

The cover features a large white circle on the left side, partially overlapping a background of flowing, layered red and orange wavy lines that curve from the bottom left towards the top right. The text is positioned within the white circle.

China Life

**2015 Corporate Social
Responsibility Report**

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Letter from the Chairman

Creating Shared Values --- China Life's Path to Sustainability

The Paris Agreement was passed at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in late 2015. The members agreed on limiting the increase in global average temperature to 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. This is a very important moment in the history of human civilization where leaders of every country and corporation are reflecting on the past where climate change was neglected in pursuit of development. It is also the turning point for us to work together to curb global warming in the future.

As the world begins to show commitment to reducing carbon emissions, companies should also think about how to play an active and positive role in the face of global warming. Management expert Mike Porter believes that companies should become one of the main promoters of overall social value. In Taiwan, as climate change brought increasingly serious challenges and risks, so has human negligence and misconducts that caused serious disasters on our world as a whole. In review of 2015,

from typhoons to flight safety issues to large-scale public security incidents, these disasters have caused significant casualties, while the life insurance industry played a positive role in stabilizing social force. The life insurance industry not only shoulders the social mission, but must also establish core values when pursuing sustainability. These are the values China Life wishes to achieve and share with society, and form the basis upon which we aim to promote sustainable development.

The world is constantly changing, and so is Taiwan. Apart from changes in climate and the environment, society and the structure of the population are reshaping as technology



advances at a rapid pace. The lifestyle you and I are used to is also on the verge of change. This is a necessary process in the evolution of generations in which the enterprise must change with the trend in order to thrive. However, in this tide of revolution and progression, we have stood firm on what should be changed and what should stay the same. China Life understands these changes are the tasks and challenges for sustainable development. Only through open-minded and innovative thinking can we provide our customers the best products and service in this time of vicissitudes, and this is what we have transformed. On the other hand, what we stay true to is a commitment to pursue growth with solid governance and prudent risk management; an active communication with the stakeholders, and staying loyal and faithful to our clients, shareholders, colleagues and society; creating shared value from various area such as economy, environment, and society in order to be a positive force on Taiwan. This is what China Life believes, and this is our path to sustainability.

As we enter 2016, 17 Sustainable Development Goals (SDGs) of the United Nations have been initiated. Besides the support from the governments of different countries, the UN also calls for more participation from private enterprises. SDGs are the blueprints the UN set for sustainable development in the next 15 years, and are also our goals to achieve in the path of sustainable development. We understand that there are challenges and obstacles in this path, but we strongly believe that through support, respect and participation from all parties, we can create a virtuous cycle boosted by the positive force of society. As long as we are heading to the right direction, China Life will stay true to our commitments to sustainability and keep moving forward.

China Life Chairman *Alan Wang*

| Letter from the President

Bridge the global trend, bringing care to all corners

2015 is the first year of the era of Corporate Social Responsibility (CSR), where listed companies and OTC-listed companies are required to publish CSR reports by the Financial Supervisory Commission. China Life has long been a closely follower of international trends and social changes, and had an early start in promoting corporate social responsibility. We have published our 9th report voluntarily under the encouragement of the regulator since 2007. China Life has disclosed what we have done for society as a responsible corporation and presented our efforts in management, society and harmony of the environment, demonstrating our determination and dedication in pursuing sustainability in the reports.

The first task for China Life in the pursuit of sustainable development is not only to set goals for steady growth but to assess potential risks and impacts from the perspective of the society, the environment and corporate governance so as to focus on the core values that is the foundation of our sustainable work. "We Share, We Link" is our core value and the spirit of our company. We aim to satisfy each

one of our clients, providing well-rounded protection and keeping our commitment to our clients, shareholders, our employees and society. This is was our original commitment and the key to sustainability. However, the world is constantly changing, and corporate has to keep pace in order to provide the products and services people need. The tide of the digital revolution is coming, and China Life is well prepared to move forward with the world and stay faithful to our original intention to give new meaning to the new era of our core values.

Thanks to the development of technology, "Sharing Economy" has become widely popular around the globe. The world has



entered the era of "Share & Link". People no longer need to own certain items or skills, just click and connect to those who are willing to share their time, space, things and transportation through the internet or other platforms, creating a life where consumers can enjoy services and convenience and those who share can split and lower costs. A common example can be the widely loved "YouBike" in Taipei City. This concept is similar to the core value of China Life, "We Share We Link". Sharing Economy is created with the development of internet technology, and we expect to see more and more services to be provided through internet and portable devices with easy clicks or the swipe of a finger. As mentioned in the report, *The Future of Financial Services*, published by the World Economic Forum (WEF) in 2015: "With the tide of digital age, FinTech will bring forth an unprecedented revolution in the financial sector and life insurance industry". The role of the financial sector and life insurance industry will transform from the "passive protector of consumer rights" to the "active service provider that centers around consumers".

Insurance business is based on the need for security by the general public. The insurance company builds trust, professional image, and recognition with people. Therefore, our insurance agents play an essential role in the service process. While FinTech breaks through the limitation of time and space for the traditional way, we believe that by combining our existing passionate and professional personnel and the support of FinTech, China Life is able to bring convenience, products and services that are customized to different needs. FinTech is the mainstream future, and China Life will keep promoting Electronic Commerce, Big Data application and other innovative services under strict and comprehensive risk management. We will integrate the advantage of our sales agents with the immediacy, mobility and interaction that FinTech provides, communicating the concept of insurance and extending our services and products to people who did not have easy access to insurance companies, to make all customers able to enjoy China Life's caring and service wherever they are.

China Life President *Yu Ling Kuo*

About This Report

This is the 2015 Corporate Social Responsibility Report (hereinafter referred to as "the report") of China Life Insurance Company Limited (hereinafter referred to as "China Life")

Report Disclosure Period

This report reveals information relating to corporate social responsibility and sustainable corporate development of China Life between January 1st, 2015 and December 31st, 2015. Part of the content disclosed in this report is not limited to 2015 due to the compiling of information and transparency. The previous report was released in June 2015; the next report will be released in June 2017. Each year's Corporate Social Responsibility Report is available for download from the CSR section of China Life's corporate website: (<https://www.chinalife.com.tw/wps/portal/chinalife/CSR/home>).

Report Scope and Boundary

The information described in this report covers the China Life head office, all 9 branch offices and district offices in Taiwan, as well as corporate social responsibility and practical achievements related to sustainable development and future strategic objectives planning.

Guidelines

This report follows the fourth edition of the Sustainability Reporting Guidelines (Sustainability Reporting Guideline, GRI G4) published by the Global Sustainability Reporting Initiative (GRI). It also follows a core disclosure method of the correlation analysis, drafting and amending aggregated data. It also follows the ten principles of the United Nations Global Compact, the social responsibility guidelines (ISO26000), Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, as well as other international and domestic standards which serve to strengthen the sustainable practices disclosed in this report.

Report Verification

This report is verified by an independent third party certification body - BSI (British Standards Institution, BSI) in accordance with AA1000 international standards and uses Type 1 moderate assurance level. All information disclosed meets the GRI G4 guidelines of materiality, inclusiveness and responsiveness, as well as the core options of the GRI G4, guaranteed by the British Standards Institution. The details of the verification for this report can be found in the appendix.

As we pride ourselves on effective communication with stakeholders, if you have any comments or suggestions regarding this report or China Life's Corporate Social Responsibility business sustainable planning and practices, please feel free to contact us via any of the methods below and we will respond immediately:

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**We Share, We Link
- China Life**

Company Profile and Vision

Over the years, China Life has experienced external environment transformations and financial crises. In 2014 and 2015, we stood firm in the financial market as Taiwan's only consecutively elected life insurance company in the Forbes Global 2000. China Life was ranked in the top 5%* of the 2nd Corporate Governance Evaluation Award held by Taiwan Stock Exchange and was the only life insurance company to be awarded this accolade in 2 consecutive years. 2015's RBC ratio was above 350%, the highest among large insurance companies.

*Note: The Second Corporate Governance Evaluation of Listed Companies published by the Taiwan Stock Exchange in April 2016 is based on 2015.



China Life Company Profile*

Official name of the Company	China Life Insurance Company Limited
Headquarters Location	122/5F Dunhua North Road, Songshan District, Taipei City
Establishment	1963
Listing	1995 officially listed (stock code: 2823)
Investment in China	CCB Life Insurance Company Limited has already set up 17 provincial branches in mainland China and reached 108 sub-branches by the end of 2015. It has also received approval to build an Anhui branch which will officially open in March 2016.
Main Product Types	Individual life insurance, annuity, medical insurance, long-term health care insurance, accident insurance, group insurance, travel safety insurance, micro-insurance and investment-linked, etc.
Main Market	Taiwan
Number and Distribution of Operating Channels	7 call centers, 7 life insurance business departments, 9 branch offices and 164 district offices. For detailed locations please refer to China Life's corporate website.
Number of Employees	Total office staffs: 1,853 ; Total sales agents 11,686
Sales Revenue	NT\$ 203,925,508,000 (operating revenue); NT\$ 162,158,398,000 (total premium income)
Total Assets	Equity (A) 82,583,868,000 Liabilities (B) 1,120,037,785,000 (A) + (B) = 1,202,621,653,000

*Note: For more information, please refer to the Company's 2015 Annual Report

Unit: NT\$

China Life Insurance was established more than 50 years ago, dedicated to "the creation of the greatest benefits and value to policyholders, shareholders, employees and society, to become the most trusted insurance company." Through prudent risk management, steady operations, actively responding to stakeholders, China Life has developed in all areas such as corporate governance, society and environment to achieve our goal of sustainable development. To achieve this goal, China Life strives to promote internal corporate vision and shape corporate culture which is required of every employee during their daily work. China Life has always kept its down to earth and professional qualities. Through sound financial structure and rigorous risk management, our investors have the utmost confidence in placing their trust in us. In the future, we will continue to implement this kind of business philosophy in order to achieve a high level of execution, teamwork, and mutual support so that we can move toward the future with our shareholders, policyholders, employees and society as a whole.

The China Life brand emphasizes "Share" & "Link" as its two core values. The three arcs on our corporate logo symbolize China Life's three most important groups: policyholders, shareholders and employees, and how each are closely linked to one another. Our logo represents working together towards a sustainable society and environment. The use of enthusiastic red and steady gray represents continuous progress.



CSR Issue Management

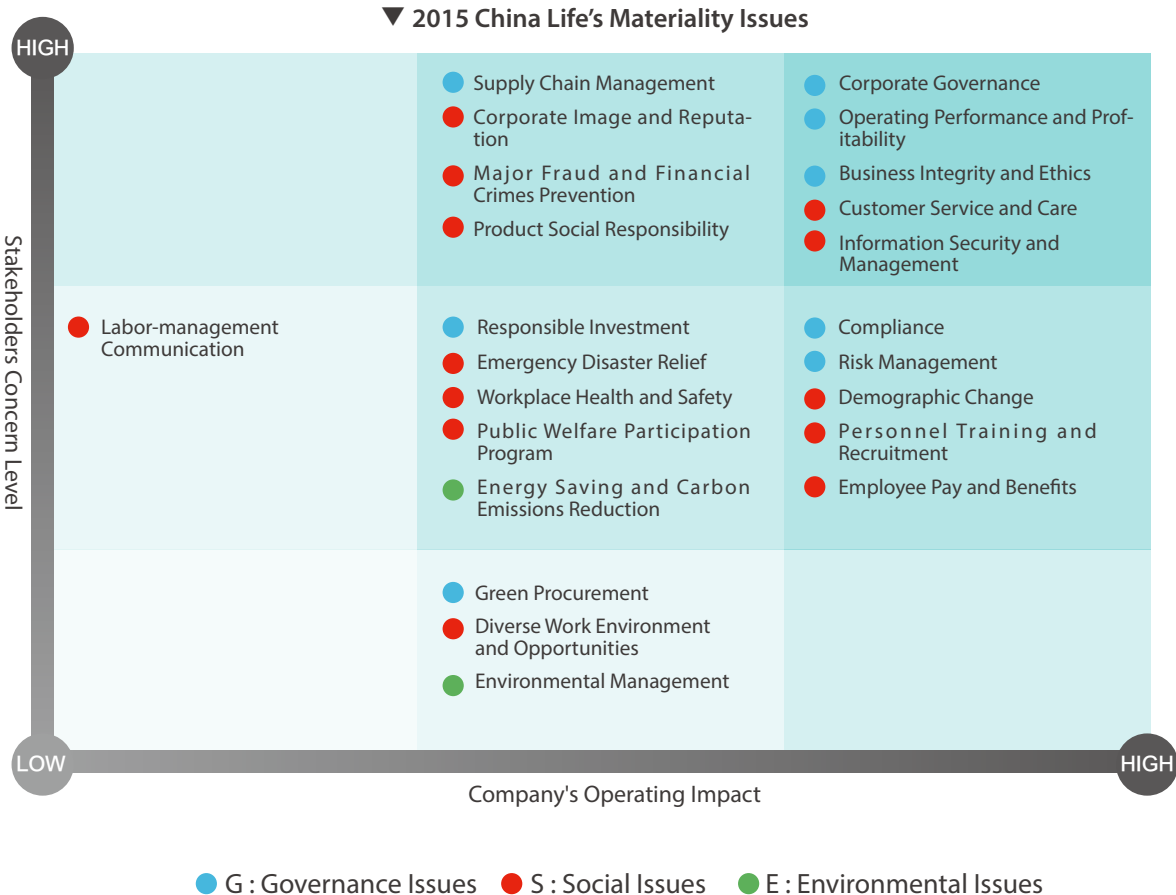
Identification of Materiality Issues

China Life continues the spirit of past assessments of materiality issues. This year, we will continue to make progress in understanding sustainable development trends and strengthening analysis. In accordance with the AA1000 Stakeholder Engagement Standard, the stakeholders identified from the questionnaire of the previous year and each department's head and employees re-examined and identified material issues in reference to the GRI G4 material considerations and financial services disclosure guide as well as domestic/international industry benchmarks, etc. China Life then further consulted various departments and executives on business strategy and sustainable development to reorder and adjust for confirmation then reviewing by the CSR committee. Finally, it was submitted to the chairman who confirmed the material issues in the report.

▼ China Life Materiality Issue Identification Process



2015's stakeholders and material issues analysis has aggregated and summarize findings with the company's operational impact level on the x-axis and the stakeholder degree of concern on the y-axis. A total of 14 material issues was identified, reflecting how China Life places importance on corporate governance, social and environmental issues. Hence, China Life places priority on Corporate Governance, Operating Performance and Profitability, Business Integrity and Ethics, Customer Service and Care, Information Security and Personal Information Management. This is followed by Supply Chain Management, Corporate Image and Reputation, Major Fraud and Financial Crimes Prevention, Product Social Responsibility, Compliance, Risk Management, Demographic Change, Personnel Training and Recruitment, Employee Pay and Benefits, and other issues which are disclosed in the report.



Material Aspects and Boundaries

Based on the material issues assessment results, China Life followed GRI G4 requirements to identify material aspects, review internal/external impacts on the organization, and furthermore confirm the boundaries of information to be disclosed in accordance with industrial characteristics.

Item no.	Approach (Governance / Social / Environmental)	Material Issues	G4 Aspects	Boundaries of Aspects
1	Governance	Corporate Governance	General Standard Disclosure	●◎
2	Governance	Operating Performance and Profitability	Economic Performance	●◎
3	Governance	Business Integrity and Ethics	General Standard Disclosure Anti-corruption	●◎
4	Society	Customer Service and Care	Product and Service Labeling	●◎
5	Society	Information Security and Management	Customer Privacy	●◎
6	Governance	Compliance	Compliance (Product Liability)	●◎
			Compliance (Environment)	●◎
			Compliance (Society)	●◎
7	Governance	Risk Management	General Standards Disclosure	●◎
8	Society	Demographic Change	N/A	●
9	Society	Personnel Training and Recruitment	Training and Education	●
10	Society	Employee Pay and Benefits	Market Presence	●◎
			Employment	●◎
11	Governance	Supply Chain Management	Supplier Assessment for Labor Practices	●◎
			Supplier Human Rights Assessment	●◎
12	Society	Corporate Image and Reputation	N/A	●◎
13	Society	Major Fraud and Financial Crimes Prevention	General Standards Disclosure	●◎
			Public Policy	●◎
			Product and Service Labeling	●◎
14	Society	Product Social Responsibility	Products and Services	●◎
			Product Portfolio	●◎
			Marketing Communications	●◎

Item no.	Approach (Governance / Social / Environmental)	Material Issues	G4 Aspects	Boundaries of Aspects
15	Governance	Responsible Investment	Audit	●◎
			Products and Services	●◎
			Investment	●◎
16	Society	Emergency Disaster Relief	Product Portfolio	●◎
17	Society	Workplace Health and Safety	Occupational Health and Safety	●◎
18	Society	Public Welfare Participation Plan	Indirect Economic Impact	●◎
			Local Communities	●◎
19	Environment	Energy Saving and Carbon Emissions Reduction	Energy	●◎
			Emissions	●◎
			Products and Services	●◎
20	Society	Labor-management Communication	Labor/Management Relations	●◎
			Labor Practices Grievance Mechanisms	●◎
			Forced or Compulsory Labor	●◎
21	Environment	Green Procurement	N/A	●◎
22	Society	Diverse Work Environment and Opportunities	Diversity and Equal Opportunity	●◎
			Equal Remuneration for Women and Men	●◎
			Non-discrimination	●◎
23	Environment	Environmental Management	Water	●◎
			Effluents and Waste	●◎
			Overall	●◎

● within the organization: China Life and employees

◎ outside the organization: shareholder (investors), policyholders, the regulators, suppliers/contractors, media, public interest groups/NGO, cooperation channels and investment targets

Material Aspects Management

China Life upholds an attitude of constant improvement. We follow the guiding process of GRI G4 on management approaches and performance measurement systems to ensure that each material aspect equally reflects GRI's long-term sustainability philosophy. A substantive and effective assessment mechanism measurement systems serves as 2016's foundation for results inspection and improvement opportunities.

Governance

Economic Performance

Management Approaches

1. Prudent investment strategies to prevent asset losses.
2. Actively expand marketing platforms to seize opportunities of the e-commerce and mobile device market.
3. Conform to relevant laws that relate to employee retirement.
4. Every year, estimate the pension amount for eligible employees. The insufficient amount will be set aside in the Bank of Taiwan retirement fund account.

Measurement Systems

1. Key financial indicators of the year.
2. Labor-management meeting is periodically held every quarter to facilitate two-way communication between employees and employers on key issues.

Anti-corruption

Management Approaches

1. We conform with Transparency International's requirements on anti-corruption for all enterprises since 2007. Department heads have responsibility to advocate anti-corruption within their departments in order to instill ethical ideologies in employees.
2. Annual periodical classes for all employees.

Measurement Systems

1. Record and review incidents involving violations in the code of practice and integrity.
2. Completion of staff education and training.

Investment

Management Approaches

1. Incorporate ESG considerations in investment policy and the decision-making process as criteria for screening investment targets.
2. Human rights education and advocacy policy/plan for staff.

Measurement Systems

1. Inclusion of human rights considerations in the identification and recording of existing contracts or investment agreements.
2. Screening and improvement of investment target selection.
3. Record all the trainings undertaken by staffs.

Compliance (Society)

Management Approaches

1. Conduct planning, management and implementation through compliance department, and report directly to President.
2. All departments conduct self-assessment to ensure that all operation units, funds management department, information management department, custodian department and other managements are aware of the latest regulations and can effectively respond to their works and internal rules.

Measurement Systems

1. Each department conducts regulatory compliance self-assessment; Regulatory compliance unit checks for compliance to ensure that all units are aware of and can respond.
2. Each unit examines whether there have been cases of violation and penalties on competing companies, then review and look for improvements to ensure that similar violations do not occur at China Life.

Compliance
(Environment)

Management Approaches

1. Set up a "Environmental Protection Committee."
2. Establish environmental protection policies.
3. Develop "eco energy management practices".

Measurement Systems

The number of cases and amount of money penalized by the government due to failing to comply with environmental laws and regulations.

Compliance
(Product Responsibility)

Management Approaches

Product design, review and sale procedures all follow "Regulations Governing Pre-Sale Procedures for Insurance Products" to implement the relevant regulations.

Measurement Systems

Amount of penalty or fine due to not meeting the product-related regulations.

Audit

Management Approaches

1. Follow the annual audit plan approved by the Board of Directors.
2. Follow the "Implementation Rules of Internal Control and Internal Audit System by Insurance Enterprises" and the relevant provisions of laws and regulations should be included in internal audit matters.

Measurement Systems

1. Follow-up improvements on complaints or shortcomings found by authorities, accountants, internal audits and self-assessment.
2. List on the Internal Control System Statement what matters should be improved.
3. Keep tracking of improvements, and submit reports to the Board of Directors and audit committee.

Public Policy

Management Approaches

1. Follow the "Corporate Governance Best Practice Principles", " Ethical Corporate Management Best Practice Principles", " Ethical Corporate Management Conduct Guidelines" and "Donation Management Method".
2. Before business dealings, consider the legality of trading partner and see whether there is dishonest conduct. Furthermore, a contract signed by both parties shall be abided. If there are acts of bad faith, China Life holds the right to terminate or cancel the terms of the contract at any time.
3. Annual regular courses will conduct on the learning platform for relevant digital courses to guide all employees.

Measurement Systems

1. Check corporate governance evaluation for listed companies.
2. Check the percentage of Ethical Management clauses included in contracts with suppliers.
3. Check the percentage of education and training completion and online testing.
4. Check the number of ethical management violation cases.
5. Check the percentage of Board of Directors and actively implement ethical management policy as committed.

Supplier Assessment for Labor Practices

Management Approaches

Promote the "Suppliers Corporate Social Responsibility Guideline" which requires suppliers to follow legislation on corporate social responsibility, including working conditions, occupational safety and health, and labor rights.

Supplier Human Rights Assessment

Measurement Systems

Check how many contracts signed with suppliers includes CSR clauses.

Marketing Communication

Management Approaches

For each product we inform the public through communication channels, including our website online insurance databases. We also periodically submit relevant documents to regulatory authorities for review.

Measurement Systems

The number of cases related to the violation of marketing regulations.

Product Portfolio

Management Approaches

1. Follow the "Investment Policy and Operating Guidelines" which evaluates investment targets in accordance with corporate governance, environment and society (the 3 main areas) so as to avoid harmful businesses, high pollution, and high energy-consuming industries.
2. For disadvantaged ethnic groups with low economic resources, we provide low premium, low volume, and easy to understand micro-insurance products.
3. From the observations of the domestic and international market and the needs of the people, we develop new products every year in addition to maintaining our existing products, so as to meet the expectations of more ethnic groups.

Measurement Systems

1. Whether products or investment targets have any additional environmental and social benefits (such as energy saving certification, green energy, low-carbon products, social welfare, and access for social vulnerable groups).
2. Regularly monitor domestic and international responsibility investment trends, including regulatory and public issues, and include the clauses to "Investment Policy and Operating Guidelines" if needed.

Product and Service Labeling

Management Approaches

1. Beginning June 2015, customers are invited to give satisfaction feedback at the customer counter.
2. Each appeal is discussed together with the relevant departments in order to develop preventive and response measures.
3. Regular training is given to sales agents and back office staffs in order to improve service quality.

Measurement Systems

1. Counter Satisfaction Survey.
2. Customer satisfaction survey of call centers.
3. Financial Ombudsman Institution.
4. Insurance Bureau comprehensive complaint score.

Customer Privacy

Management Approaches

Tight information security and personal information protection to be achieved via the following:

1. Set up an information security committee.
2. Import Information Security Management System (ISMS).
3. Reaffirm Privacy Protection Policy.

Measurement Systems

1. The number of complaints from misuse of personal information of the client.
2. Introduction and further expansion of the scope of ISO27001 certification.
3. Import BS10012PIMS personal information management system.

Diversity and Equal Opportunity

Management Approaches

1. The performance-oriented pay policy ensures that pay levels maintain market competitiveness.
2. There is a corporate social responsibility committee, concerned about labor rights issues.
3. Regularly conduct human rights policy courses every year.

Equal Remuneration for Women and Men; Non-discrimination

Measurement Systems

Each year we participate in external salary surveys which looks at each position and level at China Life and compares salaries and benefits with other insurance companies. Salaries are then adjusted for the year based on the results.

Market Presence; Employment

Labor/Management Relations

Management Approaches

Complaint channels can be found on the company's internal web site. Those who file a complaint can receive information and have their complaint handled in accordance with the relevant provisions of the Labor Inspection Act.

Labor Practices Grievance Mechanisms

Measurement Systems

Track and record the number of labor complaints, and regularly review the issues and improvements.

Forced and compulsory Labor

Occupational Health and Safety

Management Approaches

- 1.The "Occupational Health and Safety Committee" includes labor representatives.
- 2.Employee Health Promotion and Advocacy.
- 3.Workplace Inspection and Safety.
- 4.Workplace Recreation.

Measurement Systems

Every three months we hold an Occupational Health and Safety Committee meeting, which reports, discusses, reviews and assesses workplace health and safety issues and the promotion of employee health.

Training and Education

Management Approaches

- 1.Establish a series of internal and external training courses and training programs to allow employees to understand the current regulations, provide product knowledge and how to improve service quality etc.
- 2.Conduct "quasi-department manager development (Core-Team) special classes" and "industry training e-school" digital learning.
- 3.Establish incentive programs, adding new category of professional certification to encourage employees to obtain professional certification.
- 4.Encourage employees to obtain professional certification and develop a second skill for new role after being transferred.

Measurement Systems

- 1.Through annual performance evaluation system, examine the learning and growth rate of trainees.
- 2.Course content and sessions.
- 3.The number of employees receiving education and training.
- 4.Course test scores.
- 5.Course satisfaction survey.

Indirect Economic Impact

Management Approaches

Communicate and interact with local communities through holding multicultural charity events.

Measurement Systems

Number of participants.

Local communities

Management Approaches

Communicate and interact with the local community through the public policy set by the head office and all the employees from the head office, branches, and district offices.

Measurement Systems

- 1.Number of participants.
- 2.Feedback record of employees and public who participated in events.

Products and Services

Management Approaches

- 1.All departments use double-sided printing or 2-pages-in-1 printing method.
- 2.Establish an electronic service system.
- 3.Electronic files replace hardcopy notifications.
- 4.Electronic news letters replace hardcopy newsletters.

Measurement Systems

- 1.Paper consumption.
- 2.Percentage of paper savings.

Supplier Environmental Assessment

Management Approaches

Amend the contract which contains "Article of CSR, Integrity and Ethics Management", and invite the suppliers to sign on "Suppliers Corporate Social Responsibility Commitment".

Measurement Systems

- 1.Number of suppliers who signed the "Article of CSR, Integrity and Ethics Management" and "Suppliers Corporate Social Responsibility Commitment".
- 2.Number of suppliers who violated environmental regulations.

Energy

Management Approaches

- 1.Regular maintenance and repairing of existing office building facilities.
- 2.Inspect and update old energy-consuming equipment including workplace air conditioning.
- 3.Import Server Virtualization.

Measurement Systems

- 1.Equipment repair record.
- 2.Energy consumption.

Emissions

Management Approaches

Introduce greenhouse gas emissions accounting and certification of workplaces headquarters and main branches (Taozhu, Taichung, Chiayi, Tainan, Kaohsiung) in accordance with ISO14064-1.

Measurement Systems

- 1.Carbon emissions.
- 2.Level of assurance from third-party verification (reasonable assurance level).

Water

Management Approaches

Strengthen the checking and repairing of old pipes and water storage equipment to achieve water saving.

Measurement Systems

Prioritize reviewing of old air conditioning cooling water towers to reduce the amount of tap water vaporizing.

Effluents and Waste

Management Approaches

- 1.Waste water produced by China Life is processed through the building's water treatment facilities and discharged into public drains or directly into the public sewer.
- 2.Waste is separated and put through recycling and waste reduction processes, then an authorized waste entity or public garbage truck takes the waste for incineration.

Overall

Measurement Systems

- 1.Waste water control rate is in line with national regulations.
- 2.Waste generation

Stakeholder Engagement

In continuation with the previous report, China Life refers to the AA1000 Stakeholder Engagement Standard which uses "dependency", "influence", "tension", "responsibility" and "diverse perspectives" as its five attributes for decisions. Furthermore, through conducting internal evaluations of each department, the final score and weighting, nine major categories of key stakeholders were identified as shareholders (investors), policyholders, employees, regulators, suppliers/contractors, media, NGOs, cooperation channels, and investment targets. This was used to establish closer exchanges in dialogue. Engagement approaches and performance are summarized in the following table.

Shareholders (investors)	Engagement approach
<ul style="list-style-type: none"> • Operating Performance and Profitability • Corporate Governance • Business Integrity and Ethics • Responsible Investment • Corporate Image and Reputation 	<p data-bbox="569 1094 619 1747" style="writing-mode: vertical-rl; transform: rotate(180deg);">2015 Engagement Performance</p> <ul style="list-style-type: none"> • Convene analyst meeting and participate in domestic/international investor conferences • Shareholders' meeting is held once a year • Conduct one on one meetings or group meetings • Investor Relations Department as a dedicated communication unit • A Chinese-English Bilingual Investor Relations Area available on China Life's corporate website • Irregular attendance at domestic and international seminars and roadshows <ul style="list-style-type: none"> • Conducted 1 analyst meeting, participated in 10 investor conferences, including 3 domestic and 7 international ones • More than 163 one-on-one meetings or group meetings • More than 50% foreign shareholding • Face-to-face communication with more than 200 investors in 2015 • More than 65% of foreign shareholders attended to vote at shareholders' meeting. Of that, more than 60% of voters were in favor of all proposals • Proactively sent a total of nine press releases in English to foreign shareholders. Other shareholder meeting information was also simultaneously provided in English • When material information is published, it is simultaneously published in English and on the China Life's corporate website which has quarterly financial reports • Since 2014, the semi-annual financial reports have been published 15 days prior regulatory reporting deadlines. The first for a life insurance and financial holding company. The 2014 and 2015 annual financial reports were published one month prior the deadlines and within two months after the end of the fiscal year. This effectively assisted investors in obtaining timely and adequate information as global practices • The 2015 annual general shareholders' meeting manual, supplementary information and annual report, are all published 7-10 days in advance of regulatory deadlines

Insurance Policyholder

- Customer Service and Care
- Business Integrity and Ethics
- Information Security and Management
- Product Social Responsibility
- Operating Performance and Profitability

Engagement approach

- Provide a free customer service hotline (0800-098-889), website comment section, postal and fax customer service and customer complaint channels operated by dedicated employees
- Communicate face to face with policy holders at service counters
- Publish a monthly digital newsletter for policyholders which contains hot topics, policyholder news, and financial and health tips
- Other external communication channels include: government authorities, Financial Ombudsman Institutions, local government consumer protection officials, elected representatives, etc

2015 Engagement Performance

- Telephone surveys on customer satisfaction began 2014
- Counter service satisfaction survey began June 2015
- The Insurance Bureau announced that our comprehensive complaint score including
 - (1) Complaint rate for non-claims cases and Complaint rate for claims cases
 - (2) average number of days to process complaint have all been decreasing each year. China life has ranked 6th overall in the industry in 2015, marking our best result in recent years
- The number reports to the Financial Ombudsman Institution has been decreasing each year, from 264 cases in 2012 to 135 cases in 2015

Employees

- Employee Pay and Benefits
- Labor-management Communication
- Workplace Health and Safety
- Personnel Training and Recruitment
- Operating Performance and Profitability

Engagement approach

- Labor-management meetings are organized every quarter
- Plan diverse education and training programs
- Employee suggestion box
- An "Employee Corner" internal publication is published once a month.
- Online communication channels including: digital interactive platform "Top Force Network," "i-Link APP" and "hiBox e-mail"
- The human resources department and business units (such as business administration, business training, etc.) are dedicated to provide communication support

2015 Engagement Performance

- Labor-management meetings have been held a total of four times to discuss issues relating to establishment standards for breastfeeding room, paternity leave, prenatal leave, menstrual leave, marriage leave, leave without pay application regulations etc.
- There have been a total of 4 complaints from office staff which were resolved after communication with labor authorities. There has been 1 complaint from field staff which was also resolved after communication
- If significant changes in the operation of company involving a large number of dismissed workers, China Life shall submit a written dismissal plan to notify the regulator and labor representatives in labor-management meeting within 60 days of its legal compliance. The notice shall be disclosed publicly

Regulators

- Major Fraud and Financial Crimes Prevention
- Regulatory Compliance
- Information Security and Personnel Information Management
- Risk Management
- Corporate Governance

Engagement approach

- Dedicated staff conduct routine communication daily via e-mail, documents (letters) and meetings
- Disclose and report corporate governance and corporate social responsibility and other related information proactively and timely in accordance with regulations
- Proactive report significant matters to the Insurance Bureau of Financial Supervisory Commission
- Brief the company's business situation regarding joint venture in mainland China at least once a year to the Insurance Bureau of the Financial Supervisory Commission, and from time to time provide immediate information to the Insurance Bureau of the Financial Supervisory Commission

2015 Engagement Performance

- Participate in small study groups organized by the Life Insurance Association, including a legal team, risk management team, industry development research group, financial accounting team, computerization promotion group, etc. who will report to authorities and propose recommendations on unsuitable existing commodities, business practices, capital usage, taxation related issues and information disclosure, and information security related to computerization, etc.
- Before proceeding to a formal review for significant events (such as the payment of share dividends) of the company, China Life will report to the authorities in order to allow them to have a clearer understanding of the business and financial status of China Life which will facilitate the approval process
- Brief current market status of insurance industry including associated regulations and industry development in mainland China to the authorities, and provide recommendations

Suppliers/Contractors

- Supply Chain Management
- Information Security and Personnel Information Management
- Risk Management
- Regulatory Compliance
- Product Social Responsibility

Engagement approach

- Contracted manufacturers sign a "Suppliers Corporate Social Responsibility Commitment"
- Require suppliers to sign contracts related to environment, health and safety

2015 Engagement Performance

- 100% completion of endorsements signed by construction and engineering suppliers, and 34% signed from general procurement suppliers
- Terminated cooperation with 15 and added 21 new construction and engineering suppliers. Next year will increase to 90 qualified manufacturers

Media

- Corporate Image and Reputation
- Product Social Responsibility
- Corporate Governance
- Public Welfare Participation Program
- Operating Performance and Profitability

Engagement approach

- Hold press conferences and publish company press releases from time to time
- Publish press releases and news events that show the present situation and focal points to allow easier citation by the media.
- Actively inquire, provide relevant documents/information, or arrange an interview based on the needs of the media to help them complete the news production
- Our dedicated public relations department conducts daily communication via e-mail, phone, and media

2015 Communication Performance

- Held 1 public media event
- 108 press releases and 2,007 pieces of proactive sending of documents to media with 100% positive coverage
- 264 counts of proactive providing of documents, information or interviews.
- In coping with aging population trends and major disasters, from a life insurance advisory role, we provide public health insurance, long-term care, and retirement planning related knowledge to promote social awareness of risk management
- China Life's public relations department received positive appraisal from the media for their professionalism, attention to details, consideration and high volume of document submission

NGO

- Public Welfare Participation Program
- Product Social Responsibility
- Corporate Image and Reputation

Engagement approach

- External: promote public welfare plan and cooperation
- Internal: promote volunteering culture

2015 Engagement Performance

- Organized and participated in a total of 491 charity events.
- Actively participated in public sector related welfare activities

Cooperation Channels

- Information Security and Personnel Information Management
- Business Integrity and Ethics
- Product Social Responsibility
- Risk Management
- Corporate Image and Reputation

Engagement approach

- Each dedicated unit maintains communication via e-mail, telephone or meetings daily

2015 Engagement Performance

- Currently working with 196 insurance broker companies, 26 banking channels, and 14 securities companies
- Invite each collaborating channel to respond to China Life's micro-insurance program and develop value chain influence

Investment Targets

- Corporate Governance
- Business Integrity and Ethics
- Responsible Investment
- Corporate Image and Reputation
- Operating Performance and Profitability

Engagement approach

- Actively participate in annual general shareholder's meetings or extraordinary shareholders' meetings held by investment targets
- Maintain daily contact via telephone, in-person visits, and conferences, etc

2015 Engagement Performance

- In 2015, we attended a total of 102 companies' shareholders meetings and voted electronically or in-person with a 97% attendance rate

2015 Achievements on Sustainable Development

Awards and Evaluations

- Ranked **top 5%** by Taiwan Stock Exchange in "Corporate Governance Evaluation Award"

- China Life is **the only life insurance company in Taiwan that was selected in** the Forbes Global 2000 by Forbes magazine in both 2014 and 2015

- Awarded the silver medal in the Finance and Insurance category of "**Taiwan Top 50 CSR Reports**"

- Awarded **the Excellence in 2015 Micro-Insurance sales competition** by Financial Supervisory Commission

Corporate Governance

- Formalized "**Performance Evaluation Approach of Board of Directors**"

- Formalized "**China Life CSR Principles**"

- Established Key Risk Index (**KRI**) according to the operating risks and set monitoring standards through quantitative approach

- Established "**Committee of Business Integrity and Ethics**" reporting directly to the Board of Directors

- Revised "Investment Policy and Operating Regulation Guidelines" by adding **business integrity and ethic management and CSR actions** as a key evaluation in investment decision-making process and present the result to the public

Business Performance

- The only life insurance company in Taiwan that was approved by the Insurance Bureau to **distribute cash dividends for three consecutive years**

- The annual profit of China Life reached a record high again with a total of NT\$ **10.68** billion in pre-tax income, and net profit of NT\$ **9.17** billion. The earnings per share is NT\$ **2.75**

- Foreign holdings accounts for more than 50%** of the company's outstanding shares, one of the highest proportions in Financial stock in Taiwan.

- RBC Ratio is more than **350%**, the highest number of large insurance companies in Taiwan

Supply Chain Management

- Included articles of "**Article of CSR, Integrity and Ethics Management**" in supplier contract. All suppliers that wish to trade and have procurement agreements with China Life are encouraged to adopt the principle of CSR and ethic management

- Promoted signing of "**Suppliers Corporate Social Responsibility Commitment**". The signing from construction and engineering suppliers has been 100% completed, while that of general procurement is now 34% signed (annual target is 20%)

Customer Care

The average of customer's service satisfaction from all counters reached **4.9** out of 5.0

The overall average of customer satisfaction in call center reached **94.6** out of 100.0

Provided "go to house" service to **underprivileged** and **elderly clients**

Introduced **ISO 27001** information security certificate and passed SGS qualification

Established **key talent development plan**

Organized "**Young Student Summer Internship Plan**" in response to the youth employment policy of the government

The training budget of the year reached NT\$ **16,876,333**

Promoted volunteering culture. The annual application for volunteering activities from the employees reached a total of 3,584 hours, which is **1.8** times the original expectation

Held **491 social participation events**, increased by **236%** than last year

Organized **food safety seminars** to promote health awareness

Donated NT\$ **10 million** towards the Formosan Fun Coast dust explosion incident for New Taipei City as recovery fund

Product & Service

Established **internet insurance platforms** in response to digital revolution

Clients benefited from **micro-insurance** services exceeded the expected number of **500**, China Life provided care and security for financially disadvantaged citizens

Education and Training

Building a Friendly Workplace

The headquarters and major branches acquired "**AED Safe Workplace Certificate**"

Provided **health checks** that are better than what is regulated and regular medical services in the company

Actively provided vacancies and sufficient set asides for physically or mentally disabled citizens and aboriginals

Social Participation

Environmental Protection

The headquarters and major branches introduced the **ISO 14064-1** standard to complete greenhouse gas emissions inventory

The headquarters and major branches reached **30%** of municipal recycling rate on average

Achieved the goal of **2%** average in energy saving in all operating offices in Taiwan

Continued our efforts in paperless digital operation. China Life has achieved our goal to save **1.5 million** sheet of paper

*Note: The ranking of 2nd Corporate Governance Evaluation Award published by Taiwan Stock Exchange in April 2016 is based on the performance of 2015.

Chapter 1

Integrity The Core of Sustainability

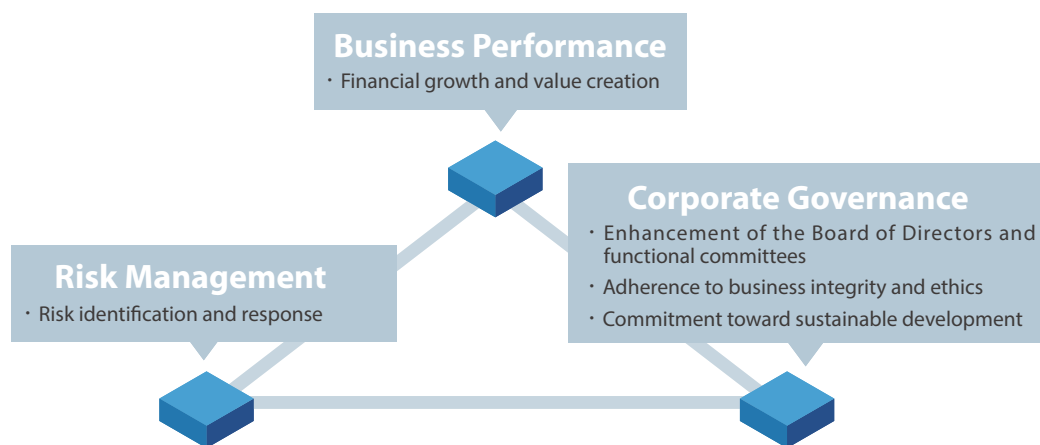
2016 Key Objectives for Sustainability

- 1 Implement the "Performance Evaluation Approach of Board of Directors" and functional committees. Annual assessment will be done by the executing sectors, while individual directors will also implement self-assessment and peer-reviews to enhance corporate governance.
- 2 Stipulate the "Guidelines for Handling Illegal, Immoral and/or Unethical Conducts".
- 3 Continue to participate in the 3rd Corporate Governance Evaluation Award.
- 4 Conduct assessment for money laundering and sponsorship for terrorism to stipulate the prevention plan.
- 5 Revise the "Directions Governing Anti-Money Laundering and Countering Terrorism Financing" for China Life.
- 6 Stipulate the "Prevention Guidelines for Assessing Risks of Money Laundering and Terrorism Financing".
- 7 Enhance responsible investment in accordance with CSR principles by assessing investment targets and ruling out companies that negatively impact the environment, security, health, human and labor rights. Instead, opting for companies that focus on ESG (environment, green energy, social participation, product responsibility and corporate governance). We publish the results in our research report as a key evaluation for investment decision making and regularly assess the CSR performance of our investment targets.
- 8 Support bond investment in super-nationals and increase our investment amount by NT\$ 13 billion when compared to 2015. Through our investments in these super-national organizations and governments, we are able to improve, albeit indirectly, the infrastructure and quality of life in developing countries through creating water resources, fighting against human trafficking and for human rights.
- 9 Continue to promote the endorsement of the "Supplier CSR commitment" to reach 45% endorsement of general procurement.



Foreword

Since the very beginning of China Life, integrity is what we have strongly believed in and insisted on. We believe that integrity is the foundation of communication with our stakeholders and the continuation of the values we commit to shareholders, policyholders and employees. It is the key that drives the company to grow continuously and serves as the building blocks for corporate sustainable development. In terms of corporate management and governance, China Life has incorporated integrity as a core value in each operation, cautiously coping with internal and external risks alike to ensure the rights and interests of our policyholders, shareholders and employees. This is the driving force to our remarkable growth in business performance and what makes us one of the leading roles of the industry.



With the widely used application of digital technology and the increasing use of Internet business, E-Commerce has become the key competitive advantage companies must possess. Apart from the 5 traditional channels of agents, bancassurance, brokers, financial services, and group insurance, China Life has actively started the development of E-Commerce in 2015, establishing on-line insurance services and ensuring the security of data exchange so that we can provide a more convenient and trustworthy environment for our clients .

▼ China Life's six service channels and development strategy



Operation Performance

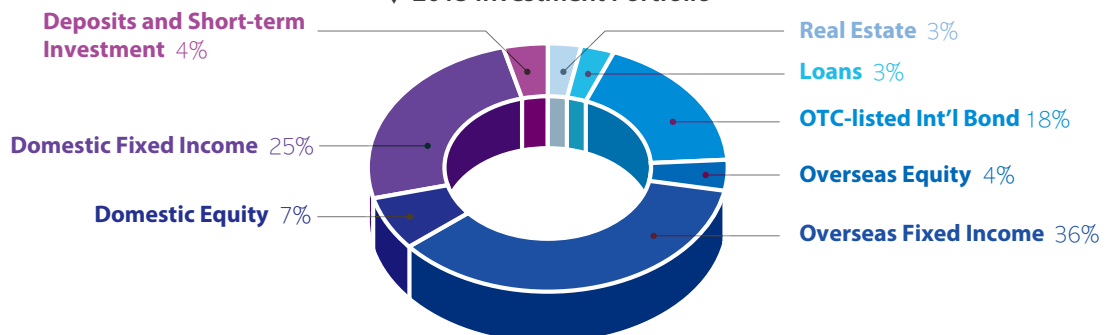
China Life is proud to have an excellent financial performance and record-breaking profitability. The total assets of China Life have increased tenfold from 2003 to 2015, while total market cap increased 16 times, the first year premium 6 times and net profit 13 times. Steadiness is our principle of management. We have spared no efforts in developing a variety of products to cater to the needs of different groups and increase our overall sales. Our commitment to financial stability, protecting the rights of our policyholders and shareholders, ensuring appropriate asset and liability management as well as healthy capital adequacy has gained recognition from all regulators concerned, **making China Life the only insurance company in Taiwan to pay out cash dividends for three consecutive years.**

We have once again broken the history records in 2015, with pre-tax profit of NT\$10.68 billion, net profit of NT\$9.17 billion and EPS of NT\$2.75. Also, our RBC ratio was more than 350% as of the end of 2015, the highest among all large insurance companies. In terms of investment, we strictly follow the "Investment Policy and Operating Guideline", carefully selecting investment targets and focusing on risk management to incorporate the idea into general investment, optimizing investment returns and asset quality to ensure stable profit.

Financial Growth in the Last 13 Years



▼ 2015 Investment Portfolio



▼ Key financial performance indicators

	2013.12.31 <small>(note)</small>	2014.12.31 <small>(note)</small>	2015.12.31
Total Asset	977,602	1,107,268	1,202,622
Net Profit	5,999	6,512	9,172
Total Market Cap	82,209	79,860	84,339
Total Premium	177,246	154,455	162,158
First Year Premium	114,385	83,888	83,143

Unit: NT\$ million

Note: Since 2014, the accounting policy regarding subsequent measurement of investment properties was changed from cost model to fair value model, and 2013 numbers were reproduced for comparison purpose.

▼ Economic values generated and distributed

Item	2013 <small>(note3)</small>	2014	2015
Operating Revenue	207,696,267	193,631,190	203,925,508
Net Profit	5,999,242	6,512,806	9,171,902
EPS (NT\$)	1.82	1.96	2.75
Values Distributed to Stakeholders			
Employee Pay and Benefits <small>(note 1)</small>	1,779,487	2,117,483	2,295,468
Dividends			
Stock Dividend Payment (Surplus year) <small>(note2)</small>	2,760,455	3,036,497	1,336,133
Cash Dividend Payment (Surplus year)	1,104,181	1,214,599	2,004,088
Cash Dividend Per Share (NT\$)	0.40	0.40	0.60
Income Tax Expense	92,680	386,275	702,298

Unit: NT\$ thousand

Note 1: The figures were listed according to employee's benefits (categorized into operating expense) in financial report

Note 2: The total amount was including the Company's capital increase through capitalization of capital surplus.

Note 3: Since 2014, the accounting policy regarding subsequent measurement of investment properties was changed from cost model to fair value model, and 2013 numbers were reproduced for comparison purpose.

Note 4: For more details of financial performance please refer to the 2015 China Life Financial Report by clicking the following link for financial information in Investor Relations s area. www.chinalife.com.tw/wps/portal/chinalife/investor-relations

▼ Premium income by product type

	2013	2014	2015
Life Insurance	79,342,461	99,344,916	113,051,099
Injury Insurance	2,642,177	2,719,889	2,840,381
Health Insurance	17,280,856	18,178,551	18,661,260
Annuity	77,980,417	34,211,523	27,605,658
Total	177,245,911	154,454,879	162,158,398

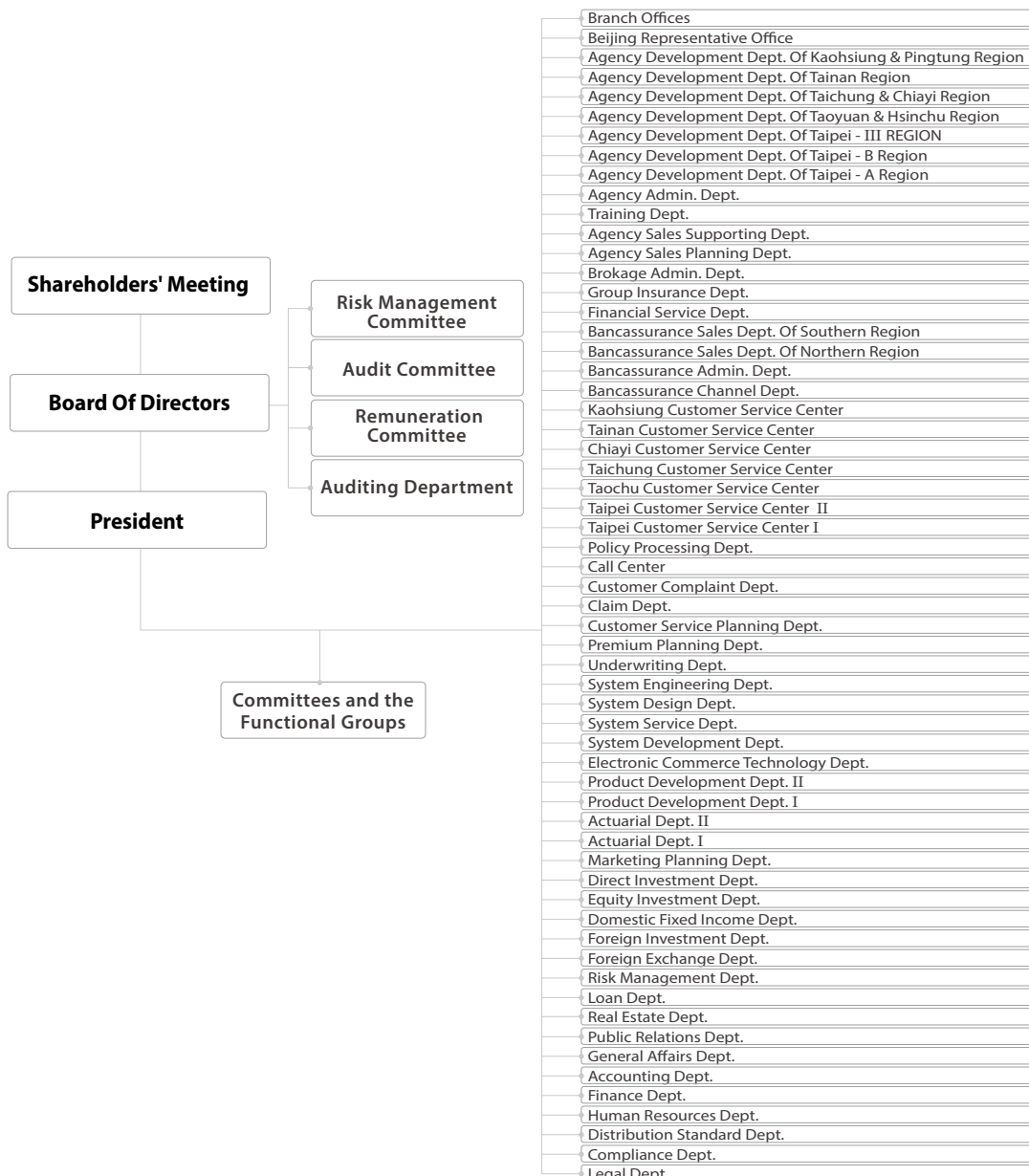
Unit: NT \$ thousand

Note: Investment-link products were classified to Life Insurance and Annuity.

Corporate Governance

1. Board of Directors and Functional Committees

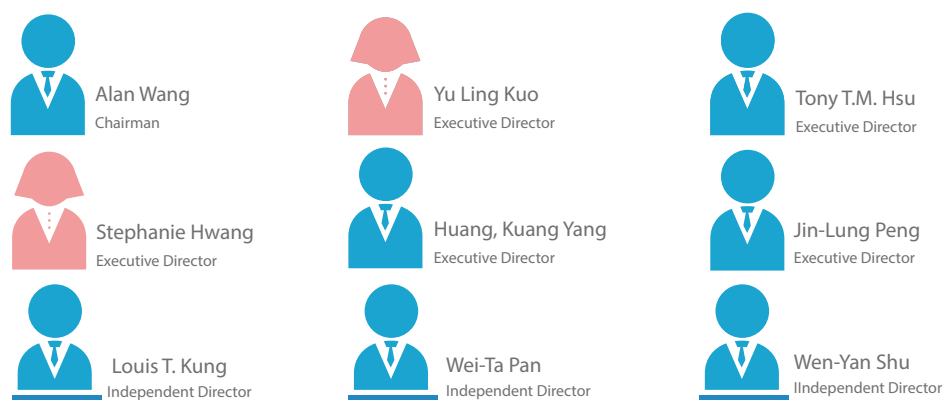
The Board of Directors (BoD) is the highest decision-making body of China Life that cautiously examines and guides our business strategy and steers the direction of the company, setting models and examples for others to follow. To ensure healthy governance and protection of general interests, China Life officially established independent directors on the 13th of June 2008. Three functional committees, namely the Audit Committee (established in August 2011), the Remuneration Committee (established in August 2011) and the Risk Management Committee (RMC, established in January 2006), supervise and enhance the management of the company and are responsible for the Board of Directors. Besides these functional committees, China Life also established the Integrity Management Committee and Auditing Department to enable better governance.



The Board of Directors held 13 meetings in 2015, discussing a variety of issues on company governance with the management team in order to react promptly to sustainability concerns raised by the general public and various stakeholders in the face of the ever-changing industry and market environment. Directors of the Board possess numerous academic and field backgrounds that enhance the performance of the company in many areas including finance, business management, risk management, insurance, statistics, actuarial analysis and legal aspects.

All 9 directors possess a Master's degree or above, 4 of the board members have a PhD degree. In terms of age, one director is aged between 30 to 50 years, while the rest of the Board members are above 50 years of age. In accordance with the principle of gender equality, two directors are female, one of whom is the President of China Life, a core member of the management team. The Board of Directors has not only continued to accumulate field experience but has also participated in various education and training to ensure that the company improves and evolves with the domestic and international economic trends and the structural change of the industry. Should there be a conflict of interest between the members of the board or legal entity they are representing with the objectives of the Board, the directors themselves or the legal entities they represent are to be excused according to the "China Life Guidelines for Board of Directors" and "Corporate Governance Policy". Directors are not allowed to exercise the right to vote on behalf of other Board members, and should remain in accordance with the law. The selection of Directors and Independent Directors has been carried out by a candidacy nomination system, which meets the expectation of the authorities and the requirements of laws and regulations. China Life continues to work with the regulators to optimize corporate governance.

▼ Board of Directors



China Life has put in place the "Performance Evaluation Approach of Board of Directors" in 2015 to assess and evaluate the performance of the Board of Directors, the functional committees and individual directors. The evaluation is conducted at the end of each year by the implementation unit. Independent directors are also self-assessed and peer-assessed at the end of the year to enhance the company's governance. The assessment results of the 2015 evaluation of Board of Directors and all functional committees have met the criteria.

▼ Operation of the Board of Directors and functional committees and the corresponding ratio of independent directors

Board of Directors (BoD)	<p>Formation and Role : Headed by Chairman Alan Wang, the Board of Directors consists of 9 members, 3 of whom are Independent Directors. The Board is tasked with approving the business goals, budget review, profit distribution, change of capital, and internal policy review, etc.</p>
	<p>No. Of Independent Directors/ Total members: 3 / 9</p>
	<p>2015 Track Records :</p> <ul style="list-style-type: none"> ▪ Held 13 meetings ▪ Revised “Codes of Ethical Management ” and “Ethical Management Guidelines” ▪ Announced “Performance Evaluation Approach of Board of Directors”
Audit Committee	<p>Formation and Role : Consists of all Independent Directors responsible for monitoring and ensuring effective internal controls, compliance to relevant laws and regulations, and management of existing or potential business risks.</p>
	<p>No. Of Independent Directors/ Total members: 3 / 3</p>
	<p>2015 Track Records :</p> <ul style="list-style-type: none"> ▪ Held 11 meetings ▪ Engage meetings when agenda items are required to be approved by the Audit Committee according to organizational policy or regulations
Remuneration Committee	<p>Formation and Role : Consists of all Independent Directors responsible for assessing, setting, and reviewing the salary and the performance of China Life’s BoD and senior executive managers.</p>
	<p>No. Of Independent Directors/ Total members : 3 / 3</p>
	<p>2015 Track Records :</p> <ul style="list-style-type: none"> ▪ Held 4 meetings ▪ Policy setting relates to the salary and the performance of BoD and senior executives as well as routine assessment, discussion and decision-making
Risk Management Committee (RMC)	<p>Formation and Role :</p> <ol style="list-style-type: none"> 1. Operates directly under the BoD, consisting of 12 members and convened by Independent Director. 2. Responsible for setting and monitoring China Life’s risk management policy, ensuring consistency, appropriateness, stability and transparency of across risk management mechanisms, and to establish a risk management culture of the company.
	<p>No. Of Independent Directors/ Total members: 2 / 12</p>
	<p>2015 Track Records :</p> <ul style="list-style-type: none"> ▪ Held 5 meetings. ▪ Revise Risk Management Regulations ▪ Establish “Own Risk and Solvency Assessment” and “Business Risks Detection Guideline”

Please refer to 2015 China Life Annual Report for more information regarding the actual operation of functional committees, shareholdings, important meeting conclusions and further education and training plans.

China Life emphasizes not only corporate governance and risk management but also establishes a comprehensive internal control system to prevent corruption. The internal auditing unit operates under the BoD and organizes at least one general audit annually targeting Financial, Sales, Information and other management units according to the BoD's approved annual audit plans, "Implementation Rules of Internal Control and Internal Audit System of Insurance Enterprises" and related regulations. Special project audit is conducted according to actual needs and legal regulations. Furthermore, the internal auditing unit also reviews, improves and follows up the examination opinions of or deficiencies found by the authorities, accountants, internal auditors and self-inspection personnel. While, the chief auditors regularly report the status of operation to the Audit Committees, the frequency of reporting to the board has increased from twice a year to quarterly basis. Accountants are to explain the status of an audit on the financial reports in semi-annual and annual reports to the Audit Committee and communicate with the Independent Directors the findings of internal control testing and the latest regulatory updates.

In response to the international trend of shareholder equality and the support of foreign investors, shareholders can exercise their voting privilege through an electronic voting system in cases where they are unable to attend the annual general shareholders meetings. In 2015, 71% of our shareholders had participated in the electronic voting system in terms of overall shareholding ratio, one of only 35 listed companies in Taiwan that had an attendance rate of over 70% in electronic voting. As such, in 2016 the Taiwan Stock Exchange rewarded China Life with an exemption on the limitation of shareholders' meeting. 60% of our foreign investors voted for every proposal in 2015. All proposals were passed successfully. It is a strong indication of trust in China Life from our shareholders and investors.

Since 2014, China Life has launched an English Investor Relationships Area of the official website, providing English translations of conference details and agenda updates to allow easy access for our foreign shareholders. We have also included English versions with important messages and published quarterly financial reports in English on the official website so our foreign investors can understand the crucial operations of the company. China Life have committed to highly transparent financial report, strict and cautious corporate governance and excellent sales performance that have received recognition from our foreign institutional investors. Foreign investments exceeded more than 50% total outstanding shares in 2015, making China Life one of the finance sector companies in Taiwan with the highest foreign shareholding.

The results of the annual general shareholders' meeting are also published on the Market Observation Post System (MOPS) to provide our policyholders and investors with instant access to transparent information. Furthermore, we have also put an emphasis on the quality and timeliness of the information. The following is the list of regulatory principles for announcing various financial reports and content of the BoD:

- ❖ Semi-annual financial report of 2014 and 2015: Public announcement is released 15 days before the legal due day. (The only insurance and financial holding company in Taiwan that publishes prior to the legal deadline.)
- ❖ 2014 and 2015 Financial Report: Announced 1 month before the legal deadline. (2 months after

the end of the fiscal year.)

- ❖ 2015 Handbook and supplementary material for shareholders' meeting and annual report: Announced 7-10 days prior to the legal deadline.

▼ Shareholding Structure of China Life

Shareholder Structure	Number of Shareholders	Holding Shares	Holding Percentage (%)
Government Agencies	2	612	0.00%
Financial Institution	30	160,467,477	4.80%
Other Institutional Investors	281	699,742,584	20.95%
Foreign Institutional Investors and Foreigners	719	1,792,931,629	53.68%
Individuals	97,013	687,004,398	20.57%
Treasury Stock	0	0	0.00%
Total	98,045	3,340,146,700	100.00%

Note: The figures were listed according to the data on the book closure day. (Book closure date: August 9th, 2015).

2. Business Integrity and Ethics

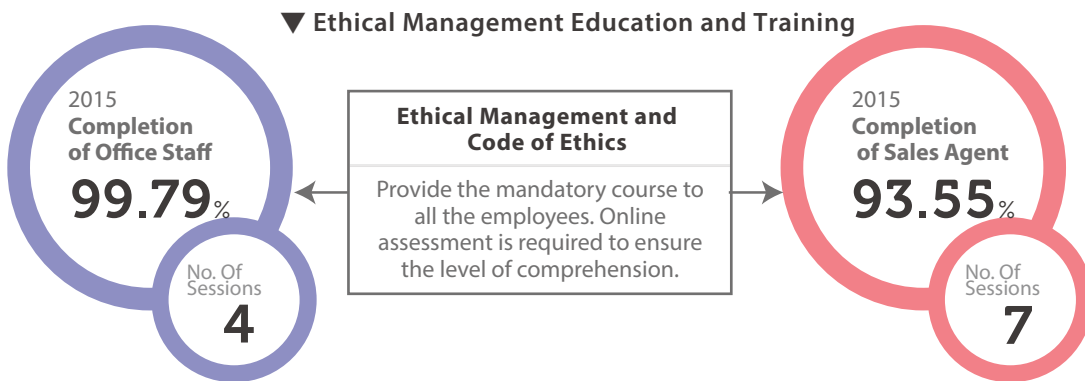
We strongly believe that the value and sustainability of an enterprise lies on the foundation of business integrity and ethics. To achieve ethical governance, China Life established the Integrity Management Committee that operates directly under the BoD in March 2015, responsible for setting and supervising policy compliance of business integrity and ethics. The committee reports regularly each year to the BoD. It is our objective to establish ethical corporate culture and implement ethical management.

Other committees include the CSR committee, Environmental Protection Committee, Investment Management Committee, Credit Review Committee, Assets and Liabilities Risk Management Team, Insurance Product Review Team, Insurance Product Management Team, Underwriting Committee, Insurance Claims Committee, and Appeals for Policyholders Committee, all of which are organized to complete and enhance the operations of the organization and effectively establish and supervise various corporate policies and objectives.

China Life passed the "Ethical Management Principles" in 2011, and further announced "Ethical Management Guidelines", establishing relevant policies for the directors, managers, employees, mandataries, or persons having substantial control over the company to avoid conflict of interest. The guidelines also prohibit illegal political donations, offering or accepting improper benefits, improper charitable donations or sponsorship. China Life has continued to improve and revise the guidelines

in 2015 to establish a more comprehensive ethical management system and has published the related regulations on the internal corporate network, corporate websites and Market Observation Post System (MOPS), as well as demanding the BoD and managerial level to sign on the "Declaration of Ethical Management" every year to demonstrate our commitment to ethical governance.

With the exception of top management, China Life communicated with its staff to ensure every member of the company is well informed through online assessment. By the end of 2015, we had completed training with 99.97% of office staff and 93.55% of sales agents, and we will continue our efforts until everyone is equipped with the knowledge and information. We expect to complete the training with 100% of our staff in 2016. In addition, heads of departments are obligated to ensure all members within the department are fully aware and support anti-corruption. As the result of effective communication and promotion, there were no violations of the principles and guidelines during 2015.



In 2015, China Life implemented integrity and ethical principles in 4 aspects in response to Transparency International's appeal to enterprises across the globe on anti-corruption. These principles are as follows:

- BoD and Management Levels' Commitment to Business Integrity and Ethics

BoD and the management level are asked to sign "Declaration of Ethical Management" every year, which explicitly states our commitment to carry out the policy of business integrity and ethics.
- Ethical Management Training and Outcomes

Provide the mandatory course to all employees. Online assessment is required to ensure the level of comprehension.

Business Integrity and Ethics in Practice

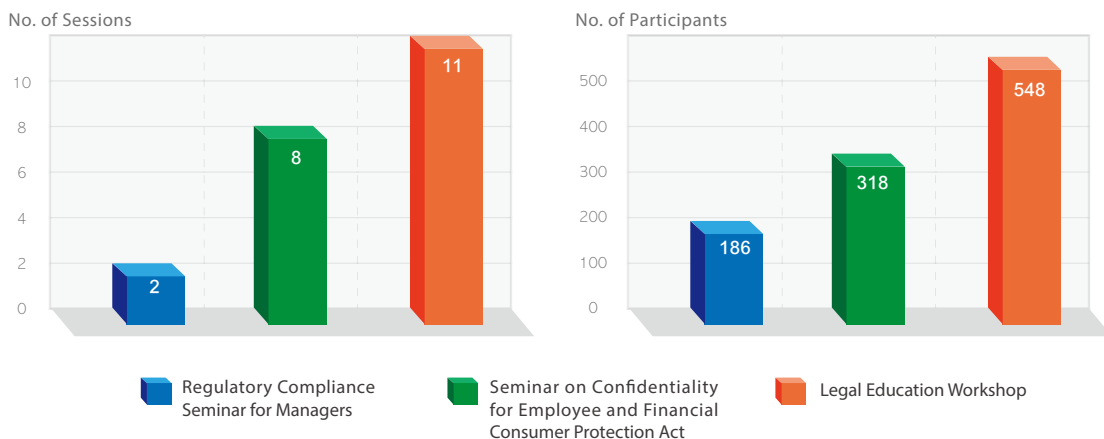
1. Prior to any commercial transactions, China Life shall take into consideration the legality of the counterparties and whether they are involved in unethical conduct, and shall avoid any dealings with persons so involved.
2. In an event where the counterparty is involved in unethical conduct, China Life shall immediately terminate the business interaction and list the counterparty as dishonored.
3. When entering into contract with a counterparty China Life shall induce contract terms requiring compliance with ethical corporate management policy and state that in the event the trading counterparty is involved in unethical conduct, China Life may at any time terminate or rescind the contract.

Violation of Business Integrity and Ethics

Reporting and applying penalty measures regarding the violation of business integrity and ethics, and establish China Life's Guidelines for handling illegal, immoral and/or unethical conducts.

2.1 Regulatory Compliance

China Life's regulatory compliance unit operates directly under the President, responsible for the planning, managing and the enforcement of conformity with the latest laws and regulations. The unit has informed and managed the related departments of a total of 112 law changes to ensure effective response to regulatory compliance, reporting to the BoD and Audit Committee in the quarterly business report. The regulatory compliance unit also drafts the annual plan for the coming year at each year end. The annual plan is submitted to the BoD and further discussed for permission to implement. In addition, the unit has strengthen internal communication and management to ensure good service quality in business solicitation, selling and service according to the laws and regulations, creating a more trust-inducing service experience. The regulatory compliance unit has organized 21 sessions of educational training workshops communicating related issues in 2015.

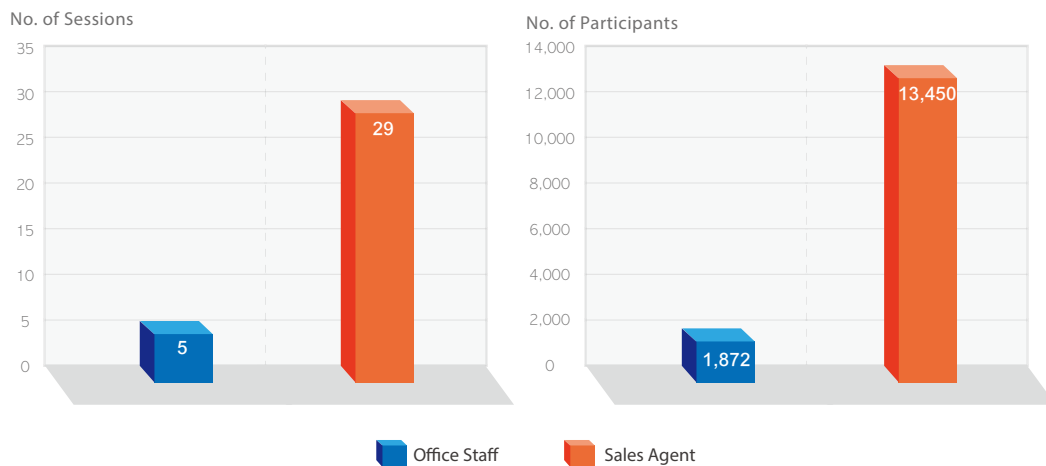


China Life reviews and revises internal operations and policies based on the violations determined by the authorities. We continue to revise with the revisions of law regarding insurance and other related regulations. We work to ensure legal compliance in all our operation procedures including solicitation, product and after sale service and the protection of interests of our employees. The Financial Supervisory Commission (FSC) has taken 56 disciplinary actions across the insurance industry in 2015, resulting in a total fine of NT\$61,580,000. China Life received 1 disciplinary action from FSC and was fined NT\$ 600,000 for negligence in processing in 2013. After proper management, we have safeguarded the interests of the policyholders with care and have enhanced the relevant inspection and training. Furthermore, China Life also revised and enhanced the operational procedures to improve service quality.

2.2 Prevention of Money Laundering

To comply with the "Suggested Execution Plan for Anti-Money Laundering and Countering Terrorism Financing of Insurance Industry", "Guide for Assessment on Anti-Money Laundering and Countering Terrorism of Insurance Industry" and requirements of the authorities, China Life assessed the risk of money laundering and terrorism financing and formalized corresponding measures in 2015. We have completed risk profiling to comprehend and assess the related risks which may impose on the company. We plan to implement related measures in the second quarter of 2016 and reaffirm our commitment to fight against money laundering and terrorism financing. In addition, we have also arranged money laundering prevention trainings for both the office staff and sales agent. The attendance of each training sessions has reached 100%, demonstrating full compliance with China Life's anti-money laundering policies and regulatory requirement of the authorities in our day-to-day operations.

▼ Anti-Money Laundering and Counter Terrorism Financing Seminar (On-site and online course)



Note 1 : Statistics from January to December 2015. Sessions open for all levels of office staff.

Note 2 : Statistics from January to December 2015. Sessions open for all levels of sales agent.

3. Corporate Sustainability

Corporate Sustainability is at the core of China Life's operations, decision-making and product services. In response to the emphasis on corporate sustainability and domestic and international sustainable development, China Life officially established the "China Life CSR Committee" in November 2014 to respond more efficiently to risks regarding corporate operations, environment and society. We actively promote social responsibility in the supply-chain, responsible investment, and to realize the very spirit of corporate sustainability. Furthermore, we have actively participated in and responded to various institutions and associations on sustainable development and have maintained good relationships and communication not only with finance related associations but also those of the insurance industry, academia and the authorities.

▼ Association Participation

Association	Role
The Actuarial Institute of the Republic of China	Member
The Life Insurance Association of the Republic of China	Member
Taiwan Insurance Institute	Member
Insurance Anti-Fraud Institute	Member
Life Insurance Management Institute of the Republic of China (LIMI-ROC)	Member
LOMA (Life Office Management Association)	Member
Financial Planning Association of Taiwan	Member
Joint Credit Information Center	Member
Taiwan Insurance Law Association	Member
Risk and Insurance Research Center, National Chengchi University	Sponsor, professional consulting committee

3.1 CSR Committee

The purpose of the China Life CSR committee is to realize corporate social responsibility, and promote economic, environmental and society, so as to accomplish sustainable development. To effectively implement the operation of the committee, we have engaged three internal meetings to determine our 2015 corporate social responsibility ESG targets, the disclosure framework, writing, review and reporting of "2014 China Life CSR Report". Furthermore, we have established "China Life CSR Principles" and have implemented the principles after receiving permission from the BoD. We have continue to formalize the structure, main theme and materiality matrix of our next "2015 China Life CSR Report". The CSR committee will keep track of the 2015 ESG progress and determine 2016 ESG targets accordingly.

The Advancement of China Life's CSR Committee



The CSR Committee consists of 1 chairperson, 2 vice-chairpersons, 3 committee members and 1 executing secretary. All of whom are directors of China Life. The structure of the CSR committee is closely aligned with the operation and corporate governance of China Life as we believe it is the best practice to facilitate effective management. The structure and the responsibilities of the CSR committee are as follows:



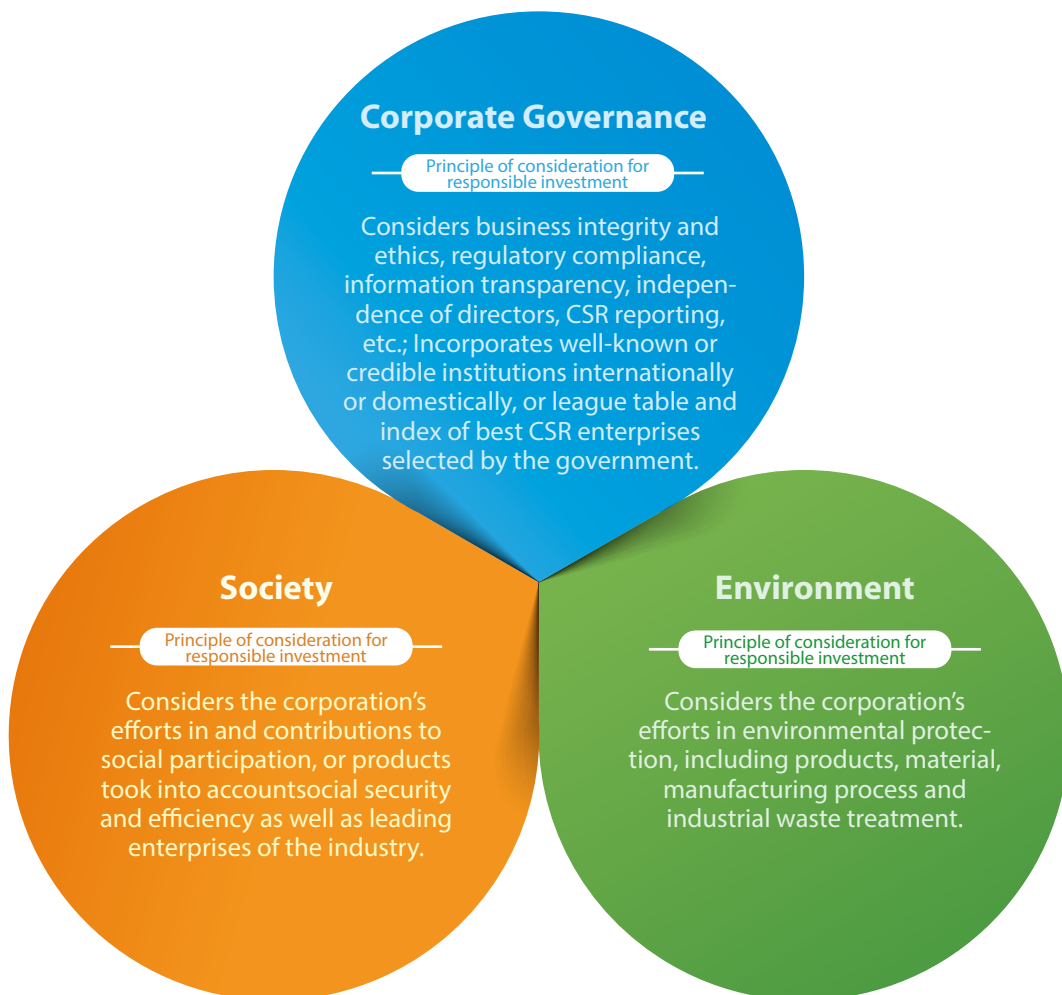
3.2 CSR and Business Integrity and Ethics in Supply-Chain

In 2015, China Life announced and published "CSR Guideline for Suppliers" to enhance the management and implementation of corporate social responsibility. We also requested for all the suppliers to sign up the "Supplier Corporate Social Responsibility Commitment", prioritizing the acquisition of full sign-up from contract construction and engineering suppliers. China Life will gradually obtain endorsements from suppliers of general procurements. In addition, we have also included the "Article of CSR, Integrity and Ethics Management" in the procurement contract for all suppliers that have procurement contracts with China Life .

3.3 Responsible Investment

Issues of global warming, clean energy, environmental pollution, and food safety have increasingly drawn the world's attention and rethink the impacts that traditional corporate practices and mind-

set may bring to the environment. In light of this, China Life aims to be a guardian on investment by taking a more responsible approach. In 2015, we revised our investment policy based on the principles of corporate social responsibility. The revision has included business integrity and ethics as an evaluation and principle of our investment to ensure that all our investment products, business items and operations conform with our commitment to social responsibility. In addition, China Life has also included "Environment", "Society" and "Governance" as key indicators into its investment decision-making procedures. We rule out corporations that are destructive towards the environment, or concerns with health and safety, human and labor rights, while selecting companies that emphasize on ESG (i.e. environmental protection, clean energy, social participation, responsible products and corporate governance, etc.) and disclose the information in our study reports. It is our goal to exclude any investment target that may jeopardize the life and health of mankind and the environment as a whole. China Life has long been dedicated to environmental protection, climate change and the issue of demographic changes. We actively invested in companies manufacturing eco-friendly automobile, health and medical equipments, medicine R&D, and cultures and innovations with our venture capital in the hope to provide solutions for the aging population and human diseases, while looking for ways to extend life expectancy as well as promote clean energy, efficiency improvements and the quality of medical care.

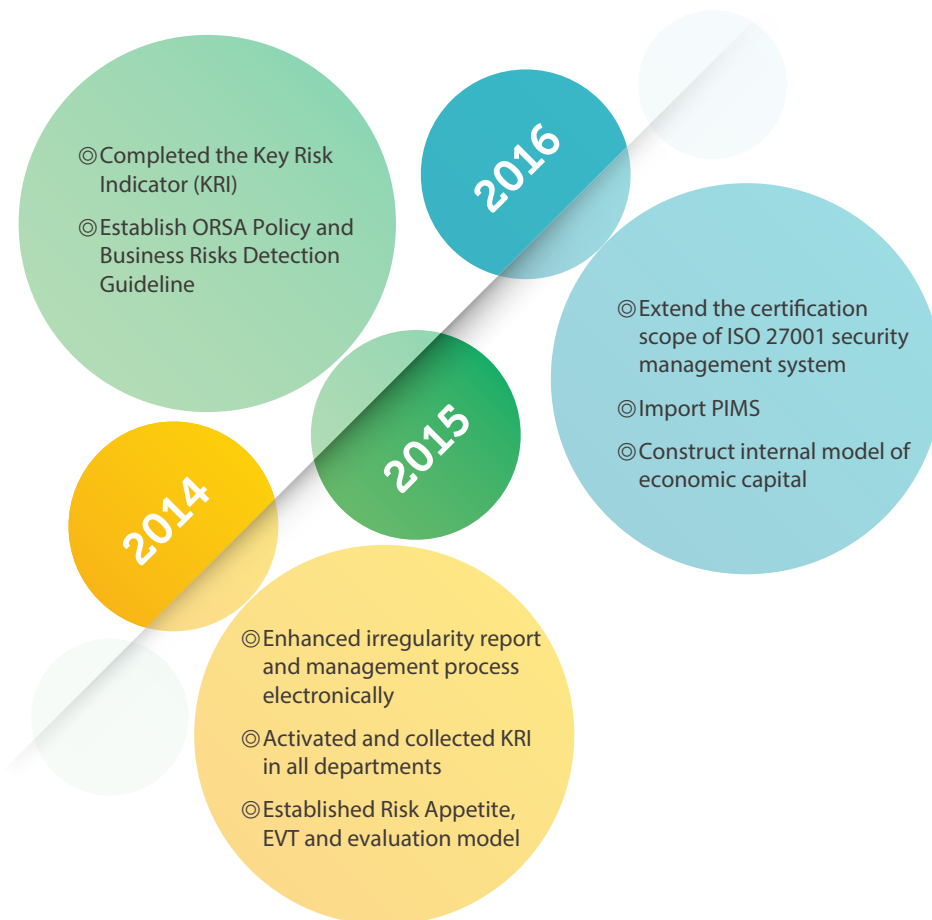


Rigorous Risk Management

1. Risk Management Structure

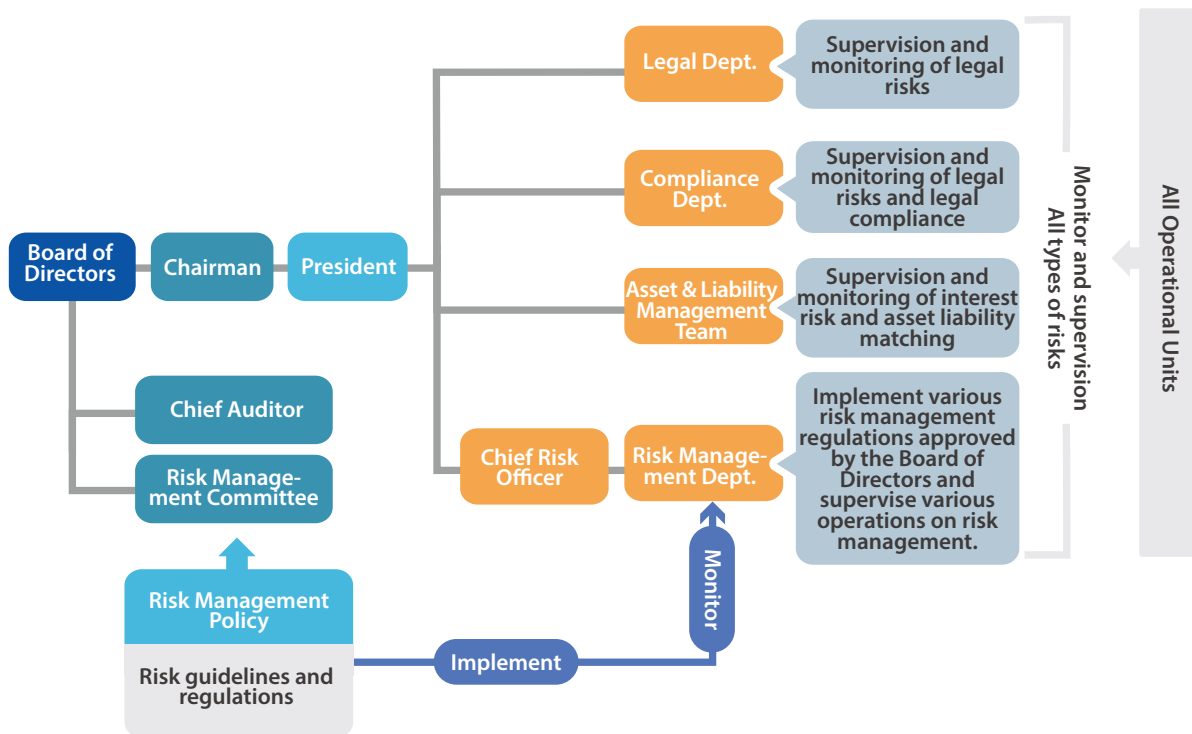
Risk management is a major issue for corporations in the insurance industry and is also what we are most cautious in. Good risk management practices can help to decrease the likelihood of false judgements in decision-making, reduce or avoid the chance for loss, and relatively increase the added value of the company. Therefore, China Life is obligated to establish an effective risk management framework for all policyholders and shareholders. Since the establishment of Risk Management Committee in January 2006, the BoD had approved the formation of Risk Management Department and appointed a Chief Risk Officer to assist major decision making and create corporate values. Meanwhile, China Life also actively develops its "Own Risk and Solvency Assessment (ORSA)" and establishes a risk management culture that all employees can easily relate to and implement in their daily operations. We have improved our strategy for risk management each year. The following chart illustrates our roadmap toward excellence in Enterprise Risk Management:

▼ Established Database and Loss Data Collection (LDC)



1.1 Risk Management Structure

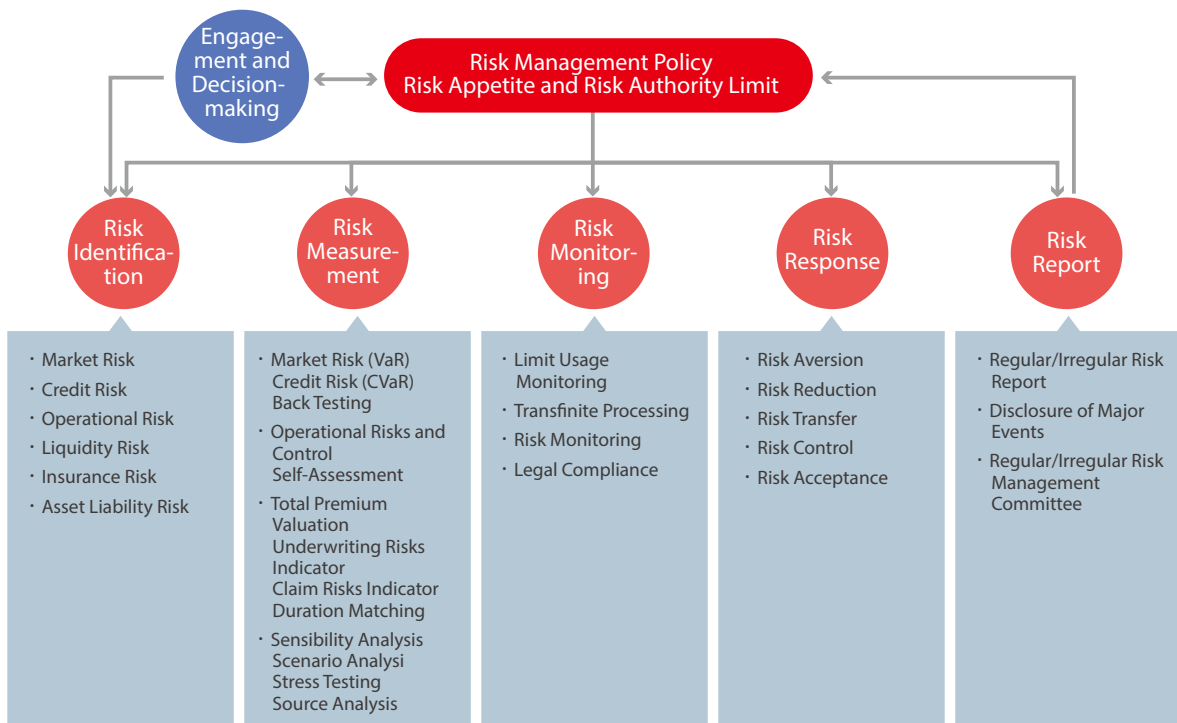
Our Risk Management Department acts as a stand-alone risk assessment unit, which operates independently from other business units and trading activities. The department carries out various risk management set forth by China Life's risk management framework, and reports critical matters to the governance level periodically and non-periodically, while coordinating with the Regulatory Compliance, Legal Departments as well as Debt/Liabilities Management Team to ensure an overall control of the potential risks. The following are the risk management structure and operating procedures:



1.2 Risk Management Process

With authorization from Risk Management Committee, the Chief Risk Officer and Department of Risk Management assess, evaluate and monitor daily risks, reporting weekly and monthly results of assessment and monitoring to supervisors. In addition, risk reports are submitted every quarter to Risk Management Committee for discussion and are reported to the Board of Directors with the com-

mittee's conclusions. In the event of major changes in the market or economic environment, the risk management department may notify the supervisors and the Board of Directors at any time so that China Life can respond immediately and effectively.



2.Risk Identification and Response

Our professionalism lies within understanding and obtaining information regarding impacts and changes to the insurance industry imposed by various risks. "A handy tool makes a handy man"; with the assistance of proper risk assessment tools, we are able to identify, assess, and evaluate potential dangers and impacts and take preventative measures in advance. On top of our timeless efforts in Loss Data Capturing (LDC), RCSA, Risk Appetite, Major Risk Limitation, and Daily Monitor Mechanism, we have also completed and implemented KRI, ORSA mechanism and risk management information platform and enhanced Risk Alarming and Management in the last quarter of 2015, providing a more accurate and complete risk management assessment for China Life.

Major Risks	Market	Credibility	Process	Liquidity	Insurance	Assets and Liability
Risk Management Target	Interest rates, exchange rates and equity securities prices	Bond issuers and Counterparties*	Operating procedures	Capital and market liquidity	Underwriting Risks**	Assets and Liability
Budget Quota Control	⊙	⊙	⊙	⊙	⊙	
Self Assessment			⊙		⊙	⊙
Sensibility Analysis	⊙				⊙	⊙
Scenario Analysis	⊙				⊙	⊙
Credit Rating		⊙ *			⊙	
Stress Test	⊙	⊙		⊙	⊙	⊙
Risk index	⊙	⊙			⊙	
Industry Analysis		⊙				
Forecast	⊙	⊙		⊙	⊙	⊙
Risk Monitoring	⊙	⊙	⊙	⊙	⊙	⊙
Others				<ul style="list-style-type: none"> · Fund Utilization Plan · Emergency Management 	<ul style="list-style-type: none"> · Profit Testing · Establish evaluation principles and standard operating procedures according to types of insurance claims 	<ul style="list-style-type: none"> · Organize Regular Team Meetings · Provide Comparative Analysis and Suggestions According to Assets and Liability Allocation Plan, Duration Management and Other Index

*Note: With the exception of internal credit assessment, we also adopted a list of qualified issuers and counterparties.

**Risks include product design and pricing, underwriting, reinsurance, catastrophes, claims, reserves and other related risks.



Market Risk

We manage risks related to interest rates, exchange rates and fair equity securities according to China Life Market Risk Management Regulations. Mechanisms include the management of the position and quota control, sensitivity analysis, stress tests, scenario analysis and risk values. In 2015, the GARCH model for domestic equity investment was introduced which, in addition to performing out-of-sample residual relevance and hypothesizing normality, is utilized to forecast future market volatility.

Credit Risk

According to China Life's Credit Risk Management Regulation, we manage credit risks for bond issuers and counterparties. Mechanisms include a list of qualified issuers and counterparties, regulation of internal credit rating and transaction limits, credit analysis and tracking, concentration of local industries, stress tests, predicted credit loss, credit risks, etc. As of 2015, in consideration of the special risk of subordinate debt issued by the bank industry that responds to the demands of the investors to conform with the Basel III framework, we have strengthened the monitoring of subordinate debt in the unit banking system and holistic position control, as well as relevant capital proportion control to manage and avoid any potential financial loss.

Operational Risk

Utilizing Loss Data Collection (LDC) and Risk Control Self Assessment (RCSA) to identify, assess, and examine operational risks, thereby quantifying the Key Risk Indicators (KRI) and performing regular inspections. Based on these data, we can assess and identify various risks that may lead to abnormal loss in advance and allow action plans to be put in place.

Liquidity Risk

According to China Life's Liquidity Risk Management Regulation, we manage financial and market liquidity risks. Mechanisms include predicting the cash flow for assets and liabilities, trade limit regulation, capital usage plans, emergency management, etc. As of 2015, these have been used in relation to the realizable value of company assets and the cash flow for liability in order to establish relevant indicators that manage liquidity risks in a more holistic manner.

Insurance Risk

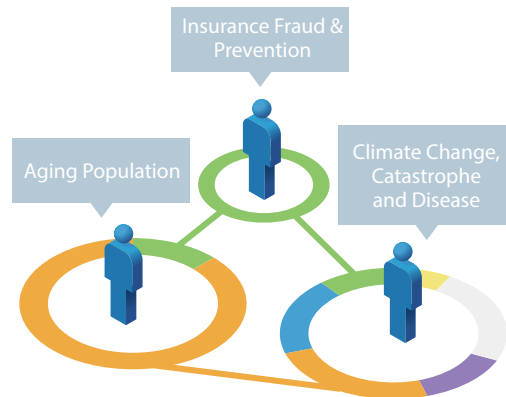
China Life Insurance Risk covers the product design and development, underwriting claims, periodical risk assessment post-sales, adequacy of reserve funds and other relevant risks. By utilizing various mechanisms of monitoring and measurement, we are able to effectively manage insurance risks.

Asset Liability Risk

Liability and Risk Management Unit carries out periodical inspection and management of the company's assets and liabilities in various accounts and presents its comparative analysis and recommendations according to the asset liability allocation strategy, duration management and other related indexes so as to balance the company's assets and liabilities.

3.Preparing Against External Changes

As the world is constantly on the change, China Life has kept a close observation on risk trends both domestically and internationally. We base ourselves on the considerations of the Global Risk Report from the World Economic Forum^(Note1), the International Insurance Society Forum^(Note2) and the Risk Evaluation Report from the world leaders of the insurance industry^(Note3). In addition, we have specifically proclaimed our determination to face the common challenges in key risk aspects of the insurance industry such as insurance fraud prevention, the aging population, catastrophe and disease to strengthen our commitment to policyholders and shareholders.



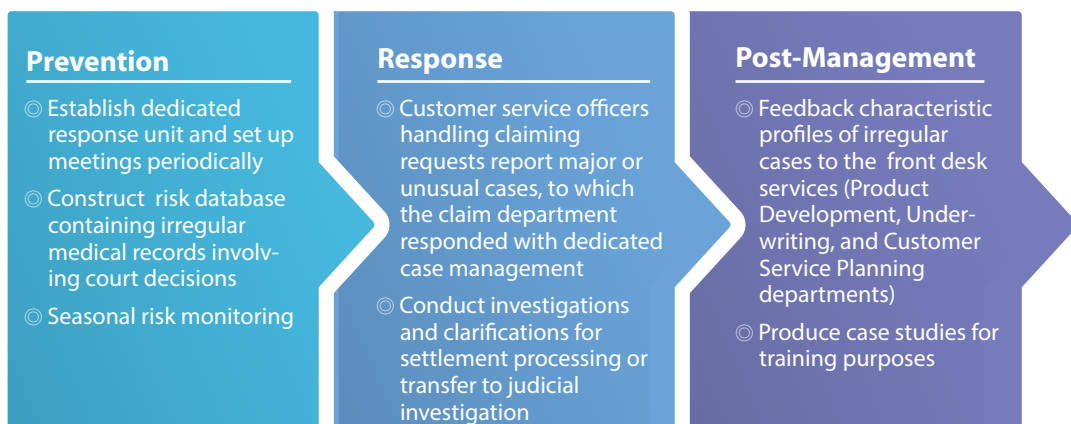
Note 1: World Economic Forum The Global Risks Report 2016

Note 2: International Insurance Society Forum 2015, Healthcare: 2020 & the Impact of an Aging Population

Note 3: Allianz Risk Barometer - Top Business Risks 2016

Insurance Fraud and Prevention

Insurance fraud undermines trust in our society, which affects the interests of insurance policyholders. The most effective measures to avoid this is through prevention, quick response during the course of events, and good management afterwards. After becoming a member of the Insurance Crime Prevention Institute in 2004 and setting up dedicated units in 2010, we have actively communicated and exchanged information with relevant anti-fraud organizations and judicial authorities. Our personnel in claim service centers also report on major settlement claims or irregularities monitored by systems according to the procedures of the Notification of Ordinance Compliance for Significant Cases and Regulations for Major Settlement Cases to the letter. This will further clarify and aid investigations to promote settlement processing or judicial investigation handovers. In addition, we provide feedback for relevant events on Products Development, Underwriting and Customer Service Planning in order to learn and prevent future fraud cases.



Aging Population

In addition to managing internal risks, we are also highly aware of the external changes that can potentially bring forth impacts and opportunities for China Life. In Taiwan, aging population has become one of the most pressing issues. Constrained budget spending on healthcare, social insurance and welfare benefits are the result of aging population and low birth rates. This means that the elderly may fall into financial difficulties due to illness or poor health, and leads to further deterioration of health conditions or partial recovery due to lack of proper health care. With changes in lifestyle and eating habits, the average age for many diseases continues to fall. Furthermore, the aging population is also accompanied by associated risks and the need for long-term healthcare. The resulted financial expenses are likely to affect quality of life and increase financial burden on families.

Therefore, China Life helps individuals to secure basic medical protection and manage risks by providing insurance policies separately for specialized illnesses and damages, care-taking for disability, and long-term medical care. Under a limited budget, we provide the most secure and well-rounded insurance coverages with the waiving of premiums in response to an aging society. At the same time, we are aligned with government policies since 2014 and assisted our senior policyholders in transferring the life insurance they invested in the past into pensions and retirement funds. In 2015, we launched our disability assistance and long-term care insurance packages, special illness and accident insurance packages (excludes death premiums and longevity annuities), and other insurance plans that cover mild cases of dread disease to cover different social groups.

Climate Change, Catastrophe and Diseases

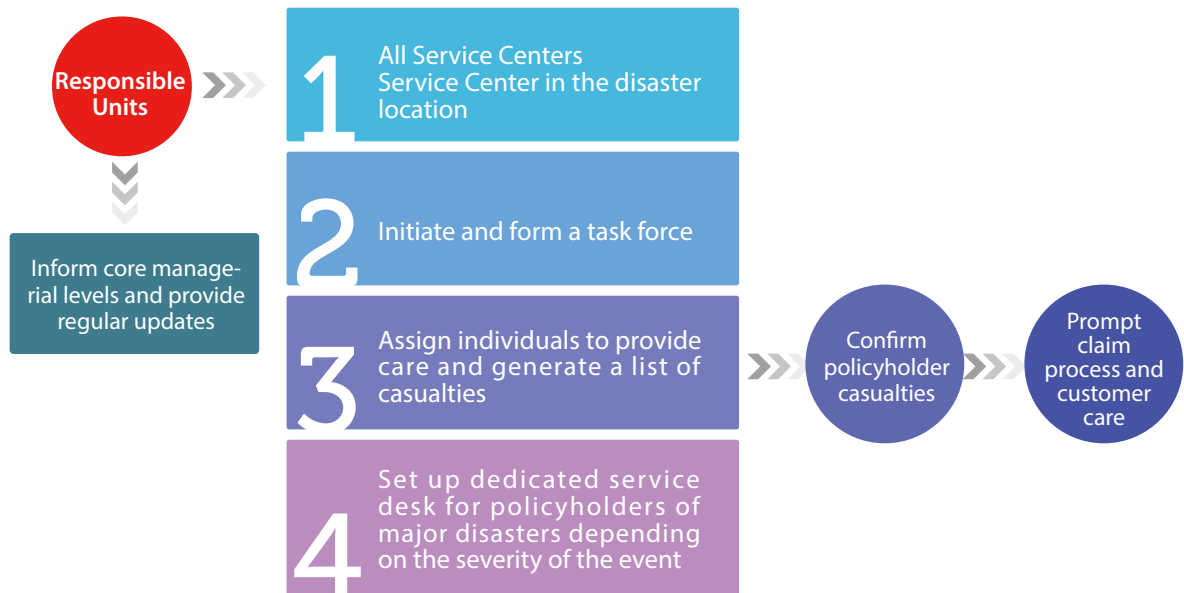
With rapid climate change, natural disasters have increased in terms of frequency and degree of severity, causing significant impacts in global economic activities and the financial market. For the past 40 years, Taiwan has encountered many natural disasters such as severe Typhoon Morakot, Herb and Nali. Each disaster brought forth extreme weather conditions of heavy rainfall, drought and cold winters - this has caused devastating losses and damages to Taiwan's agricultural and aquatic industry as well as personal property. We are also aware of the fact that global warming has increased the likelihood for infectious diseases to spread. In 2015, both Tainan and Kaohsiung suffered from dengue fever and an extremely cold winter. This has led to an unanticipated increase of insurance claims.

We continue to uphold a spirit of care and concern for others. After the launch of our "Guidelines for Policyholder Provider Services for Natural Disasters" in 2012, it was revised in 2014 to "Methods for Policyholder Provider Services" in order to provide more relevant services and as a means to reg-

ulate situations that arise when a natural disaster occurs. As a result, when unfortunate incidents such as the Formosa Fun Coast Explosion, Typhoon Chan-hom, Typhoon Soudelor, Typhoon Goni and Typhoon Dujuan occurred in 2015, we were able to quickly implement action plans to provide care and comprehensive aid for policyholders that had been affected by the disasters.

In terms of managing investment risks, China Life adjusts our corporate investment portfolio through diversification and concentration control. This minimalizes the negative effect on China Life’s investments and assets imposed by extreme weather conditions, while ensuring that the company has sufficient resources to react to the pressures climate change has brought us indirectly. Furthermore, we have reached out proactively toward our policyholders, providing quick solutions in insurance claims and timely assistance.

▼ Disaster Action Plan



Chapter 2

Care Our Commitment to Outstanding Customer Service

2016 Key Objectives for Sustainability

- 1 Provide pre-paid services for hospitalized cases in Q2, 2016.
- 2 Establish 6 exclusive counters in customer service centers in Taiwan to assist the elderly and the physically disabled.
- 3 Integrate all newly developed websites or updated versions with web accessibility concepts, and acquire A+ certificate for barrier-free enterprise website in Q1, 2016.
- 4 Continue to conduct customer satisfaction feedback at the counter and aim for 95% of feedback as "Excellent (full scores)".
- 5 Continue to import and extend the scope of ISO 27001.
- 6 Extend IT investment to enhance personal information protection and 24-hour service.
- 7 Expand micro-insurance service and reach the goal of 5,000 insured.
- 8 Import BS10012 personal data management system.
- 9 Establish The Principles of Treating Customers Fairly in the Financial Service Industry.



Foreword

While upholding the "We Share We Link" service philosophy, we at China Life promise to provide the most suitable products for our clients while creating value with our service. We provide insurance suggestions for our clients from time to time. We understand and relate to our clients through various angles to provide a perfect service that truly fits their needs.

China Life's excellent quality of service stems from the enthusiasm and persistence of our front line staff. In order to equip our staff with the latest professional insurance knowledge, we organize regular training courses to build the foundation of our professionalism and premium service. While providing quality services, we also enhance the protection of personal information and strengthen the privacy protection of our policyholders and clients through rigorous processes and mechanisms.



Customer-Oriented Quality of Service

1. Providing products of excellent quality

It has always been our goal to provide the best products and continuously improve our service quality. We deeply understand that the value of insurance is to alleviate possible losses in times of adversity. We believe that people should be fully secured from the very beginning of life to old age. And that is why we target the most needed products and services according to different groups of people and stages of life. It is our wish to contribute our efforts to developing society.

In addition, we have been keeping our efforts on the development of the society, and therefore we have observed an increase in the aging population. In light of this, China Life has prioritized our efforts to ensure quality of life in retirement and medical care for the elderly. Moreover, because the age of onset for many diseases is decreasing, we offer comprehensive medical care for the general public. With the rapid development and advancement of technology, China Life responds to the accelerating trend of e-commerce, building social media connections and a new website to interact more with the younger generations and extend our services to more people.

Product introduction

In response to different customer needs, China Life continues its research on international and domestic market trends, and provides the most suitable products and services to people of various needs. We develop and design our products according to legal regulations. "Honesty, Professionalism and Stability" are at the core of our service. We are committed to providing the best insurance products that cater to all needs.

▼ China Life Insurance Product List

<p>Child / Student (24 years or below)</p>	<p>Requirements</p> <ul style="list-style-type: none"> • Basic Personal Insurance • Basic Life Insurance 	<p>Insurance Product</p> <ul style="list-style-type: none"> • Variable Annuity • Personal Accident Insurance • Health Insurance
<p>Fresh Graduate (25-34 years)</p>	<p>Requirements</p> <ul style="list-style-type: none"> • Protection Planning • Small Sum Financial Planning 	<p>Insurance Product</p> <ul style="list-style-type: none"> • Term Life Insurance • Whole Life Insurance • Lifetime Insurance • Variable Life insurance • Personal Accident Insurance • Health Insurance
<p>Parent(s) (35-44 years)</p>	<p>Requirements</p> <ul style="list-style-type: none"> • Protection Planning / Investment Planning / Loans • Wealth Management / Child Education Fund 	<p>Insurance Product</p> <ul style="list-style-type: none"> • Interest-sensitive Life Insurance • Whole Life Insurance • Lifetime Insurance • Variable life insurance • Variable Annuity Insurance • Health Insurance

<p>Elderly / Middle age / Wedding gifts for son or daughter (45-64 years)</p>	<p>Requirements</p> <ul style="list-style-type: none"> • Retirement Planning / Asset Planning / Asset Transfer • Wealth Management / Children's Venture Fund 	<p>Insurance Product</p> <ul style="list-style-type: none"> • Interest-sensitive Life Insurance • Whole Life Insurance • Lifetime Insurance • Variable Annuity • Health Insurance • Interest-sensitive Annuity Insurance
<p>Retiree (65 years)</p>	<p>Requirements</p> <ul style="list-style-type: none"> • Asset transfer / Healthcare / Long Term Care • Immediate Annuity / Asset Planning / Investment 	<p>Insurance Product</p> <ul style="list-style-type: none"> • Interest-sensitive Annuity Insurance • Health Insurance • Deferred Annuity Insurance
<p>Overseas Traveler Foreign Resident</p>	<p>Requirements</p> <ul style="list-style-type: none"> • Travel Protection • Wealth Management 	<p>Insurance Product</p> <ul style="list-style-type: none"> • Personal Accident Insurance • OIU Interest-sensitive Life Insurance (USD)
<p>Economically Disadvantaged Groups</p>	<p>Requirements</p> <ul style="list-style-type: none"> • Basic Personal Insurance 	<p>Insurance Product</p> <ul style="list-style-type: none"> • Personal Accident Insurance

Established online insurance platform

With advances in technology and the internet, people's consumption patterns have been gradually changing. To cope with this trend, China Life launched the following initiatives:

- ❖ Launched online insurance system in June, 2015
- ❖ Online insurance items: travel insurance and one-year accident insurance, etc.
- ❖ Environmental impact: our "paperless" online operation has greatly reduced the use of paper, printing and writing inks. to promote carbon reduction



Provided discretionary investment-linked policies

In a rapidly changing financial market, China Life provides customers a wide range of investment selections, authorized professional investment institutions to operate the investment, allocate assets, and examine them regularly according to the market. We aim to assist our customers in pursuing long-term and sustainable investment return to accumulate future assets and prepare for retirement.

Promoted microinsurance policy

To include economically underprivileged people in our insurance systems, China Life actively cooperated with government policy and launched our microinsurance products in 2014 and 2015. We are proud to have exceeded our goal of 500 insurance purchases in 2015.

- ❖ Provided three types of insurance, including micro-injury insurance, collective micro-insurance, micro group-injury insurance.
- ❖ Invite banks, security firms, insurance brokers, and other public interest groups to participate in promotional events.
- ❖ In 2015, we managed to connect with 8 channels including TaiShin Bank, KGI Bank, KGI Securities, Mega Bank, Taiwan Business Bank, Bank of Panhsin, Concord Securities and The Capital Group to promote our products.
- ❖ Awarded "Award of Excellence" by the regulators.

Established Offshore Insurance Units (OIU)

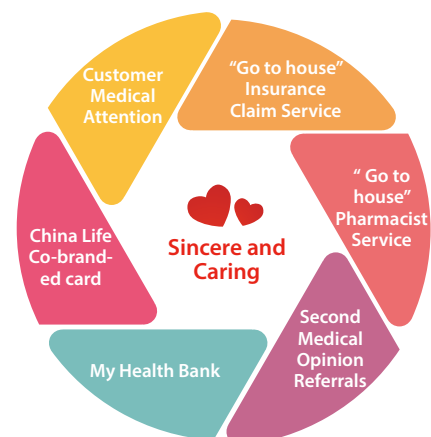
In 2015, China Life Established Offshore Insurance Units (OIU) to actively promote to overseas clients. In the future, we will continuously launch more suitable insurance products and services from our overseas experiences and analyze the needs for insurance products targeting foreign residents as the direction for our new insurance product design. We believe this can provide better security and more comprehensive services for potential foreign customers.

2.Sincere Customer Care

Customer relation is the key to enhancing the trust of our existing customers and attracting potential clients. China Life has always been cautious in business operation. We are proud to have an excellent team of professionals dedicated to constructing a comprehensive business platform and continuously enhancing the after sale service. With our integration of products and commitment to safeguarding the customer's rights, we devote ourselves in providing a well-rounded service to existing and potential customers alike. Meanwhile, in order to better understand our customers, we conduct satisfaction feedback surveys on a regular basis and actively respond to customer complaints to perfect and improve our service.

2.1 Excellent Service

Providing a sincere and heart-felt service all the way from the bottom to the top of our client service system is our promise. From integration of relevant departments, service planning, process optimization, upgrading of hardware to front line service, China Life aims to satisfy the needs of each customer. In 2016, we have established and executed The Principles of Treating Customers Fairly in the Financial Service Industry and relevant strategies to enhance consumers' trust for financial services so as to enable sustain-



able development for the financial services industry.

In light of this, we have spared no efforts in integrating medical resources, establishing new and diverse services including an "go to house" claim services for customers in remote areas, cooperating with contracted pharmacies to provide "go to house" services through the pharmacist, supporting and sponsoring cancer research institutes, and providing second referral diagnoses for suspicious cancer cases. In addition, we provide a "My Health Bank" service and co-branded card to offer more comprehensive personal medical information and emergency travel medical support for our policyholders and staff, building a care-free life for everyone. Furthermore, we will launch our pre-paid service for hospital stay claims in the second quarter of 2016 and 6 "Special Counters" will be established in customer service centers to assist more elderly and disabled people.

Customer medical care

In response to the aging population, China Life continues to work with professional medical teams:

- ❖ Provide customized medical care integration to our customers and cooperate with clinics in various communities for referrals for the customers in neighboring communities.
- ❖ Design mobile APP for sales agents to search contracted institutes, and mobile GPS to assist customers in locating the nearest medical institutes.

By 2015, China Life has contracted 1,206 institutions including remote and inaccessible areas. We will continue our efforts to include more contracted medical institutes in 2016 to offer our clients more diverse medical resources.

"Go to House" Insurance Claim Service

Measures to provide care to vulnerable customers aged 65 and over:

- ❖ "Go to house" insurance claim assistance
- ❖ "Go to house" document delivery and collection service
- ❖ Premium services include "go to house" service for insurance claim delivery

When filing a claim, the customer can opt for remittances or personal delivery to the house by our staff.

"Go to House" Pharmacist Service

China Life cooperates with contracted pharmacies to provide "go to house" pharmacists to assist underprivileged people or people in remote areas, delivering medicines and providing medical consultation to the weak and disabled people.

- ❖ China Life has held 130 sessions of seminar all over Taiwan in 2015. The topics covered health counseling, healthcare, chronic illnesses and long-term care with participants of customers and friends more than 3,000 people.
- ❖ Electronic newsletters are published monthly to update our customers with latest health information and show them how to build a safer security net for health.

Second Medical Opinion Referrals

We have ongoing cooperation with **Koo Foundation Sun Yat-Sen Cancer Center** for cancer patients, providing "Second Opinion" referrals. Provide long-term care insurance customers who are suspected of cancer with illness reconfirmation and treatment suggestions consultations.

My Health Bank

In cooperation with the National Health Insurance Administration of Ministry of Health and Welfare, we promote "My Health Bank" by establishing a computer facility and personal guidance service in Taipei, Taoyuan, Taichung and Tainan. People can use their national health insurance card or citizen digital certificate to log onto the "My Health Bank System" and download the medical record in the past 12 months. This year, China Life started from its own office staff in the promotion of "My Health Bank" registration. Furthermore, we plan to extend this policy by combining our resources and strength of our office and field staff and reaching out to our customers, promoting the downloads of "My Health Bank" to every household to create awareness in managing personal and family health.

China Life Co-branded Cards

Since October 1st 2015, China Life has cooperated with KGI Bank to issue "China Life co-branded card" to provide our policyholders better and diverse services. We believe our effort can strengthen our brand awareness and a sense of belonging as well as offering the best discount and service for our customers.

2.2 Launch of our brand new official website

To meet the needs of the mobile internet age and allow mobile and tablet users to browse our official website with easy accessibility, we have imported the concept of "Mobile First" to our website design. Moreover, we have launched the new version of our official website in 2015. Not only is China Life the very few companies in insurance industry that apply "responsive web design" to the company's website, but also our dedication in enhancing communication, promotion to paper-less process and re-arranging website map that make all kinds of information accessible for our clients. At the same time, we are able to upload various documents in electronic forms for download, reducing the use of printing ink and paper and thereby protecting our environment. We always comply with laws and regulations, and publish the information legally required for public disclosure on the official website. It is our sincere hope to demonstrate our corporate philosophy and the results of our CSR efforts to customers and the general public through a better communication channel. We will stay true to our commitment to continue our efforts in realizing a paper-less operation and reducing carbon emissions, and bringing forth a wonderful interactive experience to every user.

2.3 Customer Complaint

It is our promise and commitment to enhance our service by accepting various opinions and suggestions with a humble mind. Since 2013, we have regularly held cross-sector meetings to reflect cus-

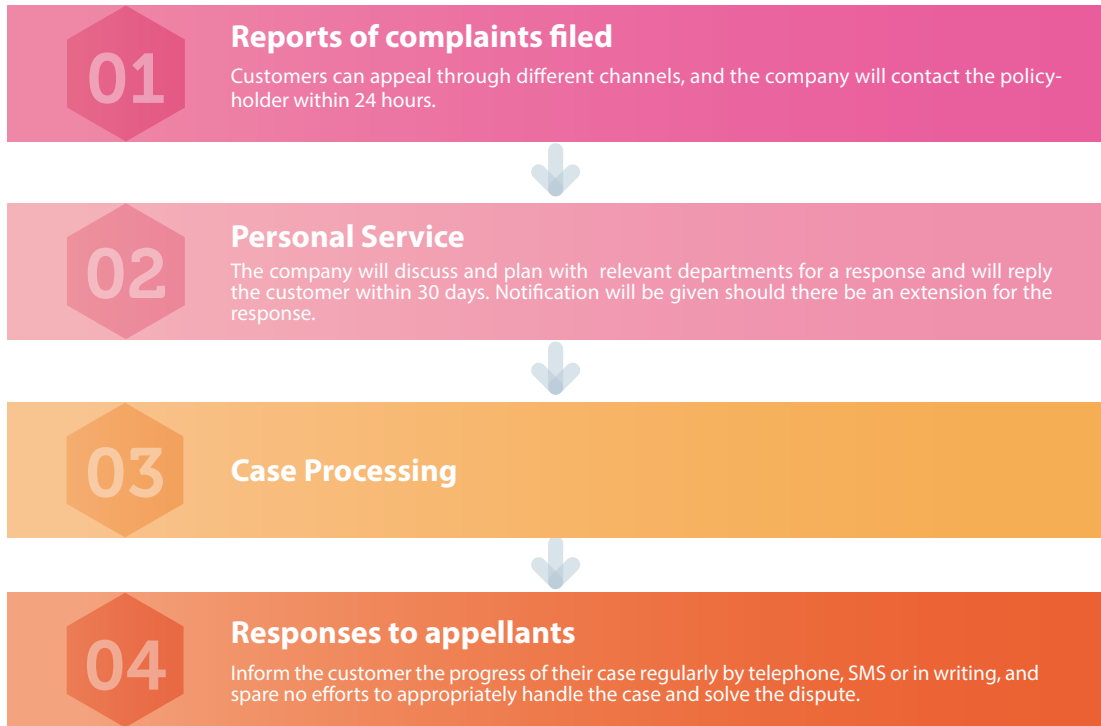
customer complaints. Until 2015, we have continued this effort in discussing with heads of departments for solutions and prevention for 3 years.

We also provide a variety of customer complaint channels and established comprehensive customer complaint management process to allow our customers to speak their mind and get the desirable solutions. China Life has included the number of customer complaints and complaint processing hours as a KPI index for customer service related departments in 2013. Until the fourth quarter of 2015, all relevant departments have successfully reach individual target in reducing the number of customer complaints and shortening the processing hours.

Customer complaint channels:

- ❖ Local Customer Service Centers
- ❖ 0800 Customer Service Line: 0800-098-889
- ❖ Service E-mail: services@chinalife.com.tw
- ❖ China Life Website Comment
- ❖ Postal Address: Customer Complaints Division, 11F, No. 122 Dunhua North Road, 105, Songshan, Taipei
- ❖ Fax: 02-87121097
- ❖ External Compliant Channels: The regulators, Financial Ombudsman Institution, Consumer Ombudsman Officers in city and county governments, local representatives, etc.

▼ **Customer Complaint Handling Procedures**



From 2013 to 2015, more than 200 types of cases have been recorded by all relevant departments. The top three types and their respective response methods are stated in the following table:

The top three types of complaints	Response method
Claims	Promote ways to monitor insurance claims for cases suspicious of insurance fraud to reduce the company's risks and maintain a fair insurance system.
Sales Quality Control	Relevant departments will produce lesson plans of various types of dispute cases to improve the quality of our sales agent.
Customer Service	Adjust payment notification content and include additional warnings to protect the interests of customers, thereby reducing disputes.

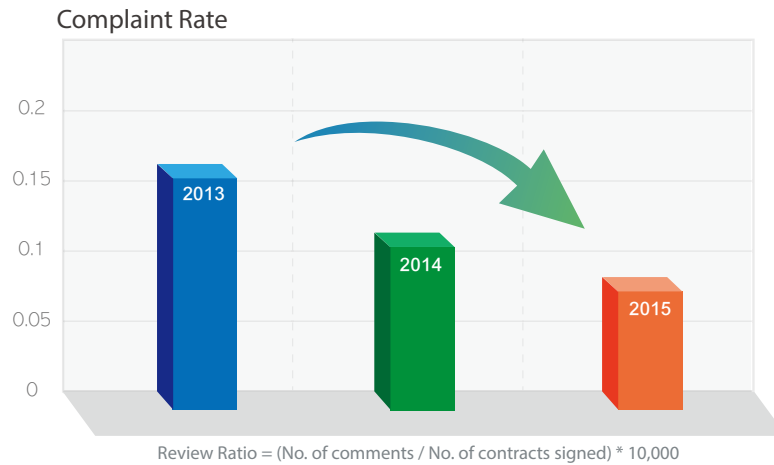
The overall sources of customer complaints in 2015 are divided into 3 areas as follows:

- (1) The number and rate of complaints filed with the Financial Ombudsman Institution has significantly reduced over the past 3 years. Also, the average working days for dealing with cases has continued to stay within 1 day over the past 2 consecutive years, the best in the industry. There were only 135 cases in 2015, 87 of which were claim cases and 48 non-claim cases. In addition, we did not receive any penalties from the authorities during our 2015 customer attraction activities.

▼ Financial Ombudsman Institution Complaint Statistics

Year	Number of Cases	The total number of contracts signed	Complaint Rate	Average Processing Day
2013	253	14,910,713	0.16967666	4.41
2014	171	15,184,904	0.11261184	0.58
2015	135	15,402,054	0.0876506	1

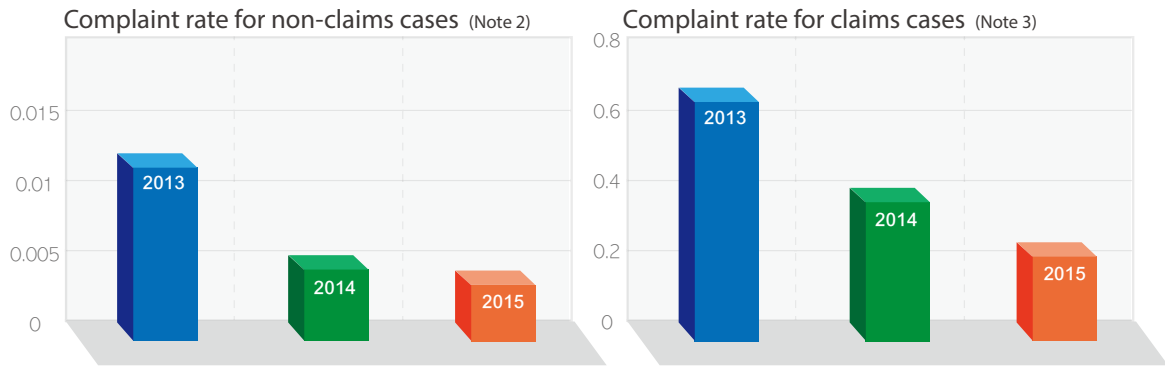
Note: The Insurance Bureau announced that all cases that have a processing time of 0 days are counted as 1 day. Hence, our 2015 average processing time of 1 day was the best in the industry.



- (2) Over the past 3 years, the Insurance Bureau's data on complaint comprehensive scores shows great improvement in areas of complaint processing and response efficiency, ranking 6th in the industry for 2015 (Note1).

▼ Insurance Bureau comprehensive complaints score and performance statistics

Year	Complaint Rate for Non-claims Cases (Note2)	Complaint Rate for Claims Cases (Note3)	Average processing day	Industry ranking
2013	0.0131	0.6746	4.40	15
2014	0.0049	0.3913	0.75	8
2015	0.0039	0.2136	1	6



Note 1 : Ranking by the Insurance Bureau (2016/3)

Note 2 : Complaint rate for non-claims= (No. of complaints for non-claim in current period weight / effective No. of contracts of current period) * 10,000

Note 3 : Complaint rate for claims= (No. of complaints for claim in current period weight / No. of total claims) * 10,000

- (3) Call centers regularly collect, classify, and provide customer feedback to the relevant authorities as a reference for future improvement and planning. In 2015 there were a total of 1,049 customer comments.

Only when we earnestly look at the suggestions of customers can we continue to improve the quality of our service. We will continue to reach out to our customers through a variety of ways, listen to their valuable suggestions and set a direction for future improvement via formal internal discussions.

2.4 Satisfaction Survey

In order to obtain the real views of customers so that we can further self-improve, we conducted satisfaction surveys in two ways:



- (1) Satisfaction Survey at the Counter

Customers are invited to rate their satisfaction of the service from 1 to 5 at the counter. In 2015, 93.58% voted 5.0 for our service. To improve our quality of service, we hope that in 2016, 95% of our customers votes 5.0 for our service.

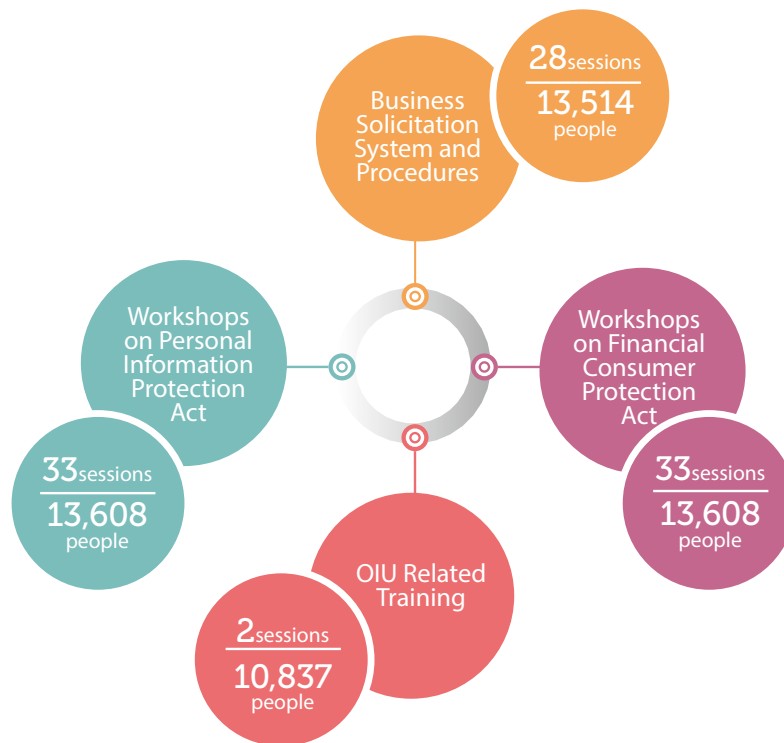
(2) Call Center

Conduct customer satisfaction surveys through telephone toll. Our targets include insurance applicants, the insured, agents, and bank financial consultants. We survey the satisfaction of our customers on "Kindness of service", "Process of service" and "Overall impression".

In addition, telephone service centers have collected 204 "model call records" in 2015 through service categorization and have used them as learning models. The centers also organized a "Model Service Contest" to provide a platform for our staff to share cases and stories of their service. We believe this can be an encouragement for our staff to demonstrate the passion to serve and an opportunity to highlight and recognize their efforts, creating a corporate culture that truly relates to the customers.

3.Sales Training

Sales agents are our front line staff that deal directly with customers. On top of our continuous efforts in revising Business Solicitation Procedures, we have enhanced the legitimacy, the correct marketing concept and ensure the quality of our service through various channel to communicate the idea of legal compliance, relevant laws and regulations. The trainings we organized for office staff in 2015 are as follows:



In addition to traditional marketing platforms, China Life has developed digital platforms for sales agents including Link APP and i-Share APP. Apart from its existing functions, we have opened internal online courses for sales agents in 2015 so that they can receive educational training and equip themselves with professional knowledge and skills without the limitation of class times and venues.

China Life provides on-the-job educational training for each of our sales agents to improve our general sales and service quality through regular assessment and publicly awarding outstanding employees.

4. Emergency Disaster Relief

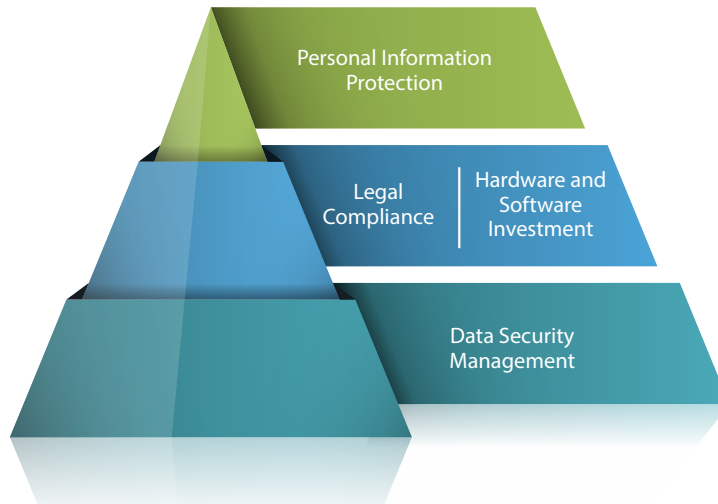
In 2015, Taiwan experienced disastrous typhoons such as Chan-hom, Soudelor, Goni, and Dujan typhoon and other natural disasters; the same year, the Formosan Fun Coast Dust Explosion Incident caused many deaths and injuries; among the severely burnt patients, 69 were policyholders of China Life.

Besides our empathy with the wounded, China Life had stood firm on our ground to care our customers in this time of misery. We provided immediate customized service and paid visits to the customers. In the dust explosion incident, China Life sent out staff to assist and comfort the victims and activated the "Speed Insurance Claim" process and relevant procedures to pre-pay for the hospital stay. For those who are insured with medical insurance and were sent to the intensive care (Burn Unit Intensive Care Ward), NT\$50,000 was given to cover the expenses, while NT\$20,000 was given to those in the general wards; For eligible policyholders who were insured with "Insurance for Major Burns", China Life immediately provided relevant benefits to allow those policyholders to have better medical care and quality during their stay in hospital. In addition, in terms of the "Extension on Collecting Premiums", the victims of the dust explosion can file for an application before the 30th of September. The collection date will be extended for 6 months after the due day upon the completion of application. Our "Insurance Loan Offer" gives 3 months interest-free discount for all insurance loans from now until September 30th 2015. "Mortgage relief measures" provides victims of the dust explosion the ability to apply for a three-month principle extension (paying only the interest) to assist policyholders and their families on the path to recovery.

		2015 Cases of Assistance	Amount (unit: NT \$)
Speed Insurance Claims	Once the insurance accident is confirmed, we may actively prioritize the claims and payment without application by the beneficiary.	<ul style="list-style-type: none"> • Xin Wu Bowling Alley Fire • Trans Asia Air Crash in NanKang • Formosan Fun Coast Dust Explosion • Soudelor Typhoon 	32,245,000
Premium Extension	Apply through sales agents or customer service centers, or call the 0800 Customer Service Line for more information regarding the application. Premium collecting date can be extended to 3-6 months.	<ul style="list-style-type: none"> • Formosan Fun Coast Dust Explosion 	4,274
Policy Loan Incentives	Policy loans are interest-free during the disaster	<ul style="list-style-type: none"> • Formosan Fun Coast Dust Explosion 	70,000
Provide Free Replacement of Insurance Document for Customers in the Disaster Zone	Free application for a replacement of insurance document	No application	-
Mortgage Relief Measures	Affected mortgage customers can apply for principle extensions with relevant certifications.	No application	-

Information Security Control

Information security control at the core of our information service includes regularity compliance, hardware and software investment, and personal information protection, extensively covering all digital assets of our policyholders, shareholders, and staff.



Protecting the information of our valuable customers is also our promise to our clients. In terms of operation, China Life not only ensures the proper functionality of every detail but also takes seriously the processing of personal information from our clients while continuously enhancing security control in our operations. It is our duty to ensure that personal data is well reserved, personal information is correct and well-kept, and there is constant accessibility to withdraw the data and the service. We will prevent any possible occurrence of an information security incident; China Life has received the ISO27001 international standard certificate in 2015, and we expect to expand the scope of our certification and import the BS10012 Personal Information Management System (PIMS) in 2016.

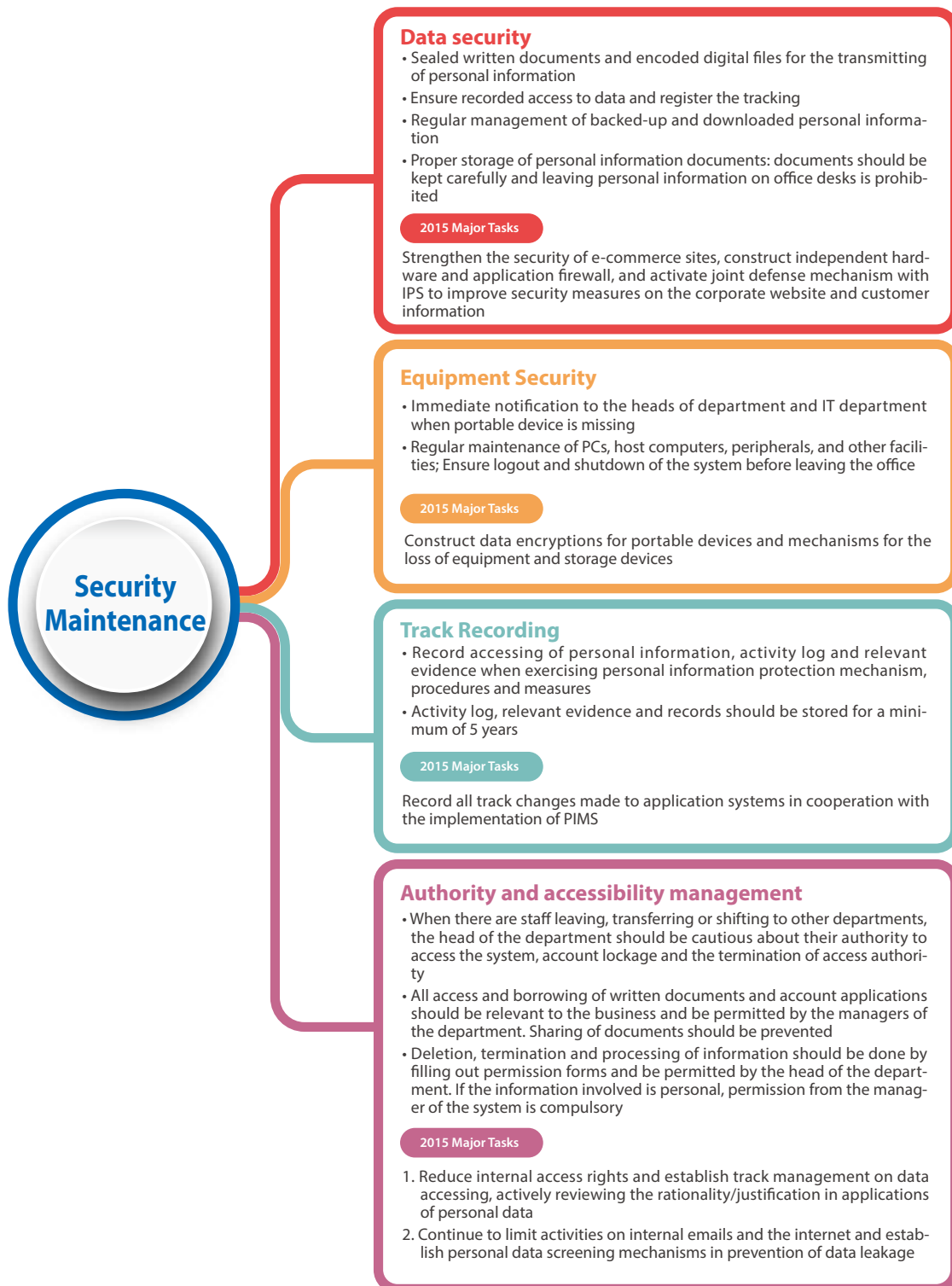


In 2015, we have revised internal regulations regarding personal data protection to ensure proper procedures for every staff:

- ❖ "Personal Information Files Security Plan and Disposal Measures of Personal Data Files upon Termination of the Business"
- ❖ "Regulations Governing Responses, Notification, and Preventions for Personal Information Incidents "
- ❖ "Regulation Governing Information Security Incidents Management"
- ❖ "Operational Rules for Personal Computing and Portable Storage Devices"
- ❖ "Regulations of Procedures Regarding Correction, Deletion, Suspension of Process or Application of Electronic Personal Data"

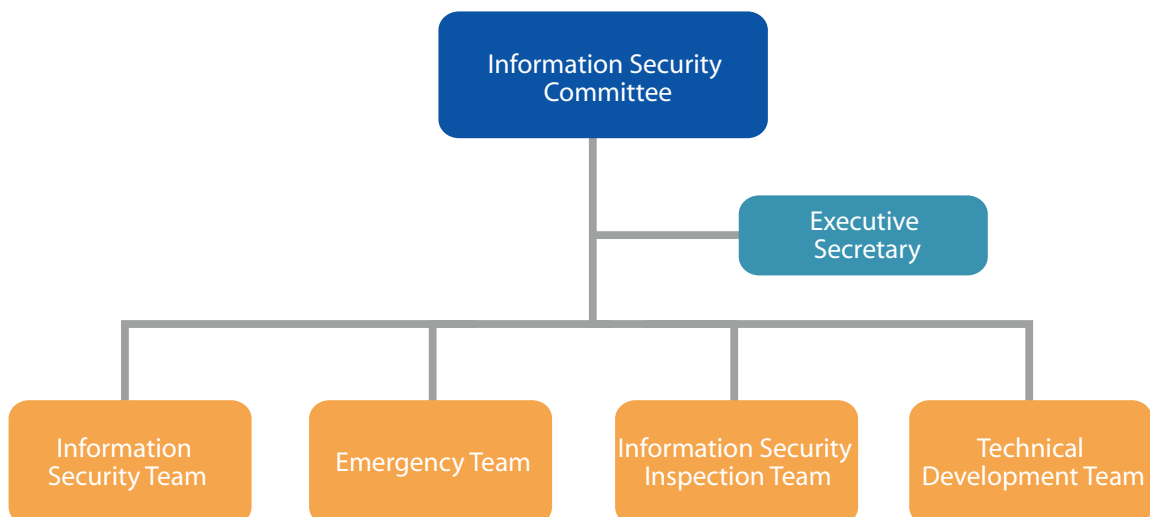


China Life also established protection mechanisms for customers' personal data, including:



Information Security Committee of China Life was established in 2015. The committee convener is the president. The committee regularly assesses the execution and performance of information security system, manages the function of information security system, internal and external information security issues, security assessment, improvement measures, risk management, and evaluation of information security objectives. The committee aims to enhance the company's skill and level of information security management, protecting customers' information, secure the continuity of business operation as well as providing 24-7 customer service, protection external attack and ensuring the confidentiality of customer information and company assets, integrity and availability. No cases of privacy infringement or personal information leakage in 2015.

We organized 13 educational promotions regarding personal information protection in 2015. On average, 16 sessions of educational seminars were held every year from 2010 to 2015. For field staff, the sales training department organized relevant legal educational training (including but not limited to the Personal Information Protection Act) to ensure the implementation of data protection at China Life. In addition, to properly inspect compliance of the Personal Information Protection Act and internal regulations across all business sectors, we have included the assessment of the above-mentioned as key evaluation points.





Chapter 3

Professional Talent Cultivation

2016 Key Objectives for Sustainability

- 1 Continue to promote talent cultivation development plan. The total training hours to increase 5% and the average training hours per person to increase 2%.
- 2 Organize 2 sessions of Work Experience Camp and Little Explorer Camp and aim for a feedback score of 4 out of 5 from the participants and parents.
- 3 Promote health management of employees. (Health forums aiming to promote self-management of health, promotion of a monthly Veggie Day and promotion of Fat Combat Camps, etc.)



Foreword

The backbone of China Life comes from the efforts of all our employees. They are our most crucial and valuable asset and the foundation of sustainable development. For this reason, we are committed to building a warm corporate culture that is full of vitality. In regards to human resources policies, we aim to promote development plans for key talent, a complete educational training system and diverse community activities. This is to achieve a work-life balance that will boost activity within the organization. Through education and training, we will improve the professional competency of our staff, as well as ensure that they are compensated satisfactorily and given benefits. All dispatched employees beginning March 2013 have since been promoted to full-time staff and given equal pay and benefits. We uphold the principle of equality and non-discrimination in the treatment of all staff. The gender ratio remains at approximately 35% men and 65% women. Furthermore, we ensure free-flowing communication between labor and management, as well as various complaint channels in order to create a friendly work environment where staff can feel at ease and worry-free, while learning and growing together with the organization.



Human Resources Policy

1. Recruitment

Tomorrow's success comes from the nurturing and developing of talent today. In recent years, the finance and insurance industry has been urgently looking for management and IT talent. We deeply empathize with the difficulties many young people face when looking for employment. In the absence of actual work experience, we admire the fervor they have in the face of economic pressures. It is thus our responsibility to provide opportunities and a performance stage for young people. To this end, we have shown initiative in responding to the government's youth employment program. In 2015, we held the first "Young Students Summer Internship Program" to help young graduates enter the workplace as soon as possible and provide more future possibilities.

In addition to actively recruiting talented individuals, we also plan to launch the "Key Personnel Development Plan" to help cultivate the future leaders of the organization so that we can move forward. We also encourage staff to cultivate multiple specialties through job rotations within the system or across systems, helping staff develop their careers. In addition, through regular performance feedback and management, we help workers to enhance their work performance and set a future career development plan. Looking ahead, we will continue to promote the development of the personnel training plans, and hope to increase the total hours of training by 5% and average hours per person by 2%.

1.1 Talent development and retention plan

The 2015 plan proposed the "Key Personnel Development Plan" and "IT Personnel Reserve Plan" to complete the staff list and establish a staff development model, so as to activate a systematic cultivation of future management staff. We also hope to create a reserve of financial information talent in response to the trend of digital finance.

Key Personnel Development Plan

Identifying and developing talent for business management is an important issue. In order to achieve our company's goal of sustainability, we specially designed our "Key Personnel Development Plan" to establish a management succession and development. The plan focuses on the selection and development of talent. It provides a series of development plans, with the goal of having competent managers in the future.

In accordance with the management development model, we analyze and gather all the important training required at all levels of management. Then according to one's level and training needs, we create a training roadmap. 2015's key personnel development classes introduced internal and external instructors and an online learning platform to cultivate the industry knowledge of staff, operational management ability, general management ability, and interpersonal and individual ability.

Nurturing talent cannot happen overnight, the key is systematic promotion and implementation on a daily basis. China Life nurtures talent as the foundation of business operation, enhances the upward driving force, understands the interests and expertise of key personnel, systematically implements and tracks personnel training plans, in the hope that our staff will develop with the company in the long-term and achieve our goal of sustainable development.

IT Talent Reserve and Retention Plan

In response to the digitization of the financial industry and need for computer programmers, we have designed an "IT Personnel Reserve Plan" as well as an employee retention program. After a careful personnel selection process, we will launch a 2-3 year IT personnel training program in July. In addition to inviting outstanding instructors for intensive training, we also have mentors to give one-on-one guidance and training. Through practical exercises and learning by doing, we aim to cultivate new employees with the basic IT skills within a short period, with the goal of creating productive and outstanding digital finance IT personnel within 2-3 years.

Management Talent Reserve

- Analyze and gather the required training courses for all levels of management, then based on the relationship between one's level and degree of training required, we design a management training plan for them
- Training courses and learning themes include commerce, operational management, general management, interpersonal skills, and individual competency. These courses are conducted via multiple channels including internal instructors, external organizations, and an online learning platform

IT Talent Reserve

- Long-term talent reserve: Actively seek IT and mathematical science related graduates from Taiwan's major universities and those with less than one year work experience. After a prudent selection process following a 2-3 year training and retention program
- Short-term talent reserve: Invite outstanding instructors to give a 3 month intensive training program and senior employees to give one-on-one coaching and practical training
- Design a retention program and have a solid IT talent pool

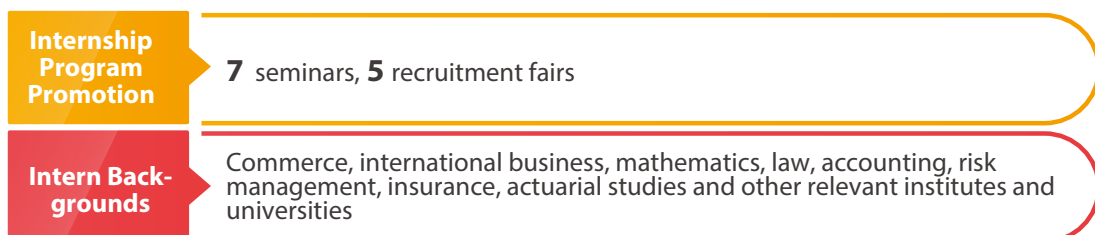
1.2 In response to the government's youth employment plan, we conducted the "Young Students Summer Internship Program"

In response to government youth employment program, we conducted a "Young Students Summer Internship Program" in 2015 which was successfully completed at the end of August 2015. We provided internship opportunities across 5 major areas of expertise to help students develop "self-management skills", "communication skills" and "technical expertise". The internship helped students to establish good working attitudes and values which will shorten the gap between them and entering the workforce.

However, we know that life insurance is a combination of different areas of expertise gathered in one industry. Each department operates as if they are their own independent company while still mutually cooperating with each other. For students who participated in China Life's internship program, what they experienced was a diverse and multi-faceted learning opportunity. By receiving official recognition of their internship, they will have accumulated early experience which will come in handy later on in the workplace. The 5 major areas of expertise included the internship were:

- ❖ Life insurance product development: actuary department, product development department
- ❖ Domestic and foreign investment: foreign and domestic investment department
- ❖ Multi channel marketing: bancassurance and group insurance department
- ❖ After-sales service: underwriting and claims department
- ❖ Administrative and logistics support: legal and accounting department

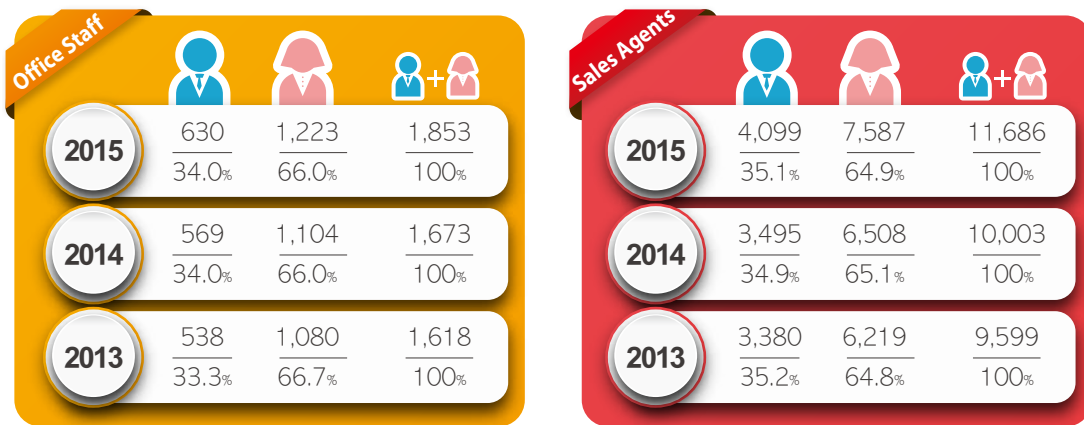
We also attach importance to training soft skills and having the right attitude in the workplace. For this we have a senior mentor system where we assign mature, stable, enthusiastic, and those familiar with business operations as counselors who conduct regular interviews with interns to assist in their adaptation to working life and enhance their confidence in future employment. During the internship, students are given salaries, work cover, health insurance, retirement pay, and group insurance benefits equal to those of general employees. This not only provides security for interns, but also promotes their acknowledgement of China Life. Those who show excellent performance during the internship and pass an assessment are awarded an official certificate of completion as a token of encouragement and are welcome to join the ranks of China Life Insurance upon their graduation.



2. Staff Structure

The total number of employees is gradually growing along with the expansion of the company. As of 2015's year end we have a total of 13,539 staff. In accordance with different functions, our staff can be divided into 2 major categories, office staff and sales agents. Office staff totals 1,853 personnel who are responsible for product development, marketing, underwriting claims, customer service, as well as logistical support and management. They are managed as a whole by the human resources department. The total number of sales agents is 11,686 whose jobs are to be the first line of contact between policyholders and the general public. They are managed by the relevant department depending on the business. For both office staff and sales agents, the gender ratio is maintained at about 35% men and 65% women.

▼ Overall employee gender distribution over the past 3 years



Note: Statistic deadline is December 31st of each year
 China Life's workforce is comprised mainly of Taiwanese nationals. We do not employ children.

Unit: Number of employees / %

In terms of age distribution, the majority of our entire office staff is aged between 30 to 50 years, accounting for 59% of the workforce. The average age of our staff is 38.09 years. The average length of employment is 5.45 years. In terms of gender distribution in management positions, the ratio of males to females is 55:45, with more female than male managers at vice president level or above. Thus it is clearly visible that China Life does not discriminate based on gender when it comes to employment or promotion opportunities. The majority of sales agents are aged between 30 and 50, accounting for close to 60% of the total workforce. With regard to academic qualifications, more than 77% of our office staff has a university or college degree. Those with a masters or doctorate account for about 15%. More than 57% of our sales agents have university or college qualifications, while close to 40% are high school graduates.

▼ Average employment length and age

	Office Staff		Sales Agent	
Average Length of Employment (years)	Male	▶ 7.19	Male	▶ 3.8
	Female	▶ 6.27	Female	▶ 4.35
	Total	▶ 6.59	Total	▶ 4.16
Average age	Male	▶ 40.19	Male	▶ 36.2
	Female	▶ 37.42	Female	▶ 38.91
	Total	▶ 38.36	Total	▶ 37.96

Note: Statistics were calculated on December 31st, 2015.

▼ Employee age, position and education



Unit: Number of employees / %

Note: Statistics were calculated on December 31st, 2015.

Note: Agents are commission based and not subordinates of the company and hence are not applicable to the "Labor Standards Act". Sales managers are employees, who also have commission based contracts, covered under the "Labor Standards Act".

In 2015, we hired 471 new office staff and 4,321 new sales agents. Over the past 3 years the scale of our organization has continued to expand with more and more office staff and sales agents. Overall turnover rates are showing a declining trend over the years. The past year saw office staff turnover rate increase slightly by 1.7%. We will continue to monitor the reasons for leaving while working towards increasing the employee retention rate.

▼ Number of new staff and ratio over the past 3 years

		2015		2014		2013	
Office Staff		Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio
Below 30 yrs	Male	59	3.18%	49	2.93%	55	3.40%
	Female	120	6.48%	78	4.66%	135	8.34%
30-50 yrs	Male	110	5.94%	52	3.11%	47	2.90%
	Female	175	9.44%	109	6.52%	120	7.42%
Above 50 yrs	Male	6	0.32%	4	0.24%	3	0.19%
	Female	1	0.05%	1	0.06%	2	0.12%
Total		471	25.42%	293	17.51%	362	22.37%
Sales Agents		Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio
Below 30 yrs	Male	929	7.95%	680	6.80%	681	7.09%
	Female	1,143	9.78%	792	7.92%	816	8.50%
30-50 yrs	Male	650	5.56%	480	4.80%	437	4.55%
	Female	1,287	11.01%	925	9.24%	733	7.64%
Above 50 yrs	Male	102	0.87%	65	0.65%	49	0.51%
	Female	210	1.80%	143	1.43%	92	0.96%
Total		4,321	36.97%	3,085	30.84%	2,808	29.25%

Note: Ratio of new employee hires = total number of new employee hires / total number of employees at the end of the year x100%

Note: The ratio of new sales agents includes commission based personnel

▼ Employee turnover rate over the past 3 years

		2015		2014		2013	
Office Staff		Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio
Below 30 yrs	Male	28	1.5%	30	1.8%	23	1.4%
	Female	66	3.6%	61	3.6%	75	4.6%
30-50 yrs	Male	75	4.0%	39	2.3%	47	2.9%
	Female	119	6.4%	109	6.5%	90	5.6%
Above 50 yrs	Male	12	0.6%	5	0.3%	4	0.2%
	Female	2	0.1%	1	0.1%	2	0.1%
Overall Office Staff Turnover Rate		302(Note1)	16.3%	245	14.6%	241	14.9%
Sales Agents		Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio
Below 30 yrs	Male	495	4.24%	532	5.32%	589	6.13%
	Female	587	5.02%	645	6.45%	664	6.92%
30-50 yrs	Male	503	4.30%	502	5.01%	519	5.41%
	Female	788	6.74%	783	7.83%	781	8.14%
Above 50 yrs	Male	79	0.68%	76	0.76%	76	0.79%
	Female	186	1.59%	143	1.43%	114	1.19%
Sales Overall Turnover		2,638	22.57%	2,681	26.80%	2,743	28.58%

Note: The employee turnover rate = number of resigning employees / the total number of employees at the end of that year x100%,
The turnover rate of sales agents includes commission based personnel.

Note1: Includes 9 retirees and 1 dismissal

3. Education and Training

We believe in having the right person for the right job, which is why we have a fully complete training system that can improve the skills of each employee. In terms of training new recruits, we not only focus on getting them accustomed to their role, but also understanding China Life's philosophy and values. In the training of middle and high level managers, we focus on management and leadership development. In addition to the competency development of workers, we pay even more attention to the competency of instructors for both office staff and sales agents. Hence, we train and recognize the efforts of existing instructors and go through a selection process for new instructors. We then put them through a series of courses and development activities. This is to assist us in creating a large reserve of high quality instructors.

▼ Staff training hours and expenses over the past 3 years

		2015	2014	2013	
Office Staff	Number of employees	1,223	1,103	1,080	
	Female	Total number of hours	25,178	21,996	18,680
		Average hours of training per person	21	20	17
		Male	Number of employees	630	570
	Total number of hours		15,164	14,341	13,124
	Average hours of training per person		24	25	24
	Total	Number of employees	1,853	1,673	1,618
		Total number of hours	40,342	36,337	31,804
		Average hours of training per person (Note 1)	21.8	21.7	19.7
Sales Agents	Number of employees	7,587	6,508	6,219	
	Female	Total number of hours	393,733	325,400	296,110
		Average hours of training per person	52	50	48
		Male	Number of employees	4,099	3,495
	Total number of hours		231,214	177,345	179,140
	Average hours of training per person		56	51	53
	Total	Number of employees	11,686	10,003	9,599
		Total number of hours	624,947	502,740	475,250
		Average hours of training per person (Note 2)	53.5	50.3	49.5
	Total	Total number of staff	13,539	11,676	11,217
		Total number of hours	665,289	539,077	507,054
		Average hours of training per person	49.1	46.2	45.2
	Training costs (Note2)	Total expenditure (NT\$)	16,876,333	17,478,873	13,145,237
		Average expenditure per person (NT\$)	1,371	1,747	1,369




Note1:2014-2015's total number of training hours includes practical training and e-learning.

Note2: Training cost includes both office staff and sales agents.

3.1 Office Staff Education and Training

The 4 main areas of focus in training office staff are: new recruit training, general skills / knowledge, professional skills, and management. Training objectives and contents are realized through channels such as practical courses, digital learning, on-the-job training, dispatched training, and the monthly 'Employee Garden' e-newsletter. In order to encourage multi-faceted learning among employees, we also subsidize domestic and overseas professional training courses, lectures, seminars, etc., to assist employees in developing their professional field and staying up to date with the latest industry trends and knowledge. In 2015, we also revised the scope of our professional certification reward incentives to include more certification categories. This is in addition to existing incentives such as exam leave, exam fee subsidy and bonuses. We aim to encourage employees to seek professional certification for their new field after changing posts. These incentives benefit the employee in cultivating their second field of specialty. Over the past 3 years, the amount of office staff that have taken exams and obtained certification has gradually increased. By the end of 2015, the average number of certifications per employee was 1.47, an increase of 51.5% when compared to 2013.

▼ 2015 Office staff professional courses training description (practical and online)

									
	Total training hours	Number of employees	Average training hours	Total training hours	Number of employees	Average training hours	Total training hours	Number of employees	Average training hours
Product/Actuarial/Planning	998	53	19	1,152	49	24	2,150	102	1,721
Agency Development System	2,248	271	8	1,370	62	22	3,618	333	11
Multi-channel	4,368	175	25	2,146	89	24	6,513	264	25
Investment/Loans	140	25	6	138	21	7	278	46	6
Information Technology	585	73	8	1,333	111	12	1,918	184	10
Administrative Support	1,406	131	11	899	78	12	2,305	209	11
After-sales Service	15,434	495	54	8,127	220	49	23,561	715	47
Total	25,178	1,223	21	15,164	630	24	40,342	1,853	21.8

▼ Professional certification statistics of office staff over the past 3 years

	2013	2014	2015
Actuary Examination	42	64	100
Obtained Investment, Risk Control, Auditing Certification	4	5	5
Obtained Underwriting, Claims Settlement Certification	35	43	58
Life Insurance Management Examination	1,482	2,036	2,553
Total	1,563	2,148	2,716
Average Certifications Per Person	0.97	1.28	1.47

A digital learning platform was introduced to the office staff in 2014. In 2015, in addition to providing online courses on regulations and specialized fields, we added more courses on industry trends, professional writing, soft skills, etc. We are also planning to open an interactive space in 2016 so that our employees can share in talks and activities at any time. This will promote interaction and cohesion among staff. By the end of 2015, a total of 339 online classes were been completed, totaling 15,652 hours of class time.

New Recruit Training

Channel	Description
General Knowledge	<ul style="list-style-type: none"> Get familiar with the company's risk management and personal information protection policies, product characteristics, brand name and corporate culture Participate in training courses held by the head office to learn team establishment and team work
Professional Ability Training	<ul style="list-style-type: none"> Distribution channels, back-office supporting department, and investment team design training courses meeting their needs in terms of professional skills training and a systematic learning mode

General Skills / Knowledge

Channel	Description
'Employee Garden' Monthly E-Newsletter	<ul style="list-style-type: none"> Regularly provide up-to-date articles on "self development" and "personages' viewpoints"
External Training	<ul style="list-style-type: none"> External training includes presentation skills, project planning, effective meeting skills, etc
Digital Learning Platform	<ul style="list-style-type: none"> Industry trends, professional articles, soft skills, legislation, etc

Professional Skills

Channel	Description
Professional Ability Training	<ul style="list-style-type: none"> For each department's area of specialty, managers or senior employees teach and pass on their knowledge and experience
External Training	<ul style="list-style-type: none"> Participate in domestic training or seminars, grasp the latest industry knowledge, regulations, transnational / cross-industry best practices, and exchange experiences within the industry, etc
Digital Learning Platform	<ul style="list-style-type: none"> Employees can study anytime and anywhere to receive the immediate training necessary (e.g. system operating instructions, regulations, form usage, etc.)
Encouraged Professional Certification	<ul style="list-style-type: none"> Professional qualification examination incentives, subsidies and certificates

Management Skills

Channel	Description
Annual Management Training	<ul style="list-style-type: none"> Annual management training for new managers, section-level managers and department heads, which includes external professional instructors, special lectures, or sharing by other managers
'Employee Garden' Monthly E-Newsletter	<ul style="list-style-type: none"> Regularly provide management related articles

In terms of employee performance appraisal, we have a complete internal performance management system. Through probation appraisals, work instructions, and regular performance assessments, our managers conduct one on one, face to face communication with new recruits to provide feedback, guidance, and assistance in helping them to deal with work challenges and gradually develop their ability. 100% of our employees accept regular appraisals on their performance and career development.

Evaluation Criteria	Description
New Recruit Probation	New recruits are subject to probation for the first 3 months
Occasional Performance Communication and Feedback	Managers provide immediate feedback to employees regarding their performance. For those that are lacking in work progress, behavior, or performance etc. managers will provide guidance and assistance.
Mid-year Performance Appraisal	Appraisal/feedback is conducted between June and July every year and looks at key performance indicators (KPI) set at the beginning of the year. According to each employee's reviewing results, appropriate adjustments may be required.
Year-end Performance Appraisal	Year-end performance appraisal and feedback is conducted every year between November and December. This is to help guide employees in reflection and developing a personal learning plan as well as setting work objectives for next year.

3.2 Sales Agent Education and Training

With regard to sales agent training, apart from systematic training in the 5 major areas of China Life University (see table below), 2015 saw the addition of the year-long Core Team Class to help students broaden the mindset and horizon of the life insurance industry, learn organization development and talent nurturing ability. During the year, we also acted timely in revising our "Business solicitation processing systems and procedures" in accordance with the latest requirements of the authorities and risk control principles. We then strengthened the sales communication skills and service quality of our employees through education and training. In 2016, we expect to introduce the International CIAM Certification course conducted by the American Life Insurance Marketing and Research Association (LIMRA). The course will significantly improve the operational and management skills of sales managers, increase promotion opportunities for new employees, double productivity at the basic level, and strengthen managers in personnel retention and organization expansion.

▼ The five major areas of China Life University

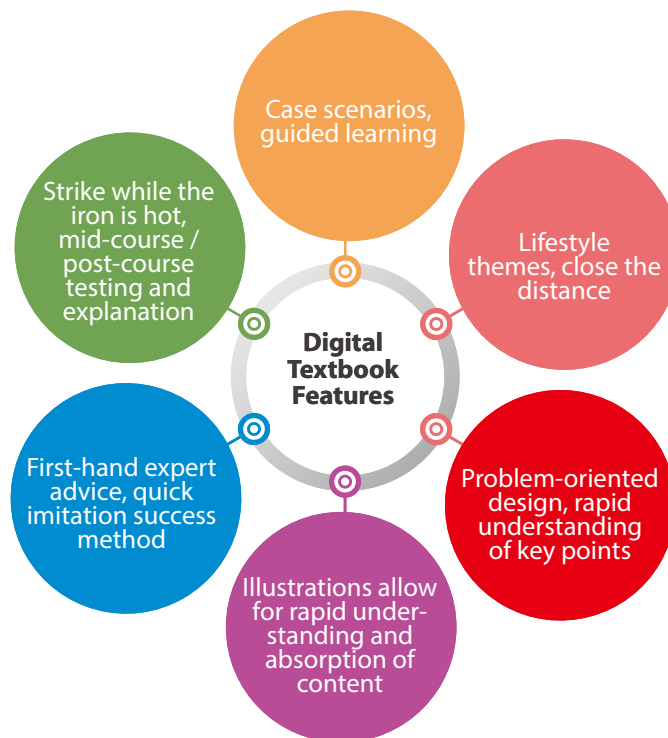


In the digital era of smart mobile devices, China Life has created its own "Agency Training e-Academy" digital platform, which provides courses tailored to each learner. It uses a variety of teaching strategies (e.g. problem-based learning, case discussion learning) and is compatible with many devices (e.g. Smartphone, tablet, laptop). It uses a "Blended Learning" approach constructed by the 6 major course categories. From 2014 to the end 2015, we have already accumulated 148 digital textbooks and 18 e-book series. This has allowed our agents to carry all their learning materials with them anywhere so that they can brush up on their product and sales knowledge at anytime. The number of online usages has already reached 127,982 times, totaling in 29,614 class hours.

▼ Blended learning's six major course categories

Category	Description
Product Knowledge	One week before new products are listed, training courses are provided on new products so that agents can fully understand the product content, ensuring a smooth pick-up.
Marketing Skills	Includes product marketing oral courses, a 36 lesson course and project series for new recruits to build a solid foundation of professional skills.
Business Management	Wealth management university introduction, including company's six major workflows etc. and six major management skills.
Financial Information	Quarterly forum with security investment trust companies that records financial trends which provides agents with the latest financial information, in addition to courses and information on investment-linked products.
Certification Examination	Provides 3 types of certification tutoring courses including life insurance sales, investment-linked insurance policy sales, and sales of foreign currency non-investment-linked policies.
Regulations Training	In accordance with the provisions of the regulators, we provide mutual fund, regulations, and money laundering prevention courses annually, so that agents are equipped with the knowledge of the law and are in line with relevant regulations.

The content of digital teaching materials produced by the e-Academy is based on the analysis of learner needs. Through after-class feedback and comments, they are continuously revised for optimization. The use of digital technology in the learning process has many advantages:



In 2015, we added pre-employment online training for new recruits, flipped learning and interactive lesson plan development. Through technology-assisted learning, we have expanded and deepened the competency of our agents.

Pre-employment Training	<ul style="list-style-type: none">◎Provide new recruits with a "Dream Takeoff Learning Network" platform prior to the employment◎Assist learners in obtaining learning cards for life insurance salesman qualification. Provide various preparations prior to beginning employment and familiarizing them with the company philosophy, core values, the life insurance industry, and current market trends
Flipped Learning Method	<ul style="list-style-type: none">◎Create customized training courses with the e-academy as the foundation for blended learning, paired with the practical courses of each job level at China Life University and the use of digital technology and multimedia
Situated Teaching Plans	<ul style="list-style-type: none">◎Provide a "Situated Teaching Textbook" (e.g. explain to the customer the product, life insurance plan, handling objection problems). We use the most realistic situations to train problem solving ability



Friendly Workplace

1. Salary Structure

China Life believes that developing a salary system that is competitive and fair is the key to attracting talented individuals to work with us. To ensure that our general reward and salaries have a competitive advantage in the industry, we have adopted a performance oriented pay policy to sales agents and office staff alike. The salaries we propose to our employees are higher than the minimum wage standards stipulated by the authorities. In response to changes in laws and regulations, and to enhance the competitiveness of digital financial service and quality of policyholder service, China Life has invested greatly in human resources. Compared with the same period last year, the number of employees and overall wages in December of 2015 has grown significantly. The general increase of salary is approximately 0.63%. In addition, we have achieved a general balance of salary between male and female staff. High ranked female management staffs have proportionally higher salary than their male colleagues.

▼ Comparison between the salary range of new recruits and government mandated minimum wage

		2015	2014	2013
Office Staff (Note1)		Salary range of new recruits and the local minimum wage		
Basic Operation New Recruits	Salary Range	Minimum wage is NT\$ 20,300. Adjustment is made according to experience and level of education.	Minimum wage is NT\$ 20,300. Adjustment is made according to experience and level of education.	Minimum wage is NT\$ 20,000. Adjustment is made according to experience and level of education.
	Ratio of Salary to Minimum Wage	1.01:1	1.05:1	1.05:1
New Administrative Personnel with University Degree	Salary Range	Minimum wage is NT\$ 28,000. Adjustment is made according to experience and level of education.	Minimum wage is NT\$ 28,000. Adjustment is made according to experience and level of education.	Minimum wage is NT\$ 28,000. Adjustment is made according to experience and level of education.
	Ratio to Minimum Wage (Note2)	1.40:1	1.45:1	1.47:1
Sales Agents		Salary range of new recruits and the local minimum wage		
Base Level Staff Operational Manager	Salary Range	Salary is paid according to the income item stipulated in the labor contract. The monthly minimum wage shall not be lower than the hourly rate stipulated by the authority.		
	Ratio to Minimum Wage	1:1	1:1	1:1

Note 1: The minimum wage prescribed by the authority was NT\$ 19,047 in 2013, NT\$ 19,273 in 2014 and NT\$ 20,008 in 2015. The statistics above are the salary ranges for new recruits/minimum wage (currency/unit: NT\$)

Note 2: The minimum wage prescribed by the authority is increased every year, therefore the salary ratio of new office recruits and the authority decreases every year, while that of the new field recruits stays remain unchanged.

Ranks	Items	2015	2014	2013
Department Manager or Higher	Minimum Wage Rate	108%	116%	124%
	Annual Salary Rate	126%	143%	138%
Division Manager	Minimum Wage Rate	91%	95%	97%
	Annual Salary Rate	95%	99%	99%
General Staff	Minimum Wage Rate	90%	93%	92%
	Annual Salary Rate	92%	93%	88%

Note1: Calculation = The average salary of females / The average salary of males x 100%

Note 2: The drop in 2015 is due to more staff with life insurance industry experience being recruited in this year which greatly increased male average salary.

▼ Number of non-managerial employees and their average annual Employee Benefits with comparison to previous year

Number of non-managerial employees			
Year	2015	2014	2013
No. of non-managerial employees	1,528	1,375	1,366
Average non-managerial annual Employee Benefits and comparison with previous year			
Year	2015	2014	2013
Average Employee Benefits per person	NT\$741,734	NT\$738,900	NT\$710,276
Increase compared to previous year	0.38%	4.03%	-

Note :

- The statistics above are published according to the "Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" of the TWSE. The definition of "non-executive staff" are employees who work under the supervision of a company and do not manage other employees of the same organization or bear any administrative responsibility, which is not inclusive of those that are contractual based.
- China Life expanded its recruitment in the second half of 2015. The number of non-executive staff increased from 1,375 people in 2014 to 1,528 people in 2015, an increase of 11.1% that created 153 job opportunities. However, the inflow of staff was concentrated in the third and fourth quarters of the year. Therefore, a lower increase of employee welfare for non-executive staff was reflected in the statistics of 2015.
- The disclosure of the average pay and benefits of non-managerial employees is based on "Regulations Governing the Preparation of Financial Reports by Securities Issuers". "Employee benefits" includes salary, health insurance, retirement pay, and other employee benefits.

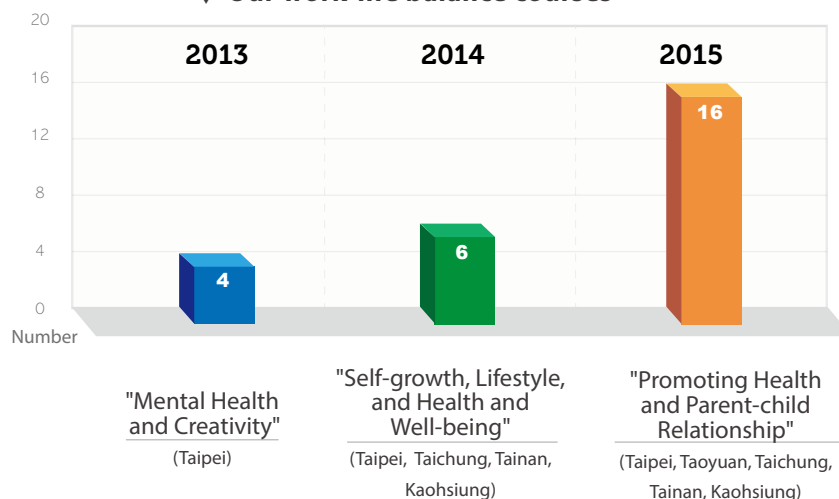
2. Staff Welfare

We work tirelessly to ensure new recruits and senior staff alike feels a sense of belonging, like a family member in the company. Starting from our efforts in enhancing staff welfare and protection, we make sure our staffs are well cared for through basic welfare programs, corporate pension plans, safe workplace environments, parental leave and the establishment of employee unions. Above all, we

emphasize on achieving the balance of work, body, mind and spirit for our staff. In 2015, we organized 16 sessions of seminars on "Balance of Work & Life" and we will continue to promote the management of overall well-being.

China Life Employee Welfare List	
Vacation and Leave	New staffs enjoy annual leave in the first year.
Employee Insurance	Labor insurance, national health insurance, group insurance (covering life insurance, accident insurance, home/hospital medical insurance, accident medical insurance, etc.)
Employee Loans	Favorable interest rates for housing loans
Bonuses	Year-end bonus, employee bonus (decided by shareholders' meeting), goal achievement reward, professional examinations reward.
Staff Clubs	Subsidize various static and dynamic clubs to allow a balance of work and life for our staff. In 2015, we subsidized NT\$ 797,900 for staff clubs.
Festive Gifts and Year-end Party	In addition to bonus rewards on Dragon Boat Festivals, Mid-Autumn Festivals and birthday reward, we organize annual lucky draw and year-end party on the twelfth lunar month every year.
Company Trip	To balance work and life and promote travelling among our staff, the welfare committee subsidized NT\$ 3,447,578 in 2015.
Children Education Scholarships	To encourage the children of staff to study hard, we provide education scholarships. In 2015, we subsidized a total of NT\$ 6,175,000.
Others	Labor pensions, employee health checks, weddings and funeral gifts, special allowance for hospitalization, employee common room, staff gym, etc. We are committed to balance mind and body of our staff outside of work.

▼ Our work-life balance courses



Retirement Benefits

In terms of retirement benefits, China Life follows the "Labor Standards Law" and "Labor Pension Act" which set employee retirement methods. We also established the "Supervisory Committee of Labor Retirement Reserve" in accordance with the provisions. For those employees applicable to the previous pension system, a certain percentage of gross salary will be preserved for retirement fund in the Bank of Taiwan. For employees that choose the new pension system, 6% of their monthly salary will be preserved in a retirement funding account at the Bureau of Labor Insurance.

In addition to allocating a retirement reserve fund in accordance with the above provisions, we also opened a retirement fund account in CTBC Bank where we regularly allocate retirement reserve funds to ensure our employees' retirement rights and benefits. We also regularly evaluate the results of actuarial report results on the retirement fund. When retirement funding is insufficient, it will come from the above account. At the end of 2015, the balance of reserve account and retirement reserve fund was NT\$ 328,491,249, more than sufficient for employee pension requirements.

Child Support

Family is at the core of social stability. For those who must sacrifice their career development in order to take care of children, we show our full support and compassion by providing parental leave. In 2015 there were a total of 19 requests from office staff and 82 from sales agents to take non-pay parental leave. The majority were female employees, accounting for 95% of office staff and more than 90% of sales agents. Over the recent years, China Life's office staff and sales agent retention rates have remained excellent. China Life is also planning a "Bring Your Children to Work" day next year to promote parent-child interaction.

2015's office staff retention rate was 86%, while that number was 92% for sales agent. This was an increase compared with the previous year. Through consulting relevant information, the rate of office staff resuming a post increased by 30% in 2015. The main reason for this was the particularly high rate of second pregnancy in 2013~2014. This was also the reason why the rate of those who chose to resign and stay at home to raise children also increased. As China Life continues to promote work-life balance and

		2015	2014	2013
Office Staff Parental Leave Statistics	Number of Applicants	1	1	1
		18	20	15
		19	21	16
	Return to Work Rate	50%	0%	0%
		67%	37%	54%
		65%	35%	50%
	Retention Rate	0%	100%	0%
		86%	78%	75%
		86%	80%	75%

		2015	2014	2013
Sales Agents Parental Leave Statistics	Number of Applicants	9	14	18
		73	66	65
		82	80	83
	Return to Work Rate	80%	50%	54%
		81%	61%	62%
		81%	59%	60%
	Retention Rate	86%	43%	67%
		93%	76%	67%
		92%	71%	67%

Note:

1. Return to work rate = The number of actual return to work according to the annual report / the number of expected return to work according to the annual report x 100%
2. Retention rate = The number of employees retained 12 months after returning to work from the previous year / the total number of employees returning to work from the previous year x 100%

show compassion towards employees who must take care of their children, our reinstatement rate has increased.

Safe Workplace

To "Achieve zero workplace hazards and promote employee physical and spiritual health" is the objective that pushes China Life to provide a comfortable, dynamic and safe working environment. We continue to provide health checks that go above and beyond regulations, and periodic medical personnel visits to the workplace. We not only employ professional physicians to provide health advice, we also conduct workplace environment evaluations to guarantee the safety of staff. We have also set up a common room and gym to promote exercise habits and provide more opportunities for friendship and camaraderie.

Our occupational safety performance record can be seen below. There have been no cases of occupational diseases or work-related deaths over the past 3 years. In 2015, there were a total of 3 work-related injuries among office staff, resulting in 67 days of leave. We have also established an "Occupational Safety and Health Committee" comprising of 1 chairman and 6 committee members, of which 3 are worker representatives, which accounts for 42.9% of all committee members. They were elected via a workers meeting in accordance with regulations. The Occupational Safety and Health Committee are responsible for hazard prevention, and promoting health and hygiene. A dedicated OSH unit inspects OSH issues, evaluates workplace environment, and improves health care management to protect employee health and safety. Our occupational safety related performance is shown below.

Employee Health Care and Emergency Medical Care Equipment

- Health and infectious disease prevention advice is given via e-mail and intranet
- All main service counters throughout Taiwan have added free sphygmomanometer use
- Our Taipei head office building provides four free cancer screenings and many other health promotion activities such as helping employees quit smoking
- Our main branch has added automated external heart defibrillators (AED) and first aid equipment, obtaining "AED approved location certification"

Workplace Safety Inspection

- Each workplace has its firefighting equipment and building safety regularly checked
- Continued implementation of automated workplace equipment checks and environmental testing
- Each workplace has established firefighting groups to respond to earthquakes, fire, medical first aid and other emergencies, who also participate in building management workshops and drills
- The "Occupational Safety and Health Committee" is responsible for hazard prevention and various health and safety proposals
- Dedicated OSH units handle occupational safety and health inspections, measure and improve the workplace environment, and health management

Workplace Recreation

- The Kaohsiung Mingcheng building has added a common room, gym, aerobics classroom, locker room and shower room
- Taipei headquarters building gym equipment

▼ Occupational Safety Performance

		2015	2014	2013
Injury Rate (IR)	Male	0%	0%	0.0003%
	Female	0.0002%	0.0012%	0.0015%
	Total	0.0002%	0.0012%	0.0018%
Occupational Disease Rate (ODR)	Male	0%	0%	0%
	Female	0%	0%	0%
	Total	0%	0%	0%
Absence Rate (AR)	Male	0.05%	0.07%	0.04%
	Female	0.26%	0.26%	0.25%
	Total	0.31%	0.33%	0.29%
Loss of Day Rate (LDR)	Male	0%	0%	0.00077%
	Female	0.01463%	0.01326%	0.02437%
	Total	0.01463%	0.01326%	0.02514%
Number of Deaths	Male	0	0	0
	Female	0	0	0
	Total	0	0	0

Note:

1. Injury Rate (IR) = Total number of accidents / total number of working days x 100%
2. Occupational Disease Rate (ODR) = Total cases of occupational disease / total work days x 100%
3. Absence Rate (AR) = Combined total of injury leave, sick leave and menstrual leave / total working days x 100%
4. Loss of Day Rate (LDR) = Injury leave days / total working days x 100%
5. The number of deaths refers to deaths caused by work-related injuries
6. In accordance with the Taiwan Stock Exchange's latest revisions to the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies", sales agents were not included in the statistics of the above table

3. Rights and Benefits for the Disabled

Disabled employees enjoy the same rights and opportunities as any other employee. We actively give priority for a portion of job openings to those with disabilities, and we understand the assistance they require in the workplace. Hence, we provide various assistive devices to each disabled employee for their specific needs, such as large monitors and text magnifier mouse for the visually impaired. We also have managers provide written instructions and work flows for the hearing-impaired. For those that have physical disabilities, our head office has a wheelchair accessible entrance and dedicated elevator buttons which extend the time elevator doors stay open and also contain Braille characters to help visually impaired employees.

At present, 41% of our disabled employees have worked at China Life for 1-5 years, while 59% have been with us for more than 5 years. Among them are those that have stayed with us for more than 12, even 13 years. It is our goal to assist even more disabled persons at our company. What we are even more proud of are the achievements of one of our disabled employees at our Taichung branch who, since starting in 2010, has already obtained 3 certifications including the " FLMI level I certificate ", "Personal insurance representative certificate" and "Foreign currency non-investment-linked life insurance representative certificate". We hope this individual will continue to obtain more qualifications in the future and become a professional life insurance manager.



Furthermore, China Life places great importance on equality and diversity policies. We will continue to maintain a mutually respectful workplace environment in which employees have proper, objective and inclusive character. To this end, all office staff must take "human rights policy" courses. 2015 had a completion rate of 99.79%, and will continue the arranging of this course so that we can reach 100% completion rate in 2016. There were no cases of discrimination in 2015, nor cases of child labor, forced or compulsory labor, or anything that violated the rights and interests of our employees. Also, we took initiative in providing job seeking priority to Taiwan indigenous people and employed more than our original quota. As of the end of 2015, the Company has hired 66 indigenous people, including 16 office staff and 50 sales agents.

Human Rights Course Content

- ◎ We value the working and freedom of association rights of our staff and work to protect their honor and privacy. To protect the rights and interests of our staff, the company has work regulations that are reviewed by the authorities
- ◎ To achieve employee work-life balance, we provide various welfare benefits for our staff and emphasize our advocacy of family life and leisure. Our policy stance is that we do not enforce compulsory labor in the hopes of reducing employee stress and improving work performance
- ◎ We wish to provide multi-cultural and equal employment opportunities. We do not discriminate based on race, class, language, ideology, religion, political party, ancestry, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, disability or past trade union memberships
- ◎ Employees can fully express their views through labor-management communication channels (includes labor-management meeting)
- ◎ We strive for gender equality in the workplace through a sexual harassment prevention committee. If a worker is the victim of harassment, they can file a complaint via the hotline and understand their rights so that they can protect themselves and put an end to sexual harassment

4. Labor-management Communication

To promote good communication and interaction between both employees and managers, China Life holds a labor-management meeting every quarter. This meeting is for both sides to raise issues and conduct healthy two-way communication. In 2015, we conducted communication and discussion on issues including establishment standards for breastfeeding room, paternity leave, prenatal leave, menstrual leave, marriage leave, leave without pay application regulations etc. These issues ultimately reached final agreement. Furthermore, each week the Chairman will convene a meeting with managers above the system and the highest ranking managers of each business line, and each month, the President will convene a company-wide department manager meeting. These are important and official communication channels for the internal part of the organization.

▼ 2015 Labour-management meeting issues



Establishment Standards for Breastfeeding Room



Revise application regulations for paternity leave, prenatal leave, menstrual leave, and non-paying indefinite leave



Revise the application regulations for prenatal leave



Revise application regulations for menstrual leave



Revise application regulations for marital leave

2015 Labour-management meeting issues	Description	Conclusion
Establishment standards for breastfeeding room	In accordance with the "Act of Gender Equality in employment", employers who hire more than two hundred and fifty employees are required to establish breast feeding room to comply with the "Regulations on Subsidy and Standards for Establishing Breastfeeding (Breast Milk Collection) Room, Childcare Facilities and Measures".	Approved by all attending representatives
Revise application regulations for paternity leave, prenatal leave, menstrual leave, and non-paying indefinite leave	In compliance with the authorities, revise the "Act of Gender Equality in employment", "Office staff leave application procedure", and "Office staff non-paying indefinite leave procedure"	Approved by all attending representatives
Revise the application regulations for prenatal leave	Revise the sections of the "Office staff leave application procedure" regarding prenatal leave in accordance with Administrative Rule 1040130594 issued by Ministry of Labor on May 29 th , 2015.	Approved by all attending representatives
Revise application regulations for menstrual leave	Revise the sections of the "Office staff leave application procedure" regarding menstrual leave in accordance with Administrative Rule 1040131594 issued by Ministry of Labor on September 8 th , 2015.	Approved by all attending representatives
Revise application regulations for marital leave	Revise the sections of the "Office staff leave application procedure" regarding marital leave in accordance with Administrative Rule 1040130270 issued by Ministry of Labor on October 7 th , 2015.	Approved by all attending representatives

We also have an open complaint channel to ensure all voices are heard. If an employee encounters any problems at work, they can file a complaint through the channel to managers at any level or the Human Resources department, which will then be actively responded to and handled by the company. In 2015, there were 4 cases of office staff complaints due to overtime payments problems. After we provided the relevant information to the labor authorities, they determined that China Life did not violate any regulations and the issues were satisfactorily resolved. There were no labor-management disputes among sales agents.

Chapter 4

Responsibility Social Prosperity

2016 Key Objectives for Sustainability

- 1 Double the total volunteering hours of that in 2015.
- 2 Decrease more than 2% of the greenhouse gas emissions from office headquarters, and Taoyuan-Hsinchu, Taichung, Chiayi, Tainan and Kaohsiung branches.
- 3 Reach 2% or above in energy saving rate for all field operations (district offices).
- 4 Reach 40% or above in municipal waste recycling rate of all 6 of the major operations including the headquarters, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan and Kaohsiung branches.
- 5 Acquire Golden Certificate of Green Architecture for Taipei Academy Construction case.
- 6 Promote green services to save more than 1.6 million pieces of paper.



Foreword

To China Life, sustainable management means pursuing financial performance while strengthening social welfare and reducing environmental impact.

The company's future competitiveness depends on consumers and businesses working together to create shared value. People are the greatest asset of a life insurance business; hence we place people at the core of what we do. By connecting stakeholder influence, we can create stability in society and environment and form a positive cycle beneficial to all. We strive to make more commitments and changes to society through our brand philosophy of "We Share We Link". By proactively investing in people and developing the life insurance industry spirit of helping people, we hope to lead the community toward a more loving and caring world in a sustainable future.



Social Services and Participation

China Life has reached out to the community for many years and observed social changes. We are people-oriented and have always followed an altruistic philosophy in promoting community participation.

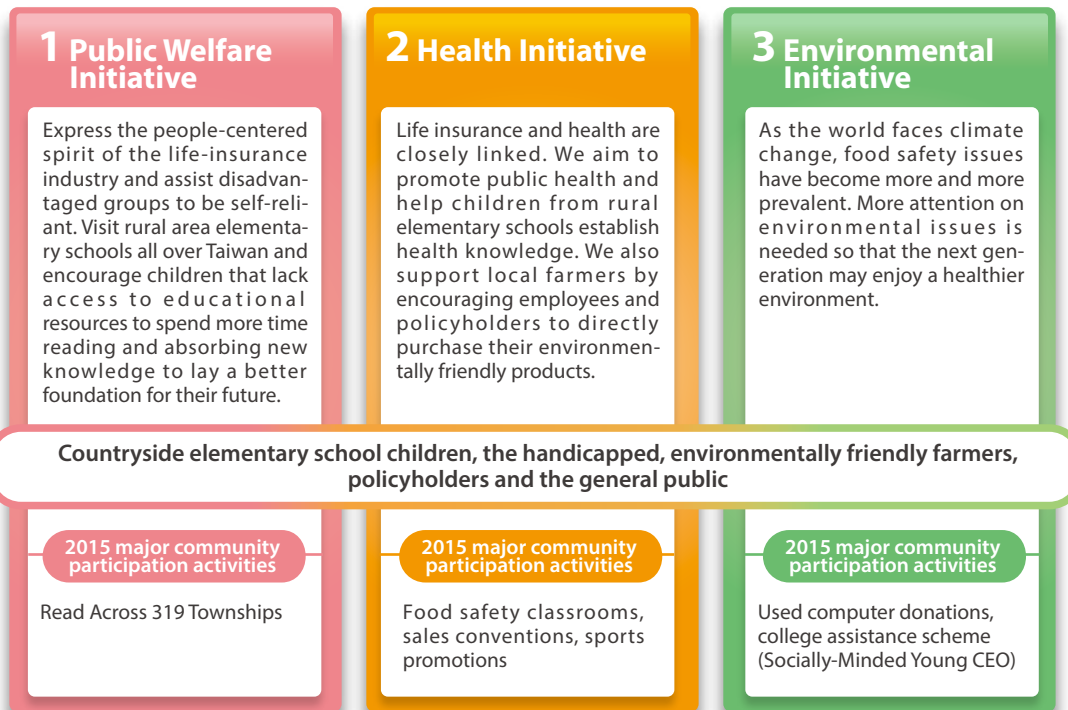
Because of this philosophy, China Life plans public welfare activities every year for various groups. Through our hard work and dedication, we have established long-term cooperation with public interest groups in the hopes of broadening China Life's community participation.

1. Community participation initiatives and company volunteering



"We Share We Link" is China Life's trademark and core philosophy of public welfare investment. We have influenced the insurance industry to place people as its foundation, observed social trends, and developed long-term public welfare strategies. China Life utilizes its resources to give back to the people and create a sustainable future together.

"Demographic change, climate change, disadvantaged groups" are the three major social and environmental issues of concern to China Life. We have hence developed community participation initiatives in three areas: public welfare, health and the environment.

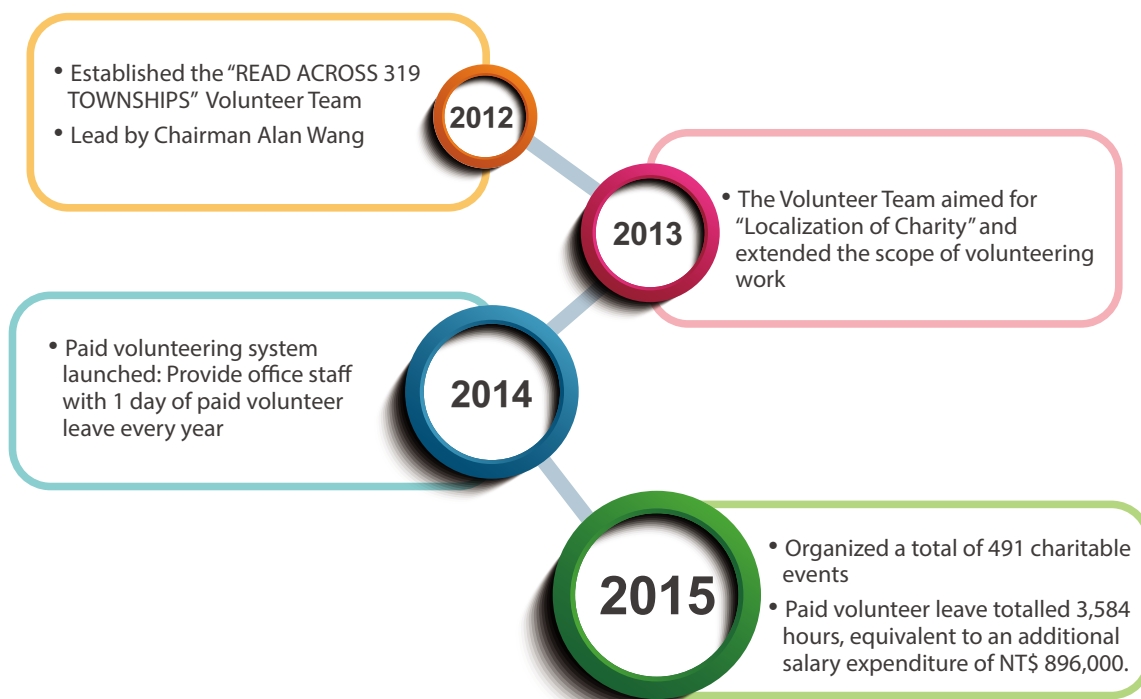


Community participation takes root from each hour of company volunteering

China Life appealed for sales agents and back office staffs to participate in community services, making “deliver hope and share love” as our company motto. To encourage colleagues to participate in more community services, China Life created a volunteer day company holiday for back office staff. Each month, a volunteering briefing session is held to provide information on volunteering activities for disadvantaged groups and launch volunteering recruitment activities. We invite staff to participate in diverse volunteer activities that suit their expertise and interests. High level managers also personally take the lead in volunteering.

Whether it is helping village children to read, assisting public welfare group sales, caring for disabled residents in shelters and nursing homes, or pulling up one’s sleeve to donate blood, you will see the passionate silhouette of China Life volunteers in red vests. In 2015, our office staff did a total of 3,584 hours of volunteer work, well exceeding the target set for that year.

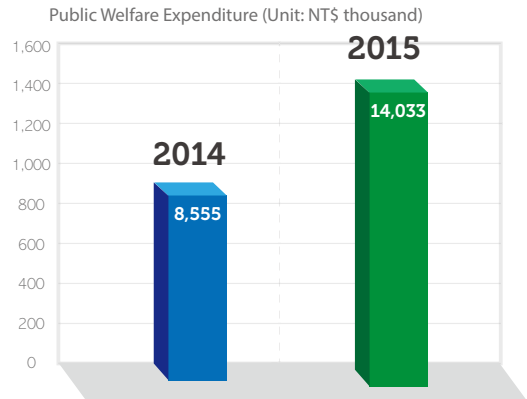
Highlights of the year



Note: paid volunteer leave totalled 3,584 hours, equivalent to an additional salary expenditure of NT\$ 896,000.

In addition to the enthusiasm of staff, China Life invested 1.6 times more resources in public welfare activities in 2015 compared to 2014.

China Life has always implemented the philosophy of "giving back to the community" in every corner of our operations. We hope for our society to be more active and cohesive, to improve one step at a time, and be positively affected by every one of our volunteering activities.



2. 2015 Community Participation Activities

China Life progressively implements its objectives every year in accordance with community participation strategies. We continue to focus more on ethnic groups. In 2015, our office staff and sales agents from all around Taiwan invested a significant amount of resources in participating and conducting 491 activities.

Total activities
491
sessions

2.1 Read Across 319 Townships

China Life understands that many children from the countryside are financially disadvantaged due to the urban and rural disparities. These children may face many difficulties such as grandparenting, cultural minority, and lack of resources and supplies or poor nurturing. In 2013, we began to promote the "Read Across 319 Townships" , and as of 2015, have already held 49 lessons, teaching countryside elementary school students how to read, manage finances and eat healthy. We also provide funds for schools to encourage them to promote food safety education and hold activities on being environmentally friendly, thereby increasing the resources available to countryside elementary schools and increasing children's health awareness.

Three Major Features



Communities Outreaches in Rural Areas

Enter the elementary schools in rural areas and establish a solid foundation for the next generation

Introducing Professional Storytelling Resources

Professional storytelling teams are introduced to guide the children with a more interesting approach to learning new knowledge

Extended Benefits

Provide funding for reading and health, etc.

Read Across 319 Townships



More classrooms each year with a cumulative total of 49, reaching 2,805 teachers and students



Feedback from the schools

China Life's funding of countryside elementary schools has helped a lot. They provided funding for the school to purchase health books and include vegetables and fruits in the students' lunches. From education to reading to nutrition, China Life has helped in all aspects. From my perspective as a school teacher, it is a complete and effective funding program. From a parent's point of view, we are very grateful to China Life for taking care of our children, as well as the children of other rural areas. Their care and assistance let us know that there is still a lot of warmth in our society, quietly brightening the remote areas of Taiwan. They remind us that we haven't been forgotten. I would like to express my deepest gratitude to China Life.

Yilan County Toucheng Township Dali Elementary School



China Life online video pays tribute to rural teachers

As we conducted the "Read Across 319 Townships", we found a large discrepancy in resources between urban and rural areas. Nonetheless, the smiles of rural children were ever so infectious.

Despite limitations in environment, conditions and resources, the rural teachers persevere in finding different ways and use what is available to develop their schools, inspire, and create happy, confident children. Moreover, they protect the dreams of children while silently redefining education.

Their care and passion fill the children with vitality. China Life is deeply moved by these selfless teachers as we identify with them through our dedication to policyholders. Therefore, we created a thank-you video entitled "The Unsung Heroes of the Countryside" in the hopes of conveying gratitude to the teachers and encouraging us all to cheer them on.

Teachers are the major driving force behind the achievements of rural children. Our every cheer and act of encouragement are what motivates them to continue promoting rural education. Let us spread selfless and positive energy across Taiwan. We hope that this video will touch more and more people, allow them to see their self-value, and encourage them to show little acts of kindness every day. We wish to share love and hope with all corners of Taiwan. Our spirit and strength will create a better tomorrow for the next generation.

Organized staff
movie party

Video is made
public on YouTube

News article
promotion

Nearly 80,000 viewer-
ship in just one month
of the release and be-
came widely discussed
in major forums.

Video description:

The filming location was Chunri Elementary School in Yuli Township of Hualien County.

The teachers here act with enthusiasm and sincerity, willing to spend years of patience to help the children grow and guide them through self-exploration.

They allowed the children to see their own value, and fill them with happiness and self-confidence.

If you can relate to these teachers and China Life's philosophy, then I sincerely invite you to share this video with families and friends, so that more people can know the story of these teachers.

Watch the video : <http://www.chinalife.com.tw/wps/portal/chinalife/CSR/home/videos/>
Or search on YouTube for 「謝謝老師 偏鄉的希望」



Teacher's feedback

"I can provide resources, but you have to make your own efforts. Even if you remain in your hometown to pursue agricultural work after growing up, you are still a cultured and happy blue-collar worker who can make their own choices. Even if you are in the countryside, you must follow your own heart" This is has always been our education philosophy towards children at Chunri Elementary School.

When China Life staff contacted us for filming, I told him that countryside children are happy and asked him to show the real countryside. When I saw the results, I really wanted to thank China Life for presenting the real Chunri Elementary School.

Hualien County Yuli Township Chunri Elementary School Teacher 謝明賢

2.2 Sports Promotion

To promote sports in Taiwan, we sponsored various sports competitions in 2015. We aim to cultivate good leisure habits, promoting sports culture and improve general wellbeing of our people.

- We cooperated with competitions such as the 2015 High School Basketball League (HBL) and the 13th Super Basketball League (SBL). We also invited the percussion ensemble of rural Maling Elementary School to perform at the opening ceremony of the SBL.

- We sponsored the "2015 Soochow University International Ultra Marathon", the only campus-held competition in the world to combine educational value. Through the super marathon runner spirit of never giving up, we provide students with international sporting event participation service, showing our dedication to helping people.

2.3 Used Computer Donations

China Life enhances the value of used resources. After consulting with rural elementary schools on their needs, we donated 33 used computers which we delivered in person and helped them install and test. This not only provided a teaching resource for teachers, but also better information infrastructure for children. These computers have reduced the digital divide between urban and rural areas. Information equipment can also be reused to extend its value.

2.4 Green Food Safety Schools

Taiwan has had many food safety issues over the recent years. We help rural students understand correct environmentally friendly and healthy eating knowledge. In 2015, we went to 18 different rural elementary schools and delivered interesting food safety stories. Through listening to these stories, the children understand the concepts of food safety and loving the environment. We also assisted the schools themselves with promoting food safety education. China Life will continue, through various means, to help rural elementary schools with promoting food safety education.

In addition to helping rural school children, we also invite our policyholders and their children to attend our "Nutrition Myths and the Secrets to Healthy Eating for Children" lectures held in Taipei, Taichung and Kaohsiung between October and November. For these lectures, we invite professional nutritionists from Chiayi Chang Gung Memorial Hospital. Through their professional explanations and interaction with our policyholders and their children, we help deepen their understanding of



Food Safety Education 5-star Chef Teaches Cooking to Rural Children

Over the course of the "Read Across 319 Townships", we found that many teachers are promoting food safety education alone without help from others. We hope to establish good eating habits and a love for the environment in children from an early age.

In order to support the efforts of these teachers, we brought a five-star chef to Shiding Elementary School to give the children a cooking lesson and enjoy healthy dishes specially prepared by the chef. When rural children walk out of the classroom, they are in direct contact with the land. If food safety education can take root from childhood, we can establish proper ideologies so that they may become little food safety soldiers and protect the environment.



Feedback from the schools

Our school attaches great importance to food safety education. In our food agriculture class, we teach students about healthy eating, safety and environmental protection. Each year we hold a Little Chefs cooking competition in order to implement our philosophy. Since the sponsorship of China Life, our children have had the opportunity to be guided by a professional chef in learning healthy cooking tips. In the past, the children had to bring their own cookware and utensils to school for the cooking class, which was very inconvenient. However, with China Life's donation of cookware, our children no longer have to bring their own from home and can happily enjoy the class without worry. I would like to express my deepest gratitude to China Life in inviting a professional chef to Yunhai Elementary School, donating cookware and money for food safety education!

New Taipei City Shiding District Yunhai Elementary School

healthy eating. A total of 270 people attended these three lectures. We hope that these 270 people will spread what they have learned so that even more people can understand the importance of a healthy diet.

2.5 Compassion Sales Convention

In order to assist disadvantaged groups and the development of social enterprises, China Life's head office and branches annually hold Mid-Autumn Festival and Spring Cleaning Compassion Sales Conventions. These conventions allow face-to-face contact between disadvantaged groups and social enterprises, increasing sales revenue. A variety of features were added in our 2015 convention, attracting more of our staff to participate:

Charity Bazaar for School Kids in Rural Areas

- Products sold in the Bazaar were personally made by children from Yu-Hai Elementary School in New Taipei City and Xiang-Tien Elementary School in Changhua county with self-planted rice and handcrafts.
- Seeing the children's concentrated faces and innocent smiles, we gave our sincerest encouragement to all children participating in the events

Moon Festival Pomelo Painting for the Intellectually Disabled (ID)

- We arranged ID people who are good at painting to be our guests to demonstrate paintings of Chinese opera masks on pomelo. Their keen observation and creativity were shown by their brushwork

Red Envelope Painting by the Intellectually Disabled (ID)

- On the day of the event, ID people were personally making unique red envelopes for everyone. Staff of China Life encouraged and supported them. Every red envelope made was the best blessing and present for our staff to enjoy a happy Chinese New Year

Groups that we have supported in the past: Buy NearBy, Green Farmers Family, Farmers Dream, Fu Shan Grange, TAIWAN WAY, Yu-Cheng Social Welfare Foundation, and the Taiwan Foundation for Rare Disorders.



Feedback from social enterprises

The best way to protect the environment is to practice what you preach in daily life.

The collaboration between Buy NearBy and China Life began 4 years ago. We witnessed the remarkable results of China Life's care for the environment through their dedicated staff and non-stop efforts and innovation in supporting environmentally friendly activity and agriculture on Taiwan soil. From senior to junior staff, from their headquarters to district offices, today's China Life has already planted the seed of environmentalism deeply in our hearts. Through changes in business operations and consumer behavior, they have made outstanding contributions to the sustainability of the Earth. Thank you, China Life!

Buy NearBy

2.6 College Society Assistance Scheme (Socially-Minded Young CEO)

Since 2007, China Life has pushed a welfare program targeting college students. The purpose of this program is to encourage students to submit proposals and utilize our resources to help the disadvantaged. This activity tries to get more students to help places around Taiwan in need and gain experiences regarding the influence of corporate social responsibility through the process.

CASE

Case - Minglun Elementary School Environmental Learning Camp / National Kaohsiung University of Applied Sciences International Business Students

Through lively group efforts, students designed diverse environmentalism themed games to help rural children recognize the differences in cultures around the world. Furthermore, through having the children act out plays or through sharing stories about real cases, the children were able to understand the importance of soil conservation and protecting the Earth.

2.7 Compassion Receipt Box

China Life Insurance considers receipt donations as one of the easiest ways to assist social welfare groups. One single receipt represents unbounded hope for social welfare organizations. That is why we actively assisted social welfare organizations in placing receipt collection boxes on every floor of our headquarters so that employees can readily donate their receipts. Through the



efforts of our employees in 2015, we collected a total of 6,383 receipts. Furthermore, we encouraged employees to donate their electronic receipts to "LoveCode".

We specially invited the children from Pingtung Dacheng Elementary School to design and decorate the receipt donation boxes. They chose their favorite cartoon character, SpongeBob SquarePants, as the box's theme because he is always happy towards everyone. Through these boxes that our volunteers and students created, we hope that SpongeBob's happiness can be shared with everyone.

2.8 Formosa Fun Coast Explosion Donations

The Formosa Fun Coast explosion was one of the worst incidents to happen in New Taipei. Immediately following the incident, China Life proactively provided injured policyholders with a number of services including rapid claims and prepaid hospital claims. We also donated NT\$10 million to the Formosa Fun Coast Explosion Relief Fund to aid the injured in treatment, rehabilitation, follow-up care and getting their lives back on track.

In addition to donations and providing policyholder services, we also mobilized our employees to donate blood to help burn patients in need. To encourage our employees to pull up their sleeves and donate, we organized a special blood donation company holiday.

3. China Life Social Influence

To effectively convey a proper concept of insurance, it is necessary for us to rely on mass media to provide diverse information and comprehensive reports. Therefore, we have actively established long-term partnerships with mass media based on the spirit of creating universal values. It is a way to bring forth our professional knowledge and social influence and provide the media with news worthy issues and material that are in line with world trends. Through news reporting, we believe we can further guide the general public on the path to healthy insurance philosophies, creating a victory for China Life, mass media and society as a whole.

In order to assist the general public in establishing correct insurance knowledge, it is necessary for us to plan a strategy to allow long-term media exposure. In terms of news selection, we keep a close eye on social trends and latest events. For example, in response to the NanKang air crash incident, Formosan Fun Coast Explosion, Soudelor Typhoon and other major disasters, China Life reminded the public to enhance personal accident insurance planning. In addition, we also promoted medical and long-term care insurance in the face of an aging society and decreasing birth rate. Moreover, we highlighted the importance of travel insurance as the number of overseas travelers has broken new records several times. We believe our efforts will help foster the concept of risk transfer, insurance and knowledge for new insurance products for the public, and construct insurance awareness thereby enabling a sense of security in our society. To conclude, China Life has actively issued 108 press releases in 2015, creating 2,007 media exposures to 917,600,400 people. (Note)The general public can easily access the insurance knowledge and concept we aim to convey through the help of media.

▼ **A long-term partnership between China Life and the mass media:
Recognition and feedback from news reporters**



Note: According to the media monitoring list of Rainmaker XKM International Corp., the average circulation volume of the 7 most popular newspapers (Liberty Times about 0.7 Million copies, the United Daily News about 0.6 Million copies, the China Times and Apple Daily, each about 0.5 Million copies, the Commercial Times, Economic Daily and the United Evening News, each about 0.3 Million copies) is 457,200 copies. This average multiplied by 2,007 (2015 media exposure) equals to our estimation of 917,600,400 people who received our information through media.

We will continue our efforts to apply the professional and core ability of the insurance industry in corporate social responsibility to foster a more stable and harmonious society by creating social values.



Environmental Friendliness

In addition to our commitment in insurance service, China Life also devotes itself to the protection of environment. As a company that aims to develop sustainability, we have spared no efforts in the protection of the environment and the preservation of resources. It is our hope to make our surrounding a cleaner and better place by doing what we can.

China Life officially established the "Environmental Protection Committee" in 2014. The committee consists of relevant departments who establish environmental policies, respond to environmental issues and monitor the policies, executions and the results of their execution. In 2015, the committee organized 2 meetings on July 21st and December 9th. Through these meetings, we completed the "Regulations for Environmental Initiatives", which reflected the results of our 2015 environmental objectives and re-assessed and re-directed our environmental management objectives for 2016.

China Life Environment Protection Policy

1. Set objectives for environmental protection and implement management measures
2. Conserve energy and promote recycling
3. Comply with environmental laws and regulations and implement green procurement
4. Enhance environmental protection and conserve energy through education and training
5. Cooperation with suppliers to fulfill our corporate responsibility
6. Establish dedicated staff to regularly reflect and assess the results

1. 7 Green Initiatives

Environmental issues involve a wide range of fields. China Life screens all related issues and observes the trends in the industry domestically and internationally. In addition, we refer to the issues in which China Life are able to improve. After screening, we have selected green building, electricity and water conservation, greenhouse gas emissions management, paper consumption control, waste management and green procurement as our objectives for improvement.

While our business operations are not involved with sewage disposal, noise pollution, toxic pollution and other related issues, China Life satisfies the environmental management certification standard. Therefore, we have introduced quantification and reporting of GHG emission and removal (ISO 14064-1) as the core of our environmental management. Through solid measures to reduce GHG emissions (promoting energy saving; application of high efficiency lighting; removing and upgrading old equipment) we hope to achieve our goal in energy conservation and effectively reduce GHG emissions to enable sustainability for our environment.

▼ 7 green initiatives and specification for future targets:

Items	2015 Results	2016 Targets	2016 Measures
Green Building	Ongoing efforts to upgrade Taipei Academy Construction project's green building rating to gold level	Plan and apply Green Building label from the Ministry of the Interior.	Plan and apply Green Building label from the Ministry of the Interior.
Greenhouse Gases (GHG)	Implemented GHG emissions accounting and obtained certification according to ISO14064-1.	Achieve 2% or above GHG reduction in head office and 5 major branch offices.	Through the promotion of energy saving, upgrading and renewing old equipment, reviewing and assessing GHG emission reduction statistics of existing operations, we can implement the environmental protection policy.
Energy Consumption	The average saving rate of all operation sites is 2.7%, while translating into energy intensity, the average saving rate is 8.6%.	Achieve 2% or above average electricity saving rate in all operation sites (including district offices)	Through electricity saving measures in the workplace and an increase of efficiency in unit of space; we can evaluate the results of our electricity conservation.
Water Consumption	Reduced water usage by devising water saving plug and adjusting water yield to 31 buildings (459 faucets).	Strengthen and emphasize the inspection and maintenance of pipelines and old water storage to conserve water.	Revive old air conditioning cooling water towers as first priority to reduce the amount of tap water from vaporizing.
Paper Consumption	<ol style="list-style-type: none"> 1. The new online group insurance contract quotation system has been launched; E-policy system has been approved by the regulators. 2. The average rate of double-sided printing is 34%. (Counter service not included). 3. By promoting green service procedures (mobile/internet insurance establishment, increasing electronic notification, etc.), we have managed to save 1.5 million papers in total. 	Promote green service procedures, saving more than 1.6 million papers.	Through the establishment of mobile/internet insurance service and increasing the usage of electronic notifications, etc., we can enhance our efforts in environmental protection.
Waste Management	In addition to our continuous efforts in waste management in Taipei head office, we have extended to all self-owned property. China Life has exceeded 30% recycling rate this year.	Achieve 40% garbage recycling rate on average from the head office and 5 major branch offices.	Continue to promote recycling and waste reduction policy.

Items	2015 Results	2016 Targets	2016 Measures
Green Procurement	We have taken an environment-friendly approach in our procurement of office supplies and equipment. Green procurement reached a total of NT\$ 15.62 million.	We will continue our efforts in green procurement in 2016.	Implement green procurement through procurement meeting or acquiring various environmental labels and certification.

Green Building

Although it is essential to continue our efforts in reducing carbon emissions and conserving energy, we can significantly diminish the negative impacts to the environment if we operate with green buildings, as the building itself can save energy and resources while generating less pollution. We are currently acquiring green building labels for all our new buildings. Taipei Academy Construction, which was still in progress in 2015, was designed according to the gold class standard of green buildings and is on track to be awarded with a green building certificate in 2016. In 2015, we have also upgraded the old and energy-consuming equipment according to the condition of its maintenance and repair. In addition, we have continued to promote various energy saving measures, such as reducing the number of operating elevators during off-peak hours, adjusting the length of billboard lighting, attaching timers on water dispenser and assessing the luminosity of the lighting equipment in corridors

Greenhouse Gas Reduction

In 2015, through external consultation and integration of the head office and all branch offices, we enhanced the accounting of GHG emissions and disclosed the inventory procedures with third-party verification. This year we quantified and certified greenhouse gas emissions from our headquarters and main branches (Tao Zhu, Taichung, Chiayi, Tainan, Kaohsiung) in accordance with ISO14064-1. We used the results as reference for our greenhouse gas emission reduction plan and will continue to monitor our greenhouse gas emissions.

2015 Greenhouse Gases Emissions	Scope 1			Scope 2	Total Emissions
	Stationary Emissions	Mobile Emissions	Fugitive Emissions	Energy Indirect Emissions	
Emissions (tCO ₂ e /year)	157.763			2,857.94	3,015.711
	0.522	55.734	101.507		
Scope Proportion (%)	5.23%			94.77%	100.00%
	0.33%	35.33%	64.34%		

Note: 1. Greenhouse gas emissions in tonnes of carbon dioxide equivalent (tCO₂e)

2 Direct emission sources (Scope1): Emission sources belong to the building or operations under its control.

3. Indirect emissions sources (Scope2): GHG emissions from consumption of purchased electricity generated outside the scope of the organization.

4. Indirect emission from other company or operations under its control (Scope 3): While it is difficult to ascertain the associated activities and GHG emissions, sources in this scope including: contracted operational vehicles and labor (delivery of documents or package by outsourced transportation); employee's commuting; private vehicle used in business travel; long-term rental vehicle or public transportation, waste removal, etc.

We will continuously promote our energy conservation policy. In addition to the active management in energy consumption of office procedures, we also expect to construct a fast and convenient service to promote energy saving to our policyholders through the use of electronic notifications, E-service applications, replacing password reissuance by post with One-Time Password (OTP) and mobile applications to change contracts, etc. We will work jointly with our policyholders to achieve 0 prints, bindings, scanning and 0 carbon emissions in document delivery as our ultimate goal.

Energy Consumption

China Life regularly maintains and repairs existing equipment in all office buildings, assess energy consumption of old equipment such as air conditioning systems, water chiller systems in self-owned properties, update and upgrade related facilities, and server virtualization in order to reduce energy consumption.

Our head office in Taipei has once again passed the examination in our continuous participation in the "Taipei City Energy Saving Label". China Life was successively awarded "Taipei Energy Saving Label" in 2015 (valid until November 2017). China Life invested NT\$ 14,948,531 in 2015 on related energy saving improvements. According to the statistics, the average electricity saving rate (excluding new offices) in 2015 reached 2.7%, and the saving rate of energy intensity (electricity consumption per unit/ total no. of people of the unit) reached 8.6%.

Location	2014		2015		Electricity Saving Ratio	
	Electricity Consumption (kWh)(A)	Energy Intensity (C)	Electricity Consumption (kWh)(B)	Energy Intensity (D)	Overall Electricity Consumption (A-B) / A	Energy Intensity (C-D) / C
Head office and Taozhu / Taichung / Chiayi / Tainan / Kaohsiung / HuaLien and Taitung / Penghu Offices	5,109,445	3,393	5,009,297	3,124	2.0%	7.9%
All district offices in Taiwan	7,332,052	2,060	7,095,372	1,856	3.2%	9.9%
Total	12,441,497	2,456	12,104,670	2,250	2.7%	8.6%

In 2015, China Life (excluding new establishments) saved 336,827 kWh in electricity, an equivalent of 175 tonnes of carbon emissions (estimated: 0.521 ton of CO₂e per thousands of kWh).

Water Consumption/Paper Consumption

In addition to our active measures to save energy, we have devised water saving plugs and adjusted water yield in our Taipei headquarters and all our branches around Taiwan to reduce the use of water.

In addition, our construction plan for Taipei Academy has included the application of a water saving facility, rain storing and recycling system, irrigation system for green space and other water saving facilities to reduce the impact on environment and enhance the efficiency resource utilization.

As a company in the finance industry, China Life has a need to print written insurance contracts and therefore has a higher consumption of paper. We have adopted many methods to reduce the use of new paper every year through the following ways:

- We promote double-sided or 2-in-1 printing in all our departments, and have reached 89% of our target goal. In terms of the removal of counter service, we have reach 114% of our target goal
- Our policyholders do not have to fill in a written application, but can change their contract through our online electronic system to save the use of paper documents. There were 150,815 insurance cases applied through our E-service in 2015, accounting for 22.91% of total applications, saving 301,630 pieces of paper and reducing carbon emissions by around 2,172 kg
- We have replaced written notification with electronic files. So far, 69 types of notification can be done through our electronic system. There were 1.5 million notifications sent in 2015, an increase of 7% compared with the previous year. We will continue to promote green services in 2016 and aim to save more than 1.6 million papers

Waste Management

There are 2 types of waste generated by China Life's operation, namely, general waste and recyclable waste. We have managed our waste through garbage classification, recycling and reduction, while contracting licensed waste disposal companies or public garbage trucks to transport the waste for incineration. In addition to our continuous management in waste at our Taipei headquarters, we have initiated disposal management in other branch offices (Tao Zhu, Taichung, Chiayi, Tainan, and Kaohsiung) in 2015. After calculation according to the operation space of the above-mentioned offices, we have recycled 56,976 kg of waste (the total waste generated is 142,334 kg), accounting for 30% of total waste.

Office Supplies and Equipment Procurement: Green Procurement

China Life actively cooperated with government policies and implemented the principle of green procurement (as established in 2014), and worked with local suppliers to reduce the impact daily procurement incurs on the environment and society. We currently implement green procurement in several progressive stages. In 2015, green procurement was implemented in office supplies and

equipment procurement, with a total of NT\$ 15.62 million. We will continue to include more items for environmentally friendly procurement and implement supplier management and purchase policies in 2016.

2. Supply Chain Management

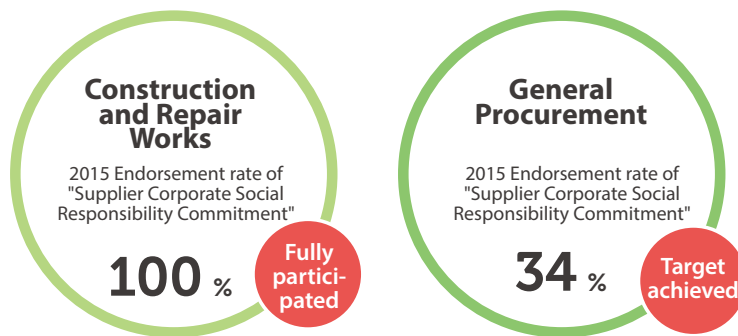
Since 2014, China Life has enhanced the management of corporate social responsibility of suppliers. On the other hand, we have also actively cooperated with various channels to combine our products and services. Through joint initiatives, we promote the concept of sustainable development of China Life, and with the communication with our suppliers, China Life hopes to direct the supply chain towards the path to sustainable development and make substantial contributions to society and the environment.

There is not much difference in terms of types of suppliers. The suppliers are classified into the following three categories.



Since 2015, China Life has officially included "Article of CSR Integrity and Ethics Management" in supplier contracts, demanding compliance from all our traders in terms of corporate social responsibility and the principle of ethical management including complying laws and regulations regarding environmental protection, working conditions, workplace safety and health measures and labor rights. If there are provisions regarding occupational safety and health regulations and other relevant laws, all suppliers must unconditionally comply with the safety, health, and environmental management rules made by China Life. In the tender notice and contract, we also explicitly include provisions prohibiting the use of materials containing toxic substances and involving dangerous risk factors posed on human body listed by the EPA. All material should comply with the environmental standards and should exhibit non-toxic properties. These measures help to ensure all contractors comply with environment and health regulations.

We promoted the endorsement of the "Suppliers Corporate Social Responsibility Commitment" in 2015. 100% of our contractors in construction and repair works have completed the endorsement. In addition, we have completed endorsements with 34% of our general procurement contracted suppliers, which exceeded our original target (20%) for 2015. In 2016, we aim to gradually reach 45%.



We have always regarded our suppliers as partners. In order to ensure stability in our supply chain, long-term partnership, and production localization, 99% of our suppliers are based in Taiwan.

Construction and Repair Works

In terms of our selection of suppliers in construction and repair works, to ensure the quality and safety of the work, at least 10% of our qualified contractors are replaced each year. In 2015, we selected 15 contractors among all the qualified 84 contractors to be replaced and applied for another 21 new qualified ones. We expect to increase our number of contractors in construction and repair works to 90 in 2016. All of our qualified contractors must endorse "Contractors Safety and Sanitation Policy", "Contractors comply with the safety sanitation and environmental management commitment", "Safety and sanitation notice for contractors" and "Contractors penalties for violation of safety sanitation and environmental management commitment" to demonstrate their determination to protect laborers. In 2016, we will continue to promote the "Supplier Social Responsibility Commitment" to work with the contractors toward a better living environment.



Appendix

GRI G4 Indicator Comparative Table

General Standard Disclosures

Indicator	Description	Corresponding Chapter or Remarks (Includes omitted description)	Page No.
Strategy and Analysis			
G4-1	Statements from the top levels of management	Letter from the Chairman	3-4
		Letter from the President	5-6
G4-2	Description of key impacts, risks and opportunities	[CH1] Rigorous Risk Management	46-52
Organizational Profile			
G4-3	Name of the Organization	[We Share, We Link] Company Profile and Vision	10
G4-4	Description of primary brand, products, and services	[We Share, We Link] Company Profile and Vision	10
		[CH1] Foreword	29
		[CH2] Customer-oriented Quality of Service	56-58
G4-5	Location of headquarters	[We Share, We Link] Company Profile and Vision	10
G4-6	Number of countries in which we operate and the names of those countries	[We Share, We Link] Company Profile and Vision	10
G4-7	Nature of ownership and legal form	[We Share, We Link] Company Profile and Vision	10
G4-8	Markets served	[We Share, We Link] Company Profile and Vision	10
		[CH1] Foreword	29
G4-9	Scale of the organization, including total number of employees, the number of operating locations, net sales, total capitalization broken down in terms of debt and equity, and quantity of products or services provided	[We Share, We Link] Company Profile and Vision	10
		[CH1] Operation Performance	30-31
G4-10	Employment data	[CH3] Human Resources Policy	76-77
G4-11	Collective bargaining agreements	Our company has not established trade unions, hence there are no collective bargaining agreements	-
G4-12	Description of supply chain	[CH1] Corporate Governance	42
		[CH4] Environmental Friendliness	116-117
G4-13	Significant changes related to company scale, structure, ownership or supply chain during the reporting period	No major changes	-
G4-14	Description of the company's precautionary approach or principles	[CH1] Rigorous Risk Management	44-45

Indicator	Description	Corresponding Chapter or Remarks (Includes omitted description)	Page No.
G4-15	List of externally developed economic, environmental and social charters, principles, or other initiatives to which the company endorses	China Life has not endorsed any externally developed economic, environmental and social charters, principles, or other initiatives	-
G4-16	List of memberships for associations (such as industry associations) and national or international advocacy organizations	[CH1] Corporate Governance	40
Identified Material Aspects and Boundaries			
G4-17	Scope of financial report	China Life does not share financial statements with any entity	-
G4-18	Process for defining report content and aspect boundaries	[We Share, We Link] CSR Issue Management	11
G4-19	List of material aspects	[We Share, We Link] CSR Issue Management	12-14
G4-20	Internal boundaries of material issues	[We Share, We Link] CSR Issue Management	12-14
G4-21	External boundaries of material issues	[We Share, We Link] CSR Issue Management	12-14
G4-22	Effects of any restatements of information provided in previous reports, and the reasons for such restatements	No cases of restatements	-
G4-23	Significant changes in scope from previous reporting periods	No significant changes	-
Stakeholder Engagement			
G4-24	List of stakeholders	[We Share, We Link] Stakeholder Engagement	15-19
G4-25	Basis for stakeholder identification and selection	[We Share, We Link] Stakeholder Engagement	15-19
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	[We Share, We Link] Stakeholder Engagement	15-19
G4-27	Description of key issues and concerns that have been raised through stakeholder engagement, and how the company has responded to those key issues and concerns	[We Share, We Link] Stakeholder Engagement	15-19
Report Profile			
G4-28	Reporting period	About this Report	7
G4-29	Date of most recent previous report	About this Report	7
G4-30	Reporting cycle	About this Report	7
G4-31	Contact point for questions regarding the report or its contents	About this Report	7

Indicator	Description	Corresponding Chapter or Remarks (Includes omitted description)	Page No.
G4-32	GRI content index	About this Report	7
G4-33	The company's policy and current practice with regard to seeking external assurance for the report	About this Report	7
Governance			
G4-34	Description of governance structure, including committees of the highest governance body. Identification of any committees responsible for decision-making on economic, environmental and social impacts.	[CH1] Corporate Governance	32-34 41-42
G4-38	Composition of the highest governance body and its committees	[CH1] Corporate Governance	32-34
G4-39	Report on whether the Chair of the highest governance body is also an executive officer	[CH1] Corporate Governance	33
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social issues	[CH1] Corporate Governance	41-42
G4-48	Highest committee or position that formally reviews and approves the company's sustainability report and ensures that all major considerations are covered	[CH1] Corporate Governance	41
Ethics and Integrity			
G4-56	Description of the company's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	[CH1] Corporate Governance	36-39 42-43

Specific Standard Disclosures

Material Aspect	Indicator	Description	Corresponding Chapter or Remarks	Page No.
Economic Performance	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-EC1	Direct economic value generated and distributed	[CH1] Operation Performance	30-31
	G4-EC2	Financial implications and other risks and opportunities posed by climate change	[CH1] Rigorous Risk Management	51-52
	G4-EC3	Benefit plan obligations	[CH3] Friendly Workplace	90-91
Market Presence	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-EC5	Ratio of standard entry level wage by gender compared to local minimum wage at significant locations of operation	[CH3] Friendly Workplace	88-89
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	[CH3] Human Resources Policy	77-78

 Economy


Material Aspect	Indicator	Description	Corresponding Chapter or Remarks	Page No.
Indirect Economic Impacts	DMA		[We Share, We Link] CSR Issue Management	15-19
	EC8	Significant indirect economic impacts, including the extent of impacts	[CH4] Social Service and Participation	100
Energy	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-EN3	Energy consumption within the organization	[CH4] Environmental Friendliness	114
	G4-EN5	Energy intensity	[CH4] Environmental Friendliness	114
	G4-EN6	Reduction of energy consumption	[CH4] Environmental Friendliness	114
Emissions	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-EN15	Direct greenhouse gas emissions (Scope 1)	[CH4] Environmental Friendliness	113
	G4-EN16	Indirect greenhouse gas emissions (Scope 2)	[CH4] Environmental Friendliness	113
Effluent and Waste	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-EN23	Total weight of waste by type and disposal method	[CH4] Environmental Friendliness	115
Products and Services	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-EN27	Extent of environmental impact mitigation of products and services	[CH4] Environmental Friendliness	114-115
Compliance	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-EN29	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	* China Life had no cases of non-compliance with environmental laws this year	-
Supplier Environmental Assessment	DMA		[CH4] Environmental Friendliness	116-117
	G4-EN33	Significant actual or potential negative environmental impacts addressed in the supply chain as well as actions taken	[CH4] Environmental Friendliness	116-117

 Economy  Environment

Material Aspect	Indicator	Description	Corresponding Chapter or Remarks	Page No.
Employment	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-LA1	Total number and rates of new employees hires and employee turnover by age group, gender and region	[CH3] Human Resources Policy	79-80
	G4-LA2	Benefits provided only to full-time employees, by significant locations of operation	[CH3] Friendly Workplace	90
	G4-LA3	Reinstatement and retention rates after parental leave, by gender	[CH3] Friendly Workplace	91
Labor / Management Relations	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	[We Share, We Link] Stakeholder Communication	21
Occupational Health and Safety	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	[CH3] Human Resources Policy	92
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	[CH3] Friendly Workplace	93
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	China Life does not have any occupational activities involving a high incidence or high risk of disease	-
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	China Life has not established trade unions, hence there are no relevant agreements	-
Training and Education	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	[CH3] Human Resources Policy	81-83
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employee and assist them in managing career endings	[CH3] Human Resources Policy	81-83
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	[CH3] Human Resources Policy	83-84
Employee Diversity and Equal Opportunity	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	[CH3] Human Resources Policy [CH3] Friendly Workplace	77-79 94

Material Aspect	Indicator	Description	Corresponding Chapter or Remarks	Page No.
Gender Pay Equality	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	[CH3] Human Resources Policy	88-89
Supplier Assessment for Labor Practices	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-LA15	Significant actual or potential negative impacts on labor practices in the supply chain and actions taken	[CH4] Environmental Friendliness	116-117
Labour Practices Complaint System	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	[CH3] Friendly Workplace	95-96
Investment	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	[CH3] Friendly Workplace	94
Non-Discrimination	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-HR3	Total number of incidents of discrimination and corrective actions taken by the company	[CH3] Friendly Workplace	94-95
Child Labour	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	[CH3] Friendly Workplace	94-95
Forced and Compulsory Labor	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	[CH3] Friendly Workplace [CH4] Environmental Friendliness	94-95 116-117
Supplier Human Rights Assessment	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	[CH4] Environmental Friendliness	116-117

 Labor Practices and Decent Work

 Human Rights

Material Aspect	Indicator	Description	Corresponding Chapter or Remarks	Page No.
Local Communities	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	[CH4] Social Service and Participation	100-103
	G4-SO2	Operations with significant actual or potential negative impacts on local communities	[CH4] Social Service and Participation	100-110
	FS14	Initiatives to improve financial services for disadvantaged groups	[CH2] Customer-oriented Quality of Service	56-61
Anti-corruption	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-SO4	Communication and training on anti-corruption policies and procedures	[CH1] Corporate Governance	36-38
	G4-SO5	Confirmed incidents of corruptions and actions taken	* China Life had no cases of corruption this year	-
Public Policy	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-SO6	Total value of political contributions by country and recipient/beneficiary	* China Life did not provide any form of political donation	-
Compliance	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	[CH1] Corporate Governance	38-39
Product and Service Labeling	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome	[CH1] Corporate Governance	39
	G4-PR5	Results of Customer Satisfaction Survey	[CH2] Customer-oriented Quality of Service	64

 Society  Product Responsibility

Material Aspect	Indicator	Description	Corresponding Chapter or Remarks	Page No.
Marketing Communication	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-PR6	Sale of banned or controversial products	* China Life has not sold any banned or controversial products	-
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcome	* China Life had no cases of corruption this year	-
Customer Privacy	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and loss of customer data	* China Life was not involved in any violation of customer privacy or data leakage this year	-
Compliance	DMA		[We Share, We Link] CSR Issue Management	15-19
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	[CH1] Corporate Governance	39
Product Portfolio	DMA		[We Share, We Link] CSR Issue Management	15-19
	FS6	Percentage of the portfolio for business lines by specific region, size, and by sector	[CH1] Operation Performance	30-31
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	[CH2] Customer-oriented Quality of Service	56-61
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	* China Life is part of the life insurance industry, hence its products and services have little relevancy to environmental protection	-
Audit	DMA		[We Share, We Link] CSR Issue Management	15-19
Active ownership	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	* China Life currently selects investment targets based on evaluations made by investment-related departments, and hence does not communicate directly with investment targets	-
	FS11	Percentage of assets subject to positive and negative environmental or social screening	* China Life currently selects investment targets based on evaluations made by investment-related departments, and does not have statistics on the proportion of assets in positive or negative environmental / social principles	-

The United Nations Global Compact (UN Global Compact) Comparative Table

Classification	Main Issues	Corresponding Chapter / Description
Human Rights	Businesses should support and respect internationally recognized human rights	CH3 Professional - Talent Cultivation: Friendly Workplace
	Make sure that they are not complicit in human rights abuses	CH1 Integrity - The Core of Sustainability: Corporate Governance CH4 Responsibility - Social Prosperity: Environmental Friendliness
Labor Standards	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	CH3 Professional - Talent Cultivation: Friendly Workplace
	The elimination of all forms of forced and compulsory labor	CH3 Professional - Talent Cultivation: Friendly Workplace
	The effective abolition of child labor	CH3 Professional - Talent Cultivation: Friendly Workplace
	The elimination of discrimination in respect of employment and occupation	CH3 Professional - Talent Cultivation: Friendly Workplace
Environment	Businesses should support a precautionary approach to environmental challenges	CH1 Integrity - The Core of Sustainability: Rigorous Risk Management CH4 Responsibility - Social Prosperity: Environmental Friendliness
	Undertake initiatives to promote greater environmental responsibility practices	CH4 Responsibility - Social Prosperity: Environmental Friendliness
	Encourage the development and diffusion of environmentally friendly technologies	CH4 Responsibility - Social Prosperity: Environmental Friendliness
Anti-corruption	Businesses should work against all forms of corruption, including extortion and bribery	CH1 Integrity - The Core of Sustainability: Corporate Governance

Social Responsibility Guidance Standard (ISO26000) Comparative Table

Classification	Main Issues	Corresponding Chapter / Description
Organizational Governance	Make decisions and implement a systematic corporate social responsibility philosophy when carrying out an objective	CH1 Integrity - The Core of Sustainability: Corporate Governance
Human Rights	Due Diligence	CH3 Professional - Talent Cultivation: Friendly Workplace
	Human right risks situations	CH3 Professional - Talent Cultivation: Friendly Workplace
	Avoidance of complicity	CH1 Integrity - The Core of Sustainability: Corporate Governance
	Resolving grievances	CH3 Professional - Talent Cultivation: Friendly Workplace
	Discrimination and vulnerable groups	CH3 Professional - Talent Cultivation: Friendly Workplace
	Civil and Political rights	CH3 Professional - Talent Cultivation: Friendly Workplace
	Economic, social and cultural rights	CH3 Professional - Talent Cultivation: Friendly Workplace
	Fundamental principles and rights at work	CH3 Professional - Talent Cultivation: Friendly Workplace
Labor Practices	Employment and employment relationships	CH3 Professional - Talent Cultivation: Human Resources Policy
	Conditions of work and social protection	CH3 Professional - Talent Cultivation: Friendly Workplace
	Social dialogue	CH4 Responsibility - Social Prosperity: Social Service and Participation
	Health and safety at work	CH3 Professional - Talent Cultivation: Friendly Workplace
	Human development and training in the workplace	CH3 Professional - Talent Cultivation: Human Resources Policy
Environment	Prevention of Pollution	CH4 Responsibility - Social Prosperity: Environmental Friendliness
	Sustainable resource use	CH4 Responsibility - Social Prosperity: Environmental Friendliness
	Climate change mitigation and adaptation	CH1 Integrity - The Core of Sustainability: Rigorous Risk Management
	Protection of the environment, biodiversity and restoration of natural habitats	CH4 Responsibility - Social Prosperity: Environmentally Friendly

Classification	Main Issues	Corresponding Chapter / Description
Fair operating Practices	Anti-corruption	CH1 Integrity - The Core of Sustainability: Corporate Governance
	Responsible political involvement	CH1 Integrity - The Core of Sustainability: Corporate Governance
	Fair competition	CH1 Integrity - The Core of Sustainability: Corporate Governance
	Promote social responsibility in the value chain	CH1 Integrity - The Core of Sustainability: Corporate Governance
	Respect for property rights	* Not very applicable to the life insurance industry
Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices	CH2 Care - Our Commitment to Outstanding Customer Service: Customer-oriented Quality of Service
	Protecting consumers' health and safety	CH2 Care - Our Commitment to Outstanding Customer Service: Customer-oriented Quality of Service
	Sustainable consumption	CH2 Care - Our Commitment to Outstanding Customer Service: Customer-oriented Quality of Service
	Consumer service, support, and complaints and dispute resolution	CH2 Care - Our Commitment to Outstanding Customer Service: Customer-oriented Quality of Service
	Consumer data protection and privacy	CH2 Care - Our Commitment to Outstanding Customer Service: Information Security Control
	Access to essential services	CH2 Care - Our Commitment to Outstanding Customer Service: Customer-oriented Quality of Service
	Education and awareness	CH4 Responsibility - Social Prosperity: Social Service and Participation
Community Participation and Development	Community involvement	CH4 Responsibility - Social Prosperity: Community Services and Participation
	Employment creation and skills development	CH3 Professional - Talent Cultivation: Human Resources Policy
	Technology development and access	* Not very applicable to the life insurance industry
	Wealth and income creation	CH2 Care - Our Commitment to Outstanding Customer Service: Customer-oriented Quality of Service
	Education and culture	CH4 Responsibility - Social Prosperity: Social Service and Participation
	Health	CH4 Responsibility - Social Prosperity: Social Service and Participation
	Social investment	CH4 Responsibility - Social Prosperity: Social Service and Participation

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies Comparative Table

Chapter		Corresponding Chapter / Description
Chapter 01	General Principles	CH1 Integrity - The Core of Sustainable Development: Corporate Governance
Chapter 02	Exercising corporate governance	CH1 Integrity - The Core of Sustainable Development: Corporate Governance
Chapter 03	Fostering sustainable environment	CH4 Responsibility - Social Prosperity: Environmentally Friendly
Chapter 04	Preserving Public Welfare	CH4 Responsibility - Social Prosperity: Social Service and Participation
Chapter 05	Enhancing disclosure of corporate social responsibility information	CH1 Integrity - The Core of Sustainable Development: Corporate Governance
Chapter 06	Supplementary Provisions	CH1 Integrity - The Core of Sustainable Development: Corporate Governance

獨立保證意見聲明書

中國人壽保險股份有限公司 2015 年企業社會責任報告書

英國標準協會與中國人壽保險股份有限公司(簡稱中國人壽)為相互獨立的公司，英國標準協會除了針對中國人壽 2015 年企業社會責任報告書進行評估和查證外，與中國人壽並無任何財務上的關係。

本獨立保證意見聲明書僅作為對下列中國人壽企業社會責任報告書中所界定範圍內的相關事項進行查證之結論，而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外，對於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人，英國標準協會並不負有或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查中國人壽提供之相關資訊所作成之結論，因此審查範圍乃基於並侷限在這些提供的資訊內容之內，英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，將交由中國人壽一併回覆。

查證範圍

中國人壽與英國標準協會協議的查證範圍包括：

1. 整份報告書內容中有關 2015 年中國人壽總部及其 9 間分公司在臺灣之相關營運系統與活動。
2. 依照 AA1000 保證標準(2008)的第 1 應用類型評估中國人壽遵循 AA1000 當責性原則標準的本質和程度，不包括對於報告書揭露的資訊/數據之可信賴度的查證。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結中國人壽企業社會責任報告書內容，對於中國人壽的相關運作與績效則提供了一個公平的觀點。我們相信有關中國人壽 2015 年的經濟、社會及環境等績效指標是被正確無誤地呈現。基於保證範圍限制事項、中國人壽所提供資訊與數據以及抽樣之測試，此報告書並無重大的不實陳述。我們相信有關中國人壽 2015 年度的經濟、社會及環境等績效指標是被正確無誤地呈現。報告書所揭露的績效指標展現了中國人壽對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準(2008)查證能力之團隊執行，以及策劃和執行這部分的工作，以獲得必要的訊息資料及說明。我們認為就中國人壽所提供的足夠證據，表明其依循 AA1000 保證標準(2008)的報告方法和自我聲明依循全球永續性報告 G4 版指南核心選項係屬公允的。

查證方法

為了收集與作成結論有關的證據，我們執行了以下工作：

- 對來自外部團體的議題相關於中國人壽政策進行審查，以確認本報告書中聲明書的合適性
- 與中國人壽管理者討論有關利害關係人參與的方式，然而，我們並無直接接觸外部利害關係人
- 訪談 30 位與永續性管理、報告書編製及資訊提供有關的員工
- 審查有關組織的關鍵性發展
- 審查內部稽核的發現
- 審查報告書中所作宣告的支持性證據
- 針對公司報告書及其描述有關 AA1000 保證標準(2008)之包容性、重大性及回應性原則的流程管理進行審查

結論

針對包容性、重大性及回應性之 AA1000 當責性原則與全球永續性報告 G4 版指南的詳細審查結果如下：

包容性

2015 年度報告書反映出中國人壽持續尋求利害關係人的參與，以發展及達成對企業社會責任具有責任且策略性的回應。報告書已公正地報告與揭露經濟、社會和環境的訊息，足以支持適當的計畫與目標設定。以我們的專業意見而言，這份報告書涵蓋中國人壽的包容性議題。

重大性

中國人壽已於公司層級建立程序，依據對公司永續發展的影響程度與建立的準則，對各部門所鑑別出來的相關事項，建立執行的優先順序。因此，重大性永續議題已完整分析並揭露永續經營相關資訊，使利害關係人得以對公司的管理與績效進行判斷。以我們的專業意見而言，這份報告書涵蓋了中國人壽的重大性議題。

回應性

中國人壽執行來自利害關係人的期待與看法之回應。中國人壽已發展相關道德政策，作為提供進一步回應利害關係人的機會。以我們的專業意見而言，這份報告書適切地涵蓋了中國人壽的回應性議題。

全球永續性報告指南

中國人壽提供有關依循全球永續性報告 G4 版指南的自我宣告，與相當於“核心選項”(揭露每項重大考量面有關的至少一個績效指標)的相關資料。基於審查的結果，我們確認報告書中參照 GRI 的社會責任與永續發展的績效指標已被報告、部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了中國人壽的社會性與永續性議題。

保證等級

依據 AA1000 保證標準(2008)我們審查本聲明書為中度保證等級，如同本聲明書中所描述的範圍與方法。

責任

這份企業社會責任報告書所屬責任，如同責任信中所宣稱，為中國人壽負責人所有。我們的責任為基於所描述的範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於 1901 年成立，為全球標準與驗證的領導者。本查證團隊係由具工程背景，且接受過如 AA1000AS、ISO14001、OHSAS18001、ISO14064 及 ISO9001 之一系列永續性、環境及社會等管理標準的訓練，具有主導稽核員與碳足跡查證員資格之成員組成。本保證係依據 BSI 公平交易準則執行。

For and on behalf of BSI:



Peter Pu
Managing Director BSI Taiwan
23 May, 2016



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