



新光人壽
Shin Kong Life

2024 SUSTAINABILITY REPORT

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Reporting Standards

GRI 2-2、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.

Report Scope and Boundary

The environmental, social, and governance (ESG) management thinking, as well as performance and results of key issues, of Shin Kong Life Insurance Co., Ltd. (hereinafter referred to as SKL) in 2024 (January 1 to December 31) are disclosed in the Report. The scope of disclosures in this report mainly covers SKL. The results of GHG emissions of Shin-Kong Life Real Estate Service Co., Ltd, a subsidiary of the Company, have been added in response to laws and regulations. The scope of disclosures in the report is not significantly different from the scope in the previous version. Any difference in the data measurement methodology from the previous version will be explained in detail in the paragraph, and some performance data has also been retroactively adjusted to 2022. It accurately reflects SKL's actions and results in its journey towards sustainable operations.

Basis for preparation

Issuing Unit	Reference item
Global Reporting Initiative (GRI)	• 2021 GRI Standards • G4 Financial Services Sector Supplement
Sustainability Accounting Standards Board (SASB)	• Standards for the insurance industry
Financial Stability Board (FSB)	• Taskforce on Climate Related Financial Disclosure (TCFD)
The United Nations	• Sustainable Development Goals (SDGs) • Principles for Sustainable Insurance (PSI) • Principles for Responsible Investment (PRI) • The Global Compact's Ten Principles
Taiwan Stock Exchange (TWSE)	• Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Issuance Information

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

- Current edition: August 2025
- Previous version: June 2024
- Next version: August 2026

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SKL corporate sustainability website: <https://esg.skl.com.tw/> 🔗

Information quality

Category	Compliance standard	Certification Institution
Sustainability	2021 GRI Standards Reference Option (AA 1000 TYPE II Moderate Assurance Level)	SGS Taiwan
	SASB Insurance Industry Standards	
	Taskforce on Climate Related Financial Disclosure (TCFD) disclosure level	KPMG
	Assurance Standard No. 3000 issued by the Accounting Research and Development Foundation of the Republic of China (formulated with reference to the International Assurance Standard ISAE3000)	
Finance	Annual Financial Report	Deloitte & Touche
Risk Management	ISO 22301 Business Continuity Management System	British Standards Institution (BSI)
Information Security	ISO 27001 Information Security Management System	British Standards Institution (BSI)
	BS 10012 Personal Information Management System	
Environmental	ISO 14046:2014 Water Footprint	British Standards Institution (BSI)
	ISO 14064-1:2018 GHG Inventory	Det Norske Veritas (DNV)
	ISO 50001:2018 Energy management system	SGS Taiwan
	ISO 14067 Carbon footprint verification	British Standards Institution (BSI)
	GHG Protocol (Scope 3 Category 15 Investments)	SGS Taiwan
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	ARES
	TOSHMS Occupational Safety and Health Management	

Third-Party Verification of the Report

SGS Taiwan has certified that the contents of the Report comply with the AA1000 AS v3 Type 2 Moderate Assurance Level. The Report is certified to meet the requirements of the SASB Insurance Industry Standards and the 2021 GRI Standards Reference Option. It also includes an assurance of the disclosure level regarding TCFD. The independent assurance statement is included in the appendix of the Report.

Additionally, in accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", the Company has commissioned KPMG to conduct an independent limited assurance of the relevant sustainability performance in accordance with Assurance Standard No. 3000 Assurance Engagement of Examinations or Audits of Non-Historical Financial Information issued by the Accounting Research and Development Foundation of the Republic of China. The limited assurance report is also included in the appendix of the Report.

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Message from the Chairman and President

| GRI 2-14 、 2-22 |

The insurance industry is facing challenge and transformation pressure due to the combined impacts of gradual recovery of the global economy, inflation and geopolitical risks. SKL achieved outstanding performance in 2024 by adhering to the principle of steady operations, combining innovative technologies with the mindset of sustainability, and enhancing service quality and social impact on an ongoing basis. In the short term, we will focus on strengthening green investment and ESG risk management, while in the medium to long term, we will promote inclusive finance and accessibility, and actively achieve the goal of low-carbon operational management towards a net zero future. In the face of international ESG policies and regulatory trends, we will strive to keep abreast with the trends, comply with regulatory requirements, strengthen risk assessment and ESG management capabilities, and become the key force in leading sustainable development.

Low Carbon

In response to global climate change issues and to strengthen climate resilience, we introduced the TCFD management mechanism and won the "Climate Leadership Award" in the Taiwan Corporate Sustainability Awards. We also assisted SKFH in the promotion and implementation of the TNFD and IFRS sustainability disclosure standards. Internally, we have implemented our own operational carbon reduction goals, obtaining a cumulative of 6 green building certificates, 3 green building candidate certificates, 1 low-carbon building candidate certificate, and 1 U.S. LEED certificate for our own buildings. Moreover, we have gradually completed self-generated renewable energy facilities for self-use, and assisted tenants in increasing their use of green energy. Externally, we have continued to expand the use of renewable energy and the scale of green investment and financing, taken engagement actions to accelerate the process of phasing out coal-fired electricity generation, leveraged the value of financial sustainability to expand our influence, and constantly joined hands with our partners, investment and financing targets and other stakeholders towards low-carbon sustainable development.



Chairman

魏 震 生

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President

黃敏義

Message from the Chairman and President

| GRI 2-14、2-22 |

Innovation

With "creating excellent services and deepening digital value" as an innovative strategy, we have enhanced service accessibility and applicability and lowered interaction thresholds through technological empowerment to improve the smoothness of service experience and automation of processes. In addition, we have introduced AI and big data analysis to actively leverage digital innovation as the driving force to promote corporate sustainable transformation. With respect to inclusive finance, interpretation services for new immigrants/indigenous peoples have been provided to strengthen customer communication and eliminate information gaps. We have also translated the "Important Rights and Interests of Policyholders" and "Claims Application Form" into multiple languages. Additionally, multi-language translation machines have been provided in our service centers throughout Taiwan to create a zero-distance service environment for customers. Furthermore, both the "Friendly Care Label Customer Service Assistance System" and the AI product assistant "Smart Q&A System" were awarded utility model patents from the Intellectual Property Office, demonstrating SKL's potential for innovation.

Common Good

We have established a comprehensive risk management and information security mechanism. In order to reduce the likelihood or degree of damage caused by operational disruptions, we have continued to maintain the effectiveness of the "ISO 22301 Business Continuity Management System", ensured the integrity of the information security and personal data protection control mechanisms, as well as continued to maintain the effectiveness of the "ISO 27001 Information Security Management System" and "BS 10012 Personal Data Management System" certifications in order to protect the rights and interests of all stakeholders. In addition, SKL has actively developed community engagement and strived to extend services to every corner of society based on the three philanthropic pillars of "All-round Development", "Health Promotion", and "Environmental Sustainability", as well as through the promotion of "Corporate Volunteers".

To enhance our competitiveness and the ability to operate as a going concern, the parent company SKFH and Taishin FHC obtained approval from the Financial Supervisory Commission to complete the first friendly M&A in the financial industry in 2025. Looking ahead, SKL and the parent company will work together to maximize synergies in operations, create diverse sustainability opportunities, and give back richer resources and benefits to stakeholders, thereby opening up a new chapter on sustainable operations.

Key Sustainability Achievements

LOW CARBON



Strengthening Climate Resilience

- In 2024, investments in the renewable energy industry reached **NT\$7.83 billion**, with an estimated annual power generation capacity of **3.02503 billion kWh**, which can prevent **1,497,391 tCO₂e** of carbon emissions each year.
- The carbon emissions of financial operations in 2024 was **1,594 ktCO₂e**, which has decreased year by year.
- The TCFD report was ranked in the top 20% in the industry, and won the TCSA Climate Leadership Award and the TSAA Climate Action Silver Award.



Advancing Towards a Net Zero Future

- Scope 1 and Scope 2 GHG emissions decreased by **23%** compared to the baseline year.
- In response to the Green Leasing 2.0 plan, **1.15 million kWh** of green electricity had been introduced throughout the year.
- Improved energy efficiency, installed regenerative power systems, updated lighting fixtures, and reorganized office space to improve energy efficiency.
- Organized the Carbon Reduction Lifestyle Festival and promoted the personal carbon passbook project.



INNOVATION



Nurturing Diverse Talents

- Retention rate of outstanding talent: **95%**.
- Percentage of females in senior management positions reached **23%**.
- Average education and training hours per employee exceeded **140 hours**.
- The percentage of employees with high health risks decreased by **0.18%** compared to the previous year.
- Organized the "Walkii" sustainable health promotion activity to encourage employees to take healthy actions, with a cumulative of **747 million steps** taken.



Excellent Customer Experience

- Launched investment-linked policy linked to ESG offshore structural products, in combination with the "tree planting campaign".
- Provided document translation and interpretation services in nine languages to offer new immigrants with real-time services.
- Promoted the Wealth Gatekeeper, Golden Shield Guardian, Shin Kong 165 National Fraud Prevention, Literary Revolution, and other activities to strengthen the financial literacy of all people.
- Developed AI commercial assistant to empower and strengthen sales representatives.
- Overall Net Promoter Score (NPS) was **91%**, a **1.8%** increase from the previous year.

COMMON GOOD



Realizing Sustainability Governance

- Enhanced board functions with a total of **155 hours** dedicated to ESG training.
- Carried out digital audit transformation, obtained **2 utility** model patents, and actively improved risk prevention and detection capabilities.
- Implemented information protection, with an information security alert handling rate of **100%**.
- Acquisition 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

- Strengthened engagement actions and engaged **164 domestic** and foreign companies (accounting for nearly 40% of the total investment position), with a total of 204 communications.
- Invested approximately **NT\$582.9 billion** in ESG topics, up **6%** from the previous year.



Creating a Society of Mutual Prosperity

- Invested **NT\$34.77 million** in community participation, benefiting **640,000** people.
- Total number of corporate volunteer participants exceeded **5,700**, totaling over **36,000** service hours.
- Organized the "Happiness Lesson" empowerment program, bringing resources to remote areas.

Awards and Recognition

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Sustainable Operation

17th Taiwan Corporate Sustainability Awards (TCSA)

Taiwan Sustainable Enterprise Excellence Award
Sustainability Report Gold Award
Climate Leadership Award
Social Inclusion Leadership Award
Talent Development Leadership Award

2024 TWSE Institutional Investor Stewardship Disclosure

List of Companies with Better Disclosure

7th Global Corporate Sustainability Award (GCSA)

Sustainability Reporting - Bronze Class

30th Insurance Quality Award

Excellence Award in "Most Well-Known Insurer", Outstanding Award in "Best Sales Representative", "Best Claim Services", and "Most Recommended Insurer" categories

4th Taiwan Sustainability Action Awards (TSAA)

SDG 4 Quality Education - Silver Award,
SDG 13 Climate Action - Silver Award

26th Insurance Faith, Hope & Love Awards

Won 12 awards, including Best Social Responsibility Award - Life Insurance Category
Best Insurance Education Contribution Award
Best Professional Consultant Award - Life Insurance Office Staff Category
Best Professional Consultant Award - Life Insurance Field Personnel Category
Best Insurance Achievement Award

2024 Want Want China Times Financial Services Evaluation Award

Corporate Social Responsibility Award

21st National Brand Yushan Award

Won 3 awards, namely, National First Prize - Most Popular Product Award
Yushan Award - Best Product Award
Most Popular Product Award

2024 Insurance Dragon and Phoenix Award

Most Desired Life Insurance Company and Excellence Award in "Office Staff" and "Field Personnel" of Life Insurance Company

Green Life Insurance

1st Task Force on Climate-Related Financial Disclosures (TCFD) Report Evaluation

Top 20% Performers

Buying Power Award from the Ministry of Economic Affairs

Second Prize of Social Innovative Product and Service Procurement Award, First Prize of Special Award in the Sustainable Development Category

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

Outstanding Unit

Friendly Services

Financial Supervisory Commission Insurance Competition

Microinsurance Business Performance Award
Microinsurance Disability Care Award
Third place in the insurance company category

2024 Friendly Financial Services Survey

Best Friendly Financial Services Enterprise

2024 International Innovation Awards

Service & Solution Category

1st 2024 Financial Education Contribution Award from the Financial Supervisory Commission

Best Performance Award: Bronze Quality Award

2024 Excellence and Best Rating Survey

Outstanding Digital Finance Award
Outstanding Claims Service Award
Outstanding Social Welfare Award

2024 Taiwan Financial Star

Best Social Service Award

18th Golden Torch Award

Three "Annual Innovative Design Awards" and one "Excellent Customer Satisfaction Award"

8th CSEA Awards for Excellent Customer Services

Best Customer Experience Enterprise, Best Service Innovation Enterprise, Best AI System Application Team, Best Customer Service System Supervisor, Best Customer Service System Star, Best AI Trainer, Best Site Management Supervisor

2024 TRUSTED BRANDS of the 26th (2024) Reader's Digest Trusted Brand Gold Award

Trusted Brand Gold Award

2024 Asia Pacific Enterprise Awards (APEA)

Corporate Excellence Award



Featured Column on Sustainability

LOW CARBON | Planting a green future through insurance towards sustainable forestry

Cumulative planting throughout the year

6,637
trees



In view of the increasingly significant impact brought about by climate change, SKL upholds the mission of "promoting sustainable financial development together with stakeholders" and incorporates the concept of sustainability into daily actions. From low-carbon practices to tree planting campaigns, we not only join hands with customers, but also work with employees to achieve our goals. We had planted 6,637 trees throughout the year, demonstrating our firm commitment to sustainability through concrete actions, and creating a low-carbon future for society.

Join hands with customers

SKL has combined insurance products with environmental sustainability and launched the "Wen Wan Li Foreign Currency Investment-linked Annuity Insurance" (hereinafter referred to as Wen Wan Li), which is Taiwan's first investment-linked products linked to ESG offshore structured bonds. The investment portfolio consists of green bonds issued by BNP Paribas and a call option on the Nasdaq-100 ESG Index. The funds raised from green bonds will be used for green investment projects, including reducing GHG emissions, environmental protection technologies, and the development of clean energy.

In addition, Wen Wan Li also responds to the tree planting campaign, whereby policyholders can plant one tree in Aceh, Sumatra, Indonesia for every US\$10,000 equivalent invested. During the fundraising period, a total of 6,590 trees had been planted for policyholders, which is expected to create 19,770 animal habitats. SKL realizes its commitment to ecological conservation through restoration and afforestation, aiming to leverage the power of sustainable investment.

Work with employees

To develop health management and long-term exercise habits among employees, SKL has planned a two-year "Sen Tung" sustainable health promotion activity, taking into account employees' work patterns and the difficulty of achieving 10,000 steps every day. This activity adopts a progressive task design in combination with a fun APP to encourage employees to do exercise and attain the two goals of health and sustainability through diverse interactions, such as step counting, AI immersive fitness, and health seminars. In particular, the "Healthy Forest" mission invites employees to exchange their daily walking steps for tree planting, whereby employees can accumulate tree planting points after completing daily steps. Upon accumulation of a certain number of points, SKL will plant trees in the name of the company to make each step more meaningful. In cooperation with the I Plant for Life Corporation Aggregate, Kaohsiung, SKL planted 47 saplings in the Jiading Wetlands, bringing new life into the environment through restoration and afforestation.

Since its launch in September to the end of the year, the activity attracted over 1,600 employee participants, with a cumulative count of over 747 million steps and a carbon reduction effect equivalent to 106 tons CO₂e. This not only enhances the health of employees and the importance of independent health care, but also creates the value of sustainable health.

*Note: According to data released by the Ministry of Health and Welfare, every 10,000 steps can reduce carbon emissions by 1.42kg CO₂e.



"Wen Wan Li" implementation results

6590 棵樹

將由我們的再造林夥伴代表新光人壽在
印度尼西亞 亞齊 紅樹林區種植

植樹帶來的效益*

988	tons of CO ₂ stored (儲存的二氧化碳噸數)
19770	shelters for animals created (提供動物棲息地數目)
26360	months of oxygen generated (供氧(每人)月數)
6590	hours of work created (創造工作時數)

"Sen Tung" implementation results



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Featured Column on Sustainability

INNOVATION

Guardians of Wealth - learning wealth management in board games

Benefited a total of

780
students



Financial knowledge has become a necessary skill in daily life due to the ever-changing fraudulent techniques. In view of this, SKL upholds the concept of financial inclusion, strives to protect disadvantaged financial consumers, and strengthens insurance education for young people. In partnership with social enterprise Re-U, we developed the "Guardians of Wealth" board game course to enable students to learn about insurance and wealth management knowledge and improve their ability to identify fraud risks through interactive gameplay, innovative financial education, and easy-to-understand language, so as to promote financial education and implement financial inclusion.

Based on actual cases, insurance event cards and dice-rolling mechanisms have been designed in the Guardians of Wealth board game to simulate various fraud scenarios, so that students can learn how to ensure financial security. Furthermore, the teaching tools used are made from laser engraving scraps and recycled paper, fully demonstrating the spirit of environmental protection and sustainability. The game obtained a patent from the Intellectual Property Office, Ministry of Economic Affairs. Guardians of Wealth has benefited more than 780 students since its launch in 2022. Pre- and post-testing has shown that students' anti-fraud awareness increased to over 50%, demonstrating the effectiveness of SKL's efforts to enhance students' financial literacy and risk resistance.

In the future, SKL plans to extend the learning targets to the primary caregivers of children, so that they can participate in courses together. Through peer-to-peer learning, financial insurance knowledge can be passed on to children's families. This not only enables children to learn about insurance knowledge, but also allows them to have a common topic with their families, acquire professional knowledge on financial insurance, and establish the concept of risk management at an early stage, effectively eliminating rampant fraud nowadays and contributing to a more sound financial ecosystem for the society.



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COMMON GOOD

Empowering rural areas with love and supporting children to fulfill their dreams

Many children in remote areas have long been lacking educational resources and cultural stimulation due to the impact of ageing population and low birth rate across Taiwan. The disparity between urban and rural areas has resulted in a more disadvantaged learning environment for children. SKL has long been committed to the cultivation of youth, upholds the education philosophy of fostering personalized development, creates a diverse stage for young people, and provides students with the opportunity to showcase their talents and gifts. In September 2024, SKL organized the "Happiness Lesson" empowerment program, with a total of 386 participants. This program incorporates rich intellectual and creative courses into school teaching to accompany children on their journey of educational development.

The "Happiness Lesson" combines long-term, self-organized and diverse learning activities, and calls for professionals who have participated in the event to travel to remote areas to provide children with broader learning channels. The national champions of the Asian Games were invited to lead children to experience the charm of breakdancing. The chairman of the Taiwan Cube Association led children to explore the mystery of Rubik's Cube. Lecturers from the Department of Commercial Design at Ming Chuan University were invited to teach the basic concepts of painting and stimulate children's creative potential. We hope to create diversified opportunities for children to accumulate a sense of achievement and uncover their potential in every learning process.



Benefited a total of

386
 people



At the same time, considering the gap in digital and hardware resources in remote areas, children in remote areas generally do not have sufficient opportunities to access program learning. Therefore, the sandbox game "Minecraft" has been introduced on campuses, enabling children to freely explore the open world built with cubes without any limitations of the game according to their personal preferences, which is conducive to the training of hand-eye coordination, the development of geometric concepts, and the enhancement of logic and creativity. In addition, we have also planned a series of basic financial and insurance-related education for the students of Saint Francis Girls' Home in Miaoli, engaged internal lecturers in enterprises to provide basic financial education courses and arrange for visits to enterprises, and provided resources and channels in connection with financial knowledge and the workplace.

Over the years, SKL has continuously leveraged its corporate power to care for children, accompanying them on their journey of development, and giving back to the society through diverse models. In the future, we hope to continue to cultivate more outstanding teachers and talent through empowerment programs, empower students in remote areas, establish a virtuous cycle, and expand the influence of sustainability.



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Low Carbon

Innovation

Common Good

1

Sustainable Shin Kong

Shin Kong Life Insurance (SKL) always strives to live up to parent company Shin Kong Financial Holding's sustainable development value proposition of carbon reduction, 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.

Commitment

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.

Core Values

Low carbon
Innovation
Common Good

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Appendix

1. Sustainable Shin Kong

1.1 About SKL

SKL has been deeply involved in Taiwan for more than 60 years, Shin Kong Life Insurance (SKL) 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 Basic information | GRI 2-1 · 2-6 · 2-7

Company name: Shin Kong Life Insurance Co., Ltd.

Date of incorporation: July 27, 1963

Headquarters: Taipei City, Taiwan

Number of employees: 9,992 full-time employees and 3,016 unofficial employees

Total capital: NT\$82.77 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 insurance, etc.



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.

Operations

Region	Branches	Regional sales offices and branch offices	Service centers
Regions with low population density ^{Note 1}	2	13	2
Offshore islands ^{Note 2}	1	2	0
Total (main island and offshore islands)	23	285	27

Note 1: According to the area of administrative districts and the population at the end of December 2023, 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: For the latest information, visit [the customer service counters](#) on the company website.

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

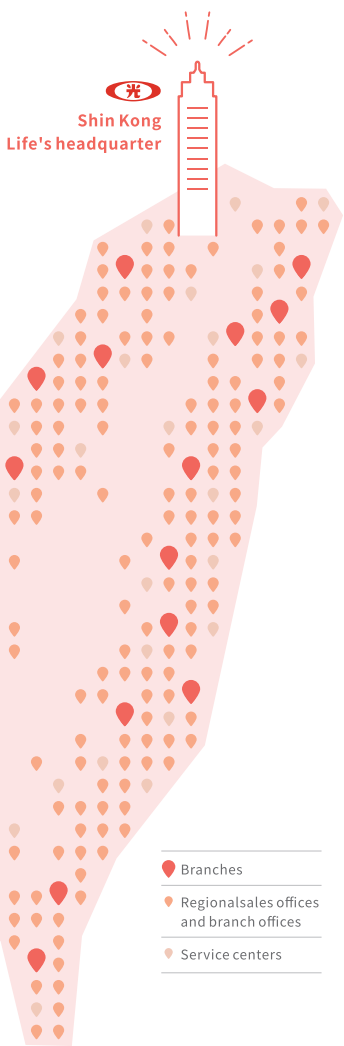


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1.1.2 Economic Performance
 | GRI 2-2、3-3、201-1 |

In 2024, we benefited from the accurate investment portfolio and the strong momentum of insurance business, with net profit after tax reaching NT\$10.16 billion and a growth in return on stockholders' equity by 1745% compared with last year. SKL focused on the sale of foreign-currency denominated insurance products and value products, with first-year premiums reaching NT\$64.2 billion and total premium income reaching NT\$190.4 billion, and the market share was 7.8%. By actively promoting foreign-currency denominated insurance products, the first-year premiums of foreign-currency denominated insurance products accounted for 68%, which exceeded the industry average of 38.3%.The CSM of new contracts amounted to NT\$38.5 billion, an increase of 23% compared to 2023. The CSM of protection insurance products accounted for 90% in 2024, maintaining a high percentage.

In response to the challenges arising from convergence with IFRS 17 and the Taiwanese Insurance Capital Standard (TW-ICS), SKL already set a goal of achieving a cumulative contractual service margin (CSM) of over NT\$150 billion in 2020, with NT\$30 billion per year as its primary goal prior to the convergence. We have promoted three aspects in our goal in recent years. First of all, we have communicated the substantial impact of CSM on the financial statements to the Board of Directors and the sales team, i.e., profits from policies will be gradually recognized in the profit and loss statement on a period-by-period basis. Secondly, we have built our own financial system, which properly preserves information of each new contract. After the convergence, we will be able to release CSM by adopting a full retrospective approach, and start simulating various asset reclassification methods to stabilize the impact of liabilities on net value. Thirdly, we have established the "IFRS and ICS International Convergence Management Committee", with the Chairman directing investment and actuarial departments in person to formulate strategic strategies for the convergence. Looking towards 2025, with respect to product strategy, we will focus on US dollar interest-linked policies, increase the sales of accident insurance and health insurance, optimize asset and liability allocation, and continue to accumulate CSM. In terms of investment, we will stabilize recurring returns by flexibly allocating domestic and foreign stocks and fixed income.

Marketing Channels

Unit: NT\$ million




Item	Premium Income	Percentage
Sales representatives	47,713	74.4%
Banks	11,748	18.3%
Insurance brokers and others ^{Note2}	4,704	7.3%
Total	64,164	100.0%

Note 1: Premium Income is the first year premium (FYP) of each marketing channels in 2023.
 Note 2: Others include direct marketing and others
 Note 3: Differences in single-digit values are due to rounding.



SKL's Financial Performance in the Past Three Years

Unit: NTD million

Item	2022	2023	2024
 Operating Ability	Total assets	3,565,106	3,587,524
	First year premium income	53,698	38,859
	Total premium income	189,463	167,513
	Operating revenue	289,810	259,430
 Profitability	Net profit after tax	-4,872	-17,193
	Retained earnings	89,569	74,828
	Earnings per share (NT\$)	-0.68	-2.33
	Return on Assets (ROA) (%)	-0.11	-0.45
	Return on Stockholders' Equity (%)	-3.05	-11.58
 Economic value	Payments to the government	1,225	1,234
	Operating Costs	281,200	269,505
	Employee wages	8,688	9,393
	Employee benefits	1,358	1,273
	Community Investment ^{Note 3}	71	73
	Economic value retained ^{Note 4}	-2,732	-22,048
	Dividends for shareholders ^{Note 2}	0	0

Note 1: The data above come from 2024 Individual Financial Statements and the 2024 annual reports to shareholders.
 Note 2: Community investments were compiled by SKL (refer to the Creating a Society of Mutual Prosperity section), the data from Shin Kong Life Foundation are excluded starting from 2024.
 Note 3: Economic value retained = "Direct economic value generated" - "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 community investments.
 Note 4: 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.

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

Committee Operation Mechanism

SKL is a subsidiary of Shin Kong Financial Holdings Co., Ltd. (SKFH), who owns 100% of its shares. Through the management mechanism of SKFH's "Corporate Sustainability Committee", SKL's President and dedicated supervisors directly participate in SKFH's "Corporate Sustainability Management Committee". Dedicated units participate in the quarterly sustainability performance tracking meetings of SKFH to convey information on the parent company's sustainability strategies and trends to the internal Corporate Sustainability Committee and the task force of SKL.

Note: SKFH's "Corporate Sustainability Committee" is a functional committee under the Board of Directors. The committee members are nominated by the Chairman and approved by the Board of Directors. There are a total of three members in the third term of the Committee, namely Chen, Yen-Hsi, Chien, Min-Chiu, and Hsu, Yung-Ming, who are independent directors for a term from June 21, 2023 to June 8, 2026.

SKL's CSC task force meets 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.

In 2024, the Company held a total of 4 task force meetings and 4 committee meetings to complete the committee charter, review the sustainability report, confirm material sustainability topics, formulate annual strategies and goals, and review sustainability implementation results. It also reported to the Board of Directors on the implementation of TCFD and ethical corporate management, as well as the internal control system for sustainability information management, in order to facilitate the directors and management in understanding the Company's sustainable operations and supervising relevant goals and performance.

Management of Sustainability Information

In 2024, the management of sustainability information was incorporated into the internal control system. This includes the processes and control points for the collection, transmission, processing, preparation, approval, and disclosure of information in the sustainability report. These internal control items were ultimately included in the general audit plan to ensure the reasonableness and accuracy of the externally disclosed sustainability information.

IFRS Sustainability Disclosure Standards S1 and S2

In response to the Financial Supervisory Commission's initiative for Taiwan to align with the IFRS Sustainability Disclosure Standards Roadmap, Shin Kong Financial Holding Co., Ltd., as the parent company, established a dedicated task force in 2024 to lead its subsidiaries. The task force proposed the implementation timeline and plan to the Board of Directors. In 2025, relevant training sessions and gap analyses will be conducted. The requirements of the IFRS Sustainability Disclosure Standards are expected to be incorporated into the 2026 annual report and officially disclosed in 2027.

Organizational Chart of Shin Kong Life Corporate Sustainability Committee

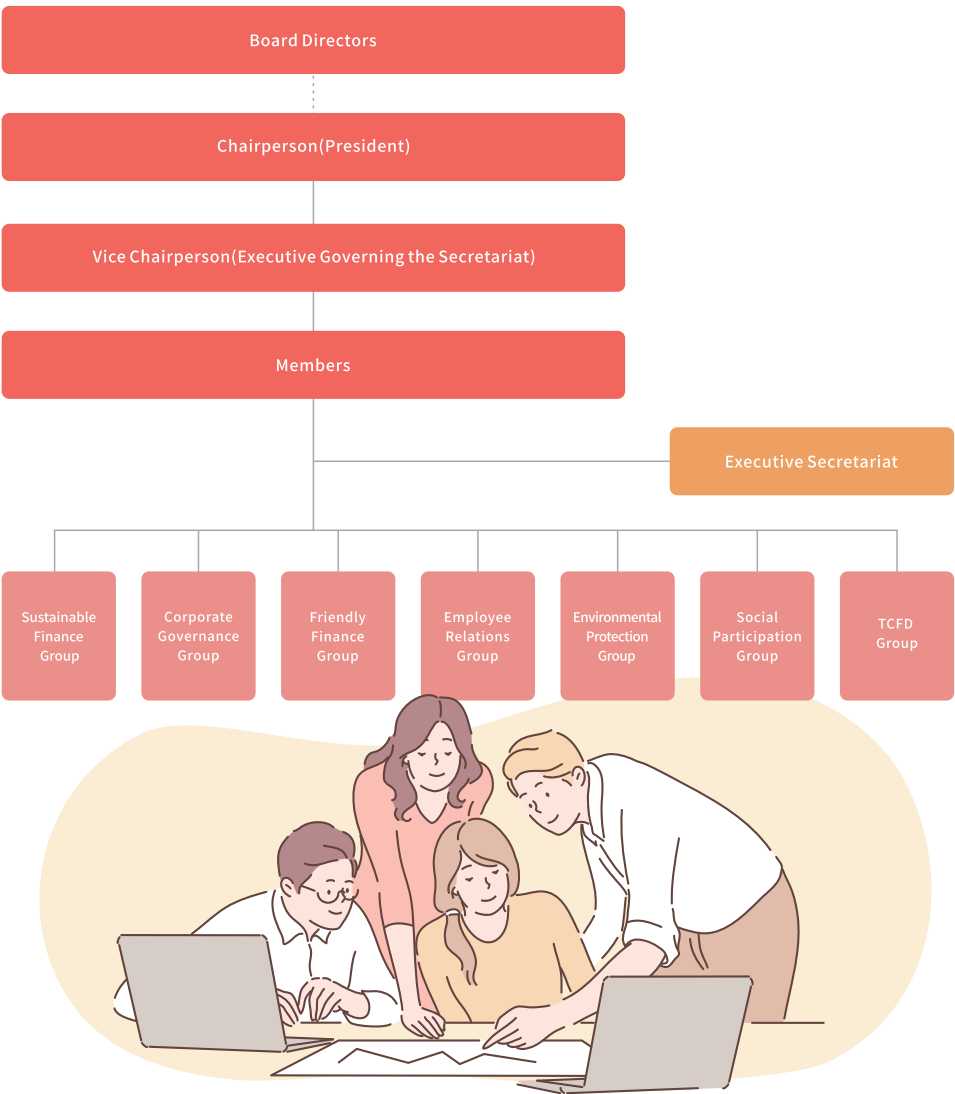


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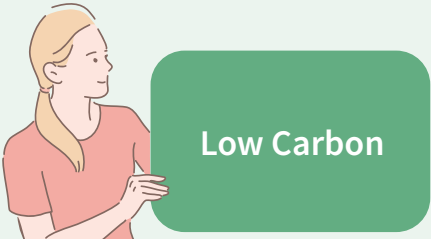





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1.3 Sustainability Strategy and Target

SKL upholds parent company SKFH's sustainable development value proposition of "Low Carbon, Innovation, and Common Good". At the same time, it actively responds to the Sustainable Development Goals (SDGs), formulate corporate sustainability vision, strategic direction, and mid- to long-term goals, and join hands with stakeholders towards the vision of corporate sustainability.

Blueprint of Sustainable Transformation Strategies								
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, nd promote sustainable financial development together with our stakeholders.							
Core Values								
SDGs								
Commitments	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.		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.		Actively engage in communication and interaction with stakeholders to deepen mutual trust and confidence, commit to being a creator of social value.			
Strategic Directions	Strengthening Climate Resilience		Advancing towards a Net Zero Future		Nurturing Diverse Talents		Excellent Customer Experience	
Material Issues	● Actions for climate change		● Actions for climate change		● Talent Recruitment and Retention ● Friendly and Healthy Workplace ^{Note}		● Inclusive Finance ● Customer relations and service quality ● Innovation and Digital Finance	
					Realizing Sustainability Governance		Unleashing the Importance of Sustainable Finance	
					● Corporate Governance and Ethical Management ● Risk Management ● Legal Compliance ● Information Security and Privacy		● Sustainable Finance	
							Build a Society of Shared Prosperity	
							● Social Participation ^{Note}	

Note: "Friendly and Healthy Workplace" and "Social Participation" are Shin Kong Financial Holdings' material sustainability topics for 2024

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1.4 Material Issues Assessment

GRI 2-12、2-14、3-3

SKL identifies material topics in accordance with GRI 3: Material Topics 2021 of the GRI 2021 Material Topics Identification Process. It evaluates the potential positive and negative impacts of each sustainability issue on the economy, environment, people, and society through questionnaires, in order to confirm the material topics of 2024, and submit the results to the Corporate Sustainability Committee. The short-, medium-, and long-term goals, management approaches, and promotion results of each major topic are disclosed in accordance with the GRI Standards to enable stakeholders to understand the overall results of the Company's sustainable development.

1.4.1Material Topics Analysis and Ranking

GRI 3-1、3-2

Material Topics Identification Process



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● Ranking of Material Topics

SKL summarizes the surveys results on "level of concern of stakeholders", "degree of impact on operations", and "degree of impact on sustainable development", and ranks material topics based on the short-term and long-term strategic development focus of the Company. In 2024, a total of 11 material issues were identified, of which "Financial Inclusion" was added as a material topic of the Company due to increased level of concern of stakeholders and the fact that it is the Company's strategic development focus.

Material topics	Level of concern of stakeholders	Degree of impact on operations	Degree of impact on sustainable development	Short-term and long-term strategic development focus ^{Note}	Ranking	
Business performance	★ ★ ★	★ ★ ★	★ ★	★ ★	1	—
Corporate governance and ethical management	★ ★	★ ★ ★	★ ★	★ ★ ★	2	—
Legal compliance	★ ★	★	★ ★ ★	★ ★	3	↑
Risk management	★ ★	★ ★	★ ★	★ ★	3	—
Customer relations and service quality	★ ★	★ ★	★ ★	★	5	—
Innovation and digital finance	★ ★ ★	★	★ ★	★ ★ ★	6	↑
Information security and privacy	★ ★	★ ★	★	★	7	↓
Talent recruitment and retention	★ ★	★ ★	★	★	8	↓
Sustainable finance	★		★ ★	★ ★ ★	9	—
Financial inclusion	★		★ ★	★ ★ ★	10	NEW
Actions for climate change			★ ★ ★	★ ★ ★	11	—

Note: ★ is marked for the topics with long-term strategic development focus; ★★ is marked for the topics with short-term strategic development focus; ★★★ is marked for the topics with short-term and long-term development focus.

● Material Topics Matrix

The 11 material topics were mapped out in a matrix based on the three dimensions of "level of concern of stakeholders", "degree of impact on operations", and "degree of impact on sustainable development" to highlight the impact and level of concern of each material topic. ◦

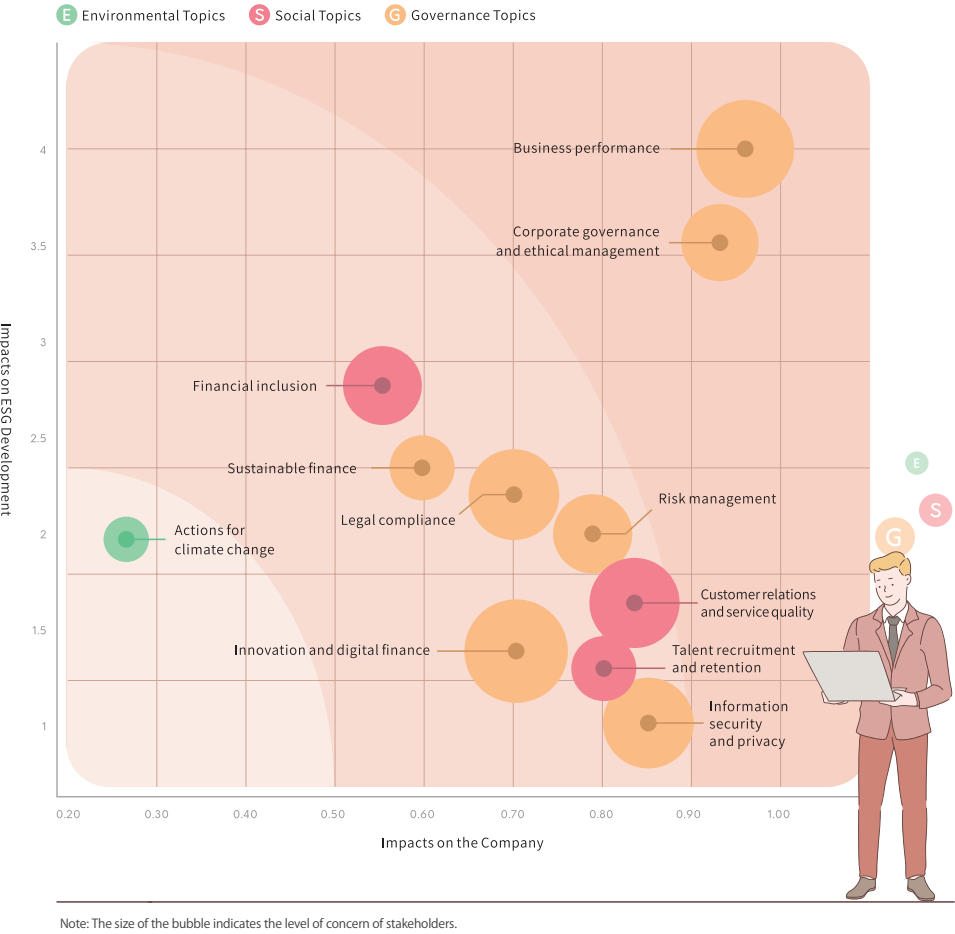


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● Double Materiality

SKL adopts the principle of double materiality to identify topics with double materiality that have significant impacts on both the Company's operations and the external environment, i.e., taking both financial materiality and impact materiality into consideration. For financial materiality, we consider the impact of sustainability issues on the Company's revenue, costs, and risks; for impact materiality, we consider the positive and negative impacts of the organization's own operations and value chain on the external economy, environment, and people (including human rights).

Operational impact (Financial materiality)				Material topics <small>Note 1</small>	Sustainable development impact (Impact materiality) <small>note 2</small>									
Revenue growth	Customer satisfaction	Employee cohesion	Operational risks		Development of the financial industry ⊕	Tax payment/Net profit after tax ⊕	Improvement in investor profitability ⊕	Industry transformation ⊕	Drive green industry development ⊕	Provide affordable products ⊕	Declining level of trust in the insurance industry ⊖	Inappropriate use of funds ⊖	Contribute to the development of high carbon emission industries ⊖	Improper use of data ⊖
			●	Legal compliance	✓	✓					✓	✓		✓
●	●		●	Corporate Governance and Ethical Business			✓				✓	✓		✓
●	●	●	●	Business performance		✓	✓				✓	✓		
●			●	Risk Management			✓				✓	✓		✓
	●			Innovation and Digital Finance	✓					✓				
				Sustainable Finance	✓	✓	✓	✓	✓	✓		✓	✓	
	●		●	Information Security and Privacy										✓
				Actions for climate change				✓	✓				✓	
●	●			Customer Relations and Service Quality	✓					✓	✓			✓
				Financial Inclusion	✓	✓				✓				
●		●		Talent recruitment and retention			✓							

Note 1: The material topics above are the 11 material topics identified by SKL in 2024.
Note 2: SKL defined 18 significant positive and negative impacts through an international methodology, and finally identified 10 impacts relevant to SKL after internal assessment by employees.
Note 3: "●" indicates that the material topics exert a substantial impact on organizational operations; "✓" indicates that the material topics exert a substantial impact on sustainable development.

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1.4.2 Material Topics Impact Boundaries and Management Approaches | GRI 2-25 |

SKL establishes management approaches and action plans for material topics, develops relevant strategies, goals, and indicators, and tracks results on a regular basis.

Material Topics	Implications for and Impact on SKL	Value Chain Impact			GRI / SASB Standards	Corresponding Chapter of Management Approaches
		Upstream	Operations	Downstream		
Business 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.	▲	●	●	GRI 201 : Economic Performance FN-IN-000.A	1.1.2 Operational Performance
Corporate governance and ethical management	SKL places great emphasis on corporate governance and integrity, implementing comprehensive education and training programs and standards. We have established robust corporate governance and risk management mechanisms to gain public trust towards the Company. These efforts have a positive impact on the operations and business activities from an economic perspective.	▲	●	●	GRI 2 : General Disclosures 2021 (2-1、2-9~2-21) GRI 205 : Anti-corruption	6.1 Corporate Governance 6.2 Ethical Business Practices
Legal compliance	We have built a comprehensive legal compliance management and oversight framework and reviewed the compliance level of each department. We conduct regular training and education to enhance the legal compliance awareness of all employees, reducing operational risks and the risk of penalties to achieve positive impact on the economy.		●	○	GRI 2 : General Disclosures 2021 (2-27 Regulatory Compliance)	6.2 Ethical Business Practices
Risk management	For the main risks faced in insurance industry, major global political and economic issues, environmental issues, and emerging risks, we have assessed the degree of impact of each risk and established relevant risk management regulations and guidelines. 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 a positive impact on the economy and society.		●	○	GRI 201 Economic Performance FN-IN-550a.1 FN-IN-550a.2 FN-IN-550a.3	6.3 Risk Management
Customer relations and service quality	SKL practices ethical management and promotes a financial-friendly environment, ensuring that all customer services comply with laws and regulations in order to reduce operational and penalty risks. Through satisfaction, NPS surveys, and communication channels of all parties, we understand customer pain points and continuously improve the efficiency of customer relationship management. These efforts have a positive impact on the economy and society.		●	●	GRI 2 : General Disclosures 2021 (2-27 Regulatory Compliance) GRI 417 : Marketing and Labeling FN-IN-270a.1 FN-IN-270a.2 FN-IN-270a.3 FN-IN-270a.4 FN-IN-410b.2	5.1.1 Providing Reliable Protection 5.3 Fair Customer Treatment and Experience
Innovation and digital finance	SKL 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.		●	○	GRI 203 : Indirect Economic Impacts	5.4 Digital Innovation Services
Information security and privacy	We 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 right.	▲	●	●	GRI 418 : Customer Privacy	6.4 Information Security and Personal Data Protection
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.		●		GRI 401 : Employment GRI 404 : Training and Education	4.1 Diverse Talent Recruitment 4.2 Talent Development 4.3 Friendly and Inclusive Workplace
Sustainable finance	We enhance sustainable finance policies and regulations, and promote inclusive and sustainable economic growth. We assist in industry transformation towards sustainable development. By strengthening engagement with our investees, we exert a positive influence on environmental, social, and human rights aspects.		●		GRI 203 : Indirect Economic Impacts FN-IN-410a.2	7.1 Promoting Sustainable Finance
Financial inclusion	We leverage on our professional competencies, expand financial coverage, and provide diverse friendly financial products and services to ensure that all groups enjoy basic, equal, and reasonably convenient financial services, thereby exerting a positive impact on the economy and society.		●	●	GRI 203 : Indirect Economic Impacts	5.2 Advancing Inclusive Finance
Actions for climate change	While climate change may cause an impact on corporate revenue, it also presents opportunities for industry 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 to facilitate low-carbon transformation of the industry. These efforts allow us to leverage our financial influence and contribute positively to both the environment and the economy.	▲	●	●	GRI 201 : Economic Performance GRI 305 : 排放 FN-IN-410c.1 FN-IN-410c.2 FN-IN-410c.3 FN-IN-410c.4 FN-IN-450a.1 FN-IN-450a.2 FN-IN-450a.3	2. Enhancing Climate Resilience

Note 1: Upstream value chain impacts include suppliers and contractors; operations include own operations and partners; downstream includes policyholders and consumers.
Note 2: ● indicates direct impacts; ○ represents indirect impacts; ▲ means impacts arising from a business relationship.

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1.5 Stakeholder Engagement | GRI 2-29 |

SKL regularly reviews key stakeholder concerns and follows the "AA1000 Stakeholder Engagement Standard" to identify seven stakeholder groups through questionnaires and the overall assessment of the financial industry: employees, customers, shareholders/investors, partners, suppliers, government agencies, and the general public. Through diverse communication channels, we can understand and listen to the voices and expectations of stakeholders. SKL not only provides timely responses, but also regards these opinions as the foundation for our continued growth.

Issues and Results of Communication with Stakeholders





Stakeholders	Importance to SKL	Material Topics of Concern	Channel and Frequency of Communication		Communication Results in 2024
 Employees	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.	<ul style="list-style-type: none">• Business performance• Talent recruitment and retention	Feedback area on the Intranet E-newsletters (HR e-Newsletter & OHS Quarterly) Email and hotline for employee communication Labor-management meetings Employee engagement survey Occupational Safety and Health Committee On-site labor health services	Permanent As needed Permanent Quarterly Every two years Quarterly Twice a month	<ul style="list-style-type: none">• Added 17 comments to the feedback area on the Intranet.• Issued 4 OHS Quarterly newsletters and 25 promotions related to pandemic prevention and OHS.• Convened 4 Occupational Safety Committee meetings.• Organized 656 sessions of on-site health services.• Received 1 employee complaint and 2 labor disputes.• Held 4 labor-management meetings.
 Shareholders / Investors	Robust financial performance and effective investment risk management are topics that shareholders and investors care about.	<ul style="list-style-type: none">• Business performance• Sustainable finance• Corporate governance and ethical management• Risk management• Innovation and digital finance• Talent recruitment and retention	General Shareholders' Meeting Extraordinary General Meeting Investor Conference Company website Market Observation Post System	Annually As needed Quarterly Permanent Permanent	<ul style="list-style-type: none">• Held the annual shareholders' meeting, and set up a <u>shareholders' equity</u> ↗ 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 <u>information disclosure</u> ↗ area on the company website to regularly disclose information on the Company's finances, credit rating, corporate governance, and fulfillment of corporate social responsibility.• Posted financial statements, annual reports, and other information on the MOPS.
 Customers	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.	<ul style="list-style-type: none">• Business performance• Legal compliance• Customer relations and service quality• Innovation and digital finance	Customer service hotline (0800) Company website SKL app EDM Policyholder quarterly Service locations SKL Facebook fan page Satisfaction survey Insured care project Complaint/Reporting email	Permanent Permanent Permanent As needed Quarterly Permanent Permanent Permanent As needed Permanent	<ul style="list-style-type: none">• Answered nearly 440,000 customer service calls (0800), with a satisfaction rate of 95.4%.• Overall NPS: 91.0%.• Issued 4 publications of <u>policyholder quarterly</u>. ↗ 



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Stakeholders	Importance to SKL	Material Topics of Concern	Channel and Frequency of Communication		Communication Results in 2024
 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.	<ul style="list-style-type: none">• Corporate governance and ethical management• Business performance• Risk management• Innovation and digital finance• Sustainable finance	Official letter Meeting organized by the competent authority Court activity Seminars	As needed As needed As needed As needed	<ul style="list-style-type: none">• Attended policy discussions and seminars organized by competent authorities to provide industry opinions.
 Partner	We enter into cooperation contracts with external partners to increase sales opportunities and premium income, as well as enhance SKL's brand awareness.	<ul style="list-style-type: none">• Innovation and digital finance• Legal compliance• Business performance• Information security and privacy	Launch of new products Product briefing Product press releases	As needed As needed As needed	<ul style="list-style-type: none">• Established product and sales relationships with 30 financial institutions and 95 insurance brokers.• Combined marketing and promotions with ESG issues, such as tree planting programs and food conservation.• Worked with 53 partners to jointly promote mobile insurance enrollment and paperless operations.
 Suppliers	Suppliers are important partners for sustainable operations. SKL influences suppliers to develop green products through procurement, jointly fulfilling our commitment to social responsibility.	<ul style="list-style-type: none">• Corporate governance and ethical management• Innovation and digital finance• Information security and privacy• Customer relations and service quality• Legal compliance• Business performance• Risk management	Suppliers' commitment statement Price negotiation meeting Contract negotiation Supplier Conference Complaint hotline	As needed As needed As needed As needed As needed	<ul style="list-style-type: none">• Signed 100% of supplier commitments for both the bargaining and contracted vendors.• Conducted a human rights risk assessment for suppliers in terms of labor relations, privacy protection, and occupational safety and health.
 General public (NPO/ NGO, media, community)	We invest corporate resources and engage volunteers to organize diverse charity activities to give back to the community, work together to promote social welfare, and maintain good interactions with the media to strengthen our brand image.	<ul style="list-style-type: none">• Information security and privacy• Customer relations and service quality• Sustainable finance• Financial inclusion	Lecture Art and cultural activities Charitable activities Emergency assistance Foundation Website Seminar/Workshop Press release Press conference Media interview	As needed As needed As needed As needed Permanent Permanent As needed As needed As needed As needed	<ul style="list-style-type: none">• Organized activities to help stakeholders understand the SDGs and sustainable development policies: 1,663 events.• Continued to sponsor and participate in local arts and cultural events such as the Yanshui Bee Cannon, the Dajia Mazu Parade, the Penghu Fireworks Festival, and the Swimming Carnival of Sun Moon Lake.• Worked with foundations and NPOs/NGOs to advocate environmental issues and promote the silver-haired elderly programs.• The total investment in social participation was NT\$34.77 million, benefiting about 640,000 people.• 1,410 press releases of positive media exposure.• Arranged and assisted in 43 media interviews.

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2

Strengthening Climate Resilience

GRI 3-3



Plan

- Strengthen the Company's climate change-related financial disclosures.

Commitment

In the face of the challenges posed by climate change, SKL is proactively responding to climate-related risks and opportunities by developing a low-carbon transformation strategy, planning climate mitigation and adaptation measures, and exploring new climate opportunities through investment and financing, as well as product development.

Material Topic	2024 Target	Status of Achievement	Major Performances in 2024	Short-term Target (2025)	Medium- to Long-term Target (2030 as the Target Year)
Actions for climate change	Strengthen the quality of TCFD disclosures, obtain third-party verification, and issue TCFD reports.	✓	<ul style="list-style-type: none"> Published the second TCFD Report, which was ranked in the top 20% in the industry in the TCFD Report Evaluation of the Center for Business Sustainability, NCCU. 	<ul style="list-style-type: none"> Optimize climate change risk and opportunity management mechanisms and assessments, and continue to improve the TCFD content. 	<ul style="list-style-type: none"> Comply with Green Finance 3.0, international disclosure trends, and sustainable development progress.
	Assist SKFH in promoting and implementing TNFD.	✓	<ul style="list-style-type: none"> Assisted SKFH in publishing the "Climate and Nature-Related Financial Disclosures Report". Organized 1 TNFD training course. 	<ul style="list-style-type: none"> Assist SKFH in the promotion and implementation of the TNFD and IFRS Sustainability Disclosure Standards. 	<ul style="list-style-type: none"> Follow SKFH's SBT phased carbon reduction targets.

2. Strengthening Climate Resilience

According to the Global Risk Report 2025 published by the World Economic Forum (WEF) in January 2025, the top two of the top 10 global risks in the next decade are "extreme weather events" and " biodiversity loss and ecosystem collapse ", indicating that climate change has become a common risk for the planet. This shows that climate change has become a common risk for the planet, and the actions taken in the face of climate change risk are even more important.

In order to strengthen its climate resilience, SKL has followed SKFH's strategy and introduced the TCFD framework to establish a climate governance mechanism (covering governance, strategy, risk management, indicators, and goals), identify climate-related risks and opportunities, and utilize situational analysis to assess the potential financial impact of climate change on the Company, and then establish a management process, develop a climate strategy, and set relevant indicators and goals, in the hope of revealing the relevant information through the TCFD framework. It is hoped that the TCFD framework will reveal relevant information and identify opportunities for transformation. The following is a description of the four core elements of TCFD:

2.1 Climate Governance

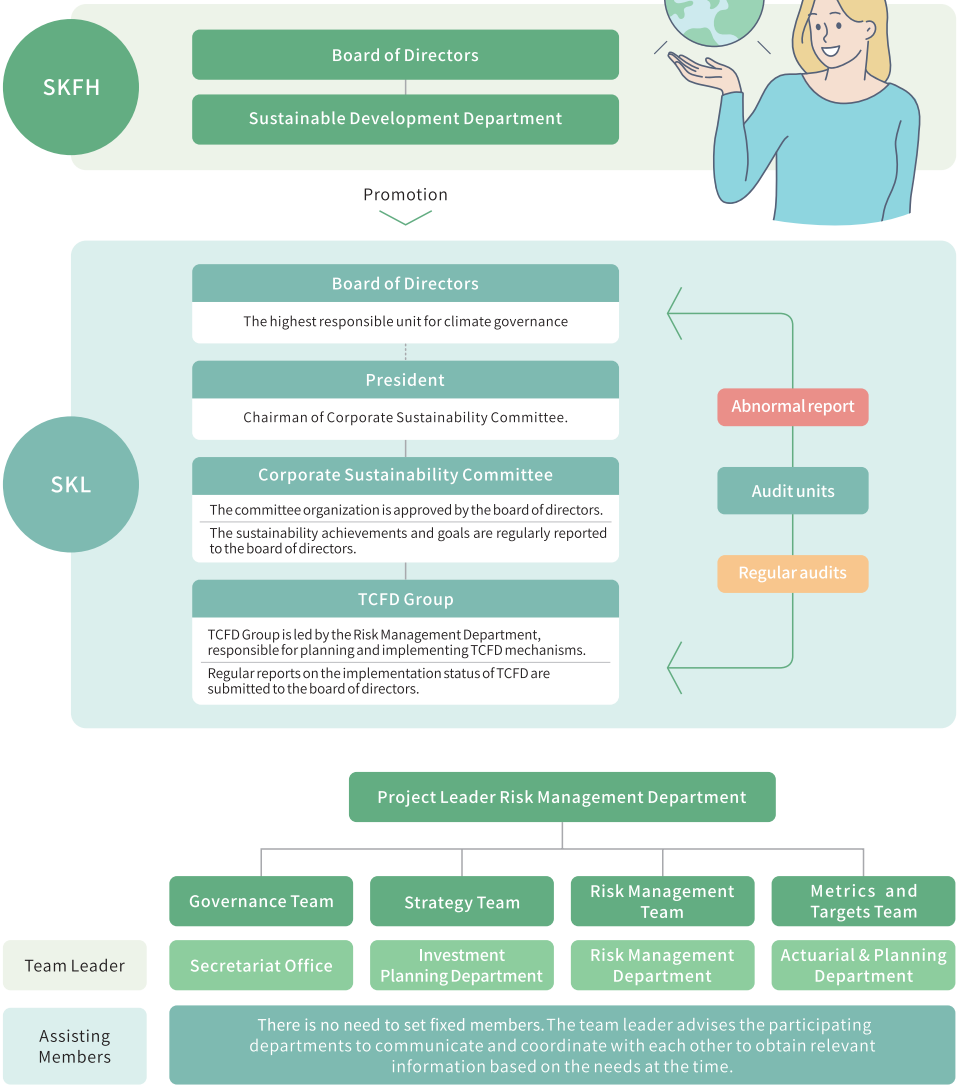
The Board of Directors of SKFH has established a Corporate Sustainability Committee, which is responsible for overseeing the sustainable development and climate change initiatives of SKFH and its subsidiaries, including green finance planning and performance, greenhouse gas inventories, and carbon emission reduction targets, etc., and submits reports to the Board of Directors on a regular basis. The Company also pays close attention to the issue of global climate change, with the Board of Directors as the highest responsible unit for climate management, and takes climate change into consideration in its operational plans, risk management policies, and risk appetite. The Company's Corporate Sustainability Committee tracks the status and results of the implementation of corporate climate change risks and opportunities, and has a TCFD group under its management responsible for the planning and execution of these measures, and reports the results to the Board of Directors. In addition, climate change risk is also included in the Own Risk and Solvency Assessment (ORSA) report, which is regularly submitted to the Risk Management Committee and the Board of Directors for discussion and approval.

Education and training

In 2024, we continued to offer education and training for directors, senior executives, and employees to provide new climate risk-related knowledge and deepen climate risk management concepts.

Education and training targets and issues		
Education and training for directors and supervisors	1. TCFD and TNFD Disclosure Trends in the Global Insurance Industry 2. SBT target setting for the Financial Industry	3. IFRS S1/S2 Sustainability Disclosures Guidelines 4. Sustainable Development Trends in the Insurance Industry
Education and training for executives	1. International Climate-Related Trends 2. Introduction to Task Force on Climate-related Financial Disclosures (TCFD) Recommendations	
TNFD education and training (employees)	1. Development and Trends of Nature-Related Issues 2. Nature-Related Concepts	3. TNFD Nature-Related Financial Disclosures

SKL Climate Governance Framework



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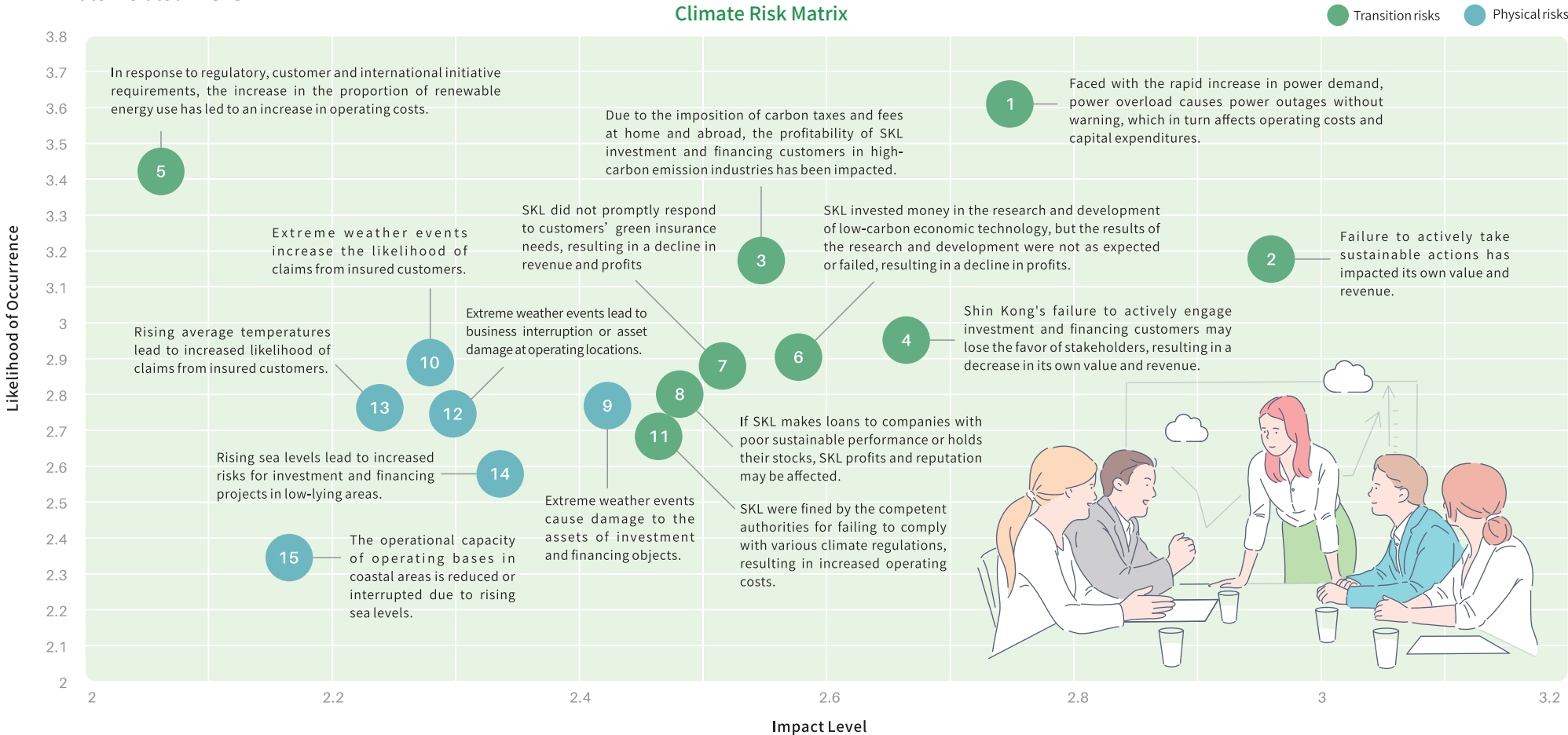
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2.2 Climate Strategy
 | GRI 305-1、305-2、305-3、305-4、305-5 |

In order to formulate climate strategies and identify short-, medium-, and long-term climate-related risks and opportunities, the Company follows the TCFD definition of the International Financial Stability Board (FSB), and uses internal expert methodology to consider transformational risks (emerging policy, existing policy, law, technology, market, reputation) and physical risks (immediate and long-term climate change). The main risk factors are listed, and the possible opportunities for mitigating and adapting to climate change are listed, and the risk factors for significant impacts of climate change are identified for risk issue assessment and management.

A Climate-Related Risks



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

2.2.1 Identification of climate risks and opportunities

The Company adjusted the issue repository based on the scenario analysis and transition risk results of the previous year to strengthen the correlation between the four aspects of climate. The Company inventoried climate-related opportunities in its operations, investments and insurance products. By conducting internal expert investigations and gathering opinions from departments related to sustainable development, risk management, resource management, investment, and customer relations, we identified the impact and implications of climate factors on various aspects of the Company's business. Based on the questionnaire results, 15 climate risk issues and 9 climate opportunity issues were identified, quantified according to their "likelihood of occurrence" and "impact level", and ranked in order of materiality based on the sum of the scores of the first two items. Detailed explanations, response strategies and scenario analysis were developed for material issues:

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Material Climate Risk Issues

Ranking	Risk Type	Event Time	Risk Description	Financial Impact	Impact	Response Measures	Major Performances in 2024
1	Technical risks	Mid-term	In the face of rapidly increasing demand for electricity, the Company is required to build backup electricity and replace high energy-consuming assets, which in turn increases Shin Kong's operating costs and capital expenditures.	Rising operating costs and increased capital expenditures	Operations	<ul style="list-style-type: none">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.Establish a business continuity management system (BCMS) and conduct business continuity drills and tests every year.	<ul style="list-style-type: none">Redesigned the lighting in conjunction with the renovation of office buildings, or assisted in 1 on 1 upgrade to energy-saving LED lights based on on-site needs.Integrated the Company's resources, re-examined the area used by each unit, and conducted ping efficiency inspection and management to avoid energy consumption before the space is utilized.Added the threat of "staff canteen fire" and incorporated it into the 2024 business continuity drill scenario.
2	Reputation risks	Mid-term	Failure to actively take sustainable actions will result in an impact on own value and revenue, which may cause Shin Kong to lose the favor of investors, customers and the public.	Reduced inflow of capital	Operations	<ul style="list-style-type: none">Actively participating in international sustainable initiatives, alliances, and sustainability assessments, in order to enhance stakeholders' trust in the company and stay informed about domestic and international sustainability and climate change information.	<ul style="list-style-type: none">SKFH passed the audit of SBTi.SKFH won the first place in the world in the DJSI insurance category.
3	Emerging policy risks	Mid-term	Due to the imposition of carbon taxes and fees at home and abroad, the profitability of SKL investment and financing customers in high- carbon emission industries has been impacted.	Decreased revenue and profits	Investment and financing	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">We distributed climate engagement questionnaires to 129 investees to understand their climate transition plans. More than 25% of the investees had closed their cases or were progressing positively.The suppliers of the industry are mainly office equipment, materials suppliers, and labor suppliers. Therefore, we prioritize the purchase of products with green labels currently to exert consumer influence.
4	Market risks	Mid-term	Shin Kong's failure to actively engage investment and financing customers may lose the favor of stakeholders, resulting in a decrease in its own value and revenue.	Decreased revenue and profits	Investment and financing	<ul style="list-style-type: none">Conduct ESG risk due diligence for controversial industries and high carbon emission industries, carry out careful assessments, and adjust asset allocation in a timely manner.	<ul style="list-style-type: none">In compliance with the SKFH Sustainable Finance Policy, we formulated industry guidelines and engagement principles, evaluated coal and unconventional oil and gas-related industries, and initiated engagement actions.

Ranking	Risk Type	Event Time	Risk Description	Financial Impact	Impact	Response Measures	Major Performances in 2024
1	Immediate risks	Long-term	Affected by extreme climate disasters, the frequency and severity of typhoons, heavy rains and floods have increased, leading to operational interruptions or asset losses for investment and financing customers, indirectly causing Shin Kong to face investment and financing losses.	Decreased revenue and profits	Investment and financing	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Conducted physical risk scenario analysis for the locations of investment and financing customers and evaluated the analysis results.
2	Immediate risks	Long-term	Affected by extreme climate disasters, the frequency and severity of typhoons, heavy rains and floods have increased, and the probability of casualties among insurance customers has increased, resulting in an increase in the claim amount of related insurance products, which directly affects the company's profitability.	Decreased revenue and profits	Operations	<ul style="list-style-type: none">In response to extreme weather events, a "typhoon / disaster protection" mechanism is in place to help policyholders cope with major accidents and climate change disasters.	<ul style="list-style-type: none">A total of 3 emergency response mechanisms were activated for major events, including earthquake in the eastern sea, Typhoon Gaemi, and fire at Pingtung Antai Tian-Sheng Memorial Hospital.
3	Immediate risks	Long-term	Affected by extreme climate disasters, the frequency and severity of typhoons, heavy rains and floods have increased, leading to operational interruptions or injuries to employees at the operating locations, indirectly causing Shin Kong to face financial losses and asset impairments.	Rising operating costs and decreased asset value	Operations	<ul style="list-style-type: none">Conduct physical risk scenario analysis and assess the financial impact on the Company for the Company' s own operating locations and investment real estate.	<ul style="list-style-type: none">Incorporated extreme weather events into ISO45001 - Occupational Safety and Health Management risk assessment. After evaluation, it was confirmed that heavy rainfall may cause traffic accidents when personnel left the office. Traffic safety had been added to the annual labor safety training to promote this issue.
4	Long-term risks	Long-term	Rising temperatures due to global warming have increased the possibility of heat injury or heatstroke, resulting in increased energy consumption for air conditioners in Shin Kong and the society, power outages that disrupt Shin Kong's operations; or it may increase mortality or illness rates, resulting in higher life insurance claim payouts.	Decreased revenue and profits	Investment and financing	<ul style="list-style-type: none">Utilize average daily temperature data from the Central Weather Bureau, life insurance claims data, and AR6 climate scenario data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) for the period 2015 to 2024 to analyze the potential changes in future life insurance claims related to heat injuries.	<ul style="list-style-type: none">The results indicated that warming will increase the Company's estimated personal insurance thermal injury claims expenses by no more than NT\$10 million, and that the financial impact on insurance claims was not material.

Time scope definition: 1 to 2 (inclusive) years is short-term, 3 to 5 (inclusive) years is mid-term, and more than 6 years is long-term.

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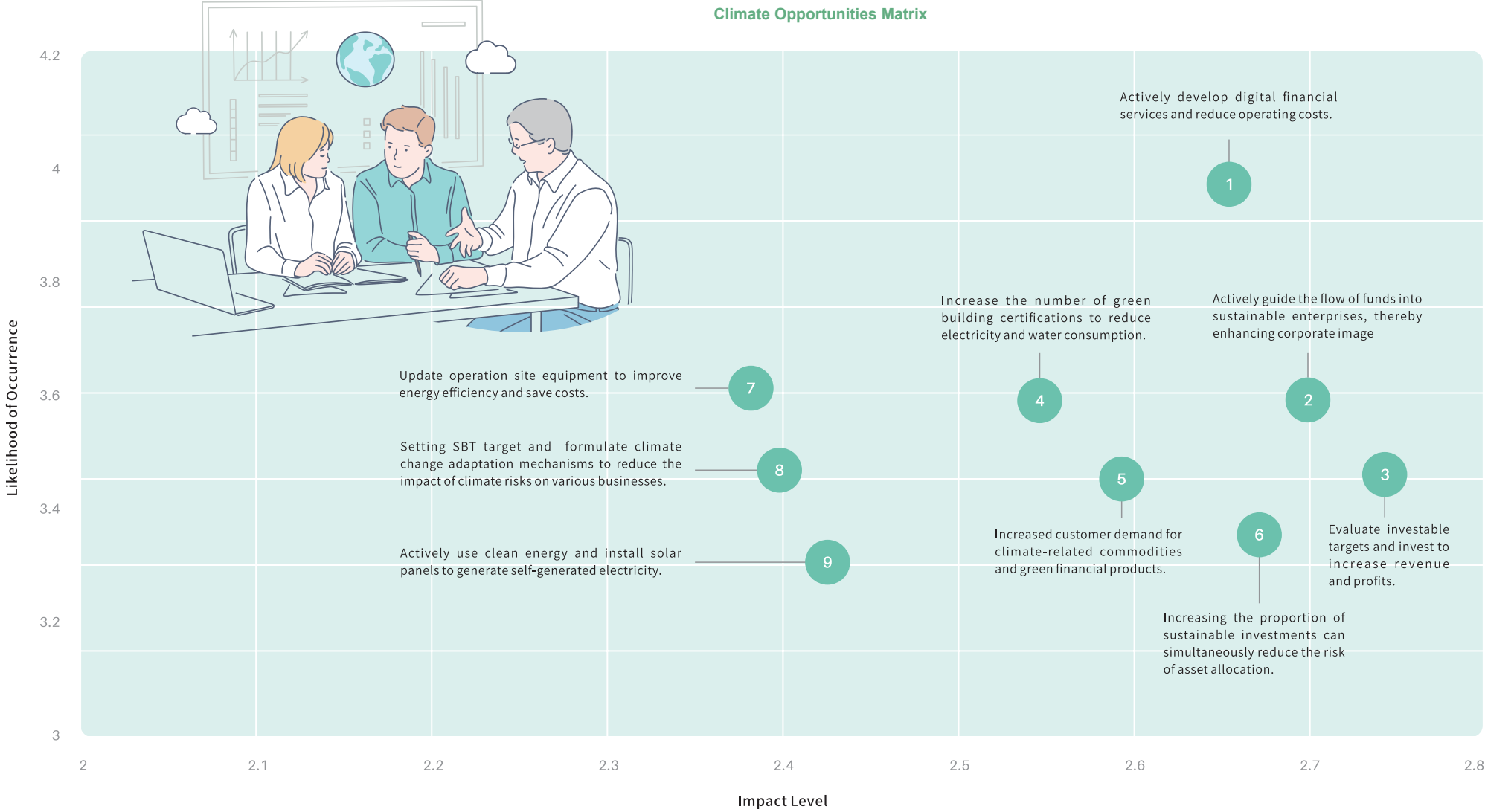
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B. Climate-Related Opportunities



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"

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Material Climate Opportunities

Ranking	Opportunity Type	Opportunity	Event Time	Financial Impact	Response Measures	Major Performances in 2024
1	Products and services	SKL actively develops digital financial services and continues to promote digital account opening, electronic trading, and account processing services to reduce the use of paper and energy and lower operating costs.	Short-term	Reduced operating costs	<ul style="list-style-type: none">Actively promote digital finance, with "creating excellent services, deepening digital value and developing financial innovation" as our digital innovative strategies, to reduce the consumption of energy and resources through digitalization.	<ul style="list-style-type: none">E-tools reduced a total of 22.87 million sheets of paper and approximately 155.5 tons of carbon emissions.The average amount of paper purchased for administrative purposes decreased by 2,207 packs compared to the previous three years, resulting in a reduction of 7.5 tons of carbon emissions.
2	Market opportunities	SKL formulates sustainable investment and financing policies in response to the sustainability trend and actively guides the flow of funds to sustainable enterprises. Its sustainability performance has received positive coverage from the media and sustainability rating agencies, thereby enhancing the corporate image and winning the favor of investors and customers.	Mid-term	Increased capital injection and increased revenue and profits	<ul style="list-style-type: none">Continue to actively participate in internal and external organizational initiatives to enhance the company's image.Actively respond to the UN's Sustainable Development Goals in the investment activities, continue to search for sustainable investment targets, grasp ESG opportunities, and invest in sustainable development industries.	<ul style="list-style-type: none">Won the TCSA Climate Leadership Award.Invested approximately NT\$582.9 billion in ESG topics.
3	Market opportunities	In response to the continuous growth of the sustainable investment market at home and abroad and to create more investment opportunities, Shin Kong evaluates investable targets and invests in them to increase operating profits.	Mid-term	Increased revenue and profits	<ul style="list-style-type: none">Continuously monitor the trends in green-related industries and invest in sustainable development industries such as environmentally friendly and green energy industries.Establish management guidelines for carbon-intensive industries and dynamically adjust trading strategies to effectively achieve the goal of sustainable finance decarbonization and enhance market resilience.	<ul style="list-style-type: none">The amount of green investment reached NT\$32.7 billion, of which the amount of investment related to green energy and renewable energy industries reached NT\$7.2 billion.
4	Resource efficiency	SKL increases the number of green building certifications among its operating locations by reducing electricity and water consumption to achieve energy conservation and carbon reduction, thereby increasing the value of fixed assets and environmental external benefits.	Mid-term	Increased asset value and reduced operating costs	<ul style="list-style-type: none">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.Obtain green building certificates (silver and above) for all new projects to enhance the environmental sustainability performance of buildings.	<ul style="list-style-type: none">Adopted power-saving project measures (upgrading of lighting fixtures, improvement of energy efficiency of power equipment, etc.)Obtained a total of 6 green building certificates, 3 green building candidate certificates, 1 low-carbon building candidate certificate, and 1 US LEED certificate.
5	Products and services	Increased customer demand for climate-related commodities and green financial products.	Mid-term	Increased revenue and profits	<ul style="list-style-type: none">Implement the ESG concept of environmental sustainability and combine environmental protection factors with insurance products and investment targets.	<ul style="list-style-type: none">Launched "Wun-Wan-Li foreign currency structure note annuity Insurance", the industry's first offshore structured product linked to green bonds. The funds raised from corporate bond issuance will be used for green investment projects. In 2024, the underwriting amount reached AUD103 million and 6,590 trees were planted.

Note 1: Climate opportunity types include resource efficiency, energy source, products and services, markets, and resilience.

Note 2: Time scope definition: 1 to 2 (inclusive) years is short-term, 3 to 5 (inclusive) years is mid-term, and more than 6 years is long-term.

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2.2.2 Climate Scenario Analyses and Stress Tests

To further identify 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 are based on the scenarios set by the Fifth and Sixth Assessment Reports (AR5 & AR6) of Intergovernmental Panel on Climate Change (IPCC) and the "Network for Greening the Financial System " (NGFS). The scenarios used for each application and risk category are as follows, and the definitions of each scenario will be explained one by one in the following chapters:

Application	Risk Type	Climate Scenario	Description
Operating locations and investment real estate	Physical Risk - Immediacy and Long-Term	Overall: IPCC AR5-RCP2.6、RCP8.5 Some physical risk factors (flooding, high temperatures): IPCC AR6- SSP1-2.6、SSP2-4.5、SSP3-7.0、SSP5-8.5	Calculate the impact of climate change risks on real estate investments (maximum climate risk values, reconstruction costs, and likelihood of operational disruptions)
Real estate collateral	Physical Risk – Long-Term	Overall: IPCC AR5-RCP2.6、RCP8.5	Calculate the impact of climate change risks on real estate collateral
Operating locations of investment and financing portfolio companies	Physical risks	Overall: IPCC AR5-RCP2.6、RCP8.5 Some physical risk factors (flooding): IPCC AR6- SSP1-2.6、SSP2-4.5、SSP3-7.0、SSP5-8.5	Calculate the impact of climate change risks on the operating locations of investment and financing portfolio companies
Life insurance products	Physical Risk – Long-Term	IPCC AR6- SSP1-2.6、SSP2-4.5、SSP3-7.0、SSP5-8.5	Calculate the impact of temperature rise on heat-related injury claims in life insurance products
Investment portfolios	Transition Risk - Policy and Regulation	NGFSs-Net Zero 2050、Current Policies、Delayed transition、Nationally Determined Contributions(NDCs) Fragmented World	Calculating the changes in credit and market risks for investment and financing positions under stricter climate regulations

A. Physical risks

Real Estate Risk Scenario Analysis Process:

To review the potential future impact of climate change on physical assets, we have established climate models and analyzed the operating locations, investment real estate, real estate collateral of SKL, and operating locations of investment and financing portfolio companies 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, forest fire, and extreme heat, during each decade from 2020 to 2100 under the RCP 2.6 and RCP 8.5 climate scenarios of the IPCC AR5. Required parameters and data outputs as follows:

Physical risk scenario assumptions

Scenario category	Scenario description
RCP2.6	In the low emissions scenario, emissions will be halved by 2050 and the temperature increase will not exceed 2° C; it is possible to reach the 2° C or 1.5° C targets of the Paris Agreement.
RCP8.5	The high emissions scenario means business as usual (BAU), where emissions continue to rise. By 2100, the global warming range will be close to 4° C.
SSP1-2.6	SSP1-2.6 is a low forcing pathway. The simulation reveals average results of lower than 2° C in 2100, meaning that the scenario shows a combination of low vulnerability, mitigation pressure and radiative forcing.
SSP2-4.5	SSP2-4.5 is the middle pathway, which is a combination of medium social vulnerability and medium radiative forcing.
SSP3-7.0	SSP3-7.0 is a medium-to-high forcing path. SSP3 combines relatively high social vulnerability and radiative forcing.
SSP5-8.5	SSP5-8.5 is a high radiative forcing pathway. SSP5 is the only SSP scenario with emissions high enough to reach radiative forcing level of 8.5W/m2 in 2100.



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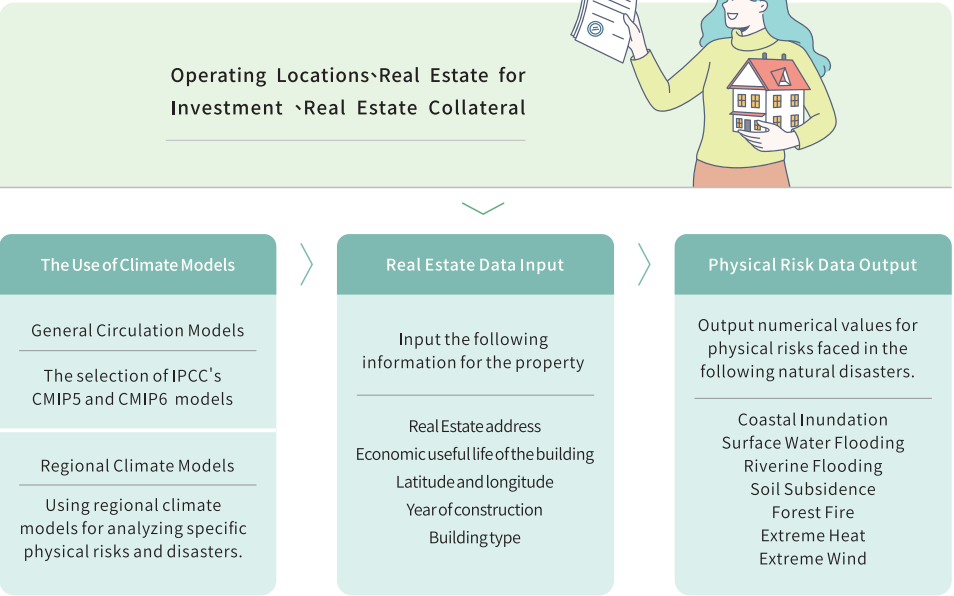
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Required parameters and data outputs as follows:



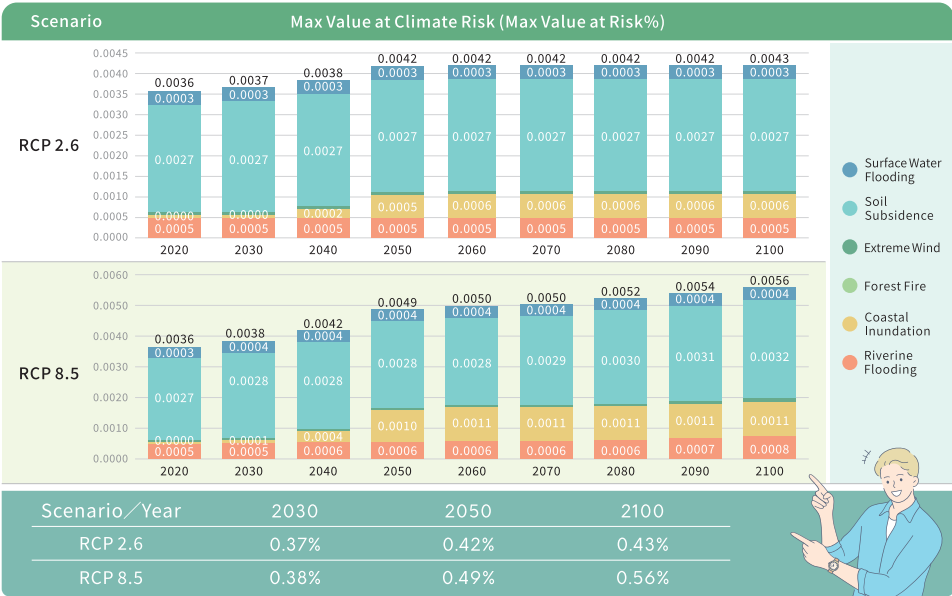
(1) Operating Locations and Real Estate for Investment :

Analysis and results

In 2024, the Company owned a total of 196 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\$300 million to NT\$400 million. In the most severe scenario, RCP8.5, the MVaR for the end of the century is 0.56%, with a financial impact of approximately NT\$490 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 to seven operational sites classified as high climate change risk areas with a MVaR% exceeding 1%. These sites are located in Hualien, Taitung, Kaohsiung, Taichung and Yilan, with the primary climate factors being river flooding and surface water inundation.

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



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.

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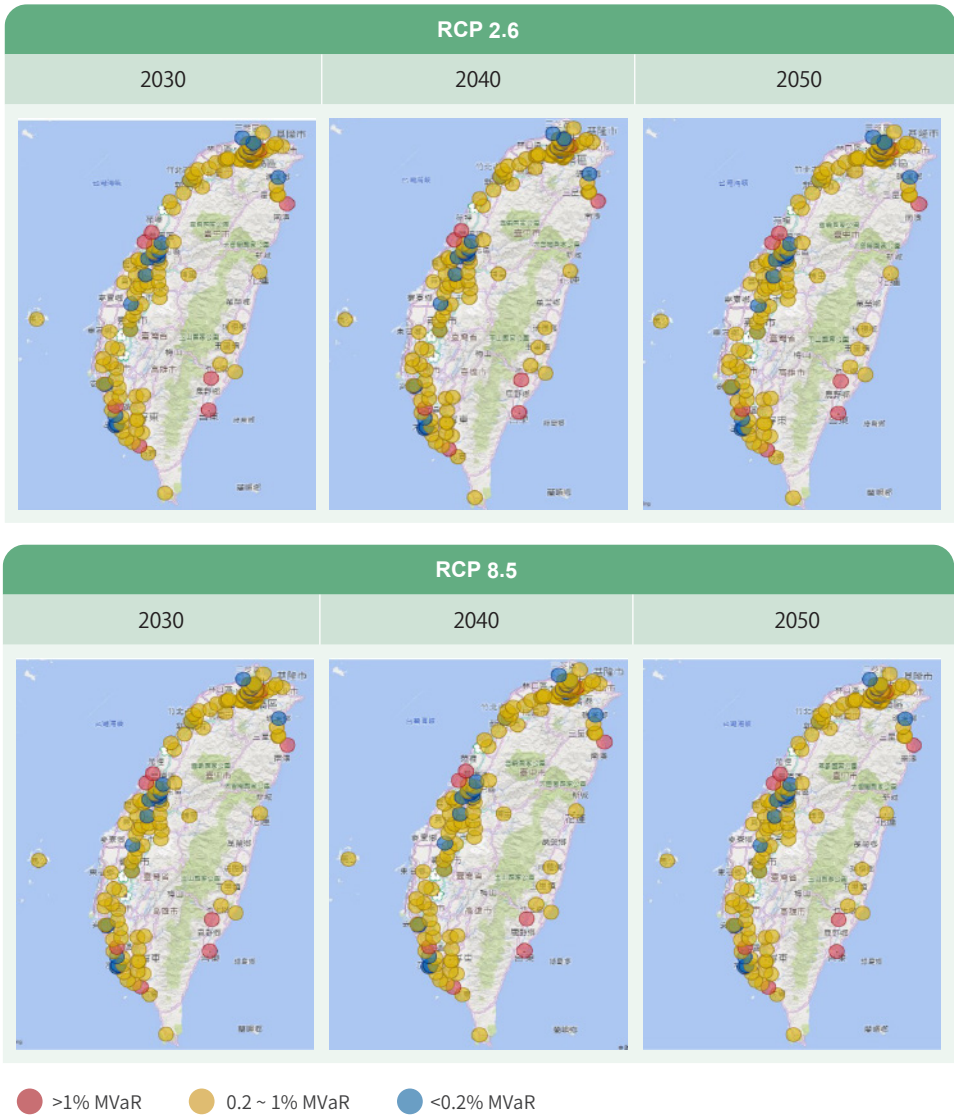
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The operating locations and their corresponding risk values under RCP2.6 and RCP8.5 scenarios is as follows:



Operating Locations and Real Estate for Investment

In the above overall analysis results, the Company also used the "Financial Industry Climate Physical Risk Information Integration Platform" of the Join Credit Information Center to further analyze the perspectives of physical risks of "river flooding" and "coastal inundation" that exert a greater impact, and examined the impact on domestic operating locations and investment real estate under various climate risk scenarios based on the three factors of hazard (incidence of flooding), vulnerability (percentage of impairment), and exposure under the risk category "flooding ". Looking at the analysis results for 2050, under the SSP 5-8.5 scenario with the highest temperature rise at the end of century, the cost of restoring asset damages caused by flooding at the operating locations would account for approximately 0.58% of the net profit before tax in 2024;and investment real estate would account for 0.51%.

2050	Indicator	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5
Operating Locations	Cost of restoring damaged assets as a percentage of total asset value	0.30%	0.36%	0.27%	0.58%
Investment real estate		0.23%	0.28%	0.20%	0.51%

Suppliers

In order to understand the possible impact of climate change on suppliers' products and services, the Company also analyzed the impact of flood risks under the 2030 and 2050 climate scenarios for operating locations of 23 domestic suppliers based on the Financial Industry Climate Physical Risk Information Integration Platform, and used hazard (incidence of flooding) and vulnerability (percentage of impairment) to understand the overall risk of flooding at the supplier's operating locations. The results showed that 2 suppliers were listed as high risk and 7 suppliers were listed as medium-high risk by 2050 under the SSP5-8.5 scenario.

2050	Indicator	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5
High risk	Number of suppliers (Procurement percentage)	1 (0.00%)	1 (0.00%)	1 (0.00%)	2 (0.00%)
Medium-high risk		7 (21.68%)	8 (26.12%)	7 (21.68%)	7 (26.12%)

Note 1: High risk is defined as the multiplication of hazard and vulnerability >5%.
 Note 2: Medium-high risk is defined as the multiplication of hazard and vulnerability between 1% and 5%.
 Note 3: The evaluation data was based on the "Financial Industry Climate Physical Risk Information Integration Platform". Therefore, the evaluation may be limited by the contents of the platform data.

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(investment, secured loan/mortgage) 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.

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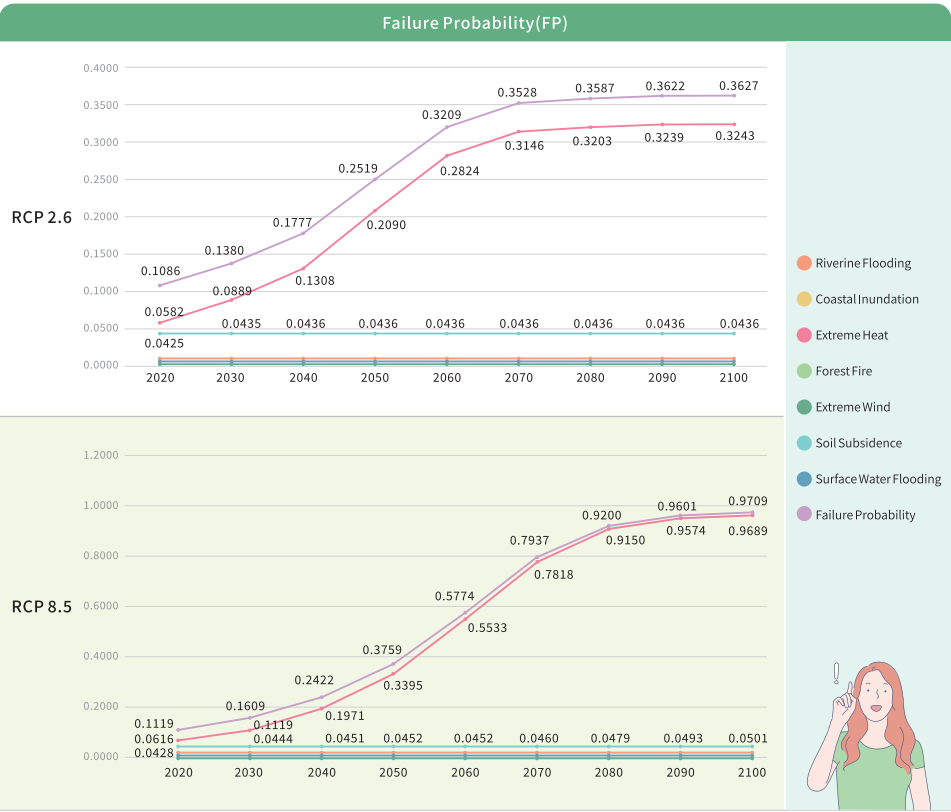
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Failure Probability (FP)

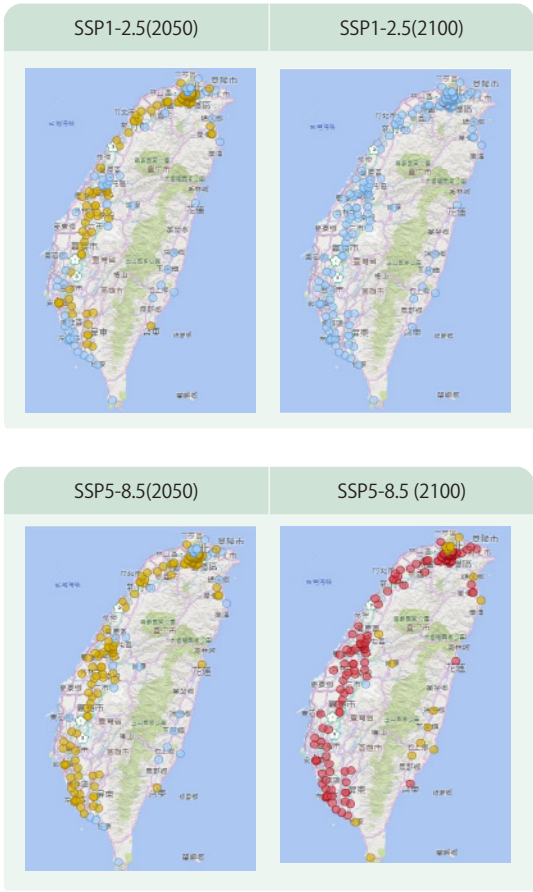
Analysis and results

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 97.09% of operation failure, which makes SKL attach more importance to promoting low-carbon transition.

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



Operating locations and investment real estate are mainly affected by "extreme heat". Therefore, the "Financial Industry Climate Physical Risk Information Integration Platform" was used to further assess the future high temperature situation. Based on the assessment results (as shown in the figure below), it can be observed that under the SSP5-8.5 scenario in 2100, most of the operating locations and investment real estate locations would reach a maximum temperature of 38° C and above, with a red signal of high temperatures.



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 (See 6.3 Risk Management for details). Furthermore, according to IPCC AR6, we estimate that under the RCP 2.6 and RCP 8.5 scenarios, there may be a rise in temperature ranging from 1.3° C to 5.7° 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.

Temperatures are classified as follows with reference to the definition of "High Temperature Signal " of the Central Weather Administration:

- Temperature ≥ 38° C
 38° C > Temperature ≥ 36° C
 Temperature < 36° C

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(2) Real Estate Collateral

Analysis and results

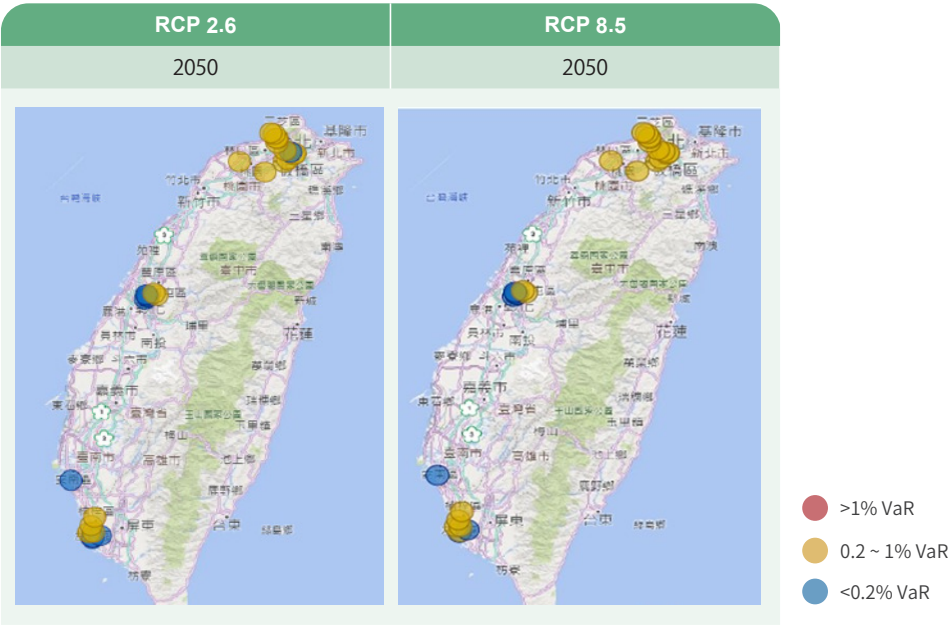
To assess the physical risks faced by the real estate collateral for loans, the Company conducted a physical risk analysis using climate scenarios RCP 2.6 and RCP 8.5. It was found that under the most severe scenario, RCP8.5, of the loans currently undertaken, during 2100, the climate change value at risk (VaR) faced by real estate collateral was only 2 cases in Tainan City and New Taipei City, which was higher than 1%. 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

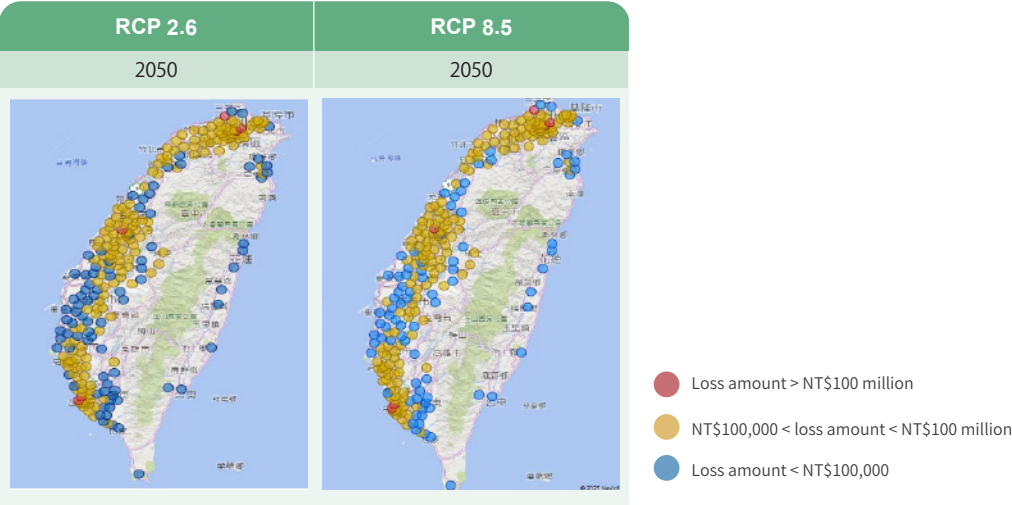
In the future, when undertaking new loans that require an evaluation of real estate collateral, the Company will enhance the assessment of the physical risks associated with the collateral to mitigate the potential climate change risk faced by the loans.

Real Estate Collateral Location Distribution and Corresponding VaR under RCP2.6 / 8.5

Real Estate Collateral Location Distribution and Corresponding VaR under RCP2.6 / 8.5



In addition, the Company also assessed the physical risks faced by real estate collateral for personal loans. Under the RCP2.6 and RCP8.5 scenarios by 2050, the majority of the collateral would be exposed to moderate risks. The distribution of collateral and corresponding risks are as follows:



The Company also used the "Financial Industry Climate Physical Risk Information Integration Platform" to analyze the exposure to flooding hazard (incidence of flooding) and vulnerability (percentage of impairment) based on different climate scenarios for the locations of real estate collateral for domestic corporate loans. The results showed that there were 0 high-risk real estate collateral and 17 medium-risk real estate collateral by 2050 under the SSP5-8.5 scenario.

2050	Indicator	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5
High risk	Number of collateral (percentage of total balance of positions held)	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)
Medium risk		10 (4.75%)	15 (19.15%)	11 (14.16%)	17 (20.67%)

Note 1: High risk is defined as the multiplication of hazard and vulnerability >5%.

Note 2: Medium risk is defined as the multiplication of hazard and vulnerability between 1% and 5%.

Note 3: The evaluation data was based on the "Financial Industry Climate Physical Risk Information Integration Platform". Therefore, the evaluation may be limited by the contents of the platform data.

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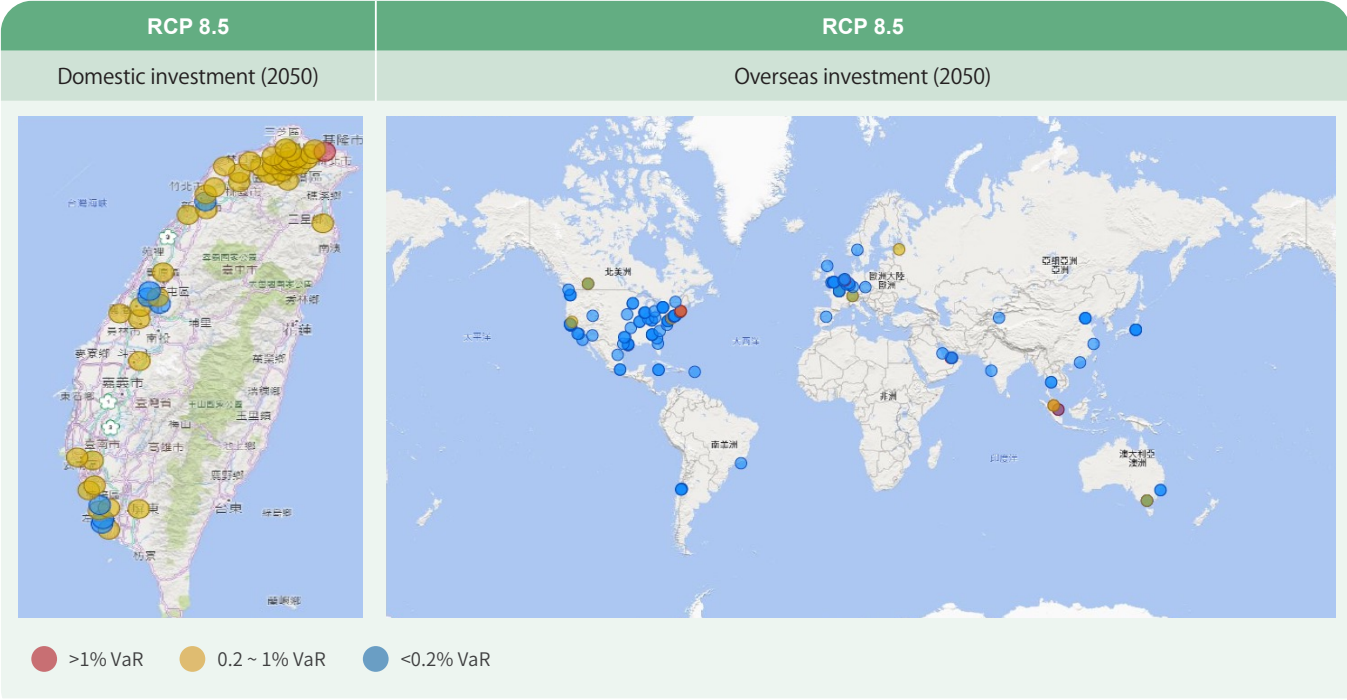
For the company locations of investment targets

For the company locations of investment targets, the Company also assessed and analyzed the physical risks faced by the contact locations of the investment and financing positions. In terms of domestic investment, under the RCP8.5 scenario by 2050, most of the contact locations of the domestic stock and bond positions would be exposed to medium to low risk. In terms of overseas investments, under the RCP8.5 scenario by 2050, most of the contact locations of the overseas stock and bond positions would be exposed to medium to low risk; those with high risk are located in North America, Southeast Asia, etc. Due to the fact that investment positions are not held for a long period of time and are held as securities rather than real estate, they have higher liquidity, are less affected by physical risks, and are more exposed to transition risks. The distribution and corresponding risks are as follows:



Investment and financing target companies

The Company used the "Financial Industry Climate Physical Risk Information Integration Platform" to analyze the exposure under the impact of flooding hazard and vulnerability of the contact locations of domestic investment and financing targets. The results showed that the vast majority of investment and financing targets would be subject to medium and low risks in various climate scenarios by 2050. The statistics of high and medium risks in each scenario are shown in the table as follows.



	2050	Indicator	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5
Stock	High risk	Number of transactions (percentage of total balance of positions held)	2 (0.04%)	3 (0.22%)	1 (0.02%)	6 (0.67%)
	Medium-high risk		16 (26.61%)	19 (29.11%)	14 (23.54%)	31 (63.26%)
Bond	High risk		1 (0.13%)	1 (0.13%)	1 (0.13%)	2 (0.59%)
	Medium-high risk		5 (6.13%)	6 (14.71%)	5 (6.13%)	15 (36.79%)
Credit extension	High risk		0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (0.66%)
	Medium-high risk		2 (42.02%)	2 (42.02%)	2 (42.02%)	2 (42.26%)

Note 1: High risk is defined as the multiplication of hazard and vulnerability >5%.
 Note 2: Medium risk is defined as the multiplication of hazard and vulnerability between 1% and 5%.
 Note 3: The evaluation data was based on the "Financial Industry Climate Physical Risk Information Integration Platform". Therefore, the evaluation may be limited by the contents of the platform data.

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(3) Personal Insurance Thermal Injury Claims Expense Analysis

Analysis and results

In order to assess the relationship between warming and the occurrence of thermal injury events in Taiwan on claims expenses, the Company analyzed the future changes in life insurance thermal injury claims expenses using the 2015~2024 Bureau of Meteorology average daily temperature, amount of claims, and the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)" AR6 climate scenarios. Preliminary results indicated that warming will increase the Company's estimated personal insurance thermal injury claims expenses by no more than NT\$10 million, and that the financial impact on insurance claims was not material. In addition, the data on heat injury claims over the past decade are not representative of the trend of heat injuries for the entire population of Taiwan, and the average daily temperature is not the only variable associated with heat injuries. Due to data limitations, further analyses must be conducted in the future as data become more available.

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. The aim is to continuously enhance the analysis of the impact of climate scenarios on the well-being of the Taiwanese population, understand the climate change risks faced by life insurance products, and assist individuals in coping with increasingly extreme climate trends.

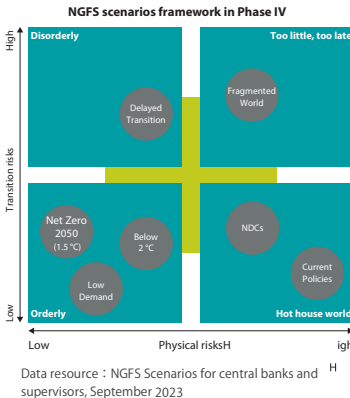
Note: The target periods for heat-related injury insurance products are as follows: 2026-2035, 2056-2065, and 2091-2100. The analysis results are presented based on the end year of each respective period.

(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 (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). Five scenarios, "Current policies", "Delayed transition", "Nationally Determined Contributions(NDCs)", "Net Zero 2050 " and " Fragmented World " 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 CO₂ 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:



Transmission Pathway Diagram for Transitional Risk Assessment

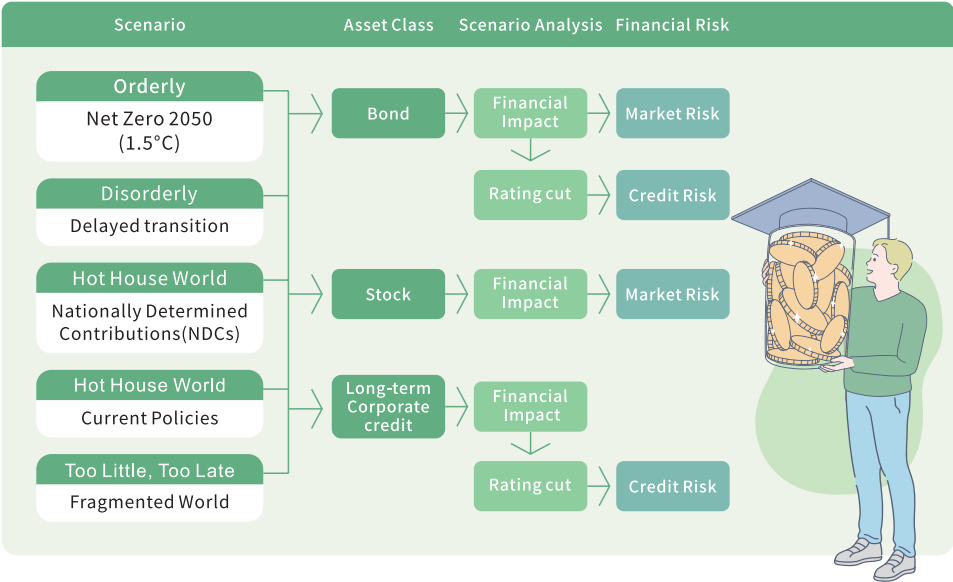


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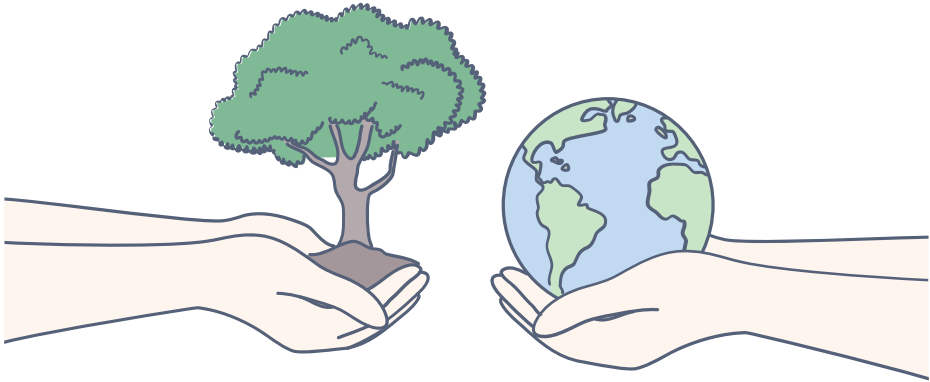
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(1) Transition risk scenario assumptions

Scenario category	Scenario description
Current Policies	Assessment of transition risk indicators based on the existing policy intensity of governments worldwide.
Nationally Determined Contributions	Cover all carbon reduction targets that have been committed, even if there is no corresponding effective policy support.
Delayed transition	Assuming that annual carbon emissions will not decrease by 2030, strong policy support is required to control global warming below 2° C.
Net Zero 2050	Through rigorous climate policies and innovative technologies, global warming can be controlled at 1.5° C to attain global carbon neutrality by 2050.
Fragmented World	It is assumed that the climate policy response of various countries is delayed with inconsistent pace. Countries that do not set net zero goals only comply with current policies, while other countries only fulfill partial carbon reduction commitments.

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	2024-2050 (annually)	<div>• Energy consumption</div> <div>• Energy prices</div> <div>• CO₂ emissions</div> <div>• Carbon prices</div>	<div>• Balance sheet</div> <div>• Income statement</div> <div>• Cash flow statement</div>

(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 1 notch	Average credit rating downgrade of about 1 to 2 notches	Average credit rating downgrade of 2 to 3 notches	Based on the results of scenario analysis on the left, the main industries affected are the oil and gas industry, steel and iron industry, non-alcoholic beverage industry, and semiconductor industry. The financial impacts are limited and the overall outcome is within the Company's acceptable range.
	Nationally Determined Contributions (NDCs)	Average credit rating downgrade of 1 notch	Average credit rating downgrade of about 2 notches	Average credit rating downgrade of 3 notches	
	Delayed transition	Average credit rating downgrade of 1 notch	Average credit rating downgrade of 2 to 3 notches	Average credit rating downgrade of 3 to 4 notches	
	Net Zero 2050	Average credit rating downgrade of about 1 to 2 notches	Average credit rating downgrade of 2 to 3 notches	Average credit rating downgrade of 3 notches	
	Fragmented World	Average credit rating downgrade of 1 notch	Average credit rating downgrade of about 2 notches	Average credit rating downgrade of 3 notches	
Stock investments	Current Policies	<ul style="list-style-type: none">Financial impact indicator: EBITDA MarginCompared to 2024, the maximum average EBITDA Margin decrease for investment targets was 18.21%.			After comprehensively analyzing the impacts of the following risk scenarios on the financial profitability of stock investment targets, the main risks are concentrated in the semiconductor, cement, and steel and iron industries. The Company will continue to manage its investments based on their potential climate risks and returns.
	Nationally Determined Contributions(NDCs)	<ul style="list-style-type: none">Financial impact indicator: EBITDA MarginCompared to 2024, the maximum average EBITDA Margin decrease for investment targets was 18.11%.			
	Delayed transition	<ul style="list-style-type: none">Financial impact indicator: EBITDA MarginCompared to 2024, the maximum average EBITDA Margin decrease for investment targets was 27.58%			
	Net Zero 2050	<ul style="list-style-type: none">Financial impact indicator: EBITDA MarginCompared to 2024, the maximum average EBITDA Margin decrease for investment targets was 26.37%			
	Fragmented World	<ul style="list-style-type: none">Financial impact indicator: EBITDA MarginCompared to 2024, the maximum average EBITDA Margin decrease for investment targets was 21.53%			
Long-term corporate financing	Current Policies	<ul style="list-style-type: none">Average credit rating downgrade of 1 notch compared to 2024			Based on the results of scenario analysis on the left, it mainly affects the construction industry. The financial impacts are limited and the overall outcome is within the Company's acceptable range.
	Nationally Determined Contributions (NDCs)	<ul style="list-style-type: none">Average credit rating downgrade of 1 notch compared to 2024			
	Delayed transition	<ul style="list-style-type: none">Average credit rating downgrade of 1 notch compared to 2024			
	Net Zero 2050	<ul style="list-style-type: none">Average credit rating downgrade of 1 notch compared to 2024			
	Fragmented World	<ul style="list-style-type: none">Average credit rating downgrade of 1 notch compared to 2024			

(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.

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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	Existing risk	Asset category	Method	Climate Scenario	The financial impact of stress testing on the Company	Description
Physical risks	Operational risk	Operating locations and real estate investments	Estimate the number of operational risk events and the impact of losses that may be caused by extreme weather events.	RCP 2.6	Short-term: 2 million Mid-term: 3.22 million Long-term: 5.42 million	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.
				RCP 8.5	Short-term: 2.28 million Mid-term: 3.48 million Long-term: 5.5 million	
Transition risks	Credit risk	Bond investments	Estimate expected credit losses under climate stress scenarios through the changes in credit ratings and Probability of Default (PD).	Current Policies	Credit losses are expected to increase by 0.86%	In the stress test results for bonds, the increase in loss ratios derived from climate change risks are not significant, and the expected credit losses derived therefrom are low as a percentage of the bond positions, indicating a limited impact on credit risk, which falls within an acceptable range for the Company.
				Nationally Determined Contributions(NDCs)	Credit losses are expected to increase by 0.93%	
				Delayed transition	Credit losses are expected to increase by 0.86%	
				Net Zero 2050	Credit losses are expected to increase by 2.27%	
				Fragmented World	Credit losses are expected to increase by 0.86%	
		Long-term corporate financing	Estimate through the changes in credit ratings, Probability of Default (PD), and Loss Given Default (LGD) for collateralized positions affected by physical risk.	Current Policies	Credit losses are expected to be NT\$7.55 thousand	In the stress test results for corporate financing, the amount of losses derived from climate change risks is low, indicating a limited impact on credit risk, which falls within an acceptable range for the Company.
				Nationally Determined Contributions(NDCs)	Credit losses are expected to be NT\$7.55 thousand	
				Delayed transition	Credit losses are expected to be NT\$7.55 thousand	
				Net Zero 2050	Credit losses are expected to be NT\$7.55 thousand	
				Fragmented World	Credit losses are expected to be NT\$7.55 thousand	
	Market risks	Bond investments	Estimate the operational impact on equity and debt issuers due to specific climate stress scenarios related to transition risk.	Current Policies	The loss accounted for 0.21% of the bond position at the end of 2024	The stress test results indicate that the losses derived from climate change risks as a percentage of the bond positions are less than 1%, suggesting a relatively limited impact on market risk. This climate change risk falls within an acceptable range.
				Nationally Determined Contributions(NDCs)	The loss accounted for 0.42% of the bond position at the end of 2024	
				Delayed transition	The loss accounted for 0.21% of the bond position at the end of 2024	
				Net Zero 2050	The loss accounted for 0.15% of the bond position at the end of 2024	
				Fragmented World	The loss accounted for 0.21% of the bond position at the end of 2024	
		Stock investments		Current Policies	The loss accounted for 5.50% of the stock position at the end of 2024	
				Nationally Determined Contributions(NDCs)	The loss accounted for 5.47% of the stock position at the end of 2024	
				Delayed transition	The loss accounted for 5.50% of the stock position at the end of 2024	
				Net Zero 2050	The loss accounted for 5.82% of the stock position at the end of 2024	
				Fragmented World	The loss accounted for 5.49% of the stock position at the end of 2024	

Time scope definition: 2030 (short-term), 2040 (mid-term), 2050 (long-term)

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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.

2.2.3 Implementation of the scenario analysis and stress test, and the control and assessment plan

Based on the scenario analysis results of physical risks and transition risks, scenario analysis and stress test are continuously performed every year. The goal is to assess the financial impact on the company's real estate and investment positions under different climate scenarios, and the assessment results will also be linked to the climate risk issue database (used to identify the Company's climate risks and opportunity projects) and the risk responses will be developed. In terms of physical risks, corresponding countermeasures will be taken against the assessed physical risk factors that have a greater impact; in terms of transition risks, the assessment results show that industries with high climate risks are subject to greater transition risks. Therefore, for investment and financing targets in carbon-intensive industries, we conduct climate change risk assessments before investment, continue to review their ESG and climate performance after transactions, and actively engage with relevant companies to assist them in their zero-carbon transition. In addition, please refer to the appendix for the "Climate Change Scenario Analysis for the Insurance Industry" in accordance with the guarantee fund.



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

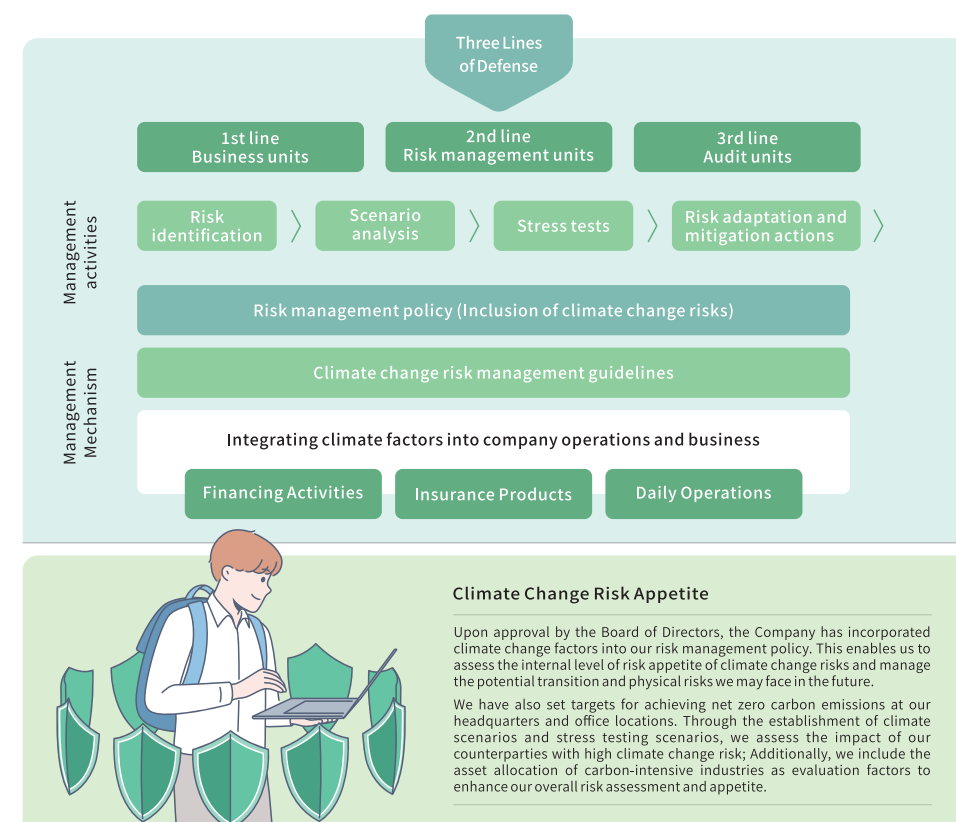


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B .Climate risk management response mechanism

The Company's investment and financing climate change risk management mechanism is from the parent company and the Company:

- (1)Shin Kong Group's climate change risk management mechanisms include the "SKFH Sustainable Finance Policy", "Finance-related carbon emissions management guidelines", and "Guidelines for managing large exposures in individual countries, regions, and industries".
 (2) SKL's climate change risk management mechanism includes the "Climate Change Risk Management Guidelines" and management of the three aspects of investment and financing activities, insurance services, and operating activities.

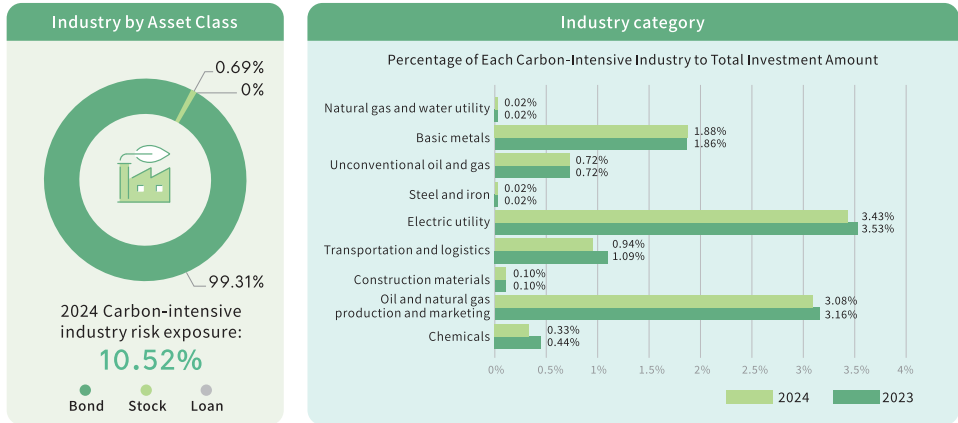
C. Carbon Asset Risk Exposure

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 SKFH Sustainable Finance Policy definition, developed lists of carbon-intensive industries and factored them into climate-related risks analyses for investment and finance decisions. As of 2024, carbon-intensive industries accounted for 10.52% of the SKL's portfolio, of which bonds are the main form (about 99%), and mainly comes from" Electric Utilities & Power Generators" and "Oil & Gas - Exploration & Production" 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.

Lists of carbon-intensive industries	
Chemicals	Electric Utilities & Power Generators
Iron & Steel Producers	Transportation and Logistics
Oil & Gas – Exploration & Production	Building Materials
Unconventional oil and gas (new)	Basic metals (new)
Natural gas and water utility (new)	

Disclosure of risk exposure by asset class and industry category :



Note: The proportion of high-carbon emitting industries in 2023 is calculated based on the standards of 2024. The percentage of high-carbon emission industries to total investment amount decreased in 2024 compared with 2023.

D.Commitment to phase out coal and unconventional oil and gas-related industries

SKL carefully evaluates the use of funds in coal-related high-carbon emitting industries, and follows SKFH' commitment to set a phase-out schedule for coal and unconventional oil and gas-related industries. The scope includes: listed / OTC-traded equity and debt, project financing, credit lines and loans, fixed income product underwriting service, and all active, passive and third-party managed investment positions. Our by-stage commitments are:

1. Direct investment and financing support for coal and unconventional oil and gas-related projects, as well as projects for companies that continue to expand coal and unconventional oil and gas-related businesses, will be suspended from now on.
 2. By 2030, we will completely end investment and financing support for global coal-related industries.
 3. By 2040, we will completely end investment and financing support for unconventional oil and gas-related industries.

The above-mentioned related industries may be excluded if they have specific carbon reduction actions or specific transition plans including adopting science-based carbon reduction targets (SBT), using carbon capture technology to remove carbon emissions, or other carbon reduction actions recognized by third-party organizations. etc., or those that are state-owned enterprises / where local government holds more than 50% of the shares, and the local government has announced a net-zero pathway and net-zero targets consistent with the goals of the Paris Agreement, in such instances, case evaluation can be conducted, and the head of each unit is authorized to maintain business relationships with his / her consent.

Note 1: Coal-related businesses refer to industries related to and where coal mining and equipment, coal trading, coal-fired power generation, and coal transportation account for more than 5% of their revenue or power generation.

Note 2: Unconventional oil and gas-related businesses refer to industries related to and where oil sands, shale oil and gas, Arctic oil and gas, deep-sea drilling, and liquefied natural gas production derived from the above-mentioned non-traditional methods account for more than 5% of their revenue.

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E. Potential risks of low-carbon investments



The Company has integrated ESG issues into green investment and financing decision-making and actions, and is committed to low-carbon transition investments. At the same time, we assessed potential risks that may arise, as described below:

Industry	Industry-specific risks	Risks to which the Company's investments may be exposed
 Low-carbon industry	I. Energy disruption risk: Higher risk of supply disruption for renewable energy. 1. Possible failure of facilities such as wind power plants. 2. Potential network security vulnerabilities in smart energy grids or virtual power stations.	I. Market risk: 1. Power supply disruptions can lead to market shutdowns and reduced revenue. 2. Operations of low-carbon industries invested will be affected accordingly, and the income of investors will also be affected.
	II. Low return risk: Renewable energy investments fail to meet expected returns of investors.	II. Market risk: In the short term, the rate of return may be lower than that of high carbon emission industries, leading to divestment by market investors, which in turn can lead to a decline in the asset value of financial institutions.
	III.Regulatory risk - reduced biodiversity:Wind and solar power require large amounts of land, leading to habitat destruction. Similarly, the use of biofuels as an alternative to oil may help mitigate climate change. However, large-scale use may lead to loss of biodiversity. Reduced biodiversity or increased NOx may violate government regulations in the future.	III.Reputation risk: Investment in companies that violate laws and regulations will lead to a decline in the reputation of the investing company.

2.4 Climate Indicators and Goals

The climate issue has attracted great international attention. 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 order to uphold the spirit of sustainable finance and respond to Taiwan's net-zero strategy, SKFH, our parent company, officially signed the Science Based Targets initiative (SBTi) in 2022 to join 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, and obtained SBTi approval in 2024. SKL has set its own operational carbon reduction goals and taken inventory of the carbon emissions of our investment portfolios. Furthermore, it has established climate-related indicators and identified climate opportunities, aiming to leverage our core competencies in the financial industry to promote the low-carbon transition.

2.4.1 SKL Climate Indicators and Goals

Sustainability Issues	Observation Indicators	Short-term Target	Execution Status in 2024	Medium- to Long-term Target
 Actions for climate change ^{Note 1}	Scopes 1 and 2 reduction ^{Note 1}	Reduce Scope 1 and Scope 2 carbon emissions by 9.2% compared to the baseline year ^{Note 2}	Reduced Scope 1 and Scope 2 carbon emissions by 23% compared to the baseline year	Reduce Scope 1 and Scope 2 carbon emissions by 42% by 2030 according to SBTs
	Decarbonization of investment portfolios	The proportion of listed / OTC-traded stocks and bonds passing the SBT targets will reach 30%	The proportion of listed / OTC-traded stocks and bonds passing the SBT targets reached 34.7%	In 2027, the proportion of listed / OTC-traded stocks and bonds passing the SBT targets will reach 50.3%
 Green operations	<ul style="list-style-type: none">Electricity consumption reductionObtain green building certification for new construction projects	<ul style="list-style-type: none">Reduce electricity consumption by 8.4%Obtain green building certification	<ul style="list-style-type: none">Reduced electricity consumption by 10% compared to last yearObtained 6 green building certificates, 3 green building candidate certificates, and 1 low-carbon building candidate certificate	<ul style="list-style-type: none">Replace all lighting fixtures in all locations nationwide by 2030 to improve the energy efficiency of AC equipmentObtain green building certificate labels (silver and above) for all new projects in future

Note 1: A material sustainability issue of SKL, with the baseline year of 2022.
Note 2: SKL's reduction target for 2024 is 9.2%;reduction target for 2025 is 14.67%.

2.4.2 Financed Emissions

Since 2021, SKL has been calculating the carbon emissions of our 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). In accordance with the disclosure requirements and recommendations of the Financial Industry Scope 3 Financed Emissions Calculation Guidelines, we disclose the inventory coverage rate, financed emissions (ktCO₂e), weighted average carbon intensity (per NT\$ million investment and financing company revenue, tCO₂e/TWD\$M revenue), and economic emission intensity (per NT\$ million investment and financing, tCO₂e/TWD\$M).

● Carbon emissions of investment and financing portfolios

The scope of disclosure in 2024 was based on the items required to be set for the targets announced by the SBTi (listed / OTC-traded equity and bonds, long-term corporate loans). According to the PCAF methodology, REITs are currently unable to be disclosed due to immature methodology and insufficient availability of some information. The Company will continue to improve in order to increase the inventory coverage year by year. The aforementioned values are disclosed in the sustainability report, and the AA1000AS v3 Type 2 Moderate is used as the verification standard of the report.

In 2024, the financed emissions amounted to 1,594 ktCO₂e. Due to the characteristics of insurance company fund allocation, the highest proportion of financed emissions came from bonds, accounting for approximately 91% of the total. In addition, both the weighted average carbon intensity and economic emission intensity show a downward trend year by year. If distinguished by industry category, the industries with high absolute carbon emissions were mainly " oil and natural gas production and marketing" and "electric utility (mainly coal-fired)";observing intensity units, the industries with high weighted average carbon intensity were mainly "construction materials" and "steel and iron". SKL has formulated management regulations for high-carbon emission industries and dynamically adjusted trading strategies to effectively achieve the goal of sustainable financial decarbonization.

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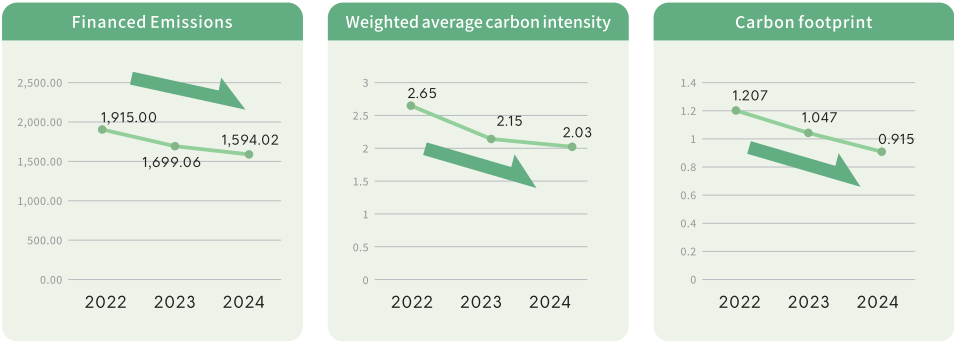
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Carbon emissions of investment portfolios - asset category

Asset class / Year	Financed Emissions (ktCO ₂ e)			Weighted average carbon intensity (tCO ₂ e / TWD\$M revenue)			Carbon footprint (tCO ₂ e / TWD\$M)		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Listed equity	262.79	227.77	133.85	0.534	2.97	2.61	1.270	1.168	0.657
Corporate bonds	1,651.98	1,471.29	1,460.17	2.114	2.04	1.96	1.199	1.031	0.95
Long-term loans	0.23	0.003	0.004	0.0003	0.02	0.03	0.130	0.002	0.005
Total	1,915.0	1,699.06	1,594.02	2.65	2.15	2.03	1.207	1.047	0.915

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, 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: The scope of the inventory was based on the items required to be set for the SBTs announced by the Science Based Targets initiative (SBTi), in which the inventory of each asset in 2024 covered 100% of listed / OTC-traded equity and bonds, and over 67% of long-term corporate loans (non-SMEs).



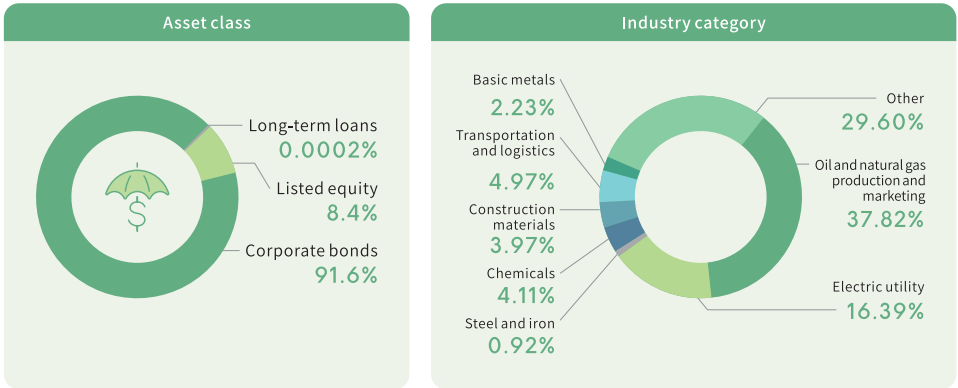
Since SKFH joined the Nature-Related Financial Disclosure (TNFD) Forum in 2023 to discuss global natural capital issues and future solutions with leading international organizations, SKL initially followed the requirements of the LEAP methodology of the TNFD guidelines, conducting an overlay analysis of Taiwan’s operating locations and investment positions in high-nature-sensitivity industries, using coordinates to analyze whether their locations overlap with biodiversity areas. The results showed that SKL has three sales representative office located within 1 kilometer of animal diversity hotspots. Due to these locations are located in populated urban areas, the initial assessment of the impact and risk level is relatively low.

Carbon emissions of investment portfolios - industry category

Industry	Ratio to the overall investment portfolios	Carbon emissions (ktCO ₂ e)	Carbon emissions coverage rate (%)	Weighted average carbon intensity (tCO ₂ e / TWD\$M revenue)
Oil and natural gas production and marketing	3.35%	602.93	37.82%	14.33
Electric utility (mainly coal-fired)	3.01%	261.23	16.39%	13.14
Steel and iron	0.06%	14.65	0.92%	23.56
Chemicals	0.58%	65.44	4.11%	15.03
Construction materials	0.17%	63.21	3.97%	57.97
Transportation and logistics	1.05%	79.28	4.97%	6.73
Manufacture of basic metals	1.35%	35.50	2.23%	11.16
Other	90.43%	471.78	29.60%	0.81
Total	100.00%	1,594.02	100.00%	2.03

Note: The basic metal manufacturing industry has been newly added to the list of high-carbon emitting industries since 2024 after the adjustment.

2024 Carbon emissions by asset class and industry category :



● Sovereign bond financed emissions

The Company follows the carbon emissions calculation methodology announced by PCAF to inventory Scope 1 financed emissions related to sovereign bonds, and newly disclosed the carbon emissions of sovereign bonds.

2024	Financed Emissions (ktCO ₂ e)	Economic Emissions Intensity (ktCO ₂ e/USD\$M)
Scope 1 (Excluding LULUCF)	5,640.54	0.29
Scope 1 (Including LULUCF)	5,874.00	0.30

Note 1: The United Nations Framework Convention on Climate Change (UNFCCC) also takes Land Use, Land Use Change and Forestry (LULUCF) into consideration for greenhouse gas, so that countries can estimate their carbon emissions and carbon removal according to the LULUCF plans. The total national carbon emissions may increase or decrease due to LULUCF.

Note 2: The sovereign bond investment positions are the data in 2024. In light of information access limitations, the national carbon emissions were calculated using the data in 2021, and the GDP adjusted for purchasing power parity was calculated using the data in 2023.

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3

Advancing Towards
A Net Zero Future

| GRI 3-3 |



Plan

- Follow the SBTi carbon reduction pathway and establish Shin Kong carbon reduction guidelines.
- Establish self-generated renewable energy facilities for self-use.
- Construct green buildings.

Commitment

Shin Kong Life believes that net-zero emissions should be more than just a slogan, and that building a sustainable, low-carbon future should start from the ground up. Therefore, we have set a goal to move steadily toward net-zero through careful data inventory, reduction planning, and internalization of carbon reduction awareness.

Material Topic	2024 Target	Status of Achievement	Major Performances in 2024	Short-term Target (2025)	Medium- to Long-term Target (2030 as the Target Year)
Actions for climate change	Continued to implement carbon reduction targets and plans for own operations, achieving a decrease of 9.2% compared to the baseline year (2022).	✓	• S1+S2 emissions reduced by 23% compared to the baseline year (2022).	• Reduce S1+S2 emissions by 14.7% compared to the baseline year (2022). • Complete self-generated renewable energy facilities for self-use at 1 location.	• Reduce S1+S2 emissions by 42% in 2030 compared to the baseline year (2022). • Complete self-generated renewable energy facilities for self-use at 3 locations.
	Optimized the sustainable design of new construction projects and obtained green building labels and other sustainable real estate certifications.	✓	• Obtained 1 new Diamond-Level Low Carbon Building Candidate Certificate.	• Obtain green building certificates (Silver-Level and above) for all new projects.	

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3. Advancing Towards a Net Zero Future

3.1 Low Carbon Operational Management | GRI 2-27

SKL continues to minimize the impact of its financial services on the environment. In addition to actively participating in and sponsoring environmental protection activities, SKL has promulgated the "SKL Environmental Policy", which serves as the supreme basis for environmentally sustainable actions. In order to effectively promote environmental sustainability, the "Environmental Protection Group" has been established under the Corporate Sustainability Committee, which is responsible for the planning and implementation of environmental policies, strategic goals, and action plans. The Group regularly reports the results of various actions to the Committee. In particular, the annual greenhouse gas inventory is submitted to the board of directors on a quarterly basis for review and control. In order to achieve the goal of zero net emissions by 2030, we continue to improve the energy efficiency of our energy facilities and are gradually realizing the SDG 13 target.

In terms of actions, we are working with our employees and policyholders to implement environmentally friendly actions and responsibilities by improving energy efficiency, reducing the consumption of paper, waste and water, and strengthening the environmental awareness mechanism. There were no violations of environmental laws and regulations in 2024.

SKL Environmental Policy

Based on our obligation and responsibility for environmental protection, we will provide necessary resources for environmental management, provide necessary assistance from all management levels, and use our environmental policy as a guideline for our self-expectation of environmental friendliness, and make our beliefs on environmental protection concrete and transparent, and we will commit ourselves to achieving the following policies:

- Be a responsible global citizen by complying with environmental laws and regulations.
- Participate in the introduction of environmentally friendly policies and the establishment of an environmental management system.
- Promote independent environmental protection and energy saving measures and resource reuse to establish a low carbon enterprise.
- Enhance the environmental awareness of all employees and promote environmental education to fulfill our corporate social responsibility.
- Continuously improve the effectiveness of environmental issues to achieve the goal of sustainable management.

SKL will require all employees to follow and fulfill the above commitments, as well as work with suppliers and contractors to promote this concept and disclose it to the public.

Through comprehensive environmental management measures and mechanisms, we reduce the consumption of energy and resources in our daily operations, lowering overall carbon emissions of the Company. Since 2014, SKL has introduced environmental management certification and continues to maintain the system; in 2024, SKL maintained the validity of ISO 14046 water footprint verification, expanded the scope of ISO 50001 energy management system verification to include the Shin Kong Songshan Financial Building in addition to the Shin Kong Life Tower, completed ISO 14064-1: 2018 greenhouse gas inventory for all locations (including overseas), and obtained third-party verification certificates.

Although the life insurance industry does not directly cause any negative impact on the environment, SKL has integrated low-carbon concepts into its daily operations through its four "low-carbon operation" strategies.

Four Low Carbon Operation Strategies



Implementing
Greenhouse Gas
Inventory



Improving
Energy/Resource
Efficiency



Shaping a Green
Culture



Constructing
Green Buildings

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3.2 Low Carbon Strategy Actions

Implementing Greenhouse Gas Inventory

GRI 305-1、305-2、305-3、305-4、305-5

A. GHG emissions

Following SKFH's science-based targets, we set the goal to reduce Scope 1 and Scope 2 carbon emissions by 42% by 2030. SKL's goal for 2024 was to achieve a reduction by 9.2% compared to the baseline year (2022). The actual Scope 1 and Scope 2 GHG emissions was 11,803 tCO₂e, a successful reduction of carbon emissions by 23% compared to the baseline year. As the main carbon emissions came from the administrative work of the staff, the emission intensity per person is assessed to be 1.18 tCO₂e based on the number of full-time employees. In addition to energy conservation, we are also taking action to support green energy. In 2024, we replaced general electricity consumption with about 540,000 kWh of green power, and gradually increased the proportion of green power usage in line with the Group's net-zero target, so as to contribute to the mitigation of global warming.

GHG Emissions Over the Last Three Years

	Unit	2022	2023	2024
Total GHG emissions	tCO ₂ e	18,005.67	16,737.21	14,531.27
Scope 1 emissions (C1)	tCO ₂ e	1,553.66	1,463.21	1,322.90
Scope 2 emissions (C2)	tCO ₂ e	13,768.62	12,484.70	10,480.58
Total controllable GHG emissions (C1+C2)	tCO ₂ e	15,322.28	13,947.92	11,803.48
Scopes 1 and 2 emission intensity	tCO ₂ e / person	1.59	1.51	1.18
Scopes 1 and 2 emission density	tCO ₂ e /per million NTD	0.0529	0.0538	0.0370
Other emissions (C3~C6)	tCO ₂ e	2,683.39	2,789.30	2,727.79
Scope of other emissions (C3~C6)	-	Travel + Insurance Application/ Procurement of Indirect Energy GHG Emissions + Document Destruction	Travel + Insurance Application/ Procurement of Indirect Energy GHG Emissions + Document Destruction	Travel + All Paper Procurement of Indirect Energy GHG Emissions + Document Destruction

Note 1: The baseline year of comparison is the year in which the parent company SKFH officially signed the SBTi commitment in 2022 to join the international decarbonization efforts. The data of the year was verified by SGS according to ISO14064-3:2006 and met the ISO14064-1: 2018 standards.

Note 2: The data in 2023 and 2024 were verified by DNV according to ISO14064-3:2006 and met the ISO14064-1: 2018 standards.

Note 3: Emissions are calculated using the operational control approach and the "annual usage (activity data) * emission factor * GWP value". The emission factor in this table was selected from the "Summary of Factor from the Research of Greenhouse Gas Emissions Collected by the Ministry of the Environment, Executive Yuan - Emission Factor Management Table (Version 6.0.4)". The GWP value was based on the Sixth Assessment Report of Intergovernmental Panel on Climate Change (IPCC AR6, August 2021).

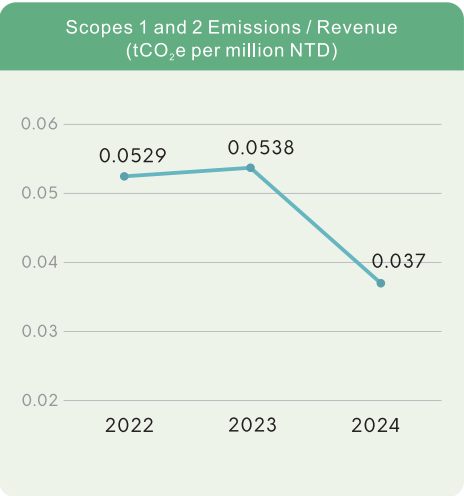
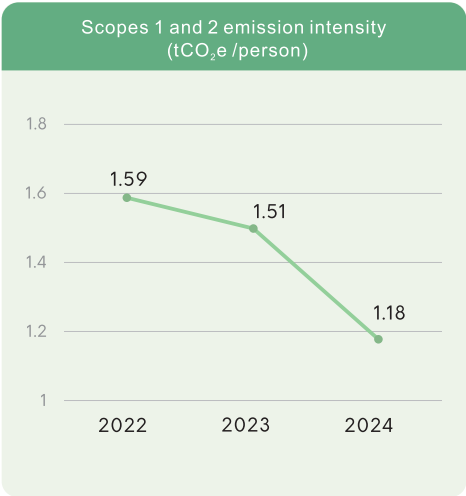
Note 4: Scope 1 emissions (C1) refers to direct emissions from stationary combustion sources (emergency generator diesel, natural gas used in the staff canteen), mobile combustion sources (company car oil), and other anthropogenic system fugitives (air-conditioning refrigerants and septic tanks).

Note 5: Scope 2 emissions (C2) refers to indirect electricity emissions, which are calculated using the latest electricity emission factor (0.494 kg CO₂-e/kWh for 2023 and 0.474 kg CO₂-e/kWh for 2024) provided by the Bureau of Energy, Ministry of Economic Affairs.

Note 6: Other emissions (C3~C6) are disclosed based on annual significance assessments, with C1 + C2 used as the carbon emission intensity standard.

Note 7: The number of full-time employees calculated for carbon emissions intensity was 9,632 in 2022, 9,238 in 2023, and 9,992 in 2024.

Note 8: Inventory boundary: There were 168 buildings (including overseas) in 2022 (baseline year of SBTi), 167 buildings (including overseas) in 2023, and 145 buildings (including overseas) in 2024 used by the Company's permanent employees as locations of operations.



In response to the requirements of "Article 8 of the Regulations Governing Public Disclosure of Information by Life Insurance Enterprises", the GHG emissions of "Shin-Kong Life Real Estate Service Co., Ltd.", a subsidiary of SKL, in 2024 are as follows. It is expected to complete the disclosure of assurance information in 2027.

Total GHG emissions	Scope 1 emissions (C1)	Scope 2 emissions (C2)
66.6905 tCO ₂ e	1.5934 tCO ₂ e	65.0791 tCO ₂ e

Scopes 1 and 2 emission intensity	Scopes 1 and 2 emission density
0.2268 tCO ₂ e / person	0.0582 tCO ₂ e / per million NTD

Note: In 2024, the number of full-time employees of Shin-Kong Life Real Estate Service Co., Ltd. was 294, with an operating revenue of NTS1,146 million.



B.Internal carbon pricing mechanism

In accordance with the Greenhouse Gas Reduction and Carbon Pricing Management Regulations of the parent company SKFH, we set internal carbon prices based on the shadow price model, and stipulate that if the total greenhouse gas emissions exceed the reduction target for the year, the purchase of renewable energy certificates (T-REC), renewable energy or energy-saving projects should be included in the expenses of the following year (such as energy conservation and replacement fees, carbon offset projects, etc.) as the discretionary internal carbon prices, in order to understand carbon emission costs and carbon reduction efficiency, and to achieve the purpose of effective carbon risk control.

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3.2.2 Improving Energy/Resource Efficiency

The primary electricity consumption used by the financial and insurance industry is air-conditioning, lighting and business equipment in office buildings. We aim to improve the efficiency of energy use of electrical equipment through planned upgrades, taking into account the concept of a circular economy, by upgrading old and high energy-consuming equipment, enhancing equipment maintenance and management, actively responding to energy-saving and carbon-reducing campaigns organized by the government or non-governmental organizations, and selecting environmentally friendly and energy-saving labeled equipment with a high degree of preference to achieve the goal of electricity saving.

SKL has set its own operational carbon reduction targets and implementation strategies. In 2024, we comprehensively reviewed the status of lighting usage, gradually replaced existing lighting with high-efficiency lamps with energy-saving labels, optimized the energy efficiency of air-conditioning systems and other energy-consuming equipment, installed regenerative power systems in elevators, and planned for an innovative approach of self-generated renewable energy wheeling, in order to reduce our reliance on energy resources, and gradually replace those that cannot be reduced with renewable energy sources and environmentally friendly products, thereby bringing positive benefits to environmental sustainability.



SKL Energy Management Goals

Management Item	2024 Target	Execution Status in 2024	Targets Before 2030
Scopes 1 and 2 carbon emissions	Cumulative reduction of 9.2% compared to the baseline year (2022)	Achieved	Cumulative reduction of 5.47% per year compared to the baseline year (2022)
Electricity consumption		Achieved	
Water consumption	≤200,035.67 kL	Achieved	≤ Average consumption per person in the past three years
Fuel consumption of company cars	≤2,145.64 liters	Not achieved ^{Note}	
Paper consumption	≤22,677 packs	Achieved	

Note: Please refer to [D_Energy Consumption in Transportation](#) for details of the target not achieved.

A. Electricity Consumption

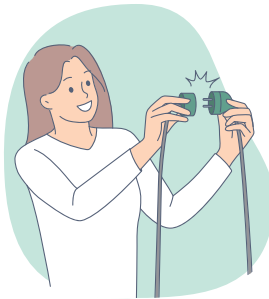
Electricity Consumption for the Past Three Years

	Unit	2022	2023	2024
Total electricity consumption	kWh	27,050,327	25,791,472	22,108,464
Number of full-time employees	Person	9,634	9,238	9,992
Electricity consumption intensity	kWh/person	2,807.80	2,791.89	2,212.62
Renewable energy use	kWh	—	522,000	540,000



1. Energy Saving Projects

In 2024, through the upgrade of lighting fixtures and compressor motors as well as the installation of regenerative power systems in elevators, it is estimated to reduce nearly 950,000 kWh of electricity. We voluntarily participated in Taipower's demand bidding activity, and sold back to Taipower the electricity saved during heavy loads, receiving a deduction of electricity bills. Through this measure, the electricity saved increased 17 times compared with last year, which is a clear indication of the potential for lowering electricity consumption. Furthermore, by re-examining the office space used by each unit, we implemented space efficiency management and carried out unit integration, in order to avoid space wastage and increased energy consumption. This project is expected to reduce electricity consumption by 2 million kWh.



Energy saving projects in 2024

Main Implementation Projects	Annual Electricity Savings (kWh)	Annual Electricity Savings (MWh)	Annual Emission Reductions (tCO ₂ e)
Participation in Taipower demand bidding activity	2,882	2.88	1.42
Upgrade of lighting fixtures and compressor motors (Songshan Financial Building, Huiguo Building, Chungtsu Shuanghsing)	938,528	939	465
Installation of regenerative power systems in elevators (Songshan and Xinzhuan)	10,400	10.40	5.15
Integration of space used by each unit	2,000,000	2,000	988

Note: The lighting upgrade of Chungtsu Shuanghsing and installation of Xinzhuan's regenerative power system were completed in the second half of 2024. Energy savings and carbon reduction values listed in the table represent the estimated annual benefits.

2. Energy Saving in Data Center

With energy saving and carbon reduction as the highest goal, SKL selects energy-saving equipment according to the annual business growth, and through virtual environment and resource integration, and continuously adjusts the power consumption of the server room, the power usage effectiveness (PUE) of the computer server room in SKL's Bade Building was maintained at a stable level of 1.55-1.64 in 2024, which was rated as a silver benchmark by the Green Grid Association's PUE evaluation standard.

Note: The lighting upgrade of Chungtsu Shuanghsing and installation of Xinzhuan's regenerative power system were completed in the second half of 2024. Energy savings and carbon reduction values listed in the table represent the estimated annual benefits.



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B. Water consumption

SKL's water consumption is mainly for office livelihood use, for employees and some consumers. We are committed to minimizing water wastage, with a reduction in water consumption of 8.8% in 2024 compared to last year, and a significant drop in average consumption per person; in the future, we will continue to plan for a more comprehensive water resource management policy to reduce water consumption.



Water Consumption for the Past Three Years

Indicator	2022	2023	2024
Water consumption in buildings across Taiwan* (Unit: kL)	205,083	193,784	176,653
Average consumption per person (Unit: kL/person)	21.29	20.98	17.68

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 domestic waste generated by its employees. SKL has gradually increased the total amount of recycled resources and reduced waste generation by formulating a long-term reduction strategy, encouraging employees to use environmentally friendly tableware, and actively promoting a system of waste reduction and recycling separation.

Waste Statistics for the Past Three Years

Item	Unit	2022	2023	2024
Total recycled waste	Tons	556.7	321.9	322.1
Total incineration	Tons	1,538.2	1,100.4	1,104.7
Total waste quantity	Tons	2,094.9	1,422.3	1,426.8
Resource recycling rate	%	26.6%	22.6%	22.6%
Waste intensity	Ton/person	0.21	0.15	0.14

Note 1: In 2024, 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, Shin Kong Life Fuxing Building, Shin Kong Life Huiguang Building, and Shin Kong Life Zhongxing Building).



D. Energy Consumption in Transportation

The fuel consumption of company cars at the head office increased by 19% compared with the previous year due to the increase in the number of business activities and the increase in the demand for office operations such as relocation of document files. In response to the reduction of carbon emissions from transportation vehicles, in 2024, the company cars for senior executives were changed to leased hybrid vehicles, which can automatically adjust the kinetic energy according to the speed of vehicles and the force of the throttle, and convert kinetic energy consumed during braking or excessive kinetic energy generated during transportation into electrical energy for power storage of batteries, thereby addressing the high demand for customer visits and achieving the goal of emissions reduction.



Transportation Statistics for the Past Three Years

Item	Unit	2022	2023	2024
Total fuel consumption of company cars	Liter	2,381	3,047	3,627
GHG emissions	tCO ₂ e/year	5.61	7.18	8.34

3.2.3 Shaping a Green Culture

SKL is actively integrating digital finance to reduce energy and resource consumption through the application of "mobility, cloud computing, e-processing, and data" behaviors and tools. SKL also actively promotes environmental education and low-carbon living so that employees, family members, and policyholders can work together to reduce energy consumption and reduce carbon emissions in their daily lives.

A. Implementing Digital Office

1. E-administration

SKL has introduced technology applications to take stock of paper-consuming operations and evaluate the feasibility of e-operations. In addition to the long-term implementation of electronic official documents and administrative forms, the Company has adjusted legal compliance, audit administration, suppliers and procurement, board of directors and audit committee meetings to electronic and systematic operations, in order to significantly improve administrative efficiency and reduce paper consumption. The administrative paper consumption target for 2024 was achieved, reducing 2,207 packs and carbon emissions by 7.5 tCO₂e compared to the estimated consumption.

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2. E-insurance services

SKL is committed to providing various digital services and disseminating the concept of digital sustainability, encouraging policyholders to use e-policies and e-documents, recommending customers to join online memberships, and using digital tools instead of paper. On the other hand, we actively empower sales representatives with digital capabilities by launching the "e-agent digital sales representative service certification mechanism" to observe various digital service transaction indicators, and familiarize sales representatives with e-business tools through project promotion and specialized training. We also established digital-related incentive measures to accelerate the digital transformation of business marketing. Starting from July 2024, e-reissue service was launched, whereby sales representatives can obtain real-time reissue information through tablets, and transmit relevant documents electronically to speed up the process of new contracts, thereby providing customers with high-quality and low-carbon financial services.

E-insurance tool	Number of tools used	Usage rate (%)
e-insurance policies	218,139	46.9% ^{Note 1} (465,200 new contract policies)
e-notices	2,363,477	81.4%
Mobile e-insurance ^{Note 3}	181,469	93.5%
e-claims	350,501	93%
e-policyholder service	234,151	73%
e-benefit payment	23,829	80.3%
e-reissue	31,176	34.7%

Note 1: The usage rate of e-policies is calculated based on the number of new policy contracts.
 Note 2: The scope of Mobile Business app is limited to SKL channels.
 Note 3: Mobile e-Insurance includes statistics for life insurance and accident insurance policies.



In 2024, approximately 22.87 million sheets of paper and approximately
 155.5 tCO₂e
 were saved through e-insurance services.

Note 1: Number of paper consumed/500 (500 sheets in a pack) = Number of paper consumed (pack).
Note 2: Carbon emissions per pack of A4 paper (70g/sheet) total 3.4kg CO₂e.
Note 3: Amount of paper consumed (pack) x 3.4 kg CO₂e/1,000 (unit conversion)= Carbon emissions (tCO₂e) saved.



B. Promoting Low Carbon Green Living

In order to comprehensively implement green office, we have drastically changed our office model, replacing the physical office with online meetings and online education and training courses, which effectively reduces the carbon footprint caused by commuting and personnel movement. In addition to encouraging the use of digital tools, we also actively encourage more walking or the use of low-carbon transportation tools (such as bicycles) for close-range policyholder visits to reduce the impact of emissions caused by the transportation of field personnel, which not only helps reduce greenhouse gas emissions, but is also beneficial to the health of our employees.

Meanwhile, in order to continue to promote the concept of "Embrace Green Life, Adapt to the New Climate", SKL has posted slogans related to green office in the office area, promoted walking exercises on the upper and lower three floors, and encouraged employees to increase exercise and reduce the use of elevators. We have kept the air-conditioning temperature at the summer temperature range of 26 °C to 28 °C, as announced by the Bureau of Energy. SKL has implemented the "Light Shirts in Summer" for 18 consecutive years, whereby male employees wear shirts with no ties, and female employees wear short-sleeved uniforms to support environmental protection, energy conservation and carbon reduction with concrete actions.

1. New Life for Old Clothes, Light up the World - Heart and Light Tour

SKL integrates issues encompassing low carbon living, circular economy, and support for disadvantaged groups through cross-sector collaboration and partnerships to initiate an innovative solution - New Life for Old Clothes, Light up the World. This initiative creates employment opportunities for disadvantaged groups by upcycling used jeans collected through charity events. The reproduced products are used for public welfare fundraising, helping disadvantaged families to obtain microinsurance risk protection. Continuing our innovative business model from 2023, we organized the "Heart and Light Tour" event in 2024. We worked with Story Wear to form a team composed of 8 to 10 street corner seamstresses to transform recycled fabrics and discarded bed sheets into 640 pieces of zero-waste fashion accessories. In addition, we partnered with the Syin-Lu Social Welfare Foundation in a charity project, which was supported by a total of 114 people with actual donations. SKL joined hands with partners to exert our influence. The funds raised will be utilized to help 459 people with disabilities obtain basic risk protection. The Syin-Lu Social Welfare Foundation will provide employment counseling and support, so that the disadvantaged can move forward to a sustainable and self-reliant life.



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2. Nationwide Hiking - Carbon Reduction Lifestyle Festival

In 2024, SKL's nationwide charity hiking activities took "Carbon Reduction Lifestyle Festival" as the theme of the event to promote the concept of sustainable carbon reduction, combining the concept of ESG and carbon reduction lifestyle with a series of activities, and inviting Zero Market, MY HONG TE, SwingTaiwan and Beautiful City to participate in exhibitions and sales. Three events were held in Kaohsiung (Dayi Pier-2 Park), Taichung (Central Park), and Taipei (Hua Zhung Campsite), with a total of more than 1,800 participants. To implement the concept of carbon reduction and plastic reduction, no disposable containers and tableware were provided on site. Participants were encouraged to bring their own environmentally friendly tableware and water bottles. After hiking, 316 stainless steel lunch boxes were given away in order to contribute to environmental protection and love the earth through carbon reduction.



3. Joining the Beautiful City Platform - Promoting the Personal Carbon Passbook Project

In response to the international trend of Net Zero emission by 2050, SKL joined the "Beautiful City" platform launched by GreenhopeTW on LINE to promote the "Personal Carbon Passbook Project". Combined with SKL's online insurance enrollment business and nationwide charity hiking activities, four low-carbon task rewards were launched to encourage the public to complete tasks in exchange for low-carbon action rewards provided by SKL, enabling the public to transform their low-carbon actions into tangible "green gold". Meanwhile, on June 24, Chairman Wei, Mark also shared SKL's carbon reduction cases at the "Sustainable Taipei City: New ESG Solutions and Consumer Carbon Pricing Conference", hoping that the general public will take ESG actions in response to the 10 "Green Lifestyle" of 12 Key Strategies of Taiwan's 2050 Net-Zero Transition.

C. Net Zero Initiative and Action

In line with the National 2050 Net Zero Emission Path and Strategy, SKL, together with its parent company SKFH, has joined the Taiwan Alliance for Net Zero Action (TAISE), which responds to and promotes the "Taiwan Net Zero Emission Initiative Net Zero 2030/2050," and has also formulated SKL's midterm goals for net-zero carbon reduction and its implementation strategy. By 2030, SKL will replace all lighting with LEDs, gradually improve the efficiency of air-conditioning equipment, establish self-generated renewable energy facilities for self-use, and replace general electricity consumption with green electricity. SKL will also continue to conduct training on environmental sustainability to encourage employees to change their habits of using energy resources.

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.

A. SKL's Commitment to Eco-friendly Buildings

- Plan for future investment and development of new buildings to comply with the Green Building Label at the silver level or above/ or with 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.



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B. Sustainable Green Building Achievements

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 2024, we had applied for Green Building Labels for 9 buildings, including 6 Green Building Labels (obtained), 3 candidates for Green Building Labels, 1 candidate for Low Carbon Building Label, and 1 LEED credential (obtained). We also expect to apply for Green Building Labels for six projects currently under construction in 2024 or are still under planning.

The Nangang Bus Station BOT obtained the Diamond-Level Low Carbon Building Candidate Certificate. Through design and planning, the project reduces the amount of materials used in the main structure, such as beams, columns, slabs, and walls, and adopts low-carbon construction methods to reduce carbon emissions of the building during the construction stage. The Company is committed to creating a low-carbon, sustainable and smart green building.

The Company aims to improve the aesthetic and construction quality of buildings, and further supports 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 prosper."

Green Buildings for the Past Three Years

Building	Results	Investment Amount	Green Benefit		
			Amount of CO ₂ absorbed	Soil water content (greenery design)	Capacity of rainwater storage (recycling and reuse)
Shin Kong Jasper Villa President	Green Building Label (Silver) in 2022	2.418 billion	1477.025t	31.08m ³	217.27m ³
Shin Kong Hangzhou North Road Superficies Case	Obtained the Silver-Level Green Building Candidate Certificate in 2022	3.313 billion	357.88t	-	269.10m ³
Superficies in Qianjin District, Kaohsiung City	Obtained the Silver-Level Green Building Candidate Certificate in 2023	2.649 billion	0.65536t	3.56m ³	-
Nangang Bus Station BOT	Obtained the Gold-Level Green Building Candidate Certificate in 2023 Obtained the Diamond-Level Low Carbon Building Candidate Certificate in 2024	5.89 billion	Amount of CO ₂ absorbed: 1.03849t Amount of carbon reduction: 48,979 tCO ₂ /60yr	15.87m ³	587.72m ³

C. Green Leasing Achievements

In response to the "Taiwan Renewable Energy Certificate (T-REC) Single Meter Multiple Users Transaction Guidance Demonstration Program", SKL has procured green power to replace part of its general electricity consumption, and has also assisted in the matchmaking process so that building tenants can smoothly obtain green power and renewable energy certificates.

We also promoted the 2.0 "Green Leasing Program". The buildings that have already procured green power include the SKL Tower, Nanjing Technology Building, and Xinyi financial Building, with a total of approximately 1,150,000 kWh of green power/year. In the future, we will assist building tenants in introducing renewable energy, increasing the use of green power energy, and minimizing the impact on the environment.



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4

Nurturing Diverse Talents

GRI 3-3

Plan

- Encourage diverse experiences.
- Listen to the employees' opinions.
- Competency-oriented training.
- Diversity and equality measures.
- Improve sustainable health of employees.

Commitment

SKL recognizes talent as an important asset for sustainable operations and employs people on the basis of merit. SKL not only promises to be a benchmark company in providing quality protection to its policyholders, but also aims to be a company that takes care of its employees with peace of mind, and strives to create a friendly and happy workplace.



Material Topic	2024 Target	Status of Achievement	Major Performances in 2024	Short-term Target (2025)	Medium- to Long-term Target (2030 as the Target Year)
Talent recruitment and retention	Regularly monitor the retention intentions of outstanding talent	<input checked="" type="checkbox"/>	• Retention rate of outstanding talent: 95%	• Retention rate of outstanding talent > 90%	• Retention rate of outstanding talent > 90%
	Conduct employee commitment surveys every two years	<input checked="" type="checkbox"/>	• Employee commitment survey was 65% in 2024	• Employee commitment survey will reach 70%	• Employee commitment will reach 75%
	Increase training hours	<input checked="" type="checkbox"/>	• Average employee training hours were 101 hours for office staff; 153 hours for field personnel	• Employee training hours will reach 80 hours for office staff; 100 hours for field personnel	• Average training hours per employee will reach 100 hours
	Provide training programs designed for female employees	<input checked="" type="checkbox"/>	• Percentage of females in senior management positions: 23%	• Percentage of females in senior management positions will reach 27%	• Percentage of females in senior management positions will reach 30%
		<input checked="" type="checkbox"/>	• The ratio of fixed salary for professional positions by gender reached 89%	• The ratio of fixed salary for professional positions by gender will reach 89%	• Improve the gender pay ratio
Happy and healthy workplace*	The percentage of employees with high health risks will decrease by 0.1% compared to the previous year	<input checked="" type="checkbox"/>	• The percentage of employees with high health risks decreased by 0.18% compared to the previous year	• The percentage of employees with high health risks will decrease by 0.1% compared to the previous year The coverage ratio of health promotion activities will increase by 5%	• Management KPIs will be linked to employee health indicators

*Note: A happy and healthy workplace was included as the sustainability material topic of SKFH in 2024.

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4. Nurturing Diverse Talent

4.1 Diverse Recruitment

Adhering to the spirit of "Endless Heritage, Unlimited Innovation", we strengthen the human capital strategy of function building and ensuring the sustainable development of the organization's talents. We adopt the Balanced Scorecard development and operation plan, together with a performance development system that integrates functions, to plan and promote the overall human capital development of the "Selection, Employment, Nurturing, and Retention" program.

4.1.1 Building Inclusive Workplace

A. Employee Structure

We emphasize local talent and diversity. SKL's workforce consists mainly of local Taiwanese employees, with 100% of senior executives being Taiwanese nationals. In 2024, the total number of regular employees will be 9,992 (excluding unofficial salespersons), with 2,431 in-house employees and 7,561 in the field, with 28% of them being male and 72% being femaleMale supervisors accounted for 45% and female supervisors accounted for 55% of the total.

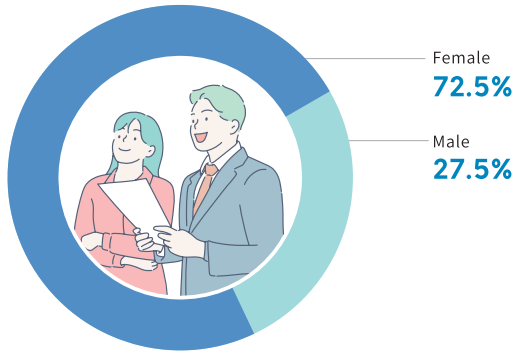


2024 Full-time Employee Structure

Unit: Person

	Number of People
Office Staff	2,431
Insurance Agents	7,561
Full-time	9,992

	Number of People	Percentage
Female	7,243	72.5%
Male	2,749	27.5%



Category		Internal Staff					Insurance Agent					Total
		Taiwan	Overseas	Taiwanese	Foreign National	Subtotal	Taiwan	Overseas	Taiwanese	Foreign National	Subtotal	
Female	Full-time	1,538	0	1,537	1	1,538	5,705	0	5,705	0	5,705	7,243
	Contingent	35	0	34	1	35	2,659	0	2,659	0	2,659	2,694
	Subtotal	1,573	0	1,571	2	1,573	8,364	0	8,364	0	8,364	9,937
Male	Full-time	889	4	889	4	893	1,856	0	1,856	0	1,856	2,749
	Contingent	34	0	34	0	34	288	0	288	0	288	322
	Subtotal	923	4	923	4	927	2,144	0	2,144	0	2,144	3,071
Total	Full-time	2,427	4	2,426	5	2,431	7,561	0	7,561	0	7,561	9,992
	Contingent	69	0	68	1	69	2,947	0	2,947	0	2,947	3,016
		2,496	4	2,494	6	2,500	10,508	0	10,508	0	10,508	13,008

Note 1: Official employees refer to full-time employees.
 Note 2: Non-official office employees include dispatched workers, part-time student workers, interns, and massage therapists. Non-official field employees refer to sales representatives who have signed contract agreements with the company. Together, non-official employees account for nearly 30% of the total workforce.

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2024Full-time Employee Structure

Unit: Person

	Female	Male	Percentage
● Office Staff	1,538	893	24.3%
● Insurance Agents	5,705	1,856	75.7%



Insurance Agents
75.7%

Office Staff
24.3%

Gender	Age	Internal Staff						Insurance Agent					
		Senior-level managers	Mid-level managers	Junior-level managers	Management Subtotal	General employees	Age group Proportion ^{Note 1}	Senior-level managers	Mid-level managers	Junior-level managers	Management Subtotal	General employees	Age group Proportion ^{Note 2}
Male	< 30	0	0	0	0	161	6.62%	-	-	39	39	377	5.50%
	30 - 50	17	78	30	125	369	20.32%	-	-	371	371	813	15.66%
	> 50	34	57	28	119	119	9.79%	-	-	45	45	211	3.39%
	Subtotal	51	135	58	244	649	36.73%	-	-	455	455	1,401	24.55%
Female	< 30	0	0	0	0	261	10.74%	-	-	29	29	531	7.41%
	30 - 50	6	60	19	85	878	39.61%	-	-	343	343	1,928	30.04%
	> 50	9	23	8	40	274	12.92%	-	-	347	347	2,527	38.01%
		15	83	27	125	1,413	63.27%	-	-	719	719	4,986	75.45%
Total		66	218	85	369	2,062	100.00%	-	-	1,174	1,174	6,387	100.00%
Proportion of each Category ^{Note 3}		2.71%	8.97%	3.50%	15.18%	84.82%		-	-	15.53%	15.53%	84.47%	

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 full-time office staff and field personnel of each age group (%) = (Number of full-time office staff and field personnel of each age group/Total number of full-time office staff and field personnel).

Note 3: Proportion of full-time employees of each age group (%) = (Number of full-time employees of each age group/Total number of all full-time employees).

Note 4: Proportion of full-time office staff and field personnel of each rank (%) = (Number of full-time office staff and field personnel of each rank/Total number of full-time office staff and field personnel).

Turnover of full-time Employees in 2024

Unit: Person

Total: 1,989			
19.91%			
Note 3			
Male	< 30	184	1.84%
	30 - 50	306	3.06%
	> 50	90	0.90%
	Subtotal	580	5.80%
Female	< 30	229	2.29%
	30 - 50	540	5.40%
	> 50	640	6.41%
	Subtotal	1,409	14.10%



Office Staff Total: 295			
12.13%			
Note 2			
Male	< 30	32	1.32%
	30 - 50	65	2.67%
	> 50	26	1.07%
	Subtotal	123	5.06%
Female	< 30	38	1.56%
	30 - 50	108	4.44%
	> 50	26	1.07%
	Subtotal	172	7.08%

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 secondment.

Note 2: Turnover rate of internal staff and insurance agents = (Number of internal staff or insurance agents left SKL/Total number of full-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 2024.

Insurance Agents Total: 1,694			
22.4%			
Note 2			
Male	< 30	152	2.01%
	30 - 50	241	3.19%
	> 50	64	0.85%
	Subtotal	457	6.04%
Female	< 30	191	2.53%
	30 - 50	432	5.71%
	> 50	614	8.12%
	Subtotal	1,234	16.36%

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B. Equal employment

We are committed to building a corporate culture that respects diversity and gender equality. By hiring employees from different ethnic groups, we are able to gain more diverse perspectives and insights, and bring more innovation and vitality to the company.

(1) Respect for the rights and interests of the physically and mentally challenged and indigenous communities at work

We respect the rights and interests of the physically and mentally challenged and indigenous I communities at work, and relevant acts include:

- Enhancement of employment of physically and mentally challenged staff in compliance with regulatory requirements; a total of 140 physically and mentally challenged staff to be employed in 2024.
- Establishes the "Regulations for Incentive for Increased Recruitment of Indigenous employees" to provide employment opportunities for indigenous peoples. In 2024, we made incentive payments amounting to NT\$8.27 million.
- Indigenous employees who return to their hometowns to participate in the Yearly Ceremony are provided with one additional day of special leave and a one-time supplement of \$6,000 for returning to their hometowns; a total of 28 people will be subsidized in 2023, with a total of \$168,000 in subsidies.

Diversity in Employment

Group of Employees		2021	2022	2023	2024
Indigenous employees	Number of employees	165	165	153	216
	Percentage	1.59%	1.71%	1.66%	2.16%
Employees with disabilities	Number of employees	124	125	125	140
	Percentage	1.20%	1.30%	1.35%	1.40%

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



(2) Gender Equality

In 2024, a total of 843 employees were assessed as outstanding performers, of whom 313 were men and 530 were women, with women accounting for 62.8% of the total, reflecting SKL's positive results of the mechanism of designing women's workplaces.

Statistics of Female Managers in 2024

	Number of People	Percentage
Senior-level managers	15	22.7%
Mid-level managers	83	38.1%
Junior-level managers	27	31.8%
Sales Department managers	719	61.2%

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 New Generation Talent

A. Sales Representative Recruitment Program

With respect to annual expansion of recruitment programs, we not only continued to promote recruitment for various groups, but also planned to recruit specific groups to enhance the team's business capabilities. The business recruitment programs implemented in 2024 are as follows:

- Elite Program:** Continuing the spirit of the Young Program, cultivating the next generation of reserve business executives, and accelerating the rejuvenation of junior business executives.
- Industry Peers Transfer Program:** Recruiting outstanding business partners of other life insurance companies and insurance brokers to transfer to Shin Kong and formulating relevant incentive measures.
- New Talent Training Project:** Enhancing the recruitment momentum of weak units and attracting quality transferees from all over the world to join the insurance industry.
- Measures Governing Campus Interns Recruitment:** Providing interns with incentives for license counseling and retention in the workforce in conjunction with the New Employee Program of business channels and the Industry-Academia Collaboration Program of the Public Relations Department to exert an in-depth impact on campuses.
- Elite Representative Manager Training Program:** Recruiting sales personnel with immediate ability to assist in the development of the Company within one year.
- Digital Recruitment:** Collaborating with well-known Key Opinion Leaders (KOLs) to recruit through videos disseminated on social media and digital platforms, expanding the brand presence of SKL online.



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B. Industry-Academia Collaboration Program

- Providing opportunities for students to visit companies and learn about the Company's philosophy and profile.
- In 2024, we collaborated with domestic universities and colleges to organize industry-academia internships. A total of 231 students from 63 schools and 105 departments participated in the program, with an investment of approximately NT\$2 million.

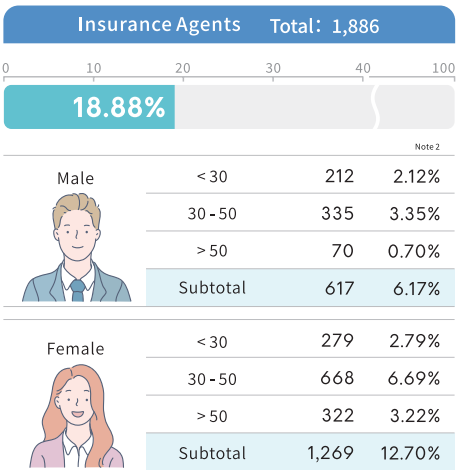
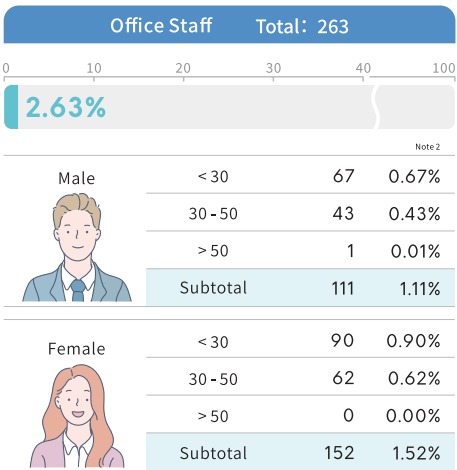
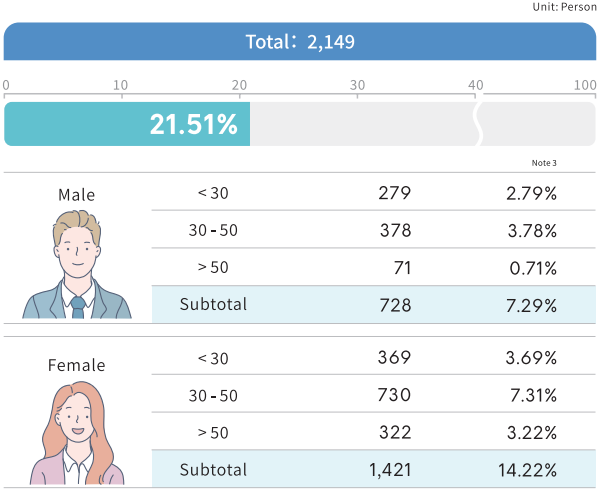


C. Internship

We continue to promote student corporate internships, summer internships, insurance practical courses, and corporate visits, etc., to help students understand themselves and plan their future by sharing their knowledge and experience through a variety of courses and interesting activities. 2024 internship program invested about \$3.49 million to recruit 32 summer interns, 33 industry-academia cooperation interns, and 11 information technology interns, of which 7 interns worked at SKL after graduation.



New Full-time Employees in 2024



Note 1: New insurance agents refer to the insurance agents employed within one year.

Note 2: Proportion of new full-time office staff and field personnel (%) = (Number of new full-time office staff and field personnel / All Total number of full-time office staff and field personnel).

Note 3: Percentage of new full-time employees of the year (%) = (Number of all new full-time employees/Total number of all full-time employees).

Note 4: There was no new full-time employees overseas in 2024.

4.2 Nurturing Talent | GRI 3-3 |

4.2.1 Training Strategies and Programs | GRI 404-2 |

The retention rate of top performers reached 94.7% in 2024. (Note: Retention rate of top performers = number of employees retained above the median (excluding the median) of office staff performance ratings/target number of employees)

In accordance with the Company's annual strategy of "Driving Transformation and Co-creating a New Future", an annual training program was established to achieve the Company's operational strategy performance.

A. Digital learning platform and flexible training methods

- We introduced an online education and training platform, "Hahow for business", with an annual training budget of NT\$3.3 million, which allows employees to learn and utilize the platform regardless of geographic location and strengthens their all-round abilities. Encourage employees to learn on-line and promote a study leave system, whereby any employee who reads on the online platform for eight hours can apply for one day of study leave, with a limit of two days per year. In 2024, more than 2,145 employees reached the goal of study leave, and the total number of hours spent on the platform amounted to 79,358 hours of study.
- Promote the digital learning platform "Common Wealth Leader Campus" (CWLC) to encourage employees to utilize their spare time for independent learning and to strengthen their competitive edge in their career. In 2024, the usage per capita and attendance outperformed the life insurance industry and the platform as a whole, with a total of 8,667 learning hours on the platform.

B. Digital transformation and AI application

- Digital Finance Seminar: Industry consultants from the Institute for Information Industry gave a lecture on "AIGC Trends and Industry Application Cases" to understand the changes, limitations, and challenges brought by the technology development, financial applications, and management issues through generative AI. Esor Huang gave a lecture on "Increasing Work Productivity with AI", sharing AI skills and experiences, understanding the applications of various AI tools, and learning how to use prompts and AI tools in practice.
- Spark Heroes Digital Training Program: Continued to promote the SPARK Heroes Digital Training Program to accelerate digital transformation. Selecting digital talent who are willing to learn and try to make changes from each department, and cultivating abilities and qualities such as strategic thinking, digital expertise, high adaptability, teamwork, and willingness to change, to assist the Group in deepening digital transformation and developing intelligent technology talent through diverse training programs, including AI compliance, risk control, and information security.

- Assign employees to attend Fin & Tech and Bellwether on a regular basis: Sent to train 67 people in 42 sessions with a total of 645 hours of training for POC (Proof-of-experimentation) Training Program on Technology in Financial Applications, Financial Digital Transformation WORKSHOP, Financial Information Security Series, Fin&Tech Collision Salon, AI Series program, and Financial Information Security Executive Reserve Program (CISE). Promoted colleagues to enroll in the Fintech online and offline courses/seminars of Northway Forum, with a total of 18 trainings delivered.
- Online courses of Taiwan Academy of Banking and Finance (TABF): This year, we continued to collaborate with the Financial Services Research Institute (FSRI) on a series of Fintech digital courses, and planned for a mandatory elective system to encourage all staff to study the "Introduction to Popular AI Tools and Scenario Applications" and "AI Development Trends and Impact on the Financial Industry". A total of more than 4,000 people completed the two courses.
- Develop Tech / Social Media / Big Data Talent: Promote financial digital literacy certification and implement cloud-based marketing training resources. Utilize iPad to integrate business opportunity system and provide diversified and convenient e-services to business colleagues. Provided seminars on new knowledge trends to help colleagues understand the application and development of the Internet of Things and big data in the insurance industry.

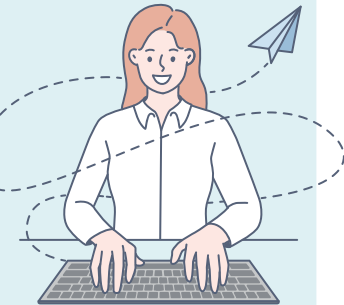


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- **Big Data Process Transformation:** Combining technology, social media and big data analysis to transform processes and actively cultivate FinTech professionals.
- **Organize workshops on leading change to replicate success quickly:** Carried out new product development training through workshops.
- **Digital Sales Representative Program:** The development of digital technology has become one of the Company's strategic directions. The strategic management jurisdiction integrates practical sales processes and digital tools, starting from customer management to relationship development, and then reaches customers for policy planning to complete transactions and subsequent related services. It integrates the required "Six Basic Skills" for sales representatives, which include member section, claims and contract changes, rights and interests protection, sales management support tools, precision marketing lists, and AI data models, in order to integrate business and services with digital technology. In 2024, we launched the "Digital Empowerment Plan for Sales Representatives" to promote the digital culture among sales representatives. We inventory the existing teaching materials of various digital tools and set up the "Digital Power Learning Section" in the training and development system to provide employees with learning opportunities, as well as design a test that identifies learning results to organize the "National Digital Power Test" for sales representatives. In 2024, a total of 6,084 people took the test, with an enrollment rate of 99.91% and a pass rate of 99.79%. According to the test results, we will continue to strengthen the promotion of the test, as well as implement the basic training for sales representatives and training for newly promoted sales supervisors, aiming to facilitate the use of digital tools and improve business efficiency.



C. Leadership Development and Successor Program

- **Domestic and overseas training:** In 2024, a total of 1,647 people participated in independent professional courses according to business attributes. Among them, a total of 53 people were assigned overseas for training, with 13 people in the leadership team. Through international seminars, overseas conferences, and on-site visits, we have expanded international mindset and enhanced diverse experiences.
- **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 talent 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.
- **Connecting with International Financial Development:** In 2024, expenditure on English training fund will reach 1.55 million dollars. Mechanisms include: language subsidies and commercial English online courses, combining online learning platforms/apps and TOEIC tests. The average TOEIC score for students was approximately 595 in 2024.

Sound training system

(I) Comprehensive Training Plan and Career Development

- The training system is mainly divided into two major categories: the Business System and the Administrative System. Based on the training needs of core personnel, a diversified learning mechanism is planned to expand career development pathways. In 2024, the Business System launched 555 training sessions, with a total of 13,285 completions.

(II) Leadership Team

- The leadership development program was launched in 2011. As of 2024, 711 office staff have been trained and 294 have been promoted, representing a promotion rate of 41.3%; 399 field personnel have been trained and 212 have been promoted, representing a promotion rate of 53%. In addition, in 2024, in line with the new marketing system, the Lung Yueh Program was added to cultivate the management competencies of district business managers and district directors prior to promotion. A total of 12 quasi district directors and 20 quasi district managers had been trained. Since 2021, we have been implementing Key Talent (High Potential Talent) Promotion Planning and Development Program with SKFH to regularly track, review and adjust candidates every year for the purpose of sustainable corporate development and ensuring the capabilities and value of management talent. 186 office staff have been nominated and 56 have been promoted, representing a promotion rate of 30%.

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- License Incentives**
- To encourage employees to pursue self-directed learning and obtain professional certifications, the company provides subsidies for related learning and certification expenses.
 - Subsidies include: registration fees, annual fees, foreign language study support, EMBA and part-time master's programs (including in-service master's students).
 - Benefits include professional certification bonuses, ongoing incentive allowances, and study leave.
 - In 2024, a total of NT\$29.74 million was granted in professional certification incentive allowances and bonuses.

Category		2023	2024
Internal Staff	Life insurance certification	8,620	8,948
	1. Life insurance agent certification examination	14,452	14,703
	2. Non-investment-type life insurance in foreign currency examination	11,777	11,383
	3. Investment-type life insurance examination	8,576	8,289
	4. Million Dollar Round Table (MDRT)	200	325
	5. International Dragon Award (IDA)	161	307
	6. Registered Financial Consultants (RFC)	78	64
	7. Associate Financial Planner (AFP)	14	17
	8. Certified Financial Planner (CFP)	59	45
Subtotal		43,937	44,081

D.Comprehensive inclusion of sustainable development

SKL is committed to cultivating sustainable ESG talent and investing resources to organize sustainability-related education and training, so as to enable the concept of sustainable finance to be deeply embedded in the organization and corporate culture from top to bottom. The "Sustainability Journal" course was established in the co-broadcasting morning meetings of field personnel. A total of 4 sessions were broadcast in 2024 to promote the latest sustainability trends in a lifestyle-based manner. In addition to internal education and training, employees can also apply for external training courses based on their business needs. Two major online learning platforms, namely, Hahow/Bingotimes Digital have been provided with course resources. According to the data report, in 2024, 26,692 hours of sustainability-related training were provided, with nearly 16,000 participants. We promoted sustainability education and enhanced employees' awareness of and action on sustainability. As of the end of 2024, the pass rate of the basic competency tests for corporate sustainability managers and sustainable development for staff members of the dedicated sustainability unit reached 100%.

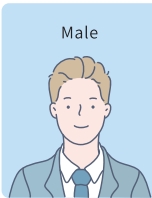
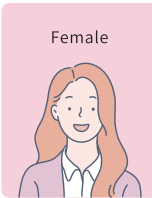
4.2.2 Training Input and Output
 | GRI 404-1 |

A. Employee Training Input

SKL considers employees as its most important asset. In addition to continuously promoting strategic products, SKL also focuses on recruiting young people and cultivating professionals through its business transformation plan, investing abundant education and training resources every year to enhance the productivity of its employees; and in terms of digital services, SKL continues to strengthen the training of digital financial talents in order to provide its policyholders with more diversified, convenient, and intelligent new experiences. In 2024, a total of \$29.74 million will be allocated for professional license incentive allowances and awards.

Employee Training Output in 2024

Unit: Hour

Employee Training Hours						
		Office staff	Insurance agents	Total hours	Hours per capita	
<div>Male</div> <div></div>	Management	Senior-level	4,162	12	4,174	82
		Mid-level	12,977	410	13,387	99
		Junior-level	5,459	48,283	53,742	105
		Subtotal	22,597	48,705	71,302	102
	General Employees	64,500	229,573	294,072	143	
<div>Female</div> <div></div>	Management	Senior-level	1,731	-	1,731	115
		Mid-level	9,902	751	10,653	128
		Junior-level	2,636	73,177	75,813	102
		Subtotal	14,269	73,928	88,197	104
	General Employees	144,139	804,772	948,911	148	
Total		245,505	1,156,978	1,402,482	140	

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 internal staff or insurance agents) to attend; overseas training refers to training which the Company assigns employees (either internal 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.

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Unit: NTS

Employee Training Expenses						
		Office staff	Insurance agents	Total Expense	Expense per capita	
<div>Male</div> 	Management	Senior-level	1,194,578	94	1,194,672	23,425
		Mid-level	3,724,475	3,226	3,727,701	27,613
		Junior-level	1,566,655	379,944	1,946,598	3,795
		Subtotal	6,485,707	383,264	6,868,971	9,827
	General Employees	18,512,490	1,806,534	20,319,024	9,912	
<div>Female</div> 	Management	Senior-level	496,763	-	496,763	33,118
		Mid-level	2,842,166	5,910	2,848,076	34,314
		Junior-level	756,459	575,840	1,332,299	1,786
		Subtotal	4,095,388	581,750	4,677,138	5,542
	General Employees	41,370,433	6,332,846	47,703,279	7,455	
Total		70,464,018	9,104,394	79,568,412	7,963	

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 internal staff or insurance agents) to attend; overseas training refers to training which the Company assigns employees (either internal staff or insurance agents) to attend overseas.
 Note 3: Senior executives refer to the General Manager and heads of departments or above; mid-level managers include Associate Vice Presidents, Section Heads, and Regional Managers; front-line managers include Project Managers, Division Managers, and Area Managers.

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 2023, the evaluation rates for both formal employee performance and professional development reached 100%.

B. Job rotation program

In order to achieve optimal utilization of human resources and link corporate development with individual career paths of employees, we conduct annual surveys on the direction of internal staff transfers, and then through job rotation, we appropriately adjust the work content and environment, and at the same time receive the benefits of enhancing the work capacity and efficiency, and the internal rotation rate will be 78.7% in 2024.

Method	Description	2024
Job rotation	For those who have reached a certain level of seniority in their assigned units or special positions, they will be subject to cross unit or cross position permanent job transfers in order to enhance their work motivation or to meet management needs.	188
Internal recruitment	Job vacancies in each department are posted on the internal website in a timely manner, and employees can apply according to their personal interests and career planning needs.	239
Reservation for transfer	In the event of a vacancy in a position for which there is no expectation, an employee may also submit an application for a pre-scheduled transfer in accordance with his/her personal needs, so that he/she can make a change when the position becomes vacant.	4

C. Re-employment of retiring field personnel

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 2024, 245 retirees were re-employed. This mechanism only enables returnees to contribute their years of experience, but also allows the seamless integration of business to create excellent results.

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4.3 Friendly and Happy Workplace | GRI 3-3 |

4.3.1 Establishing a culture of diversity and communication

| GRI 2-25 · 2-26 |

A. Protecting employees' human rights

In recruiting employees and approving their salaries, SKL does not discriminate on the basis of gender, race, physical condition, religion, political stance, marital status, or union position. SKL also prohibits the employment of child laborers under the age of 16 and eliminates the possibility of forced labor.

In the event of major operational changes, we will follow the provisions of Article 16 of the Labor Standards Law to protect the rights of our employees. In addition, we attach importance to human rights in the workplace, and we have incorporated human rights issues into our human resources policies in accordance with internationally recognized basic labor rights conventions. We value our employees' rights to work and freedom of assembly and association, and we safeguard the dignity and privacy of all our employees. At the same time, we cooperate with our parent company, SKFH, in conducting human rights due diligence every year to minimize and eliminate potential human rights risks.



Gender Equality Mechanisms

Item/Description	2024 Results
Policy Formulation of Shin Kong Life's policy statement on prevention of sexual harassment, complaint, investigation and handling mechanism	Continuing to organize publicity on prevention of sexual harassment and operation of the reporting mechanism
Committee Established the "Gender Equality Promotion Committee Organizational Rules" to foster a gender-friendly, respectful, inclusive, and supportive corporate culture and environment that supports adaptive development, thereby enhancing employee identification with the company and corporate operational value; dedicated to promoting gender equality in inclusive financial services, financial literacy, and overall social initiatives and support activities to achieve sustainable financial goals through gender equality.	Conducted working group executive meetings and committee meetings according to the responsibilities of the Gender Equality Promotion Committee to track various work plans and implementation results, with the implementation rate of all work plans reaching 100% .
Training Sexual harassment and other unlawful infringement prevention courses in the workplace, and promotion of DEI courses.	1. Provided a total of 2 hours of training for sexual harassment and other unlawful infringement prevention courses in the workplace, with an employee coverage rate of 100% . 2. In 2024, provided mandatory and elective DEI courses for different targets (new supervisors, heads of sales offices, all employees, DEI Ambassadors) and periodically distributed DEI information. The completion rate for training assignments was 100% .
Whistle-blowing shinkong113@skl.com.tw	One case reported
Audit Review Annually Review internal systems and amend regulations as necessary.	100% of operational sites have completed the audit



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B. Valuing the voice of employees

In order to improve labor-management communication, we have established a diversified and open platform, and the following communication mechanisms and results are used as the basis for the annual review and evaluation of employee rights.

Mechanism	Action	2024 Results
Labor-management meeting	Unions were formed in Taipei City, New Taipei City, Hsinchu City, Nantou County, Yunlin County, and Kaohsiung City, and no organization agreement has been signed.	• Replace negotiation or mediation of labor-management confrontation with regular meetings (quarterly) and friendly communication with unions
Grievance	• Established the Employee Grievance Handling Team and the Major Labor Disputes Handling Team. • Established the "Shin Kong Life Insurance Company Employee Grievance Handling Regulations" to create a workplace communication environment that "replaces confrontation with communication".	• Received four employee grievance (including consultation and referral to business units for assistance). • Reported two labor disputes.
Employee survey and employee symposium	• Regularly conduct "Employee Opinion Surveys" to understand the level of employee recognition and opinions about the company. • Survey results are referenced to external benchmarks to strengthen consensus and plan improvement actions.	• Annual employee survey to be completed in 2024. • The survey can be completed from personal mobile devices to ensure the privacy of employees. • The interface and data storage are all located in the consultant's system, and the results are kept strictly confidential.
Internal Feedback Mailbox	• We have set up the "Employee's Opinion Mailbox", which is handled by a special person, and the opinions and voices of the employees are submitted to the top management. • Employee communication box: speaklouder@skl.com.tw	• Six employee feedback or proposal.
Intranet Opinion Forum	An area on the company's intranet is set up for posting opinions, with a dedicated unit responsible for responding to them, providing an immediate and convenient consultation platform for employees.	• Continued use of the comments section for staff consultation.
Unlawful infringement Handling Mechanism	• Established the "Prevention Plan for Duty-related Wrongful Acts of Violence" and posted the "Written Statement on Prohibition of Workplace Wrongful Acts of Violence" on the company's intranet site as a standard for all behavioral rules. • Established the "Workplace Violence Complaint and Punishment Regulations" and has set up a special investigation team to investigate workplace violence complaints involving physical/ verbal/ psychological/ harassment styles. Specialized complaint mailbox: SKL1999@skl.com	• A total of 5 complaints were accepted and investigated, of which 1 was classified as verbal violence and penalties were announced. — 3 cases were closed in 2024 and 2 cases were closed in early 2025. — The complaints were deemed to be forms of verbal violence such as public insult, defamation, and contempt. The targets of the complaints were mostly unit supervisors or personnel with managerial authority. Therefore, in order to strengthen supervisors' management skills and response capabilities, we planned to arrange seminars related to unlawful infringement for front-line supervisors of business units in 2025, and will organize six sessions of compulsory training courses throughout Taiwan, including: 1.Discussion on Common Management Issues 2.Legal Boundaries and Recognition 3.Conflict Management Skills and Team Communication and Leadership

Violation of labor laws and regulations in the past two years:

Date of penalty	Laws and regulations violated	Violation	Fine amount (NTD)
2023/07/05	Article 30, Paragraph 6 of the Labor Standards Act	Failure to register the attendance of workers on a daily basis to the minute for attendance records in accordance with regulations.	80,000
2024/06/24	Article 39 of the Labor Standards Act	Failure to pay for holidays or failure to pay for work on holidays in accordance with regulations.	50,000
2024/06/24	Article 36 of the Labor Standards Act	Failure to provide workers with regular leave.	50,000
2024/06/24	Article 24 of the Labor Standards Act	Failure to pay for overtime work in accordance with regulations.	50,000



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4.3.2 Establishment of a employee compensation and welfare system

GRI 2-20、401-2、401-3

A.Employee Compensation System

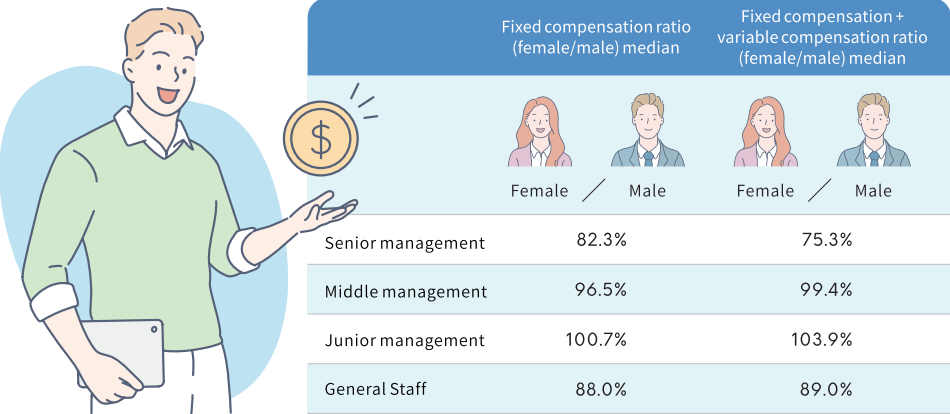
Shin Kong Life’s overall compensation strategy is based on position, performance, and capability, without any gender-based differences. For field employees, we offer a base salary and various performance incentives to newly recruited sales personnel, encouraging them to build a strong foundation and pursue continuous growth and excellence. For office employees, new hires are provided with a special salary adjustment guarantee for the first three years, along with professional and technical incentive allowances and bonuses. These measures aim to enhance job stability and motivate employees to strengthen their professional skills. To support sound corporate governance, business stability, and market competitiveness, we engage professional consultants to review and optimize the compensation system to ensure continuous improvement in overall performance. Additionally, an Audit Committee composed of independent directors is responsible for reviewing compensation proposals to fulfill supervisory functions.

Employee Compensation and Benefits

Category/Description	2024 Results
Performance Bonus With reference to the annual surplus and achievement status, performance bonuses will be granted to internal staff according to their annual performance demonstration and contribution to the organization; and in order to encourage the three-step salespersons and district managers to achieve business results, a special performance bonus scheme for field staff has also been formulated.	<ul style="list-style-type: none">● Employees with Merits or Awards for Outstanding Performance: 53● Approved Individual Bonus: NT\$216,000● Departmental Group Wellness Bonus: NT\$1,020,000● Outstanding Employees: 8 internal and 25 Insurance Agent. (Awarded plaques & gifts from the President and First-line Manage)
Expertise Bonus Professional and Technical Incentive Allowance and Bonus.	
Special Performance Bonus Special performance bonuses are determined based on the nature of the business and are awarded based on the achievement of the business.	

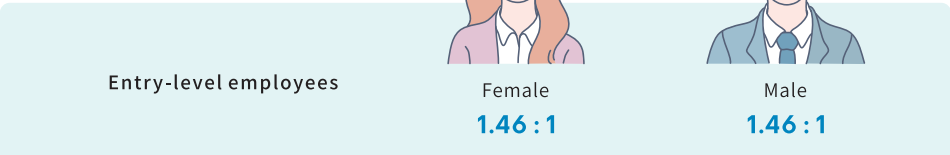


Female-to-male Compensation Ratio in 2024



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 2024.

New Recruit Salary Range Compared with Local Minimum Wage



Note 1: Entry-level employees refer to new employees without work experience and they should hold a bachelor's degree (internal staff only; there is no difference in salaries between male and female insurance agents).
Note 2: The minimum wage refers to NT\$27,470 announced by the Ministry of Labor, which took effect on January 1, 2024.
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.

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B. Employee benefits

Shin Kong Life places great emphasis on employee welfare, designing benefit packages tailored to different job categories to reasonably reflect the specific needs of each role. In accordance with the law, the "Employee Welfare Committee Foundation" has been established to plan and implement various employee welfare initiatives.



Benefits	Summary
Leave	<ul style="list-style-type: none">Including special leave, marriage leave, bereavement leave, official leave, public injury leave, paternity leave, maternity leave, sick leave, physiological leave, personal leave, family care leave, maternity leave, natural disaster leave, epidemic prevention leave, and pregnancy companion leave.Among them, marriage leave, maternity leave, paternity leave and paternity leave are superior to the standards of labor laws.
Insurance	<ul style="list-style-type: none">If employees have group term life insurance, the company will increase the insurance coverage by 30%, and the insurance premium will be fully covered by the company's Welfare Committee.To provide additional protection for contractors, new contractors can join the group insurance program at their own expense.
Retirement	<ul style="list-style-type: none">In accordance with the Labor Standards Law and the Labor Pension Act, the Company has an employee pension system and makes full contributions to ensure that employees have stable pension contributions and benefits. Please refer to the 2024 Financial Report (P.) for the 2024 contribution amount.Assists employees in building retirement plans, develops retirement-specific annuity products, and offers incentives for employees to enroll in the plan to encourage participation and early retirement planning.
Healthcare	<ul style="list-style-type: none">Provides regular health checkups, medical doctors to provide physical examination services and medical consultation, disaster hospitalization subsidies, hospitalization discounts, health lectures, CPR first aid training, and immunization care.Encourages employees to promote their physical and mental health through sports. There are tennis, billiards, yoga, basketball, badminton, hiking, and tai chi clubs.
Marriage and childbirth	<ul style="list-style-type: none">Provide breastfeeding rooms for breastfeeding during normal work hours, provide parenting time adjustments, childcare privileges, and a good baby-sitting leave-without-pay system to protect employees' rights and opportunities at work.In 2024, about NT\$3.18 million in maternity grants were paid out, benefiting 159 people.Parenting supplement is up to NT\$30,000/child (NT\$100,000/child at the age of one full year). In 2024, about NT\$4.13 million of parenting supplement will be paid, benefiting a total of 413 persons.
Maternal healthcare	<ul style="list-style-type: none">In order to ensure the physical and mental health of female workers during pregnancy, after childbirth, and during the nursing period, the "Maternal Health Protection Program for Female Workers" has been established. During the protected period, the nursing staff of the Workers' Clinical Health Service provides regular care to assess the status of work, family, and physical and mental adjustment, and to take care of the health, safety, and psychological aspects of the situation, as well as to provide rich gifts for mothers and babies during each of the three periods.
Welfare Benefit	<ul style="list-style-type: none">Provided iPad purchase subsidy of NT\$2,000/person, with a total of 345 people subsidized for iPad in 2024.
Autonomous Learning Benefits	<ul style="list-style-type: none">A total of NT\$2.705 million was allocated for professional license incentive allowances and awards in 2024. (Office staff only)
Employee Relations	<ul style="list-style-type: none">Planning for staff promotion benefits such as year-end party lucky draw, subsidies for club activities, travel subsidies, and staff recognition.
Others	<ul style="list-style-type: none">Combining the concepts of savings and investment management to enable employees to plan for their retirement early, the Company has formulated the LOHAS Winning Variable Annuity Insurance Plan and the Employee Stock Ownership Trust (ESOT), which provide corresponding subsidies to strengthen the third pillar of employees' retirement preparation through the purchase of stocks and annuity insurance.In 2024, the total subsidy for the LOHAS Winning Variable Annuity Insurance will be \$2.05 million, and the total subsidy for the Employee Stock Ownership Trust will be \$69.81 million.

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Unpaid Parental Leave in 2024

	Internal Staff		Insurance Agents		
Parental leave application rate = (B)/(A)	24%				
Reinstatement rate = (D)/(C)	73%				
Retention rate = (F)/(E)	78%				
	Male	Female	Male	Female	Total
Number of employees eligible for unpaid parental leave in 2024 (A)	73	152	86	454	765
Unpaid parental leave applicants in 2024 (B)	3	52	25	101	181
Parental leave application rate = (B)/(A)	4%	34%	29%	22%	24%
Employees who should be reinstated in 2024 (C)	3	44	30	109	186
Reinstated employee in 2024(D)	0	40	23	72	135
Reinstatement rate = (D)/(C)	0%	91%	77%	66%	73%
Reinstated employees in 2023 (E)	4	31	17	83	135
Retained for at least one year after returning to work in 2023(F)	3	20	12	70	105
Retention rate = (F)/(E)	75%	65%	71%	84%	78%

Note 1: "Number of employees eligible for unpaid parental leave in 2024" refers to number of employees who have taken maternity and paternity leave within four years (2021~2024).

Note 2: "Employees who should be reinstated in 2024" refers to number of employees who applied in 2022 and should be reinstated in 2024, who applied in 2023 and should be reinstated in 2024, and who applied in 2024 and should be reinstated in 2024.

Note 3: "Reinstated employees in 2024" refer to number of employees who applied in 2022 and reinstated in 2024, who applied in 2023 and reinstated in 2024, and who applied in 2024 and reinstated in 2024.

Note 4: Retention rate in 2024 = (Number of employees continuing to work for one year after reinstatement in 2023/Number of employees reinstated in 2023).

Note 5: Employees not reinstated included those who continued to apply for parental leave without pay.



4.4 Occupational health and safety

Employee health and safety is the foundation of an enterprise, and creating a quality work environment not only brings tangible positive benefits to an enterprise, but also brings intangible human influence. Therefore, SKL is committed to promoting the concept of "Holistic, Comprehensive, and Full Protection," and the Occupational Safety and Health Committee has worked together to formulate an occupational health and safety policy, which is signed by the highest level of supervisors and then publicized for public information. At the same time, SKL also protects the physical and mental health of its employees, and their balance of work and life through a wide range of fun and interesting health-promoting activities, as well as through health and safety risk control, in order to become a happy company for its employees.

4.4.1 Strengthening workplace safety

A. Establishment of the Occupational Safety and Health Committee

SKL has established the Occupational Safety and Health Committee. The committee is chaired by the President and includes 7 ex-officio members and 6 employee representative members, constituting 43% of the committee, which is superior to the ratio required by laws and regulations. The Committee formulates Occupational Health and Safety plans, reviews annual goals and plans, holds regular quarterly meetings to track the implementation progress, and consults and reviews various safety and health issues. In 2024, a total of 79 items, 2 recommendations, and 2 new proposals were presented to the Occupational Health and Safety Committee meetings, and 5 proposals from the previous year had been tracked.

B. Improvement of "ISO45001 Occupational Health and Safety Management System (OHSMS)" and "Taiwan Occupational Safety and Health Management System (TOSHMS)"

SKL adheres to the workplace health and safety policy and is committed to "building a safe and healthy workplace environment, strengthening self-management, and continuously improving safety and health performance". In response to the spirit of corporate sustainability, SKL revised the policy of "ensuring healthy lives, promoting the well-being of workers at all ages, and improving workplace productivity and innovation." It demonstrates the Company's high level of concern and commitment to employees' occupation and health, and sets up occupational safety managers and health managers in key buildings across various regions to provide comprehensive and holistic care that is superior to those required by laws and regulations. Since 2019, the Company has voluntarily introduced the Occupational Safety and Health System ISO45001:2018 regulatory requirements, and was the first insurance company to obtain this certification. In 2023, we expanded the Occupational Safety and Health System to cover all of our workplaces (154 locations), including administrative personnel, sales personnel, and construction contractors. All of our workplaces were certified by a third-party organization as having "no major deficiencies", and successfully obtained dual ISO45001 and TOSHMS occupational safety and health management system certification. In 2024, we continued to receive tracking audits and passed the audits upon confirmation.

C. Implementation of occupational health and safety education and training

SKL has established the "Occupational Health and Safety Management Regulations" to clearly stipulate the responsibilities of managers and personnel at all levels in safety and health operations. In order to equip all administrative and sales personnel with relevant knowledge and capabilities, we train Type A Occupational Health and Safety business supervisors and first aid personnel with better allocation than that required by law, and regularly arrange on-the-job education and training. In addition, we also arrange for all units to conduct regular simulated emergency evacuation drills to ensure basic response capabilities in the first instance of an emergency. In 2024, we organized Type A Occupational Health and Safety business supervisor training for 102 people (18 people in initial training and 84 people in on-the-job training), first aid personnel training for 190 people (36 people in initial training and 154 people in on-the-job training), 7 hours of pre-employment safety and health training for new employees, 1 hour of safety and health education and training for current employees, and at least 1 emergency response and evacuation drill at each location.

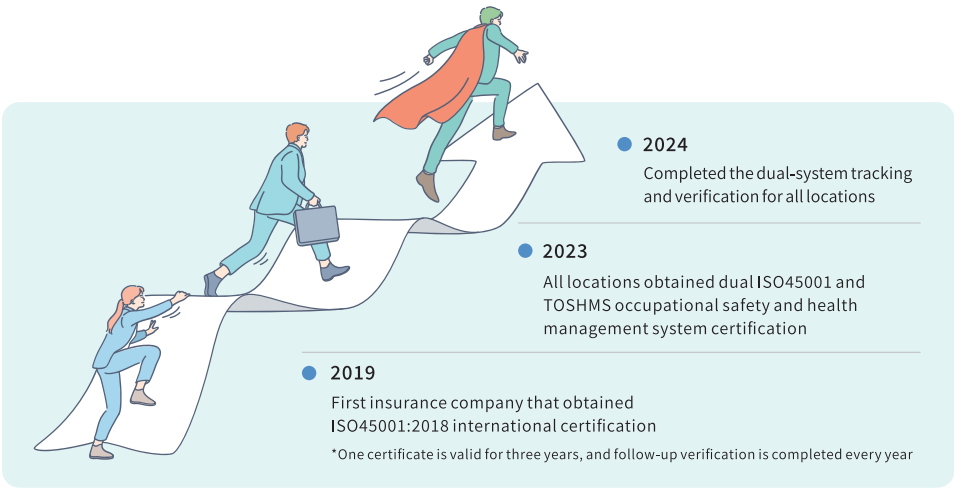
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Comprehensive procedures and internal regulations have been established for SKL's occupational health and safety management. Through regular quarterly work environment inspections by on-site supervisors, the head office's occupational health and safety management personnel carry out unannounced audits. In the event of any deficiencies, correction or improvement orders are created to track the improvement status, ensuring the continuous effectiveness of the management system. We track and verify the operations every year and continue to promote various safety and health protection measures. SKL has planned mid- and long-term improvement goals and invested more than NT\$10 million resources in the occupational health and safety management system to optimize the workplace environment and prevent occupational injuries and diseases.

Occupational Health and Safety Management System Performance (ISO45001/TOSHMS)		
Item	Content	Control Mechanism
Legal identification	We identified a total of 11 major categories, including occupational health and safety, labor inspection, labor conditions and employment equality, labor insurance, and employment welfare, 355 regulations and other requirements. All of the results met the requirements.	Regularly update and review are conducted in April and October each year.
Hazard identification and risk assessment	Identified 2 intolerable risks of 4 points in 2024: Although there is management control and personal protective equipment for climbing water towers over 2 meters and over 6 meters, there is still a risk of falling for contractors.	We formulated 2 safety and health plans for follow-up, prioritizing the installation of cages and movable ladders for engineering control. The expected effectiveness can reduce the risk tolerance to 3 points.
Internal audit	Trained and qualified internal audit personnel, occupational health and safety management personnel, and on-site supervisors confirm the effectiveness of each unit's system operations in accordance with internal audit plans and inspection forms. The results of internal audits in 2024 showed 1 operational deficiency.	A corrective measures order has been created to track improvement results of deficiencies identified in internal audits in a time-efficient manner. This case has been improved upon confirmation.
Target plan	In 2024, 2 target plans and implementation plans were formulated for the risks identified as intolerable: • Upright ladder fall prevention plan for water towers over 2 meters in every building in Taiwan • Upright ladder fall prevention program for ultra-high water storage tanks in the Shin Kong Life Tower	Included in the Occupational Safety Committee meetings' progress report on a quarterly basis.
Corrective measures	In 2024, 1 corrective measure was implemented for internal audit deficiencies.	Included in the Occupational Safety Committee meetings' progress report on a quarterly basis.

4.4.2 Creating a healthy and safe workplace environment

SKL provides comprehensive employee care, and has established a dedicated and all-round occupational safety and health team superior to statutory requirements: occupational health and safety management personnel, health managers, counseling psychologists. We formulate occupational health and safety management plans, labor health management plans, and mental health promotion plans every year to jointly promote various measures for the physical and mental health and safety of employees, and implement systematic management using the Plan-Do-Check-Act (PDCA) cycle. The Company conducts phased reviews and demand adjustments during the implementation of each plan, and reports the effectiveness of the review and improvement actions to senior management to ensure that the goals of each program are achieved and continuous improvement is made.

A. Occupational safety and health risk assessment and control measures

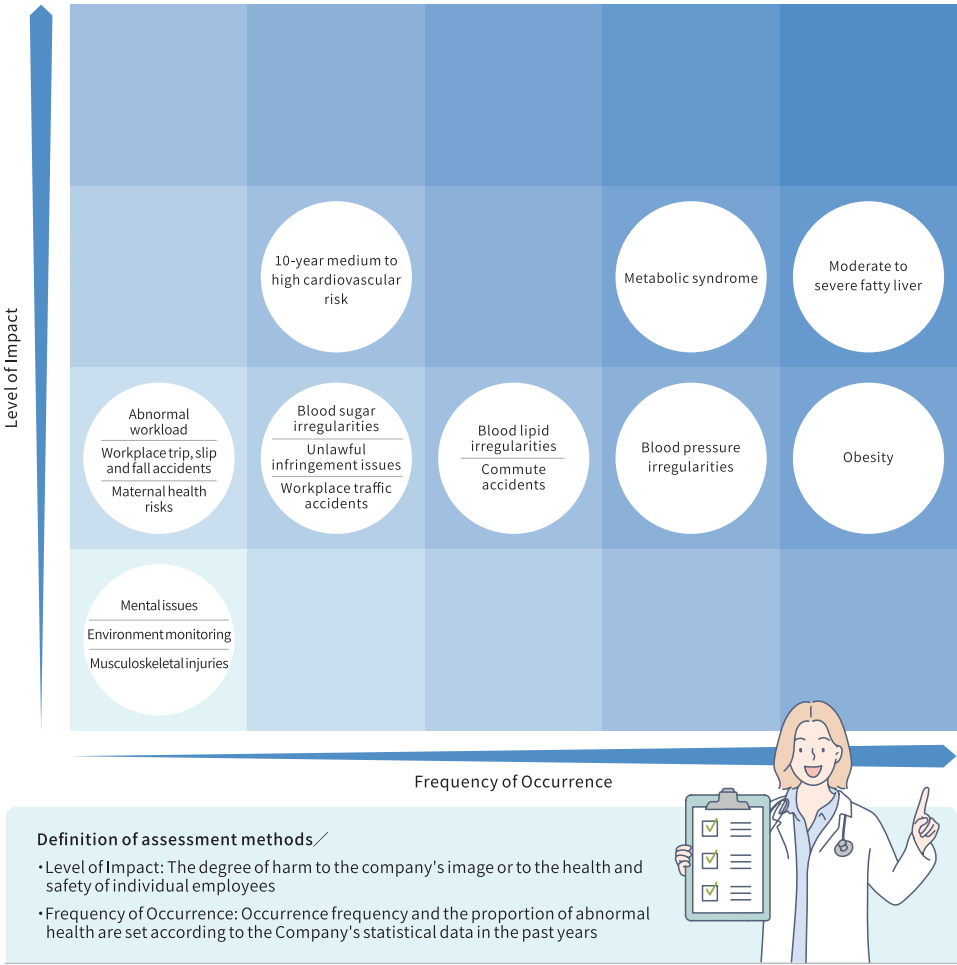


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Risk issues	Risk level	Control measures	Effectiveness
Metabolic syndrome, moderate to severe fatty liver, obesity, prevention of the three highs, 10-year medium to high cardiovascular risk	High/Moderate Risk	<ul style="list-style-type: none">Implement a health risk classification management system.Organize national health promotion competitions and activities.Conduct diverse health promotion seminars.On-site health service provided by contracted occupational physicians and nurses.Establish health measurement and blood pressure measuring stations.Diverse club subsidies.Establish a multifunctional fitness center.Establish the "Shin Kong iHealth" health management system.	<ol style="list-style-type: none">In 2024, 1,061 employees were included in the health risk management program. Occupational health nursing personnel provided care and health guidance, and arranged interviews with occupational physicians as needed, achieving 100% follow-up.Organized national [Sen Tung] sustainable health promotion activities, with a total of 1,618 participants, a cumulative of over 747 million steps taken, and a total carbon reduction of more than 99,000 kg, equivalent to approximately 17.5 times circumnavigating the Earth. A total reward of NT\$476,400 had been granted.Organized 72 "Champion of Grip Strength" activities and sarcopenia awareness seminars for national business units, with a total of 1,274 participants. The accuracy rate of the test before and after the seminars increased by more than 30%, with a total reward of NT\$33,000.Organized a variety of health promotion activities/lectures (physical/psychological), with a total of 133 sessions and a total of 2,868 participants, including: prevention of the three highs, musculoskeletal prevention and health, fitness, and psychological stress relief, etc.A total of 24 sessions of on-site health services were provided by contracted occupational physicians, serving 127 people. Provided on-site health services by contracted nurses in business units, with a total of 632 service sessions and 1,264 service hours. 7.Subsidized diverse sports clubs, such as: table tennis club, basketball club, yoga club, mountain climbing club, etc.Established the "Lovely Fitness" and provided a variety of fitness equipment, allowing employees to apply for fitness-related training at their own expense after work, thereby improving employees' exercise habits and activating the use of the venue.The rate of abnormality of metabolic syndrome decreased by 3.1% compared to 2023.The "Shin Kong iHealth" system introduced personal health examination reports for inquiry and historical analysis. 
Commute accidents/ Workplace traffic accidents	Moderate / Low risk	<ul style="list-style-type: none">Implement traffic safety awareness campaigns for specific units.Conduct safety education training and awareness campaigns highlighting "early" departure, "slow" driving, and increased "safety".Introduce flexible leave policies, allowing a minimum of half-hour increments and a ten-minute buffer time for arrival to reduce employees' stress regarding time constraints.	<ol style="list-style-type: none">Organized a total of 30 safety education and training courses based on the theme of "defensive driving"The traffic accident rate decreased by 4% compared to the average ratio in the past three years, all of which were minor injuries without disability and fatalities.

B.Formulating 4+1 prevention plans for various health and safety risks

We conduct health examinations for supervisors and employees each year, which is superior to regulatory requirements. In 2024, 3,109 people received health examinations, with an examination rate of 91.2%. The amount of health examination subsidies reached NT\$14.3 million. Through abnormal analysis of health check-up results and feedback from questionnaires, we continuously provide health care for employees and implement a classification management system for high-risk employees. We also attach importance to mental health and stress management.We cooperated with the Teacher Chang Foundation to provide Employee Assistance Program

(EAP) psychological counseling services, offering a total of 203 people with counseling services in 2024. We provided articles on spiritual comfort every month, organized stress relief activities, arranged for video promotions on psychological topics in co-broadcasting morning meetings, and held departmental health clinics to provide diverse psychological themed activities and guide employees to positively relieve stress. The Company has established various prevention plans:

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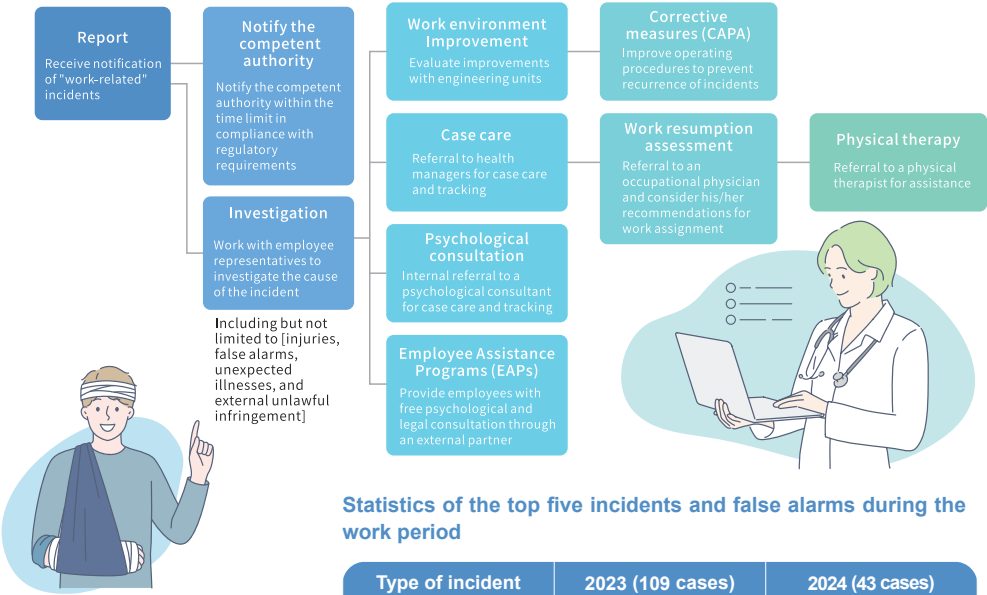
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Program Title	Effectiveness in 2024
<div><div>Prevention Plan for Musculoskeletal Disorders Induced by Repetitive Operations</div></div>	<div><ul style="list-style-type: none">Revised the fourth version of the "Prevention Plan for Musculoskeletal Disorders Induced by Repetitive Operations".Actively case-managed 59 individuals on the high-risk list, providing individual assessments, health education guidance, health promotion, and massage services by the visually impaired from Shu Huo Yuan.Referred individuals to physical therapists or occupational medicine specialists for further musculoskeletal adjustments and recommendations based on employee conditions or needs. Regularly assessed the improvement of musculoskeletal conditions in each case.Over the past two years, the improvement rate of musculoskeletal discomfort based on questionnaire comparisons reached as high as 92.3% (an increase of 5% from last year).</div> <div><div>Friendly Workplace: Musculoskeletal Improvement - Physical Therapy Case Study</div><div><ul style="list-style-type: none">An employee self-assessment score of musculoskeletal discomfort in the right wrist reached 3 points in the Nordic Musculoskeletal Questionnaire (NMQ) (basic point: joint activity is half that of a normal person, which will affect work).After assessment by a nurse, a "highly work-related" case was referred to a physical therapist for manual therapy, who provided stretching instruction to remind employees to change their posture at work to reduce discomfort.Follow-up: The employee indicated that the musculoskeletal discomfort in the right wrist has improved, with a NMQ score of <3.</div><div></div></div>
<div><div>Prevention of Unlawful Infringement at Work Plan</div></div>	<div><ul style="list-style-type: none">In terms of prevention, the fourth version of the "Prevention of Unlawful Infringement at Work Plan" was revised. The occupational safety managers and the unit supervisors jointly completed the hazard identification and risk assessment of unlawful infringement in the workplace through interviews. From 2021 to 2024, the risk assessment for all units of the Company was completed. The highest risk ratio was "verbal" (35 units), followed by "physical" injuries (5 units) and "sexual harassment (5 units).In addition to the high risk of unlawful infringement by verbal and psychological violence in the "handling of complaint cases," the "solicitation" operation of sales personnel required frequent contact such as cold visits and customer visits, which may lead to the possibility of verbal and physical unlawful infringement. We will formulate improvement measures according to the risk improvement process, such as adjusting service counter specifications, telephone recording system, dedicated meeting rooms with video and audio complaints, establishing safety standard operating procedures, strengthening emergency response and capabilities, and providing relevant units with suggestions as references for subsequent planning.In terms of behavior construction: The President signed the "Written Statement on the Prohibition of Workplace Violence" and announced it to all employees and workers. Every year, managers at all levels are required to identify potential risks and fill out the "Self-Assessment Form for Workplace Unlawful Infringement" to conduct self-examination as to whether there is any management behavior involving unlawful infringement, such as inequality management of specific employees, overly heavy or light work assignments, nitpicking, etc., and actively track supervisors with potential management issues, along with internal psychologists providing appropriate resources and assistance.We organize education and training on prevention and communication of unlawful infringement in the workplace, and conduct general education on safety and health education and training for new and current employees. In 2024, we organized "Education and Training on Occupational Unlawful Infringement Prevention and Communication" and "Education and Training on Occupational Health and Safety" for supervisors. A total of 164 supervisors participated in 3 sessions, with a satisfaction score of 4.7 (out of 5).With respect to public complaint channels, we established the second version of the "Complaints and Punishment Measures for Workplace Violence in the Performance of Duties", and established the Investigation and Review Task Force, which is responsible for investigating relevant complaint cases. In response to the implementation of relevant education and training and awareness promotion, public complaint channels and clear investigation procedures are established to encourage employees to make a report on illegal incidents. A total of 5 internal complaints were received in 2024, and 1 complaint was established and punished upon review.</div>
<div><div>Abnormal Workload-Triggered Diseases Prevention Plan</div></div>	<div><ul style="list-style-type: none">Revised the fourth version of the "Abnormal Workload-Triggered Diseases Prevention Plan".Actively case-managed 135 individuals on the high-risk list, using the "Abnormal Workload Assessment Form" for evaluations. Six individuals were recommended for physician consultations. Occupational physicians conducted consultations, provided health care, and offered relevant EAP cards, relevant stress relief and educational information, achieving a 100% care completion rate.</div>
<div><div>Health and Safety Protection Plan for Middle-Aged and Elderly Employees</div></div>	<div><ul style="list-style-type: none">Implemented the "Health and Safety Protection Plan for Middle-Aged and Elderly Employees".A total of 60 physical fitness activities, 8 lectures, and 2 promotional materials were organized in line with the plan (topics: "Muscle" Awareness and Early "Muscle Development", Maintenance of and Care for Strong and Healthy Bones). Specifically, we organized a small-scale "Muscle Strength UP UP Challenge" for the elderly at the Songsshan Financial Tower and the Xinban Financial Building, and held the fitness activity for the elderly at the Shin Kong Life Tower.</div> <div></div>
<div><div>Maternal Health Protection Plan for Female Employees</div></div>	<div><ul style="list-style-type: none">The fifth version of the "Maternal Health Protection Plan for Female Employees" was revised and integrated with the human resources leave system for care management.Conducted workplace environmental hazard identification and assessment nationwide, with recommendations provided based on the assessment results, and relevant preventive education provided.Case-managed a total of 152 female employees based on prenatal check-up leave/maternity leave/unpaid parental leave lists or employee reports. Occupational physicians assisted in conducting graded assessments, all resulting in first-level management (no maternal-infant hazards), with a care rate of 100%. Three gifts of motherhood (pregnancy gift, baby gift and nursing gift) were also granted.</div>

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C.Handling of Occupational Safety Incidents

In response to Article 37, Paragraph 2 of the Occupational Safety and Health Act, which stipulates that notification of occupational accidents must be made in a timely manner, we cooperated with the information unit to establish a convenient "Occupational Safety Incident Reporting" system and established relevant authorities and regulations. For years, we have advocated "notification of occupational health and safety incidents or concerns regardless of the size of the incident" and stipulated that incidents or contractor accidents, false alarms, and even unexpected illnesses during the work period should be notified. Occupational health and safety management personnel can receive notifications at any time using their official mobile phones for investigation and handling. We also actively refer health managers to provide nursing, health education and care as well as psychological counselors to provide mental health care and other support.



In 2024, all of SKL reports were minor injuries and false alarms, and there were no occupational injuries involving serious injuries or fatalities. The disabling injury frequency rate (FR, 0.18) and the disabling injury severity rate (SR, 4.46) was lower than the industry average.

Statistics of the top five incidents and false alarms during the work period

Type of incident	2023 (109 cases)	2024 (43 cases)
Traffic accidents	69%	55%
Trips, slips, and falls	19%	25%
External unlawful infringement	4%	5%
Wrap hazards	0%	2.5%
Falling items	0%	2.5%
False alarms	3%	2.5%

*Excluding commuting to and from work

D. Formulating occupational health and safety management for contractors or suppliers

Following the "SKFH Supplier Management Regulations," Shin Kong Life formulated the "SKL Supplier's Commitment Statement," requiring suppliers and contractors to sign and commit to upholding basic labor rights, insurance, training, and occupational safety and health management. In 2024, all cooperating suppliers (143) and suppliers participating in price negotiations (228) signed the commitment statement. Risk assessments were conducted for 42 suppliers, with one identified as high risk, leading to an on-site audit to review their improvement measures and status. Besides suppliers, we also engaged the supervisors at all levels of Shin-Kong Life Real Estate Service, the largest contractor, in the implementation of the "GRI 403 Occupational Health and Safety" standard for sustainable development. We provided on-site descriptions of various indicators, shared best practices, and offered suggestions for improving safety and health management. By offering relevant training and resources free of charge to all parties, we aim to foster common good from within. On our journey toward a sustainable and healthy workplace, we continually strive for improvement and growth.

SKL has established the "Guidelines for Implementing Safety and Health of Contractor Work and Change Management" for the occupational health and safety management of contractors. Upon confirmation of labor contract procurement, the contractor shall be requested to fill out an application for entry into the construction site and submit it to the building's service department personnel for exit and entry management. For high-risk operations such as washing exterior walls, relevant safety and health certificates, relevant education and training records, health examination reports, and pre-operation checklist shall be provided. In addition, an agreement organizational meeting shall be held. In 2024, the implementation was confirmed through internal and external audits of the management system.

The "Guidelines for Implementing Safety and Health of Contractor Work and Change Management" was revised in 2024 to strengthen contractor management: During labor procurement or electrical and equipment procurement, the Company is required to first confirm its safety and health regulations and actual needs, take into account the possible safety and health hazards and risks, and include the required safety and health specifications in the procurement requirement statement or contract. The procurement unit will select vendors from those who have better safety and health performance (having received safety and health related awards, having introduced the relevant system, etc.), not violating labor laws as announced by the competent authority in the last three years, and agreed to sign the Suppliers' Commitment Statement. For renovation and engineering contracts with a total value of more than NT\$1 million, the safety and health expenses required must be listed separately (0.3% to 3% of the total price) to avoid lowering safety and health standards due to bidding. The Company also stipulates that dedicated funds should be used for a specific purpose.



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Excellent Customer Experience

GRI 3-3

Plan

- Promote inclusive finance.
- Strengthen insurance knowledge.
- Expand financial accessibility.
- Enhance customer experience.
- Strengthen business digital capabilities.

Commitment

SKL is committed to creating a quality and comprehensive insurance journey for its customers through the development of innovative financial services, digital technology transformation, and the continuous fulfillment of its responsibility to improve fairness in customer treatment.



Material Topic	2024 Target	Status of Achievement	Major Performances in 2024	Short-term Target (2025)	Medium- to Long-term Target (2030 as the Target Year)
Financial inclusion	Develop at least one inclusive finance product or service		<ul style="list-style-type: none">Provided document translation and interpretation services in 9 languages to offer new immigrants with real-time services	<ul style="list-style-type: none">Offer exclusive customer groups with at least 3 friendly servicesAccumulate at least one inclusive finance product or service project	<ul style="list-style-type: none">Expand inclusive groups and cooperate with different industries to enhance non-financial support
			<ul style="list-style-type: none">Promoted the Wealth Gatekeeper, Golden Shield Guardian, Shin Kong 165 National Fraud Prevention, and Literary Revolution to strengthen the financial literacy of all people	<ul style="list-style-type: none">Organize insurance knowledge and fraud prevention campaigns, reaching 1,000 people	<ul style="list-style-type: none">Continue to organize insurance knowledge and fraud prevention campaigns, reaching a total of 12,000 people
Customer relations and service experience	Promote friendly finance and continue to maintain top-of-the-class fair customer treatment evaluation results		<ul style="list-style-type: none">Ranked in the top 50% among industry peers in the Treating Customers Fairly Evaluation	<ul style="list-style-type: none">Facilitate friendly finance and continue to maintain top-of-the-class fair customer treatment evaluation results	<ul style="list-style-type: none">Promote friendly financial services, and maintain top-of-the-class fair customer treatment evaluation results
	Expand digital customers and services to boost customer satisfaction		<ul style="list-style-type: none">Overall NPS increased from 89.2% to 91.0%	<ul style="list-style-type: none">Overall NPS remains above 82%	<ul style="list-style-type: none">Each year, the Net Promoter Score (NPS) increases compared to the previous period, or the proportion of detractors (scoring 0-6) decreases.
Innovation and digital finance	Improve the digital capabilities of sales representatives and sales channels		<ul style="list-style-type: none">Percentage of own channel e-insured usage rate reached 93.5%	<ul style="list-style-type: none">Maintain the e-insured usage rate in our own channels at 95%	<ul style="list-style-type: none">Maintain the e-insured usage rate in our own channels at 95%
			<ul style="list-style-type: none">The number of online members reached 1.15 million	<ul style="list-style-type: none">The number of online members reach 1.23 million	<ul style="list-style-type: none">The number of online members reach 1.23 million

5. Excellent Customer Experience

5.1 Sustainable Insurance | GRI 417-1 |

5.1.1 Providing a Sense of Security | GRI 2-27、3-3、417-2、417-3 |

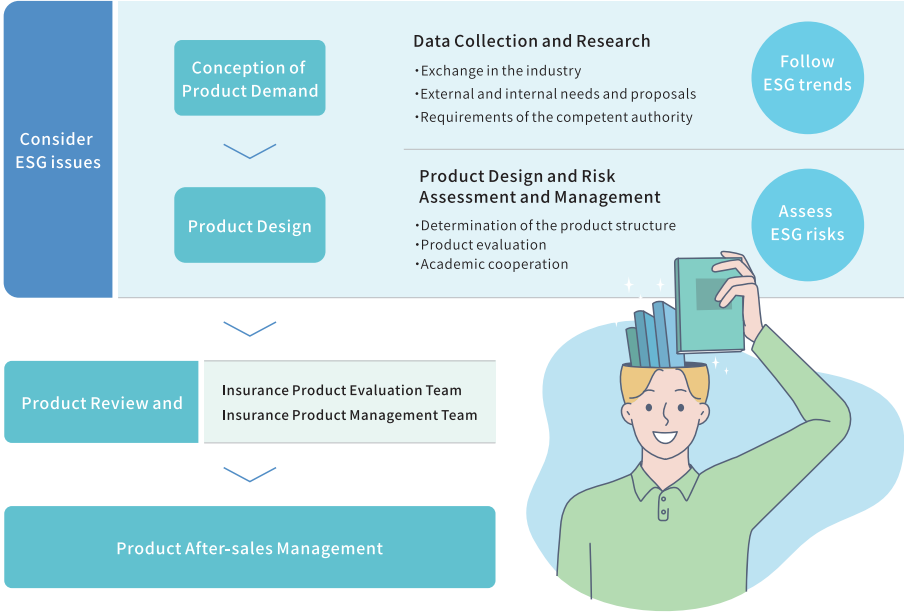
SKL adheres to the Principles of Sustainable Insurance (PSI), incorporating ESG and sustainability issues into the company's decision-making. In response to trends in social structure changes and policyholder needs. We are committed to developing and providing insurance products that meet the life planning needs of citizens, ensuring that product designs and service processes are in compliance with regulations, and fully protecting consumers' rights and interests.

1

Product design

- Continuously monitor ESG trends and incorporate ESG issues into the product development process. Establish inclusive product measurement mechanisms and consistently provide insurance products that align with the public's life plans. Ensure fair treatment of customers and achieve financial inclusion.
- Adhere to relevant regulations governing insurance product design and development during the product development process. Conduct pre-sale "Insurance Product Management Committee" meetings and "Insurance Product Evaluation Team" meetings. Implement post-sale review mechanisms through the "Insurance Product Management Committee" to regularly assess sales conditions, ensuring sustainable operations and the protection of consumer rights.

SKL Product Development and Design Process



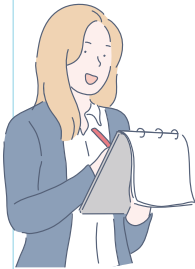
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Sales and advertising promotion

- Ensure all product sales and promotions comply with legal information disclosure requirements. Draft product terms and conditions in accordance with the demonstration clauses provided by the competent authority, and complete reviews according to legal procedures. Following the "Regulations Governing Public Disclosure of Information by Life Insurance Enterprises," 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.
- With respect to the review and approval mechanisms of application documents, the Company has formulated the "Insurance Product Sales Operations" and "Advertising and Press Release Operations" in accordance with the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises" in the internal control system. In compliance with the "Self-Regulations for Solicitation Advertisement in the Insurance Industry", the Company has formulated the "Management Regulations on the Use of Promotion Materials for Product Sales" to specify that information on insurance products, advertisements, and business solicitation activities should be truthful and accurate, and the contents should be clear and precise with a warning message to protect the rights and interests of policyholders. For products or services labeled as "green" or "sustainable", it is required to check whether the relevant statements comply with the principles set forth in the "Reference Guidelines for Financial Institutions on Anti-Greenwashing" when they are disclosed in external press releases.
- Establish the "Business Solicitation Processing and Procedures System" to ensure that business units and insurance agents provide policyholders with sufficient, truthful and accurate information when engaging in advertising, business solicitation, and business promotion activities to protect the rights and interests of policyholders.
- Launch the "fraud prevention and risk control model for external agents" to prevent the abnormal solicitation of external agents, misappropriation of premiums, improper marketing, and improper persuasion of policyholders through risk warnings.
- In 2024, there were no cases of non-compliance in marketing and communications. We will continue to implement existing improvement plans and review mechanisms, strictly control the quality of solicitation, ensure the legal compliance of marketing and communications activities, maintain a high level of compliance with laws and regulations, and continue to improve internal monitoring and management to provide customers and society with higher quality and more reliable services.

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3
 Underwriting



- Establish "Risk Management Mechanisms" and "Insurance Product Sales Operations" in the internal control system to strictly control the underwriting of new contracts and relevant underwriting processes. Underwriting is conducted in accordance with the "Underwriting System and Procedures" and the "Offshore Insurance Units (OIU) Underwriting System and Procedures".
- 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.
- Establish the Underwriting Risk-ranking Model and apply 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.
- In accordance with the inclusive finance policy, ensure that no form of unfair treatment is tolerated in underwriting for insured parties with certain conditions or those with physical or mental disabilities. For elderly applicants, underwriters should proactively show care and conduct thorough evaluations during the underwriting process, ensuring the appropriateness of the insurance coverage and the applicant's ability to recognize any potential harm to their insurance interests. This helps protect elderly customers and prevent elder abuse, aligning with the nature of insurance products and the principle of fair treatment.



4
 Claims



- Continuous improve compensation mechanisms and processes, and establish 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.
- Since 2021, policyholders who are over the age of 18 can access mobile claims services with the assistance of sales personnel through the Insurance Technology Sharing Platform. Policyholders with policies from multiple insurance companies can apply online for medical, disability, and critical illness claims with any insurer. This service offers simultaneous processing across multiple insurers and integrates Mobile ID (MID) technology for digital identity verification, streamlining the claims application process, enabling policyholders to complete claims online with a single click.
- 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.

5.1.2 Innovative Sustainable Products

SKL is committed to brand and product innovation, developing products that go in line with the market trends by strengthening inter-departmental cooperation in delving into the most authentic needs of customers. We believe that while creating more value for customers, SKL can also exert a positive impact on society and the environment.

Market Trend	Type of Product	Results
 ESG Investment-linked Products	Environmental Sustainability Products	Launched Taiwan's first investment-linked policy linked to ESG offshore structured products, namely, "Wen Wan Li Foreign Currency Investment-linked Annuity Insurance". This product is linked to green bond investment targets guaranteed by BNP Paribas, in combination with the "tree planting campaign", whereby the policyholders of SKL can plant one tree in Aceh, Sumatra, Indonesia for every US\$10,000 invested. A total of 2,283 policies were sold during the fundraising period (April 8 - April 30), with a final underwriting amount of AUD103 million. A total of 6,590 trees were planted to contribute to the restoration of mangroves. (For details, please refer to the Featured Column on Sustainability 📄)
 Promoting Health 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	Encouraging Taiwanese people to manage their health, we have launched various innovative spillover-effect insurance products. Through the design of mechanisms such as effective step count, effective exercise, and healthy sleep, insurance can be extended from post-incident compensation to early prevention for health promotion of policyholders. Since the launch of the products, a total of 160,088 policies have been sold, with FYP reaching NT\$4.269 billion by 2024.

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

Awards and Honors of Innovative Sustainable Products

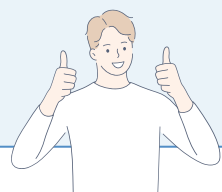

SKL Wen Wan Li Foreign Currency Investment-linked Annuity Insurance 	Linked to green bond investment targets guaranteed by BNP Paribas, in combination with the tree planting campaign, to integrate environmental protection factors with insurance products and investment decision-making, providing the public with a choice of socially responsible investment tools.	21st National Brand Yushan Award "Best Product" 
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5.2 Realizing Financial Accessibility
 | GRI 3-3 |

Following the "SKFH Inclusive Finance Policy", SKL is committed to planning diverse and inclusive friendly insurance services to ensure all groups of people can enjoy equal financial services. Since the establishment of the Financial Inclusion Integration Task Force in March 2022, SKL has focused on promoting key aspects and principles of friendly finance, conducted cross-departmental reviews to assess the measures on digital finance, insurance products, sales mechanisms, and caring programs through quarterly meetings, ensuring that the needs of different groups can be met. Moreover, we dynamically adjust related management mechanisms in response to regulatory changes and report these initiatives to the Board of Directors in order to strengthen the governance structure of financial inclusion.

In addition to deepening the accessibility of financial services, SKL also actively supports the development of domestic cultural activities, and entered into a MOU with the Taiwan Creative Content Agency (TAICCA) to

promote "ESG for Culture" through cross-sector cooperation, thereby supporting the sustainable development of Taiwan's cultural industry with practical actions. We firmly believe that finance not only drives economic development, but also promotes social diversity and inclusion through cultural co-creation to facilitate the creation of a more humanistic financial ecosystem.

In the future, SKL will continue to upgrade friendly insurance services in all channels, consider treating customers fairly and financial inclusion as the core value, and incorporate them into our corporate culture to respond to customers' diverse needs and practice financial inclusion.

Joined hands with the TAICCA to realize financial inclusion through culture co-creation

In response to the incorporation of corporate cultural development into the scope of sustainable development practices in Taiwan, SKL and the TAICCA entered into the Letter of Intent on Cooperation in Financial Inclusion for Cultural Treatment of Customers and committed to abiding by the principle of ESG for Culture, with the aim of combining financial inclusion with social welfare from the perspective of creative content, promoting cross-cultural exchanges and understanding, and building a harmonious and inclusive social environment.

In 2023, SKL collaborated with the Syin-Lu Social Welfare Foundation and Zero Waste Fashion Story Wear on the "New Life for Old Clothes, Light up the World" charity project (see 3.2.3.B Promoting Low Carbon Green Living for project details). Through an innovative cooperation model, SKL demonstrates its actual actions in promoting financial inclusion and social welfare, and verifies the development potential of diversified cooperation between the financial/insurance industry and creative content.

Note: Principle of ESG for Culture: Both parties are committed to integrating environmental, social, and corporate governance principles into cooperation, ensuring that the content of cooperation complies with the principle of ESG for Culture, and abides by domestic corporate governance evaluation standards.



Representatives: Min-Yi Huang, President of SKL; Chia-Chun Tsai, Chairman of TAICCA




Common goals: Both parties will work together to promote the concept of integrating cultural treatment of customers, financial inclusion and social welfare, facilitate cross-cultural exchanges and understanding, build a harmonious and inclusive social environment, and highlight the contribution and benefits of cultural influence to society.

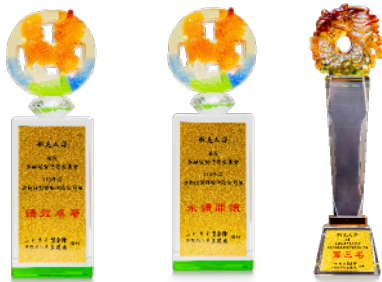
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5.2.1 Promoting Financial Accessibility
 | GRI 203-2 |

SKL actively responds to Sustainable Development Goals (SDGs) 1 and 8, and implements fair treatment of customers to achieve inclusive growth. We prioritize the diverse product needs of all groups by creating diverse and comprehensive products, aiming to realize our corporate mission of "making insurance available to all and providing security for every family."



Benefited Group	Type of Product	Results
 Seniors and people with disabilities	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	In order to provide the public with more retirement planning options, we have launched a number of variable annuity insurance and return of premium life insurance, aiming to meet the financial needs of different groups and secure people's retirement life.
	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" featuring low premium and whole-life protection. In 2024, we sold 2,488 small-amount whole life insurance policies and handled over 32,000 new contracts.
 Economically Disadvantaged Groups	Micro-insurance	<ul style="list-style-type: none"> SKL provides the disadvantaged with basic insurance products, and continues to collaborate with institutions including county and city government departments of social welfare, charitable organizations, and farmers' associations to sponsor insurance for the economically disadvantaged, physically or mentally challenged, or groups with specific identities who are eligible for microinsurance, in order to assist them in obtaining more comprehensive coverage. Due to our full efforts in 2024, a total of NT\$13.804 million of commercial benefits were generated, benefiting 79,500 people and providing coverage of over NT\$20.39 billion. We were honored with the "Micro-insurance Business Performance Award", the "Micro-insurance Disability Care Award", and ranked third in the life insurance industry by the Financial Supervisory Commission.
 Young People	Exclusive insurance for young people	<ul style="list-style-type: none"> We launched the "SKL Hao Shi Guang Insurance Plan" for young people, offering a small premium in exchange for great protection, and providing the most suitable insurance plans according to the needs of their career stages. The "Huoli series" features the five basic protections most needed by young people, with more affordable rates than traditional lifetime medical insurance, which can be paid without any burden. A total of 178,000 policies were underwritten.



For more information on our insurance products, visit [the company website](#).

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5.2.2 Expanding Financial Accessibility

SKL pays attention to changes in the external environment, recognizes the pain points in the use of financial services by all groups, and develops and provides convenient and friendly financial services and tools. The Company provided more than 12,000 people with a warm and friendly financial experience in 2024.



Individuals with disabilities

Financial inclusive services

Hearing-impaired

- Barrier-free communication**
In recognition of the fact that the hearing impaired often need to be accompanied by a dedicated person to handle business at the counter, in order to provide better services, we introduced industry-leading Sign Language Video Translation Service for policyholders with hearing and speech impairment to communicate smoothly through connection with professional sign language interpreters when requiring policy services at the counter.
- Daily Sign Language House**
In order to make it inconvenient for people with hearing impairment, we arranged for personnel at service locations to learn sign language and break down language barriers, thereby facilitating smooth communication and enhancing the professional skills of our employees.



Visually and physically impaired

- Friendly environment**
Equip service locations with accessible passages, service bells, dedicated mobile service bells, facility buttons with braille labels, guidance signs, as well as assisted facilities for wheelchair users at service counters.
- Accessible website**
Set up a "Friendly Financial Services Section" to enhance user-friendliness of the user interface and reduce the barriers to online applications for people with disabilities. Optimize the smart customer service interface "Hsi Kua" to assist users in browsing and capturing information.
- Service process optimization for the visually impaired**
Collaborated with Tamkang University's Resource Center for the Visually Impaired to upgrade services for visually impaired groups, review current service processes from the perspective of visually impaired users, and established SOPs for visually impaired counter services to adhere to user improvement plans and adjust and optimize current service processes.
- CAPTCHA on the member section of website**
The color of CAPTCHA has been changed to dark gray and the image noise has been toned down, so that people with poor vision or complete color blindness can see and recognize it. The CAPTCHA and dial-up buttons are combined with voice guidance to provide friendly operation guidance and improve the smoothness of operation for the visually impaired.
- Shin Kong Life APP visually impaired-friendly optimization**
Complete alternative text is added to images, buttons, and links to enable the screen reader software to accurately recognize them; ensure that the pop-up window and menu design comply with the logic of operation, and rearrange the order of reporting. At the same time, the iOS system and Android system are integrated with screen reading functions to improve the service experience for and perception of the visually impaired
- Claims mechanisms that meet the needs of the visually impaired**
In order to create a claims application mechanism that meets the needs of the visually impaired, the claims application form, claims approval notification, and online claims application in the member section are equipped with a guided reading function to assist the visually impaired in completing claims applications independently and improving the overall claims service quality.



Results in 2024

Expanded from five major service offices to 33 service center counters nationwide, with a cumulative of 5 calls being handled since its launch in May 2021.

3 sign language training sessions were organized with a total of 320 participants.

5 major customer service locations (Taipei, New Taipei, Taichung, Tainan, and Kaohsiung) have been equipped with dedicated mobile service bells, and environmentally friendly projects have been completed at 6 business locations.

The "Friendly Financial Services Section" and the smart customer service interface "Hsi Kua" have obtained the "Webpage Accessibility AA Label" certification from the National Communications Commission.

Three promotional events were held in northern, central, and southern Taiwan, inviting 39 visually impaired people to experience the service, and providing 12 visually impaired people with dedicated policy health check services.



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Low income households

- Economic relief Concessional Policy Loan Project**
We help our policyholders to solve the problem of financial needs and to accompany them through possible financial uncertainties, so that they can have more flexibility in their lives and in the use of their funds.

The concessional policy loan project, available from January 1 to March 31, approved 267 applications, with a total loan amount reaching NT\$21 million.



The middle-aged and elderly

- Family Contact Network**
Insureds aged 65 and above with legal capacity can visit SKL's customer service counter and designate a family member as their family contact person. Once authorized by the applicant, the designated family contact person can assist the applicant in understanding and managing their policy status, including accessing policy information and requesting reissuance of payment receipts. In the event of a major disaster where the applicant becomes uncontactable or specific notifications cannot reach them, insurance companies can also notify or contact the family contact person through this service to safeguard the economic security of the elderly.



During the year, a total of 179 policyholders personally visited our counters to submit applications, and a cumulative of 255 policyholders have made applications since the launch of this service.

- Fraud prevention network**
The customer information system (CIS system) utilizes internal big data to incorporate the CIS probe tag (CISPT), allowing counter staff and 0800 customer service personnel to anticipate potential obstacles that customers may encounter, pay attention to high-risk customers, and provide timely care guidance and services.

A fraud prevention network has been built to successfully block 7 fraud cases, with a cumulative amount of nearly NT\$9 million, to fully protect the assets of policyholders.

- Elderly service hotline**
Customers aged 65 and above are prioritized for direct consultation without needing to navigate through IVR (Interactive Voice Response) options. Customer service personnel quickly identify customer needs through system information (e.g., friendly care tags, line navigation, customer IVR browsing history reminders, etc.), and then slow down their speech, respond patiently, and communicate in both Mandarin and Taiwanese, using the customer's preferred language. Policy-related information is explained in a conversational manner to reduce information gaps and enhance the customer experience through warm and appropriate service.

Served a total of 2,757 elderly customers throughout the year.



Youth groups

- LIFE Lab.***
By offering a youthful and engaging visual experience and consolidating statistical data from various professional institutions, we enable users to generate customized life planning reports with simple inputs and rational calculation rules. These reports include detailed explanations of calculations, data sources, website links, and recent news articles, assisting users in conducting further needs analysis and protection planning, providing a clearer framework and establishing first-step correct insurance concepts for the public.

Assisted the young population aged 20-29 in completing 2,934 career planning reports.

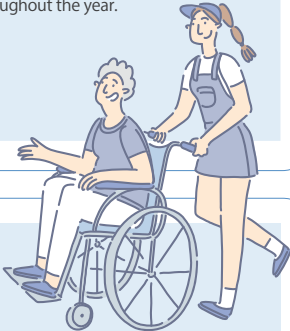


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New immigrants/
Indigenous peoples/
Foreign nationals

Financial inclusive services

• Translation of documents into multiple languages

In order to strengthen communication with new immigrants and eliminate information gaps, we worked with the New Immigrant Family Growth Association to translate "Important Rights and Interests of Policyholders" and "Claims Application Form" into multiple languages to assist new immigrants in understanding their own insurance rights and benefits and claims services in their native languages.



• Interpretation services for new immigrants and indigenous peoples

New immigrants often encounter language difficulties in policy consultation, contract changes, and claims applications. In order to overcome these difficulties, we cooperated with the New Immigrant Family Growth Association to launch multi-language interpretation services. New immigrants can communicate in their native languages through interpreters from the Association to fully understand their rights and interests, thereby minimizing the information gap in communication.

In addition, multi-language translation machines have been provided in our service centers throughout Taiwan to assist front-line service personnel in providing timely assistance to new immigrants.



• Diverse tutoring services for children of new immigrants

We have assisted children of new immigrants who returned to Taiwan in learning Chinese, provided Shinpan Financial Building as an after-school tutoring venue, and arranged professional after-school tutoring volunteers to adjust the teaching content according to their actual needs, in order to help children better adapt to schools and social environment.



Results in 2024

Provided documents in nine languages, including Vietnamese, Burmese, Indonesian, Korean, Thai, Pilipino, Malay, Japanese, and English. Important rights and interests of policyholders have been posted on the fraud prevention website, with a total of 440 downloads.



Provided interpretation services in nine languages and assisted 2 customers with Vietnamese and English interpretation services; provided multi-language translation machines in 32 service centers nationwide to offer real-time services.

Since its launch, the program has been carried out twice a week (except for the winter and summer vacations), and has assisted 12 children of new immigrants with diverse tutoring services, including 7 children of new immigrants from Vietnam, 3 from the Philippines, 1 from Thailand, and 1 from Indonesia.



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5.2.3 Strengthening Financial Literacy

To enhance financial literacy within society, SKL has strengthened internal employee training, and promoted the importance of fraud prevention and related skills. Externally, SKL has extended our services and allocated more resources to financially vulnerable groups, including students in remote areas, youth groups, and the elderly. Through a variety of forms and channels, such as fun board game courses, professional financial courses, and

seminars, we aim to raise public awareness about finance, insurance, and fraud prevention. In 2024, a total of 789 sessions were held, which benefited a cumulative of over 1.46 million participants, showcasing SKL's commitment to leveraging our core competencies in fostering financial inclusion.



Insurance agents



Youth groups

Financial inclusive services

- Promotion of digital team throughout Taiwan**
The digital team, comprised of dedicated personnel from the Digital Service Development Department, promoted technology and fraud prevention knowledge to insurance agents during unit tours throughout Taiwan, and took advantage of morning meetings to teach concepts and skills on fraud-related laws and regulations, and assisting customers in identifying frauds. In light of the prevalence of phishing SMS scams, we have strengthened the promotion of the commercial short code "68288". The sales representatives further educated policyholders on how to recognize and identify frauds to minimize the risk of fraud and avoid financial loss.
- High School Financial Literacy Course**
In collaboration with the Education Bureau of Taichung City Government and the Taiwan Association for Financial Literacy Promotion, we have co-organized financial education to promote financial literacy among teenagers across high schools at all levels. Financial experts and industry professionals are invited to provide insights into various aspects of finance, including financial management, entrepreneurship, investment, and FinTech. They simplify complex financial concepts to provide teenagers with a solid foundation in financial education and diverse learning opportunities, thereby increasing their competitiveness.
- Guardians of Wealth**
In partnership with social enterprise Re-U, we designed the "Guardians of Wealth" board game course to teach students through interactive gameplay. By incorporating real scam scenarios into the game through "insurance event cards," the game creates situations for fraud prevention. Through the role-playing and dice-rolling process, the course features easy-to-understand insurance concepts and engaging interactions, which help enhance students' insurance literacy, and integrate financial knowledge into their daily lives. The board game course extends beyond urban campuses into rural areas, helping teachers in those areas to overcome challenges in financial literacy education. Students can thus understand how insurance provides personal risk protection and learn about avoiding becoming victims of fraud by not disclosing cash or personal information to others. Furthermore, the teaching aids used in the game are made from laser-cut waste materials and recycled paper, giving them a sustainable purpose.
- Golden Shield Guardian**
Taiwan lowered the age of majority under its Civil Law to 18 years old. In response to this revision, we have once again designed the "Golden Shield Guardian" board game course with social enterprise Re-U, which is suitable for the age group of the senior (vocational) high school and above. Through game-based teaching, real scam scenarios have been incorporated into "insurance event cards". Moreover, the role-playing and dice-rolling interactions also enable students to learn about risk management in the game, thereby enhancing their insurance concepts and strengthening their financial resilience.

Results in 2024

Organized 595 sessions, with a total of 19,862 participants throughout the year. Continuous reminders and promotions were conducted to raise the awareness of fraud prevention among insurance agents.



Collaborated with 18 schools since the launch of this program. During the year, a total of 154 financial literacy courses have been conducted, with 337 hours of education, benefiting 6,573 students. The post-course satisfaction rate is 4.3 out of 5.



A total of 17 Guardians of Wealth courses have been conducted, benefiting 586 students. 3 courses were organized together with the Social Affairs Department, Penghu County Government to promote the Wealth Gatekeeper board game course to the new immigrants and disadvantaged families.



The board game mat obtained the design patent from the Intellectual Property Office, Ministry of Economic Affairs. A total of 10 Golden Shield Guardian courses have been conducted, benefiting 348 students.



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General public



New immigrants



The elderly

Financial inclusive services

• SKL 165 Anti-Fraud Initiative

Fraud recognition: Conduct online fraud prevention interactions and offline seminars through diverse channels to raise the awareness of fraud prevention.

Fraud prevention: Examine violation pattern control guidelines and control mechanisms, and establish anti-fraud procedures for counter personnel to be included in educational training materials.

Fraud intervention: Conduct regular audits on sales representatives to ensure the rights and interests of policyholders, and actively remind policyholders of important rights and interests to keep them alert.

• Literary Revolution

In collaboration with social enterprise Re-U, we transformed the SKL Hsi Kua and Hsiao Yu into the main characters of the comics, using easy-to-understand phrases to convey correct insurance concepts to different groups. In addition to lovely and friendly comics, we have also endeavored to convey difficult insurance concepts to the public in an easy-to-understand manner.

Furthermore, we offer information on a wide range of reading patterns. In addition to comics, we also provide text for the visually impaired for them to understand the content of the comics.



• Seminars on financial friendliness and digital literacy for new immigrants

In response to the development of the digital financial era, in order to prevent new immigrant policyholders from facing the risk of fraud due to a gap in familiarity with digital payment tools, seminars have been held to introduce the terminology and concepts commonly used in insurance policies and promote the convenience of digital tools.

• Anti-fraud promotion for the elderly

Taiwan will enter a super-aged society in 2026. At the same time, the number of fraud cases and financial losses are increasing year by year, in which fraud cases involving the elderly are witnessing a rapid growth. In light of this, we have enlarged the fonts and adopted the principle of simplicity in design, explaining the fraud techniques commonly encountered by the elderly in recent years and ways to protect themselves. Anti-fraud notices and family contact information have been sent via email, so that the elderly and their families can pay attention to fraud cases and be careful in seeking evidence.

Results in 2024

- By utilizing our official LINE account to share posts and push notifications, we aimed to promote fraud prevention knowledge and enhance customers' ability to recognize scams. The campaign reached a total of 80,000 opens.
- SKL's exclusive [fraud prevention website](#) was viewed 4,991 times throughout the year.
- The fraud prevention website provides important rights and interests in multiple languages and has been downloaded 440 times.
- 3 sessions of education and training on fraud prevention process were held, with a total of 320 participants.
- 7 sessions of fraud recognition campaigns were organized, with over 400 participants.
- Customer care voice reminders on rights and interests reached 700,000 people.
- Important notifications on rights and interests of policyholders were distributed to 570,000 people.



12 four-panel comics were released for customers of different attributes, including seniors, youths, children, and new immigrants. The themes for each season in 2024 are as follows:

Season 1: Reminders of fraudulent and financial exploitation patterns common to the elderly.

Season 2: Insurance concerns and fraudulent patterns common to youth groups.

Season 3: Insurance knowledge and anti-fraud information for elementary school children.

Season 4: Enhancement of insurance awareness among new immigrants and prevention of fraud through interpretation services.

A total of 3 sessions were held throughout the year, providing 45 new immigrant policyholders with practical financial knowledge to gain a more complete understanding of the basics of insurance.



Sent to a total of 83,655 people.



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5.3 Fair Treatment and Customer Experience | GRI 3-3

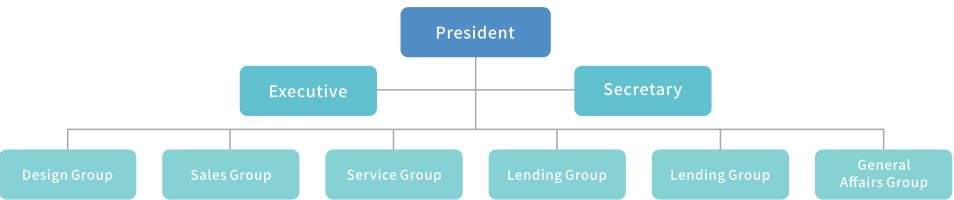
SKL upholds the spirit of "Friendly Service," "Ethical Business," and the "Principle for Financial Service Industries to Treat Customers Fairly" as the core values and behavioral guidelines to establish a corporate culture centered around "fair treatment of customers," and to further enhance the accessibility, usability, service quality, and consumer rights protection of financial services. By continuously promoting fair treatment of customers, implementing financial inclusive practices, and fostering social common good, SKL constantly promotes financial insurance knowledge to enable consumers to understand the importance of insurance. Additionally, proactive measures are taken to provide more in-person or digital care services to elderly and disabled policyholders, demonstrating our commitment to fair treatment of customers as we strive to become the most trusted leading life insurance brand among policyholders.

5.3.1 Realizing Fair Treatment of Customers

A. Treating Customers Fairly Committee

SKL formulated the "Fair Treatment of Customers Policy" and the "Strategy of Treating Customers Fairly" in 2016, and authorized the President to establish the "Treating Customers Fairly Committee" in 2019, which consists of six working groups and three supervisory units responsible for supervising the implementation of the fair treatment of customers and reporting the results to the Audit Committee and the Board of Directors for approval 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.

Fair Trading Commission Organisation Chart



B. Fair treatment education and training

To establish a culture of fair treatment, SKL regularly conducts compliance education and training for all employees to strengthen their legal compliance awareness. These sessions cover topics such as the Financial Consumer Protection Act, Principle for Financial Service Industries to Treat Clients Fairly, financial inclusive, and the protection of the rights of persons with disabilities in the CRPD. In 2024, we achieved a 100% completion rate for these training programs. In addition, tailored training programs are provided based on practical needs for different levels and roles within the company. In 2024, we engaged external lecturers to organize ten face-to-face training sessions for directors, executives, and insurance agents in charge of fair treatment of customers. Board directors also completed courses on "Integrity in Business, Fair Treatment of Customers, and Financial Friendliness", "Legal Design and Practical Operation of Financial Consumer Protection", and "Analysis of Enforcement Issues of Policy Value". These training sessions continuously enhance the understanding of fair treatment and friendly finance among board directors and senior management.

C. Initiatives and achievements in enhancing fair treatment

SKL is dedicated to promoting fair treatment of customers, adhering to the "Principle for Financial Service Industries to Treat Clients Fairly." In 2024, the Company integrated fair treatment principles, financial inclusive services, anti-fraud, and complaint handling into evaluation criteria and implemented several initiatives, achieving notable results:

Focus	Aspect	Initiatives
Expanding the scope of financial equality: Ensuring fair access to services and resources for financially disadvantaged groups	Financially disadvantaged groups	• Set up a dedicated section with respect to policy enforcement to actively care for policyholders who are subject to enforcement of insurance contracts.
	New immigrants	• Launched multi-language versions of insurance documents to improve the accessibility of claims and sales services.
	Indigenous peoples	• Promoted microinsurance at the Indigenous Harvest Music Festival in order to offer comprehensive support that addresses their needs in daily lives.
	Young people	• Developed "Golden Shield Guardian" and "Guardians of Wealth" board game courses to integrate knowledge and education with interactive games on campuses.
	Individuals with dementia	• Independent directors led the dementia-friendly angel lecture to improve employees' understanding and care skills for dementia.
	Inmates	• Promoted fraud prevention knowledge in prisons and established correct financial concepts among inmates.
	Elderly groups	• Launched a new choice of "I Tsai Pao" for the elderly to pay for specific medical supplies with the aim of protecting their health.
Anti-fraud measures and their effectiveness	Individuals with disabilities	• Created an accessible digital experience of smart digital customer services, making SKL the first in the insurance industry to obtain the Webpage Accessibility AA Label certification.
	External assistance	• SKL 165 Anti-Fraud Initiative network integrates fraud prevention information to comprehensively enhance fraud detection capabilities. • Official OTP SMS short code "68288" has been strengthened to reduce the risk of customers being scammed by phishing messages.
	Internal cooperation	• Established a cross-departmental anti-fraud mechanism and labeled customers as "prone to fraud" in the CIS system to strengthen financial security. • Added a pre-recorded customer service voice statement to alert against fraud when receiving calls at 0800.
Soundness of the complaint handling mechanism	System	• The first company in the insurance industry to adopt a comprehensive risk assessment methodology to comprehensively review complaint cases and make recommendations for improvement. • Added the "Business Quality Compliance Promotion and Evaluation Measures" to encourage units to propose optimized administrative measures and reduce the number of complaint cases.
	Execution	• Upgrade of elderly services: Customer complaint hotline prioritized access for the elderly and provided care services in Taiwanese, with a customer satisfaction rate of 96%. • Customer service counters passed mystery shopper audits, and the complaint quality management system has passed the ISO 10002 international standard certification every year.

Awards and Honors in 2024

Ranked 26%~50% in the "Treating Customers Fairly Evaluation" of the FSC.



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5.3.2 Customer Service and Communication

Shin Kong Life listens to customer needs and upholds its "3D Service Policy," providing heartfelt support through three core approaches. With "Do With Passion", the company delivers warm and sincere service by actively listening to customers. Through "Do By Technology", it leverages digital innovation to offer diverse and user-friendly service experiences. Additionally, "Do Things Right" enhances professionalism by incorporating the BSI International Service Excellence Certification, empowering service representatives and improving processes through technology to increase overall service efficiency and effectiveness. Moreover, Shin Kong Life has introduced the Net Promoter Score (NPS) as a key indicator to evaluate customer satisfaction based on their likelihood to recommend the company. This feedback is transformed into actionable insights to drive continuous service improvement. As a result of these initiatives, the company achieved an impressive NPS of 91.0% and a claims satisfaction rate of 89.6% in 2024, reflecting strong customer recognition and support for its service efforts.

SKL was certified to "Royal Mystery Shopper (RMS)" and "ISO 10002:2018 Customer Satisfaction Management System," making it the first in the life insurance industry to obtain these two certificates from the BSI. (Please refer to Appendix for details of certificates)

A. Services for major disasters

Services	Description	Results
International disaster relief	<ul style="list-style-type: none">Activated international disaster relief immediately when policyholders needed assistance in an emergency while traveling overseas.	From 2013 to 2024, SKL processed 77 international disaster relief cases at the amount of NT\$39.57 million.
Emergency/disaster care	<ul style="list-style-type: none">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 2024, a total of 3 emergency response mechanisms were activated for major events, including earthquake in the eastern sea, Typhoon Gaemi, and fire at Pingtung Antai Tian-Sheng Memorial Hospital.

B. Optimizing Customer Service

1. 0800 Customer Service Hotline

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 2024, we served nearly 440,000 incoming calls, and out of a sample of 51,000 respondents, the service satisfaction rate was 95.4%. Most of the callers made inquiries about policy administration (preservation, premium, and the content of the contract). The NPS for our 0800 Customer Service Hotline was 90.4% in 2024, indicating a high level of customer satisfaction and recognition of our service quality.



0800 Customer Service Hotline	2022	2023	2024
Service Satisfaction Rate	95.8%	94.3%	95.4%
NPS	81.6%	89.4%	90.4%

2. 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. In 2022, SKL implemented an "AI training center" that uses natural language processing (NLP) models to initially handle inquiries. This system generates AI learning rate reports, which are then professionally fine-tuned by trainers, using another specialized AI model, the "Training, Sorting, and Analysis Tool." This tool provides a comprehensive view of outlier sentences, various engine response statuses within the system, and changes in vector indexing mechanisms, ensuring a dynamic and clear presentation of knowledge distribution. This "AI managing AI" technology keeps SKL at the forefront of technological service advancement.

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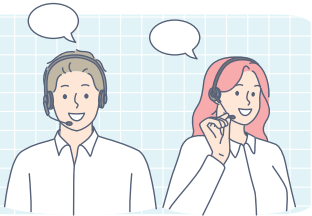
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C. Responding to Policyholder Feedback Attentively
 | GRI 2-25 ~ 2-26 |

For complaints lodged by policyholders, SKL has complaint handling procedure and diverse channels 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. Internally, we continue to strengthen the functions of employees and promote a comprehensive plan to enhance the effectiveness of complaint management. This plan encompasses three main aspects: developing training programs for complaint handling personnel, strengthening advocacy within business units, and optimizing the complaint system 2.0, so as to improve the management capabilities of sales personnel, streamline the complaint handling process, and reduce external complaints. Through pre-incident prevention and system establishment, customer complaints are handled in a prompt manner. We have deepened customer service personnel's understanding of financial consumer protection and compliance with relevant laws and regulations, and have continued to obtain the "ISO 10002:2018 Customer Satisfaction Management System" service standard certification to effectively control cases and improve service quality.

Grievance channel

- Free complaint hotline 0800-031-115
- Friendly financial advisory services and complaint hotline 07-2389009
- Official website - Voice of policyholders



Complaint handling procedure:

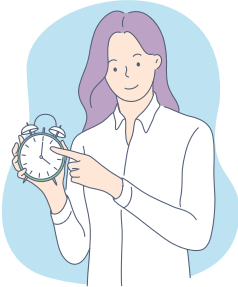
1. Case acceptance: When each unit receives a complaint, a dedicated person is assigned to handle the case.
2. Processing time: The Company will process the complaint in an appropriate manner within 30 days from the date of receipt of the complaint, and will notify the complainant by phone or in writing if the processing time has to be extended.
3. Handling results: The Company will notify the complainant by letter or other means.



Proportion of Ombudsman Cases and Average Processing Days of Disputes over Claims and Non-claims Cases in the Past Three Years | SASB : FN-IN-270a.2 |

	2022		2023		2024	
Type of case	Claims	Non-claims	Claims	Non-claims	Claims	Non-claims
Proportion of Ombudsman Cases (%)	0.032	0.031	0.028	0.03	0.035	0.029
Average processing days	1.02		1.13		1.06	

Source: Financial Ombudsman Institution (published once every year)



5.4 Innovative Digital Services | GRI 3-3 ~ 203-2 |

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, with "creating excellent services, deepening digital value and developing financial innovation" as our digital innovative strategies. We leverage technology to enhance service accessibility and usability while reducing interaction barriers. Our focus is on automating processes to improve service experience smoothness and efficiency. The development progress and implementation performance of relevant projects are regularly reviewed in key performance review meetings and digital finance monthly meetings to ensure the timeliness and quality of service development. In 2024, we obtained 2 digital finance-related patents, bringing our total to 38, and received recognition through various external awards.

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 incorporate ESG into our core business operations in four aspects: product development, operational process, talent development, and sustainability.



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SKL Digital Services

Creating Excellent Services

Solution / Content	Results in 2024
<div><div>▶ APP visually impaired-friendly optimization</div><div><ul style="list-style-type: none">• Add complete alternative text to images, buttons, and links to facilitate accurate recognition in the screen reader software, as well as support the VoiceOver function of the iOS system and the TalkBack function of the Android system.• Rearrange the order of reporting to ensure that the pop-up window and menu design comply with the logic of operation.</div></div>	<div><ul style="list-style-type: none">• Provided friendly operation guidance and improved the smoothness of operation for the visually impaired.</div>
<div><div>▶ Monitoring of customers' digital tracks through smart customer services</div><div><ul style="list-style-type: none">• Smart Contact Center, the telephone customer service• The online "Smart Contact Center" has been optimized in conjunction with the Company's revamped intranet, assisting insurance agents in quickly obtaining accurate information.An AI training center has been established to enhance training efficiency, and a question and answer feedback service has been developed to better understand customer needs.</div></div>	<div><ul style="list-style-type: none">• Telephone service for simple data change: served 88,000 individuals.• Smart reminder service: served 7,000 individuals.• Smart Digital Customer Services 2.0: 1.452 million individuals.</div>
<div><div>▶ Introduction of NFC sensor reader to APP</div><div><ul style="list-style-type: none">• A card reader is no longer required. A cell phone and an IC ATM card can be used directly for identity authentication.</div></div>	<div><div>Lowered the threshold of membership upgrade and improved convenience.</div><div></div></div>
<div><div>▶ Electronic self-payment platform</div><div><ul style="list-style-type: none">• Online and offline integration to provide convenient "one-stop" digital experience.• After receiving electronic payment notification via mail/SMS + LINE official account, customers can log in to the platform and choose the payment method to complete payment.</div></div>	<div><div>Promotion of electronic self-payment notifications: Statistics showed that approximately 29,000 cases were completed in 2024.</div><div></div></div>

Deepening Digital Value

Solution / Content	Results in 2024
<div><div>▶ Mobile APP innovative interaction services</div><div><ul style="list-style-type: none">• "Mobile Commerce APP", the digital aid for business, provides mobile e-visit, e-insurance, e-payment, e-contract change, e-claim and other services.• The "Shin Kong Life APP" combines various business services with policyholder health management and more, providing convenient self-service.</div></div> <div></div>	<div><ul style="list-style-type: none">• Added e-reissue digital service to the Mobile Commerce APP.• Totalling 758,000 downloads of the Shin Kong Life APP.</div>
<div><div>▶ FIDO identity verification service</div><div><ul style="list-style-type: none">• Replaced passwords with biometric identification to address password forgetfulness. FIDO verification utilizes encrypted public-private key authentication, offering enhanced security compared to traditional login methods.• Designed for cross-screen verification, adhering to the principles of fair treatment and financial inclusion.</div></div>	<div><div>The use of FIDO services reached more than 620,000 times.</div><div></div></div>
<div><div>▶ Optimized customer experience in the member area</div><div><ul style="list-style-type: none">• The area features a sleek and intuitive user interface. Usability tests are conducted with customers to observe their actual interaction experiences for enhanced design accordingly.• The "FIDO Passwordless Transaction Authentication" service is integrated, facilitating cross-device transaction verification.</div></div>	<div><ul style="list-style-type: none">• Membership count: Accumulative, 1.15 million people.• Annual transaction volume: 808,000 transactions.</div>

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Developing Financial Innovation

Solution / Content	Results in 2024
<p>▶ AI product assistant</p> <ul style="list-style-type: none"> In order to empower and strengthen sales representatives, we launched the industry's first "AI Super Partner · Product assistant" in 2024. It integrates generative AI and RAG technology to accurately analyze policy terms and conditions, solving the pain points that sales representatives used to spend more than 15 minutes on average to understand product terms and conditions. Sales representatives can now inquire about product information immediately through natural language interactions. This enables sales representatives to immediately communicate with customers at anytime, anywhere, thereby achieving the goal of "business confidence and customer trust". 	<ul style="list-style-type: none"> It is estimated that the quantitative benefit calculated by converting time saved into salary of sales representatives will achieve nearly NT\$10 million per year. Recommendation by sales representatives: 8.3 out of 10. Obtained the utility model patent for the "Smart Q&A System" from the Intellectual Property Office.
<p>▶ Smart Insurance Policy Health Check</p> <ul style="list-style-type: none"> Utilizing Optical Character Recognition (OCR) technology, the policy contents can be instantly recognized through a camera lens, quickly completing policy health checks and consolidating coverage summaries. The use of protection indicators can also facilitate the disclosure of coverage gaps. 	<p>Served approximately 1.1 million customers; made approximately 1.1 million plans.</p>
<p>▶ Revision of proposal</p> <ul style="list-style-type: none"> In order to make the proposal system effectively facilitate business development and become one of the important tools for sales representatives to create new contracts, after the official launch of the investment-linked proposal on November 1, 2023, the traditional proposal was fully revamped and launched on December 25, 2024. In addition to the new operating interface, it also provides cross-carrier services, enabling sales representatives to smoothly complete proposal planning regardless of whether they use mobile phones, tablets and PC computers. 	<p>Reinforced support for agents and diversified channels to facilitate business expansion, improve service efficiency, and provide better marketing support.</p>
<p>▶ Claims risk screening system</p> <ul style="list-style-type: none"> Claims risk analysis system: The architecture of the analysis system and the analysis information platform are constructed to improve the hit rate during an investigation. When the inspection rate drops and the case detection rate increases, the system will come into play, thereby improving the overall investigation performance and preventing fraudulent claims. Quick claims advanced risk analysis system: Quantifies the risk of claims and improve the accuracy of case classification. 	<ul style="list-style-type: none"> Claims risk analysis system (1)The claim inspection rate ^(Note 1) 1.7% (2)The claim detection rate ^(Note 2) 32.2% Quick claims advanced risk analysis system (1)Average processing time for normal cases: 1.4 days. (2)Average monthly number of reviewed cases per person: 401.
<p>▶ E-task integration platform</p> <ul style="list-style-type: none"> Based on the scenario of "agent servicing customer," the platform is designed to enhance mobile services for external agents by providing an intuitive one-stop sales support tool through cross-system integration and the optimization of multiple APPs. Customer data is consolidated using a unified customer ID, allowing agents to access comprehensive service lists and track the progress and performance of each service from a single interface. Supervisors have additional access to tools for managing the activities and performance reports of their subordinate. 	<p>Continued to launch a list of services to protect customers' rights and interests, in which the "beneficiary change rate" increased to 15.7% in 2024 from 7.2% in 2023, the year when it was first introduced, thereby safeguarding the rights and interests of customers.</p>

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.
 Note 3:For more information on our insurance products, visit [our Sustainability website](#) .

Patent Achievements	"Friendly Care Tagging Customer Service Assistance System" was awarded the utility model patent from the Intellectual Property Office	SKL was the first life insurance company to utilize internal big data. Within the system, we introduced the "Friendly Care Tagging" feature, assisting service personnel in identifying vulnerable customers and providing timely care to protect their policy rights and interests.
	"Smart Q&A System" was awarded the utility model patent from the Intellectual Property Office	By integrating generative AI and RAG technology to accurately analyze policy terms and conditions, sales representatives can inquire about product information, obtain immediate answers and receive sorted key points through natural language interactions.

Awards and Honors of Digital Innovation

- International Innovation Awards (IIA) in the category of Service & Solution
- Excellence in Digital Finance Award in the 2024 Excellence Insurance Rating
- Corporate Excellence Award at the 2024 Asia Pacific Enterprise Awards (APEA)
- Departmental Transformation Finalist Award at the SKFH Digital Stars Competition Awards

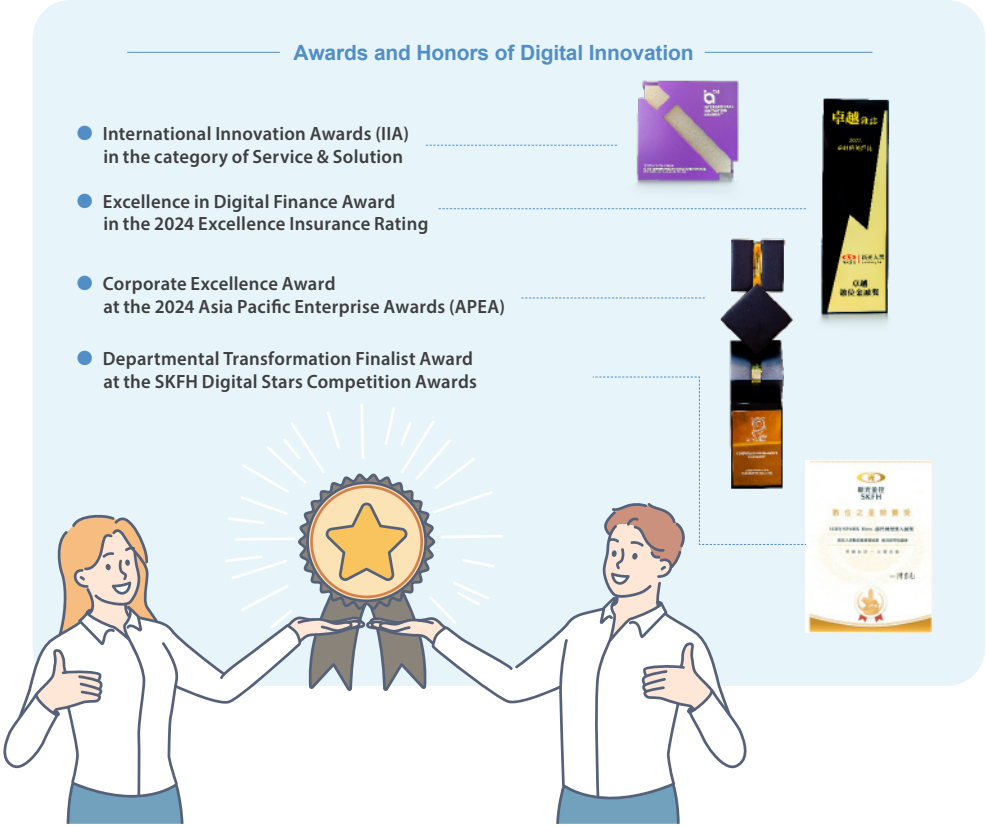


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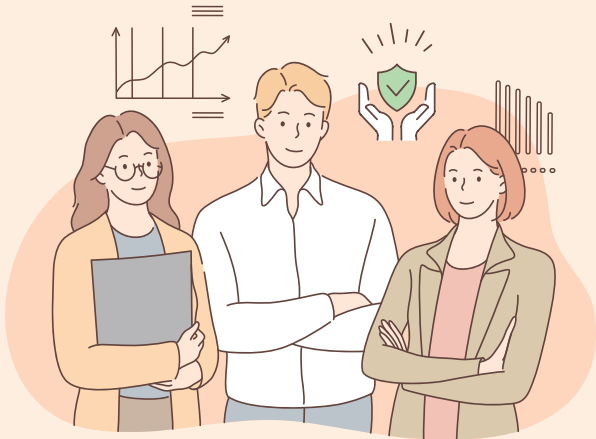
Corporate Governance Realizing Sustainability Governance | GRI 3-3 |

Plan

- Strengthen the operating mechanisms of the Board of Directors and Functional Committees.
- Implement and promote ethical corporate management.
- Strengthen information security protection.

Commitment

Shin Kong Life understands that only by treating each other with sincerity and establishing a complete mechanism for corporate governance, risk management, and information security can it operate in a stable manner, provide protection for many families, and protect each and every policyholder in a solid manner.



Material Topic	2024 Target	Status of Achievement	Major Performances in 2024	Short-term Target (2025)	Medium- to Long-term Target (2030 as the Target Year)
Corporate Governance and Ethical Management	Organize ethical management training for directors and employees annually.	✓	• Completed ethical management training for directors and employees in the 3rd quarter of 2024.	• Assist SKFH to reach the top 20% in the Corporate Governance Evaluation.	
	Conduct external evaluations every three years and disclose external performance evaluations, including suggestions and improvement measures.	✓	• Completed board performance evaluations and functional committee performance evaluations, as well as disclosed internal evaluations and internal and external performance evaluations in the past three years.	• Complete performance evaluations of the board and functional committees and disclose the results thereof. • Maintain an average attendance rate of the Board of Directors of above 85% .	
Risk Management	Obtain ISO 22301 Business Continuity Management System (BCMS) certification.	✓	• Continued to obtain "ISO 22301 Business Continuity Management System (BCMS)" certification from the British Standards Institution (BSI).	• Implement risk management practices to swiftly address emerging risks. • Continue to obtain "ISO 22301 Business Continuity Management System (BCMS)" certification.	
Legal Compliance	Optimize compliance management operations.	✓	• Optimized the compliance business management system.	• Continue to optimize compliance management operations.	• Actively respond to the policies of the competent authority, maintain good communication and interaction, and implement legal compliance operations.
Information Security and Privacy	Implement information security protection and response mechanisms.	✓	• Completed DDoS drills on e-commerce websites to ensure the effectiveness of protection mechanisms. 100% information security alert handling rate.	• Purchase information security insurance, continue to strengthen information security protection, simulate hacking techniques, and evaluate the effectiveness of response mechanisms.	• Continue to improve and enhance the maturity of information security governance.
	Maintain ISO 27001 and BS 10012 international standard certification, and implement the ISO 27001 conversion plan.	✓	• Implemented the ISO 27001:2022 conversion plan, introduced new control measures, and continued to pass the certification.	• Maintain ISO 27001 and BS 10012 international standard certification and pass ISO 27001:2022 conversion certification.	• Maintain information security certification.

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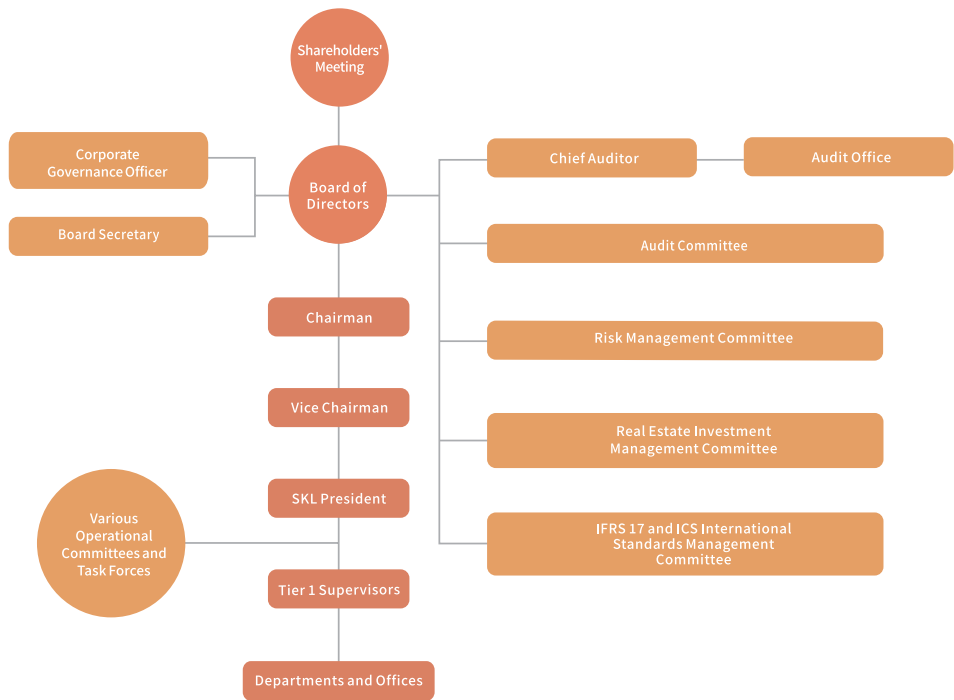
6.1 Corporate Governance and Ethical Management

| GRI 2-9、2-11、3-3 |

Shin Kong Life is committed to the business philosophy of "stability and prudent", and continues to strengthen its 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 established a Code of Corporate Governance, and continue to use corporate governance as a basis for strengthening the foundation for sustainable business operation. (Please refer to SKL information disclosures)

Organizational Chart of the Board of Directors



Note: The Company voluntarily established an Audit Committee on June 30, 2017 to strengthen the corporate governance and audit oversight mechanism.

6.1.1 Board of Directors and Functional Committees

| GRI 2-10、2-11、2-12、2-15、2-16、2-17、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 relevant laws and regulations. The members of the Board of Directors are designated by SKFH after qualification examination and approved by the Chairman of SKFH. The Chairman does not concurrently hold other positions in the management team. In 2024, the Board of Directors consisted of 15 directors (including 3 independent directors and 1 vacancy) who are responsible for the Company's operational policies, overseeing and managing the results of ESG initiatives at all levels, and safeguarding the rights and interests of all shareholders. The information of the Board members is disclosed based on the 21st Directors who were re-elected on June 29, 2023. For information on the directors' term of office and professional background, please refer to the Market Observation Post System for the Insurance Industry.

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 invite credible and professional independent directors to participate in corporate governance and safeguard the rights and interests of all shareholders. The Audit Committee, Risk Management Committee, Real Estate Investment Management Committee and IFRS 17 and ICS International Standards Management Committee were established under the Board of Directors to strengthen the supervision of the Board of Directors. For the implementation status of the Board of Directors and functional committees, please refer to the Market Observation Post System - Corporate Governance.



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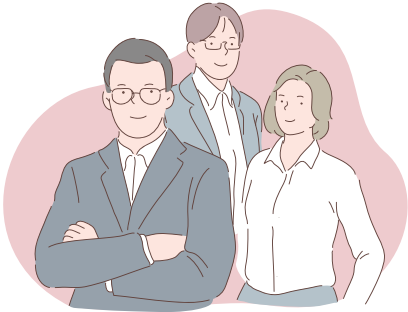
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Board of Directors' Members Information

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	1 ^{Note}	0	1 ^{Note}	0	0	0
> 50	13	1	11	3	1	0
Total	14	1	12	3	1	0

Name	Title	Term of office	Gender	Age	Professional Background							Concurrently Serving as a Manager	Family Relationship	Attendance Rate of Board Meetings 2024.1.1 to 2024.12.20
					Insurance	Finance	Law	Actuary	Risk Management	Information Security	Others			
Wei, Mark	Chairman	3 years	Male	66	V						Banking, securities	N/A	N/A	100%
Hung, Michael	Vice Chairman	3 years	Male	53	V						Banking, securities	N/A	N/A	93%
Huang, Min-Yi	Director	3 years	Male	68	V					^V Chair of the Information Security Committee		V	N/A	93%
Wu, Hsin-En ^{Note}	Director	3 years	Male	47	V							N/A	N/A	80% ^{Note}
Tsai, Hsiung-Chi	Director	3 years	Male	71	V			V		^V Chair of the Information Security Committee		N/A	N/A	100%
Chen, Ting-Chung	Director	3 years	Male	59	V							N/A	N/A	100%
Wu, Min-Wei	Director	3 years	Male	90	V							N/A	N/A	100%
Hung, Shih-Chun	Director	3 years	Male	59	V							N/A	N/A	93%
Huang, Hsin-Chang	Director	3 years	Male	59	V	V					Banking, securities	N/A	N/A	80%
Wu, Hsin-Ta	Director	3 years	Male	56	V						Architecture	N/A	N/A	93%
Chen, Shih-Fei	Director	3 years	Male	62	V							N/A	N/A	100%
Wu, Pang-Sheng	Director	3 years	Male	71	V							N/A	N/A	100%
He, Hung-Neng	Independent Director	3 years	Male	70	V						Medicine	N/A	N/A	80%
Chien, Min-Chiu	Independent Director	3 years	Female	61	V	V						N/A	N/A	100%
Chang, Jung-Feng	Independent Director	3 years	Male	70	V				^V Chairman of the Risk Management Committee		Economics	N/A	N/A	87%

Note: The director resigned on May 24, 2024. The attendance rate of Board meetings was calculated based on the meetings held from January 1, 2024 to May 9, 2024.

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Operations of the Board of Directors in 2024

Attendance Status	The average attendance rate of Board meetings in 2024 was 94% (the statistics included the attendance rate of the director Wu, Hsin-En). Each Board meeting was attended by at least 2 independent directors in person.
Cases under Consideration	<p>The Board of Directors is SKL's highest governance body and is responsible for leading and supervising the Company's operations and promoting sustainable development. The total number of key material events in 2024 was 96. Topics of communication included: corporate sustainability, corporate governance, ethical corporate management, financial performance, risk management, legal compliance, and treating customers fairly.</p> <p>The Board of Directors considered and approved ESG-related measures and reports on material issues:</p> <p>1. Evaluation of the appropriateness of the overall risk management mechanism with respect to risk management policies, execution and review, and the effectiveness of internal audits.</p> <p>2. Amended the Articles of Incorporation, the Internal Control System, the Rules of Procedures of the Board of Directors Meetings, the Audit Committee Charter, the Operating Regulations for Interaction Mechanisms with Controlling Shareholders, the Regulations for Handling Reported Cases, the Consumer Dispute Handling System, the Internal Control Procedures for Outsourcing Operations, the Regulations Governing Transactions Other Than Loans with Stakeholders and Prospective Stakeholders, the Policy for Total Investment in Securities, the Procedures Governing Discretionary Investment Business for Investment-linked Insurance, the Real Estate Investment Management Committee Charter, the Procedures Governing Real Estate Investment and Management, the Procedures Governing Real Estate Investment in Overseas Countries and Mainland China, the Measures on Procurement Management and Acceptance, the Corporate Sustainability Committee Charter, the Measures on the Organization of the Real Estate Planning Committee.</p> <p>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 implementation of principles for treating customers fairly, performance report on investing in special projects for public utilities and social welfare enterprises, compliance report, AM L/C FT report, project report on financial friendly services and measures, and report on the implementation progress of GHG inventory.</p>

A. Board Diversity Policy

All members of the Board of Directors of the Company are appointed in accordance with various regulations, taking into account their professional background. The members of the Board of Directors of SKL specialize in a diverse range of professions, including insurance, finance, business, information technology and accounting. Please refer to [SKL's information disclosures website](#) or the 2024 SKL Annual Report (P.16~P.21).

B. Strengthening the Competencies of the Board of Directors

In order to enhance the Board of Directors' knowledge in various aspects, courses like "Corporate Governance Lecture – Corporate Sustainability", "Risk Management", "Ethical Corporate Management (Including Anti-corruption), Principles of Treating Customers Fairly, and Trends of AML/CFL Supervision", and "Analysis of the Impacts of IFRS 17 Capital Supervision and IFRS Financial Reporting on the Life Insurance Industry" were conducted in 2024. The total number of training hours for directors was 155 hours, and the average training hours was about 11 hours. In particular, the completion rate of the "Corporate Governance Lecture – Corporate Sustainability" for directors was 100%. Furthermore, content of the statement on the AML/CFT internal control system has been regularly reported to the Board of Directors. We also completed the promotion of ethical corporate management (including anti-corruption) practices to all board members. For details, please see SKL's information disclosures website.

C.Remuneration Scheme for Directors and Executives

The Code of Conduct for Board of Directors specifically stipulates that those who have an interest in themselves or the legal entity they represent should explain the important contents of their interest at the current board meeting, and if there is a risk of harming the company's interests, they are not allowed to join in the discussion and vote, and should recuse themselves from the board meeting, and are not allowed to act as a proxy for other directors in the exercise of their voting rights, for details, please refer to the 2024 Shin Kong Life Insurance Annual Report (P31~P40).

D.Participation of Directors in Functional Committees

In addition to participating in the Company's operating decisions through the Board meetings, the directors of the Company also actively participate in business discussions of the functional committee meetings in order to strengthen the supervision of important business by directors. The evaluations of functional committees provide the Board of Directors with more comprehensive opinions for decision-making. The status of directors' participation in functional committee meetings is shown in the table below.

Functional Committees	Number of Participating Directors	Attendance Rate
Audit Committee	3	96%
Risk Management Committee	1	100%
Real Estate Investment Management Committee	4	98%
IFRS 17 and ICS International Convergence Management Committee	5	93%

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6.1.2 Performance Evaluation of the Board of Directors and Functional Committees

GRI 2-18

The Company conducts performance evaluations of the Board of Directors and functional committees in accordance with the "Rules for Evaluating Board of Directors and Functional Committee Performance". External performance evaluations are conducted at least once every three years, and evaluation results are disclosed on the [company website](#).

The internal evaluation in 2024 and the external evaluation in 2023 covered the performance of the entire Board of Directors, individual directors and functional committees. The evaluation method, frequency and results are described as follows:

Evaluation method	Evaluation frequency	Evaluation aspects	Results of the most recent evaluation
Internal performance evaluation	Once a year	The board performance evaluation includes 5 major aspects: degree of participation in company operations, improvement of board decision-making quality, board composition and structure, director election and continuing training, and internal control. The board member performance evaluation items include 6 major aspects: mastery of company's goals and tasks, awareness of directors' responsibilities, degree of participation in company operations, internal relationship management and communication, directors' professionalism and continuing education, and internal control. The functional committee performance evaluation includes 5 major aspects: degree of participation in company operations, awareness of functional committee responsibilities, improvement of functional committee decision-making quality, composition and election of functional committee members, and internal control.	In 2024, the average score of each evaluation aspect of SKL's Board of Directors was between 4.7~4.9 points; the average score of each evaluation aspect of the performance evaluation of individual directors was between 4.4~5.0 points; and the average score of self-evaluation of the functional committee's performance was 4.8 points. All evaluation results were "excellent" (scores from 5 to 4.6 are considered "excellent", with the highest score being 5).
External performance evaluation	Once every three years	Four aspects of board performance evaluation: 1. Board professionalism: diversity of board composition, directors' continuing education status, utilization of external resources, etc. 2. Board decision: degree of directors' participation in meetings, the board's understanding of company's operation status, directors' management of company's risks, the adequacy of information on which the directors make decisions, etc. 3. Board of Directors' attention to and supervision of internal control: formulation and implementation of code of conduct for employee, supervision of internal audits, smooth communication and reporting channels, disclosure and avoidance of conflicts of interests, etc. 4. Board of Directors' attitude towards sustainable operation: disclosure of ESG information, planning of talent cultivation and succession plans, actions for sustainable operation, etc.	In 2023, the "Taiwan Institute of Ethical Business" was appointed to carry out the external performance evaluation of the Board of Directors. In the questionnaire, the Board of Directors' effectiveness was evaluated based on four major aspects. The evaluation result was 4.47 points (the highest score is 5 points). In addition, based on the objective suggestions of the directors interviewed by the external evaluation agency through open-ended questions, the Company will discuss and implement refined measures to continue improving the effectiveness of the Board of Directors and strengthening the corporate governance mechanism.

6.1.3 Remuneration Scheme for Directors and Executives

GRI 2-19、2-20、2-21

In order to create long-term value for shareholders, the Company has established the "Rules for Evaluating Board of Directors and Functional Committee Performance", the "Guidelines for the Remuneration of Directors" and the "Measures for the Implementation of Stock Ownership Trust for Senior Executives". Directors' remuneration is authorized to be determined by the Board of Directors based on their participation in the company's operations and the value of their contributions, and is agreed upon at the industry standard. In addition, the remuneration of independent directors is fixed by the Board of Directors' meeting and is excluded from the distribution of SKL's earnings. Please refer to the 2023 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", "Regulations Governing the Distribution of Longterm Incentives", and "Measures for the Implementation of Stock Ownership Trust", encouraging and linking bonuses to the company's long-term performance and value creation for shareholders. In 2024, the Company's highest-paid individual's annual total remuneration was 20.79 times the median pf the annual total remuneration of other employees in the organization (excluding the highest-paid individual); the percentage increase in the annual total remuneration of the highest-paid individual was 2.73 times the median of the average annual total remuneration increase percentage of other employees in the organization (excluding the highest-paid individual). The Company has separately established the "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

All directors (except independent directors) are awarded the Chinese New Year bonus based on their monthly fixed remuneration and the base amount pf the overall employee performance bonus for the year, while considering the individual performance evaluation results of directors. Furthermore, in addition to receiving fixed monthly remuneration, the Chairman and Vice Chairman can subscribe for stocks in accordance with the Measures for the Implementation of Stock Ownership Trust for Senior Executives; performance bonuses are also determined by the Board of Directors based on the annual performance of senior executives (as below, the 2023 overall key performance indicators, including the sustainable operation core value items).

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 corporate sustainable development philosophy and the Fair Treatment of Customers shall also have been included in the formulation of the Company's overall key performance indicators (KPIs) in 2024 to shape the culture of corporate responsibility.

2024 Overall Key Performance Indicators

Item	Weight	Indicator Description
Sustainable Operation Core Values	30%	Including corporate sustainable operation performance (including material ESG issues such as DJSI evaluation, inclusive financial products and services, and organization of general sustainability courses), legal compliance, and digital financial services
Financial Performance and Business Quality	70%	Including financial and business aspects (such as: profitability, risk control, business quality / promotion)
Bonus items		Group synergy

Sustainable Operation Core Values30%

Financial Performance and Business Quality70%

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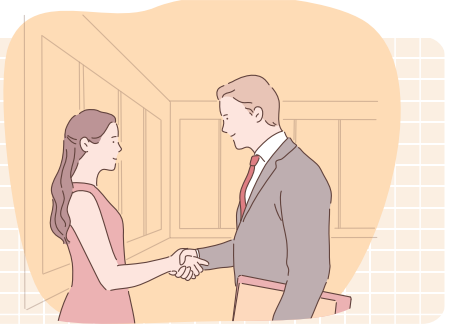
6.2 Ethical Management
 | GRI 2-23 、 2-24 、 3-3 、 205-1 、 205-3 |

We established the "Ethical Corporate Management Policy and Best Practice Principles" and the "Ethical Corporate Management Operating Procedures and Code of Conduct" to provide training to all employees each year. All employees completed the ethical corporate management training in 2024. For education and training on ethical corporate management for directors and senior management, lecturers from the Taiwan Academy of Banking and Finance were invited this year to conduct training on topics such as "Ethical Corporate Management (Including Anti-corruption), Principles of Treating Customers Fairly, and Trends of AML/CFL Supervision".

Companywide risk of unethical conduct is assessed regularly each year, in order to 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 2024; a total of 11 risks were assessed, including bribes, inappropriate sponsorship, unfair competition, and accepting improper gains; the results of the overall risk assessment of unethical conduct showed that the residual risk was 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. Living up to the financial professional ethics

(1) Code of Ethical Conduct

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

(2) Employee Code of Conduct

Insurance agents should have good conduct and abide by the Company's regulations on labor contracts and contracting agreements. Insurance agents are required to execute business operations based on the principle of good faith. In the event of any breach, penalties will be imposed in accordance with the "Personnel Management Rules" and the "Rules for Rewards and Punishment of Salespersons" to protect the rights and interests of the Company and policyholders. There was no incident of acceptance of bribery in 2024.

B.Regulations for Handling Reported Cases

The Company has established a reporting mechanism, with the Compliance Department being the handling unit. Anyone who discovers that 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 2024, 1 case was accepted from the reporting channel, and was transferred to the responsible unit for consideration. 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:

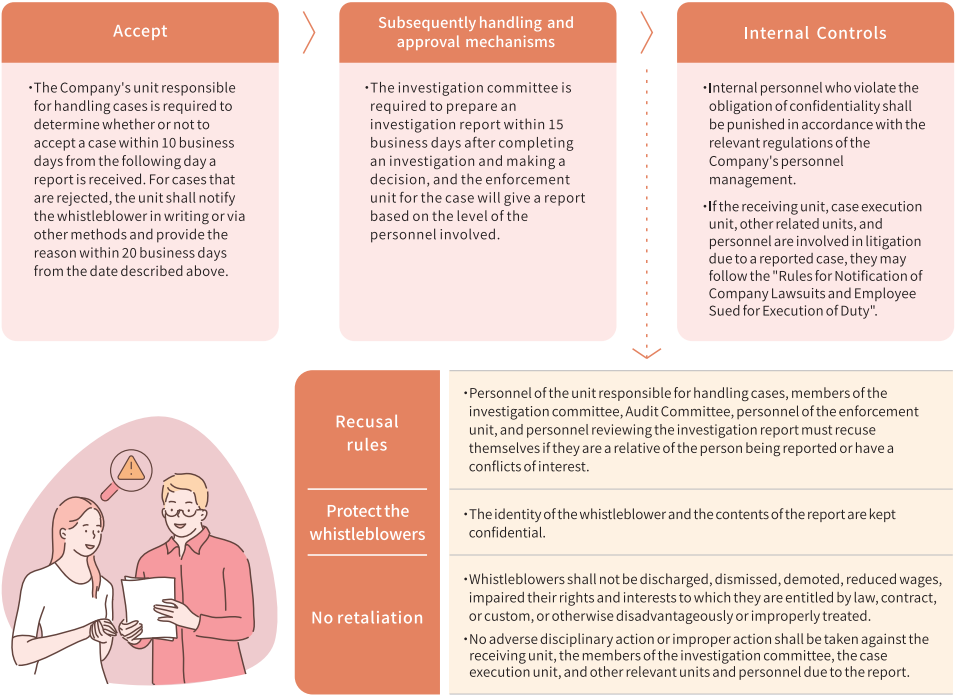


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6.2.1 Strengthen Anti-money Laundering Mechanisms | GRI 205-2 |

A. AML risk management measures

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. An enterprise-wide risk assessment of money-laundering and terrorism financing risk is conducted 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 shall track the improvement plan until it is completed. In 2023, the money-laundering and terrorism financing risk assessment report had been completed, 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%.

C. Perfection of the internal AML regulations.

The Company has established internal regulations such as "Regulations for AML / CFT Authority and Responsibility", "Regulations for Identity Confirmation for AML / CFT", and "Regulations for Situation Management of AML / CFT Transaction Monitoring" to complete the internal control system to prevent money laundering. In addition, for external insurance brokers, agents, and business partners, the "Regulations for Cooperation Channel Management for AML / CFT" have been established, which clearly stipulate that when selecting a cooperation channel, its AML / CFT implementation shall be reviewed, the content of the contract shall specify the rights and obligations of both parties in preventing money laundering, and the cooperation channels shall be examined regularly on an annual basis, ensuring that external partners and the Company adopt consistent AML standards.

6.2.2 Establishment of legal compliance culture and internal audit system | GRI 2-27 |

A. Implementation of legal compliance

The Company has long been paying attention to changes in financial policies and laws implemented by supervisory authorities. We strictly abide by relevant laws and regulations. The legal compliance plan is also regularly submitted to the Board of Directors. In 2024, we continued to optimize the "Legal Compliance Business Management System" to incorporate legal compliance self-assessment and legal compliance evaluation into systematic operations. We also provide suggestions on relevant control points for violation cases and track follow-up improvements, striving to ensure the compliance of all operations. The goal is to cultivate legal compliance awareness among all employees for them to abide by laws and various business regulations, uphold integrity and discipline, and implement the Company's business philosophy of "ethical corporate management".

Implementation	Results in 2024
Legal compliance self-assessment	Each year, we conduct sampling self-assessment in the first half of the year and written examination in the second half of the year. The Compliance Department reviews whether each unit's business operations comply with laws and regulations and supervises their improvements.
Regular submission of legal compliance plan to the Board of Directors	The 2025 legal compliance plan was submitted to the Board of Directors and the Audit Committee in December so that governance units and senior management can fully understand the implementation status of legal compliance matters.
Notifications and management of regulatory changes	The latest laws and regulations (including interpretations) and peer administrative sanction cases related to the Company and its subsidiaries' industries had been automatically collected on a daily basis. Such information was submitted to each unit by email for the purpose of legal compliance promotion as well as review on the current internal regulations and operation methods.
Internal compliance review	Through the intelligent application of legal compliance business management system, we completed the comparison between internal and external regulations, improved the efficiency of determining and tracking the adjustment of internal control measures by relevant units, and updated all operations and management regulations in a timely manner.
New product compliance assessment	For applications for new products and new services, the top executive of the legal compliance department shall sign the "New Product / New Service Legal Compliance Opinion" to confirm that they are in compliance with the laws and internal standards.
Assessment of legal compliance implementation	Legal compliance assessments were conducted on all departments and offices of the Company to facilitate their strengthening of related operations' handling and improvement, as well as disclosures of assessment results.
Legal compliance education training and online testing	1. We handled 15 hours of in-service education training and legal compliance business promotion for the unit's Chief Compliance Officer and 6 hours of seminar on AML/CFT and legal compliance practices. 2. The teaching materials and courses of the "2024 Legal Compliance Promotion Week" had been reviewed and adjusted. The total number of education training hours was 14.44 hours.

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B. Internal audit system

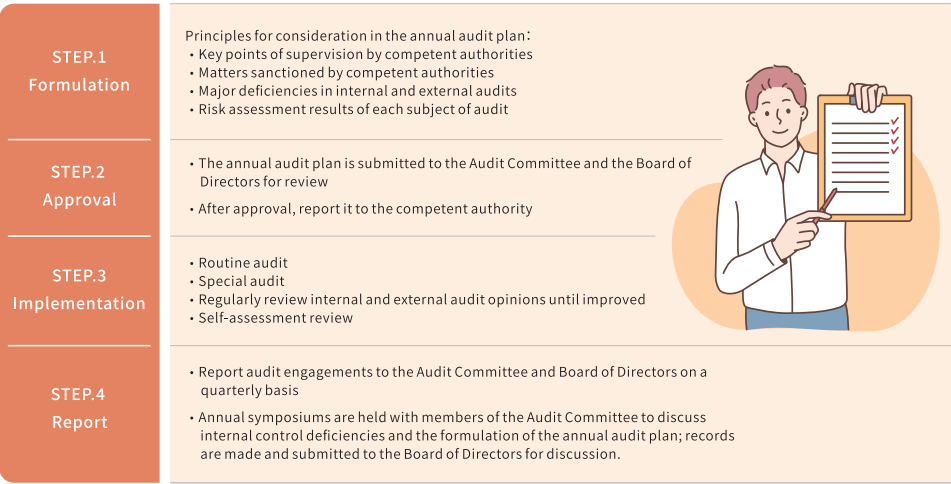
The third line of defense, the internal audit unit, is affiliated with the Board of Directors. It performs audit work in an independent and detached spirit, assists the Board of Directors and senior management in checking and evaluating whether the risk management and internal control systems are operating effectively, and provides improvement suggestions in a timely manner to reasonably ensure the continued and effective implementation of the internal control system and serve as a basis for review and revision of the internal control system.

C. Implementation of internal audit operations

According to the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises", routine audits on finance, business, information and other management units shall be conducted at least once a year, and special audits shall be conducted based on actual needs and relevant laws and regulations. The internal auditors prepare an audit plan for the next year at the end of each year, submit it to the Audit Committee for discussion, and after approval by the Board of Directors, report it to the competent authority.

We continue to track and review the inspection opinions or deficiencies raised by the competent authorities, accountants, internal audit units (including the internal audit unit of the parent company, SKFH) and self-inspections. The chief auditor reports the audit work to the Audit Committee and the Board of Directors on a quarterly basis.

Internal Audit Operations



Awarded the "Patent for Continuous Auditing System" and the "Patent for Cross-company Data Alert Account System"

In response to FSC's philosophy of promoting internal risk-oriented and continuous monitoring, SKL leverages its professional influence in auditing to create a "Continuous Auditing System" based on data-driven audits by utilizing its existing internal database and setting up key risk factors. The system is capable of automatically screening the cases of audited units with risk factors. Additionally, visualized graphic reports are presented according to the risk level, and high-risk cases are prioritized for audits to improve the effectiveness and accuracy of verification.

Moreover, in order to strengthen the risk control of financial institutions and promote cross-industry cooperation among financial institutions, the "Cross-company Data Alert System" has been developed to detect and alert suspected fraud, money laundering, and other criminal alert cases prior to the audit, and then prioritize high-risk cases for actual audits in order to reduce the incidence of fraud and protect the rights and interests of customers.

SKL commences digital audit transformation, actively improves risk prevention and detection capabilities, and strengthens corporate risk management and sustainable governance. In March and November 2024, we were awarded two new patents from the Intellectual Property Office, Ministry of Economic Affairs.

D. Material sanctions and improvement measures

A material sanction was imposed by the Financial Supervisory Commission in 2024 due to the fact that the capital adequacy ratio failed to meet the capital adequacy level stipulated by the Insurance Act for the second consecutive period in 2023. The capital increase, financial or business remediation actions proposed to meet the "capital adequacy level" failed to raise the capital adequacy ratio to the legal standard, which violated the relevant provisions of the Insurance Act, resulting in a penalty on April 23, 2024. Based on the principle of materiality, the case was reported to the directors and the parent company SKFH's Audit Office immediately on the day of sanction, and a report was submitted to the Board of Directors in May 2024.

The Company's capital adequacy ratio reached the legal standard in the first half of 2024 and achieved the plan for cash capital increase from 2023 to 2025 in accordance with remediation actions submitted to the competent authority (a total of NT\$21 billion).In addition, on December 3, 2024, we obtained the approval of the competent authority to lift the restriction regarding "new credit or other transactions with stakeholders are prohibited".

Please refer to Market Observation Post System for the Insurance Industry. 

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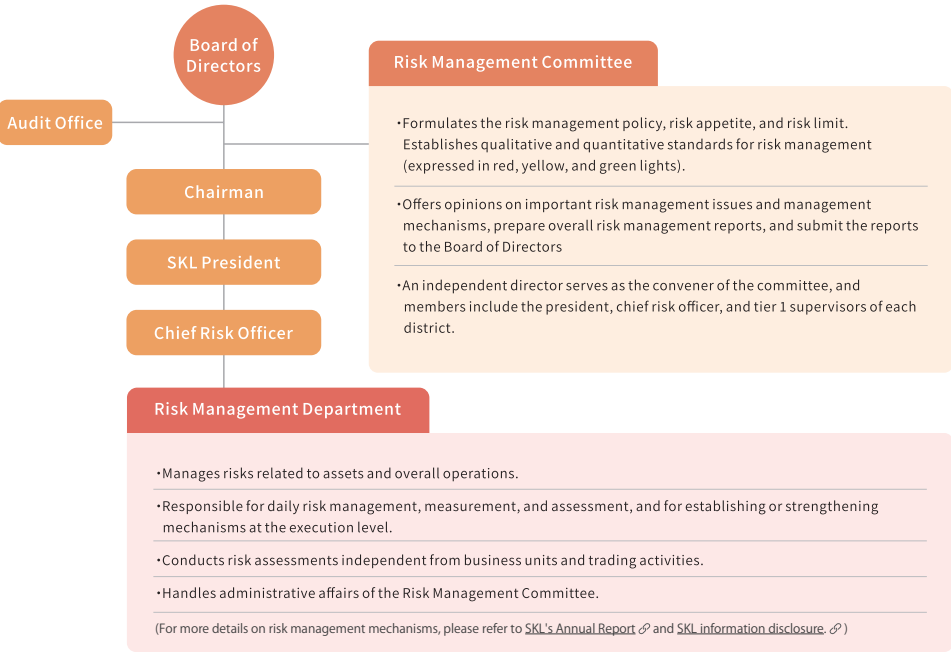
6.3 Risk Management | GRI 3-3

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, in addition to financial aspects, we will also keep pace with the times and incorporate issues such as climate change risks, emerging risks and ESG into risk management, so as to build a solid and efficient risk management mechanism for all risks that may be faced by the overall operation and to continue creating value for our shareholders and policyholders.

6.3.1 Risk management organizational structure and system

To effectively plan, supervise, and implement risk management, and also establish an effective risk management organizational structure, a three-line-of-defense structure has been adopted for internal control, with the Board of Directors serves as the highest supervision and decision-making unit for risk management. The Risk Management Committee was established 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. For the main risks faced by business operations, relevant risk indicators are formulated, included in the overall risk management report of the Risk Management Committee, and reported to the Board of Directors on a quarterly basis. The implementation of risk management has also been reflected to the Board of Directors to makes necessary improvement suggestions.

Shin Kong Life Insurance Risk Management Committee




Line of defense	Description
First line of defense	Responsible for and continuously manage the relevant risks arising from operating activities; implement risk management procedures and maintain effective internal controls
Second line of defense	Formulate overall policies and establish management systems for each major risk category to assist and supervise the first line of defense in risk management and self-assessment implementation.Establish an independent and effective risk management mechanism to assess and supervise the overall risk-taking capacity, the current status of risk exposure, determine risk response strategies and compliance with risk management procedures. The risk management results are regularly reported to senior management.
Third line of defense	Assist the Board of Directors and senior management to check and evaluate whether the risk management and internal control systems are operating effectively, which includes evaluating the effectiveness of risk monitoring implemented by the first and second lines of defense, and timely provide suggestions for improvement.

6.3.2 Main risk management measures


The Company established its risk management policy as the highest guiding principles for the 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. 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.


A. Four pillars of risk management



Pillar I: Risk Management Culture


Establish a bottom up risks management culture, and instill every employee with the concept of accountability in risk management.






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.



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.



Pillar IV: Risk Performance System

Establish evaluation indicators by incorporating risk management into performance appraisal based on the spirit of the risk-adjusted performance measure (RAPM) to balance risk and return.

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B. Main risk management methods and implementation status






Main risk type	Management methods and implementation status
<div><div>Market risk</div></div>	<p>Establish appropriate market risk management mechanism in response to the risk of asset losses arising from changes in market prices over a certain period of time.</p> <ol style="list-style-type: none">1. Formulated market risk indicators and set up signal management standards to continuously implement market risk limit management and foreign exchange risk limit management. With respect to foreign exchange gains and losses, the Company has formulated complete management standards for foreign exchange price change reserves as the reserves are fully offset by the foreign exchange price change reserves.2. Continue to improve various models for calculating the market value at risk of the ALGO system and strengthen personnel training; in addition, in response to the expansion of asset scale and changes in demand, an ALGO system upgrade project has been completed to strengthen the Company's market risk assessment and management capabilities.3. In 2024, we strengthened the risk management mechanism for domestic stocks by adjusting the standards of the testing mechanism mainly based on the Company's risk appetite; amended the Foreign Stocks Risk Management Measures to strengthen the control of differences in investment classification. In addition, in conjunction with the revision of "Guideline Governing Reserves for Change on Foreign Exchange Price by Life Insurance Enterprises", the new method of managing the balance of foreign exchange price change reserves had been added to continue to improve quota-related management.
<div><div>Credit risk</div></div>	<p>Establish an appropriate credit risk management mechanism in response to the risk of the debtor's credit being downgraded or unable to repay, or the counterparty being unable or refusing to perform its obligations.</p> <ol style="list-style-type: none">1. Formulated credit risk-related indicators, set signal control standards, and continue to monitor and implement management of the credit risk of the overall investment portfolio, individual assets and loans.2. Continue to adjust risk management measures based on changes in the financial market, changes in laws and regulations, and the Company's business strategy, such as strengthening investment limits and related management mechanisms for high-risk industries in recent years; strengthened differentiated limit management based on the order of claims for bonds issued overseas and in China according to Basel III capital requirements and increased limits for relevant management mechanisms such as TLAC.3. Strengthened interest rate hedging management mechanisms in 2024 to meet the future needs for interest rate hedging; added concentration risk early warning mechanisms by countries, regions, and industries.
<div><div>Liquidity risk</div></div>	<p>Liquidity risk management measures have been formulated and the management mechanism for capital liquidity risk and market liquidity risk has been implemented in accordance with such measures.</p> <ol style="list-style-type: none">1. Formulated liquidity risk-related indicators and set signal management standards to continuously monitor and implement the management of capital liquidity and market liquidity risks.2. If there is an abnormality in short-term funds, relevant contingency plans will be put forward and reported to the Risk Management Committee.
<div><div>Operational risk</div></div>	<p>Establish an appropriate operational risk management mechanism in response to the risk of direct or indirect losses of the company caused by improper operations or errors in the company's internal operating procedures, staff, or systems, or external events.</p> <ol style="list-style-type: none">1. Formulated operational risk-related indicators and set signal management standards to continuously monitor and implement operational risk limit management and key risk indicator management.2. In order to strengthen the risk management of ethical corporate management, we have established quantified assessment mechanism for the risk of unethical conduct, assessed operating activities within the scope of business with relatively high risk of unethical conduct on a regular basis, and formulated relevant offset plans and tracked implementation results.3. For BCM, we continue to expand the scope of certification, and also newly identified the threat of "staff canteen fire" and incorporated it into the annual business continuity drill scenario.
<div><div>Insurance risk</div></div>	<p>Establish appropriate management mechanisms for the product design and pricing, underwriting, reinsurance, catastrophe, claims and reserve-related risks involved in insurance risks.</p> <ol style="list-style-type: none">1. Formulate insurance risk-related indicators and set signal management standards to continuously monitor risks related to product design and pricing, underwriting, reinsurance, catastrophes, claims and reserves, and implement their management operations.2. Before insurance products are submitted to the competent authority for review, items such as laws and regulations, pricing, design, reserve deposits, and system administration must be deliberated; when selling insurance products, the product information disclosure, actuarial data posting and verification, risk management mechanism and reinsurance arrangements, information system setup and testing, marketing document printing and education and training, etc. must be reviewed before the product can be sold.3. In order to have a more substantial effect on underwriting quality management, set the number of deficiencies for underwriting quality sampling inspection.4. For reinsurance arrangements for new products, complete reinsurance evaluation arrangements before the products are sold; identify, measure and manage catastrophic events that may cause heavy losses to the company based on product characteristics. In addition, changes in reinsurers' credit ratings are regularly reviewed and if any abnormal information is found, it will be reported.5. The claims management unit regularly produces various claims business reports, analyzes abnormal parts, and evaluates whether to initiate subsequent improvement projects in accordance with internal procedures.6. Regularly review items such as the legality and correctness of various reserve fund set aside, the adequacy of the provision processing procedures, and the consistency between the version of the reserve fund settlement program and the version of the demand order modification.

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Main risk type	Management methods and implementation status
<div></div> <div>Asset-liability matching risk</div>	<p>Consider the main factors that affect the inconsistent changes in the value of assets and liabilities, and establish an appropriate management mechanism to evaluate and measure the asset-liability matching risk with reference to methods such as ROI and debt cost rate, duration, cash flow, and scenario analysis.</p> <p>Develop relevant indicators for asset-liability matching risks, set signal management standards, and conduct regular asset-liability matching risk inspections (including analysis of the difference between ROI and debt cost rate, cash flow management, duration analysis and random scenario analysis); if any inspection results do not meet the warning standards, relevant departments will be gathered to discuss countermeasures and report them to the relevant committees.</p>
<div></div> <div>Climate change risk</div>	<p>Consider climate change risks that may affect the Company's operations and business based on the TCFD framework (covering governance, strategy, risk management, and indicators) to establish a climate change risk mechanism.</p> <p>1. Implemented climate change risk management and included the management of climate-related risks and opportunities in the sustainability report and other public information.</p> <p>2. Regularly implement greenhouse gas inventory operations and carbon intensive sub-industries' management.</p>
<div></div> <div>Country risk</div>	<p>Country risk refers to the uncertainty and possibility of crisis faced by a country in the political, economic and social aspects. The Company considers national geopolitical and economic risks and other factors, establishes appropriate management mechanisms to assess national risk, formulates "Concentration Risk and Country Risk Control Measures ", and monitors them regularly to control the national risk of asset positions.</p> <p>1. Formulated country risk-related indicators and set signal management standards to continuously monitor and implement country risk management.</p> <p>2. In 2023, country risk scores were included in country risk management to differentiate the investment quota management of each country.</p> <p>3. In 2024, we strengthened the concentration risk early warning mechanisms by countries, regions, and industries.</p>
<div></div> <div>Information security risk</div>	<p>The Company is risk-oriented and develops Key Risk Indicators (KRI) for information security risks, and regularly performs information asset risk assessment operations. For projects that exceed acceptable risk levels, it develops risk treatment plans, uses appropriate control measures to achieve information security goals, so as to ensure the confidentiality, integrity and availability of information assets. (See 6.4 Information Security and Personal Data Protection for details)</p> <p>1. Developed information security risk-related indicators and set signal management standards to continuously monitor and implement information security risk management.</p> <p>2. Established an information security incident reporting mechanism to ensure that emergency response measures can be taken quickly when an incident occurs, and analyzed and tracked the effectiveness of improvement measures; in 2024, there were no emergencies such as hacker attacks on information security or leakage of personal data.</p> <p>3. Established a personal data risk assessment mechanism to calculate the risks of personal data files in a systematic way, and used the calculated risk levels to implement risk reduction or risk transfer and other response measures for high-risk matters; in 2024, the personal data assessment results were still within the acceptable risk value, and there were no high-risk matters.</p>



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6.3.3 Emerging risk management

In the face of rapid changes in the future political and economic environment and technological development, emerging risks may also arise, which may have a significant impact on the company's operations. Therefore, in order to capture and strengthen response management of such risks, SKFH and its subsidiaries jointly identify emerging risks, screen emerging risk factors with reference to domestic and international reports, conduct surveys on SKFH and its subsidiaries through questionnaires, rank the materiality of risks, screen the emerging risks that the entire Group may face (as shown in the table below), and formulate response and mitigation plans.

Risk name	Risk description	Potential operational impact and influence of the risk	Response / mitigation plan
<div> Advanced technology impact and network risks</div>	<p>Due to the rapid development of advanced technologies (e.g., AI, biotechnology, and innovative digital technologies), the negative impacts brought by related applications are increasingly significant. These impacts include the concentration of technological power, the dissemination of false or incorrect information, cybercrime, cyberattacks, data ethics, data theft, key talent shortage, and failures in key digital systems, which may pose significant risks to the financial industry.</p> <p>In addition, due to the convenience of the Internet and the widespread rendering of social media information, the number of investment fraud and impersonation fraud incidents has increased dramatically, resulting in significant financial losses and personal data theft. As of the 4th quarter of 2024, the total amount of losses from "investment fraud" in Taiwan amounted to NT\$24.5 billion, accounting for 66% of the total financial losses from fraud, which shows the expansion of fraud risks in the financial sector and highlights the urgent need of the financial industry to enhance its fraud prevention capabilities.</p>	<ul style="list-style-type: none">• Reputation risk and customer trust crisis: When people suffer financial losses due to investment fraud or impersonation fraud, and these fraud incidents are associated with an insurance company (whether occurred within an insurance company or by scammer using the name of an insurance company), the reputation of the insurance industry as a whole can be seriously damaged. It may negatively impact customers' trust in insurance companies, as they believe that insurance companies fail to effectively protect their rights and interests, or are unable to identify and prevent fraud.• Financial fraud, AI deep fake and dissemination of false investment information on social media may affect consumer decisions and even lead to financial disputes, affecting product sales and corporate image.• Information security risks: The Company holds a large number of customers' personal data, including sensitive financial information and health status. Fraud syndicates may use online attacks and data leakage to steal customer data for use in impersonation or other illegal activities. Once a data leak occurs, it will seriously affect customer trust and may lead to legal liabilities.• Digital operation disruptions affect customer experience: In the event of an advanced technology network attack or failure of important databases, the member section, mobile app, smart digital customer services, and insurance service systems may not function properly, thereby affecting customer experience, leading to a decline in trust, and even causing customer losses.• If we fail to adapt to the ever-changing market conditions, introduce advanced technologies in a timely manner, and dynamically adjust the service and product structure, individuals or corporate customers may choose companies with higher fintech capabilities for capital transactions, resulting in the loss of customer relationships and affecting profitability.	<ul style="list-style-type: none">• Strengthen customer education and promotion: Take the initiative to strengthen anti-fraud education and promotion for customers through diverse channels, such as the official website, social media, customer service center, and physical activities, as well as increase customers' awareness.• Implement personal data protection: Establish a comprehensive defense system for "technical protection", "process control", and "legal compliance" to comprehensively improve risk resistance capabilities.• Purchase information security insurance: Take out information security insurance to reduce financial and operational impact as a result of information security attacks or data leakage.• Leverage on SKFH's advantages in digital technology, provide products and services that meet customer needs, and develop new digital marketing in line with the transformation of business models.• Pay close attention to the legislative developments of advanced technologies, comply with relevant regulatory regulations, and conduct regular compliance reviews and risk assessments to ensure that innovative services meet regulatory requirements and reduce regulatory risks.• Plan to promote relevant issues in employee education and training to raise employees' awareness.
<div> Complex challenges and risks in global security</div>	<p>Terrorism or tensions between two or more sovereignties due to geographical, political, economic, cultural and other factors may trigger financial weapons (such as monetary policy, investment review, economic sanctions, and tariffs) or armed conflicts, form a new world order of protection and sanctions, impede the flow of global capital, strategic resources, or important raw materials, and extend restrictions on the flow of talents, information, and professional knowledge. Violent conflicts or terrorist attacks may cause instability in financial markets, cause loss of life or various forms of serious injury, or even disrupt the security and operations of physical infrastructure, and create a need for insurance claims.</p>	<ul style="list-style-type: none">• Deteriorating geopolitics and economic turmoil compromise company profitability: Deteriorating geopolitics may lead to a decline in corporate and government solvency, which in turn increases credit risks and default risks in loans, stocks, bonds, or other financial products. A political conflict or sanction will increase financial pressure and affect profitability.• Risks of global economic and market turmoil affect company profitability: Global economic collapse, terrorist attacks, and geopolitical conflicts may drive inflation and affect monetary policies, cause market turmoil or disrupt financial infrastructure. International sanctions will restrict cross-border transactions and severely disrupt capital flows. These factors will exacerbate the instability of the financial markets, increase the Company's difficulty in risk management, and reduce profitability, such as:• Financial weapons such as sanctions and tariffs may reduce market liquidity, affect the room for asset realization and allocation, make it difficult for the Company to screen investment targets, and affect the profitability of SKFH.• Economic recession leads to an increase in financial risks, which may undermine consumers' and investors' confidence and willingness to make investments, thereby affecting business growth and operating revenue of investment-linked products.	<ul style="list-style-type: none">• Pay close attention to the economic policies and regulatory trends of major countries or regions, predict possible market responses, and adjust investment strategies in a timely manner.• Strengthen the regional and asset diversification of the investment portfolio, reduce geopolitical risks of a single market or country, and adjust the asset allocation structure in a timely manner.• Regularly examine the impact of different risk factors on investment portfolios and formulate response strategies in line with dynamic risk management, stress testing, and scenario simulation mechanisms.• In terms of national risk control, formulate relevant risk control indicators and set indicator signal management standards; include country risk scores to differentiate the investment quota management of each country and continuously monitor and implement country risk management.• In addition, strengthen the concentration risk early warning mechanisms by countries, regions, and industries.

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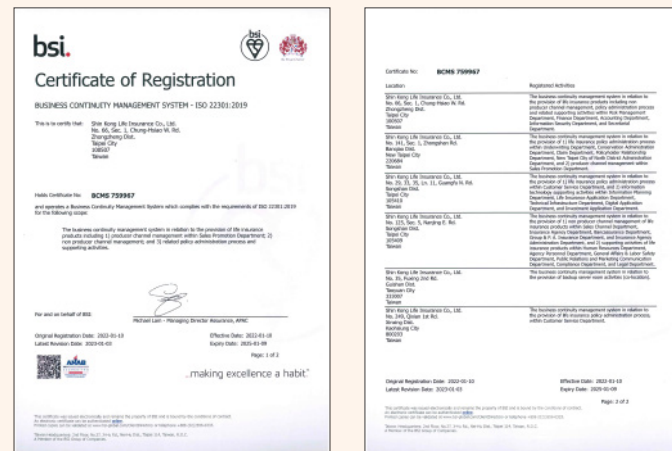
6.3.4 Business continuity management mechanism

- 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.

The Company has formulated relevant regulations such as guiding principles for business continuity management and has obtained ISO 22301 BCMS certification from BSI. We continue to improve such mechanisms and expand the scope of certification, while maintaining the effectiveness of the certification after being certified by BSI in 2023. We identified key operating activities and determined the resources (such as personnel and equipment) required for recovery of the activities through operational impact and risk analysis, formulating a recovery strategy and business continuity plan (BCP) on this basis. Every year, we conduct business continuity drills and tests, increase the breadth and depth of drills, and increase the number of on-site drills; for the company's external partners / suppliers, we have strengthened the business continuity capability assessment to ensure that the business continuity plan meets the company's business continuity goals.

SKL's "ISO 22301 Business Continuity Management System (BCMS)" Certificate.



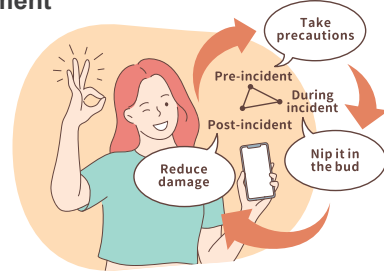
6.4 Information Security and Personal Data Protection

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6.4.1 Information security organization and policy

A. Information security strategy and resource investment

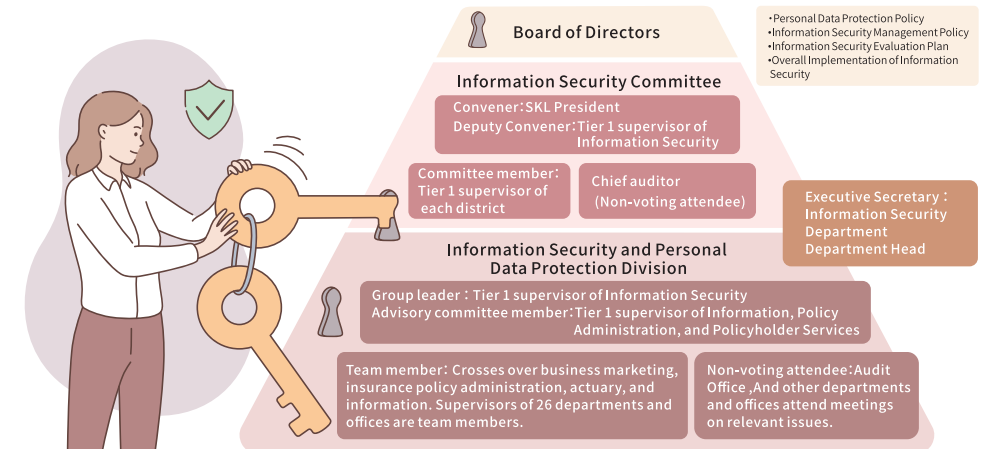
SKL is committed to providing customers with a sense of security and continuously promoting a culture of information security. In order to build a solid and trustworthy financial information security system, we have developed information security strategies from three aspects: "pre-incident protection", "during incident response" and "post-incident recovery". SKL continues to invest in building a complete information infrastructure, implementing information security management, monitoring, protection and other related budgets. In 2024, the information security budget accounted for 9.45% of the total information budget.



B. Information security organizational structure

An Information Security Department has been established since 2018, responsible for planning, monitoring and executing information security management operations, appropriate human resources have been allocated, with a total of 13 dedicated personnel; starting from 2021, a Chief Information Security Officer at the Vice President level has been established for the comprehensive management of information security policy promotion and resource allocation affairs.

Furthermore, Tsai, Hsiung-Chi and Min-Yi Huang with information security backgrounds were appointed as directors to strengthen corporate governance and ensure the diversity of board members. The "Information Security Committee" has been established under the board of directors. The President serves as the convener, the Chief Information Security Officer serves as the deputy convener, and the top-level managers of each jurisdiction are the members, directly supervising information security and personal data protection policies through management. SKL has also established the "Information Security and Personal Data Protection Division" task force, with the Chief Information Security Officer taking the lead in planning, coordinating, and promoting information security management strategies from top to bottom. In addition, we regularly convene joint information security meetings with SKFH and its subsidiaries to maximize the synergy of the Group. We convened a total of 12 information security senior supervisor meetings as mentioned above in 2024 in order to ensure effective communication and coordination on information security and personal data protection issues.



6.4.2 Information security management mechanism

A. Information security action plan and results

Information security management solution		Specific results in 2024
 <p>Bolstering information security management</p>	<ul style="list-style-type: none"> Information security courses for directors and senior executives are held every year to improve information security risk identification and supervision capabilities. Every year, the Chairman, President, Chief Auditor, and Chief Information Security Officer jointly issue an internal control statement on the overall implementation of information security in the previous year and submit it to the Board of Directors. Actively participate in relevant meetings or discussions of the competent authorities, pay attention to policy directions and maintain communication channels. In conjunction with the policy promotion of the financial information security action plan, conduct information security governance maturity assessments. According to the FFIEC (CAT) cybersecurity maturity methodology adopted by F-ISAC of the FSC, the maturity assessment is categorized into five major areas, namely, network risk management and supervision, threat intelligence and cooperation, network security control, external dependency management, and network incident management and recovery capability. According to the standard, it is categorized into Baseline, Evolving, Intermediate, Advanced, and Innovative. 	<ul style="list-style-type: none"> Completed the "Information Security Strategy Mindset and Practical Course" for directors and senior executives. Completed the overall information security implementation report. Participated in the joint meeting of chief information security officers held by the Insurance Bureau. Completed the two annual goals of "Intermediate", planned to meet the requirements of Intermediate in 2025, and included external dependence management in performance indicators;89% of the control management in each aspect of Advanced level was completed, and we will continue to improve our mid- to long-term goals.
 <p>Strengthening talent cultivation</p>	<ul style="list-style-type: none"> According to the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises", information security personnel must receive at least 15 hours of professional information security training every year. Continue to cultivate the professional skills of information security personnel and encourage them to obtain international information security professional certificates. 	<ul style="list-style-type: none"> 12 information security professionals had received a total of 527 hours of information security professional courses. Information security personnel and information personnel obtained a respective of 30 and 102 international information security certificates endorsed by the Administration for Cyber Security, Ministry of Digital Affairs, totaling 132 certificates.
 <p>Customer data protection</p>	<ul style="list-style-type: none"> Establish an information security management system (ISO 27001) and personal data management system (BS 10012) in accordance with international standards to ensure the appropriateness and effectiveness of system operations. Follow the "Self-Discipline Standards for Information Security Protection in the Insurance Industry" and appoint external professional organizations to perform comprehensive information security testing services. Follow the SWIFT Customer Security Programme (CSP) and PCI DSS Payment Card Industry Data Security Standard, and appoint external professional organizations to perform compliance assessments. Comply with the "Directions for Operation Outsourcing by Insurance Enterprises" and conduct on-site audits on the information security maintenance measures of the entrusted institutions for businesses outsourced by insurance enterprises each year to ensure the effectiveness of security measures. Focus on the effective transfer of risks, evaluate information security insurance, and transfer losses from major destructive information security incidents to ensure the steady operation of the Company. 	<ul style="list-style-type: none"> Continue to pass ISO 27001 and BS 10012 international standard certification. The overall information security assessment results showed that there were no high- risk non-conformities, and the remaining risk items were patched according to the deadlines. The SWIFT CSP and PCIDSS evaluation results both met the requirements. Completed on-site audits on the information security maintenance measures of 7 companies for operation outsourcing by insurance enterprises. After the evaluation and approval of the Information Security Committee, it is expected to complete the enrollment of information security insurance in 2025.
 <p>Major scenario simulation drills</p>	<ul style="list-style-type: none"> Conduct annual personal data breach drills to enhance employees' ability to respond to personal data leaks. An external professional organization is commissioned to simulate distributed denial-of-service (DDoS) attacks every year to enhance detection, notification and response maturity. Conduct social engineering drills every year to enhance employees' vigilance against phishing and deception. Information system disaster recovery drills are conducted twice a year to check the information system recovery and support capabilities in the face of regional disasters. In line with the policy implementation of the Financial Action Plan 2.0, the operations of external services are included in disaster recovery drills to verify effectiveness. 	<ul style="list-style-type: none"> Completed personal data breach drills to simulate countermeasures against external network intrusion and the security risks of open source software. Completed the DDoS drill on the online insurance enrollment website, and used random parameters to consume website resources, during which the service was kept operating normally and the protection mechanism was effective after improvement of the protection parameters. Conducted email social engineering drills, the total number of people tested was 12,341; the results showed that as high as 98% of colleagues were already highly alert. Completed 26 system disaster recovery drills, and the drill results were all in line with RTO objectives. Completed drills for external service operations of the member section and successfully connected the external network to the backup environment for testing. Participated in offensive/defensive drills organized by the FSC. Participated in the Enterprise Blue Team Competition organized by the Hacks in Taiwan Conference (HITCON).
 <p>Information security monitoring and joint protection mechanism</p>	<ul style="list-style-type: none"> Real-time tracking and management of information security incidents through the information security incident management system. Engage a professional information security provider for collaborative monitoring, providing 24/7 of uninterrupted incident analysis and monitoring management. Actively participate in F-ISAC' s joint information security defense of financial institutions and use external attack surface management (ASM) services to real-time monitor network boundary vulnerabilities, shorten threat response time, and detect signs of threats as early as possible. Use RSA AFCC's Anti-Fraud Services to help detect and shut down phishing websites, counterfeit mobile software, and international social media counterfeiting incidents in the name of SKL to protect the security of customers' transactions and the company's brand and assets. In conjunction with the policy promotion of the financial information security action plan, conduct information security governance maturity assessments and develop specific improvement measures. 	<ul style="list-style-type: none"> Collaborative monitoring had been carried out through professional information security service providers, with an information security alert handling rate of 100%. According to the weekly detection provided by F-ISAC, the Company did not receive any high-risk vulnerabilities that may exist. Completed the removal of 8 suspected counterfeit websites and APPs through the services of RSA AFCC to protect customer rights.

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B. Information security incident reporting and handling | GRI 2:27、418-1 |

SKL has formulated the "Emergency Reporting Regulations", "Guidelines for Information Security Incident Reporting and Response Management", "Guidelines for Response to Personal Information Breaches", and other internal regulations, which stipulate that notification of a data security incident or personal information breach shall be completed on the same day to facilitate prompt response and handling. In the event of a material information security incident, relevant departments will be invited to convene emergency response meetings. If a personal information breach incident jeopardizes the rights and interests of a large number of parties, an external expert will be commissioned to conduct overall diagnosis and review of the mechanism on corrective and preventive measures. In 2024, there were 6 cases of dispute involving data leakage and loss of customer data, of which 2 cases were from the Insurance Bureau, an external institution, and the other 4 cases were from the Company's internal customer service hotline and written letters from customers. The investigation results of the above cases showed that there were no information security concerns, no incidents that violated customer privacy, and no incidents that affected the rights and interests of policyholders. All of the cases have been explained to the customers. There were no emergencies such as information security or customer personal data leakage being reported to the competent authority. The statistics for the past 3 years are as follows:



Item	2022	2023	2024
Breach of information security or network security (number of incidents)	0	0	0
Data leakage due to information security incidents (number of incidents)	0	0	0
Number of customers affected by data leakage due to information security incidents (number of people)	0	0	0
Amount of fines imposed for information security or network security incidents or information operations management failures	0	0	0

6.4.3 Continue to pass international standard certification for personal data protection

A. Continue to pass international standard certification

SKL continued to pass the international standard certification of "ISO 27001 Information Security Management System" and "BS10012 Personal Information Management System" in 2024, and followed the PDCA cycle management model to strictly require customer data security and privacy protection. In 2024, a total of 35 internal system audits were completed, and a conversion plan was implemented to introduce the new version of ISO27001:2022 control measures.



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B.Policy promulgation and regulatory compliance

SKL established 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. The Information Security Committee conducts regular reviews and evaluations every year, or when there are major changes, and publishes the privacy protection statement on the official website.

High-level key performance indicators (KPIs) are included in key information security and personal data items, and the assessment results in 2024 all reached **100%**.

In 2024, **14** information security and personal data management regulations were reviewed and revised, and **53** information security control measure documents were reviewed and approved.

Information security and personal data protection are included in the performance evaluation of departments and offices. There are a total of **45** departments and offices in the head office. The overall evaluation results in 2024 were excellent.

C. Raise awareness of data security protection

In addition to the legally required 3 hours of basic information security awareness training for employees every year, through the virtual-physical integration and diversified methods, SKL focuses on personal data protection and adds themed case studies; in 2024, a total of 28 themed activities were completed, with a training completion rate of 100%.

Item No.	Course / activity title	Number of sessions / hours	Participants	Execution status in 2024
1	Course on Information Security and Personal Data Protection Awareness	4 hours	All employees	100%
2	Education and Training on Business Audit Items	1 session	Business audit personnel	100%
3	Education and Training for New Employees	7 sessions	New employees	100%
4	Online Morning Meeting	12 sessions	Insurance agents	100%
5	Information Security E-Newsletter	8 issues	All employees	100%
6	Course on Personal Information Management System (PIMS)	40 hours	Responsible personnel	100% Obtained 10 licenses
7	Course on Information Security Management System (ISMS)	40 hours	Responsible personnel	100% Obtained 17 licenses



Online Morning Meeting



Information Security E-Newsletter



安全意識不足，當心社交工程誘騙！
什麼是社交工程？
• 利用人性的弱點進行詐騙，透過各種手段讓使用者「信任」以進行攻擊行為。
• 手法包含透過電話、Email或假扮身份等各種方法來進行。
• 其中，以電子郵件社交工程最為常見。



個資文件保管宣導
文件保管好，後續沒煩惱



重要訊息
個資事件即時通報宣導
講不停說不膩單元



解密PIMS
打開電子商務服務的第一道門！
國家電子證2024年1月25日



層層把關 外寄郵件
防範個資或機敏資料外洩
國家電子證2024年1月25日



偵測到帳戶發生不尋常狀況
社群媒體 帳號安全防護
國家電子證2024年11月29日



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Unleashing The Importance Of Sustainable Finance

| GRI 3-3 |

Plan

- Promote sustainable finance.
- Expanding the influence of sustainable finance.
- Implementing sustainable supply chain management.

Commitment

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.





Material Topic	2024 Target	Status of Achievement	Major Performances in 2024	Short-term Target (2025)	Medium- to Long-term Target (2030 as the Target Year)
Sustainable Finance	Support sustainable development financial products or green energy industries		• Invested approximately NT\$ 582.9 billion in ESG topics	• Investments in ESG topics increase by NT\$ 2 billion compared to that in 2024	• Continue to search for potential sustainability investment targets
	Strengthen engagements with investees		• The proportion of listed / OTC-traded stocks and bonds passing the SBT targets reached 35.0%	• Completed the SBT targets of SKFH (engagement percentage of 30%)	• In 2027, the proportion of listed / OTC-traded stocks and bonds passing the SBT targets will reach 50.3%

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7. Unleashing the Importance of Sustainable Finance

7.1 Promote sustainable finance. | GRI 3-3、203-1、203-2 |

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 adheres to the United Nations Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI), and SKFH Sustainable Finance Policy, incorporating ESG risk factors into our financial operations, including investments, financing, and life insurance. Before making decisions, we evaluate the ESG sustainability performance of counterparties based on asset-specific guidelines. With the exception of some assets (such as cash and foreign exchange hedging) where responsible investment is not feasible, all new investments are 100% compliant with responsible investment principles.




SKFH - Asset-specific Guidelines		
<div><div>Investment</div></div>	<div><div>Financing</div></div>	<div><div>Life Insurance</div></div>
Listed/OTC-traded stocks, fixed income securities, private equity, real estate	Project financing, corporate financing	Life insurance products
<div><div>In accordance with Principles for Responsible Investment, ESG risk assessments and evaluations are conducted for different asset types and counterparties:</div><div><div>• For listed companies, domestic or foreign, refer to their international ESG ratings or domestic corporate governance evaluation ratings. If the rating falls below the threshold, evaluate cautiously or refrain from adding investments.</div><div>• For real estate projects, consider the environmental and social sustainability of the target, prioritize those promoting local community welfare and economic development, using sustainable building materials, or awarded green building certifications.</div><div>• If trading partners exhibit ESG risk violations and show no improvement plans despite engagements, gradually reduce investment positions.</div></div></div>	<div><div>Follow PRB and EPs, and carefully evaluate the ESG risks of borrower companies:</div><div><div>• For borrower companies in controversial or high carbon industries, prioritize engagements to guide improvement. Results of engagements should be incorporated into overall credit assessment.</div><div>• If borrower companies fail to improve or the situation worsens, reduce credit or terminate credit relationships if necessary.</div><div>• If the lending is used to promote sustainable development goals, preferential loan terms may be offered.</div></div></div>	<div><div>Follow PSI:</div><div><div>• Incorporate ESG factors into daily operations such as life insurance decision-making, claims management, risk management, product and service development, sales and promotion, and underwriting policies.</div><div>• Work with the government, insurance regulators, and stakeholders to promote ESG practices and regularly disclose compliance progress in PSI to ensure transparency.</div></div></div>

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A. Responsible Investment

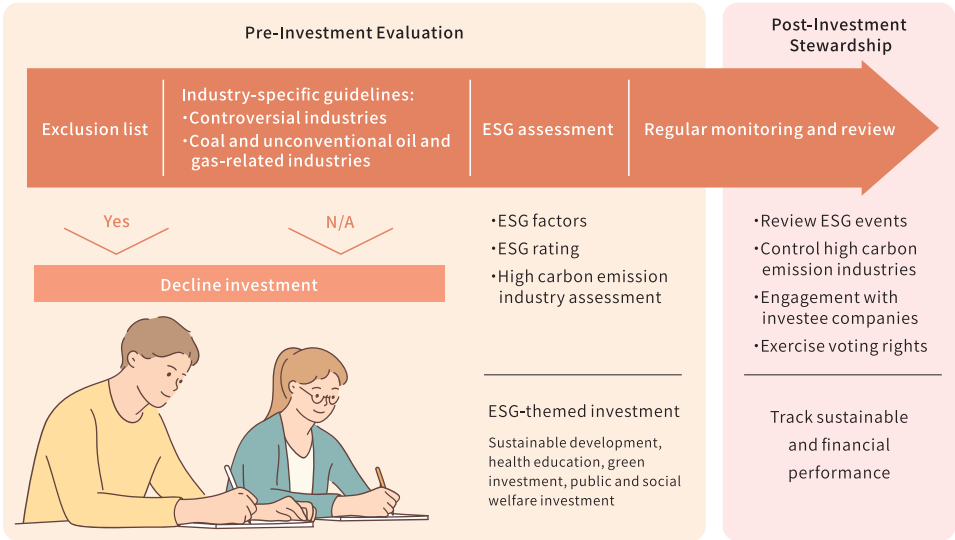
To implement the concept of sustainable finance, we have established the "Policy and Procedures for Sustainable Investing in Securities," integrating Environmental, Social, and Governance (ESG) factors and incorporating information from independent third-party rating agencies into our investment analysis process. 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 (list of non-investable targets). In the case of controversial industries, coal and unconventional oil and gas-related industries, it is required to verify whether the investment aligns with our industry-specific guidelines to determine whether to proceed with transactions. Compliance with the guidelines is a prerequisite for any business dealings. After the investment, we also implement due diligence, regularly or irregularly monitor the financial status of investee companies and ESG-related risks, and engage companies with high ESG risks and high carbon emissions in order to mitigate sustainability-related risks and enhance post-investment ESG management. In addition to establishing a responsible investment evaluation mechanism and conducting post-investment management, we also actively search for sustainable investment targets, grasp ESG opportunities, and invest in industries that promote sustainable development, thereby exerting a positive impact on sustainability.

B. Responsible lending

SKL has incorporated ESG factors into the credit investigation process, credit approval process, and post-loan management. In the process of financing review, the borrowers are evaluated for environmental protection, corporate integrity, social responsibility, and compliance with Taiwan's "Guidelines for the Determination of Sustainable Economic Activities." Key factors to be reviewed in corporate loan applications include checking if the applicant belongs to a controversial industry, assessing the appropriation status of labor pension reserve, and ensuring there are no significant environmental violations or major labor disputes. We also use sustainability reports as reference documents in loan applications. If there are major labor issues, the borrower must provide explanations. Severe cases may result in loan denial or conditional approval requiring the borrower to address labor or environmental issues within a specified time frame. 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.

In 2021, SKL included an ESG section in credit report formats. By 2022, corporate ESG performance was incorporated into credit interest rate reduction evaluations. Companies with positive ESG impacts or contributions to the SDGs are offered favorable financing assistance and conditions, encouraging their use of funds for projects that generate positive environmental or social benefits. This initiative aims to drive companies towards carbon reduction and sustainable development.

Responsible Investment Procedure



Note 1: If the counterparty is in a potentially controversial or carbon-intensive industry, it must be checked for compliance with the industry-specific guidelines.
Note 2: For investment targets in carbon-intensive industries, individual climate change risk assessments are conducted, including information on GHG emissions, international climate-related initiatives, and net-zero carbon reduction targets.

Exclusion list, non-investable list	Industry-specific Guidelines	ESG assessment
SKFH and its subsidiaries have established an exclusion lists for industries or countries with high ESG risks. Counterparties that meet the exclusion criteria should not be traded with. <ul style="list-style-type: none">• Pornography industries• Drug industries• Armament industries• The list of countries or regions announced by the government, which have serious deficiencies in anti-money laundering and financing terrorists	The Company has established guidelines for potentially controversial industries, including <ul style="list-style-type: none">• Tobacco• Gambling• Fur trading• Tropical rainforest logging• Coal-related industries• Unconventional oil and gas-related industries	<ul style="list-style-type: none">• ESG performance:<ul style="list-style-type: none">– ESG factors: The inspection includes ESG information on climate change, biodiversity, environmental pollution, human rights, diversity, equality and inclusion, ethical corporate management, and board performance.– ESG rating: It is required to review the ESG ratings of third-party independent rating agencies (such as MSCI ESG, Morningstar Sustainability ESG risk rating, S&P ESG rating, and corporate governance evaluation). If the rating criteria are not met, prudent assessment should be conducted or no new investment should be made.• High carbon emission industries: Conduct climate change risk assessments for high carbon emission industries (chemical, power utilities, steel, transportation and logistics, oil and natural gas, and construction materials), including: information on GHG emissions, international climate-related initiatives, and net-zero carbon reduction targets.• Sustainable economic activities: Examine the proportion of sustainable economic activities in investment positions to understand the degree of sustainability of applicable economic activities carried out by investee companies. In addition, SKL also encourages related companies to disclose "sustainable economic activities" through engagement.

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7.1.2 Expanding the influence of sustainable finance

A. Institutional Investor Due Diligence and Stewardship

Institutional investor stewardship is integral to responsible investment, ensuring the overall interests and long-term value of fund providers (including shareholders and customers), reducing sustainability-related risks, and seizing opportunities. SKL actively monitors the operational conditions and sustainability performance of investee companies. Through engagement, shareholder actions, and initiatives, we endeavor to exert positive financial influence.

1. Engagement action

To fulfill our duty of sustainable stewardship and effectively manage and mitigate ESG risks of investee companies, we adhere to the engagement policies set by SKFH, our parent company. We establish guidelines for engagement, conduct sustainability-related risk research and assessment for counterparties in investment and financing activities, and subsequently initiate engagement actions. Based on engagement outcomes, we assess whether escalation measures are necessary and formulate subsequent transaction decisions.

Engagement Action Framework

The Company prioritizes engagement topics aligned with SKFHs' engagement policy and international sustainability trends. We select engagement targets based on the phase goals, the significance of asset exposure positions, and the specific ESG issues and financial performance associated with counterparties in different industries. We regularly review our engagement list, communicate directly with engagement targets, collaborate on improvements, and engage with other public, private, financial institutions, and domestic and international advocacy organizations. Following engagement actions, we evaluate the actual improvement of engagement targets; if expectations are not met, we increase engagement intensity based on SKFH' sustainable values, operational needs, and risk management. The results of escalated engagement efforts serve as the basis for decisions regarding ongoing relationships, reduction of investments, or withdrawal.

In 2024, SKL engaged 164 domestic and foreign companies (accounting for nearly 40% of the total investment position) on major ESG topics, with a total of 204 communications.

Engagement Issues

Main issues of concern (including but not limited to):

- Environmental (E): Climate change, biodiversity, environmental pollutions
- Social (S): Human rights, Diversity, Equality and Inclusion
- Governance (G): Ethical corporate management, board performance

Screening of Engagement Issues and Targets

Based on the engagement issues of concern to SKFH, the materiality of asset exposure, and the domestic and overseas ESG-related database provided by Bloomberg and the TDCC IR Platform, we comprehensively consider the specific ESG issues, ESG ratings, and financial performance involved in different industry characteristics of counterparties, and take into account the FSC's "Guidelines for the Determination of Sustainable Economic Activities" (such as activities that have a substantial contribution to climate change mitigation) to screen priority engagement topics and targets.



Engagement Methods

Include but are not limited to direct communication with investee companies (phone conferences, face-to-face meetings), joint improvement, questionnaire surveys, public forums, participation in shareholders' meetings to express positions and submit proposals, exercise of voting rights, or collaboration with other public or private sectors, financial institutions, and domestic and foreign advocacy organizations for joint engagement.

Engagement Results Evaluation

- Investee companies that have made concrete improvements and exerted a positive impact on ESG or contributed to SDGs should be prioritized for inclusion in the investment list.
- If the engagement results are in line with the expected goals or the engagement target has achieved maximum improvement after evaluation, the engagement may be suspended.
- If the engagement results are not up to the expectations, the engagement intensity should be increased based on SKFH's sustainability value, operational needs, and risk management.

Engagement Upgrade

- If the engagement results are not up to the expectations, engagement intensity will be increased. Related solutions include but are not limited to: increasing the frequency of engagement, enhancing the level of communication of the engagement target, collaborating with other stakeholders for joint engagement, issuing a public position statement
- A shareholders' meeting to express positions and submit proposals, and initiating an extraordinary shareholders' meeting, etc.
- If multiple engagements are unsuccessful, the Company may determine to reduce or withdraw funds based on its risk management needs.

Result Disclosure

Disclose the results of corporate engagement in the stewardship section or sustainability report.

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Actual results in engagement communication

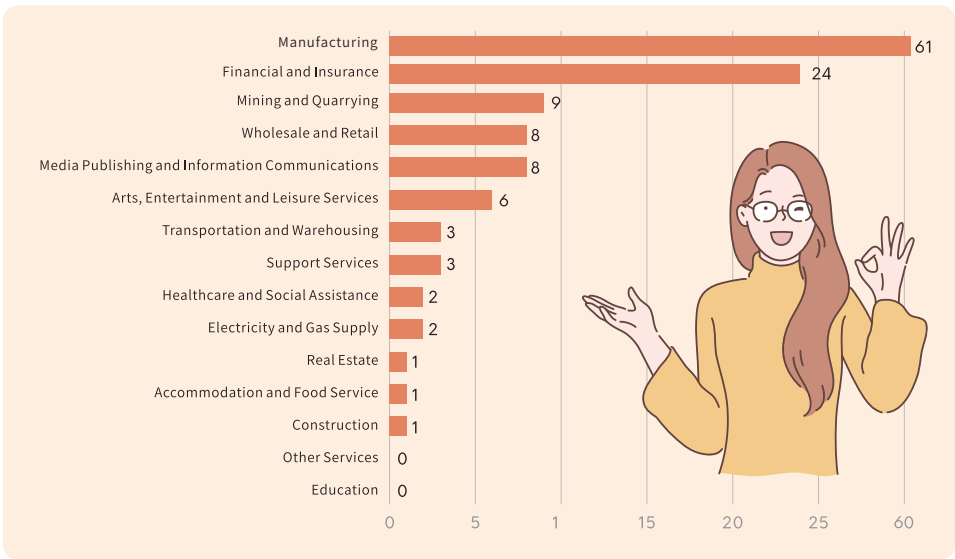
SKFH's Joint Engagement Results

SKL takes the initiative to understand the operating status of investee companies, and pays attention to sustainability issues and actions of investee companies in terms of environmental, social, and governance. In order to further understand the carbon reduction actions of investee companies, the Company and the parent company SKFH focused on the issue of climate change in 2024, with the engagement goal of "joining SBTi". We screened 129 domestic and foreign stock and bond positions (accounting for approximately 37% of the investment positions) based on their investment positions, industries (high carbon emission industries), greenhouse gas targets, biodiversity and environmental protection strategies, and ESG ratings (Corporate Governance Evaluation, MSCI ESG). We distributed engagement questionnaires on "net zero and GHG information disclosure", "climate mitigation and adaptation plans", "biodiversity", "sustainable economic activity", and "corporate governance", with the main engagement targets being enterprises in the "Manufacturing" and "Finance & Insurance" industries, in order to understand their climate resilience and sustainability of economic activities. We further encouraged these companies to formulate SBTs and transformation plans, while communicating the Company's emphasis on climate change issues. We received responses from 60 companies. Among these, 8% had successfully closed their engagement cases, and 17% were progressing positively. Moving forward, SKL plans to continue engaging with companies that have not responded to the survey and those that have not made clear progress, and collaborate with other financial institutions to jointly visit the management executives of specific investee companies, for the purpose of promoting their understanding of climate-related issues and encouraging them to embark on a low-carbon transition for sustainable development.

Achievement of Engagement

In 2024, more than 25% of investee companies were successful & had closed their cases or were progressing positively.

Distribution of surveyed engagement targets by industry



Engagement Case

Reason and Purpose of Engagement	Engagement Methods and Process	Engagement Results	Follow-up Actions
H Company Time of Engagement: December 2024			
<p>H Company is an investee of the Company. Its business activities include consumer electronics products, cloud network products, and computer terminal products. It has established production and service sites in more than 20 countries and regions.</p> <p>The engagement focused on three aspects:</p> <ol style="list-style-type: none">H Company's actions in biodiversity and environmental issues, such as: dependency and impact of global sites on natural resources;H Company's impacts and plans for human rights and supply chain management, such as: third-party ESG audit mechanisms and results;We further inquired about H Company's sustainable development opportunities to understand H Company's investments and financial impacts in relation to sustainability issues, such as: low-carbon technology innovation, green energy investment platform, green energy funds.	<p>The Company collaborated with a total of 16 institutional investors, including peers in the financial industry, to carry out joint engagement with H Company.</p>	<p>H Company first responded to ESG risk management methods on public information, third-party audit results, various policies, and internal control indicators, and responded to improvement measures for lagging indicators. Furthermore, H Company also responded to the three major aspects of this engagement as follows:</p> <ol style="list-style-type: none">In terms of the environment, H Company has cooperated with external academic institutions in TNFD and improved the MSCI ESG chemical substance indicators.In terms of labor and supply chain management, H Company has set up more stringent tracking indicators and underwent third-party audits.H Company stated that ESG is not only a cost but also a business opportunity. Currently, it focuses on the development of electric vehicles, batteries, energy storage, and group automation, which is expected to bring positive results to its operations.	<p>The Company will maintain its investment in H Company and continue to communicate with H Company on biodiversity, human rights, and supply chain management. Due to the fact that H Company's ESG events in recent years are mainly related to labor issues, we will continue to monitor the improvement of H Company's labor incidents and ESG ratings.</p>

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2. Voting actions

Following domestic and international initiatives and regulations, SKL actively engages with its investee companies by participating in investor conferences, attending shareholder meetings, and conducting regular visits (including on-site visits and phone calls) to maintain ongoing interaction with their management. This engagement helps inform investment decisions, which are then presented to the Board of Directors for deliberation.

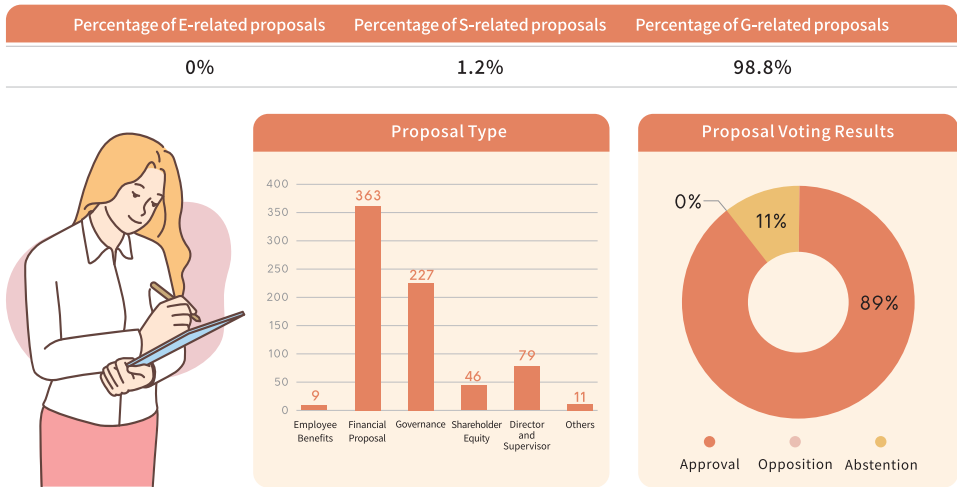
● Voting Rights Exercise Procedure (Including ESG Proposal Voting)

1. Vote Screening	<ul style="list-style-type: none">Thresholds for voting rights exerciseExercise of voting rights required after evaluation by the investment department
	<ul style="list-style-type: none">In principle, we exercise voting rights over all investee companies without setting a separate threshold for the exercise of voting rights.
2. Proposal Evaluation	<ul style="list-style-type: none">Review of external regulations and internal voting policies and principlesEvaluation and analysis of investee companies
	<ul style="list-style-type: none">Before attending the shareholders' meeting of the investee company, all proposals of the shareholders' meeting will be carefully evaluated, and the evaluation and analysis of the exercise of voting rights will be explained in writing.
3. Two-way Communication	Communicate with the management of the investee company on a proposal if necessary
	A prudent evaluation will be made if the investee company is involved in major ESG-related issues, controversial events, or raise proposals that affect the long-term rights and interests of shareholders. If necessary, the company's management may be contacted prior to the shareholders' meeting for better understanding and communications.
4. Voting	After analysis and communication, cast votes (electronically or by appointing a representative) following the relevant regulations and voting thresholds
	The Company exercises its voting rights by attending the shareholders' meetings of an investee company directly or by electronic voting. 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.
5. Board Reporting	Compile and report the voting results to the Board of Directors
	After attending the shareholders' meeting, the exercise of voting rights at the investee company's shareholders' meeting will be summarized and reported to the Board of Directors.

In addition, in compliance with the "Insurance Act", relevant legal interpretations, SKFH Sustainable Finance Policy, and the Company's voting principles, before attending the shareholders' meetings of investee companies, we carefully evaluate the contents of all proposals at shareholder meetings, especially those related to significant environmental, social, and governance (ESG) issues, controversial events, or long-term shareholder interests. If necessary, SKL will communicate with the investee company's management prior to the meeting.

● Results of the Exercise of Voting Rights in 2024

In 2024, we attended the shareholder meetings of 184 publicly listed companies in Taiwan, voting on a total of 735 proposals. The proportion of ESG-related issues among these proposals was disclosed, noting that there were no environment-related shareholder proposals in 2024.



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.

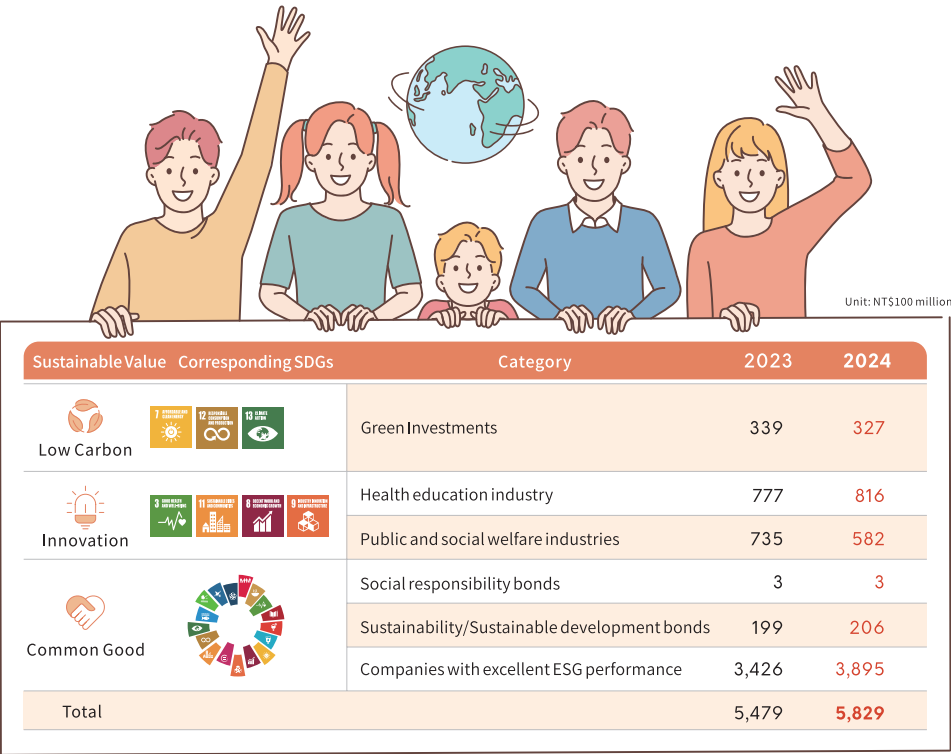
Note 2: In the 2024 shareholder meetings of the investee companies, the Company expressed opposition to 1 proposals, demonstrating that the Company does not unconditionally support the proposals of the investee companies' shareholder meetings, but makes important decisions after considering the long-term shared interests of customers, shareholders, and investee companies.

Note 3: In line with Taiwan Depository & Clearing Corporation policies, electronic voting is prioritized if provided by the investee company.

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B. ESG-themed investmen

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 2024, SKL's total investment amount in ESG-themed investments exceeded NT\$582.9 billion, representing a growth of 6% compared to the previous year.



Note 1: The investment amounts listed in the table above for the government's six core strategic industries have excluded the investments made in ESG sustainability benchmark companies in the same positions.
 Note 2: SKL's definition of green investments includes green bonds, project-based investments in renewable energy plants, and green energy and renewable energy industries as defined in the six core strategic industries.
 Note 3: The health education industry includes Taiwan's precision health industry and categories related to health products and services, as well as facility suppliers.
 Note 4: Companies with excellent ESG performance include constituents of the following indices: TWSE RAFI® Taiwan High Compensation 100 Index, TWSE Corporate Governance 100 Index, and FTSE4Good TIP Taiwan ESG Index, and Dow Jones Sustainability World Index.

1.Six Core Strategic Industries

SKL actively supports the government's efforts to promote industrial transformation. Through our project investment unit, we are responsible for investments in domestic projects, including the six major core strategic industries and public infrastructure to help more key emerging and innovative industries in securing operational capital. As of the end of 2024, the total investment amount in the six major core strategic industries reached NT\$151.1 billion. Investments in the green energy, renewable energy, and precision health industries exceeded NT\$7.7 billion, demonstrating our commitment to becoming a significant contributor to Taiwan's real economy development and fostering mutual benefits with innovative economy industries.

Industry Category	Investment Amount in 2023 (NT\$100 million)	Investment Amount in 2024 (NT\$100 million)	Proportion
Information and Digital Industries	1,187	1,256	83%
Strategic Stockpile Industries	136	133	9%
Green Energy and Renewable Energy Industries	75	77	5%
National Defense and Strategic Industries	34	32	2%
Cybersecurity Industry	13	13	1%
Precision Health Industry	2	-	-
Total	1,447	1,511	-

2. Low-carbon Investment and Impact on the Environment

To address climate change, enhance climate resilience, and promote green finance to achieve the 2050 net zero carbon emissions target, SKL is actively investing in the renewable energy sector. In addition to investing in green bonds, we have established a dedicated unit to develop green energy investment plans. By investing in power plant construction and operation enterprises, as well as planning the development of large-scale solar power stations, we are eager to foster the growth of green energy in Taiwan and support industries' transition to clean energy. Among them, approximately NT\$16.9 billion was invested in the government's "12 Key Strategies" industries, including solar photovoltaic (1. wind power generation/solar photovoltaic), grid equipment (4. power system & energy storage), energy-saving technology development (5. energy conservation), waste recycling (8. resource circulation and zero waste), public transportation (10. net-zero green living), and green bonds (11. green finance), in response to the government's strategic plan to achieve the goal of net-zero transformation by 2050.

In 2024, SKL invested NT\$7.83 billion in the renewable energy sector. This investment is expected to generate an annual electricity output of 3,025.03 GWh, which can avoid 1,497,391 tCO₂e each year. These efforts are anticipated to yield positive environmental benefits, aligning with the industrial goal of achieving net zero emissions.

SKL's green investment increased by NT\$79 million, generating approximately 2.81 GWh of electricity, enough to supply about 8,000 households for a month, saving around 1,390.2 tCO₂e

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Renewable Energy Investments and Environmental Benefits



		2022	2023	2024
Investment amount	Green bonds-renewable energy category (NT\$100 million)	56.9	56.9	56.9
	Project-based renewable energy power plants (NT\$100 million)	17.9	20.6	21.4
Total investment amount (NT\$100 million)		74.8	77.5	78.3
Estimated annual electricity generation (10,000 kWh)		277,008	281,143	302,503
Expected carbon reduction (tCO2e)		140,997	139,166	1,497,391

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.

3. Project-based investment - Public and social welfare industries: Taipei Bioinnovation Park

In support of the government's efforts to develop the biotechnology industry and to foster the agglomeration effects of biotech industry clusters, SKL has partnered with a development company to construct and operate the first biotech-focused development project in Taiwan: the Taipei Bioinnovation Park. This BOT project aims to provide office space for biotechnology companies and affiliated institutions, offering favorable rental rates to nurture startups. The park features modern office facilities and multifunctional spaces designed to meet the exhibition and interaction needs of biotech enterprises. Located adjacent to the Nankang Software Park, the Taipei Bioinnovation Park benefits from strategic advantages in terms of location, transportation, and industry clustering. The park is expected to facilitate the integration of the biotech industry, stimulate the regional economy, and create over 3,000 employment opportunities, ultimately generating an annual output value of NT\$50 billion, and further fostering the prosperity and development of the industry. This initiative supports government plans for industrial innovation, talent cultivation, and international alignment, making SKL a pivotal force in Taiwan's industrial transformation.

The total investment amount exceeded NT\$600 million, and the overall occupancy rate exceeded 99% in 2024, providing access to approximately 66 vendors.

7.2 Sustainable Supply Chain

SKL's 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.

A. Managing Supply Chain Sustainability

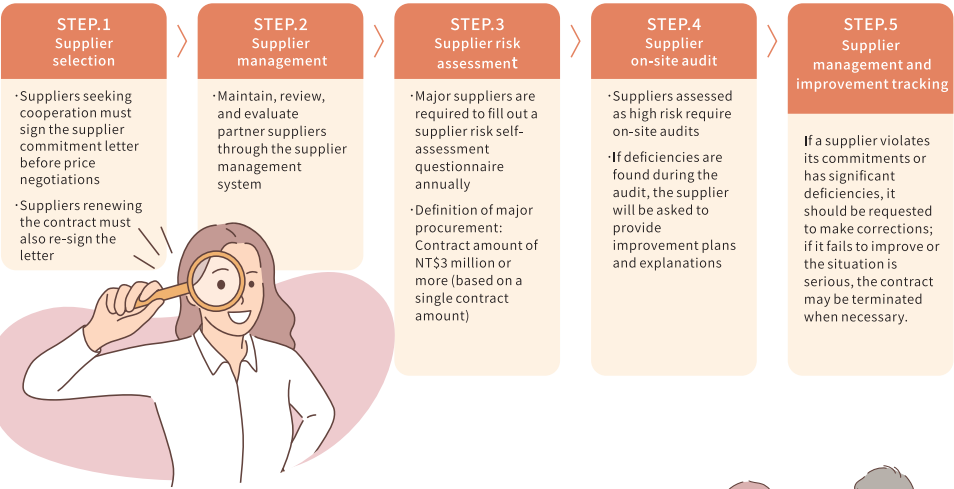
In terms of procurement policy, SKL has stipulated supplier management principles and regulations in accordance with the supplier management standards established by the parent company SKFH. Risk assessments and on-site audits of partner suppliers are conducted to encourage them to emphasize sustainable 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. Continuing from 2023, the signatories of the supplier commitment letter are 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.



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SKL Supplier Management Procedure



The Results of Supplier Management in 2024

Signing of the commitment letter	Price-negotiating suppliers: 228; signing rate: 100% Partner suppliers: 143; signing rate: 100%
ESG risk assessment	Key suppliers: 42; ESG risk assessment: 42, with a completion rate of 100%
On-site audit	One supplier underwent on-site audit. No issues of violating business integrity were found throughout 2024.
Other risk mitigation measures	Sustainability promotion for suppliers: Providing ESG and green procurement policy promotion to partner suppliers.

B. Implementing Local and Green Procurement

When purchasing office supplies, information products, air conditioning equipment replacement, and building materials, SKL prioritizes products that have obtained green environmental certification in order to facilitate sustainable social and environmental development.

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 nine consecutive years. At the same time, we have been supporting social innovation enterprises for four consecutive years. Through collaboration with the Digital Humanitarian Association on the "Telemedicine Project", we have introduced online health courses and professional medical consultation for the elderly in remote areas, while providing financial inclusion education and anti-fraud advocacy. In 2024, we won the Special Award of Buying Power Sustainable Development Group of the Small and Medium Enterprise and Startup Administration, MOEA.



Item	Summary
Initiatives	<ul style="list-style-type: none"> 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.
Results in 2024	<ul style="list-style-type: none"> Local procurement: We prioritized Taiwanese local manufacturers to ensure supply stability and localization, accounting for 97% of the total procurement Green Procurement: The amount of green procurement for office and administrative equipment reached NT\$ 112.21 million, accounting for 55% of the total green procurement items. Social innovation procurement: The amount of social innovation product and service procurement reached NT\$9.36 million

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Creating a Society of Mutual Prosperity

GRI 3-3

Plan

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

Commitment

Shin Kong Life values the importance of connecting and interacting with local residents, establishes three major public welfare axes, utilizes its abundant corporate talent resources, and promotes the "corporate volunteer" service program, to actively develop community engagement.



Material Topic	2024 Target	Status of Achievement	Major Performances in 2024	Short-term Target (2025)	Medium- to Long-term Target (2030 as the Target Year)
Social Welfare*	Form public-private strategic alliances and work with employees and customers to initiate philanthropic projects.		<ul style="list-style-type: none">The "Happiness Lesson" empowerment program brought resources to remote areas and provided 386 children with diverse learning opportunities.	<ul style="list-style-type: none">Integrate public welfare focus with core business to create innovative public welfare projects.	<ul style="list-style-type: none">Support SDGs by linking sustainability, common good, and local areas to enhance the social value of the brand.Facilitate cooperation between business units and local community groups to develop community involvement and improve operational efficiency.
	<ul style="list-style-type: none">Achieve 3.5 volunteer hours per capita.		<ul style="list-style-type: none">Corporate volunteer hours reached 3.56 hours per capita.	<ul style="list-style-type: none">Achieve 3.7 volunteer hours per capita.	<ul style="list-style-type: none">Achieve 4.5 volunteer hours per capita.

*Note: Social welfare was included as the sustainability material topic of SKFH in 2024.

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8.1 Community Engagement Strategies and Investments

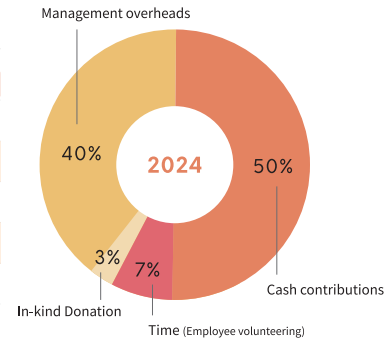
Shin Kong Life's community involvement activities are based on the three corporate philanthropic pillars of "All-round Development, Health promotion, and Environmental sustainability". By utilizing our offices throughout Taiwan, we are able to focus on issues such as children's education, ageing health, ecological environment, and animal conservation through more flexible and creative communication methods. At the same time, we encourage both internal and external colleagues to join us in volunteering, extending SKL's services to the corners of society and fulfilling our corporate motto of "what we take from society, we give to society." In 2024, thanks to the enthusiasm of all employees, SKL's total social participation amounted to NT\$34.77 million, with a total of 640,000 people benefiting from SKL's social service programs, and we have supported the co-prosperity and development of the community through our actions and investment of resources. With these actions and resources, SKL supports the co-prosperity and development of the community.

Major themes in social welfare and SDGs

Public Welfare Focus	SDGs	Charity Activities
All-round Development	4 Quality Education, 8 Decent Work and Economic Growth  	National Painting Competition, Street Dance Competition, Rubik's Cube Competition, Esport Event, Happiness Lesson, and Summary of Top Ten Challenges for Immigrant Caregivers.
Health Promotion	3 Good Health and Well-Being, 10 Reduced Inequalities, 17 Partnerships for the Goals   	Nationwide Blood Donation Campaign, Nationwide Charity Hiking, Always Remember You Conference, Community Care Blossom, Anti-fraud Lectures for the Elderly, Lighting Up the Ribbon for Women's Health, Remote Health Promotion for Elderly in Rural Areas, The LIFE Lab. Seminar Series.
Environmental Sustainability	13 Climate Action, 14 Life Below Water, 15 Life on Land   	Happy Dining Table with an Acre of Land, Sustainable Food and Food Conservation, Clean Marine Ecology Conservation, Old Clothes, New Life: Light up the World.

Social Welfare Activities in 2022-2024

Type of Contribution	2022	2023	2024
Cash contributions	36,377,572	35,792,413	17,524,677
Time (Employee volunteering)	18,797,050	15,062,733	2,516,890
In-kind Donation	2,095,000	1,679,061	1,042,825
Management overheads	13,594,747	20,307,758	13,690,439
Total	70,864,369	72,841,965	34,774,831



Social Welfare Activities in 2022-2024

Unit:NT\$

Type of Contribution	2022		2023		2024	
	AmountInvested	Proportion	AmountInvested	Proportion	AmountInvested	Proportion
Charitable donations	554,017	0.8%	839,809	1.2%	344,741	1%
Community investment	30,865,780	43.6%	13,697,086	18.8%	13,577,582	39%
Commercial initiatives	39,444,572	55.7%	58,305,070	80%	20,852,508	60%
Total	70,864,369	100%	72,841,965	100%	34,774,831	100%

Note 1: Investment expenses consist of activity expenses (including administrative and personnel expenses), in-kind donations, and sponsorships.
Note 2: Some examples of activities/events:
Charitable donations: Women's Health - Breast Cancer Prevention Lectures, Women's Health - Light up the Pink Ribbon Promotion Activities, Taiwan Colorectal Cancer Alliance.
Community investment: 2024 Shin Kong Nationwide Blood Donation Campaign, Painting Competition, Street Dance Competition, Esport Event, and Digital Humanitarian Association's Services for Elderly in Rural Areas.
Commercial initiatives: 2024 Microinsurance Sponsorship Program, Industry-Academia Talent Cultivation, Shin Kong Nationwide Charity Hiking Activities.

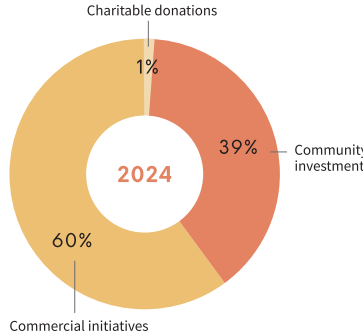
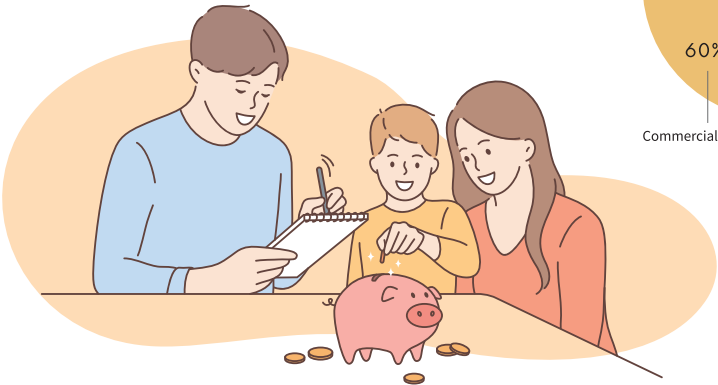


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8.1.1 All-round Development

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, enhance international vision, and create a sustainable and better life together.

Youth Activities

The Shin Kong National Painting Competition

The theme of the "20th Shin Kong National Painting Competition " in 2024 was "Smart Wealth Management, Be the Master of Money", aiming to enable more people to have better understanding of the correct concepts of wealth management through the observations and creations of painters at all ages. To implement financial inclusion, we launched a special "You Draw, We Give Back" initiative, in which we gave back NT\$10 for each participating project. We planned to organize practical wealth management courses in rural schools to enable students to understand, remember, and apply the knowledge. Through financial education, students can build financial management capabilities for life.



The Shin Kong Rubik's Cube Competition

Rubik's cube is regarded as one of the world's top three intellectual games, which is absolutely beneficial to logical thinking and brain development. The "Shin Kong Rubik's Cube Competition" was held in Taipei, Central and Southern Taiwan for the first time after the COVID-19 pandemic. More than 1,000 players were invited to participate in the competition, enabling players to brainstorm on the same platform and challenge themselves to achieve better results. In 2024, we continued to turn the registration fees into fees for charity use, and called on professional talent to visit remote areas together, in hopes of stimulating the development of children's potential through a positive cycle, and gradually transforming education in remote areas.



The Shin Kong Street Dance Competition

The event continued the Olympic competition "BREAKING BATTLE 1 ON 1" and Line Dance, which attracted 24 teams of online line dance auditions, 122 teams of line dance registrations, and 110 people of breakdance registrations, totaling 1,552 participants. In order to respect the awareness of gender equality, the first "B-GRIL" women breakdance event was organized in 2024, aiming to create more opportunities for female dancers and demonstrate the attractiveness of women dance. At the same time, for the Shin Kong "Happiness Lesson" empowerment project, we also collaborated with female breaking dancers of the Asian Games Hangzhou to teach street dance at elementary schools in rural areas.



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Events

The Shin Kong Esport Event

- The sixth "Shin Kong Esport Event" was developed into two series, including the "Shin Kong Esport Event" for parent-child communication and the "Shin Kong Esport Competition - Combat Summer Festival" for team exchanges.
- For the first time, we planned to extend the "Shin Kong Esport Event in Remote Areas" to Shuang Long Elementary School in Nantou, Saint Francis Girls' Home in Miaoli, and Hsu Hai Classroom in Pingtung. We made use of the immersive experience courses of Minecraft game to develop students' independent thinking and creativity, starting with the construction of "conceptual logic", in hopes that students will be able to develop diversified abilities in accordance with their interests, and see more possibilities in the future.

Happiness Lesson

- Mt. Jade Program:** We arranged students from disadvantaged families in rural areas in Nantou and Taitung to participate in the Carnegie Youth Communication and Interpersonal Relations Training Programs to enhance their competitiveness in the workplace. At the same time, we combined our core business with board games to teach financial insurance, anti-fraud and wealth management knowledge in order to implement financial education and share workplace experience.
- Empowerment Program:** We organized the "Happiness Lesson Empowerment Project" at Shuang Long Elementary School in Xinyi Township, Nantou, to design a variety of creative courses, including breakdance, financial education, esports, Rubik's cube, and painting. Through learning activities outside the classrooms, we broadened the learning horizons of tribal students and enhanced their confidence in pursuit of their dreams.
- Newspaper Reading Program:** We sponsored newspaper reading education in rural areas, hoping to cultivate residents' wealth management concepts at an early age through newspaper reading and writing, and inspire their future career planning. We organized teaching activities in Lung Xing, Zan Shan, and Tao Yuan Elementary Schools in Kaohsiung City in combination of Rubik's cube and street dance in order to enrich students' learning activities and realize their artistic and rhythmic potential.

Summary of Top Ten Challenges for Immigrant Caregivers

- We collaborated with the TransAsia Sisters Association Taiwan to launch the "Summary of Long-term Care Rights for New Immigrants" to identify the "10 Challenges" commonly encountered by new immigrant caregivers. Illustrations were produced in a way that might be understood through daily dialogue scenarios, enabling new immigrants to easily share and disseminate them in communities. At the same time, seven language versions, including Chinese, Vietnamese, Indonesian, Thai, Filipino, Burmese and Cambodian, have been provided in order to eliminate information gap between new immigrants, maximize the effectiveness of cross-cultural communication, and assist more long-term care families in Taiwan.

Summary

Highlight in 2024

- A total of 535 people signed up for the two events, and the online live stream had 3,768 views, allowing everyone to transform into a Pokemon trainer through virtual reality experience.

- A total of 82 people benefited from the "Shin Kong Esport Event in Remote Areas".



- Mt. Jade Program: Benefited a total of 106 people.

- Empowerment Program: A total of 30 student participants.



- Newspaper Reading Program: A total of 250 participants in the six events.

- Launched the Summary through a press conference that successfully attracted media attention, accumulating 16 media reports (excluding repost).
- As high as 86 times of repost of a single article on the Facebook page of the TransAsia Sisters Association Taiwan.
- Leveraging on social media platforms to expand promotion, three posts related to the Summary of Long-term Care on Facebook page of the TransAsia Sisters Association Taiwan have received 64,868 views, reached 35,136 people, and created 5,629 interactions and 131 shares, showing the high level of concern and engagement of audiences for the content.



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8.1.2 Health Promotion

In response to the United Nations Sustainable Development Goals (SDGs) 3, SKL has organized Nationwide Blood Donation campaigns and Health Promotion seminars to encourage people to care about their own health and to raise health awareness among the general public. In addition, SKL also organizes telemedicine to provide health information to the elderly and eliminate the disparity in healthcare resources between urban and rural areas, in order to build a stable and seamless healthcare protection network.

	Summary	Highlight in 2024
Remote Health Promotion for Elderly in Rural Areas	<ul style="list-style-type: none"> We have partnered with the Digital Humanitarian Association, which utilizes digital tools to provide online health courses and professional medical consultations for elderly residents in rural areas. The program aims to help the elderly prevent diseases and delay disability, and has shown concrete results. We promoted financial knowledge in 7 remote communities in Dabang, Chiayi, Dawu, Taitung, Ruisui, Hualien, Guanxi Hsinchu, Wutai Pingtung, Nan'ao, Yilan, and Jinning, Kinmen. By providing remote health promotion services, we successfully linked health resources with experts to improve the health and well-being of the elderly. 	<ul style="list-style-type: none"> A total of 51 volunteers participated in the service, serving approximately 151 seniors. Benefited approximately 36,000 seniors. Provided 280 remote health courses, serving a total of 51,445 people. The study adopted the social return on investment (SROI) methodology, and the evaluation results showed that every NT\$1 invested created a social value of NT\$9.76.
The Shin Kong Nationwide Blood Donation Campaign	<ul style="list-style-type: none"> In 2024, in order to alleviate the issue of blood shortages, we co-organized the "Shin Kong Nationwide Blood Donation Campaign" with the well-known online illustrator "10 Seconds Class" at 33 blood donation locations across Taiwan. The campaign called on the public to "take 10 more seconds to help more people", gathering the general public to show their love and demonstrate the spirit of corporate care and sharing. 	<ul style="list-style-type: none"> SKL successfully collected 3,853 bags (equivalent to 963,250 ml) of blood, contributing to reserve health care capacity and save more precious lives.
Nationwide Charity Hiking	<ul style="list-style-type: none"> The event combined the "Carbon Reduction Lifestyle Festival" as the main theme, and the first stop was in Kaohsiung. The event was held at the Dayi Pier-2 Park in Kaohsiung, Central Park in Taichung, and Hua Zhung Campsite in Taipei. It introduced sustainable lifestyle-related brands and invited Zero Market, MY HONG TE, SwingTaiwan, and Beautiful City to participate in exhibitions and sales. No disposable containers and tableware were provided on site in order to promote the concept of sustainable carbon reduction and respond to the corporate philosophy of ESG with practical actions. 	<ul style="list-style-type: none"> There were more than 1,800 participants in the three events.
Always Remember You Conference	<ul style="list-style-type: none"> In 2024, we continued to work with the Taiwan Alzheimer's Disease Association to organize the "Always Remember You" conference at the Shin Kong Life Tower to care about the issue of dementia, as well as promote dementia prevention, treatment, and care work to assist families affected by dementia. 	<ul style="list-style-type: none"> 9 "Always Remember You" conferences were held and attended by a total of 880 people.
Community Care Blossom	<ul style="list-style-type: none"> Through SKL branches throughout Taiwan, we accompany elderly people and school age children in the spirit of local care, and through face-to-face and hand-to-hand lantern paper craft teaching, achieving positive and warm interactions between those who care and those who are cared for. 	<ul style="list-style-type: none"> There were a total of 25 "Community Care Blossom Activities", involving a total of about 808 volunteers, and caring for about 1,319 elderly and 15 school children.
The LIFE Lab. Seminar Series	<ul style="list-style-type: none"> The LIFE Lab. organizes seminars on diverse topics that are closely related to daily life from time to time. Experts from different fields are invited to share their experiences and knowledge online, and provide professional and practical life planning suggestions and new life knowledge in simple language. 	<ul style="list-style-type: none"> 10 online seminars related to health promotion and financial education were held, attracting 2,400 viewers.



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8.1.3 Environmental Sustainability

In response to international concerns about biodiversity and environmental sustainability, SKL has linked corporate and social forces through activities such as the Happy Dining Table with an Acre of Land, and Clean Ocean Project to realize rural innovation and ecological preservation for the benefit of all three parties: the corporation, agriculture, and society. In addition, the Company also organizes Old Clothes, New Life: Light up the World to practice circular economy and achieve the goal of environmental friendliness, so as to enhance the sustainable thinking of its employees through public welfare.

Major Sustainability Activities

Happy Dining Table with an Acre of Land

To care about food safety and sustainable agricultural development in Taiwan, we established the "Shin Kong smallholder farmers' evening market" to provide free venues and stalls for smallholder farmers to exhibit and sell their products. We encourage farmers to cultivate non-toxic, land-friendly fruits and vegetables of higher quality. Consumers can also purchase the freshest seasonal produce at the shortest food miles to ensure food safety. In 2022, we launched the Happy Dining Table with an Acre of Land ESG welfare project, and signed the "Common Good Commitment" with 67 smallholder farmers in Taiwan, calling on smallholder farmers to participate in the sustainable food program, as well as donate near-expiry and high-quality ingredients to extend the life of the food. We also convey the concept of food conservation, caring, and sharing, so as to achieve zero food waste, and demonstrate Shin Kong's core values of "low carbon, innovation, and common good" for sustainable operations. In 2024, a total of 76 Shin Kong smallholder farmers' evening markets were held, with approximately 504 participants and total sales amount of nearly NT\$9 million (including Songshanjin Charity Market). In 2023, this project received recognition at international levels, including the "Asia Responsible Entrepreneurship Awards," "National Brand Yushan Award," "Asia-Pacific and Taiwan Sustainability Action Awards (TSAA)," and "PwC Sustainability Impact Awards," underscoring Shin Kong's core values of "low carbon, innovation, and common good" in sustainable management.



Clean Ocean Project

The "Clean Ocean" beach cleanup event in 2024 mobilized 155 corporate volunteers to the "Holiday Forest Beach" in Zhunan, Miaoli, and Sanzhi, removing a total of 475 kilograms of marine waste in the two activities. In addition, 12 volunteers were trained to obtain professional diving licenses. We also organized six beach cleanup activities in Ruibin Harbor, Keelung, and Ruifang Bat Cave in New Taipei City, during which, the volunteers removed a total of 1,369 kilograms of marine waste. In response to the Sustainable Development Goals "SDG 14 " Life Below Water, we took concrete actions to remove marine waste underwater in order to protect the marine ecology.



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8.2 Corporate Volunteers

Shin Kong Life Volunteer Participation

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.

Through volunteer service, we enrich the lives of our employees beyond their work environment, fostering a sense of belonging within the company and experiencing the joy and warmth of helping others. In 2024, our corporate volunteers enthusiastically participated in charity events such as Nationwide Charity Hiking activities, Nationwide Blood Donation campaigns, Community Care Blossom, telemedicine services for elderly in rural areas, beach cleanup, and diving volunteer training. We encourage employees to voluntarily participate in basic volunteer education and training courses to enhance professional knowledge, contribute to society, incorporate ESG core concepts such as corporate responsibilities and value to society into employees' daily lives, and realize the core value of the life insurance industry in protecting the society.

In 2024, the average number of hours of participation by business volunteers was 3.56 hours in real terms, with more than 5,702 cumulative participants and 36,268 total service hours.



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- Index of Principles for Sustainable Insurance (PSI)
- Index of Principles for Responsible Investment (PRI) implementation results
- Index of United Nations Global Compact
- Index of Sustainability Accounting Standards Board (SASB)
- Index of Climate Related Financial Disclosures (TCFD) in the Insurance Industry
- Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- Participation in External Organizations
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Low Carbon

Innovation

Common Good

Usage Statement				GRI 1 Used	Applicable GRI Sector Standards
The period of information disclosure is from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.				GRI 1: Basic 2021	GRI G4 Financial Services Sector Disclosures

GRI Standards	Disclosure items		Corresponding chapter	Page No.
GRI 2: General Disclosures	2-1	Organizational details	1.1.1 Basic information	12
	2-2	Entities included in the organization's sustainability reporting	Reporting Standards 1.1.2 Economic Performance	2 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 External Assurance	126
	2-6	Activities, value chain and other business relationships	1.1.1 Basic information 7.2 Sustainable Supply Chain	12 105
	2-7	Employees	1.1.1 Basic information 4.1.1 Building Inclusive Workplace	12 50
	2-8	Workers who are not employees	4.1.1 Building Inclusive Workplace	50
	2-9	Governance structure and composition	1.2 Corporate Sustainability Committee 6.1 Corporate governance	14 83
	2-10	Nomination and selection of the highest governance body	6.1.1 Board of Directors and Functional Committees	83
	2-11	Chair of the highest governance body	6.1 Corporate governance 6.1.1 Board of Directors and Functional Committees	83 83
	2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Corporate Sustainability Committee 1.4 Identification of Material Topics 6.1.1 Board of Directors and Functional Committees	14 16 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 1.4 Identification of Material Topics	4 14 16
	2-15	Conflicts of interest	6.1.1 Board of Directors and Functional Committees	83
	2-16	Communication of critical concerns	6.1.1 Board of Directors and Functional Committees	83

GRI Standards	Disclosure items		Corresponding chapter	Page No.
GRI 2: General Disclosures	2-17	Collective knowledge of the highest governance body	6.1.1 Board of Directors and Functional Committees	83
	2-18	Evaluation of the performance of the highest governance body	6.1.2 Performance Evaluation of the Board of Directors and Functional Committees	86
	2-19	Remuneration policies	6.1.3 Remuneration Scheme for Directors and Executives	86
	2-20	Process to determine remuneration	4.3.2 Establishment of a employee compensation and welfare system 6.1.3 Remuneration Scheme for Directors and Executives	60 86
	2-21	Annual total compensation ratio	6.1.3 Remuneration Scheme for Directors and Executives	86
	2-22	Statement on sustainable development strategy	Message from the Chairman and President	4
	2-23	Policy commitments	6.2 Ethical Corporate Management	87
	2-24	Embedding policy commitments	6.2 Ethical Corporate Management	87
	2-25	Processes to remediate negative impacts	1.4.2 Material Topics Impact Boundaries and Management Approaches 4.3.1 Establishing a culture of diversity and communication 5.3.2.C Responding to Policyholder Feedback Attentively	19 58 79
	2-26	Mechanisms for seeking advice and raising concerns	4.3.1 Establishing a culture of diversity and communication 5.3.2.C Responding to Policyholder Feedback Attentively	58 79
	2-27	Compliance with laws and regulations	3.1 Low Carbon Operational Management 5.1.1 Providing a Sense of Security 6.2.2 Establishment of legal compliance culture and internal audit system 6.4.2.B Information security incident reporting and handling	42 68 88 96
	2-28	Membership associations	Appendix Participation in External Organizations	125
	2-29	Approach to stakeholder engagement	1.5 Stakeholder Engagement	20
	2-30	Collective bargaining agreements	The company currently has no collective bargaining agreements	
GRI 3: Material Topics	3-1	Process to determine material topics	1.4.1 Material Topics Analysis and Ranking	16
	3-2	List of material topics	1.4.1 Material Topics Analysis and Ranking	16

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Material Topics and Corresponding GRI Standards

GRI Standards	Disclosure items		Corresponding chapter	Page No.
Business performance				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 1.1.2 Economic Performance	16 13
GRI 201: Economic Performance	201-1	Direct economic value generated and	1.1.2 Economic Performance	13
Corporate governance and ethical management				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 6. Corporate Governance Realizing Sustainability Governance 6.1 Corporate governance 6.2 Ethical Corporate Management	16 82 83 87
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	6.2 Ethical Corporate Management	87
	205-2	Communication and training about anti-corruption policies and procedures	6.1.1 Board of Directors and Functional Committees 6.2.1 Strengthen Anti-money Laundering Mechanisms	83 88
		205-3	Confirmed incidents of corruption and actions taken	6.2 Ethical Corporate Management
	Legal compliance			
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 6. Corporate Governance Realizing Sustainability Governance 6.2 Ethical Corporate Management	16 82 87
Risk management				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 6. Corporate Governance Realizing Sustainability Governance 6.3 Risk Management	16 82 90
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	2.2 Climate Strategy	24
Customer relations and service quality				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 5. Excellent Customer Experience 5.1.1 Providing a Sense of Security 5.3 Fair Treatment and Customer Experience	16 67 68 77
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	5.1 Sustainable Insurance	68
	417-2	Incidents of non-compliance concerning product and service information and labeling	5.1.1 Providing a Sense of Security	68
	417-3	Incidents of non-compliance concerning marketing communications	5.1.1 Providing a Sense of Security	68

GRI Standards	Disclosure items		Corresponding chapter	Page No.
Innovation and digital finance				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 5. Excellent Customer Experience 5.4 Innovative Digital Services	16 67 79
GRI 203: Indirect Economic Impacts	203-2	Significant indirect economic impacts	5.4 Innovative Digital Services	79
Information security and privacy				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 6. Corporate Governance Realizing Sustainability Governance 6.4 Information Security and Personal Data Protection	16 82 94
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.4.2.B Information security incident reporting and handling	96
Talent recruitment and retention				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 4. Nurturing Diverse Talents 4.1 Diverse Recruitment 4.2 Nurturing Talent 4.3 Happy Workplace	16 49 50 54 58
GRI 401: Employment	401-1	New employee hires and employee turnover	4.1.1 Building Inclusive Workplace	50
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	4.3.2 Establishment of a employee compensation and welfare system	60
	401-3	Parental leave	4.3.2 Establishment of a employee compensation and welfare system	60
GRI 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	54 57
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2.3 Talent Development	57

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GRI Standards		Disclosure items	Corresponding chapter	Page No.
Sustainable finance				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 7. Unleashing the Importance of Sustainable Finance 7.1 Promote Sustainable Finance	16 98 99
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	7.1 Promote Sustainable Finance	99
	203-2	Significant indirect economic impacts	7.1 Promote Sustainable Finance	99
Financial inclusion				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 5. Excellent Customer Experience 5.2 Realizing Financial Accessibility	16 67 70
GRI 203: Indirect Economic Impacts	203-2	Significant indirect economic impacts	5.2.1 Promoting Financial Accessibility	71
Actions for climate change				
GRI 3: Material Topics	3-3	Management of material topics	1.4 Identification of Material Topics 2. Strengthening Climate Resilience 3. Advancing Towards a Net Zero Future	16 22 41
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	2.2 Climate Strategy	24
GRI 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
	305-4	GHG emissions intensity	3.2.1 Implementing Greenhouse Gas Inventory	43
	305-5	Reduction of GHG emissions	3.2.1 Implementing Greenhouse Gas Inventory	43

GRI G4 Indicators of Financial Service Sector

Indicator	Item	Corresponding chapter
FS1	Policies with specific environmental and social components applied to business lines	5.1 Sustainable Insurance 5.2 Realizing Financial Accessibility 5.3 Fair Treatment and Customer Experience 7.1 Promote Sustainable Finance
FS2	Procedures for assessing and screening environmental and social risks in business lines	7.1 Promote Sustainable Finance
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	5.2 Realizing Financial Accessibility 7.1 Promote Sustainable Finance
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	4.2 Nurturing Talent 5.3 Fair Treatment and Customer Experience 5.4 Innovative Digital Services 8.1 Community Engagement Strategies and Investments 6.1 Corporate Governance
FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	7.1 Promote Sustainable Finance 7.2 Sustainable Supply Chain
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
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	5.2.1 Promoting Financial Accessibility
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	3.2.3 Shaping a Green Culture 7.1 Promote Sustainable Finance
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	6.1 Corporate governance
FS13	Access points in low-populated or economically disadvantaged areas by type	1.1.1 Basic information
FS14	Initiatives to improve access to financial services for disadvantaged people	5.2 Realizing Financial Accessibility
FS15	Policies for the fair design and sale of financial products and services	5.3 Fair Treatment and Customer Experience
FS16	Initiatives to enhance financial literacy by type of beneficiary	5.2.3 Strengthening Financial Literacy

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Index of Principles for Sustainable Insurance (PSI)

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

Stakeholder	Dimension	Plan	Strategies and Achievements	Corresponding chapter
Board of Directors Employees	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.	1.2 Corporate Sustainability Committee
		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.	1.4 Identification of Material Topics 1.5 Stakeholder Engagement
		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 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 <ul style="list-style-type: none">The field personnel established a "Sustainability Journal " course in co-broadcasting morning meetings.Employees are encouraged to participate in external sustainability training and online learning.ESG issues such as inclusion in the DJSI, offering inclusive/sustainable financial products and services, completion of a sustainability general course, and retaining top talent are incorporated into the key performance indicators for senior management and general employees, with all staff working diligently to achieve these goals.	4. Nurturing Diverse Talents 6.1 Corporate governance
Managers	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 and manage the main risks and emerging risks faced by the financial/Insurance industry, and establishment of a business continuity management mechanism to reduce the likelihood of business disruptions and the degree of damage. 2. A mechanism for climate-related financial disclosures (TCFD) has been established. 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.	2. Strengthening Climate Resilience 6.3 Risk Management 6.4 Information Security and Personal Data Protection
Investee	Investment management	Include ESG issues in the decision-making procedures for investment in accordant with the Principle of Responsible Investment (PRI).	Established the "Shin Kong Life Insurance 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 (non-investable list). In the case of controversial industries, industry-specific guidelines should be used as a basis for decision-making on whether or not to make an investment. After the investment, we also implement due diligence, and regularly or irregularly monitor the financial status of investee companies and ESG-related risks in order to enhance post-investment ESG management.	7.1 Promote Sustainable Finance
Customers	Products and services	Develop products and services that have a positive impact on ESG issues and improve risk management.	1. 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. <ul style="list-style-type: none">Microinsurance: Provide low-premium products for basic protection of vulnerable groups and donate premiums every year. Provided coverage of over NT\$20.39 billion due to our full efforts in 2024.Small-amount whole life insurance: Provide seniors with basic insurance protection with over 32,000 new policies being processed in 2024.Spillover-effect products: To promote the public's awareness and behavior in health management, premium reduction incentives are provided to achieve the triple benefits of improving public health, reducing claim settlements, and minimizing the consumption of social medical resources.Launched the "Wen Wan Li Foreign Currency Investment-linked Annuity Insurance" that combines the concepts of environmental protection and sustainability. Policyholders were invited to participate in the tree planting campaign, planting a total of 6,590 trees. 2. Pay attention to the pain points of all groups in using financial services, and develop convenient and friendly financial services and tools. In 2024, we strengthened barrier-free communication for individuals with disabilities, launched family contact network services for the elderly, and provided new immigrants and indigenous peoples with interpretation services.	5.1 Sustainable Insurance 5.2 Realizing Financial Accessibility
		Develop or support education programs related to risk, insurance and ESG issues.	SKL is committed to conveying the value of human life and provides comprehensive risk, insurance, and ESG education programs for children, young and middle-aged adults, and the elderly through diverse channels and innovations, such as Guardians of Wealth board game courses, Literary Revolution, and anti-fraud seminars for the elderly.	5.2.3 Strengthening Financial Literacy

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Stakeholder	Dimension	Plan	Strategies and Achievements	Corresponding chapter
Customers	Sales and marketing	Provide education and training on products/services on ESG issues, and incorporate important ESG-related messages into marketing strategies or activities .	<div>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 labeling of disadvantaged people in the Customer Information System (CIS) to strengthen care in the event of accepting transactions, immediately discover the obstacles that customers may encounter, pay attention to high-risk customers, and create a fraud prevention internet. Recently, we have successfully prevented fraud in an amount of several million dollars.</div> <div>2. Work with policyholders to create low-carbon insurance services: Online and offline resources are coordinated to combine the SKL official LINE account and SK reward points.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.</div> <div>3. Through the SKL 165 Anti-Fraud Initiative, actions were taken in fraud recognition, prevention, and intervention to enhance the risk identification ability of policyholders, including organizing innovative insurance education courses for children and schools in remote areas, designing comics to promote insurance concepts and knowledge for the elderly, students, and new immigrants, organizing experience sharing by sales representatives on successful fraud prevention, adding new notifications of policyholders' rights and interests and customer care services, and promoting fraud prevention knowledge.</div> <div>4. Organized seminars on financial friendliness and digital literacy for new immigrants: Produced an animation on general financial knowledge and used vivid case studies to explain the importance of insurance, while enabling new immigrants to understand convenient digital payment channels.</div>	5.2.3 Strengthening Financial Literacy 5.4 Innovative Digital Services
		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.	5.1 Sustainable Insurance
	Underwriting Policies	Make the ESG issues listed in the procedure of underwriting decisions.	<div>1. Underwriting is conducted in accordance with the "Underwriting System and Procedures " and the "Offshore Insurance Units (OIU) Underwriting System and Procedures ".</div> <div>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.</div> <div>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.</div> <div>4. For elderly policyholders, based on the nature of insurance products and the principle of fair customer treatment, underwriters proactively provide care during the underwriting process. They strengthen the review and evaluation of the suitability of the insurance and assess the policyholders' ability to identify any disadvantages. This commitment aims to protect elderly customers and prevent elder exploitation.</div> <div>5. 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.</div>	5.1 Sustainable Insurance
	Claims management	Respond to customer requests promptly, fairly, responsively and transparently, and ensure claims procedures are fully explained and understood.	<div>1. Response to emergencies and disasters<ul style="list-style-type: none">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.</div> <div>2. Continuous improvement of compensation mechanisms and processes as well as establishment of the advanced quick claim risk analysis system to divide operations: Lowrisk 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.</div> <div>3. Security/claims alliance chain: Through the Insurance Technology Sharing Platform, policyholders who hold policies with multiple insurance companies can 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.</div>	5.1 Sustainable Insurance

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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.

Subject	Plan	Strategies and Achievements	Corresponding chapter
Customers	Responding to customer expectations on ESG issues and letting customers can totally understand.	1. Launched innovative sustainable products, such as spillover mechanism policies for health promotion and ESG investment-linked products for environmentally sustainable, to encourage policyholders to become healthier and provide comprehensive protection;promoted e-policies and various digital e-services to create paperless services across all channels. 2. Promoted sustainability actions and explained ESG issues to customers through communication channels such as physical activities, sustainability-related graphics and videos, and the corporate sustainability website, and disclosed ESG highlights on a regular basis to respond to customers' expectations.	5.1 Sustainable Insurance
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. All price-negotiating suppliers and contracted suppliers have signed the Supplier Commitment Letter. SKL has also begun supplier risk assessments and on-site audits.Regularly hold supplier meetings to share the latest ESG practices with suppliers and communicate supplier management mechanisms. 2. Use products with the Green Mark and Energy Label during procurement. In 2024, the total of green procurement of office and business equipment amounted to NT\$112 million, representing a ratio of 55%;actively cooperate with social innovation enterprises with a total amount of NT\$9.39 million.	7.2 Sustainable Supply Chain
Insurers, reinsurers and intermediaries (brokerage agencies)	Encourage the insurance industry to put the ESG issues in professional education training and ethical standards.	1. Collaborate with external partners to promote SKL's focus on ESG. 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. In 2024, we collaborated with 53 business partners to develop mobile e-insurance transactions to promote energy conservation and carbon reduction more effectively.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.	1.5 Stakeholder Engagement

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.

Stakeholder	Plan	Strategies and Achievements	Corresponding chapter
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 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, and anti-money laundering and combating the financing of terrorism regulations.	7.1.2 Expanding the influence of sustainable finance 6.2.2 Establishment of legal compliance culture and internal audit system
	Develop innovative actions and mechanisms through communication with government units and competent authorities.	1. In response to the trend of contactless services in the digital era, information technology has been utilized to provide customers with more convenient insurance services by means of electronic documents and video and audio recordings. SKL conducted "video conferencing survival survey for new contracts " in accordance with the "Directions for Insurance Companies to Engage in Concluding Distance Insurance Contracts and Providing Insurance Services". We were the first insurance company to receive the FSC's approval to carry out a trial implementation of the "video conferencing survival survey" service. 2. In response to digital insurance services, the Company was the first to be approved by the FSC to carry out a trial implementation of the "Travel Insurance Collective Payment Application". When applying for travel insurance, customers will be deemed to have signed and completed the enrollment in person after simply logging in to the dedicated webpage "Shin Kong e-Travel " and completing the verification of ID Card information and mobile ID. 3. In response to the issue of salespersons embezzling or misappropriating premium payments, SKL is committed to implementing business audits. Upon 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. 4. In response to the government's financial inclusion and treating customers fairly policies, we were ranked in the top 26% to 50% of companies in the treating customers fairly evaluation.	
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.	Appendix - Participation in External Organizations
	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	
	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. SKL disseminates knowledge on healthcare, risk awareness, medical trends, and insurance products through the issuance of publications on insurance products, so that people can better understand the importance of self protection.	

Principle 4: Regularly disclose PSI implementation progress to achieve information transparency

Stakeholder	Plan	Strategies and Achievements
General public	Assess, measure and monitor the company PSI implementation, results and proactively and regularly disclose this information publicly	SKL regularly publishes sustainability reports on its corporate sustainability website, which are prepared in accordance with the GRI framework, follow the PSI to disclose its achievements, and are verified and assured by third parties.

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Index of Principles for Responsible Investment (PRI) implementation results

Six Principles of Responsible Investment	Results
Incorporate ESG criteria into investment analysis and decision-making processes.	7.1.1.A. Responsible Investment
Incorporate ESG criteria into all ownership policies and practices.	7.1.2.A. Institutional Investor Due Diligence and Stewardship
Seek appropriate disclosure of ESG information from institutions in which investments have been made.	Regularly conduct ESG reviews of invested institutions. Disclose the results of corporate engagement in the stewardship section or sustainability report.
Promote acceptance and implementation of PRI principles within the investment industry.	Issuers of funds and ETFs, as well as fully entrusted investment targets, are required to sign the UN Principles of Responsible Investment, the stewardship principles of their respective countries, and the Taskforce on Climate Related Financial Disclosure (TCFD) or assess relevant ESG actions.
Cooperate to reinforce the effects of PRI implementation	Combine exchanges between the subsidiaries of SKFH and invested companies Participate in courses and conferences organized by the government, academia, and external institutions.
Individual reports on PRI activities and progress	Regularly publish due diligence reports and sustainability reports, and announce the implementation progress of the PRI on the website.

Index of United Nations Global Compact

Item	Principle	Corresponding chapter
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.	4.3 Happy Workplace 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.	3.2 Low carbon Actions
	8. Undertake initiatives to promote greater environmental responsibility.	3.2 Low carbon Actions
	9. Encourage the development and diffusion of environmentally friendly technologies.	5.4 Innovative Digital Services
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	6.2 Ethical corporate management

Index of Sustainability Accounting Standards Board (SASB)

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Code	Item	Accounting indicators	Disclosure Information
FN-IN-000.A	Activity Metrics	The number of policies is classified according to the product type: (1) property and casualty, (2) life, and (3) assumed reinsurance	<ul style="list-style-type: none">Number of effective policies of SKL in 2024: 17,911,349casesPremium income by insurance type : SKL Website Home/About Us/Information Disclosure/Business Overview/Premium Income and Insurance Benefits by Insurance TypeTime of data(March 2025) ↗ ; SKL does not provide property insurance products.
FN-IN-270a.1	Information Transparency and Fair Customer Treatment	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	<ul style="list-style-type: none">There were no relevant penalties or litigation in 2024.SKL Website Home/About Us/Information Disclosure/Other Disclosures/Punishments by Competent Authorities in the Last Two Years and Others (Data: January 2025) ↗
FN-IN-270a.2		Complaints-to-claims ratio (%)	<ul style="list-style-type: none">Complaints-to-claims ratio: Number of complaints received per 1,000 claims = (Number of claims reviewed / Total number of claims (applicants)) x 1000 = [94/658,880] * 1000=0.1427SKL Website Home/About Us/Information Disclosure/Business Overview/Claim & Non-claim Applications Reviewed by the Financial Ombudsman Institution (FOI) by Ratio and Handling Time Financial Ombudsman Institution (FOI)/Statistics (Data: April 2025) ↗
FN-IN-270a.3		Customer retention rate	<ul style="list-style-type: none">The continuation rate (13 months) in 2024 was 96.70%.Public Information on Insurance / Single Entry Point for Inquiries / Shin Kong Life Insurance Co.,Ltd. / Various Financial Indicators: Continuation rate ↗
FN-IN-270a.4		Description of approach to informing customers about products	<ul style="list-style-type: none">5. Excellent Customer Experience in the ReportSKL official website / About Us / Fair Customer Treatment ↗SKL official website / Products and Services ↗
FN-IN-410a.2	Incorporation of ESG Factors in Investment Management	Description of the approach to incorporate ESG factors in investment management processes and strategies	<ul style="list-style-type: none">7.1 Promote Sustainable Finance of the ReportSKL's Institutional Investor Due Diligence Section ↗
FN-IN-410b.1	Policies Designed to Incentivize Responsible Behavior	Net premiums written related to energy efficiency and low carbon technology	<ul style="list-style-type: none">Not applicable. SKL does not provide property insurance products.
FN-IN-410b.2		Discussion of products and/or product features that improve health, safety, and/or environmentally responsible actions and/or behaviors	<ul style="list-style-type: none">5.1 Sustainable Insurance of the ReportSKL official website/Products and Services/Health Management section ↗
FN-IN-410c.1	Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	<ul style="list-style-type: none">For details of carbon emissions from self operations (Scope 1, 2, and 3), please refer to 3.2.1 Implementing GHG Inventories of the ReportFor details on financial carbon emissions, refer to 2.4 Climate Indicators and Goals of the Report.
FN-IN-410c.2		Gross exposure for each industry by asset class	<ul style="list-style-type: none">2.4 Climate Indicators and Goals of the reportShin Kong Life Insurance Co., Ltd. Individual Financial Report and Auditor's Report for 2024 and 2023(P.141) ↗
FN-IN-410c.3		Percentage of gross exposure included in the financed emissions calculation	<ul style="list-style-type: none">2.4.2 Financed Emissions of the report
FN-IN-410c.4		Description of the methodology used to calculate financed emissions	<ul style="list-style-type: none">2.4.2 Financed Emissions of the report
FN-IN-450a.1	Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	<ul style="list-style-type: none">Not applicable because the Company is a life insurance company.For details on the Company's climate risk management, please refer to Chapter 2.3.
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)	<ul style="list-style-type: none">Not applicable because the Company is a life insurance company.For details on the Company's climate risk management, please refer to Chapter 2.3.
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 firmlevel risks and capital adequacy	<ul style="list-style-type: none">The Company is in the life insurance industry, and the correlation between insurance contracts and environmental risks is low, therefore this indicator is not applicable.Refer to 2.3 Climate Change Risk Management and 6.3 Risk Management of the Report.
FN-IN-550a.1	Systematic 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	<ul style="list-style-type: none">Shin Kong Life Insurance Co., Ltd. Individual Financial Report and Auditor's Report for 2024 and 2023- 9. Financial instruments measured at fair value through profit and loss - (P.50) ↗SKL currently only has potential total exposure to non-centrally cleared derivative financial instruments. It does not have positions in centrally cleared derivative financial instruments or acceptable collateral posted to central clearing houses. Therefore, (2) and (3) are not applicable.
FN-IN-550a.2		Total fair value of securities lending collateral assets	<ul style="list-style-type: none">SKL securities lending agreements in 2024: Shin Kong Life Insurance Co., Ltd. Individual Financial Report and Auditor's Report for 2024 and 2023 (P.149) ↗
FN-IN-550a.3		Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<ul style="list-style-type: none">Shin Kong Life Insurance Co., Ltd. Individual Financial Report and Auditor's Report for 2024 and 2023(P.144~148 ↗、155~156 ↗)

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Index of Climate Related Financial Disclosures (TCFD) in the Insurance Industry

Guidelines and Provisions	Guideline Content	Corresponding chapter	Page No.
I	These Guidelines have been set to strengthen management and disclosure of climate-related risks and opportunities in the insurance industry.	-	-
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	22
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	37
IV (1)	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	23 37
IV (2)	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	23
V (1)	Identifying the financial impact of climate-related risks and opportunities on finance, businesses, commodities, and investments.	2.2 Climate Strategy	24
V (2)	Prioritizing climate-related risks based on materiality.	2.2.1 Identification of climate risks and opportunities	24
V (3)	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	24
V (4)	Reviewing and adjusting the climate-related risk management policies according to the scenario-based analysis and stress testing results.	2.2 Climate Strategy	24
VI (1)	Risk management and monitoring.	2.3 Climate risk management	37
VI (2)	Climate scenario-based analysis and stress testing.	2.2 Climate Strategy	24
VI (3)	Investment management	2.3 Climate risk management	37
VII (1)	Setting indicators for the assessment and management of climate-related risks.	2.4 Climate indicators and goals 3.1 Environmental Policy and Targets	39 42
VII (2)	Setting climate-related risk management goals.	2.4 Climate indicators and goals 3.1 Environmental Policy and Targets	39 42
VII (3)	Setting indicators to prioritize climate-related risks based on materiality.	2.2 Climate Strategy	24
VII (4)	Considering incorporating climate-related risk management into performance indicators.	2.4 Climate indicators and goals 6.1.1 Strengthening the Functions of the Board of Directors	29 86

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Corresponding provisions	No.	Indicator	Disclosed Content	Corresponding chapter
(Attached table 1-3, Paragraph 1, Article 4)	I	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	Number of data leak incidents: 0 cases. Percentage of personal data-related data leak incidents: 0%. Number of customers affected by data leak incidents: 0.	6.4.2 Information security management mechanism
	II	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	Not applicable	-
	III	Number of participants in financial literacy initiatives provided to minority groups without adequate banking services.	817 (industry-academia Collaboration and Guardians of Wealth	4.1.2 Recruiting New Generation Talent 5.2.3 Strengthen financial literacy
	IV	Products and services designed by individual operating units to create benefits for the environment or society.	Micro-insurance and green investments	5.2.1 Promoting Financial Accessibility 7.1.2 Expanding the influence of sustainable finance



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Asset Assessment Table for Climate Change Scenario Analysis

Asset category	Baseline date		Orderly transition scenario		Disorderly transition scenario		Too little, too late scenario	
	Fair value ³	Percentage	Fair value	Rate of increase/decrease	Fair value	Rate of increase/decrease	Fair value	Rate of increase/decrease
Equity securities ¹	210,241	8.7%	198,868	-5.4%	187,393	-10.9%	155,096	-26.2%
Agriculture	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Energy intensive activities	103,772	4.3%	93,083	-10.3%	82,291	-20.7%	61,537	-40.7%
Fossil fuels	1,313	0.1%	990	-24.6%	665	-49.3%	403	-69.3%
Construction	3,208	0.1%	3,137	-2.2%	3,070	-4.3%	2,108	-34.3%
Transportation	684	0.0%	649	-5.1%	614	-10.2%	546	-20.2%
Public utilities	(Electricity)	0.1%	971	-20.9%	714	-41.8%	469	-61.8%
Others	100,038	4.1%	100,038	0.0%	100,038	0.0%	90,034	-10.0%
Corporate bonds, loans, and mortgages	1,509,449	62.2%	1,489,253	-1.3%	1,469,264	-2.7%	1,433,741	-5.0%
Agriculture	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Energy intensive activities	342,520	14.1%	337,040	-1.6%	331,902	-3.1%	321,626	-6.1%
Fossil fuels	237,450	9.8%	228,664	-3.7%	219,879	-7.4%	212,755	-10.4%
Construction	51,439	2.1%	51,285	-0.3%	51,130	-0.6%	48,816	-5.1%
Transportation	40,349	1.7%	40,027	-0.8%	39,744	-1.5%	39,139	-3.0%
Public utilities	(Electricity)	7.3%	170,438	-3.1%	164,810	-6.3%	159,533	-9.3%
Others	661,799	27.3%	661,799	0.0%	661,799	0.0%	651,872	-1.5%
Sovereign bonds	463,652	19.1%	458,360	-1.1%	456,930	-1.4%	449,744	-3.0%
Real estate ²	241,937	10.0%	239,969	-0.8%	238,270	-1.5%	214,145	-11.5%
Total	2,425,279	100%	2,386,450	-1.6%	2,351,857	-3.0%	2,252,727	-7.1%

Assets (net of separated accounts)	Baseline date	Orderly transition scenario		Disorderly transition scenario		Too little, too late scenario	
	Carrying amount	Loss amount	Loss rate	Loss amount	Loss rate	Loss amount	Loss rate
	3,641,794	38,829	1.07%	73,422	2.03%	172,552	4.74%

Note 1: Equity securities only include ordinary shares, preferred shares, capital contribution certificates or stock certificates, depositary receipts.

Note 2: The impact assessment of real estate is prioritized based on the Company's appraised value, or the net carrying amount if no information is available.

Note 3: The fair value of the baseline date is the value adjusted according to the IAIS methodology.

(1) Assets in the financial industry are allocated to various industries based on the percentage of investment in climate-related industries.

(2) For assets in the public utilities (electricity) industry, partial exposure is deducted based on the percentage of renewable energy used in the respective countries.

Results evaluation and risk response measures

- Results evaluation: In the "orderly transition" scenario, the loss rate was 1.07%; in the "disorderly transition" scenario, the loss rate was 2.02%; in the "too little, too late" scenario, the loss rate was 4.74%. Compared with the previous year, the change in loss rates for the three scenarios ranged from -0.04% to 0.15%, with little difference.
- Risk response measures: We incorporate high carbon emission industries or climate change risks into the assessment prior to investments and loans, and follow SKFH' commitment to set a phase-out schedule for coal and unconventional oil and gas-related industries. In addition, we follow the SBTi to reduce carbon emissions from corporate operations, while actively engaging investees to promote financial decarbonization, facilitate industry transition, and exert our financial influence.

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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 2024, the Company invested about NT\$8.94 million in participating organizations and associations, including in the Taiwan Alliance for Net Zero Emission and Taiwan Center for Corporate Sustainability (TCCS) with the parent company SKFH. 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	Name of external organization	
The membership holds strategic significance. (pay membership fees regularly)	Insurance Society of the Republic of China Chinese Human Resource Management Association (CHRNA) Computer Society of the Republic of China Life Office Management Association (LOMA) International Insurance Society, Inc. (IIS) Real Estate Association of R.O.C. Chinese Insurance Service Association (CISA) Chinese Excellent Management Association (CEMA) The Institute of Internal Auditors, R.O.C. Life Insurance Association of the Republic of China Financial Ombudsman Institution Taiwan Insurance Institute The Financial Governance and Compliance Association, R.O.C. Financial Information Sharing and Analysis Center (F-ISAC) Fin & Tech under Taiwan Academy of Banking and Finance	Taiwan Net Zero Emissions Association Taiwan Institute for Sustainable Energy Taiwan-Japan Cultural and Economic Association Taiwan Chamber of Commerce & Industry Taiwan Insurance Law Association Association of Industrial Relation Insurance Association of Vietnam Chinese Personnel Executive Association Songshan Airport Airlines Association Taoyuan Airport Industry Development Association Taipei Bar Association Institute of Actuaries of Japan Pension Fund Association, R.O.C. Financial Legal System and Crime Prevention Center of Consortium Corporations
	Holds a seat in the governance institution (directors, trustees, and supervisors)	Life Insurance Business Association of the Republic of China, Life Insurance Management Institute of the Republic of China, Actuarial Institute of the Republic of China, Taiwan Financial Services Roundtable, Taiwan Contact Center Development Association, Taiwan Bar Association



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Low Carbon

Innovation

Common Good

External Assurance

Third-party Assurance Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHIN KONG LIFE INSURANCE CO., LTD. SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

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 2024. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 Moderate level during 2025/02/11 to 2025/04/07. The disclosure scope, covered by the assurance engagement, includes SKL Taiwan and oversea operational and service sites as disclosed in SKL's Sustainability Report of 2024. The boundary is not totally the same as SKL's consolidated financial statements since Shin-Kong Life Real Estate Service Co., Ltd.'s social and governance information is excluded. 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 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and the 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 text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP.2018).

Assurance has been conducted at a type 2 moderate level of scrutiny.

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:

Select specific reporting criteria included in the contract

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)
3	GHG Protocol Scope 3 Category 15 Investments.
4	SASB Insurance Industry Standard version 2023-12.

- The evaluation of the reliability and quality of specified sustainability performance information in SKL's Sustainability Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for SKL and moderate level of scrutiny for its subsidiary.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standard.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The specified performance information includes the following items in SHIN KONG LIFE INSURANCE CO., LTD.'s Sustainability Report:

- (1) The data for 2024, which is related to GRI 2, GRI 3, GRI 200, 300 and 400 series claimed in the GRI content index as material.
- (2) The information claimed in the content index of the SASB Insurance Industry Standard version 2023-12.
- (3) The emissions of the GHG Protocol Scope 3 Category 15 Investments.

ASSURANCE METHODOLOGY

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

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD), Total Impact Measurement have not been checked back to source as part of this assurance process.

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 professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

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FINDINGS AND CONCLUSIONS
ASSURANCE OPINION

On the basis of the methodology described and the assurance 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 AA1000 AccountAbility Principles (2018).

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

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY
SHIN KONG LIFE INSURANCE CO., LTD. has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, SHIN KONG LIFE INSURANCE CO., LTD. may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY
SHIN KONG LIFE INSURANCE CO., LTD. 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 to these stakeholders.

RESPONSIVENESS
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT
SHIN KONG LIFE INSURANCE CO., LTD. has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.


QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION
On the basis of the verification work performed, we checked SHIN KONG LIFE INSURANCE CO., LTD.'s minutes of meetings, management documents, statistical reports and ISO certifications. We have confidence that the specified performance information included in the scope of assurance is reliable at a moderate level of scrutiny for SKL and at a moderate level of scrutiny for its subsidiary.

ADHERENCE TO GRI
The report, SHIN KONG LIFE INSURANCE CO., LTD.'s Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to SKL's contributions to sustainability development.

ADHERENCE TO SASB
SKL has referenced with SASB's Insurance Industry Standard version 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed SASB information correspond to the financial data reported in SKL's Sustainability Report of 2024. Process to identify, assess, and manage SASB-topic-related risks and opportunities were integrated into SKL's overall management process.

ADHERENCE TO GHG Protocol
SGS has been commissioned by SKL for the verification of indirect Greenhouse Gas emissions arising from investment activities defined by GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard as Category 15. The disclosing emissions of the GHG Protocol Scope 3 Category 15 of 1,594.02 ktCO2e in SKL's Sustainability Report of 2024, were assessed for its accuracy and completeness a moderate level of scrutiny as part of the SGS ESG & Sustainability Report Assurance process. Information has been gathered, recorded, compiled, analyzed, and disclosed in a way that both allows external examination of the quality and materiality of the information, and for intended stakeholders to have a general understanding of the GHG emission amount related to SKL's activities.

Signed:
For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
18 May, 2025
WWW.SGS.COM



Independent Limited Assurance Report

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安侯建業聯合會計師事務所

KPMG

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Independent Limited Assurance Report

To Shin Kong Life Insurance Co.,Ltd:

We were engaged by Shin Kong Life Insurance Co.,Ltd ("SKL") to provide limited assurance over the selected information ("the Subject Matter Information") on the 2024 Sustainability Report of SKL ("the Report") for the year ended December 31, 2024.

Applicable Criteria of the Subject Matter Information

SKL shall prepare the Subject Matter Information in accordance with applicable criteria required by Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Rules") as set forth in Appendix I.

Management's Responsibilities

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

Our Responsibilities

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

Independence and Standards on Quality Management

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



Summary of Work Performed

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

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

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

Inherent limitations

The Report for the year ended December 31, 2024 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of SKL. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

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

Other Matters

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

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

KPMG

Taipei, Taiwan (Republic of China)
 July 24, 2025

Notes to readers

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

Appendix I : Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1	6.4.2 Information Security Management Mechanism	<ul style="list-style-type: none"> ■ Breach of information security or network security: 0 case ■ Data leakage due to information security incidents: 0 case ■ Number of customers affected by data leakage due to information security incidents: 0 person 	The Rules Appendix 1-3 No.1 Number of data breaches, percentage involving personally identifiable information, and number of account holders affected
	Appendix Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	<ul style="list-style-type: none"> ■ Number of data leak incidents: 0 case ■ Percentage of personal data-related data leak incidents: 0% ■ Number of customers affected by data leak incidents: 0 person 	
2	NA	<ul style="list-style-type: none"> ■ Disclosure of number and amount of loans outstanding qualified to programs designed to promote development of small business and communities is not applicable to Shin Kong Life Insurance, as it does not engage in these activities. 	The Rules Appendix 1-3 No.2 Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities
3	4.1.2 Recruiting New Generation Talent	<ul style="list-style-type: none"> ■ Industry-Academia Collaboration Program - In 2024, we collaborated with domestic universities and colleges to organize industry-academia internships. A total of 231 students participated in the program. 	The Rules Appendix 1-3 No.3 Number of participants in financial literacy initiatives provided to the minority groups without adequate banking services
	5.2.3 Strengthening Financial Literacy	<ul style="list-style-type: none"> ■ Guardians of Wealth - In 2024, a total of 17 Guardians of Wealth courses have been conducted, benefiting 586 students. 	
	Appendix Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	<ul style="list-style-type: none"> ■ Number of participants: 817 (industry-academia Collaboration and Guardians of Wealth) 	
4	5.2.1 Promoting Financial Accessibility	<ul style="list-style-type: none"> ■ Micro-insurance - In 2024, a total of NT\$13,804 million of commercial benefits were generated, benefiting 79,500 people. 	The Rules Appendix 1-3 No.4 Products and services designed by individual operating units to create benefits for the environment or society
	7.1.2 Expanding the Influence of Sustainable Finance	<ul style="list-style-type: none"> ■ In 2024, SKL's green investment increased by NT\$79 million, generating approximately 2.81 GWh of electricity, enough to supply about 8,000 households for a month, saving around 1,390.2 tCO₂e. 	

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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 11 March 2025 to 24 March 2025 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. 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 was taking into consideration with different climate-related scenarios. For physical risks, there were 6 scenarios including IPCC AR5 RCP2.6, RCP8.5, IPCC AR6 SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5. For transition risks, there were 5 scenarios including Current policies, Delayed transition, Nationally Determined Contributions (NDCs), Net Zero 2050 and Fragmented World based on NGFS Scenario Explorer. The methodology of organization's climate-related risk management process has been adequately implemented as well as integrated into organization's overall risk management. The scope1, scope 2 and Scope 3 Category 15 GHG emissions inventory has been conducted and verified annually, the metrics and scenario analysis are used by the organization to manage climate-related risks and opportunities and performance against targets. For the following activities

Governance, Strategy, Risk Management, Metrics and Targets

And cover the following operational locations:
Headquarter and operational sits of SHIN KONG LIFE INSURANCE CO., LTD.
SHIN KONG LIFE INSURANCE CO., LTD. meets SGS TCFD performance assessment at disclosure level


Authorised by



Stephen Pao
Business Assurance Director
Issue Date: 16 May 2025
Valid Date: 15 May 2026

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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.



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 SKL) to conduct an independent performance assessment of the Task Force on Climate-related Financial Disclosures, (hereinafter referred to as TCFD).

The information in the SKL's TCFD disclosure framework and its presentation are the responsibility of the management of SKL. SGS has not been involved in the preparation of any of the material included in SKL'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 SKL'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, superintendents, Sustainability committee members and the senior management in SKL'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 SKL, being free from bias and conflicts of interest with the organization, 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 SKL within the TCFD performance assessment evaluated is reasonable, reliable and provides a sufficient and balanced representation of SKL climate related risks and opportunities management activities and meets SGS TCFD performance assessment at disclosure level.

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.
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ISO14046:2014

Water Footprint



ISO14064-1:2018

Greenhouse Gas Verification Statement



ISO14067

Carbon Footprint Verification



ISO 50001:2018

Energy Management System (EMS)



ISO 10002:2018

Customer Satisfaction Management System



Royal Mystery shopper (RMS)

ISO45001:2018

Occupational Health and Safety Management System (OHSMS)



TOSHMS

Occupational Safety and Health Management



BS 10012:2017

Personal Information Management System



ISO27001:2019

Information Security Management System



ISO22301:2019

Business Continuity Management System





新光人壽
Shin Kong Life

2024 SUSTAINABILITY REPORT