



Corporate Social Responsibility Report

2017

China Life

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Letter from Management

Sustainable development is a major global issue and an important objective of businesses worldwide. The pursuit of sustainable development requires a foundation of outstanding corporate governance backed by stable operations and a commitment to corporate social responsibility (CSR), leading to social approval and support. In the new Corporate Governance Roadmap (2018 – 2020), the Financial Supervisory Commission lays out guidelines for strengthening corporate governance over the next three years to bring local companies in line with international standards. Recognizing the importance of corporate governance to sustainable development, China Life continues to strengthen corporate governance while enhancing risk management as well as business integrity and ethics. Impressive achievements, such as ranking in the top 5% of listed companies for the Corporate Governance Evaluation Award and being awarded the highest grade in the Taiwan Corporate Governance Association’s CG6010 (2015) Corporate Governance System Review, demonstrate our strong foundation for sustainable development and our commitment to ongoing improvement. Since becoming a subsidiary of China Development Financial Holding Corporation in September 2017, we have remained a life insurance company that society and stakeholders trust.

Since our establishment 55 years ago, China Life has always adhered to the core belief that people are central to the life insurance industry. We have never wavered from our original goals of social care and giving back to society. As we grew with Taiwan, we shared the fruits of our sustainable values. After the United Nations (UN) released its 17 Sustainable Development Goals (SDGs), Germany’s Federal Ministry for Economic Cooperation and Development directed the insurance industry to use its core capacities to prioritize several key goals, including “No Poverty,” “Good Health and Well-Being,” “Gender Equality,” “Decent Work and Economic Growth,” and “Climate Action.” China Life responded with mid- and long-term operational strategies and plans as well as short-term actions that utilize environmental, social, and governance (ESG) tools. To achieve inclusive financing, we promote microinsurance and small-amount life insurance. In response to Taiwan becoming an aged society, we offer diverse products and services that provide comprehensive medical risk prevention and protection mechanisms while strengthening related concepts. We value rural education and helping all children reach their full potential, which is why we commit corporate resources to improving the study environment in rural areas. In response to the UN’s Principles for Responsible Investment, we undertake a rigorous analysis of all investments. We promote gender equality in the workplace, support small-scale farmers, and are constructing a new head office based on green building concepts. These are the sustainable values that China Life wants to share with Taiwan.

In fully embracing sustainability, China Life complies with the UN’s Principles for Sustainable Insurance. Going forward, we will continue improving corporate governance while upholding stable operations and sustainable development. A combination of future-oriented thinking and professional services will enable us to fulfill our role as a trusted risk manager and consultant. We deeply value our communication with policyholders, employees, shareholders, and other stakeholders. We ask that our clients, producers, and partners join in fulfilling our promise of sustainable operations. The positive contributions we make to society will establish China Life as a model of sustainable operations for others to follow.

China Life Chairman *Alan Wang*



About This Report

This is the 2017 Corporate Social Responsibility Report (hereinafter referred to as the “Report”) of China Life Insurance Company Limited (hereinafter referred to as “China Life” or the “Company.”)

Report Disclosure Period

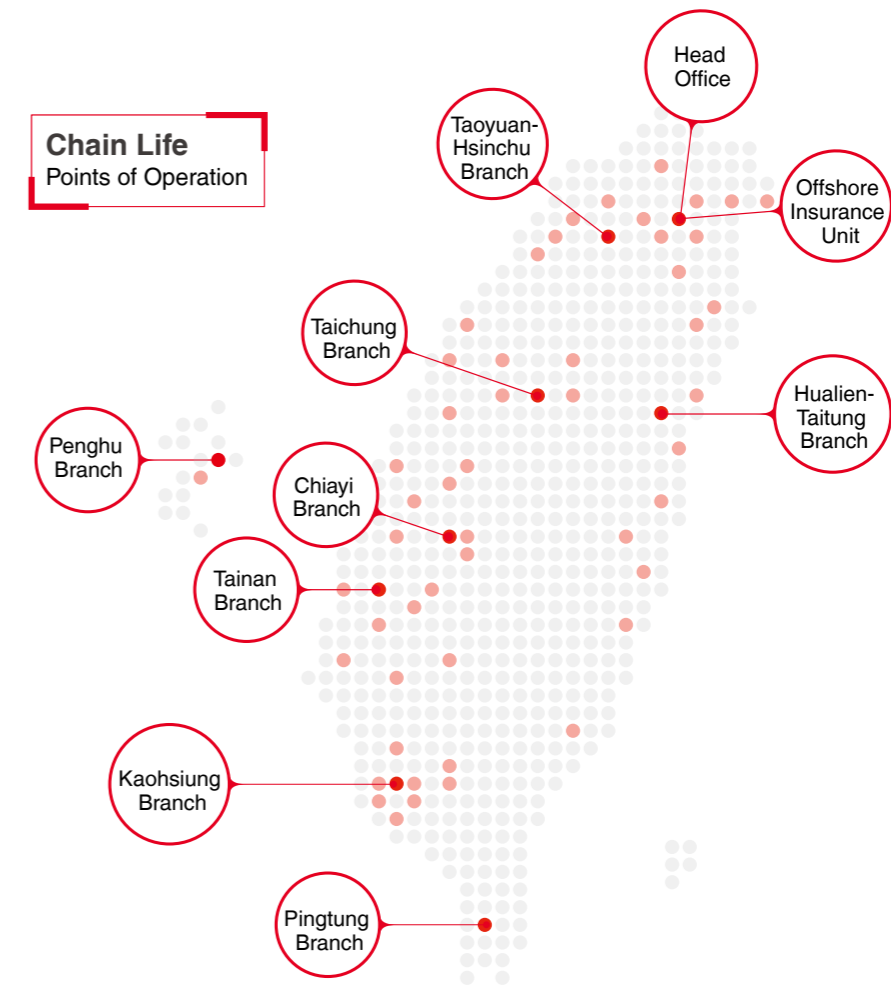
The Report reveals information relating to CSR and sustainable corporate development of China Life between January 1st, 2017, and December 31st, 2017. Due to the compiling of information and transparency, the content disclosed is not limited to 2017. The previous report was released in June 2017; the next report will be released in June 2019. Each year’s CSR report is available for download from the CSR section of our corporate website.



CSR section of our corporate website

Report Scope and Boundary

Information in the Report covers the China Life head office, all nine China Life branches in Taiwan, and all 149 China Life district offices. It covers China Life’s practical achievements related to CSR and corporate sustainable development, as well as future strategic planning.



Guidelines

The Report uses the core disclosure method contained in the GRI Sustainability Reporting Standards (GRI Standards), published by the Global Reporting Initiative (GRI), for related analysis, data collection, and drafting. It follows the Integrated Reporting framework of the International Integrated Reporting Council, the UN's SDGs, the Ten Principles of the UN Global Compact, social responsibility guidance under ISO 26000, "Corporate Social Responsibility Best Practice for TWSE/GTSE Listed Companies," the "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 to strengthen disclosure of sustainable practices.

Report Verification

The Report has been verified by an independent third party certification body, the British Standards Institution (BSI), in accordance with AA1000 international standards, and uses Type 1 moderate assurance level. It meets the AA1000 Accountability Principles Standards of materiality, inclusiveness, and responsiveness, as well as the core option of the GRI G4, and is guaranteed by the BSI. Verification details can be found in the appendix.

We pride ourselves on effective communication with stakeholders. If you have any comments or suggestions regarding the Report or China Life's CSR sustainability planning and practices, please contact us via any of the methods below and we will respond in a timely manner:

Public Relations Department, China Life Insurance Company

Address: 14th Floor, 122 Dunhua North Road, Songshan District, Taipei 105

Tel: 886-2-2719-6678, ext. 1053

Fax: 886-2-8770-7375

E-mail: pr@chinalife.com.tw



Getting to Know China Life

Since our establishment more than 50 years ago, China Life has been dedicated to "creating the greatest benefits and value for policyholders, shareholders, employees, and society in order to become the most reliable life insurance company in Taiwan." We have constantly sought to enhance corporate governance and internal controls. Through prudent risk management and steady operations, we have achieved sustainable development in all areas of ESG. In the future, we will continue to adhere to the core spirit of "We Share, We Link." By combining a forward-looking operational philosophy, strong financial solvency, strict corporate governance, and risk management mechanisms, we will cooperate with stakeholders to achieve shared value and sustained operations while serving as a benchmark for Taiwan's life insurance industry.

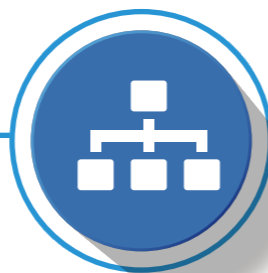
- 2017** China Development Financial Holding Corp. acquired a 34.99% stake in China Life. The two companies will fully cooperate in the future.
- 2016** Continued to promote financial technology applications. SGS certified that our core internal systems and e-commerce platforms meet ISO 27001:2013 information security management system requirements.
- 2015** Established the Committee of Business Integrity and Ethics to formulate and monitor related policies and preventive programs.
- 2014** Total assets in the first quarter of 2014 surpassed NT\$1 trillion, putting China Life in an elite echelon among domestic life insurers.
- 2013** Established a base site for the next 50 years by acquiring superficiary rights to Taipei Academy.
- 2010** Jointly invested in CCB Life with China Construction Bank. The strategic partnership was the first major cross-Taiwan Strait cooperative project between a bank and a life insurance company.
- 2009** Acquired the main Taiwan assets and business of PCA Life from Prudential UK.
- 2008** Emerged as the only large life insurance company in Taiwan that did not suffer from asset impairment losses during the global financial crisis.
- 2007** Acquired the Winterthur Life Taiwan branch from AXA.
- 1995** Listed on the Taiwan Stock Exchange (stock code: 2823).
- 1963** Established on April 25th as Overseas Life Insurance Corporation.

Official Name ▶	China Life Insurance Company Limited		
Headquarters Location ▶	5 th Floor, 122 Dunhua North Road, Songshan District, Taipei		
Year of Establishment ▶	1963		
Stock Listing ▶	Listed on the Taiwan Stock Exchange in 1995 (Stock Code: 2823)		
Equity Investment in Mainland China Insurance Company ▶	CCB Life Insurance Company Limited had 22 branches in mainland China and 157 sub-branches at the end of 2017		
Main Product Types ▶	Individual life insurance, annuity, universal insurance, medical insurance, long-term health care insurance, accident insurance, group insurance, travel insurance, microinsurance, and investment-linked products		
Main Market ▶	Taiwan		
Number and Distribution of Operating Channels ▶	Head office, nine branch offices, seven customer service centers, six agency development departments, and 149 district offices; for a detailed list of locations please refer to China Life's corporate website		
Number of Employees ▶	Office staff: 2,004; sales agents: 11,133		
Net Sales Revenue ▶	Operating revenue: NT\$255,328,334 thousand Premium income: NT\$206,439,794 thousand		
Total Assets ▶	Equity(A)	NT\$95,337,747 thousand	(A)+(B)=NT\$1,465,734,184 thousand
	Liabilities(B)	NT\$1,370,396,437 thousand	

① For more information, please refer to China Life's 2017 Annual Report (<https://www.chinalife.com.tw/wps/portal/chinalife/investor-relations/shareholder-service/shareholder-meeting>)

Key Sustainability Achievements in 2017

“We Share, We Link” represents not only a core value of China Life but also the essence of our sustainable operations. We use ESG to promote targets, strategies, and plans for achieving sustainable corporate development.



Ethical Management and a Robust Organizational Structure

- Our adherence to the **Principles for Sustainable Insurance** and **Principles for Responsible Investment** standards facilitates compliance with international norms.
- Women comprise **44%** of our Board of Directors, a relatively high percentage that fosters greater gender equality.
- We formed the **Committee of Business Integrity and Ethics**, a functional committee that strengthens oversight and management by the Board of Directors.
- We established a chief compliance officer and chief compliance department and designated oversight managers in operational departments to manage anti-money laundering and counter terrorist financing measures. They provide diverse, customized education and training, along with independent third-party audits to foster an anti-money laundering and counter terrorist financing culture.

Stable Operational Performance

- Premium income for the full year was a record **NT\$206.44 billion**. Net profit was **NT\$9.08 billion** and EPS was **NT\$2.4**.
- We were the only life insurance company in Taiwan to distribute a cash dividend for **five consecutive years**.
- In response to government policy, China Life invested **NT\$41.85 billion** in the “5+2 Major Innovative Industries.”

Core Functions and Social Participation

- We used the **London Benchmarking Group (LBG)** measurement framework ^① to manage and quantify social impact.
- We held **544** charitable activities and our volunteers contributed a record **28,859** hours of work.
- In the five years since the “Read Across 319 Townships” program started in 2013, the number of participants has grown to **4,600**.
- Charity fairs held regularly over the **past 10 years** promoted a virtuous cycle in society by supporting local farmers and disadvantaged groups.

Talent Development and a Secure Workplace

- Our employees had an average of **1.97** professional certificates, up **16.57%** compared to 2016.
- We distributed iPads as part of our 500 Dream Catchers Project to attract young, talented individuals to join our team.
- An inaugural parent-child volunteer activity helped staff to understand the needs of handicapped persons. Attendees gave the event a satisfaction rate of **4.8** out of 5.
- We expanded our onsite health care program to include prevention of ergonomic hazards, prevention of abnormal workload hazards, maternal health consultations, and health guidance. A total of 26 sessions took place in 2017, which was **six more** than in 2016.
- For a **second consecutive year**, we received Accredited Healthy Workplace badges for health activation and health promotion from the Ministry of Health and Welfare.

Diverse Products and Attentive Service

- The number of microinsurance beneficiaries rose to **16,306**. Government officials praised our progress toward inclusive financing.
- Spillover effects in the China Life GO Healthy health insurance plan encourage policyholders to develop healthy exercise habits.
- In 2017, more than **100,000** members used online services, an increase of **218%** compared to 2016.
- Scores of 4 or higher (out of 5) were recorded in **99.9%** of satisfaction surveys at general service counters and **100%** of satisfaction surveys at care counters.

Green Services and a Low Carbon Economy

- In 2017, our total green procurement was **NT\$14.70 million**, an increase of NT\$5.14 million compared to 2016.
- We have succeeded in getting **100%** of China Life’s general procurement partners and construction and repair contractors to sign the “Supplier Corporate Social Responsibility Guidelines.”
- We created a green workflow that has saved **3.485 million** sheets of paper, which is equivalent to **18,700 kg** of carbon emissions. ^②
- We emitted 3,376.419 tons of greenhouse gases. After excluding our expanded workplace and added equipment, total emissions were **97.211** tons lower than in 2016.

① The LBG measurement framework was created by the London Benchmarking Group. Quantification of the engagement, output, and influence of social participation projects is used to manage projects and demonstrate how enterprises benefit society.

② According to the Environmental Protection Administration’s Taiwan Product Carbon Footprint page, each sheet of Paper Star A4 80g copy paper requires about 0.0068 kg of carbon emissions to produce.



Ranked in the **top 5%** of listed companies for the Corporate Governance Evaluation Award **for the fourth consecutive year.**

Certified under **BS 10012:2017** Data Protection - Specification for a Personal Information Management System; among the first domestic life insurance companies to be certified under the new system.

The Taiwan Academy of Corporate Sustainability honored China Life with a Corporate Sustainability Report Award, a Social Inclusion Award (Finance and Insurance), and a Top 50 Corporate Sustainability Award. We were **the only company in the life insurance industry** to win all three honors.

Continued circulation of a special China Life video series thanking teachers for bringing hope to rural areas. The video series was used **for a second consecutive year** by the Ministry of Education for Teachers' Month and was also incorporated into the 2017 **"Better Taiwan"** National Day celebrations.

Continued to meet **ISO 27001** requirements by installing an information security management system.

Awarded a **silver medal** at the 7th Taiwan Insurance Excellent Performance Awards for promotion of microinsurance.

Continued implementation of **ISO 14064-1** Greenhouse Gas Accounting and Verification.

Ranked **seventh** among financial institutions on Commonwealth Magazine's 2017 ranking of the 2,000 largest companies in Taiwan by revenue.

Honored as part of the **social innovation product and service purchase award** program by the Ministry of Economic Affairs, in recognition of providing assistance to growing social enterprises.

Received an **award for sustainable practices** from the British Standards Institution.

Included on the Forbes Global 2,000 list of the world's largest public companies **for the fourth consecutive year.**

Honored for excellence in green procurement by a private enterprise or group for the **second consecutive year** by the Department of Environmental Protection, Taipei City Government.

Our head office development project became a candidate for a **Gold Class Green Building Label.**

Key Achievements in 2017

Sustainable Practices in Line with International Standards

China Life has long appreciated the importance of sustainable corporate development. We respond quickly to global sustainability trends to satisfy our diverse group of stakeholders. We take a forward-looking approach to the UN's Principles for Sustainable Insurance and Principles for Responsible Investment by incorporating ESG topics into strategic planning and management, which also strengthens sustainability-related opportunities and risk control. We use ESG practices in everything from product design, sales, and underwriting to investment management and after-sales service. These principles serve as the foundation of our decision-making process, helping us fully achieve sustainable corporate development.

Product Design

- Besides studying trends in domestic and foreign markets, we regularly assess our actuarial assumptions, including the investment return rate, mortality rate, morbidity rate, lapse rate, expense rate, and tax rate in order to develop innovative, diverse products that meet customer needs. In accordance with the "Regulations Governing Pre-sale Procedures for Insurance Products," every half-year we hold at least one policy management task force meeting to inspect policy aspects needed to uphold consumer rights.
- China Life designs products that reflect social trends and meet our customers' needs. Our social value products include microinsurance, small-amount life insurance, and policies that produce health spillover effects. These provide basic guarantees for disadvantaged groups and the general population while advancing the physical and mental health of the Taiwan population.

For more details click here [P.89-P.93](#)

Sales and Underwriting

- To make insurance policy planning convenient and fast for potential customers, we added customer variable inquiry and verification functionality to our policy planning system. The system considers items such as age and upper and lower policy amount limits. The information makes planning more accurate and accelerates the approval process.
- In order to strengthen the protection of personal information, we built an information security management system and established related policies. By passing ISO 27001 and BS 10012:2017 certification, we better meet the needs and expectations of stakeholders toward information security and personal information protection.

For more details click here [P.101-P.103](#)

Investment Management

- In response to the UN's Principles for Responsible Investment, China Life is cautious when selecting investment targets. Besides guaranteeing the rights and interests of shareholders and policyholders, our prudence allows us to fulfill social responsibilities and promote sustainable global development.
- We integrate CSR concepts into our investment policies and regularly investigate the CSR performance of our investment targets. Besides insisting that the companies we invest in act within the limits of the law, we cast votes at shareholders' meetings that demonstrate our commitment to ESG matters.

For more details click here [P.49-P.50](#)

After-Sales Service

- China Life provides a diverse range of services that take into account our policyholder needs. In response to ageing trends, we adjusted our services to meet the needs of older people and disadvantaged groups.
- Claims settlements, a key promise that we make to our policyholders, should be handled professionally, considerately, and efficiently. All claims staffs are required to pass a test and be certified by the Life Insurance Management Institute of the Republic of China. Sales agents and policyholders can access claims records online, and policyholders can request text messages informing them of the status and conclusion of their case. Notifications not only list payment items and amounts but also alert policyholders of important matters such as attached X-ray images and receipts. In the future, we plan to let sales agents use mobile devices to apply for claims, so we can further reduce the time needed to submit documents.

For more details click here [P.94-P.100](#)

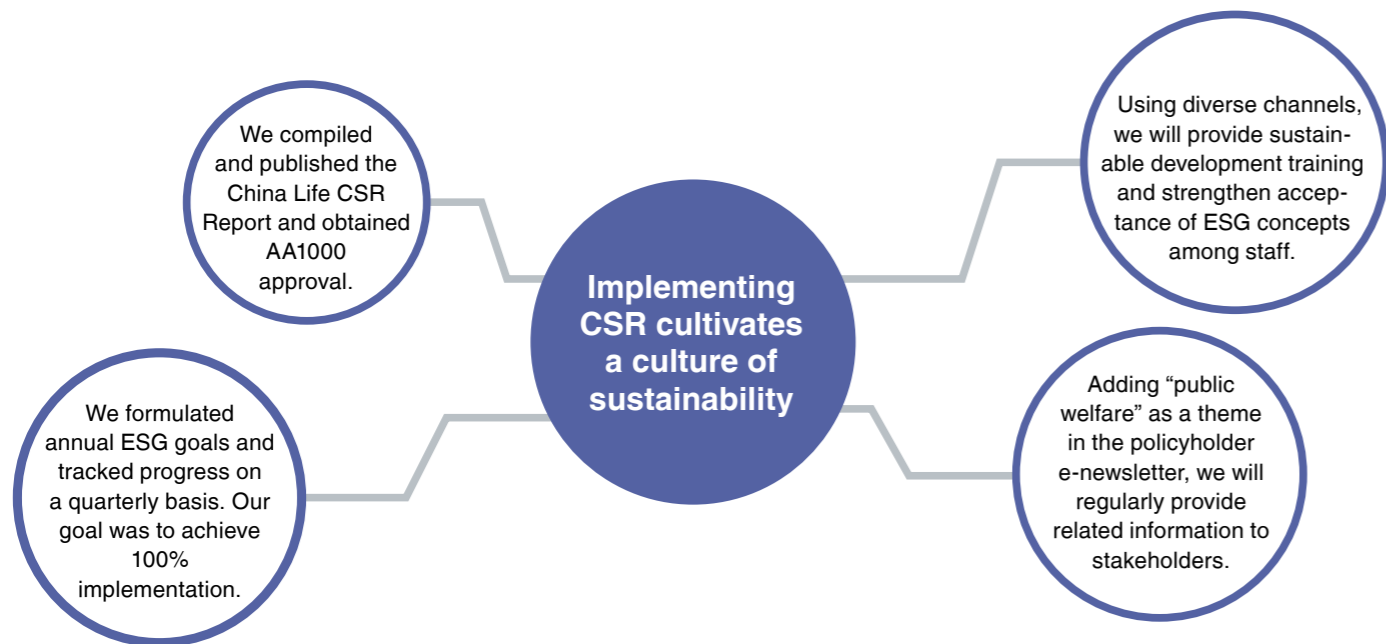


CHAPTER 1

Confidence – Sustainable Development Strategies

China Life established the CSR Committee and adopted the UN's Sustainable Development Goals (SDG) to create a corporate sustainable development blueprint featuring sustainable development strategies and goals. We set annual ESG goals, track execution to ensure progress, and then publish the results in annual CSR reports to share our achievements with stakeholders.





Believing in the Power of Sustainability

Sustainability Forges Ahead

China Life established the CSR Committee in 2014 to both fulfill our social responsibilities and to achieve our ESG sustainability goals. Guided by domestic and international sustainability trends, the committee's forward-looking strategies promote ESG and corporate sustainable development.

CSR Committee rules require that a Company vice chairperson serve as the committee chairperson. The committee should also include one vice chairperson, three regular members, and one executive secretary. Eighty percent of committee members must be China Life directors. The committee structure is closely aligned with the Company's management and governance, and the committee reports annually to the Board of Directors to ensure effectiveness.

CSR Committee Organizational Structure and Duties



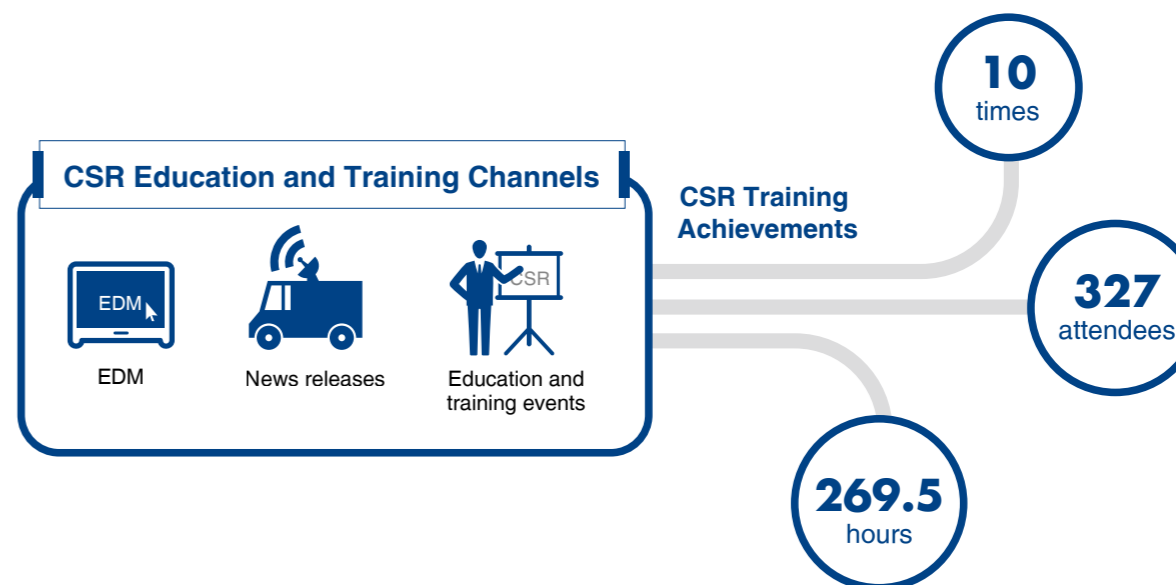
Advancement of China Life's CSR Committee



The CSR Committee drafts the content and framework of China Life's annual CSR Report, while the Public Relations Department handles compilation, editing, review, and submission. The Taiwan Academy of Corporate Sustainability recognized our achievements by presenting China Life with a Corporate Sustainability Report Award in 2016 and 2017, as well as a Top 50 Corporate Sustainability Award and a Social Inclusion Award (Finance and Insurance) in 2017. China Life was the only life insurance company to win all three honors.

China Life CSR Education and Training Plan

China Life operates several programs that help employees understand CSR and internalize corporate sustainability concepts. We send new information via electronic direct mail. We offer classroom-based courses that strengthen knowledge of CSR and related trends. Lessons include general education and training for new employees as well as special topics taught by external consultants. By helping employees understand domestic and international trends relating to CSR and sustainable development, we ensure that our practices adhere to international norms.



Developing Sustainable Values

Opportunities and Challenges

Global regulations and trends are advancing quickly. Digital technology progresses daily, demographics are changing, and climate change is becoming increasingly manifest. This environment brings enterprises many opportunities and challenges. China Life closely watches the external environment to identify risks and opportunities. By managing risk early, we better take advantage of opportunities. The competence we gain for sustainable development serves as a valuable reference for improving internal management and moreover allows us to provide comprehensive information and services to external stakeholders.



Corporate Governance

Opportunities and Challenges in the External Environment

- Legal enforcement and regulator policies
- Government promotion of insurance policies with spillover effects
- Making premiums for insurance products sufficient, reasonable, and fair

China Life's Responses

- China Life ensures that product development and business operations comply with regulator requirements. We promote products linked to government policy, such as small-amount life insurance, which provides basic coverage upon death. To encourage new plans that safeguard policyholders, the government is easing restrictions on the policy reserve rate of new contracts for protection products. China Life will consider policyholder needs, market conditions, and government policy while developing and promoting related products.
- In response to government policies, we offer health insurance products with positive spillover effects. These not only provide compensation for diseases suffered but also promote preventive mechanisms. Premium reductions or pay-backs encourage policyholders to cultivate good exercise habits that reduce the loss ratio for insurers and lead to a win-win situation. In 2018, we will continue to develop new insurance products that encourage our policyholders to live healthier lives and cultivate positive lifestyle habits.
- Besides complying with government regulations that ensure reasonable expense rates and avoiding loading loss problems, we regularly examine policyholder experiences to better manage prices and after-sales services.

Opportunities and Challenges in the External Environment

- Addition and revision of laws to counter money laundering and terrorist financing; increased regulator oversight
- International efforts to counter money laundering and terrorist financing

China Life's Responses

- In response to changes in laws and regulations, we leverage our internal database and external information sources to monitor suspicious transactions according to established parameters and monetary value thresholds to enhance auxiliary supervision.
- We established a chief compliance officer and chief compliance department and designated oversight managers in operational departments to oversee anti-money laundering and counter terrorist financing measures. Key staff members are Certified Anti-Money Laundering Specialists (CAMS).
- At the request of regulators, we had an independent third party assess our mechanisms for countering money laundering and terrorist financing.
- We held diverse, customized anti-money laundering and counter terrorist financing education and training programs to implement an appropriate culture and risk awareness from the top to the bottom of the Company. We continue to monitor domestic and international developments to further improve management.

Social

Opportunities and Challenges in the External Environment

- Increasing the number of mobile service users
- Market expansion and industry competitiveness
- Announcement of Stage 5 revisions to e-commerce directions

China Life's Responses

- We created a new website for online insurance purchases that uses responsive web design and offers a better browsing experience suited to a variety of devices, including computers, phones, and tablet computers.
- We sought opportunities to partner with other finance and insurance operators, including banks and insurance brokers. Our plan is to expand our online insurance services by adding more cooperative arrangements.
- Following revisions to e-commerce regulations, we plan to increase insured amounts for travel insurance to provide greater safety guarantees to online customers. We also began to develop small-amount life insurance to improve insurance safeguards.

Opportunities and Challenges in the External Environment

- Demographic changes
- Lower birth rate
- Ageing population
- Aged society
- Increased elderly care needs
- Increased health awareness

China Life's Responses

- In response to an ageing population, we introduced new products for specific diseases and disabilities. Besides strengthening long-term care for patients afflicted by incapacitation, dementia, and other physical or mental problems, these products prevent economic hardship due to sickness in old age and help policyholders maintain their quality of life.
- Research shows that many diseases are a consequence of poor long-term habits. China Life therefore introduced innovative self-health management tools as a way to expand the function and value of insurance products. By encouraging regular exercise and walking, we motivate policyholders to lead a healthy lifestyle.

Opportunities and Challenges in the External Environment

- An urban-rural development gap has led to a high percentage of children in rural areas who are economically disadvantaged or lack resources; more children are being raised by their grandparents, suffer household imbalances, lack cultural integration, and are deprived of daily necessities

China Life's Responses

- The Read Across 319 Townships program aids children by injecting corporate resources into rural schools. The program increases student confidence while raising education standards and narrowing the urban-rural development gap.
- Agricultural products produced by local farmers who are conscientious stewards of the land are provided to rural schools and orphanages as part of our Food Safety – Green Academy program.
- We donated secondhand computers to schools in rural areas and assisted with the installation process. The equipment has a new life as a valuable classroom tool and information source.
- As part of the Socially Minded Young CEO plan, we sponsored visits to rural communities by university and college students to conduct food safety education and environmental protection activities.

Environmental

Opportunities and Challenges in the External Environment

- Climate change
- Increased frequency and strength of natural disasters
- Global warming
- Rising temperatures
- More communicable diseases
- Drought and bitter cold

China Life's Responses

- Our advocacy of mobile insurance policy purchases, e-notices, e-policies, and other green and digital services has saved 3.485 million sheets of paper.
- We raised awareness of environmental topics among employees to promote energy saving and carbon reduction efforts.
- We implemented ISO 14064-1 greenhouse gas accounting.
- We promoted a wide range of energy saving, water conservation, and recycling projects. Our new head office, which is a candidate to obtain the Gold Class Green Building Label, is a symbol of our commitment to reducing the environmental impact of our operations.
- Promotional videos that were part of our Eat Well campaign encouraged people to eat local seasonal foods so they can enjoy fresher, more nutritious foods. We urged consumers to cut back on processed foods and packaged items, as well as products that travel a long distance to reach your plate and in the process contribute greenhouse gases to the environment. These changes promote healthy eating and a healthier environment for all.
- Charity fairs promote group purchases of products from local farmers who are conscientious stewards of the land. These channels help the farmers earn a stable income while practicing responsible agriculture.

Opportunities and Challenges in the External Environment

- Environmental protection
- Green consumer trends
- Green procurement

China Life's Responses

- In response to the government's advocacy of green procurement, we prioritized the purchase of certified-green products. In 2017, our green procurement totaled NT\$14.70 million.

Sustainable Development Strategies

"We Share, We Link" is a core value of China Life and the spirit behind our sustainable development. We have always believed that CSR requires combining professional capacity and resources to make a positive impact on society. Our vision is to "create the greatest benefits and value for policyholders, shareholders, employees, and society to become the most reliable insurance company in Taiwan." We aim to create comprehensive corporate governance and risk management mechanisms to minimize operational risk. The CSR Committee responds to the concerns of key stakeholders as it uses ESG perspectives to foster sustainable development values. Together, these efforts fulfill the promise of sustainable operations.

The life insurance industry has its finger on the pulse of society. Whether it is the ageing population, the widening wealth gap, or climate change, we know that anything affecting the environment, society as a whole, or individual lifestyles and health could also impact our operations. Therefore, on top of addressing the needs and benefits of stakeholders, we work to tackle social and environmental problems and use our influence to give back to society.

2017 Capital Invested

2017 Capital Output



Paid-in capital : **37,864** million
Total assets : **1,465,734** million

Net profit : **9,084** million
Premium income : **206,440** million
Earnings per share : **2.40**



Office staff (2016) : **1,956**
Sales agents (2016) : **11,246**
Average employee pay and benefits , non-managerial staff : **NT\$849,968**

Office staff (2017) : **2,004**
Sales agents(2017) : **11,133**
Office staff retention rate : **87.14%**
Sales agents retention rate : **71.16%**



Office staff education and training , total hours : **53,867**
Sales agent education and training, total hours : **655,873**
Education and training expenses : **NT\$31,241,648**

Average number of licenses per employe : **1.97**
Online members : More than **100,000**



Philanthropic donations : **NT\$10,719,829**
Volunteer hours : **28,859**
Philanthropic activities : **544**
Read Across 319 Townships events : **8**
Aesthetic Education Plan events : **6**
Schools sponsored to host the Socially Minded Young CEO program : **6**

Service counter satisfaction rate of 4 or higher : **99.9%**
Care counter satisfaction rate of 4 or higher : **100%**
Microinsurance customers : **16,306**
Philanthropic beneficiaries , organizations : **64**
Philanthropic beneficiaries , persons : **19,496**



Green procurement : **1,470** million
Workplaces assessed as part of ISO 14064-1 greenhouse gas accounting : **6**

Total carbon emissions : **3,376.419** tons CO₂e
Total electricity usage : **12,643,502** kWh
Paper saved through green service promotion : **3.485** million sheets
Recycled waste : **79,206** kg

China Life boasts numerous professional advantages. We use media reports, lectures, and industrial-academic activities to explain insurance concepts to the general public and eliminate knowledge gaps. As we help customers reduce, distribute, and transfer risk, we raise our own professional reputation. In terms of public welfare, we defy the myth that businesses only practice philanthropy to improve their image; instead, we believe people are central to the insurance industry and that caring for people is insurance's original motivation. We monitor social changes and promote "public welfare suited to current trends." We use education, support for the disadvantaged, and ecological measures to reduce the impacts of an ageing population, climate change, and the wealth gap. Faced with resource shortages and environmental dilemmas, we save energy and implement green operational methods.

China Life took a forward approach to the 17 UN Sustainable Development Goals, which came into effect in 2016, by combining these goals with our four main sustainable development themes: ethical management, professional cultivation, fostering shared values, and green services. Strategies for promoting these themes reflect the SDGs and are used by individual departments to set annual ESG goals. By fully committing ourselves to sustainable development, we respond to global sustainable development needs while simultaneously making the world a more beautiful place.



Bolstering Sustainable Relations

Stakeholder Engagement

China Life expanded its system of stakeholder classification. Department supervisors refer to the AA1000 Stakeholder Engagement Standard to systematically identify stakeholder groups and their scope of engagement based on the following five attributes: responsibility, influence, tension, diverse perspectives, and dependency. Following organization and analysis, the stakeholders are divided into nine main groups: shareholders/investors; policyholders; employees; regulators; suppliers/contractors; media; non-profit organizations/NGOs; channel partners; and public institutions and industry associations.

We use a variety of channels to communicate with stakeholders and gain feedback so we can quickly make relevant management changes and disclose the information needed for positive engagement.



Shareholders / Investors

Besides pursuing stable operational growth, we've built a strict risk management culture to maximize value for shareholders

- Issues of Concern** Sustainable development strategies / Corporate governance, business integrity and ethics / Compliance / Risk management / Operational performance
- Engagement Approach**
 - The Investor Relations Department serves as the primary unit responsible for communicating with investors; it replies to investor and analyst inquiries by telephone or e-mail
 - Annual and extraordinary shareholder meetings
 - Analyst meetings
 - Attendance at domestic and overseas investor conferences and roadshows
 - Updating important news and information in Chinese and English on the bilingual investor relations page of China Life's corporate website
- 2017 Engagement Performance**
 - We held one annual shareholders' meeting; the attendance rate and rate of votes in favor of proposals from foreign shareholders both approached 70%
 - We held one extraordinary shareholders' meeting; the attendance rate and rate of votes in favor of proposals from foreign shareholders both reached 70%
 - We held one annual analyst meeting
 - We joined eight investor conferences (two in Taiwan and six overseas) and one overseas roadshow; we also held 102 meetings and met with 148 institutional investors
 - Since 2014, we have published semiannual financial reports 15 days before the regulatory reporting deadline, a pioneering practice in the life insurance and financial holding industry; from 2014 to 2017, we published annual financial reports one month before the regulatory reporting deadline and within two months after the end of the fiscal year, giving investors timely and adequate information and meeting the standards followed in advanced nations
 - We published the 2016 annual general shareholders' meeting agenda handbook, supplementary information, and annual report, all seven to nine days before the regulatory deadline; we also compiled complete English-language versions of the general shareholders' meeting agenda handbook and annual report to provide comprehensive information disclosure to foreign institutional investors, in line with international practice
 - Major information is published in both Chinese and English
 - English-language quarterly financial reports are published on China Life's corporate website



Policyholders

To satisfy the needs of various policyholders, we offer a wide range of high-quality insurance products with helpful after-sales service

Issues of Concern

Customer service and care / Operational performance / Sustainable development strategies / Corporate image and reputation / Information security and personal information protection

Engagement Approach

- ◆ Communicate face-to-face with policyholders and offer insurance policy services at nationwide service counters
- ◆ Provide a free customer service hotline (0800-098-889), website comments section, postal and fax customer service, and customer complaint channels operated by dedicated employees
- ◆ Publish a monthly digital newsletter for policyholders containing product news, hot topics, financial tips, and health information
- ◆ Regularly send notices containing the latest insurance policy information to policyholders

2017 Engagement Performance

- ◆ Our service counter satisfaction rate was 99.9%
- ◆ Our care counter satisfaction rate was 100%
- ◆ We published 12 digital newsletters for policyholders



Employees

Employees are the Company's most important asset; to cultivate good employees we provide training plans, generous pay and benefit packages, and a safe working environment

Issues of Concern

Operational performance / Labor-management communication / Staff training / Employee pay and benefits / Sustainable development strategies

Engagement Approach

- ◆ Plan diverse education and training programs
- ◆ Revised the rules governing professional certification incentives to further encourage employees to cultivate new professional skills
- ◆ An internal publication targeting employees is published monthly
- ◆ Labor-management meetings are held every quarter
- ◆ Online communication channels include the digital interactive platform Top Force Network, the i-Link app, and hiBox e-mail
- ◆ Complaint channels and information are listed on the Company's internal website; employee complaints are handled in accordance with the "Labor Inspection Act"

2017 Engagement Performance

- ◆ We held fintech classes to enhance digital finance knowledge among employees
- ◆ We held anti-money laundering and terrorist financing education and training; besides training supervisors, we provided a wide range of customized classes for office staff, agents, compliance officers and department staff, executives, and board members
- ◆ We added Certified Anti-Money Laundering Specialist (CAMS) certificates to the list of subsidized licenses
- ◆ We published 12 issues of Employee Corner magazine
- ◆ If significant changes to Company operations involve dismissing a large number of workers, China Life shall submit a written plan to notify regulators and labor representatives 60 days in advance; the notice shall be disclosed publicly
- ◆ We held four labor-management meetings to discuss issues relating to annual health check-ups, revisions to employee work regulations, holiday calendars, distributing annual leave based on the calendar year, and basic wage adjustments; agreements were reached following extensive discussion
- ◆ Agents use the digital interactive platform Top Force Network to inquire about staffing rules and salary issues; for all 27 inquiries made in 2017, employees found the answers they needed
- ◆ In three internal labor inspections, we examined oversight of employee safety and health by nursing staff, gender work equality, and business trip management; after submitting information to labor officials, we provided additional information on our nursing staff as requested and passed all other items



Regulators

We engage in ethical management of our life insurance business and comply with all rules and regulations

Issues of Concern

Preventing money laundering and terrorist financing / Compliance / Risk management / Prevention of major fraud and financial crimes / Information security and personal information protection / Corporate governance and ethical management

Engagement Approach

- ◆ Proactive visits to regulators to report significant issues
- ◆ Information and data are disclosed to regulators to assist with oversight and inspections
- ◆ Routine communication via e-mail, printed mail, and meetings

2017 Engagement Performance

- ◆ We submitted two reports on the operations of invested companies in Mainland China to the Financial Supervisory Commission's Insurance Bureau
- ◆ We submitted one report on countering money laundering and terrorist financing to the Financial Supervisory Commission's Insurance Bureau
- ◆ Before national and industry money laundering and terrorist financing risk analysis evaluations to be carried out by the Asia-Pacific Group on Money Laundering, we attended a preparatory meeting held by the Anti-Money Laundering Office, Executive Yuan
- ◆ We declared auditing plans and progress to regulators
- ◆ We passed BS 10012:2017 Personal Information Management certification
- ◆ Regulators issued two notices on personal information protection between June and November 2016; requirements were completed by January 2017
- ◆ We accommodated finance inspection requests from regulators by providing related information
- ◆ We provided updated information to the Financial Supervisory Commission's Insurance Bureau



Suppliers / Contractors

We actively manage our supply chain and make joint promises with our suppliers to implement corporate sustainability values

Issues of Concern

Supply chain management / Green procurement / Workplace health and safety / Sustainable development strategies / Corporate governance, business integrity and ethics

Engagement Approach

- ◆ We use supplier selection, negotiation, and contract signing meetings as opportunities to ensure suppliers comply with environmental protection rules; we will continue to prioritize green certified products
- ◆ Suppliers are urged to sign the "Supplier CSR Commitment"
- ◆ Information is disclosed on the "Supplier CSR Section" of the Company's corporate website
- ◆ Annual selection meetings are convened to update the list of qualified construction and repair contractors

2017 Engagement Performance

- ◆ In 2017, the Company's green procurement was NT\$14.70 million; for the second consecutive year, the Department of Environmental Protection, Taipei City Government gave us an award for excellence in green procurement
- ◆ 100% of general suppliers and construction and repair suppliers signed the "Supplier CSR Commitment"
- ◆ We continued to promote the supplier CSR section on the Company's corporate website; we also worked with suppliers to fulfill CSR promises
- ◆ We ended partnerships with nine construction and repair suppliers and added 16 new suppliers, lifting the total number of approved suppliers for 2018 to 98



Media

We maintain good media relations and regularly issue press releases to strengthen our brand image

Issues of Concern Corporate image and reputation / Operational performance / Product social responsibility / Corporate governance, business integrity and ethics / Risk management

Engagement Approach

- ◆ The Public Relations Department is our chief media communications unit; it regularly communicates with reporters over e-mail, phone, and messaging apps
- ◆ We hold media conferences and issue press releases
- ◆ Press releases describe newsworthy events and major issues for media reference
- ◆ The media is given necessary documents and information; interviews with spokespeople and supervisors facilitate news production

2017 Engagement Performance

- ◆ We held one public media event
- ◆ We issued 110 press releases that led to 2,381 media reports and 100% positive coverage
- ◆ We provided articles or data and arranged interviews with spokespersons for 190 reports
- ◆ We raised our social media profile and strengthened our brand awareness by posting to Facebook 245 times, achieving total reach of 3,343,866
- ◆ We offered customers information on how to plan for medical treatment, long-term care, and retirement; this knowledge raised awareness of risk management
- ◆ We provided information on awards, sustainability actions, and other positive information to boost our corporate brand
- ◆ The media praised our PR department for its professionalism, attention to detail, attentiveness, and high volume of document submission



Non-profit Organizations/NGOs

Sponsored social activities held in conjunction with public welfare organizations; we give back to society by contributing funding and corporate know-how

Issues of Concern Corporate image and reputation / Emergency disaster relief / Philanthropic plans / Demographic changes / Product social responsibility

Engagement Approach

- ◆ Promote public welfare plans and cooperation
- ◆ Participate in government-run public welfare events
- ◆ Conduct corporate volunteer activities

2017 Engagement Performance

- ◆ We organized and participated in 544 public welfare and volunteer activities; volunteer hours totaled 28,859



Channel Partners

Cultivated close relations with all cooperative channels; excellent products led to win-win situations

Issues of Concern Corporate image and reputation / Operational performance / Product social responsibility / Sustainable development strategies / Customer service and care

Engagement Approach

- ◆ Dedicated staff maintain communication with partner channels over e-mail, telephone, and meetings, as well as education and training sessions

2017 Engagement Performance

- ◆ We cooperated with 29 banks and 16 securities firms
- ◆ Premium income from bancassurance channels was NT\$47.76 billion over the full year



Public Institutions and Industry Associations

Participated in insurance-related research conducted by industrial institutions and associations; adhered to association scopes

Issues of Concern Product social responsibility / Compliance / Prevention of major fraud and financial crimes / Customer service and care / Information security and personal information protection

Engagement Approach

- ◆ Joined research and meetings on the latest monitoring policies and accounting mechanisms
- ◆ Participated in Life Insurance Association (LIA) meetings
- ◆ To help prevent money laundering, we participated in related public policy promotion and instruction conducted by the LIA
- ◆ Everyday communication is conducted using e-mail, official documents including letters, and telephone

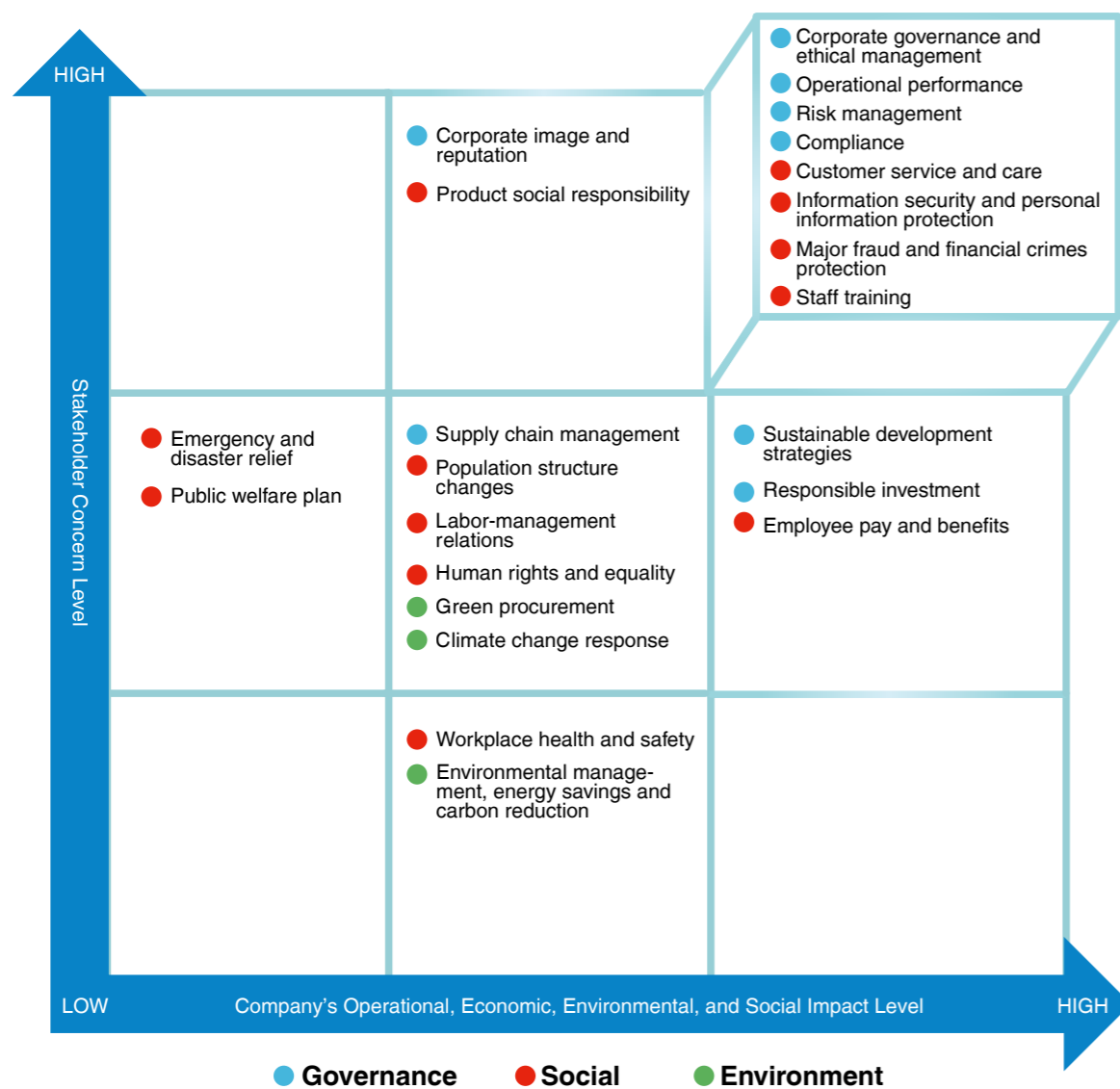
2017 Engagement Performance

- ◆ To aid industrial innovation and progress, we assisted monitoring agencies with policy research, gave the agencies experience rating data, and made recommendations for improving monitoring and accounting systems from a company's perspective
- ◆ We joined the LIA in developing and teaching a practical guide and Q&A covering the "Standards for Handicapped-Friendly Services in the Insurance Industry"
- ◆ We participated in an LIA meeting addressing revisions made in April 2017 to a checklist on the Corporate Governance Best Practice Principles
- ◆ Following a request from the LIA, we compiled data on outdated rules and regulations
- ◆ We documented the LIA's annual progress in anti-money laundering and counter terrorist financing education and training
- ◆ We shared with related departments an official notice from regulators (Letter No. 10610948840) about scam artists seeking to obtain personal information by claiming to be from the US Internal Revenue Service

Identifying Sustainability Issues

To ensure that disclosed information meets the expectations of stakeholders, China Life refers to past analyses of material issues, international benchmarks and standards, insurance and finance industry properties, and international sustainability trends, then uses this information to revise sustainability objectives. We designated ESG topics as the major directions. In 2017, the CSR Committee conducted analysis and discussions on the degree of impact each issue has on our operations and finances as well as the external environment and society. The chairperson then gave final approval to 13 material issues: corporate governance and ethical management; operational performance; risk management; compliance; customer service and care; information security and personal information protection; major fraud and financial crimes prevention; talent cultivation; sustainable development strategies; responsible investment; employee pay and benefits; corporate image and reputation; and product social responsibility. In the interest of completeness, other issues are also disclosed throughout the Report.

New this year to our list of material issues is responsible investment. As the social environment changes, insurance industry members must not only fulfill CSR commitments, but must also follow global sustainability trends. In response to the UN's Principles for Responsible Investment, China Life heeds the CSR achievements of our invested companies. When regulations change, we adjust our investment policies and decision-making standards. Besides fulfilling our responsibility to properly use and manage policyholders' assets, we help our invested companies to promote corporate sustainability. Our contributions allow us to fulfill our responsibilities as a global citizen.



Material Aspects and Boundaries

Material Issues	GRI Standards/ Self-Designated Standards	Meaning for China Life	Internal	External								Corresponding Chapter	Page(s)
			China Life	Shareholders/ Investors	Policyholders	Regulators	Suppliers/ Contractors	Media	Non-profit Organizations/ NGOs	Channels Partners	Public Institutions and Industry Associations		
Corporate governance, business integrity and ethics	Anti-corruption	China Life is committed to ethical management. We are devoted to developing a strong corporate governance system and excellent disclosure and transparency policies to meet the expectations of stakeholders.		●	●	●	●			●	●	CH2	38-45
Operational performance	Economic performance	Stability and growth of our operations are basic promises we make to shareholders and policyholders. Diverse products, prudent investments, and strict risk management contribute to robust annual profit, innovations, and advancement.	●	●	●					●		CH2	35-37
Risk management	Risk management	To guarantee asset security, raise service quality, and add value for shareholders, we built a prudent risk management system. Comprehensive control measures include identifying, weighting, monitoring, responding to, and reporting risk.	●	●	●	●				●	●	CH2	51-57
Compliance	Compliance (environment)	We follow regulator requests. All departments adhere to government rules and offer full disclosure of issues relating to environmental and socioeconomic regulations.	●	●		●					●	CH2	58
	Compliance (socioeconomic)		●	●	●	●		●		●	●	CH2	58
Sustainable development strategies	Sustainable development strategies	Our pursuit of sustainability is based on forward-looking ESG strategies and planning. We have formulated short-, mid- and long-term targets and take action to implement CSR objectives.	●	●	●	●	●	●	●	●	●	CH1	18-19
Responsible investment	Investment portfolio	When analyzing potential investments, we weigh ESG implications. We also assess the CSR achievements of invested companies and actively engage them in related discussions.	●	●	●	●					●	CH2	49-50
Corporate image and reputation	Marketing and labeling	While conducting operations, selling products, and providing services, we adhere to the spirit of “We Share, We Link.” This is how we maintain our excellent reputation.	●	●	●				●			CH2	34-48

Governance

Social

Material Issues	GRI Standards/ Self-Designated Standards	Meaning for China Life	Internal	External							Corresponding Chapter	Page(s)	
			China Life	Shareholders/ Investors	Policyholders	Regulators	Suppliers/ Contractors	Media	Non-profit Organizations/ NGOs	Channels Partners			Public Institutions and Industry Associations
Customer service and care	Marketing and labeling	China Life is committed to providing policyholders with top-quality service and thoughtful care. From product sales and after-sales service to complaint management, we work meticulously to ensure customers' interests are protected.	●		●	●				●	●	CH4	94-100
Information security and personal information protection	Customer privacy	We built an information security management system and conduct personal information protection in accordance with government requirements. Our rigorous approach to information security and personal information protection ensures that private personal information is secure, so customers' minds are at ease.	●		●	●				●	●	CH4	101-103
Major fraud and financial crimes prevention	Major fraud and financial crimes prevention	To guarantee the rights of policyholders and reduce crime, we implemented a system to prevent insurance fraud. This includes measures to prevent money laundering and terrorist financing.	●	●	●	●		●			●	CH2	46-48 54-55
Talent cultivation	Training and education	Our most important asset is our staff. We therefore offer a comprehensive education, training, and review system that fosters innovative thinkers with professional skills who are able to grow with the Company.	●	●	●					●	●	CH3	63-69
Employee pay and benefits	Market placement	Our pay and benefits packages are both fair and competitive. We want employees to be able to fully realize their potential in a good workplace environment while receiving appropriate compensation.	●			●					●	CH3	80
	Labor-management relations		●			●					●	CH3	74-80
	Employee diversity and equal opportunity		●			●					●	CH3	74
Product social responsibility	Marketing and labeling	From product design, development and labeling to marketing and sales, we carefully manage every product and policy. We also offer insurance products designed for financially disadvantaged groups to advance financial inclusion.	●	●	●	●			●	●	CH4	89-103	



CHAPTER 2

Peace of Mind – Integrity and Transparency

China Life has always embraced ethical management and regulatory policy directions. We created both the “Ethical Corporate Management Best Practice Principles” and the “Ethical Corporate Management Conduct Guidelines.” We built mechanisms to prevent corruption and improper transfer of benefits. In response to recent efforts to counter money laundering and terrorist financing, we established a specialized department and commission third-party audits. In terms of corporate governance, we emphasize accountability and transparency and have built comprehensive risk management mechanisms. Since launching the Principles for Responsible Investment, we incorporate ESG principles into all our investment decisions. We also support the government’s “5+2 Industrial Innovation Plan” for boosting domestic industrial growth.



Respond to the principles for responsible investment by incorporating ESG issues into investment decisions

2017 ESG Goals and Progress

- ◆ We used CSR principles to evaluate investment targets. China Life invests in companies that value ESG principles and regularly evaluates their CSR performance. Our findings are disclosed in research reports and serve as an important consideration when making investment decisions.
- ◆ We invested in the bonds of supranational organizations to support infrastructure development and social projects in developing nations, including projects targeting water resources, traffic, energy, and human rights.
- ◆ We join the shareholders' meetings of invested companies. Our attendance rate in 2017 was 95%.
- ◆ We adjusted internal investment policies and decision-making rules based on changes to domestic laws, foreign laws, and global trends.

2018 Goals

- ◆ We will use CSR principles to evaluate investment targets and choose companies that value ESG principles. We evaluate the CSR performance and reports of 100% of the companies we invest in and disclose our findings in research reports. These serve as an important consideration when making investment decisions.
- ◆ When legally allowed, we will join the shareholders' meetings of invested companies to ensure proper use and management of policyholder assets. We target an attendance rate of 95%.
- ◆ We will respond to changes in domestic and foreign laws and trends and will adjust internal investment policies and decision-making rules accordingly. When external investment laws change, we shall respond within three months.

Solidify corporate governance, ethical management, and risk management to fulfill promises made to stakeholders

2017 ESG Goals and Progress

- ◆ Every year, we use the "Performance Evaluation Approach of board of Directors" to assess the Board's performance. The Board and functional committees also must complete self-assessments, and individual Board members are subject to both self-assessments and peer reviews. Results are reported to the Board.
- ◆ Each month we upload information or articles on ethical management to the Company's "Corporate Integrity and Ethics" internal database and to the stakeholder section of the Company's website.
- ◆ At the fourth Corporate Governance Evaluation Awards we ranked in the top 5% of listed companies, making us the only life insurance company to achieve this feat four years in a row.

2018 Goals

- ◆ We will participate in corporate governance evaluations of TWSE/GTSM listed companies (fifth year).
- ◆ We will raise the status of the Committee of Business Integrity and Ethics to make it a functional committee under the direction of the Board of Directors. More than half of the committee members will be independent directors. The committee shall conduct at least one performance review each year to strengthen the oversight and management capacity of the Board.
- ◆ Each year we conduct at least one performance review of the Board of Directors. Additionally, every three years we will commission a professional external organization to conduct an independent performance review of the Board.
- ◆ We will complete expansion of the internal forex models that are part of our Own Risk Solvency Assessment to enhance risk management.

Improved anti-money laundering and counter terrorist financing methods to effectively manage risk

2017 ESG Goals and Progress

- ◆ We built mechanisms to assess risk associated with money laundering and terrorist financing.

2018 Goals

- ◆ Each year we will conduct various forms of anti-money laundering and counter terrorist financing education and training for office staff, sales agents, business department supervisors, staff and supervisors of specialized departments, high-level management, and members of the Board of Directors.

Management Guidelines

Major Topics	Economic performance / Anti-corruption / Compliance with socioeconomic regulations
Commitments	Management must sign the Company's "Declaration of Ethical Management."
Policies / Management System	As part of our efforts to take strict precautions against corruption and related activities, we established the "Ethical Corporate Management Best Practice Principles," the "Ethical Corporate Management Conduct Guidelines," and the "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct."
Complaint Mechanisms	<ul style="list-style-type: none"> ◆ Various channels are in place to report ethical management concerns, such as direct reporting, documented reporting, and e-mail (whistleblower@chinalife.com.tw). ◆ We established the Investor Relations Department to communicate with investors. It replies to investor and analyst inquiries by telephone or e-mail.
Evaluation Mechanisms	<ul style="list-style-type: none"> ◆ We raised the status of the Committee of Business Integrity and Ethics to a functional committee under the direction of the Board of Directors. The committee meets regularly and reports to the Board. ◆ Based on the "Implementation Rules of Internal Control and Internal Audit Systems of Insurance Enterprises" and other related rules and regulations, we formulate an annual audit plan which is submitted to the Board of Directors for approval. At least one general audit of finance, sales, information, and other management departments is conducted each year, and special audits are conducted when needed. ◆ The Company's directors regularly meet with auditors to discuss internal control deficiencies.

Maintain Stable Growth

Dedicated to Development

To build a good corporate governance system and effectively carry out related work, China Life formulated the Company's "Corporate Governance Policy" in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" and the "Principles of Corporate Governance for Insurance Companies." To achieve our vision of becoming the "most valued, most reliable life insurance company in Taiwan," we invite professionals from different fields to serve as independent directors and members of functional committees. Their professional knowledge strengthens our corporate governance and increases the participation of independent directors in key business operations.

We also continue to use our risk management policy as a basis for strengthening mechanisms to quantify risk and advance the use of risk quantification in corporate decision-making. Our goal is to become a model in the life insurance industry for corporate governance, risk management, and stable growth.

China Life is committed to six major distribution channels and a balanced development strategy. To accommodate the unique aspects of each channel, we release differentiated products. Moreover, we are transforming our business by expanding our digital and mobile capacity to raise our competitiveness and satisfy our customers' diverse investment, depositary, insurance, and healthcare needs. Our goal is to create a win-win situation that benefits both the Company and policyholders.

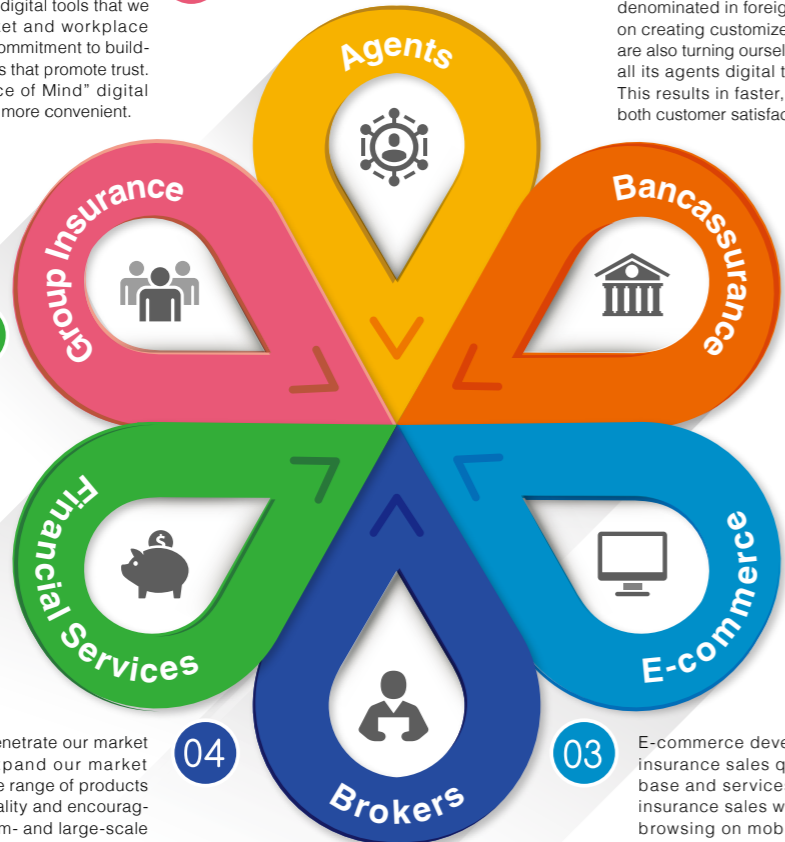
China Life's Six Distribution Channels and Development Strategy

Our group insurance planning for corporate clients helps companies to offer comprehensive welfare and protection to their employees. The digital tools that we incorporate to expand our market and workplace services further demonstrate our commitment to building positive, interactive relationships that promote trust. In 2017, we launched new "Peace of Mind" digital cards that make customer inquiries more convenient.

06

We continue to develop and expand business with high-net worth clients by offering a diverse product range available in different currencies. We are also developing new digital sales and service tools that are advanced, thoughtful, and fast. VIP-level services help our high-net-worth clients closely monitor changes to their wealth, which is a key requirement for people with extensive wealth distribution.

05



01

As part of our push to add new fintech experts to our talent pool of over 10,000 agents, we launched the 500 Dream Catchers Project. It not only adds new blood to our team but also strengthens production capacity and organizational development. For product strategy, in 2017 we focused on promoting investment-linked insurance policies and policies denominated in foreign currencies. We placed greater focus on creating customized insurance policies and planning. We are also turning ourselves into a high-tech company that gives all its agents digital tools to communicate with our clients. This results in faster, more personal service that improves both customer satisfaction and business competitiveness.

02

We analyze and consider market characteristics when developing our diverse range of bancassurance products. These include retirement-planning and wealth-building products that support our customers with personal protection, retirement pension, and savings preparation. At the same time, we are cooperating with banks to respond to the various changes brought by the new digital age.

04

We thoroughly penetrate our market segment and expand our market share. Our diverse range of products raises service quality and encourages leading medium- and large-scale brokers to cooperate with us as long-term partners. Working together enables both our partners and us to succeed.

03

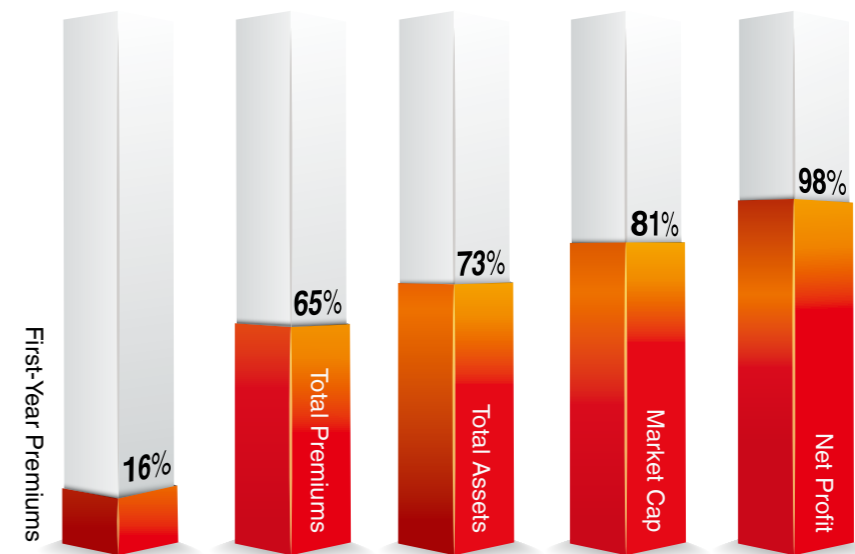
E-commerce development focuses on raising mobile insurance sales quality and expanding our customer base and services. In 2017, we revamped our online insurance sales website. The updates, which improve browsing on mobile devices to suit a wider range of people, enabled our online member growth rate to reach 218% in 2017 and the number of members served to surpass 100,000. Our annual premium income from online sale of products such as travel insurance, accident insurance, and annuities ranked fourth in Taiwan among the 13 life insurance companies that are licensed to sell insurance products online.

Superb Operational Performance

In 2017, the Company grew premium income by 8% to a record NT\$206.44 billion. In recent years, as we promoted regular premium products, the percentage of regular premium policies increased to nearly 40% of new premium income, and renewal premium payments grew by 26% to NT\$126.2 billion. This strategy has raised the embedded value of the Company.

In 2017, net profit after tax was NT\$9.08 billion and EPS was NT\$2.4. At the end of the year, market value was NT\$113.4 billion. Total assets grew by 11% compared to the previous year to reach NT\$1.47 trillion. Over the past six years, premiums, market value, and assets grew by over 60%, while net profit after tax nearly doubled. With the global economy operating in a low interest rate environment, China Life continues to demonstrate strong performance in operations, profit, asset quality, and capital structure. We spare no efforts in maintaining stable operations and developing products that cater to different consumer groups and thus boost overall sales. Regulators have praised our commitment to financial stability, which protects the rights of policyholders and shareholders, along ensuring healthy capital adequacy, as well as appropriate asset and liability management. This commitment has helped us become the only life insurance company in Taiwan to pay a cash dividend for five consecutive years.

Financial Growth Over the Last Six Years



Note: Base year is 2012; data collected through the end of 2017

Key Financial Performance Indicators

	2017.12.31	2016.12.31	2015.12.31
Total Assets	1,465,734	1,323,711	1,202,622
Net Profit	9,084	9,468	9,172
Total Market Value	113,403	111,334	84,339
Total Premiums	206,440	191,139	162,158
First-Year Premiums	80,225	90,627	83,143

Unit: NT\$ millions

Economic Value Generated and Distributed

	2017	2016	2015
Operating Revenues	255,328,334	237,222,260	203,925,508
Net Profit	9,083,972	9,468,357	9,171,902
EPS (NT\$)	2.40	2.50	2.64
Value Distributed to Stakeholders			
Employee Pay and Benefits	2,813,000	2,600,650	2,386,948
Dividends			
Stock Dividend Payments (Surplus Year)	2,271,839	3,126,384	1,336,133
Cash Dividend Payments (Surplus Year)	3,029,119	2,779,008	2,004,088
Cash Dividend Per Share (NT\$)	0.8	0.8	0.6
(Refund) Income Tax Expenses	(61,294)	39,334	702,298

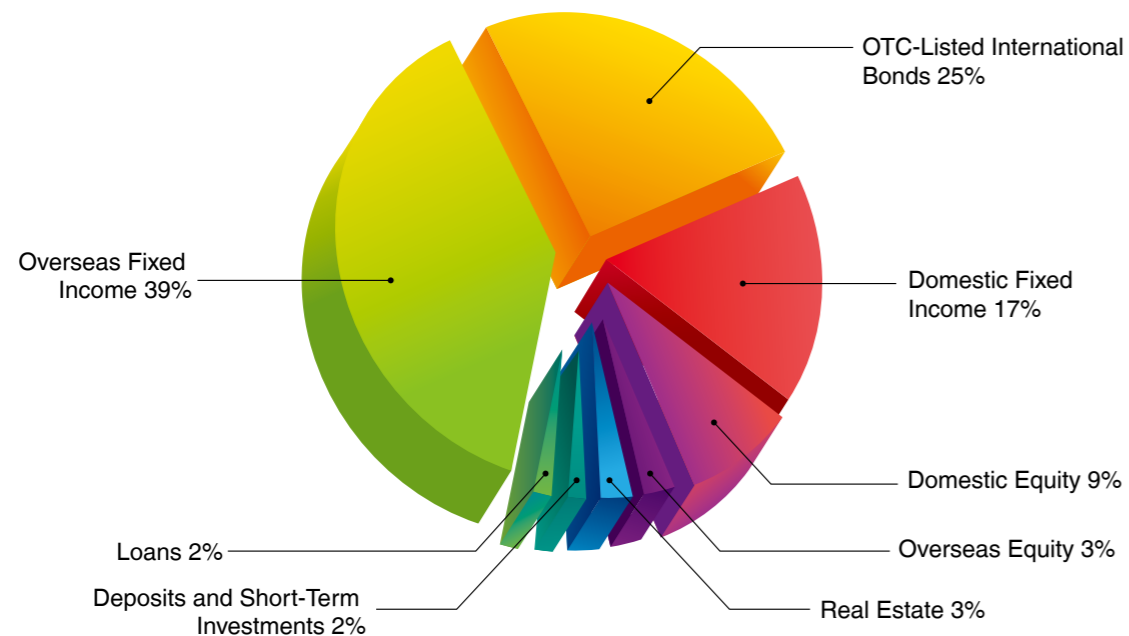
Unit: NT\$ thousands

Premium Income by Product Type

	2017	2016	2015
Life Insurance	164,305,128	149,201,003	113,051,099
Accident Insurance	3,220,672	2,864,789	2,840,381
Health Insurance	19,287,992	17,970,880	18,661,260
Annuities	19,626,002	21,102,541	27,605,658
Total	206,439,794	191,139,213	162,158,398

Unit: NT\$ thousands

Investment Portfolio



Steering a Progressive Future

Corporate Governance

Board of Directors Structure

The Board of Directors, the highest decision-making body of China Life, adheres to the spirit of clean governance as it prudently guides business strategy and steers the direction of the Company. To achieve gender equality, we promoted numerous women to decision-making positions; four of our nine Board members (including independent members) are now women. Furthermore, to protect the general interests of the Company and ensure healthy corporate governance, we established the Risk Management Committee in 2006 and added independent directors in 2008. We established the Audit Committee and Remuneration Committee in 2011, and elected to make the Committee of Business Integrity and Ethics a functional committee in 2017. All functional committees must report to the Board to optimize the Board's oversight and management capacities. Besides the four committees above that the Board oversees, China Life has various other committees underneath the president that help to strengthen corporate governance.



China Life Organizational Structure



- Legal Department
- Compliance Department
- Distribution Standard Department
- Human Resources Department
- Finance Department
- Accounting Department
- General Affairs Department
- Public Relations Department
- Real Estate Investment Department
- Real Estate Management Department
- Facility Service Department
- Risk Management Department
- Foreign Exchange Department
- Foreign Investment Department
- Domestic Fixed Income Department
- Equity Investment Department
- Direct Investment Department
- Marketing Planning Department
- Electronic Commerce Department
- Policy Process Management Department
- Actuarial Department I, II
- Product Development Department I, II
- Digital Application Development Department
- System Governance Department
- Electronic Commerce Technology Department
- System Development Department
- System Service Department
- System Design Department
- System Engineering Department
- Underwriting Department
- Customer Service Planning Department I, II
- Claims Department
- Premium Planning Department
- Customer Complaint Department
- Call Center
- Policy Processing Department
- Taipei Customer Service Center I, II
- Taoyuan-Hsinchu Customer Service Center
- Taichung Customer Service Center
- Chiayi Customer Service Center
- Tainan Customer Service Center
- Kaohsiung Customer Service Center
- Bancassurance Channel Department
- Bancassurance Administration Department
- Bancassurance Sales Department of Northern Region
- Bancassurance Sales Department of Southern Region
- Financial Service Department
- Group Insurance Department
- Brokerage Administration Department
- Agency Sales Planning Department
- Agency Sales Supporting Department
- Training Department
- Agency Administration Department
- Agency Development Department of Taipei - A Region
- Agency Development Department of Taipei - B Region
- Agency Development Department of Taoyuan & Hsinchu Region
- Agency Development Department of Taichung & Chiayi Region
- Agency Development Department of Tainan Region
- Agency Development Department of Kaohsiung & Pingtung Region
- Beijing Representative Office
- Branches

Track Record of the Board of Directors

An effective board of directors is essential to achieving sustainable corporate operations. The primary responsibilities of the board are to oversee and direct operational management. It must preserve open communication channels and positive interaction with Company management as it guides business operations and major decision-making. Fulfilling these duties ensures stable corporate development and guarantees the interests of investors. China Life's Board of Directors demonstrates strong corporate governance while meeting the expectations of regulators and adhering to legal requirements. Its reliable performance contributed to our ranking in the top 5% at the 4th Corporate Governance Evaluation Awards. We were the only life insurance company to achieve this recognition for four consecutive years.

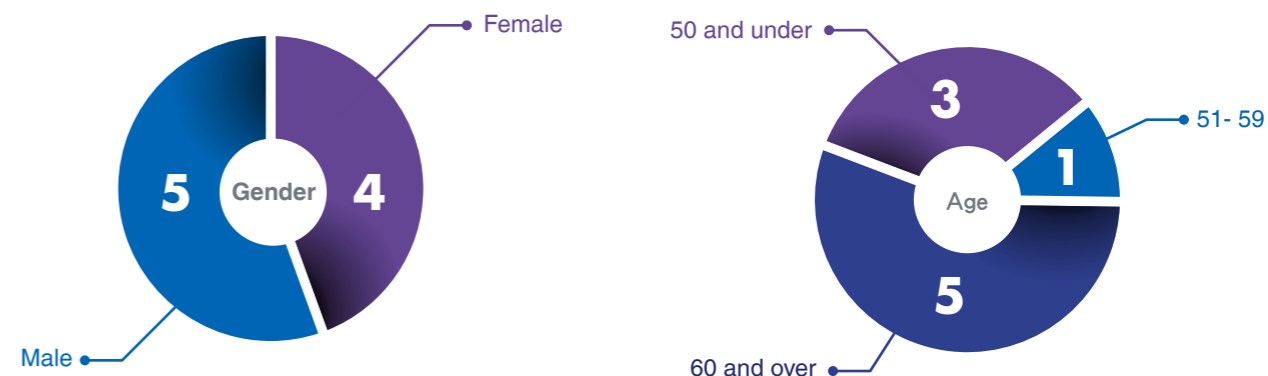
- Nine directors, including four women
- Diverse educational backgrounds and practical experience
- Adheres to diversity and gender equality principles

- Met 20 times in 2017
- Responds to sustainability concerns raised by stakeholders
- Directors engage in continuing education
- Follows the "China Life Guidelines for Board of Directors" and the "Corporate Governance Policy" to avoid conflicts of interest
- Employs a nomination system for director and independent director elections

Board of Directors

Name	Title	Gender	Diverse Backgrounds and Core Capacities					
			Operations and Management	Leadership and Decision-making	Finance and Banking	Law	Statistics and Actuary	Insurance
Alan Wang	Chairman	Male	V	V	V			V
Yu Ling Kuo	Director	Female	V	V	V			V
Hui-Chi Shih	Director	Female	V	V	V			
Stephanie Hwang	Director	Female	V	V	V		V	V
Tony T.M. Hsu	Director	Male	V	V		V		V
Lauren Hsieh	Director	Female	V	V	V			V
Louis T. Kung	Independent Director	Male	V	V	V			V
Wei-Ta Pan	Independent Director	Male	V	V		V		V
Wen-Yan Hsu	Independent Director	Male	V	V	V		V	V

Directors' Gender and Age



Ratio of Independent Directors and Operation of the Board of Directors and Functional Committees

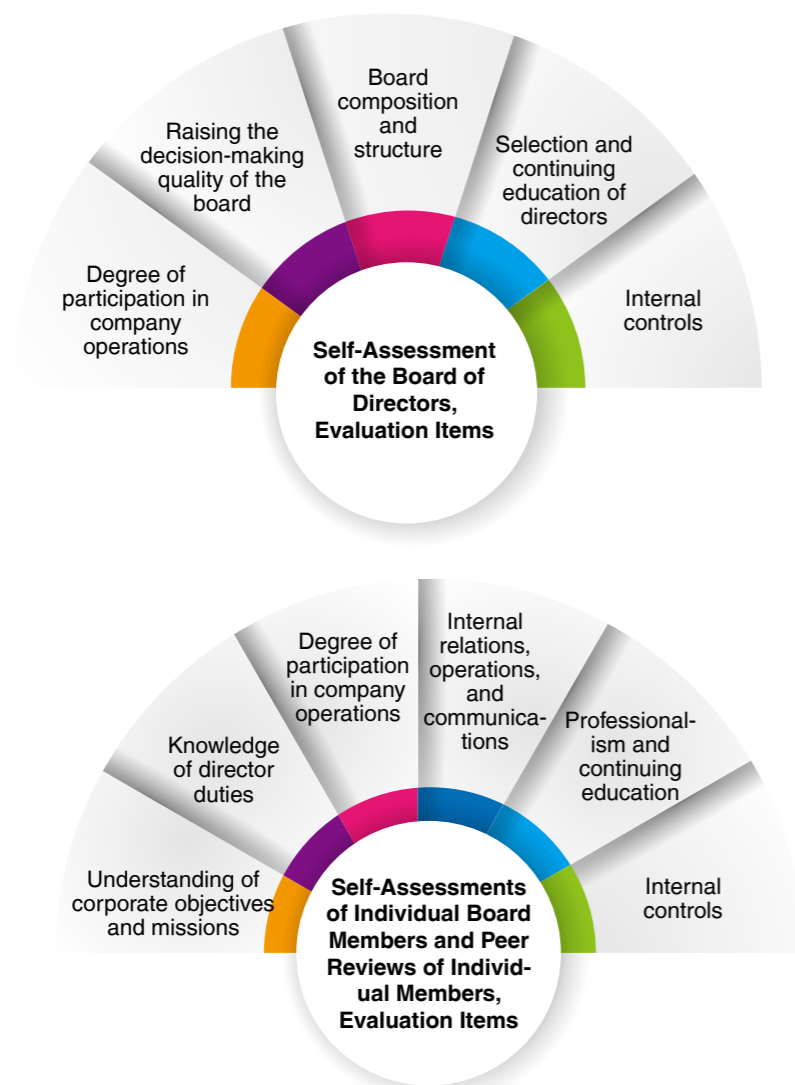
	Formation and Role		2017 Track Record
Board of Directors	Headed by Chairman Alan Wang and comprised of nine members, including three independent directors. The Board is tasked with approving operational guidelines, reviewing the budget and final accounts, profit distribution, change of capital, and approving the articles of incorporation	Independent Directors:3 Total Members:9	<ul style="list-style-type: none"> • Held 20 meetings • Passed a revision to the "Regulations Governing the Performance Appraisal of the Board of Directors" • Passed a revision to the "Organizational Rules of the Committee of Business Integrity and Ethics"
Audit Committee	Comprised entirely of independent directors; responsible for monitoring and ensuring effective internal controls, legal compliance, and the management of existing and potential business risks	Independent Directors:3 Total Members:3	<ul style="list-style-type: none"> • Held 18 meetings • Meetings were held when items needed to be approved by the Audit Committee in accordance with organizational policies or regulations
Remuneration Committee	Comprised entirely of independent directors; responsible for assessing, setting and reviewing the compensation and performance of Board members and senior executive managers	Independent Directors:3 Total Members:3	<ul style="list-style-type: none"> • Held five meetings • Policy setting relating to the compensation and performance of Board members and senior executives as well as routine assessment, discussion, and decision-making
Risk Management Committee	Comprised of 12 members and convened by an independent director with a banking, insurance, and finance background. Responsible for setting and monitoring risk management policy. Ensures consistency, relevance, stability, and transparency across all risk management mechanisms to establish a strong risk management culture	Independent Directors:1 Total Members:12	<ul style="list-style-type: none"> • Held six meetings • Established or revised related policies and regulations
Committee of Business Integrity and Ethics	Comprised of three independent directors and three high-level executives or directors. Responsible for formulating and overseeing programs to promote business integrity and ethics policies. Regularly analyzes related business procedures and evaluates compliance. Reports directly to the Board of Directors.	Independent Directors:3 Total Members:6	<ul style="list-style-type: none"> • Held one meeting • Restructured as a functional committee • Appointed a convener

Refer to the 2017 China Life Annual Report for more information regarding the actual operation of the Board of Directors and functional committees, shareholdings, important meeting conclusions, and continuing education plans.

The Company appoints independent accountants to explain the status of financial report audits in semiannual and annual reports to the Audit Committee and to discuss the findings of internal control testing and regulatory updates with independent directors. Independent of other management-level staff, the accountants and chief auditor report their findings to the Audit Committee and complete documented records.

Board of Directors Performance Reviews

In 2015, China Life formulated the “Regulations Governing the Performance Appraisal of the Board of Directors” to specify the methods used to evaluate the performance of the Board of Directors and functional committees as well as the methods used to conduct self-assessments and peer assessments of individual Board members. The appraisals and self-assessments are conducted after the end of each year as a way of strengthening corporate governance.



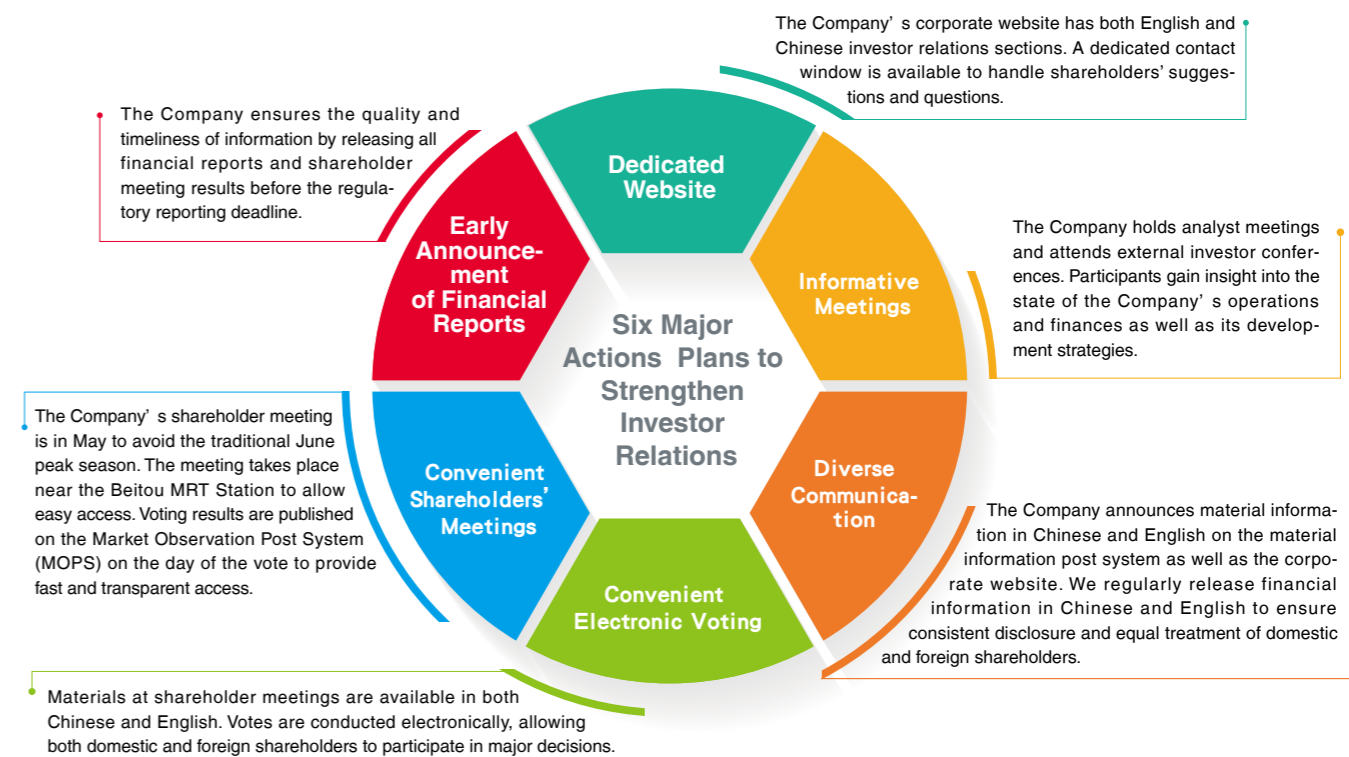
China Life distributes self-appraisal questionnaires to all members of the Board of Directors. In 2017, on average the Board scored 96.11 and individual Board members scored 96.22. These results were reported to the Board in February 2018.

In addition, in 2016 China Life underwent the Taiwan Corporate Governance Association’s CG6010 (2015) Corporate Governance System Review. Following written submissions, on-site inspections, and interviews with intermediaries, we were awarded the review’s highest grade. Even under rigorous examination, our strong corporate governance was evident.

In 2017, to improve corporate governance mechanisms for 2018 and beyond, we revised the “Regulations Governing the Performance Appraisal of the Board of Directors.” Now an external, independent institution or academic team evaluates the performance of the Board every three years to provide an impartial evaluation of our corporate governance mechanisms.

Information Disclosure and Public Transparency

When managing investor relations, we must guarantee the rights and interests of shareholders while enabling investors to fully understand important Company information and participate in major decision-making. In this regard, we established diverse communication channels and developed six major action plans centered on protecting shareholders’ rights and treating shareholders fairly. Investors have long acknowledged China Life’s financial and business performance. We perform particularly well among foreign investors, who have a very high shareholding ratio and actively participate and vote in shareholder meetings.



2017 Semiannual Financial Report	2017 Financial Reports	2017 Shareholders' Meeting Handbook, Supplementary Material and Annual Report
From 2014 to 2017, we were the only life insurance or financial holding company in Taiwan to publish its semiannual financial reports at least 15 days before the regulatory deadline.	From 2014 to 2017, we released our financial reports within two months of the end of the fiscal year and one month before the regulatory deadline.	Released seven to nine days prior to the regulatory deadline.

Internal Auditing

The internal auditing unit, which operates under the Board of Directors, organizes at least one general audit annually. It examines management departments responsible for finances, sales, and information according to the Board-approved audit plan, the “Implementation Rules of Internal Control and Internal Audit Systems of Insurance Enterprises,” and other regulations. It tracks review opinions and improves deficiencies found by regulators, accountants, internal auditors, and self-inspections. The chief auditor reports to the Audit Committee and the Board at least quarterly, and directors review internal control deficiencies and communicate with internal auditors. Communication between independent directors and internal auditors (including communication methods, items, and results) is disclosed on the Company website to ensure proper corporate governance.

Internal Auditing Unit Procedures



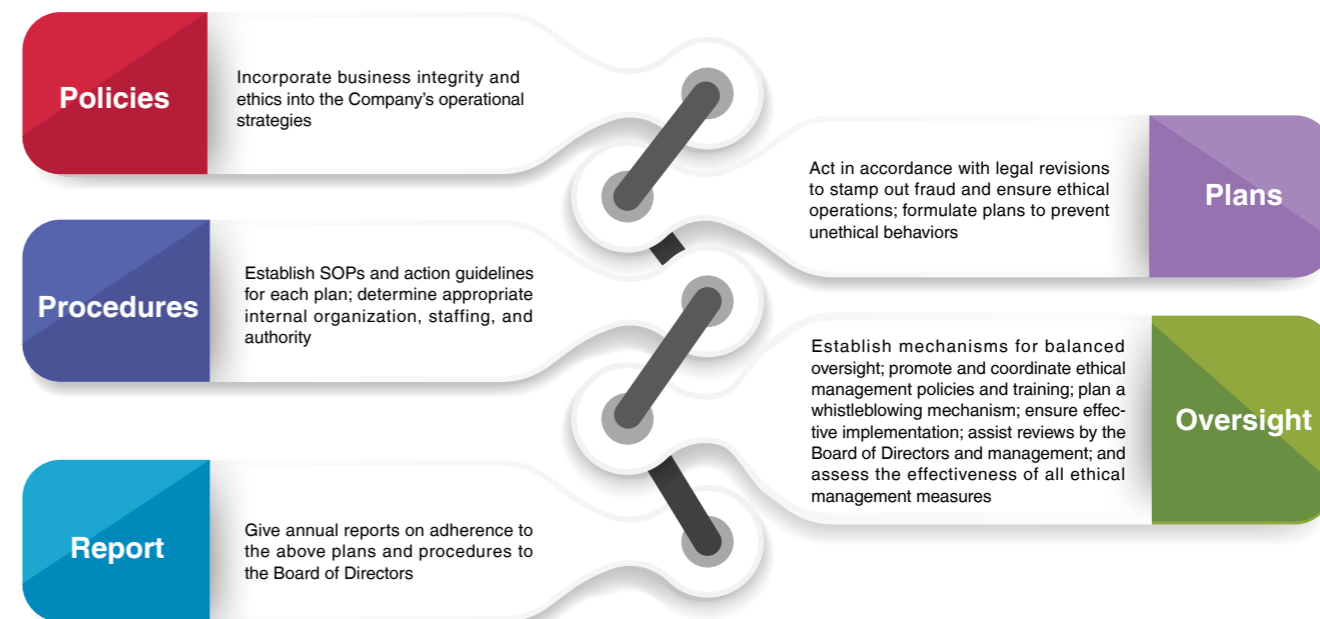
Integrity and Trust

Ethical Management

Believing that ethical management is a prerequisite of creating value and sustainable development, China Life founded the Committee of Business Integrity and Ethics in March 2015 and placed the committee directly under the supervision of the Board of Directors. In 2017, to strengthen oversight and management and advance corporate governance, the Board proposed and passed a resolution to restructure the committee as a functional committee and changed the rules of organization to require that half of the committee’s members be independent directors. The committee is now one of the Company’s four major functional committees, together with the Audit Committee, Remuneration Committee, and Risk Management Committee.

Operation of the Committee of Business Integrity and Ethics fosters an ethical corporate culture and robust ethical management.

Internal Auditing Unit Procedures



Key Points of Ethical Management and Corruption Prevention



Employees of all levels at China Life, from those on the Board of Directors and in high-level management to department supervisors and general staff, engage in ethical operations and fight against corruption. As a result of effective advocacy, there were no reported violations of our ethical management principles in 2017.

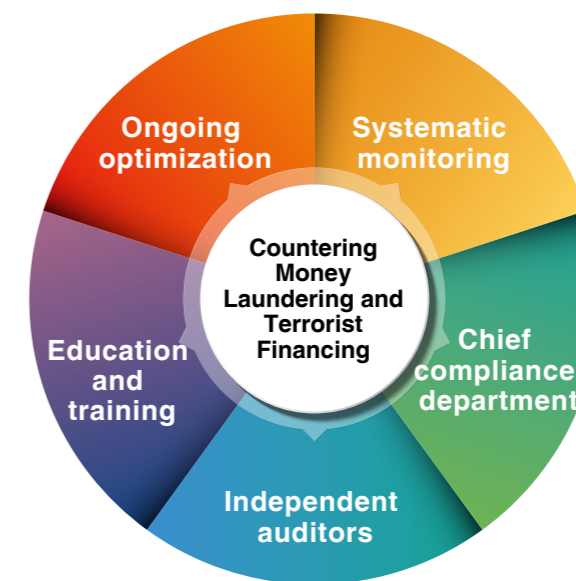
Ethical Management Implemented at All Company Levels



In 2017, China Life used three key quantitative indicators to verify ethical management, as part of a response to Transparency International's 2007 global appeal to enterprises to prevent corruption.

Item	Description
Commitment of the Board of Directors and High-Level Managers to Ethical Management Policies	Each year we ask the Board of Directors and management to sign the "Declaration of Ethical Management," which explicitly states the Company's commitment to ethical management policies.
Ethical Management Education and Training Outcomes	We advocate key ethical management concepts to all sales agents and office staff. Online assessments ensure an acceptable level of understanding.
Violation of Ethical Management Principles	In 2016, we announced the "Regulations for Reporting and Handling of Illegal, Immoral, or Unethical Conduct." Besides offering various channels for raising concerns, such as direct reports, documented reports, or e-mail (whistleblower@chinalife.com.tw), the regulations describe procedures for handling such violations as well as whistleblower protection measures. For unethical behaviors that have already occurred, related departments review internal control mechanisms and procedures and propose improvements, so the Company can achieve ethical management.

Countering Money Laundering and Terrorist Financing



Fast Responses to Legal Changes and Increased Use of Auxiliary Monitoring Systems

Following promulgation of the "Money Laundering Control Act" and revisions to related rules and regulations, China Life must ensure that all related departments remain updated on the latest changes to the law. To adopt responses needed to reduce legal risks, besides holding meetings to discuss the changes, we established clear and appropriate legal conveyance, consultation, coordination, and communication systems. At the same time, we carry out pre- and post-revision legal variance analysis to ensure a timely response.

To adhere to rules contained in the "Regulations Governing Anti-Money Laundering of Financial Institutions" that require financial institutions to monitor transactions, China Life uses internal databases and external data sources to index and check names of people and organizations conducting transactions. In cases of suspicious transactions or transactions that exceed certain thresholds, we recruit further information systems to assist with detection.

We also established a chief compliance officer and chief compliance department and designated oversight managers in operational department to oversee implementation of anti-money laundering and counter terrorist financing mechanisms

To effectively implement the Company's anti-money laundering and counter terrorist financing mechanisms, in 2017 the chief legal compliance officer at China Life's head office was formally assigned to serve as the chief officer for countering money laundering and terrorist financing. A benefit of this arrangement is that it keeps the Company's usual oversight and execution policies and procedures in place. In accordance with the law, the chief compliance officer shall report the status of anti-money laundering and terrorist financing efforts to the Board of Directors and the Audit Committee at least once every half year. These reports help the Board to carry out related risk analysis and planning.

The Compliance Department also established a specialized unit to manage anti-money laundering and counter terrorist financing efforts and designated oversight officers in each of the Company's departments. The officers, who must hold the position of section chief or higher, are in charge of cultivating a culture that opposes money laundering and terrorist financing. They ensure that each operational department serves as a first line of defense against these types of unethical practices.

Another way the Company adheres to international trends and raises the professional knowledge of staff who must detect and prevent money laundering and terrorist financing is to encourage employees to become Certified Anti-

Money Laundering Specialists (CAMS). Subsidies and awards are available for employees who take the CAMS test and obtain certification. Since the end of 2017, 100% of our staff that are responsible for preventing money laundering and terrorist financing were CAMS approved.

· **Completed Independent Third-Party Audits**

Following regulator requests, in 2017 the Company commissioned independent audits by a CAMS-qualified senior auditor with extensive experience consulting and auditing the anti-money laundering and counter terrorist financing mechanisms at domestic financial institutions, as well as auditing teams with similar experience. Only a small number of control measures were found to be insufficient, which we immediately corrected as we further strengthened advocacy.

· **Anti-Money Laundering and Counter Terrorist Financing Education and Training**

Money laundering and terrorist financing are a major global concern. Therefore, we will continue to advocate risk prevention awareness among directors, high-level managers, chief compliance officers, chief compliance department staff, designated oversight managers in operational departments, and general office staff and agents.

For on-the-job education and training, we developed four courses and exams based on the following themes: scope of the latest anti-money laundering and terrorist financing standards; anti-money laundering and counter terrorist financing procedures: customer evaluation and assessment; trends and patterns of money laundering and terrorist financing risks; and patterns and case analysis of anti-money laundering and terrorist financing. The courses provide regular training for chief compliance officers, chief compliance staff, and designated oversight managers in operational departments.

■ **Diverse Education and Training Plans**



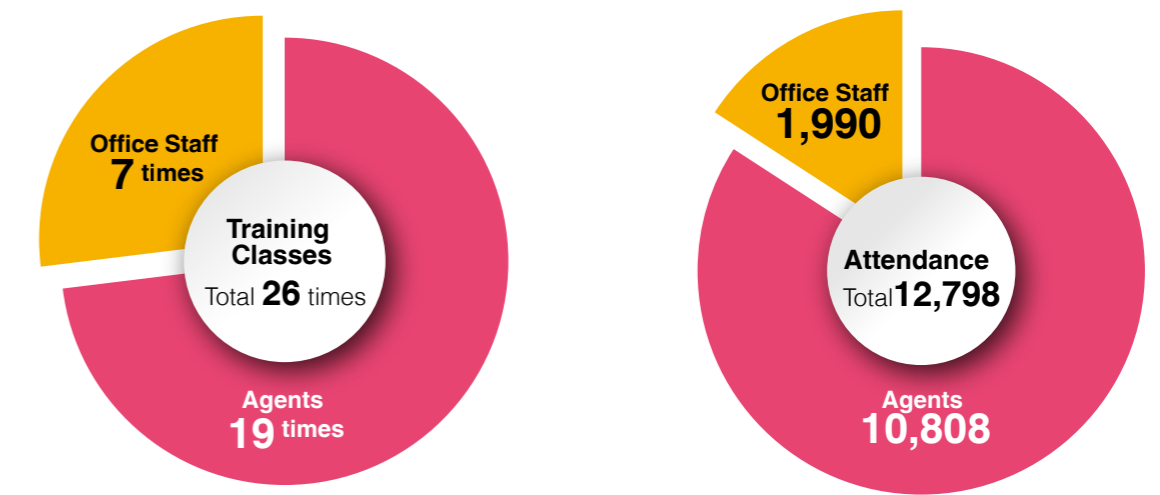
Office staff Each year, office staff shall receive at least two hours of education and training on preventing money laundering and terrorist financing. They also shall take a test to ensure they understand related responsibilities.

Agents Agents shall complete self-study before applying for registration and can only register after receiving approval from a supervisor. All agents must complete two hours of basic training each year. In response to ongoing changes, China Life will commission outside lecturers to strengthen money laundering concepts and case analysis among agents and supervisors.

- Basic Training** All agents must take two hours of basic training each year. Topics include introducing the "Money Laundering Control Act" and conducting money laundering case analysis.
- Advanced Training** Responses to ongoing changes and patterns associated with suspected major cases of money laundering. Lessons are made into short videos to be shown in district offices for training purposes.
- Special Training** Special training is offered in response to legal changes and to strengthen money laundering concepts and case analysis. Experts from the Ministry of Justice, the Financial Supervisory Commission, colleges and universities, and other institutions serve as speakers.

Preventing money laundering and terrorist financing is an important task for the finance and insurance industry. In 2017, we improved our performance by enhancing training for all office staff and agents. The completion rate for foundational training was 100%. Well-known domestic lecturers, including consultants Kao Hsu-hung and Fan Mu-en, as well as lawyer Ching Chi-jen, provided specialized training to a total of 2,538 people at eight events. Their lectures are available on the Agency Training e-Academy to facilitate online study by new employees.

■ **Anti-Money Laundering and Counter Terrorist Financing Basic Training**



· **Ongoing Optimization**

To optimize the Company's anti-money laundering and counter terrorist financing systems while improving operations and procedures, in 2017 China Life commissioned planning of a "know your employee" system. We also followed domestic and international developments while strengthening staff monitoring capabilities and implementation.

■ **Participation in External Institutions**

China Life participates in major sustainability and development initiatives conducted by external institutions. Besides taking part in institutes and associations that are closely linked to the insurance and finance industry, we maintain close contact with other life insurance companies, academia, and government.

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
Life Office Management Association (LOMA)	Member
Financial Planning Association of Taiwan	Member
Taiwan Insurance Law Association	Member

Responsible Investment

Environmental pollution is becoming worse by the day. Climate change and energy supply-demand imbalances pose a threat, and the industrial economy faces a plethora of important challenges. To help solve these problems, China Life is committed to fulfilling its CSR duties and achieving sustainable development. We made CSR a prerequisite of investment by considering how ESG principles relate to the products, business items, and actions of investment targets. Lists or ratings of companies with excellent CSR performance, as compiled by credible institutions or government agencies, are also a valuable reference.

Investment Target Evaluation Standards



China Life responded to the UN's Principles for Responsible Investment by compiling an investment handbook, engaging closely with the companies we invest in, and participating in related external institutions. We use responsible investing to guarantee the rights of shareholders and policyholders while fulfilling our responsibilities as a life insurer. To further promote corporate governance, in 2018 we plan to sign the Taiwan Stock Exchange's Stewardship Principles for Responsible Investors. This document will affirm our commitment to investment stewardship.

Decision-Making Process for Responsible Investment



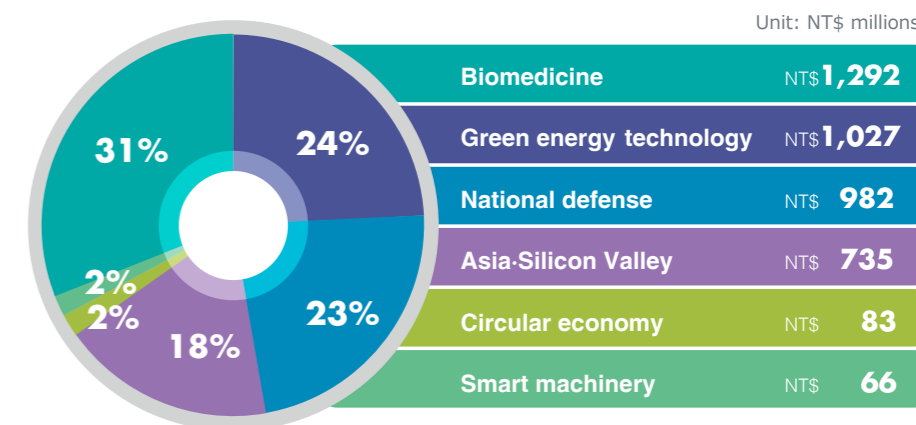
Performance Related to the Principles for Responsible Investment

Six Principles for Responsible Investment	2017 Achievements
Principle 1 We incorporate ESG issues into the investment analysis and decision-making processes	<ul style="list-style-type: none"> Compiled the "Investor Handbook," which includes CSR topics; revised mechanisms to prevent conflict of interest among securities investors to strengthen internal controls and financial management while adhering to insurance regulations 100% of investment target reports included CSR performance evaluations All investment evaluation reports required prior to investing in non-listed companies included information on environmental protection, labor-management relations, and corporate governance
Principle 2 We are active shareholders and incorporate ESG issues into our ownership policies and practices	<ul style="list-style-type: none"> 100% participation in the shareholder meetings of invested companies that are listed on a stock exchange and 100% voting rate in shareholder meeting proposals ¹ 100% participation in the shareholder meetings of invested companies that are not listed on a stock exchange and 100% voting rate in shareholder meeting proposals ²
Principle 3 We seek appropriate disclosure on ESG issues by the entities we invest in	<ul style="list-style-type: none"> Investment target reports refer to CSR reports and other related information When purchasing old shares to invest in non-listed companies, in 100% of cases we agree to ethical operations policies with the invested company
Principle 4 We promote acceptance and implementation of the principles within the investment industry	<ul style="list-style-type: none"> 100% of our foreign funds and ETFs and 33% of our foreign private equity funds are from signatories of the Principles for Responsible Investment
Principle 5 We work together to enhance our effectiveness in implementing the principles	<ul style="list-style-type: none"> By participating in the investment research task force of the Life Insurance Association of the Republic of China, we discussed investment practices with other life insurance companies
Principle 6 We each report on our activities and progress towards implementing the principles	<ul style="list-style-type: none"> Monthly reports are compiled on the operations and industry trends relating to invested companies; investment performance is reported to high-level management; domestic investment reports are delivered to the Company chairperson and foreign investment reports are delivered to the Board of Directors We disclose our responsible investment achievements in the China Life CSR Report

¹ Our voting rate in shareholders' meeting proposals is 100%, excluding topics that the "Insurance Act" prohibits us from voting on
² Our voting rate is 100%, excluding director and supervisor elections

Responding to government policy and supporting the development of major domestic industries are important considerations for China Life. In 2017, we invested NT\$41.85 billion in companies that are part of the "5+2 Industrial Innovation Plan." Our aim is to accelerate domestic industrial transformation by injecting insurance industry funds into such industries as green energy technology, the Asia-Silicon Valley, biomedicine, national defense, smart machinery, and the circular economy.

Investments in the "5 + 2 Industrial Innovation Plan" Industries



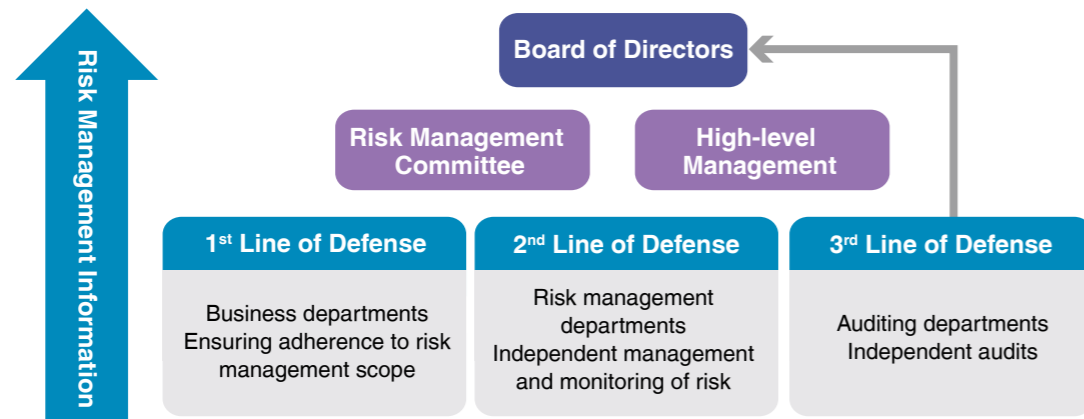
Mastering Risk Management

Risk Management

Risk Management Structure

Risk management is a vital part of the life insurance industry and a key operational priority of China Life. Internally, risk management starts at the highest levels of the Company then extends to all aspects of operation. Policies made at the top are expanded upon and turned into rules and plans suitable for wide-scale implementation. Besides fostering a positive culture, we ensure that risk is carefully heeded in every department.

Based on our organizational structure, responsibility for risk management lies with the Board of Directors, the Risk Management Committee, the chief risk officer, the Risk Management Department, the Auditing Department, and all operational departments. By advocating top-to-bottom risk management, and by passing risk-related information from lower levels of the Company on up, China Life infuses risk management into the corporate culture and creates a net for capturing risk wherever it appears. The Company then benefits from effective risk management.



Risk Management Policies

We regularly review our risk management policies to ensure their ability to guide risk management throughout the Company. These policies represent our goals and strategies, as well as our organization and duties. They specify appropriate capital adequacy, risk appetite, and risk limits. Meanwhile, our major risk types and their management processes follow global trends in enterprise risk management and facilitate implementation and scope.

Dedicated Risk Management Department

China Life established the independent Risk Management Department to act as the core of the Company's risk management efforts. Through communication and distribution of duties, the department distributes risk management requirements and outcomes to every operational unit. The department is responsible for developing risk measurement models, planning and implementing risk monitoring systems, and providing related information to management, which can then make appropriate decisions in response to the risks the Company faces. Typical decisions include whether to avoid, transfer, hedge, control, or shoulder risk, as well as determining capital requirements to assure smooth operations. The Risk Management Department also communicates closely with operational units that bear risk. Helping them to identify and control risk creates a front-line defense that prevents risk events from actually occurring and warns other departments of potential hazards.

Risk Management Information Platform

China Life established a risk management information platform that it operates in accordance with guidelines for detecting operational risk. The platform examines key indicators, such as capital adequacy, asset quality, management capability, profitability, and liquidity, while incorporating related information, such as profit sources, foreign exposure, investment portfolio, off-balance sheet items, citizen accounts, and regulator requests. High-level managers, the Risk Management Committee, and the Board of Directors use these indicators to quickly grasp the Company's exposure and risk management situation so that responses can be drafted and implemented. Since the trial launch of the platform in 2016, reviews and adjustments have been made to the risk indicators and standards following inter-departmental meetings and in response to macroeconomic, financial market, and insurance oversight opinions raised by outside directors on the Risk Management Committee. Monitoring data further helps us to understand and evaluate the Company's overall operational risks.

Own Risk and Solvency Assessment

In line with international trends and regulator requests, China Life developed an Own Risk and Solvency Assessment (ORSA) process suited to our internal risk management culture and the risk profile of asset and liability management. ORSA reports are used when formulating budgetary goals, business plans, investment strategies, capital management, and other operational processes. They are state-of-the-art risk management instruments that aid the Company's decision-making process. In order for our ORSA to provide more accurate risk management information and fit the framework of current risk management mechanisms, the Company invests manpower and physical resources into internal models for assessing major risk factors, such as stochastic models for domestic securities or models to analyze bond default impact. In 2018, we developed a new stochastic model to determine and analyze forex risk factors. The model can be used to test and calibrate our positions.

Risk Identification and Response

01 Market Risk	We manage risks related to interest rates, exchange rates, and securities prices according to the Company's "Market Risk Management Regulations." Mechanisms include position and quota control, sensitivity analysis, stress tests, scenario analysis, and value at risk.
02 Credit Risk	We manage credit risks for bond issuers and counterparties according to the Company's "Credit Risk Management Regulations." Mechanisms include a list of qualified issuers and counterparties; internal management of credit rating and transaction limits; credit rating analysis and tracking; concentration of geographic location and industry; stress tests; expected credit loss; and credit value at risk. As of 2016, in consideration of the special risk of subordinate debt issued by financial institutions and corporations, we improved monitoring by adding a minimum credit rating requirement, risk limitations by credit ratings, and a maximum percentage of foreign subordinated debt to total foreign fixed income portfolio.
03 Liquidity Risk	We manage financial and market liquidity risks according to the Company's "Liquidity Risk Management Regulations." Mechanisms include predicting cash flow for assets and liabilities, trade limit control, planned use of funding, and emergency response management.
04 Operational Risk	To identify, weigh, monitor, and manage operational risks, we determined seven major operational risk and loss categories based on the "Insurance Industry Risk Management Best Practice Principles" and the Basel Accord's operational risk categories. Using three major operational risk management tools: risk and control self-assessments, key risk indicators, and loss data collection, as well as qualitative and quantitative risk identification and weighing mechanisms, we built a comprehensive risk management profile database that enables us to monitor and manage the Company's operational risk status.

Risk and Control Self-Assessment Procedures

We systematically coordinate all processes and implement risk and control self-assessment (RCSA) procedures. Using structured methods, we consider management requirements for internal and external operational procedures, identify key operational items, and determine the potential causes and outcomes of specific risk events. The RCSA also evaluates comprehensive risk management strategies and analyzes internal control effectiveness. Its results serve as a basis for risk indicators and risk quantification to help ensure fulfillment of the Company's operational goals.

Key Risk Indicators

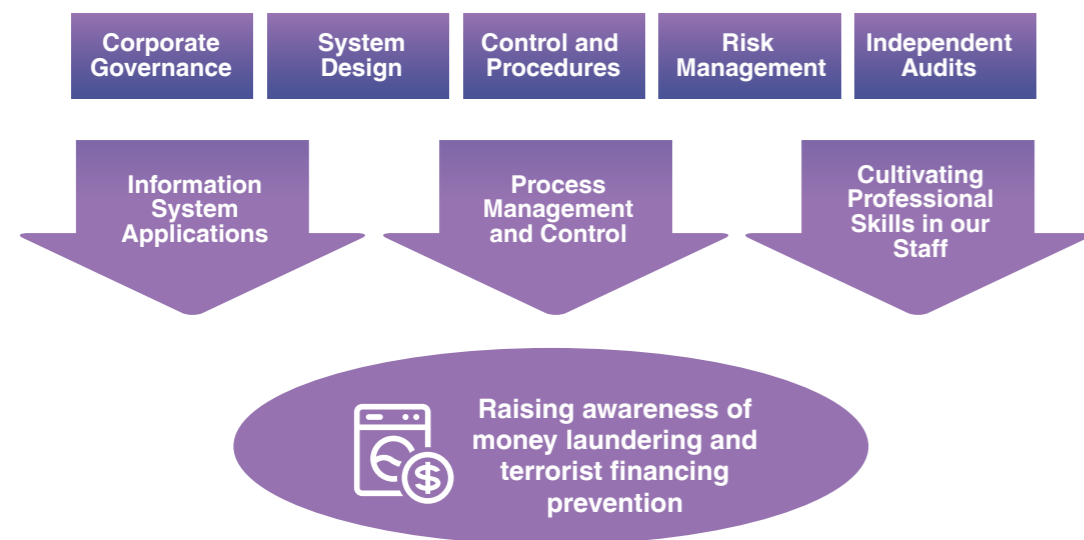
After analyzing legal revisions, technological changes, as well as internal and external threats, China Life developed 73 key risk indicators (KRI) to quantify current risks and trends. Monitoring operational risk fluctuations facilitates early response, which strengthens risk awareness among operational and risk management departments. By monitoring KRI, we can understand the organization's goals and tolerance toward risk.

Loss Data Collection

Effective monitoring is the key to strong risk management. China Life has built operational risk monitoring and abnormality reporting mechanisms. Loss data collection (LDC) reveals actual exposure to operational risks and ways to strengthen management of hidden and operational risks. By facilitating risk identification and assessment, we lower the possibility and impact of losses.

Prevention of Money Laundering and Terrorist Financing

To prevent money laundering and terrorist financing, China Life built a risk management framework based on corporate governance and mechanism design, controls and procedures, risk management, and independent auditing. We use information systems, process management and control, and employees' professional capabilities to incorporate the prevention of money laundering and terrorist financing into the Company's organizational culture. External procurement of databases and internally built systems further strengthen our ability to identify potential violations. Prudent employee recruitment, education, and training further equip our employees with the knowledge and tools they need to prevent these illegal activities.



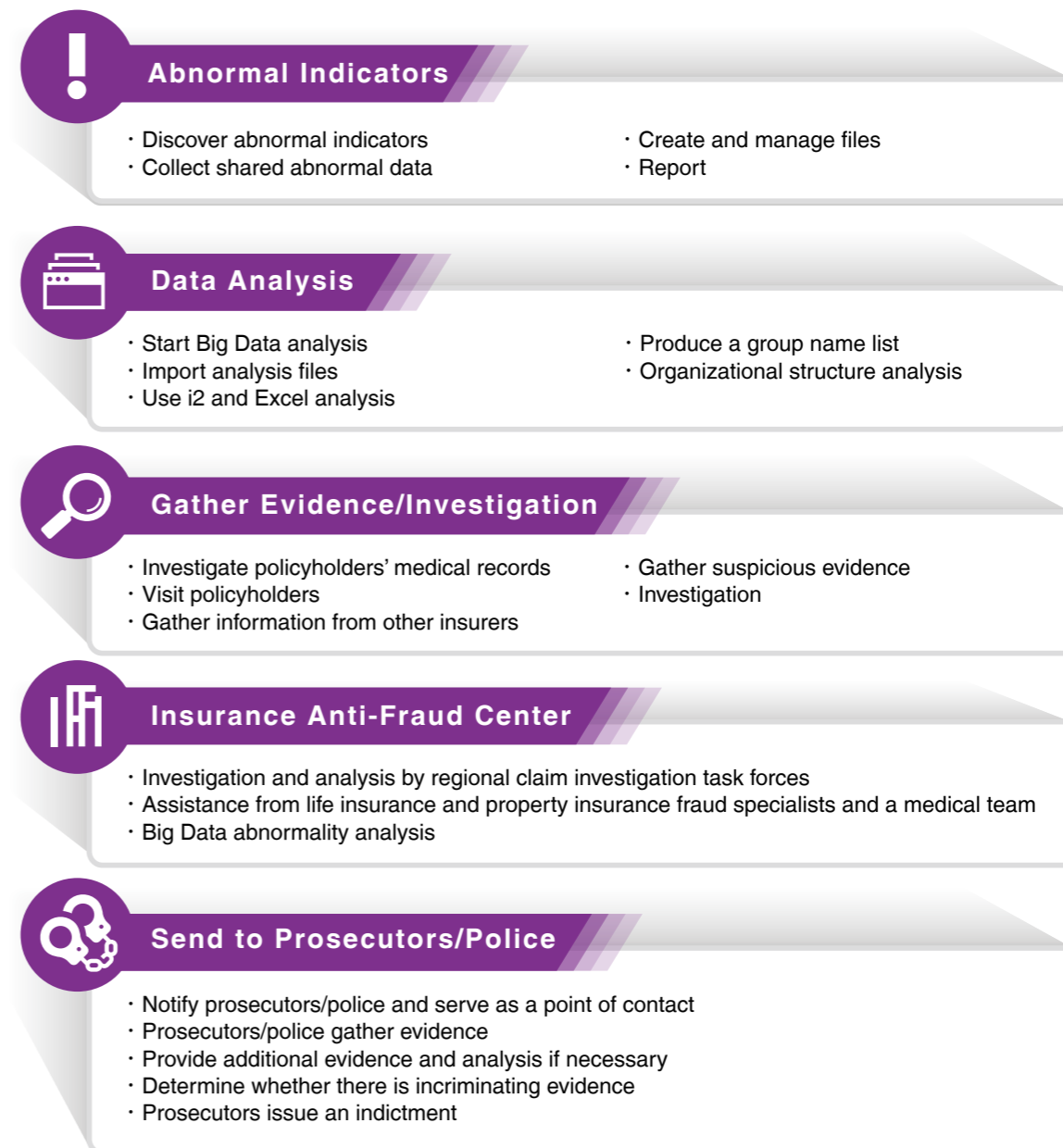
Each year, China Life conducts comprehensive money laundering and terrorist financing risk analysis. We analyze data from policyholders, regions, products, and services along with current control mechanisms. Risk reports from local governments and warnings from international organizations provide additional information. We use the results to formulate prevention plans that can stop these risks from becoming reality.

Preparing for Hidden Risks

Risk of Major Fraud and Financial Crimes

Major fraud and financial crime is one of China Life's risk identification and management categories. This refers to several risks, including money laundering, terrorist financing, and internal and external fraud. We regularly use risk and control self-assessment procedures to identify financial crimes and fraud. The procedures analyze whether internal controls in key operational workflows are effective. They serve as a foundation for key risk indicators and risk quantification, which are used quarterly to determine financial crime and fraud trends. Determining these trends helps indicate changes needed to guard against hidden risks. In 2017, police and prosecutors did not uncover any cases of fraud involving the Company's policyholders.

Insurance Fraud Prevention Processes

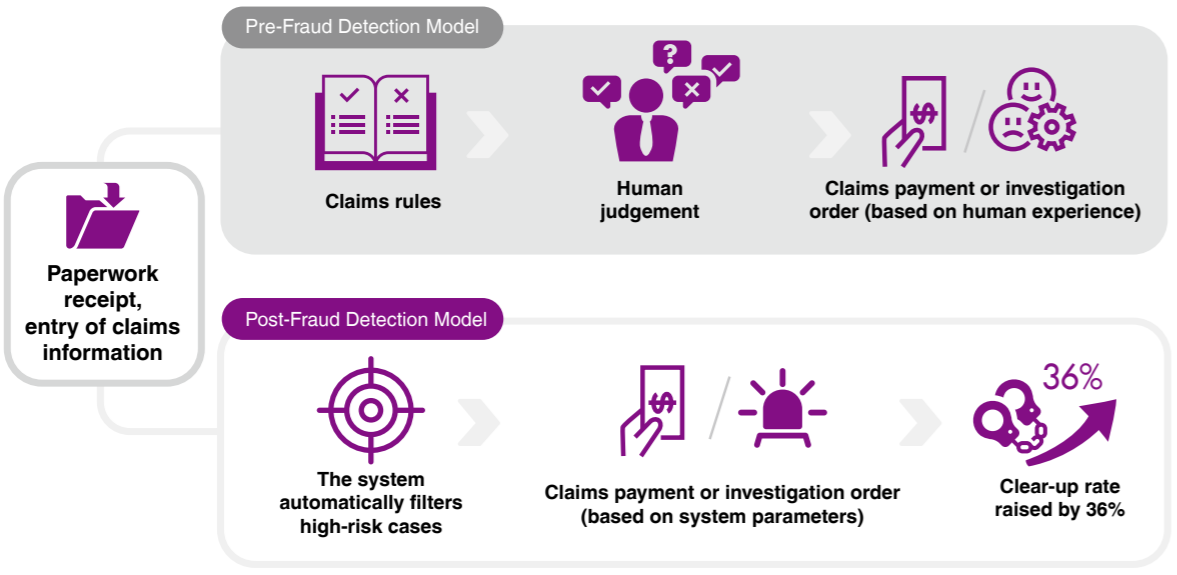


Developing an Insurance Fraud Detection Model – Protecting Policyholder Assets

An increase in schemes used to carry out insurance claims settlement fraud is having a severe impact on the rights and interests of insurance companies and policyholders. A concurrent rise in gang style fraud is complicating cases and widening their impact, making it more important than ever to boost the speed and effectiveness of fraud analysis. Uncovering fraud more quickly reduces risk and raises the crime clear-up rate. In recent years, fintech and insurtech ventures have grown around the world, creating more new technology that can be used to control and manage risk with lower manpower needs. With these changes in mind, China Life launched the Claims Settlement Risk Control and Management Project in the first quarter of 2018. Using Big Data analysis, we established an insurance fraud detection model. Systematic risk analysis and forecasts reduce human errors, thus lowering financial losses from invalid claims.

The insurance fraud detection model relies on past claims settlement data and experiences. We compile a composite profile using the policyholder's cause of illness, insurance records, time of claim, and claim history. Then, using data mining techniques and identification models, we differentiate claims settlement risk. Cases that are determined to be high risk are investigated; low risk claims receive fast payment approval. In the future, this method will significantly raise the efficiency of the claims process and the satisfaction rates of policyholders.

We expect our insurance fraud detection model to increase the rate of claims refusals in investigated cases from 13.64% to 20%, raising the clear-up rate by about 36%. Expenditures from invalid claims are expected to drop by approximately NT\$22 million in the first year.



① Rate of claims refusals following investigation

Risks Associated with Demographic Changes

Taiwan's ageing society faces numerous risks associated with longer life expectancy, an increasing dependency ratio, rising medical care expenses, and long-term care. China Life is closely watching changes to the population structure. We are keenly aware of problems ranging from the daily economic burden faced by the elderly to the needs of families and social institutions that care for the aged. Our diverse insurance products, which are available through many channels, assist policyholders in preparing for retirement. We raise quality of life for the elderly by providing them with the insurance care they need.

Policy Conversion	In 2014, we introduced policy conversion to help middle-aged and older policyholders convert their life insurance policy guarantees into retirement income (under limited circumstances). Policyholders who take advantage of this benefit can be more secure in their retirement life-style.
Small-amount Life Insurance	In response to government efforts to enhance elderly care, we developed small-amount life insurance to provide the elderly with basic life insurance guarantees.
Endowment Plan Products	We continue to promote endowment plans that pay benefits to survivors on maturity and help people plan their post-retirement financial needs.
Health Insurance	Rapid ageing of the population in recent years has been accompanied by an increase in disabilities among the elderly. We therefore are promoting long-term care insurance, so policyholders can afford the high-fees needed to pay for physical disabilities or dementia. In 2018, we plan to develop a health promotion insurance product that will further help policyholders obtain the coverage they need.



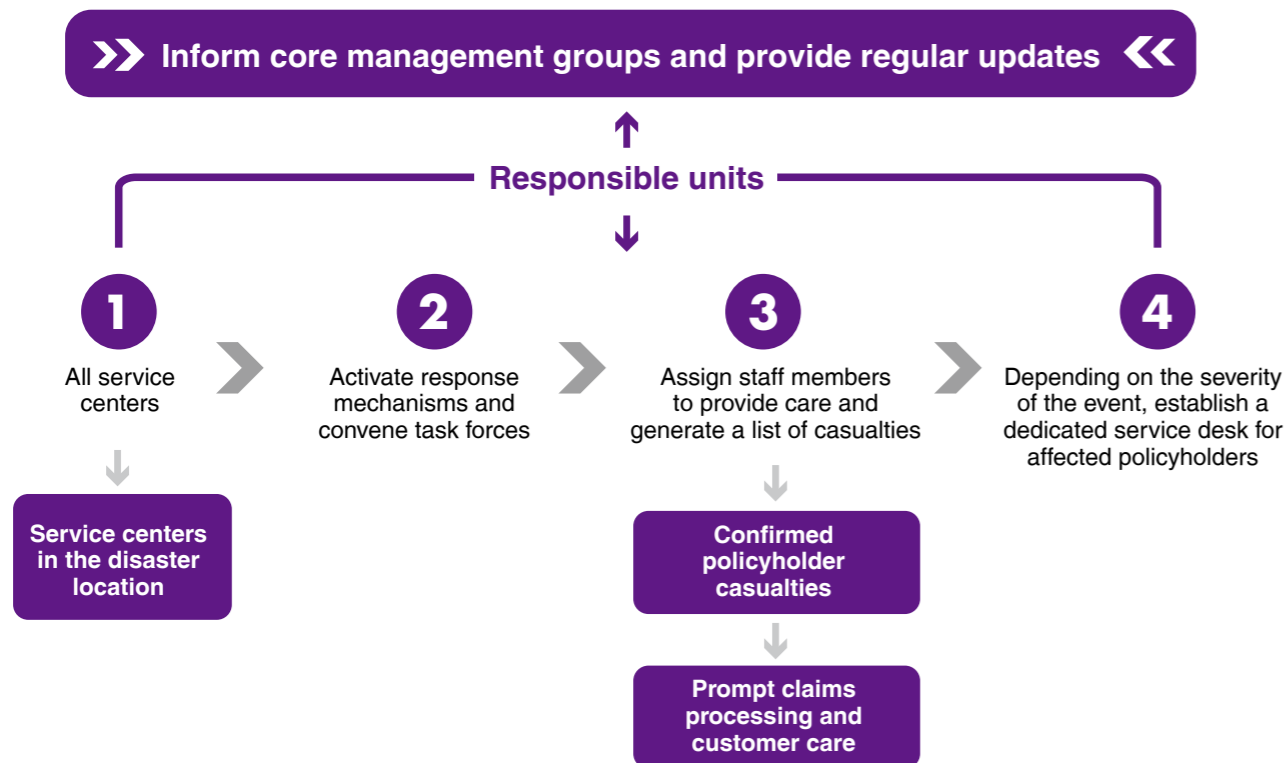
Risk of Climate Change and Major Disasters

In recent years, abnormal climate events have occurred around the world. Extreme weather occurrences caused a series of floods, droughts, and other natural disasters. According to a report published by the UN, Taiwan is a highly sensitive region. The island has already faced numerous severe weather events, including harsh cold streams and winter typhoons. These occurrences, which frequently result in natural disasters, have resulted in property losses and even threaten people's safety.

When a major disaster occurs, we faithfully uphold our commitment to providing care and service. This attitude was on display in 2017 for events such as a February 13th major traffic accident on National Freeway No. 5; the June 2nd torrential rains; and Typhoons Nesat, Haitang, Hato, and Guchol. For each of these events, we activated the "Policyholder Service Methods" to provide care to victims at their greatest time of need. Policyholders benefited from expedited claims settlements.

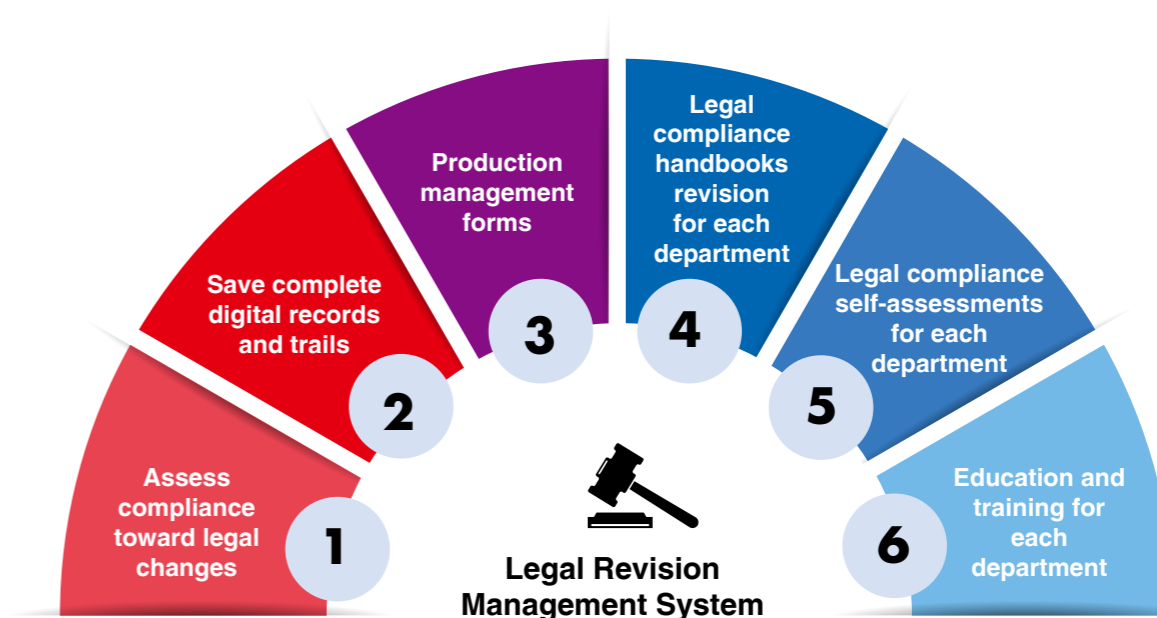
In 2012, China Life formulated the "Guidelines Governing Post-Disaster Services for Policyholders." We revised the guidelines at the end of 2014 to form the "Policyholder Service Methods" then adjusted the methods into standards for managing major disasters at the beginning of 2017. Whenever circumstances change, we revise our processes to ensure comprehensive protection for policyholders.

Disaster Action Plan



Regulatory Compliance

When developing new products or services, compliance departments join the planning process early to provide legal opinions. Systems for managing legal revisions help them understand how changes affect compliance. Compliance employees also conduct annual reviews, track requested improvements, and arrange education, training, and advocacy.



Legal Revision Management System

China Life developed the Legal Revision Management System to serve as a systematic mechanism for responding to changes in the law, and to offer education and training to related departments. The system's automated management tools create and preserve digital records used by compliance departments and others to check and respond to ongoing cases. The system also enables management to create reports that gather and analyze data to further raise efficiency and functionality. After formally launching the system in 2017, we already have plans to expand it to gather more information and experiences for future use.

Implementation of Legal Compliance

At the end of each year, compliance departments draft plans for the following year then submit them to the Board of Directors for approval. To raise understanding of legal issues, in 2017 our compliance departments held 22 education, training, and advocacy events targeting directors, high-level managers, department compliance managers, sales agents, new employees, and more. Topics included confidentiality obligations, financial consumer protection, personal information protection, the Foreign Account Tax Compliance Act (FATCA), insurance penalty case studies, and money laundering prevention regulations.

Whenever regulators identify and act on a violation, we review our internal operations and policies then make needed revisions. We conform to all legal changes to ensure full compliance with solicitation, products, after-sales service, the protection of employee interests, and other operational procedures. The Financial Supervisory Commission issued 34 disciplinary actions to members of the life insurance industry in 2017, with total fines of NT\$27.6 million. Two of the actions targeted China Life, resulting in fines of NT\$1.5 million and five corrections. We responded by reviewing our procedures and proposing improvements to controls and management. The incidents were disclosed on China Life's corporate website.





CHAPTER 3

Diligence – Innovation and Growth

China Life's inclusive human resources policies provide a broad range of high-quality work opportunities that offer space for development. We have numerous measures in place to govern hiring policy and human rights, talent cultivation and development, pay and benefits, and occupational safety and health.

In terms of hiring and pay packages, we adhere to the principles of gender equality and equal pay for equal work. Women have equal opportunity for promotion, as shown by the composition of our Board of Directors, which has four female directors. China Life has made great progress in terms of gender equality.

To protect human rights, we prioritize disabled people for several of our job vacancies. We also installed equipment to aid the disabled, including specially designed elevator call buttons, Braille signage, larger computer screens, magnifying glasses, and identification lights. We encourage people with disabilities to advance their careers by applying for professional licenses. China Life employed 62 disabled persons, including many with over 13 years of experience. Their presence and contribution show our commitment to eliminating discrimination and protecting human rights.



Building a complete development map with professional finance and insurance talents

2017
ESG
Goals and
Progress

- ◆ We continued to recommend certification courses from the international Life Insurance Marketing and Research Association (LIMRA), including holding the organization's Agency Management Training Course in Taipei, Taoyuan, Taichung, and Tainan, as well as two Pacesetter classes. In 2017, 158 people received LIMRA training, up 20% compared to 2016.
- ◆ We recruited management associates, carried out a job rotation plan, and offered summer internships to young scholars.
- ◆ In response to fintech advances and to cultivate fintech talents, we conducted classes and training sessions on digital trends, strategic responses to trends, personal transformation for supervisors, and employee guidance and retention.
- ◆ We cultivated project managers and built comprehensive project management and process systems to improve overall operational performance.

2018
ESG
Goals

- ◆ To enhance our image as an employer and develop future management talents, we will recruit four to eight management associates, eight to 12 interns, and three to six R&D substitute service candidates.
- ◆ To raise fintech knowledge among employees, we will continue to conduct employee job rotations and hold digital transformation classes.
- ◆ To respond to the digitalization of finance, we will plan six learning maps for agents and offer digital cultivation modules.

Diverse worker benefits to build a safe workplace

2017
ESG
Goals and
Progress

- ◆ We launched the Family Volunteer Train to increase positive interaction between employees and their children.
- ◆ We continued to hold finance and life insurance camps for children. Combining classes and games, we taught children about our industry, enabled employees' children to see their parents' place of work, and promoted child-parent relationships. In 2017, parents and children rated the camps an average of 4.86 out of 5.0.
- ◆ We conducted fitness education planning based on exercise. They included physical fitness tests and exercise talks held across Taiwan.
- ◆ We continued to offer quarterly health services at the Company. New services included counseling and guidance on preventing hazards related to ergonomics and overwork, and encouraging maternal health.

2018
ESG
Goals

- ◆ We will hold a family insurance camp and a children's insurance camp to teach children insurance concepts and promote positive family interaction.
- ◆ We will offer health management planning, including physical fitness testing, aerobics classes, and four health lectures. These activities will promote physical fitness and health among our employees.
- ◆ We will hold 26 health service events featuring counseling and guidance on preventing violence in the workplace, ergonomics hazards, and health risks from overwork, as well as promoting maternal health.
- ◆ To raise the quality of our office environment, we plan to send employees from the head office and the Taichung and Kaohsiung branch offices to obtain professional certification in indoor air quality.

Management Guidelines

Major Topics	Market Position / Labor-Employer Relations / Training and Education / Employee Diversity and Equal Opportunity
Commitments	<ul style="list-style-type: none"> ◆ We enact performance-based salary policies while ensuring that employee pay and benefits packages are competitive. ◆ We are committed to implementing gender equality laws and policies. We guarantee equal employment opportunity for women, and ensure women receive fair promotion opportunities.
Policies / Management System	<ul style="list-style-type: none"> ◆ Designated rules govern incentives for office staff that undergo professional testing. Besides Life Office Management Association certification, we hope employees seek certifications both inside and outside their main area of work, along with certifications that help them adapt to industry trends and legal changes. ◆ Designated rules govern paid vacation time, annual leave, and unpaid leave. Employee leave is handled in accordance with the law. When the law is revised, we change our internal policies to remain in compliance.

Complaint Mechanisms

- ◆ We hold labor-management meetings for two-way discussion of labor rights issues.
- ◆ The Company's internal website offers a complaint channel. We handle complaints in accordance with the "Labor Inspection Act."

Evaluation Mechanisms

- ◆ Each year we commission an outside company to review salaries. It examines each position grade within China Life then compares the salary and benefits to industry standards. The findings are considered when adjusting salaries.
- ◆ Employees who show strong results or potential in annual performance reviews are tracked and groomed. When opportunities arise, they are inserted into key positions or promoted to management.
- ◆ We help agents obtain professional certifications in finance areas such as individual life insurance, foreign currency policies and investment-linked insurance.
- ◆ We established an annual training audit system to ensure that our training programs help employees to learn and grow.
- ◆ Each year we hold human rights education and training for office staff and agents to strengthen recognition of human rights concepts among employees.
- ◆ Each quarter we hold labor-management meetings for two-way communication of labor rights issues.
- ◆ We track and record worker complaints and make regular reviews and improvements.
- ◆ Three inspections of office working conditions examined employee safety and health oversight by nursing staff, gender work equality, and business trip management. After submitting information to labor officials, we provided additional information on our nursing staff as requested. We passed all other items and were not found to be in violation of any laws. For three inspections of agent working conditions, we submitted requested information to regulators and made improvements where needed.

Employees are China Life's most valuable asset and the foundation of our sustainable operations. To ensure appropriate use and allocation of all human capital, we scrupulously abide by the International Bill of Human Rights. We are a multi-cultural, equal opportunity employer that does not discriminate on the basis of race, class, language, ideology, religion, political party, ancestry, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, disability, or past labor union membership. We provide a comprehensive training blueprint, a strong commitment to human rights, and generous pay and benefits packages. Our workplace environment is healthy and safe, and our employees are hardworking and happy. Mutual respect between labor and management inspires everyone to innovate and grow.



Sustainability Training

Talent Cultivation

Recognizing that employees are one of a company's most important resources, China Life considers employee development a growth engine. Broad training opportunities and career advancement mechanisms encourage continuing education and fuel ambitions. We assist with career planning and encourage self-improvement. To strengthen employee competitiveness, we invested NT\$31,241,648 into education and training. Average training hours were 26.88 for office staff and 58.91 for agents. Between classroom courses and e-learning tools, as well as regular testing and review, our development programs foster professional staff members and supervisors who grow with the Company.

2017 Education and Training Classes, Hours Attended

	Office Staff				Sales Agents			
	Manager	General Staff	Total	Average	Manager	General Staff	Total	Average
Office Staff	6,534.17	27,111.75	33,645.92	26.88	87,961	243,884	331,845	58.91
Sales Agents					169,585	243,884	413,469	63.42
Total	19,134.34	34,732.40	53,866.74		242,404.00	413,469.00	655,873.00	
Average	27.65	26.47	26.88		63.42	56.55	58.91	

(Unit: Hours)

Note: Agent education and training covers regulations, products, and marketing. Due to the wide range of lessons, agents spend more time on average in classes than office staff.

Office Staff Education and Training

To ensure we are equipped to respond to external challenges and changes in the environment, China Life utilizes a diverse range of talent development and cultivation plans focused on four main areas of study: operational management, professional capabilities, new recruit training, and general knowledge and skills. We encourage employees to use continuing education opportunities to raise their competitiveness. We expand the range of digital finance classes by using external training, self-training, overseas tours, and other channels to teach knowledge and skills from various fields. Areas of study include personal growth for supervisors, digital trends awareness, strategic trends, and digital technology. In 2017, total training hours exceeded 9,000.



China Life also raises international fintech awareness by promoting academic-industrial cooperation. We sponsor research conducted by the FinTech Research Center of National Chengchi University. We send employees to the United States, Japan, Israel, Mainland China, and other locations to attend classes on insurance technology trends. The knowledge they gain helps us keep pace with international trends and provides opportunities to interact with industry peers. By closely watching market trends, we remain a progressive company.

Course	Content
Operational Management	<ul style="list-style-type: none"> Operational strategy Digital finance Professional skills for new supervisors and supervisors of all levels

Course	Content
Professional Capabilities	<p>Professional knowledge and skills:</p> <ul style="list-style-type: none"> Supervisors and senior staff pass on knowledge and experiences tailored to particular departments or fields <p>Disciplinary courses :</p> <ul style="list-style-type: none"> Covers underwriting, claims, accounting, audits, actuarial science, and other professional topics

Course	Content
New Recruit Training	<p>New recruit education and training :</p> <ul style="list-style-type: none"> Covers risk management policies, personal information protection policies, product characteristics, branding, and corporate culture; we offer centralized training at the head office and establish learning teams to foster a cooperative spirit <p>New recruit professional skills training:</p> <ul style="list-style-type: none"> Covers sales channels and logistical support departments; investment teams plan professional training, and we offer systematic learning models

Course	Content
General Knowledge / Skills	<p>Disciplinary training:</p> <ul style="list-style-type: none"> Preventing money laundering and terrorist financing; personal information protection; information security laws; business integrity and ethics; and principles for fair customer treatment in financial services <p>Human rights promotion:</p> <ul style="list-style-type: none"> Teaches employees about their rights, benefits, and labor-management communication channels <p>Personal skills and other topics:</p> <ul style="list-style-type: none"> Computer tools and applications; and various health topics

Digital Learning

To accelerate our response to fintech trends, we upgraded our e-learning platform for office staff. Responsive web design, including fast access to study materials and links, makes the platform more convenient to use. The new version of the platform uses a single log-in window. Study materials are encrypted to lower the risk of hackers stealing information and provide a more secure environment for users.

Besides offering courses on legal issues, professional knowledge, communication, and industry trends, we launched new self-study courses that include a 15-part series on insurance products. These optional courses are popular among employees. From 2014 to 2017, we added 521 courses to the platform and employees engaged in 53,808 hours of study.

Professional License Incentives

New rules governing incentive programs for office staff that seek professional certificates stipulate standards for exam holidays, registration subsidies, and bonuses. The incentives encourage the pursuit of Life Office Management Association (US) certification and professional certification in new fields. Facing increased liberalization of international financial markets and advanced money laundering techniques, we are keen to prevent money laundering and terrorist financing. To meet our goal of passing evaluation by the Asia/Pacific Group on Money Laundering, we offered subsidies for obtaining Certified Anti-Money Laundering Specialist certification. To encourage more employees to pursue certifications and accelerate talent development, we expanded the number of subsidies and the range of qualified recipients. At the end of 2017, our office employees had 1.97 professional certificates on average, up 16.57% compared to the end of 2016.

Office Staff	Professional Certificates Held	2017	2016	2015
	Actuary Examination	170	130	100
	Investment, Risk Control, Auditing, Anti-Money Laundering Certification	12	7	5
	Underwriting, Claims Settlement Certification	74	69	58
	Life Insurance Management Examination	3,687	3,097	2,553
	Total	3,943	3,303	2,716
	Average Professional Certificates Per Person	1.97	1.69	1.47

Agent Education and Training

We offer complete training plans at China Life University's School of Marketing, School of Business, School of Management, School of Finance, and Comprehensive Institute. Systematic lessons tailored to new recruits help improve their finance, insurance, and management skills. We created clear training objectives and goals for directors, managers, assistant managers, and others, so employees understand their specific role within the company. Participants develop a shared culture and vocabulary that makes them stronger employees.

China Life University



Agent Training System

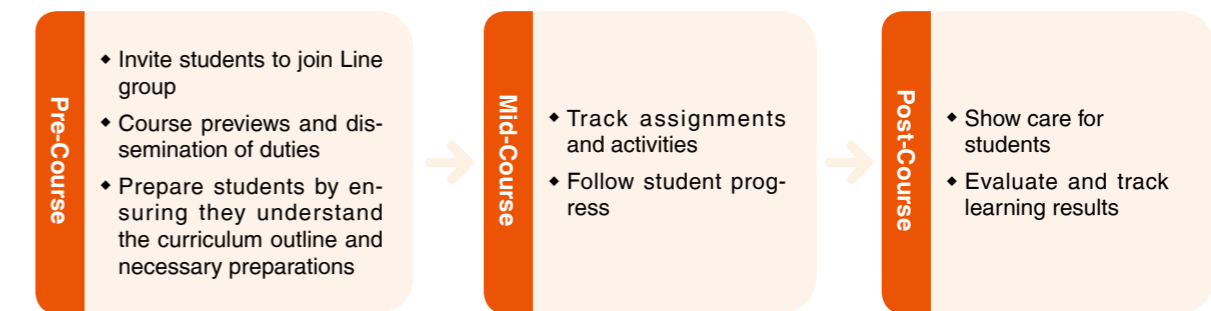
China Life developed a systematic study map that shows core skills needed at each position within the Company. Agents navigate the map to better understand the skills they need. Lessons are conveyed via a hybrid face-to-face and online study environment, and one-stop education and training mechanisms let them directly apply what they learn at work. By giving agents a deeper understanding of their job and its requirements, we help them achieve their career dreams. In 2017, the visitor count on the agent e-Academy platform was 246,690, up 98% compared to 2016, and a total of 51,542 users completed the training.



Using Technology to Build a Digital Learning Environment

As digital finance grows in popularity, China Life is adding digital learning tools. We developed e-books that let readers take notes and photos. Students use the books to engage in pre-course preparation and testing and receive guidance and feedback during their course. After classes end, they can review lessons and take a post-course exam. In 2017, we developed 28 new e-books and compiled coursework from eight traditional courses into e-book form, which reduced costs by an estimated NT\$150,000 and saved more than 120,000 sheets of paper. In 2018, we plan to develop e-books for 16 more courses to further strengthen our digital learning environment.

At the same time, instructors use the fast and interactive features of the Line chat app to offer explanations and guidance before, during, and after courses of study. Line not only increases study efficiency and improves results but also sparks excitement before classes begin. It enables students to fully experience the customization and hard work that goes into our course preparation.



Cultivating Potential Sales Managers

As trends evolve and technology advances, China Life adapts. Besides integrating digital tools into our education and training programs, we offer a broad range of special training courses and motivational study environments. As our agents learn how to make professional judgments and provide considerate service, they become equipped to steer China Life's performance in this new age.

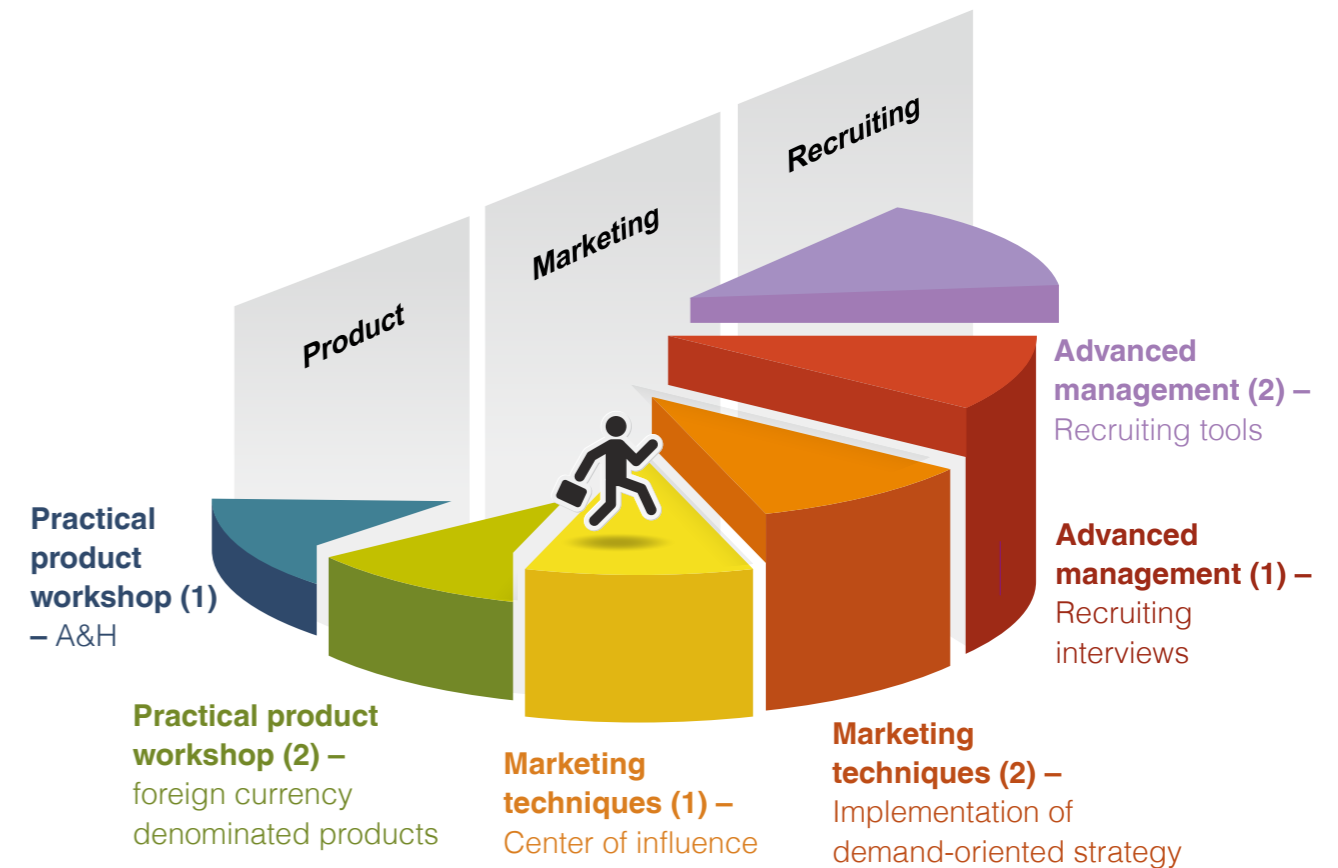


• Core Team Classes Training Program

Dubbed “the cradle of district management cultivation,” our Core Team classes focus on cultivating high-potential sales managers who will become the next generation of district managers. The program, which strengthens our ranks of potential managers and enhances organizational development, includes the following training content: “Professional Capacity Training Plan,” “Recruiting and Talent Selection,” “Training and Guidance,” and “Leadership and Guidance.” It teaches the importance of establishing short-, mid-, and long-term operational achievement indicators as well as monthly reviews and oversight. Each month, we invite managers of top performing district offices to provide guidance and share their experiences, with the expectation that they will cultivate a new generation of district managers. Students in the program also become regional proponents of organizational development. In 2017, we successfully cultivated two new district office managers. The number of agency teams built by student managers grew by 4% and member growth increased by 9.1%, both outperforming other managers at the same level.

• Supervisor Promotion and Cultivation Plan

Improving the retention, training, and promotion of sales supervisors strengthens our organizational base. China Life therefore launched the Supervisor Promotion and Cultivation Plan. The six-month plan features six classes that focus on three major areas: products, skills, and recruiting. After the classes end, operational and performance tracking mechanisms further raise production capacity and organizational development.



• LIMRA Professional Courses

The Life Insurance Marketing and Research Association (LIMRA) is the world's most trusted life insurance association. By combining knowledge gained from the research and management experiences of global members, it offers authoritative international training courses that quickly improve the effectiveness of mid- to high-level sales managers. Marketing, sales, and management are the chief skills of a life insurance salesperson. To strengthen these skills in our agents, in 2016 we adopted a pair of LIMRA courses: the Pacesetter Management Skills Seminar and the Agency Management Training Course. They focus on five critical areas of field management: planning, recruiting, selection, training, and performance. Another 28 types of practical study for operational management skills further solidify management roles and raise the operational performance of our teams.

In 2017, we held six LIMRA classes that trained a total of 139 sales managers. Among those who completed the coursework and passed review, analysis from six months before training and six months after showed improvement in key indicators, including a 65% increase in job candidates and a 5% increase in the workforce. In 2018, we will hold another seven LIMRA classes to further strengthen the practical understanding and application of our sales managers. Their improved performance will raise the Company's overall capacity and organizational development to new heights.

Improving Sales Training Quality

• **Professional Speaker Training**

Company speakers are a vital means of communicating internal knowledge, techniques, and examples. To build a professional speaking team, we regularly recruit new, high-performing sales managers who show promise as speakers to attend basic technical training. As they develop the correct attitude and overcome public speaking fears, they become skilled teachers with an ability to systematically present lessons. Gradually, they grow into successful speakers. At the same time, we hold regular refresher and advanced studies courses for our current speakers, so they can continue to develop their craft. Before revising classes or launching new classes, we select qualified speakers to serve as teaching consultants and to lead the trainer programs.

We ensure the quality of speakers by having them attend training courses and listen in on more experienced speakers before giving their own talks. New speakers discuss speech topics with the speech development team then hold trial talks to further demonstrate their readiness to speak. During actual speeches, a moderator assists the speaker and makes sure all content is followed. After the speech ends, students fill out a questionnaire to gauge their satisfaction of the lesson content and speaker performance. Results are used by the speaker and speech development teams as a reference to improve future speeches.

Performance Reviews

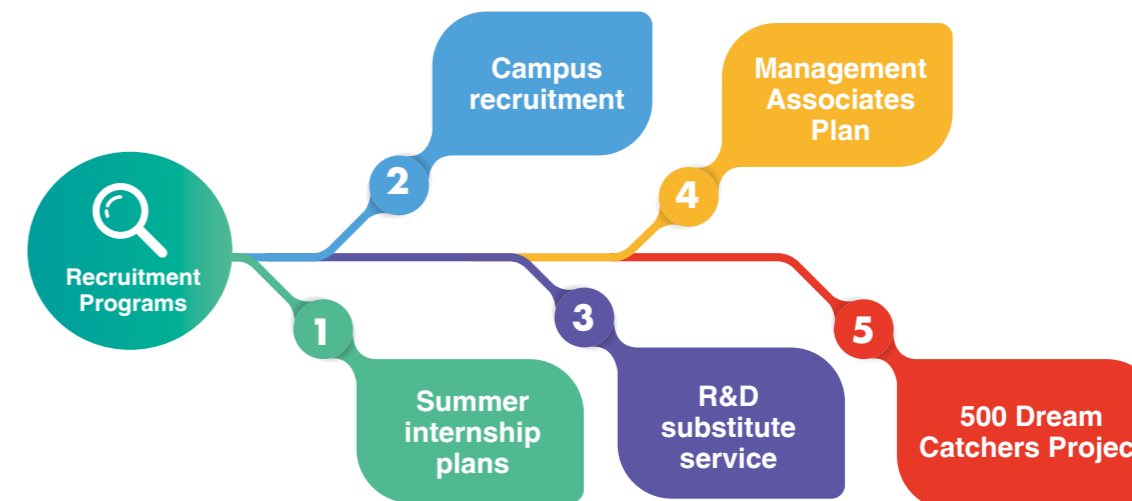
There are no shortcuts to cultivating talent. Everyday we systematically train and review employees. From exams for new recruits to daily work guidance and annual performance reviews, 100% of our employees are subject to regular assessments. Our comprehensive performance management cycle, which includes one-on-one communication between supervisors and employees, offers a chance for feedback and guidance. The aim is to improve performance and encourage employees to conquer new challenges. Our management system takes note of employees who perform well on annual performance reviews and show strong potential. When positions open, they are recommended for key positions or promotion to management, where they benefit from additional training.

Our Key Talent Development Plan teaches commercial capabilities, industry trends, and individual skills. We added fintech trends and applications to teach digitalization, new work execution models, and innovative customer services. The plan aims to develop a new generation of managers with a strong future outlook.

Cultivating Intellectual Assets

Human Capital Investment

Human capital is a driving force behind a company's sustainable operations and development. China Life strongly values student training, as shown by our support of the following five recruitment programs.



We used campus recruitment, the Management Associates Plan, and the Youth Internship Plan to attract students to join China Life after graduation. We bolstered our information talent reserve by recruiting substitute military servicemen with R&D capabilities to join our team; in response to growing fintech trends, we launched the 500 Dream Catchers Project.

1. Summer internship plans

To tackle the skills gap between what students learn in class and what employers actually need, and to support the government's job creation policies, China Life actively seeks to train the next generation of finance and insurance experts. A key initiative is the two-month long Youth Internship Plan. The plan focuses on three areas: comprehensive classes, experienced guides, and diverse company activities. The guides we select are high-performing enthusiastic employees who are well acquainted with operations. As they teach students about China Life and help them participate in work-related matters, they offer support and feedback. They ensure that students receive practical, professional experiences while exploring professional skills. Interns receive a salary, labor and health insurance, pension fund contributions, and group insurance. Those who perform particularly well are given priority when applying for jobs at the Company after graduation.



2. Campus Recruiting

To attract innovative, enthusiastic youths, China Life actively recruits students at major universities from the beginning of the campus-recruiting season. Besides introducing our Company's vision, corporate system, and job vacancies, we interact closely with youths to tell them about our business views and job market conditions. These campus events are an excellent opportunity to showcase our professionalism and passion. For the National Taiwan University Vision 2017 series of recruitment activities, our president



led a high-level management team along with staff members and supervisors from offices across Taiwan. The event presented a unique opportunity to mix with students and discuss our workplace and their career directions. The impressive delegation demonstrated our commitment to acquiring top talent. At campus recruiting trips in 2017, we received close to 1,000 résumés from job seekers.

3. R&D Substitute Military Service

A Ministry of the Interior plan lets corporate institutions hire conscripted men to engage in substitute service that supports national economic development. China Life participates by hiring talented young men with digital technology capabilities. We train them and offer pay and benefits commensurate with those of a full-time worker. After their substitute service ends, depending on their work-study status and desire, we help them plan a suitable internal or external role or training. We offer them the opportunity to smoothly transition to a higher role or a regular position in the Company. The program helps these young men find a suitable position and apply what they learned to a new job.

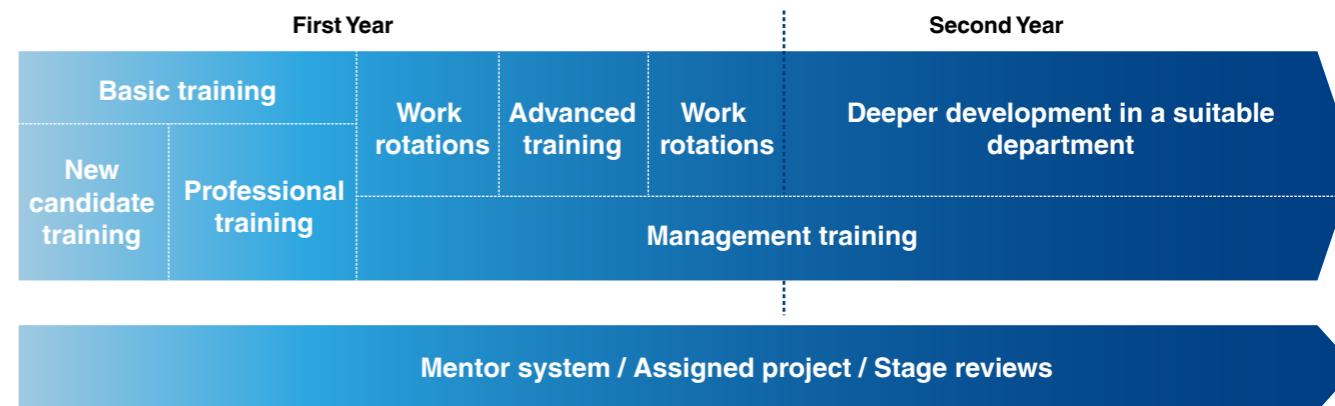


4. Management Associates Program

The Management Associates Program is a comprehensive plan to identify talent. It specifically targets graduate-level students of all academic disciplines from Taiwan and abroad. The vice president of the Human Resources Department personally introduces the program and job openings. Company supervisors speak at their alma maters to describe their job experiences and give career recommendations. Management Associate (MA) candidates recruited to apply to the program undergo a structured selection process broken into three stages. The Board chair and president of the Company interview candidates who make it to the third stage. Those who are selected and participate learn that a life insurance company has a diverse range of professional departments that require people with a wide range of skills. Only then can a financial enterprise break free of traditional modes of operation and become an innovative company equipped to succeed in the digital technology age.



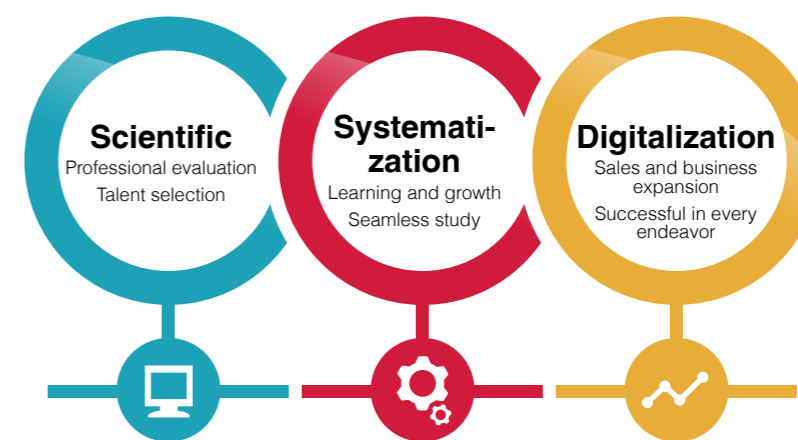
Participants spend two years in the program. In the first stage, they rotate through various departments to develop a wider understanding of the insurance industry. In the second stage, they focus on a single department suited to their skills, where they can develop their talents and strengthen their management capabilities. MAs attend operational strategy meetings and carry out assigned projects. Through close interaction with the company's strategic core, they quickly become familiar with the insurance industry's unique characteristics. They develop the talent needed to become future leading experts or join top-level management.



MAs receive highly competitive pay packages. Depending on performance, the Company adjusts their pay and distributes year-end bonuses and employee bonuses to ensure that top talents remain committed to China Life. MAs who complete the two-year program and pass all stage reviews are assigned to a new position based on their potential and performance. The best performers are promoted to management positions where they can fully demonstrate their abilities. The program works to cultivate a new generation of talented employees ready to lead the company in the future.

5. 500 Dream Catchers Project

The development of fintech led to a variety of new staffing challenges. After introducing a plan that offers more generous pay and financial subsidies to talented new workers, we launched the 500 Dream Catchers Project. In the project's first round, we aim to focus on 500 talented people aged 35 years or below who are qualified personal insurance agents. An initial preparatory month is followed by the nine-month program. Participants are inspired to pursue their dreams and fully commit to their careers.



During the first month, participants do not need to worry about performance goals. Instead, they focus on learning about finance and insurance. They become qualified to sell popular products and gain professional experience. After finishing designated classes and gaining certification in either the sale of foreign currency traditional policies or investment-linked insurance policies, they qualify for an iPad and a NT\$20,000 stipend. During the next nine months, using the iPad and guidance from supervisors, participants improve their finance and insurance knowledge, their analysis of client demand orientation, and their ability to plan diverse financial allocation of foreign currency and investment-linked policies. Course topics include mobile policy training, foundational training for new employees, foundational project training, advanced project training, high-level project training, legal compliance, and director prerequisites. Participants who meet certain standards can continue to collect a NT\$20,000 monthly stipend during the course of the program. In total, they can receive as much as NT\$320,000 in support. China Life uses generous financial subsidies, comprehensive training resources, and favorable promotion channels to help talented young agents become proficient in finance and business. By succeeding at work, they achieve their dreams.

Four-Step Candidate Selection Process for the 500 Dream Catchers



Moving Forward, Hand-in-Hand

Gathering Talent

Employees are both the engine that drives a company's advance and the foundation of sustainable development. Besides providing diverse, equal opportunity employment, China Life launched mandatory human rights policy advocacy courses. In the future, we will uphold our diligent operations and mutually respectful workplace environment, wherein the moral character of all employees is proper, impartial, and inclusive.

Staff Structure



China Life deeply respects the role of each person in the Company. Appointment is based on the principles of equality and diversity. In 2017, we employed 62 disabled persons and 60 minority indigenous peoples. At the end of 2017, we had a total of 13,137 employees, consisting of 2,004 office workers and 11,133 agents.

2017 Employee Categories

	Office Staff			Agents			
	Male	Female	Total	Male	Female	Total	
Contracts of Indefinite Duration	689	1,310	1,999	Sales Managers	1,196	2,434	3,630
Temporary Contract	3	2	5	Agents	2,626	4,877	7,503
Total	692	1,312	2,004	Total	3,822	7,311	11,133

Unit: Persons

Our office staff was made up of 65.47% women, up 3.14% compared to 2016, and nearly half of all supervisors were women. The average age of office staff members was 39.40 years, with 76.85% between 30 and 50 years of age. Their average length of employment was 7.18 years. A majority had a university or college degree, and 16.52% had either a PhD or Master's degree.

Among agents, the average age was 39.06 years, a majority was between 30 and 50 years of age, and the average length of employment was 6.7 years. Women made up 67.05% of all supervisors, which showed the effectiveness of gender equality principles in the Company's appointment policy.

Average Age and Years of Experience

	Office Staff			Agents		
	Male	Female	Total	Male	Female	Total
Average experience (years)	7.63	6.94	7.18	6.09	7.02	6.70
Average age (years)	40.97	38.58	39.40	37.11	40.08	39.06

Employee Breakdown, Based on Gender and Age, Position and Education Level

Office Staff	Total		Agents	Total				
	Male	Female		Male	Female			
Age	<30	106	194	300	<30	1,241	1,540	2,781
	31-49	476	1,064	1,540	31-49	1,989	4,269	6,258
	>50	110	54	164	>50	592	1,502	2,094
Position	Department manager and higher	51	28	79	Sales managers	1,196	2,434	3,630
	Division manager	139	143	282	Agents	2,626	4,877	7,503
	General employees	502	1,141	1,643				
Degree	PhD	2	-	2	Master's	233	212	445
	Master's	179	150	329	University/college	2,358	4,172	6,530
	University/college	462	1,087	1,549	High school/vocational school and below	1,231	2,927	4,158
	High school/vocational school and below	49	75	124				

Unit: Persons

Staff Turnover in 2017, Based on Gender and Age

Age	Office Staff		Total	Agents		Total
	Male	Female		Male	Female	
<30	37	48	85	644	744	1,388
31-49	51	105	156	588	950	1,538
>50	7	9	16	83	202	285
Total	95	162	257	1,315	1,896	3,211
	4.75%	8.10%	12.86%	11.81%	17.03%	28.84%

① Office staff turnover does not include employees on fixed period contracts

② Agent turnover includes contract employees

Labor-Management Harmony

Labor-Management Communication

To promote healthy communication and interaction between general employees and managers, China Life holds quarterly labor-management meetings so both sides have an opportunity to raise important issues. In 2017, topics included annual health checks, worker regulation changes, calendar arrangement principles, basing annual leave distribution on the calendar year, and minimum wage adjustments. Following extensive discussion, agreements were reached between the representatives of all parties who attended. Weekly meetings are convened between high-level managers and the highest-ranking managers of each business line. Meetings also take place between the managers of each Company department and operational supervisors. The meetings strengthen important internal communication channels. We also have an open complaint channel to ensure that all voices are heard. If an employee encounters a problem at work, he or she can file a complaint addressed to managers at any level or the Human Resources Department.

Staff Turnover

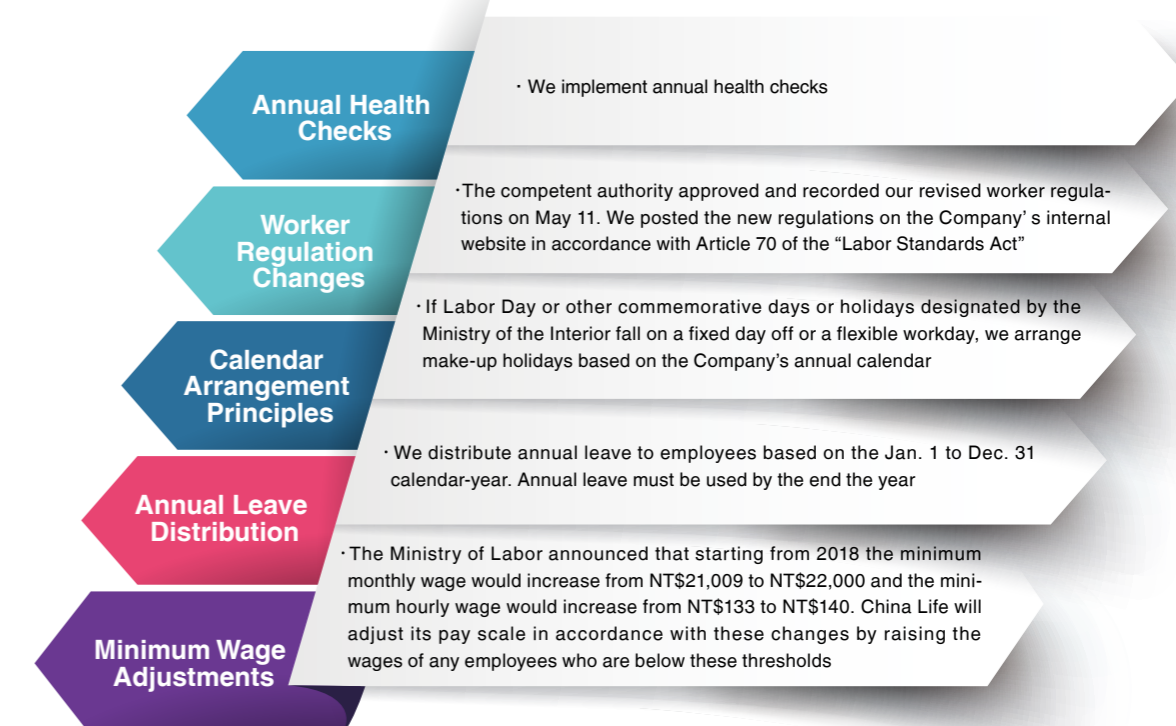
The number of office staff at China Life has grown in recent years. In 2017, we welcomed 317 new members, representing 15.82% of our total office workforce. Among the new members, 211 (66.56%) were women. Turnover was 257, or 12.86%, which was a decrease of 4.63% compared to 2016 thanks to a better quality work environment. In the future, we will continue to monitor the reasons employees leave. We will use reviews and enhancements to improve our work environment. Among agents, in 2017 we welcomed 2,144 new members, representing 19.26% of the total agent workforce. The new members included 146 people age 50 or older, which shows our commitment to diversity and equality in employment. Turnover was 3,211, or 28.84%.

New Staff in 2017, Based on Gender and Age

Age	Office Staff		Total	Agents		Total
	Male	Female		Male	Female	
<30	52	88	140	447	539	986
31-49	52	123	175	333	679	1,012
>50	2	-	2	50	96	146
Total	106	211	317	830	1,314	2,144
	5.29%	10.53%	15.82%	7.46%	11.80%	19.26%

① New agents includes contract employees

2017 Labor-Management Meeting Issues



Building a Prosperous Workplace

Pay and Benefits

Diverse Employee Welfare Mechanisms

From new recruits to senior staff, we work tirelessly to ensure everyone feels a sense of belonging and family. In line with our commitment to safeguarding staff, we offer basic welfare programs, pension plans, parental leave, and scholarships for the children of employees. We established staff clubs across Taiwan to ensure that all employees enjoy the benefits and care they deserve.

Benefits Use by Full-Time Office Staff, 2017

Welfare Item	Description	Usage
Vacation and Leave	New employees who sign a contract of indefinite duration with the Company receive annual leave starting from their first year.	289 employees
Volunteer Leave	To encourage employees to give back to society by joining public welfare activities, we offer one day of volunteer leave each year.	245 employees
Employee Insurance	We offer labor insurance, national health insurance, and group insurance (including life insurance, accident insurance, family/hospital medical insurance, accident medical insurance, and group insurance claims). In 2017, group insurance claims totaled NT\$8,326,117.	Labor insurance: 79 payments Group insurance: 642 claims
Employee Loans (Home and Scooter Purchases)	We offer favorable employee interest rates for housing and scooter loans.	Housing: 22 loans Scooter: 7 loans
Staff Clubs	We subsidize the establishment of staff clubs that aid lifestyle planning beyond work.	980 subsidies
Holiday Bonuses and Year-End Party	Besides bonuses for Dragon Boat Festival, Mid-Autumn Festival, and birthdays, we organize annual parties and lucky draws to celebrate the Lunar New Year. In 2017, bonuses totaled NT\$28,774,000.	Birthday bonuses: 1,924 beneficiaries Dragon Boat Festival bonuses: 1,884 beneficiaries Mid-Autumn Festival bonuses: 1,925 beneficiaries Year-end party: 1,953 attendees
Company Trips	To promote work-life balance, the welfare committee subsidizes company trips. In 2017, subsidies totaled NT\$3,552,000.	296 employees
Scholarships for Employees' Children	To encourage the children of staff to study hard, we provide educational scholarships. In 2017, scholarships totaled NT\$3,359,300.	1,228 scholarships
Health Examinations	We offer health examinations to support our employees' physical health. In 2017 subsidies totaled NT\$4,585,980.	874 health examinations
Other Items	We place great importance on work-life balance as shown by our wedding and funeral gifts, hospitalization payments, and childcare incentives. To further help our employees maintain a healthy mind and body, we installed a coffee machine, sky garden, employee lounge, fitness room, and nursing rooms.	Weddings and funerals: 345 gifts Special allowances for hospitalization: 554 payments

Child Care and Parental Leave

Family stands at the core of a stable society. China Life supports families by offering parental leave to qualifying employees who take time off to care for their children. In 2017, 23 office staff applied for unpaid parental leave, including 20 women (86.96%); the number of men who applied increased compared to 2016. Among sales agents, 75 employees applied. In recent years, the retention rates of office staff that take unpaid parental leave have been excellent. Their return to work rate was 86.36% in 2017, up 24.36% compared to 2016, and their retention rate was 93.75%, for an increase of 11.75%. The retention rate among men remained at 100%. These numbers show that China Life works to promote work-life balance and empathizes with employees who have childcare responsibilities. For men and women, the return to work rates and retention rates remain high.

2017 Unpaid Parental Leave

	Office Staff	Agents	Total
Unpaid Parental Leave Applicants, 2017	3	20	23
Unpaid Parental Leave Recipients Who Returned to Work, 2017	1	18	19
Unpaid Parental Leave Recipients Retained for at Least One Year After Returning to Work in 2016	1	14	15
Return to Work Rate	100%	85.71%	86.36%
Retention Rate	100%	93.33%	93.75%

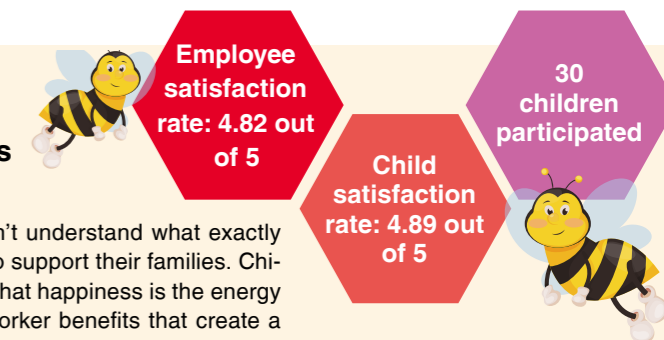
① Return to work rate = (Unpaid parental leave recipients who returned to work in 2017/the number expected to return to work in 2017) x 100%
Retention rate = (Unpaid parental leave recipients retained for at least 12 months after returning to work in 2016 /the number who returned to work in 2016) x 100%

The Joy of Bringing Your Children to Work! Kids Create a Happy Workplace During the Children's Insurance Camp

Dual-income families are the norm today. However, children often don't understand what exactly their parents do when they go to work, or how hard their parents work to support their families. China Life has always showed great concern for our employees. We know that happiness is the energy that powers social and corporate sustainability. So we offer diverse worker benefits that create a pleasant, uplifting work environment. One benefit we created in 2016 was the Children's Insurance Camp. The enthusiastic response from our employees led us to hold this event again during summer vacation of 2017. As we continue to bring families closer together, we create unforgettable memories for everyone.

On this special day, Mom and Dad brought their children to the office hand-in-hand. The children got to appreciate their parents' workplace, meet their coworkers, and laugh and play with the other children. As for the educational aspect of the event, we turned financial and insurance topics into lively classroom activities and games. Children absorbed financial knowledge while learning about insurance and the value of money. On the same day, we held a food safety laboratory and an environmental watch activity. These activities encouraged children to value their health and cherish the earth.

China Life used this event to bring employee families closer together. It made everyone feel like they are part of one big family while creating a harmonious, friendly atmosphere.



Seeing my mom at work was a real surprise. Her office is so beautiful and the people were really nice to me. There were lots of snacks too. I think her work is really interesting. I hope I can go again next time.

Bringing my children to work and letting them see what I do everyday was a great experience that helped me balance my work life with my family life.



China Life's Inaugural Family Volunteer Day Brings Families Together for Charity

Many parents see summer vacation as a time to send their children to child-care programs or summer camps. Others go on family vacations. Parents at China Life had a different idea. They teamed up with their kids to join China Life's inaugural Family Volunteer Train, which brought everyone to the Eden Foundation's Sanchong "Aiyue" Care Center. Participants learned about the needs of disabled people and helped them with activities. Through positive action, the children gained an understanding and an appreciation of the work that goes into charity as they experienced the joy of giving.

At first the children were shy and nervous, but soon their parents convinced them to lend a hand with cleaning. Social workers introduced assistive devices so the children could better understand the challenges disabled people face and how they can be aided. The volunteers helped the care center members complete tasks and play games. They used hand grinders to prepare coffee beans, filling the air with the smell of coffee and strengthening their hands. They created art and played board games. Volunteers guided the care center members' hands as they painted vivid, imaginative designs. The Family Volunteer Train not only brought families closer together but also sowed the seeds of kindness in the children and spread happiness to more people.



A total of 22 employees and seven children joined the event



Activity satisfaction rate: 4.8 out of 5

This is the first time children joined me for a volunteer activity. The experience of physical interaction and hard work taught the kids that many people in the world need help. They also learned the joy and satisfaction that comes from helping others.

Retirement Benefits

When determining retirement benefits, China Life follows the "Labor Standards Act" and the "Labor Pension Act." In accordance with government regulations, we established the "Labor Retirement Reserve Supervisory Committee." For employees using the old pension system, a certain percentage of their gross monthly salary is reserved for their retirement fund with the Bank of Taiwan. For employees using the new pension system, 6% of their monthly salary is deposited into a retirement fund account at the Bureau of Labor Insurance. At the same time, we regularly make an additional provision of retirement reserve funds based on actuarial analysis results. At the end of 2017, there was a surplus of NT\$323,044,338 in these accounts, which was sufficient to meet employee pension requirements.

Number of Non-Managerial Employees and Their Average Annual Employee Wages and Benefits, 2015-2017

Item	2017	2016	2015
Number of Non-Managerial Employees			
No. of Non-Managerial Employees	1,643	1,607	1,528
Average Non-Managerial Employee Annual Wages and Benefits, with Comparison to Previous Years			
Average Wages and Benefits	NT\$ 849,968	NT\$ 772,775	NT\$ 741,734
Increase YoY	9.99%	4.18%	0.38%

Comprehensive Salary Structure

China Life believes that developing a fair and competitive salary system is the key to attracting and retaining talented individuals. To ensure that our bonuses and salaries are competitive, we adopted a performance-oriented pay policy for sales agents and office staff. The salaries we offer are higher than the minimum wage standards stipulated by the government. In 2017, our total employees and wages rose significantly compared to 2016. The average salary increase was approximately 2.5%. Key factors for determining salary include academic achievements, work experience, position, and performance. Gender does not play a role. We keep a balanced salary ratio between men and women, which plays an important role in achieving gender equality.

Comparison of New Recruit Salaries with Government Mandated Minimum Wage, 2017

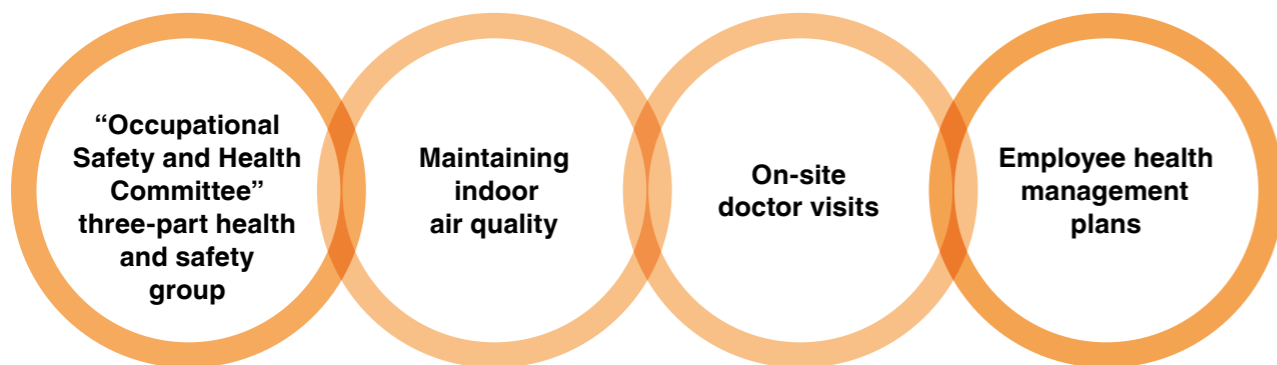
Office Staff	Entry-level new recruits	Salary range	Minimum wage was NT\$21,100; we made adjustments based on experience and education
		Ratio of salary to minimum wage	1:1
	New administrative personnel with a university degree	Salary range	Minimum wage was NT\$28,000; we made adjustments based on experience and education
		Ratio of salary to minimum wage	1.33:1
Agents	Sales Managers	Salary range	Salary paid according to the income item stipulated in the labor contract; monthly minimum wage shall not be lower than the hourly rate stipulated by the central authority
		Ratio of salary to minimum wage	1:1

Female:Male Salary Ratios for Employees of Various Levels, 2017

	Basic Wage Ratio		Annual Reward Ratio	
Department Manager or Higher	1.03	1	1.19	1
Division Manager	0.91	1	0.9	1
General Staff	0.89	1	0.88	1

Health Protection

China Life firmly believes that protecting our workers' physical and mental health is essential to the Company's sustained operations. To strengthen the workplace environment, safety and employee health, we focus on four areas: (1) a three-part health and safety group, consisting of the Occupational Safety and Health Committee, the Occupational Safety and Health Management Unit, and the Workplace Violence Prevention and Management Group; (2) management of indoor air quality; (3) on-site doctor visits; and (4) employee health management plans. The three-part health and safety group is convened by department supervisors, labor representatives, occupational safety and health supervisors, occupational safety and health managers, doctors, nurses, and emergency response personnel. They are responsible for planning, overseeing, executing, assessing and improving all health and safety issues. We also formulated the "Regulations Governing Occupational Safety and Health." Workers use these as a reference for safety and health issues, equipment use and maintenance, education and training, health management, first aid and rescue, and accident reporting and management.



"Occupational Safety and Health Committee" Three-Part Health and Safety Group



Occupational Safety and Health Committee

- Permanent committee has one chairperson and six committee members, including three labor representatives, or 42.9% of total committee members
- Committee meets each quarter to deliberate, coordinate, and recommend safety and health policies

Occupational Safety and Health Management Unit

- Responsible for drafting, planning, overseeing, and promoting safety and health management; directs implementation by related departments

Workplace Violence Prevention and Management Group

- The chairperson of the Occupational Safety and Health Committee is chairperson of the Workplace Violence Prevention and Management Group, which is comprised of other committee members, an executive secretary, and after-sales service supervisors; the group is responsible for monitoring, assessing, and improving workplace violence prevention measures
- When measures to prevent workplace violence or hazards are found to be insufficient, changes are promptly made; the Occupational Safety and Health Committee reviews the changes for future reference




2017 Occupational Safety and Health Additions and Revisions

Item	Addition/Revision Summary
Occupational Safety and Health Management Rules	In line with organizational changes, we changed department names
Maternal Health Protection Plan	Protection provided for pregnant women and postpartum mothers during their first year following childbirth
Prevention of Illnesses Caused by Extraordinary Workloads	Doctors specializing in labor health issues provide health guidance to high-risk groups to avoid ailments resulting from extraordinary workloads
Safety, Health, and Environmental Management Methods of Contractors	We strengthen management of the safety, health, and workplace environment of our contractors; besides providing related information, we ensure that all work is carried out safely
Occupational Disaster Reporting and Management Procedures	In line with organizational changes, we changed department names; we also revised the workplace disaster reporting hotlines for each labor inspection institution
Regulations for Environmental Initiatives	In line with organizational changes, we changed department names
2018 Occupational Safety and Health Management Plan	We formulated this plan to prevent occupational disasters and guarantee worker safety and health; the plan ensures safe operations at each work location and seeks to prevent all major workplace disasters

Occupational safety and environmental monitoring are a vital part of our business. In 2017, we regularly conducted workplace fire safety equipment inspections and repairs as well as building safety inspections and reporting. We continued to implement automatic safety and health inspections of workplace facilities. Biannual environmental monitoring (for carbon dioxide concentration and workplace illumination) ensured that our workplace environment is favorable to operations. Moreover, we made arrangements to prepare for earthquakes, fires, and emergency medical situations. Besides establishing an autonomous fire safety group, we joined fire safety lectures and emergency evacuation drills run by building management to raise our emergency response capabilities.

Occupational Safety Performance, 2017

			Total
Injury Rate	0.0002%	0.0010%	0.0012%
Absence Rate	0.0794%	0.3142%	0.3936%
Rate of Lost Workdays	0.0060%	0.0119%	0.0179%

- ① In 2017, China Life had zero incidents of occupational death or disease
 - ② In 2017, the primary cause of work-related injury was traffic accidents occurring on the way to/from work or during work-related trips
 - ③ Injury Rate = Total number of accidents / (total number of work days * total number of people) * 100%
- Work absence rate = (Work injury leave + sick leave + menstruation leave) / (total number of work days * total number of people) * 100%
- Lost workday rate = Work injury leave / (total number of work days * total number of people) * 100%

Indoor Air Quality Management

The average person spends between 80% and 90% of their time indoors; so indoor-air quality is vital for a healthy workplace. To minimize the impact of air pollution in the workplace, China Life follows stricter procedures than are required of the insurance industry under the "Indoor Air Quality Management Act." In 2018, we will send a representative employee from each of our northern, central, and southern Taiwan regional offices to attend external training and become certified as indoor air quality management specialists. They will be responsible for assessments and actions needed to effectively manage our indoor air quality, so our employees can breathe clean air indoors.

On-Site Healthcare

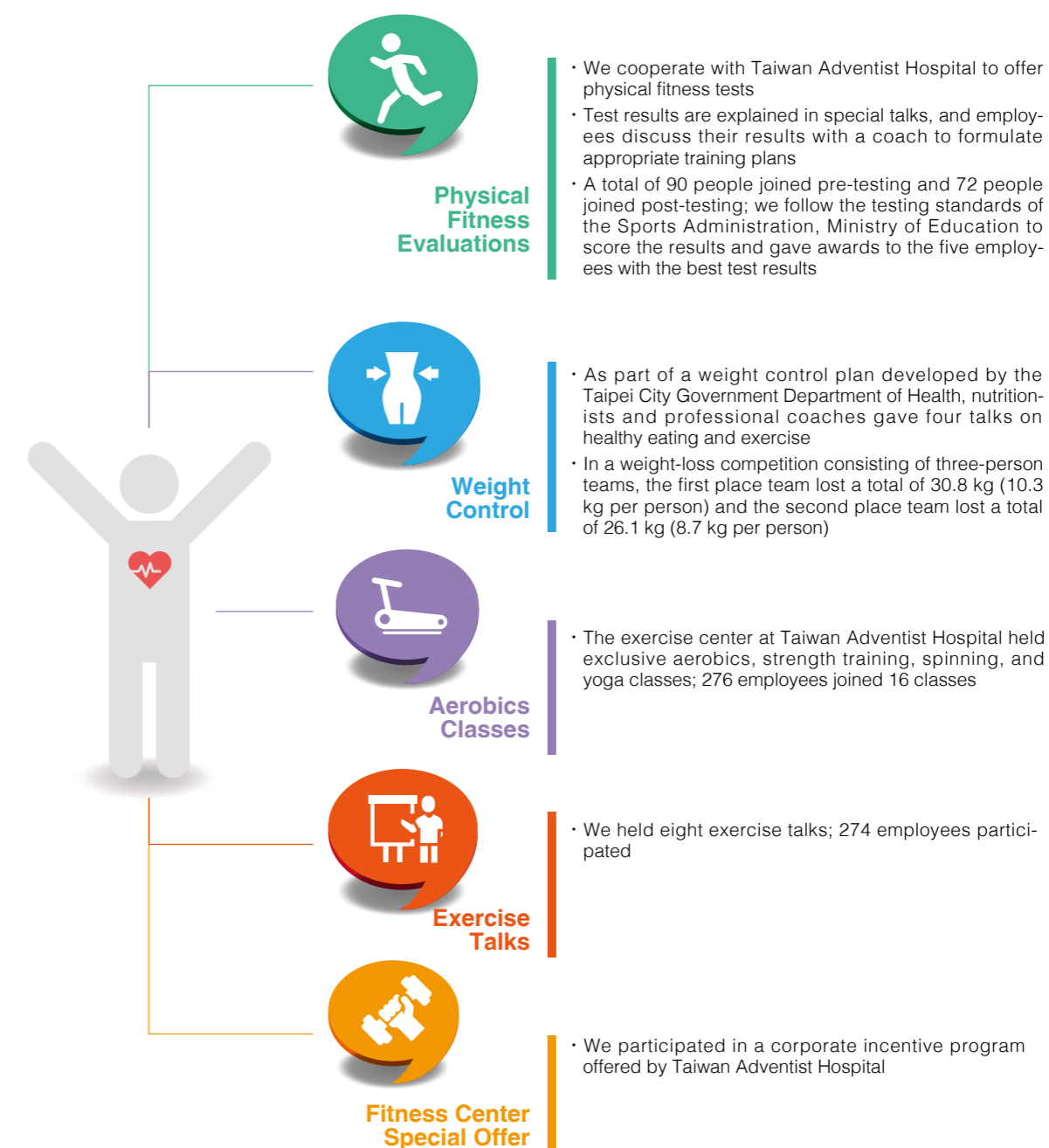
As part of our efforts to provide a safe and comfortable working environment, major service counters across Taiwan provide free blood pressure monitoring devices and automated external defibrillators (AED). We obtained AED safe location certification and have 141 staff members certified in first aid spread across our various offices, an increase of 16 certified members since 2016. Emergency medicines and equipment are also available.

We employ seven nurses who promote health by offering health advice, information on preventing workplace injuries, first aid, and emergency responses. They provide additional information on communicable disease prevention and health maintenance over mail or the company's internal network. In 2017, besides continuing to enlist certified doctors from

Linkou Chang Gung Memorial Hospital, Taichung Veterans General Hospital, and Kaohsiung Chang Gung Memorial Hospital to conduct on-site healthcare visits to offices in Taipei (Dunbei Building, Zhuoyue Building, Taiping Building), Taichung (Royal Household Building) and Kaohsiung (Mingcheng Building), we expanded our service by adding two more visits at Dunbei Building and enlisting Tainan Municipal Hospital near the Golden Triangle Building to offer on-site healthcare visits quarterly. We provided 26 on-site health visits in 2017, six more than in 2016.

Employee Health Management Plans

We conduct fitness tests as part of our efforts to raise physical fitness among our employees. Exercise lectures and classes help our employees devise plans that suit their needs. As they become physically healthier, they perform better at work. For a second consecutive year, we received Accredited Healthy Workplace badges for health initiation and health promotion from the Ministry of Health and Welfare.





CHAPTER 4

Compassion – Giving Back to Society

China Life's commitment to the core values of the life insurance industry drives us to implement CSR and expand financial inclusion. We provide insurance products that mitigate the effects of the wealth gap and population ageing. In response to environmental and social changes, we invest corporate resources and encourage employee participation in public welfare activities. We have three key goals: improve education; support the disadvantaged; and protect the environment. We bring warmth wherever it is needed to improve the world.



Diverse product portfolio and considerate customer service provide meticulous care for policyholders

2017
ESG
Goals and
Progress

- ◆ We expanded promotion of microinsurance products and raised the number of policyholders to 16,306.
- ◆ We made more of our website content accessible to the disabled and obtained related certifications.
- ◆ We created a new version of our e-commerce platform with a high-quality, highly responsive web design that makes it easy for customers to find information.
- ◆ We proactively assisted policyholders and protected their rights by providing claims application information on payment notification forms.
- ◆ Our goal was to achieve satisfaction rates of at least 4 out of 5 at service counters. We achieved 99.9% success at our general counters and 100% success at our care counters.

2018
ESG
Goals

- ◆ We will expand our microinsurance promotion target to 10% more than our 2017 goal.
- ◆ We will expand small-amount life insurance sales to e-commerce channels, so more people can take advantage of this guarantee.
- ◆ We will provide health promotion insurance products that include coverage for health examinations. By encouraging policyholders to receive regular health exams and monitor their health, we will prevent disease, thus lowering medical expenses.
- ◆ We plan to grow our base of iHealth users by 10% compared to 2017.
- ◆ We will continue to conduct satisfaction surveys at general service counters and care counters. Our goal is a satisfaction rating of at least 4 out of 5 from 99% of respondents.
- ◆ In our call-back phone service customer satisfaction surveys, we hope to achieve average satisfaction rates of at least 96%.
- ◆ We aim for our service staff to hold an average at least 3.5 professional certificates. Certifications strengthen employee knowledge and help them to quickly solve customer problems, raising both service quality and satisfaction.
- ◆ In the first quarter of 2018 we will incorporate a claims case risk forecast system to reduce the incidence of insurance fraud while accelerating claims administrative procedures and increasing the clear-up rate.

Strengthen information security systems and carefully manage personal information of policyholders

2017
ESG
Goals and
Progress

- ◆ We established the first mobile offices in the industry to strengthen data security and raise office efficiency.
- ◆ We passed BS 10012:2017 Personal Information Management assessment and obtained certification.

2018
ESG
Goals

- ◆ We will use the plan-do-check-adjust (PDCA) cycle to maintain our personal information management system. Each year, a third-party auditor will assess the system to ensure that we continue to strengthen personal information protection mechanisms.
- ◆ To inculcate personal information protection concepts into our organizational culture, we plan to hold eight education and training sessions. We target 100% participation in the program's e-learning classes.

We will participate in social care by combining the core capacities of the finance and insurance industries

2017
ESG
Goals and
Progress

- ◆ We built a public welfare platform to display art from disadvantaged groups and students in rural areas. The displays encourage and inspire the artists, while also demonstrating China Life's commitment to public welfare. So far we have collected 112 pieces of art, each telling a unique story.
- ◆ To teach children finance and insurance topics, we held eight educational activities in rural districts as part of the Read Across 319 Townships program.

2018
ESG
Goals

- ◆ To teach children finance and insurance topics, we plan to hold 12 educational activities in rural elementary schools each year.

Management Guidelines

Major Topics

Marketing and labeling / Customer privacy

Commitments

- ◆ We quickly and effectively address customer complaints to improve service quality.
- ◆ We resolve disputes between customers and the Company to burnish our corporate image.
- ◆ We follow international standards to strengthen and improve our personal information management system. Our goal is to provide a reliable information security system and financial services environment that respects customers' rights.
- ◆ We ensure the security of our information assets, as well as the completeness, continuity, and legality of our information procedures management.

Policies /
Management
System

- ◆ We handle product design, review, and pre-sales procedures in accordance with the "Regulations Governing Pre-Sale Procedures for Insurance Products" and other relevant legislation.
- ◆ In accordance with the Financial Supervisory Commission's "Principles of Treating Customers Fairly in the Financial Service Industry," we formulated relevant internal principles, policies, and strategies to protect policyholder rights.
- ◆ We developed a consumer dispute management mechanism and the "Customer Complaint Department Service Manual" to ensure complaints and disputes are handled appropriately and efficiently.
- ◆ We established an information security management team that oversees related mechanisms; diagnoses internal and external information security management system topics; and identifies the information security requests and expectations of stakeholders. We ensure that our information security management system adheres to ISO / IEC 27001 standards.
- ◆ In step with our full commitment to and support of information security regulations, the Board of Directors approved various personal information protection management policies and objectives. The Company president convenes our Personal Information Protection Management Committee. We continue to follow the Personal Information Protection Act and BS 10012 standards to strengthen related management systems.

Complaint
Mechanisms

- ◆ Local customer service centers
- ◆ Customer service line: 0800-098-889
- ◆ Fax: 02-87121097
- ◆ Service e-mail: services@chinalife.com.tw
- ◆ China Life website comment section
- ◆ Postal Address: Customer Complaints Department, No. 122 Dunhua North Road Songshan District, 105, Taipei
- ◆ External complaint channels include regulators, the Financial Ombudsman Institution, and consumer ombudsman officers in city and county governments






Evaluation
Mechanisms





- ◆ We regularly examine and revise various rules and procedures for serving policyholders, then revise these systems accordingly.
- ◆ We organize cases of customer complaints and disputes into monthly reports we submit to Company policy-makers. Departments that miss their customer complaint KPIs are evaluated and provided recommendations for improvements.
- ◆ Customer satisfaction rates were at least 4 out of 5 in 99.9% of cases at our general service counters and 100% of cases at our care counters.
- ◆ We conduct biannual checks on the volume and rate of acceptance of complaints filed with the Financial Ombudsman Institution.
- ◆ We established a system of information security indicators, including various objectives connected to our Information Security Statement.
- ◆ We regularly evaluate and audit our information security management system to ensure the system's objectives, scope, and procedures meet related standards and regulations and satisfy information security needs. We then formulate and implement plans to improve information security management.
- ◆ We were the first domestic life insurer to obtain BS 10012:2017 certification, an endorsement that ensures we meet the latest international standards and trends.
- ◆ We obtained ISO/IEC 27001 information security management system certification in 2016 and regularly evaluate our information security management to ensure effectiveness.

Satisfying Diverse Needs

Strong Protection

To meet the needs of different customers and respond to demographic changes, China Life provides a diverse range of products tailored to all stages of life. We promote traditional products such as multi-currency single and regular -premium life insurance, annuity products suited to retirement planning, health insurance that can improve medical treatment quality, disability insurance suited to long-term care needs, and investment-linked policies that fulfill both investing and risk management goals. Using advanced planning to mitigate insurance deficiencies, we provide our customers the quality of life, healthcare, and protection they deserve as we fulfill our commitment to offering suitable protections for all policyholders.

 <p>Children and Students (aged 24 and younger)</p>	<p>Requirements</p> <ul style="list-style-type: none"> ◆ Basic personal insurance ◆ Basic life insurance 	<p>Related Products</p> <ul style="list-style-type: none"> ◆ Investment-linked insurance ◆ Personal accident insurance ◆ Health insurance, disability insurance
 <p>New Graduates (aged 25-34)</p>	<p>Requirements</p> <ul style="list-style-type: none"> ◆ Protection planning ◆ Small sum financial planning ◆ Healthcare fee needs 	<p>Related Products</p> <ul style="list-style-type: none"> ◆ Term life insurance with lower insurance rates and higher coverage ◆ Whole life insurance with increasing sum insured ◆ Whole life insurance with endowment plan ◆ Investment-linked insurance ◆ Accident insurance ◆ Health insurance, disability insurance
 <p>Parents (aged 35-44)</p>	<p>Requirements</p> <ul style="list-style-type: none"> ◆ Protection planning, investment planning, loans ◆ Wealth management and child education funds ◆ Healthcare fee needs 	<p>Related Products</p> <ul style="list-style-type: none"> ◆ Interest-sensitive life insurance ◆ Whole life insurance with increasing sum insured ◆ Whole life insurance with endowment plan ◆ Investment-linked insurance ◆ Health insurance, long-term care insurance, disability insurance
 <p>Middle-Aged, Elderly; Children's Wedding (aged 45-64)</p>	<p>Requirements</p> <ul style="list-style-type: none"> ◆ Protection planning, retirement planning, wealth planning, wealth transfer ◆ Wealth management and children's venture fund ◆ Healthcare fee needs 	<p>Related Products</p> <ul style="list-style-type: none"> ◆ Interest-sensitive life insurance ◆ Whole life insurance with increasing sum insured ◆ Whole life insurance with endowment plan ◆ Investment-linked insurance ◆ Health insurance, long-term care insurance, disability insurance ◆ Annuity ◆ Universal life insurance
 <p>Retirees (65 and older)</p>	<p>Requirements</p> <ul style="list-style-type: none"> ◆ Wealth transfer, healthcare, long-term care ◆ Immediate annuity, Wealth management, investment 	<p>Related Products</p> <ul style="list-style-type: none"> ◆ Annuity ◆ Universal life insurance ◆ Health insurance, long-term care insurance, disability insurance ◆ Insurance policy conversion

 <p>Domestic and Overseas Travelers</p> <p>Requirements</p> <ul style="list-style-type: none"> ◆ Travel protection <p>Related Products</p> <ul style="list-style-type: none"> ◆ Travel insurance 	 <p>Foreign Residents</p> <p>Requirements</p> <ul style="list-style-type: none"> ◆ Wealth management <p>Related Products</p> <ul style="list-style-type: none"> ◆ Insurance products for the Offshore Insurance Unit 	 <p>Economically Disadvantaged Groups</p> <p>Requirements</p> <ul style="list-style-type: none"> ◆ Basic personal insurance <p>Related Products</p> <ul style="list-style-type: none"> ◆ Accident microinsurance 	 <p>General</p> <p>Requirements</p> <ul style="list-style-type: none"> ◆ Basic death benefits <p>Related Products</p> <ul style="list-style-type: none"> ◆ Small-amount life insurance
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New Product Planning

China Life provides diverse products and services to satisfy the needs of various customers. To ensure that new products meet all rules and regulations, before the sale of a new product begins, it must pass four stages: product design, product review, product presale, and product sale.



Before announcing new services or new insurance products, or when making major changes to insurance products that require regulator approval, corporate compliance managers ensure legality as well as compliance with internal rules and regulations. Products must adhere to the “Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises” to ensure they comply with the law and protect the rights of consumers.

Diverse Product Protection

Microinsurance

To provide disadvantaged groups with basic accident insurance to cover death and disability, in 2014 China Life began introducing microinsurance products. Microinsurance products have lower premiums, lower insured amount, and easy to understand terms. They come in three types: accident microinsurance, collective accident microinsurance, and group accident microinsurance. The goal is to make basic accident insurance covering death and disability affordable for people with low incomes. With the protection of microinsurance, families can avoid the debilitating financial effects of a major accident.

· Promoting Diverse Channels

China Life cooperates with the Garden of Hope Foundation, the Presbyterian Church in Taichung, the United Way, the Jing Chuan Child Safety Foundation, the Yilan County Government, the Yunlin County Government, and the Hualien County Government to bring microinsurance to everyone in need of protection. They serve as a powerful form of support for the vulnerable and provide a measure of aid to economically disadvantaged families facing grave misfortune. In 2017, nine banks offered China Life microinsurance policies and made microinsurance one of their key promotional products. We will continue to increase cooperation with diverse channels to continue offering this important service.

· Excellent Promotion Results

Since launching our range of microinsurance products in 2014, China Life has made numerous donations to local social welfare departments and social welfare groups. We have provided protection to nearly 25,000 qualified economically disadvantaged people, demonstrating the important role we play in the overall microinsurance environment. The past several years have seen numerous incidences of China Life agents energetically working to complete paperwork for families of microinsurance policyholders who suffered accidental deaths. Fast claims settlement provided much needed support during extremely difficult times. This commitment is just one example of how we put CSR into practice to make insurance an instrument of social stability.

■ China Life won a silver trophy for excellence in microinsurance promotion



Health Insurance Products – Policies with Spillover Effects

Studies show that even moderate amounts of walking can reduce stress and slow or even prevent the onset of chronic disease. To encourage healthy habits in our policyholders, we launched the China Life GO Healthy health insurance plan and developed the China Life Keep Going app. After downloading the app and completing registration, users can set a daily steps goal. For people with sedentary lives, the app reminds them to get up and exercise. Policyholders can even share the steps data from their wearable devices with our database to qualify for discounts on policy premiums based on average annual steps. We hope this innovative product helps policyholders reduce their insurance costs while leading a healthier life.

Health insurance products with spillover effects not only offer compensation for losses, but also contain prevention mechanisms. Premium discounts or rebates incentivize policyholders to develop good exercise habits. Healthy policyholders reduce losses for insurers, leading to a win-win situation. Products with spillover effects also lower the social risk of high medical care expenditures in this ageing society.

E-Commerce

China Life remains at the forefront of the e-commerce life insurance industry. We continue to offer travel insurance, accident insurance, and annuities over our e-commerce platform. In 2017, we ranked fourth in terms of annual premium income among the 13 life insurance companies approved to sell products online. Using member data to analyze user experience and purchasing behavior, we made seven sets of improvements to our website to enhance user experience. We are also actively seeking to attract new members. By the end of 2017, we had more than 100,000 e-commerce policyholders, up 218% from the previous year.

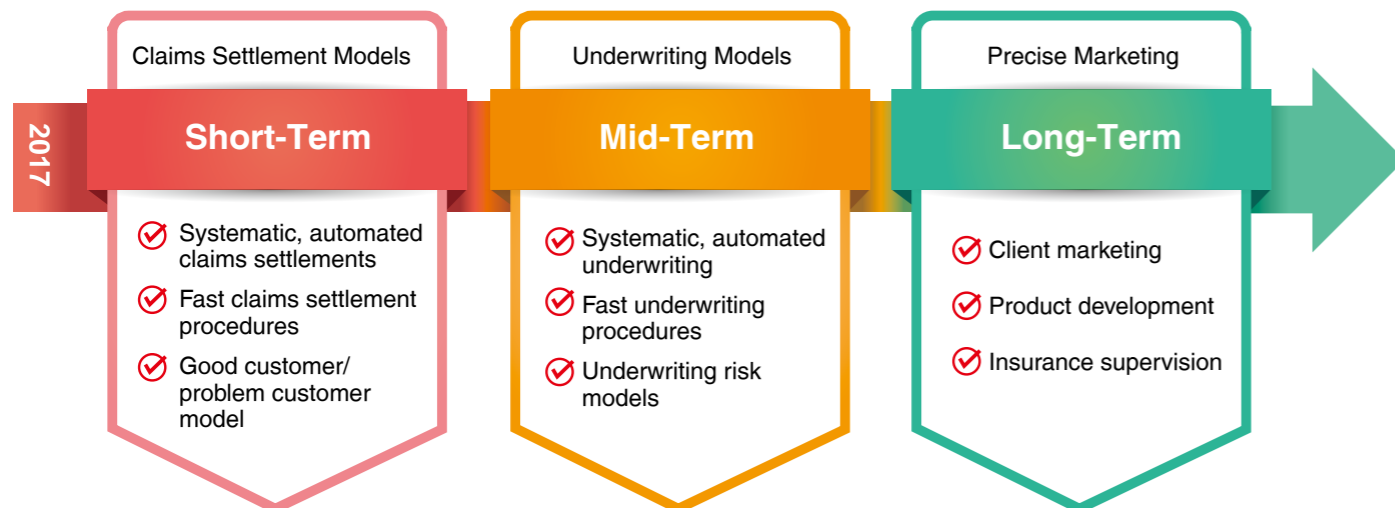
Revisions are underway to the “Directions for e-Commerce Operation by the Insurance Industry.” A Life Insurance Association e-commerce task force participating in the revision process includes China Life employees from departments responsible for e-commerce, contracts, policyholder service planning, premium planning, information technology, group insurance, and marketing. China Life representatives have attended every meeting of the task force.

Digital Application Development

Advances in fintech and insurtech are having a significant influence on the sales, policyholder services, and operational models of traditional insurance companies. Recognizing the arrival of faster fintech and insurtech instruments, China Life established a special department tasked with planning and organizing digital technology development. The department is leading digital transformation at the Company to strengthen our digital competitiveness.

Our digital technology department integrates Company resources and services, researches fintech applications, and introduces new technology. It optimizes operating procedures for the services we currently offer by increasing the ratio of mobile and automated operations. To further raise efficiency and service quality, we will continue to incorporate artificial intelligence and blockchain technologies into our operations to develop customer labeling, customer clustering, smart claims settlement, and chatbot applications. We will develop digital tools such as mobile insurance, mobile claims, and mobile notices to make insurance a part of our customers' everyday lives. Leveraging new technologies, we will expand our customer services and enhance the customer experience to cater to our customers' needs anytime and anywhere.

Short-, Mid- and Long-Term Digital Application Development Goals



Short-Term Goal: Claims Settlement Models

To reduce the various risks and losses associated with claims fraud, we plan to launch the Claims Settlement Risk Control and Management Project in 2018. The project will combine digital models and analysis with claims settlement data to build a scientific insurance fraud detection model. Automated risk analysis procedures will lower the risk of human error, thus reducing expenditures on invalid claims. Besides using a problem customer model to identify low quality policyholders, risk analysis prediction methods will be used with mobile-based claims settlements to expedite processing for good customers. Greater efficiency will lead to an improved, innovative service experience for our policyholders.

Mid-Term Strategy: Underwriting Model

The traditional methods that insurance underwriters use in the risk selection process can be quite effective, but they require extensive time and capital expenditures. Thus, automated underwriting is increasingly common. In the future, we will gather and analyze Big Data to build underwriting risk selection models that rely on policy purchase records, medical history, claims settlement history, and other information. Simplifying the underwriting procedures this way will allow underwriters to focus more of their time on high-risk cases. Lower work burdens will increase the quality of assessments. We will also offer mobile and computer-based insurance-policy purchasing to quickly deliver preliminary application results to prospective policyholders, raising customer satisfaction.

Long-Term Policy: Precise Marketing

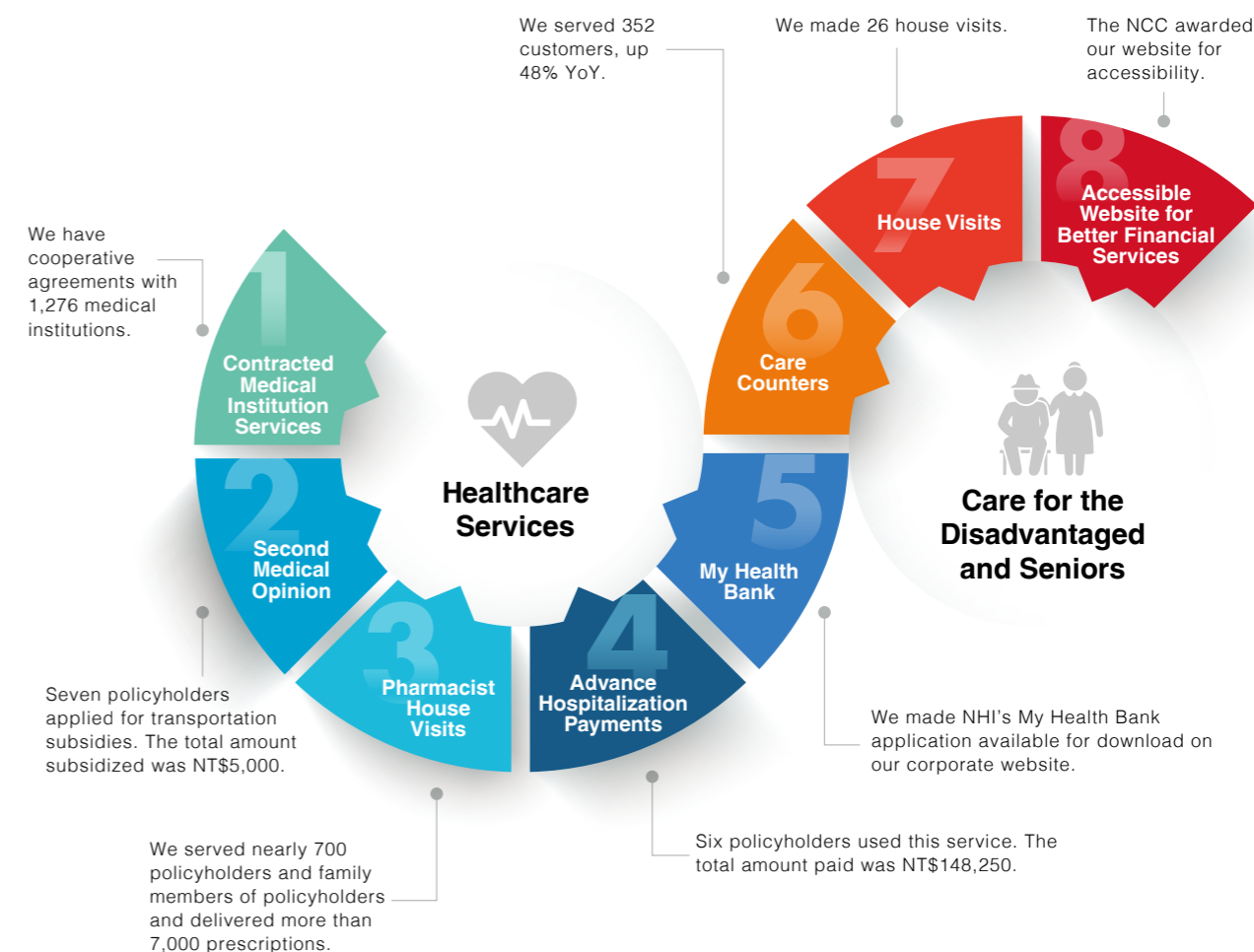
As the real economy and digital economy converge, simple e-commerce transactions transform into online-offline mixed reality hybrids. China Life will use Big Data and fintech to develop leading client service models, marketing models, and other tools. Agents will accurately segment consumers and quickly understand their insurance needs. Service value will rise with more targeted sales models. As customized marketing paves the way toward differentiated services, our competitiveness will rise. Satisfied policyholders will become lifelong customers.

Listening to Policyholders

Considerate Service

China Life's corporate culture is fully committed to protecting consumers and ensuring all financial product and service transactions. To achieve this goal, we treat all customers in a fair and reasonable manner. The basis of our approach was established in June 2016 as the "Principles of Treating Customers Fairly in the Financial Services Industry." When additions or revisions are made to the principles, we modify our approach. Using a combination of internal advocacy, education, and training, we raise recognition among financial service workers of the need to protect consumers. We regularly assess results and report to the Board of Directors to ensure smooth policy implementation.

Considerate Service for Policyholders



1. Services at Contracted Medical Treatment Centers and Clinics

In response to population ageing, China Life cooperates with medical service providers across Taiwan to give policyholders greater access to healthcare. At the end of 2017, we had signed cooperative agreements with 1,276 medical treatment centers and clinics. Many were large regional hospitals with the capacity and facilities necessary to provide comprehensive services.

Our customers can search for nearby clinics using the China Life app and GPS, greatly simplifying the treatment process. By raising the utilization of local clinics, as opposed to major medical centers, we improve efficiency in the healthcare system.

2. Second Medical Opinion

China Life has a long-term cooperative arrangement with the renowned Koo Foundation Sun Yat-Sen Cancer Center. Policyholders who are suspected of having cancer qualify for second opinion referrals at the center as well as information on the disease's cause and treatment methods. Depending on place of residence, we provide transportation subsidies to ease the financial burden.

3. Pharmacist House Visits

In 2014, China Life pioneered a pharmacist house visit cooperative arrangement with the iHealth prescription delivery service. When policyholders or their family members need a recurring prescription fulfilled, they can use phone, fax, the internet or Line to request a refill. Using these channels avoids waiting in line at the hospital. A pharmacist personally delivers the medicine and offers free prescription recommendations and advice, including warnings about potential drug interactions, health consultations, and hygiene information. Upgrades to our pharmacist house visits planned for 2018 will further enhance our care net.

4. Advance Hospitalization Payments

In the past, when policyholders applied for medical treatment claims, the full process was handled post treatment. Following discharge and the completion of treatment, the policyholder would ask the hospital for his or her medical record and receipt then apply for a claim. Only after this process was completed would the policyholder be able to receive payment. Hospital fees, however, may have been collected from the policyholder during the course of treatment. In consideration of the difficulty this could pose and in the interest of meeting policyholder needs, China Life developed a better system. Since June 2016, we have offered advance hospitalization payments. Policyholders who are hospitalized with a disease or accidental injury and who meet certain conditions can apply for payment upon being admitted for treatment. After receiving an application, China Life dispatches a staff member to the hospital to check on the policyholder and collect his or her documents. Advance payments of up to NT\$60,000 are offered.

5. My Health Bank 2.0

As part of our longstanding commitment to health, China Life seeks to increase health self-management among our customers. With this interest in mind, since 2015 we have cooperated with the National Health Insurance Administration, Ministry of Health and Welfare to promote My Health Bank. We installed computers and made professional assistance available at five service centers across Taiwan (Taipei, Taoyuan, Taichung, Tainan and Kaohsiung). People can use their National Health Insurance card or their Citizen Digital Certificate to review and download their medical records from the past year. In 2017, as part of the My Health Bank 2.0 launch, we made the application available for download on our corporate website. By coordinating with government policy, we strengthen people's health management awareness.

6. Care Counters

To better serve elderly policyholders with mobility problems, since 2016 we have offered care counters at service centers in Taipei, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung. The counters are designed to provide priority service to the elderly, people with mobility issues, or other policyholders in need of extra assistance. Specially trained counter-staffs provide caring service covering a broad range of insurance needs. Besides reducing wait times, the staff members go the extra mile to provide enthusiastic help. Policyholders appreciate the fast, personalized service, and in turn develop greater trust and appreciation toward the Company.

7. House Visits

China Life continues to offer caring measures for disadvantaged groups including the visually impaired, people with speech or language impairments, people with disabilities, and people with mobility problems, as well as for seniors 65

years and older. We provide house visits for claims applications and delivery and collection of documentation. When applying for a claim, customers can choose to have the money transferred to their bank account or have a check delivered to their home.

8. Improved Website Accessibility for Better Financial Services

Our corporate website is a valuable source of information on China Life's products, services, and corporate affairs, providing contact information, as well as news on environmental issues and various statistics. Moreover, the National Communications Commission recognizes the website as offering a high level of accessibility to people with disabilities. Special accessibility modifications to help people with difficulties using a mouse also help general users. For example, making graphic content available as text allows visually impaired users to employ speech-recognition software, while also providing general users a reference when graphics do not load properly.



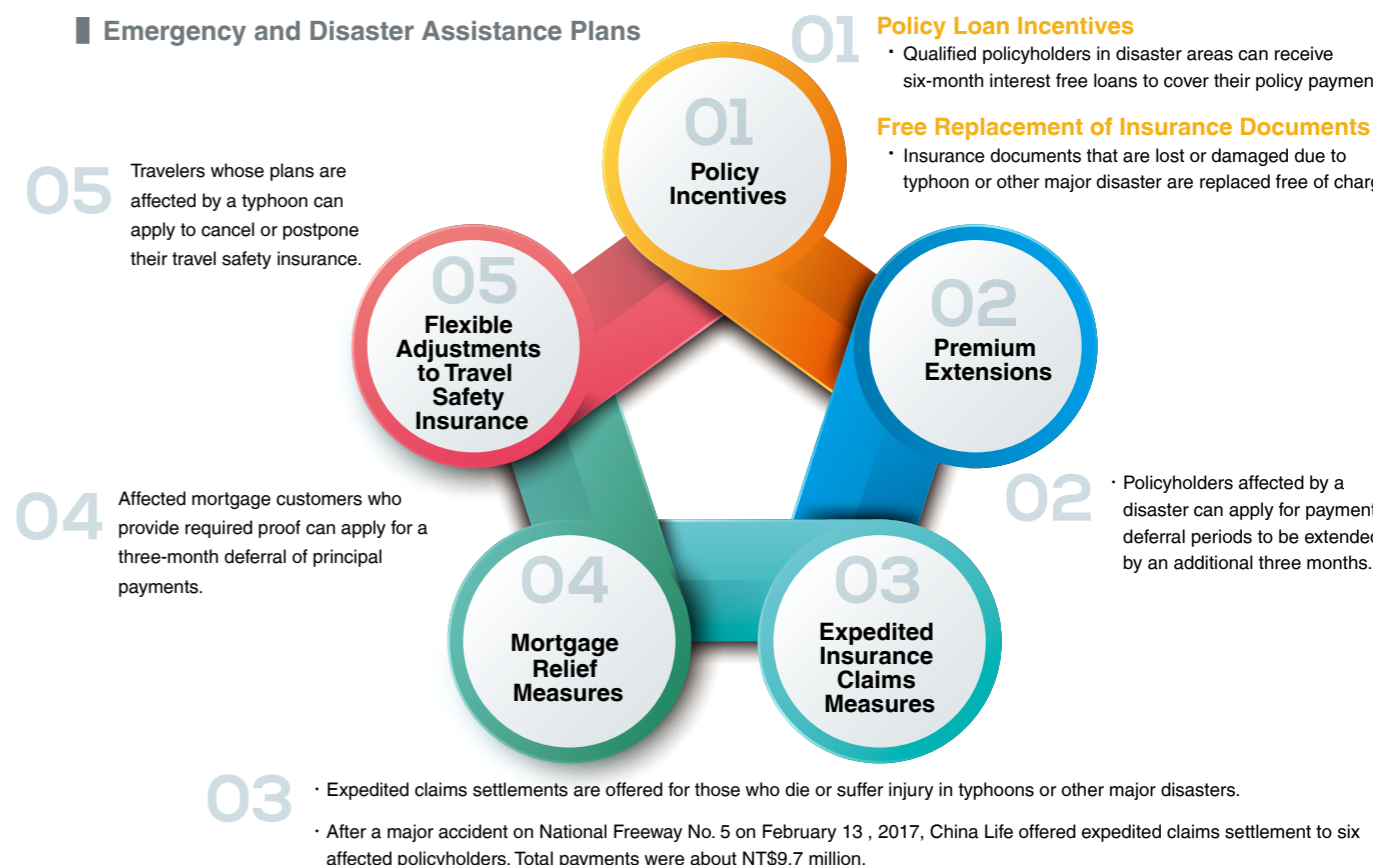
Scan the QR code for more information

Policyholder E-Newsletter

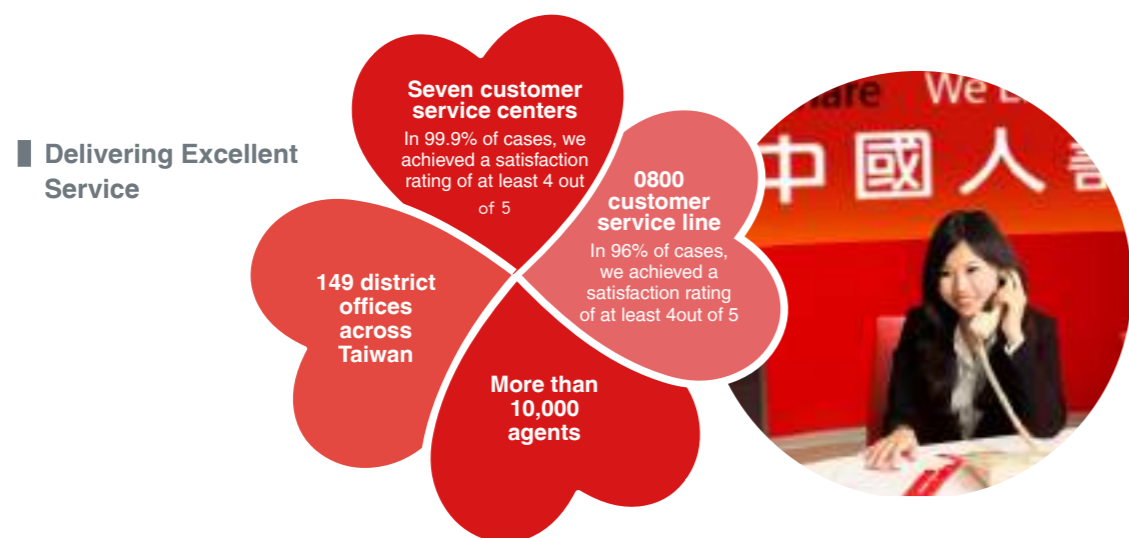
China Life's monthly e-newsletter provides information covering four main areas: policyholder news, hot topics, financial tips, and health. Newsletters published in 2017 featured a total of 53 articles and were sent a total of 283,582 times, up 7% compared to 2016. They are an efficient, ecofriendly way to communicate with our stakeholders.

Emergency Disaster Relief

Taiwan is located in a subtropical zone along the Circum-Pacific Seismic Belt. Every year the island faces a multitude of natural hazards, ranging from typhoons and torrential rain to droughts, cold spells, and earthquakes. Loss of life, loss of property, and damage to public infrastructure are not uncommon. To improve our responses to such events, in 2017 we improved the methods for policyholder provider services. They offer proactive, comprehensive support through response activation and a promise to help disaster victims overcome the crises they face.



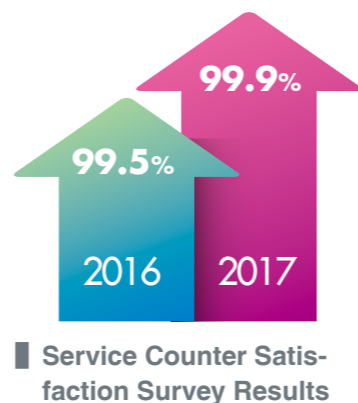
Customer Feedback



Service Counter Satisfaction Surveys

To measure customer satisfaction at our service counters, staff members ask customers to rate their experience from 1 (the lowest) to 5 (the highest). Their responses serve as a reference for further improvements. In 2017, 99.9% of respondents gave a score of at least 4.

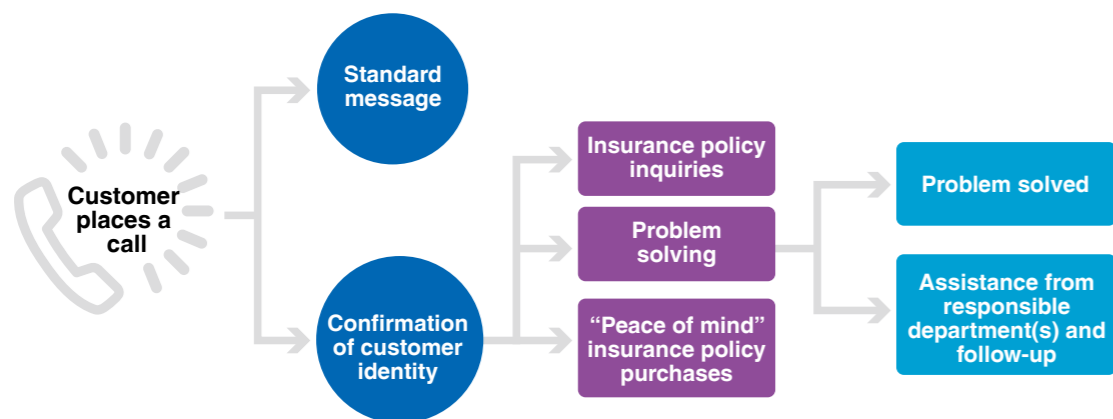
In 2018, we will continue to conduct customer satisfaction surveys at our general service counters and care counters. We strive to deliver even stronger results than in 2017.



Call Center

Service Flow

When customers place a call to inquire about policy-related issues, we first confirm their identity to protect policyholder privacy. We then provide all needed assistance. For issues we cannot solve immediately, our staff follow internal procedures to request help from responsible department(s). Working together as a team enables us to solve each customer's problems.



Customer Service Training

Customer service representatives at call centers need comprehensive professional skills and knowledge. Along with sales agent certification, they must possess exceedingly strong telephone etiquette, service attitude, and emotion management. To ensure each representative is equipped to provide professional service consultations, we encourage obtaining licenses and certifications in foreign currency products, investment-linked products, LOMA associate life management, and insurance customer service. In 2017, each of our customer service agents held an average of three such licenses or certificates.

We provide a variety of in-house courses to keep our customer service representatives' professional knowledge sharp. Training content covers money laundering and terrorist financing prevention strategies, personal information protection, information security, principles for fair customer treatment in financial services, human rights policy advocacy, business integrity and ethics, business solicitation mechanisms and procedures, safety and health, investment funds, offshore insurance units, annuities, and interest sensitive annuities. Additional coursework in 2017 covered our new e-commerce website, mobile insurance purchases, management of outstanding payments, new products, and family accident insurance. In 2017, we conducted a total of 35 courses and our customer service representatives each received an average of 30 hours of training.

Satisfaction Surveys

We use customer satisfaction surveys to assess customer experiences, problem resolution, and overall service. In 2017, the average score was over 96%. In the future, we will continue using these surveys to gather customer opinions and feedback and raise our service quality.

Customer Complaint Mechanisms

We will continue to enhance our service by accepting and considering a wide range of opinions and suggestions. Our diverse customer complaint channels and comprehensive complaint management processes let customers voice their concerns and obtain positive solutions to their problems.

Since 2013, China Life has held weekly cross-departmental meetings to handle complaints. Supervisors discuss how to fix problems and designate steps that can be taken to prevent those problems from happening again. We include the volume of customer complaints and complaint processing times in a key performance indicators index for customer-service related departments. In 2017, all relevant departments successfully reached their targets.

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 section
- ❖ Postal Address: Customer Complaints Department, No. 122 Dunhua North Road, 105, Songshan District, Taipei
- ❖ Fax: 02-87121097
- ❖ External Complaint Channels: Regulators, the Financial Ombudsman Institution, consumer ombudsman officers in city and county governments



Customer Complaint Handling Procedures

Customers file complaints through different channels, and China Life contacts the customer within 24 hours.

Relevant departments discuss the complaint and respond within 30 days or notify the customer if more time is needed.

Case progress is regularly updated via telephone, SMS, or in writing. No effort is spared in handling the case and solving the dispute.

In 2017, we managed complaint volume and maintained the industry's best response rate.

1. The average number of working days spent dealing with cases filed with the Financial Ombudsman Institution remained within one day over the past four years, the best in the industry. In 2017, there were 111 cases, consisting of 72 claim cases and 39 non-claim cases, and 97.3% of cases were settled.

Financial Ombudsman Institution Complaint Statistics

Year	Number of Cases	Total Number of Cases Signed	Complaint Rate ①	Average Processing Days
2017	111	17,590,927	0.0613952	1
2016	96	16,060,558	0.0597737	1
2015	135	15,402,054	0.0876506	1

Note: The Insurance Bureau announced that all cases having a processing time of zero days are counted as one day. Hence, our 2015-2017 average processing time of one day was the best in the industry.

2. Over the past five years, the Insurance Bureau's comprehensive data on complaint scores showed great improvements in processing and response efficiency. The latest annual ranking released in March 2018 placed us fifth in the industry.

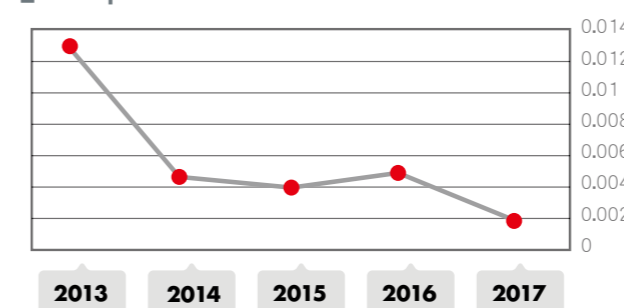
Insurance Bureau's Comprehensive Complaint Scores and Performance Statistics

Year	2017	2016	2015	2014	2013
Complaint Rate for Non-Claims Cases ②	0.0020	0.0047	0.0039	0.0049	0.0131
Complaint Rate for Claims Cases ③	0.0775	0.1228	0.2136	0.3913	0.6746
Industry Ranking	5	6	6	8	15

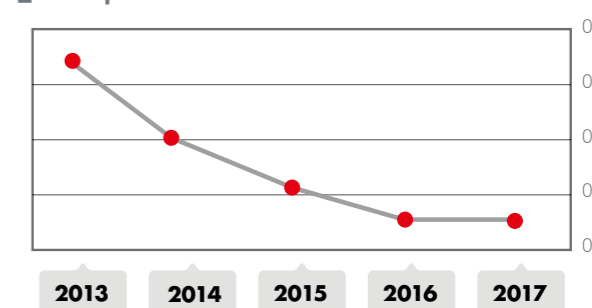
From 2013 to 2017, more than 230 types of customer complaints were recorded. The top three types and our responses were as follows:



Complaint Rate for Non-Claims Cases



Complaint Rate for Claims Cases



① Complaint rate = (No. of complaints / No. of contracts) * 10,000

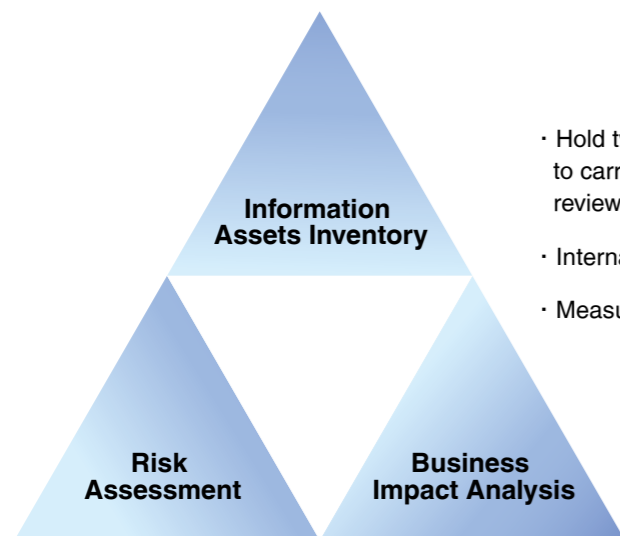
② Complaint rate for non-claims = (No. of non-claim complaints in current period weight / effective no. of contracts in current period) * 10,000

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

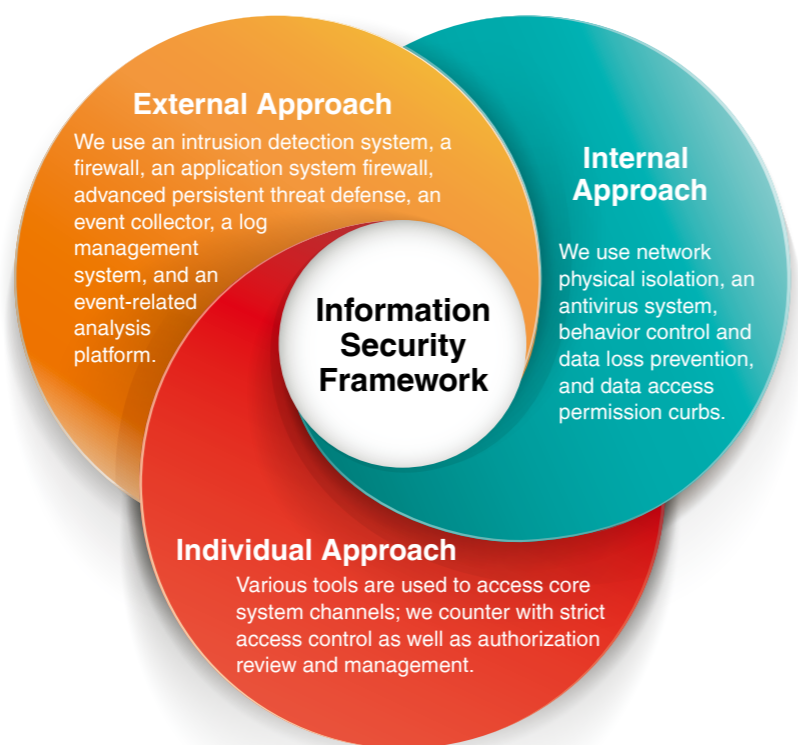
Maintaining Information Security

Information security is of paramount importance to China Life. We have fully integrated information security management mechanisms. Besides adhering to ISO 27001 standards, we follow ISO 27001:2013 for our information infrastructure and the operational management of key systems. Enhanced information security management and protection promotes operational stability and uninterrupted service. Our personal-information protection efforts prevent our customers from suffering losses or infringement of their rights.

China Life regularly conducts information security management reviews to check the effectiveness of all management and control procedures. In 2017, we revised five level-2 management processes and six level-3 implementation procedures to ensure they complied with information security regulations.



- Hold two Information Security Committee meetings to carry out information security work management reviews: annually
- Internal information security evaluations: biannually
- Measuring information security indicators: monthly



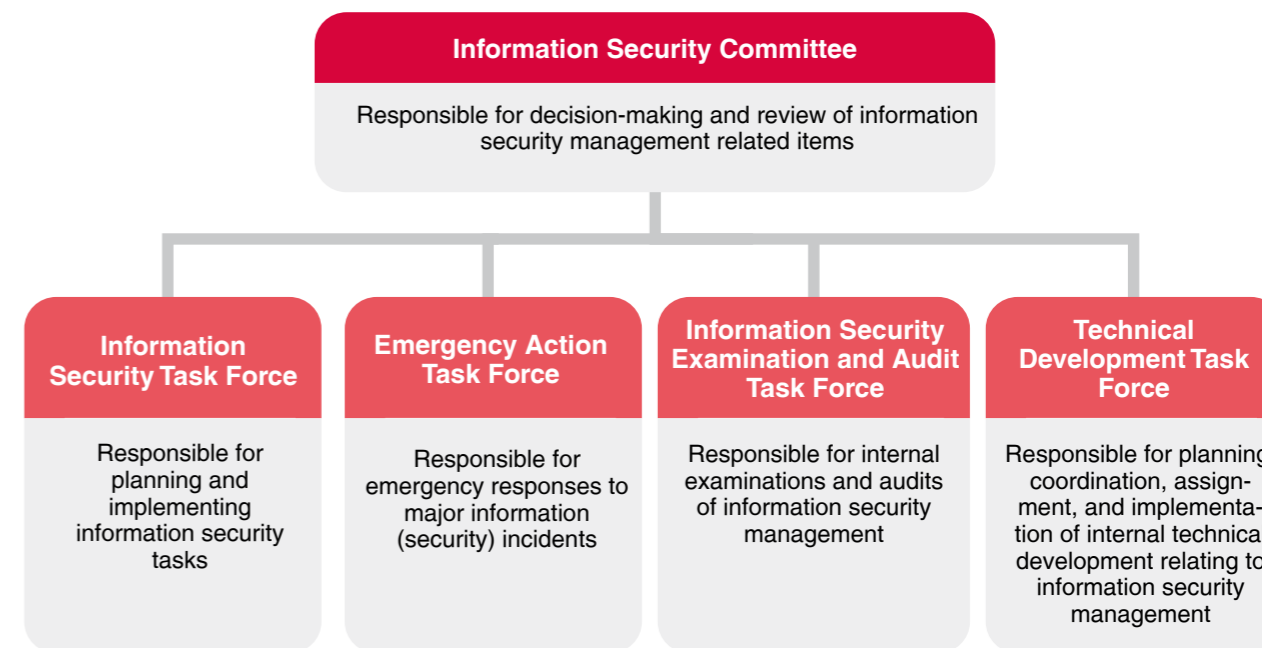
Joint Defense Information Security Framework

Mobile Offices

In 2017, China Life gradually established new mobile offices. At the same time, we strengthened data security to prevent data residency challenges associated with mobile device use and to lower the risk of data leaks.

Information Security Defense	Related Unit	Information Security Measures
First Line: Direct contact with policyholders	Payment collectors	We strengthened authorization and encryption management on fee collection devices. To prevent improper use or leakage risks associated with device loss, we isolated the fee collection system from policyholder information.
Second Line: Back office support staff	Bookkeeping and IT staff	Maintenance and transmission of all policyholder information is strictly protected in our central system. Access is only authorized when required. To prevent improper access, use, or leakage, access records and recordings are kept and used during reviews or audits.

Framework and Duties of the Information Security Committee



In 2017, we held two Information Security Committee meetings. Topics included issues identified during the information security management system scope and verification expansion, procedures requested by the Financial Supervisory Commission's Insurance Bureau, issues identified during internal reviews of the information security management system, 2017 business impact analysis results, rental of Chunghwa Telecom's hicloud cloud storage service, and cloud service testing plans. Our strict information security organization and management framework contributed to a record of zero information security incidents in 2017.

Personal Information Protection

Besides providing products and services that meet policyholder needs, China Life cautiously handles the personal information of shareholders at every stage of operations. We ensure suitable protection measures are used when handling information and we respect the privacy of policyholders.

Adhering to International Practice

To demonstrate our commitment to personal information protection and to further strengthen related management mechanisms, in 2016 we used BS 10012:2009 as a reference to introduce our Personal Information Management System (PIMS). The PIMS scope considers all aspects of operations, including the gathering, handling, and use of personal information. Its comprehensive coverage includes all departments at corporate headquarters, all branch offices, and two district offices. We follow best practices and the plan-do-check-act management model. By establishing goals, management system expectations of internal and external stakeholders, risk analysis mechanisms, quantification methods, autonomous reviews, and continuing education and training, we raise awareness of personal information protection among employees who then gradually integrate its practice into their everyday work. Personal information protection becomes engrained in the corporate culture. By enhancing management and protection mechanisms, we ensure adherence to international standards and trends.

Passing the Latest International Standards and Verification

As we sought to implement PIMS, a new version of BS 10012 was released. After considering our desire to raise personal information protection management, the new standards in the revised BS 10012, and verification timetable demands, in the interest of fulfilling our commitment to protect policyholders we decided to follow the new set of standards. In 2017, we passed BS 10012:2017 certification. Going forward, the Company will continue to comply with international standards and domestic regulations. We will fulfill our commitment to protect personal information, which will help us accomplish our CSR objectives.



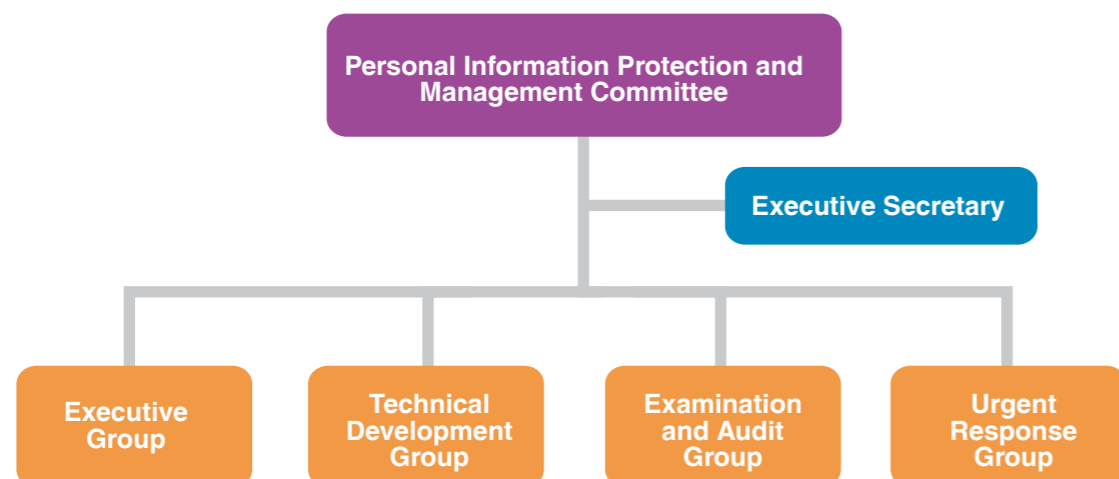
In 2017, there were no cases of intentional violation of customer privacy rights or loss of customer personal data

Information Security Education and Training

To teach employees their responsibility to protect personal information and to strengthen related management systems, China Life relies on a combination of education and training. Classes make personal information protection management an integral part of our corporate culture while strengthening and maintaining staff awareness. In 2017, we held 14 classroom-based classes, four digital classes, and one field training class.

Personal Information Protection and Management Committee

To strengthen the operational efficiency of our personal information security maintenance mechanisms, and to integrate related management resources, China Life established the Personal Information Protection and Management Committee. Convened by the Company's president, the committee promotes, manages, and oversees PIMS. It meets biannually to discuss personal information protection, technical development, oversight, and the handling of related incidents. It reports on the overall state of personal information protection at the Company.



Implementing Social Care

Three Main Directions for Creating Shared Value

When conducting CSR, we take inspiration from our Company spirit “We Share, We Link.” Our corporate sustainability values include using Company resources to contribute to public welfare and various projects that aid the greater society. The life insurance industry derives its influence and expectations from making people the foundation of operations. Stakeholders want us to use this power to showcase the beauty of Taiwan’s people and culture. By showing the world the wonder of this land, we benefit all citizens.

By observing changes in society and the needs that arise from them, we have developed our own approach to influencing public welfare. We develop long-term charity plans and look for synergies to further promote our philanthropic efforts. Our three main avenues for community involvement are education and cultivation, assisting the disadvantaged, and hospitable environments. When promoting sustainability, our Company’s charitable influence is expressed in a broad range of directions. We spread love while creating shared social values.

Three Major Community Themes



Education and Cultivation

At China Life, people are central to everything we do. We operate based on the spirit of helping others and are committed to building a beautiful future for the next generation. We closely heed the educational challenges faced in rural areas. Using corporate resources, along with care and corporate ability, we improve the study environment so rural students can develop their talents and realize their full potential. In 2013, we launched the Read Across 319 Townships program. With a focus on reading, hospitable environments, financial management concepts, and diverse talents, we help rural students raise their competitiveness and express confidence. In 2017, in conjunction with social enterprises, we revisited the same rural schools to conduct the new Aesthetic Education Plan. Using art as a primary theme, the plan further develops students' talents and increases their motivation to study. Our hope is to enable students to use education as a tool to climb the socioeconomic ladder and enjoy a future of limitless possibilities. We also produced the "Thank You Teacher for the Hope You Bring to Rural Communities" series of short films. A wide range of groups praised the series, including respected members of government and academia.

Assisting the Disadvantaged

China Life considers the characteristics of each disadvantaged group when allocating resources. Initially acting as a corporate sponsor, we've expanded our role to that of encouraging people to create and market their own products. We hope everyone can learn to use his or her talents to achieve a stable source of income. We hope that our small investments can initiate wider social change by encouraging more people to care for and support the disadvantaged. Other initiatives such as regular blood drives show our passion for helping others. Donations of money and supplies help the disadvantaged fulfill their dreams. The Company appealed to office staff and agents to join our Love to Go Volunteer Team. On workdays, including the days before special holidays, the volunteers accompany disadvantaged groups. As they bring love to places in need, they contribute to building a better, more beautiful society.

Protecting the Environment

In line with our deep commitment to promoting a sustainable environment, we incorporate environmental issues into our public welfare activities. The annual charity fairs we have held since 2009 have long served as a platform for social welfare groups and local farmers, and more recently social enterprises, to promote their goods while spreading healthy eating concepts. Seasonal fruits and vegetables and local agricultural products sold at the fairs encourage people to eat seasonally and locally. Our Eat Well campaign promotes ideas that are healthy and beneficial to the environment. The Food Safety – Green Academy program donates local Taiwan fruits to rural schools and orphanages. We also tell food safety stories that encourage students to care for the environment and cultivate nutritious, balanced eating habits. In response to government policy and international trends, and to fulfill our CSR commitment, we work to reduce our environmental impact. We lower energy consumption and carbon emissions. We follow green practices that benefit and protect the environment. Our goal is to achieve sustainable development and to live in harmony with this land.

Using the LBG Framework to Manage Community Projects

To effectively manage resources invested in community activities and to measure the quality of our efforts, in 2017 China Life adopted the London Benchmarking Group (LBG) framework. From the launch of a community project to implementation and conclusion, LBG assesses the specific benefits to society. To measure a project's contributions to the community, the framework focuses on three main areas: inputs, outputs, and impacts.

Besides demonstrating to others the benefits of our community projects, LBG is an internal tool for gauging the effectiveness of our efforts and optimizing our procedures. In the future, we will continue to analyze ways to use LBG to measure more of our community projects. Utilizing the same amount of resources, we can create bigger, longer-term social impacts that make positive change a reality.

Read Across 319 Townships

Input

Why

While observing community changes and trends, we noticed a weakness in the foundations of rural education. Trips to the countryside showed that rural areas need teachers who are willing to put down roots. School curriculums require content that motivates students to learn. China Life hopes that by contributing corporate resources to encourage reading, protecting the environment, financial management education, and aesthetic education, we can help raise the competitiveness of rural students.

What

In 2013, we launched the Read Across 319 Townships program.

How

Cash donations of NT\$320,000 (2017)
Activity execution fees of NT\$1.11 million (2017)

Output

Community Benefits	Commercial Benefits
<ul style="list-style-type: none"> • 342 participating students • 116 participating teachers • Eight schools • Eight reading activities 	<ul style="list-style-type: none"> • 29 media reports • 19 volunteers • 76 volunteer hours

Leverage
<ul style="list-style-type: none"> • 20 secondhand computers donated to rural schools • NT\$700,000 donated to hold activities at rural schools • NT\$2.36 million in activity execution fees at rural schools • After analyzing the needs of rural communities, we engaged in community projects and built a charity platform; we held a total of 25 events attended by 848 students, 216 teachers, and 55 volunteers <ul style="list-style-type: none"> • We contributed NT\$39,000 to the Food Safety – Green Academy program • We cooperated with two social enterprises to conduct the Aesthetic Education Plan and contributed NT\$240,000 to an arts education foundation • We added an online charitable platform

Impact

Community Impact

◆ **Monetary Sponsorship**

In response to insufficient rural education resources, China Life provided funds to support reading and arts education; we helped schools purchase extracurricular books for students and carried out arts education programs in conjunction with professional storytelling troupes and social enterprises.

◆ **Volunteer Participation**

Rural to urban migration is leading more grandparents to become the primary caregivers for children. When school is out, the children have few opportunities to accompany their parents. To provide more positive role models, volunteers from China Life and professional storytelling troupes visited school campuses. Using interactive themed events and DIY activities, they gave the students a unique reading experience and sparked their interest in learning. The visits were about more than just playing games, reading stories, and enjoying DIY activities. The volunteers offered an inspirational influence to motivate and support these children.

◆ **Diverse Aesthetic Education**

Participation by professional arts teams and integration of special hometown characteristics into art classes gave children a chance to explore a wider range of possibilities. Student artworks were sold at weekend markets and charity fairs. Proceeds of approximately NT\$50,000 from the sales were donated to rural schools to use toward educational fees.

◆ **Increased Exposure**

We made videos to introduce special characteristics of rural elementary schools. Besides raising students' self-confidence, the videos attracted more community resources to be injected into the schools. We also built an online charity platform that helped turn student artworks into e-cards to reach a wider audience. The platform accumulated 14,167 visits by the end of 2017.

Commercial Impact

◆ The Taiwan Academy of Corporate Sustainability gave the Read Across 319 Townships program a 2017 Taiwan Corporate Sustainability Award for Social Inclusion.

◆ We produced the "Thank You Teacher for the Hope You Bring to Rural Communities" series of short films, which were used by the Ministry of Education as part of Teacher's Month and National Day celebrations.

◆ We released the "Thank You Teacher for the Hope You Bring to Rural Communities II" series of short films; the series raised corporate exposure, as shown by accumulated viewership of more than 44.54 million.

◆ There were 27 media reports on the Aesthetic Education Plan.



Input : The resources a company provides for a community activity
Output : What happens when a company supports a community activity
Impact : What changes when a company supports a community activity
Leverage: Additional resources from other sources

Charity Fairs

Input

Why

China Life has offered longstanding support to disadvantaged groups, local farmers, and social enterprises. We invest our resources to care for and serve society. We host regular charity fairs to showcase the products of local farmers and disadvantaged groups. In all of these initiatives, we encourage participation and support from our employees and the community to create a virtuous cycle.

What

Each year we hold charity fairs to build a "virtuous" platform

How

- ◆ Activity execution fees of NT\$330,000
- ◆ 22 employee participants
- ◆ 88 hours contributed to organizing the events

Output

Community Benefits

- ◆ Two charity fairs
- ◆ Two gift presentation sessions
- ◆ Aided 11 organizations representing disadvantaged groups

Commercial Benefits

- ◆ Charity fair sales totaled NT\$690,000, including department gifts, advance purchases by employees, and on-site sales
- ◆ There were five media reports on the fairs

Leverage

- ◆ We canvassed for secondhand goods, including donations from colleagues
- ◆ We invited disadvantaged groups and people with disabilities to showcase their skills, offering them the chance for more social interaction

Impact

Community Impact

◆ **Bringing Different Groups Together to Expand Social Benefits**

China Life's charity fairs promote greater communication and cooperation between social enterprises and charitable groups, as well as friendly interaction between rural schools. For example, discussions between Buy NearBy and the Yu-Cheng Social Welfare Foundation at a charity fair led Buy NearBy to commission intellectually disabled people from Yu-Cheng to help with packaging. The work provided an opportunity for people with special needs to support themselves. Our visits to rural schools often reveal needs that we help to fulfill. We sponsored field trips for Kaohsiung's Jilai Elementary School and invited its students to perform at our charity fairs. We helped students at Hsinchu's Shilei Elementary School hold a charity sale to raise funds for a graduation trip. Using our corporate influence, we offer strong, lasting assistance. In 2017, a total of 33 disadvantaged children and disabled people performed at our events.

Commercial Impact

- ◆ We buy goods from charitable groups or local farmers to serve as Company gifts or to donate to other charitable groups
- ◆ We train employees to pass on sustainability concepts to policyholders
- ◆ Consumption of seasonal, locally produced agricultural products by our employees protects the environment and reduces their carbon footprints
- ◆ The Ministry of Economic Affairs, in recognition of providing assistance to growing social enterprises, honored us as part of the social innovation product and service purchase award program

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Impact

• **Providing a Stage for Disadvantaged Groups to Build Confidence**

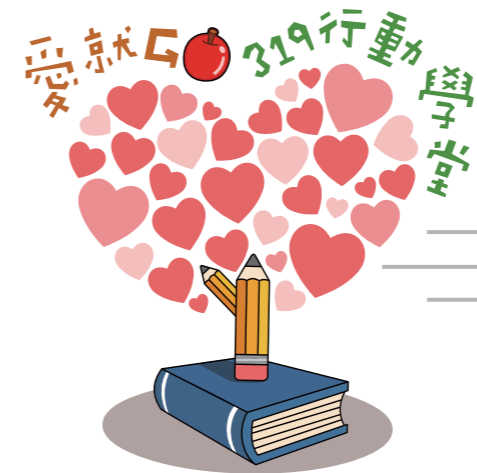
In 2017, we invited rural students and youths with intellectual disabilities from the Yu-Cheng Social Welfare Foundation to give collaborative performances at China Life charity fairs. This life education activity brought children from different groups together to work toward a common purpose. The performances boosted their self-confidence.

• **Lasting Benefits from Community Mutual Aid Plat**

We have been holding charity fairs for the past 10 years. Intellectually disabled people who sell goods at the fairs strengthen their social skills through interaction with the general public. The fairs serve as a vehicle for our employees to donate goods to charitable organizations and rural schools, which has the added benefit of protecting the environment through the reuse of goods. As we provide job opportunities to people with disabilities and make them productive members of society with incomes, we also channel resources to people in need.



Input : The resources a company provides for a community activity
Output : What happens when a company supports a community activity
Impact : What changes when a company supports a community activity
Leverage: Additional resources from other sources



Core Idea :
Cultivating reading habits to raise students' competitiveness



Rural Care

- We visit rural elementary schools to spread knowledge and create a better future for the next generation.
- Besides offering financial sponsorship, China Life volunteers join the events to offer positive emotional support to the children.



Professional Storytellers

- A professional storytelling troupe conveys interesting, fun knowledge to the students.
- We encourage students to express their opinions and offer positive responses to **build their self-confidence**.



Expanding Benefits

- We offer funding for students to buy books and to hold reading activities.
- By producing videos that raise the profile of rural elementary schools, we create opportunities for them to receive more resources.
- We have invested more than **NT\$7 million** in the program. Over **4,600** people have taken part and volunteers have contributed more than 4,000 hours.
- Through the end of 2017, China Life had **visited a fifth of Taiwan's townships**.

Education and Cultivation

Read Across 319 Townships Program Reveals a Bright Future for Rural Townships

In 2013, China Life launched the Read Across 319 Townships program. Our goal is to visit elementary schools in all of Taiwan's 319 townships to teach and build a culture of reading. As we use reading as a foundation for integrating modern teaching materials into students' lessons, we make students more eager to expand their knowledge and raise their competitiveness.

As fintech global penetration expands and digital financial services rapidly spread in Taiwan, digital information is having a greater impact on consumers. In 2017, we used these trends to launch a new online charity platform that showcases the Company's history of charitable achievements. Also posted are artworks by rural children and people with disabilities. Making these works immediately accessible on the Internet results in a bigger audience and greater self-confidence for the people who created them. This long-term, focused communication channel gives stakeholders a better understanding of our community involvement. It polishes our corporate image by showing the general public the investments we make to help others.



Online charity platform



Showing More People the Beauty of Rural Schools

In 2017, we produced a series of videos that showcase the special characteristics of rural elementary schools. Showing the videos on social media and news media brought greater exposure to schools and led more people to see these students. Just two months after being posted online, the videos received 45,000 views and 440,000 shares. The videos were also covered by print and online media, and were disseminated through school networks.



Scan to see the introduction to the Yongle Elementary School (Yilan) video

New Confidence Shown Through the Aesthetic Education Plan

While visiting schools during the Read Across 319 Townships program, we saw how creating art generates a sense of accomplishment in students and boosts their motivation to study. We decided to build on the foundation of the reading program with the launch of the Aesthetic Education Plan. Together with social enterprises, we introduce aesthetic education into rural schools. As we activate children's hidden potential, we integrate local culture and characteristics into lesson plans to boost self-confidence and hometown pride, as well as expand students' horizons. In the future, we will continue to implement plans with a multitude of benefits. As we support education, we stimulate the development of social enterprises. Our public welfare efforts will have a bigger impact and allow more children's talents to be seen.

In 2017, we cooperated with art-related social enterprises and cutting edge artists to offer aesthetics classes. Students were encouraged to incorporate local culture and school characteristics into their artworks to express their artistic potential in a more personal way. Their perspectives gave viewers the opportunity to see rural schools from students' points of view and cast light onto their personal values. Through art, they raised and revealed their self-confidence. In 2018, we will encourage students to incorporate seasonal elements into their works. We plan to turn their art into gifts to be shared with stakeholders. As we spread the children's messages, greater support and affirmation will follow.

China Life is devoted to corporate sustainable development and believes that support for the disadvantaged is a core part of this process. As we continue on the path to sustainability, we cooperate with various social enterprises, using their products and services to support the disadvantaged. We follow the spirit of CSR as we utilize our social influence to create greater shared values. The Small and Medium Enterprise Administration, Ministry of Economic Affairs recognized our efforts in 2017 when it made us the only life insurer to win a Buying Power – Social Innovative Products and Services Procurement Award.



Feedback from Schools

China Life's Aesthetic Education Plan brought a different perspective to our students. Creative themes based on Yuli Township raised students' affirmation of their hometown and boosted their confidence.

--Chang Zheng-er, Teacher, Chunri Elementary School, Hualien

There is no absolute formula for beauty, just as there is no set method for sparking students' creativity. By returning to the essence of education, we help students find their place in life.

--Wu Jing-yun, Teacher, Chunri Elementary School, Hualien

A Teacher Appreciation Short film Series Expands Our Influence



When we visited rural schools to promote reading as part of the Read Across 319 Townships program, we discovered many passionate teachers. They toiled away to overcome the urban-rural gap, to develop schools with unique characteristics, to stimulate students' spirits, and to build happiness and confidence. In recognition of these teachers' contributions and their success in energizing students, we produced the "Thank You Teacher for the Hope You Bring to Rural Communities" short film series. Our purpose was to show teachers some well-deserved appreciation.

Our admiration for the teachers' passion and hard work made us want to show more people the efforts these

teachers make. The short films are a form of encouragement and support. We hope to expand this message by inspiring the general public to thank everyone who helped them grow into better people. To help bring beauty to every corner of Taiwan, we need to share the short film's values with all of society.

Since completion of the short film series, the Ministry of Education has used it to promote Teacher's Month for two consecutive years. Public resources enabled us to expand the reach of our message. The partnership was strengthened in 2017 through an exclusive cooperation agreement. The Ministry of Education invited Company Chairman Alan Wang to attend a press conference, where it presented China Life with a certificate of thanks for the longstanding attention and support we have shown to rural education. The honor represented the positive benefits we can achieve when jointly contributing care and energy to education.

- ◆ **Teacher's Month Activity:** For two consecutive years, the Ministry of Education chose to use the "Thank You Teacher for the Hope You Bring to Rural Communities" short film series to promote Teacher's Month. The partnership was strengthened in 2017 through an exclusive cooperation agreement. Use of public resources enabled us to expand the reach of our message and achieve even greater publicity.
- ◆ **National Day Activity:** The "Thank You Teacher for the Hope You Bring to Rural Communities" short film series was incorporated into the 2017 "Better Taiwan" National Day celebrations. When it was broadcast on Ketagalan Boulevard, government agencies offered deep praise.
- ◆ **Media Exposure:** In 2017, we gained exposure through diverse channels, including television ads, radio, LCD ads, outdoor ads, and online media such as Facebook, video ads, and blogs. Total reach was over 23 million people.

Feedback from Schools

While filming this video, I began to contemplate the balance between letting go and quality time with family. Perhaps it is a moving point that changes over time and with the stage of life.

--Lu Qing-wen, Teacher, Yongan Elementary School, Taitung

Thank You Teacher for the Hope You Bring to Rural Communities II

Taitung's Yongan Elementary School is representative of many of Taiwan's schools. Its teachers quietly work hard on behalf of their students. The teachers' passion and perseverance inspires dreams and hope among the students and paves the path to a great future.



2017 Ministry of Education Teacher's Appreciation Video



Thank You Teacher for the Hope You Bring to Rural Communities II

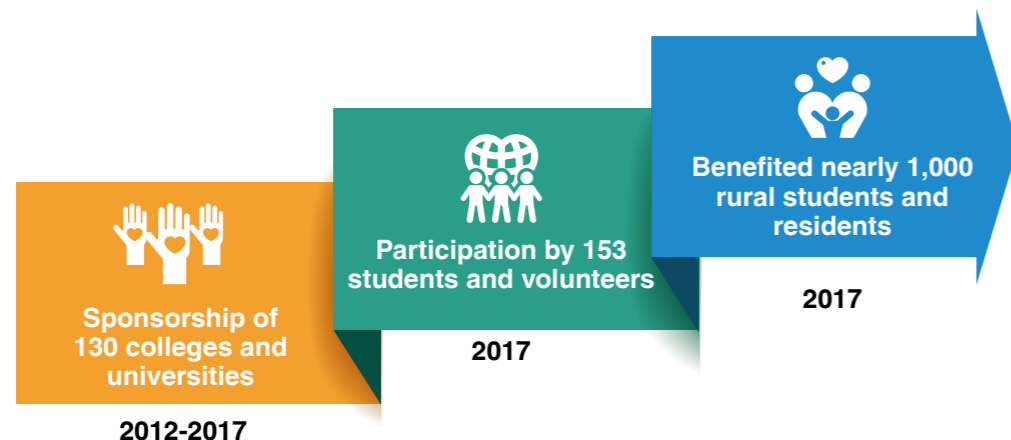
The Socially Minded Young CEO Plan Lets Students Give Back to Society

What is a socially minded CEO? China Life believes that the new generation of leaders needs more than just excellent business management capabilities and vast global ambitions. They must also be invested in the community. New leaders should have a special set of characteristics, including a chivalrous nature, to become the socially minded CEOs that the world needs.

To encourage students at domestic colleges and universities to spend more time on community activities, since 2007 China Life has supported the Socially-Minded Young CEO program on domestic campuses. We already have 10 years of experience supporting a diverse range of topics in response to changing social trends. Our hope is that this small investment will allow the altruism inherent to the insurance industry to thrive on university and college campuses. If we work together, we can do good things for society.

Each year we sponsor programs that tackle important and pressing initiatives. Over the past two years, we primarily invested in programs addressing environmental and rural needs. We specifically focused on Taiwan's rural elementary schools (including educational priority areas), disadvantaged groups, and local farmers. Activities touched on topical issues such as food safety education and environmental protection.

Accumulated Benefits of the Socially Minded Young CEO Program



In 2018, we plan to expand the scope of our sponsorship of the Socially Minded Young CEO program by conducting an island-wide care relay. We will appeal to students at colleges and universities across Taiwan to join the ranks of volunteers. To benefit rural elementary schools, disadvantaged groups, and local farmers, volunteer activities will focus on protecting the environment, education and cultivation, support for the disadvantaged, and advocating financial management and insurance. We will encourage young people to show they care through charity.

Helping the Disadvantaged
Uninterrupted Service from the Love to Go Volunteer Team

In 2012, China Life established the Love to Go Volunteer Team. The team promotes volunteer activities, and team members participate in social service. By accompanying disadvantaged groups, they care for society by helping the people who are a part of it. Their actions spread love across the land. To further raise employee participation in the community, since 2014 we have provided office staff with one annual paid volunteer day.

The Love to Go Volunteer Team integrates important issues and festivals into volunteer activity planning. Volunteers join social, environmental, and charitable activities to offer disadvantaged groups needed assistance and donations. Their support makes people in need more self-sufficient, helping them to better integrate with society. We also encourage proactive volunteering by employees to further expand our influence and create a virtuous cycle. In 2017, we collected internal satisfaction surveys relating to charity. More than 90% of employee respondents affirmed the Company's efforts to hold volunteer activities. The results showed that the passion of our long-term charitable work has become ingrained in our employees.

Two Main Service Themes of the Love to Go Volunteer Team



Charitable Organizations:

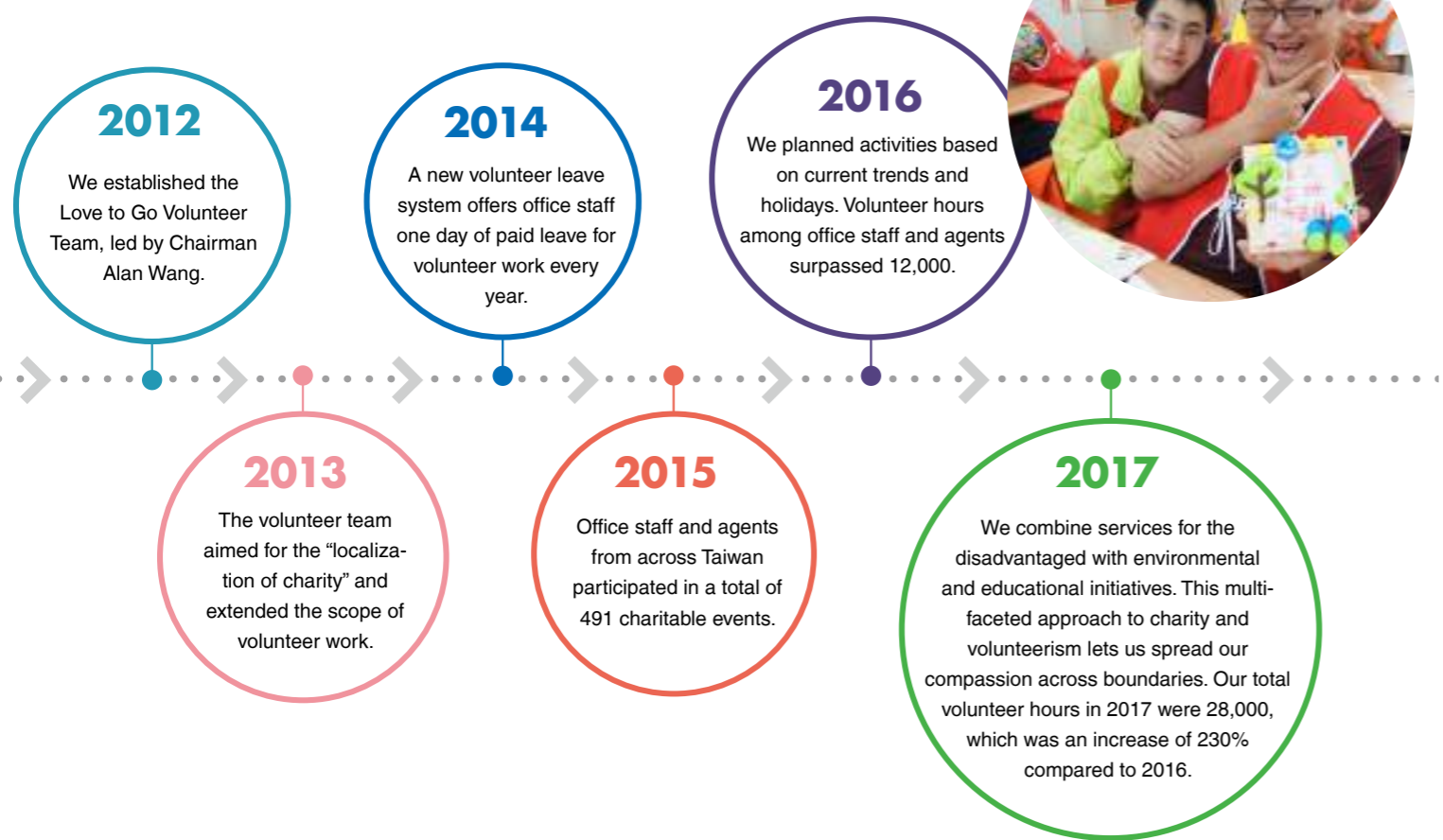
Yu-Cheng Social Welfare Foundation, Angel Heart Family Social Welfare Foundation, Children Are Us Foundation, Chung Yi Social Welfare Foundation, Sunshine Social Welfare Foundation, Eden Social Welfare Foundation, Taiwan Foundation for Rare Disorders, Andrew Charity Association, Family of Joy Social Welfare Foundation, Down Syndrome Foundation, and the Mustard Seed Mission.

Services:

We donated goods to rural communities, and accompanied people with disabilities, disadvantaged groups, and children in orphanages. Together, we participated in interactive classes and DIY activities as well as institutional cleaning and administrative management.

To further encourage employees to volunteer, China Life has long-term cooperative partnerships with around 10 social welfare organizations and disseminates information relating to volunteer opportunities through the Company's internal network. In 2017, we shared information about approximately 3,000 volunteer opportunities across Taiwan.





Lively Bleinders Performances Beat Visual Impairments

As part of our ongoing commitment to CSR, we uphold the core spirit and philosophy of “We Share, We Link.” Besides actively participating in social care and charity, we support and sponsor arts events. We bring good things together to share with more people. In the process, we cultivate values that China Life and society share.

Sponsoring the arts broadens the scope of China Life’s charitable contributions. We help people to overcome their disabilities and the challenges in their lives. One example of our work is helping people with visual impairments achieve their performance potential while earning a living. Through song, they express toughness and toil while revealing incredible vitality.

- ◆ Sponsored the Vokal.Total – International A Cappella Competition plan
- ◆ Artist groups performed at the China Life year-end party and annual sales agent meeting
- ◆ Sponsored “The Bleinders Sing Taiwan” Concert Tour Plan

In 2017, to expand the benefits of our arts initiatives, besides continuing to cooperate with The Bleinders, we invited other Taiwanese musical artists who are learning and challenging themselves. They performed in Hsinchu, Nantou, Zhongli, Chiayi, and Taitung. We hope this joint singing project touches people artistically and popularizes art as charity.

Protecting the Environment

Eat Well – Food and Agricultural Education Teaches How to Treasure Our Land

China Life’s acknowledgement of the importance of protecting the environment is shown by our Eat Well campaign, which advocates healthy eating practices that do not harm the Earth. In 2017, we continued our environmental initiatives. Since food is such a vital part of our existence, we chose it as our primary entry point. We taught people how choosing foods that use seasonal, local ingredients can benefit their health and the environment. By implementing these practices, they promote harmony among the people, the land, and the environment to create a better future for all.

The life insurance industry is closely linked to environmental risks and people’s health. Therefore environmental and health topics are an important part of our food safety education. Following Typhoon Morakot in 2009, we pioneered a program to pre-purchase agricultural goods. We sponsored micro-enterprises’ efforts to build an e-commerce platform for environmentally friendly agricultural products, and we continued to hold annual charity fairs. These initiatives support product marketing by local farmers who are conscientious stewards of the land. In the future, we will expand our influence. Eat Well videos will encourage people to start to improve their habits by choosing to eat locally grown, seasonal products and committing to regular exercise. As they cultivate healthy lifestyle habits, they will achieve sustainable health.

People are increasingly concerned about the foods they eat. Besides wanting to satisfy their appetites, they are adopting LOHAS and slow-eating concepts. These trends are raising the stature of nutritionists and giving them an important role in everyday life. Recognizing these developments, China Life invites professional nutritionists to design cookbooks that focus on using seasonal ingredients. Instructional videos with simple explanations of complicated topics, together with some interesting and useful tips, interest readers and leave them coming back for more. They learn how to contribute to environmental protection.

In 2017, we held 30 internal meetings at China Life to advocate environmental protection concepts. We produced seven videos that use clear, easy-to-understand language and an accessible cartoon format to advocate how the use of seasonal, local ingredients plays a critical role in environmental protection. For external advocacy, we used the Food Safety – Green Academy program. Besides regularly providing fruits to rural elementary schools and orphanages, we used the cartoons to teach food safety concepts to children.



Eat Well video

Supporting Rural Communities Through the Food Safety – Green Academy Program and Healthy Agricultural Products

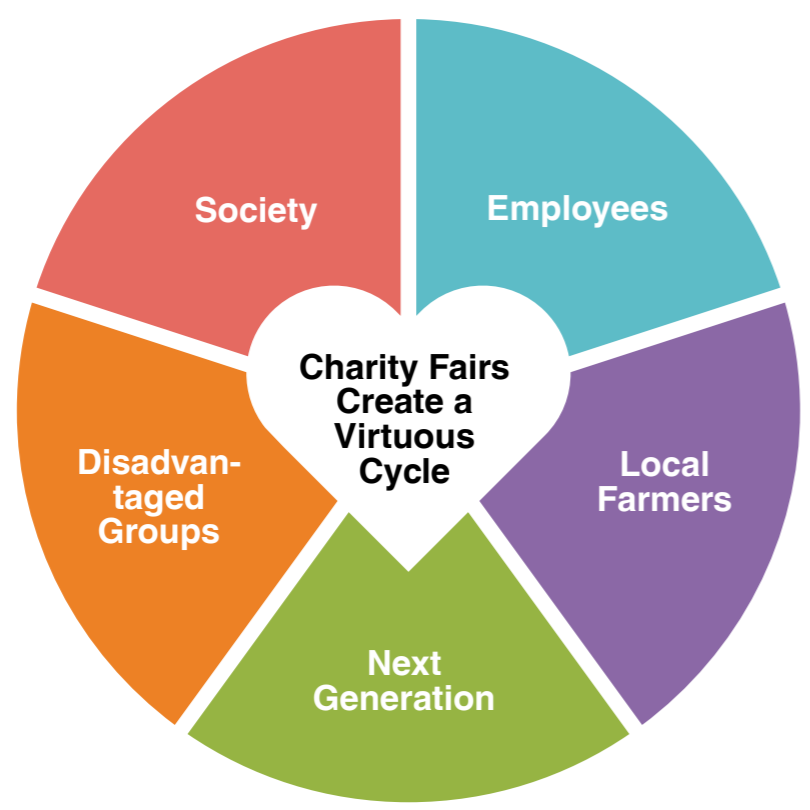
In recent years, Taiwan has had numerous food safety concerns. When China Life visited rural elementary schools, we discovered that they had many disadvantaged children from low-income families. Often, the parents worked outside the community, so grandparents were the primary caregivers. Many of the children relied on school meals as their main source of nutrition.

For these reasons, China Life cooperates with social enterprises such as Buy NearBy and Green Farmers Family on a program to promote food safety education and donate fruits grown in environmentally friendly ways. The objective is to give children the chance to enjoy local fruits while learning about the source of the fruits and growing methods. From a young age, they learned about food safety and environmental protection.



2014	2015	2017
We promoted food safety education and donated locally grown fruits to eight rural elementary schools and two social welfare organizations.	We visited 18 rural elementary schools to share food safety stories and deliver presentations. We also gave three lectures to policyholders and their children in northern, central, and southern Taiwan.	We donated locally grown fruits to four rural elementary schools and two social enterprises while also conducting food safety education volunteer activities.

Through interesting food safety stories and lectures, together with the purchase of agricultural products produced by conscientious local farmers, the children learned about food safety. From 2014 to 2017, we helped more than 1,000 students while at the same time supporting local farmers through purchases.



Charity Fairs Produce Multiple Winners and Promote Shared Values

As part of our long-term support of disadvantaged groups, local farmers, and social enterprises, we hold annual charity fairs. Each year, more groups offer their support. We invite local farmers, disadvantaged groups, and others to set up booths. Employees and local residents gather to both attend and help operate the fairs. Together, we turn these events into key social welfare platforms.

The charity fairs have a strong foundation built on years of accumulated success. Fair participants in recent years included Buy NearBy, Green Farmers Family, Farmers Dream, Fu Shan Grange, Taiwan Way, Yu-Cheng Foundation, Taiwan Foundation for Rare Disorders, One Basket, Eden Social Welfare Foundation, Blueseeds, the Mountain Lodge, Family of Joy Social Welfare Foundation, the Down Syndrome Foundation, the Wonderful Food, and the Social Entertainment Enterprise (SEE).



2016

- We promoted a love of Taiwan by offering bento boxes and fresh cut, seasonal fruits from local farmers. Through this experience, we showed people how to care for the environment.
- Without any encouragement from the Company, employees purchased crafts made by children with rare diseases. Their support helped the children raise money for medical fees.

2014

- After a major storm felled fruit, China Life employees purchased the damaged fruits to support local farmers

2017

- Aided by corporate sponsorship, rural students traveled north to sell crafts. Proceeds were used to help other disadvantaged students from Hsinchu pay for a graduation trip. This unique experience taught students the joy of helping others.
- Charity fairs bring different groups together in ways that expand their charitable impact. For example, discussions between Buy NearBy and the Yu-Cheng Social Welfare Foundation at a charity fair led Buy NearBy to commission intellectually disabled people from Yu-Cheng to help with packaging.

2015

- We provided a stage for rural students and people with intellectual disabilities to perform. The experience raised their confidence and developed their social adaptability.





CHAPTER 5

Care – Sustainable Environment

A major milestone was reached in 2016 when the Paris Agreement took effect, as governments and corporations around the world committed to identifying, adapting to, and mitigating the risks associated with climate change. China Life responded by naming climate change as one of our external threats. Our efforts focus on six key aspects of environmental sustainability that relate to our operations: paper use, greenhouse gases, electricity use, water management, waste management, and green buildings. We are serious about protecting the environment and fulfilling our duties as citizens of the earth.



Using green financial services to work with policyholders to protect the environment

2017 ESG Goals and Progress

- By implementing green processes, such as e-notices, e-services, e-documents, and mobile insurance policy purchases, we reduced our paper usage by 3.485 million sheets in 2017.
- Of the customers that purchased insurance products online, 82% opted to receive e-documents.

2018 ESG Goals

- We will continue implementing green processes, such as e-notices, e-services, e-documents, and mobile insurance policy purchases, to reach our goal of reducing paper usage by 3.856 million sheets.
- We hope to convince an even higher percentage of customers who purchased insurance online to opt into receiving e-documents.
- We will work to further popularize mobile insurance policies, which will reduce paper usage and shorten the underwriting period by 1.5 days.

Implementing sustainable supply chain management through joint social responsibility promises

2017 ESG Goals and Progress

- We spent over NT\$14.7 million procuring products certified as green.
- We continued to encourage our property suppliers to sign the “Supplier CSR Commitment.” Twenty-four suppliers signed the commitment, for a completion rate of 100%.
- We expanded efforts to encourage our construction and repair works suppliers to sign the “Supplier CSR Commitment.” Sixteen contracted suppliers signed the commitment, for a completion rate of 100%.

2018 ESG Goals

- We will expand the scope of green procurement by adding construction and repair works as an item. Our goal is for green procurement to rise to NT\$19.8 million.
- We will encourage new property suppliers and construction and repair works suppliers to sign the “Supplier CSR Commitment.” Our goal is for 100% of qualified suppliers to sign the commitment.

Implementing environmental management in response to climate change

2017 ESG Goals and Progress

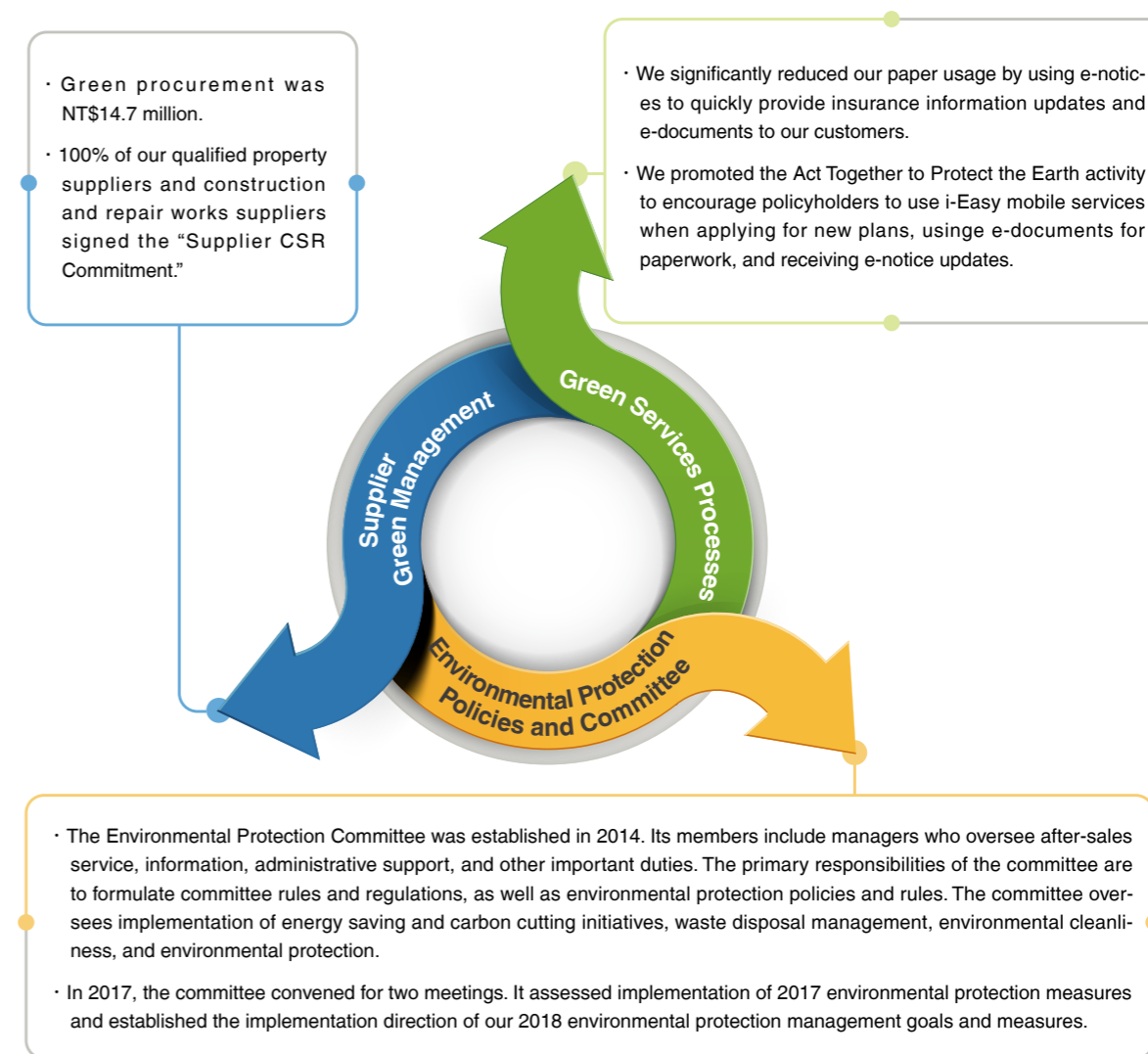
- Our head office and the Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branches conducted inventories of workplace greenhouse gas emissions and obtained ISO 14064-1 greenhouse gas certification. Our greenhouse gas emissions measured at 3,376.419 tons of CO₂e.
- For each of our Taiwan offices, we set an average electricity savings goal of 1% per year and 5% over five years (2016 as a base year). We also participated in three related environmental protection activities. The average electricity savings ratio across all our Taiwan offices was 1.43%.
- We raised the average recycling rates at our head office and the Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branches to 47.22%.
- Our new head office building became a candidate for a Gold Class Green Building Label.

2018 ESG Goals

- Our head office and the Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branches will continue to conduct inventories of workplace greenhouse gas emissions and will maintain ISO 14064-1 greenhouse gas certification.
- For each of our Taiwan offices, we will continue to target an average electricity savings goal of 1% per year and 5% over five years. We also participate in three related environmental protection activities.
- We will lift the recycling rates at our head office and the Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branches to above 50%.
- To reduce the environmental impact arising from construction of our new head office, each quarter we will carry out environmental monitoring and tree protection initiatives.

Management Guidelines

Major Topics	Compliance with environmental protection regulations
Commitments	<ul style="list-style-type: none"> • We established the Environmental Protection Committee, which is responsible for formulating environmental protection policy and establishing oversight and assessment measures for environmental protection and energy savings. • We encourage our property suppliers and construction and repair works suppliers to sign the “Supplier CSR Commitment.” The commitment sets screening standards that account for legal compliance, environmental assessments, labor practices, human rights, and social impact.
Policies / Management System	<ul style="list-style-type: none"> • We formulated the China Life Environmental Protection Policy, the Supplier CSR Guidelines, and the Contractor Safety, Health, and Environmental management methods.
Complaint Mechanisms	<ul style="list-style-type: none"> • To ensure the personal information rights of construction and repair works contractors, we established the procedures for individuals to exercise their rights.
Evaluation Mechanisms	<ul style="list-style-type: none"> • Besides carrying out greenhouse gas inventories using ISO 14064-1, we passed a third-party inspection that serves as a reference for future greenhouse gas management maintenance and improvements.



Developing Green Finance

Smart e-Services

Advocating e-Services to Save Energy and Reduce Carbon Emissions!

Advances in information technology are greatly affecting the provision of financial products and services, as well as customer behavior. As digital service platforms replace traditional paper-based service models, China Life is actively promoting online transactions, e-commerce systems, and e-services. At the same time, we are developing e-services and reducing paper use.



China Life provides customers a 24-hour online service platform to conveniently purchase insurance products or check documents. Policyholders can sign up for e-notices to receive important information via e-mail. Digital services give policyholders quick access to their insurance information and eliminate the inconvenience of filling out paper forms. Paper consumption is substantially reduced, and greenhouse gases arising from mail delivery or transportation to/from insurance offices are mitigated.

2017 Act Together to Protect the Earth

We promoted the 2017 Act Together to Protect the Earth activity. Policyholders who completed a new i-Easy mobile policy contract, selected the e-document option, downloaded and signed their documents, and opted to receive e-notices qualified to obtain a NT\$100 e-coupon for FamilyMart. More than 1,000 people qualified.

Group Insurance Online Services – Online Applications and Cancellations

In 2017, we offered new group insurance online services that let group insurance applicants, such as employers obtain or cancel coverage for their employees or other members. Insured persons are able to check their policy details online, which reduces paperwork. The addition of preliminary underwriting assessments provided even faster service for policyholders.

e-Service

China Life provides policyholders with an uninterrupted, 24-hour e-service platform. Customers can quickly check their policy info and make adjustments from anywhere. Besides saving the time and trouble of filling out paper forms, users reduce greenhouse gas emissions produced during mail delivery or transportation to/from the insurance office. In 2017, our customers used automated services to conduct 113,000 policy modifications, saving 340,000 sheets of paper.

e-Policies

Since April 2015, we have offered an e-documents platform that covers all products across all channels. A third-party organization certified our system to ensure that policyholder information and data remain secure and accurate, and we planned after-sales operational procedures and mechanisms. E-policies were provided in more than 82% of e-commerce transactions.

e-Notices

Digital files are replacing paper as the preferred method for delivering policies, mail, and invoices. Paper and print waste are lowered, as are traditional mail deliveries. Policies are uploaded to the Company's website, making them available for policyholders to search and download at any time. When applying for a new policy, customers can use a tablet computer to complete contracts. They can sign up to have e-policies and related information and invoices delivered online. By the end of 2016, China Life provided 69 types of e-notices. In 2017, we added five more types of e-notices and raised the number of e-notice recipients by 8.5% to 178,863.

Paper-Free Bancassurance Channels

In 2014, our Bancassurance channels launched a digital underwriting notification plan. Now new contracts are returned over e-mail rather than as paper documents sent through regular mail. The change has increased efficiency. In 2017, we expanded the use of digital insurance applications, lowering the need to print applications. Reduced application inventory further cut down on waste. In 2017, 22 of our partnership channels used e-mail to deliver and receive underwriting notification.

i-Easy Mobile Insurance Purchases

We distributed mobile devices to facilitate insurance services. Now our agents only need an iPad to assist policyholders with data entry, online verification, and document previews and signatures. The system makes insurance purchases more convenient by accepting documents any time of day and eliminating the need for paper.

In 2016, the i-Easy app was launched. Online data verification improves application accuracy rates while significantly reducing paper use and administrative costs. In 2017, increased promotion raised the share of insurance policy sales made using the app to 70% by year-end. The app already was used to purchase an accumulated 65,000 policies, which saved 395,000 sheets of paper.

Modification of the Top Force Network

We commissioned a consulting team to continue modifying the Top Force Network. For customer insight, the network links travel insurance and policy loan formula systems to study customer behaviors and reduce the time needed to gather information. This gives agents more time to focus on customer development and maintenance. Also for agents, the network features activity volume management and operational performance management tools. These provide insight into agents' performance and support management efficiency guidance. The network creates a team of professional and efficient agents with as high work capacity. In 2017, we conducted 49 needs interviews and 19 project meetings.

Green Supply Chain

Green Procurement

We have always regarded our suppliers as partners. To ensure supply-chain stability, long-term partnerships, and production localization, more than 99% of our procurements come from suppliers based in Taiwan. In the future, we will continue to support local procurement of goods and services and conduct green procurement in line with government policy. To further fulfill key environmental protection objectives, we prioritize the sourcing of green-certified products that are ecofriendly, recyclable, and energy efficient. In 2017, we spent a total of NT\$14.70 million on certified green products, an increase of NT\$5.14 million compared to 2016. For the second consecutive year the Department of Environmental Protection, Taipei City Government honored us for excellence in green procurement.

Green Procurement Spending Over the Past Two Years

	2017	2016
Information Equipment	6,243,000	3,364,000
Information Equipment Consumables	41,000	48,000
Utility Tools	6,540,000	5,412,000
Home Electronics	416,000	283,000
Transportation Equipment	1,460,000	453,000

(Unit: NT\$)

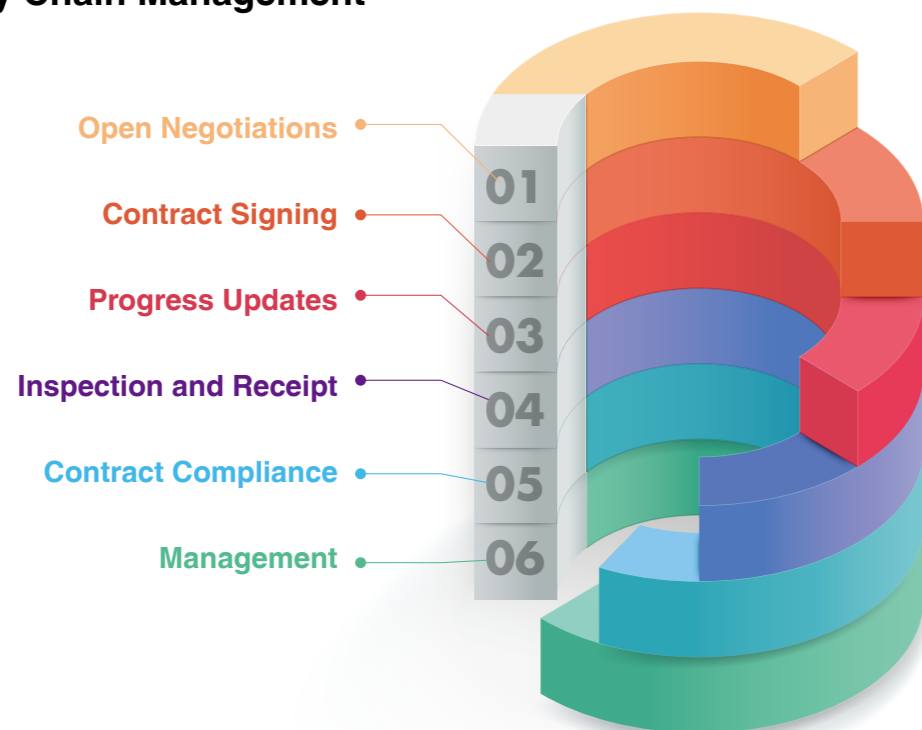
The companies in China Life’s supply chain provide three main types of products or services: office supplies and equipment; labor services; and construction and repairs. To systematically manage CSR practices throughout our supply chain and build supplier screening standards that account for legal compliance, environmental protection, labor practices, human rights, and social impact, in 2015 we formulated our “Supplier CSR Guidelines.” The guidelines support fair, impartial, and open supplier selection methods, and aid the management of quality, delivery, and price. At the same time, we urge our suppliers to sign the “Supplier CSR Commitment.” In 2017, we added the “Articles Governing CSR and Ethical Management” to all general procurement contracts. Based on the articles, 100% of suppliers who enter into general procurement contracts with us must adhere to all laws and regulations governing environmental protection, labor conditions, worker safety and health, and worker rights. Any legal violations or major environmental or social damages caused by a supplier are grounds for contract termination or cancellation.

China Life Green Procurement Principles

- When choosing suppliers, we adhere to the following principles:
 - ✓ Gather environmental information relating to the equipment and supplier
 - ✓ During procurement, evaluate the equipment’s environmental impact over its full lifecycle, including disposal at the end of the lifecycle
 - ✓ Select diligent, environmentally friendly suppliers
- Prioritize equipment and services certified by the Environmental Protection Administration as environmentally friendly, energy efficient, or water efficient; minimize the use of toxic or harmful items
- Replace energy-wasting electrical equipment to increase energy efficiency
- Our three key strategies for equipment are: effective use, proper scrapping and disposal, and reuse
- When signing procurement contracts, suppliers must agree to provide equipment or services that are environmentally friendly and meet high standards of safety

100 %
of our property suppliers and our contracted construction and repair works suppliers have signed the **“CSR Supplier Commitment”**

Supply Chain Management



Construction and Repair Work Suppliers

In selecting construction and repair works suppliers, to ensure quality and safety, we replace at least 10% of our qualified contractors each year. In 2017, we replaced nine of 91 qualified contractors and proposed 16 new contractors. By 2018, we expect to increase our qualified contractors in construction and repair works to 98. All qualified construction and repair contractors signed the “Supplier CSR Commitment.” To protect the interests of workers and the environment, we also had contractors sign the “Contractor Safety and Health Agreement” and the “Contractor Safety, Health, and Environmental Management Commitment.”

Ensure project quality and safety while protecting workers and the environment
We have 98 qualified contractors
2018

Protecting the Natural Environment

Saving Energy

Building a green, low-carbon business is a vital part of fulfilling our CSR and sustainable operations obligations. To achieve these goals, we need corresponding environmental protection and green energy policies and measures. Therefore, in 2014, we established the Environmental Protection Committee. The committee has nine members drawn from managers who oversee after-sales service, information and administrative support, and other important duties. It includes one chairperson, one deputy chairperson, and seven regular members. The primary responsibilities of the committee are to formulate committee rules and regulations, as well as environmental protection policies and rules. The committee oversees environmental health advocacy, greenhouse gas management, electricity use, water resources management, and waste disposal management.

China Life Environmental Protection Policies

1. Set objectives for environmental protection and implement management measures
2. Conserve energy and advocate recycling
3. Comply with environmental protection regulations and implement green procurement policies
4. Enhance environmental protection awareness through education and training
5. Cooperate with suppliers to fulfill our corporate responsibility
6. Assign dedicated departments and conduct regular reviews



Environmental Protection Advocacy

We continued to take steps to reduce greenhouse gas emissions in all our offices in accordance with the “Regulations for Environmental Initiatives.” Using EDM, we announced everyday lifestyle measures that employees took to protect the environment and save energy, such as introducing recycling bins, kitchen waste receptacles, and plastic bag collection points. In 2017, we responded to external environmental protection activities by implementing policies to save energy, recycle, and protect the environment.

3/25 Earth Hour

Ahead of Earth Hour on March 25, we used our Company website and Facebook page to encourage people to turn off all non-essential lights for one hour. Our message was seen by 218,301 online visitors.

6/5 World Environment Day

For World Environment Day on June 5, we conducted a potted plant giveaway as part of a joint earth action event. A total of 402 people participated. Environmental protection activity promotions we ran on Facebook received 1,305 responses from users.

10/4 The Moon Lights Up the Sky

We encouraged all our employees to participate in a City Radio Station event urging listeners to turn off their lights for one-hour starting at 8 pm on the October 4 Mid-Autumn Festival. China Life also turned off all lights and signs in the Company’s offices and branch offices across Taiwan.

Management of Greenhouse Gases

Since 2015, China Life has conducted annual inventories of greenhouse gases produced at our head office and the Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branch offices. Total greenhouse gas emissions were 3,015.711 tons CO₂e in 2015, 3,312.618 tons CO₂e^① in 2016, and 3,376.419 tons CO₂e in 2017. In April 2018, we obtained ISO 14064-1 BSI certification. We will continue to monitor greenhouse gases and work to lower our greenhouse gas emissions.

2017 Greenhouse Gas Emissions

Unit: CO₂e (tons)

	Direct Emissions (Scope 1)			Indirect Emissions (Scope 2)	Total Emissions
	Stationary Emissions	Mobile Emissions	Fugitive Emissions		
Emissions (tCO₂e / year)	0.000	42.666	132.445	3,201.308	3,376.419
Scope (%)	0.00%	24.37%	75.63%	94.81%	100.00%
		5.19%			

Notes: We used the power coefficient source announced by the Bureau of Energy, Ministry of Economic Affairs in 2016, and the Global Warming Potential values: 2007 edition (AR4). Emission sources belong to the Company or operations under the Company’s control.

① We adjusted our 2016 greenhouse gas inventory to account for central air use during overtime hours at the head office’s Dunbei Building. Emissions originally listed as 3,243.426 tons CO₂e were revised to 3,312.618 tons CO₂e.

Electricity Consumption Management

In response to global climate change, for each of our Taiwan offices, we set an average electricity savings goal of 1% per year and 5% over five years, with 2016 serving as a base year. In 2017, we allocated NT\$9,270,306 toward replacing old, inefficient central air systems in our buildings. Using 2016 as a basis, we reduced our electricity use in 2017 by 183,764 kWh (661,550.4 million joules) to 12,643,502 kWh. Average electricity savings were 1.43%, and total savings were equivalent to 97.211 tons of carbon emissions (based on 1,000 kWh of electricity generating 0.529 tons of CO₂). These numbers show significant progress.

In 2017, China Life's total electricity consumption was 12,838,021 kWh (46,216,875.6 million joules). The Company's energy intensity was 50.28 kWh/NT\$ million, which represented a 7.01% improvement on 2016's energy intensity of 54.07 kWh/NT\$ million.

	2017	2016
Electricity Consumption (kWh)	12,838,021	12,827,266
Revenue (NT\$ millions)	255,328	237,222
Energy Intensity (kWh/NT\$ million)	50.28	54.07



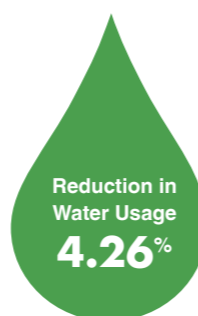
① The primary energy used at China Life is electricity originating mostly from nonrenewable sources. Scope of power use includes facilities used by office staff (head office/branches).
 ② We adjusted our 2016 electricity consumption data to account for central air use during overtime hours at the head office's Dunbei Building.

Water Resources Management

The primary source of China Life's water is the municipal water system. Most of our water consumption is used in our central air systems and landscaping pools. To reduce water use, besides installing water-saving gaskets, adjusting water flow, and raising water reuse, in 2017 we took several steps toward reducing water vaporization, including strengthening piping and checking and repairing old water storage equipment such as water towers and toilets. We reduced water leakages and replaced old equipment with products that are certified as water efficient. We reviewed our central air systems and the frequency of changing the water in our landscaping pools. We encouraged water conservation among our staff. In 2017, the head office building used 16,467.44 kiloliters of water, or an average of 3.60 kiloliters/ping (1 ping = 3.3058m²). On average, we used 4,580.23 ping of floor space each month.

Water Consumption at the Head Office Over the Past Two Years

	2017	2016
Total Water Use (kl)	16,467.44	15,158.79
Monthly Floor Space Use (ping)	4,580.23	4,035.12
Monthly Average Water Consumption (kl/ping)	3.60	3.76
Water Savings Ratio	4.26%	



Waste Management

China Life's waste can be broken down into two types of nonhazardous waste: general waste and recyclable waste. As part of our policy of reusing resources, we encourage separating general waste and recyclable waste. Waste disposal companies and public garbage trucks transport general waste for incineration. To raise the recycling rate, we expanded the types of waste that can be recycled to include plastic bags and kitchen waste. In 2017, our head office and Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branch offices recycled 79,206 kg out of 167,733 kg of total waste, for a recycling rate of 47.22%. Our recycling rate rose 9% compared to 2016.



Green Buildings

We continue to apply for green building labels for all of our new buildings. At the construction site of our new headquarters, we carry out quarterly environmental monitoring and tree protection procedures. We also plan to install solar cells to further reduce our environmental impact. In 2018, we will continue assessing the feasibility of solar power installations at each of our buildings.

- Environmental monitoring, includes air quality, noise and vibrations, transportation, effluent, and construction noise
- Tree protection efforts include leaving six trees in their original location, replanting 17 trees onsite, and moving 39 trees to an external location
- We plan to install solar cells capable of generating 35.7 kW of power. On an annual basis, they will produce 32,055 kWh worth of energy and reduce our carbon emissions by 16.957 tons.



In June 2017, we became a certified candidate for a Gold Class Green Building Label

We would like to thank all stakeholders for their interest in our CSR practices. China Life will continue to promote and implement environmental, social, and corporate governance principles, and to publish CSR information and our CSR report on the Company's website. We will use innovative thinking to produce greater benefits and value for our policyholders, employees, shareholders, and society. With a wider scope and outlook and a bolder approach, we will produce even better results in our ongoing push toward sustainable development.

Appendix

The GRI Standards Disclosure Items Comparative Table

		Corresponding Chapter or Remarks (Includes Omitted Description)	Page No.
General Disclosure	Organizational Profile (2016)		
	102-1	Name of the organization	About This Report Getting to Know China Life 04 06
	102-2	Activities, brands, products, and services	Getting to Know China Life [CH4] Strong Protection All products this year were subject to review and investigation by regulators before going on sale 06 90
	102-3	Location of headquarters	Getting to Know China Life 06
	102-4	Location of operations	About This Report Getting to Know China Life 04 06
	102-5	Ownership and legal form	Getting to Know China Life 06
	102-6	Markets served	Getting to Know China Life 06
	102-7	Scale of the organization	Getting to Know China Life 06
	102-8	Information on employees and other workers	[CH3] Gathering Talent The Company does not have any part-time employees 74-75
	102-9	Supply chain	[CH5] Green Supply Chain 124-126
	102-10	Significant changes to the organization and its supply chain	No major changes
	102-11	Precautionary Principle or approach	[CH2] Risk Management 51-57
	102-12	External initiatives	[CH5] Saving Energy 127
	102-13	Membership of associations	[CH2] Integrity and Trust 48
	Strategy (2016)		
	102-14	Statement from senior decision-maker	Letter from Management 03
	Ethics and Integrity (2016)		
	102-16	Value, principles, standards, and norms of behavior	[CH2] Integrity and Trust 43-48
	Governance (2016)		
	102-18	Governance structure	[CH1] Power of Sustainability [CH2] Governance 13-14 38-41
Stakeholder Engagement (2016)			
102-40	List of stakeholder groups	[CH1] Stakeholder Engagement 20-24	
102-41	Collective bargaining agreements	China Life has not established trade unions; hence there are no collective bargaining agreements	

		Corresponding Chapter or Remarks (Includes Omitted Description)	Page No.
General Disclosure	102-42	Identifying and selecting stakeholders	[CH1] Stakeholder Engagement 20-24
	102-43	Approach to stakeholder engagement	[CH1] Stakeholder Engagement 20-24
	102-44	Key topics and concerns raised	[CH1] Stakeholder Engagement 20-24
	Reporting Practice (2016)		
	102-45	Entities included in the consolidated financial statements	There are no other financial reports shared externally
	102-46	Defining report content and topic boundaries	[CH1] Identifying Issues 27-30
	102-47	List of material topics	[CH1] Identifying Issues 27-30
	102-48	Restatements of information	We adjusted our 2016 electricity consumption data to account for central air use during overtime hours at the head office's Dunbei Building after including related data from 2017 129
	102-49	Changes in reporting	[CH1] Identifying Sustainability Issues 25
	102-50	Reporting period	About This Report 04
	102-51	Date of most recent report	About This Report 04
	102-52	Reporting cycle	About This Report 04
	102-53	Contact point for questions regarding the report	About This Report 04
	102-54	Claims of reporting in accordance with the GRI standards	About This Report 04
	102-55	GRI content index	Appendix 131-135
	102-56	External assurance	About This Report Appendix 04 139-140
Management Approach (2016)	103-1	Explanation of the material topic and its boundary	[CH1] Identifying Issues 27-30
	103-2	The management approach and its components	[CH2] Peace of Mind – Integrity and Transparency [CH3] Diligence – Innovation and Growth [CH4] Compassion – Giving Back to Society [CH5] Care – Sustainable Environment 33 61-62 88 123
	103-3	Evaluation of the management approach	[CH2] Peace of Mind – Integrity and Transparency [CH3] Diligence – Innovation and Growth [CH4] Compassion – Giving Back to Society [CH5] Care – Sustainable Environment 33 61-62 88 123

	Corresponding Chapter or Remarks (Includes Omitted Description)		Page No.
Economic Approach	GRI 201: Economic Performance (2016)		
	201-1	Direct economic value generated and distributed	[CH2] Superb Operational Performance 35-37
	201-3	Defined benefit plan obligations and other retirement plans	[CH3] Pay and Benefits 77-80
	GRI 202: Market Presence (2016)		
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	[CH3] Pay and Benefits 80
	GRI 204: Procurement Practices (2016)		
	204-1	Proportion of spending on local suppliers	[CH5] Green Supply Chain 125
	GRI 205: Anti-corruption (2016)		
	205-2	Communication and training about anti-corruption policies and procedures	[CH2] Integrity and Trust 44
205-3	Confirmed incidents of corruption and actions taken	China Life had no cases of corruption in 2017	
Environmental Approach	GRI 302: Energy (2016)		
	302-1	Energy consumption within the organization	[CH5] Saving Energy 129
	302-3	Energy intensity	[CH5] Saving Energy 129
	302-4	Reduction of energy consumption	[CH5] Saving Energy 129
	GRI 305: Emissions (2016)		
	305-1	Direct (Scope 1) GHG emissions	[CH5] Saving Energy 129
	305-2	Energy indirect (Scope 2) GHG emissions	[CH5] Saving Energy 129
	GRI 306: Effluents and Waste (2016)		
	306-2	Waste by type and disposal method	[CH5] Saving Energy 129
	GRI 307: Environmental Compliance (2016)		
307-1	Non-compliance with environmental laws and regulations	China Life had no cases of non-compliance with environmental laws this year	
GRI 308: Supplier Environmental Assessment (2016)			
308-2	Negative environmental impacts in the supply chain and actions taken	[CH5] Green Supply Chain 130 China Life's supply chain had no significant negative environmental impacts this year	
Social Approach	RI 401: Employment (2016)		
	401-1	New employee hires and employee turnover	[CH3] Gathering Talent 75-76
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	[CH3] Pay and Benefits 77

	Corresponding Chapter or Remarks (Includes Omitted Description)		Page No.
Social Approach	GRI 402: Labor/Management Relations (2016)		
	402-1	Minimum notice periods regarding operational changes	[CH1] Stakeholder Engagement 21
	GRI 403: Occupational Health and Safety (2016)		
	403-1	Workers representation in formal joint management-worker health and safety committees	[CH3] Health Protection 82
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	[CH3] Health Protection 83 本年度排除員工之工作者無發生任何工作傷害
	403-3	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
	403-4	Health and safety topics covered in formal agreements with trade unions	China Life has not established trade unions; hence there are no related agreements
	GRI 404: Training and Education (2016)		
	404-1	Average hours of training per year per employee	[CH3] Talent Cultivation 63
	404-3	Percentage of employees receiving regular performance and career development reviews	[CH3] Talent Cultivation 69
	GRI 405: Diversity and Equal Opportunity (2016)		
	405-1	Diversity of governance bodies and employees	[CH2] Governance 39 [CH3] Gathering Talent 75
	405-2	Ratio of basic salary and remuneration of women to men	[CH3] Pay and Benefits 80
	GRI 406: Non-discrimination (2016)		
	406-1	Incidents of discrimination and corrective actions taken	China Life did not have any incidences of discrimination this past year
	GRI 408: Child Labor (2016)		
	408-1	Operations and suppliers at significant risk for incidents of child labor	China Life had no operations or suppliers identified as having incidents of child labor
	GRI 409: Forced or Compulsory Labor (2016)		
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	China Life had no operations or suppliers identified as having significant risk for incidents of forced or compulsory labor
GRI 412: Human Rights Assessment (2016)			
412-2	Employee training on human rights policies or procedures	[CH3] Diligence – Innovation and Growth 62	
GRI 413: Local Communities (2016)			
413-1	Operations with local community engagement, impact assessments, and development programs	[CH4] Helping the Disadvantaged 113-115	

		Corresponding Chapter or Remarks (Includes Omitted Description)	Page No.	
Social Approach	413-2	Operations with significant actual and potential negative impacts on local communities	China Life had no operations with significant negative impacts on local communities this year	
	GRI 414: Supplier Social Assessment (2016)			
	414-2	Negative social impacts in the supply chain and actions taken	[CH5] Green Supply Chain China Life's supply chain had no major negative social impacts this year	125
	GRI 415: Public Policy (2016)			
	415-1	Political contributions	China Life did not provide any	
	GRI 417: Marketing and Labeling (2016)			
	417-2	Incidents of non-compliance concerning product and service information and labeling	[CH2] Regulatory Compliance	58
	417-3	Incidents of non-compliance concerning marketing communications	[CH2] Regulatory Compliance	58
	GRI 418: Customer Privacy (2016)			
	418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	[CH4] Maintaining Information Security	101-103
	GRI 419: Socioeconomic Compliance (2016)			
	419-1	Non-compliance with laws and regulations in the social and economic area	[CH2] Regulatory Compliance	58
	GRI Financial Services Sector Supplement: Product Assembly			
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	[CH2] Responsible Investment [CH4] Strong Protection	49-50 90-91
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	[CH2] Responsible Investment	49-50	
Self-Designated Topics	Risk Management	[CH2] Risk Management	51-57	
	Sustainable Development Strategies	[CH1] Sustainable Development Strategies	18-19	
	Prevention of Major Fraud and Financial Crimes	[CH2] Risk Management	54-55	

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

Classification	Main Issues	Corresponding Chapter
Human Rights	Businesses should support and respect internationally recognized human rights	CH3 Diligence – Innovation and Growth
	Make sure that they are not complicit in human rights abuses	CH 5 Care – Sustainable Environment : Green Supply Chain
Labor Standards	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	CH 3 Diligence – Innovation and Growth
	The elimination of all forms of forced and compulsory labor	CH 3 Diligence – Innovation and Growth
	The effective abolition of child labor	CH 3 Diligence – Innovation and Growth
	The elimination of discrimination in respect of employment and occupation	CH 3 Diligence – Innovation and Growth
Environment	Businesses should support a precautionary approach to environmental challenges	CH 2 Peace of Mind – Integrity and Transparency : Risk Management CH 5 Care – Sustainable Environment
	Undertake initiatives to promote greater environmental responsibility practices	CH 5 Care – Sustainable Environment
	Encourage the development and diffusion of ecofriendly technologies	CH 5 Care – Sustainable Environment : Green Supply Chain
Anti-corruption	Businesses should work against all forms of corruption, including extortion and bribery	CH 2 Peace of Mind – Integrity and Transparency : Integrity and Trust

Social Responsibility Guidance Standard (ISO 26000) Comparative Table

Classification	Main Issues	Corresponding Chapter
Organizational Governance	Make decisions and implement a systematic corporate social responsibility philosophy when carrying out an objective	CH 1 Confidence – Sustainable Development Strategies : Sustainability Forges Ahead
Human Rights	Due diligence	CH 3 Diligence – Innovation and Growth
	Human right risks situations	CH 3 Diligence – Innovation and Growth
	Avoidance of complicity	CH 2 Peace of Mind – Integrity and Transparency : Integrity and Trust
	Resolving grievances	CH 3 Diligence – Innovation and Growth
	Discrimination and vulnerable groups	CH 3 Diligence – Innovation and Growth
	Civil and political rights	CH 3 Diligence – Innovation and Growth
	Economic, social and cultural rights	CH 3 Diligence – Innovation and Growth
	Fundamental principles and rights at work	CH 3 Diligence – Innovation and Growth

Classification	Main Issues	Corresponding Chapter
Labor Practices	Employment and employment relation- ships	CH 3 Diligence – Innovation and Growth
	Conditions of work and social protection	CH 3 Diligence – Innovation and Growth
	Social dialogue	CH 4 Compassion – Giving Back to Society : Implementing Social Care
	Health and safety at work	CH 3 Diligence – Innovation and Growth : Health Protection
	Human development and training in the workplace	CH 3 Diligence – Innovation and Growth : Talent Cultivation
Environment	Prevention of pollution	CH 5 Care – Sustainable Environment
	Sustainable resource use	CH 5 Care – Sustainable Environment
	Climate change mitigation and adaptation	CH 2 Peace of Mind – Integrity and Transparency : Risk Management
	Protection of the environment, biodiversity and restoration of natural habitats	CH 5 Care – Sustainable Environment
Fair Operating Practices	Anti-corruption	CH 2 Peace of Mind – Integrity and Transparency : Integrity and Trust
	Responsible political involvement	CH 2 Peace of Mind – Integrity and Transparency : Integrity and Trust
	Fair competition	CH 2 Peace of Mind – Integrity and Transparency : Integrity and Trust
	Promote social responsibility in the value chain	CH 5 Care – Sustainable Environment
	Respect for property rights	*Not very applicable to the life insurance industry
Consumer Issues	Fair marketing, factual and unbiased in- formation and fair contractual practices	CH 4 Compassion – Giving Back to Society : Satisfying Diverse Needs and Listening to Policyholders
	Protecting consumers' health and safety	CH 4 Compassion – Giving Back to Society : Satisfying Diverse Needs and Listening to Policyholders
	Sustainable consumption	CH 4 Compassion – Giving Back to Society : Satisfying Diverse Needs and Listening to Policyholders
	Consumer service, support, and com- plaints and dispute resolution	CH 4 Compassion – Giving Back to Society : Satisfying Diverse Needs and Listening to Policyholders
	Consumer data protection and privacy	CH 4 Compassion – Giving Back to Society : Maintaining Information Security
	Access to essential services	CH 4 Compassion – Giving Back to Society : Satisfying Diverse Needs and Listening to Policyholders
	Education and awareness	CH 4 Compassion – Giving Back to Society : Implementing Social Care

Classification	Main Issues	Corresponding Chapter
Community Participation and Development	Community involvement	CH 4 Compassion – Giving Back to Society : Implementing Social Care
	Employment creation and skills development	CH 3 Diligence – Innovation and Growth : Human Capital Investment
	Technology development and access	*Not very applicable to the life insurance industry
	Wealth and income creation	CH 4 Compassion – Giving Back to Society : Implementing Social Care
	Education and culture	CH 4 Compassion – Giving Back to Society : Implementing Social Care
	Health	CH 4 Compassion – Giving Back to Society : Implementing Social Care
	Social investment	CH 4 Compassion – Giving Back to Society : Implementing Social Care

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

Chapter	Corresponding Chapter/Description
Chapter1 General Principles	CH1 Confidence – Sustainable Development Strategies : Believing in the Power of Sustainability
Chapter2 Exercising Corporate Governance	CH2 Peace of Mind – Integrity and Transparency : Corporate Governance
Chapter3 Fostering Sustainable Environment	CH5 Care – Sustainable Environment
Chapter4 Preserving Public Welfare	CH3 Diligence – Innovation and Growth CH4 Compassion – Giving Back to Society
Chapter5 Enhancing Disclosure of Corporate Social Responsibility Information	CH2 Peace of Mind – Integrity and Transparency : Corporate Governance
Chapter6 Supplementary Provisions	CH1 Confidence – Sustainable Development Strategies : Believing in the Power of Sustainability

INDEPENDENT ASSURANCE OPINION STATEMENT

China Life Insurance Co., Ltd. 2017 Corporate Social Responsibility Report

The British Standards Institution is independent to China Life Insurance Co., Ltd. (hereafter referred to as China Life in this statement) and has no financial interest in the operation of China Life other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of China Life only for the purposes of verifying its statements relating to its sustainability, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by China Life. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to China Life only.

Scope

The scope of engagement agreed upon with China Life includes the followings:

1. The assurance scope is consistent with the description of China Life Insurance Co., Ltd. 2017 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the China Life's adherence to all three AA1000 AccountAbility Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the China Life 2017 Corporate Social Responsibility Report Review provides a fair view of the China Life's programmes and performances during 2017. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the China Life and the sample taken. We believe that the 2017 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate China Life's efforts recognized by its stakeholders.

Our work was carried out by a team of (CSR) report assurers in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that China Life's description of their approach to AA1000 Assurance Standard and their self-declaration of 'in accordance' with the GRI Standards (2016): the Core option were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to China Life's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers and staff on China Life's approach to stakeholder engagement. However, we had no direct contact with external stakeholders
- 35 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of key organizational developments
- review of the findings of internal audits
- review of supporting evidence for claims made in the reports
- an assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, materiality and responsiveness as described in the AA1000 AccountAbility Principles Standard (2008)

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness as well as the GRI Standards(2016) is set out below:

Inclusivity

This report has reflected a fact that China Life has continually made a commitment to its stakeholders, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the China Life's inclusivity issues.

Materiality

China Life has established relative procedure in company level, as the issues which were identified by all departments have been prioritized according to the extent of impact and applicable criterion for sustainable development of company. Therefore, material issues were completely analyzed and the relative information of sustainable development was disclosed to enable its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the China Life's material issues.

Responsiveness

China Life has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the China Life is developed and provides the opportunity to further enhance the China Life's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the China Life's responsiveness issues.

GRI Sustainability Reporting Standards (GRI Standards)

China Life provided us with their self-declaration of 'in accordance' with the GRI Standards(2016): the Core option (For each material topic covered by a topic-specific GRI Standard, comply with at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to the GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self declaration covers the China Life's social and sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000 Assurance Standard (2008) in our review, as defined by the scope and methodology described in this statement.

Responsibility

This CSR report is the responsibility of the China Life's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

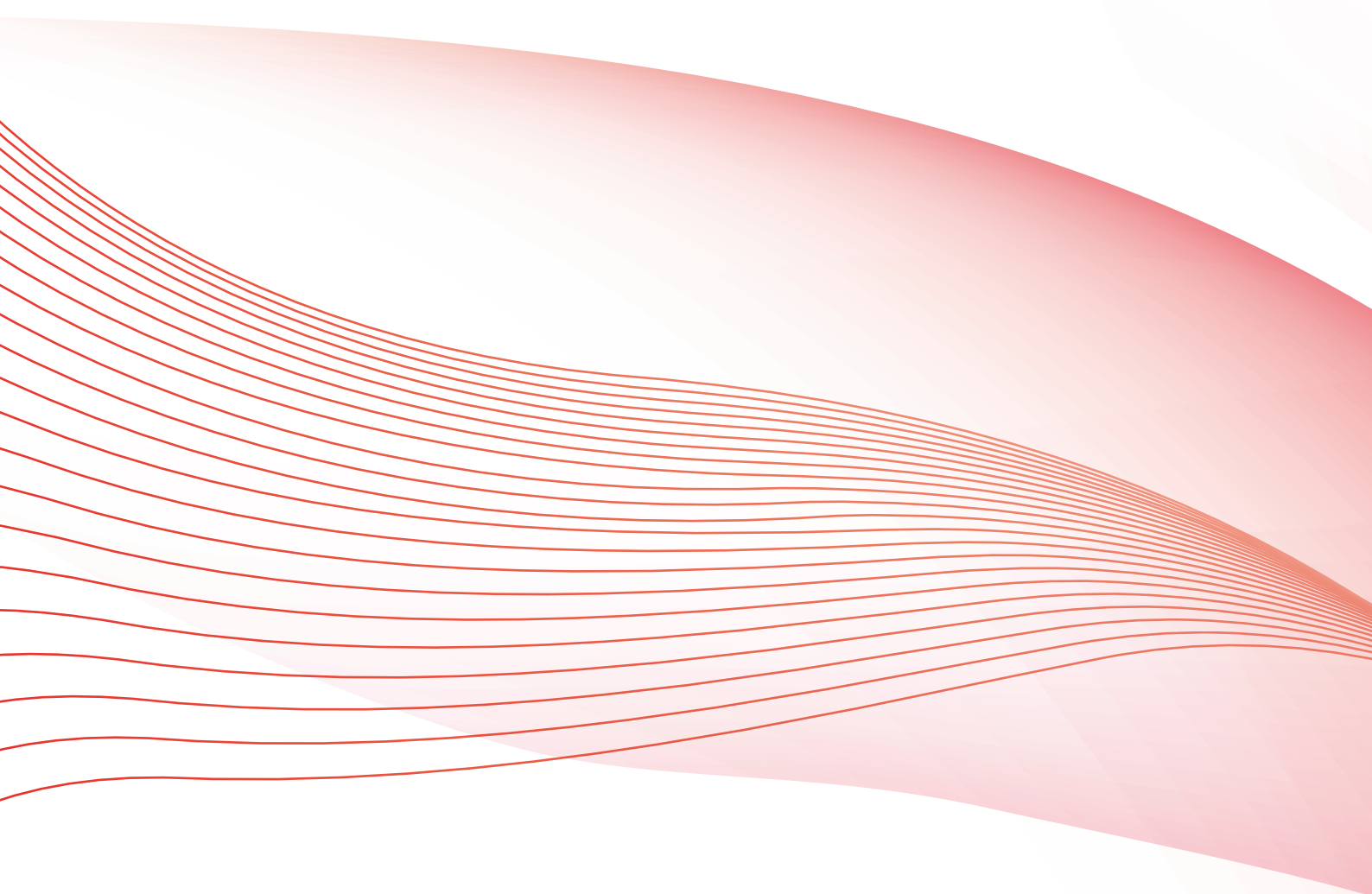
The assurance team was composed of Lead auditors experienced in Engineering sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO 14001, OHSAS 18001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu
Managing Director BSI Taiwan
2018-06-14



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