service to simplify the existing process and create a "Smart Insurance Policy Health Check System" based on the concept of capturing policies with just one snap. It accelerates the policy documentation process, freeing up agents from cumbersome tasks and allowing them to focus more on communicating with policyholders and providing professional services. (2) The Marketing Quick Access Station has consolidated various resources such as supplementary marketing content, product introductions, insurance knowledge, current news, and recruitment propaganda. This convenient one-stop platform enables sales representatives to access and share information easily, leading to more effective customer management and closer relationships.	• Acquire key professional skills and rapidly accumulate practical experience through a solid and comprehensive external training program. • Jointly organize seminars with Taiwan AI Academy to understand industry application cases and learn from benchmarking examples to achieve paradigm transfer. • Brainstorm with consultants to produce the best solutions through the workshop model. • Exchange technology and collaborate with the SKFH R&D team to examine problems and data together, formulate and achieve effective optimization strategies. 
Applicable subject	All insurance agents	Employees from departments related to digital service applications
Training results (Kirkpatrick model L1~L5)	L1 Reaction: Satisfaction score for trainings: 4.89 (out of 5) L2 Learning: Starting from the first half of 2022, in-person courses (for new employees and newly promoted managers) had been fully implemented, and in the second half of the year, online trainings (68 live streaming sessions in total) were promoted. The completion rate was 100%, and in January 2023, a nationwide PASS test was held. L3 Behavior: (1).The number of policy plans filed by the OCR Instant Smart Insurance Policy Health Check reached 42,416, with a utilization rate of 92% among insurance agents. (2).In 2021, the share of e-agents reached 48.8%, and 56.1% in 2022. L4 Results: The number of policy plans generated by the OCR Instant Smart Insurance Policy Health Check reached 703,866, serving a total of 459,650 customers. L5 Return on Investment: ROI 5.91 	L1: 1.Satisfaction score for lectures: 4.6 (out of 5) 2.Satisfaction score for workshops: 4.3 (out of 5) L2: 100% completion rate L3: Developing and continuing utilizing workflow solutions. L4: After the implementation of AI signature recognition, 1. The accuracy rate of the form increased from 49% to 56.7%. 2. The manual signature comparison time for the original unit (8 identities, multiple policy documents with signatures) was reduced from 10-20 seconds to within 2-4 seconds. 3. 30-60 seconds of manual signature comparison time was saved for each underwritten case, and for approximately 500,000 new policy cases each year, 4166 hours of work hours can be saved annually. L5: Return on Investment: ROI 2.50

4.2.3 Talent Development | GRI 404-2、404-3 |

A.Performance and Competence Evaluation

To provide employees with clear career development paths, we set competences at all levels according to the Company's annual business strategies and evaluate the employees' performances (70%) and competences (code of conduct) (30%) at midyear and the end of the year respectively. In 2022, the evaluation rates for both formal employee performance and professional development reached 100%.

B. Job Rotation Program

To optimize the use of human resources, we connect the Company's development with an employee's career development. Each year, we conduct a survey of employees' willingness to transfer to new posts. Through job rotations, we adjust job descriptions and the work environment appropriately to improve our employees' competence and productivity at work. In 2022, our internal job rotation rate reached 83%.

Method	Description	2022 Number of People
Job rotation	Employees who serve in departments or special positions for a certain period of time may apply for job changes across departments or positions to inspire new enthusiasm at work or meet management needs.	385
Internal recruitment	Job vacancies of departments are promptly announced on the Intranet. Employees can apply for these job vacancies according to their personal interests and career plans.	183
Reservation for transfer	When there is no expected vacancy, employees may make reservations for transfer according to their personal needs. They may take up a post when the position becomes acant.	7

C. Re-employment of Retiring Insurance Agents

To encourage retirees to continuously contribute to the insurance industry, SKL has established a "re-employment project," which re-employs retirees based on their ranks at the time of retirement. In 2022, 115 retirees were re-employed.

4.3 Happy Workplace

4.3.1 Creating a Corporate Culture that Values Diversity, Effective Communication, and Gender Equality

A. Protecting employees' human rights

When recruiting and approving salaries, SKL will not discriminate based on gender, race, physical condition, religion, political stance, marital status, and union stance; in addition, we prohibit the employment of children under the age of 16 to eliminate possible forced labor.

If there is a major change in business operations, SKL will act by Article 16 of the Labor Standards Act to protect the rights and interests of employees. We also attach great importance to labor rights. In response to internationally accepted basic labor rights conventions, our human resources policies cover human rights topics such as employees' rights to work and freedom of association to maintain the dignity and privacy of all employees. Every year, SKL cooperates with SKFH to conduct human rights due diligence to mitigate and remove potential human rights risks.

Gender Equality Mechanisms

Item	Description
Policy	Set up the policy statement and grievance, investigation, and handling mechanisms for sexual harassment prevention
Training	Publicize the Sexual Harassment Prevention Act and organize training
Whistle-blowing	shinkong113@skl.com.tw
Review	Review internal systems annually and amend internal regulations as necessary

Results in 2022

1.Continued publicizing sexual harassment prevention and operating the whistle-blowing system

2.On October 11th, "International Day of the Girl," in 2022, we broadcast a promotion on the prevention of sexual harassment to promote gender equality in the workplace on our online streaming platform.

Organized 2 sessions of publicity for workplace violence prevention and sexual harassment prevention for 0.4 hour in total; all employees attended the sessions.

Received no reported case

Conducted the review in all operations

B. Paying Attention to the Voice of Employees

At SKL, various open platforms are in place to enhance labor-management communication. The following communication mechanisms and results serve as the basis for the annual review and evaluation of employees' human rights:

Mechanism	Action	Results in 2022
Labor-management meeting	• Establish labor unions in Taipei City, New Taipei City, Hsinchu City, Taichung City, Nantou County, Yunlin County, Changhua County, and Kaohsiung City without a collective bargaining agreement	• Communicated harmoniously with the unions in regular meetings (quarterly) instead of negotiation or mediation of labor disputes
Grievance	• Set up the Employee Complaint Response Team and the Major Labor Dispute Handling Team • Draw up the "SKL Employee Complaint Handling Regulations " and build a workplace where communication prevails over confrontation.	• Received 2 employee complaints (including consulting and referring cases to business units for handling) • Reported 4 labor disputes
Employee survey and employee symposium	• Conduct employee surveys regularly to understand employees' identification with and comment on the Company • Base the survey results on external standards, strengthen consensus, plan improvement actions.	• Completed the annual employee survey in 2022 • Allowed employees to respond through private mobile devices to ensure their privacy • Located the user interface and data storage in the consultant company's system to keep employees' responses strictly confidential
Employee feedback mailbox	• Set up an employee feedback mailbox: speaklouder@skl.com.tw, through which employees' voices will be accepted by a dedicated person and submitted to the top management	• Received no employee feedback or proposal
Intranet feedback area	• Set up a comment section on the Intranet, to which a dedicated unit is responsible for responding, to allow employees to seek advice immediately and conveniently	• Continued to communicate with employees using the comment section
Unlawful infringement handling mechanism	• We have established the "Prevention of Illegal Infringement at Work Plan" and published the "Written Declaration Prohibiting Illegal Infringement in the Workplace" on our internal company website. These serve as standards for establishing behavior norms. • We have implemented the "Complaints and Disciplinary Measures for illegal Infringement at Work" to address complaints related to physical, verbal, psychological, and sexual harassment in the workplace. We have set up a dedicated investigation team responsible for conducting investigations. Dedicated complaint mailbox: SKL1999@skl.com	• A total of 2 complaints were received, and 1 substantiated.

4.3.2 Establishing a Good Employee Compensation and Welfare System

GRI 2-20、2-21、201-3、401-2、401-3

A. Employee Compensation System

At SKL, we compensate employees based on their positions, performances, and competence, regardless of gender. We guarantee the basic living of new agents without experience by offering a monthly allowance worth NT$4,800 before they are officially employed. We are one of the few companies in the industry that provides basic wages for insurance agents. A salary adjustment is guaranteed to new recruits for the first three years. Professional and technical incentives and bonuses are also granted to free new recruits from worry, motivating them to improve their professional competence. To ensure good corporate governance, maintain stable business management, and enhance market competitiveness, we have commissioned professional consultants to review and optimize our compensation system to facilitate the continuous improvement of overall performance. Additionally, an audit committee composed of independent directors has been established to provide oversight through the review of compensation proposals and to fulfill its supervisory role.

Employee Compensation and Benefits

Category	Description
Performance bonus	Distribute a performance bonus based on the Company's yearly earnings and operating results and an employee's annual performance and contribution to the organization. To further incentivize the achievement of performance goals by sales agents and regional managers, we have also established a special performance bonus scheme for insurance agents.
Professional and technical bonus	Grant professional and technical allowances and bonuses
Special performance bonus	Formulate regulations for the distribution of special performance bonuses based on the nature of business and distribute the bonuses according to the achievements
Employee compensation	Allocate 1% of the remaining amount as employee compensation If the Company makes a profit in a year

Results in 2022

- 39 employees cited or rewarded for outstanding performances
- Distributed NT$326,000 in individual bonus:
- Distributed NT$1.39 million in department bonus
- 10 office staff and 26 sales personnel were selected as outstanding employees(granted medals and gifts by the President and top-level managers)

Female-to-male Compensation Ratio in 2022

	Fixed compensation ratio (female/male) median	Fixed compensation + variable compensation ratio (female/male) median	Fixed compensation ratio (female/male) median	Fixed compensation + variable compensation ratio (female/male) median
	Female : Male	Female : Male	Female : Male	Female : Male
Senior management	94.88%	92.52%	109%	110%
Middle management	101.26%	106.14%	100%	103%
Junior management	95.53%	121.37%	104%	112%
General Staff	84.73%	83.78%	82%	82%

Note 1: Senior-level manager refer to the president, heads of department and above; Mid-level manager refer to vice heads of department, section directors, and the managers of regional sales divisions; Junior-level managers refer to project managers, heads of sales offices, and the managers of sales offices.
Note 2: The remuneration of insurance agents varies with individual business performance and is relatively unrelated to gender. Therefore, it is not disclosed here.
Note 3: Yearly remuneration refers to base salary, bonus, stock, etc.
Note 4: The fixed compensation ratio was calculated based on the fixed compensation in December 2022.

New Recruit Salary Range Compared with Local Minimum Wage

	Female	Male
Entry-level employees	1.25 : 1	1.25 : 1

Note 1: Entry-level employees refer to new employees without work experience and they should hold a bachelor's degree (office staff only; there is no difference in salaries between male and female insurance agents).
Note 2: The minimum wage refers to NT$24,000 announced by the Ministry of Labor, which took effect on January 1, 2022.
Note 3: Compensation for entry-level employees is the minimum base salary (not including variable salary such as a year-end bonus) and may be adjusted according to work experience, education, and positions.

SKL attaches great importance to employee benefits. We design employee benefits according to positions to reasonably reflect the needs of different positions. We have also established the Employee Welfare Committee according to law, as well as a commissary, to plan and promote employee welfare.

B. Employee Benefits

Benefits	Summary
Leave	• Annual leave, marriage leave, bereavement leave, official leave, occupational injury leave, paternity leave, maternity leave, sick leave, menstrual leave, paid personal leave, family care leave, pregnancy checkup leave, natural disaster leave, epidemic prevention leave, etc. • The pay standards for marriage leave and bereavement leave are better than the requirements prescribed in the Labor Standards Act.
Insurance	• Labor insurance, national health insurance, and group insurances with preferential rates, as well as annual health examination for office staff and insurance agents. • For employees who purchase group term life insurance, SKL adds insurance coverage by 30% fully at the Employee Welfare Committee's expense. • Commission-only sales reps who cooperate with SKL may choose freely whether to enroll in group accident insurance.
Retirement	• We have established the labor pension system in accordance with the "Labor Standards Act" and the "Labor Pension Act" and set aside the amount in full to pension employees. For the amount of pension set aside in 2022, refer to the financial statements for 2022 (P.81~85). • Give souvenirs and other benefits that are better than the standards of labor laws when employees are eligible for retirement. • Assist employees in making their retirement plans, develop exclusive annuity insurances, and offer incentives for employees to purchase insurance to encourage employees to make early retirement plans.
Healthcare	• Provide regular health examinations, station physicians to give health checkups and medical advice, and offer hospital subsidies due to disasters, discounts for medical treatment and hospitalization, health lectures, CPR training, and epidemic prevention supplies (influenza vaccines, hand sanitizers, and thermometers). • Encourage employees to participate in sporting activities and clubs such as tennis, table tennis, yoga, basketball, badminton, mountaineering, and Tai chi to stay healthy.
Marriage and childbirth	• Set up breastfeeding rooms for breastfeeding during working hours, allow for flexible working hours for childcare, and provide childcare discounts and a sound unpaid parental leave for raising child(en) mechanisms to protect employees' rights and opportunities at work. • In 2022, we distributed maternity benefits worth NT$4.08 million to 204 employees. • In 2022, we distributed parenting grants worth NT$5.27 million to 527 employees (up to NT$30,000/child).
Maternal healthcare	• To ensure the physical and mental health of female employees after they become pregnant, give birth, or start breastfeeding, we have formulated the "Maternal Health Protection Program". During the protected periods, our on-site health service nursing personnel will evaluate their work-life balance and physical and mental well-being, ensuring their health, safety, and psychological needs are met. Additionally, during each of these three stages, the employees are provided with abundant gifts for both mother and baby. • In 2022, we provided 84 sets of gifts for mothers, 90 sets for babies, and 73 as nurturing gifts. • For 2023, we have planned the "Shin Kong 60 Baby Gifts" project and allocated a budget of NT$960,000.
General expenses	• Wedding and funeral subsidies, housing loan discounts, automobile and motorcycle loan subsidies, birthday and three Chinese festival bonuses, children's scholarships, laptop subsidies, long-distance transportation and accommodation subsidies, employee cafeteria, and laundry service. • We grant iPad subsidies worth NT$2,000/person and iPad Pro subsidies worth NT$10,000/person for section directors and above (including project managers). In 2022, 888 and 12 employees respectively received iPad and iPad Pro subsidies.
Self-learning	• To develop talents and improve their professional skills, we have formulated the "Regulations for the Distribution of Professional and Technical Incentives" and provided certification incentives, continuing education allowances, subsidies for registration fees and annual membership fees, and study leave, hoping to encourage employees to pursue further education independently. • In 2022, we allocated NT$25.48 million to certification allowances and incentives.
Employee relations	• Hold lucky draws at the year-end party, provide club activity subsidies and travel allowances, and organize staff commendation meetings to enhance employee relations
Others	• We roll out the "LOHAS Winner Variable Annuity" and an employee stock ownership trust (ESOT) to help employees make early retirement plans. By offering subsidies for purchasing stock and annuity, SKL prepares employees for retirement through saving and investing. • In 2022, we subsidized NT$2.80 million to the LOHAS Winner Variable Annuity and NT$75.84 million to employee share ownership trust.

Unpaid Parental Leave in 2022

Item	Office Staff		Insurance Agents		Total
	Male	Female	Male	Female	
Number of employees eligible for unpaid parental leave in 2022 (A)	79	153	45	398	675
Unpaid parental leave applicants in 2022 (B)	7	125	23	125	280
Parental leave application rate = (B)/(A)	9%	82%	51%	31%	41%
Employees who should be reinstated in 2022 (C)	1	49	15	118	183
Reinstated employee in 2022 (D)	1	38	9	92	140
Reinstatement rate = (D)/(C)	100%	78%	60%	78%	77%
Reinstated employees in 2021 (E)	1	28	10	88	127
Retained for at least one year after returning to work in 2021 (F)	1	25	6	64	96
Retention rate = (F)/(E)	100%	89%	60%	73%	76%

Parental leave application rate 41%
Reinstatement rate 77%
Retention rate 76%

Note 1: "Number of employees eligible for unpaid parental leave in 2022" refers to number of employees who have taken maternity and paternity leave within four years (2019~2022).
Note 2: "Employees who should be reinstated in 2022" refers to number of employees who applied in 2010 and should be reinstated in 2022, who applied in 2021 and should be reinstated in 2022, and who applied in 2022 and should be reinstated in 2022.
Note 3: "Reinstated employees in 2022" refer to number of employees who applied in 2020 and reinstated in 2022, who applied in 2021 and reinstated in 2022, and who applied in 2021 and reinstated in 2022.
Note 4: Retention rate in 2022 = (Number of employees continuing to work for one year after reinstatement in 2021/Number of employees reinstated in 2021).
Note 5: Employees not reinstated included those who continued to apply for parental leave without pay.

4.4 Occupational Health and Safety

4.4.1 Strengthening Physical and Mental Health

SKL attaches great importance to the health and safety of all employees. Striving to create a safe workplace, we introduced the occupational health and safety management system (ISO 45001), making us the first insurance company in Taiwan to get certified to ISO 45001. Based on the concept of full protection, the PDCA cycle has been adopted to keep occupational health and safety under control within the organization.

A. Occupational Safety and Health Committee | GRI 403-4 |

SKL has an Occupational Safety and Health Committee in place, consisting of a total of 11 members including occupational safety and health management personnel, relevant department heads and labor representatives. There are 4 labor representatives, which exceeds one-third of all members as required by law. The Committee meets every quarter and invites employees to participate in the revision of occupational safety and health policies and plans. It also holds consultations, and provides information and proposal discussions related to occupational safety and health to ensure that health and safety programs operate in line with employees' needs and the Company's expectations. In 2022, the Occupational Safety and Health Committee reviewed/followed up 62 occupational safety and health matters, provided recommendations for four matters, and tracked two matters.

B. Occupational Safety and Health System (ISO 45001) Certification

| GRI 403-1、403-8 |

At SKL, we hold ourselves to standards that surpass regulatory requirements. In 2019, we proactively obtained ISO 45001 certification for our corporate headquarters' management system. The initial certification covered a workforce of 1,050 individuals. The scope of certification activities was the operation and work environment with the premise that SKL can control and have an impact on workers. The certification was renewed in 2022. Since the inception of our management system, we have implemented operating procedures that apply to all SKL workplaces and employees across Taiwan. We have outlined a plan to apply for both ISO 45001 and TOSHMS certifications for all our workplaces throughout Taiwan by the end of 2023, in the hopes of achieving a system coverage rate of 100%.

C. Process and Results of Occupational Health and Safety Management

SKL consider our employees as a crucial asset to our company. We are committed to maintaining their physical and mental well-being and creating a work environment that fosters a healthy work-life balance. To achieve this, we follow the P-D-C-A management cycle in all aspects of workplace health and safety, from identifying relevant risks to planning, implementing, and evaluating various health promotion activities.

Plan

We use systematic management to analyze employees' health needs from their health check-ups while identifying operational risks through hazard identification and risk assessment. We then report the results to the labor representatives in the Occupational Safety and Health Committee meetings, where relevant proposals are discussed. Accordingly, occupational safety and health management personnel, health managers, and consulting psychologists will work together to plan, and draw up sufficient budget for annual implementation tasks, activities and programs, to continuously refine and optimize management measures.

Do

Health promotion

Competencies

- Quarterly/monthly health education promotion
- In-person/online health seminars

Behavior

- Annual healthy BMI activities for all employees
- In-person/online sports courses

Autonomy

- Annual health check-ups that exceed legal requirements in years and items.
- Self check-up in "Shin Kong iHealth" stations via apps

Mental health

Three-level preventive practices

- Level 1: Mental health lectures for employees, lectures on psychological competencies for management
- Level 2: Departmental wellness check-ups, illegal infringement prevention, employee assistance programs, management consultation for supervisors
- Level 3: Management and consultation for employees with special mental issues

Workplace safety

Organization/Personnel

- Quarterly meetings of the Occupational Safety and Health Committee
- Appointment and training of Class A occupational safety and health supervisors in each unit
- Appointment and training of first aid personnel in each unit

Environment

- Installation of first aid kits in each unit

Education and Training

- In-person education and training for new employees
- Online courses for existing employees
- Sensitive awareness training for newly promoted supervisors to prevent workplace violence

Check

Workplace safety

Monitoring

- Office carbon dioxide environmental monitoring
- Water quality testing for drinking machines
- Testing for Legionella in cooling towers

Audit

- Occupational health and safety management system and internal/external audit verification system
- Workplace night shift safety and health audit
- Illegal infringement environment evaluation of various units

Report

- Accident/false alarm incident report
- Safety and health corrective measures

Health promotion

Analysis

- Health check results, hazards and high-risk groups
- Questionnaire analysis for high risk groups with abnormal workload
- Questionnaire analysis on repetitive musculoskeletal tasks and occupational health
- Maternal health protection self-assessment checklist

Investigation

- Post-lecture, post-course, post-activity satisfaction questionnaire

Mental health

Investigation

- Self-assessment of illegal infringement from supervisors
- Post-course, post-activity satisfaction questionnaire

Report

- Illegal infringement complaint report

Action

Based on health check-up analysis, results and evaluations of various occupational health and safety plans, company internal control, internal/external audits and review results of the occupational safety management system, SKL continue to utilize systematic management and combine organizational policies to devise optimization and improvement measures, or list target plans for monitoring and management.

(1) Identification and Matrix of Workplace Health and Safety Risks | GRI 403-2、403-3、403-10 |

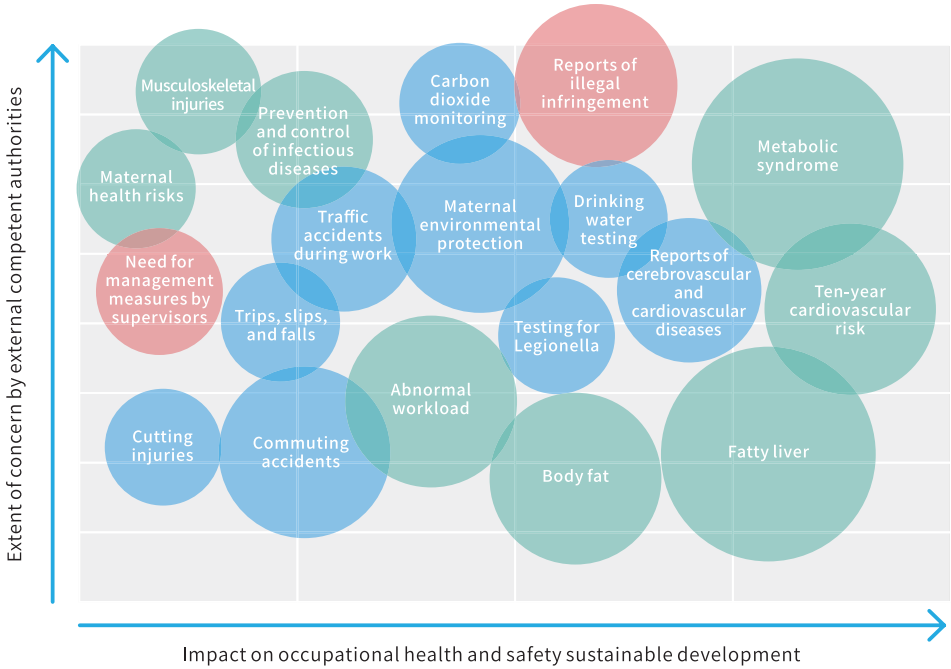
To effectively carry out workplace hazard risk identification, enhance workplace safety and health, and promote health, we have established procedures for hazard identification and risk assessment. We identify hazards for all operations that may cause harm or accidents to personnel. For risks that are intolerable, we develop target plans for tracking and control, and track improvements using corrective measures to ensure the continuous effectiveness of the management system.

Results of workplace health and safety risk identification

Risk Type	Assessment items	2022 identification results
Operational risks	Hazard identification and risk assessment	• We conducted annual regular review, identifying 37 operational tasks and evaluating the probability (P) and severity (S) of hazards using existing protective measures. Risk levels were determined, and 1 target plan for tracking and improvement of intolerable risks has been developed and completed.
Environmental risks	Drinking water quality	• We engaged the inspection agencies approved by the Environmental Protection Administration to inspect the water quality of water dispensers in offices nationwide. On average, 167 drinking water dispensers were tested every quarter, and the water quality test results met the standards. • For 1 location that uses groundwater, nitrate nitrogen and arsenic are tested every quarter, and continuous monitoring is conducted.
	Cooling towers	• We conducted regular inspections of Legionella in the water of air-conditioning cooling towers in summer to ensure the health of workers in buildings equipped with central air-conditioning. A total of 47 cooling towers were tested, and the test results met the standards. • If there is a consistently high frequency of non-compliance for five consecutive years, additional tests are conducted every spring.
	Office air monitoring	• We engaged the technicians of operating environment monitoring agencies approved by the competent authority to monitor CO2 emissions in offices; on average, 386 locations were tested every six months and the monitoring results were in line with the standards. • To ensure good air quality in the workplace that surpasses legal requirements, offices with carbon dioxide levels exceeding 1500 ppm were monitored and tracked, and measures to improve air conditioning and office ventilation efficiency were developed.
	Supervisor safety inspections	• In response to dispersed workplaces, we have established "Regulations for Management of Occupational Safety and Health Supervisors" and related operating guidelines. Supervisors in various workplaces were assigned to receive Training for Type A occupational safety and health supervisors to ensure awareness of safety in the work environment. Workplace inspections were conducted every three months, and a total of 329 records were randomly checked by occupational safety and health management personnel.
Physical and mental health risks	Maternal health protection programs	• Occupational safety and health management personnel conducted risk assessments of environmental and job-related factors in various departments. Some units were assessed as level 2 due to the potential impact on maternal and infant health, mainly related to long periods of sitting, work stress, and traffic accidents. Improvement measures were carried out through care and promotion, while others were assessed as level 1. • A semi-active approach was used to include the target population in management. Occupational health service nurses reviewed employee self-assessments and conducted care interviews with a total of 182 individuals. Occupational medicine specialists completed interviews and assessments for risk classification a total of 164 times, all classified as level 1 health risks. Information on applying for maternal gifts is provided during the care process.
	Prevention of musculoskeletal disorders induced by repetitive operations	• A questionnaire survey on musculoskeletal disorders and job-relatedness was conducted to screen high-risk individuals suspected of having hazards, experiencing hazards, or diagnosed with diseases. • For high-risk employees, health guidance was provided by physical therapists/occupational health service nurses, and after changing office chairs, their soreness and discomfort were alleviated and improved.
	Prevention of abnormal workload	• Based on the roles of employees, 145 individuals were selected as high-risk subjects with abnormal workloads that might contribute to disease. Risk levels were assessed through evaluation questionnaires, and physician consultations or health guidance were arranged for all participants, achieving a completion rate of 100%.
	Prevention of workplace illegal infringement	• According to organizational objectives, a comprehensive evaluation of various work environments and interviews with supervisors should be completed at all business locations within three years starting from 2022, to identify environmental and operational risks. In the first year, the coverage rate has reached 46%. • Section managers or above filled out the "Self-Assessment Form for Workplace Illegal Infringement" and were provided with management consultation channels. A total of 42 supervisors expressed their desire to resolve existing personnel management issues through management consultation.

(2) Occupational Safety and Health Risk Matrix | GRI 403-2、403-4、403-9 |

Combining the causes of accidents in recent years, employee health examination and environmental monitoring results, and impacts caused by various sources of risk, we have created an occupational safety and health risk matrix and developed countermeasures accordingly to protect the health and safety of all employees.



Note: The evaluation method for the risk matrix is defined as follows: The size of each circle is determined based on the frequency of occurrence, abnormality rate, and the assessed level of impact on the company, using historical statistical data.

occupational safety and health risk matrix and responsible manager

occupational safety manager | health manager | consulting psychologist

D.Implementation of Workplace Health and Safety Plans | GRI 403-5、403-6 |

In 2022, based on the tracking and analysis of historical data, we have identified modern lifestyle diseases (such as fatty liver, three-hypers disease, and metabolic syndrome) as well as commuting traffic accidents as the main health and safety risks for SKL. In response to this, we have developed a series of activities in our occupational safety and health management plan and employee health management program to address these risks.
We encourage managers to lead and actively participate in various health and safety activities, aiming to strengthen employees' awareness of health and safety and promote a culture of health and safety within the company.

(1) Health and Safety Psychological Programs for Employees | GRI 403-5、403-6、403-7 |

Every year, SKL conduct health check-ups for management/employees, providing each employee with four ultrasound imaging examinations. The Company covers the cost, and there are additional health check-up items that exceed regulatory requirements. At the same time, a risk classification management standard has been established based on the results of the health check-ups. In-house dedicated occupational health service nursing personnel are responsible for implementing a care and follow-up management system for each risk level. They assess the condition of employees and make timely referrals to occupational doctors, physical therapists, or other relevant professionals.

To help employees maintain good physical and mental health, we have developed a "Health Management Program" in accordance with labor health protection regulations. We provide contracted on-site health services that are superior to regulations. Physiologically, we have arranged on-site medical services in 34 locations. Nurses provide health services twice a month, while physician services are arranged as per the demand. We have established six health centers within the company, employed responsible labor health service nurses to carry out health promotion, planning and management. In terms of psychology, in addition to cooperating with professional institutions to provide an Employee Assistance Program (EAP), colleagues enjoy five psychological consultations per year .We also have full-time psychologists within the company who provide real-time psychological counseling services for supervisors and employees. Annually, we implement mental health promotion programs based on the needs of the company and employees, providing relevant counseling services tailored to employees and supervisors of different levels.

In addition, annual health promotion competitions are held nationwide to enhance employees' health knowledge, habits, behaviors, and team cohesion. Regular health, disease, safety, and epidemic prevention educational materials are published on the company's internal website to provide all employees with knowledge and skills related to health, safety, and epidemic prevention.

Potential Source of Risk	Priorities in 2022	Result in 2022
Fatty liver, metabolic syndrome, and abnormal BMI	We conducted the "2022 Weight-loss Challenge" and health competition to promote a lifestyle of exercise, breaking away from a sedentary lifestyle and stimulating the innate desire for movement. The competition involved individual and team challenges with monthly milestones. The activities included: • Monthly step goals: 150,000, 200,000, and 250,000 steps • Participation in online and in-person courses: 18 sessions with 2,629 participants • Health quizzes and interactive sessions: 4 sessions • Health education materials: 4 pieces with 20,742 views	• A total of 425 participants completed the race, resulting in an average completion rate of 68.85% for advancing to the next round. • A total of 377 individuals successfully achieved weight loss, resulting in a total reduction of 1194.2 kilograms. On average, each person lost 3.2 kilograms. This is a fourfold increase compared to the previous year. • A total of 322 individuals successfully achieved fat loss, resulting in a total reduction of 654.4%. On average, each person reduced 2% . • The event accumulated a total of 440 million steps, with each person averaging 10,000 steps per day. This is equivalent to approximately 211 laps around Taiwan.
The three-hypers, Cerebrovascular and cardiovascular diseases, cancers, and Diseases and damages caused by abnormal workload [Note]	• We conducted regular employee health check-ups and implemented a classification management system based on the advice of occupational specialists. A high-risk care list was established and 3,417 individuals were monitored. • On-site health services were provided by occupational doctors and nurses. • Identify abnormal workload-promoting high-risk groups for diseases. Therefore questionnaires were administered to confirm the risk levels and face-to-face interviews and guidance by occupational specialists were arranged. • Giving out health education materials: "It's Cold Outside! Are You Keeping Warm Enough?" and "Who Made Insulin the Villain?"	• The health examination participation rates are as follows: for managerial positions, it is 82.8%; for general administrative staff and junior-level managers, it is 91.3% (including sales representatives, which accounts for 87.9%). • The classification management system of health care is as follows: there are 632 individuals under 0.5-level management, 1,897 individuals under 1-level management, and 888 individuals under 2-level management. In total, there are 3,417 individuals being tracked. • 145 individuals at high risk of developing diseases due to abnormal workload were identified. Only one individual required consultation, and no adjustments to his work was necessary. He also maintain his original job. • On-site health services were provided by occupational doctors and nurses. There were a total of 668 service sessions, and 1,356 service hours.
Maternal health protection [Note]	• Pregnant employees, who become pregnant, give birth, or start breastfeeding, will receive regular care from on-site occupational health service nurses, who evaluate their work-life balance and physical and mental well-being, ensuring their health, safety, and psychological needs are met. Additionally, during each of these three stages, the employees are provided with abundant gifts for both mother and baby. • Two parenting seminars: "Embarking on a Journey to Fitness: Postpartum Sculpting and Relaxation" and "A esson for Parents: Child Gender Equality Can't Wait."	• The number of reported cases was 267. • In 2022, we provided 84 sets of gifts for mothers, 90 sets for babies, and 73 as nurturing gifts. • Songshan Financial Building was certified as "Excellent Breastfeeding Rooms".
Mental issues	• Incorporating the concept of mental health into the workplace, the internal psychologists annually evaluate the needs of employees through the analysis of common psychological issues identified through the use of the Employee Assistance Program (EAP) by employees, and design psychological health promotion programs that are suitable for employees. • In 2022, the Psychological Housekeeper project was launched for the first time, providing five main topics for employees to apply for online/face-to-face counseling sessions with our internal counseling psychologists. The topics included: "Balancing Work and Family - Taking Care of Myself", "Enneagram Personality Test and Analysis", "Dream Interpreter - Understanding Your Subconscious", "Don't Let Insomnia Overwhelm You", and "It's Not You, It's Your Emotions".	• A total of 165 individuals participated in four lectures and five major psychological topic consultations, with an average satisfaction rating of 4.7. The most of participants provided feedback expressing a desire for more time and advanced courses.
Workplace violence [Note]	• To enforce a zero-tolerance policy for illegal infringement in the workplace, we regularly review the prevention plan for employees who experience illegal infringements in the performance of their duties. This year, we will add stalking and harassment as a new type of illegal infringement. Additionally, to expedite the complaint handling process, we have revised the Complaints and Disciplinary Measures for illegal Infringement at Work.	• We received two internal reports of illegal infringements this year, of which one was substantiated. In addition to necessary disciplinary actions, the individuals involved were also provided with management counseling to prevent recurrence.
Musculoskeletal injuries [Note]	• In coordination with health check-ups, a questionnaire was provided to 2,308 employees at risk of repetitive musculoskeletal diseases. A total of 70 employees with suspected harm based on the previous assessment (≧3) were identified. After receiving care and guidance from the occupational health service nursing personnel or receiving physical therapy services, all of them experienced relief and improvement. • Physical/occupational therapists make regular visits to local health centers, providing consultations, health education, lectures, and on-site visits for 2-2.5 hours per month.	• In the previous injury and illness questionnaire assessment, there were individuals who appeared to be at risk. However, after receiving care, guidance, or physical therapy services from the labor health service nurses, all of them experienced relief and improvement in their condition. • A total of 152.5 hours of physical therapy service were provided, serving a total of 287 individuals.

Note 1: The prevention of emerging occupational injuries and diseases stipulated in Paragraph 2, Article 6 of the Occupational Safety and Health Act and the prevention of hazardous to maternal health in Article 31 of the same act are statutory requirements.
Note 2: Except for maternal health protection and health examinations for existing employees, all health promotion activities are provided for our full-time employees and the commission-only sales representatives.
Note 3: In 2022, a new category, 0.5-level management, was added to the health care classification system to represent a low-level of health risk. Individuals classified under this level will receive health monitoring and care from the district health management nurses within a six-month period. The definitions for other levels are as follows: 1-level management represents a moderate-level of health risk, and individuals in this category will receive health monitoring and care from the district health management nurses within a four-month period. 2-level management indicates a high-level of health risk, and individuals in this category will be advised to seek medical care within two months by the district health management nurses. If necessary, they will be referred to contracted occupational specialist.
Note 4: To effectively assist employees in relieving musculoskeletal discomfort, starting from April 2018, regular consultations with physical/occupational therapists have been provided at various health centers across different locations.

We have heard the voices of stakeholders

During the process of tracking and managing high-risk individuals identified in the risk classification after health check-ups, we found that many sales agents have a need for weight loss. They often faced difficulties in choosing healthy food due to frequent dining out. They hoped to increase their knowledge of healthy eating and selecting nutritious food. Therefore, in 2021, we conducted a small-scale trial of a fun healthy diet competition. The participation and response from employees were enthusiastic. As a result, in 2023, we have planned to expand the "Jungle Battle" healthy diet competition, aiming to enhance knowledge about healthy eating and translate it into healthy eating behaviors through interesting activities.

(2)Traffic Accident Reporting Mechanism | GRI 403-9 |

SKL have established an accident management mechanism to mitigate workplace safety accidents through prevention measures and post-incident care.

Most of our occupational diseases are caused by traffic accidents, but the notification of the accidents occurred at the time of closing to getting off work or on the way to visit customers on holidays might be delayed. Given this, we established an "Occupational Accident Reporting Service" app with internal communication software for employees to report any incidents timely through diverse channels so that the Company can provide necessary care and resources in a timely manner.

Basis — **Article 37 of the Occupational Safety and Health Act**

- If notices of incidents are not given or delayed, a fine of NT$30,000 to NT$300,000 will be imposed.
- SKL Code of Safety and Health Work
- Employees should report accidents to the General Affairs & Labor Safety Department/Occupational Safety and Health Section within three hours after being aware of the accidents.

Prevention — **Occupational safety managers investigate and analyze causes**

- Investigate the causes of the accidents according to the "Procedures for Reporting Major Occupational Disasters"
- Compile statistics on and analyze accidents and develop improvement measures
- Make improvements together with relevant departments to prevent recurrences

Care — **Health consultants care by call**

- Provide dedicated healthcare for employees who are injured during work and hospitalized or those who are injured in the workplace by the "Accident Follow-up and Management Process"
- Confirm an employee's adaptability to resume his/her job
- Arrange for occupational physicians to hold consultations when necessary

Statistics of Occupational Accident in 2022

Item	Office staff	Insurance agents
Total hours worked	5,270,000	3,998,000
Number of occupational injury deaths	0	0
Proportion of occupational injury deaths	0	0
Number of serious occupational injuries	0	0
Proportion of serious occupational injuries	0	0
Number of recordable occupational injuries	1	4
Proportion of recordable occupational injuries	0.38	0.29
Number of occupational disease deaths	0	0
Proportion of occupational disease deaths	0%	0%
Number of recordable occupational disease cases	0	0

Note:
1. The proportion of occupational injury deaths = (Number of deaths due to occupational injuries/Total hours worked) × 1,000,000.
2. The proportion of serious occupational injuries = (Number of serious occupational injuries/Total hours worked) x 1,000,000.
3. The proportion of recordable occupational injuries = (Number of recordable occupational injuries/Total hours worked) x 1,000,000.
4. Type of occupational injury: The number of occupational injuries totaled 5, all of which were temporary disability due to traffic accidents. Related healthcare services were provided for all 5 employees.
5. Type of occupational disease: None.
6. Total hours worked = Total number of employees' scheduled working hours (Total number of employees x Annual working days x Daily working hours).
7. Serious occupational injuries include death due to occupational disasters, total permanent disability, and permanent partial disability.
8. We prepared this table based on the monthly occupational disaster report published by the Occupational Safety and Health Administration, Ministry of Labor. In 2022, we received no application from unofficial employees.

(3) Safety and Health Training | GRI 403-5 |

To effectively safeguard the safety and health of our employees, SKL identify training needs based on important indicators such as legal requirements, job nature, and positions, and arrange corresponding training courses to address these needs:

Supervisory level	
Basic courses	• In response to dispersed workplaces, supervisors are assigned to receive 42 hours of "Training for Type A occupational safety and health supervisor" and undergo six hours of in-service training every two years. We have 253 certified supervisors across Taiwan to ensure that all supervisors are well-informed about occupational safety and health regulations. • We organized a general education course for supervisors titled "Promotion of Awareness on Workplace Illegal Infringement" to enhance their understanding of types of illegal infringement and correct handling procedures.
Advanced courses	• Every year, we provide six hours of occupational safety and health education training courses for newly promoted supervisors with the aim of enhancing their knowledge of occupational safety and health and the Company's safety and health management system. The average satisfaction rating for the courses was 4.8 (out of 5) • For newly promoted supervisors, the average satisfaction rating was 4.8 (out of 5) for the course "Enhancing Sensitivity to Workplace Illegal Infringement" and 4.9 (out of 5) for the course "Adjustment and Preparation for New Supervisors".

Employee level	
General education courses	• All new employees should receive general safety and health education training, which is conducted by occupational safety and health management personnel for administrative staff, and includes additional courses on psychological topics. • Every year, we provide 1 hour of in-service safety and health education training courses, which cover workplace safety instructions, hazard identification to enhance awareness, and firefighting and emergency response.
Special training	• AED+CPR training was organized for centralized buildings, with a participation rate of 90% of employees in those workplaces. In addition to the existing safe place certification received by the SKL Tower, the Xinban Financial Building and Tainan Canal Building also obtained the "Safe Place Certification" in 2022. • Emergency medical technicians are designated in each unit and shift throughout Taiwan, totaling 395 personnel. They are provided with three hours of in-service education training every three years in accordance with regulations to ensure emergency response capabilities in all workplaces.

(4) Contractor Safety Management | GRI 403-7 |

SKL have established the "Regulations on Contractor Work, Change, Safety and Health Management," which incorporates identification assessment forms, safety and health commitment statement, and hazard factor notification forms as necessary requirements for entering the workplace or signing contracts. We also require suppliers to sign the "SKL Supplier's Commitment Statement" to promote environmental sustainability and uphold basic human rights.

5. Excellent Customer Experience

SKL is committed to creating a high-quality and comprehensive insurance service journey for customers through the development of innovative financial services, the promotion of digital transformation, and the continuous implementation of treating customers fairly.

5.1 Diversified Products

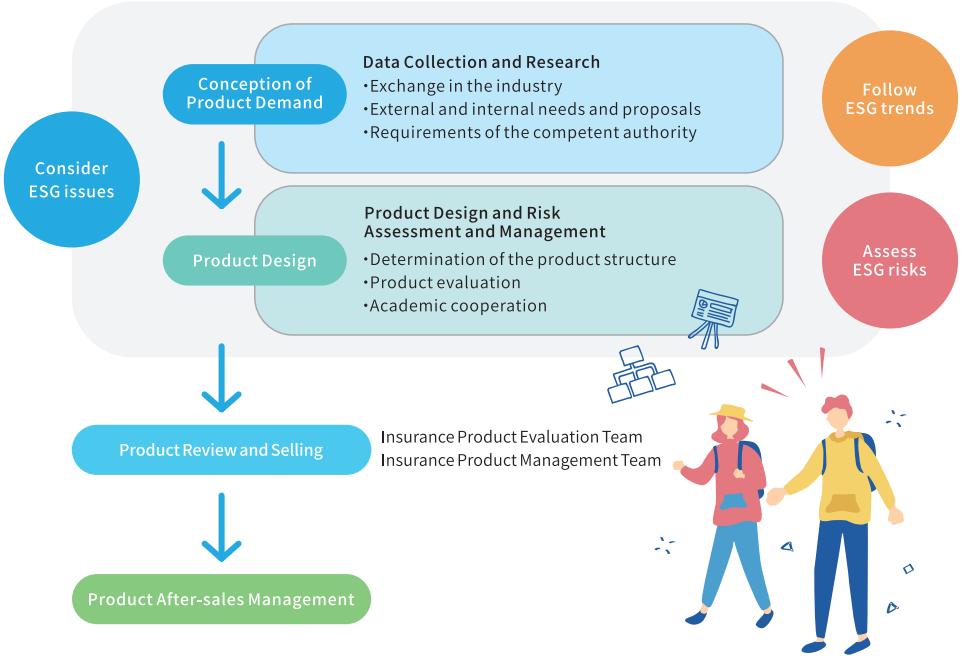
5.1.1 Innovative Financial and Sustainable Products | GRI 417-2 |

In response to sustainability/ESG trends, changes in the social structure, policyholders' needs, and advancement of underwriting technology and product development, SKL is constantly developing and rolling out insurance products that fit fellow citizens' career plans. We also stick to the following principles to ensure compliance and protection of consumer rights, including:

- We design and develop insurance products by the relevant laws and regulations and hold "Insurance Product evaluation Team" meetings before the sale of products to implement consumer rights protection.
- We also pay close attention to ESG trends and incorporate ESG topics into the development process. Establish an inclusive product design evaluation system that reflects the fair treatment of customers and provides user-friendly financial services for policyholders.

In 2022, SKL rolled out 8 general protection-type products and 9 health and accident insurance products to encourage the public to maintain their health and improve risk management capabilities.

Product Development and Design Process



Awards and Honors

SKL Peace of Mind Lifetime Medical Health Insurance Rider

We have introduced the first plug-in air pollution policy to address the health risks posed by air pollution and the COVID-19 pandemic. It provides specific protection for the lungs and emphasizes key medical benefits for specific hospitalizations, surgeries, and other medical expenses.

"Innovative Design of the Year" in the 17th Golden Torch Award

SKL Hao Shi Guang Insurance Plan

Designed from a youth perspective, it offers the concept of "small premiums for big coverage," providing a selection of six major regular insurance coverage options, including hospitalization, surgery, reimbursement, accidental injury coverage, long-term care, and life insurance. The plan can be renewed after ten years, ensuring uninterrupted protection.

Top Honor for product in National Brand Yushan Award

In addition to brand and product innovation, SKL strengthened inter-departmental cooperation in delving into the most authentic needs of customers and developing products that go in line with the market trends.

Market Trend	Type of Product	Results
Develop ESG Trend Products Implement the ESG management philosophy and leveraging core financial and insurance capabilities to assist policyholders in mitigating threats related to air pollution and food safety.	Air Pollution Insurance Product	Continuously sold the upgraded "Plug-in Air Pollution Rider Clauses", which strengthened the lifelong coverage for the heart and lung, including two major lung diseases (pulmonary fibrosis and chronic obstructive pulmonary disease). By the end of 2022, 1,445 policies were sold, with an approximate premium income from new contracts of NT$ 7.7 million.
	Food Safety Insurance Product	Introduced the industry's first "Food Safety Lifetime Medical Health Insurance Rider," which covered hospitalization and surgical expenses due to digestive system diseases. By the end of 2022, 254 policies were sold, with an approximate premium income from new contracts of NT$ 1.4 million.
Health Promotion The spillover-effect insurance product encourages policyholders to improve their health management and reduce the risk of illness with premium discounts.	Spillover-effect Insurance Products	To encourage nationals to take charge of their own health management, we launched several spillover-effect policies. In 2022, we sold 52,622 spillover-effect policies, premium reached NT$1.3 billion. By the end of 2022, the total number of valid insurance policies was approximately 81,000. Policyholders took a total of 1.6 billion steps and used 22,000 times of gym.

5.1.2 Inclusive Financial Products | GRI203-2 |

SKL responds to SDGs 1.4 and 8.10, follow the "Shin Kong Financial Holdings inclusive financial policy" and implements "Treating Customers Fairly" principles to achieve inclusive growth. We attach importance to the needs of various groups and strive to provide a diversity of well-developed products and services to expand access to insurance and financial services for all.

Benefited Group		Type of Product	Results
	Seniors and people with disabilities In response to the aging and childless society, to satisfy the investment and retirement plans of policyholders, and to enhance the life protection of the nations, SKL launched a variety of insurance plans that enable flexible retirement planning.	Long-term care insurance	• Offered a diverse range of long-term care products, including lifelong, term, pure long-term care, long-term care with death benefit, installment payment, and lump-sum payment options, to offer policyholders more choices that align with their risk gaps.
		Reimbursement insurance	• We continued to sell "SKL Ho-Hu-An-Hsin Reimbursement Benefits Rider" and "SKL Tseng-An-Hsin deductible Reimbursement Benefits Rider."
		Retirement planning insurance	• Launched the "SKL Perfect Winner (Foreign Currency) Variable Annuity Insurance" and "SKL Annual Diamond Foreign Currency Interest-Linked Return of Premium Lifetime Insurance" to provide retirement planning options for the public.
		Retirement Preparation Platform	• We launched a variety of exclusive products in "FundRich Good Retirement Protection Insurance Platform" to publicize the concept of enhanced protection.
		Small-amount Whole Life Insurance	• We rolled out "Songaixin Small-amount Whole Life Insurance" and "My Only Small-amount Whole Life Insurance" featuring low premium and whole-life protection. • In 2022, we sold 5,010 small-amount whole life insurance policies and handled over 25,000 new contracts.
	Economically Disadvantaged Groups SKL provided micro-insurance to strengthen basic protection for vulnerable groups.	Micro-insurance	• Dedicated efforts in promoting micro-insurance, benefiting over 46,000 individuals in 2022 and providing over NT$14.18 billion in coverage. • Continued collaboration with institutions including county and city government departments of social welfare, charitable organizations, and farmers' associations to provide premium sponsorships for micro-insurance, implementing social policies that cater to the economically disadvantaged. • We won the "Micro-insurance Business Performance Award" and "Micro-insurance Disability Care Award" in the Insurance Competition held by the Insurance Bureau, Financial Supervisory Commission (FSC)
	Young People SKL designed the optimal insurance products with high protection and low unit prices for young people with small capital.	Exclusive insurance for young people	• We launched "SKL Hao Shi Guang Insurance Plan" to design the optimal insurance plans according to the needs in every life stage. • We have sold 141,000 "Huoli series" products.

For more information on our insurance products, visit the company website

5.2 Innovative Digital Services

Following the trend in digital finance, SKL strives to promote the application of various digital and insurance technology, optimize administrative efficiency, and improve customer experience. Our digital transformation strategy is centered on improving customer relationships, operational efficiency, and application diversification. SKL puts people first and is empowered by technology to create an innovative customer experience by increasing the accessibility and applicability of services, lowering the threshold for interaction, and introducing streamlined service flows and automated processes.

Looking forward to the future, SKL will continue to promote the change of digital innovation service model, and provide the omni-channel customer service. In addition, we will be absorbed in incorporating ESG into our core business operations in four aspects: product development, operational process, talent development, and sustainability.

5.2.1 Developing Digital Finance - Improving Customer Relationships

Results of SKL Innovative Digital Services

Diverse accessible channels	Innovative insurance enrollment experience	User-friendly payment inquiry services	Convenient claims application processes	Timely response to customers
• SKL LINE official account • Life Lab. LINE official account • SKL Insurance Policy Appraiser • SKL official website	• Light Speed Insurance, mobile e-insurance • Paperless life underwriting • Online insurance enrollment • E-policies	• SKL eFCS payment platform • SKL app • SKL website member area • E-statements	• Conservation/Claims Insurance Blockchain Consortium • Claims e-pass services • MyData platform	• Smart digital customer service center

A. Diverse Accessible Channels

(1) SKL LINE Official Account

SKL recognized the customer stickiness to LINE in Taiwan, and took the lead among our peers by bringing customized insurance services to our official LINE account. The platform is positioned as a "service center in the pocket," which provides ultra-intimate one-to-one exclusive services, such as policy/remittance notice, policy loan/repayment, bill payment, and inquiry services personnel. In 2022, we introduced multiple features such as medical claims calculation, surrender value calculation, and electronic policy download, making our pocket service center more comprehensive and providing satisfying experiences for our customers. Once policyholders link their membership information, they can access up to 32 personalized services. To expand our official account's friend list and create brand loyalty, SKL have periodically launched prize-giving feedback activities, encouraged discussions, and increased interactions and engagement, resulting in rapid growth in our friend list, surpassing 4.26 million within three years and ranking first in the industry. The usage of our LINE services also grew 1.6 times during the same period. These digital efforts have won us the "National Brand Yushan Award - Best Product Award."

- In 2022, the number of SKL LINE friends exceeded 4.26 million, with the total click-through from all services on APP accumulating nearly 340,000 times.
- Won the "National Brand Yushan Award - Best Product Award," "CSEA Excellent Customer Service Award," "Wealth Magazine Taiwan Financial Award," "Greater China Contact Centre Alliance (GCCA) Award," "Digital Singularity Award," & "Advertiser of the Year - Excellence" for LINE Customer Service Center.
- Our customer satisfaction topped 50% very satisfied.

Amid the COVID-19 pandemic, we encouraged policyholders to use self-service digital financial tools. To enhance our services, we optimized LINE functions such as Policy Loan/Repayment Inquiry and LINE PNP and designed campaigns (e.g., games and point accumulation events), hoping to improve the accessibility and usability of financial services with the popularity of LINE. In 2022, we launched the "New Contract Underwriting Notification" service, which successfully passed the patent application for the "Transaction Service PNP", further solidifying our digital service milestones on the LINE official account.

(2) Life Lab. LINE Official Account

In 2018, SKL established the LIFE Lab., a new type of insurance experience store, and launched the LIFE Lab. LINE official account at the end of the same year. The account primarily provides answers to common customer questions and various activities, such as insurance consultations, new contract planning, lecture registration, and MGM marketing activities. Customers can also be guided by dedicated online customer service personnel to complete relevant processes. As customers gradually become accustomed to online self-service while face-to-face consultations with insurance agents become less frequent, the LIFE Lab. maintains a comfortable distance while providing warm and personalized services, making each customer feel like they have an insurance consultation expert at their fingertips, offering real-time consultation services.

In 2022, the number of LIFE Lab LINE friends exceeded 220,000.

While most LINE community platforms in the life insurance industry focus on optimizing digital customer service, the LIFE Lab. LINE official account is committed to providing interesting insurance knowledge articles and objective professional insurance consultations. In addition to using over 200 scenario-based automatic reply modules to respond to customer inquiries in real-time, the official account also offers online text consultations and video consultations with dedicated personnel. By responding promptly and effectively, it not only addresses customer complaints in a timely manner but also enhances customer satisfaction and increase their loyalty to the brand.

(3) SKL Insurance Policy Appraiser

In 2022, the LIFE Lab. extended its use of OCR technology and developed the "SKL Insurance Policy Appraiser" web page for insurance policy evaluation. This initiative attracted customers in the digital age who wanted to independently assess their insurance policies. By integrating OCR technology into the web page, customers can upload photos of their policies or manually enter policy information for appraisal. The Appraiser then generates a personalized and simplified analysis, allowing the general public to assess the coverage of their insurance policies on their own. Even individuals without any policies at hand or without any coverage planned can utilize the web page's exclusive life risk assessment tool to identify their top three essential coverage needs.

The number of individuals who self-appraised their insurance policies and life risks reached 1,079.

B. Innovative Insurance Enrollment Experience

(1) Remote platform applications —— Light Speed Insurance, Mobile E-insurance, and Paperless Life Underwriting

The impact of the COVID-19 pandemic has driven a new trend of remote "contactless" insurance purchasing. SKL have upgraded digital insurance services and accelerated the application of various remote services. SKL launched an exclusive "video recording platform," which enables insurance applications with video identity authentication and electronic signature technologies. Through mobile e-insurance integration, customers can complete the insurance application process in just three simple steps without any physical contact with insurance agents. The SKL "Light Speed Insurance" service emphasizes a hassle-free experience for customers. It does not require the download of any software and can be accessed through any mobile device. Identity verification is conducted via SMS, and policy documents can be signed using electronic signatures. The entire process is paperless, with no data storage, ensuring a fast and convenient service experience while also promoting epidemic prevention measures and carbon footprint reduction through paperless operations.

Furthermore, in 2022, SKL took the lead in the industry by pioneering the " electronic signature of the confirmation consent form for mobile insurance application." Customers only need to choose the "electronic document option" to sign the confirmation consent form before applying for mobile insurance. They can then authenticate their identity using their own mobile phones and obtain an electronic certificate for signing the consent form. The completed consent form, along with the insurance application and related documents, is encrypted and sent back to the Company's server without any paper documentation throughout the process. This allows customers to easily and conveniently complete the mobile insurance application process. SKL ensures customer rights and protection by adopting the secure mechanism of MobileID authentication in the identity verification process. Through 4G/5G networks and data comparison with telecommunication industry records, the user's personal information is verified to be consistent with the registered mobile number. Identity authentication is thus strengthened. The electronic documents of consent forms are encrypted using the customer's private key to ensure the integrity and non-repudiation of the signed data. Personal data protection is further enhanced through the "BS10012 personal information management" certification. When the signed insurance application data and consent forms are transmitted to the Company's server system, they are simultaneously deleted from the mobile devices, providing customers with peace of mind and high-quality secure financial insurance services.

In 2022, we have expanded the application scenarios of remote platforms to the investigation process, creating an "information non-retention paperless life underwriting" system. By integrating the digital life underwriting process with the investigation operations, we provide a convenient platform for life underwriting personnel to handle cases, conduct investigations, and reach conclusions all in one system. This approach aligns with service scenarios and meets the demands of usability, information security, and personal data protection. By incorporating innovative features, it assists life underwriting personnel in reducing inconveniences during the digital transformation process. The digitization of life underwriting results and the automatic integration of key data into the underwriting interface enhance efficiency. In response to policyholders' needs for social distancing during the pandemic, life underwriting operations are conducted through remote video conferencing. This significantly saves commuting time for investigation operations and improves the efficiency of underwriting.

Since its launch in November, nearly 500 life underwriting cases have been completed

(2) Online Insurance Application

SKL offers online insurance products more than ten for customers to choose from. We communicate with customers digitally by explaining the characteristics of products through video clips, so that customers can understand the acceptance rules and products easily. Various insurance products are provided online to meet customers' needs for protection.

In 2022, we underwrote 21,388 online insurance policies with premiums reaching NT$12.6 million.

C. User-Friendly Payment Inquiry Services

(1) SKL eFCS Payment Platform

In response to the digital service trend and the government's promotion of cashless transactions, SKL kept up with the times to create the "SKL eFCS payment platform" in 2022 in collaboration with Taiwan Clearing House and SKB to make payments more convenient, in addition to the existing payment options available through the SKL website member area, SKL app, LINE official account, and smart payment machines. This platform introduced eFCS scan-to-pay and instant payment services. Policyholders who receive self-payment notices can open their mobile banking or electronic payment apps and scan the three-part barcode on the notice to complete the payment. They can also conveniently access the Taiwan Clearing House's e-payment app to instantly check and pay their premiums on their mobile devices.

(2) SKL APP

Policyholders can download "SKL APP" through their mobile devices. In addition to convenient self-service and spillover-effect insurance policies integrated with health management, two new security features, "FIDO Passwordless Transaction Authentication" and "APP Guard Security Protection," have been added. These features enhance customer login authentication experience, strengthen transaction security, and provide mobile network security monitoring to safeguard customer personal data.

Since its launch, SKL APP has been downloaded 520,000 times, with a monthly usage of 260,000 times and an average of 120,000 policyholders logging in.

(3) SKL Website Member Area

By building innovative digital services centered around consumers, SKL not only bring greater convenience to customers' financial experiences but also demonstrate commitment to a paperless environment. The digital platform of SKL follows the development path of "beginning with authentication and ending with fund flow." SKL was the first in the industry to introduce a MID mobile phone verification service, enabling customers to become our online members quickly by entering their mobile phone numbers. After customers become our online members, they can apply for various services online, including policy loans, policy changes, claims, and changes in credit card transactions.

By the end of 2022, the total number of SKL website members reached 960,000, and transactions of the current year up to 770,000, 78.3% of them were through mobile phone verification.

SKL continued to win the National Brand Yushan Award for providing various online authentication services.

D. Convenient Claims Application Processes

(1)Conservation/Claims Insurance Blockchain Consortium & Claims E-pass Services

SKL is actively constructing and developing an insurance technology platform that follows the "single application, mutual document exchange" model. This allows policyholders to enjoy a fast and convenient service where their applications are synchronously processed by multiple insurers. It is complemented by the "claims e-pass services", which extend to medical institutions and eliminates the need for paper-based documents such as diagnosis reports and expense proofs. Furthermore, policyholders can undergo online digital identity verification and utilize electronic signatures to achieve a paperless claims process. This provides policyholders with a systematic claims and payment service, reducing operational risks and shortening processing times.

After launching online in 2020, the "Digital Policy Deposit" developed by SKL has undergone e-policy verification and deposit via the third-party verification agency "Insurance Technology Sharing Platform". All insurance and changing (conservation) process were recorded by the platform as a future reference for any subsequent digital policy authenticity disputes to ensure the protection and rights of policyholders and insurance companies. In December 2022, SKL became the first company to offer certification and record-keeping for various types of policies.

In June 2022, an insurance policy statement service was launched on the insurance technology shared platform. Once registered, policyholders can access the insurance policy statement to conveniently view all their personal insurance information and application records, overcoming the challenges of storing physical policy documents.

In collaboration with the Life Insurance Association's "claims e-pass services", SKL provides policyholders with a systematic claims and payment service, reducing operational risks and shortening processing times, ultimately enhancing customer satisfaction. By the end of 2022, SKL also introduced "Claims Blockchain Consortium 2.0: Mobile/Online Claims Application with Digital Identity Authentication" for trial purposes. This, along with the "Mobile e-Claims" feature, allows insurance agents to process claims applications using tablets instead of paper-based applications. Data is recorded in real-time, and combined with image file transmission, it achieves the benefits of fast review and shortens claims processing time. Customers can experience an evolved service quality due to the numerous conveniences provided.

(2)Personalized Data Autonomy (MyData)

SKL value fair customer treatment and have become the "first in the life insurance industry" to successfully integrate claim services with the personalized data autonomy (MyData) platform provided by the National Development Council. This integration aims to provide policyholders with more convenient and expedited financial services. When policyholders apply for claims online, through the MyData platform, after the applicant completes identity verification and gives consent, their household registration data and family relationship information will be provided to our company as supporting documents for the claims application. In the future, when policyholders apply for digital claims services through the official website's member area, they can authorize the MyData platform on the application page. This eliminates the need for paper-based proof documents, allowing policyholders to access more convenient financial services.

E. Timely Response to Customers

(1) Smart Customer Service Center

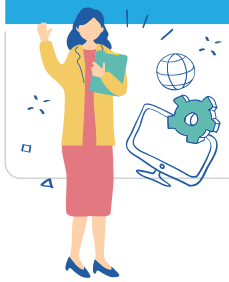
SKL established the industry-first "Smart Contact Center," which provides the customer service personnel with one-stop support through various smart functions, allowing users to receive the best quality of service anytime, anywhere and at will.

Smart Service	Description	Results
Voice Recognition System	• Provide service precisely through voice recognition technology • Provide real-time management information	 • Simple policy changes by phone: 108,000 times • Smart reminder service: 5,700 times • Smart Customer Services Chatbot "Shin" 2.0: 320,000 individuals served • Satisfaction rate of "Agent Shin" dedicated to agents: 98.1% • Shin’ s for customers satisfaction up to 91.2% • Obtained new patents for business development with multi-turn dialogue and editing methods. • Continuously get certified to Royal Mystery Shopper (RMS) and ISO 10002:2018 Customer Satisfaction Management System. • Consecutive winner of the CSEA Excellence in Customer Service Awards for "Best Application of Intelligent Systems" category
CRM Big Data Analysis	• Automatically convert massive recordings into structured indexes with the speech analysis system to mine valuable information • Delve into the thoughts and needs of policyholders through visual analytics	
AI Smart Customer Service	• Incorporate the knowledge of insurance into " Shin's" database • “Shin 2.0” : We lead the industry in adopting GOOGLE's latest algorithms, and introduce a new UI/UX design, allowing policyholders to receive personified service from "Shin". • Build AI training center to improve tuning performance; develop Q&A feedback service to understand customers' voice more accurately. • Acquired new patents for multi-turn dialogue business setup, editing and design.	

5.2.2 Insurance Technology Applications - Improving Operational Efficiency

SKL Results in Optimizing Digital Operational Efficiency

Improve policy health check efficiency	Accelerate digital transformation of sales agents	Improve claims service efficiency
• OCR Instant Capture • Mobile commerce app - Mobile e-visit	• Mobile commerce app - Mobile e-Insurance, e-Claims, e-Payments, e-Policy Changes • Sales Agent Website	• Claims risk analysis system • Advanced risk analysis system for expedited claims



A. AI Integration for Improved Policy Health Check Efficiency

(1) OCR Instant Capture

By leveraging optical character recognition (OCR) and natural language processing (NLP) technologies, SKL developed the "Smart Insurance Policy Health Check System." This system simplifies complex tasks for agents, accelerates the document creation process, and allows agents to focus on communication and providing professional services to policyholders. Since its implementation, the system has analyzed the coverage data of over 20,000 different households, ensuring that each SKL policyholder receives the most suitable coverage and insurance amount. In addition, SKL has launched the "Instant Capture Project," which enables sales agents to scan and photograph insurance policies from various companies with a single shot. With the assistance of AI technology, the system consolidates the coverage overview and completes the policy health check, significantly improving service efficiency.

Since its launch, it has served approximately 420,000 customers and generated around 650,000 planning proposals

B.Digital Empowerment, Accelerate Digital Transformation of Sales Agents

(1) Mobile Commerce App

With a commitment to developing green financial insurance services, we aim to provide customers with high-quality, low carbon financial services, making insurance more relevant to their lives. To enable digital empowerment for sales agents, we introduced the "e-agent service certification mechanism." This initiative aims to observe various digital service transaction indicators and encourage agents to transition into digital agents through project promotion and specialized training activities organized by administrative units. As of 2022, the adoption rate of e-agent has reached 56.1%, accelerating the efficiency of post-sales policy services and reducing resource consumption.

Mobile Tool		Number of Tools Used	Usage rate (%)
e-insurance policies		195,842	68%
e-notices		2,449,847	77%
Mobile Business app (Note 1)	e-Insurance (Note 2)	177,920	93%
	e-Claims	297,650	76%
	e-policyholder service	165,051	38%
	e- Benefit Payment	87,402	83%

Note 1: The scope of Mobile Business app is limited to SKL channels.
Note 2: Mobile e-Insurance includes statistics for life insurance and accident insurance policies

(2) Sales Agent Website

The "Sales Agent Website" is a highly visited website, serving as an essential online support system for sales agents. It provides various services such as product information, new contract reporting system, administrative notifications, performance/commission inquiries, administrative inquires, operation guidelines, and form downloads. In 2022, the website underwent a redesign with five main objectives:

- Creating a new user interface and content structure, resulting in an overall agent satisfaction rate of 83%
- Improving the user-friendly login page
- Implementing responsive web design (RWD): to enhance the user experience across different devices, leading to a 5% increase in NPS satisfaction after the redesign
- Strengthening personal information protection measures: achieving a 100% completion rate for 66 permission control functions
- Reorganizing and categorizing various system functionalities: resulting in a 20% decrease in monthly inquiries received from agents through the 0800 hotline.

C. Utilize Technology to Improve Claims Service Efficiency

(1) Claim Risk Analysis System

SKL has established the "claim risk analysis system," which distributes cases immediately, reviews cases online, and shortens processing time to quickly settle policyholders' claims. In 2022, SKL achieved 91.1% customer satisfaction with claims.

Tool	Description
Claim risk analysis system	• Analyze the characteristics and trends of rejected claims to improve the hit rate of investigations and prevent fraudulent claims. • The decrease in the claim investigation rate and the increase in the claim clear-up rate indicate that the overall investigation performance improves and the claims loss decreases.
Advanced quick claim risk analysis system	• Analyze the characteristics and trends of quick claims settlement cases based on the established high-risk model to improve the overall performance and reduce the cost of claim settlements.

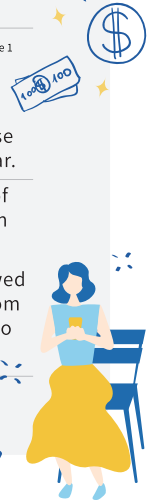
Results in 2022

The claim investigation rate [Note 1] dropped to 2.0% from the previous year.

The claim clear-up rate [Note 2] rose to 34.8% from the previous year.

Normally, it takes an average of three days to process claims. In 2022, we only spent 1.3 days.

The monthly number of reviewed claims per capita increased from 282 before the launch in 2017 to 406 in 2022.



Note 1: Claim investigation rate = Number of cases investigated/Number of cases concluded. Investigation refers to the procedure in which ombudsmen assist in reviewing medical records or medical information and checking accidents or current situations.
Note 2: Claim clear-up rate = Number of cases solved/Number of cases investigated.

5.3 Fair Treatment of Customers

| GRI 2-26 |

SKL uphold the spirit of "friendly service" and "ethical business" to enhance the accessibility, usability, service quality, and consumer rights protection of financial services. We are committed to promoting fair treatment of customers, implementing inclusive finance, and achieving social benefits and provided the most reliable service for the public, hoping to become the most trusted brand in the life insurance industry.

Through various initiatives, the overall Net Promoter Score (NPS) for 2022 reached 82.8%, and customer satisfaction for claims stood at 91.1%. Customers have experienced an improvement in service quality.

5.3.1 Implement the Principles of Treating Customers Fairly

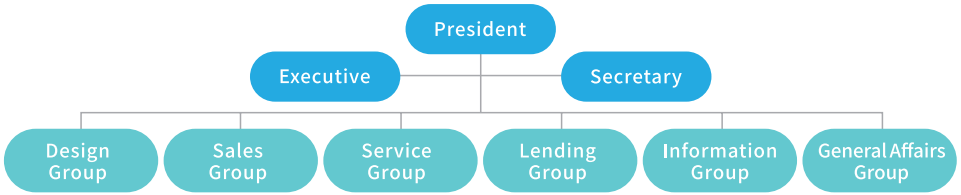
| GRI 417-1、417-2、417-3 |

SKL follow the "Principle for Financial Service Industries to Treat Clients Fairly" as the core values and behavioral guidelines to establish a corporate culture centered around "fair treatment of customers." With continuous promotion of financial insurance knowledge, consumers are made aware of the importance of insurance. Additionally, proactive measures are taken to provide more in-person or digital care services to elderly and disabled policyholders, demonstrating the commitment to fair treatment of customers.

A. Treating Customers Fairly Committee

(1) Policies, Regulations, and Operations

We amended the "Fair Treatment of Customers Policy" and the "Strategy of Treating Customers Fairly" in 2019, as well as established the Treating Customers Fairly Committee, which consists of six working groups and responsible for supervising the implementation of the fair treatment of customers and reporting the results to the Board of Directors for deliberation on a regular basis. To protect the rights and interests of our policyholders, we have implemented a top-down culture of treating customers fairly, making it one of the company's DNA.



(2) Results in 2022

- The Treating Customers Fairly Committee met four times in 2022 to review and report matters related to the Principle of Treating Customers Fairly.
- In 2022, the chief compliance officer of the head office reported to the Board of Directors on the business of the Principle of Treating Customers Fairly twice.
- In addition to annual training for all employees, we engaged external lecturers to organize 11 face-to-face training sessions for directors, executives, and employees in charge of fair treatment of customers to deepen the awareness of treating customers fairly from top to bottom.
- In 2022, SKL was ranked in the top 25% of outstanding financial institutions according to the evaluation by the FSC.

B. Fair Treatment of Customers Intensive Measures

Product design

- Developed insurance products that fit various needs:
  - SKL continued to develop related products, including basic protection, spillover policies, microinsurance, small-amount whole life insurance, policy-based insurance, in-kind benefits.
  - Included specific medical devices common to the elderly in the coverage; with flexible payment for long-term care insurance, such as single payment and monthly payment.
  - Designed readable product publicity and videos, and held "Insurance Product Review Team" meetings before selling and "Terms Discussions" meetings after selling to reduce the policyholders' doubts about the policy terms.

Solicitation and marketing

- Prevented and protected the elderly from financial exploitation:
  - Strengthened the operation of Know Your Customer (KYC) and Know Your Product (KYP) in various channels and included it in the evaluation. We also promote KYP practices externally to make it easier for senior citizens to understand the contents of insurance products. In the event of KYC or KYP violations, improper marketing to senior customers, or other violations, disciplinary actions will be taken and benefits will be recovered.
  - We have implemented labeling and reminders specifically for customers aged 65 and above in the customer dashboard, making it easier for sales agents to identify the elderly customer segment and handle related procedures according to relevant regulations.
- Built a "fraud prevention and risk control model for insurance agents" to prevent insurance salesmen from misappropriating policyholders' money through detailed analysis with AI technology, and received recognition for a new patent from the Intellectual Property office, MOEA.

Customer service

- Optimize Customer Information System (CIS), and took out a patent, to provide services for people with different types and levels of disabilities.
- The first in the industry to launch the "Mobile Identity Recognition Service." Policyholders can become online members of SKL and apply for online insurance services by verifying their real identity using their mobile phone number.
- Elderly customer fraud prevention campaigns and digital-friendly seminars were conducted. We created a Taiwanese version of the insurance fraud detection animation video to allow attendees at seminars to learn about the three principles of fraud prevention and convenient digital payment channels in a relaxed atmosphere.
- The Smart Address Project: In order to address the practical issues of new policy applications and contract modifications where incorrect or non-existent addresses are provided, resulting in the failure of related notifications to be delivered accurately, a "Smart Address Verification" mechanism has been developed, aims to enhance the accuracy of policyholder address information, and strengthen data quality of communication information. The system is capable of verifying whether the input address exists in the Ministry of the Interior's household registration system and whether it is the latest address. It also provides suggested address prompts. This allows customers to verify and use the correct address for new policy applications and policy contract changes in a timely manner. The system has also applied for a new type of patent for its application in insurance operations.
- Policy review: SKL combined OCR and NLP technologies to develop the latest "Smart Insurance Policy Health Check System." With the assistance of AI, customer policy status and coverage gaps can be analyzed with just a few photos. In fulfilling the duty of maintaining attention and loyalty and practicing fair customer treatment, SKL transform complex insurance products and coverage into simple and easy-to-understand formats. This ensures that every SKL policyholder can enjoy the most suitable coverage and insurance limits.
- Our official website has a dedicated section for fair customer treatment and a Financial Friendly Service section 🔗 that holds the Accessibility 2.0 Double-A logo
- We have pioneered the "Sign Language Video Translation Platform" to facilitate seamless communication for individuals with hearing and speech impairments.
- To deepen our commitment to age-friendly, dementia-friendly, visually impaired-friendly financial services, and reinforce customer service processes, we have collaborated with Duofu Care & Service, Taiwan Alzheimer's Disease Association, and the Tamkang University Resource Center for the Visually Impaired to provide education and training to customer service personnel and specialists across our branches in the northern, central, and southern regions.
- We proactively visited and provided services to policyholders aged 99 and above, offering friendly care, helping them understand their own policies and updating their contact information to safeguard their rights and interests.
- We organized digital-friendly seminars for elderly policyholders, engaging in face-to-face communication to promote awareness and collect feedback, consolidating anti-fraud concepts and preventing financial exploitation.

Claims

- Combined the claim review notice with the government's long-term care information and established a self-checking mechanism.

Grievances

- Disposed of disputes over solicitation of people aged 65 and above:
  - Added warning signs to the grievance system.
  - Reviewed the causes with the underwriting department and developed improvement measures.

C. Responsible for Marketing and Publicizing

In addition to disclosing information on the design, selling, and promotion of insurance products 100% in compliance with the statutory requirements, our product terms and conditions have been developed in accordance with the demonstration clauses provided by the competent authority, and reviewed according to legal procedures.

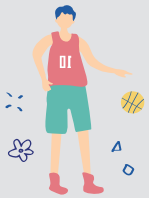
- Following the "Regulations on the Management of Information Disclosure by Life Insurance Companies," we provide sample policy contract clauses in the information disclosure and product sections of our official website, allowing customers to understand the details of our products.
- Pay attention to the solicitation of insurance agents and the mechanisms for reviewing and approving application documents; have the "Management Regulations on the Use of Promotion Materials for Product Sales " formulated in accordance with the "Self-Regulations for Solicitation advertisement in the Insurance Industry" to ensure that product specifications or publicity. In addition, fonts or risk warnings have been fully disclosed in accordance with relevant regulations to protect the rights and interests of consumers.
- Have the "Business Solicitation processing and Procedures System " in place to ensure the interests of the Company and policyholders through strict controls on the misappropriation of premiums.
- Launch the "fraud prevention and risk control model for insurance agents" to prevent the abnormal solicitation of insurance agents, misappropriation of premiums, improper marketing, and improper persuasion of policyholders through risk warnings.
- In compliance with regulatory requirements, we provide clear reasons and explanations, along with the applicable laws or contractual terms, in written notifications to policyholders regarding cases where claims have not been paid.

In 2022, we had one case not complying with relevant laws and regulations on marketing communication. We have reviewed the case and made concrete improvement plans and have also put forward a review mechanism to control the quality of solicitation. For more information, refer to Disclosure - Other Matters Required to Be Recorded.

D. Friendly Insurance Services

Social responsibility in the insurance industry is keeping society stable. As a player in the insurance industry, SKL strives to provide friendly insurance services in response to the inclusive finance policy. We have designed a series of friendly insurance services, so that all groups of people can enjoy financial services equally. In the future, SKL will continue to promote friendly insurance services in all channels, build a corporate culture that values consumer protection and the fair treatment of customers, implement a customer-first strategy, and making financial inclusion a reality.

Type of Customer	Service	Mechanisms for Financial Inclusion	Results in 2022
Disadvantaged people	Friendly financial services	• Accessible website: Set up a friendly financial service official website area to reduce the barriers to online applications for people with disabilities. • Barrier-free communication: We led the insurance industry with the launch of the "Sign Language Video Translation Platform" (LOY) for individuals with hearing and speech impairments. When policyholders with hearing and speech impairment went to the counter for policy service, they can connect with professional sign language interpreters through the "Sign Language Video Translation Platform" (LOY) to communicate smoothly. • Barrier-free environment: Equip operations with barrier-free passages, service bells, or guidance signs, as well as assisted facilities for wheelchair users at service counters. • Diversified service channels: Provided online or on-site services via customer service hotline (0800-031-115).	• Friendly financial service official website area obtained the conformance level AA for WCAG 2.0. • "Sign Language Video Remote Interpreting Platform". From the start in May 2021 until January 2023, a total of 2 service calls have been made.
	Insurance education	• Invited experts to share their professional knowledge in such fields as wealth management, leisure, as well as physical and mental health on a regular basis. • We collaborated with the Tamkang University Resource Center for the Visually Impaired to conduct "Visually Impaired Friendly Financial Education and Training," to strengthen customer service processes, ensure the financial security and rights of disadvantaged groups, so as to enhance the friendly service competence of our personnel to provide appropriate customer guidance with the most heartfelt financial services.	• We held 20 "SKL Beautiful Life" lectures, (including 5 online live streaming) attracting a total of 3,624 participants. • We organized three online training sessions. A total of 311 individuals were trained, there was an 86% satisfaction rate regarding services related to dementia and an 88% satisfaction rate regarding the concept of visual accessibility services.
Emergency/ disaster-affected policyholders	International disaster relief	• Activated international disaster relief immediately when policyholders needed assistance in an emergency while traveling overseas.	• From 2013 to 2022, SKL processed 64 international disaster relief cases at the amount of NT$33.41 million.
	Emergency/disaster care	• Typhoon/disaster protection: In the event of typhoon or disaster, five types of policyholder care services will be activated, including proactive assistance in compensation and care, waiver of capital fee for policy reissuance, premium payment grace, preferential interest payment for policy loans, and home loan principal extension. • Major accident condolence: provided care and consolation money for policyholders encountering major accidents.	• In 2022, when Typhoon Hinnamnor struck, SKL immediately launched the " Typhoon Protection" policyholder care service to help policyholders cope with the typhoon disaster.

Type of Customer	Service	Mechanisms for Financial Inclusion	Results in 2022
 The elderly	SKL long-term care website	• Set up the SKL long-term care website 🔗 : to pass on knowledge of long-term care, use of social welfare resources, insurance, medical personnel interviews, and healthcare information, as well as encourage the exchange of ideas, so as to increase the public awareness of long-term care.	• The website received 870,000 visitors, among which about 680,000 were unique visitors. The direct traffic reached 22%, while organic search traffic reached 71%. Notably, 70% of the visitors are aged 25~54, effectively providing information needed by young and middle-aged people.
	Providing Sound retirement planning through group synergy	• Combing SKFH Group's resources, we provided policyholders with comprehensive protection after retirement, from economic security, safety, medical treatment at home, and healthcare to aging, set up Taiwan's first all-age care room with an area of 4.5 ping (14.85 square meters) at Taipei Station LOHAS Future Pavilion, and built "Jasper Villa Banqiao," a healthy and safe residence for the elderly after retirement featuring healthcare services.	• Jasper Villa Banqiao won the Symbol of National Quality (SNQ), becoming the first retirement-specific residence in Taiwan to bear the SNQ.
	Caring for the elderly and providing appropriate services	• Collaborating with Duofu Care & Service, we have jointly launched the "Senior Citizen Workshop" education and training program to provide more caring and diversified services for senior citizens; in collaboration with the Taiwan Dementia Association, we organized the "Dementia Elderly Treatment Guide" training program to provide more appropriate services for senior citizens with dementia. • SKL visited our elderly policyholders before the Double Ninth Festival and presented them with care gifts, wishing them a happy holiday. During these visits, we also assist the elderly in understanding their policy status and updating their contact information to ensure their rights are protected. We strive to fulfill the principles of inclusive finance. • SKL planned to launch the "Family Contact Network" service project. This project establishes diverse communication channels, allowing elderly individuals to have their family members assist them in managing their policies, thereby preventing financial exploitation, fraud, and reducing unpaid premiums. It also aims to enhance effective communication and achieve the goal of elderly care. This service will be officially launched in March 2023.	• The "Senior Citizen Workshop" education and training program has trained 52 service personnel to understand the needs of the senior citizen community and to enter the world of the elderly through the experience of wearing a Ponzu bag, making the senior citizen service more empathetic. • 3 training sessions of the "Customer Service Guidance for Elderly with Dementia" were conducted, with a total of 311 participants. • We provided care to a total of 192 elderly policyholders, with an overall in-person visit rate of 44%. A total of 84 policyholders were visited (including 20 who have passed away.)
 COVID-19 affected policyholders	Epidemic prevention and relief	• In response to COVID-19, SKL encouraged policyholders to use digital service channels more often to reduce exposure risks, and provides services such as premium/borrowing interest deferral, online quick clearance EXPRESS, and various claim settlement measures. We also offered a NT$30,000 epidemic prevention care gift to policyholders who have been diagnosed with the disease and are working as health care workers. • SKL self- organized three concessional policy loan projects (borrowing rate: 1.5%~3.0%) on our own initiative for policyholders affected by the pandemic, as well as the "Economic relief Concessional Policy Loan Project" (borrowing rate: 1.28%) in line with the government' s disaster relief policy.	• In line with the policy of the government, a total of NT$382.12 million were granted to policyholders under the "Concessional Policy Loan Project," among which NT$39 million, or 10%, were granted by SKL, ranking fourth in the industry. • SKL organized four concessional policy loan projects in 2022, and 15,220 policyholders applied, with the total concessional policy loans amounting to NT$7.592 billion.
 Young people	LIFE Lab.	• SKL launched the LIFE Design+ app and web version, through this digital tool, we compile statistical data from different professional organizations, allowing young people to simply enter their information and obtain a career planning report with transparent data and similar customer data. The report uses reasonable calculation rules and includes detailed calculation descriptions, data sources, website links, and recent news reports to help youth have a clearer framework for future needs analysis and security planning.	• Life Design+ uses a cute and young visual experience to make young people who are not interested in insurance more willing to try it, and presents a professional and complicated life journey with an easy-to-read visual process, which becomes the first step for young people to build a proper insurance concept. In 2022, LIFE Design+ assisted the young population aged 20-29 in completing 3,430 career planning reports.
	Financial education	• SKL collaborate with non-profit organizations, government agencies, and schools to co-organize financial education programs. These initiatives aim to promote financial literacy among high school students at all levels, featuring lecture content planned according to grade level, from the simple to the deep. Experts in finance and industry professionals are invited to share their financial vision in areas such as financial management, entrepreneurship, venture capital, and FinTech. Through these programs, students can choose a variety of topics according to their interests and gain a better understanding of financial concepts, which helps them in their future academic and career planning endeavors.	• In the 111 academic year, we collaborated with high schools such as Taichung First Senior High School, Taichung Girls' Senior High School, Wen-Hua Senior High School, Keelung Girls' Senior High School, and Datong High School, providing 19 lectures and nearly 200 class sessions. The provided lectures include introductory financial literacy courses for first-year high school students, courses on financial and economic topics for second-year students, and advanced courses on financial and economic topics for third-year students. In 2022, we impacted at least 3,000 individuals, and we can expect the collaborative learning benefits among teenagers to spread to their peers.

5.3.2 Customer Service and Communication

Shin Kong Life attends to customer needs carefully. Adopting a "3D" customer service policy (i.e., Do With Passion, Do By Technology, and Do Things Right), we dedicate ourselves to listening to customers, rolling out a full range of accessible insurance services, and offering BSI-certified customer service. Technology has empowered SKL to improve various service flows, providing customers with a premium experience.

SKL introduced Net Promoter Score (NPS), using customer feedback to measure the customers' evaluation of our services and make important decisions to improve the quality of service.

"3D" Customer Service Policy

- Do With Passion
- Do By Technology
- Do Things Right

A. Optimizing Customer Service

(1) Listening to the Voices of Policyholders

SKL has a customer service hotline (0800) in place to quickly provide customers with accurate information and regularly conduct customer satisfaction surveys to enhance the quality of service. We also organize training courses and conduct regular inspections to keep the quality of service stable and improve customer satisfaction.

In 2022, we received nearly 500,000 calls through our 0800 customer service hotline, and 95.8% of the callers were satisfied with our customer service. Most of the callers made inquiries about policy administration (preservation, premium, and the content of the contract). In 2022, the NPS of SKL customer service hotline (0800) increased from 80.1% in 2021 to 81.6%.

Customer Satisfaction Survey	2020	2021	2022
Customer satisfaction rate	88.6%	88.1%	95.8%

In 2016, our customer service got certified to " Royal Mystery Shopper (RMS)" and "ISO 10002:2018 Customer Satisfaction Management System," making SKL the first in the life insurance industry to obtain these two certificates from the BSI.

(2) Innovative Counter Service Experience

We have incorporated the LIFE Lab. with SKL in Taipei and New Taipei administrative centers, creating a modern and professional storefront image to provide customers with a fresh experience from first glance. Upon entering the store, customers are greeted by dedicated staff who will inquire about the purpose of their visit and assist with filling out relevant documents or using self-service machines, saving time on administrative operations. Inside the store, there are two digital tools installed with the "LIFE Design+" career planning app, which allows individuals to outline their dream blueprint and proactively raise awareness of risk avoidance based on their insurance needs at different stages of life. The consultation area is designed to be diverse, providing a comfortable, reassuring, and private environment for every customer who visits.

B. Responding to Policyholder Feedback Attentively

For complaints lodged by policyholders, we have a grievance mailbox to handle policyholders' complaints. After receiving policyholders' complaints, the dedicated department will investigate them immediately and follow up on the cases to get back to the policyholders in a timely manner. With the effective control and response, the rankings of the weight and the comprehensive score on the grievances have improved greatly, showing that the results have rolled in.

Proportion of Ombudsman Cases and Average Processing Days of Disputes over Claims and Non-claims Cases in the Past Three Years

	2020		2021		2022	
Type of case	Claims	Non-claims	Claims	Non-claims	Claims	Non-claims
Proportion of Ombudsman Cases (‰)	0.034	0.037	0.035	0.032	0.032	0.031
Average processing days	1.02		1.02		1.02	

Source: Financial Ombudsman Institution (published once every year)

MUTUAL BENEFIT

Corporate governance and ethical management／Legal compliance／Risk management／
Information security／Sustainable finance／Social participation

CORE VALUES

Actively engage in communication and interaction with stakeholders to deepen mutual trust and confidence.
Commit to being a creator of social value.

6. Realizing Sustainability Governance

7. Unleashing the Importance of Sustainable Finance

8. Creating a Society of Mutual Benefit

6. Realizing Sustainability Governance

Shin Kong Life deeply understands that only by treating others with sincerity and establishing comprehensive corporate governance, risk management, and information security mechanisms can operate itself in a stable and robust manner, carry the responsibility of safeguarding numerous families and provide solid protection for every policyholder.

6.1 Corporate Governance and Ethical Management

| GRI 2-9、2-10、2-11 |

Shin Kong Life adheres to the business philosophy of "stability and prudent", and continues to strengthen corporate governance and safeguard the rights and interests of shareholders and stakeholders through such mechanisms as "strengthening the functions of the Board of Directors", "promoting ethical management", "strengthening the anti-money laundering mechanism", "improving the internal control system" and "implementing information disclosure".

We have a Code of Corporate Governance signed by the Board of Directors and continue to use corporate governance as a basis for strengthening the foundation for sustainable business operation. Please refer to SKL information dsclosures.

Organizational Chart of the Board of Directors

6.1.1 Strengthening the Functions of the Board of Directors

| GRI 2-17、2-18、2-19、205-2 |

SKL is a subsidiary of Shin Kong Financial Holdings Co., Ltd. (SKFH), who owns 100% of its shares, and has established the overall structure and authority of the Board of Directors in accordance with the Company Act, the Insurance Act, the Securities and Exchange Act, and other relevant laws and regulations. In 2022, there were 15 Directors (including 3 Independent Directors) who were responsible for the Company's operational policies and oversee and manage the results of ESG initiatives at all levels.

As the insurance industry is an industry that is highly supervised by the competent authorities, we attach great importance to the regulation and governance mechanism of the members of the Board of Directors, establish the rules of procedure of the Board of Directors in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", and actively invite credible and professional independent directors to participate in corporate governance and safeguard the rights and interests of all shareholders.

In order to enhance the effectiveness of the operations of the Board of Directors, the Board of Directors' performance is evaluated annually in accordance with the "Corporate Governance Best Practice Principles for Insurance Companies". In 2022, the average score of directors' self-assessment was 97.7 (full score of 100) and the average score of peer evaluation (overall evaluation) was 94.8 (full score of 100). The performance of the Board of Directors was good.

Note1: Since the Company is a subsidiary of the parent company, SKFH, which holds all of the issued shares, in accordance with the provisions of the Company Act, the Financial Holding Company Act, and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the members of the Board of Directors are all appointed by SKFH after qualification review and approval by the Chairman of SKFH, and the Chairman does not concurrently hold other duties in the management team.
Note 2: The company voluntarily established an Audit Committee on June 30, 2017, to enhance corporate governance and audit supervision mechanisms.

Board of Directors' Members Information

Unit: Person

Age/Type	Male	Female	Directors	Independent Directors	Directors who concurrently serve as managers of the Company	Number of seats that are related to each other
< 30	0	0	0	0	0	0
30 - 50	2	0	1	1	0	0
> 50	13	0	11	2	1	0
Total	15	0	12	3	1	0

A.Board Diversity Policy

ss ESG issues, the parent company, SKFH, follows all the regulations in appointing members of the Board of Directors of the Company, taking into account their professional background. At present, the members of the Board of Directors of SKL specialize in the fields of finance, risk management, insurance, and laws. Please refer to SKL Information Disclosures , see the 2022 SKL Annual Report (P.20 - P.24).

B.Strengthening the Competencies of the Board of Directors

In order to enhance the knowledge of the Board of Directors on responsible management, economic, environmental and social issues, in 2022, we conducted "Information security practices and sustainable operation CSR guidelines and case study," "Challenges and opportunities brought by the net zero era to the financial industry," "Latest development trends in AML/CFT, ethical corporate management, and treating customers fairly," and "Opportunities from the transition to IFRS17." and other courses for a total of 181 training hours, with an average of 12 hours of training per person. In addition, we regularly report to the Board of Directors in accordance with the Money Laundering Prevention Statement. The 15 members of the organization's governance unit have communicated100% of the organization's anti-corruption policies and procedures, Please refer to SKL information disclodures.

C. Remuneration Scheme for Directors and Executives

We have established the "Guidelines for the Remuneration of Directors and Supervisors", which are agreed upon with reference to the industry standard with respect to the extent of directors' participation and contribution to the Company's operations. In addition, the remuneration of independent directors is fixed by the Board of Directors' meeting and it is stipulated that they shall not participate in the distribution of SKL's earnings. Please refer to the 2022 SKL Annual Report.

To create long-term value for the Company, shareholders, and employees, senior managers established a bonus policy that is aligned with the Company's sustainable operation and development according to the "Regulations Governing the Distribution of Annual Performance Bonuses" and "Regulations Governing the Distribution of Long-term Incentives," encouraging and linking bonuses to the Company's long-term performance and value creation for shareholders. The Company established "Regulations Governing Senior Manager Performance Management" to effectively evaluate the performance of senior managers and improve business performance.

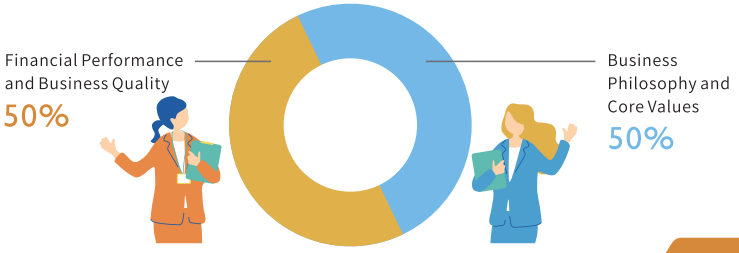
Link between Directors' Remuneration and Organizational ESG Performance

The remuneration of the SKL's directors is determined by the Board of Directors' meeting, taking into account the degree of their participation in the operations of the Company and the value of the contribution. All directors (except independent directors) are paid the Chinese New Year bonus, using their travel expenses as the base and the base amount of the overall employee performance bonus for the year. In addition, the Chairman and Vice Chairman receive a fixed monthly remuneration each month, and based on the monthly fixed compensation, the Board of Directors shall approve the performance bonuses according to the annual performance bonuses for executives. The employee's overall performance and the organizational performance of executives are included in the achievement of ESG project, and the director's remuneration is therefor effectively linked.

Link between Executives' Remuneration and Organizational ESG Performance

The compensation standards are based on the responsibilities (including ESG matters) of the executives and are set according to a duty-oriented grading system, and the Chairman is authorized its approval within the scope of authorization. The annual performance bonus is based on the Company's overall operating performance and individual performance (including ESG matters) for the year, for the purpose of linking performance with rewards, and to encourage executives to pursue excellent performance.
In addition to the financial indicators, the ESG strategy's management philosophy and core values shall also be included in the formulation of the Company's overall key performance indicators (KPIs) in 2022 to shape the culture of corporate responsibility.

Overall KPIs for 2022



Indicator Category	Weight	Indicator Description
Business Philosophy and Core Values	50%	The significant ESG results include TCFD and sustainable finance, fair treatment of customers, legal compliance, digital financial services, talent development and exchange, and information security.
Financial Performance and Business Quality	50%	Includes financial and business aspects (e.g., profitability, risk control, business quality/drive).
Extra point items		Overall effectiveness of the Group, etc.

Periodically (every month) report material issues to the Board of Directors, issues for communication include: corporate governance, ethical corporate management, financial performance, risk management, compliance, AML/CFT, corporate sustainability, and treating customers fairly.

2022 audit the Proposals

The Board of Directors reviewed and passed ESG-related regulations and reports on material matters：

1. Evaluation of the appropriateness of the overall risk management mechanism with respect to four major aspects: risk management culture, risk management policies and systems, risk management execution and review, and the effectiveness of internal audits.
2. Established the "Ethical Corporate Management Policy and Best Practice Principles" and the "Ethical Corporate Management Operating Procedures and Code of Conduct." Amended the internal control system, securities investment policy and procedures, Procedures for Investing in Special Projects for Public Utilities and Social Welfare Enterprises, treating customers fairly principles, policy and strategies, Guidelines Governing Anti-Money Laundering and Countering Terrorism Financing, and Code of Ethics.
3. Report on the implementation status and annual goals of corporate sustainability, report on implementation results of corporate sustainability and implementation status of ethical corporate management, report on the plementation of principles for treating customers fairly, performance report on investing in special projects for public utilities and social welfare enterprises, compliance report, AML/CFT assurance report, report on financial friendly services and measures, and report on GHG inventory and verification planning.

Remuneration Paid to Directors, President and Vice President in 2022, total Remuneration as a Percentage of Net Income After Tax

Item	Amount (NT$ thousand)	Percentage of net income after tax
Remuneration and total amount of remuneration of Directors, President and Vice President	104,857	-2.15%

6.1.2 Promote Ethical Management | GRI 2-15、205-1、205-3 |

We established the "Ethical Corporate Management Policy and Best Practice Principles" and the "Ethical Corporate Management Operating Procedures and Code of Conduct" to implement ethical corporate management, and provide training to all employees each year to communicate the value of integrity to all employees. All employees completed ethical corporate management training in 2022. Furthermore, company-wide risk of unethical conduct is assessed regularly each year, in order to effectively determine the distribution and control of risk of unethical conduct. We completed an assessment of the risk of unethical conduct at all company locations in 2022; a total of 11 risks were assessed, including bribes, inappropriate sponsorship, unfair competition, and accepting improper gains; overall risk of unethical conduct was assessed to be low.

SKL Code of Integrity and Ethical Values

- Ethical Management Policy and Code
- Ethical Management Procedures and Behavior Guidelines
- Code of Ethical Conduct
- Personnel Management Rules
- Regulations for Handling Employee Complaints
- Regulations for Handling Reported Cases

A. Conflict of Interest Avoidance Mechanisms

The Company has specifically stipulated in the Rules of Procedure of the Board of Directors' Meeting that those who are stakeholders themselves or the legal entity they represent shall state the material content of their stake at the current Board of Directors' Meeting. In case of adverse effect on the Company's interests, they shall not participate in the discussion and voting, shall recuse themselves from the discussion and voting, and may not exercise their voting rights on behalf of other directors, as described in the 2022 SKL Annual Report (P.40 – P43) and refer to SKL information disclosures.

B. Ethics and Integrity Consultation and Reporting

(1) Code of Ethical Conduct

Directors and managers are required to exercise due diligence in the carrying out their duties, to treat all shareholders fairly, and not to compromise the interests of the Company for the benefit of individuals or particular groups.

(2) Employee Code of Conduct

We attach great importance to the ethical conduct of our insurance employees and have established the "Personnel Management Rules" and "Rules for Rewards and Punishment of Salespersons" to protect the rights and interests of our policyholders and the Company. There was no incident of acceptance of bribery in 2022.

C.Regulations for Handling Reported Cases

The Company has established a reporting mechanism. Anyone who finds that if the Company's or its subsidiary's personnel are committing crimes, fraud, or violating laws and regulations can report to the Company in writing or by email (whistleblower@skl.com.tw) ✉, and if the case is determined, upon investigated to be true, the relevant personnel will be rewarded and punished in accordance with internal regulations. In 2022, we will continue to review the reasonableness and effectiveness of the "Regulations for Handling Reported Cases" in order to improve the reporting channels and strengthen the protection mechanism for whistleblowers. The confidentiality and protection system for whistleblowers includes:

Accept

- The Company's unit responsible for handling cases is required to determine whether or not to accept a case within 10 business days from the following day a report is received. For cases that are rejected, the unit shall notify the whistleblower in writing or via other methods and provide the reason within 20 business days from the date described above.

Subsequently handling and approval mechanisms

- The investigation committee is required to prepare an investigation report within 15 business days after completing an investigation and making a decision, and the enforcement unit for the case will give a report based on the level of the personnel involved.

Internal Controls

- Internal personnel who violate the obligation of confidentiality shall be punished in accordance with the relevant regulations of the Company's personnel management.
- If the receiving unit, case execution unit, other related units, and personnel are involved in litigation due to a reported case, they may follow the "Rules for Notification of Company Lawsuits and Employee Sued for Execution of Duty".

Recusal rules

- Personnel of the unit responsible for handling cases, members of the investigation committee, Audit Committee, personnel of the enforcement unit, and personnel reviewing the investigation report must recuse themselves if they are a relative of the person being reported or have a conflicts of interest.

Protect the whistleblowers

- The identity of the whistleblower and the contents of the report are kept confidential.

No retaliation

- Whistleblowers shall not be discharged, dismissed, demoted, reduced wages, impaired their rights and interests to which they are entitled by law, contract, or custom, or otherwise disadvantageously or improperly treated.
- No adverse disciplinary action or improper action shall be taken against the receiving unit, the members of the investigation committee, the case execution unit, and other relevant units and personnel due to the report.

6.1.3 Strengthen Anti-money Laundering Mechanisms | GRI 205-2 |

A. Establish a Dedicated Unit

In order to ensure the establishment and implementation of the anti-money laundering system, an independent and dedicated unit is set up, with the Board of Directors designating an executive as the dedicated director, who will report to the Board of Directors and the Audit Committee at least half-yearly, and to immediately report to the Board of Directors and the Audit Committee in accordance with the regulations in the event of a material breach of laws and regulations. In 2022, the Money Laundering and Terrorism Risk Assessment Report was completed for all departments (including those in the field) of the Company, and no significant risks occurred.

B. 100% Anti-Money Laundering Education and Training

In order to fully communicate the company's internal anti-money laundering policy and mechanism, and to establish a corporate culture that places emphasis on anti-money laundering and combating the financing of terrorism, various anti-money laundering training courses are held for the Board of Directors, general employees, and key departments handling anti-money laundering business. In 2022, the Board of Directors receiving anti-money laundering training was 100%, and specialized supervisors, specialized staff, and the supervisors of the domestic business units receiving the required training was also 100%.

In addition, for external business partners, the rights and duties of both parties in the prevention of money laundering are regulated through formal contracts, supplementary contracts, etc., to reduce the impact of money laundering and financing of terrorism on the economy and society.

C. AML Risk Management Measures

The Company conducts an enterprise-wide risk assessment of money-laundering and terrorism financing risk each year. If control measures are assessed to be insufficient, a risk improvement plan must be formulated and submitted to the Board of Directors and Audit Committee, and a dedicated unit tracks the improvement plan until it is completed.

6.1.4 Sound Internal Control and Internal Audit Systems

SKL has established a comprehensive internal control system and an independent auditing unit to conduct audits. The main purpose is to identify and improve operational deficiencies at an early stage and prevent them in a timely manner. We have also strengthened our internal controls to prevent the occurrence of fraud, and have included the rights of policyholders and employees, as well as the prevention of money laundering in our audit plan. For the implementation results and the improvement plans of internal control, please refer to the 2022 SKL Annual Report.

Audit mechanism

1. At the end of each year, the next annual audit plan shall be drawn up in accordance with the risk assessment, relevant laws and regulations, the requirements of the competent authorities and the regulations of the parent company (SKFH), and shall be subjected to the approval of the Board of Directors.
2. At least once a year, general audits shall be carried out, and special audits shall be carried out in accordance with actual needs and relevant laws and regulations.
3. Continuously follow up on the relevant units and the inspection opinions, deficiencies, and improvements listed in the statement of internal control system, and submit the results to the Board of Directors and the Audit Committee and Independent Directors for review.

6.1.5 Implementation of Information Disclosure | GRI 2-27 |

SKL has established a comprehensive internal control system and an independent auditing unit to conduct audits. The main purpose is to identify and improve operational deficiencies at an early stage and prevent them in a timely manner. We have also strengthened our internal controls to prevent the occurrence of fraud, and have included the rights of policyholders and employees, as well as the prevention of money laundering in our audit plan. For the implementation results and the improvement plans of internal control, please refer to SKL information disclosures.

Fines Imposed by the Competent Authority and Improvement Measures

A total of 7 fines amounting to NT$9.32 million was imposed in 2022. One of the fines was a major fine (NT$3 million and above) due to deficiencies in fund use and real estate investment management. Related expenses have been recovered for the case and a mechanism for inspecting the reasonableness of expenses reimbursement was established. For the real estate business, we have strengthened the management and inspection of contractors, and also established operating regulations regarding the completeness of data submitted to the Board of Directors. We revised the checklist for stakeholder transactions and strengthened inspection mechanisms for transaction terms and the basis for comparison.

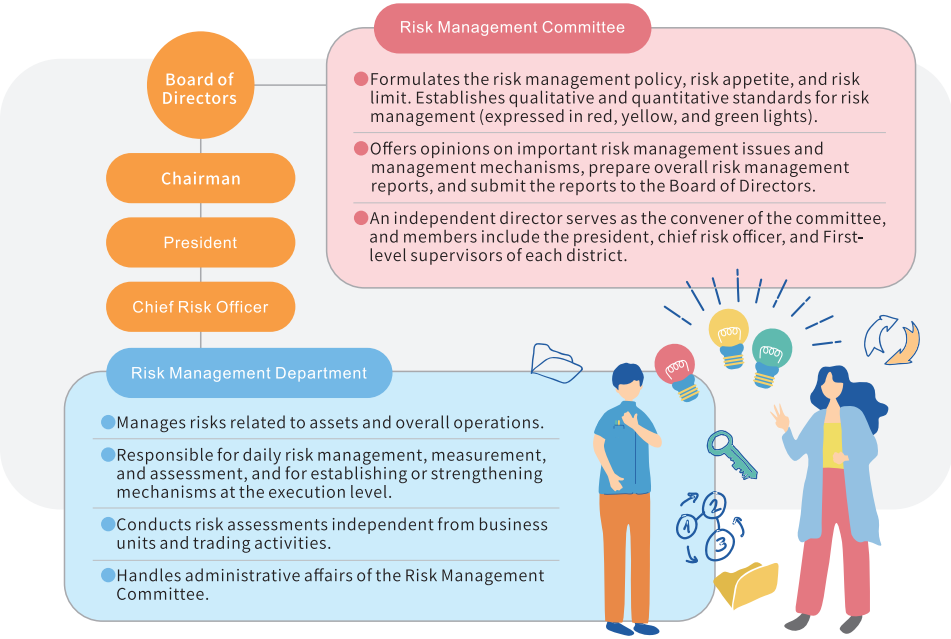
6.2 Risk Management | GRI 2-23、2-24 |

Undertaking risks and safeguarding the rights and interests of the policyholders is an important key to maintaining stable operations. In order to ensure the rights and interests of the vast number of policyholders and shareholders, the Company has established a solid and efficient risk management mechanism for all risks faced in our operations, beyond the financial aspect, to create value for our shareholders and policyholders.

6.2.1 Risk Management Framework

In order to effectively plan, monitor, and execute risk management matters, a Risk Management Committee is set up under the Board of Directors. An independent director serves as the convener of the committee, and members meet once a quarter in principle, elevating risk management to a strategic position to show our determination to implement risk management.

SKL Risk Management Committee



(For more details on risk management mechanisms, please refer to SKL's Annual Report and SKL information disclosure).

6.2.2 Risk Management Execution Methods

Shin Kong Life Insurance established its risk management policy as the highest guiding principles for the Company's implementation of risk management. The policy is aligned with the Company's business goals, has clear implementation guidelines, and emphasizes operational risk management. The four pillars of risk management were established on this basis, and operational risks are managed in response to changes in external regulations or the environment. Furthermore, Shin Kong Life Insurance periodically prepares Own Risk and Solvency Assessment (ORSA) reports, and assesses its current risk management and solvency. We defined material and relevant risks based on the nature, scale, and complexity of risks related to our business, and carried out risk identification, quantified assessment, supervision and management, and results reporting.

	Mechanism	Results in 2022
Pillar I: Risk Management Culture	• Establish a bottom up risks management culture, and instill every employee with the concept of accountability in risk management.	1. Risk management personnel are appointed in each department, with all first-level supervisors being designated as members of the Risk Management Committee. The overall risk management report is submitted to the Board of Directors. 2. Periodically organize training for senior managers (e.g. overview of the TCFD, impact of the Russo-Ukrainian War on bonds, and response measures)
Pillar II: Risk Management Mechanism	• Management mechanisms can be divided into three levels from the top down, specifically the risk management policy, management guidelines for various risks, and standard operating procedures or standards for various risks. Emergency event reporting mechanisms, crisis management procedures, and business continuity management mechanisms are also established to immediately handle incidents and reduce losses.	1. Risk management mechanisms established for specific material topics: • Climate action: Shin Kong Life Insurance revised the risk management policy and made "climate change risk" a separate risk category, in order to strengthen the management of climate change risk. The Company also established Regulations Governing the Management of Climate Change Risk. • Corporate governance and ethical corporate management: The Company periodically identifies and assesses the risk of unethical conduct, and prepares a risk assessment report, establishing mechanisms and developing suitable mitigation measures for high risks. 2. Facing recent material changes in the political and economic environment (such as: the Russo-Ukrainian War, inflation, and rising interest rates), we assessed the impact of related risks, and enhanced risk management mechanisms (such as: restricting investment in Russian bonds, and investing in high quality overseas fixed income assets). 3. Amendment to risk management and stakeholder related regulations: Continue to amend the Company's "Regulations Governing Risk Management for Domestic and Overseas Bonds," "Regulations Governing Risk Appetite and Risk Limit Management," "Regulations Governing Exposure Management for Individual Countries, Regions, and Industries," "Regulations Governing Risk Management for Domestic Stocks," "Regulations Governing Risk Management for Overseas Stocks," "Regulations Governing Risk Management for Mutual Funds," and "Regulations Governing Risk Management for Alternative Investment Funds," as well as regulations related to stakeholder engagement.
Pillar III: Risk Measurement Tools	• Establish or improve models for measuring market risk, credit risk, operational risk, and climate change risk • Evaluate the impact of abnormal and material events through stress tests	1. Continuously research and analyze the various models used in the ALGO's Value at Risk system, upgrade system, refine internal models, and strengthen personnel training to enhance market risk management. 2. Strengthen the credit risk and operational risk measurement tools. 3. Use the expected credit loss system to calculate the related losses in accordance with IFRS in order to comply with the requirements. 4. Comprehensively define and dynamically adjust the Key Risk Indicators (KRI) of each department. 5. Measure climate change risk (including GHG inventory and scenario analysis) 6. Establish quantified assessment tools for the risk of unethical conduct, and assess operating activities within the scope of business with relatively high risk of unethical conduct.
Pillar IV: Risk Performance System	• Include risk management into performance evaluation	Adopt the spirit of Risk-adjusted Performance Measures (RAPM) to balance risk and reward, and establish relevant measurement metrics.

6.2.3 Risk Management Measures and Response Mechanisms

We are committed to reviewing the possible impacts of changes in the internal and external environments to ensure business continuity. Regular drills are also conducted to make sure that business continuity plans are appropriate and effective and continuously enhanced.

When multiple major emergency events (such as: suspension of information services, large-scale epidemics, and earthquakes) occur, it may cause Shin Kong Life Insurance to suspend operations or prevent a portion of key services from operating. Shin Kong Life Insurance has a Business Crisis Response Team, crisis response measures, and emergency event reporting regulations to minimize the impact of accidents. The Company also established a business continuity management system (BCMS) to lower the probability of operations being suspended or reduce losses. The system strengthens the Company's ability to respond and rapidly recover from material events, allowing the Company to maintain sustainable operation, and thereby protect the interests of customers and all stakeholders.

In order to refine the business continuity management mechanism, the Company has obtained the "ISO 22301 (BCMS)" international standard certification from the British Standards Institute (BSI) in January 2022. Through business impact and risk analysis, the Company identifies critical business activities and takes stock of the resources required to recover these activities (e.g., personnel and equipment), and formulates recovery strategies and business continuity plans.

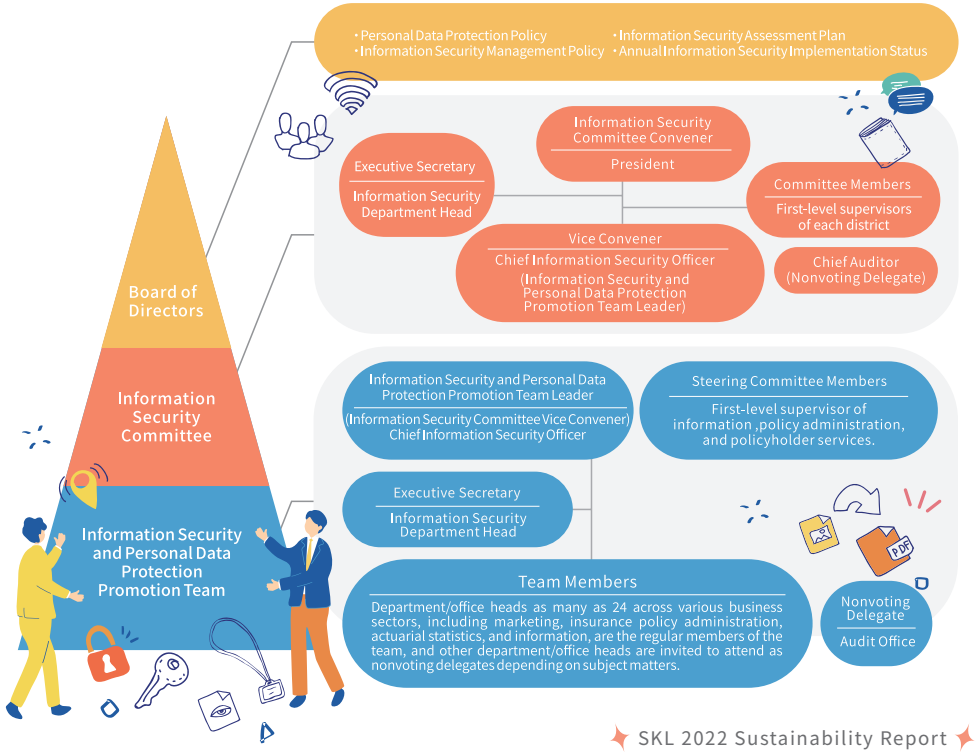
6.3 Information Security

GRI：418-01、419-01

Shin Kong Life Insurance has made a commitment to the protection of customers, and continues to promote the culture of information security. The Company established a dedicated information security unit with independent authority that is responsible for planning, monitoring, and implementing information security management. The Information Security Department does not handle affairs with a conflict of interest with IT or other positions, and has an appropriate amount of human resources, 13 personnel in total. The Company further appointed a Chief Information Security Officer in September 2021 to oversee policy implementation and resource allocation, significantly improving execution ability for information security and personal data protection issues.

The Company established an Information Security Committee responsible for overseeing the basic guidelines and major projects related to information security and personal data protection management. The Information Security and Personal Data Protection Division was established under the Information Security Committee to lead the planning, coordination, and implementation of information security and personal data protection operations. The abovementioned organizations meet once a quarter in principle. The Information Security Committee convened a total of 4 meetings in 2022, and the Information Security and Personal Data Protection Division convened 4 meetings as well, in order to ensure that information security and personal data protection issues are properly communicated and coordinated for implementation.

Information Security Committee



Information security awards in 2022

1. Award of Excellence in Digital Information Security in the 2nd Digital Financial Service Awards of Commercial Times
2. Information Resilience Award in the BSI InfoSec Standards and excellent organization commendation ceremony

6.3.1 Information Security Management

Strategies	Management Mechanism
Continue to obtain international certification for information security	• Obtained ISO 27001: 2013 Information Security Management System and BS 10012: 2017 Personal Information Management System. • Promote the integration activities of information security management system and personal information management system.
Policy promulgation and implementation of regulatory compliance	• Establish the "Information Security Policy" and "Personal Information Management Policy" approved by the Board of Directors as the highest guiding principles for information security and personal data protection. • In 2022, a total of 18 internal regulations relating to information security and personal data management were revised. • The KPIs for information security and personal information management, such as the completion rate of important information security projects, the number of information security incidents, and the cultivation of information security personnel, were all achieved ahead of schedule in 2022, indicating that information security and personal information have been fully integrated into the Company's business.
Customer Data Protection and Storage	• Establish a personal data management cycle in accordance with laws, regulations, and international standards to ensure the adequacy and effectiveness of the operation of the personal data protection system. • Conduct annual personal information breach drills to enhance employees' ability to respond to personal information breaches. • Implement the security of the network, data center management and insurance application system development, operation and maintenance of various management operating environments. • Commission external professional institutions to provide information security diagnostic services and complete the information security diagnostic report, annually. • Implement the information security assessment according to the self-regulatory regulation of information security protection in the insurance industry, as well as following the SWIFT Customer Security Programme (CSP) and the Payment Card Industry Data Security Standard (PCI DSS) to integrate various information security project inspections and measurements. • Continue to expand resources for remote backup and increase the scope of backup for major systems.
Joint Information Security Defense	• Establish an information security incident management system to control information security incidents in real-time through immediate notification and processing of the system. • Engage a professional information security provider for collaborative monitoring, providing 24/7 of uninterrupted incident analysis and monitoring management. • Actively participate in the information security joint operation, use the latest domestic and international information, and identify gaps at an early stage to achieve early warning and prevention. • In 2022, RSA AFCC's Anti-Fraud Services were used to help detect and shut down phishing websites, counterfeit mobile software, and international social media forgeries incidents to protect the security of the Company's online customer transactions and the Company's brand and assets.
Education and Training	• We raise awareness through a wide variety of training methods, promote compliance with various regulations, and all employees complete compliance week training every year. Furthermore, we organize additional communication events for specific topics as needed. In 2022, we offered 3 in-person courses, 18 online communication events during morning meetings, and issued 8 information security e-newsletters. • Personnel of information security units complete 15 hours and above of professional information security training courses every year according to regulations. Furthermore, we arrange customized professional courses based on business attributes and with consideration to suitability. • We encourage information security personnel to obtain international certifications for information security, and employees held a total of 32 international certifications as of the end of 2022.

6.3.2 Information Security Incident Informimg and Handling Mechanism | GRI 2-27、418-1 |

SKL has established the "Emergency Reporting Regulations", "Guidelines for Information Security Incident Reporting and Response Management", "Guidelines for Response to Personal Information Breaches", etc. In the event of a data security incident or personal information breach, the Company shall follow the relevant procedures for reporting. In addition, in order to ensure the complete protection of information systems and information security management, black box penetration testing, service interruption attack drills, etc. are conducted annually, and professional institutions are commissioned to conduct overall information security assessment to strengthen the information security level. There were no urgent incidents related to information security attacks or personal data breaches in 2022, and there were no complaints from the competent authorities or verified violations of customer privacy from external sources.

Item	2020	2021	2022
Breach of information security or network security (number of incidents)	0	0	0
Data leakage (number of incidents)	0	0	0
Customers and employees affected by data leakage (number of persons)	0	0	0
Amount of fines imposed for information security or network security incidents or information operations management failures	0	0	0

7. Unleashing the Importance of Sustainable Finance

We promise to utilize our core investment expertise to implement the spirit of "responsible finance," and to continue investing in sustainable development industries, shaping a sustainable management environment for the investment chain, and contributing to the sustainable development of society.

7.1 Promote Sustainable Finance | GRI 2-23、2-24 |

As an insurance company and asset owner, Shin Kong Life Insurance utilizes its own funds and various reserves for investment. By establishing a sustainable investment system, ESG strategies and concepts are integrated into financial operations such as investment, lending, and insurance. We collaborate with customers, business partners (including suppliers) and other stakeholders to promote responsible financial products and services. In the future, we will continue to keep pace with the trend of sustainable development, gradually increase the proportion of responsible investment, and keep up with global sustainable progress and opportunities.

7.1.1 Sustainable Finance Mechanism

SKL complies with the United Nations' Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI), and SKFH Sustainable Finance Policy, incorporating ESG mechanisms into operational processes and methods for different investment business properties. When making investment choices and providing financing and loans, we follow the asset-specific guidelines of the SKFH Sustainable Finance Policy and integrate ESG issues into decision-making and practices, adhering to the six principles of responsible investment. With the exception of some assets (such as foreign exchange hedging derivative products), all new investments are 100% compliant with responsible investment principles.

Asset-specific Guidelines of SKFH and Its Subsidiaries

Investment

During the formulation of investment strategies and investment decision-making processes, the six principles of responsible investment must be followed:

- Incorporate ESG factors into investment analysis and decision-making processes
- Actively exercise voting rights and integrate ESG issues into voting policies and practices
- Encourage investee companies to disclose relevant ESG information
- Promote the acceptance and adherence to PRI principles within the investment industry
- Establish collaborative mechanisms with stakeholders to enhance the effectiveness of PRI implementation
- Disclose and report on the progress and effectiveness of PRI activities

Financing

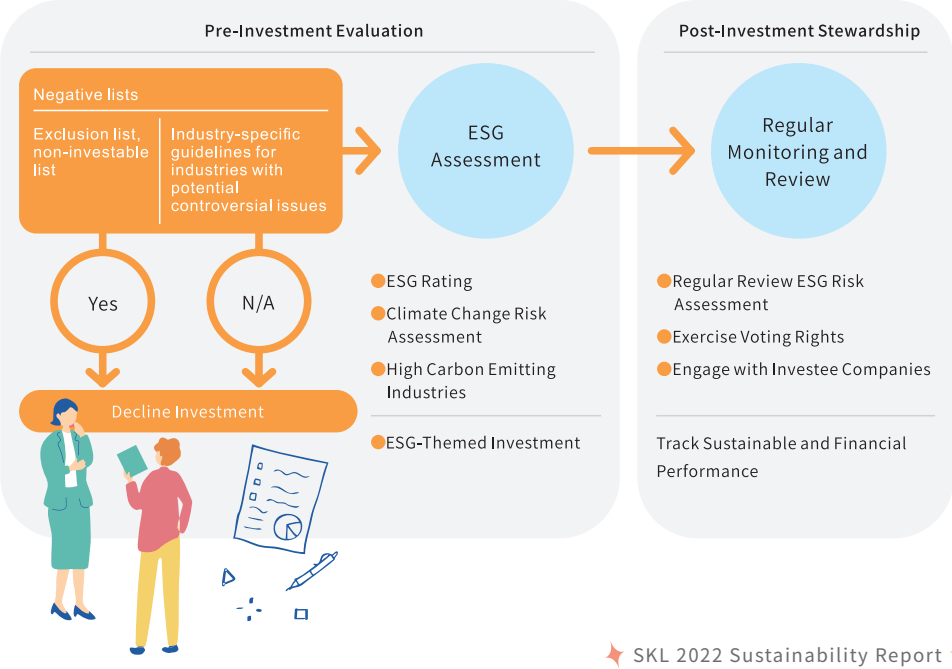
During financing decision-making processes, the ESG risks of the financing clients should be carefully evaluated. If the financing is used to achieve sustainable development goals, appropriate financing preferential terms may be provided. For loan clients in high-controversial and high carbon production industries, engagements should be conducted to guide the clients to improve. No new loans should be added before any improvement has been made, or for those with severe situations, the withdrawal of funds should be phased in.

A. Responsible Investment

To implement the concept of sustainable finance, we have established the "Policy and Procedures for Sustainable Investing in Securities". Before making any investment, we conduct an assessment of the investment targets, and no new investment should be made in those included in the exclusion list or the list of non-investable targets; For industries with potential controversy, we conduct ESG due diligence on trading partners according to industry-specific guidelines, and make a careful evaluation to determine whether to continue transactions. Compliance with the guidelines and passing the ESG assessment is a prerequisite for any business dealings.

In addition to establishing a comprehensive ESG investment evaluation mechanism, we also actively respond to the United Nations' Sustainable Development Goals (UN SDGs) in our investment activities and continue to search for sustainable investment targets, grasp ESG opportunities, and invest in sustainable development industries. After investing, we conduct post-investment stewardship, regularly track the operational and financial performance of the investee companies (or portfolios), and continue to pay attention to their sustainable performance and ESG assessment. Through engagement actions such as attending shareholder meetings, exercising voting rights, engaging in dialogue and interactions with the management of trading partners, we exert our influence on the investee companies to enhance long-term value for customers, employees, and shareholders, among other stakeholders.

Responsible Investment Procedure



Negative Lists:

(1) **Exclusion list, non-investable list:** In accordance with the SKFH Sustainable Finance Policy, exclusion lists are established for industries or countries with high ESG risks, including pornography, drug industries, and countries or regions with serious deficiencies in anti-money laundering and anti-terrorism financing as identified by the Ministry of Justice Investigation Bureau, Taiwan. Trading counterparties that meet the exclusion criteria should not be traded with.

(2) **Industries with potential controversial issues:** For those industries in the qualified list, decisions should be made in accordance with industry-specific guidelines. Compliance with the guidelines is a prerequisite for any business dealings.

ESG Assessment and Review

We integrate environmental, social, and corporate governance (ESG) factors or refer to third-party independent rating agencies (such as Bloomberg, MSCI ESG ratings, Morningstar Sustainalytics, RobecoSAM, and TDCC IR Platform). For established investment positions, regular ESG reviews are conducted as a basis for making investment, reducing holdings, or deciding not to make new investments.

In addition, we incorporate climate change factors into the investment evaluation mechanism and conduct individual climate change risk assessments for investment targets in high carbon emitting industries. After the transaction, we continuously review the ESG and climate performance of each investment target, actively engage in dialogue with relevant companies, and facilitate industries in achieving zero carbon transition.

Exclusion list	Potentially controversial industries
• Pornography industries	• Tobacco
• Drug industries	• Gambling
• Armament industry	• Fur trading
• The list of countries or regions announced by the government, which have serious deficiencies in anti-money laundering and financing terrorists	• Tropical rainforest logging
	• Coal and atypical oil and gas

B. Responsible Lending

ESG factors are incorporated into the credit investigation process, credit approval process, and post-loan management

SKL has incorporated ESG issues into its audit process. In the process of financing review, the borrowers are evaluated for environmental protection, corporate integrity and social responsibility (the status of the labor retirement reserve is disclosed in the credit report, and the borrowers are asked to explain the status of any major labor incidents. When an enterprise (an enterprise that is required by the FSC to prepare the ESG report) applies for a loan, the ESG report shall be included as a reference document for the loan application. Otherwise, when applying for loans from other enterprises that do not fall under the preceding categories (enterprises that are not required by the FSC to prepare the ESG report), the credit granting personnel should make every effort to confirm whether the applicant has violated any major pollution or has major labor disputes, and evaluate the situation carefully. According to the credit report and review letter, during the credit review and evaluation, loans may be denied to companies that have failed to comply with sustainability/ESG requirements, or the companies may be required to improve their labor and environmental issues as a condition for the loan. The format of the credit report have been revised in December 2021 to add an ESG area, and a total of 31 cases were approved in 2022. Furthermore, in 2022, Shin Kong Life Insurance included corporate ESG performance in the evaluation process for granting interest rate reductions. A total of eight companies met the criteria for interest rate reductions on their loans, with a total approved loan amount of 79.2 hundred million dollars.

Responsible lending in last three years

Units：NT $ hundred million

	2020	2021	2022
Responsible lending	39.7	78.7	79.2

Note: Responsible lending statistics are limited to those who have completed the preparation of sustainability reports or have a positive impact on ESG.

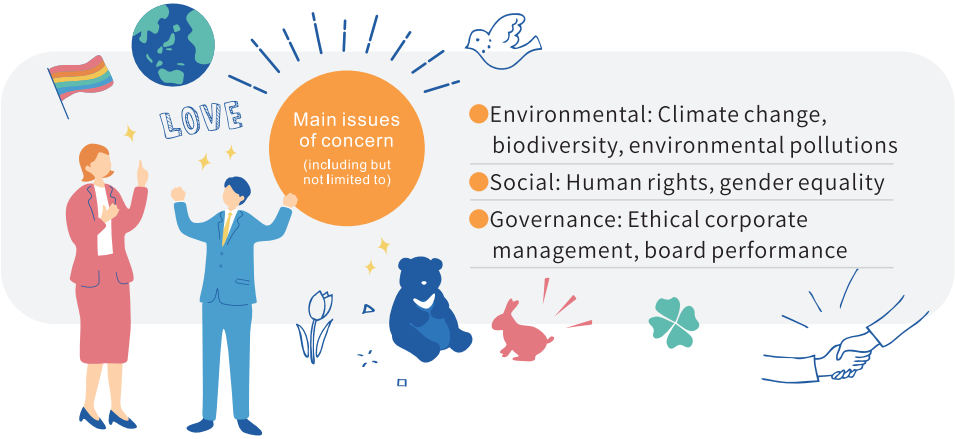
Subsequent reviews shall be conducted in accordance with the Credit Review Regulations, and the borrower's improvement status shall be tracked every six months. If improvement is not made within the time frame, default conditions shall be established to ensure the quality of credit and the safety of debts.

7.1.2 Expanding the Influence of Sustainable Finance

GRI 203-1

A. Institutional Investor Due Diligence and Stewardship

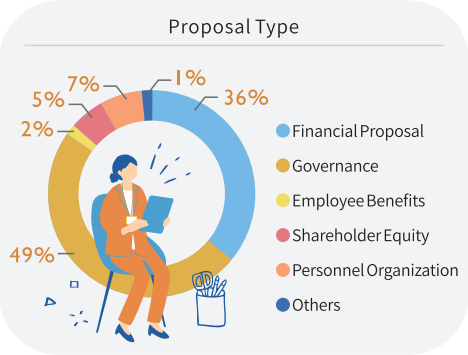
To protect the long-term value of fund providers (shareholders, clients), reduce sustainable-related risks and seize opportunities, and fulfill our responsibilities as an institutional investor, we took the lead in signing the Taiwan Stewardship Principles for Institutional Investors issued by TWSE in 2016. Following the six principles of the code, we have issued a statement of commitment to abide by the "Code for Institutional Investors on Corporate Governance." Through shareholder actions (dialogue with investee companies, exercising voting rights), engagement and other actions, we have improved ESG post-investment management and exert influence on investee companies to enhance the long-term value of stakeholders such as customers, employees, and shareholders. The results will be disclosed in the Stewardship Section.

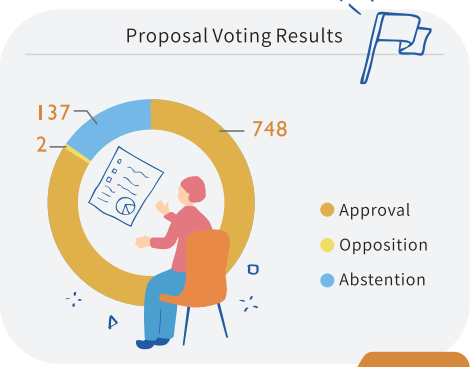


(1) Shareholder Actions

Shin Kong Life Insurance follows domestic and international initiatives and regulations, as well as the SKFH Sustainable Finance Policy, to carefully evaluate proposals related to significant environmental, social, and corporate governance (ESG) issues, controversial events, or matters that affect long-term shareholder interests. Participating in the company's legal and shareholders' meetings, or visiting the investee company from time to time (including personal visits to the plant and telephone calls) and interacting with the management of the investee company, and formulates investment decisions through dialogues and interactions with the investee company, and reports significant investment decisions to the Company's Board of Directors for consideration.

In addition, the Company also follows the "Insurance Act" and related legal interpretations and carefully evaluates the contents of all motions at each shareholders' meeting before attending the shareholders' meetings of investee companies in order to facilitate the exercising of the Company's voting rights. In addition, in accordance with the policy of the Taiwan Depository & Clearing Corp. (TDCC), where an investee company provides electronic voting, electronic voting will be the primary method of choice. In 2022, a total of 174 shareholder meetings were attended (with a participation rate of 100%) and a total of 887 proposals were voted on. There were no environmental-related shareholder proposals in the investee companies in 2022, and the voting results are as follows (see the Institutional Investor Stewardship Section for details):





Percentage of E-related proposals	Percentage of S-related proposals	Percentage of G-related proposals
0%	8%	92%

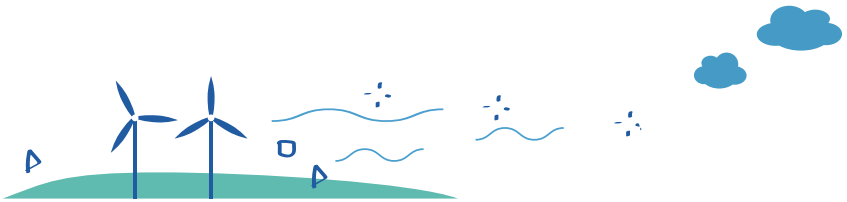
Note 1: According to Articles 146-1, Paragraph 3 of the Insurance Act, the Company may not vote in director and supervisor elections of the investee companies, hence the abstention votes for proposals to the appointment of directors and supervisors.
Note 2: In the 2022 shareholder meetings of the investee companies, the Company expressed opposition to 2 proposals, demonstrating that the Company does not unconditionally support the proposals of the investee companies' shareholder meetings, but makes important decisions after considering the long-term shared interests of customers, shareholders, and investee companies.

(2) Engagement Actions

Shin Kong Life Insurance pays active attention to sustainable ESG issues and actions of investee companies. Following the SKFH Sustainable Finance Engagement Policy, we prioritize engagement actions on ESG issues of concern in investment and financing activities, and formulate follow-up decisions on future interactions based on the results of engagement. If the engagement target has actually improved its behavior and has a positive impact on ESG or contributes to SDGs, it should be given priority in the investment and financing list; If the engagement results meet the expected goals, or the engagement target has been evaluated to have achieved maximum improvement, the engagement action will be postponed; If the engagement results fall short of expectations, the intensity of engagement will be increased based on the sustainable values, operational needs, and risk management of SKL and the Group. The results of the intensified engagement will be used as a basis for decisions on whether to continue, reduce or withdraw investment.

In 2022, we sent out climate risk issues communication questionnaires to our investee companies in Taiwan that are at high risk for climate change issues. By distributing the questionnaires, we aimed to understand their understanding of climate change and information disclosure on GHG emissions, and to let them know our emphasis on the issues of climate change. We hope to encourage our investee companies to pay attention to the global net zero trend, disclose the environmental performance of their own business operations, and drive the industry towards net zero transition. Together, we can make efforts to mitigate the impacts of climate change and move towards the path of achieving net zero emissions by 2050.

Engagement results	• Questionnaire response rate of 75% • Understand investee companies' awareness of climate change, risk management, and adaptation plans, such as GHG emissions disclosure, low carbon transition plans and measures • Encourage investee companies to expand GHG inventory and establish related environmental systems, and actively participate in international sustainability initiatives
Follow-up actions	• Retain holdings • Continue to pay attention to carbon reduction actions in high carbon emitting industries from a sustainability perspective



B. ESG-Themed Investment

Shin Kong Life Insurance has not only established a comprehensive ESG investment evaluation mechanism, but also actively responds to the United Nations Sustainable Development Goals (UN SDGs) in investment actions. By researching domestic and foreign sustainable investment trends, we have extended ESG-themed investments to support sustainable development industries that address specific social and environmental issues with practical actions. We continue to monitor sustainable and development industries at home and abroad, and strengthen the investment performance of sustainable investment targets so as to fulfill our core financial competencies, and pursue the maximization of stable returns for investors while contributing to sustainable development for a sustainable future. In 2022, SKL's total investment amount in ESG-themed investments exceeded NT$213.9 billion, with an investment amount of NT$43.8 billion for sustainable development bonds (sustainable development bonds, social responsibility bonds, green bonds), representing a growth of 75% compared to the previous year.

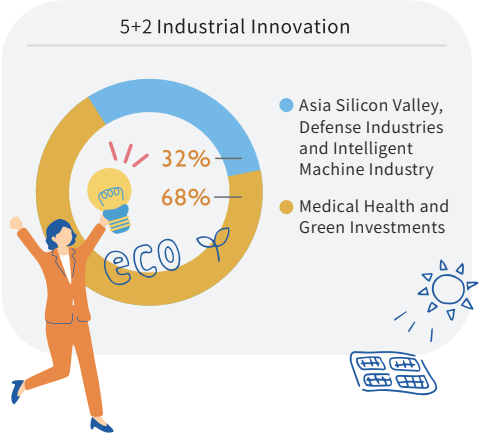
Unit: in NT$100 million

ESG-Themed Investment		2021	2022
Sustainable development	Sustainable development bonds	118	197
Medical Health , Social Welfare, and Infrastructure	Social responsibility bonds	-	5
	Investments in public construction and social welfare industries	26	27
	Biomedicine of Taiwanese government's 5+2 Industrial Innovation Plan	2	3
Green Investments (environmentally friendly or green energy-related industries)	Green bonds	132	235
	Investments in renewable energy power plants	15	18
	Green Technology, New Agriculture, and Circular Economy of Taiwanese government's 5+2 Industrial Innovation Plan	134	89
ESG Sustainability Benchmark Companies	Investments in Taiwanese companies (stocks and related ETFs) with excellent ESG performance	1,677	1,564
Total		2,104	2,139

Note 1: In 2022, the total amount invested in sustainable development bonds was NT$43.8 billion, of which NT$11.9 billion was invested in sustainable development bonds approved by Taipei Exchange.
Note 2: The investment amounts listed in the table for the government's "5+2" industries have been calculated after excluding s co-investment position with ESG sustainable benchmark companies.

5+2 Industrial Innovation

As of the end of 2022, SKL has invested a total of NT$93.8 billion in industries related to the 5+2 innovative industries. Among them, investments in industries related to Medical Health (Biomedicine), Green Investments (Green Energy Technology, New Agriculture, and Circular Economy) have reached NT$63.4 billion, accounting for 68% of the total.



Project-Based Investments in Renewable Energy Industries

In 2022, the investment in project-based renewable energy industries increased by NT$270 million, with a total investment of NT$1.8 billion. The annual power generation reached 468.67 million kWh, which can supply 1.51 million households and reduce carbon emissions by 63,321 tCO_2e per year. We expect to leverage our influence in the financial industry and work with the industry to accelerate the development of green power generation in Taiwan, and help Taiwan achieve its green energy policy goals.

Overview of Project-Based Investments in Renewable Energy Power Plants

	2021	2022
Investment amount (in NT$100 million)	15	18
Annual electricity generation (in 10,000 kWh)	36,646	46,867
No. of households supplied with electricity (in 10,000 households)	108	151
Reduction in carbon emissions (in tCO_2e)	54,154	63,321

Note 1: The annual power generation was calculated based on the average monthly household electricity consumption of Taipower.
Note 2: The annual amount of carbon emissions reduced was calculated based on the carbon emissions coefficient for electricity provided by the Bureau of Energy, Ministry of Economic Affairs.

7.2 Sustainable Supply Chain

GRI 2-6、2-23、2-24

SKL offers a diverse range of insurance products and services to the public. Product design and services are primarily carried out by in-house professionals, while procurement items mainly consist of the items related to labor, goods, and equipment resulting from administrative affairs, as well as real estate construction operations. Although there is no apparent upstream, midstream, and downstream supply chain system compared to traditional or technological industries due to different industry attributes, SKL understands that the procurement business still has a significant impact. Therefore, we actively construct a sustainable supplier management mechanism and connect the supply chain through local procurement, green procurement, and other means to establish sustainable value.

2022 Supplier Types of SKL

Type	Labor Service	Financial	Construction
Number	39	86	51
Total		176	

7.2.1 Managing Supply Chain Sustainability

In terms of procurement policy, SKL has stipulated supplier management principles and regulations in accordance with the supplier management standards established by the parent company SKFH. Risk assessments and on-site audits of partner suppliers are conducted to encourage them to emphasize sustainable development, eliminate any dishonest behavior, and jointly assume responsibility for employees, society, and the environment to create a better living environment for future generations. Specific actions are described as follows:

- Requiring partner suppliers to comply with our ESG policies: SKL requires partner suppliers to sign a supplier commitment letter, pledging to abide by corporate ethics, focus on employee rights and human rights, and protect the environment. If any violation of relevant regulations is found during the cooperation process and is not corrected immediately, SKL has the right to terminate the cooperation relationship. In 2022, the signatories of the supplier commitment letter were extended from partner suppliers to bargaining suppliers, in the hopes of conveying the company's sustainable business philosophy to more potential partners.
- Establishing a supplier management system: To better manage suppliers in a systematic way, SKL has established a supplier management system that helps register, review and evaluate information about partner suppliers.
- Risk assessment and on-site audits: SKL performs regular supplier risk assessments on key suppliers every year, and conducts on-site audits based on the assessment results. Depending on the situation, guidance or training will be provided to help suppliers improve or mitigate related risks, and move towards sustainability goals.

SKL Supplier Management Procedure

STEP.1 Supplier selection
- Suppliers seeking cooperation must sign the supplier commitment letter before price negotiations.
- Suppliers renewing the contract must also re-sign the letter.

STEP.2 Supplier management
- Maintain, review, and evaluate partner suppliers through the supplier management system

STEP.3 Supplier risk assessment
- Major suppliers are required to fill out a supplier risk self-assessment questionnaire annually
- Definition of major procurement: Contract amount of NT$3 million or more (based on a single contract amount)

STEP.4 Supplier on-site audit
- Suppliers assessed as high risk require on-site audits
- If deficiencies are found during the audit, the supplier will be asked to provide improvement plans and explanations

STEP.4 Supplier management and improvement tracking
If a supplier violates its commitments or has significant deficiencies, it should be requested to make corrections; if it fails to improve or the situation is serious, the contract may be terminated when necessary.

The Results of Supplier Management in 2022

Key suppliers	ESG risk-assessed primary suppliers	The proportion of risk assessments
33	33	100%

Risk mitigation measures
- 100% of contracted suppliers signed the supplier commitment letter; 60 price-negotiating suppliers signed the commitment letter.
- Supplier risk assessment: To improve risk assessments, although there were no suppliers with major risks this year, 5 suppliers were randomly selected for on-site audits; No issues of violating ESG concepty were found throughout 2022.
- Sustainability promotion for suppliers: ESG and green procurement policy promotion were provided to our partner suppliers.

7.2.2 Implementing Local and Green Procurement

SKL helps promote sustainable development in society and the environment through our selection of procurement projects. When purchasing office supplies, information products, air conditioning equipment replacement, and building materials, we prioritize products that have obtained green environmental certification. Since 2016, we have won the "Green Procurement Performance Unit for Private Enterprises and Organizations" from the Department of Environmental Protection, Taipei City Government for seven consecutive years. We also support social innovation enterprises and won the First Prize of Buying Power - Social Innovation Products and Services Procurement Award in 2022.

Item	Summary
Initiatives	• Announce the green procurement policy and encourage all units to prioritize products with environmental certifications when applying for equipment or services procurement • Actively select products with environmental and energy-saving labels for overall office and administrative equipment, gradually increasing the proportion of environmentally friendly and energy-saving products in procurement. • Encourage units to collaborate more with innovative social enterprises, or encourage partner units to join relevant matchmaking platforms.
2022 Outcome	• Local procurement: We prioritized Taiwanese local manufacturers to ensure supply stability and localization, accounting for 99% of the total procurement • Green Procurement: The amount of green procurement for office and administrative equipment reached NT$23.86 million, accounting for 19% of the total green procurement items. • Social innovation procurement: The amount of social innovation product and service procurement reached NT$13.8 million

8. Creating a Society of Mutual Benefit

Shin Kong Life attaches great importance to the connection and interaction with local residents, establishes three major public welfare themes, utilizes abundant corporate human resources, promotes the "corporate volunteer" service plan, and actively participates in community engagement.

8.1 Community Engagement Strategies and Investments

| GRI 203-1 |

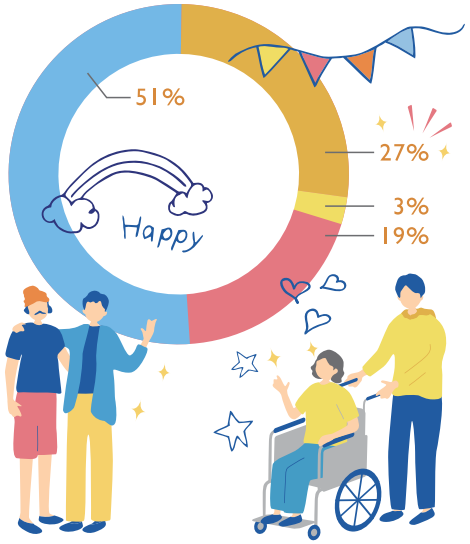
Based on the three major themes in social welfare that we have established, namely "all-round development, health promotion, and environmental sustainability," SKL actively develops relationships via community engagement. Leveraging business operations spanning across Taiwan and the power of the Shin Kong Life Foundation, we follow issues related to senior citizens, ecological environment, and animal conservation closely using flexible and creative communication methods. At the same time, SKL also encourages our office staff and insurance agents to participate in volunteer services in hopes of extending such services to every corner of society, so as to fulfill the business philosophy of "giving back to the community on which success is built". SKL managed to invest a total of NT$70.86 million in social engagement in 2022, which in turn benefited up to 520,000 people, thanks to the dedication and enthusiasm showed by all our employees. These achievements highlighted our commitment and support for mutual benefit and development in the community and society with concrete actions and resource investment.

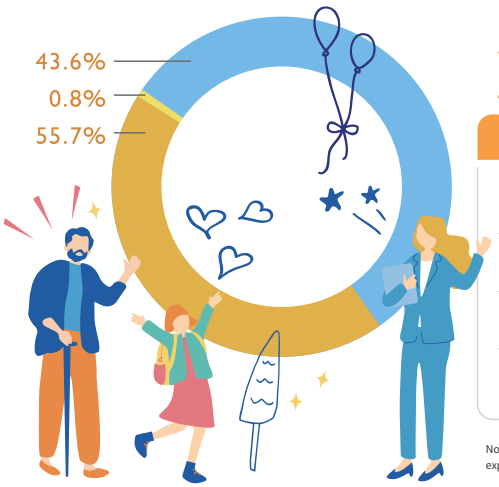
Major Themes in Social Welfare and SDGs

Major themes in social welfare	SDGs	Activities
All-round Development	2 ZERO HUNGER, 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH	The Pen Pal Program 2.0 , Scholarships, The Shin Kong National Painting Competition, The Shin Kong Street Dance Competition, The Shin Kong Rubik's Cube Competition, The LIFE Lab. Seminar Series, Their Distance from Hunger (Andrew Food Bank), The Shin Kong Esport Event
Health Promotion	3 GOOD HEALTH AND WELL-BEING, 10 REDUCED INEQUALITIES	The Shin Kong Nationwide Blood Donation Campaign, Nationwide Charity Hiking Activities, The "Always Remember You" Seminar, Oral History, Community Care Everywhere, Anti-fraud Seminar for the Elderly, Lighting Up the Ribbon for Women's Health, Telemedicine
Environmental Sustainability	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	Shin Kong Sustainable Lifestyle - From Farm to Table, Ecological conservation, Sustainable oceans

Social Investments in 2022

Type of Contribution	Amount invested (Unit: NT$)	Percentage
Cash contributions	36,377,572	51%
Time : Employee volunteering	18,797,050	27%
In-kind giving	2,095,000	3%
Management overheads	13,594,747	19%
Total	70,864,369	100%





Type of Social Welfare Activities in 2022

Category	Amount invested (Unit: NT$)	Percentage
Charitable Donations	554,017	0.8%
Community Investments	30,865,780	43.6%
Commercial Initiatives	39,444,572	55.7%
Total	70,864,369	100%

Note: Investment expenses consist of activity expenses (including administrative and personnel expenses), in-kind donations, and sponsorships.

8.1.1 All-round Development

SKL is committed to enhancing the knowledge and abilities of people in all aspects of life by awarding outstanding young students, stimulating artistic creativity, encouraging the new generation to explore diverse fields, and organizing various leisure and sports events to provide opportunities for talents in various fields to showcase their abilities and cultivate positive and healthy leisure and entertainment. At the same time, resources are brought into remote areas to reduce the urban-rural gap,

Major events for teenagers

The Shin Kong National Painting Competition

The National Painting Competition not only encourages children to be creative and cultivate a keen sense of observation among them, but also sets up the "LOHAS Evergreen category" for seniors to showcase their artistic expertise and talents. The 18th Shin Kong National Painting Competition in 2022 with the theme of "Reduce Carbon, Love the Earth, and Draw a Better Tomorrow", focusing on environmental issues to respond to climate action and implement environmental protection actions. This competition not only attracted a total of 138,246 votes from nearly 60,000 netizens in its online voting campaign, but also received around 9,979 entries. The top three, outstanding, and excellent artworks in each category were selected through a vigorous and professional selection process, with 538 commendable artworks chosen in the process as well.

The Shin Kong Rubik's Cube Competition

It not only encourages young people to engage in proper leisure activities, but also trains people's memory and strengthens their logic while promoting positive interaction between parents and children and stimulating each other's brain. The age range of the competitors from 6 to 48 years old shows that entering the world of Rubik's Cube is not limited by age. It is not only suitable for all ages but also allows students to stay away from the temptation of 3C products and cultivate a good leisure activity that can stimulate creativity and enhance logic. In 2022, for the first time, we entered remote rural areas to promote Rubik's Cube, visiting elementary schools such as Liugui and Maolin Elementary Schools in Kaohsiung, as well as Shuanglong and Fengqiu Elementary Schools in Nantou. We hope to transform education in rural areas, cultivate a good leisure hobby that can stimulate creativity and enhance logic, encourage children to break through themselves, and unleash their wisdom and potential.

Their Distance from Hunger (Andrew Food Bank)

Affected by the epidemic, fundraising for public welfare organizations has become even more difficult. During the event, when an insurance policy is purchased through our partner banks, SKL will donate an additional amount of money allocated from operating expenses to Andrew Food Bank as public resources. The amount will be calculated by multiplying the total number of effective policies during the event period by NT$100. "They" refer to a group of children who have experienced separation/ illness/ accidents, and then grow from those experiences. Andrew Food Bank provides long-term care for underprivileged children from disadvantaged families, providing immediate and appropriate resources based on their individual needs to help them develop physically and mentally. The additional donation will be used through Andrew Food Bank to support the monthly food box service program, helping provide food for children under 15 years old from disadvantaged families. In 2022, about 3,000 children benefited from this event, with a donation of NT$478,500.

other events	Summary
The Pen Pal Program 2.0	• Enterprises and groups are cordially invited to become big pen pals under this program. By matching small pen pals from among rural and disadvantaged children with life mentors, this program helps small pen pals explore a variety of aspects in the society and a diverse range of career choices. In 2022, this program welcomed the participation of 160 big pen pals as life mentors and matched them with 195 small pen pals using warm words, in an effort to help these small pen pals not only discover a variety of areas in the society, but also sow the seeds of dreams. On the whole, a total of 355 people benefited from this program throughout the year.
Scholarships	• The Shin Kong Life Insurance Scholarship is the only scholarship program in the life insurance industry intended for both policyholders and non-policyholders. • In 2022, a total of NT$8.259 million in scholarships were awarded to 3,126 out of 23,966 students who applied to this program. On the whole, a cumulative total of over NT$300 million in scholarships has been awarded to 136,182 students over the past 50 years.
The Shin Kong Street Dance Competition	• By offering a competition for street dancers to showcase their youthful energy and challenge themselves, this event aims to create a better street dance environment for the development of a new generation of outstanding dancers, so that the street dance culture can gain a solid foothold in Taiwan. • Entering its 19th year in 2022, the Shin Kong Street Dance Competition successfully attracted the participation of over 1,340 dancers.
Neighborhood Activities - Anti-fraud Seminar for the Elderly	• As financial technology develops and online banking and Fintech become increasingly popular, elderly adults who are not familiar with these technologies are more susceptible to financial scams and disputes. Therefore, LIFE Lab. has communicated with local communities and organized anti-fraud seminars for the elderly to help more elderly adults receive more financial and insurance knowledge. In 2022, two seminars were held, assisting 55 elderly adults in establishing anti-fraud knowledge.
ATCC	• In recent years, the life insurance industry has been focusing on "digital transformation" and "implementing ESG policies," which require participation of more talent from different fields. Therefore, we have invested in the "ATCC Case Competition" to brainstorm valuable proposals that go beyond industry frameworks through exchange of ideas in different fields. Through in-depth financial education and mentoring from professional managers, creative ideas and practical solutions are also sparked.
The Shin Kong Esport Event	• This year's Shin Kong E-Sport Parent-Child Event embraced the theme of "Silver Soul Warriors," which represents the spirit of E-Sports transcending age. As long as individuals have proper gaming habits and good sportsmanship, everyone can play games throughout their lives. A total of 120 people signed up for the event, and there were up to 200 people in attendance at the physical event. The online live stream had a total of 43,800 views, allowing everyone to transform into a Pokemon trainer through virtual reality experience.

8.1.2 Health Promotion

In response to the United Nations' Sustainable Development Goal - SDG3, SKL has organized activities such as national blood donation events, and health promotion seminars to encourage people to care about their own health and enhance public health literacy. In addition, through telemedicine, we have helped provide health information to the elderly and eliminate the gap in medical resources between urban and rural areas, in the hopes of establishing a stable and seamless medical protection network.

Major events for the elderly

Oral History

Keeping a close eye on issues related to senior citizens and long-term care since 2005, SKL has brought the "Legacy Art Work" and "History Alive" programs developed by Elders Share the Arts (ESTA) from New York City to Taiwan, with the intention of fulfilling our commitment to raising awareness of long-term care issues among the people of Taiwan and showing care for the health of the elderly through senior citizens' participation in creative aging activities.

Using arts as a medium of communication, "Legacy Art Work" helps senior citizens re-establish their social connections. In "History Alive," which is led by professional guides, senior citizens share episodes that are most easily understood by children in their life experiences through theatrical elements, so that the younger generation can learn about the value and meaning of "old." A cumulative total of 210,131 people benefited from Oral History as the end of 2022.

go!!

	Participant	Number of beneficiaries	Satisfaction
Legacy Art Work	Senior citizens with dementia and disabilities	4,900	94.0%
	Volunteers	3,771	98.1%
	Guides	35	94.7%
History Alive	Senior citizens	2,319	98.67%
	Students	1,467	98.5%
	Guides and middle-aged people	1,580	98%
	Audience	1,019	95.7%

Community Care Everywhere

SKL keeps senior citizens and school children accompany through efforts from the sales offices across Taiwan, and realizes warm interactions between caregivers and care recipients with face-to-face, hands-on paper lantern teaching. In 2022, SKL carried out 94 sessions of the "Community Care Everywhere" social care event, which were participated by around 1,580 volunteers and saw 2,584 senior citizens and 499 schoolchildren being cared for.

Telemedicine

We have partnered with the Digital Humanitarian Association to launch the "Remote Health Promotion for Rural Communities" program, which utilizes digital tools to provide online health courses and professional medical consultations for elderly residents in remote areas. The program aims to help the elderly prevent diseases and delay disability, and has shown concrete results. The remote services are available in four locations including Qimei in Penghu, Dabang in Chiayi, Liuxiang in Shuishang, and Liujiao Township, providing vital support for the health and safety of elderly residents in rural communities.

To strengthen connections with local communities, we have adopted places in rural areas and provided on-site services through the help of corporate volunteers.

By combining core insurance competencies, we have provided financial education and fraud prevention outreach to promote financial inclusion. We also spend time with the elderly to teach them origami, which helps to improve hand-eye coordination, enhance brain and organ activity, and delay degeneration. A total of 4,158 people have benefited from these activities.

other events	Summary
The Shin Kong Nationwide Blood Donation Campaign	• To alleviate the problem of blood shortage and help reserve medical resources, in 2022, 29 "blood donation events" were held throughout Taiwan, and a joint campaign with the popular LINE sticker character "Ms. Big" was launched to encourage people to roll up their sleeves and donate blood. • This year, SKL successfully collected 4,037 bags (equivalent to 1,009,250 ml) of warm blood, making contributions to reserve health care capacity and save more precious lives.
Nationwide Charity Hiking Activities	• In 2022, a total of 35 hiking routes were planned, inviting over 20,000 employees and policyholders from across the country to bring their families and friends to get closer to nature. In line with corporate sustainability, about 5,000 corporate volunteers participated in the hiking routes while cleaning up the mountains and beaches, encouraging people to not only get in touch with nature but also do their part in environmental protection, ecological conservation, and the promoting of sustainable coexistence between humans and nature.
The "Always Remember You" Seminar	• In 2022, Shin Kong Life, together with the Taiwan Alzheimer's Disease Association, organized nine sessions of the "Always Remember You" Seminar at the Shin Kong Life Tower, which saw the participation of 637 members of the public. While playing a role in conveying information about long-term care and protection, SKL endeavors to enhance awareness and understanding of long-term care issues with help from people with actual caregiving experience.
A Little Less Discrimination, A Little More Knights of Eden	• As 2022 marked the 10th anniversary of the "International Day of the Girl" (Girls' Day), LIFE Lab. set "Fearless with Love, Help Children Move Forward," as its slogan and continues to help the Eden Social Welfare Foundation raise funds to assist disadvantaged children, keeping them away from poverty and abuse. We call on people with a heart of kindness from all walks of life to join in doing good deeds. In 2022, a successful fundraising of NT$833,159 was achieved, benefiting about 14,400 people.
The LIFE Lab. Seminar Series	• With seminars conducted each Monday specifically for four target groups, including "rookies at work," "junior supervisors," "new-generation moms," and "happy retirees," Finding common ground with the philosophy of LIFE Lab., 27 online seminars related to health promotion and financial education were held in 2022, attracting 23,241 viewers. • Questionnaire results: NPS for "Content": 72%; NPS for event "Lecturers": 80.7%
Lighting Up the Ribbon for Women's Health	• In conjunction with the Breast Cancer Awareness Month in 2022, the Shin Kong Life Foundation, Shin Kong Bank, and Shin Kong Wu Ho-Su Memorial Hospital joined forces to make arrangements for a breast screening van to provide free screening services at the Shin Kong Bank Headquarters Building. This initiative enabled busy working women to undergo breast screening and receive related consultation without having to take time off work or travel afar. A total of 48 women underwent screening, with abnormalities found in ten of them.

8.1.3 Environmental Sustainability

SKL responds to international concerns about biodiversity and environmental sustainability by organizing events such as " Shin Kong Sustainable Lifestyle - From Farm to Table " and "sustainable oceans," which bring together the power of corporations and society to promote rural revitalization, preserve natural ecology, and achieve a win-win situation for corporations, agriculture, and society. In addition, through the Christmas Charity Market event, SKL has practiced a circular economy with the goal of achieving a friendly environment, while also promoting sustainable thinking among employees via public welfare activities.

Major sustainability events

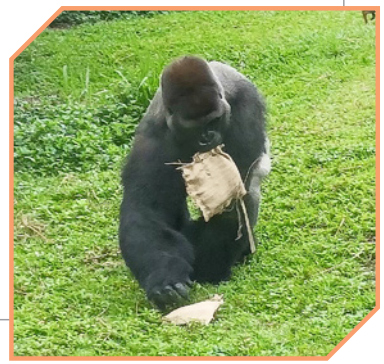
Shin Kong Sustainable Lifestyle - From Farm to Table

In 2022, we expanded the "Shin Kong Sustainable Lifestyle - From Farm to Table " project to include multiple dimensions such as ecological balance, environmental protection and carbon reduction, food and agriculture education, and rural revitalization. 67 local farmers were invited to sign the "Pledge of Mutual Benefit," which was witnessed by the Agriculture and Food Agency, Council of Agriculture, Executive Yuan. We have extended the benefits to employees, their families, and policyholders, and held food and agriculture education experiences to practice the concept of mutual benefits between food and agriculture through hands-on participation in farming. Continuing the sustainable dining concept of the " Shin Kong Sustainable Lifestyle - From Farm to Table " project, SKL has announced that NT$100 will be donated to the Alliance of Taiwan Foodbanks for each policy purchased, calling on Shin Kong farmers to contribute to the Foodbanks' sustainable food programs by donating quality ingredients that are about to expire, and implementing public welfare feedback. This has showcased Shin Kong's core values of "low carbon, innovation, and mutual benefit" in sustainable management.

SKL organized a total of 39 such markets in 2022 (including Charity market at Songshan Financial Building), which not only benefited 57,367 participants, but also recorded nearly NT$4 million in sales. With the SROI method adopted for assessment in 2022, the assessment results revealed that a social value of NT$9.85 can be created for every NT$1 invested in this program. In other words, this program has a far-reaching impact on the sale of high-quality products from Taiwan's agricultural industry and young farmers.

Ecological Conservation

With a long-term commitment to ecological conservation, SKL has been sponsoring Gorilla conservation activities for 26 years in a row as we aim to raise public awareness of the natural environment and implement the concept of wildlife conservation. In 2022, we collaborated with Taipei Zoo to make "behavior-enriching devices" for gorillas to promote ecological conservation and education with the participation of foundation employees and volunteers. In 2018, Taipei Zoo gorilla "Bao Bao" was sent to the Netherlands for an international breeding program, which not only helped Taiwan gain world recognition for its efforts in animal conservation, but also brought Taiwan closer to the international community. With concerted efforts from both SKL and Taipei Zoo, two Gorilla mothers imported from the Netherlands have given birth consecutively in 2020 and 2021, successfully passing on the genes of endangered species.people have benefited from these activities.



Sustainable Oceans

We joined the international Reef Check program and provided professional training to 9 individuals who obtained international ecodiver certification. We also completed 2 coral reef inspections in Fanzaiao and Longdong. In cooperation with the National Museum of Marine Science and Technology, we held the Coral Watch program, producing 400 "international coral health color cards". We also went deep into coastal communities such as Yeliu and local elementary schools to conduct teacher training on marine education. A total of 47 coral reef inspectors were trained during the program. We invited experienced divers and divers with a certain level of skills to participate in 4 deep-sea cleaning events, involving 106 participants, and removing 1,395 kilograms of marine debris.

8.2 Corporate Volunteers

8.2.1 Volunteer Participation at Shin Kong Life

Based on our belief in guardianship and our effort to integrate social welfare action into our core corporate values, SKL actively promotes the Corporate Volunteering Program to encourage our employees to learn about the needs of the society outside of work, so that we can spread love and care to even more corners of the society where care is needed.

By participating in these services, corporate volunteers develop a sense of belonging among employees within the company while experiencing the joy and warmth from helping others and enriching areas of life outside of work.

In 2022, our corporate volunteers enthusiastically participated in the Shin Kong Volunteer Corps and various activities across the country such as hiking activities, blood donation campaign, the "Community Care Everywhere" social care events and telemedicine care for the elderly in rural areas. A total of 11,622 people participated in our corporate volunteering program and served as corporate volunteers for up to 69,571.4 hours cumulative over the year, thereby contributing to the society with practical efforts and participation.

8.2.2 Shin Kong Volunteer Corps

Since its establishment 13 years ago, Shin Kong Volunteer Corps has been the first corporate volunteer association registered with the Department of Social Welfare in Taipei. It encourages employees, family members, and policyholders to participate in volunteer services, and promotes the concept of corporate volunteering in collaboration with the government. Having gained widespread recognition from the government and all walks of life, Shin Kong Volunteer Corps not only received the National Outstanding Corporate Volunteer Team Award from Taiwan President Ing-Wen Tsai in 2018, but was also invited by the Department of Social Welfare under the Taipei City Government to share the secrets to the successful management of its corporate volunteers at the Taipei Broadcasting Station and the National Volunteer Report Meeting in 2021. In 2022, calling on more people to participate in social welfare activities and give back to the society, Shin Kong Volunteer Corps was invited to participate in the Volunteer Service Workshop for New Sales Representatives, and was awarded the "Outstanding Volunteer Supervisor of Taipei City" by the Department of Social Welfare, Taipei City Government.

In 2022, Shin Kong Volunteer Corps organized 386 volunteer service sessions, which means more than one volunteer service per day on average, involving 2,218 volunteers and 22,701 hours of service in total. As the local COVID-19 outbreak raged on, Shin King Volunteer Corps joined Taiwan's COVID-19 prevention national team by contributing to the efforts in packing and distributing medical masks aimed at alleviating demand for medical masks among medical practitioners across the country. Shin Kong Volunteer Corps' collaboration with the government to combat COVID-19 has become a strong and powerful backing for medical staff. In 2022, Shin Kong Volunteer Corps carried out 17 COVID-19 prevention volunteer activities, saw the participation of 77 volunteers, who contributed 561 hours of service in total.

Appendix

The Principles for Sustainable Insurance (PSI)

Principle 1: We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

Dimension	Solution	Plans and Results	Page Number
Company strategy	The board of directors and management executives formulate the Company's business strategies, identify, assess, manage, and monitor various ESG issues	Establishment of the Corporate Sustainability Committee to formulate annual ESG strategic goals, monitor ESG implementation and results quarterly, and regularly report to the Board of Directors after reviews by the executives of the Committee.	14
	Business strategies involving ESG issues should be communicated with the Company's stakeholders	1. Understanding of the impact of the issues concerned by stakeholders on the economy, environment, and society through the identification of material issues. 2. Disclose the management of various ESG issues through the channels for communication with stakeholders, such as shareholders' meetings, press conferences, annual reports and financial reports, or official company website.	18-24
	Employee recruitment, training, and management programs should incorporate ESG issues	1. Creation of a culture that safeguards human rights and diversity to incorporate human rights into human resources policies, 100% complete the examination of training on human rights and gender equality, as well as protect the employment rights and interests of indigenous peoples (subsidies for returning to hometowns) and persons with disabilities. 2. Provide the company benefits that are better than specified in the Labor Standards Act, and regularly hold employee physical examinations and various health care activities. 3. ESG education, training, and management • Sustainable development was incorporated into the education and training of all employees, with everyone completing the training. • 3 ESG-related seminars were held, covering issues such as "Women Empowerment," "Green Finance," and "Gender Equality," with a total of 206 participants. • 1 sustainability workshop was organized • Executives and employees were selected to participate in the "2022 Insurance Industry International Sustainable Talent Training Program" organized by Taiwan Insurance Institute • Inclusion of the Dow Jones Sustainability Indices (DJSI), responsible investment mechanism, TCFD implementation, and greenhouse gas inventory in the key performance indicators for management (including senior level) and general staff.	14、49、51
Risk management	Establish procedures to identify and assess ESG issues underlying risk portfolios and incorporate them into risk management.	1. Establishment of risk management procedures to identify related risks such as product design and pricing risks, insurance underwriting and claim settlement risks, reinsurance risks, and to assess the potential impact of ESG issues. 2. A mechanism for climate-related financial disclosures (TCFD) has been established (including governance, strategy, risk management, indicators and targets.) Climate-related issues were discussed, and response strategies and action plans were developed. Quantitative methods such as GHG inventories and scenario analyses were used to assess the impact of climate risks on the Company. The management of climate-related risks and opportunities was included in the Company's sustainability report. 3. Establishment of the Information Security Committee, continuous certification of ISO 27001 international standard for information security as well as BS 10012 personal data management system to ensure the comprehensiveness of the control mechanisms for information security and personal data protection.	88-89
Investment management	Make ESG issues listed in the procedure of investment decisions, in accordant with the Principle of Responsible Investment (PRI).	SKL has adopted the guidelines for sustainable investing in the "Policy and Procedures for Sustainable Investment in Marketable Securities", and no new investment should be made in those listed in the exclusion list. For industries with potentially controversial issues, industry-specific guidelines should be followed, and ESG risk due diligence and prudent evaluation must be conducted prior to investment. ESG assessment is required before investment; for high-carbon-emitting industries, individual climate change risk assessments are required.	91

Dimension	Solution	Plans and Results	Page Number
Products and services developments	Develop products, services that positively impact ESG issues and improve risk management.	In response to changes in the social structure, policyholders' needs, and advancement of underwriting technology and product development, SKL is constantly rolling out insurance products that fit for Taiwanese people's life plans. 1. Micro-insurance: to provide low-premium products for basic protection of vulnerable groups and donate premiums every year. Since 2014, micro-insurance has benefited more than 107,000 people. 2. Small-amount whole life insurance: to provide seniors with basic insurance protection. By 2022, Small-amount whole life insurance has accepted more than 25,000 new cases. 3. Spillover-effect products: to provide premium discounts to achieve triple-win benefits of improving public health, lowering claim settlements, and reducing use of medical resources. By the end of 2022, the total number of valid insurance policies was approximately 81,000. 4. Developing new products with ESG trend to help customers defending the threatens from air-pollution and food safety.	71
	Develop or support education programs related to risk , insurance and ESG issues .	We have been conducting education programs and ESG promotions for children, young and middle-aged adults, and seniors, such as the "The Pen Pal Program 2.0" to create a quality learning environment for rural schoolchildren and the regular "Shin Kong Beautiful Life" and "LIFE Lab." seminar series where professional speakers are invited to share knowledge and information on insurance and financial management, health care, relaxation and self-care, etc.	79、99
Sales and marketing	Provide education and training on products/ services on ESG issues, and incorporate important ESG-related messages into marketing strategies or activities .	1. Emphasis on fair treatment of customers in marketing： Adoption of preventive and protective measures against financial exploitation of the elderly, including prevention, protection, and control aspects, and implementation of the Customer Information System (CIS) as well as the Sign Language Video Translation Platform for disadvantaged groups to provide considerate services and fulfill fair customer treatment practices. 2. Create low carbon insurance service with salesmen and customers： Online and offline resources are combined to launch the smart pandemic prevention lottery, digital gift packages, SK reward points, EDM, and animations through the SKL official LINE account. Offline promotions are designed by our digital team in accordance with relevant promotion procedures, including promotion campaigns, e-seed interactive network, digital workshops, and voice of the customer programs to create integrated promotion of all channels. 3. Elderly customer fraud prevention campaigns and digital-friendly seminars were conducted: We created a Taiwanese version of the insurance fraud detection animation video to allow elderly attendees at seminars to learn about the three principles of fraud prevention and convenient digital payment channels in a relaxed atmosphere.	72、78
	Ensuring that the scope of goods and services is fully explained and fully understood.	The sales and promotions of SKL products are all in compliance with the product information disclosures required by law. SKL has also established the "Management Regulations on the Use of Promotion Materials for Product Sales" and requires all sales channels and sales personnel to provide truthful, accurate, clear, easy-to-understand, and complete product information when creating or using marketing materials, so as to protect the rights and interests of customers.	69、77、79
Underwriting policies	Make the ESG issues listed in the procedure of underwriting decisions.	1. Underwriting is conducted in accordance with the "Underwriting System and Procedures" and the "Offshore Insurance Units (OIU) Underwriting System and Procedures". 2. Underwriting personnel all have the underwriting expertise required to evaluate the risk-bearing capacity of the company, to assess the basic information of the insurer and the insured, motives for insurance, benefits of insurance, degrees of need, suitability, occupations, income, finance, sources of funds for insurance premiums, and health status, as well as to watch out for moral hazards or improper tax savings to ensure just and impartial underwriting services. 3. Establishment of the Underwriting Risk-ranking Model and Application of big data in underwriting risk management to combine past claims data and underwriting experience with data mining techniques for risk screening and for conducting random physical checks of high-risk customers. 4. In accordance with the inclusive finance policy, we do not tolerate any form of unfair treatment against insured parties with certain conditions or insured parties with physical or mental disabilities.	

Dimension	Solution	Plans and Results	Page Number
Claims management	Respond to customer requests promptly, fairly, responsively and transparently, and ensure claims procedures are fully explained and understood.	1. Response to emergencies and disasters • Reporting of major disaster losses and casualties of policyholders to The Life Insurance Association of the Republic of China (LIA-ROC) after thorough investigation. • Evaluation and initiation of voluntary care and express claims settlement. • Assistance in real estate maintenance and information equipment maintenance at disaster sites. 2. Continuous improvement of compensation mechanisms and processes as well as establishment of the advanced quick claim risk analysis system to divide operations: Low-risk cases are processed with the automatic compensation mechanism for the system to automatically adjust the payment amount for quick payments, shortening the time required for processing claims to within hours. 3. Security/claims alliance chain: Since 2021, policyholders who are over the age of 18 can access mobile conservation/ claims services with the assistance of sales personnel through the Insurance Technology Sharing Platform to submit online applications to any of their insurance providers for claims payments of personal medical, disability and critical illness claims or make changes to security service agreements, which provides policyholders simultaneous services from multiple providers.	76-77、79

Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Target	Solution	Plans and Results	Page Number
Customers	Responding to customer expectations on ESG issues and letting customers can totally understand.	Set up a questionnaire on the website and regularly disclose ESG highlights in response to customer expectations.	23
Suppliers	Fully communicate with suppliers to inform the ESG expectations and requirements for our company. Incorporate ESG issues into supplier bidding and selection procedures, and encourage suppliers to disclose ESG-related information.	1. Regularly hold supplier meetings to share the latest ESG practices with suppliers and communicate supplier management mechanisms. 2. All new suppliers have signed the Supplier CSR commitment Letter. SKL has also begun supplier risk assessments and on-site audits. 3. Use products with the Green Mark and Energy Label. In 2022, the total of green procurement of office and business equipment amounted to NT$23.86 million, representing a ratio of 19%.	95-96
Insurers, reinsurers and intermediaries (brokerage agencies)	Encourage the insurance industry to put the ESG issues in professional education training and ethical standards.	Demonstrate SKL's commitment to ESG issues to insurers, reinsurers, and insurance brokerage/agencies. 1. All current business partners have been contractually required to comply with laws and regulations related to anti-money laundering and combating the financing of terrorism, and assist clients in personal information collection or verification in accordance with the Company's review operations. 2. Devote efforts to collaborate with business partners to develop mobile e-insurance transactions to promote energy conservation and carbon reduction more effectively. As of the end of 2022, except for Shin Kong Bank (SKB), CTBC Bank, Taishin International Bank, and Chang Hwa Bank have all begun mobile e-insurance. 3. Promote the Principle of Treating Customers Fairly by letter from time to time to encourage business partners to comply with relevant financial consumer protection regulations and reduce potential violations and financial costs, so as to increase customer confidence in the insurance industry and enhance corporate sustainability.	77-78、85

Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Stakeholders	Solution	Plans and Results	Page Number
Governments, regulators and decision-makers	Support policies, regulatory and legal frameworks that contribute to ESG issues	1. SKL has signed the "Stewardship Principles for Institutional Investors" and maintains communication with stakeholders in accordance with the six principles therein. SKL has also disclosed information on its stewardship performance and management of conflicts of interest. 2. Comply with regulations such as the Money Laundering Control Act, Personal Data Protection Act, Occupational Safety and Health Act, Cyber Security Management Act, Financial Consumer Protection Act and Principle of Treating Customers Fairly, Friendly Insurance Service Standards, anti-money laundering and combating the financing of terrorism regulations, as well as Act to Implement the Convention on the Rights of Persons with Disabilities.	85-86、89、91、93
	Develop innovative practices and mechanisms through communication with governments and competent authorities	1. To fulfill the growing demand for remote insurance services, in accordance with the "Guidelines to Apply for Remote Insurance and Service for the insurance industry", SKL has launched the exclusive Epidemic prevention video Recording platform where insurance applications can be easily completed. 2. In response to the issue of salespersons embezzling or misappropriating premium payments, upon audits and multiple discussions with the competent authority, the "fraud prevention and risk control model for insurance agents" has been established for reporting, monitoring, and controlling issues according to risk levels, so as to reduce potential breaches by salespersons and protect the rights and interests of customers.	73、78
Other major stakeholders	Communicate with government and non-governmental organizations to provide professional knowledge in risk management and risk transfer, supporting the sustainable development of the insurance industry.	Engagement with external organizations SKL joined the LIA-ROC, Insurance Society of the Republic of China, and Taiwan Insurance Institute to help employees acquire professional knowledge for insurance. Refer to the "Participation in External Organizations" section in this report.	13
	Communicate with academic and scientific organizations to conduct research and promote educational programs on various ESG issues within the insurance industry	Regularly assign personnel to attend college and university seminars and courses to share insights into the impact of ESG on corporate sustainability and action plans, and to discuss relevant issues.	51
	Raise public awareness of ESG issues and effective risk management measures through mass media	1. SKL promotes the concepts of Lifestyles of Health and Sustainability(LOHAS) for seniors, care for disadvantaged groups, health management, basic insurance knowledge, etc. through Facebook fan group operations, YouTube channels, news publications in newspapers and magazines, and the release of the Shin Kong magazine. 2. Establishment of the SKL long-term care website and retirement website to communicate long-term care and retirement knowledge to the public as a reference for early planning.` 3. By utilizing the digital tools established by the LIFE Lab., such as the knowledge-based community platform, LIFE Design+, online consultations, and the Insurance Policy Appraiser, individuals can not only easily and quickly obtain professional insurance advice, but also contribute to environmental sustainability. For example: (1) LIFE Lab. provides electronic policy health check planning proposals. (2) Online consultations reduce the need for travel, thereby reducing carbon emissions. Regardless of gender or age, and without being limited by distance, anyone with consultation needs is welcome to seek professional assistance at LIFE Lab., in line with the financial services industry's commitment to fair customer treatment.	23、72、80

Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Stakeholders	Solution	Plans and Results	Page Number
General public	Assess, measure and monitor the company PSI implementation, results and proactively and regularly disclose this information publicly.	Publish the Corporate Sustainability Report in accordance with the PSI and publicly disclose it on the company website. Provide communication channels such as customer service hotlines to communicate ESG strategies and results.	2、103-106

Sustainability Accounting Standards Board (SASB)

Code	Topic	Accounting Metric	Disclosure
FN-IN-000.A	Activity Metrics	Number of policies in force by segment: (1) property and casualty, (2) life, and (3) assumed reinsurance	• Premium income by insurance type: SKL Website Home/About Us/Information Disclosure/Business Overview/Premium Income and Insurance Benefits by Insurance Type (Data: March 2023) • Number of policies in force in 2022: 18,178,984
FN-IN-270a.1	Transparent Information & Fair Advice for Customers	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	SKL Website Home/About Us/Information Disclosure/Other Disclosures/Punishments by Competent Authorities in the Last Two Years and Others (Data: Jan 2023)
FN-IN-270a.2		Complaints-to-claims ratio (%)	1. SKL Website Home/About Us/Information Disclosure/Business Overview/Claim & Non-claim Applications Reviewed by the Financial Ombudsman Institution (FOI) by Ratio and Handling Time (Data: April 2023) 2. Complaints-to-claims ratio: Number of complaints received per 1,000 claims ((Number of claims reviewed / Total number of claims (applicants)) x 1000) = 0.1507
FN-IN-270a.3		Customer retention rate	SKFH Q4 2022 Investor Conference: II. SKL - Persistency Ratio (P.12)
FN-IN-270a.4		Description of approach to informing customers about products	Refer to the "Service Innovation - Fair Treatment of Customers" section in this report
FN-IN-410a.1	Incorporation of ESG Factors in Investment Management	Total invested assets by industry and asset class	• SKFH Q4 2022 Investor Conference: II. SKL - Investment Portfolio (P.13) • Shin Kong Life Insurance Co., Ltd. parent company only financial statements for years ended December 31, 2022 and 2021 and internal auditors' report(P146-150)
FN-IN-410a.2		Description of approach to incorporation of ESG factors in investment management processes and strategies	Refer to the "2.1 Climate Governance、7.1 Promote sustainable finance" section in this report SKL's Institutional Investor Due Diligence Report
FN-IN-410b.1	Policies Designed to Incentivize Responsible Behavior	Net premiums written related to energy efficiency and low carbon technology	Not applicable. SKL does not provide property insurance products.
FN-IN-410b.2		Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	Refer to the "5.1 Diversified Products" section in this report
FN-IN-450a.1	Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Refer to the "2.1 Climate Governance" section in this report
FN-IN-450a.2		Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Refer to the "2.1 Climate Governance" section in this report
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 firm-level risks and capital adequacy	Refer to the "2.1 Climate Governance" section in this report
FN-IN-550a.1	Systemic Risk Management	Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	• Shin Kong Life Insurance Co., Ltd. parent company only financial statements for years ended December 31, 2022 and 2021 and internal auditors' report - 9. Financial instruments at fair value through profit or loss (p.51) • Not applicable • Amounts of SKL's total potential exposure to centrally cleared derivatives in 2022: NT$ 12,694,940 thousand Shin Kong Life Insurance Co., Ltd. parent company only financial statements for years ended December 31, 2022 and 2021 and internal auditors' report – 20. Refundable deposits (p.80)
FN-IN-550a.2		Total fair value of securities lending collateral assets	Amount of SKL's securities lending agreement in 2022 : NT$ 134,148 thousand Shin Kong Life Insurance Co., Ltd. parent company only financial statements for years ended December 31, 2022 and 2021 and internal auditors' report (p.155)
FN-IN-550a.3		Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	Shin Kong Life Insurance Co., Ltd. parent company only financial statements for years ended December 31, 2022 and 2021 and internal auditors' report (p.150~152,162)

GRI Standards

GRI Standards			GRI Standards	Page Number
GRI 2：General Disclosures				
2-1	The organization and its reporting practices	Organizational details	1.Sustainable Shin Kong	12
2-2		Entities included in the organization's sustainability reporting	1.1.2 Economic Performance	13
2-3		Reporting period, frequency and contact point	Reporting Standards	2
2-4		Restatements of information	Reporting Standards	2
2-5		External assurance	Appendix	103
2-6	Activities and workers	Activities, value chain, and other business relationships	1.1 About SKL 7.2 Sustainable Supply Chain	12 95
2-7		Employees	1.1 About SKL 4.1.1 Building an Inclusive Workplace	12 49
2-8		Workers who are not employees	4.1.1 Building an Inclusive Workplace	49
2-9	Governance	Governance structure and composition	6.1 Corporate Governance and Ethical 1.2 Corporate Sustainability Committee	83 14
2-10		Nomination and selection of the highest governance body	6.1 Corporate Governance and Ethical 6.1.1 Strengthening the Functions of the Board of Directors	83 83
2-11		Chair of the highest governance body	6.1 Corporate Governance and Ethical 6.1.1 Strengthening the Functions of the Board of Directors 6.1.2 Promote Ethical Management	83 83 85
2-12		Role of the highest governance body in overseeing the management of impacts	1.2 Corporate Sustainability Committee 6.1.1 Strengthening the Functions of the Board of Directors	14 83
2-13		Delegation of responsibility for managing impacts	1.2 Corporate Sustainability Committee	14
2-14		Role of the highest governance body in sustainability reporting	Message From the Chairman and President 1.2 Corporate Sustainability Committee	4 14
2-15		Conflicts of interest	6.1.2 Promote Ethical Management	85
2-16		Communication of critical concerns	1.2 Corporate Sustainability Committee	14
2-17		Collective knowledge of the highest governance body	6.1.1 Strengthening the Functions of the Board of Directors	83
2-18		Evaluation of the performance of the highest governance body	6.1.1 Strengthening the Functions of the Board of Directors	83
2-19		Remuneration policies	6.1.1 Strengthening the Functions of the Board of Directors	83
2-20		Process to determine remuneration	4.3.2 Establishing a Good Employee Compensation and Welfare System	60
2-22	Strategy, policies and practices	Statement on sustainable development strategy	Message From the Chairman and President	4
2-23		Policy commitments	6.2 Risk Management 7 Unleashing the Importance of Sustainable Finance 7.2 Sustainable Supply Chain	87 91 95
2-24		Embedding policy commitments	6.2 Risk Management 7 Unleashing the Importance of Sustainable Finance 7.2 Sustainable Supply Chain	87 91 95
2-25		Processes to remediate negative impacts	1.4.3 Material Issues and Management Approaches	21
2-26		Mechanisms for seeking advice and raising concerns	5.3 Fair Treatment of Customers	77
2-27		Compliance with laws and regulations	3.1 Environmental Policy and Targets 6.1.5 Implementation of Information Disclosure 6.3.2 Information Security Incident Reporting and Handling Mechanism	42 87 90
2-28		Membership associations	1.1.3 Participation in External Organizations	13

GRI Standards			GRI Standards	Page Number
2-29	Stakeholder engagement	Approach to stakeholder engagement	1.5 Stakeholder Engagement	23
2-30		Collective bargaining agreements	Currently the company has no collective bargaining agreements	-
GRI 3：Material Topics				
3-1	Disclosures on material topics	Process to determine material topics	1.4.1 Material Issues Identification	18
3-2		List of material topics	1.4.2 Material Issue Impact Assessment	19
3-3		Management of material topics	1.4.3 Material Issues and Management Approaches	21
GRI 200：Economic Disclosures				
201	* Economic Performance	201-1 Direct economic value generated and distributed	1.1.2 Economic Performance	13
		201-2 Financial implications and other risks and opportunities due to climate change	2.2 Climate Strategy	27
		201-3 Defined benefit plan obligations and other retirement plans	4.3.2 Establishing a Good Employee Compensation and Welfare System	60
202	Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	4.3.2 Establishing a Good Employee Compensation and Welfare System	60
		202-2 Proportion of senior management hired from the local community	4.1.1 Building an Inclusive Workplace	49
203	* Indirect Economic Impacts	203-1 Infrastructure investments and services supported	7.1.2 Expanding the Influence of Sustainable Finance 8.1 Community Engagement Strategies and Investments	93 97
		203-2 Significant indirect economic impacts	5.1.2 Inclusive Financial Products	71
204	Procurement Practices	204-1 Proportion of spending on local suppliers	7.2 Sustainable Supply Chain	95
205	* Anti-corruption	205-1 Operations assessed for risks related to corruption	6.1.2 Promote Ethical Management	85
		205-2 Communication and training about anticorruption policies and procedures	6.1.1 Strengthening the Functions of the Board of Directors 6.1.3 Strengthen Anti-money Laundering Mechanisms	83 86
		205-3 Confirmed incidents of corruption and actions taken	6.1.2 Promote Ethical Management	85
GRI 300：Environmental Disclosures				
302	Energy	302-4 Reduction of energy consumption	3.2.2 Improving Energy/Resource Efficiency	44
305	* Emissions	305-1 Direct (Scope 1) GHG emissions	3.2.1 Implementing Greenhouse Gas Inventory	43
		305-2 Energy indirect (Scope 2) GHG emissions	3.2.1 Implementing Greenhouse Gas Inventory	43
		305-3 Other indirect (Scope 3) GHG emissions	3.2.1 Implementing Greenhouse Gas Inventory	43
306	Waste	306-3 Waste generated	3.2.1 Implementing Greenhouse Gas Inventory	43
308	Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	7.2 Sustainable Supply Chain	95
GRI 400：Social Disclosures				
401	* Employment	401-1 New employee hires and employee turnover	4.1.1 Building an Inclusive Workplace	49
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3.2 Establishing a Good Employee Compensation and Welfare System	60
		401-3 Parental leave	4.3.2 Establishing a Good Employee Compensation and Welfare System	60
402	Labor/ Management	402-1 Minimum notice periods regarding operational changes	4.3.1 Creating a Corporate Culture that Values Diversity, Effective Communication, and Gender Equality	58

GRI Standards			GRI Standards	Page Number
403	Occupational Health and Safety	403-1 Occupational health and safety management system	4.4.1 Strengthening Physical and Mental Health	62
		403-2 Hazard identification, risk assessment, and incident investigation	4.4.1 Strengthening Physical and Mental Health	64. 65
		403-3 Occupational health services	4.4.1 Strengthening Physical and Mental Health	64
		403-4 Worker participation, consultation, and communication on occupational health and safety	4.4.1 Strengthening Physical and Mental Health	62. 65
		403-5 Worker training on occupational health and safety	4.4.1 Strengthening Physical and Mental Health	65. 66
		403-6 Promotion of worker health	4.4.1 Strengthening Physical and Mental Health	65
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.1 Strengthening Physical and Mental Health	65. 68
		403-8 Workers covered by an occupational health and safety management system	4.4.1 Strengthening Physical and Mental Health	62
		403-9 Work-related injuries	4.4.1 Strengthening Physical and Mental Health	65. 67
		403-10 Work-related ill health	4.4.1 Strengthening Physical and Mental Health	64
404	* Training and Education	404-1 Average hours of training per year per employee	4.2.2 Training Input and Output	56
		404-2 Programs for upgrading employee skills and transition assistance programs	4.2.1 Training Strategies and Programs 4.2.3 Talent Development	52 50
		404-3 Percentage of employees receiving regular performance and career development reviews	4.2.3 Talent Development	58
405	Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	4.1.1 Building an Inclusive Workplace 6.1.1 Strengthening the Functions of the Board of Directors	49 83
		405-2 Ratio of basic salary and remuneration of women to men	4.3.2 Establishing a Good Employee Compensation and Welfare System	60
406	Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	4.3.2 Establishing a Good Employee Compensation and Welfare System	60
413	Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	8.1 Community Engagement Strategies and Investments	97
414	New suppliers that were screened using social criteria	414-1 New suppliers that were screened using social criteria	7.2 Sustainable Supply Chain	95
417	* Marketing and Labeling	417-1 Requirements for product and service information and labeling	5.3.1 Implement the Principles of Treating Customers Fairly	77
		417-2 Incidents of non-compliance concerning product and service information and labeling	5.1.1 Creating a Corporate Culture that Values Diversity, Effective Communication, and Gender Equality 5.3.1 Implement the Principles of Treating Customers Fairly	69 77
		417-3 Incidents of non-compliance concerning marketing communications	5.3.1 Implement the Principles of Treating Customers Fairly	77
418	* Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.3.2 Information Security Incident Reporting and Handling Mechanism	90

Note: * Material Issues

G4 Financial Service Sector Disclosures

Indicator	Item	Related SKL Sustainability Report Section	Page Number
FS1	Policies with specific environmental and social components applied to business lines	7.1 Promote Sustainable Finance 5.1 Diversified Products 5.3 Fair Treatment of Customers	91 69 77
FS2	Procedures for assessing and screening environmental and social risks in business lines	6.2 Risk Management	87
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	7.1 Promote Sustainable Finance	91
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	1.2 Corporate Sustainability Committee 6.1 Corporate Governance and Ethical 5.3 Fair Treatment of Customers	14 83 77
FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	7.1 Promote Sustainable Finance 7.2 Sustainable Supply Chain	91 95
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/ large) and by sector.	1.1.2 Economic Performance	13
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	5.1 Diversified Products 5.2 Innovative Digital Services	69 72
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	7.1 Promote Sustainable Finance 3.2 Low Carbon Actions	91 43
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	6.1 Corporate Governance and Ethical	83
FS13	Access points in low-populated or economically disadvantaged areas by type	1.1 About SKL	12
FS14	Initiatives to improve access to financial services for disadvantaged people	5.1 Diversified Products	69
FS15	Policies for the fair design and sale of financial products and services	5.3 Fair Treatment of Customers	77
FS16	Initiatives to enhance financial literacy by type of beneficiary	5.3 Fair Treatment of Customers	77

United Nations Global Compact

Topic	Principle	Related SKL Sustainability Report Section
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	4.3 Happy Workplace
	2. Make sure that they are not complicit in human rights abuses.	7.2 Sustainable Supply Chain
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	4.3 Happy Workplace
	4. The elimination of all forms of forced and compulsory labor.	4.3 Happy Workplace
	5. The effective abolition of child labor.	4.3 Happy Workplace
	6. The elimination of discrimination in respect of employment and occupation.	4.3 Happy Workplace
Environment	7. Businesses should support a precautionary approach to environmental challenges.	6.2 Risk Management
	8. Undertake initiatives to promote greater environmental responsibility.	3.2 Low Carbon Actions
	9. Encourage the development and diffusion of environmentally friendly technologies.	7.2 Sustainable Supply Chain
Anti-Corruption	10.Businesses should work against corruption in all its forms, including extortion and bribery.	6.1 Corporate Governance and Ethical

Index of Guidelines on Climate-related Financial Disclosures of Insurance Companies

Index	Disclosure Items	Corresponding Chapter	Page Number
I	These Guidelines have been set to strengthen management and disclosure of climate-related risks and opportunities in the insurance industry.	-	26
II	Insurance companies are required to establish appropriate mechanisms for climate-related risk management and opportunities based on the scale and nature of their business activities, and must disclose information on climate-related risk management in terms of governance, strategy, risk management, indicator and targets. The status of climate-related risk management and opportunities shall be included in the corporate social sustainability report, and posted on the company's website by June 30 each year.	2. Strengthening Climate Resilience	37
III	Insurance companies shall set out internal rules and mechanisms to regularly review whether they comply with the requirements under the Guidelines	2.3 Climate Risk Management	
IV(I)	The board (council) of directors and senior management shall ensure that the company takes into account the identified climate-related risks when formulating its risk appetite, strategies, and business plans, with continuous monitoring of the management and disclosure of climat-related risks	2.1 Climate Governance 2.3 Climate Risk Management	37
IV(II)	The company may establish a committee that is subordinate to the board (council) of directors, clearly differentiating the duties of the board (council) of directors or a committee that is subordinate to the board (council) of directors and senior management.	2.1 Climate Governance	26
V(I)	Identifying the financial impact of climate-related risks and opportunities on finance, businesses, commodities, and investments	2.2 Climate Strategy	27
V(II)	Prioritizing climate-related risks based on materiality	2.2.1 Identification of Climate Risks and Opportunities	27
V(III)	The impact of climate-related risks and opportunities shall be considered for the setting of annual operating targets, as well as the insurance company' s business, commodities, and investment strategies.	2.2 Climate Strategy	27
V(IV)	Reviewing and adjusting the climate-related risk management policies according to the scenario-based analysis and stress testing results	2.2 Climate Strategy	27
VI(I)	Risk management and monitoring	2.3 Climate Risk Management	37
VI(II)	Climate scenario-based analysis and stress testing	2.2 Climate Strategy	27
VI(III)	Investment management	2.3 Climate Risk Management	37
VII(I)	Setting indicators for the assessment and management of climate-related risks	2.4 Climate Indicators and Targets 3.1 Environmental Policy and Targets	39 42
VI(II)	Setting climate-related risk management goals	2.4 Climate Indicators and Targets 3.1 Environmental Policy and Targets	39 42
VII(III)	Setting indicators to prioritize climate-related risks based on materiality	2.2 Climate Strategy	27
VII(IIII)	Considering incorporating climate-related risk management into performance indicators	2.4 Climate Indicators and Targets 6.1.1 Strengthening the Functions of the Board of Directors	39 83

External Assurance

Third-party Assurance Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHIN KONG LIFE INSURANCE CO., LTD.'S SUSTAINABILITY REPORT FOR 2022

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by SHIN KONG LIFE INSURANCE CO., LTD. (hereinafter referred to as SKL) to conduct an independent assurance of the Sustainability Report for 2022 (hereinafter referred to as the Sustainability Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2023/03/01~2023/04/10). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all SKL's Stakeholders.

RESPONSIBILITIES
The information in the SKL's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body (as applicable) and management of SKL. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all SKL's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1 Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance	
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B	AA1000ASv3 Type 2 (AA1000AP Evaluation plus evaluation of Specified Performance Information)	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

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Reporting Criteria Options	
1	GRI Universal Standard (2021) (Reference)
2	AA1000 Accountability Principles (2018)
3	SASB

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a moderate level of scrutiny for SKL and moderate level of scrutiny for subsidiaries such as foundation, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standards (2021) listed in the GRI content index where the organization has referenced as material topics for the preparation of the reported information.
- evaluate of the report against the SASB Disclosures and Metrics included in the INSURANCE Sustainability Accounting Standard (VERSION 2018-10) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability working group members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION
Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SKL, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION
On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
SKL has demonstrated various engagement methods to stakeholder inclusivity and stakeholder engagement including integrating existing complaint channels. A variety of engagement efforts to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. SKL also has established clear procedures for internal reporting on stakeholders' issues to board via Corporate Sustainability Committee.

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Materiality
SKL has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority.
Responsiveness
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.
For future reporting, SKL may consider announcing relevant commitments from Corporate Sustainability Committee or Board to be more clearly accountable to stakeholders for engagement.
Impact
SKL has presented material topic impacts analysis according to the value chain and demonstrated a process on identify impacts that encompass a range of environmental, social and governance. For further reporting, SKL may describe those impacts clearer which are pointed on business relationship.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, SKL's Sustainability Report of 2022, complies with the Requirements for reporting with reference to the GRI Standards set out in Section 3 of GRI 1. The significant impacts are assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021. The report has properly disclosed information related to SKL's contributions to sustainability development on the economy, environment, and people. For future reporting, SKL is encouraged to describe actions taken to manage each material topic in a way that mitigates negative impacts and manages positive impacts for highlighting the comprehensiveness of impact analysis and management.

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
SKL has referenced with SASB's Standard, INSURANCE, VERSION 2018-10 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the financial data reported in SKL's Sustainability Report of 2022. SKL used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. Process to identify, assess, and manage topic-related risks and opportunities were integrated into SKL's overall management process. It is recommended that benchmark performance on SASB disclosure topics against peers to enhance continuous improvement.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Report
000-8/V3-HR9YV

Stephen Pao
Knowledge Deputy General Manager
Taipei, Taiwan
29 May, 2023
WWW.SGS.COM

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ASSURANCE OF MATERIAL TOPICS AND CORRESPONDING SUSTAINABILITY PERFORMANCE

Material Topics	Corresponding Sustainability Performance
Corporate Governance and Ethical Corporate Management	GRI 2-1 Organizational details GRI 2-9~2-21 Governance
Business Performance	GRI 201 Economic Performance
Legal Compliance	GRI 2-27 Compliance with laws and Regulations
Information Security	GRI 418 Customer Privacy
Sustainable Finance	GRI 201 Economic Performance GRI 203 Indirect Economic Impacts
Risk Management	GRI 201 Economic Performance
Customer Relationship Management	GRI 417 Marketing-and Labeling GRI 2-27 Compliance with laws and Regulations
Innovation and Digital Finance	GRI 203 Indirect Economic Impacts
Talent Recruitment and Retention	GRI 401 Employment GRI 404 Training and Education
Actions for Climate Change	GRI 201 Economic Performance GRI 305 Emissions

TWLPP5008 Issue 2302

TCFD Performance Assessment Statement

SGS

TCFD Performance Assessment Statement

The process and procedures of

Shin Kong Life Insurance Co., Ltd.

No. 66, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan

have been assessed from 09 March 2023 to 16 March 2023
and demonstrated the implementation status against the

Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (29 June 2017)

The organization has incorporated climate-related governance organization
The actual and potential impacts of climate-related risks and opportunities has been considered and identified over the relevant short-, medium-, and long-term time horizons
The resilience of the organization's strategy has taken into consideration with different climate-related scenarios including RCP2.6 and RCP8.5 scenarios
The methodology of organization's climate-related risk management process has been implemented.
The greenhouses gas (GHG) emissions inventory has been conducted and verified annually, with climate-related metrics and targets established.
For the following activities

Governance, Strategy, Risk Management, Metrics and Targets
And cover the following operational locations:
Headquarter of Shin Kong Life Insurance Co., Ltd.
Shin Kong Life Insurance meets SGS TCFD performance assessment at disclosure level
Authorised by

Stephen Pao
Knowledge Deputy General Manager
Issue Date: 07 June 2023
Valid Date: 06 June 2024

SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District, New Taipei City 24803, Taiwan
t (02) 22993279 f (02)22999453 www.sgs.com

Disclaimer
The findings recorded herein demonstrated a level of performance against the Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (29 June 2017) and are only valid at the time of the intervention and only as stated above. This document is not intended to be used for certification purposes or regulatory or contractual use and does not relieve the Client from compliance with any bylaws, federal, national or regional acts and regulations issued pursuant to TCFD.
SGS Services are governed by and subject to the General Conditions of Customised Audit Services.

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SGS

NATURE AND SCOPE OF THE ASSESSMENT

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Shin Kong Life Insurance Co., Ltd. (hereinafter referred to as Shin Kong Life) to conduct an independent performance assessment of the Task Force on Climate-related Financial Disclosures, (hereinafter referred to as TCFD).

The information in the Shin Kong Life's TCFD disclosure framework and its presentation are the responsibility of the management of Shin Kong Life. SGS has not been involved in the preparation of any of the material included in Shin Kong Life's TCFD disclosure framework.

Our responsibility is to express an opinion on the report content within the scope of performance assessment with the intention to inform all Shin Kong Life's stakeholders.

The SGS protocols are based upon the Fundamental Principles for Effective Disclosure contained within the TCFD and SGS Management System Manual and Global System procedures.

The performance assessment comprised a combination of pre-assessment research, interviews with relevant employees and superintendents in Shin Kong Life's Headquarter; documentation and record review and validation with external bodies and/or stakeholders where relevant.

SCOPE OF PERFORMANCE ASSESSMENT AND DISCLOSURE CRITERIA

The scope of the performance assessment included evaluation of quality, reliability of TCFD disclosure and performance information and evaluation of adherence to the four core elements as well as seven principles for effective disclosures for the information to be disclosed.

PERFORMANCE ASSESSMENT METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, documentation and record review and validation with external bodies and/or stakeholders where relevant.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Shin Kong Life, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assessment team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, SRA, EMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the TCFD performance assessment service provisions.

ASSESSMENT OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information demonstrated by Shin Kong Life within the TCFD performance assessment evaluated is reasonable, reliable and provides a sufficient and balanced representation of Shin Kong Life climate related risks and opportunities management activities and meets SGS TCFD performance assessment at disclosure level.

Disclaimer
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Certificate of Registration

ISO 22301:2019
Business Continuity Management System

bsi.
Certificate of Registration
BUSINESS CONTINUITY MANAGEMENT SYSTEM - ISO 22301:2019
This is to certify that: Shin Kong Life Insurance Co., Ltd. No. 66, Sec. 1, Chung-Hsiao W. Rd. Zhongzheng Dist. Taipei City 100507 Taiwan
Holds Certificate No: BCMS 759967
and operates a Business Continuity Management System which complies with the requirements of ISO 22301:2019 for the following scope:
The business continuity management system in relation to the provision of life insurance products including 1) producer channel management within Sales Promotion Department; 2) non producer channel management; and 3) related policy administration process and supporting activities.
For and on behalf of BSI: Michael Lam - Managing Director Assurance, APAC
Original Registration Date: 2022-01-10 Effective Date: 2022-01-10
Latest Revision Date: 2023-01-03 Expiry Date: 2025-01-09
Page: 1 of 2
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ISO 27001:2013
Information Security Management System

bsi.
Certificate of Registration
INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013
This is to certify that: Shin Kong Life Insurance Co., Ltd. No. 33, Lane 11, Guangfu N. Rd. Songshan Dist. Taipei City 105410 Taiwan
Holds Certificate No: IS 591619
and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:
The provision of development, operation and maintenance of information systems, management of network infrastructure, server room and other supporting activities within The Information System Division.
This is in accordance with the Statement of Applicability, IS-2-0403-T02, version 2.5 dated 26 February 2021.
For and on behalf of BSI: Chris Cheung, Head of Compliance & Risk - Asia Pacific
Original Registration Date: 2012-11-09 Effective Date: 2021-07-21
Latest Revision Date: 2021-07-07 Expiry Date: 2024-07-20
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BS 10012:2017
Personal Information Management System

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Certificate of Registration
Personal Information Management System - BS 10012:2017
This is to certify that: Shin Kong Life Insurance Co., Ltd. No. 66, Sec. 1, Chung-Hsiao W. Rd. Zhongzheng Dist. Taipei City 100507 Taiwan
Holds Certificate No: PIMS 659256
and meets the criteria of BS 10012:2017: Specification for Personal Information Management System for the following scope:
Please see scope page.
For and on behalf of BSI: Managing Director BSI Taiwan, Peter Pu
Original Registration Date: 2017-01-20 Effective Date: 2022-07-21
Latest Revision Date: 2022-07-21 Expiry Date: 2025-07-20
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ISO 14046:2014
Water Footprint

bsi.
Opinion Statement
Water Footprint
Verification Opinion Statement
Holds Statement No: WFV 782592
Verification opinion statement
As a result of carrying out the verification of water footprint assessment, it is the opinion of BSI with reasonable assurance that:
- This verification is according to the water footprint assessment report of Shin Kong Life Insurance Co., Ltd.
- The system boundary is defined as an organisational boundary by operational control approach.
- The organisational boundary is defined as for the headquarters building of Shin Kong Life Insurance Co., Ltd., excluding tenants and Shin Kong Mitsukoshi (新光三越百貨股份有限公司) and Shin Kong Life Insurance Co., Ltd.
- No material misstatements in this ISO 14046:2014 assertion was revealed.
The data quality of organisational water footprint assessment was verified to be acceptable against the requirements of ISO 14046:2014.
This statement shall be valid for a maximum period of two years after the latest issue date on this certificate. Should there be a change in the life cycle of the water footprint are being assessed, the validity of this opinion statement will cease.
For and on behalf of BSI: Managing Director BSI Taiwan, Peter Pu
Originally Registration Date: 2012-01-26 Effective Date: 2022-03-30
Latest Revision Date: 2022-01-30 Expiry Date: 2023-01-29
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ISO 14064-1:2018
Greenhouse Gas Verification Statement

SGS
溫室氣體查驗聲明書
新光人壽保險股份有限公司
ISO 14064-1:2018

ISO 50001:2018
Energy Management System (EnMS)

SGS
Shin Kong Life Insurance Co., Ltd.
ISO 50001:2018
Provision of Life Insurance Service.
IAF
TAF

ISO 10002:2018
Customer Satisfaction Management System

bsi.
Certificate of Registration
CUSTOMER SATISFACTION MANAGEMENT SYSTEM - ISO 10002:2018
This is to certify that: Shin Kong Life Insurance Co., Ltd. 13F, No. 141, Sec. 1, Zhongshan Rd. Banqiao Dist. New Taipei City 220684 Taiwan
Holds Certificate No: CMS 681092
and operates a Customer Satisfaction Management System that is aligned with ISO 10002:2018
The provision of overall service within customer service.
For and on behalf of BSI: Managing Director BSI Taiwan, Peter Pu
Original Registration Date: 2017-11-11 Effective Date: 2022-11-11
Latest Revision Date: 2022-09-12 Expiry Date: 2023-11-10
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Royal Mystery Shopper (RMS)

bsi.
Certificate of Registration
Service Quality Management System - Excellent Service Mark
This is to certify that: Shin Kong Life Insurance Co., Ltd. 13F, No. 141, Sec. 1, Zhongshan Rd. Banqiao Dist. New Taipei City 220684 Taiwan
Holds Certificate No: ESM 681093
and operates a Service Quality Management System which complies with the requirements of Excellent Service Mark for the following scope:
The provision of overall service within customer service.
For and on behalf of BSI: Managing Director BSI Taiwan, Peter Pu
Original Registration Date: 2017-10-26 Effective Date: 2020-10-26
Latest Revision Date: 2022-09-12 Expiry Date: 2023-10-25
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ISO 45001:2018
Occupational Health and Safety Management System (OHSMS)

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新光人壽保險股份有限公司
ISO 45001:2018
IAF
TAF

With Light,
Every Expectation
is Realized

THE LIGHT IN YOUR HEART