



Shin Kong Life

2021 CORPORATE
SUSTAINABILITY REPORT

THE LIGHT IN YOUR HEART

Reporting Standards

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

Boundary and Scope

The specific environmental, social, and governance (ESG) results of Shin Kong Life Insurance Co., Ltd. (hereinafter referred to as Shin Kong Life, SKL, or the Company) in 2021 (January 1 to December 31) are disclosed in this report. The contents of this report and performance data cover the operations of SKL and Shin Kong Life Foundation. The scope of disclosures in this report is not significantly different from the scope in the previous version. To enhance the disclosure of this report, some economic and environmental data have been restated due to adjustments to the boundary, calculation methods, or data sources. The differences from the previous version of this report will be clearly stated.

In addition, some performance data have also been backdated to 2019 to show the effectiveness of projects and indicator trends. This will give readers an insight into the real action and progress of our commitment to corporate sustainability.

Basis for This Report

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

Issued by	Guidelines/Standards/Regulations
The Global Reporting Initiative (GRI)	<ul style="list-style-type: none"> The GRI Standards - Core Option G4 Financial Services Sector Supplement
Sustainability Accounting Standards Board (SASB)	Standards for the insurance industry
Financial Stability Board (FSB)	Task Force on Climate-Related Financial Disclosures (TCFD) framework
The United Nations (UN)	<ul style="list-style-type: none"> Sustainable Development Goals (SDGs) Principles for Sustainable Insurance (PSI) The Global Compact's Ten Principles

Third-Party Verification of the Report

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

Standard

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

Release Information

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

| Current version: June 2022 | Previous version: June 2021 | Next version: June 2023 |

Contact Information

Actuarial & Planning Department, Shin Kong Life Insurance Co., Ltd.

Address: 10F, No. 125, Section 5, Nanjing East Road, Taipei City

TEL: 02-2389-5858 ext. 7161, 7165

Email: skl11x700@skl.com.tw ✉

SKL website: <http://www.skl.com.tw/> 🌐

SKL corporate sustainability website: <https://csr.skl.com.tw/> 🌐

Contents



4 **Message From the Chairman and President**

6 **Awards in 2021**

7 **Company Overview**

7 About SKL

8 Economic Performance

8 Participation in External Organizations

9 **Sustainable Development**

10 Sustainability Strategy and Target

13 Corporate Sustainability Committee

14 Stakeholder Engagement

16 Material Issues Assessment

18 **Corporate Governance**

19 Corporate Governance and Ethical Management

22 Information Security

24 Risk Management

34 Sustainable Finance

36 **Low-carbon Management**

37 Environmental Policy and Targets

38 Low-carbon Actions

42 Sustainable Supply Chain

43 **Service Innovation**

44 Diversified Product

46 Innovative Digital Services

49 Fair Treatment of Customers

54 **Employee Happiness**

55 Diverse Recruitment

58 Nurturing Talent

64 Happy Workplace

70 **Social Contribution**

71 Social Contribution Strategies and Investments

72 All-round Development

73 Health Promotion

76 Environmental Sustainability

77 Corporate Volunteers

78 **Appendix**

79 The Principles for Sustainable Insurance (PSI)

82 Sustainability Accounting Standards Board (SASB)

83 GRI Standards

85 GRI Material Topics and Management Approaches

87 United Nations Global Compact

87 Certificate of Registration

88 Third-party Assurance Statement



Po-Tseng Pan

SKL Chairman



Message From the Chairman and President

First of all, we would like to thank all colleagues, policyholders, and stakeholders of Shin Kong Life Insurance (SKL) for your support and engagement in 2021. The crises caused by the COVID-19 pandemic and extreme weather in recent years have not only changed our lifestyles and consumer behavior but also affected many industries at varying levels. SKL has been doing business for nearly 60 years and has been dedicated to the important mission of providing insurance protection for many families. To reduce the likelihood of operational disruption or damage as well as to protect the interests of all customers and stakeholders, we have obtained the ISO 22301 Business Continuity Management System (BCMS) certification through the establishment of emergency response plans and business recovery mechanisms. At the same time, we are committed to corporate sustainability and strive to live up to the sustainable value proposition of our parent company Shin Kong Financial Holding (SKFH), i.e., Low Carbon, Innovation, and Mutual Benefit, by implementing sustainable operations in the environmental, social, and governance (ESG) aspects and providing staunch support to the public.

Create Low Carbon Environments Together

As citizens of the Earth, we realize that no one is an outsider in the face of climate change issues. In 2021, SKL introduced the Task Force on Climate-related Financial Disclosures (TCFD) project and established a climate risk management framework to identify potential risks and opportunities arising from climate change and actively develop response measures. To set an example, we started implementing carbon reduction practices from ourselves. Together with our parent company SKFH, we have joined the Taiwan Alliance for Net Zero Emission to promote the “Net Zero 2030/2050” initiative. We have set goals for our headquarter to achieve net zero carbon emissions by 2026 and for the headquarter and branches to achieve 100% net zero carbon emissions by 2030. We have also

formulated net zero plans to implement energy conservation and carbon reduction measures and improve energy and resource efficiency year by year through data inventories, so as to create sustainable green buildings. Furthermore, with our financial influence, we have also been promoting the concepts of low carbon and sustainability to our customers, employees, business partners, investees, financing recipients, and other stakeholders. We incorporate ESG related commitments and regulations into business documents through promotion of e-insurance policies, e-service insurance platforms, and digital tools and implement sustainable investments by listing carbon-intensive industries and planning to include climate risks in the assessment mechanisms for investment and financing decisions, as an effort to fulfill the responsibility of environmental protection with our stakeholders and safeguard our planet.

Provide Innovative Services for Customers

“Digital Innovation” is one of the key strategies of SKL. Facing the advent of the post-pandemic era, we are committed to developing diverse and innovative service channels to adapt to changes in lifestyles and consumption patterns. In addition to establishing the e-service insurance platforms, SKL website member area, and LINE official account to provide policyholders convenient access to online insurance and independent transaction services, we have also launched a one-stop video insurance service for policyholders to easily and quickly complete insurance applications through the pandemic prevention video platform. Moreover, we continue to expand the application scope of digital technologies such as artificial intelligence and big data to improve administrative efficiency and service quality. Since 2019, SKL has won 17 digital awards, including the National Brand Yushan Award for four consecutive years, CSEA Customer Service Excellence Award, and Commercial Times Digital Financial Service Award.

Message From the Chairman and President

In terms of products, SKL has been paying close attention to public health and has incorporated ESG factors into product development. An upgraded air pollution insurance policy has been launched in 2021 to strengthen the coverage of specific heart and lung conditions, and, in response to COVID-19, a pandemic prevention policy has also been launched to double the insurance benefits for negative pressure isolation rooms. In order to help seniors and vulnerable groups obtain basic protection and financial services, we not only offer products such as small-amount whole life insurance and microinsurance but also increase the care mechanisms for vulnerable groups in various insurance services through the operation of the Treating Customers Fairly Committee. In 2021, we launched the first sign language video translation platform in the industry and set up accessible friendly financial service official website area. Also, we received the Significant Progress Award in the Evaluation of Fair Treatment of Customers, Micro-insurance Outstanding Performance Award, and Disability Care Award in the 2021 Financial Supervisory Commission (FSC) Insurance Competition. To increase consumer trust, we continuously optimize the Customer Satisfaction Management System, listen to the voice of customers, as well as review and improve customer feedback. We are proudly certified with the RMS (Royal Mystery Shopper) and the ISO 10002:2018 Customer Satisfaction Management System.

Achieve Mutual Benefit and Safeguard Happiness

For the sustainability and continuity of the company, SKL regards integrity as the most important attribute in business management and considers employees the most valuable asset. We report the implementation of ethical management to the Board of Directors every year and provide education and training on ethical behavior and legal compliance for all employees. We have also set up a whistleblowing mechanism to protect whistleblowers and prevent any form of dishonest behavior, such as selfishness, fraud, illegal crimes. If receiving penalties from the competent authorities, we not only respond with transparent disclosure and positive communication but also

establish improvement measures to enhance internal control and internal audit systems, and create a sound corporate culture of integrity. At the same time, we strive to create a diverse and inclusive workplace, give substantial weight to employee voice and human rights, as well as provide employee stock ownership trusts, welfare benefit plans better than required by law, and safe and healthy environments. Through strategic training programs, we cultivate bilingual and digital talents in innovative ways and encourage employees to continue professional education to improve themselves. Last year, the per capita education and training amounted to 96 hours, effectively reinforcing talent development.

To achieve the goals of All-round development, health promotion, and environmental sustainability, we joined hands with our employees to give back to local communities. In 2021, a total of 5,785 corporate volunteers were called to participate in social welfare activities, with expenses totaling NT\$83.78 million and about 470,000 people benefiting from these activities. During the severe COVID-19 pandemic, in order to provide timely support to the society, SKL not only donated NT\$30 million as pandemic prevention funds, but also launched the measures such as the extension of premium payment, online express claim settlement, and providing the consolation payments to policyholders who are health care workers confirmed to have COVID-19. In addition, we provided concessional policy loan in the total amount of NT\$11.227 billion and was awarded the Outstanding Bailout Award by the FSC.

SKL adheres to the motto of founder Wu Ho-Su, “maintaining the status quo means lagging behind” and constantly seeks innovation and changes to be in step with international trends. Going forward, we will actively respond to the ESG issues concerned by internal and external stakeholders and provide solutions to improve ESG management and corporate resilience. SKL aims to become a benchmark company for corporate sustainability and a financial partner trusted by the public as well as to safeguard every family and fulfill our commitment, “our light and heart are always with you.”



SKL President

Min-Yi Huang

Awards and Achievements in 2021



Corporate Sustainability

5 awards in the 18th National Brand Yushan Award

Top Honor for product, Outstanding Enterprise Award, Best Popular Brand Award, and Best Product Award for two insurance products

3 awards in 2021 Taiwan Corporate Sustainability Awards

Gold in Sustainability Report Award - Financial Services Sector, Information Security Leader Award, and Talent Development Leader Award

9 awards in the 22+1 Faith, Hope & Love Awards of Insurance

Best Social Responsibility Award, Best Insurance Education Contribution Award, Best Product Creativity Award, etc.

6 awards in the 9th Taiwan Insurance Excellence Awards

Community Care Excellence Award, Talent Training Excellence Award, etc

2 awards in 2021 Taiwan Financial Star

Best Social Service Award and Best Product Innovation Award

4 awards in the 28th Insurance Quality Awards

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



Green Operation

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

Second prize

2021 Plan for the Promotion of Green Procurement and Consumption in Enterprises and Organizations

Outstanding enterprise



Friendly Service

2021 Taiwan Sustainability Action Awards (TSAA)

Silver in Social Inclusion

4 awards in the 2021 Financial Supervisory Commission (FSC) Insurance Competition

Significant Progress Award in the Evaluation of Fair Treatment of Customers, Outstanding Bailout Award, Micro-insurance Outstanding Performance Award, and Disability Care Award

2021 Asia Design Prize

LIFE Lab.-The winner of Social Impact Prize

4 awards in the 16th Golden Torch Award

3 awards in Innovation Design of the Year and 1 Customer Satisfaction Award

3 awards in the 2021 Commercial Times Digital Financial Service Award

Digital Innovation Award, Internet Insurance Service Award, and Digital Information Security Award

2 awards in the 2021 IDC's Future Enterprise Awards

Data Intelligence Innovation Award and All-round Experience Innovation Award

4 awards in the 2021 Customer Service Excellence Awards (CSEA)

Best Service Innovation Enterprise, Best Social Media Management Enterprise, Best Smart Application Enterprise, and Best Customer Service Application Enterprise

2021 Agency & Advertiser of the Year Awards

Bronze in Outstanding Social Media Management Team of the Year

2021 Wealth Magazine Financial Award

FinTech Innovation and Application Award



Happiness Workplace

The 3th CommonHealth Magazine CHR Health Corporate Citizenship

Bronze Award for enterprises with more than 5,000 employees

2021 Sports Activist Awards

Bronze Sponsorship Award

2021 Insurance Dragon and Phoenix Award

Outstanding Award in Best Insurance Companies for Finance Graduates - Office and Field categories

Company Overview

光 About SKL

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

Business Philosophy

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

◆ Innovation ◆

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



◆ Service ◆

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



◆ Sincerity ◆

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



◆ Giving Back to Society ◆

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



Company name:	Shin Kong Life Insurance Co., Ltd.
Date of incorporation:	July 27, 1963
Headquarters:	Taipei City, Taiwan
Number of employees:	10,346 full-time employees and 4,117 unofficial employees
Total capital:	NT\$80 billion
Scope of products:	savings insurance, protection insurance, investment-linked insurance, medical injury insurance, group accident insurance, etc.
Scope of services:	payments, claims, living benefits, modifications of insurance contracts, policy loans, online transactions, etc.

Operations

Domestic Operations across Taiwan

Region	Branches	Regional sales offices and branch offices	Service centers
Regions with low population density (Note 1)	2	13	1
Offshore islands (Note 2)	1	2	0
Total (main island and offshore islands)	23	293	39

Note 1: According to the area of administrative districts and the population at the end of December 2021, these regions are administrative districts in municipalities, counties, and cities with a population density of fewer than 100 persons/square kilometer, including Hualien County and Taitung County.

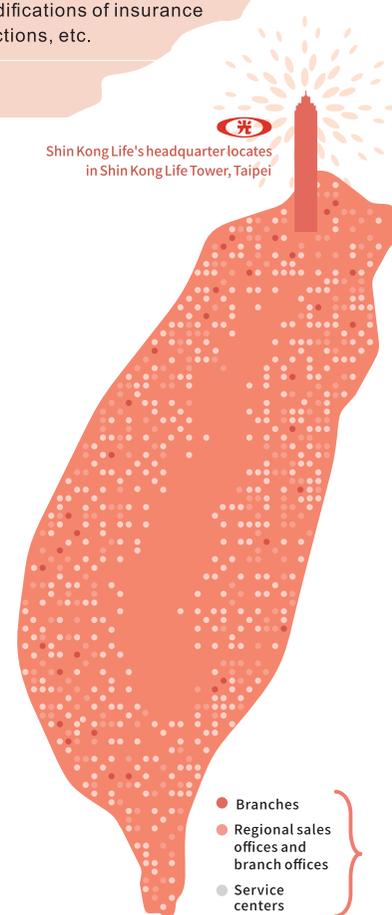
Note 2: Offshore islands refer to Kinmen County, Penghu County, and Lambai Island.

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

Overseas Operations

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

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



Economic Performance

2021 was a banner year in the overall business operations of SKL. The company's net profits after tax amounted to NT\$12.59 billion, and total assets reached NT\$3.4 trillion, a 4.7% increase from the previous year. Through internal and external marketing channels such as sales representatives, banks, and insurance brokers, the Company generated the first year premium (FYP) of NT\$52.78 billion in 2021, with a total premium income of NT\$239.59 billion and a market share of 8.1%. By promoting foreign-currency denominated insurance products and protection insurance products, the FYP of foreign-currency denominated insurance products accounting for 80.8% of the total FYP, and the cost of liabilities continued to drop by 10 bps to 3.73% from the previous year. Looking ahead to 2022, we will continue to promote the sales of foreign-currency denominated insurance products, control the cost of hedging, stabilize income, and increase the value of new business.

Premium Income by Insurance Type

Item	Premium Income	Percentage
Personal life insurance	195,427	81.57%
Personal health insurance	33,234	13.87%
Personal accident insurance	6,479	2.70%
Annuity insurance	2,041	0.85%
Group insurance	2,405	1.00%
Total premium income	239,586	100.00%

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

Marketing Channels

Item	Premium Income	Percentage
Sales representatives	31,067	58.86%
Banks	15,725	29.79%
Insurance brokers and others	5,990	11.35%
Total	52,783	100.00%

Note 1: Premium Income is the first year premium (FYP) of each marketing channels in 2021.
Note 2: Others include direct marketing and other marketing channels.

SKL's Financial Performance in the Past Three Years

Item	2019	2020	2021
Operating revenue	437,791	412,756	360,771
Earnings per share (NT\$)	2.16	1.14	1.86
Operating costs	412,404	398,061	339,702
Employee wages ^(Note 2)	10,946	10,293	9,572
Employee benefits ^(Note 2)	1,625	1,636	1,491
Dividends for shareholders ^(Note 3)	0	0	0
Payments to the government	1,087	1,121	1,175
Charitable contributions ^(Note 4)	97	52	84
Economic Value Retained ^(Note 2 & 5)	11,632	1,593	8,747
Retained earnings	85,424	80,422	94,175

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

Note 2: Employee wages, employee benefits, and economic value retained have been restated due to adjustments to the boundary and calculation methods, so they are different from those in the 2020 report.

Note 3: The Company adopts a stable and balanced dividend policy for the distribution of dividends and bonuses. The distribution of dividends may be adjusted appropriately depending on the needs of business operations and funds, approval of competent authorities, and major amendments to laws and regulations. In recent years, to supplement capital in response to the application of IFRS17, SKL had no plan to distribute cash dividends.

Note 4: Charitable contributions were compiled by SKL (refer to Chapter Social Contribution)

Note 5: Economic value retained: "direct economic value generated" less "economic value distributed." Direct economic value generated refers to revenue; economic value distributed includes operating costs, employee wages and benefits, payments to providers of capital, payments to the government by country, and charitable contributions.

Participation in External Organizations

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

In 2021, the Company invested about NT\$12.77 million in participating organizations and associations, including Taiwan Alliance for Net Zero Emission and Taiwan Center for Corporate Sustainability (TCCS). To stay competitive in the industry, SKL also cooperated with organizations and associations with influence on the development of the financial sector to keep abreast of the latest trends and dynamics of the industry at home and abroad.

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

Sustainability Initiative

- In 2021, SKL became a member of the Asia Investor Group on Climate Change (AIGCC), Taiwan's second member of AIGCC, working with international investors to study risks and opportunities related to climate change. Through the collective initiative, the members of AIGCC strove to exert their influence as institutional investors to create social value with sustainable investing.
- SKL and SKFH joined forces to form the Taiwan Alliance for Net Zero Emission, aiming to promote the initiative, "Net Zero 2030/2050."



SUSTAINABLE DEVELOPMENT

Sustainability Strategy and Target

Corporate Sustainability Committee

Stakeholder Engagement

Material Issues Assessment



Corporate Sustainability Vision

SKL is committed to becoming a benchmark company for sustainable operation and a trusted financial partner.

Sustainable Value Proposition

Adhering to the goals of low carbon, innovation, and mutual benefit, SKL cares for life and proposes to promote sustainable finance together with stakeholders by offering financial products that are friendly to the global environment and people in every corner of society and at every stage of their lives.



Sustainability Strategy and Target

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

ESG Commitment

Our Light and Heart Are Always with You

- ◆ Take responsibility for the environment and work together to find solutions to climate change and other environmental challenges.
- ◆ Meet policyholders' needs and create opportunities for sustainable development.
- ◆ Place emphasis on talent cultivation and develop forward-looking human resources policies to lay the foundation for sustainable management.
- ◆ Actively communicate with stakeholders to build mutual trust and confidence.
- ◆ Strive to become a social value creator.

Sustainable Development Strategy and Target

Low carbon

Strengthening climate resilience



Plan

- ◆ Improve climate risk management and disclosure

Short-term Target(2022~2024)

- ◆ Introduce the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2022
- ◆ Disclose TCFD-aligned information by 2023

Medium- to long-term Target (2025~2031)

- ◆ In line with the roadmap of the Green Finance Action Plan 2.0 by competent authority

Outcomes in 2021

- ◆ Established a TCFD group under the Corporate Sustainability Committee
- ◆ Reported the implementation of TCFD to the Board of Directors

Advancing on net zero emissions



Plan

- ◆ Develop an environmental management mechanism
- ◆ Construct green buildings

Short-term Target(2022~2024)

- ◆ Draft the plan and schedule for net zero emission 2030
- ◆ Reduce greenhouse gas (GHG) emissions by 2%
- ◆ Draft five green building plans and obtain one green building candidate certificate and one green building certificate

Medium- to long-term Target (2025~2031)

- ◆ Achieve net zero emissions at the headquarters by 2026
- ◆ Achieve net zero emissions at the headquarters and all other offices by 2030
- ◆ Obtain green building certificates (silver and above) for all new projects

Outcomes in 2021

- ◆ Reduced GHG emissions by 1.39%
- ◆ Became a member of the Taiwan Alliance for Net Zero Emission
- ◆ Obtained two green building certificates (gold)

Expanding influence on green financing



Plan

- ◆ Build a green ecosystem
- ◆ Promote paperless insurance policies

Short-term Target(2022~2024)

- ◆ Provide policyholders with various paperless options and digital experience
- ◆ Boost the application of insurance technology platforms and digital tools

Medium- to long-term Target (2025~2031)

- ◆ SKL's own sales channels e-insurance usage rate maintained at over 95%
- ◆ Percentage of traditional paper-based policies dropped to below 40%

Outcomes in 2021

- ◆ SKL's own sales channels e-insurance usage rate: 94%
- ◆ Percentage of traditional paper-based policies: 58%



Sustainable Development Strategy and Target

Innovation

Innovating digital service



Plan

- ◆ Improve digital skills
- ◆ Facilitate the digital transformation process
- ◆ Increase digital customers

Short-term Target(2022~2024)

- ◆ Improve the digital capabilities of sales representatives and sales channels
- ◆ Developing remote scenarios and completing the trial of remote insurance for SKL's own sales channels
- ◆ Expand digital customers and services to boost customer satisfaction

Medium- to long-term Target (2025~2031)

- ◆ Percentage of e-agent > 65%
- ◆ Expand the application of video platforms to achieve omnichannel remote insurance
- ◆ Percentage of net promoter score (NPS) > 80%

Outcomes in 2021

- ◆ Percentage of e-agent: 48.8%
- ◆ NPS: 78.8%

Furthering the fair treatment of customers



Plan

- ◆ Strengthen product inclusion
- ◆ Optimize service inclusion
- ◆ Prevent the exploitation of the elderly
- ◆ Publicize the fundamentals of finance and insurance

Short-term Target(2022~2024)

- ◆ Continue to develop ESG-based products and services
- ◆ Optimize the user experience of people with disabilities and ways to conduct telephone interviews with them
- ◆ Rank top 20%~80% in the fair treatment of customer assessment

Medium- to long-term Target (2025~2031)

- ◆ Continue to promote the fair treatment of customers and friendly financial services to rank top 20% in the fair treatment of customer assessment

Outcomes in 2021

- ◆ Received four awards in the 2021 Insurance Competition: Significant Progress Award of Fair Treatment of Customers, Outstanding Bailout Award, Micro-Insurance Outstanding Performance Award, and Disability Care Award
- ◆ Obtained ISO 22301 (BCMS) certificate from BSI

Creating a happy workplace and nurturing the talent



Plan

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

Short-term Target(2022~2024)

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

Medium- to long-term Target (2025~2031)

By 2025:

- ◆ Average training hours per employee > 100 hours
- ◆ Percentage of open positions filled by internal candidates > 50%
- ◆ Retention rate of outstanding talent > 90%
- ◆ Percentage of females in senior management positions > 30%

Outcomes in 2021

- ◆ Average training hours per employee: 96.1 hours
- ◆ Percentage of open positions filled by internal candidates: 52%
- ◆ Retention rate of outstanding talent: 96.3%
- ◆ Percentage of females in senior management positions: 16.4%
- ◆ Employee engagement survey: 70%



Sustainable Development Strategy and Target

Mutual Benefit

Unleashing the importance of sustainable finance



Plan

- Promote sustainable finance

Short-term Target(2022~2024)

- Complete engagement with investees
- Increase the amount of securities investments under the principles of sustainable investing by 3%
- Increase the amount of investments in sustainable financial products or renewable energy businesses by 5%
- Sustain ESG investing and green investment/financing

Medium- to long-term Target (2025~2031)

- Amend policies and guidelines for sustainable finance step by step
- Optimize the mechanism for engagement with investees
- Achieve a 3% CAGR in the amount of securities investments under the principles of sustainable investing between 2021 and 2025

Outcomes in 2021

- Signed the Stewardship Principles for Institutional Investors
- Disclosed data on the exercise of voting rights
- Spent more than NT\$196.7 billion on ESG investing

Expanding social participation



Plan

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

Short-term Target(2022~2024)

- Form public-private strategic alliances and work with employees and customers to initiate philanthropic projects
- Achieve 2.2 volunteer hours per capita

Medium- to long-term Target (2025~2031)

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

Outcomes in 2021

- Invested NT\$75 million in community engagement, benefiting up to 471,000 people
- Calculated SROI for the "Happy Dining Table with an Acre of Land" Program, which created NT\$5.7 for every NT\$1 spent on the program

Implementing sustainable supply chain management



Plan

- Enhance procurement influence

Short-term Target(2022~2024)

- Continue to perfect the supplier management mechanism
- Have all new suppliers sign the supplier CSR commitment letter
- Green purchase accounts for more than 15% of the available purchase amount

Medium- to long-term Target (2025~2031)

- Continue to implement sustainable supply chain management
- Hold supplier meetings with SKFH on a regular basis
- Continue collaboration with suppliers on ESG activities

Outcomes in 2021

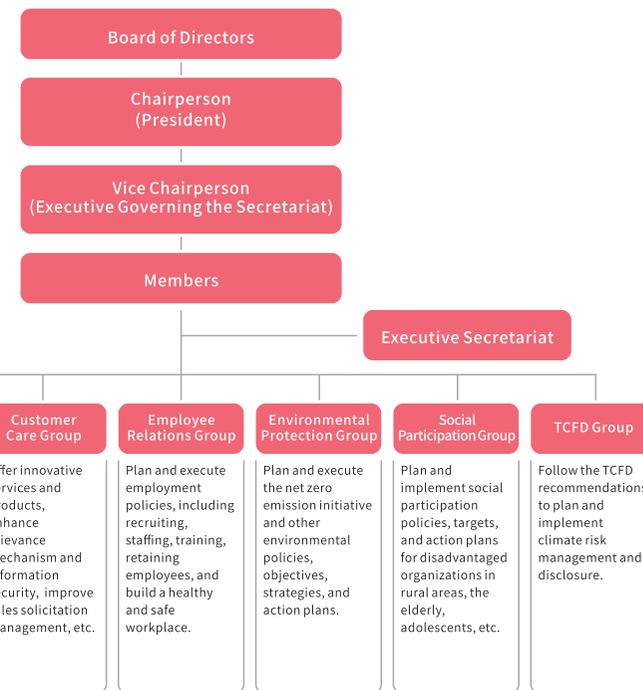
- Set up a supplier management system
- Completed the human rights risk assessment for key suppliers
- Received second prize in Buying Power and awarded an outstanding enterprise in the 2021 Plan for the Promotion of Green Procurement and Consumption in Enterprises and Organizations

Corporate Sustainability Committee

In response to the trend in sustainable development, the Company changed the name of the “CSR Committee” to “Corporate Sustainability Committee” in 2021. SKL incorporates the concept of sustainable development into daily business activities; meanwhile, we encourage employees to receive ESG training to improve their knowledge and skills in relation to sustainability, in an attempt to make sustainability part of the Company's DNA.

The operations of the Corporate Sustainability Committee in 2021 are as follows:

- (1) Convened four meetings of the groups to follow up on the implementation of sustainability actions and to draft annual sustainability targets.
- (2) Convened four meetings of the committee to resolve proposals, including amendments to the charter (addition of TCFD Group) and the review of annual results and the corporate sustainability report, and reported to the Board of Directors in accordance with the regulations.
- (3) Organized two ESG seminars on “Sustainable Finance and Circular Innovation amid the COVID-19 Pandemic” and “Advancing on Green Finance” in 2021, attracting 114 participants.
- (4) Participated in external training, with an average of 10.5 training hours per executive secretary.



Structure	Description
Supreme Representative	Chaired by the President, with a Senior Vice President being the vice chairperson
Management Representative	Other Senior Vice Presidents and above are the members.
Working Group	Set up an executive secretariat and seven groups.
Operation Mechanism	<ul style="list-style-type: none"> The Corporate Sustainability Committee and groups meet on a regular basis and report to the Board of Directors on the corporate sustainability objectives, implementations, and outcomes. Under the joint supervision of the Board of Directors and executives, each group works together to divide the work of promoting sustainable business.

Stakeholder Engagement

Shin Kong Life identified eight groups of stakeholders, and used various channels to communicate with stakeholders about their concerns and respond in a timely manner. Through the operations of the Corporate Sustainability Committee, SKL also integrated ESG topics that concern stakeholders into the responsible groups' annual to-do list. The implementation of these topics is regularly reviewed and reported to the Board of Directors. Communication results in 2021 are as follows:

Topics and Results of Communication with Stakeholders

The importance of stakeholders to SKL	Topic	Channel of Communication	Frequency of Communication	Communication Results in 2021
 <p>Shareholder/ Investor Robust financial performance and effective investment risk management are topics that shareholders and investors care about.</p>	<ul style="list-style-type: none"> Financial performance Sustainable finance Corporate governance and ethical corporate management Social participation 	<ul style="list-style-type: none"> Shareholders' meeting Extraordinary shareholders' meeting Institutional investors' conference Company website Market Observation Post System (MOPS) 	<ul style="list-style-type: none"> Annually Irregular Quarterly Permanent Permanent 	<ol style="list-style-type: none"> Held the annual shareholders' meeting, and set up a shareholders' equity area on the company website to disclose matters such as corporate governance and shareholders' equity Held 8 institutional investors' conferences in both Chinese and English with SKFH Set up an information disclosure area on the company website to regularly disclose information on the finances, credit rating, corporate governance, and fulfillment of corporate social responsibility Posted financial statements, annual reports, and other information on the MOPS
 <p>Employee Employees are an important asset for the sustainable development of the Company. How to correctly convey SKL's people-oriented approach through employees and actively respond to employees' opinions is the key to long-term business viability.</p>	<ul style="list-style-type: none"> Financial performance Talent recruitment and retention Talent cultivation and development Occupational health and safety Human rights and decent work 	<ul style="list-style-type: none"> Feedback area on the Intranet E-newsletters (HR & OHS) Email and hotline for employee communication Labor-management meeting Employee survey 	<ul style="list-style-type: none"> Permanent Irregular Permanent Quarterly Once every two years 	<ul style="list-style-type: none"> Added 40 comments to the feedback area on the Intranet Issued 3 HR e-newsletters to publicize incentives and benefits, internal vacancies, and new employees; issued 4 OHS e-newsletters to promote epidemic prevention and occupational safety and health Received 2 employee complaints and no labor dispute Held 4 labor-management meetings Employee engagement rate: 70%
 <p>Policyholder Insurance is all about serving people. To ensure business sustainability, SKL timely responds to and meets the diverse policyholders' needs for products and communication and continuously enhances service.</p>	<ul style="list-style-type: none"> Risk and crisis management Corporate governance and ethical corporate management Sustainable finance Innovation and digital finance Social participation 	<ul style="list-style-type: none"> Customer service hotline (0800) Company website SKL app EDM Policyholder quarterly Service locations SKL Facebook fan page Satisfaction survey Insured care project Complaint/Reporting email 	<ul style="list-style-type: none"> Permanent Permanent Permanent Irregular 4 times/year Permanent Permanent Regular Irregular Permanent 	<ul style="list-style-type: none"> NPS: 78.8% Answered nearly 522,000 customer service calls, with an 88.1% satisfaction rate (Refer to Service Innovation- Customer Service and Communication)
 <p>Key investees and borrowers We pay close attention to investees and ensure the availability of sufficient and effective information on investees to maximize the interests of customers and shareholders.</p>	<ul style="list-style-type: none"> Financial performance Sustainable finance 	<ul style="list-style-type: none"> Institutional investor's due diligence report Institutional investors' conference/ shareholders' meeting Personal visit 	<ul style="list-style-type: none"> Annually Annually Irregular 	<ul style="list-style-type: none"> Published the institutional investor's due diligence report Attended a total of 219 shareholders' meetings (Participation Rate 100%) Voted on 974 proposals

Topics and Results of Communication with Stakeholders

The importance of stakeholders to SKL	Topic	Channel of Communication	Frequency of Communication	Communication Results in 2021
 <p>Community and NPO/NGO Having long adhered to the business philosophy of giving back to society, SKL strives to invest resources in the communities to promote social welfare.</p>	<ul style="list-style-type: none"> Sustainable finance Risk and crisis management Corporate governance and ethical corporate management Business impact on the environment 	<p>Lecture Art and cultural activity Philanthropic activity Disaster relief Foundation Website</p>	<p>Irregular Irregular Irregular Permanent Permanent</p>	<ul style="list-style-type: none"> The Life Lab. organized 47 lectures, attracting a total of 4,832 participants Sponsored local art and cultural activities such as Beehive Fireworks Festival and Dajia Mazu Pilgrimage Worked with Shin Kong Life Foundation and NPOs/NGOs to increase the public awareness of environmental issues and organize philanthropic activities for the elderly Invested NT\$83.78 million in social participation, benefiting approximately 470,000 participants (Refer to Social Contribution)
 <p>Government and competent authority As banking and insurance are highly regulated by competent authorities, SKL maintains sound and steady operations in strict compliance with the laws and regulations.</p>	<ul style="list-style-type: none"> Sustainable finance Legal Compliance Risk and crisis management Information security Innovation and digital finance Customer relations and service quality Financial inclusion Actions for climate change 	<p>Official letter Meeting organized by the competent authority Court activity Seminar</p>	<p>Irregular Irregular Irregular Irregular</p>	<ul style="list-style-type: none"> Ranked top 20% in the corporate governance evaluation Attended policy discussions and seminars organized by competent authorities
 <p>Supplier We partner with suppliers to meet the stakeholders' needs in course of achieving sustainable development.</p>	<ul style="list-style-type: none"> Supplier sustainability management Information security Legal Compliance Occupational health and safety 	<p>Suppliers' commitment statement Price negotiation meeting Contract negotiation Supplier meeting Complaint hotline</p>	<p>Irregular Irregular Irregular Irregular Irregular</p>	<ul style="list-style-type: none"> Had 100% of new suppliers sign the supplier CSR commitment letter Conducted a human rights risk assessment for suppliers in terms of labor relations, privacy protection, and occupational safety and health (Refer to Low-carbon Management- Sustainable Supply Chain)
 <p>Media/Evaluation institution The media/evaluation institutions play a vital role in carrying messages for SKL. To ensure unimpeded communication with stakeholders, it is important to maintain good interaction with the media/evaluation institutions.</p>	<ul style="list-style-type: none"> Legal Compliance Corporate governance and ethical corporate management Actions for climate change Business impact on the environment Sustainable finance Financial inclusion Information security Talent cultivation and development 	<p>Evaluation survey Seminar/Workshop Press release Press conference Interview</p>	<p>Irregular Irregular Irregular Irregular Irregular</p>	<ul style="list-style-type: none"> Participated in competitions such as Global Views CSR Award, CommonWealth Magazine Corporate Citizenship Awards, Taiwan Insurance Excellence Awards, and Faith, Hope & Love Awards of Insurance Held one luncheon with the media Issued 947 press releases (media coverage) Organized 5 press conferences Arranged and facilitated 45 media interviews

Material Issues Assessment

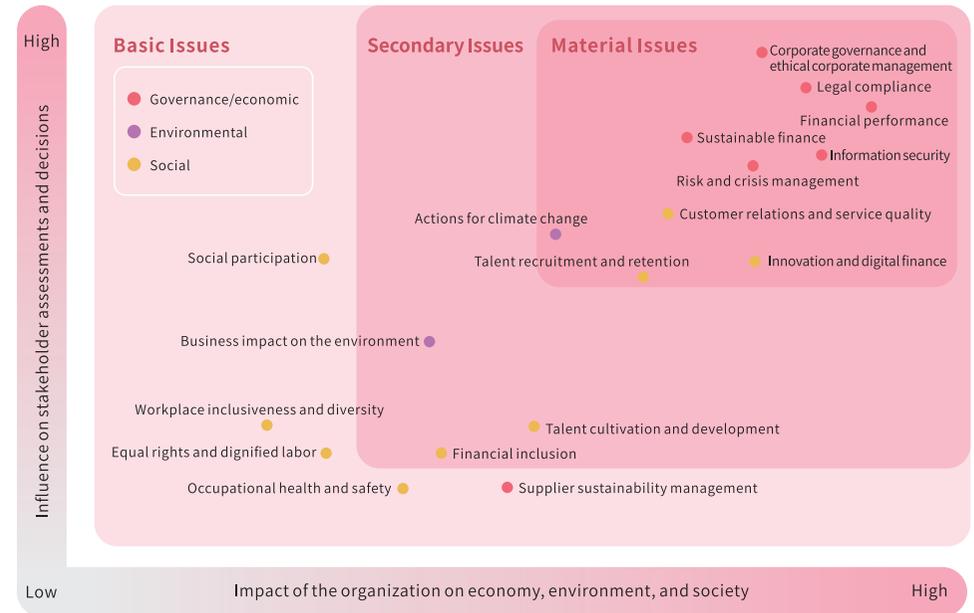
Shin Kong Life selected the potential sustainability issues by referring to domestic and international trends, and conducted a survey to identify the material issues of the 2021 SKL CS Report based on the views of various stakeholders through the groups of the Corporate Sustainability Committee. The disclosures in this report and the future direction of our sustainability strategy are based on these material issues.

SKL's Material Issues Identification Procedure

<p>Step 1 Collection and Identification</p> 	<p>Principles: Sustainability Context, Stakeholder Inclusiveness, and Completeness</p> <ul style="list-style-type: none"> SKL identified 18 sustainability issues according to international sustainability development trends, material issues of the insurance industry at home and abroad, the latest domestic laws and regulations, as well as SKFH's sustainability strategies and material issues. With an increasing concern for human rights around the world, "inclusion and diversity in the workplace" was added this year; in addition, "innovative product and digital finance" was renamed "innovation and digital finance."
<p>Step 2 Assessment</p> 	<p>Principles: Stakeholder Inclusiveness</p> <ul style="list-style-type: none"> A total of 44 members from the groups of the Corporate Sustainability Committee participated in the assessment of issues in terms of their impact on the business and importance to stakeholders. SKL distributed questionnaires through the Internet, SKFH institutional investor conferences, and seminars to understand the importance of 18 sustainability topics for 10 types of stakeholders, including investors, customers, and suppliers. A total of 45 questionnaires was retrieved from external stakeholders.
<p>Step 3 Ranking</p> 	<p>Principles: Materiality and Completeness</p> <ul style="list-style-type: none"> The materiality matrix was created based on the results of the survey, dividing sustainability issues into material topics (threshold: 0.8), secondary topics, and basic topics.
<p>Step 4 Verification and Review</p> 	<p>Principles: Completeness and Sustainability Context</p> <ul style="list-style-type: none"> The results of the analysis were submitted to the President and senior executives for review to confirm the completeness of the materiality matrix. The material issues in the materiality matrix were the main topics disclosed in this report. The disclosure included management strategies and objectives, methods, and results of the material issues.

SKL's Materiality Matrix

The X axis of the SKL materiality matrix are set to the significance of economic, environmental, and social impacts, while the Y axis are set to the level of concern from stakeholders. Divided into material issues, secondary issues, and basic issues, the placement of the issues on the matrix reflects their materiality. This report mainly discloses and explains material issues to all stakeholders.



Material Issues and the Impact Boundaries

2021				Boundary of Impact						
Category	ESG Issue	Corresponding GRI Topic	Importance to SKL	Inside Organization	Outside Organization					Corresponding page
				SKL	Policyholders	Suppliers	Partner	Investees/Borrowers	Shareholders/Investors	
 Governance	Corporate governance and ethical corporate management	GRI 102 General Disclosure GRI 205 Anti-corruption	By establishing and implementing the mechanisms for corporate governance and internal control, we ensure that all the personnel and their operations are in line with the relevant laws and regulations and free of dishonesty, illegality, and breach of trust.	●	●	▲	▲	▲	○	13 19-21
	Financial performance	GRI 102 General Disclosure GRI 201 Economic Performance	SKL attaches importance to the essence of life insurance. We strive to maintain long-term, stable profitability to protect the interests of shareholders/investors and policyholders.	●	●	▲		▲	○	8
	Legal Compliance	GRI 419 Socioeconomic Compliance	The insurance industry is highly regulated. To ensure that all business activities comply with regulatory requirements, the Company is obligated to operate in accordance with laws and regulations.	●	○		▲			22-23
	Information security	GRI 418 Customer Privacy	We establish an information security management system to protect customer privacy and personal information.	●	●	▲	▲		○	23
	Sustainable finance	GRI 203 Indirect Economic Impacts	We comply with the Stewardship Principles for Institutional Investors by incorporating ESG criteria into the investment decision-making process and communicating with investees and borrowers actively.	●				▲	○	34-35
	Risk and crisis management	GRI 201 Economic Performance	SKL establishes a rigorous risk management system to identify and manage operational risks and opportunities, hoping to improve business resilience.	●	○				○	24-33
	Customer relations and service quality	GRI 417 Marketing and Labeling GRI 419 Socioeconomic Compliance	Take responsibility for the development and sale of products and fully disclose the product information to ensure the quality of services.	●	●		▲			22,44 49-53
	Innovation and digital finance	GRI 203 Indirect Economic Impacts	SKL listens to customers' needs and offers better products and services through innovative applications of financial technology.	●	●		▲			44-48
 Social	Talent recruitment and retention	GRI 401 Employment GRI 404 Training and Education	The Company actively recruits talent in various fields, and also attaches great importance to the voice and the development of our employees to enhance the human capital.	●						55-64
 Environmental	Actions for climate change	GRI 305 Emissions GRI 201 Economic Performance	We strive to comply with the net zero emission initiative and the competent authorities' requirements for TCFD.	●	○	▲	▲	▲	○	37-41 25-33

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



CORPORATE GOVERNANCE

MUTUAL BENEFIT

Corporate Governance and Ethical Management / Information Security / Risk management / Sustainable Finance

Obtained the "ISO 22301 BCMS" international standard certification from the BSI.

In 2021, the relevant sustainability and corporate governance course of training reached **154 hours** for the directors of SKL.



Compliance with the TCFD framework, introduce climate governance mechanisms, calculate **the financed emission**, formulate **a scope for high-carbon emission industry**, and incorporate climate risk assessment into investment and financing evaluation mechanisms.



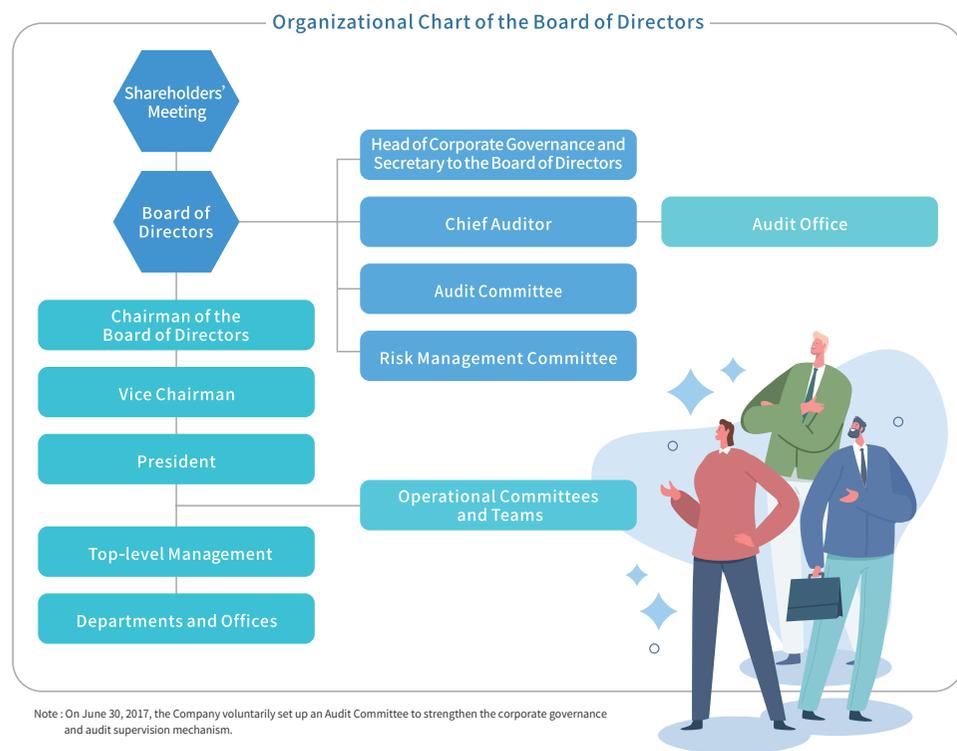
ESG-themed investment reached over **NT\$196.7 billion**
ESG financing amounted to **NT\$7.87 billion**



Corporate governance and ethical management

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

We have a Code of Corporate Governance signed by the Board of Directors and continue to use corporate governance as a basis for strengthening the foundation for sustainable business operation. (More information is publicly available).



Strengthening the Functions of the Board of Directors

SKL is a subsidiary of Shin Kong Financial Holdings Co., Ltd. (SKFH), who owns 100% of its shares, and has established the overall structure and authority of the Board of Directors in accordance with the Company Act, the Insurance Act, the Securities and Exchange Act, and other relevant laws and regulations. In 2021, there were 15 Directors (including 3 Independent Directors) who were responsible for the Company's operational policies and oversee and manage the results of ESG initiatives at all levels.

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

In order to enhance the effectiveness of the operations of the Board of Directors, the Board of Directors' performance is evaluated annually in accordance with the "Corporate Governance Best Practice Principles for Insurance Companies". In 2021, the average score of directors' self-assessment was 93 (full score of 100) and the average score of peer evaluation (overall evaluation) was 89 (full score of 100). The performance of the Board of Directors was good.

Board of Directors' Members Information Unit: Number of people

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

Note: Since the Company is a subsidiary of the parent company, SKFH, which holds all of the issued shares, in accordance with the provisions of the Company Act, the Financial Holding Company Act, and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the members of the Board of Directors are all appointed by SKFH after qualification review and approval by the Chairman of SKFH, and the Chairman does not concurrently hold other duties in the management team.

Board Diversity Policy

In order to ensure the diversity of directors, as well as the ability to review and discuss ESG issues, the parent company, SKFH, follows all the regulations in appointing members of the Board of Directors of the Company, taking into account their professional background. At present, the members of the Board of Directors of SKL specialize in the fields of finance, risk management, insurance, and laws. Please refer to the SKL Information Disclosures on the insurance industry's Market Observation Post System (MOPS), or see the 2021 SKL Annual Report (P.20~P.24)

Strengthening the Competencies of the Board of Directors

In order to enhance the knowledge of the Board of Directors on responsible management, economic, environmental and social issues, in 2021, we conducted “Director and Senior Supervisor Information Security Education and Training”, “Ethical Management and Fair Treatment of Customers, AML Outlook and International Trends, Prevention of Insider Trading”, “IFRS 17 Competition Blueprint and Corporate Governance 3.0” and other courses for a total of 154 training hours, with an average of 9 hours of training per person. In addition, we regularly report to the Board of Directors in accordance with the Money Laundering Prevention Statement. The 15 members of the organization’s governance unit have communicated 100% of the organization’s anti-corruption policies and procedures, please see the insurance industry’s MOPS for details. [↗](#)

Remuneration Scheme for Directors and Executives

We have established the “Guidelines for the Remuneration of Directors and Supervisors”, which are agreed upon with reference to the industry standard with respect to the extent of directors’ participation and contribution to the Company’s operations. In addition, the remuneration of independent directors is fixed by the Board of Directors’ meeting and it is stipulated that they shall not participate in the distribution of SKL’s earnings. Please refer to the 2021 SKL Annual Report (p.33 ~ p.36) [↗](#).

Remuneration Scheme for Directors and Executives

<p>Link between Directors’ Remuneration and Organizational ESG Performance</p>	<p>The remuneration of the SKL’s directors is determined by the Board of Directors’ meeting, taking into account the degree of their participation in the operations of the Company and the value of the contribution. All directors (except independent directors) are paid the Chinese New Year bonus, using their travel expenses as the base and the base amount of the overall employee performance bonus for the year. In addition, the Chairman and Vice Chairman receive a fixed monthly remuneration each month, and based on the monthly fixed compensation, the Board of Directors shall approve the performance bonuses according to the annual performance bonuses for executives. The employee’s overall performance and the organizational performance of executives are included in the achievement of ESG project, and the director’s remuneration is therefore effectively linked.</p>												
<p>Link between Executives’ Remuneration and Organizational ESG Performance</p>	<p>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.</p> <p>In order to achieve the goal of sustainable management, the performance management system enables executives to effectively undertake the Company’s business strategy and development plan through their responsibilities and performance. In addition to the financial indicators, the ESG strategy’s management philosophy and core values shall also be included in the formulation of the Company’s overall key performance indicators (KPIs) in 2021 to shape the culture of corporate responsibility.</p> <p>Overall KPIs for 2021</p> <table border="1" data-bbox="293 1230 1050 1487"> <thead> <tr> <th>Indicator Category</th> <th>Weight</th> <th>Indicator Description</th> </tr> </thead> <tbody> <tr> <td>Business Philosophy and Core Values</td> <td>50%</td> <td>Includes fair treatment of customers, legal compliance, digital financial services, talent development, and information security.</td> </tr> <tr> <td>Financial Performance and Business Quality</td> <td>50%</td> <td>Includes financial and business aspects (e.g., profitability, risk control, business quality/drive).</td> </tr> <tr> <td colspan="2">Extra point items</td> <td>Business innovation, enhancement of customer experience and overall effectiveness of the Group, etc.</td> </tr> </tbody> </table>	Indicator Category	Weight	Indicator Description	Business Philosophy and Core Values	50%	Includes fair treatment of customers, legal compliance, digital financial services, talent development, and information security.	Financial Performance and Business Quality	50%	Includes financial and business aspects (e.g., profitability, risk control, business quality/drive).	Extra point items		Business innovation, enhancement of customer experience and overall effectiveness of the Group, etc.
Indicator Category	Weight	Indicator Description											
Business Philosophy and Core Values	50%	Includes fair treatment of customers, legal compliance, digital financial services, talent development, and information security.											
Financial Performance and Business Quality	50%	Includes financial and business aspects (e.g., profitability, risk control, business quality/drive).											
Extra point items		Business innovation, enhancement of customer experience and overall effectiveness of the Group, etc.											

2021 Implementation Results

ESG-related regulations reviewed and approved by the Board of Directors :

1. Evaluation of the appropriateness of the overall risk management mechanism with respect to four major aspects: risk management culture, risk management policies and systems, risk management execution and review, and the effectiveness of internal audits.
2. Revision of the internal control system, policies and procedures for total investment in marketable securities, procedures for handling investment in public and social welfare projects, whistleblower handling, personal information management policy, accounting system, donation management system, consumer dispute handling system, legal compliance risk management and supervision, and code of ethical conduct.
3. The report on the implementation of the fair treatment of customers, the report on the performance of the project using public and social welfare investments, the report on the overall implementation of information security, the report on the compliance with laws and regulations, the report on anti-money laundering and anti-counterfeiting, and the report on the financial friendly service project planning.

Proposal



Remuneration paid to directors, president and vice president in 2021, total remuneration as a percentage of net income after tax

Item	Amount (NT\$ thousand)	Percentage of net income after tax
Remuneration and total amount of remuneration of Directors, President and Vice President	216,319	1.72%

Promote Ethical Management

In order to implement ethical management, we follow the rules and regulations set by our parent company, SKFH, and provide reporting channels, and conduct annual education and training for all employees to convey the value of ethical management to all employees. 100% of our employees have completed ethical management education and training in 2021.

SKL Code of Integrity and Ethical Values

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



Conflict of Interest Avoidance Mechanisms

The Company has specifically stipulated in the Rules of Procedure of the Board of Directors' Meeting that those who are stakeholders themselves or the legal entity they represent shall state the material content of their stake at the current Board of Directors' Meeting. In case of adverse effect on the Company's interests, they shall not participate in the discussion and voting, shall recuse themselves from the discussion and voting, and may not exercise their voting rights on behalf of other directors, as described in the 2021 SKL Annual Report (P.49~P51) [↗](#), and disclosed on the SKL information disclosures website [↗](#).

Ethics and Integrity Consultation and Reporting

Code of Ethical Conduct

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

Employee Code of Conduct

We attach great importance to the ethical conduct of our insurance employees and have established the "Personnel Management Rules" and "Rules for Rewards and Punishment of Salespersons" to protect the rights and interests of our policyholders and the Company. There was no incident of acceptance of bribery in 2021.

Regulations for Handling Reported Cases

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

The confidentiality and protection system for whistleblowers

Protect the whistleblowers	The identity of the whistleblower and the contents of the report are kept confidential.
No retaliation	<ul style="list-style-type: none"> Whistleblowers shall not be discharged, dismissed, demoted, reduced wages, impaired their rights and interests to which they are entitled by law, contract, or custom, or otherwise disadvantageously or improperly treated. No adverse disciplinary action or improper action shall be taken against the receiving unit, the members of the investigation committee, the case execution unit, and other relevant units and personnel due to the report.
Internal Controls	<ul style="list-style-type: none"> Internal personnel who violate the obligation of confidentiality shall be punished in accordance with the relevant regulations of the Company's personnel management. If the receiving unit, case execution unit, other related units, and personnel are involved in litigation due to a reported case, they may follow the "Rules for Notification of Company Lawsuits and Employee Sued for Execution of Duty".

Strengthen Anti-money Laundering Mechanisms

Establish a dedicated unit

In order to ensure the establishment and implementation of the anti-money laundering system, an independent and dedicated unit is set up, with the Board of Directors designating an executive as the dedicated director, who will report to the Board of Directors and the Audit Committee at least half-yearly, and to immediately report to the Board of Directors and the Audit Committee in accordance with the regulations in the event of a material breach of laws and regulations. In 2021, the Money Laundering and Terrorism Risk Assessment Report was completed for all departments (including those in the field) of the Company, and no significant risks occurred.

100% anti-money laundering education 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 2021, the Board of Directors receiving anti-money laundering training was 100%, and specialized supervisors, specialized staff, and the supervisors of the domestic business units receiving the required training was also 100%.

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

Sound Internal Control and Internal Audit Systems

SKL has established a comprehensive internal control system and an independent auditing unit to conduct audits. The main purpose is to identify and improve operational deficiencies at an early stage and prevent them in a timely manner. We have also strengthened our internal controls to prevent the occurrence of fraud, and have included the rights of policyholders and employees, as well as the prevention of money laundering in our audit plan. For the implementation results and the improvement plans of internal control, please refer to the 2021 SKL Annual Report (P.88~P.94) [↗](#).

Audit mechanism

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

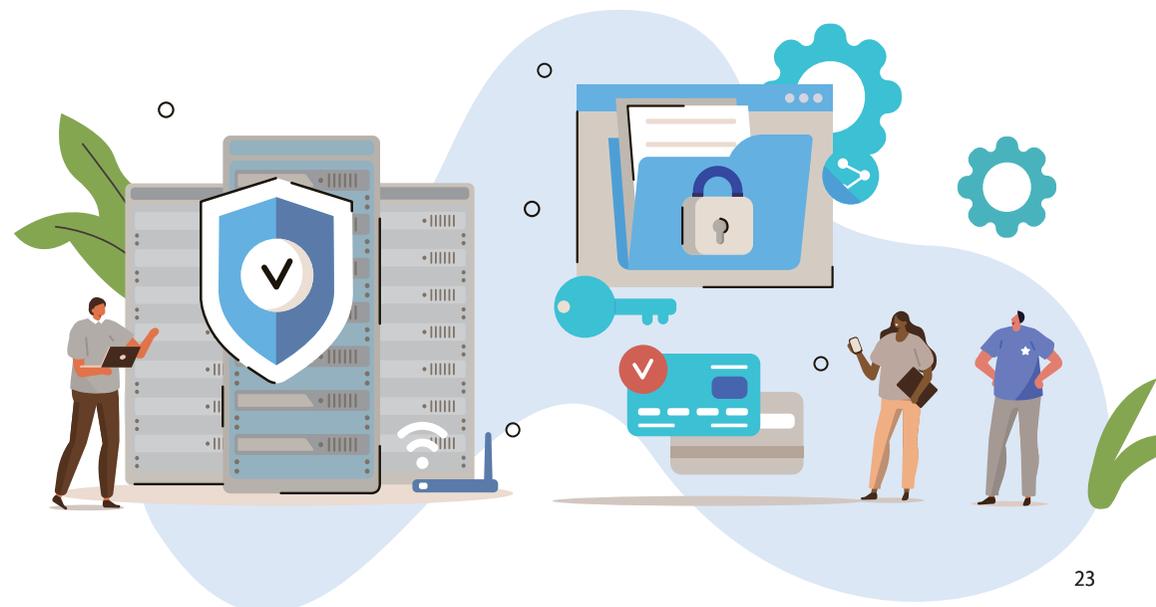
Information Security Management

Strategies	Management Mechanism
Continue to obtain international certification for information security	<ul style="list-style-type: none"> Obtained ISO 27001: 2013 Information Security Management System and BS 10012: 2017 Personal Information Management System. Promote the integration activities of information security management system and personal information management system.
Policy promulgation and implementation of regulatory compliance	<ul style="list-style-type: none"> Establish the "Information Security Policy" and "Personal Information Management Policy" approved by the Board of Directors as the highest guiding principles for information security and personal data protection Clearly disclose the Privacy Protection on the official website so that customers can easily find out how the Company uses their information and understand the rights that may exercise. In 2021, a total of 18 internal regulations relating to information security and personal data management were revised, and considered Privacy by Design during the design phase of new services or systems to protect personal data security. The KPIs for information security and personal information management, such as the completion rate of important information security projects, the number of information security incidents, and the cultivation of information security personnel, were all achieved ahead of schedule in 2021, indicating that information security and personal information have been fully integrated into the Company's business.
Customer Data Protection and Storage	<ul style="list-style-type: none"> Establish a personal data management cycle in accordance with laws, regulations, and international standards to ensure the adequacy and effectiveness of the operation of the personal data protection system. Conduct annual personal information breach drills to enhance employees' ability to respond to personal information breaches. Implement the security of the network, data center management and insurance application system development, operation and maintenance of various management operating environments. Commission external professional institutions to provide information security diagnostic services and complete the information security diagnostic report, annually. Implement the information security assessment according to the self-regulatory regulation of information security protection in the insurance industry, as well as following the SWIFT Customer Security Programme (CSP) and the Payment Card Industry Data Security Standard (PCI DSS) to integrate various information security project inspections and measurements. Continue to strengthen the level of the offsite backup system.
Joint Information Security Defense	<ul style="list-style-type: none"> Establish an information security incident management system to control information security incidents in real-time through immediate notification and processing of the system. Engage a professional information security provider for collaborative monitoring, providing 24/7 of uninterrupted incident analysis and monitoring management. Actively participate in the information security joint operation, use the latest domestic and international information, and identify gaps at an early stage to achieve early warning and prevention. In 2021, RSA AFCC's Anti-Fraud Services were used to help detect and shut down phishing websites, counterfeit mobile software, and international social media forgeries incidents to protect the security of the Company's online customer transactions and the Company's brand and assets.
Education and Training	<ul style="list-style-type: none"> All employees complete the annual training in compliance with laws and regulations, 2 orientation sessions for new employees, 3 promotional events for business department, and 5 promotional events for North/South administrative units. Publish an information security e-newsletter to enhance the effectiveness of advocacy through visualization. Personnel of the information security specialist unit shall complete more than 15 hours of information security professional course training annually in accordance with the regulations. In addition, we customized professional courses based on our business attributes and consideration for suitability, and obtained 34 international licenses in 2021.

Information Security Incident Reporting and Handling Mechanism

SKL has established the "Emergency Reporting Regulations", "Guidelines for Information Security Incident Reporting and Response Management", "Guidelines for Response to Personal Information Breaches", etc. In the event of a data security incident or personal information breach, the Company shall follow the relevant procedures for reporting. In addition, in order to ensure the complete protection of information systems and information security management, black box penetration testing, service interruption attack drills, etc. are conducted annually, and professional institutions are commissioned to conduct overall information security assessment to strengthen the information security level. There were no urgent incidents related to information security attacks or personal data breaches in 2021, and there were no complaints from the competent authorities or verified violations of customer privacy from external sources.

Item	2019	2020	2021
Breach of information security or network security (number of incidents)	1	0	0
Data leakage (number of incidents)	0	0	0
Customers and employees affected by data leakage (number of persons)	0	0	0
Amount of fines imposed for information security or network security incidents or information operations management failures (NT\$)	NT\$600,000	0	0



Risk management

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

The Four Pillars of Risk Management

SKL has established the four pillars of "risk management culture, risk management mechanism, risk measurement tools, and risk performance system" to manage operational risks in response to changes in external regulations or the environment.



Risk Management Framework

In order to effectively plan, monitor, and execute risk management matters, a Risk Management Committee is set up under the Board of Directors, which shall convene quarterly to elevate risk management to a strategic position and demonstrate the determination to implement risk management.

SKL Risk Management Committee	
Hierarchical Organization of the Board of Directors	The committee is convened by an independent director and includes executives such as the President, the Chief Vice President, the Chief Risk Control Officer, and the top-level managers of each jurisdiction.
Clear Risk Management Alerts	"Red, Yellow, Green" lights present the overall risk of the enterprise and are regularly reviewed and revised.
Continuously refined and strengthened	Provide opinions on important risk management issues and mechanisms, produce overall risk management reports, and submitted to the Board of Directors

(For more details on risk management mechanisms, please refer to SKL's Annual Report [↗](#) and Information Disclosure [↗](#))

Risk Management Measures and Response Mechanisms



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

SKL has set up a "Business Crisis Response Team" to establish crisis response measures and the Emergency Reporting Regulations to minimize the impact of unexpected events. We have also established a Business Continuity Management System (BCMS) to reduce the likelihood of operational disruption or damage and strengthen our ability to respond to major events and recover quickly so that SKL can maintain sustainable operations and protect the interests of our customers and all stakeholders.

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

For an uninterrupted information system, we have built an off-site backup environment and backup system. For important information systems and information files, the Company has a mechanism to synchronize the data files between the information center and the off-site backup center, for a complete backup protection. Other mechanisms include:

- The data center is energy-efficient and equipped to reduce the risk of service interruptions caused by abnormalities in the data center environment (cooling system, electrical wiring).
- Build a Tier 5 offsite backup environment.
- Establish a regular information business disaster response team, establish standard operating procedures for response to important service systems, track and manage abnormal items, and hold disaster prevention drills twice a year.

For epidemic prevention and control, in response to the major infectious diseases recognized by the competent authorities, the Company has established an "Epidemic Prevention and Control Response Team", with the President serving as the Chief of Epidemic Prevention, to coordinate and supervise the various epidemic prevention and control response measures to reduce the impact on the Company's internal operations and ensure the sustainable operation of the external operation system. The relevant measures are as follows:

- ◆ Set up a daily epidemic reporting system, establish management measures for group activities, use cloud-based video conferencing, suspend group activities that are more than 5 people indoors and 10 people outdoors, and conduct cross-building/inter-departmental meetings or activities online.
- ◆ Strengthen access control, use contract tracing for personnel entering the building, implement temperature control at the entrance, encourage employees with suspected symptoms to recuperate at home and come to the office only after their symptoms have subsided. Except for cargo transport contractors, personnel not working in the building are not permitted to enter the building.
- ◆ Conduct inventory of various tasks, implement work from home and office rotating shifts or remote office. Staff working in different locations are not allowed to have contact with each other during the outbreak control period.
- ◆ Set up the corporate rapid test station to provide on-site rapid tests for personnel coming to work.
- ◆ In public areas, increase the frequency of cleaning and disinfection, and if there are traces of patients of confirmed Covid-19 cases (including those that come in contact with confirmed cases) environmental disinfection operations will be arranged immediately.



Climate Change Risk Management

Greenhouse gas emissions cause global warming, and extreme climates are becoming more and more frequent. According to the Global Risk Report 2022 released by the World Economic Forum (WEF) in January 2022, the "climate action failure" and "extreme weather" are the top two of the top 10 global risks in the next decade. Facing the challenges of climate change, SKL actively responds to climate-related risks and opportunities as well as develops low-carbon transition strategies. In addition to implementing carbon reduction plans in the business operations, SKL also continues to seek new opportunities by promoting low-carbon development through investing and financing.

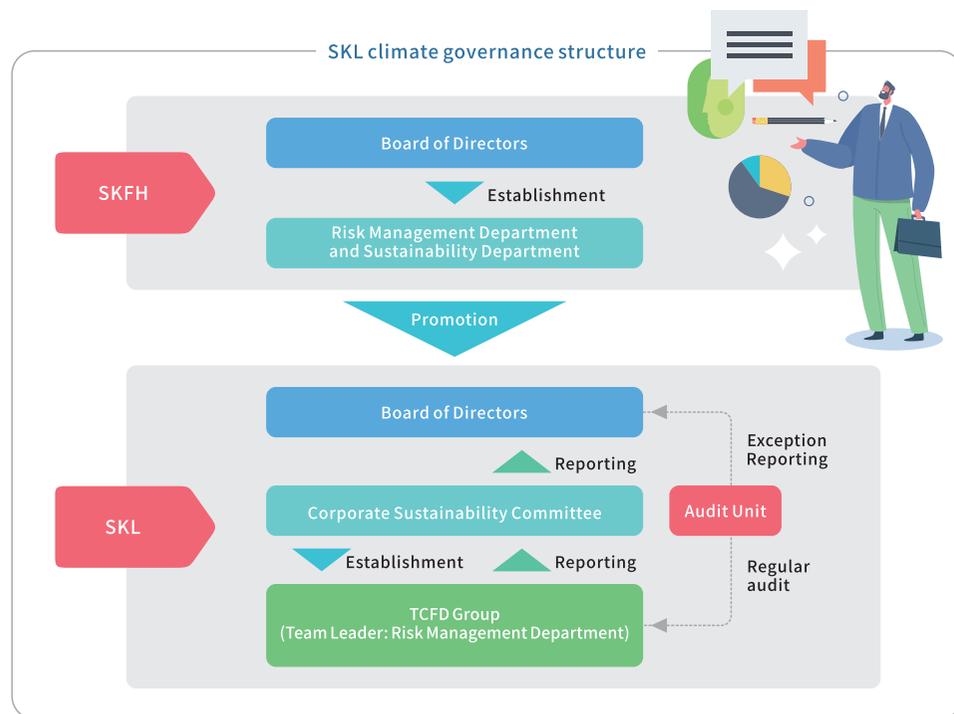
In September 2018, our parent company SKFH signed up for the Task Force on Climate-Related Financial Disclosures (TCFD) framework. Following the company strategies of SKFH and TCFD framework, SKL established a climate governance mechanism (including governance, strategy, risk management, and metrics and targets). We identified climate-related risks and used scenario analysis to assess the potential financial impact of climate change on the Company, and further to established management processes, developed climate strategies, and set relevant metrics and targets. Through the disclosure of relevant information according to the TCFD framework, we hope to strengthen our corporate resilience and explore opportunities for transformation. SKL's governance of climate-related risks and opportunities is structured around the four TCFD core elements as follows:

Climate Governance

The SKFH Corporate Sustainability Committee under the Board of Directors of our parent company SKFH is responsible for overseeing the sustainable development and climate change actions of SKFH and its subsidiaries, including green finance planning and performance, greenhouse gas inventory and emission reduction, and regularly reports climate change-related issues and implementation results to the Board of Directors.

In order to effectively achieve the parent company's goals, through the SKL Corporate Sustainability Committee, SKL incorporates the climate-related risk issues into our company strategies and actively promotes sustainable actions. The President serves as the chairperson of the Corporate Sustainability Committee, and the Risk Management Department serves as the leader of the TCFD group under the committee. The TCFD group is in charge of planning for the TCFD mechanism, developing countermeasures and implementation, and regularly reporting the implementation results to the Board of Directors. Climate risks are also incorporated into the Own Risk and Solvency Assessment (ORSA) and are regularly reported to the Risk Management Committee and the Board of Directors for discussion.





To effectively implement climate risk management, SKL has set up three lines of defense for internal control, and the relevant responsibilities are as follows:

Line of Defense	Responsible Unit	Description
1st line of defense	Investment and lending units	Included the climate risk assessment in the ESG risk review process of investment and financing, and reviewed the investment targets belong carbon-intensive industries.
2nd line of defense	Risk Management Department	Establish policies and procedures related to climate risk management. Identify and measure climate risks on a regular basis.
3rd line of defense	Audit units	Regularly audit the operation of the units and report unusual situations to the Board of Directors.

Strategy

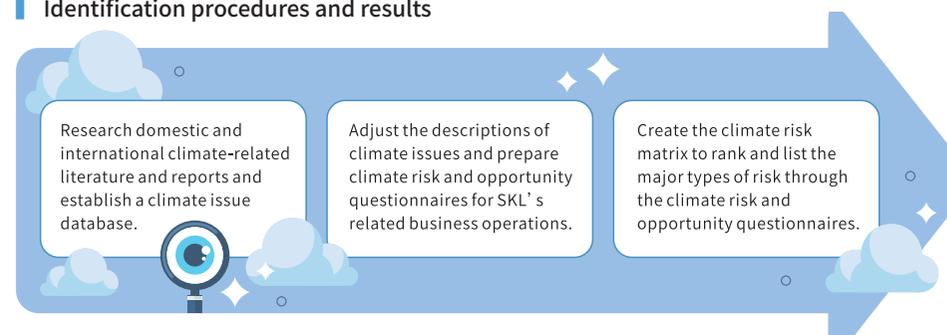
The impact of climate change includes physical and transition risks as well as opportunities arising from the mitigation of and adaptation to climate risks. To develop climate risk strategies and identify short, medium, and long-term climate-related risks and opportunities, SKL's in-house expertise regularly perform identification of major risk factors using the climate risk matrix, such as changes in policies and legal, innovation of technology, changes in market structure, damage to reputation, acute extreme weather events, or chronic climate change, and conduct risk assessment and management on risk factors with significant impact:

SKL Climate Risk and Opportunity Identification

Definition of internal short, medium, and long term

Term	Short	Medium	Long
Year	1 to 3 years (2022 to 2024)	4 to 6 years (2025 to 2027)	7 to 10 years (2028 to 2031)

Identification procedures and results



Establishment of a climate change issue database

Regarding climate-related risk issues, we establish a database of climate risk issues according to the transition and physical climate risks listed in the "World Energy Outlook 2020" published by the International Energy Agency (IEA) in 2020 as well as the "Climate Change 2021: The Physical Science Basis" published by the Intergovernmental Panel on Climate Change (IPCC) in 2021. Also, we reviewed the climate-related opportunities that are related to operating, investing, and financing activities. Operating activities include management of energy and resource efficiency and development of climate-related financial products. Investing activities mainly include investments in low-carbon energy and emerging technology industries.

◆ Design the climate risk and opportunity questionnaire

We collected the climate risk issues from domestic and foreign climate-related literature and reports, and adjusted the assessment items of the risk questionnaire to align with the potential transition risks and physical risks of operating and investing activities in the insurance industry.

◆ Risk and opportunities analysis

Identification of climate-related risks

The questionnaire results have preliminarily identified 12 risks, and the ranking is based on the average of the likelihood and impact level determined by the supervisors for each climate risk. The financial impact and response strategies for the top 7 risks (2 physical risks and 5 transition risks) are explained as follows:

Climate Risk Matrix



Note1. Impact levels: On a scale of 1 to 5, from "minor" to "extremely high", the analysis results are between "minor (1)" and "very high (4)".
 Note2. Likelihood: On a scale of 1 to 5, from "Very unlikely" to "Very likely", the analysis results are all between "probable (3)" and "likely (4)".

Ranking	Risk Type	Risk Event	Time Horizon	Explanation of Impact	Response Measures
1	Transition—Reputation	Failure to take active and sustainable actions may cause investors to lose confidence in the Shin Kong Group.	Mid-term	Failure to improve climate-related risk management and take sustainable actions may lead to less capital injection by investors.	Incorporate climate-related risks into current risk policies and amend relevant regulations on investment, financing, and real estate; work with parent company SKFH to participate in DJSI, CDP, and other ratings to demonstrate SKL's actively action toward sustainable finance and climate actions.
2	Transition—Reputation	Failure to take active and sustainable actions may lose clients and consumers .	Mid-term	Failure to improve climate-related risk management and take sustainable actions may lead to less business volume.	Actively participate in international sustainability-related initiatives and alliances, such as the Asia Investor Group on Climate Change (AIGCC), to obtain information on worldwide sustainability and climate change.
3	Physical—Acute	The Investment targets are affected by disasters, resulting in investment losses for SKL.	Long-term	Under the RCP 2.6 scenario, the total max value at risk for various climate hazards before 2030 is 0.36%, representing a relatively insignificant impact.	Evaluate the potential physical climate risks of the Company's self-owned real estate through the database to control possible investment losses.
4	Transition—Market	Due to global trends, the investments in carbon-intensive industries need to be removed.	Mid-term	As of September 2021, the carbon-intensive industries accounted for 14.00% of our portfolio.	Define and list the carbon-intensive industries, take inventory of exposure, and conduct the evaluations to the investment targets with such industries.
4	Transition—Technology	to the development of low-carbon technology, raise the energy and resource efficiency standards for equipment assets.	Short-term	Phase-out assets with high energy consumption. Such as air-conditioning replacement and maintenance costs of about NT\$22.11 million in 2021.	Regularly check the relevant equipment of each operating location (such as air conditioners and lamps) to improve resource efficiency.
6	Transition-Policy and legal	Increase in operating costs due to the adoption of renewable energy forced by regulations, clients, and international initiatives. ◦	Short-term	Due to the development of laws and regulations in Taiwan, some investees will be put on the control list for carbon emissions by the Environmental Protection Administration, leading to increases in operating costs and credit risk.	Although not yet required to use renewable energy, SKL has been actively investing in renewable energy power plants and purchasing T-REC to support the development of renewable energy.
6	Physical - Chronic	Self-owned real property are damaged owing to the rise of sea level covering the low-lying coastal areas	Long-term	Increased risk of asset value impairment due to damage or increased operating costs for real estate investment targets arising from the occurrence of physical risk events	Conduct the scenario analysis of RCP 2.6 and RCP 8.5 based on the impact of physical risks on business operations to assess potential damage to assets.

In addition, for the analysis of life insurance products with the impact of climate change risks, limited by data, and the related methodology still needs further research. We will continue to research in order to present more complete data in the future and conduct full analysis of the impact of climate risks on life insurance products.

Identification of climate-related opportunities

Based on the questionnaire results, review operation and investment with climate opportunities. There are a total of 4 opportunities with moderate or higher impact, and their financial impacts are as follows:

Opportunity	Opportunity Type	Time Horizon	Impact Scale	Results in 2021	Description
Equipment updates at operating locations	Resource efficiency	Short-term	High	NT\$22.11 million (Annual reduction of 19.75 tCO ₂ e carbon emissions)	Amount to replace or repair air conditioners in 2021
Improvement of energy efficiency for operating activities	Resource efficiency	Short-term	Medium	NT\$5.4 million	In 2021, a total of 23.32 million sheets of A4 paper was reduced, saving approximately NT\$5.4 million. (Refer to “Low-carbon Management” for details.) <small>Note: 1 box of A4 paper has 2,500 sheets, and each box is priced at NT\$579.</small>
Development of climate-related financial products	Products and services	Short-term	Medium	The premium of Air Pollution Insurance reached NT\$205 million.	As the temperature rises, secondary air contaminants form, and the incidence of respiratory and cardiovascular disorders rises (the indirect impact of climate change on humans as defined in the IPCC AR5). To actively seize climate-related opportunities, SKL is the first insurance company in Taiwan to launch the Air Pollution Insurance.
Low-carbon energy	Products and services	Short- to mid-term	Medium	The total investment in domestic public infrastructure and 5+2 Industrial Innovation reached NT\$178.2 billion.	In response to the Taiwanese government's 5+2 Industrial Innovation Plan, we actively invest in renewable energy industries with other companies in the industry to accelerate the development of green energy in Taiwan. (Refer to “Corporate Governance—Sustainable Finance” for details).

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

Climate Scenario Analysis

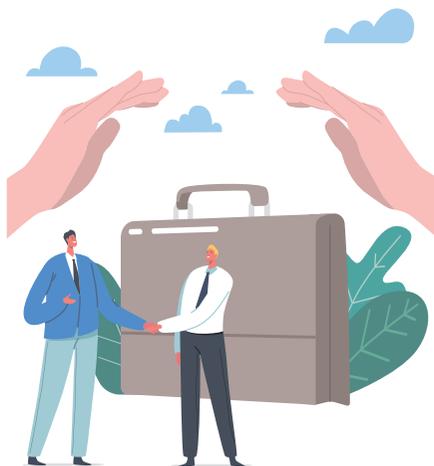
To further understand the impact of climate change risks on SKL, we use climate scenario analysis to measure risk exposure under various climate scenarios for physical and transition risks and actively implement relevant management actions and countermeasures to strengthen climate resilience. The scenarios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

Risk Category	Application	Climate Scenario	Description
Physical risks	Operating locations and Investment property	RCP 2.6 ^{Note1}	Strong emissions reductions drive greenhouse gas emissions to peak about 2020 and subsequently fall linearly, in keeping with the Paris Agreement's 2° C limit/1.5° C goal. By 2050, global emissions are expected to be cut in half, and by 2100, they will be a net negative.
		RCP 8.5 ^{Note1}	The high-emissions scenario where temperatures increase by nearly 4°C by the end of this century with zero mitigation measures that leads to a radiative forcing of 8.5 W/m2.
Transition risk	Investment Portfolios - Default rate for credit risks analysis	STEPS	The Stated Policies Scenario (STEPS) incorporates policies and goals published around world, such as energy stimulus and recovery plans, nationally determined contributions (NDCs) under the Paris Agreement, and energy and climate goals set by individual countries, such as net-zero emissions.

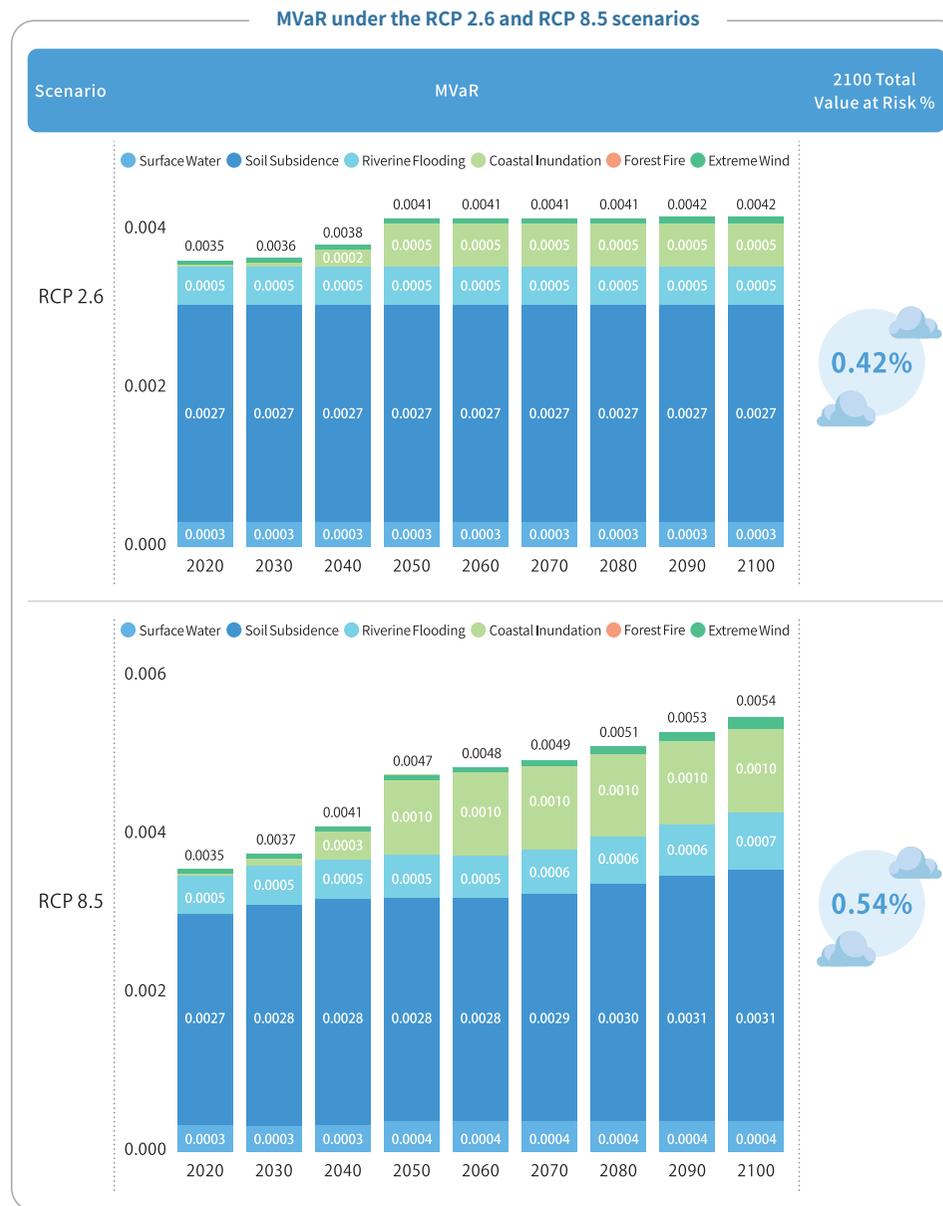
Note1: The Company refers to the RCP2.6 and RCP8.5 scenarios in the Fifth Assessment Report of the IPCC (IPCC AR5).

Physical risks:

To review the potential future impact of climate change on operating locations and Investment property, we have established assessable climate models and analyzed a total of 205 real estate assets of SKL in Taiwan as of the end of 2021 to determine the Max Value at Risk (MVaR) and Failure Probability (FP) for various types of physical risks, including surface water flooding, soil subsidence, river flooding, coastal inundation, forest fire, extreme heat, and extreme winds, during each decade from 2020 to 2100 under the RCP 2.6 and RCP 8.5 climate scenarios:



Max Value at Risk (MVaR)

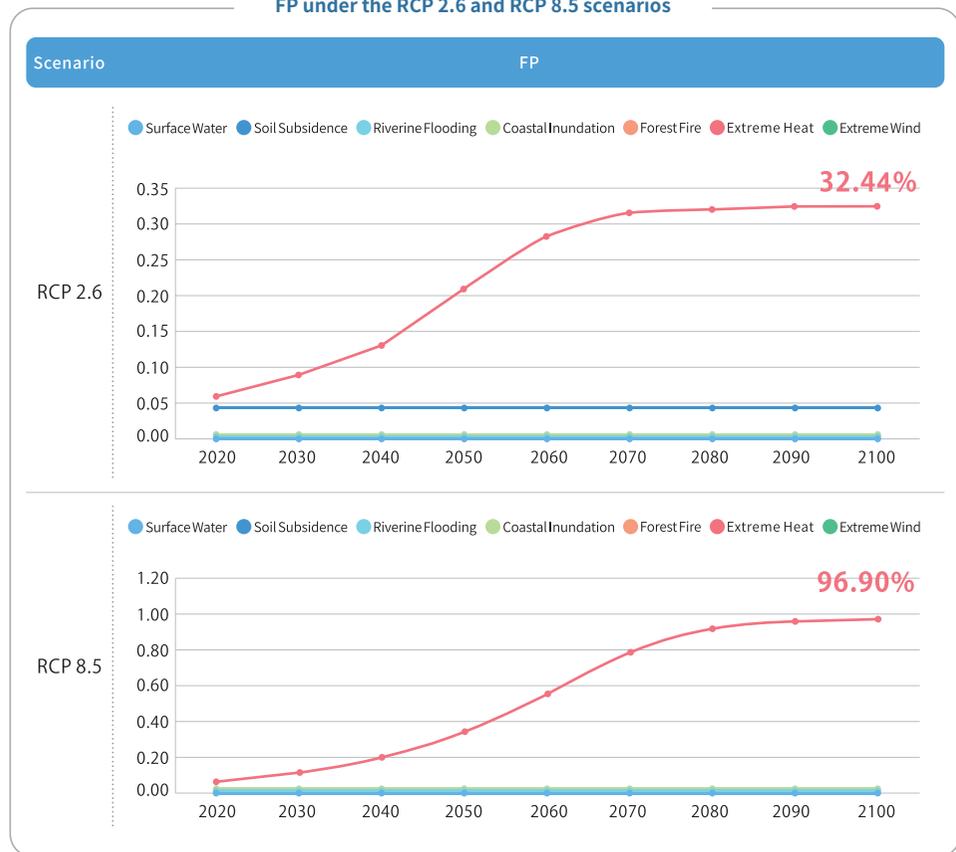


The Max Value at Risk (MVaR) means the maximum loss of value caused by the type of climate hazards in that year. According to the analysis results, the MVaR for the position in 2100 under the worst-case scenario RCP 8.5 is 0.54%, among which the loss of real estate caused by soil subsidence accounts for 0.31%, and the overall impact on the Company is rather insignificant. Furthermore, in both the RCP 2.6 and RCP 8.5 scenarios, land subsidence caused by droughts has the greatest impact on asset value, followed by river flooding and surface flooding. As a result, we will use the Land Subsidence Monitoring System of the Water Resources Agency (WRA) under the Ministry of Economic Affairs to monitor the development of land subsidence in the areas where real estate (investment, secured loan/mortgage) and will take appropriate countermeasures as soon as possible.

In addition, we will increase flood control measures during real estate construction and respond to hazards with adaptation plans such as regular drills, backup, and recovery to cope with coastal flooding caused by sea-level rise and surface flooding caused by acute rainfall.

◆ Failure Probability (FP)

FP under the RCP 2.6 and RCP 8.5 scenarios



The Failure Probability (FP) means the probability that caused building operations to halt by the climate hazards in that year. Productivity loss is the core concept of the assessment, and the climate-related risks that are taken into account are heat-related work hour loss and heat-related excess mortality rate. Regardless of the length of time, it is based on the probability of occurrence of a one-month shut down due to a flood or an hours-long power grid outage due to extreme heat.

According to the analysis results, extreme heat is the most important factor in causing operation failure under both the RCP 2.6 and RCP 8.5 scenarios. Particularly, under the RCP 8.5 scenario, extreme heat contributes to 96.90% of operation failure, which makes SKL attach more importance to promoting low-carbon transition.

Furthermore, we estimate that under the RCP 2.6 and RCP 8.5 scenarios, there may be a rise in temperature ranging from 0.3° C to 4.8° C in the 21st century, which will increase the possibility of heat illnesses (such as heat strokes) for employees. As a result, we will pay much greater attention to the occupational safety and health of our employees, as well as provide additional protective measures to prevent related injuries by extreme weather.

■ Transition risks:

To understand the potential loss of SKL's investments under the Stated Policies Scenario (STEPS), we use the international data from the Network for Greening the Financial System (NGFS) of central banks and financial supervisors to establish relevant stress test models to measure changes in the ratings of investment targets; the current results are shown in the table below, and we are continuing to conduct stress test experiments on risk exposure for top ten bonds. We will conduct comprehensive stress testing on all bonds and stock investments in the future.

No.	Industry	Country	Issuer	2030 Rating Change	2040 Rating Change	2050 Rating Change
1	Power Generation	France	A3	0	-2	-3
2	Iron & Steel	Chile	A2	0	0	0
3	Others	Taiwan	Aa3	-2	-2	-2
4	Power Generation	Taiwan	Aa2	-1	-2	-2
5	Iron & Steel	Peru	Baa1	-2	-2	-3
6	Oil and Gas	Canada	A3	-1	-1	-1
7	Oil and Gas	Saudi Arabia	A1	-1	-3	-3
8	Oil and Gas	Canada	Baa1	-1	-1	-2
9	Power Generation	Mexico	Baa1	0	0	0
10	Oil and Gas	United States	Baa1	-1	-1	-1

Risk Management

In order to reduce the impact of climate change on business operations and establish complete climate change risk management procedures, SKL has incorporated climate change risks into its risk management policy. In the future, we will continue to improve relevant measures and standard operating procedures to strengthen the existing risk management framework.

Operating Activities

To ensure that the Company continues to operate effectively when facing threatening events (such as diseases and natural disasters), SKL formulated relevant documents on the Business Continuity Management (BCM) mechanism and conducts regular drills and tests to prepare for sudden natural disasters, adapt to changing environments, and withstand business disruptions. (Refer to “Corporate Governance—Risk Management” for details.)

We also develop low carbon operation strategies to reduce carbon emissions during operations by improving energy efficiency and reducing energy consumption as well as continue to promote digital services, build green buildings, invest in renewable energy, and integrate low carbon concepts into our business activities, to reduce the possible impact of company operations on the environment. (Refer to “Low-carbon Management” for details.)

Investing and Financing Activities

Governments around the world have strengthen the regulations of carbon emissions gradually, in response to climate change. The companies may be required additional carbon emissions costs, as well as operational and asset value impacts from extreme weather. For the financial industry, to achieve the global net-zero goal by 2050, companies should not only take action to reduce carbon emissions during their operations but also promote low-carbon transition through capital allocation. Therefore, in addition to accounting the carbon emissions of our own operations, we also calculate financed emissions, develop lists of carbon-intensive industries (industries with higher transition risks), and plan to incorporate the results into the investment and financing assessment mechanism.

Carbon emissions of investment and financing portfolios

SKL calculates the financed emissions of its investments in listed equity, corporate bonds, and long-term loans according to the financial asset classes and methodology of the international standard developed by the Partnership for Carbon Accounting Financials (PCAF). As of September 2021, the financed emissions from investing and financing activities totaled 1,237,530 tCO₂e, and corporate bonds contributed the largest amount of carbon emissions (accounting for 74%). We also calculate our carbon footprint(tCO₂e/NT\$ MM), which was 0.79 tCO₂e/NT\$ MM in September 2021, a decrease of nearly 48% from December 2020 and a relatively lower carbon footprint compared to other domestic financial institutions' publicly published carbon footprints. In order to accomplish the aims of the Paris Agreement, we will continue to monitor changes in the indicators in the future.

Asset Class	Financed Emissions (Unit: tCO ₂ e)		Carbon Footprint (Unit: tCO ₂ e/NT\$ MM)	
	2020	September 2021	2020	September 2021
Listed equity	380,396	324,488	1.66	0.95
Corporate bonds	1,469,901	912,687	0.96	0.63
Long-term loans	9,745	354	1.14	0.05
Total	1,860,042	1,237,529	1.17	0.79

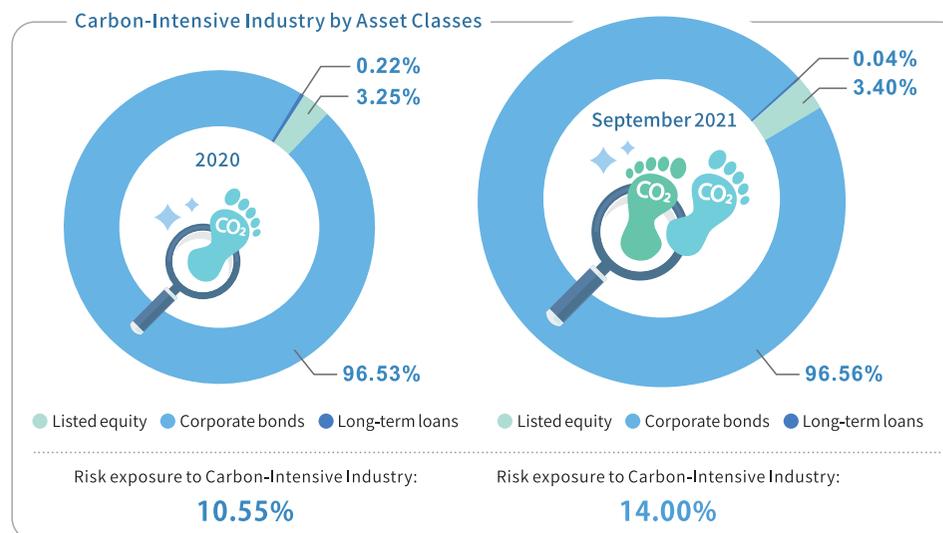
Note 1: According to Page 44 of the Global GHG Accounting and Reporting Standard for the Financial Industry (the Standard) published by the PCAF in November 2020, the scope of assessment excluded financial assets for which the Standard does not provide explicit guidance on methods to calculate financed emissions, including assets held for sale, private equity that refers to investment funds, green bonds, sovereign bonds, ETF, derivatives (e.g., futures, options, swaps), IPO underwriting.

Note 2: In December 2020, the risk exposure of financed emissions was 91.59%, of which listed equity accounted for 99.11%, corporate bonds accounted for 90.42%, and long-term loans accounted for 93.39%. In September 2021, the risk exposure of financed emissions was 81.62%, of which listed equity accounted for 99.79%, corporate bonds accounted for 79.25%, and long-term loans accounted for 76.13%.

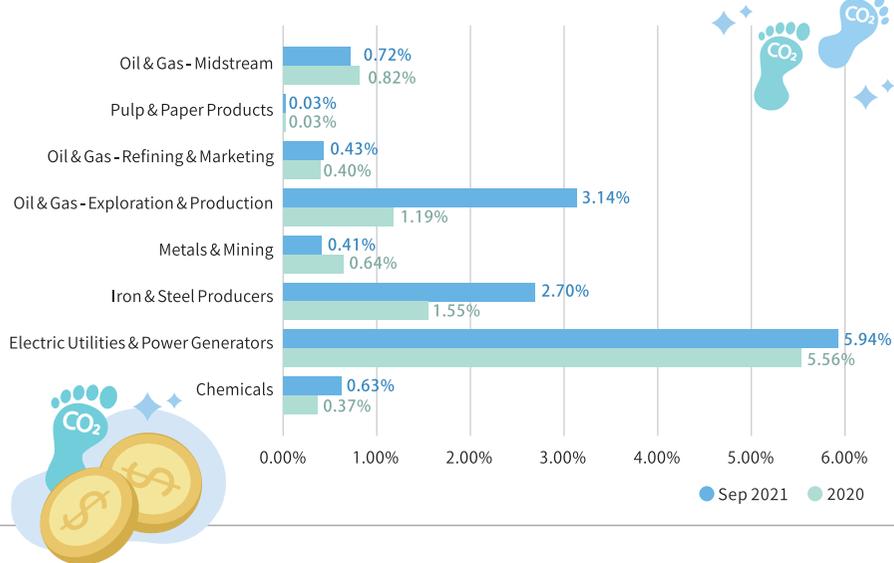
Note 3: The total carbon footprint is the total financed emissions divided by the portfolio value, not the direct sum of the carbon footprints of all asset classes.

Exposure to carbon-related assets

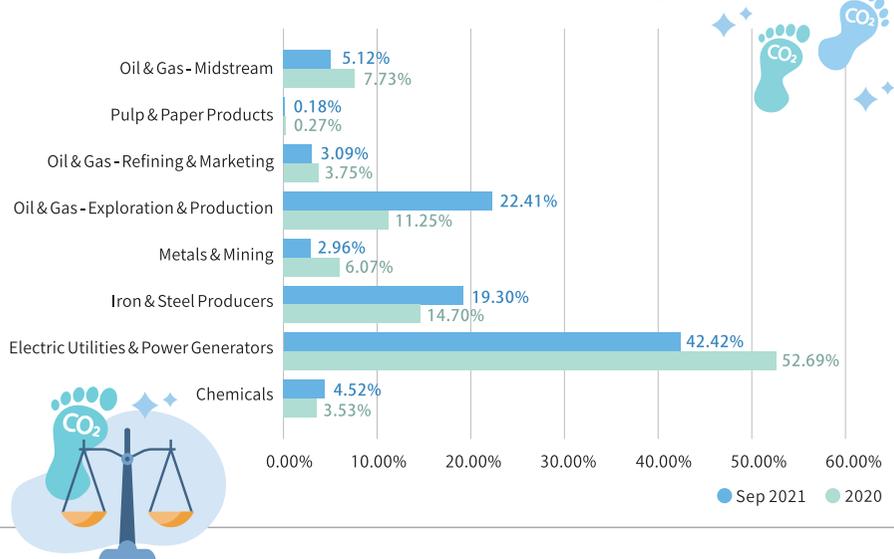
Based on the Sustainability Accounting Standards Board (SASB) definition, SKL develops lists of carbon-intensive industries and factors them into climate-related risks analyses for investment and finance decisions. As of September 2021, carbon-intensive industries accounted for 14% of the SKL's portfolio, and that mainly comes from “ Electric Utilities & Power Generators with 5.56% in 2020 and 5.94% in September 2021. The investment amount of each of the other industries accounts for lower than 4%, and we will continue to monitor the risk exposure of various industries.



Ratio of Each Carbon-Intensive Industry to Total Investment Amount



Carbon-Intensive Industry-Ratio of Industry Categories

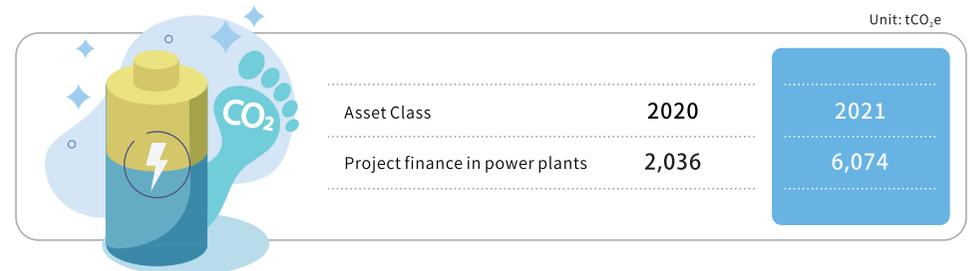


Project finance in power plants

As defined by PCAF, any loans or financing to projects for specific purposes, such as the operation of a gas-fired power plant or the construction of a wind or solar project, should be included in the project finance asset class when calculating financed emissions.

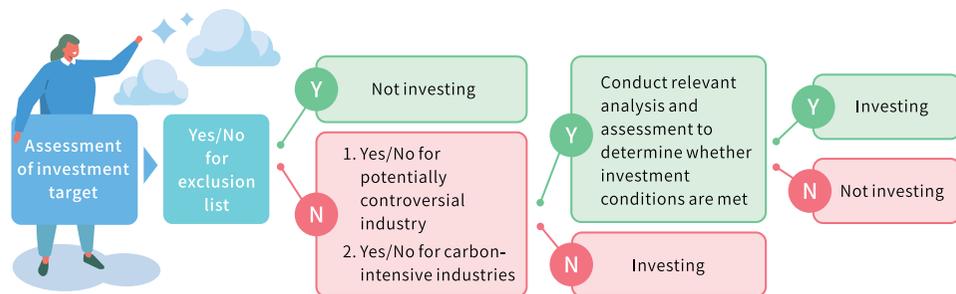
SKL conducted carbon inventories of power plant investment projects, using the end of December 2020 and December 2021.

Since SKL does not have any investment in non-renewable energy projects, the annual avoided emissions are calculated based on renewable energy projects (such as solar power, wind power, etc.). With the increase in our investment in renewable energy power plants in 2021, the avoided greenhouse gas emissions in 2021 were significantly higher than in 2020. We will continue to maximize financial influence to facilitate the transition to a low-carbon economy.



Establishment of climate risk management policies and regulations

To reinforce climate risk management for financial assets, we incorporate climate-related risks into our existing assessment mechanism for investment and financing decisions and combine them with the ESG review process. The principle of structure is as follows:



Risks—Financial Assets		Management Action
Credit risk - Business loans	Lending to business in carbon-intensive industries may result in additional costs due to the impact of policy and regulation risk imposed on such companies, which may lead to the probability of default increase, affecting the Company's earnings.	Plan to include the requirement in the Company's procedures for loans to review whether a business is in an industry with potentially controversial and carbon-intensive industries issues prior to lending any loan to the business. For businesses belonging to such industries, should be conducted climate-related risk assessment for loan decision making. Also, plan to perform assessment of physical risks for businesses that use real estate as collateral for loans.
Market risk - Real estate	Investing in real estate that is located in an area with high physical risks or not compliant with policies or regulations for energy and resources, may affect its operating costs or result in an increase in liquidity risk, affecting the asset value impairment.	Plan to include climate-related risks assessment in the regulations and processes for invest in planned property development, with assessment items including energy, water, and physical risks.
Market risk - Securities	Investing in stocks or bonds of companies with carbon-intensive industries may impact the market value of the investment target due to risks such as policy am regulations, reputation, market preferences, etc., affecting the Company's earnings.	Plan to incorporate climate-related risks into the investment procedures, conduct climate-related risks assessment for carbon-intensive industry of investee by referring to information provided by third-party independent rating agencies or sustainability reports, and determine the methods and levels of engagement for individual projects, so as to make investment decisions.

Metrics and Targets

Aiming to be a climate- and environment-friendly insurance company, SKL implements climate mitigation and adaptation measures, establishes improvement indicators for climate-related risks, and actively takes climate risk management actions.

Target	Base year	Short-term 1 to 3 years (2022 to 2024)	Mid-term 4 to 6 years (2025 to 2027)	Long-term 7 to 10 years (2028 to 2031)
GHG emissions (Scope 1&2)	2019	Reduce greenhouse gas emissions by 2% annually	Achieve net zero emissions at headquarters by 2026	Achieve net zero carbon emissions at and all other offices by 2030
Sustainable Finance Action	2020	Increase the amount of investments in sustainable financial products or renewable energy businesses by 5%.	<ul style="list-style-type: none"> Achieve a 3% CAGR in the amount of securities investments under the principles of sustainable investing between 2021 and 2025 The investment growth rate of project investment in green energy-related businesses is 400%. 	Continue to invest in low carbon and green energy industries, strengthen to engage companies with investees, and maximize sustainable financial influence.

In order to continuously enhance the implementation and performance of climate risk management, we develop management indicators related to climate risks and opportunities based on the overall strategy for climate change. The following metrics will be used for management and oversight of the investment and financing layer:

Indicator	Description
Climate risk exposure for physical assets	Conduct forward-looking and return on investment based assessment to measure climate change risks for real estate in the investment portfolio.
Financed Emissions (tCO ₂ e)	Calculate carbon emissions of investment and financing portfolios with the methodology by PCAF as well as regularly make inventories of carbon emissions and observe changes in indicators.
Carbon footprints (tCO ₂ e/NT\$ MM)	Calculate metric tons of carbon dioxide equivalents produced per NT\$ million of investment and financing portfolio value to analyze and manage industry-specific carbon footprints.
Carbon Intensive Asset Exposure (%)	Calculate the ratio of carbon-intensive industries to the total investment amount for investment targets in order to assess the exposure to industries facing more transition risks in the future.

Note1: The scope of financed emissions, carbon intensive asset exposure, and carbon footprints are listed equity, bonds, and business loans.
 Note2: More about metrics of business operations refer to "Low-carbon Management" for details.

Sustainable Finance

We promise we will strive to strengthen responsible investment by investing in low-carbon products or social welfare operation to facilitate the sustainable development of the investees.



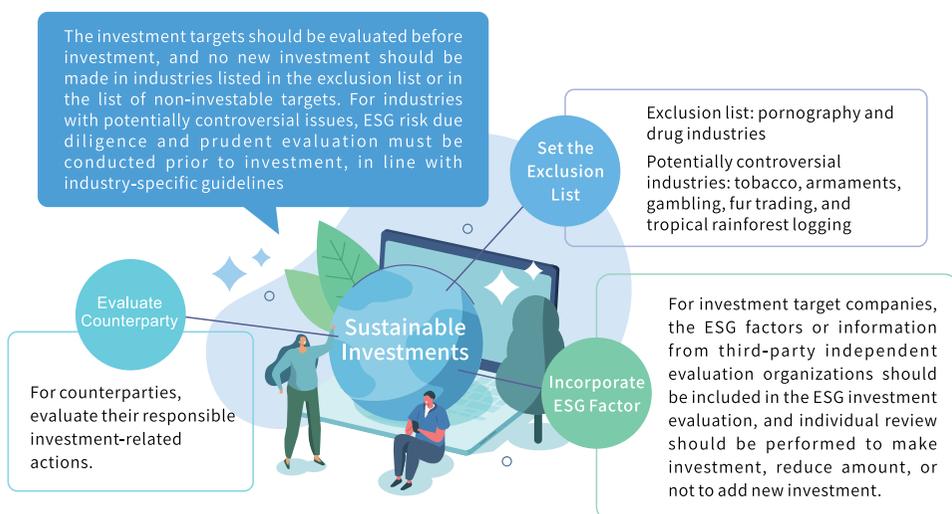
Sustainable Investment Policy

SKL referenced the United Nations "Principles for Responsible Investment" (PRI) and follows "SKFH Sustainable Finance Policy" to implement sustainable investment practices, and incorporates the ESG mechanism into the operational processes and methods of different investment business attributes as a realistic sustainable investment. With the exception of some assets (such as cash, foreign exchange hedging, etc.), all the new investments are 100% in compliance with the "SKFH Sustainable Finance Policy" of the parent company.

In addition, we respond to the "Principles for Sustainable Investment" (PSI) and integrate ESG issues into our decision-making and practices when selecting investments and financing targets.

Sustainable Investment Mechanism

In order to implement the concept of sustainability, we have formulated the "Policy and Procedures for Sustainable Investment in Marketable Securities" to integrate sustainable investment into the marketable securities investment process. Before investing, we conduct ESG-related assessments (including environmental protection, corporate integrity, and social responsibility) for the target companies based on the asset types.



ESG Financing

- ◆ In the process of project financing review, the borrowers are evaluated for environmental protection, corporate integrity and social responsibility (the status of the labor retirement reserve is disclosed in the credit report, and the borrowers are asked to explain the status of any major labor incidents; the format of the credit report have been revised in December 2021 to add an ESG area). A total of 17 cases were approved in 2021.
- ◆ When an enterprise (an enterprise that is required by the FSC to prepare the ESG report) applies for a loan, the ESG report shall be included as a reference document for the loan application.
- ◆ When applying for loans from other enterprises that do not fall under the preceding categories (enterprises that are not required by the FSC to prepare the ESG report), the credit granting personnel should make every effort to confirm whether the applicant has violated any major pollution or has major labor disputes, and evaluate the situation carefully.
- ◆ According to the credit report and review letter, during the credit review and evaluation, loans may be denied to companies that have failed to comply with sustainability/ESG requirements, or the companies may be required to improve their labor and environmental issues as a condition for the loan.
- ◆ 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.

Stewardship

We were the first to sign the Stewardship Principles for Institutional Investors in 2016. In addition to following the Stewardship Principles for Institutional Investors announced by the TWSE, we have also set up a stewardship area on our official website to disclose the results of our stewardship efforts.

In terms of stewardship actions, the Company continuously pays attention to the business and financial situation of the investee company by participating in the company's legal and shareholders' meetings, or visiting the investee company from time to time (including personal visits to the plant and telephone calls) and interacting with the management of the investee company, and formulates investment decisions through dialogues and interactions with the investee company, and reports significant investment decisions to the Company's Board of Directors for consideration.

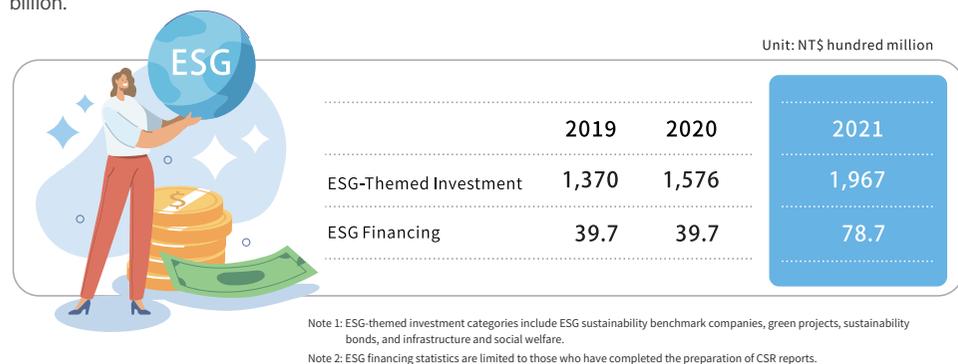
The Company also follows the "Insurance Act" and related legal interpretations and carefully evaluates the contents of all motions at each shareholders' meeting before attending the shareholders' meetings of investee companies in order to facilitate the exercising of the Company's voting rights. In addition, in accordance with the policy of the Taiwan Depository & Clearing Corp. (TDCC), where an investee company provides electronic voting, electronic voting will be the primary method of choice. In 2021, we attended a total of 219 shareholders' meetings (100% participation rate) and voted on 974 proposals.

Sustainable Investment/Financing

In addition to establishing a comprehensive ESG investment evaluation mechanism in accordance with "SKFH's Sustainable Finance Policy", SKL also actively responds to the Sustainable Development Goals (SDGs) in its investment activities and continues to search for sustainable investment targets, striving to promote inclusive and sustainable economic growth and exerting investment influence.

ESG-Themed Investment and Financing

In 2021, SKL's total ESG-themed investment reached NT\$196.7 billion, and ESG financing amounted to NT\$7.87 billion.



5+2 Industrial Innovation Plan

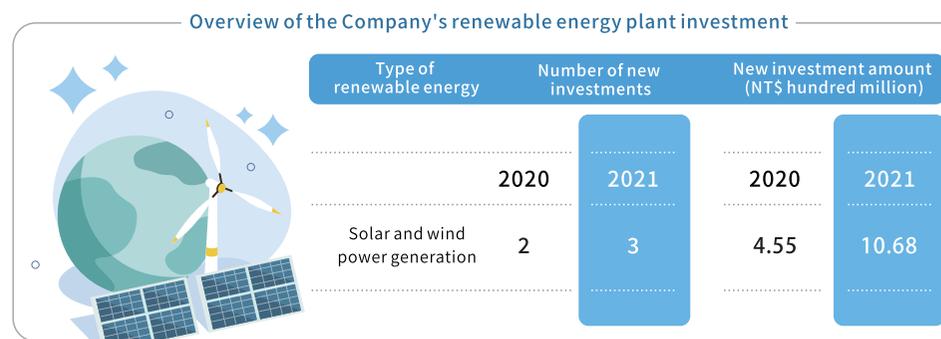
The Company actively responds to the government's "5+2 Industry Innovation Plan" and has set up a project investment unit to be responsible for investment in domestic projects including the 5+2 industry and public construction to help more new and innovative key industries obtain working capital. As of the end of 2021, SKL has invested a total of \$106.1 billion in the 5+2 related industries and is committed to becoming an important player in promoting the development of Taiwan's real economy and enjoy mutual benefits with the innovation economy industry.



Renewable Energy Industry

In order to actively respond to the government's green energy development, SKL prepared a green energy investment plan by a dedicated unit. We actively promote the development of green energy in Taiwan by investing in power plant construction and operation enterprises as well as planning the development of large-scale solar power stations.

In 2020, SKL, together with Neo Solar Power Energy Corp., Taiwan Life, and Shin Kong Venture Capital International Co., Ltd., established Sunrise Energy Co., Ltd. to invest in, build, and operate solar power plants in Taiwan, with an additional investment of NT\$1.068 billion in 2021. Through cooperation with the industry, we can accelerate the development of green power generation in Taiwan and help Taiwan achieve its green energy policy goals.





LOW-CARBON MANAGEMENT

LOW CARBON

Environmental Policy and Targets / Low-carbon Actions / Sustainable Supply Chain

Got ISO 50001:2018 Energy Management System and ISO 14046:2014 Water Footprint certifications.

Got ISO 14064-1:2018 Greenhouse Gases certification for all business locations (including overseas operations).

Won the "Green Procurement Performance Unit for Private Enterprises and Organizations" for the sixth consecutive year.

Achieved 23% green procurement and 99% local procurement of office and business equipment.

Reduced 158.57 tCO₂e of carbon emissions through digitalization actions.

Obtained the gold-class green building for Shin Kong Jasper Villa Jiantan and Shin Kong Jasper Villa Shuiyang.



Environmental Policy and Targets

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

To improve energy efficiency, we reduce the consumption of resources such as paper, waste, and water. We are also increasing the awareness of our employees and policyholders in hopes of contributing to and being responsible for environmental sustainability together. There was no violation of environmental regulations in 2021.

SKL Environmental Policy

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

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

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



SKL Environmental Targets

- ◆ Achieve net zero emission at the headquarters by 2030 in line with Taiwan Alliance for Net Zero Emission's Net Zero 2030/2050
- ◆ Conduct the GHG inventory at all operations to keep track of GHG emissions and make reduction plans accordingly
- ◆ Implement carbon pricing in accordance with the SKFH's "Regulations Governing Greenhouse Gas Reduction and Carbon Pricing" to control the cost of carbon and carbon efficiency
- ◆ Set the annual reduction in Scopes 1 and 2 GHG emissions at 2% by 2025 from 2019
- ◆ Strengthen the mechanisms for managing supplier sustainability, including policy formulation, written commitment, risk assessment, on-site audit, and counseling
- ◆ Plan the construction of new buildings targeting Green Building Labels to redefine green buildings in a more positive way: buildings that are ecological, energy-efficient, and healthy and generate less waste (formerly defined as buildings that converse the most natural resources and generate the least waste)

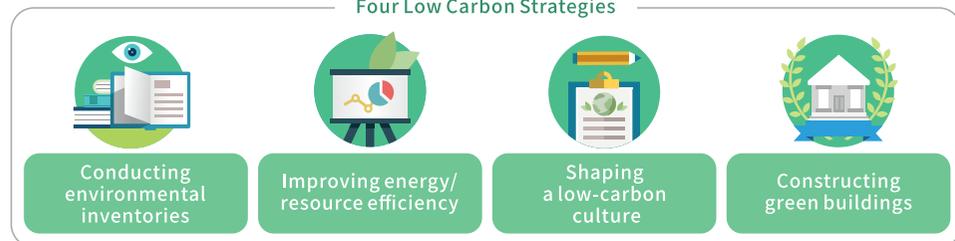


Low-carbon Actions

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

In the life insurance industry, business operations do not have a huge negative impact on the environment. Notwithstanding, we still integrate the low-carbon concept into our daily business activities based on four low carbon strategies. In 2021, we implemented carbon pricing in accordance with the SKFH's "Regulations Governing Greenhouse Gas Reduction and Carbon Pricing" to control the cost of carbon and carbon efficiency, hoping to bring a positive effect on environmental sustainability with a lower consumption of energy and resources.

Four Low Carbon Strategies



Conducting environmental inventories

It is incumbent on SKL to protect the environment. To implement environmental management, we adopted the environmental management systems in the past three years, including ISO 50001 Energy Management System, ISO 14046 Water Footprint, and ISO 14064-1:2018 Greenhouse Gas (100% coverage, including overseas operations). We completed the certification of all of these environmental management systems and obtained third-party verifications.

GHG emissions

In 2021, our Scopes 1 and 2 GHG emissions totaled 14,322.16 metric tons of CO₂e (tCO₂e), slight increase 127 tCO₂e from 2020, with the emission intensity per capita reaching 1.38 tCO₂e. In the future, we will promote various energy saving and carbon reduction measures, and improve energy efficiency actively to cut down on GHG emissions towards the long-term carbon reduction target. In addition to improving energy efficiency, we will continuously support green power. SKL has purchased 18 renewable energy certificates (T-REC) in 2021 to combat global warming.

GHG Emissions in the Past Three Years

		2019	2020	2021
Total GHG emissions	(tCO ₂ e)	19,109	17,218	16,978
Scope 1 emissions (C1)	(tCO ₂ e)	968.31	1,123.29	1,411.56
Scope 2 emissions (C2)	(tCO ₂ e)	13,516.37	13,071.61	12,910.60
Total controllable GHG emissions Scopes 1 and 2 emissions (C1+ C2)	(tCO ₂ e)	14,484.68	14,194.90	14,322.16
Scopes 1 and 2 emission intensity	(tCO ₂ e/person)	1.35	1.35	1.38
Other emissions (C3-C6)	(tCO ₂ e)	4,624.58	3,023.26	2,656.19
	Travel	↓		↓
	Application for insurance		↓	↓
Scope of other emissions (C3-C6)	Indirect GHG emissions from purchased energy	↓	↓	↓
	Destruction of documents	↓	↓	↓

Note 1: The data have been verified by SGS in accordance with ISO 14064-3:2006 as meeting the requirements of ISO14064-1:2018. The GHG emission factor (GWP) in 2019 and 2020 was based on the Environmental Protection Administration's Greenhouse Gas Emission Factor Table (6.0.4). The GHG emission factor (GWP) in 2021 was based on the Sixth Assessment Report of Intergovernmental Panel on Climate Change (IPCC AR6, August 2021). We have adopted the operational control approach on reporting boundaries.

Note 2: Scope 1 emissions (C1) refers to direct emissions from stationary combustion sources (emergency generator diesel), mobile combustion sources (company car oil), and other man-made system fugitives (air-conditioning refrigerants and septic tanks).

Note 3: Scope 2 emissions (C2) refers to electricity emissions, which are calculated using Taiwan Power Company's latest GHG emission factor for electricity (0.502 kg/kWh in 2021).

Note 4: Other emissions (C3-C6) are selected according to the annual significance assessment. Therefore, C1-C2 refers to the standard for per capita emissions.

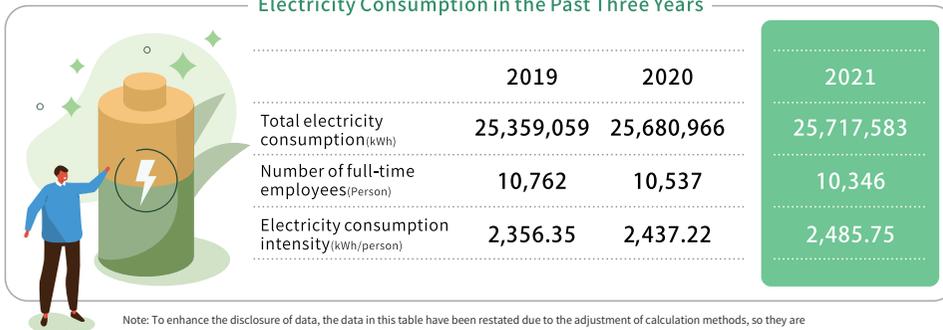
Note 5: The scope of the inventory was based on the number of buildings. From 2019 to 2021, the GHG inventory covered 171, 168, and 169 buildings (each including overseas operations), respectively.

Note 6: To enhance the disclosure of data, the data in this table have been restated due to the adjustment of calculation methods, so they are different from those in the 2020 report.



Electricity consumption

Electricity Consumption in the Past Three Years



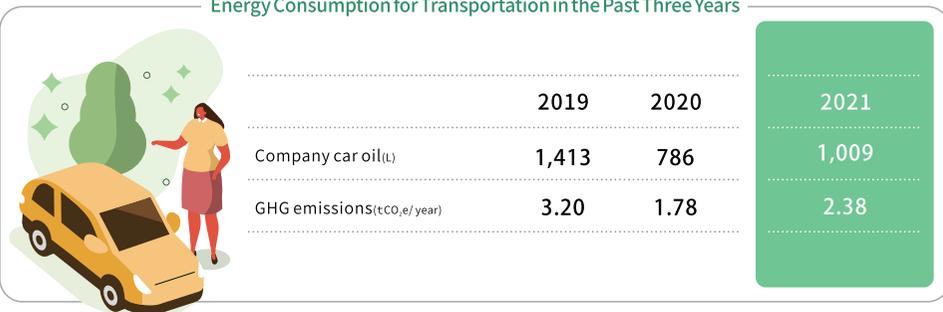
Waste management

Waste Statistics in the Past Three Years



Energy consumption for transportation

Energy Consumption for Transportation in the Past Three Years



Improving energy/resource efficiency

SKL is actively promoting digital finance. We are committed to reducing the consumption of energy and resources through mobilize, cloud-based, electronic, and digital services and tools, thus affecting policyholders' behavior indirectly and achieving environmental sustainability in line with SDG 12 (Sustainable Consumption and Production).

Results of paperless operations

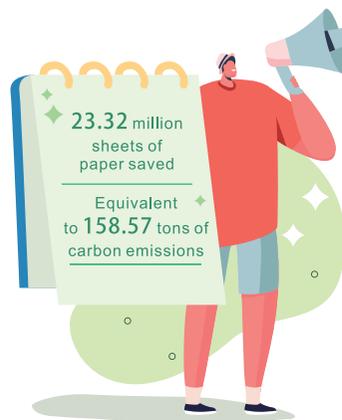
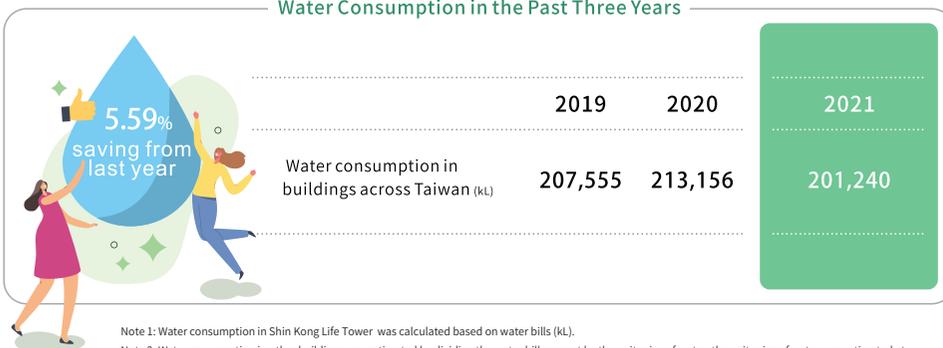
In response to the advent of the digital age, SKL has introduced technologies to facilitate marketing and management, cut down on paper consumption, and communicate the concept of energy conservation and carbon reduction to customers.

Results of Paperless Operations in 2021

Actions	Results
Administration - paper saving by employees	A reduction of 3,115 packs, or 11.4%, in purchases of paper for administration from the previous year
Tool - Insurtech	14.449 million sheets of paper saved from e-insurance policies and e-notices
	About 7.196 million sheets of paper saved through mobile business application: e-insurance, e-visit, e-payment, e-policyholder service, and e-claims
	116,000 sheets of paper saved from 9,613 online applications for insurance

Water consumption

Water Consumption in the Past Three Years

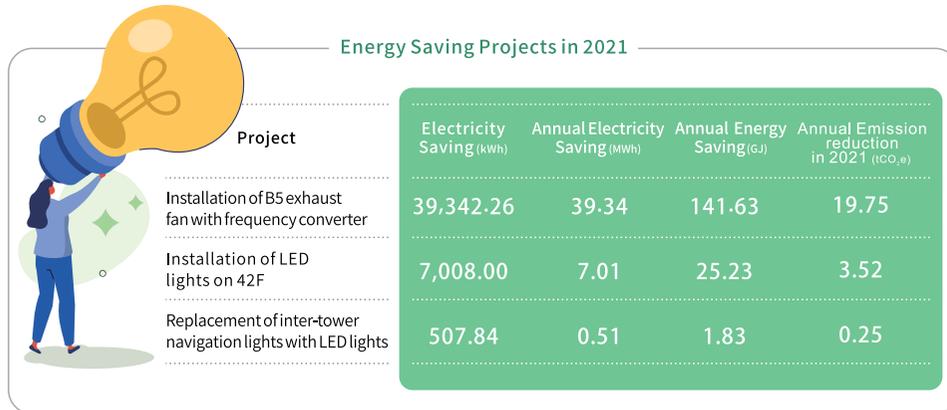


Note 1: For more information on insurance technology applications, please refer to Innovative Services Chapter (II. Digital Innovation Services).
 Note 2: Number of paper consumed/500 (500 sheets in a pack) = Number of paper consumed (pack).
 Note 3: Carbon emissions per pack of A4 paper (70g/sheet) total 3.4kg CO₂e.
 Note 4: Amount of paper consumed (pack) x 3.4 kg-CO₂e/1,000 (unit conversion)= Carbon emissions (tCO₂e) saved.

Shin Kong Life Tower energy saving projects in 2021

We set the annual reduction in Scopes 1 and 2 GHG emissions at 2% by 2025 from 2019. However, we have taken epidemic prevention measures such as remote office and off-site meetings in the wake of the pandemic since 2020, causing electricity consumption of some operations to increase. To improve eco-efficiency and achieve the reduction target, we took more energy-saving measures and followed up on the results on a regular basis.

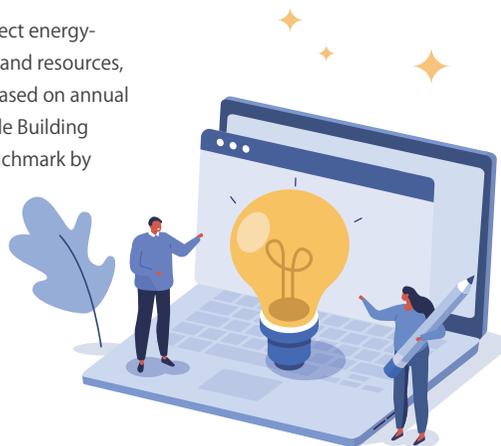
For the purpose of efficient energy use, we replaced facilities with energy-efficient ones in 2021 to reduce electricity consumption. In the future, we will continue improving the energy efficiency of office buildings through systematic management and installation of energy-saving equipment.



Energy saving in data center

Aiming for energy saving and carbon reduction, we select energy-efficient equipment, integrate the virtual environment and resources, and adjust electricity consumption in the data center based on annual business growth. In 2021, PUE of our data center at Bade Building remained between 1.47 and 1.91, rated the bronze benchmark by Green Grid.

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



Shaping a low-carbon culture

SKL is actively promoting environmental education. We call on employees and their family members and policyholders to exert their influence and take measures to save energy and reduce carbon emissions at work and in their lives.

Low-carbon working amid the pandemic

As the COVID-19 pandemic raged in Taiwan, SKL made a huge change in work arrangements in 2021 by adopting online meetings and training programs avoid unnecessary contact. This not only saved our employees from the risk of infection, but reduced the carbon footprint generated from commuting and movement.

Walk more, drive less

We are aware that field staff's travel produces carbon emissions. In this regard, we are constantly encouraging the field staff to walk or take low-carbon transportation such as bicycles to visit policyholders at short range, which can reduce GHG emissions and is also good for their health.

Electricity saving initiatives

Continuing to promote the idea of "embracing green life and adapting to climate change," SKL has participated in Earth Hour for 13 consecutive years since 2008, hoping to save energy and reduce carbon with concrete actions.

316 Energy Saving Movement: As of 2021, SKL has organized the "Light Shirts in Summer" for 15 years. In response to the government's energy saving and carbon reduction policies, we called on male employees to wear shirts without ties and female employees to wear short-sleeved uniforms; in addition, the temperature for air conditioning in office buildings was kept between 26~28° C in the summer per the Bureau of Energy's instructions.



Water saving initiatives

Water is mainly used by employees and some consumers for day-to-day business operations. Since the main source is tap water, all domestic sewage is discharged to sewage systems, connected to local cities and do not pose a risk of leakages or pollution entering water sources. SKL is committed to reducing water waste. Affected by the pandemic, we saved water consumption by 5.59% in 2021. In the future, we will draw up all-round water management policies to reduce water consumption.

Constructing green buildings

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

SKL's Commitment to Eco-friendly Buildings

- ◆ Obtaining the Green Building Label as the main axis of the new design project. We also redefine green buildings as ecological, energy-efficient, healthy and generate less waste. (formerly defined as buildings that converse the most natural resources and generate the least waste)
- ◆ Regenerate old buildings and facilities with various energy-saving measures, cut energy consumption, and improve the energy efficiency of existing buildings to be a responsible citizen for the environment.

Results of green buildings

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

As of 2021, we had applied for Green Building Labels for six buildings, including five Green Building Labels (obtained) and one candidate for Green Building Labels, and obtained one LEED credential. We also expect to apply for Green Building Labels for six projects that will start construction in 2022 or are still under planning.

In 2021, we obtained Green Building Labels (Gold) for both Shin Kong Jasper Villa Jiantan and Shin Kong Jasper Villa Shuiyang. Following the seven indicators of Green Building Labels (greenery, soil water retention, daily energy saving, CO₂ reduction, construction waste reduction, water resources, and sewage and garbage improvement), we strove to create low-carbon smart green buildings by planting a large number of trees and shrubs in the base, installing energy-efficient air-conditioners and LED lights, water-saving bathroom equipment, garbage refrigerators, and adopting considerable quantities of green building materials.

Green Buildings in the Past Three Years

Building	Action	Results
 <p>Shin Kong Nangang Software Park Building</p>	<p>1. NT\$1.987 billion spent; completed in 2018.</p> <p>2. Benefits:</p> <ul style="list-style-type: none"> • Amount of CO₂ absorbed (greenery design): 690.31t • Soil water content: 982.89m³ • Capacity of rainwater storage (recycling) tank: 259.79m³ 	<p>Green Building Label (Gold) in 2020</p> 
 <p>Shin Kong Jasper Villa Jiantan</p>	<p>1. NT\$1.311 billion spent; completed in 2021.</p> <p>2. Benefits:</p> <ul style="list-style-type: none"> • Amount of CO₂ absorbed (greenery design): 352.47t • Soil water content: 641.31m³ • Capacity of rainwater storage (recycling) tank: 139.65m³ 	<p>Green Building Label (Gold) in 2021</p> 
 <p>Shin Kong Jasper Villa Shuiyang</p>	<p>1. NT\$1.313 billion spent; completed in 2021.</p> <p>2. Benefits:</p> <ul style="list-style-type: none"> • Amount of CO₂ absorbed (greenery design): 644.33t • Soil water content: 15.26m³ • Capacity of rainwater storage (recycling) tank: 70m³ 	<p>Green Building Label (Gold) in 2021</p> 



Supply Chain Sustainability

We are well aware of our influence as a corporate citizen. For this reason, we are constantly looking for opportunities to pursue both business sustainability and environmental sustainability, hoping to create a better living environment for the next generation.

Managing supply chain sustainability

SKL provides a variety of insurance products and services for the general public. Product and service design is carried out by professionals. Unlike traditional or technology industries, the insurance industry does not have clear upstream, midstream, and downstream segments of the supply chain. Our suppliers mainly provide office supplies and equipment derived from labor and administrative needs, as well as construction. It can be divided into three categories: labor service, property, and construction.

In accordance with the supplier management standards set by SKFH, SKL has taken the following measures to manage supplier sustainability:

- Require all new suppliers to sign the "Supplier CSR commitment Letter (CSR CL)", promising to abide by the requirements for business ethics, employee rights and human rights, and environmental protection.
- Establish a supplier management system and invite selected suppliers sign the Supplier CSR Commitment Letter to build a sustainable supply chain that joins SKL to pursue environmental sustainability.
- Hold the "SKL Supplier Event" on a regular basis to convey the concept of corporate sustainability to suppliers.
- Strengthen the mechanisms for managing supplier sustainability, including policy formulation, written commitment, risk assessment, on-site audit, and counseling.

We also encourage our business partners to draw up appropriate environmental policies, launch ESG initiatives, and pay close attention to the possible impacts on the environment and labor rights during day-to-day business operations. If any supplier is found in violation of related regulations and makes no immediate correction, SKL may rescind or terminate partnership in it.



Supplier Management in 2021

Category	Labor Service	Property	Construction
Number of suppliers	214	234	47
Total	495		
Number of Suppliers Signed CSR CL	Number of New Suppliers	Number of New Suppliers Signed CSR CL	Percentage of New Suppliers Signed CSR CL
277	22	22	100%

Note: Labor service encompasses manpower outsourcing, training, system maintenance, and disposal; Property covers office equipment, gifts, advertising, printed matter, and IT equipment; Construction refers to suppliers whom the Company contracts for the construction of buildings or office renovations in a year, and only suppliers with a contract value of more than NT\$1 million were included in the table.

Implementing local, green procurement

In the course of procurement, we exert our influence to promote environmental sustainability. SKL has been selected as a high performer in green procurement for six consecutive years and won the "Green Procurement Performance Unit for Private Enterprises and Organizations" from the Department of Environmental Protection, Taipei City Government.

Local, green procurement

Item	Description
Policy	Draw up the "SKL Supplier CSR Commitment Letter" in the light of the SKL Environmental Policy
Action	Increase the percentage of eco-friendly products purchased by selecting office and business equipment that bears eco-friendly or energy-efficient labels and complies with environmental regulations

Results in 2021

The local procurement ratio was 99%

The amount of green procurement of office and business equipment of SKL was NT\$15.88 million

The green procurement ratio was 23%



SERVICES INNOVATION



Diversified Product / Innovative Digital Services / Fair Treatment of Customers

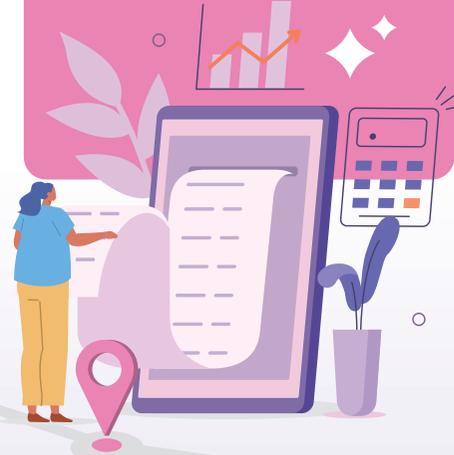
Rolled out the industry's only "Air Pollution Insurance Policy", which provides an alternative option of long-term air pollution and COVID-19 protection for fellow citizens, and won the "18th National Brand Yushan Award".



SKL have provided micro-insurance plan to more than **89,000** individuals, and the amount of insurance has reached **NT\$27.46 billion**.



In 2021, SKL's Net Promoter Score (NPS) was **78.8%**, up **3.1%** from 2020.



Won the "Significant Progress Award in the Evaluation of Fair Treatment of Customers," "Outstanding Bailout Award," "Micro-insurance Outstanding Performance Award," and "Disability Care Award" from the FSC.



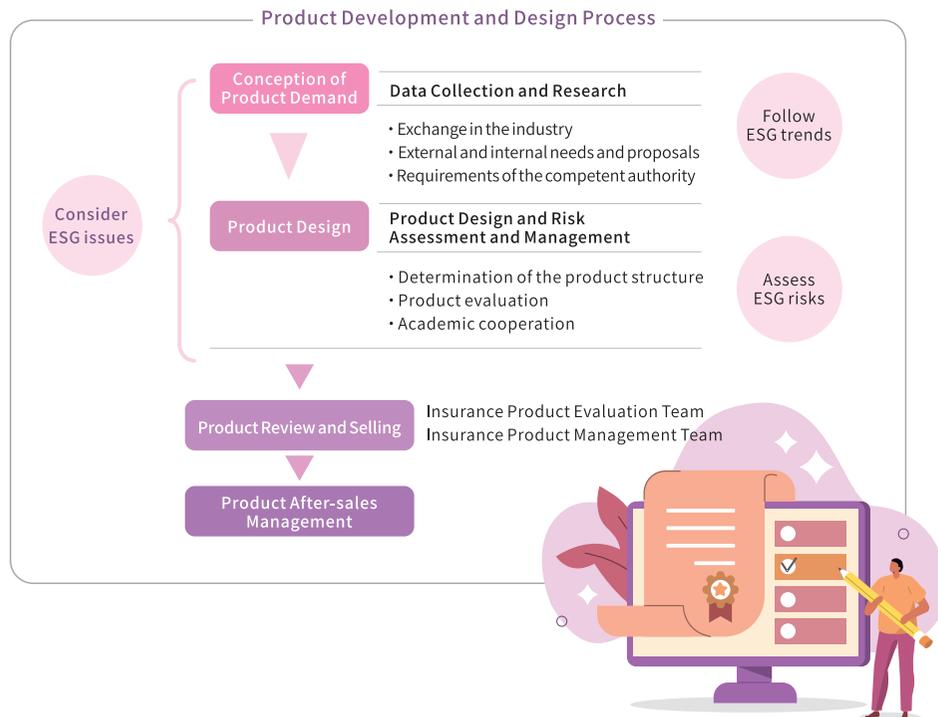
@ Diversified Product

Innovative Financial and Sustainable Products

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

- Design and develop insurance products by the relevant laws and regulations.
- Pay close attention to ESG trends and incorporate ESG topics into the development process and the meetings of the "Insurance Product evaluation Team." Establish an inclusive product design evaluation system that reflects the fair treatment of customers and provides user-friendly financial services for policyholders.
- Promote paperless and low-carbon services, including e-insurance, remote insurance, and e-policy, when selling insurance products.

In 2021, SKL rolled out 14 general protection-type products and 22 health and accident insurance products to encourage the public to maintain their health and improve risk management capabilities (SDG 3).



Awards and Honors

SKL Peace of Mind Lifetime Medical Health Insurance

The industry's only "Air Pollution Insurance Policy", which strengthens the lifelong coverage for the circulation system and the respiratory system in case of the specific inpatient and surgical care.

- 18th National Brand Yushan Award "Best Product"
- "Best Product Creativity" awards in the 22+1 Insurance Faith, Hope, and Love Award
- 2021 Taiwan Finance Star's "Best Product Innovation Award"



SKL Huo-Li-Chien-Kang Permanent Health Ins.

We adopted the definition of critical illness in National Health Insurance to design the products with spillover-effects. Through the incentives such as premium discount, we encourage policyholders to implement health management on their own to improve their health.

- "Innovative Design of the Year" in the 16th Golden Torch Award"
- Product Innovation and Project Planning Excellence Award - Silver in the "9th Taiwan Insurance Excellence Award"

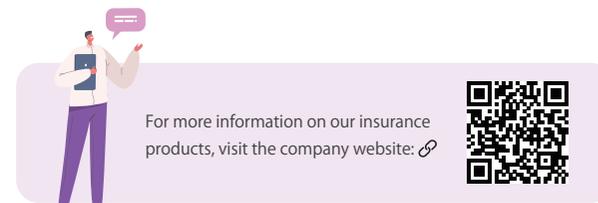


In addition to brand and product innovation, SKL strengthened inter-departmental cooperation in delving into the most authentic needs of customers and developing products that go in line with the market trends.

Market Trend	Type of Product	Results
Medical Care SKL leverage our core competencies of finance and insurance to protect clients against the threats of air pollution and COVID-19.	Air Pollution Insurance Product COVID-19 Exclusive Product	We rolled out an upgraded "SKL Peace of Mind Lifetime Medical Health Insurance Rider", which strengthened the lifelong coverage for the heart and lung, including two major lung diseases (pulmonary fibrosis and chronic obstructive pulmonary disease (severe)). "SKL Haoshiguang Hospitalization Term Health Insurance" is low-premium and doubles the insurance benefits for negative pressure isolation rooms, set people's minds at rest amid the pandemic.
Health Promotion The spillover-effect insurance product encourages policyholders to improve their health management and reduce the risk of illness with premium discounts.	Spillover-effect Insurance Products	<ul style="list-style-type: none"> • We launched several spillover-effect policies. In 2021, we sold 25,363 spillover-effect policies, premium reached NT\$1.33 billion, with the underwriting amount to NT\$6.71 billion. • Policyholders took a total of 760 million steps and used 13,000 times of gym.

Inclusive Financial Products

SKL responds to SDGs 1.4 and 8.10, pursues financial inclusion, and implements “Treating Customers Fairly” principles. We attach importance to the needs of various groups and strive to provide a diversity of well-developed products and services to expand access to insurance and financial services for all.



Benefited Group	Type of Product	Results
 <p>Seniors and people with disabilities</p> <p>In response to the aging and childless society, to satisfy the investment and retirement plans of policyholders, and to enhance the life protection of the nations, SKL launched a variety of insurance plans that enable flexible retirement planning.</p>	<p>Long-term care insurance</p> <p>Reimbursement insurance</p> <p>Retirement planning insurance</p> <p>Retirement Preparation Platform</p> <p>Small-amount Whole Life Insurance</p>	<ul style="list-style-type: none"> • We launched "SKL Hsin-An Long-term Care Insurance" and "SKL One-time Hsi-An Long-term Care Lifetime Health Insurance Rider". • We continued to sell "SKL Ho-Hu-An-Hsin Reimbursement Benefits Rider" and "SKL Tseng-An-Hsin deductible Reimbursement Benefits Rider." • We rolled out "SKL Huoliyingjia Variable Annuity Insurance" and "SKL In Cash Variable Annuity Insurance." • We launched a variety of exclusive products in "FundRich Good Retirement Protection Insurance Platform" to publicize the concept of enhanced protection. • We rolled out "Songaixin Small-amount Whole Life Insurance" and "My Only Small-amount Whole Life Insurance" featuring low premium and whole-life protection. • In 2021, we sold 3,558 small-amount whole life insurance policies, protecting more than 20,000 middle-aged and elderly people.
 <p>Economically Disadvantaged Groups</p> <p>SKL provided micro-insurance to strengthen basic protection for vulnerable groups.</p>	<p>Micro-insurance</p>	<ul style="list-style-type: none"> • SKL cooperated with social welfare organizations, village offices, social bureaus of city/county governments, agriculture and fishermen's associations, colleges and universities to sponsor micro-insurance premiums. • In 2021, the premium of micro-insurance reached NT\$7.491 million. We won the "Micro-insurance Business Performance Award" and "Micro-insurance Disability Care Award" in the Insurance Competition held by the Insurance Bureau, Financial Supervisory Commission (FSC). • As of the end of 2021, we have provided more than 89,000 people with a total of NT\$27.46 billion insurance coverage. 
 <p>Young People</p> <p>SKL designed the optimal insurance products with high protection and low unit prices for young people with small capital.</p>	<p>Exclusive insurance for young people</p>	<ul style="list-style-type: none"> • We launched "SKL Hao Shi Guang Insurance Plan" to design the optimal insurance plans according to the needs in every life stage. • We have sold 121,000 "Huoli series" products.

@ Innovative Digital Services

Following the trend in digital finance, SKL strives to promote the application of various digital and insurance technology, optimize administrative efficiency, and improve customer experience.

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

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



Developing Digital Finance - Improving Customer Relationships

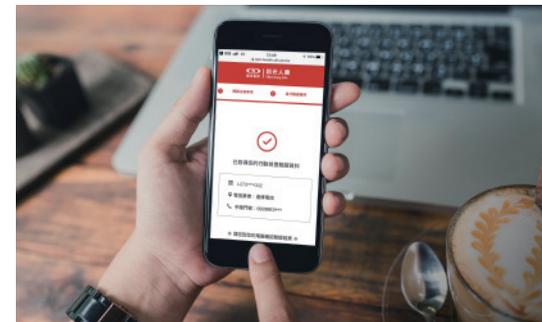
Online service

Online insurance application - an innovative way of communication

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

Customer self-service - SKL website member area

We have established a consumer-centric online insurance platform, where customers can apply for various insurance products and enjoy insurance services online. SKL was the first in the industry to introduce a MID mobile phone verification service. We also worked with Shin Kong Bank to launch "Quick ID Verification," enabling customers to become our online members quickly by entering their mobile phone numbers or authenticating their identities at FamilyMart. After customers become our online members, they can apply for various services online, including policy loans, policy changes, claims, and changes in credit card transactions.




- In 2021, we underwrote
- 9,613 online insurance
- policies with premiums
- reaching NT\$29 million.

By the end of 2021, the total number of SKL website members reached 820,000, and transactions of the current year up to 780,000, 80.6% of them were through mobile phone verification.

SKL won the National Brand Yushan Award - Best Popular Brand Award and First Prize for providing various online authentication services.



Mobile service

Mobile Insurance

In response to the advent of Fintech, the company has launched "e-agent," salesperson information hub, which helps our sales team transform into a modern, digital-first sales organization with mobile tools, to optimize the administrative efficiency and reduce paper consumption. (For carbon reduction results, refer to "Low-carbon Management")



Mobile Tool	Number of Tools Used	Usage rate
e-insurance policies	176,346	53%
e-notices	2,563,516	72%
e-Insurance	245,308	89%
e-Claims	207,462	54%
e-policyholder service	54,992	17%
e-Benefit Payment	94,081	84%

Note 1: The scope of Mobile Business app is limited to SKL channels.

SKL APP

Policyholders can download "SKL APP" through their mobile devices. In addition to enjoying the quality and user-friendly self-service services, spillover-effect policyholders can also use the health management function in SKL APP to record their exercises and accumulate points, winning premium discounts with improved personal health.

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



Official LINE Account - as your Pocket Service Center

SKL was the first in the industry to provide customized insurance services via LINE. The platform is positioned as a "service center in the pocket," which provides ultra-intimate one-to-one exclusive services, such as policy/remittance notice, policy loan/repayment, bill payment, and inquiry services personnel, so that customers of SKL can be "satisfied."

Amid the COVID-19 pandemic, we encouraged policyholders to use self-service digital financial tools. To enhance our services, we optimized LINE functions such as Policy Loan/Repayment Inquiry and LINE PNP and designed campaigns (e.g., games and point accumulation events), hoping to improve the accessibility and usability of financial services with the popularity of LINE.



- In 2021, the number of SKL LINE friends exceeded 3.77 million, with the total click-through from all services on APP accumulating nearly 730,000 times.
- Won the "National Brand Yushan Award - Best Product Award," "CSEA Excellent Customer Service Award," "Wealth Magazine Taiwan Financial Award," "Greater China Contact Centre Alliance (GCCA) Award," "Commercial Times Digital Finance Award," and "Brain Magazine Agency & Advertiser of the Year - Excellence" for LINE Customer Service Center.
- Our customer satisfaction topped 50% very satisfied.



Insurance Technology Applications - Improving Operational Efficiency

SKL uses insurance technology (insurtech) to explore the value of data. Adopting user-centered design, we are committed to creating intuitive, heartwarming financial experience that suits customers' needs, promoting agile productivity, and winning customers with innovative services.

Smart customer service - big data analytics

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

Smart Customer Services "Shin"

Smart Service	Description
Voice Recognition System	<ul style="list-style-type: none"> Provide service precisely through voice recognition technology Provide real-time management information
CRM Big Data Analysis	<ul style="list-style-type: none"> Automatically convert massive recordings into structured indexes with the speech analysis system to mine valuable information Delve into the thoughts and needs of policyholders through visual analytics
AI Smart Customer Service	<ul style="list-style-type: none"> Incorporate the knowledge of insurance into "Shin's" database "Shin 2.0": We lead the industry in adopting GOOGLE's latest algorithms, and introduce a new UI/UX design, allowing policyholders to receive personified service from "Shin".

Results in 2021

- Simple policy changes by phone: 103,000 times
- Smart reminder service: 6,000 times
- Shin's for customers satisfaction up to 88.2%
- Obtained new patents for business development with multi-turn dialogue and editing methods.
- Got certified to Royal Mystery Shopper (RMS) and ISO 10002:2018 Customer Satisfaction Management System.



Insurance Technology Sharing Platform (Insurance Blockchain Consortium /Digital Policy Deposit)

SKL participated in the "Conservation/Claims Consortium Blockchain" of Insurance Technology Sharing Platform by allowing document exchange for every application. With this platform, policyholders can make one application to one insurance company and receive quick and user-friendly services from multiple insurance companies. In the future, document exchange will be extended to "Claim and Medical Data Platform". We will provide policyholders with systematic claims and payment services to reduce operational risks, shorten processing days, and improve customer satisfaction.

After launching online in 2020, the "Digital Policy Deposit" developed by SKL has undergone e-policy verification and deposit via the third-party verification agency "Insurance Technology Sharing Platform". All insurance and changing (conservation) process were recorded by the platform as a future reference for any subsequent digital policy authenticity disputes to ensure the protection and rights of policyholders and insurance companies. (Introduction website [🔗](#))

Remote platform applications

Due to the outbreak of the COVID-19 pandemic, customers were more willing to accept remote services. In view of this, SKL accelerated the launch of various remote services. Going beyond the limits of video insurance in the industry, SKL launched an exclusive "epidemic prevention video recording platform," which enables one-stop insurance applications by three steps (download e-insurance application forms, , online real-time video recording, and insurance policy documents uploading) with authentication and signatures, allowing customers to apply for insurance without contacting insurance agents. In addition, customers do not need to download video software. To complete insurance applications, they only have to authenticate their identity through mobile SMS and sign required documents with electronic signatures. Insurance applications can be made fast and without contact and paper consumption.



視訊投保 一指搞定

- 點 簡訊連結
進行身分識別 MID認證
- 點 同意視訊
啟動視訊錄影 進行遠距投保
- 點 同意簽署
使用電子簽章 簽署於要保文件

客戶不必下載視訊軟體，只要透過簡訊進行身分認證(MID)，以電子簽章簽署要保文件，輕鬆簡便一指搞定。



@ Fair Treatment of Customers

Based on the annual business strategy – Provide the Excellent Experience and Become a Sustainable Corporate, we continued to implement consumer protection in 2021. Putting customers first, SKL treated customers fairly and provided the most reliable service for the public, hoping to become the most trusted brand in the life insurance industry.

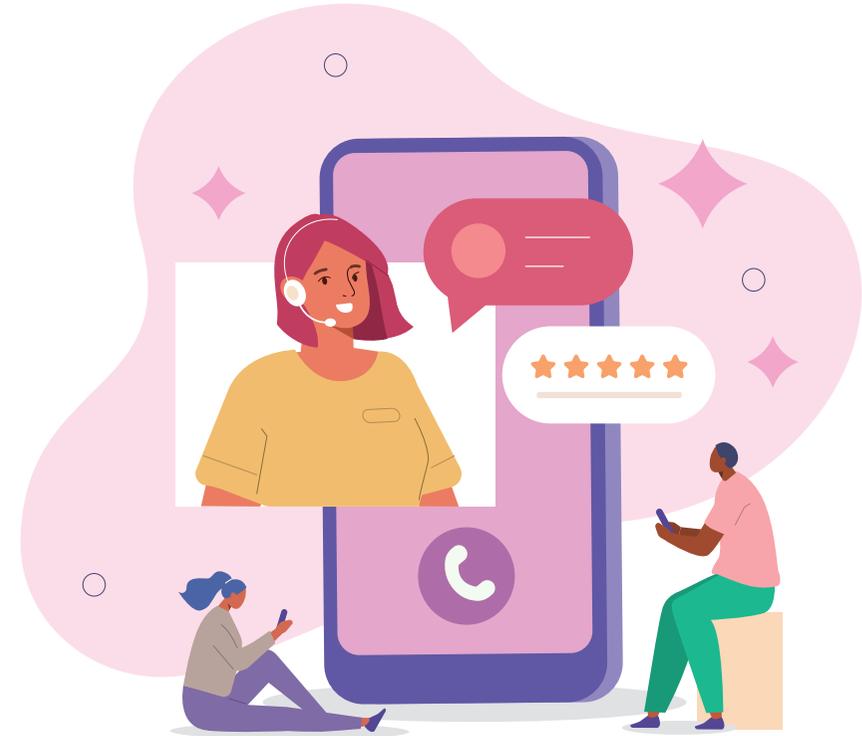
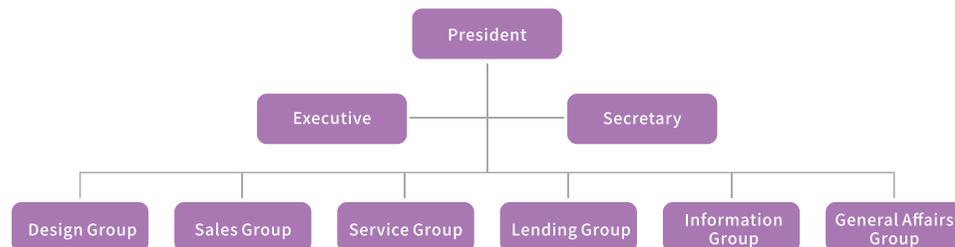
Implement the Principles of Treating Customers Fairly

We have established a corporate culture centered on the fair treatment of customers in accordance with the "Principle of Treating Customers Fairly" to increase the employees' awareness of financial consumer protection and compliance with relevant laws and regulations, so as to build customer confidence in SKL.

Treating Customers Fairly Committee

Policies, regulations, and operations

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



Results in 2021

- ◆ The Treating Customers Fairly Committee met four times in 2021 to review and report matters related to the Principle of Treating Customers Fairly.
- ◆ In 2021, the chief compliance officer of the head office reported to the Board of Directors on the business of the Principle of Treating Customers Fairly twice.
- ◆ In addition to annual training for all employees, we engaged external lecturers to organize nine face-to-face training sessions for directors, executives, and employees in charge of fair treatment of customers.

Measures Taken to Strengthen the Fair Treatment of Customers

Category	Results in 2021
 <p>Product design</p>	<ul style="list-style-type: none"> ✓ Developed insurance products that fit various needs: <ul style="list-style-type: none"> •SKL had developed 183 inclusive insurance products in 2021, and will continue to develop related products. •Included specific medical devices common to the elderly in the coverage; with flexible payment for long-term care insurance, such as single payment and monthly payment. •Designed readable product publicity and videos. •Held "Insurance Product Review Team" meetings before selling and "Terms Discussions" meetings after selling to reduce the policyholders' doubts about the policy terms.
 <p>Solicitation and marketing</p>	<ul style="list-style-type: none"> ✓ Prevented and protected the elderly from financial exploitation: <ul style="list-style-type: none"> •Strengthened the operation of Know Your Customer (KYC) and Know Your Product (KYP) in various channels and included it in the evaluation. In case of improper marketing or other misconduct against elderly customers, penalties will be imposed and benefits will be retracted. •Displayed labels and reminders for the elderly in the customer dashboard, making it easier for insurance agents to identify. •Promoted KYP to make it easier for the elderly to understand insurance products better. ✓ Built a "fraud prevention and risk control model for insurance agents," to reduce abnormal solicitation behavior.
 <p>Customer service</p>	<ul style="list-style-type: none"> ✓ Added care reminders to Customer Information System (CIS), and took out a patent, to provide services for people with different types and levels of disabilities ✓ Set up the Treating Customers Fairly area on the company website and a friendly financial services area. ✓ Pioneered the "Sign Language Video Translation Platform" to facilitate barrier-free communication with people with hearing and speech impairment.
 <p>Claims</p>	<ul style="list-style-type: none"> ✓ Combined the claim review notice with the government's long-term care information and established a self-checking mechanism.
 <p>Grievances</p>	<ul style="list-style-type: none"> ✓ Disposed of disputes over solicitation of people aged 65 and above: <ul style="list-style-type: none"> •Added warning signs to the grievance system. ✓ Reviewed the causes with the underwriting department and developed improvement measures.

Responsible for marketing and publicizing

In addition to disclosing information on the design, selling, and promotion of insurance products 100% in compliance with the statutory requirements, we:

- (1). Pay attention to the solicitation of insurance agents and the mechanisms for reviewing and approving application documents; have the "Management Regulations on the Use of Promotion Materials for Product Sales" formulated in accordance with the "Self-Regulations for Solicitation advertisement in the Insurance Industry" to ensure that product specifications or publicity. In addition, fonts or risk warnings have been fully disclosed in accordance with relevant regulations to protect the rights and interests of consumers.
- (2). Have the "Business Solicitation processing and Procedures System" in place to ensure the interests of the Company and policyholders through strict controls on the misappropriation of premiums.
- (3). Launch the "fraud prevention and risk control model for insurance agents" to prevent the abnormal solicitation of insurance agents, misappropriation of premiums, improper marketing, and improper persuasion of policyholders through risk warnings.

In 2021, we had two cases not complying with relevant laws and regulations on marketing communication. We have reviewed the cases and made concrete improvement plans and have also put forward a review mechanism to control the quality of solicitation. For more information, refer to Disclosure - Other Matters Required to Be Recorded .

Friendly insurance services

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



Type of Customer	Service	Mechanisms for Financial Inclusion	Results in 2021
Disadvantaged people	Friendly financial services	<ul style="list-style-type: none"> • Accessible website: set up a friendly financial service official website area to reduce the barriers to online applications for people with disabilities. • Barrier-free communication: when policyholders with hearing and speech impairment went to the counter for policy service, they can connect with professional sign language interpreters through the "Sign Language Video Translation Platform" (LOY) to communicate smoothly. • Barrier-free environment: equip operations with barrier-free passages, service bells, or guidance signs, as well as assisted facilities for wheelchair users at service counters. • Diversified service channels: provided online or on-site services via customer service hotline (0800-031-115). 	<ul style="list-style-type: none"> • Friendly financial service official website area obtained the conformance level AA for WCAG 2.0. • We led the insurance industry with the launch of the "Sign Language Video Remote Interpreting Platform" communication service in May 2021.
	Insurance education	<ul style="list-style-type: none"> • Invited experts to share their professional knowledge in such fields as wealth management, leisure, as well as physical and mental health on a regular basis. • Co-organized barrier-free online training with Duofu Care & Service to provide more suitable services for customers with disabilities. 	<ul style="list-style-type: none"> • We held 15 "SKL Beautiful Life" lectures, attracting a total of 5,061 participants. • We organized five barrier-free online training sessions.
The elderly	SKL long-term care website	<ul style="list-style-type: none"> • Set up the SKL long-term care website  to pass on knowledge of long-term care, use of social welfare resources, insurance, medical personnel interviews, and healthcare information, as well as encourage the exchange of ideas, so as to increase the public awareness of long-term care. 	<ul style="list-style-type: none"> • The website received 870,000 visitors, with 3.25 million page views, among which about 680,000 were unique visitors, and natural search traffic reached 71%. • Visitors aged 25-54 accounted for 70%, showing that the website did provide information needed by young and middle-aged people.
	Providing Sound retirement planning through group synergy	<ul style="list-style-type: none"> • Provided policyholders with comprehensive protection after retirement, from economic security, safety, medical treatment at home, and healthcare to aging, with SKFH Group's resources. • Set up Taiwan's first all-age care room with an area of 4.5 ping (14.85 square meters) at Taipei Station LOHAS Future Pavilion for the elderly and people with disabilities. • Built "Jasper Villa Banqiao," a healthy and safe residence for the elderly after retirement featuring security, hospital, and other healthcare services. 	<ul style="list-style-type: none"> • In 2021, Jasper Villa Banqiao won the Symbol of National Quality (SNQ) for the second consecutive year, becoming the first retirement-specific residence in Taiwan to bear the SNQ.

Type of Customer	Service	Mechanisms for Financial Inclusion	Results in 2021
Emergency/ disaster-affected policyholders 	International disaster relief	<ul style="list-style-type: none"> Activated international disaster relief immediately when policyholders needed assistance in an emergency while traveling overseas. 	<ul style="list-style-type: none"> From 2013 to 2021, SKL processed 64 international disaster relief cases at the amount of NT\$33.45 million.
	Emergency/ disaster care	<ul style="list-style-type: none"> Typhoon/disaster protection: initiated five emergency response mechanisms, namely assisting with claims settlement, reissuing insurance policies free of charge, extending insurance premium payment, offering discounts for policy loan interest payment, and extending housing loan principal payment, in the event of typhoons or other disasters to assist policyholders in dealing with major accidents and climate change. Major accident condolence: provided care and consolation money for policyholders encountering major accidents. 	<ul style="list-style-type: none"> In 2021, we initiated the emergency response mechanisms four times. We distributed consolation money to policyholders who were injured (outpatient and inpatient) or died in the Hualien train derailment and the Kaohsiung building fire in 2021.
COVID-19 affected policyholders 	Epidemic prevention and relief	<ul style="list-style-type: none"> Services amid the COVID-19 pandemic: provided policyholders with services such as the extension of premium payment/policy loan interest, online express claims settlement, and other claims settlement measures. Encouraged policyholders to use digital self-services to reduce the risk of contact. Epidemic prevention consolation: provided lenient claims settlement for the medical personnel and NT\$30,000 worth of consolation money for those who confirmed the diagnosis of COVID-19 Concessional policy loan projects: self-organized three concessional policy loan projects (borrowing rate: 1.5%~2.5%) on our own initiative for policyholders affected by the pandemic, as well as the "Economic relief Concessional Policy Loan Project" (borrowing rate: 1.28%) in line with the government's disaster relief policy. 	<ul style="list-style-type: none"> A total of NT\$14.267 billion were granted to policyholders under the "Concessional Policy Loan Project," among which NT\$1.438 billion, or 10%, were granted by SKL, ranking fourth in the industry. SKL organized four concessional policy loan projects, and 33,479 policyholders applied, with the total concessional policy loans amounting to NT\$11.227 billion.
Young people 	LIFE Lab.	<ul style="list-style-type: none"> Provided inspiring and interactive insurance consulting service for young people, changing our brand image from a traditional insurance company into an innovation leader. 	<ul style="list-style-type: none"> LIFE Lab. developed 12,000 new potential customers. The number of policies of new business tripled or more. New customers^(Note) accounted for 33%. Protection-type products accounted for 74% of all products.

Note: New customers are those who do not hold any in-force policies with SKL at the time when the new policy is concluded.

Customer Service and Communication

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



Optimizing customer experience

To continue optimizing the customer experience, SKL introduced Net Promoter Score(NPS), using customer feedback to measure the customers' evaluation of our services and make important decisions to improve the quality of service. Driven by the various acts, the company's NPS was 78.8% in 2021, an increase of 3.1% as compared with the previous year.

Listening to the voices of policyholders

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

In 2021, we received nearly 522,000 calls through our 0800 customer service hotline, and 88.1% of the callers were satisfied with our customer service. Most of the callers made inquiries about policy administration (preservation, premium, and the content of the contract).

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

Customer Satisfaction Survey	2019	2020	2021
Customer satisfaction rate	88.8%	88.6%	88.1%

Responding to policyholder feedback attentively

For complaints lodged by policyholders, we have a grievance mailbox to handle policyholders' complaints. After receiving policyholders' complaints, the dedicated department will investigate them immediately and follow up on the cases to get back to the policyholders in a timely manner.

With the effective control and response, the rankings of the weight and the comprehensive score on the grievances have improved greatly, showing that the results have rolled in.



Quick claims

SKL has established the "claim risk analysis system," which distributes cases immediately, reviews cases online, and shortens processing time to quickly settle policyholders' claims. In 2021, SKL achieved 93.7% customer satisfaction with claims.

Proportion of ombudsman cases

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

Type of case	2019		2020		2021	
	Claims	Non-claims	Claims	Non-claims	Claims	Non-claims
Proportion of Ombudsman Cases (% ₁₀₀₀)	0.025	0.035	0.034	0.037	0.035	0.032
Average processing days	1.00		1.02		1.02	

Source: Financial Ombudsman Institution (published once every year)



Tool	Description
Claim risk analysis system	<ul style="list-style-type: none"> Analyze the characteristics and trends of rejected claims to improve the hit rate of investigations and prevent fraudulent claims. The decrease in the claim investigation rate and the increase in the claim clear-up rate indicate that the overall investigation performance improves and the claims loss decreases.
Advanced quick claim risk analysis system	Analyze the characteristics and trends of quick claims settlement cases based on the established high-risk model to improve the overall performance and reduce the cost of claim settlements.

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

Note 2: Claim clear-up rate = Number of cases solved/Number of cases investigated.



Results in 2021

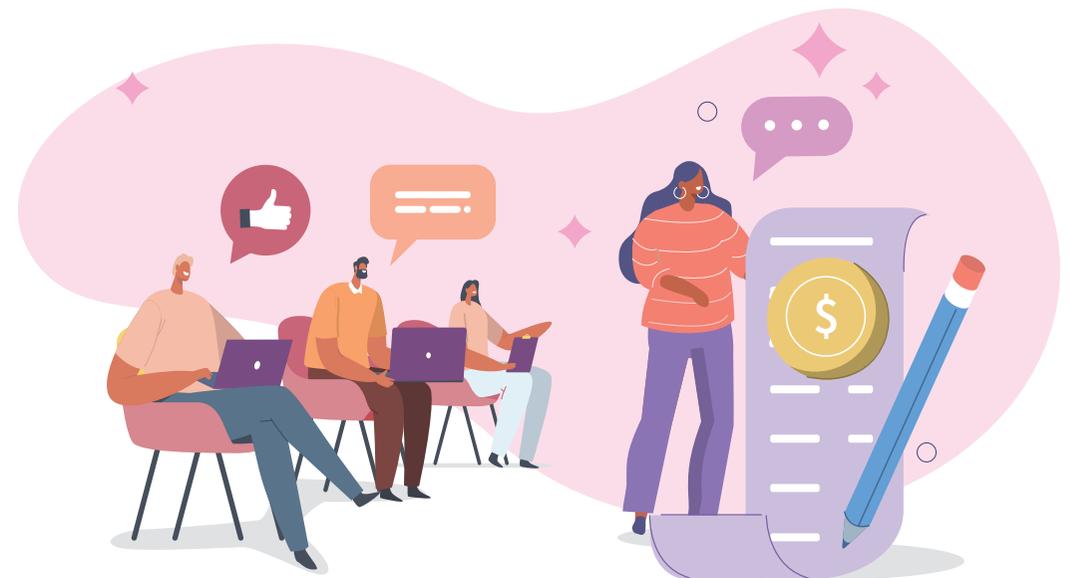
- The claim investigation rate^{Note 1} dropped to 2.2% from the previous year.
- The claim clear-up rate^{Note 2} rose to 33.3% from the previous year.
- Normally, it takes an average of three days to process claims. In 2021, we only spent 1.3 days.
- The monthly number of reviewed claims per capita increased from 282 before the launch in 2017 to 367 in 2021.

✓

✓

✓

✓





EMPLOYEE HAPPINESS



Diverse Recruitment / Nurturing Talent / Happy Workplace

Retention rate of outstanding talent reached **96.3%**



Distributed **NT\$23.57 million** in professional license rewards and bonuses



Employed people with disabilities more than required by law and made indigenous employment incentive payments at **NT\$12 million**



56.9% of management (both office and sales personnel) taken up by women



The number of labor disputes decreased from 2 in 2020 to 0



Employee stock ownership trust (ESOT) totaled **NT\$25.84 million** in grants



Core Vision



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

Diverse Recruitment

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



Building an Inclusive Workplace

Employment Status

SKL attaches great importance to diversity in the workplace. Our workforce mainly comprises Taiwanese employees, and all of our senior executives are Taiwanese. In 2021, we had 2,665 office staff and 7,681 insurance agents, totaling 10,346 full-time employees (excluding commission-only sales representatives); 27.6% of our employees were male and 72.4% female.

2021 Employee Structure

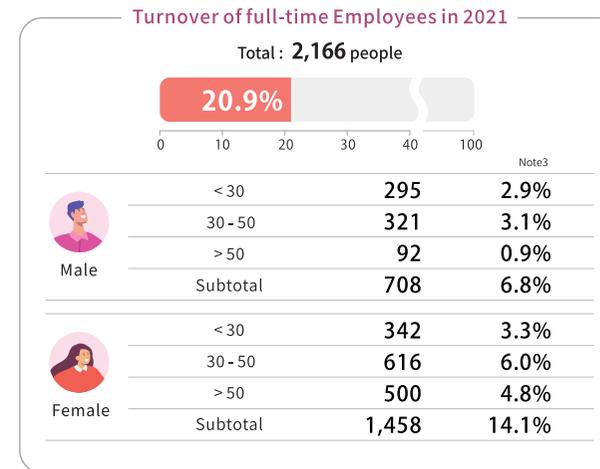
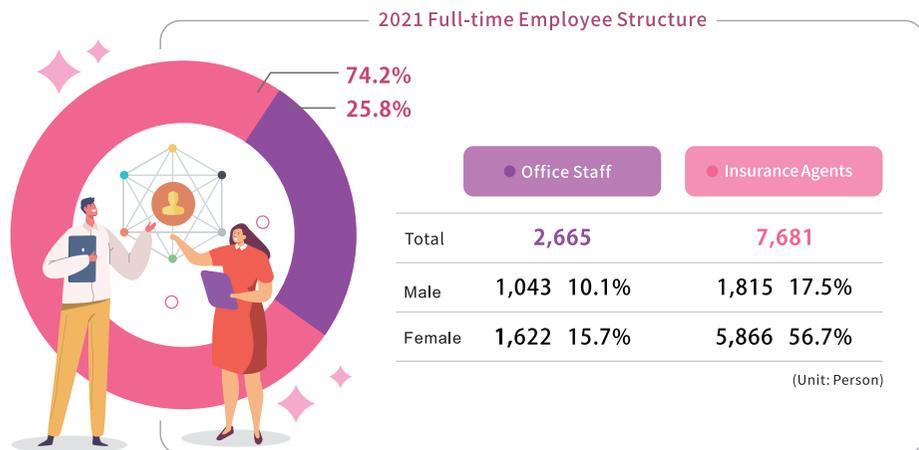


	Employee	Office Staff	Insurance Agents
Total	10,346	2,665	7,681
Male	2,858	1,043	1,815
Female	7,488	1,622	5,866

(Unit: Person)

Category	Office Staff					Insurance Agents					Total	
	Taiwan	Overseas	Taiwanese	Foreign National	Subtotal	Taiwan	Overseas	Taiwanese	Foreign National	Subtotal		
Male	Full-time	1,039	4	1,040	3	1,043	1,815	0	1,815	0	1,815	2,858
	Unofficial	17	0	17	0	17	549	0	549	0	549	566
	Subtotal	1,056	4	1,057	3	1,060	2,364	0	2,364	0	2,364	3,424
Female	Full-time	1,621	1	1,622	0	1,622	5,866	0	5,866	0	5,866	7,488
	Unofficial	37	0	37	0	37	3,514	0	3,514	0	3,514	3,551
	Subtotal	1,658	1	1,659	0	1,659	9,380	0	9,380	0	9,380	11,039
Total	Full-time	2,660	5	2,662	3	2,665	7,681	0	7,681	0	7,681	10,346
	Unofficial	54	0	54	0	54	4,063	0	4,063	0	4,063	4,117
	Subtotal	2,714	5	2,716	3	2,719	11,744	0	11,744	0	11,744	14,463

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

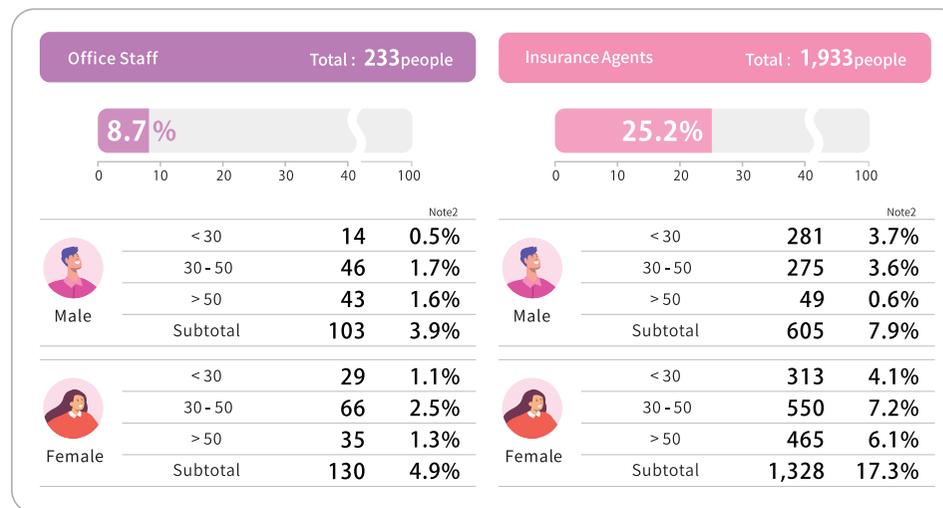


Gender	Age	Office Staff						Insurance Agents					
		Senior-level managers	Mid-level managers	Junior-level managers	Management Subtotal	General employee	Proportion of each Age group ^{Note 2}	Senior-level managers	Mid-level managers	Junior-level managers	Management Subtotal	General employees	Proportion of each Age group ^{Note 2}
Male	< 30	0	0	5	5	104	1.1%	0	0	79	79	592	6.5%
	30 - 50	15	84	138	237	394	6.1%	0	0	243	243	701	9.1%
	> 50	41	57	47	145	158	2.9%	0	0	28	28	172	1.9%
	Subtotal	56	141	190	387	656	10.1%	0	0	350	350	1,465	17.5%
Female	< 30	0	0	0	0	215	2.1%	0	0	51	51	735	7.6%
	30 - 50	4	52	63	119	871	9.6%	0	0	342	342	2,012	22.8%
	> 50	7	23	57	87	330	4.0%	0	0	375	375	2,351	26.3%
	Subtotal	11	75	120	206	1,416	15.7%	0	0	768	768	5,098	56.7%
Total		67	216	310	593	2,072	25.8%	0	0	1,118	1,118	6,563	74.2%
Proportion of each Category ^{Note 3}		0.7%	2.1%	3.0%	5.7%	20.0%		0.0%	0.0%	10.8%	10.8%	63.4%	

Note 1: Senior-level manager refer to the president, department heads and above; Mid-level manager refer to deputy heads of department, section managers, and the managers of regional sales divisions; Junior-level managers refer to project managers, sales office supervisors, and sales managers.

Note 2: Proportion of each Age group (%) = (Number of full-time employees by age/Number of all full-time employees).

Note 3: Proportion of each Category (%) = (Number of full-time employees by category/Number of all full-time employees).



Note 1: Turnover refers to the number of employees who leave an organization voluntarily or as a result of layoff, retirement, illness, or death at work, excluding secondments.

Note 2: Turnover rate of office staff and insurance agents = (Number of office staff or insurance agents left SKL/Total number of full-time employees of SKL).

Note 3: Total Turnover rate = (Number of full-time employees left office/Total number of full-time employees of SKL).

Note 4: No full-time employees overseas left SKL in 2021.

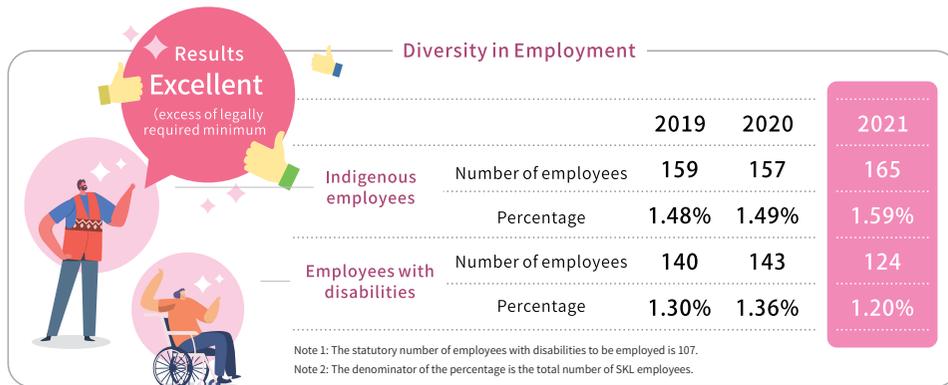
Equal employment

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

Maintaining the rights of people with disabilities and indigenous peoples at work

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

- Employ people with disabilities more than required by law. In 2021, we employed 124 people with disabilities.
- Draw up the "Regulations for Incentive for Increased Recruitment of Indigenous employees" to provide employment opportunities for indigenous peoples. In 2021, we made incentive payments amounting to NT\$12 million.
- Provide additional one-day special leave and NT\$6,000 for indigenous employees to return home for annual festival. In 2021, we provided NT\$246,000 to 41 indigenous employees.



Valuing gender equality

SKL places much emphasis on gender equality and does not discriminate based on gender or sexual orientation. We attach importance to the workplace participation of female employees, not only for gender balance, but also for bringing diversity of perspectives to the company. The results of the performance evaluation in 2021 showed that more female employees were high performers than male employees. This echoed with our positive arrangements for female employees.

Statistics of Female Managers in 2021

	Number of People	Percentage
Senior-level managers	11	16.4%
Mid-level managers	75	34.7%
Junior-level managers	888	62.2%
Sales Department managers	768	68.7%

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

Recruiting the Next Generation

Insurance Agent Recruitment Plan

Talent Recruitment and Attraction

Project/Program	Description	Results in 2021
Young Manager Training Program	Hire outstanding young talents as management associates to funnel younger generations into entry-level managers	Hired 298 people
New Talent Training Project	Strengthen the recruitment of low-performing units to attract people who want to change their jobs to work in the insurance industry	Hired 264 people
Young sales Representative Manager Training Program - Sky Promotion Project	Help representatives improve sales skills, develop the organization, and get promoted to managers through a sound training, financial aid, and reward system	22 newcomers
Elite Representative Manager Training Program	Recruit experienced sales representatives and help them thrive in the Company within a year	13 newcomers

Industry-University Collaboration Program

- We provide opportunities for college students to visit our company and learn about SKL's business philosophy and operations.
- We provide students with hands-on practice in the business operations of an insurance company through our experienced office and sales personnel to turn them into insurance talents. In 2021, SKL cooperated with 133 departments in domestic colleges and universities. A total of 269 students participated in our industry-university collaboration program.



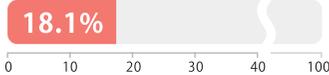
Internship/Scholarship Programs

Every year, SKL organizes internships, summer internships, insurance courses, corporate visits, and other projects to share knowledge and experience with students in a series of courses and activities, helping students to understand themselves and plan for their futures. In 2021, we invested NT\$2.73 million in our internship programs that attracted one student in the summer internship, 11 in the industry-university collaboration program, and 13 in the IT internship program. 5 students participating in the IT internship program worked for SKL after graduation.



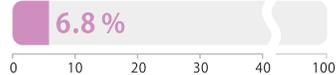
New Full-time Employees in 2021

Total: **1,870** people



Male	< 30	355	3.4%
	30 - 50	318	3.1%
	> 50	18	0.2%
	Subtotal	691	6.7%
Female	< 30	435	4.2%
	30 - 50	636	6.1%
	> 50	108	1.0%
	Subtotal	1,179	11.4%

Office Staff Total: 180 people



Male	< 30	31	1.2%
	30 - 50	49	1.8%
	> 50	3	0.1%
	Subtotal	83	3.1%
Female	< 30	54	2.0%
	30 - 50	43	1.6%
	> 50	0	0.0%
	Subtotal	97	3.6%

Insurance Agents Total: 1,690 people



Male	< 30	324	4.2%
	30 - 50	269	3.5%
	> 50	15	0.2%
	Subtotal	608	7.9%
Female	< 30	381	5.0%
	30 - 50	593	7.7%
	> 50	108	1.4%
	Subtotal	1,082	14.1%

Note 1: New insurance agents refer to the insurance agents employed within one year.
 Note 2: Percentage of new full-time employees (%) = (Number of new full-time employees/Number of all full-time employees).
 Note 3: There was no new full-time employees overseas in 2021.

Nurturing Talent

Training Strategies and Programs

As part of our core vision, we place emphasis on the value of human life. Treating every employee as an important asset of the Company, SKL recruits outstanding talents and puts the right people in the right place. In 2021, the outstanding talent retention rate reached 96.3%, and the newcomer retention rate was 89.1%.

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

Sound training system

Complete training and career development plans for employees at all levels

- The training system is divided into two categories: sales (sales personnel) and administration (office staff).
- Learning maps are drawn based on employee needs to develop their career development paths through diverse learning mechanisms.
- In 2021, we organized 751 sessions of learning map training, and 22,530 people completing the training with the satisfaction score averaging 4.89 (five-point scale).



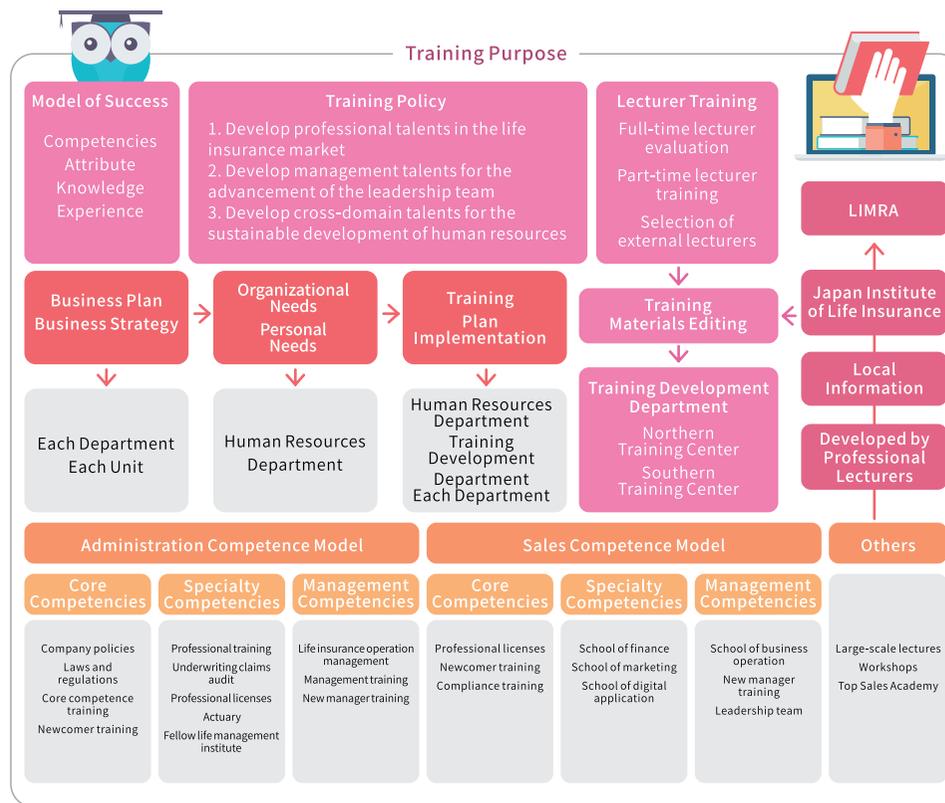
Leadership team



- Administration : We continue to seek out potential talents in management positions to prepare them for management. In 2021, we trained 94 potential talents in management positions and promoted 14 of them to the management (promotion rate was 15%).
- Sales : From 2011 to 2021, we trained a total of 348 sales personnel in the "Business Leadership Development Program" and promoted 176 of them to managers(51%).

Learning map

- We draw the learning map of each department through workshops and implement it by jurisdiction.
- We will continue updating the company-wide learning map to design development paths for personal career planning and training. This can speed up the training of subordinates, expand the scope of job rotations, and pass down the professional knowledge and skills required for succession.



Certification allowances

- To encourage employees to pursue further education independently and pass professional certification, SKL offers allowances for related training courses and certification examinations.
- Allowances cover application fees, annual membership fees, foreign language training fees, EMBA and in-service master's program (including master's programs) fees.
- We also offer certification incentives, continuing education allowances, and study leave.
- In 2021, we allocated NT\$23.57 million to certification allowances and incentives.



Category		2020	2021
Office Staff	Life insurance certification	8,940	9,295
	Subtotal	6,276	5,960
Insurance Agents	1. Life insurance agent certification examination	3,163	2,737
	2. Non-investment-type life insurance in foreign currency examination	1,837	1,681
	3. Investment-type life insurance examination	892	761
	4. Million Dollar Round Table (MDRT)	191	360
	5. International Dragon Award (IDA)	77	247
	6. Registered Financial Consultants (RFC)	102	119
	7. Associate Financial Planner (AFP)	4	92
	8. Certified Financial Planner (CFP)	10	82
Subtotal		6,276	5,960
Total		15,216	15,255



Diverse training pipelines

Talent exchange program

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

External training at home and abroad

- In 2021, 459 employees took training courses based on the nature of business activities they engage in.

Online training platforms

- An online training platform is available for employees to learn at any time and any place, effectively improving their professional knowledge and skills.
- To encourage employees to learn, employees who read eight hours online are eligible for one-day study leave, with a maximum of two days per year.
- Employees are encouraged to use fragmented time to learn on the "Common Wealth Leader Campus" to stay competitive at work.



Connecting to international financial development

Bilingual training

- In 2021, our expenditure on English learning for employees amounted to NT\$2 million. Methods of English learning included English contests and e-sports, online learning platforms and APP, and TOEIC tests.
- We continue to implement the TutorABC English learning program. In 2021, 75% of the trainees reached an intermediate or advanced level of English proficiency after completing the training.
- In 2021, the average TOEIC test score of all employees increased by 63 points.



Digital talent development

Risk	The wave of financial technology has sent the insurance industry down a path to transformation.	Kirkpatrick	
Opportunity	Talent training plans are rolled out in the insurance industry in response to the wave of financial technology.	Model	
Eight Talent training strategies for Fintech	Assign employees to take training courses at Taiwan AI Academy and organize BusinessNext lectures	<ul style="list-style-type: none"> Assign 1 manager to take the management training course (due to the pandemic) Organized 2 BusinessNext lectures with Taiwan AI Academy, from single sign-on (SSO) to demonstration, to explore AI cases in the insurance industry Organized 1 BusinessNext lecture with DDI to share new thinking of and approaches to talent management and digital leadership in the information age Organized 1 BusinessNext lecture with Fin & Tech to analyze the current development of financial technology and its future industry trends 	L3
	Carry out the Spark Heroes Digital Training Program	<ul style="list-style-type: none"> SKFH selected employees who are agile, bold, and collaborative (ABC) to train them to think strategically, be professional, be adaptive, be relationship-led, and keep moving through various programs. They were seeded to assist SKFH group with digital transformation. 	L3
	Assign employees to attend Fin & Tech and Bellwether forums	<ul style="list-style-type: none"> Assigned 7 employees to participate in the information security talent training program Allowed employees to take Fintech courses Assigned employees to attend Bellwether forums every month 	L3
	Introduce online courses of Taiwan Academy of Banking and Finance	<ul style="list-style-type: none"> Introduce a series of online Fintech courses of Taiwan Academy of Banking and Finance and divide them into required and optional courses 	L3
	Develop talents in technology, social media, and big data	<ul style="list-style-type: none"> Promoted the digital and financial literacy test and provided cloud-based training resources for insurance consultants Integrated Heart-SFA (Sales Force Automation) with iPad to provide a diversity of user-friendly e-services Organized lectures on new knowledge and industry trends to familiarize employees with the application and development of the Internet of Things and big data in the insurance industry 	L3
	Set up a dedicated organization to reform the big data process	<ul style="list-style-type: none"> Reformed the process through technology, social media, and big data analytics and cultivated talents in FinTech 	L4
	Organize workshops on leading change to replicate success quickly	<ul style="list-style-type: none"> Carried out new product development training through workshops Held RFC certification training to improve financial expertise and quality of service 	L4
	Initiate Agent+ digital transformation management	<ul style="list-style-type: none"> Set up a cloud-based training section to enable effective digital management and mobile learning 	L4

Million Dollar Round Table (MDRT)

- SKL fully subsidizes MDRT members to attend the annual meeting in Taiwan. We also hold the top sales awards ceremony and Top Sales Academy every year to convey MDRT's whole person concept.
- In 2019, 14 sales executives were assigned to attend the overseas MDRT annual meeting. In the wake of the pandemic, the annual meeting went virtual in 2020 and 2021.
- In 2021, we organized MDRT tours and live seminars to optimize delicate service to customers.



International financial planner certification

- We hold international financial planner certification training courses, including RFC, CFP, and AFP.
- In 2021, 119 employees got certified to RFC, No. 1 in the industry.
- In 2021, 82 and 92 employees got certified to CFP and AFP respectively, No. 3 in the industry.



Training Input and Output

Employee training input

SKL treats every employee as the most important asset of the Company. In addition to launching strategic products, we recruit and develop young talents through the business transformation program. Each year, we invest in a world of training resources to boost our insurance agents' productivity. In terms of digital service, we continue to train talents in digital finance to provide customers with a diversity of user-friendly smart financial services. In 2021, we allocated NT\$23.57 million to certification allowances and incentives and spent NT\$200 million on training.



Employee Training Hours

Unit: Hour

Total hours : **994,114** Hours per capita : **96.09**

		Office staff	Insurance agents	Total	Hours	Capita
		Total : 142,783		Total : 821,331		
Male	Management	Senior-level	-	2,008	2,008	36
		Mid-level	-	5,245	5,245	37
		Junior-level	40,530	44,092	82	
		Subtotal	10,815	40,530	51,345	70
General Employees		40,961	197,100.5	238,062	112	
Female	Management	Senior-level	-	829	829	75
		Mid-level	-	4,246	4,246	57
		Junior-level	70,622	72,284	81	
		Subtotal	6,738	70,622	77,360	79
General Employees		84,269	543,078.5	627,347	96	

Note 1: Training hours in this table included hours of internal training, external training, overseas training, online training, and orientation.

Note 2: Internal training refers to internal training organized by the Human Resources Department; external training refers to external training which departments assign employees (either office staff or insurance agents) to attend; overseas training refers to training which the Company assigns employees (either office staff or insurance agents) to attend overseas.

Employee Training Expenses

Unit: NTS

Total : **193,069,195** Capita : **18,661**

		Office staff	Insurance agents	Total	Capita
		Total : 53,995,846		Total : 139,073,349	
Male	Management	Senior-level	-	760,895	13,587
		Mid-level	-	1,901,868	13,488
		Junior-level	4,404,881	5,754,219	10,656
		Subtotal	4,012,101	4,404,881	8,416,982
General Employees		15,518,514	40,538,941	56,057,455	26,430
Female	Management	Senior-level	-	314,176	28,561
		Mid-level	-	1,595,444	21,273
		Junior-level	6,185,944	6,815,720	7,675
		Subtotal	2,539,396	6,185,944	8,725,340
General Employees		31,925,834	87,943,583	119,869,417	18,402

Note 1: Training hours in this table included hours of internal training, external training, overseas training, online training, and orientation.

Note 2: Internal training refers to internal training organized by the Human Resources Department; external training refers to external training which departments assign employees (either office staff or insurance agents) to attend; overseas training refers to training which the Company assigns employees (either office staff or insurance agents) to attend overseas.

Results of key training projects

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

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

O2O Digital Marketing Training Program

Project name	Summary
<p>Project overview</p>	<p>The COVID-19 pandemic continued to rage in 2021. In response to our business strategies for sales transformation and digital finance, we developed a series of online digital marketing courses. All insurance-related digital marketing courses went virtual and were combined with applied digital tools, digitalization seminars, marketing columns, and i-learning resources, helping our agents to provide contactless financial services for customers and ensure business continuity. The program consisted of four parts:</p> <ul style="list-style-type: none"> • Digital marketing courses: Applied digital tools, Power BI customer management platform, and e-agent were respectively added to orientation, newly promoted manager training, and on-the-job training. • Digitalization seminars: A series of digitalization seminars and events were organized online across Taiwan based on the annual theme. • Marketing columns: Topics such as digital service expert interview, new service introduction, and system optimization were issued quarterly to allow insurance agents to learn from successful cases and enhance digital financial services. • i-learning resources: Videos on digital tool learning and success stories of high-performing agents or departments were available to facilitate interaction between supervisors and agents.
<p>Business Benefits</p>	<p>Through online courses and training on digital tools, insurance agents understood the Company's sales strategies and goals better and were well equipped for digital transformation, thus mitigating the impact of the pandemic on the sales channel:</p> <ul style="list-style-type: none"> • Digitalized training and marketing campaigns: Training courses went virtual, so business units rolled out online policyholder events instead to maintain customer relations and ensure business continuity amid the pandemic. • Increased opportunities for reaching customers: The website of LIFE Design+ and other digital tools were set up to enable insurance agents to provide customers with information on products, insurance knowledge, and marketing materials during the pandemic, thus increasing sales opportunities. • Improved insurance agents' marketing skills: Online digital marketing courses taught agents contactless customer management skills and interactive design of various digital marketing resources to keep their marketing skills up to date. • Managed and expanded the sales channel: The Power BI customer management platform was capable of presenting customer and business operations data accurately. By learning the use of this platform, sales managers had a better understanding of the sales performance and customers who agents could make contact with. • Helped the Company meet business goals: During online digital marketing courses, sales managers and agents learned how to apply and manage digital tools to improve their leadership and marketing skills and maintain sales revenue for the Company.
<p>Applicable subject</p>	<p>All insurance agents</p>
<p>Training results (Kirkpatrick model L1~L5)</p>	<p>L1 : 4.95 satisfaction (five-point scale)</p> <p>L2 : 69.8% certification test pass rate, higher than the industry average (44.7%)</p> <p>L3 : • 94% of courses converted into online courses</p> <ul style="list-style-type: none"> • Improved ability to provide mobile services: mobile business APP usage in 2021 - e-insurance (89%) and e-benefit payment (84%) • Improved digital marketing skills: 90% customer dashboard usage in 2021; LIFE Design+ was used 50,215 times, up 38,664 from 2020 <p>L4 : • Achievement rate of premium: 82.8%</p> <ul style="list-style-type: none"> • Achievement rate of contractual service margin (CSM): 94.9% • LIFE Design+ generated NT\$83.7 million of premium, up 30% from 2020; insured 3,724 people, an 18% increase from 2020 • Power BI customer management platform: <ol style="list-style-type: none"> (1). NT\$11.3 billion of original premium generated from precision marketing lists, accounting for 70% of original premium revenue, up 20% from 2020 (2). Total number of dormant customers reactivated: 605,000 Note policyholders, up 85,000 from 2020 <p>L5 : Human capital return on investment (HR ROI) = 5.04, meaning that for every NT\$1 invested in the O2O Digital Marketing Training Program, revenue of NT\$5.04/person on average is generated by the insurance agent.</p>

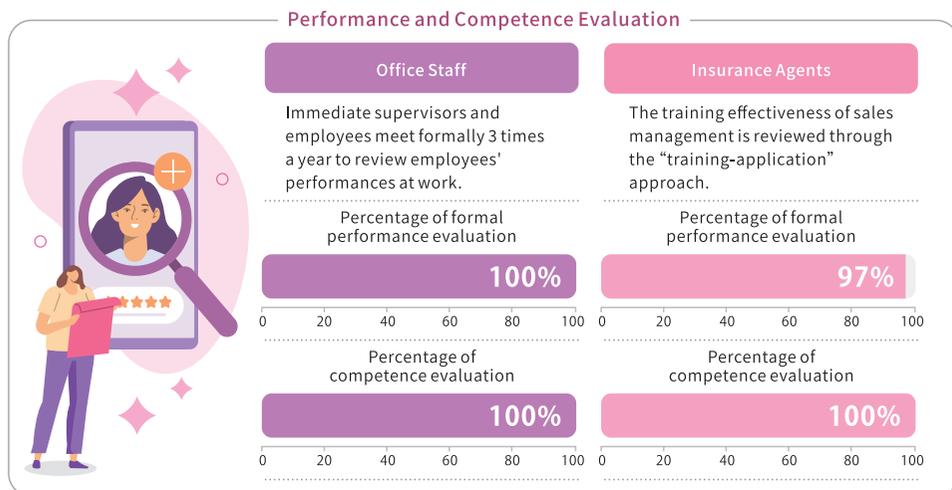


Note: Total number of dormant customers reactivated means that 605,000 originally inactive customers were reactivated to repurchase policies.

Talent Development

Performance and competence evaluation

To provide employees with clear career development paths, we set competences at all levels according to the Company's annual business strategies and evaluate the employees' performances (70%) and competences (code of conduct) (30%) at midyear and the end of the year respectively.



Note 1: The competence evaluation of office staff excludes top management, employees on loan, and head of sales office; the performance evaluation does not cover employees who have served for less than three months in a year.
 Note 2: Sales management refers to managers and above of sales offices, and they are subject to the performance evaluation every half a year; the performance evaluation excludes people who have been promoted to sales managers for less than three months.

Job rotation program

To optimize the use of human resources, we connect the Company's development with an employee's career development. Each year, we conduct a survey of employees' willingness to transfer to new posts. Through job rotations, we adjust job descriptions and the work environment appropriately to improve our employees' competence and productivity at work. In 2021, the percentage of open positions filled by internal candidates reached 52%.

Method	Description	2021 Number of People
Job rotation	Employees who serve in departments or special positions for a certain period of time may apply for job changes across departments or positions to inspire new enthusiasm at work or meet management needs.	575
Internal recruitment	Job vacancies of departments are promptly announced on the Intranet. Employees can apply for these job vacancies according to their personal interests and career plans.	37
Reservation for transfer	When there is no expected vacancy, employees may make reservations for transfer according to their personal needs. They may take up a post when the position becomes vacant.	7

Re-employment of retiring insurance agents

To encourage retirees to continuously contribute to the insurance industry, SKL has established a "re-employment project," which re-employs retirees based on their ranks at the time of retirement. In 2021, 134 retirees were re-employed.

Happy Workplace

Three Pillars of Happy Workplace

Pillar 1 (Culture): Creating a corporate culture that values diversity, effective communication, and gender equality

Protecting employees' human rights

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

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

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

Results in 2021

- Continued publicizing sexual harassment prevention and operating the whistle-blowing system
- Organized 2 sessions of publicity for workplace violence prevention and sexual harassment prevention for 0.5 hour in total; all employees attended the sessions.
- Received no reported case
- Conducted the review in all operations

Paying attention to the voice of employees

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

Mechanism	Action
Labor-management meeting	Establish labor unions in Taipei City, New Taipei City, Hsinchu City, Taichung City, Nantou County, Yunlin County, Changhua County, and Kaohsiung City without a collective bargaining agreement
Grievance	<ul style="list-style-type: none"> Set up the Employee Complaint Response Team and the Major Labor Dispute Handling Team Draw up the "SKL Employee Complaint Handling Regulations" and build a workplace where communication prevails over confrontation
Employee survey and employee symposium	<ul style="list-style-type: none"> Conduct employee surveys regularly to understand employees' identification with and comment on the Company Base the survey results on external standards, strengthen consensus, plan improvement actions
Employee feedback mailbox	Set up an employee feedback mailbox  : speaklouder@skl.com.tw, through which employees' voices will be accepted by a dedicated person and submitted to the top management
Intranet feedback area	Set up a comment section on the Intranet, to which a dedicated unit is responsible for responding, to allow employees to seek advice immediately and conveniently



Results in 2021

- Communicated harmoniously with the unions in regular meetings (quarterly) instead of negotiation or mediation of labor disputes
- Received 2 employee complaints (including consulting and referring cases to business units for handling)
- Reported no labor dispute
- The response rate of the employee survey during the period from 2021 to 2022 is 97%, and the overall engagement is 70%.
- Allowed employees to respond through private mobile devices to ensure their privacy
- Located the user interface and data storage in the consultant company's system to keep employees' responses strictly confidential
- Received no employee feedback or proposal
- Continued to communicate with employees using the comment section; In 2021, the feedback area received 40 new comments

Pillar 2 (Benefits): Establishing a good employee compensation and welfare system

Employee Compensation System

At SKL, we compensate employees based on their positions, performances, and competence, regardless of gender. We guarantee the basic living of new agents without experience by offering a monthly allowance worth NT\$4,800 before they are officially employed. We are one of the few companies in the industry that provides basic wages for insurance agents. A salary adjustment is guaranteed to new recruits for the first three years. Professional and technical incentives and bonuses are also granted to free new recruits from worry, motivating them to improve their professional competence.

Employee Compensation and Benefits

Category	Description
Performance bonus	Distribute a performance bonus based on the Company's yearly earnings and operating results and an employee's annual performance and contribution to the organization
Professional and technical bonus	Grant professional and technical allowances and bonuses
Special performance bonus	Formulate regulations for the distribution of special performance bonuses based on the nature of business and distribute the bonuses according to the achievements
Employee compensation	Allocate 1% of the remaining amount as employee compensation if the Company makes a profit in a year

Results in 2021

- 24 employees cited or rewarded for outstanding performances
- Distributed NT\$200,000 in individual bonus
- Distributed NT\$1.33 million in department bonus
- 10 office staff and 30 sales personnel were selected as outstanding employees (granted medals and gifts by the President and top-level managers)

Female-to-male Compensation Ratio in 2021

Rank	Base Salary		Yearly remuneration	
	Female	Male	Female	Male
Senior management	98.73%	101.19%	101.19%	101.19%
Middle management	101.52%	104.29%	104.29%	104.29%
Junior management	93.64%	127.63%	127.63%	127.63%
General Staff	84.41%	86.80%	86.80%	86.80%

Note 1: Senior-level manager refer to the president, heads of department and above; Mid-level manager refer to vice heads of department, section directors, and the managers of regional sales divisions; Junior-level managers refer to project managers, heads of sales offices, and the managers of sales offices.

Note 2: The remuneration of insurance agents varies with individual business performance and is relatively unrelated to gender. Therefore, it is not disclosed here.

Note 3: Yearly remuneration refers to base salary, bonus, stock, etc.

New Recruit Salary Range Compared with Local Minimum Wage



Note 1: Entry-level employees refer to new employees without work experience and they should hold a bachelor's degree (office staff only; there is no difference in salaries between male and female insurance agents).
 Note 2: The minimum wage refers to NT\$24,000 announced by the Ministry of Labor, which took effect on January 1, 2021.
 Note 3: Compensation for entry-level employees is the minimum base salary (not including variable salary such as a year-end bonus) and may be adjusted according to work experience, education, and positions.

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

In 2021, the number of non-management full-time employees was 8,635, and the total employee benefit expenses topped NT\$9.989 billion, with the employee benefit expenses averaging NT\$1.15 million per employee.

Employee benefits

Summary

Benefits

Leave	<ul style="list-style-type: none"> Annual leave, marriage leave, bereavement leave, official leave, occupational injury leave, paternity leave, maternity leave, sick leave, menstrual leave, paid personal leave, family care leave, pregnancy checkup leave, natural disaster leave, epidemic prevention leave, etc. The pay standards for marriage leave and bereavement leave are better than the requirements prescribed in the Labor Standards Act.
Insurance	<ul style="list-style-type: none"> Labor insurance, national health insurance, and group insurances with preferential rates, as well as annual health examination for office staff and insurance agents. Group critical illness insurance is open to employees' children under the age of 15. For employees who purchase group term life insurance, SKL adds insurance coverage by 30% fully at the Employee Welfare Committee's expense. Commission-only sales reps who cooperate with SKL may choose freely whether to enroll in group accident insurance.
Retirement	<ul style="list-style-type: none"> We have established the labor pension system in accordance with the "Labor Standards Act" and the "Labor Pension Act" and set aside the amount in full to pension employees. For the amount of pension set aside in 2021, refer to the financial statements for 2021 (P.81~85). Give souvenirs and other benefits that are better than the standards of labor laws when employees are eligible for retirement. Assist employees in making their retirement plans, develop exclusive annuity insurances, and offer incentives for employees to purchase insurance to encourage employees to make early retirement plans.
Healthcare	<ul style="list-style-type: none"> Provide regular health examinations, station physicians to give health checkups and medical advice, and offer hospital subsidies due to disasters, discounts for medical treatment and hospitalization, health lectures, CPR training, and epidemic prevention supplies (influenza vaccines, hand sanitizers, and thermometers). Encourage employees to participate in sporting activities and clubs such as tennis, table tennis, yoga, basketball, badminton, mountaineering, and Tai chi to stay healthy.
Marriage and childbirth	<ul style="list-style-type: none"> Set up breastfeeding rooms for breastfeeding during working hours, allow for flexible working hours for childcare, and provide childcare discounts and a sound unpaid parental leave for raising child(en) mechanisms to protect employees' rights and opportunities at work. In 2021, we distributed maternity benefits worth NT\$4.06 million to 203 employees. In 2021, we distributed parenting grants worth NT\$5.3 million to 530 employees (up to NT\$30,000/child).
General expenses	<ul style="list-style-type: none"> Wedding and funeral subsidies, housing loan discounts, automobile and motorcycle loan subsidies, birthday and three Chinese festival bonuses, children's scholarships, laptop subsidies, long-distance transportation and accommodation subsidies, employee cafeteria, and laundry service. We grant iPad subsidies worth NT\$2,000/person and iPad Pro subsidies worth NT\$10,000/person for section directors and above (including project managers). In 2021, 888 and 12 employees respectively received iPad and iPad Pro subsidies.
Self-learning	<ul style="list-style-type: none"> To develop talents and improve their professional skills, we have formulated the "Regulations for the Distribution of Professional and Technical Incentives" and provided certification incentives, continuing education allowances, subsidies for registration fees and annual membership fees, and study leave, hoping to encourage employees to pursue further education independently. In 2021, we allocated NT\$23.57 million to certification allowances and incentives.
Employee relations	Hold lucky draws at the year-end party, provide club activity subsidies and travel allowances, and organize staff commendation meetings to enhance employee relations
Others	<ul style="list-style-type: none"> We roll out the "LOHAS Winner Variable Annuity" and an employee stock ownership trust (ESOT) to help employees make early retirement plans. By offering subsidies for purchasing stock and annuity, SKL prepares employees for retirement through saving and investing. In 2021, we subsidized NT\$3.04 million to the LOHAS Winner Variable Annuity and NT\$25.84 million to employee share ownership trust.





Unpaid Parental Leave in 2021

Parental leave application rate **39%**
 Reinstatement rate **74%**
 Retention rate **71%**

Item	Office Staff		Insurance Agents		Total
	Male	Female	Male	Female	
Number of employees eligible for unpaid parental leave in 2021 (A)	83	162	29	360	634
Unpaid parental leave applicants in 2021 (B)	5	117	11	115	248
Parental leave application rate = (B)/(A)	6%	72%	38%	32%	39%
Employees who should be reinstated in 2021 (C)	2	36	12	100	150
Reinstated employee in 2021 (D)	1	28	9	73	111
Reinstatement rate=(D)/(C)	50%	78%	75%	73%	74%
Reinstated employees in 2020 (E)	3	31	3	60	97
Retained for at least one year after returning to work in 2020 (F)	3	31	1	34	69
Retention rate=(F)/(E)	100%	100%	33%	57%	71%

Note 1: "Number of employees eligible for unpaid parental leave in 2021" refers to number of employees who have taken maternity and paternity leave within four years (2018-2021).
 Note 2: "Employees who should be reinstated in 2021" refers to number of employees who applied in 2019 and should be reinstated in 2021, who applied in 2020 and should be reinstated in 2021, and who applied in 2021 and should be reinstated in 2021.
 Note 3: "Reinstated employees in 2021" refer to number of employees who applied in 2019 and reinstated in 2021, who applied in 2020 and reinstated in 2021, and who applied in 2021 and reinstated in 2021.
 Note 4: Retention rate = (Number of employees continuing to work for one year after reinstatement in 2020/Number of employees reinstated in 2020).
 Note 5: Employees not reinstated included those who continued to apply for parental leave without pay.

Pillar 3 (Health): Strengthening physical and mental health

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

Scope of occupational health and safety management system

1. The first-time certification covered the headquarters (Shin Kong Life Tower), accommodating a total of 1,050 employees.
2. The scope is the work environment with the premise that SKL can control and have an impact on workers. (The workplace of insurance agents includes places agreed with the customers, self-owned means of transportation, and other areas beyond the Company's control.)

We have established the procedures for safety and health hazard identification and risk assessment to identify hazards in business operations that may cause personal injury or accidents, as a basis for planning the occupational safety and health management system.

Based on the implementation of ISO 45001, combined with the causes of accidents in recent years, employee health examination and environmental monitoring results, and impacts caused by various sources of risk, we have created an occupational safety and health risk matrix and developed countermeasures accordingly to protect the health and safety of all employees.



Definition of risk matrix : Influence degree refers to the degree and status of the damage to SKL's image or employee's individual health and safety. Occurrence frequency and the proportion of abnormal health are set according to SKL's statistical data in the past years.

Occupational Safety and Health Committee

SKL has an Occupational Safety and Health Committee in place, whose labor members exceed one-third of all members as required by law. The Committee meets every quarter to ensure that health and safety programs operate in line with employees' and the Company's expectations.

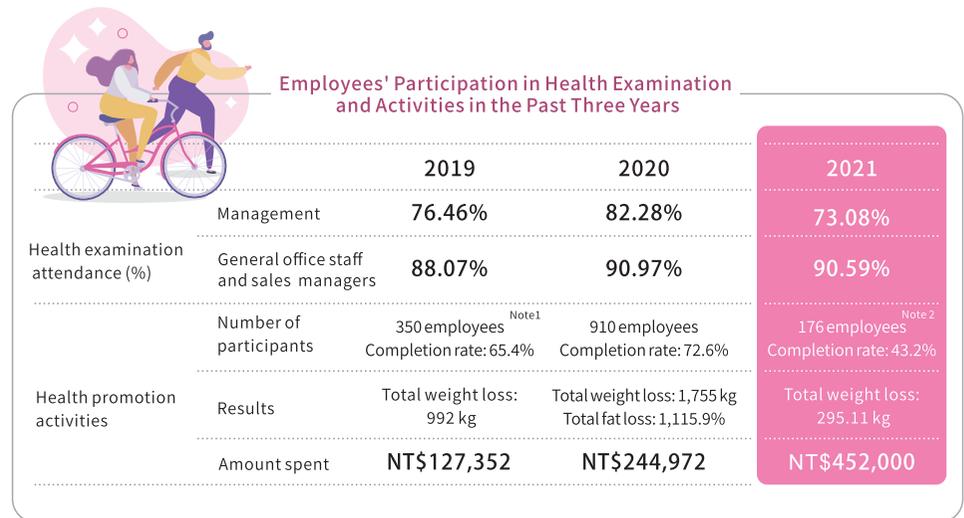
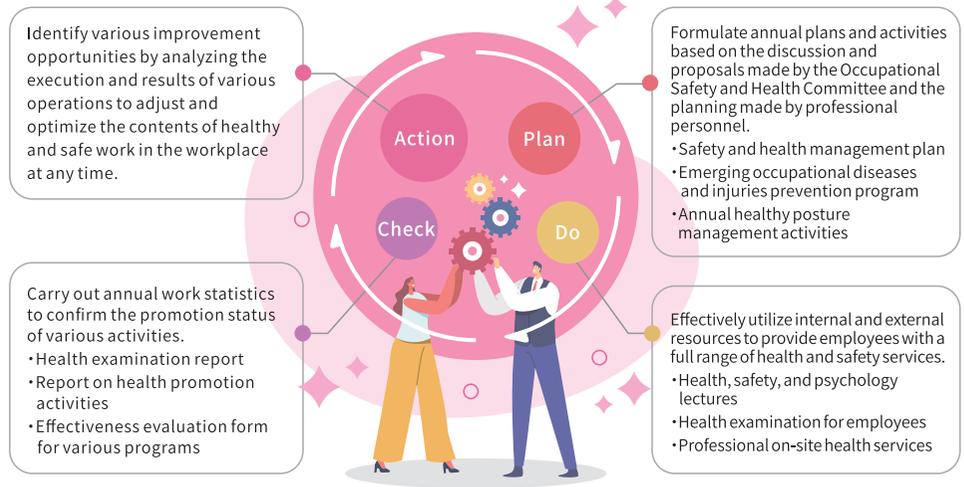
In 2021, the Occupational Safety and Health Committee reviewed/followed up 63 occupational safety and health matters and provided recommendations for three matters. The safety and health management topics, incidents, non-conformities and corrective measures involved in the business activities and services that were within the Company's control were handled in accordance with the ISO 45001 Corrective Action.

Occupational health and safety plan

Based on the statistics over the years, we have concluded that our employees are mainly exposed to diseases of civilization (including fatty liver, the three-hypers, and metabolic syndrome) and traffic accidents.

In this regard, we have planned a series of health promotion activities. Executives are encouraged to lead subordinates to participate in these activities to increase employees' health and safety awareness, thus shaping a corporate culture that values workplace health and safety. In addition, we have qualified first responders and health managers, and we conduct regular CPR+AED training to provide a comprehensive emergency care network.

Potential Source of Risk	Priorities in 2021
Fatty liver, metabolic syndrome, and abnormal BMI	<ul style="list-style-type: none"> "A Health Passport Covers Everything"(health passport plan) includes a series of activities: <ol style="list-style-type: none"> 1. Walking 2. Diet, weight loss, and exercise contest 3. Health gold brain
The three-hypers, Cerebrovascular and cardiovascular diseases, cancers, and Diseases and damages caused by abnormal workload ^{Note}	<ul style="list-style-type: none"> • Regular health examinations • On-site health service provided by physicians • Abnormal Workload-Triggered Diseases Prevention Plan
Traffic accidents	<ul style="list-style-type: none"> • Traffic Safety Promotion • Labor safety e-newsletters
Maternal health protection ^{Note}	Maternal health protection program
Severe infectious diseases	Refer to the Risk Management Chapter
Mental issues	Mental health courses for certain groups of employees
Workplace violence ^{Note}	<ul style="list-style-type: none"> • Plan for prevention of workplace violence • Complaints and Punishment Measures for Workplace violence the performance of Duties
Musculoskeletal injuries ^{Note}	<ul style="list-style-type: none"> • Plan for prevention of musculoskeletal disorders induced by repetitive operations • Regular visits of physical/occupational therapist



Note 1: Health promotion activities in 2019 were attended by individuals. No groups attended.
 Note 2: In the health promotion activities in 2021, group contests were canceled due to the pandemic. The amount spent covered all activities of "A Health Passport Covers Everything."

Note 1: The prevention of emerging occupational injuries and diseases stipulated in Paragraph 2, Article 6 of the Occupational Safety and Health Act and the prevention of hazardous to maternal health in Article 31 of the same act are statutory requirements.

Note 2: Except for maternal health protection and health examinations for existing employees, all health promotion activities are provided for our full-time employees and the commission-only sales representatives.

Results of Other Health Initiatives

Item		2019	2020	2021
Healthcare ^{Note 1}	Primary management	1,528 employees ^{Note 2}	468 employees	621 employees
	Secondary management	416 employees	305 employees	
Mental Issues	Courses and seminars	Newcomer village mission trip Executives self-adaptation course	25 sessions; satisfaction rate: up to 4.8 points	7 sessions; 85.7% of the participants found the seminars useful and suitable for personal needs
Maternal health protection		98 employees	163 employees	311 employees
Prevention of musculoskeletal injuries ^{Note 3}		214 employees	288 employees	268 employees
Environmental monitoring (inspection)		<ul style="list-style-type: none"> We engaged the technicians of operating environment monitoring agencies approved by the competent authority to monitor CO₂ emissions in offices; the monitoring results were in line with the standards. We engaged the inspection agencies approved by the Environmental Protection Administration to quarterly inspect the water quality of water dispensers in offices; the inspection results were in line with the standards. We engaged the qualified food inspection agencies to inspect the employee cafeterias at the head office and the Xinban Financial Building to ensure food safety for all employees. We conducted regular inspections of Legionella in the water of air-conditioning cooling towers in summer to ensure the health of workers in buildings equipped with central air-conditioning. 		

Note 1: Healthcare management is classified as follows: Primary management is for employees at low health risk, and their health conditions are tracked within three months by health consultants of the jurisdiction; secondary management is for employees at high health risk, and health consultants of the jurisdiction recommends healthcare service within one month and refers them to occupational physicians as needed.

Note 2: The health examination was offered to all employees in 2019. All insurance agents (excluding commission-only sales representatives) were subject to health risk classification management.

Note 3: To assist employees in relieving musculoskeletal injuries, we have engaged physical/occupational therapists to provide consulting service in local health centers on a regular basis since April 2018.

Results of occupational safety management

SKL has an accident management system in place to minimize the hazards caused by accidents in the workplace through prior prevention and aftercare.

Most of our occupational diseases are caused by traffic accidents, but the notification of the accidents occurred at the time of closing to getting off work or on the way to visit customers on holidays might be delayed. Given this, we have established an occupational accident reporting service with internal communication software for employees to report any incidents timely through diverse channels.



Article 37 of the Occupational Safety and Health Act

• If notices of incidents are not given or delayed, a fine of NT\$30,000 to NT\$300,000 will be imposed.

SKL Code of Safety and Health Work

• Employees should report accidents to the General Affairs & Labor Safety Department/Occupational Safety and Health Section within three hours after being aware of the accidents.



Occupational safety managers investigate and analyze causes

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

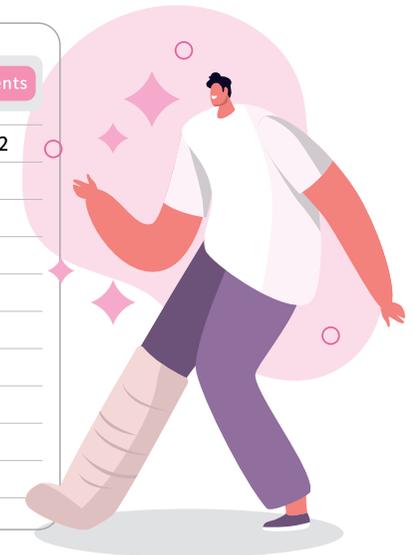


Health consultants care by call

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

Statistics of Occupational Accident in 2021

Item	Office staff	Insurance agents
Total hours worked	5,308,680	15,300,552
Number of occupational injury deaths	0	0
Proportion of occupational injury deaths	0	0
Number of serious occupational injuries	0	0
Proportion of serious occupational injuries	0	0
Number of recordable occupational injuries	0	7
Proportion of recordable occupational injuries	0	0.46
Number of occupational disease deaths	0	0
Proportion of occupational disease deaths	0%	0%
Number of recordable occupational disease cases	0	0



Note:

1. The proportion of occupational injury deaths = (Number of deaths due to occupational injuries/Total hours worked) × 1,000,000.

2. The proportion of serious occupational injuries = (Number of serious occupational injuries/Total hours worked) × 1,000,000.

3. The proportion of recordable occupational injuries = (Number of recordable occupational injuries/Total hours worked) × 1,000,000.

4. Type of occupational injury: The number of occupational injuries totaled 7, all of which were temporary disability due to traffic accidents. Related healthcare services were provided for all seven employees.

5. Type of occupational disease: None.

6. Total hours worked = Total number of employees' scheduled working hours (Total number of employees × Annual working days × Daily working hours).

7. Serious occupational injuries include death due to occupational disasters, total permanent disability, and permanent partial disability.

8. We prepared this table based on the monthly occupational disaster report published by the Occupational Safety and Health Administration, Ministry of Labor. In 2021, we received no application from unofficial employees.



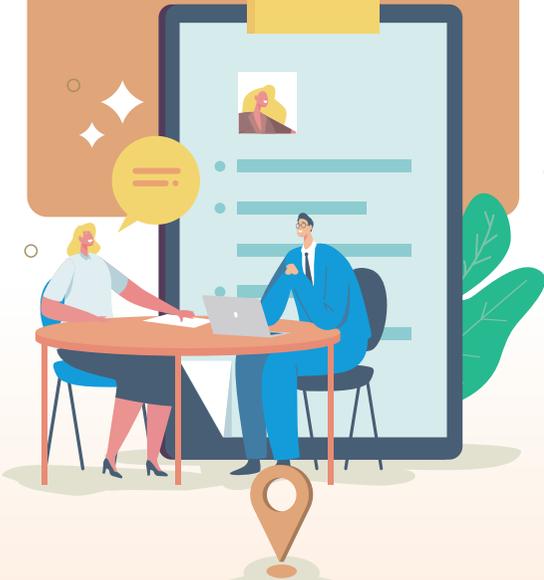
SOCIAL CONTRIBUTION

Social Contribution Strategies and Investments / All-round Development / Health Promotion / Environmental Sustainability / Corporate Volunteers

SKL launched the “Happy Dining Table with an Acre of Land” Program aimed at assisting in the sale of high-quality agricultural products supplied by Taiwan’s agricultural industry and young farmers, and incorporated social return on investment (SROI) assessment into this program, which indicates “a social value of **NT\$5.7** created for every NT\$1 invested” in this program.



Social welfare activities via commercial initiatives and community investment accounted for more than 90% of SKL’s spending on social engagement.



A total of **5,785 people** participated in our volunteering program and served as corporate volunteers for up to **26,714 hours** cumulatively over the year.



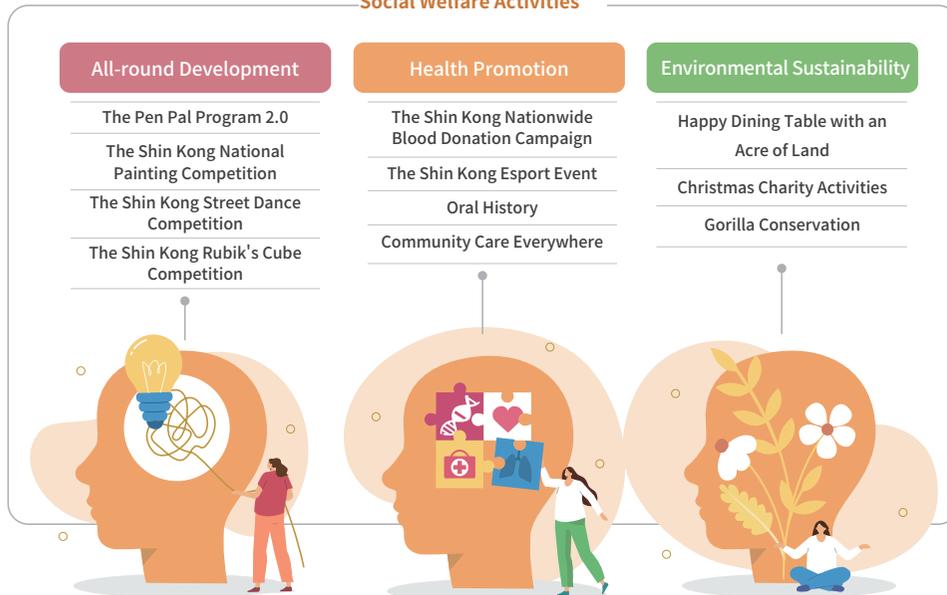
Social Contribution Strategies and Investments

With business operations spanning across Taiwan, SKL attaches great importance to connections and interactions with local residents. Based on the three major themes in social welfare that we have established, namely “all-round development, health promotion, and environmental sustainability,” we have launched the Corporate Volunteering Program by utilizing our abundant corporate human resources in an effort to actively develop relationships via community engagement.

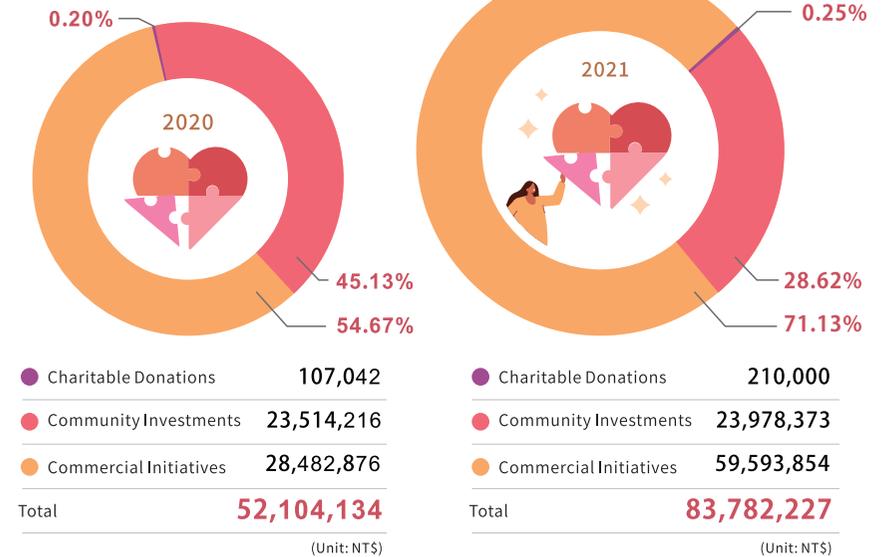
Despite the suspension of numerous activities due to the local COVID-19 outbreak, SKL managed to invest a total of NT\$83.78 million in social engagement in 2021, which in turn benefited up to 471,000 people, thanks to the dedication and enthusiasm showed by all our employees. These achievements highlighted our commitment and support for co-prosperity and development in the community and society with concrete actions and resource investment.

By leveraging the power of the Shin Kong Life Foundation, we follow issues related to senior citizens, ecological environment, and animal conservation closely using flexible and creative communication methods along with actions from within and outside the company. At the same time, SKL also encourages our office and field staff to participate in volunteer services in hopes of extending such services to every corner of society, so as to fulfill the business philosophy of “giving back to the community on which success is built” and realize the value of corporate sustainability.

Social Welfare Activities



Type of Social welfare Activities



Social investments in 2021

Type of Contribution	Amount invested (Unit: NT\$)
Cash contributions	53,567,796
Time: Employee volunteering	8,431,960
In-kind giving	1,092,805
Management overheads	20,689,666
Total	83,782,227



All-round Development

The Pen Pal Program 2.0

- As the saying goes, “companionship is the warmest form of sharing.” Drawing on the i-Mentor model developed by a New York City-based organization, this program is designed via cross-border collaboration based on three themes, namely “children, indigenous people, and education,” to create a golden triangle of guardianship for schoolchildren, with hopes of bringing the light of warmth to more disadvantaged children.
- Enterprises and groups are cordially invited to become big pen pals under this program. By matching small pen pals from among rural and disadvantaged children with life mentors, this program helps small pen pals explore a variety of aspects in the society and a diverse range of career choices. In 2021, this program welcomed the participation of 175 big pen pals as life mentors and matched them with 198 small pen pals using warm words, in an effort to help these small pen pals not only discover a variety of areas in the society, but also sow the seeds of dreams. On the whole, a total of 463 people benefited from this program throughout the year.



The Shin Kong Street Dance Competition

- By offering a competition for street dancers to showcase their youthful energy and challenge themselves, this event aims to create a better street dance environment for the development of a new generation of outstanding dancers, so that the street dance culture can gain a solid foothold in Taiwan.
- Entering its 18th year in 2021, the Shin Kong Street Dance Competition successfully attracted the participation of over 200 dance teams. With the introduction of the 1-on-1 battle championship in this year's competition, the winner of the championship would be awarded in the form of monthly salary, so that the dancers can compete for the right to participate in the competition with peace of mind.



Scholarships



- The Shin Kong Life Insurance Scholarship is the only scholarship program in the life insurance industry intended for both policyholders and non-policyholders. This program not only helps young students complete their education without worries, but also provides the most tangible assistance and care to many parents.
- In 2021, a total of NT\$8.143 million in scholarships were awarded to 3,074 out of 28,588 students who applied to this program. On the whole, a cumulative total of over NT\$300 million in scholarships has been awarded to 133,052 students over the past 49 years.

The Shin Kong National Painting Competition

- The National Painting Competition not only encourages children to be creative and cultivate a keen sense of observation among them, but also sets up the “LOHAS Evergreen category” for seniors to showcase their artistic expertise and talents.
- The 17th Shin Kong National Painting Competition in 2021 was organized based on the theme titled “Embracing a Green Life in the Pandemic through Environmental Protection” aimed at implementing the SDGs. This competition not only attracted a total of 139,226 votes from nearly 40,000 netizens in its online voting campaign, but also received around 7,000 entries. The top three, outstanding, and excellent artworks in each category were selected through a vigorous and professional selection process, with 519 commendable artworks chosen in the process as well.



The Shin Kong Rubik's Cube Competition

- Speedcubing, an activity that involves solving the Rubik's cube, is an intellectual sport deeply rooted across the country. It not only encourages young people to engage in proper leisure activities, but also trains people's memory and strengthens their logic while promoting positive interaction between parents and children and stimulating each other's brain.
- Due to the local COVID-19 outbreak, this competition was held online in 2021, with over 60 participants involved.



Health Promotion

The LIFE Lab. Seminar Series

- With seminars conducted each weekend specifically for four target groups, including “rookies at work,” “junior supervisors,” “new-generation moms,” and “happy retirees,” this series creates opportunities for the public to establish active interactions with insurance companies. Furthermore, it enables the public to acquire financial literacy naturally through lively illustrations as these seminars are conducted according to a range of topics on its official website and Facebook fan group.
- In light of the local COVID-19 outbreak, physical seminars were replaced with online seminars in 2021. On the whole, a total of 4,832 people participated in 22 physical seminars and 25 online seminars held throughout the year.



Online Seminars on the Post-pandemic Era

- With a commitment to staying close to our customers in spite of a raging COVID-19 pandemic, SKL switched from physical seminars to online viewing and incorporated fun lucky draws in an effort to increase participation intention and maintain business momentum.
- In 2021, SKL organized two online seminars in the “Post-pandemic Era” series to share the economic trends and investment directions during the COVID-19 pandemic and how to maintain good physical and mental health amid the local outbreak. Both seminars attracted 922 viewers in total.
- In 2021, SKL also hosted two online seminars titled “Seize the Opportunity to Welcome Wealth” to share investment trends and prospects as well as “Feng Shui” tips for 2022. Both seminars attracted a total of 2,236 viewers.



COVID-19 Prevention and Care

- In an effort to safeguard the health and well-being of the people, SKL donated a total of NT\$30 million to the COVID-19 Prevention Fund. This donation was intended for Taipei City Government, New Taipei City Government, Hsinchu City Government, National Taiwan University Hospital, Min-Sheng General Hospital, Shin Kong Wu Ho-Su Memorial Hospital, and the Shin Kong Wu Ho-Su Emergency Relief Foundation, with the purpose of spreading warmth to the society and doing our part in the fight against COVID-19.



The Shin Kong Esport Event

- SKL is the organizer of Taiwan's only e-sport-themed parent-child event known as “Shin Kong Esport,” aimed at bridging gaps between generations through education-embedded games.
- Held online in 2021 amid the local COVID-19 outbreak, this event saw the participation of 120 people, attracted up to 7,560 viewers on its live stream, and garnered 610,000 views in total.



The Bulao Esports Program

- With a dedication to showing care for the physical and mental health of senior citizens, SKL supports the Bulao Esports Program initiated by the Hondao Senior Citizen's Welfare Foundation. Aimed at encouraging senior citizens to acquire new knowledge and developing senior citizens' interest in learning e-sports, this program enables senior citizens to lead an active and healthy life by stimulating the brain and preventing degeneration via new challenges.



The "Always Remember You" Seminar

- In 2021, Shin Kong Life, together with the Taiwan Alzheimer's Disease Association, organized two sessions of the "Always Remember You" Seminar at the Shin Kong Life Tower, which saw the participation of 279 members of the public. While playing a role in conveying information about long-term care and protection, SKL endeavors to enhance awareness and understanding of long-term care issues with help from people with actual caregiving experience.



The Shin Kong Nationwide Blood Donation Campaign

- Severe blood shortages often occur before and after the Lunar New Year each year. With the COVID-19 outbreak making things even more serious, SKL organized blood donation drives at 25 locations across Taiwan throughout 2021. In order to express our gratitude to the public for their participation in the blood donation drives and show our support for local friendly farmers, we bought Black Bean Tea produced by the Shiaying District Farmers' Association in Tainan City as gifts to blood donors. This year, SKL successfully collected 5,599 bags (equivalent to 1,399,750 ml) of warm blood, making contributions to reserve health care capacity and save more precious lives.



Oral History

- Keeping a close eye on issues related to senior citizens and long-term care since 2005, SKL has brought the "Legacy Art Work" and "History Alive" programs developed by Elders Share the Arts (ESTA) from New York City to Taiwan, with the intention of fulfilling our commitment to raising awareness of long-term care issues among the people of Taiwan and showing care for the health of the elderly through senior citizens' participation in creative aging activities.
- Using arts as a medium of communication, "Legacy Art Work" helps senior citizens re-establish their social connections. In "History Alive," which is led by professional guides, senior citizens share episodes that are most easily understood by children in their life experiences through theatrical elements, so that the younger generation can learn about the value and meaning of "old."
- More than 13,000 people benefited from Oral History in 2021.



Nationwide Charity Hiking Activities

- The 2021 S.K. Walker invited our colleagues, policyholders, and their family members across the country to join in the fun. In order to prevent risks related to the spread of the COVID-19, this event was held in a scaled-down form with strict COVID-19 rules in place. A total of 12,000 policyholders and their family members took part in this event, with around 3,932 SKL employees at their service.



	Participant	Number of beneficiaries	Satisfaction
Legacy Art Work	Senior citizens with dementia and disabilities	4,703	93.5%
	Volunteers	2,900	96.3%
	Guides	42	
History Alive	Physically and mentally health senior citizens	2,023	97.8%
	Students	2,034	97.9%
	Guides	18	98.8%
	Audience	1,458	97.4%

A Little Less Discrimination, A Little More Knights of Eden

- Setting out to help adults with abilities, the LIFE Lab. joined hands with the Eden Social Welfare Foundation to launch a fundraising drive titled “A Little Less Discrimination, A Little More Knights of Eden” in 2021. All the funds raised from this event were used for supporting the Physically and Mentally Disabled Service Program, with the aim of creating an environment with love and no barriers together to encourage the physically and mentally disabled to get out of their homes, integrate into the community, and enjoy their lives.



Community Care Everywhere

- SKL keeps senior citizens and schoolchildren company through efforts from the sales offices across Taiwan, and realizes warm interactions between caregivers and care recipients with face-to-face, hands-on paper lantern teaching. In 2021, SKL carried out 60 sessions of the “Community Care Everywhere” social care event, which were participated by around 1,050 volunteers and saw 1,198 senior citizens and 304 schoolchildren being cared for.



Neighborhood Activities

- With proactive visits to neighborhoods as well as listed and over-the-counter companies, SKL promotes health concepts and insurance knowledge through various activities such as seminars on various topics, health talks, and parent-child DIY events, so that more people are able to acquire more financial literacy. A total of 12 activities were held in 2021, with up to 337 members of the public participated in them.



Lighting Up the Ribbon for Women's Health

- Having established long-term collaboration with the Taiwan Breast Cancer Alliance in an effort to call on cancer patients to look after their own health, SKL endeavors to raise awareness of the horror of cancer among different groups of people using a two-color ribbon that symbolizes patients with early-onset cancer and recurrent cancer.
- In conjunction with the Breast Cancer Awareness Month in 2021, the Shin Kong Life Foundation, Shin Kong Bank, and Shin Kong Wu Ho-Su Memorial Hospital joined forces to make arrangements for a breast screening van to provide free screening services at the Shin Kong Bank Headquarters Building. This initiative enabled busy working women to undergo breast screening and receive related consultation without having to take time off work or travel afar. A total of 27 women underwent screening, with abnormalities found in four of them.



Environmental Sustainability

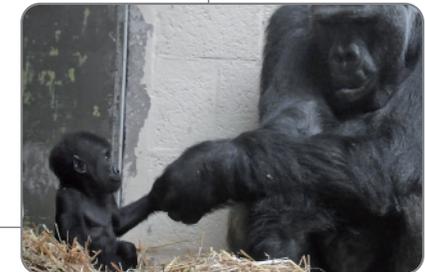
Happy Dining Table with an Acre of Land

- Established by SKL in 2017, the Shin Kong Smallholder Farmers' Market offers a sales platform for local friendly farmers located at the Shin Kong Life Tower Plaza. This market is aimed at encouraging young people to engage in agriculture back in their hometowns while integrating food and farming issues into their daily lives, thereby realizing the goal of sustainable agriculture. SKL organized a total of 20 such markets in 2021, which not only saw the participation of over 250 small farmers to set up booths, but also recorded nearly NT\$3 million in sales.
- With the SROI method adopted for assessment in 2021, the assessment results revealed that a social value of NT\$5.7 can be created for every NT\$1 invested in this program. In other words, this program has a far-reaching impact on the sale of high-quality products from Taiwan's agricultural industry and young farmers.



Gorilla Conservation

- With a long-term commitment to ecological conservation, SKL has been sponsoring Gorilla conservation activities for 26 years in a row as we aim to raise public awareness of the natural environment and implement the concept of wildlife conservation.
- In 2018, Taipei Zoo gorilla "Bao Bao" was sent to the Netherlands for an international breeding program, which not only helped Taiwan gain world recognition for its efforts in animal conservation, but also brought Taiwan closer to the international community. With concerted efforts from both SKL and Taipei Zoo, two Gorilla mothers imported from the Netherlands have given birth consecutively in 2020 and 2021, successfully passing on their wild genes.



Christmas Charity Activities

- Setting out with the theme of sharing carbon reduction actions and providing supplies to disadvantaged groups, SKL hosted the 2021 Christmas event titled "Reducing Carbon Emissions with Love and Spreading Warmth While Protecting the Environment During the Christmas Season" at the Shin Kong Life Tower Plaza, which also combined interactive games offered by various booths at the Shin Kong Smallholder Farmers' Market.
- Employees at SKL also set up a Christmas gift drive via a social gifting platform named "GIVE543," which successfully collected Christmas gifts for 580 social welfare organizations and schools in rural areas, thereby spreading warmth to organizations in need and initiating the cycle of social good.



Corporate Volunteers

Volunteer Participation at Shin Kong Life

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

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

In 2021, our corporate volunteers enthusiastically participated in the Shin Kong Volunteer Corps and various activities such as hiking activities, blood donation campaign, and the "Community Care Everywhere" social care events across the country. A total of 5,785 people participated in our corporate volunteering program and served as corporate volunteers for up to 26,714 hours cumulative over the year, thereby contributing to the society with practical efforts and participation.



Shin Kong Volunteer Corps

Having gained widespread recognition from the government and all walks of life since its founding 12 years ago, Shin Kong Volunteer Corps not only received the National Outstanding Corporate Volunteer Team Award from Taiwan President Ing-Wen Tsai in 2018, but was also invited by the Department of Social Welfare under the Taipei City Government to share the secrets to the successful management of its corporate volunteers at the Taipei Broadcasting Station and the National Volunteer Report Meeting in 2021 while calling on more people to participate in social welfare activities and give back to the society.



In 2021, Shin Kong Volunteer Corps organized 251 volunteer service sessions involving 1,043 volunteers and 6,816 hours of service in total. As the local COVID-19 outbreak raged on, Shin King Volunteer Corps joined Taiwan's COVID-19 prevention national team by contributing to the efforts in packing and distributing medical masks aimed at alleviating demand for medical masks among medical practitioners across the country. Shin Kong Volunteer Corps' collaboration with the government to combat COVID-19 has become a strong and powerful backing for medical staff. In 2021, Shin Kong Volunteer Corps carried out 83 COVID-19 prevention volunteer activities, accounting for 33% of the total number of volunteer activities conducted throughout the year. These activities saw the participation of 403 volunteers, who contributed 3,352.5 hours of service in total.





APPENDIX



The Principles for Sustainable Insurance (PSI)
Sustainability Accounting Standards Board (SASB)
GRI Standards
GRI Material Topics and Management Approaches
United Nations Global Compact
Certificate of Registration
Third-party Assurance Statement



The Principles for Sustainable Insurance (PSI)

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

Dimension	Solution	Plans and Results	Page Number
Company strategy	The board of directors and management formulate the company's ESG business strategy to communicate with stakeholders, and incorporate it into employee hiring, training and management plans.	<ol style="list-style-type: none"> 1. Establishment of the Corporate Sustainability Committee to formulate annual ESG strategic goals, monitor ESG implementation and results quarterly, and regularly report to the Board of Directors after reviews by the executives of the Committee. 2. Understanding of the impact of the issues concerned by stakeholders on the economy, environment, and society through the identification of material issues. 3. Disclose the management of various ESG issues through the channels for communication with stakeholders, such as shareholders' meetings, press conferences, annual reports and financial reports, or official company website. 4. Creation of a culture that safeguards human rights and diversity to incorporate human rights into human resources policies, 100% complete the examination of training on human rights and gender equality, as well as protect the employment rights and interests of indigenous peoples (subsidies for returning to hometowns) and persons with disabilities. 5. Provide the company benefits that are better than specified in the Labor Standards Act, and regularly hold employee physical examinations and various health care activities. 6. ESG education, training, and management <ul style="list-style-type: none"> • 2 ESG seminars on "Sustainable Finance and Circular Innovation amid the COVID-19 Pandemic" and "Advancing on Green Finance", with a total of 114 participants. • Inclusion of the Dow Jones Sustainability Indices (DJSI), responsible investment mechanism, TCFD implementation, and greenhouse gas inventory in the key performance indicators for management (including senior-level) and general staff. 	<p>13-17</p> <p>55</p> <p>57</p> <p>64-69</p>
Risk Management	Establish procedures to identify and assess ESG issues underlying risk portfolios and incorporate them into risk management.	<ol style="list-style-type: none"> 1. Establishment of risk management procedures to identify related risks such as product design and pricing risks, insurance underwriting and claim settlement risks, reinsurance risks, and to assess the potential impact of ESG issues. 2. Planning for relevant mechanisms of climate-related financial disclosures (TCFD), including governance, strategies, risk management, indicators and targets, discussions of climate-related issues, and proposals of countermeasures and action plans. 3. Establishment of the Information Security Committee, continuous certification of ISO 27001 international standard for information security as well as BS 10012 personal data management system to ensure the comprehensiveness of the control mechanisms for information security and personal data protection. 	22-33
Investment management	Make ESG issues listed in the procedure of investment decisions, in accordant with the Principle of Responsible Investment (PRI).	SKL has adopted the guidelines for sustainable investing in the "Policy and Procedures for Sustainable Investment in Marketable Securities", and no new investment should be made in those listed in the exclusion list. For industries with potentially controversial issues, industry-specific guidelines should be followed, and ESG risk due diligence and prudent evaluation must be conducted prior to investment.	34
Products and services developments	Develop products, services, and related education programs that positively impact ESG issues and improve risk management.	<ol style="list-style-type: none"> 1. In response to changes in the social structure, policyholders' needs, and advancement of underwriting technology and product development, SKL is constantly rolling out insurance products that fit for Taiwanese people's life plans. <ul style="list-style-type: none"> • Micro-insurance: to provide low-premium products for basic protection of vulnerable groups and donate premiums every year. Since 2014, micro-insurance has benefited more than 89,000 people. • Small-amount whole life insurance: to provide seniors with basic insurance protection. By 2021, more than 20,000 middle-aged and elderly people have been insured. • Spillover-effect products: to provide premium discounts to achieve triple-win benefits of improving public health, lowering claim settlements, and reducing use of medical resources. By 2021, the underwriting amount has reached NT\$6.71 billion. 2. We have been conducting education programs and ESG promotions for children, young and middle-aged adults, and seniors, such as the "The Pen Pal Program 2.0" to create a quality learning environment for rural schoolchildren and the regular "Shin Kong Beautiful Life" and "LIFE Lab." seminar series where professional speakers are invited to share knowledge and information on insurance and financial management, health care, relaxation and self-care, etc. 	<p>44-45</p> <p>51-52</p>

Dimension	Solution	Plans and Results	Page Number
Sales and marketing	Provide education and training on products/services on ESG issues, and incorporate important ESG-related messages into marketing strategies or activities to ensure that the scope of goods and services is fully explained and fully understood.	<ol style="list-style-type: none"> Emphasis on fair treatment of customers in marketing Adoption of preventive and protective measures against financial exploitation of the elderly, including prevention, protection, and control aspects, and implementation of the Customer Information System (CIS) as well as the Sign Language Video Translation Platform for disadvantaged groups to provide considerate services and fulfill fair customer treatment practices. Promotion of mobile service such as e-insurance policies and e-notices Online and offline resources are combined to launch the smart pandemic prevention lottery, digital gift packages, SK reward points, EDM, and animations through the SKL official LINE account. Offline promotions are designed by our digital team in accordance with relevant promotion procedures, including promotion campaigns, e-seed interactive network, digital workshops, and voice of the customer programs to create integrated promotion of all channels. The sales and promotions of SKL products are all in compliance with the product information disclosures required by law. SKL has also established the "Management Regulations on the Use of Promotion Materials for Product Sales" and requires all sales channels and sales personnel to provide truthful, accurate, clear, easy-to-understand, and complete product information when creating or using marketing materials, so as to protect the rights and interests of customers. 	44 47 49-51 63
Underwriting Policies	Make the ESG issues listed in the procedure of underwriting decisions.	<ol style="list-style-type: none"> Underwriting is conducted in accordance with the "Underwriting System and Procedures" and the "Offshore Insurance Units (OIU) Underwriting System and Procedures" . Underwriting personnel all have the underwriting expertise required to evaluate the risk-bearing capacity of the company, to assess the basic information of the insurer and the insured, motives for insurance, benefits of insurance, degrees of need, suitability, occupations, income, finance, sources of funds for insurance premiums, and health status, as well as to watch out for moral hazards or improper tax savings to ensure just and impartial underwriting services. Establishment of the Underwriting Risk-ranking Model and Application of big data in underwriting risk management to combine past claims data and underwriting experience with data mining techniques for risk screening and for conducting random physical checks of high-risk customers. In accordance with the inclusive finance policy, we do not tolerate any form of unfair treatment against insured parties with certain conditions or insured parties with physical or mental disabilities. 	44 50
Claims management	Respond to customer requests promptly, fairly, responsively and transparently, and ensure claims procedures are fully explained and understood.	<ol style="list-style-type: none"> Response to emergencies and disasters <ul style="list-style-type: none"> Reporting of major disaster losses and casualties of policyholders to The Life Insurance Association of the Republic of China (LIA-ROC) after thorough investigation. Evaluation and initiation of voluntary care and express claims settlement. Assistance in real estate maintenance and information equipment maintenance at disaster sites. Continuous improvement of compensation mechanisms and processes as well as establishment of the advanced quick claim risk analysis system to divide operations: Low-risk cases are processed with the automatic compensation mechanism for the system to automatically adjust the payment amount for quick payments, shortening the time required for processing claims to within hours. Security/claims alliance chain: Since 2021, policyholders who are over the age of 20 can access mobile conservation/ claims services with the assistance of sales personnel through the Insurance Technology Sharing Platform to submit online applications to any of their insurance providers for claims payments of health insurance and accident insurance or make changes to security service agreements, which provides policyholders simultaneous services from multiple providers. 	48 52 53

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

Target	Solution	Plans and Results	Page Number
Customers	Responding to customer expectations on ESG issues and letting customers can totally understand.	Set up a questionnaire on the website and regularly disclose ESG highlights in response to customer expectations.	14
Suppliers	Fully communicate with suppliers to inform the ESG expectations and requirements for our company. Incorporate ESG issues into supplier bidding and selection procedures, and encourage suppliers to disclose ESG-related information.	<ol style="list-style-type: none"> Regularly hold supplier meetings to share the latest ESG practices with suppliers and communicate supplier management mechanisms. All new suppliers have signed the Supplier CSR commitment Letter. SKL has also begun supplier risk assessments and on-site audits. Use products with the Green Mark and Energy Label. In 2021, the total of green procurement of office and business equipment amounted to NTS15.88 million, representing a ratio of 23%. 	42
Insurers, reinsurers and intermediaries (brokerage agencies)	Encourage the insurance industry to put the ESG issues in professional education training and ethical standards.	<p>Demonstrate SKL' s commitment to ESG issues to insurers, reinsurers, and insurance brokerage/agencies.</p> <ul style="list-style-type: none"> All current business partners have been contractually required to comply with laws and regulations related to anti-money laundering and combating the financing of terrorism, and assist clients in personal information collection or verification in accordance with the Company' s review operations. Devote efforts to collaborate with business partners to develop mobile e-insurance transactions to promote energy conservation and carbon reduction more effectively. As of the end of 2021, except for Shin Kong Bank (SKB), CTBC Bank, Taishin International Bank, and Chang Hwa Bank have all begun mobile e-insurance. Promote the Principle of Treating Customers Fairly by letter from time to time to encourage business partners to comply with relevant financial consumer protection regulations and reduce potential violations and financial costs, so as to increase customer confidence in the insurance industry and enhance corporate sustainability. 	21 47 49-50

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

Stakeholders	Solution	Plans and Results	Page Number
Governments, regulators and decision-makers	Support policies, regulatory and legal frameworks that contribute to ESG issues, and develop innovative practices and mechanisms	<ol style="list-style-type: none"> SKL has signed the “Stewardship Principles for Institutional Investors” and maintains communication with stakeholders in accordance with the six principles therein. SKL has also disclosed information on its stewardship performance and management of conflicts of interest. Comply with regulations such as the Money Laundering Control Act, Personal Data Protection Act, Occupational Safety and Health Act, Cyber Security Management Act, Financial Consumer Protection Act and Principle of Treating Customers Fairly, Friendly Insurance Service Standards, anti-money laundering and combating the financing of terrorism regulations, as well as Act to Implement the Convention on the Rights of Persons with Disabilities. To fulfill the growing demand for remote insurance services, in accordance with the “Guidelines to Apply for Remote Insurance and Service for the insurance industry”, SKL has launched the exclusive Epidemic prevention video Recording platform where insurance applications can be easily completed. In response to the issue of salespersons embezzling or misappropriating premium payments, upon audits and multiple discussions with the competent authority, the “fraud prevention and risk control model for insurance agents” has been established for reporting, monitoring, and controlling issues according to risk levels, so as to reduce potential breaches by salespersons and protect the rights and interests of customers. 	<p>19-23</p> <p>34</p> <p>45</p> <p>48-52</p> <p>57</p> <p>67-69</p>
Other major stakeholders	Communicate with cross-governmental organizations, academia and the media community to promote educational programs on ESG issues in the insurance business.	<ol style="list-style-type: none"> Engagement with external organizations SKL joined the LIA-ROC, Insurance Society of the Republic of China, and Taiwan Insurance Institute to help employees acquire professional knowledge for insurance. Regularly assign personnel to attend college and university seminars and courses to share insights into the impact of ESG on corporate sustainability and action plans, and to discuss relevant issues. SKL promotes the concepts of Lifestyles of Health and Sustainability (LOHAS) for seniors, care for disadvantaged groups, health management, basic insurance knowledge, etc. through Facebook fan group operations, YouTube channels, news publications in newspapers and magazines, and the release of the Shin Kong magazine. Establishment of the SKL long-term care website and retirement website to communicate long-term care and retirement knowledge to the public as a reference for early planning. SKL “LIFE Lab.” Insurance Shop utilizes a career planning APP, interesting interactive devices, and salesperson matching platform to raise public awareness of risk aversion based on the needs at different stages of life. In addition, articles on insurance knowledge and online/offline seminars are also published on the SKL social networking platform every Thursday to provide the public with easy and quick access to financial insurance knowledge. 	<p>8</p> <p>14-15</p> <p>51-52</p> <p>57</p> <p>72-73</p>

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

Stakeholders	Solution	Plans and Results	Page Number
General public	Assess, measure and monitor the company PSI implementation, results and proactively and regularly disclose this information publicly.	Publish the Corporate Sustainability Report in accordance with the PSI and publicly disclose it on the company website. Provide communication channels such as customer service hotlines to communicate ESG strategies and results.	79-81

Sustainability Accounting Standards Board (SASB)

Code	Topic	Accounting Metric	Disclosure
FN-IN-000.A	Activity Metrics	Number of policies in force by segment: (1) property and casualty, (2) life, and (3) assumed reinsurance	<ul style="list-style-type: none"> Premium income by insurance type: SKL Website Home/About Us/Information Disclosure/Business Overview/Premium Income and Insurance Benefits by Insurance Type (Data: March 2022) ↗ Number of policies in force in 2021: 18,339,248
FN-IN-270a.1	Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	SKL Website Home/About Us/Information Disclosure/Other Disclosures/Punishments by Competent Authorities in the Last Two Years and Others (Data: March 2022) ↗
FN-IN-270a.2		Complaints-to-claims ratio (%)	<ul style="list-style-type: none"> SKL Website Home/About Us/Information Disclosure/Business Overview/Claim & Non-claim Applications Reviewed by the Financial Ombudsman Institution (FOI) by Ratio and Handling Time (Data: April 2020) Financial Ombudsman Institution (FOI)/Statistics Complaints-to-claims ratio: Number of complaints received per 1,000 claims ((Number of claims reviewed / Total number of claims (applicants)) x 1000) = [93 / 539,073] x 1000 = 0.1725
FN-IN-270a.3		Customer retention rate	SKFH Q4 2021 Investor Conference: II. SKL - Persistency Ratio (P.12) ↗
FN-IN-270a.4		Description of approach to informing customers about products	Refer to the "Service Innovation - Fair Treatment of Customers" section in this report (p.49)
FN-IN-410a.1	Incorporation of ESG	Total invested assets by industry and asset class	SKFH Q4 2021 Investor Conference: II. SKL - Investment Portfolio (P.13) ↗
FN-IN-410a.2	Factors in Investment Management	Description of approach to incorporation of ESG factors in investment management processes and strategies	SKL's Institutional Investor Due Diligence Report ↗
FN-IN-410b.1	Policies Designed	Net premiums written related to energy efficiency and low carbon technology	Not applicable. SKL does not provide property insurance products.
FN-IN-410b.2	to Incentivize Responsible Behavior	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	Refer to the "Service Innovation - Innovative Financial and Sustainable Products" section in this report (P.44 - P.47)
FN-IN-450a.1	Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Refer to the "Corporate Governance - Climate Change Risk Management" section in this report (p.25)
FN-IN-450a.2		Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Refer to the "Corporate Governance - Climate Change Risk Management" section in this report (p.25)
FN-IN-450a.3		Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	Refer to the "Corporate Governance - Climate Change Risk Management" section in this report (p.25)
FN-IN-550a.1	Systemic Risk Management	Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	Shin Kong Life Insurance Co., Ltd. parent company only financial statements for years ended December 31, 2021 and 2020 and internal auditors' report - 9. Financial instruments at fair value through profit or loss.(P.52) ↗
FN-IN-550a.2		Total fair value of securities lending collateral assets	Amount of SKL's securities lending agreement in 2021: NT\$5,934,664 thousand Shin Kong Life Insurance Co., Ltd. parent company only financial statements for years ended December 31, 2021 and 2020 and internal auditors' report (P.152) ↗
FN-IN-550a.3		Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	Shin Kong Life Insurance Co., Ltd. parent company only financial statements for years ended December 31, 2021 and 2020 and internal auditors' report 3. Liquidity risk (P.147-149); 2. Liquidity risk (P.158) ↗

GRI Standards

GRI Standards	Topic	Chapter	Page Number
GRI 102 : General Disclosures 2016	102-01 Name of the organization	About SKL	7
	102-02 Activities, brands, products, and services	About SKL	7
	102-03 Location of headquarters	About SKL	7
	102-04 Location of operations	About SKL	7
	102-05 Ownership and legal form	Corporate governance and ethical management	19
	102-06 Markets served	About SKL	7
	102-07 Scale of the organization	About SKL Diverse Recruitment	7-8 55
	102-08 Information on employees and other workers	Diverse Recruitment	55
	102-09 Supply chain	Sustainable Supply Chain	42
	102-10 Significant changes to the organization and its supply chain	About SKL Sustainable Supply Chain	7 ~ 42 (No significant changes)
	102-11 Precautionary Principle or approach	Risk management	24
	102-12 External initiatives	Participation in External Organizations Environmental Policy and Targets	8 37
	102-13 Membership of associations	Participation in External Organizations	8
	102-14 Statement from senior decision-maker	Message From the Chairman and President	
	102-16 Values, principles, standards, and norms of behavior	About SKL	7 ~ 34
	102-17* Mechanisms for advice and concerns about ethics	Corporate governance and ethical management	21
	102-18 Governance structure	Corporate Sustainability Committee Corporate governance and ethical management	13 19
	102-19* Delegating authority	Corporate Sustainability Committee	13
	102-20* Executive-level responsibility for economic, environmental, and social topics	Corporate Sustainability Committee	13
	102-21* Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	14-15
	102-24* Nominating and selecting the highest governance body	Corporate governance and ethical management	19
	102-25* Conflicts of interest	Corporate governance and ethical management	21
	102-27* Collective knowledge of highest governance body	Corporate governance and ethical management	20
	102-40 List of stakeholder groups	Stakeholder Engagement	14-15
	102-41 Collective bargaining agreements	-	We don't have collective bargaining agreements
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement	14
	102-43 Approach to stakeholder engagement	Stakeholder Engagement	14-15
	102-44 Key topics and concerns raised	Stakeholder Engagement	14-15
	102-45 Entities included in the consolidated financial statements	Economic Performance	8
	102-46 Defining report content and topic Boundaries	Material Issues Assessment	16-17
102-47 List of material topics	Material Issues Assessment	17	
102-48 Restatements of information	Reporting Standards	2	
102-49 Changes in reporting	-	no significant changes	

GRI Standards	Topic	Chapter	Page Number
GRI 102 : General Disclosures 2016	102-50 Reporting period	Reporting Standards	2
	102-51 Date of most recent report	Reporting Standards	2
	102-52 Reporting cycle	Reporting Standards	2
	102-53 Contact point for questions regarding the report	Reporting Standards	2
	102-54 Claims of reporting in accordance with the GRI Standards	Reporting Standards	2
	102-55 GRI content index	GRI Standards	83-84
GRI 103 : Management Approach 2016	102-56 External assurance	Third-party Assurance Statement	88-89
	103-01 Explanation of the material topic and its Boundary	Material Issues Assessment	16-17
	103-02 The management approach and its components	GRI Material Topics and Management Approaches	85-86
103-03 Evaluation of the management approach	GRI Material Topics and Management Approaches	85-86	
GRI 200 Economic Series			
*GRI 201 : Economic Performance 2016	201-01 Direct economic value generated and distributed	Economic Performance	8
	201-02 Financial implications and other risks and opportunities due to climate change	Risk management	25-33
	201-03 Defined benefit plan obligations and other retirement plans	Happy Workplace	66
GRI 202 : Market Presence 2016	202-01 Ratios of standard entry level wage by gender compared to local minimum wage	Happy Workplace	66
	202-02 Proportion of senior management hired from the local community	Diverse Recruitment	55
*GRI 203 : Indirect Economic Impacts 2016	203-01 Infrastructure investments and services supported	Sustainable Finance Social Contribution Strategies and Investments	34-35 71
	203-02 Significant indirect economic impacts	Diversified Product	44
GRI 204 : Procurement Practices 2016	204-01 Proportion of spending on local suppliers	Sustainable Supply Chain	42
*GRI 205 : Anti-corruption 2016	205-02 Communication and training about anticorruption policies and procedures	Corporate governance and ethical management	21
	205-03 Confirmed incidents of corruption and actions taken	Corporate governance and ethical management	21 (No significant incidents)
GRI 300			
*GRI 305 : Emissions 2016	305-01 Direct (Scope 1) GHG emissions	Low-carbon Actions	38
	305-02 Energy indirect (Scope 2) GHG emissions	Low-carbon Actions	38
GRI 307 : Environmental Compliance 2016	307-01 Non-compliance with environmental laws and regulations	Environmental Policy and Targets	37 (No significant incidents)
GRI 308 : Supplier Environmental Assessment 2016	308-01 New suppliers that were screened using environmental criteria	Sustainable Supply Chain	42
GRI 400			
*GRI 401 : Employment 2016	401-01 New employee hires and employee turnover	Diverse Recruitment Nurturing Talent	56 58
	401-02 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Happy Workplace	65-67
	401-03 Parental leave	Happy Workplace	67

GRI Standards	Topic	Chapter	Page Number
GRI 402 : Labor/Management Relations 2016	402-01 Minimum notice periods regarding operational changes	Happy Workplace	64
GRI 403 : Occupational Health and Safety 2018	403-01 Occupational health and safety management system	Happy Workplace	67-68
	403-02 Hazard identification, risk assessment, and incident investigation	Happy Workplace	67-69
	403-03 Occupational health services	Happy Workplace	68-69
	403-04 Worker participation, consultation, and communication on occupational health and safety	Happy Workplace	68
	403-05 Worker training on occupational health and safety	Happy Workplace	68
	403-06 Promotion of worker health	Happy Workplace	68-69
	403-07 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Happy Workplace	68-69
	403-08 Workers covered by an occupational health and safety management system	Diverse Recruitment	55
	403-09 Work-related injuries	Happy Workplace	69
	403-10 Work-related ill health	Happy Workplace	69
*GRI 404 : Training and Education 2016	404-01 Average hours of training per year per employee	Nurturing Talent	62
	404-02 Programs for upgrading employee skills and transition assistance programs	Nurturing Talent Happy Workplace	58-64
	404-03 Percentage of employees receiving regular performance and career development reviews	Happy Workplace	64
GRI 405 : Diversity and Equal Opportunity 2016	405-01 Diversity of governance bodies and employees	Corporate governance and ethical management Diverse Recruitment	19 55-57
	405-02 Ratio of basic salary and remuneration of women to men	Happy Workplace	65
GRI 406 : Non-discrimination 2016	406-01 Incidents of discrimination and corrective actions taken	Happy Workplace	64
GRI 412 : Human Rights Assessment 2016	412-01 Operations that have been subject to human rights reviews or impact assessments	Happy Workplace	64-65
	412-02 Employee training on human rights policies or procedures	Happy Workplace	64
GRI 413 : Local Communities 2016	413-01 Operations with local community engagement, impact assessments, and development programs	Social Contribution Strategies and Investments	71-77
GRI 414 : Supplier Social Assessment 2016	414-01 New suppliers that were screened using social criteria	Sustainable Supply Chain	42
*GRI 417 : Marketing and Labeling 2016	417-01 Requirements for product and service information and labeling	Fair Treatment of Customers	51
	417-02 Incidents of non-compliance concerning product and service information and labeling	Fair Treatment of Customers	51
	417-03 Incidents of non-compliance concerning marketing communications	Fair Treatment of Customers	51
*GRI 418 : Customer Privacy 2016	418-01 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security	23
*GRI 419 : Socioeconomic	419-01 Non-compliance with laws and regulations in the social and economic area	Information Security	22

G4 Financial Service Sector Disclosures

Indicator	Item	Related SKL CS Report Section	Page Number
FS1	Policies with specific environmental and social components applied to business lines	Sustainable Finance	34
		Diversified Product	44
		Fair Treatment of Customers	49
FS2	Procedures for assessing and screening environmental and social risks in business lines	Risk management	24-33
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Sustainable Finance	34-35
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Corporate Sustainability Committee	13
		Corporate governance and ethical management	21
		Fair Treatment of Customers	51
FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	Sustainable Finance	34-35
		Sustainable Supply Chain	42
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/ large) and by sector.	Economic Performance	8
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Diversified Product	44-45
		Innovative Digital Services	47-48
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Sustainable Finance	34
		Low-carbon Actions	39
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	Corporate governance and ethical management	21
FS13	Access points in low-populated or economically disadvantaged areas by type	About SKL	7
FS14	Initiatives to improve access to financial services for disadvantaged people	Diversified Product	44-45
FS15	Policies for the fair design and sale of financial products and services	Fair Treatment of Customers	49-51
FS16	Initiatives to enhance financial literacy by type of beneficiary	Fair Treatment of Customers	51-52

GRI Material Topics and Management Approaches

Material Topic	GRI Specific Topic	Management Mechanism	Purpose	Policy	Commitment	Short-term Target	Communication Channel/Complaints Mechanism	Outcome and Action
Corporate governance and ethical corporate management	GRI205 Anti-corruption	In addition to formulating internal regulations on corporate governance and ethical corporate management, we establish mechanisms for integrity consultation and whistleblower confidentiality and protection and provide training for the Board of Directors and the staff, hoping to make integrity part of our DNA.	To ensure that all employees adhere to the principles of fairness and integrity and non-disclosure regulations, so as to curb unethical or illegal conduct and corruption and protect the interests of the Company and stakeholders	Code of Ethical Conduct Personnel Management Rules Regulations for Handling Employee Complaints Regulations for Handling Reported Cases Life Insurance Enterprises' Anti-Money Laundering and Countering Terrorism Financing Policies and Procedures	We strive to establish a sound anti-money laundering and counter-terrorism financing (AML/CTF) structure in accordance with the laws and regulations at home and abroad to curb money laundering and terrorism financing.	Require that all staff should carry out business activities with fairness and integrity and in compliance with laws and regulations	<ul style="list-style-type: none"> Email: whistleblower@skl.com.tw Supplier complaint hotline: (02)2389-5858#2002 Employee feedback email:speaklouder@skl.com.tw 	Refer to Corporate Governance - Corporate governance and ethical management section
Financial performance	GRI201 Economic Performance	In the second half of each year, the Company will plan on the overall business strategy, including key business strategies and target profits for the following year, taking into account the industry trends, market conditions, and changes in laws and regulations. The Company also convenes monthly performance review meetings to review the achievements.	To ensure long-term, stable profitability, compliance of business operations with the requirements of the government and regulators, and the interests of shareholders	Corporate Governance Best Practice Principles Regulations for Performance Management and Development	Focusing on the essence of life insurance, we aim to be a profitable and highly trusted life insurance company that creates sustainable value for shareholders and investors.	Actively promote foreign currency-denominated insurance products and protection insurance products; control the cost of hedging, stabilize income, and increase the value of new business	<ul style="list-style-type: none"> Hotline:(02)2389-5858 Investor relations email:ir@skfh.com.tw 	Refer to Company Overview - Economic Performance section
Legal Compliance	GRI419 Socioeconomic Compliance	We conduct regular self-assessments on the effectiveness of compliance. In the event of major disciplinary actions, we will report the cause, possible impact, and recommendations for improvement of material deficiencies or malpractices to the Board of Directors.	To ensure that business operations comply with laws and regulations, so as to control and reduce legal risks	Internal Control System Rules and Procedures for Compliance Assessment Regulations for Reporting Material Compliance Incidents	The Company aims to ensure that business operations comply with laws and regulations.	Develop the compliance personnel to help drive corporate compliance and mitigate the risk of disciplinary actions	<ul style="list-style-type: none"> Employee feedback email:speaklouder@skl.com.tw Complaint email:whistleblower@skl.com.tw Supplier complaint hotline: (02)2389-5858#2002 	Refer to Corporate Governance - Corporate governance and ethical management section
Information security	GRI418 Customer Privacy	We set up the Information Security Committee, along with the Information Security and Personal Data Protection Group under the committee, to promote information security and personal data protection, including maintaining the information security and personal data management system and obtaining international certification, publicizing policies to ensure compliance, providing employee training, and regularly conducting information security checkups and data breach drills.	To comply with the Personal Data Protection Act, promote the reasonable use of personal data, strengthen information security, and protect customers' rights and interests	Information Security Policy Personal Data Protection Policy Privacy Statement	We are committed to living up to the highest standards for personal data protection and information security, demonstrating our determination and obligation to maintain the confidentiality and security of information.	Strengthen employees' awareness of personal data protection and compliance with laws and regulations	Opinions can be submitted through competent authorities, service locations and business operations, and other complaint channels, including telephone, email and letters, fax, as well as stakeholder area of the company website. <ul style="list-style-type: none"> Customer service hotline: 0800-031-115 Complaint email:whistleblower@skl.com.tw 	Refer to Corporate Governance - Information Security section
Sustainable finance	GRI203 Indirect Economic Impacts	Following the competent authorities' policies and SKFH's Sustainable Finance Policy, we incorporate ESG criteria into the operating procedures and regulations for investing and lending, and communicate with investees using our core competencies and influence in the financial sector.	To realize accountability and promote government policies through a sound due diligence governance policy and diversified corporate governance participation	Stewardship Principles for Institutional Investors Self-Regulation Regulations on Asset Management in the Insurance Industry SKFH Sustainable Finance Policy Rules and Procedures for Sustainable Investing in Securities	We strive to strengthen responsible investing by investing in low-carbon products or philanthropic activities to facilitate the sustainable development of the investees.	Improve the procedures and regulations for responsible investing according to the United Nations' Principles for Responsible Investment (PRI); strengthen our engagement with investees to implement the due diligence of institutional investors	We communicate with investors about responsible investing operations through SKFH's investor conferences, shareholders' meetings, press releases, etc. <ul style="list-style-type: none"> Investor relations email:ir@skfh.com.tw Institutional investor due diligence area on company website 	Refer to Corporate Governance - Sustainable Finance section

Material Topic	GRI Specific Topic	Management Mechanism	Purpose	Policy	Commitment	Short-term Target	Communication Channel/Complaints Mechanism	Outcome and Action
Risk and crisis management	GRI201 Economic Performance	We adhere to the TCFD framework to establish a climate governance mechanism, regularly report to the Board on the implementation of climate actions, and improve strategies for climate change mitigation and adaptation, in an attempt to strengthen climate resilience.	Identify climate risks, keep abreast of investment trends and market opportunities, and realize low-carbon transformation, so as to strengthen corporate resilience	Risk Management Best Practice Principles in the Insurance Industry Guidelines on Climate-related Financial Disclosures of Insurance Companies Business Continuity Management Mechanisms	We are committed to reviewing the possible impacts of changes in the internal and external environments to ensure business continuity. Regular drills are also conducted to make sure that business continuity plans are appropriate and effective and continuously enhanced.	Implement climate risk management and conduct TCFD in accordance with the regulations	The following information on risk and crisis management is conveyed to the public on the company website and in the annual report: • Composition, responsibilities, and operations of the Risk Management Committee • Risk management information • Annual report - risk management and assessment (Chinese version only)	Refer to Corporate Governance - Risk management section
Customer relations and service quality	GRI417 Marketing and Labeling GRI419 Socioeconomic Compliance	Prior to the launch of new products or services, SKL will disclose the product information in detail in accordance with laws and regulations and internal policies, hoping to make information accessible to the public easily and efficiently.	To ensure that information is disclosed completely and faithfully, so as to protect customers' rights and interests	Self-regulation of Advertisements in the Insurance Industry Guidelines for the Review of Personal Insurance Products Relevant Provisions on Non-dividend Dividend Life Insurance Policy for Sales in the Life Insurance Industry, etc.	To implement fair treatment of customers and financial friendliness, we make sure that customers understand the product features, risks, and protection, as well as their rights.	Require that all staff should abide by the regulations to protect the interests of all stakeholders	Opinions can be submitted through competent authorities, service locations and business operations, and other complaint channels, including telephone, email, and letters, fax, as well as stakeholder area of the company website. • Customer service hotline: 0800-031-115 • Complaint email:whistleblower@skl.com.tw	Refer to Service Innovation - Fair Treatment of Customers section
Innovation and digital finance	GRI203 Indirect Economic Impacts	Adopting a people-oriented approach, SKL innovates customer experience through technology. We also strengthen the supervisory function to implement the fair treatment of customers. In addition to setting out indicators for tracking and monitoring, we continue to explore new opportunities for customer service.	To increase the accessibility and applicability of financial services, lower the barriers to interaction, and ensure that all groups of people have full access to basic, equal, and user-friendly financial services, so as to promote the well-being of the general public	Guidelines for Friendly Financial Service in the Insurance Industry	We improve processes and services based on user-driven design to enhance user experience and increase the diversity and accessibility of financial services.	Continuously change the service model for business transformation, deepen customer relationship, improve business performances, and expand applications	• Customer service hotline: 0800-031-115	Refer to Service Innovation - Innovative Digital Services section
Talent recruitment and retention	GRI401 Employment GRI404 Training and Education	SKL places much emphasis on talent development and recruitment. In addition to providing a full range of employee benefits and training resources, we have a performance evaluation and rotation system in place to encourage employees to improve, build up experience, and enhance professional knowledge and skills.	To bring in new blood and vitality to the organization, help employees have a clear career path, and achieve optimum manpower utilization for the sustainable development of talent within the organization	Personnel Management Rules Regulations for Education and Training Management Regulations for Internal Lecturer Management Regulations for Overseas Continuing Education Regulations for Performance Management and Development Regulations for Rewarding the Professional and Technical Personnel	We aim to be a reassuring company that takes the best care of its employees by creating a friendly workplace.	By 2025: • Average training hours per employee > 100 hours • Percentage of open positions filled by internal candidates > 50% • Retention rate of outstanding talent > 90% • Percentage of females in senior management positions > 30%	• Employee feedback email:speaklouder@skl.com.tw • Feedback area on the Intranet • Dissuasion from leaving • Labor-management meeting • Employee survey • Sexual harassment grievance email:shinkong113@skl.com.tw	Refer to Employee Happiness chapter
Actions for climate change	GRI201 Economic Performance GRI305 Emissions	SKL has Environmental Protection Group and TCFD Group under the Corporate Sustainability Committee in place to incorporate carbon reduction targets and TCFD implementations into the KPIs of the employees, department heads, and executives. We follow up on their achievements each quarter and report to the Board of Directors on a regular basis.	Promote the net zero emission initiative using a top-down approach, pay attention to climate risks and opportunities, and enhance corporate resilience	Environmental Policy Greenhouse Gas Reduction and Management Act SKFH Regulations for Greenhouse Gas Reduction and Carbon Pricing	We continuously pay attention to climate risks, plan mitigation and adaptation measures, and practice low-carbon business operations, hoping to address the impacts of climate change.	• Reduce greenhouse gas (GHG) emissions by 2% • Achieve net zero emissions at the headquarters and all other offices by 2030	We, together with SKFH, have joined the Taiwan Alliance for Net Zero Emission to promote the initiative, "Net Zero 2030/2050." In addition to energy conservation and carbon reduction practices within the organization, we hold annual events such as "Earth Hour" and "Light Shirts in Summer."	Refer to Low-carbon Management - Employee Low-carbon Actions section

United Nations Global Compact

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



VI. Certificate of Registration

ISO 22301 : 2019
Business Continuity Management System

ISO 27001 : 2013
Information Security Management System

BS 10012 : 2017
Personal Information Management System

ISO 10002:2018
Customer Satisfaction Management System

Royal Mystery Shopper (RMS)
Service Quality Management System - Excellent Service Mark

Third-party Assurance Statement

ISO 14046 : 2014

Water Footprint



ISO 14064-1 :

2018 Greenhouse Gas Verification Statement



ISO 50001 : 2018

Energy Management System (EnMS)



ISO 45001 Occupational Health and Safety

Management System (OHSMS)



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHIN KONG LIFE INSURANCE CO., LTD.'S CORPORATE SUSTAINABILITY REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Shin Kong Life Insurance Co., Ltd. (hereinafter referred to as Shin Kong Life) to conduct an independent assurance of the Corporate Sustainability Report for 2021 (hereinafter referred to as the CS Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2022/03/01-2022/04/15). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Shin Kong Life's Stakeholders.

RESPONSIBILITIES

The information in the Shin Kong Life's CS Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of Shin Kong Life. SGS has not been involved in the preparation of any of the material included in the CS Report

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Shin Kong Life's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the Guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

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

Assurance Standard Options and Level of Assurance

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

SCOPE OF ASSURANCE AND REPORTING CRITERIA

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

Reporting Criteria Options

- GRI Standards (Core)
- AA1000 Accountability Principles (2018)

3. SASB

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a moderate level of scrutiny for Shin Kong Life, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with; and
- evaluate of the report against the SASB Disclosures and Metrics included in the Insurance, Sustainability Accounting Standard (VERSION 2018-10) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

ASSURANCE METHODOLOGY

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

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts, Total Impact Measurement and Management, and Social Return on Investment assessments (SROI), Task Force on Climate-related Financial Disclosures (TCFD) related disclosures has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

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

VERIFICATION/ ASSURANCE OPINION

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

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

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

Shin Kong Life has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, it is encouraged to involve stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality

Shin Kong Life has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report

addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

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

Impact

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

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Shin Kong Life's CS Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more disclosures how to integrate the GHG emissions financed by investments into Shin Kong Life's business strategies and how to identify policies, goals, targets potential opportunities related to carbon management which may have positive influence in enhancing the creating sustainable value of Shin Kong Life.

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Shin Kong Life has conformed with SASB's Standard, Insurance, VERSION 2018-10 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the financial data reported in Shin Kong Life's audited individual financial statements. Shin Kong Life used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. Process to identify, assess, and manage topic-related risks and opportunities were integrated into Shin Kong Life's overall management process. It is recommended to monitor internal and external ESG risk and opportunity drivers, and benchmark performances related to SASB disclosures against peers to enhance continuous improvement.

Signed:

For and on behalf of SGS Taiwan Ltd.



David Huang
Senior Director
Taipei, Taiwan
07 June, 2022
WWW.SGS.COM



AA1000
Licensed Report
000-8/V3-XHIN5



Shin Kong Life

2021 CORPORATE SUSTAINABILITY REPORT

