6 Realizing Sustainability Governance

GRI 3-3

Plan	Commitment
• Strengthen the operating mechanisms of the Board of Directors and Functional Committees. • Implement and promote ethical corporate management. • Strengthen information security protection.	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	2025 Target	Status of Achievement	Major Performances in 2025	Short-term Target (2026)	Medium- to Long-term Target (2030 as the Target Year)
Corporate Governance and Ethical Management	Assist TS Holdings to reach the top 20% in the Corporate Governance Evaluation.	✔	Ranked in the top 20% in the Corporate Governance Evaluation.	Assist TS Holdings to reach the top 20% in ESG evaluations.	
	• Conduct external evaluations every three years and disclose external performance evaluations, including suggestions and improvement measures. • Maintain an average attendance rate of the Board of Directors of above 85%.	✔	• Completed performance evaluations of the board and functional committees and disclosed the results. • Actual attendance rate of the board of directors is 98%.	• 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	• Implement risk management practices to swiftly address emerging risks. • Continue pursuing "ISO 22301 Business Continuity Management System (BCMS)" certification.	✔	• Jointly assessed emerging risks with TS Holdings, identified their potential operational impacts and implications, and developed corresponding response and mitigation plans. • Obtained "ISO 22301 Business Continuity Management System (BCMS)" certification.	• Implement risk management practices to swiftly address emerging risks. • Continue pursuing "ISO 22301 Business Continuity Management System (BCMS)" certification.	
Legal Compliance	Optimize compliance management operations.	✔	Continued to improve the "Compliance Management System" and incorporated compliance self-assessment and evaluations into systematic operations.	• Continuously optimizing regulatory 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	Purchase information security insurance, continue to strengthen information security protection, simulate hacking techniques, and evaluate the effectiveness of response mechanisms.	✔	Completed the insurance for information security and plans to continue the insurance in 2026.	Implement information security protection and response mechanisms.	
	Maintain ISO 27001 and BS 10012 international standard certification and pass ISO 27001:2022 conversion certification..	✔	Maintained the validity of our ISO 27001 and BS 10012 certifications and completed the transition audit for ISO 27001:2022.	Maintain the validity of international information security standards (ISMS, PIMS) certifications.	

6 Realizing Sustainability Governance

6.1 Corporate Governance

| GRI 2-9、2-11、3-3 |

Guided by our core operational philosophy of 'Prudence and Steadfastness,' Shin Kong Life Insurance Co., Ltd. (SKL) remains steadfastly committed to elevating corporate governance, safeguarding shareholder rights, and advancing the interests of all stakeholders.

We continuously reinforce our organizational resilience through five key governance pillars: enhancing Board functionality, promoting ethical management, bolstering Anti-Money Laundering (AML) mechanisms, perfecting internal control systems, and ensuring transparent 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).

6.1.1 Board of Directors and Functional Committees

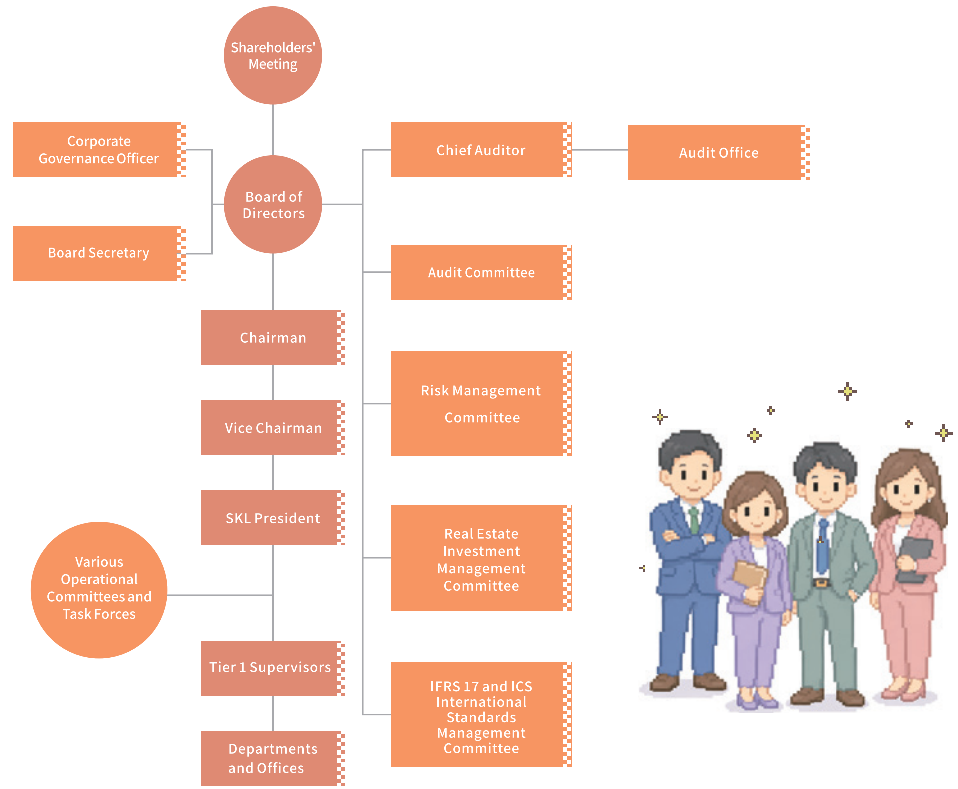
| GRI 2-10、2-11、2-12、2-16、2-17、205-2 |

Shin Kong Life Insurance. (SKL) is a wholly-owned subsidiary of Taishin Shin Kong Financial Holding. In strict compliance with relevant laws and regulations, SKL structures its overall Board framework and authorities. All members of the SKL Board of Directors are appointed by the parent financial holding company following thorough qualification screening and official authorization by the Chairman of Taishin Shin Kong Financial Holding. Demonstrating high standards of governance independence, the Chairman of SKL does not concurrently hold any executive positions within the management team.

In 2025, the Board of Directors consisted of 15 directors (including 3 independent directors) 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 reelected on December 2025. 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 for the Insurance Industry. - Corporate Governance .

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.

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	0	1	0	0	0
> 50	13	1	11	3	1	0
Totel	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
					Insurance	Finance	Law	Actuary	Risk Management	Information Security	Others			
Wei, Mark	Chairman	3 years	Male	60-70	V						Banking, securitie	N/A	N/A	100%
Hung, Michael	Vice Chairman	3 years	Male	51-60	V						Banking, securitie	N/A	N/A	100%
Huang, Min-Yi	Director	3 years	Male	61-70	V					V Chair of the Information Security Committee		V	N/A	100%
Wu, Hsin-Hao	Director	3 years	Male	31-40	V				V		Banking, securitie	N/A	N/A	100%[Note1]
Tsai, Hsiung-Chi	Director	3 years	Male	Above 71	V			V		V Chair of the Information Security Committee		N/A	N/A	100%
Chen, Ting-Chung	Director	3 years	Male	51-60	V							N/A	N/A	100%
Wu, Min-Wei	Director	3 years	Male	Above 70	V							N/A	N/A	100%
Hung, Shih-Chun	Director	3 years	Male	51-60	V							N/A	N/A	88%
Huang, Hsin-Chang	Director	3 years	Male	51-60	V	V					Banking, securitie	N/A	N/A	94%
Wu, Hsin-Ta	Director	3 years	Male	51-60	V						Architecture	N/A	N/A	94%
Chen, Shih-Fei	Director	3 years	Male	61-70	V							N/A	N/A	100%
Wu, Pang-Sheng	Director	3 years	Male	Above 71	V							N/A	N/A	100%
He, Hung-Neng	Independent Director	3 years	Male	61-70	V				V Chairman of the Risk Management Committee		Medicine	N/A	N/A	100%
Chien, Min-Chiu	Independent Director	3 years	Female	61-70	V	V						N/A	N/A	100%
Chai, Lai-Ping	Independent Director	3 years	Male	61-70	V				V Chairman of the Risk Management Committee		Securities	N/A	N/A	100%[Note2]
Chang, Jung-Feng	Independent Director	3 years	Male	Above 71	V				V Chairman of the Risk Management Committee		Economics	N/A	N/A	90%[Note3]

Note 1: Appointed on August 29, 2025.
Note 2: Appointed on September 26, 2025.
Note 3: Resigned on September 25, 2025. The attendance rate of Board meetings was calculated based on the meetings held from January 1, 2025 to September 25, 2025

Operations of the Board of Directors in 2025

Attendance Status	The average attendance rate of Board meetings in 2025 was 98% (the statistics included the attendance rate of the director Chang, Jung-Feng). Each Board meeting was attended by at least 2 independent directors in person.
Cases under Consideration	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 2025 was 96. Topics of communication included: corporate sustainability, corporate governance, ethical corporate management, financial performance, risk management, legal compliance, and treating customers fairly. The Board of Directors considered and approved ESG-related measures and reports on material issues: 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. 2. Revised the Internal Control System, Procedures for Handling Whistleblowing Reports, Ethical Corporate Management Policy and Best Practice Principles, Procedures for Integrity Management and Code of Conduct, Internal Control Procedures for Outsourcing Operations, Regulations Governing Transactions Other Than Loans with Stakeholders and Prospective Stakeholders, Regulations Governing the Management of Lending to Stakeholders and Prospective Stakeholders, Procedures Governing Real Estate Investment and Management, Regulations Governing Investments in Overseas Insurance-Related Enterprises, and Guidelines for Investments in Insurance-Related Enterprises.. 3. The Board of Directors regularly reviews key operational and sustainability reports, including the Report on Corporate Sustainability Performance and Ethical Management Implementation, Report on the Implementation of Treating Customers Fairly Principles, Performance Report on Specialized Investments in Public and Social Welfare Enterprises, Regulatory Compliance Operational Report, Anti-Money Laundering and Counter-Terrorist Financing Report, Special Project Report on Financial Inclusion and Accessible Service Initiatives, and the Progress Report on Greenhouse Gas Inventory and Verification.

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 Market Observation Post System for the Insurance Industry or the 2025 SKL Annual Report (P.15~P.22).

B. Strengthening the Competencies of the Board of Directors

To enhance the board of directors' expertise across various areas, we organized training courses in 2025 on topics including "Sustainable Finance and Ethical Management," "Risk Management – International Net-Zero Trends in the Financial Industry and the Promotion of Transition Finance," "Anti-Money Laundering, Fair Customer Treatment Principles (including Financial Accessibility Services), and Cybersecurity Protection," and "How Insurers That Have Adopted IFRS 17 Internationally Communicate IFRS 17 Transition Information to External Stakeholders." Directors completed a total of 188.5 training hours, with an average of approximately 12 hours per director. The completion rate for sustainability-related training courses among board members was 100%. In addition, the Company regularly presents the contents of the Internal Control System Statement on Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) to the Board of Directors, and has completed integrity management and anti-corruption practical case studies training for all Board members. For further details, please refer to the Public Disclosure section on the official Shin Kong Life website。

C. Conflict of Interest Avoidance Mechanisms | GRI2-15 |

The Company's Rules of Procedure for Board of Directors Meetings explicitly stipulate that any director who has a personal interest or represents a legal entity with an interest in a given matter must explain the essential contents of their interest at that Board meeting. If such an interest is likely to prejudice the interests of the Company, the director concerned shall abstain from discussions and voting, recuse themselves from the meeting, and may not exercise voting rights as a proxy for other directors. For detailed information, please refer to the 2025 Shin Kong Life Annual Report (P.40-45)。

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	94%
Risk Management Committee	2	100%
Real Estate Investment Management Committee	5	97%
IFRS 17 and ICS International Convergence Management Committee	6	93%

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 2025 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 2025, the average score of each evaluation aspect of SKL's Board of Directors was between 4.8-5.0 points; the average score of each evaluation aspect of the performance evaluation of individual directors was between 4.5-5.0 points; and the average score of self- evaluation of the functional committee's performance was between 4.7-5.0 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

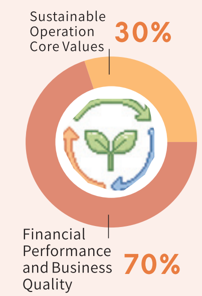
| GRI 2-19、2-20、2-21 |

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 2025 SKL Annual Report(P32~39、P63).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 Long-term 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 2025, the Company's highest-paid individual's annual total remuneration was 17.84 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 5.92 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 2025 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 2025 to shape the culture of corporate responsibility.

2025 Overall Key Performance Indicators

Item	Weight	Indicator Description
Sustainable Operation Core Values	30%	Including corporate sustainable operation performance (including material ESG issues such as DJBIC evaluation, inclusive financial products and services, SBTi carbon reduction, 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



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6.2 Ethical Management

GRI 2-23、2-24、3-3、205-1、205-3

SKL has established the 'Ethical Corporate Management Policy and Best Practice Principles' alongside the 'Procedures for Integrity Management and Code of Conduct,' conducting annual training sessions for all employees, with a 100% completion rate achieved in 2025. For the ethical management training of directors and senior management, the Company invited a expert lecturer from the Taiwan Academy of Banking and Finance (TABF) this year to deliver a specialized course on 'Sustainable Finance and Integrity Management (Including Gender Equality and Anti-Corruption).

The Company conducts annual unethical conduct risk assessments to monitor risk distribution and control measures across operations. In 2025, company-wide unethical conduct risk assessments achieved a 100% completion rate. The risk evaluation covered 11 key risk categories, including bribery, improper sponsorships, unfair competition, and acceptance of improper benefits. The overall unethical conduct risk assessment result was rated as Low Risk.

SKL Code of Integrity and Ethical Values

- Ethical Corporate Management Policy and Best Practice Principles
- Employee Work Rules
- Regulations for Handling Employee Complaints
- Whistleblowing System

6.2.1 Living Up to the Financial Professional Ethics

A. 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.

B. 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 2025.

C. Whistleblowing System

To establish a culture of integrity, transparency and promote sound corporate governance, the Company has implemented a whistleblowing system that provides clear reporting channels and protection mechanisms to ensure that whistleblowing cases are handled independently, fairly, and appropriately.

Any individual who discovers suspected criminal conduct, fraud, or violations of laws or regulations by personnel of the Company or its subsidiaries may submit a report to the Company by mail or through the designated email address (whistleblower@skl.com.tw). If a reported case is verified through investigation, follow-up actions will be taken according to the circumstances, including disciplinary measures, legal prosecution, claims for damages, or reporting as a material incident. Any individual who has an interest in the whistleblower, the reported party, or the case itself, or who has any other circumstance that may affect the fair handling of the case, shall voluntarily recuse themselves and may not participate in the acceptance, investigation, review, or decision-making process of the case, in order to ensure objectivity and impartiality.

The Company is subject to strict confidentiality obligations regarding the identity of whistleblowers, the content of reports, and investigation-related information, and we expressly prohibit any form of retaliation, adverse treatment, or reprisal to protect the rights and interests of whistleblowers. At the same time, the whistleblowing channels are published on the Company's official website, and awareness promotion and training programs are conducted regularly for employees. In 2025, no whistleblowing cases were received. We will continue to review the reasonableness and effectiveness of the "Whistleblowing System" to further enhance reporting channels and strengthen whistleblower protection mechanisms.

6.2.2 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 2025, the money-laundering and terrorism financing risk assessment report was 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 2025, 100% of the Board of Directors received anti-money laundering training, and 100% of dedicated supervisors, specialized staff, and supervisors of domestic business units also completed the required training.

C. Enhancing Internal AML/CFT Regulations

The Company has established internal regulations, including the "Regulations Governing AML/CFT Responsibilities and Functions," the "Regulations Governing AML/CFT Customer Due Diligence Operations," and the "Regulations Governing AML/CFT Transaction Monitoring Scenario Management," to build a comprehensive internal AML/CFT control system.

Furthermore, with respect to external commercial business partners (such as insurance brokers and agencies), the Company has formulated the "Regulations Governing the Management of Partner Channels for AML/CFT." These regulations explicitly stipulate that candidate partner channels must be evaluated for their AML compliance status during the selection process. In addition, the legal contracts must define the AML/CFT rights and obligations of both parties, and periodic annual reviews of partner channels must be conducted to ensure that external partners adhere to AML operational standards consistent with those of the Company.

6.2.3 Building a Culture of Compliance & Internal Audit Framework | 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 2025, 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 2025
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 2026 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 Company automatically collects the latest laws, regulations, administrative rulings, and peer disciplinary cases relevant to SKL and its subsidiaries on a daily basis. This information is distributed to all business units via email for regulatory dissemination, driving timely reviews and updates of existing internal policies and operational procedures.
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 "2025 Legal Compliance Promotion Week" had been reviewed and adjusted. The total number of education training hours was 14.94 hours.

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) 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

STEP 1 Formulation	**Principles for Consideration in Annual Audit Plan Development:** •Key focus areas of regulatory supervision •Penalties imposed by regulatory authorities •Major deficiencies identified in internal and external audits •Risk assessment results of audited entities
STEP 2 Approval	•Submit the annual audit plan to the Audit Committee and the Board of Directors for review and approval •File the plan with the competent authority following approval
STEP 3 Execution	•General audits •Special purpose audits •Periodic follow-up on internal/external audit findings until full remediation is complete •Review of self-assessment audits
STEP 4 Reporting	•Report internal audit operations to the Audit Committee and the Board of Directors on a quarterly basis •Conduct annual meetings with members of the Audit Committee to discuss internal control deficiencies and the formulation of the annual audit plan; prepare minutes and submit them to the Board of Directors for discussion

D. Material Sanctions and Improvement Measures | GRI 205-2 |

There were no penalties for SKL in 2025, please refer to the Market Observation Post Syste for the Insurance Industry.

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

Board of Directors
Audit Office
Risk Management Committee
- •Formulates the risk management policy, risk appetite, and risk limit. Establishes qualitative and quantitative standards for risk management (expressed in red, yellow, and green lights).
- •Offers opinions on important risk management issues and management mechanisms, prepare overall risk management reports, and submit the reports to the Board of Directors.
- •An independent director serves as the convener of the committee, and members include the president, chief risk officer, and tier 1 supervisors of each district.

Chairman
SKL President
Chief Risk Officer
Risk Management Department
- •Manages risks related to assets and overall operations.
- •Responsible for daily risk management, measurement, and assessment, and for establishing or strengthening mechanisms at the execution level.
- •Conducts risk assessments independent from business units and trading activities.
- •Handles administrative affairs of the 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

SKL has established the 'Risk Management Policy' as the supreme guiding principle for enterprise risk management. Characterized by its alignment with business objectives, clear execution guidelines, and a strong focus on operational risk control, this policy underpins the Company's Four Pillars of Risk Management, ensuring effective management of operational risks amidst changing external regulations and environments. The Company regularly conducts the Own Risk and Solvency Assessment (ORSA) report to evaluate current risk management capabilities and solvency margins. Based on the nature, scale, and complexity of our business, SKL identifies material and relevant risks, executing risk identification, quantitative assessment, monitoring, and reporting to maintain exposure to various operational risks well within the Company's risk tolerance limits. (For further details on our risk management mechanisms, please refer to the SKL Annual Report(P159) and the Market Observation Post System.)

A. Four Pillars of Risk Management

Pillar I Risk Management Culture	The Company fosters a top-down risk management culture by elevating risk management to a strategic level and promoting a risk management mindset throughout all levels of the organization. Risk management personnel are assigned within each business unit. We also regularly communicate the importance of risk management to members of the board of directors and senior management to instill a sense of accountability for risk management among management and employees.
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 refine measurement models for market risk, credit risk, operational risk, and climate change risk, while evaluating the impact of abnormal and material events through stress testing.
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.

B. Main Risk Management Methods and Implementation Status

Main Risk Type	Management Methods and Implementation Status
Market Risk	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. 1. We formulate market risk indicators and set up light-signal control standards to continuously execute market risk limit management and foreign exchange risk limit management. Concerning foreign exchange gains and losses, since they are fully offset by the Company's Foreign Exchange Price Fluctuation Reserve, complete control standards for the reserve have been formulated. 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. Regarding the 2025 risk control mechanisms, SKL set overall investment limits in consideration of the Company's risk appetite, while implementing differentiated risk management through internal risk control guidelines tailored to the unique characteristics of various asset classes. Furthermore, in response to the regulatory updates issued by the competent authority concerning the 'Directions for Foreign Exchange Price Fluctuation Reserve of Life Insurance Companies,' the Company continuously increased its foreign exchange reserve provisions to strengthen its resilience against exchange rate fluctuations.
Credit Risk	To mitigate the risks associated with debtor credit downgrades, default, or a counterparty's inability or refusal to fulfill obligations, the Company has established robust and appropriate credit risk management mechanism. 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. Continuously adjust risk management mechanisms based on changes in the financial market, regulatory changes, and the Company's business strategies. In 2025, SKL referenced the risk factors across various credit risk assets under the Insurance Capital Standard (ICS) alongside default probabilities from credit rating agencies to refine our investment limit framework. Based on attributes such as product-specific capital requirements, credit ratings, and claim priorities, the Company designed differentiated risk limits tailored to diverse asset profiles.

Main Risk Type	Management Methods and Implementation Status
Liquidity Risk	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. 1. The Company establishes indicators related to liquidity risk and sets light-signal control standards to continuously monitor and manage funding 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.
Operational Risk	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. 1. Utilized Loss Event Database (LED), Risk and Control Self-Assessment (RCSA), and Key Risk Indicators (KRI) as our primary risk management tools to assist each unit in risk identification, assessment, response, monitoring, information and communication, and documentation processes. Risk control measures are implemented to strengthen the management of operational risks. 2. Established a Business Continuity Management (BCM) framework to assist each unit in developing business continuity plans. Based on practical experience, control measures are refined annually, and scenario exercises are conducted regularly to ensure business continuity and safeguard customer interests. In 2025, in response to extreme climate events occurring around the world, climate change was added as a threat factor in risk assessments and incorporated into the scope of scenario exercises.
Insurance Risk	Establish appropriate management mechanisms for the product design and pricing, underwriting, reinsurance, catastrophe, claims and reserve-related risks involved in insurance risks. 1. The Company establishes insurance risk indicators and sets light-signal control standards to continuously monitor and manage risks related to product design and pricing, underwriting, reinsurance, catastrophes, claims processing, and reserves, ensuring the rigorous execution of risk control 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.
Asset-Liability Matching Risk	Taking into account the primary factors driving discrepancies in asset and liability valuation changes, the Company evaluates investment yields against liability costs, duration matching, cash flows, and scenario analysis to establish robust management mechanisms for assessing Asset-Liability Matching (ALM) risk. We formulate ALM risk indicators and set light-signal monitoring standards to conduct regular ALM assessments—encompassing yield-cost spread analysis, cash flow management, duration analysis, and stochastic scenario modeling. If assessment results fall short of early-warning thresholds, cross-departmental meetings are convened to devise response strategies, which are subsequently submitted to the relevant management committees.
Climate Change Risk	Through an assessment of the economic environment and our business activities, we identified climate-related physical risks and transition risks, evaluated their impacts on our operations and investment and financing activities, and ultimately identified material climate change risks and developed corresponding response strategies. In accordance with the TCFD framework (covering governance, strategy, risk management, and metrics and targets), we established a climate change risk management framework. In 2025, our climate change risk management efforts covered the identification of climate-related risks and opportunities, scenario analysis, greenhouse gas inventory activities, and the management of high carbon-emitting industries. The status of these management efforts was disclosed in our Sustainability Report and other public information.
Information Security Risk	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) 1. Developed information security risk-related indicators and set signal management standards to continuously monitor and implement information security risk management. 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 2025, there were no information security incidents, such as hacker attacks, nor any related incidents resulting in personal data breaches. 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 2025, the personal data assessment results were still within the acceptable risk value, and there were no high-risk matters.

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. To identify and strengthen the management of such risks, the Financial Holding Company and its subsidiaries jointly conduct emerging risk identification. By referencing domestic and international reports, emerging risk factors are screened and surveyed across the group via questionnaires. Based on the prioritization of risk materiality, key emerging risks facing the entire group are identified (as shown in the table below), with corresponding response and mitigation measures formulated.

Risk Name	Risk Description	Potential Operational Impact and Influence of the Risk	Response / Mitigation Plan
【Economic Aspect】 Uncertainties in the global political and economic landscape and tariff policies	Policy developments under the Trump administration, particularly in areas such as tariffs and geopolitics, have added uncertainty to the global economy and trade environment. Changes in the international political landscape may increase demand for hedging assets and heighten volatility in financial markets. In addition, any intervention by President Trump in the Federal Reserve's interest rate decisions could drive up long-term interest rates, resulting in significant fluctuations in bond market yields.	• Operational impact: Supply chain diversification may erode the profitability of credit customers and investment targets, while geopolitical conflicts may increase the investment risks associated with overseas holdings, resulting in potential asset losses. • Business impact: Higher customer default rates, as well as increased demand for wealth management, asset allocation, and cross-border financial services.	• Investment strategy: Conduct tariff sensitivity analysis for shareholding; Implement dynamic hedging strategies; Ensure high liquidity of positions through stop-loss and early warning mechanisms in accordance with internal regulations; Diversify investment portfolios to reduce exposure to emerging markets; Continue to monitor policy trends in major countries or regions. • Risk management： Establish risk classification and early warning mechanisms, and implement differentiated limit controls by country, region, and industry based on risk tolerance and sovereign credit ratings and strengthen pre-investment risk assessments and post-investment monitoring of market indicators.
【Technical Aspect】 AI and Business Resilience	According to the Global Risks Report 2026 published by the World Economic Forum (WEF), AI has evolved from a standalone technological innovation into a systemic force that profoundly affects labor markets, the information environment, national security, and social trust. Without cross-border governance and minimum safety standards, AI may further amplify risks such as misinformation, social inequality, and escalating conflicts.	• The rapid adoption of generative AI in financial services may give rise to issues such as model errors, algorithmic bias, data bias, and a lack of explainability and accountability, potentially resulting in significant financial and reputational losses. If the development of regulatory frameworks fails to keep pace with technological advancements, governance gaps may emerge.	• Strengthen the Company's AI risk governance: This includes establishing AI governance policies and standards; clearly defining appropriate oversight and risk management review requirements for third-party AI supplier; establishing appropriate data migration mechanisms to ensure compliance in the use of models and data; and implementing the principles of data minimization and sensitive information anonymization to enhance data governance. • Establish an internal AI governance framework, including AI life cycle management and risk classification evaluation mechanism. Through the internal AI governance organization, we collaborate with relevant units to establish and enhance the Company's AI management framework and operational mechanisms. • SKL has established human oversight and reviewability mechanisms to ensure that critical operational decisions are safeguarded by human judgment. Furthermore, the Company continuously enforces data preparation and verification protocols across the AI lifecycle, effectively minimizing the risk of model misjudgments and guaranteeing that AI-generated decisions remain accessible to human intervention and remediation.
【Social Aspect】 Structural Labor Shortage	As many of the world's major markets enter an era of super-aged and low-birth-rate societies, the supply of labor is shrinking significantly. According to a report by the National Development Council, the core working-age population in 2020 shifted to the 35-44 age group, ten years later than previously observed. It is estimated that the future age of the core labor force will continue to shift upward in the future. Labor shortages may become the new normal, creating new challenges for corporate recruitment and financial services.	• Changes in demographic structure may give rise to risks in our operations, including difficulties in employee recruitment, labor shortages, and increased labor costs. • As the number of elderly customers increases, a purely digital service model may lead to "digital exclusion" and an increase in customer complaints, and may even violate the principles of financial inclusion.	• Product transformation: Focusing on retirement protection and wealth transfer for enhancing customer protection, we will remind senior policyholders to make use of the "Policy Conversion Option" to convert whole life insurance policies into long-term care insurance or annuity insurance, thereby ensuring the quality of medical care and life insurance protection after retirement. • Cognitive assessment and proxy mechanism: The intelligent customer service system will be incorporated with cognitive assessment scales along with records tracking. We will then implement the "Family Contact Person" mechanism to ensure that policyholders continue to have a legally authorized representative to protect their rights and interests in the event of dementia. • Service innovation: Implement financial inclusion Smart digital customer service has set up exclusive channels for the elderly, providing "fast direct contact with real people" services to eliminate the digital gap. • We will accelerate education and training in emerging fields such as digital skills and green energy technologies and encourage middle-aged and elderly people to continue working.

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 occur—such as information service disruptions, large-scale infectious disease outbreaks, or natural disasters like earthquakes—SKL may face business interruptions or challenges in operating certain critical business functions. In accordance with ISO 22301 and relevant regulatory requirements, we have established a robust business continuity management framework and continue to maintain ISO 22301 Business Continuity Management System (BCMS) certification from the British Standards Institution (BSI) annually (refer to the Appendix for certification details). This framework is designed to minimize the likelihood and impact of business disruptions while strengthening our incident response and recovery capabilities.

We identify key operational activities and determine the essential resources (including personnel, systems, and equipment) required for recovery through comprehensive Business Impact Analysis (BIA) and Risk Assessment, formulating tailored recovery strategies and Business Continuity Plans (BCP) on this basis. Every year, we conduct multi-scenario business continuity drills and stress tests, continuously expanding the breadth, depth, and frequency of on-site exercises. Furthermore, for our external partners and critical suppliers, we have enhanced supply chain continuity risk assessments to ensure alignment with SKL's overarching business continuity objectives.

We optimize our business continuity management framework annually based on operational experiences, regulatory updates, and insights from internal and external audits. This ensures the ongoing effectiveness, adaptability, and appropriateness of our BCMS framework, enabling the Company to maintain sustainable operations and safeguard the interests of our customers and stakeholders.

6.4 Information Security and Personal Data Protection

GRI 3-3

6.4.1 Information Security Organization and Policy

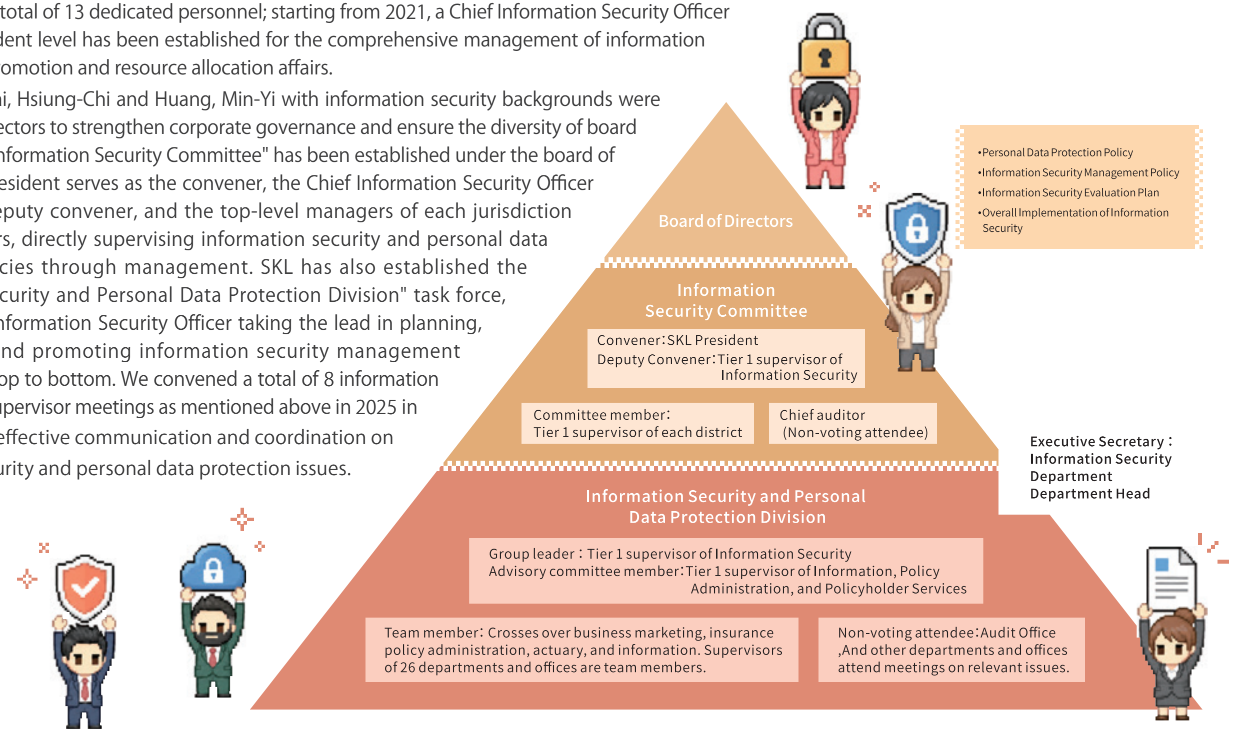
A. Information Security Strategy and Resource Investment

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 2025, the information security budget accounted for 11.48% 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 Huang, Min-Yi 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. We convened a total of 8 information security senior supervisor meetings as mentioned above in 2025 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 2025
Bolstering Information Security Management	• 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.	• Completed the "Personal Information Security Incident Risks and Response Course" for information security education and training for directors. • Completed the overall information security implementation report. • Participated in the joint meeting of chief information security officers held by the Insurance Bureau. • The overall information security governance maturity assessment result reached the "Intermediate" level. "The Advanced level" has been achieved in the two domains of Threat Intelligence Management and Collaboration and Cybersecurity Incident Management and Response, and we will continue to enhance and advance the development of other advanced-level domains. 
Strengthening Talent Cultivation	• 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.	• 12 information security professionals had received a total of 413 hours of information security professional courses. • Information security personnel and information personnel obtained a respective of 31 and 73 international information security certificates endorsed by the Administration for Cyber Security, Ministry of Digital Affairs, totaling 104 certificates.
Customer Data Protection	• 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. • We place great importance on effective risk transfer and, since 2025, we have obtained cybersecurity insurance coverage with a total insured amount of US$3 million. The coverage includes data breach response, recovery, business interruption, and cyber extortion. We will continue to maintain this coverage to transfer losses arising from major disruptive cybersecurity incidents and ensure stable business operations.	• Continue to pass ISO 27001 and BS 10012 international standard certification. • The overall information security assessment results showed that there was no serious risk of 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. • Completed insurance for information security in 2025 and submitted the insurance plan for 2026 to the Information Security Committee in the third quarter of 2025.
Major Scenario Simulation Drills	• 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.	• Completed the drill on information security and personal data infringement incidents, and simulated countermeasures against external network intrusions and security risks posed by ransomware attacks during extended holiday. • Completed the DDoS drill on SKL's official website, during which the service was kept operating normally and the protection mechanism was effective. • Conducted email social engineering drills, the total number of people tested was 13,469; the results showed that as high as 95% 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.
Information Security Monitoring and Joint Protection Mechanism	• 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.	• 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. • Through the financial information security joint defense monitoring center, we regularly shared threat intelligence on malicious emails and actively participated in cybersecurity information sharing and collaborative defense efforts among financial institutions. • Completed the removal of 7 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 established internal regulatory frameworks, including the "Emergency Incident Reporting Regulations", "Information Security Incident Reporting and Incident Response Management Guidelines," and "Personal Data Breach Incident Response Operating Procedures." These regulations mandate that any detected cybersecurity or personal data breach incidents must be reported on the same day to ensure swift response and resolution. In the event of a major cybersecurity incident, an emergency response meeting is convened across relevant departments. If a personal data breach threatens the rights of a large number of data subjects, external experts are engaged to comprehensively diagnose and review corrective and preventive action plans.

In 2025, SKL handled a total of 10 disputed cases related to potential information leakage. Among these, 2 cases originated from the Insurance Bureau, while the remaining 8 cases were received through internal channels, such as the customer service hotline and branch service counters. Investigations into these 10 cases confirmed that none involved cybersecurity vulnerabilities or customer privacy infringements, and no policyholder rights were compromised. All cases were properly addressed with official responses provided to the customers. Furthermore, no emergency incidents requiring regulatory notification or resulting in customer data breaches occurred. Statistics for the past three years are summarized below:

	2023	2024	2025
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.Continual Certification & Compliance under International Standards

In 2025, SKL continued to pass the international standard certification of "ISO 27001 Information Security Management System" and "BS10012 Personal Information Management System," completed the transition to ISO 27001:2022, and followed the PDCA cycle management model to strictly require customer data security and privacy protection.A total of 36 internal system audits were completed in 2025. (Please refer to Appendix for details of certificates)

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.

In 2025, 72 information security and personal data management regulations were reviewed and revised, and 83 information security control measure documents were reviewed and approved.

High-level key performance indicators (KPIs) are included in key information security and personal data items, and the assessment results in 2025 all reached 100%.

Information security and personal data protection are included in the performance evaluation of departments and offices. There are a total of 46 departments and offices in the head office. The overall evaluation results in 2025 were excellent.

C. Raise Awareness of Data Security Protection

In addition to the mandatory 3-hour annual basic information security awareness training for all employees, SKL placed a special emphasis on personal data protection through hybrid (online and offline) and diversified approaches, incorporating thematic real-world case studies. In 2025, the Company conducted a total of 33 specialized thematic sessions, achieving a 100% completion rate across the workforce.

Item No.	Course / Activity Title	Number of Sessions / Hours	Participants	Execution Status in 2025
1	Course on Information Security and Personal Data Protection Awareness	3.25 hours	All employees	100%
2	Latest News on the Intranet: Information Security Promotion	12 session	All employees	100%
3	Education and Training for New Employees	3 sessions	New employees	100%
4	Online Morning Meeting	12 sessions	Insurance agents	100%
5	Information Security E-Newsletter	6 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 16 licenses

Online Morning Meeting

Information Security E-Newsletter

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7 Unleashing the Importance of Sustainable Finance

| GRI 3-3 |

Plan

- Drive 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	2025 Target	Status of Achievement	Major Performances in 2025	Short-term Target (2026)	Medium- to Long-term Target (2030 as the Target Year)
Sustainable Finance	Maintain investment in power plant projects.	✔	Investment in power plant projects increased by NT$200 million compared with the previous year, representing a 9% increase.	Increase the number of engagement cases with investee companies by 2 (referring to direct face-to-face engagements conducted with clearly defined engagement objectives)	Achieve the engagement goals of the TS Holdings
	Increase ESG-themed investment and financing by NT$2 billion.	✔	Investment and financing increased by more than NT$2 billion, representing a 2% increase.	Make no new investments in companies that have not actively pursued transition efforts within coal-related industries (including coal mining, coal-fired power generation, and coal-related infrastructure) and non-conventional oil and gas industries (with more than 5% of revenue derived from such activities)	Achieve decarbonization strategy of the TS Holdings
	Green procurement expenditures account for 15% of the total value of eligible green procurement items.	✔	Actual green procurement expenditures accounted for 32% of the total value of eligible green procurement items.	Green procurement expenditures account for 15% of the total value of eligible green procurement items	

Note: The 2025 targets and results were established prior to the merger. Post-merger in 2026, these targetswere adjusted in alignment with the strategic direction of TS Holdings.

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, 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.

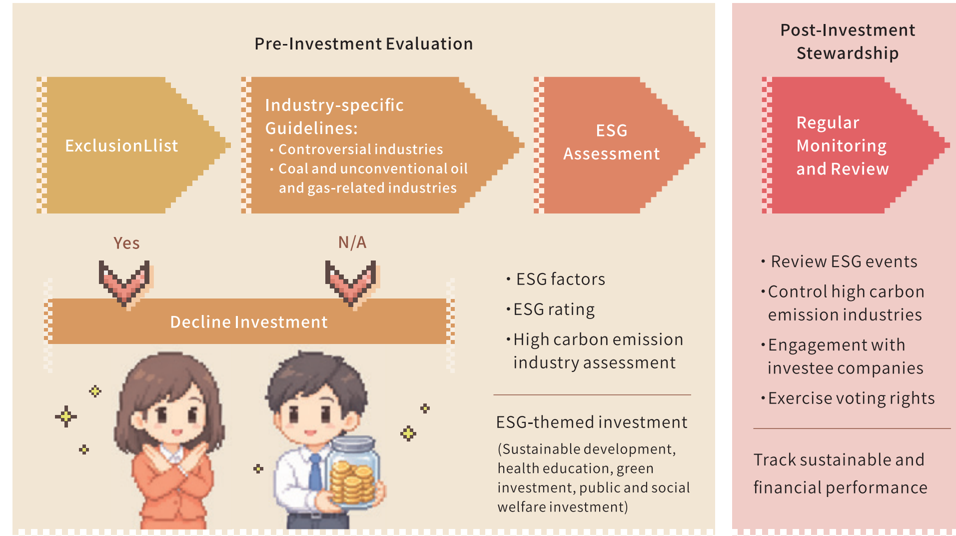
7.1.1 Sustainable Finance Mechanism

SKL adheres to the United Nations Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI), and TS Holdings 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.

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.

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 cond

Exclusion List, Non-investable List	Industry-specific Guidelines	ESG Assessment
TS Holdings 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. • 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: • Tobacco • Gambling • Fur trading • Tropical rainforest logging • Coal-related industries • Unconventional oil and gas-related industries	• ESG performance: – 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 Sustainalytics 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: Conducting climate change risk assessments for high carbon emission industries (oil and natural gas mining, power and gas supply, basic metal manufacturing, petrochemical-related industries, pulp, paper and paper product manufacturing, textile industry, and cement industry), including: information on GHG emissions, international climate-related.

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 appropriate 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 for loan applications. If there are major labor issues, the borrower must provide explanations. The ESG section of the credit investigation report presents a comprehensive overview of the company's performance in environmental, social, and governance aspects.If the circumstances are material and could affect the company's sustainable operations, we may decline the loan application or require the company to rectify its labor, environmental, or other related issues within a specified period as a condition of lending. 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.

SKL included an ESG section in credit report formats and incorporated corporate ESG performance 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.

In 2025, a total of 22 cases passed this review process. In addition, we incorporated corporate ESG performance into our assessment for preferential lending rates. A total of 2 loan applicants qualified for interest rate reductions, with approved loan amounts totaling NT$3.35 billion.

7.1.2 Expanding the Influence of Sustainable Finance

A. Taiwan Sustainable Taxonomy

SKL continues to strengthen our post-investment engagement efforts by incorporating the FSC's "Reference Guidelines for the Recognition of Sustainable Economic Activities ("the Guidelines")" into our consideration when selecting priority engagement topics and targets. Discussions and assessments focused on topics including net-zero emissions, the Science Based Targets initiative (SBTi), IFRS S2 (Climate-related Disclosures), and sustainable economic activities. SKL places significant importance on following the Guidelines. Under the Guidelines, recognition is based on three assessment approaches. An activity may only be recognized as "a sustainable economic activity" if it makes a substantial contribution to at least one environmental objective while causing no significant harm to any of the six environmental objectives or to social safeguards.

In 2025, we participated in joint engagements with peers, including life insurers, banks, securities investment trust companies, and securities firms, as well as two companies, hereinafter referred to as T Company and H Company. T Company is primarily engaged in electromechanical manufacturing, while H Company is primarily engaged in electronics manufacturing. Both companies continued to monitor developments related to the Guidelines. Following our participation in the engagement activities, we continued to track T Company's progress in submitting its SBTi target application and monitored H Company's actions related to biodiversity and supply chain management. Details are provided in the "Engagement Case" section below. We look forward to both companies progressively meeting the sustainability criteria set forth in the Guidelines, thereby contributing to the advancement of sustainable finance. We will continue to participate in joint engagement activities each year to assist investee companies that are classified as "Not Applicable" or have not yet achieved "Compliant" status in developing transition or remediation actions, thereby helping them gradually meet the sustainability criteria established under the Guidelines.

B. 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.

Details are provided in the "SKL Institutional Stewardship Section"

1. Engagement Actions

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 TS Holdings, 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 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 TS Holdings' 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.

Engagement Issues	Main issues of concern (including but not limited to): •Environmental (E): Climate change, biodiversity, environmental pollutions •Social (S): Human rights, gender equality •Governance (G): Ethical corporate management, board performance
Screening of Engagement Issues and Targets	To select priority engagement topics and targets, we evaluate the materiality of asset exposure based on SKL's key engagement focus areas. This process leverages domestic and international ESG database, such as Bloomberg and the TDCC IR Platform, to comprehensively consider the specific ESG issues, ESG ratings, and financial performance involved in different industry characteristics of counterparties,Furthermore, the FSC's "Guidelines for the Determination of Sustainable Economic Activities" (such as activities that have a substantial contribution to climate change mitigation) are incorporated into our assessment,
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 fall short of expectations, the engagement intensity should be increased based on SKFH's sustainability value, operational needs, and risk management.
Engagement Upgrade	•If the engagement results fall short of 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, participating in 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.

Engagement Case

Reason and Purpose of Engagement	Engagement Methods and Process	Engagement Results	Follow-up Actions
H Company Time of Engagement: December 2025			
H Company is an investee of the Company. Its business activities include consumer electronics products, cloud networking products, and computer terminal products. It has established production and service sites in more than 20 countries and regions. This joint engagement focused primarily on areas such as net-zero emissions, labor and human rights, and supply chain management. H Company also emphasized its governance practices, including the composition of its board of directors.	The Company collaborated with a total of 20 institutional investors, including peers in the financial industry, to carry out joint engagement with H Company. 	H Company presented its sustainability results in three major stages: "overall sustainability promotion," "key projects," and "communication with stakeholders." Engagement communication focuses on climate change and labor rights. H Company provided the following responses regarding the topics covered in this engagement: 1. In terms of climate change, H Company is currently formulating internal carbon pricing. As for net zero emissions, H Company has been approved by the SBTi. The ratio has reached 60%, prematurely achieving the 2030 target of 50% ahead of schedule. In addition, regardingto supply chain management, H Company continues to expand its carbon inventory requirements, which currently cover more than 200 suppliers, resulting in a total 1.02 million metric tons of carbon emissions reduction. 2. In terms of labor human rights, H Company has obtained assurance through third-party audits for the third consecutive year, covering five countries and nine plants, with a compliance rate of approximately 90%. 3. In terms of corporate governance, the independence and diversity of directors have improved. There are nine board members in total, seven are external directors,. Furthermore, female directors account for approximately 30% of the board.	We will maintain our investment in H Company, while countinuing to monitor its actions and performance inbiodiversity, labor and human rights, and supply chain management. This includes tracking any labor-related incidents and the company's corresponding response measures.

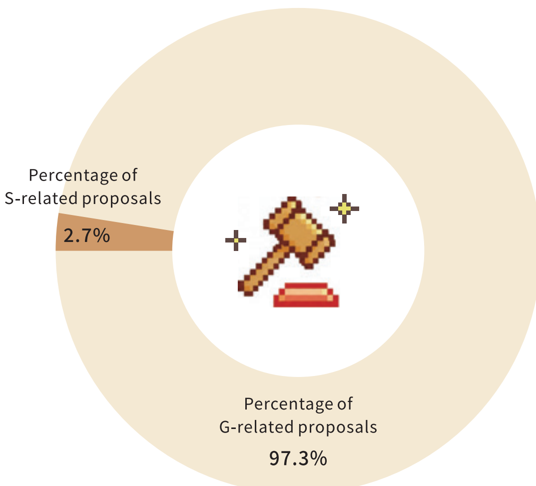
2. Voting Actions

Following domestic and international initiatives and regulations, SKL actively engages with investee companies through investor conferences, shareholder meetings, and conducting regular visits (including on-site visits and phone calls) to maintain ongoing interaction with their management. Through these methods, we continuously monitor the business operations and financial conditions of investee companies. These dialogues and interactions serve as a critical basis for forming investment decisions, which are then presented to the Board of Directors for deliberation.

In addition, in compliance with the "Insurance Act", relevant legal interpretations, TS Holdings 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 before the meeting.

Results of the Exercise of Voting Rights in 2025

In 2025, we attended the shareholder meetings of 145 publicly listed companies in Taiwan, voting on a total of 619 proposals. The proportion of ESG-related issues among these proposals was disclosed below, noting that there were no environment-related shareholder proposals in 2025.



Percentage of E-related Proposals
0%

Percentage of S-related Proposals
2.7%

Percentage of G-related Proposals
97.3%

C. ESG-themed Investment

SKL has not only established a comprehensive ESG investment evaluation mechanism, but also actively responds to the United Nations Sustainable Development Goals (UN SDGs) and Guidelines for the Determination of Sustainable Economic Activities in investmet actions. Through collecting and 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, in order to utilizing the core capabilities of the financial industry, strengthen the investment performance of sustainable investment targets, and pursue the maximization of stable returns for investors while contributing to sustainable development for a sustainable future. In 2025, SKL's total investment amount in ESG-themed investments had exceeded NT$593 billion, representing a growth of 2% compared to the previous year.

Unit: 100 million

Corresponding SDGs	Category		2024	2025
7, 12, 13	Green Investments	Green bonds	234	225
		Project-based investments in renewable energy	21	23
		Six core strategies - green energy and renewable energy industries	72	56
3, 11, 8, 9	Health Education Industry		816	844
	Public and Social Welfare Industries		582	451
	Social Responsibility Bonds		3	139
	Sustainability/Sustainable Development Bonds		206	78
	Companies with Excellent ESG Performance		3,895	4,114
Total			5,829	5,930

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 Best-in-Class Indices..

D. 12 Key Strategies

In order 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$14.1 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), 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 2025, SKL invested NT$6.53 billion in the renewable energy sector. This investment is expected to generate an annual electricity output of 1,950.17 GWh, which can avoid 924,383 tCO_2e each year. These efforts are anticipated to yield positive environmental benefits, aligning with the industrial goal of achieving net zero emissions.

Renewable Energy Investments and Environmental Benefits

		2023	2024	2025
Investment Amount	Green Bonds-Renewable Energy Category (NT$100 million)	56.9	56.9	41.9
	Project-based Renewable Energy Power Plants (NT$100 million)	20.6	21.4	23.4
Total Investment Amount (NT$100 million)		77.5	78.3	65.3
Estimated Annual Electricity Generation (10,000 kWh)		281,143	302,503	195,017
Expected Carbon Reduction (tCO_2e)		139,166	1,497,391	**924,383**

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

7.2 Sustainable Supply Chain

SKL's procurement items mainly consist of labor services, goods, and equipment resulting from administrative requirement, 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.

7.2.1 Supplier Management

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. 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 suppliers to sign the supplier commitment letter: Commitment to corporate ethics, employee rights, human rights, and environmental protection. 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. SKL continues to extend the signatories of the supplier commitment letter from partner suppliers to bargaining suppliers, with 100% signing rate for both 317 negotiated suppliers and 170 partner 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.
- Sustainability promotion for suppliers: Assisting the parent company in organizing supplier conferences to promote "plastic reduction initiatives" among partner suppliers.

SKL Supplier Management Procedure

STEP.1	Supplier Selection	• Partner must sign the supplier commitment letter before price negotiations. • Suppliers who renew the contract must also re-sign the letter.
STEP.2	Supplier Management	• Maintain, review, and evaluate partner suppliers through the supplier management system.
STEP.3	Supplier Risk Assessment	• Major suppliers are required to fill out a supplier risk self-assessment questionnaire annually. • Definition of major procurement: Contract amount of NT$3 million or more (based on a single contract amount).
STEP.4	Supplier On-site Audit	• Suppliers assessed as high risk require on-site audits. • If deficiencies are found during the audit, the supplier will be asked to provide improvement plans and explanations.
STEP.5	Supplier Management and Improvement Tracking	• If a supplier violates its commitments or has significant deficiencies, it should be requested to make corrections; if it fails to improve or the situation is serious, the contract may be terminated when necessary.

7.2.2 Procurement Results

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.

In 2025, SKL continued to implement green procurement practices, with total green procurement expenditures reaching NT$77.94 million. Through joint reporting with our parent company, we were recognized with the Taipei City Outstanding Green Procurement Award for Private Enterprises and Organizations. At the same time, we have been supporting social innovation enterprises for five consecutive years. Continuing to expand our 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 2025, we won Excellence Leadership Award of the Buying Power Procurement Award and Sustainable Development Group of the Special Award from the Small and Medium Enterprise and Startup Administration, MOEA.

Initiatives	• Announce the green procurement policy and encourage all units to prioritize products with environmental certifications when applying for equipment or services procurement. • Actively select products with environmental and energy-saving labels for overall office and administrative equipment, gradually increasing the proportion of environmentally friendly and energy-saving products in procurement. • Encourage units to collaborate more with innovative social enterprises, or encourage partner units to join relevant matchmaking platforms.
Results in 2025	• Local procurement: We prioritized Taiwanese local manufacturers to ensure supply stability and localization, accounting for 98% of the total procurement. • Green Procurement: The amount of green procurement for office and administrative equipment reached NT$ 77.94 million, accounting for 32% of the total green procurement items. • Social innovation procurement: The amount of social innovation product and service procurement reached NT$14.81 million.