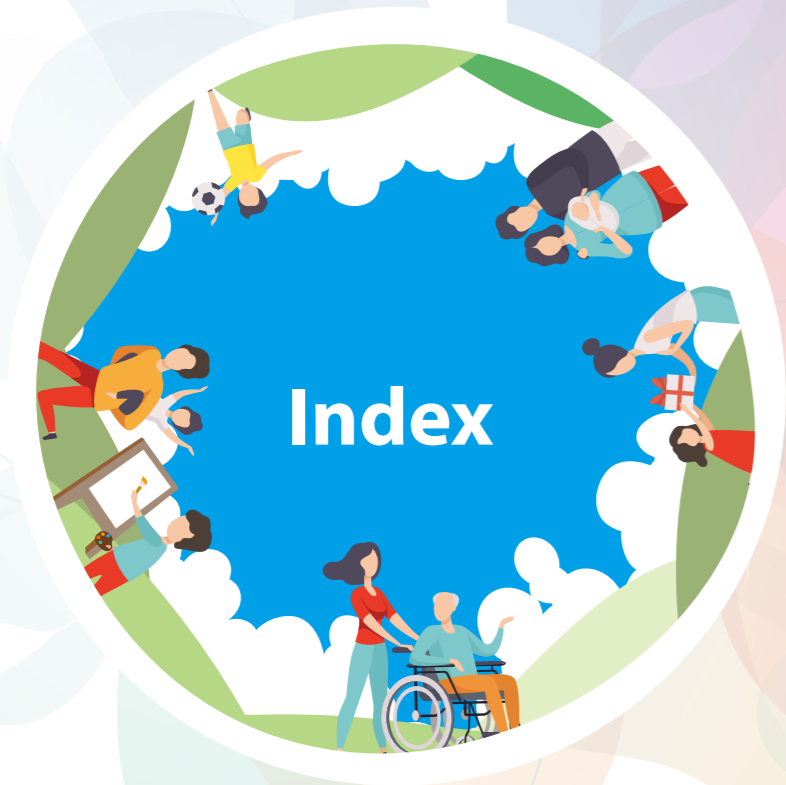


2020 CSR Report

China Life Insurance Company, Ltd.



**Hope , tomorrow will be a better day
Love makes the next generation live in better world**



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A Message from Management

According to the Global Risks Report 2021 published by the World Economic Forum, risks related to climate change have been considered as a major global challenge for five consecutive years. COVID-19 has continued to spread, imposing new challenges to the environment and society. As a participant in the insurance industry, a sector that is closely related to social trends, China Life has been committed to maintaining resilience and competitiveness to better adapt itself to changes and achieve sustainable development. China Life keeps its long-term promises to its policyholders using robust operation, contributing to social values and creating a better world.

In light of this, China Life focused on ethical management, professionalism cultivation, shared values creation, and green services and fostered sustainability. In addition, the Company took the lead by establishing the Department of Corporate Suitable Development, incorporating ESG issues into business and operation strategies. China Life used its core competence to positively influence society and demonstrate the results of its endeavors in sustainable development.

To ethically manage its business, China Life has long been dedicating itself to improving mechanisms for corporate governance and information disclosure. In addition to being recognized by the 7th Corporate Governance Evaluation of Taiwan Listed Firms as one of the companies in the top 5%, China Life also became the second company winning the recognition from the Taiwan Corporate Governance Association for its excellence in CG6012 (2019) Corporate Governance Assessment. Facing increasingly complicated information security environment, the Company focused on information risk management and enhancement for personal information protection, becoming one of the leading companies passing the BS10012:2017 Personal Information Management System. The verification scope has been expanded to include all the Company's business lines. This shows that the Company has been determined to protect the personal information of its customers. China Life also proactively responds to the UN PSI and PRI by incorporating ESG issues into decision-making process to ethically manage its business.

Professional cultivation is one of the Company's focuses. China Life believes that talent is the most important asset. It values employees' rights and interests and creates a workplace upholding diversity and inclusivity. The Company has been included in the Bloomberg Gender-Equality Index for two consecutive years. China Life was also awarded by RMIM two top awards for insurers, becoming a sought-after company among young jobseekers. In response to the trends in digital technology, China Life has been actively promoting digital transformation by developing its proprietary digital system and AI chatbot, which strengthens agents' sales and recruitment capabilities. First mobile application using facial recognition in the industry and big data analysis jointly done with a financial innovative service provider have equipped agents with innovative digital tools to deliver customized, convenient, and warm services for policyholders.

To create shared values, China Life upholds the spirit of love and care and integrates resources provided by enterprises, the government, and local communities by promoting social service projects dedicated to diverse participation and building a network that contributes to shared values. Responding to the microinsurance safety network promoted by the UN and the government, the Company expanded the

project scope to the eastern part of Taiwan in 2020 and called for enterprises and partners to donate money for the underprivileged households to pay their premiums to realize financial inclusion. The Company won awards from the FSC for its excellence in providing microinsurance for six consecutive years. China Life also launched projects to support farmers engaging in eco-friendly agriculture and donated organic rice to students living in rural and underprivileged areas. In addition, children also experienced farming to cultivate a sense of appreciation for food and sustainability.

To deliver green services and mitigate impact caused by climate change, China Life fulfilled its responsibilities as a global citizen by voluntarily signing up to support TCFD in 2019, executing climate actions, and investing in environmental sustainability. The Company also promotes many eco-friendly initiatives. The adoption of environment-friendly and energy-saving materials and methods for the Taipei Academy is a case in point. The Taipei Department of Cultural Affairs awarded the China Life a Taipei Tree Protection Award for the Company's efforts in protecting trees growing in the environment. Improved green procurement practices and green supply chain management demonstrate the efforts that China Life has put in to reduce carbon emissions along the supply chain, winning recognition from the Environmental Protection Administration for the excellence in green procurement and green consumption promotion.

Facing this volatile environment, China Life will continue to improve risk management mechanisms, achieve robust operation, foster sustainability based on ESG management, optimize policyholder service experience, and increase customer satisfaction in hopes of creating the greatest benefits and value for policyholders, shareholders, employees, and society to become the most reliable life insurance company in Taiwan.

Chairman & President

Stephanie Hwang

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About the Report

This is the 2020 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

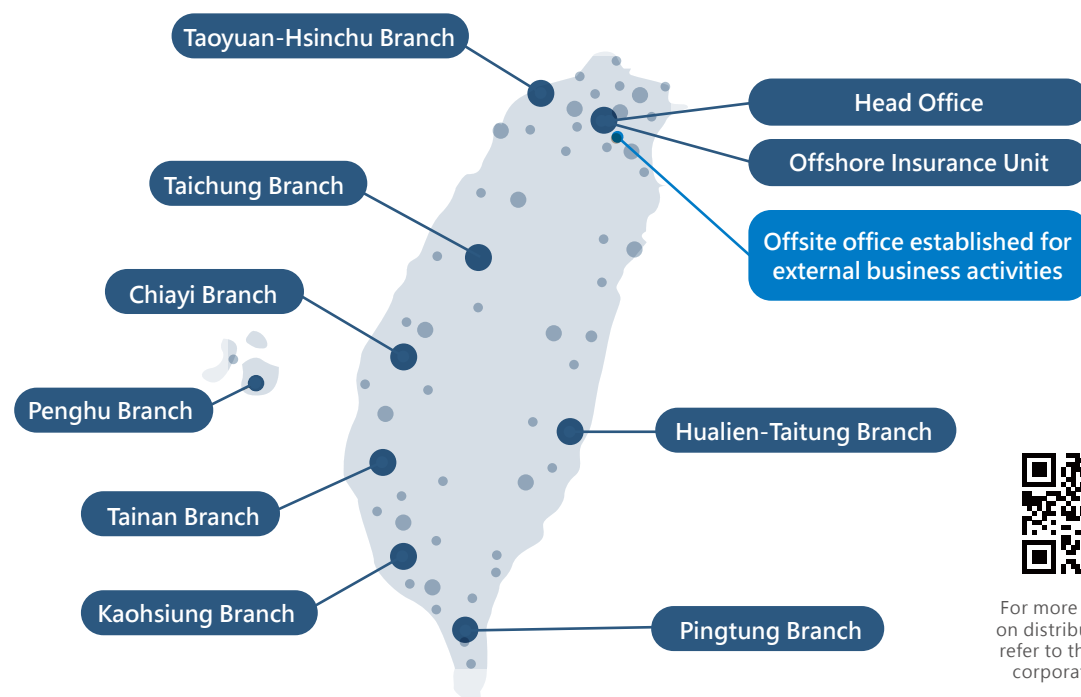
The Report reveals information relating to corporate sustainable development of China Life between January 1st, 2020, and December 31st, 2020. Due to the compiling of information and transparency, the content disclosed is not limited to 2020. The previous report was released in June 2020; the next report will be released in June 2022. Each year's CSR report is available for download from the CSR section of our corporate website.



Report Scope and Boundary

Information in the Report covers the China Life head office, one offsite office established for external business activities, all nine China Life branches in Taiwan, and all 142 China Life district offices. It discusses China Life's practical achievements related to CSR and corporate sustainable development as well as future strategic planning.

Points of Operation



For more information on distribution, please refer to the China Life corporate website.

Guidelines

The Report follows international and domestic standards to strengthen disclosure of sustainable practices.

Institution	Compliance Items
Global Reporting Initiative, GRI	<ul style="list-style-type: none"> GRI Standards: Core Option GRI Financial Services Sector Supplement
International Integrated Reporting Council, IIRC	<ul style="list-style-type: none"> International Integrated Reporting Framework
United Nations, UN	<ul style="list-style-type: none"> Sustainable Development Goals (SDGs) UN Global Compact Ten Principles
Sustainability Accounting Standards Board, SASB	<ul style="list-style-type: none"> Standards for the insurance industry
International Organization for Standardization, ISO	<ul style="list-style-type: none"> ISO 26000 Social Responsibility Guidance
International Organization for Standardization (ISO)	<ul style="list-style-type: none"> Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies

Third-Party Verification of the Report

The Report meets GRI reporting principles requirements (including accuracy, balance, clarity, comparability, reliability and timeliness) and was prepared in accordance with the GRI Standards Core Option. The British Standards Institution (BSI), an independent third-party certification body, verified The Report in accordance with AA1000 international standards using Type 1 moderate level assurance. Verification details can be found in the appendix.

Information / Data Type	Compliance Standards	Verification Institution
Sustainability Information	AA1000 international standards using Type 1 moderate level assurance	British Standards Institution, BSI
Environmental Information	ISO 14064-1:2018 Greenhouse Gases Inventory ISO 14001:2015 Environmental Management System	British Standards Institution, BSI
Information Security	ISO 27001:2013 Information Security Management System	SGS Taiwan
	BS10012:2017 Personal Information Management System	British Standards Institution, BSI

Stakeholder Communication and Feedback

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



Corporate Sustainable Development Department, China Life Insurance Company Limited

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 Tel: +886-2-2719-6678, ext. 5800
 Fax: +886-2-8770-7375
 E-mail: chinalifeESG@chinalife.com.tw



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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 operational growth, 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 leading brand for Taiwan's life insurance industry.



Chain Life information

Official Name
China Life Insurance Company Ltd.

Headquarters Location
5th Fl., 122 Dunhua North Rd., 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
In Mainland China, CCB Life Insurance Company Limited had 24 branches and 229 subbranches at the end of 2020

Main Product Types
Individual life insurance, annuity, universal insurance, medical insurance, long-term health care insurance, accident insurance, group insurance, travel insurance, micro-insurance, and investment-linked products

Main Market Taiwan

Number of Employees
Office staff: 2,414
sales agents: 12,224

Net Sales Revenue (Unit: thousand)
Operating revenue: NT\$323,248,432;
Premium income: NT\$257,560,228

Equity 179,657,205 thousand

Liabilities 2,040,054,643 thousand

Total Assets 2,219,711,848 thousand



For more information, please refer to China Life's 2020 Annual Report

Honors and Milestones in 2020



- Recognized by the 7th Corporate Governance Evaluation of Taiwan Listed Firms as one of the companies in the **TOP 5%**.
- Selected for the 2020 **Bloomberg Gender-Equality Index (GEI)**.
- Selected for the **FTSE4Good TIP Taiwan ESG Index**.
- Won **Insurance Asia Awards** for the Digital Insurance Initiative of the Year and the Insurance Initiative of the Year, respectively.
- Became the first company from Asia to win gold in the Best Sustainability Report category of the **Asia Sustainability Reporting Award**.
- The Taiwan Academy of Corporate Sustainability awarded us a **Corporate Sustainability Report Award (gold)**, an **English Report Award (silver)**, **Corporate Comprehensive Performance Award**, and **excellence awards for information security, growth through innovation, creativity in communication, as well as transparency and integrity**.
- Became the first listed company to rank as “**outstanding**” for the second consecutive year in the Taiwan Corporate Governance Association's Corporate Governance Assessment.
- Recognized for the second consecutive year** in the Financial Supervisory Commission's (FSC) Treating Customers Fairly Principles Assessment.
- Awarded a **microinsurance competition award**, a **disability care award**, and a **small-amount life insurance excellent performance award** by the FSC. It was the sixth consecutive year we were honored in the microinsurance competition.
- For the **fourth consecutive year**, the MOEA awarded us the Buying Power – Social Innovation Product and Service Procurement Award.
- For the **fifth consecutive year**, the Taipei City Government recognized China Life's green consumption practices by awarding us a Green Procurement Award in the Private Enterprise or Group category.
- RMIM Magazine awarded us three insurance quality awards for the highest awareness, best agents, and most recommended company.
- For the first time, the Environmental Protection Administration recognized us for the excellence in green procurement and green consumption promotion.
- For the first time, the Taipei Department of Cultural Affairs awarded us a Taipei Tree Protection Award.
- For the first time, BSI awarded us for outstanding sustainability and resilience.
- Named a member of the Forbes Global 2000.
- Placed fifth among financial enterprises in CommonWealth Magazine's ranking of the Top 2,000 large companies in Taiwan.
- Placed fifth among life insurance companies in China Credit Information Service's ranking of the Top 5,000 large companies in Taiwan.

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Key Achievements in 2020

Governance

Robust Corporate Governance

- China Life was recognized by the 7th Corporate Governance Evaluation of Taiwan Listed Firms as one of the companies in the **top 5%** in 2020.
- The first listed company to rank as **"outstanding"** for the second consecutive year in the Corporate Governance Assessment.
- Women comprised 44% of our Board of Directors and 49.77% of our supervisors, showing our progress in achieving gender equality and helping to place us in the **Bloomberg Gender-Equality Index (GEI)**.
- The net income stood at NT\$15.548 billion. The EPS reached **NT\$3.29**, hitting a record high. The total premium amounted to NT\$257.6 billion. Profit, asset, and net worth all hit historic highs.

Prudent Risk Management

- 100% of our anti-money laundering and counter-terrorist financing staff passed certified anti-money laundering specialist (CAMS) certification. A total of 430 certified employees are the **foundation of our anti-money laundering and counter-terrorist financing corporate culture**.
- China Life is one of the life insurance companies that **first passed extended verification** for BS10012: 2017 Personal Information Management System in Taiwan.

Responsible Investment

- We actively support sustainable investment** by directly and indirectly investing more than NT\$150 billion in the "5+2" industries and public investment.
- The Stewardship Principles for Institutional Investors was updated. China Life attended all the Annual General Meetings of all its investees with a 100% voting rate.

Sustainability

China Life took the lead to respond to PSI and PRI by applying international standards to review its overall business development, strategic planning, and sustainable practices.

Digital Finance

Our financial service innovations were recognized with two new patents for: 1. Intelligent coaching system for agent training; 2. a user tag library and marketing system applying artificial intelligence to insurance services.

Environmental

Supported Environmental Initiatives

- Continued to support the Task Force on Climate-related Financial Disclosures (TCFD) as an official supporter to strengthen our management of climate change risks, **obtaining Excellence**, the highest level of the TCFD conformity assessment.
- Total green procurement was NT\$32.94 million. For the **fifth consecutive year**, the Taipei Department of Environmental Protection honored us for excellence in green procurement. In 2020, the Environmental Protection Administration of the Executive Yuan recognized us for excellence in green procurement and promotion of green consumption.
- 100%** of our general procurement partners and construction and repair contractors signed the "Supplier Corporate Social Responsibility Guidelines."
- The Taipei Academy, a self-built building for self-use Head Office, **acquired a Green Building Gold Label**, and the Making Rich Asia-Pacific Center in Taoyuan acquired a Silver Label.

Developed Green Insurance Services

- Integrated ISO 14001:2015** Environmental Management Systems principles and obtained third party verification. Measures are strengthened to reduce our environmental impact.
- Passed ISO 14064-1 Greenhouse Gases Inventory** verification and achieved our goal of saving energy and reducing emissions.
- Created a green workflow** using e-notices, e-service, e-policies, and mobile insurance. Together these initiatives saved nearly 4.72 million sheets of paper.

Social

Talent Training and Transform

- Replanned a series of 12 agent skills classes. Due to the pandemic, we also held 21 live broadcast training sessions with approximately 3,000 participants per session.
- Continued our digital transformation by **investing more than NT\$201.57 million** in FinTech development and optimization. Internally, we built a digital salesforce, with more than 90% of our agents utilizing i-Agent tools to enhance their performance.
- Our office staff had an average of 2.41 professional certificates, an **increase of 2.55% compared** to 2019.

Happy Workplace

To build a happy workplace, China Life has organized summer camps for the children of its employees for five consecutive years with a **satisfaction rate of 4.9 out of 5**.

Developed Sustainable Insurance Products

- Continued to **promote creation of a safety net** by raising the number of microinsurance policyholders to 33,178. There were already 30 settled claims with total payments of NT\$8.94 million.
- Offered our first set of dementia insurance products with spillover effects and added a dementia prevention knowledge section to our website, making us the **first dementia-friendly insurance company in Taiwan**.
- Continued to **promote small-amount life insurance**, bringing the total amount of policyholders to over 27,000.

Considerate Customer Service

- Recognized for the second consecutive year** in the Financial Supervisory Commission's (FSC) Treating Customers Fairly Principles Assessment.
- The usage rate of expedited claims at service counters reached 52%.
- Scores of 4 or higher (out of 5) were recorded in 99.9% of satisfaction surveys at general service counters.
- The number of customers who bought plans online **increased by 21% compared** to 2019.

Deeper Social Engagement

- Used the London Benchmarking Group (LBG) global standard in measuring community involvement^① to manage and measure our social influence.
- Donated NT\$53.04 million** to social welfare activities, and the Love to Go Volunteer Team contributed 19,000 volunteer hours. More than 68,000 people benefitted.
- The Aesthetic Education Plan is an innovative public welfare program carried out with art-themed social enterprises to offer aesthetic education to rural students. **For the fourth consecutive year**, the MOEA awarded the plan a Buying Power – Social Innovation Product and Service Procurement Award.
- For the 12th consecutive year** we held charity fairs. In 2020, fair sales increased by 20% compared to 2019 to reach a record of NT\$1.2 million.
- For the third consecutive year**, Go Compassion group-buying activity participants and performance increased. Employees bought more than NT\$1.6 million in goods. Regular purchases and group buying activities contributed towards our goal of promoting social good for all.
- The launch of A Beautiful Life: Finance Academy series of activities was highlighted by a **satisfaction rate of 100%** in the three events we held in 2020. Adopting a social service model, we familiarized Hualien residents with basic financial management and insurance, closing rural-urban divide in financial knowledge.

① LBG, established by the London Benchmarking Group, quantitatively measures the investment in and results and influence of social participation by a company to conduct project management and showcase the company's social contributions.

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Implementing the Principles for Sustainable Insurance (PSI)

China Life incorporates the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) into overall corporate strategic planning. We make ESG topics a part of operational management systems and decision-making processes while strengthening sustainability-related opportunities and risk control in diverse aspects of the insurance value chain, ranging from product design, sales, and underwriting to investment management and after-sales service. Implementing these principles helps us to achieve our vision of becoming the most reliable life insurance company in Taiwan.

Principle 1 Embedding in our decision-making environmental, social and governance issues relevant to our insurance business

Company Strategy

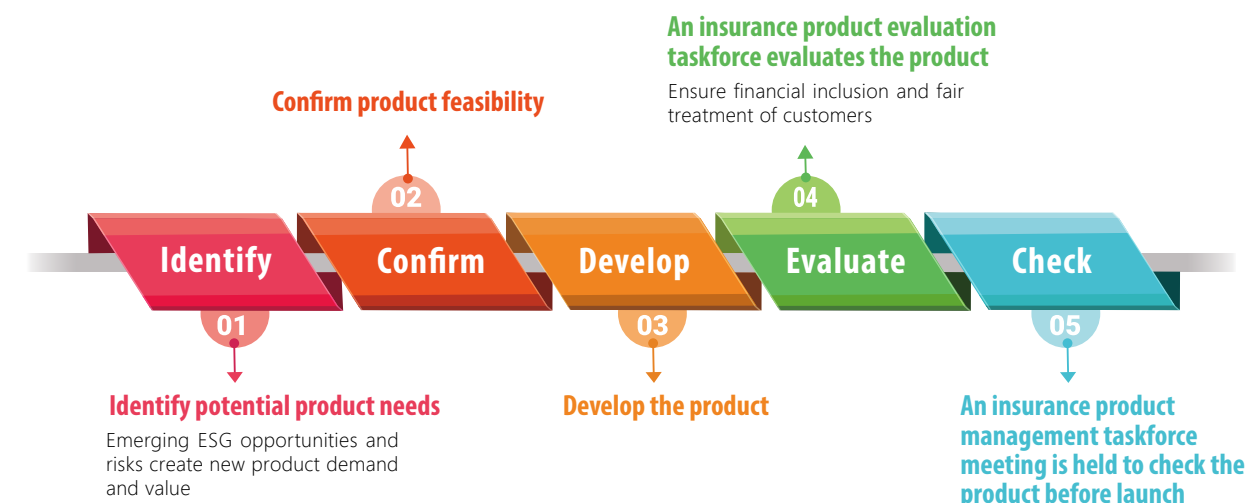
- Regularly convene the CSR Committee. The chairperson of the Board of Directors shall serve as the committee chairperson, and 80% of committee members must be China Life directors. The committee structure is closely aligned with the Company's management and governance strategies. It shall promote, trace, and inspect ESG implementation and effectiveness in a forward-looking manner then report findings to the Board of Directors.
- In 2020, all home office staff underwent ESG awareness education and expanded ESG practices, and we held a total of 38 sessions tailored to different objectives and groups.
- Communicated overall operational strategies and performance, including ESG implementation, in investor meetings and regular shareholders' meetings.

Product Design

- We regularly assess our actuarial assumptions, including the investment return rates, mortality rates, morbidity rates, lapse rates, expense rates, exchange rates, tax rates, and ESG topics, 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 product management taskforce meeting to ensure sustainable operations and uphold consumer rights.
- Product design strategies include implementation of inclusive financing and offering of microinsurance, small-amount life insurance, and spillover dementia products. Other ESG-focused insurance products include whole life insurance products customized for people with disabilities and insurance coverage for epidemics and pandemics. These diverse offerings satisfy people during different life stages and with different needs. They care for the disadvantaged, promote physical and mental health, and solidify the social safety net.
- Taiwan's ageing society has brought with it a number of risks, including an increase in the number of people who live a longer life but lack sufficient retirement savings, retire too early, and spend their savings too quickly. China Life therefore promotes variable life insurance products that combine insurance and investment components. These products have low barriers to entry and include a diverse set of discretionary accounts with varied investment strategies investing in domestic and foreign regions and industries with different risk levels. The products enable policyholders to use these products to make long-term planning by tapping into the protection and investment components of the policies.

See the "Establish an Organizational Culture of Sustainable Governance" section of Chapter 1 for more information on the committee organizational framework and responsibilities, p.23.

China Life Product Design Process



Sales and Underwriting

- During solicitation, agents shall act with integrity and treat customers fairly. In 2020, we held 12 educational and training sessions on ethical management and treating customers fairly. Lessons were posted online so staff can access the resources anytime.
- During solicitation, we provide complete sales documents (such as recommendations and product DM) that are regularly reviewed and approved by the Company. We understand customer needs, evaluate investment risk tolerance, and analyze investment attribute then use this information to provide appropriate financial products that are fair, reasonable, equitable, mutually beneficial, and adhere to ethical principles. At the same time, we ensure that the products are valid and do not show any signs of misrepresentation, fraud, and concealment and do not contain any misleading information.
- Underwriting is handled in accordance with the "Underwriting System and Procedures" and the "Offshore Insurance Units Underwriting System and Procedures." Professional underwriters weigh the Company's risk undertaking capacity then consider the basic information of the applicant as well as general information relating to the insured, including the motivation for purchasing insurance products, the insurance benefits and need, plan suitability, financial state, and health condition to ensure fair treatment of customers.
- Money laundering and terrorist financing risk analysis is incorporated into the underwriting procedures. Based on the policyholder risk level, we create management mechanisms. Using a risk-based approach, we identify potential money laundering or terrorist financing indicators. Auxiliary monitoring systems use this information to quickly identify suspicious transactions and adopt related risk control measures.
- The insurance industry collects, handles, and uses copious amounts of personal information from customers. Therefore, in accordance with the latest BS10012 Personal Information Management System standards, we incorporate personal information protection management best practice principles into all of our channels. In 2020, we expanded verification scope to include third-party verification of all of the Company's business, in order to ensure that the collection, handling, and use of personal information do not exceed the required scope of our specific objectives.
- Using FinTech, we expand insurance inclusion. Policyholders can now use mobile devices to apply for insurance and submit required documents. These tools significantly decrease the time needed for document transmission and raise underwriting efficiency.

Investment Management

- In 2020, we formulated responsible investment policies and updated our compliance statement of Stewardship Principles for Institutional Investors. On the basis of legal compliance, we embed ESG principles into our internal investment policies and decision-making. In addition to designating exclusionary standards for direct investments, we screen investments to uncover industries with high ESG risks. We increase the

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value of our investment assets through comprehensive analysis of the industrial development, profits, and sustainable actions of our investment targets.

- ◆ Every year we regularly evaluate the overall operational situation, sustainability and ESG performance, and CSR performance of our invested companies. Our institutional investors attend shareholders' meetings, exercise voting rights, and communicate with the directors or executive managers of the invested companies on our behalf. We fulfill our stewardship principles as investors over the long-term to uphold the rights and interests of the Company, customers, shareholders, and other stakeholders.

After-Sales Service

- ◆ With the customer central to everything that we do, China Life acts with love and care. We promptly respond to inquiries or needs of customers in order to build stable, long-term relationships. Through comprehensive service planning, optimized processes, proven hardware and facilities, and front-end service, we provide conscientious services to each of our policyholders.
- ◆ Joined the Policy Service and Claims Consortium Blockchain to provide policyholders with a one-stop claims application service that renders the claims process more efficient.
- ◆ We continue to increase the transparency of the claim settlement process. Insured persons can access coverage information and inquire about claims application progress through an online service platform, as well as receive case acceptance and closure notifications via text messages. We also launched expedited claims at service counters, which include a 30-second payment process, so that policyholders can promptly receive the support they need.

Principle 2 Working together with our customers and business partners to raise awareness of ESG issues, manage risk, and develop solutions

Customers

- ◆ In order to best satisfy customer needs, we provide services through a number of channels, including service counters, customer hotlines, our corporate website, and social media^①. We further use a variety of communication methods, making sure that customers are able to communicate with China Life online and offline.
- ◆ Practical communication channels should support bilateral interaction. Policyholders can use our communication channels to report their ESG concerns, and they can obtain information on ESG topics or related activities through e-newsletters, the corporate website, or social media.
- ◆ To uphold the spirit of treating customers fairly, we provide inclusive financial and FinTech services. These satisfy customers' diverse needs at all stages of life while offering tailored ESG solutions suited to different groups of people.

Suppliers

- ◆ Using the Property Procurement Guidelines as a basis for selecting suppliers, we prioritize suppliers with excellent ESG performance and directly address ESG issues through open negotiations, contract signings, progress reports, inspection and acceptance, and performance management. All of the suppliers that fulfill our general procurement contracts or construction and repair contracts also signed the "Supplier Corporate Social Responsibility Guidelines."
- ◆ We conduct comprehensive analysis of how our procurement impacts on the environment and society. Our green procurement policies include prioritizing products with environmental labels as a way of urging suppliers to strengthen their product sustainability. In 2020, our total green procurement was NT\$32.94 million.

^① See the "Stakeholder Engagement" section of Chapter 1, p.31.

- ◆ We evaluate suppliers using the Supplier CSR Guidelines, which manage risk by focusing on 12 ESG topics, including labor rights and human rights, worker health and safety, environmental protection, and CSR.
- ◆ We continue to publicize the CSR Supplier Section on our corporate website so that we can work with suppliers to support compliance with our CSR pledges. Suppliers and contractors can also access the feedback sections on the CSR and stakeholder sections of our website to file relevant complaints.

Cooperative Channels: Insurers, Reinsurers, and Brokers/Agents

- ◆ Use email, telephone, meetings, education and training, and other methods to communicate ESG issues with our cooperative channels. Provide high-quality products that adhere to ESG values and information on mobile application to our cooperative channels.
- ◆ Since 2018, we have discussed mobile insurance application methods with our cooperative partners. Through 2020, 22 of our partner banks, insurance brokers and agents offered mobile insurance applications, which expanded our energy savings and carbon reduction efforts.
- ◆ Our cooperative partners signed contracts, pledging to follow anti-money laundering and counter-terrorist financing legal requirements. Related legal requirements and other ESG topics are shared using contact lists and in discussions between staff to effectively control and manage ESG risks.

Principle 3 Working together with governments, regulators, and other key stakeholders to promote widespread actions on ESG issues across society

Governments, Regulators and Other Policy Decisionmakers

- ◆ We engage in close, frequent interactions with governments and regulators. We submit business reports and hand over financial inspection data upon requests. We also attend relevant government meetings, conferences, and seminars. At the same time, we carry out sustainable development strategies, such as corporate governance, green finance, responsible investing, fair treatment of customers, financial inclusion, digital innovation, anti-money laundering and counter-terrorist financing to promote ESG actions both internally and externally.
- ◆ In coordination with the FSC's Corporate Governance 3.0 – Sustainable Development Roadmap and the Green Finance Action Plan 2.0, we survey China Life's development in investment, information disclosure, regulation, talent training, international links, and other areas. We also carry out climate change analysis and stress testing, and include climate change risks and assessments in our own risk and solvency assessment (ORSA) reports. The Board of Directors and management conduct climate change risk management, internal and external sustainable finance education and promotion, and other ESG-related activities.
- ◆ In coordination with the FSC's financial information security action plan, we plan and implement information security promotion measures. Starting in 2021, we will review implementation status every six months.

Other Important Stakeholders

- ◆ To facilitate innovation and progress in the insurance industry, we cooperate with the Life Insurance Association of the Republic of China (LIA-ROC) and other public associations to jointly examine insurance industry risk management, emerging risks, business continuity management, the Task Force on Climate-Related Financial Disclosures design, anti-money laundering and counter-terrorist financing, and other ESG topics. We share our business experiences and status while evaluating the feasibility of potential actions.



CSR Supplier Section

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- We joined LIA-ROC and the Taiwan Blockchain Alliance in launching a shared blockchain technology platform for the insurance industry. The platform facilitates sharing of documents between the 11 participating insurers and supports our goal of providing one-stop service to customers.
- We promote inter-industrial ESG action and cooperation. For example, when China Life policyholders diagnosed as having a catastrophic illness purchase healthy food products at 7-Eleven, they can earn reward points as an incentive for managing their health risks.
- We have become the first dementia-friendly insurance company in Taiwan. In cooperation with the Taiwan Alzheimer's Disease Association, we have integrated dementia care into our business practices. We publish easy-to-understand comics and other guidebooks and offer a dementia-prevention website to raise dementia awareness. Through our actions, we join in creating a safety net for dementia patients.
- We issue news reports to media that share ESG information. At the same time, we uphold our core corporate spirit of "love and care" to use our life insurance expertise to promote social risk management and awareness.

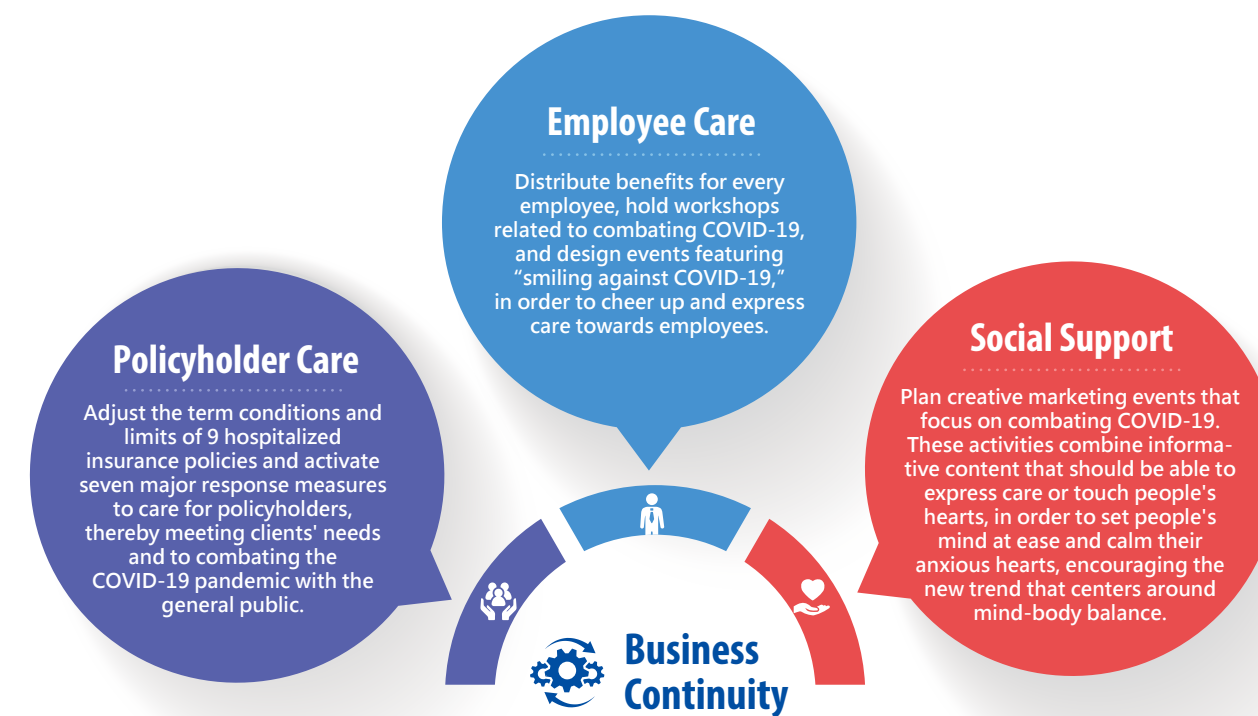
Principle 4 Demonstrating accountability and transparency in regularly disclosing publicly our progress in implementing these principles for sustainable insurance

In June of each year we publish our annual CSR report. In special columns, we disclose implementation of sustainable insurance principles. The British Standards Institution (BSI), an independent third-party certification body, verifies the Report in accordance with AA1000 international standards using Type 1 moderate level assurance. Through these measures, we ensure that we are open, accountable, and transparent about our compliance with sustainable insurance principles.

Stakeholders can also access the CSR and fair treatment of customers sections of the China Life website to understand the Company's progress in implementing principles for sustainable insurance and to understand more about our sustainable products and services.



Restructuring Insurance for the Pandemic Period



Business Continuity

To respond to the coronavirus pandemic, China Life established a disease prevention taskforce in January 2020. The Company's president serves as the head of the disease prevention program to lead the launch of response mechanisms. The program plans, directs, and coordinates business continuity efforts and related responses during pandemic periods, as well as related workplace safety and disease prevention measures, such as remote work and work-from-home policies. These measures are first implemented on a trial basis before officially being put into practice. China Life has conducted a satisfaction survey for the drills to collect feedback from its employees. This aims to continuously improve and finetune relevant processes. Additionally, the Company has laid out budget for making investment for optimized business continuity mechanism to prepare itself for any contingencies during the pandemic. As the coronavirus pandemic developed and changed, China Life used this program to simulate lockdowns in Taipei, New Taipei and Taichung. It included plans for continuing investment and trades, policyholder services, policy administration, business solicitation, internal administration, internal controls, legal compliance, and risk management. These drills became the basis of how China Life would continue operations in the event of a lockdown or work-from-home order.

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	Work Items	Explanation	
Workplace Disease Prevention Procedures	Workplace Management	Temperature screenings at entrances	Add thermal imaging equipment and forehead thermometers to entrances and in the workplace. People with a temperature above 37.5 degree Celsius shall be prohibited from entering.
		Masks and designated trash cans for used masks	Wear a mask when entering the workplace and dispose of used masks in designated trash receptacles.
		Sanitizer dispensing machines	Sanitizer dispensing machines are available at entrances and in the workplaces, and the Company maintains a four-month supply of sanitizing alcohol. Anyone entering the workplace shall fully sanitize both hands.
		Access control	Limit access to the workplace by delivery workers.
		Establish a supplier meeting area	Reduce time spent on each floor of the workplace by suppliers and visitors.
		Install partitions on customer service counters	Maintain social distancing to ensure the safety of employees and customers.
		Carry out regular disinfection of all office and agent workplaces	Carry out monthly disinfections.
		Travel restrictions for employees	Temporarily halt business trips to pandemic alert zones, cancel overseas trips by employees, and request that employees refrain from unnecessary overseas personal trips.
		Restrictions on mid-to-large-sized meetings or gatherings	Avoid the risk of cluster infections by using phone or video tools for meetings whenever possible. Approval is required to hold mid-to-large-sized meetings or gatherings.
Disease Prevention Advocacy and Announcements	Create disease prevention promotional materials and distribute disease prevention advocacy items	Based on Central Epidemic Command Center's information and epidemic development.	
	Issue workplace disease prevention announcements and regularly submit reports	Report on employees at risk of infection.	
	Track and manage employees at risk of infection	Follow-up contact and care from a nursing practitioner.	
Strengthen Cleaning and Disinfection	Public Areas	Disinfect elevator control panels	Once an hour
		Disinfect door handles on all floors	Twice in both morning and afternoon.
		Wipe clean restrooms on all floors	
		Disinfect multi-function printers on all floors	Once in both morning and afternoon.
		Disinfect water dispenser panel / door handles of lunchbox heater	
		Use diluted bleach to wipe down floors in stairwells, pantry rooms, and restrooms	Once daily.
		Change tablecloths in disease prevention areas	Once weekly.
	Clean and disinfect floor mats in restrooms on all floors		
	Customer Service Centers	Disinfect the table surface of customer service and cashier counters	Once in both morning and afternoon.
		Disinfect and wipe stair railings	Twice in both morning and afternoon.
		Strengthen disinfection and wiping of table surfaces	Handled by customer service center staff.
		Install air purifiers	Cleaning rates and filter changes are based on the machine model and usage.
	Gym	Disinfect and wipe fitness center floors and equipment	Once in both morning and afternoon.

Employee Care

To improve the pandemic response capabilities of employees, at the start of the pandemic China Life established remote work and work-from-home management measures so that staff could safely work from home even in the event of a lockdown. At the same time, to show appreciation and empathy to employees who continued to toil during these difficult times while supporting efforts to establish backup remote offices so that operations could continue uninterrupted, the Company distributed benefit payments of NT\$5,000 to each employee. Additionally, in disease prevention talks external experts and consultants shared response measures for enterprises to maintain information security and personal information protection during a pandemic. A total of 29 managers and staff joined the event proactively.

To further care for employees during the pandemic and to support their physical and mental health, the Company adopted the theme of "happy disease prevention." Interesting memes were distributed on internal communications platforms. Custom smiley stickers were handed out, and employees were asked to make creative and fun photos of people wearing masks. In total, we received 176 photos that brought a smile to people's face during these difficult times.

Policyholder Care

During a pandemic, people become more aware of risks to their health, which leads to increased demand for health insurance. China Life therefore developed riders automatically bundled with nine in-patient medical insurance products, introduced a clause to cancel the initial 30-day waiting period restriction for communicable diseases, and adjusted hospitalization quotas on some disease prevention-oriented policies. By fulfilling disease prevention demands of policyholders, we supported joint disease prevention efforts.

In addition to developing new products, China Life upheld its service spirit of love and care. Based on policyholder needs, we launched policyholder care services that included postponed premium payments, fast claim settlements, expanded claim settlements, single-window service, advance hospitalization payments, mortgage relief, and flexible adjustments to travel insurance. Publicizing these measures through diverse channels and communicating with stakeholders further strengthened our trustworthiness.

▼ Policyholder Care Services Response Measures

P

Postponed premium payments

- ◆ When an epidemic reaches Level 2, Level 3, or a comparable rating, affected policyholders (including, but not limited to, people diagnosed with the disease, in home isolation, in home quarantine, or under self-monitoring restrictions) may provide supporting documents to apply for premium payment postponement of three months.
- ◆ When an epidemic reaches Level 4 or a comparable rating, postponed premium payments are automatically provided to policyholders in the government-designated pandemic zones. Policyholders do not need to personally submit an application.

F

Fast claim settlements

- ◆ Death: Following confirmation of the insurance claim incident, handling of the payment process is prioritized without the beneficiary needing to first submit a claim settlement application.
- ◆ Medical Treatment: Since reimbursement medical insurance requires receipt of treatment fees, only plans based on length of hospital stay can use the above expedited claims settlement. The documents needed for inspection can be submitted at a later date.

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Expanded claim settlements

- ◆ In-patients with a notifiable disease who surpassed the waiting period and meet conditions for in-patient medical care shall qualify for payments based on their policy contract.
- ◆ Out of consideration for policyholders and to make payment standards more consistent, payment rules were eased for policies from before 1998 that made exclusions for notifiable communicable diseases.
- ◆ For time spent in the isolation ward, payments for in-patients with a notifiable disease shall be handled based on standards for treatment in intensive care units.
- ◆ During an epidemic, policyholders may apply for claims settlement by fax.

Single-window service

- ◆ Provide a Single-Window for Policy Services: Policy loan incentives available for people confirmed to have coronavirus include a 0.5% reduction in interest rates for the first six months following approval.

Advance hospitalization payments

- ◆ Policyholders undergoing in-patient treatment and who meet certain conditions can apply for up to 10 days of advance hospitalization payments, subject to a limit of NT\$60,000.

Mortgage relief

- ◆ Patients with a notifiable communicable disease who must be isolated to control the disease or who have a confirmed diagnosis and are hospitalized can apply for deferred payments on the principal portion of their mortgage.

Flexible adjustments to travel insurance

- ◆ Policyholders who postponed or cancelled travel plans due to an epidemic can apply to cancel or postpone their travel insurance within 10 working days of their plans being affected.

Social Support

During the pandemic, people changed how they consume mass media, in particular spending more time online and on social media. In response to these digital media trends and youth preferences, each week China Life planned creative disease prevention marketing campaigns that would have a positive impact on people. Examples included turning famed paintings into disease prevention memes, holding humorous disease prevention social media activities, and inviting students from rural schools and artists to create colorful masks. Eye-catching drawings and materials together with interesting themes created a powerful medium for publicizing information. This way of sharing messages comforted people about topics that often cause great distress, spurring on support for popular new trends that balance physical and mental health.

In 2020, we posted **43** pandemic-related care items on our official social media accounts.

Total exposure of these posts surpassed **1.3** million hits.



The pandemic prevented us from visiting rural schools and interacting with students in person like we did in the past. To continue to show our concern, besides contributing to an educational fund, we designed online and offline activities. Children from rural schools put their artistic skills to use by contributing to the “happy disease prevention” campaign, taking the opportunity to express gratitude and pay tribute to health workers. Three waves of creative activities aiming at preventing the spread of the disease were organized. The online exposure surpassed 800,000 hits.



In the post-pandemic period, China Life aims to continue to lead sustainability and circular economy efforts. In response to green campaigns to end food waste, we recruited people online and offline to join the Read Across 319 Townships program. Integrated into the program were healthy eating concepts and use of the “Eat Cool. Be Cool” campaign to promote goodwill foods (usable agricultural products outside the standard specifications). We also held a fashionable food campaign that was joined by 360 students and teachers and amassed nearly 70,000 visits on social media.

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1 Sustainability Strategies



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

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Implementing CSR and cultivate a culture of sustainability

2020 ESG Goals and Progress

Continued to carry out online trainings and educational courses on sustainability concepts, achieving 100% participation among home office staffs.

2021 ESG Goals

Our operation team will forge ahead on the study of sustainability trends and the implementation of sustainability strategies. External expert speakers will host one in-person education and training session for managers at the department head level and above.

Management Approach

Material Topics : Sustainability Strategies

Commitments

- ◆ Implement sustainable development philosophy and conduct professional management. Fulfill CSR to create maximum benefit and value for stakeholders, and become the top choice life insurer for policyholders. Achieve the vision of "creating maximum benefit and value for policyholders, shareholders, employees, and the society in order to become the most trustworthy life insurance company in Taiwan."

Policies / Management System

- ◆ Formulate CSR Policies that act as indicators and directions for promoting corporate sustainability.
- ◆ Establish CSR Committee and integrate the UN's SDGs into our four main development themes of "integrity and governance, professional development, value co-creation, and green services." Use these themes as the basis of our corporate strategies and mid-to-long-term objectives.
- ◆ Actively establish concrete annual ESG goals, and continue to improve corporate sustainability performance.

Grievance Mechanisms

- ◆ Regularly conduct stakeholder surveys to understand internal and external stakeholders' areas of concern.
- ◆ Build transparent and unimpeded stakeholder communication channels, and disclose annual communication performances.
- ◆ Open a special section for stakeholders on our corporate website, and create communication channels, contact windows, and contact methods customized towards different groups of stakeholders.

Evaluation Mechanisms

- ◆ Track progress towards implementing ESG goals and conduct two annual reviews to ensure implementation of all sustainability projects. In 2020, our achievement rate of ESG goals was 100%.
- ◆ Regularly convene CSR Committee meetings to track corporate sustainability progress and examine related goals and actions. The Committee reports observations to the Board of Directors.

Build a Sustainable Foundation

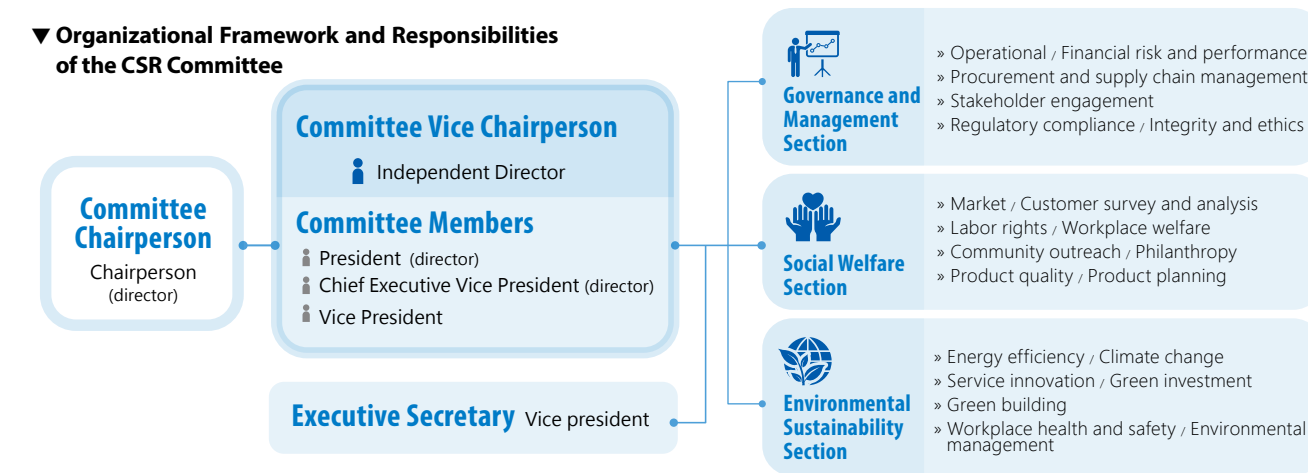
Establish an Organizational Culture of Sustainable Governance CSR Committee

China Life established the CSR Committee in 2014 to conduct corporate governance, develop an environment of sustainability, and maintain social and public welfare. Guided by domestic and international sustainability

trends, and taking into account potential impacts of material issues, the Committee's forward-looking strategies promote ESG and corporate sustainability operations

The CSR Committee Rules require that the Company Chairperson serves as the Committee chairperson. The Committee shall include one chairperson, one vice chairperson, three regular members, and one executive secretary. 80% of members must be China Life directors. The Committee structure is closely aligned with the Company's management and governance strategies, and the Committee regularly reports to the Board of Directors to ensure effectiveness.

Organizational Framework and Responsibilities of the CSR Committee



Key Agenda Items of the CSR Committee in 2020



Corporate Sustainability Awareness Education and Training

In 2020, the Company offered all home office employees ESG awareness education and practical training. Classes tailor-made for various objectives and subjects enhanced both focus and results. In total, the Company held 38 classes and reached 2,665.5 participation hours.

2020 ESG Topic Education and Training



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Uphold Sustainable Values

Sustainable Governance Opportunities and Challenges

As domestic and international laws, regulations, and trends change quickly, and technological capabilities develop at a breakneck speed, emerging ESG risks, such as demographic structure alteration and climate change, become more pronounced. China Life closely monitors the external environment in order to identify emerging ESG risks and opportunities. The Company manages risk in advance and accumulates sustainable development capacity in order to provide stakeholders with comprehensive information and services.

Governance

Changes to Product Policies and Regulations

Opportunities and Challenges in the External Environment

- Supervisory agency's legal requirements and policies.
- Adequate, reasonable, and fair premiums for insurance products.

China Life's Responses

- Promote online insurance purchases by offering "e-Citizen Small-Amount Life Insurance" through e-commerce channels in conjunction with "Small-Amount Life Insurance for All Citizens." Besides providing diverse sales channels, we coordinate with legal requirements and policies of the Competent Authority to ensure that product development and the Company's operations meet regulatory requirements.
- Adjust the minimum ratio of death benefits for life insurance products in coordination with legal requirements and policy promotion by the Competent Authority. These changes maintain basic insurance protection ratio, and increase insurance protection for policyholders.
- Plan and promote protection products based on policyholder needs, market conditions, and government policy planning. These measures, which provide greater protection to customers, are in line with governmental efforts that encourage life insurance companies to promote protection products by easing new business statutory reserve rate for protection products.
- Demonstrate the professional core function of a life insurer by developing health insurance products with spillover effects. Besides providing benefits for diseases suffered, these products include preventive mechanisms. Premium reductions or paybacks encourage policyholders to cultivate good exercise habits that reduce loss ratios for insurers. We will continue to develop new health-improvement products that strengthen policyholders' health awareness, leading to winning situations for all parties.
- Conduct regular reviews of actual experiences of policies sold at better prices and post-sale management. This ensures reasonable and adequate product expense rate to avoid expense loss.

Governance

Anti-Money Laundering and Combating the Financing of Terrorism

Opportunities and Challenges in the External Environment

- Add and revise our AML / CFT rules in response to assessment results from the Asia / Pacific Group on Money Laundering (APG). The changes support increased oversight by the Competent Authority.
- Adhere to international focus on AML / CFT related issues, and monitor the impact of the pandemic on AML / CFT works.

China Life's Responses

- Continue to strengthen our responses to legal changes. Improve monitoring of AML / CFT measures by invested companies, which is in line with policies of the Competent Authority. Add and strengthen monitoring before and after investing in other companies.
- Continue to evaluate monitoring methods, monetary amounts, and frequency thresholds to strengthen reporting quality of suspicious transactions and counter illegal activities.
- Commission accounting agencies to audit our AML / CFT measures, and obtain an unqualified audit report.
- Hold a diverse range of customized AML / CFT education and training programs that reach everyone from the Board of Directors and senior management to key department staffs, home office staffs, and field agents, covering both legal and practical topics. The top-down approach promotes the culture of AML/CFT as well as risk awareness, and continues to monitor domestic and international developments to further improve management.
- Encourage staff members to obtain professional credentials, such as Certified Anti-Money Laundering Specialists (CAMS) certification and domestic AML / CFT professional certifications, in order to implement and strengthen related measures.

Governance

Information Security

Opportunities and Challenges in the External Environment

- As FinTech rapidly develops and financial service innovations blossom, challenges from non-financial risks will increase. Global network security, privacy, public cloud, management of cloud operators, geopolitics, AI, and climate change are all among such risks. These hard-to-predict information security threats make resilience even more imperative to corporate development.
- The FSC launched a "Financial Information Security Action Plan" that expects quick response and adjustments to threats in order to enhance the information security capacity of the financial industry. The goal is to provide members of the general public with convenient, stable, and uninterrupted financial services that they feel comfortable using.

China Life's Responses

- Continue to evaluate and act in conjunction with the FSC's "Financial Information Security Action Plan." Items completed include:
 - Enhanced information security governance. Obtained ISO 27001 Information Security Management System certification and continue to maintain its effectiveness.
 - Strengthened information security oversight. Completed the annual review of our information security system and analysis of our defense maturity level.
 - Became a member of the Financial Information Sharing and Analysis Center (F-ISAC).
 - Cooperated with external information security intelligence enterprises to carry out warnings and engage in timely defense cooperation.
 - Built financial information security incident monitoring and response mechanisms used by our parent financial holding company and its subsidiaries.

Social

Demographic Structure Changes

Opportunities and Challenges in the External Environment

- According to Ministry of the Interior statistics, Taiwan officially exhibits an aged population structure. Older populations pose challenges in terms of health care and increased social welfare expenditures. Many older people are unable to work due to poor health, which makes their lives more difficult.
- Taiwan faces lower birth rates, an ageing population, an aged society, rising elder care needs, and a need to raise health awareness. These issues are creating demands for related insurance products and services.

China Life's Responses

- Built a basic safety net for all groups. In response to government policies to increase basic protections among the aged, we continued to promote small-amount life insurance by developing online application platforms and introducing small-amount life insurance specially designed for public servants and teachers. As of 2020, we sold over 27,000 small-amount life insurance policies¹ and collected new business premiums of around NT\$400 million.
- With a demographic structural transformation underway, China Life uses its insurance core capability to design and promote a diverse set of novel health insurance products that encourage policyholders to manage their health. Besides making policyholders more aware of their own health risks, China Life offers premium reduction incentives to encourage positive habits in policyholders, such as regular exercise. When policyholders take actions to prevent health problems and enhance their health awareness, a winning situation is created for all parties.
- With low birth rates and ageing citizens, family care is facing steep challenges. We therefore continue to promote care-related health insurance that alerts people to the social transformations that are underway. Awareness leads to early preparation for physical decline, chronic diseases, and long-term care needs brought by population aging.
- As part of our commitment to implement friendlier financial services, after examining the needs of people with disabilities, we added Braille product descriptions to our pioneering comprehensive insurance policies for people with disabilities. At the same time, we offered policies with spillover effects and relevant services that are customized for people with dementia, making us the first insurance company to be named a "dementia friendly organization," and demonstrating our commitment to caring for both dementia patients and their families.
- Set up service counters at our Taipei, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung service centers to better serve the elderly or policyholders with physical or mental difficulties. Services are provided by specially trained staff to reduce waiting times.
- Our corporate website includes an accessible webpage for financial services that the National Communications Commission recognized with accessibility conformance. Special accessibility modifications help both people with disabilities and the general public with difficulties using a mouse to quickly browse the website and obtain whatever information they need.

¹ Includes small-amount life insurance for all citizens, small-amount life insurance specially designed for public servants and teachers, and e-Citizen small-amount life insurance.

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Social

FinTech Developments

Opportunities and Challenges in the External Environment

- ◆ The arrival of the pandemic led to the rise of an era of contact-less business models. Consumers demand that the insurance industry moves towards offering more digitalized services.
- ◆ Digitalization and the widespread use of mobile devices continue in the financial industry as application of digital technology changes the insurance ecosystem. Companies that effectively use these technologies will provide services that better meet customers' needs.
- ◆ The financial industry has begun introducing a wide range of digital technologies, including AI, blockchain, biometrics, mobile technology, and chatbots. As insurance technology matures, a different consumer environment with different service needs is emerging. The insurance industry must respond to the digital transformations that are underway.
- ◆ There has been an increasing number of intentional and group insurance fraud cases. Some people use fraudulent FinTech tools to commit fraud or cyber crimes. Human assessments in claims settlements and risk evaluations are difficult and time consuming. As FinTech continues to advance, the insurance industry must keep pace.

China Life's Responses

- ◆ Established the Policy Service and Claims Coalition Blockchain with other insurance companies. Policyholders can initiate claims settlements and submit diagnostic reports and receipts to China Life through the Company website. When the claim meets certain conditions, further approval and payment are made. At the same time, China Life sends image files of documents to other policyholder-designated insurance companies, so that policyholders have a one-stop, contact-less method of handling claims at multiple insurance companies.
- ◆ After becoming the first insurance company to obtain approval from the Competent Authorities to operate a pilot biometrics mechanism, we will continue to integrate facial recognition technologies into our policy purchase procedure while closely monitoring technical capabilities and risk. In 2020, we achieved our goal of completing 3,600 facial identifications.
- ◆ Add fingerprint and facial recognitions to log-in options for mobile policy purchases. In 2020, 97.4% of insurance applications made through our own channels were carried out on mobile devices, and we continued to work on developing mobile insurance application models with our cooperative partners. Already 22 of our bank and brokerage partners use mobile insurance applications.
- ◆ To support mobile insurance applications, in 2020 we made notification processing more efficient by digitalizing the new business processing procedure in phases. Agents and policyholders are now able to use mobile devices to respond to notifications, and we will continue to enhance functionality based on feedbacks.
- ◆ Continued to increase the usage of video for identity and health condition checks. In 2020, the accumulated use reached 3,338 people.

Social

Uneven Distribution of Social Resources

Opportunities and Challenges in the External Environment

- ◆ As the economy develops, the industrial structure and employment models are undergoing significant changes that are causing more rural residents to migrate to cities. The resulting shortage of labor and ageing population in the countryside pose serious challenges to rural education.
- ◆ An urban-rural development gap has led to a high percentage of children in rural areas who are economically disadvantaged or lacking resources. They are often being raised by grandparents, are in dysfunctional families, lacking cultural integration, or are deprived of daily necessities. The aforementioned situation led to the fact that children lack appropriate "companionship" when growing up and experience less culture stimulus.
- ◆ The government remains devoted to promoting co-development between rural communities and schools.

China Life's Responses

- ◆ For many years, we have promoted public welfare programs for rural students, such as the Aesthetic Education Plan, the Read Across 319 Townships Program, and the Food Safety – Green Academy Program. By injecting corporate resources into rural schools, we give more children an opportunity to build their capabilities in the areas of reading, art, and food education.
- ◆ The 2020 Food Safety – Green Academy Program provided children with an opportunity to use sustainable, natural farming methods to grow and sell agricultural products, while teaching them more about their hometown and the land they grew up on. Joining the program were young local farmers who fostered cooperation between different generations and showed the children an alternative path that they could take in the future.
- ◆ We continued to further engage in caring for the rural citizens and social participation through social media posts. In 2020, 68 posts that we published on social media achieved more than 1.8 million views.
- ◆ As the pandemic prevented group gatherings, we collaborated with five cutting-edge artists and used digital tools to bring art lessons to children in rural areas. Our online activities gathered more than 800,000 views. At the same time, we designed the "Eat Cool Dance" campaign and a creative mask-coloring activity so that rural students could express their creativity and imagination while showing appreciation and care towards both health care workers and the general public.

Environmental

Global Climate Change

Opportunities and Challenges in the External Environment

- ◆ As global warming intensifies temperature anomalies and climate change, weather-related emergencies are becoming more common. Typhoons, droughts, forest fires, torrential rain, and other extreme weather events are severely impacting the agriculture and fisheries industries, while causing human casualties and property losses. They may also cause some crops to be overproduced, which leads to waste.
- ◆ In recent years, the number of high-temperature days in Taiwan has increased. At the same time, the number of rainy days decreased, but the risk of disaster grew due to more days with torrential rain. In 2020, Taiwan was not struck by any typhoons, an unusual situation that led to severe water shortages.
- ◆ Countries around the world are pledging to limit greenhouse gas emissions. They are drafting and signing treaties, jointly formulating strategies to reduce emissions, and crafting countermeasures to reduce environmental impacts.
- ◆ Green consumption has become a global trend. With growing consumer awareness of environmental friendliness, people are paying closer attention to whether the products and services they consume adhere to sustainable development principles.

China Life's Responses

- ◆ In 2020, we planned nine visual themes for environmental protection, including "Discover The World's Incredible Beauty" and "Eat Slowly While Reducing Plastic Waste." Using internal and external communication platforms, we published 49 social media posts that responded to environmental initiatives such as World Earth Day, World Environment Day, and Earth Hour, as well as causes such as plastic reduction, riverbed conservation, and green procurement. In total, these campaigns generated more than 1.3 million online views.
- ◆ Faced with the threat of global climate change, China Life continued to strengthen its climate resilience and reduce the potential operational impacts that natural disasters could bring. Besides promoting green procurement, reducing paper use by promoting green service procedures, and establishing sustainable supply chain management mechanisms, we raise the electrical efficiency of data centers, invest in the 5+2 industries, and add ESG investment targets to our investment-linked products. These measures cultivate both green finance and environmental management.
- ◆ Formulated the "Guidelines Governing Post-Disaster Services for Policyholders" to serve as post-disaster management procedures. The guidelines provide fast, considerate, and convenient care to help victims overcome the difficulties they face.
- ◆ Promoted greater environmental awareness among and advocate energy savings, carbon reduction, and replacement of old equipment. Respond to government green procurement policies by continuing to buy Green Mark products that can contribute towards a low carbon operational environment, and reduce our environmental impact. In 2020, our green procurement purchases totaled NT\$32.94 million.



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Sustainable Strategies

China Life cultivates the spirit of sustainable management with the core value of "We Share We Link," and utilizes its advantages and resources to be a force of positive influence to the society, creating maximum long-term benefit for policyholders, shareholders, employees, and the society. Referencing the 17 UN Sustainable Development Goals (SDGs) and Taiwan's sustainable development goals, China Life stipulated four sustainable development themes of "Integrity and Governance," "Professional Development," "Value Co-Creation," and "Green Services" in response to the global sustainable development needs, making the world a better place.

Corporate sustainability principles



The most trustworthy insurance company



2020 Capital Investment

Paid-in capital: NT\$ **47,314m**
 Total assets: NT\$ **2,219,712m**



2020 Capital Output

Net profit: NT\$ **15,548m**
 Premium income: NT\$ **257,560m**
 EPS: NT\$ **3.29**

Recruitment costs: NT\$ **7,593,191**
 Average pay and benefits for non-managerial staff: NT\$ **1,223,924**
 Management associate video interviews: **133** people



New employees: **2,734**
 Home office staff retention rate: **90.43%**
 Sales agent retention rate: **87.21%**
 Management associate recruited: **6**

Home office staff education and training, total hours: **102,350.8**
 Sales agent education and training, total hours: **674,018**
 Education and training expenses: NT\$ **33,246,628**
 Subsidies for professional certification examination fees: NT\$ **3,024,286**
 FinTech investment (or optimization) costs: NT\$ **201.57m**
 i-Agent investment costs: NT\$ **42.09m**



Average number of licenses per employee: **2.41**
 Online members: **230,000**
 Mobile insurance application rate: **97.4%**
 Online insurance premium ratio: **0.15%**
 Video checks for identity and health conditions: **3,338** times
 i-Agent usage rate: **92%**

Customer service center visits: **75,157**
 Care service counter visits: **537**
 Phone service connection rates: **95.58%**
 Investment in social participation: NT\$ **53.04m**
 Volunteer hours: all staff total **19,559** hours
 Philanthropic activities: Home office staff **79** events, Sales agents **55** events
 Accumulated microinsurance policyholders: **60,272**



Received **one** FSC award
 Service counter satisfaction rate of 4 and above (out of 5): **99.9%**
 Care service counter satisfaction rate of 4 and above (out of 5): **100%**
 0800 phone call satisfaction rate of 4 and above (out of 5): **99.16%**
 Philanthropic partners: Home office staff **57**, Sales agents **25**
 Philanthropic beneficiaries: all staff total **68,106**

Green procurement: NT\$ **32.94m**
 Workplaces assessed as part of ISO 14064-1 Greenhouse Gas Accounting: The headquarter and the workplaces for home office staffs of all branch offices
ISO 14001:2015 Environmental Management Systems



Won **two** green procurement awards
 Total electricity usage: **12,220,468**kWh
 Total carbon emissions: **4,205,264**tCO₂e
 Total water usage: **42,078**kiloliters
 Recycled waste: **95,234**kg
 Waste recycle rate: **52.5%**
 Paper saved through green service promotion: **4,270,000**sheet
 Data center energy savings: PUE **1.53**

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Bolster Sustainable Relationship with Stakeholders

Stakeholder Engagement

Adopting a systematic process for stakeholder identification, China Life referenced AA 1000 Shareholder Engagement Standards to identify relations with stakeholders, using five major indicators – responsibility, influence, tension, diverse perspectives, and dependency – for evaluation. After compiling comments from department heads and analysis, we selected 10 types of major stakeholders for China Life, including the competent authority, channel partners, public institutions and industry associations, shareholders and investors, policyholders, employees, media, suppliers and contractors, invested companies, and charity organizations and NGOs. We engage with stakeholders through multiple channels to timely receive feedbacks from each type of stakeholders, then adjust relevant management actions accordingly or provide needed information to benefit such good engagement relationship.



Shareholders & Investors

Pursue stable operational growth and strict risk management to maximize value for shareholders

Issues of Concern

Operational performance / Risk management / Information security and personal information protection / Corporate governance and ethical management / Compliance / Responsible investment

Issue Content

- Earnings capacity
- Dividend policy
- Financial performance and long-term value creation
- Asset and liability management
- Capital standard maintenance
- Interest rate and exchange rate risk management
- Timeliness and transparency of information disclosures

China Life's Response

- Publish semiannual / annual financial reports and shareholders' meeting information before the regulatory deadline; conform to standards in other advanced nations to ensure that domestic and foreign investors can obtain abundant information in a timely manner
- Continue to communicate operational strategies and performance at various investor meetings
- Demonstrate stable asset, liability and risk management capabilities as well as maintain long-term positive spread
- Maintain robust capital standards

Engagement Approach

- The Investor Relations Department, which serves as the primary unit responsible for communicating with investors, replies to investor and analyst inquiries by telephone or e-mail
- Hold annual and extraordinary shareholders' meetings, investor meetings
- Attend domestic and overseas investor conferences and roadshows
- Publish important announcements and information in Chinese and English on the bilingual investor relations page of the corporate website
- Publish Chinese and English financial reports, general shareholders' meeting agenda handbooks, supplementary information, and annual reports on the corporate website and the Market Observation Post System

2020 Engagement Performance

- In 2020, net profit was NT\$15.548 billion, an increase of 14% compared to 2019, and earnings per share were NT\$3.29
- Held one annual shareholders' meeting. The attendance rate and voting rates in favor of proposals from foreign shareholders both surpassed 70%
- Held one annual investor meeting
- Published semiannual financial reports 10 days before the regulatory reporting deadline, a first in the life insurance industry
- Published annual financial reports one month before the regulatory reporting deadline and within two months after the end of the fiscal year
- Published the annual general shareholders' meeting agenda handbook, supplementary information, and annual report seven to nine days before the regulatory deadline



Policyholders

Offer a wide range of high-quality insurance products with helpful after-sales service to satisfy the needs of various policyholders

Issues of Concern

Treating customers fairly / Information security and personal information protection / Corporate image and reputation / Operational performance / Sustainability strategies

Issue Content

- Treating customers fairly status and related practices
- Information and implementation relating to latest product services, exclusive discounts for policyholders, and after-sales value-added services
- Timeliness and service channels for customers
- Personal information protection for policyholders
- Corporate sustainability and green finance implementation
- FinTech innovations

China Life's Response

- Satisfy the needs of different groups of policyholders by offering diverse service channels, including online and offline communication options; provide added services that meet policyholder needs, such as policy reviews
- Effectively improve customer services by upgrading customer service systems from the original computer telephony integration (CTI) system to an e-Voice system
- Share exclusive discounts for members and information on special activities for policyholders
- Use "love and care" as the basis for ongoing innovation, provide specialized products for people with disabilities, such as materials with Braille to treat customers fairly
- Focusing on user experiences, we pioneer the use of facial recognition in insurance applications. These FinTech innovations provide greater convenience for policyholders while protecting the environment and reducing carbon production
- Continue to monitor the market environment changes, adjusting investment portfolios when needed to generate long-term stable investment income and maintain steady operational development
- Continue to win domestic and international praises and awards for our strict risk management, corporate governance, and sustainable operations. Stay committed to corporate social responsibility and dedicate to environmental protection, green procurement, green finance, and other sustainable practices
- Care for the elderly and disadvantaged with proactive support, including home calls for claims applications, filling out policy change applications, and collecting documents
- Customer service staff members are dedicated to obtaining relevant certifications, such as life insurance sales agents or life insurance manager certificates, in order to strengthen their professional service capabilities
- Obtain BS 10012 Personal Information Management System certification
- Establish a dedicated department to handle policyholder complaints, including case allocation and registration, building comprehensive complaint settlement procedures that ensure proper handling and quality. When a disabled person makes a complaint, appropriate communication methods are used (telephone, face-to-face interviews, written interviews, messages, email, documents, or tape recordings) to uphold the rights and interests of all policyholders

Engagement Approach

- Sales service staffs and local customer service counters
- Designated customer complaints channels for daily communications
- Free customer service hotline: 0800-098-889
- Overseas inquiry hotline: +886-4-36083600
- Overseas emergency hotline: +886-2-25360077
- "Peace of Mind" phone insurance application service hotline: 0809-001-005
- Customer service and complaints channels through regular mail and fax
- Automatic delivery of policyholder notifications
- Corporate website: Consultation messages, policyholder section, online policy purchase section, stakeholder section, free e-newsletter subscriptions
- Social media platforms: Facebook, Instagram, Line
- News reports

2020 Engagement Performance

- Visitors to the corporate website reached 1.8 million, with total views of over 3.19 million and 5,128 comments. Visitors to the online policy purchase section reached 850,000, with total views of over 2.53 million. Linked the Company's social media platforms to the corporate website, forwarded related news, and posted 89 messages, accumulating over 1.8 million views. Sent 28 eDMs to members. Sent 12 policyholder newsletters with a total of 78 articles
- Average response time to notifications from customer inquiry through 0800 calls was 0.8 days, demonstrating fast and timely service
- Optimized the "China Life e-Secretary" function on our corporate website's policyholder member center by simplifying the registration procedures to improve operational efficiency
- Cooperated with 6,180 commissioned institutions
- Gathered policyholder feedbacks and opinions as part of our customer satisfaction surveys. Achieved satisfaction rate of 4 or above (out of 5) in 99.16% of cases. Overall satisfaction rates were gradually improving each year
- To improve service quality, we hold a "service ambassador" selection every 6 months. In 2020, ten "Top 5 service ambassadors" were further selected from 26 service ambassadors, with four award ceremonies being held
- Cooperated with Duofu Care & Service and Duofu Holidays. Besides offering discounts to policyholders who make appointments for Duofu services, we co-hosted a special activity day for people with disabilities

After customer service hours, callers are directed to an interactive voice response system to leave a message. A customer service staff member will return their calls the following business day. This ensures access to services for customers 365 days a year.

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Employees

Employees are the Company's most important asset. To cultivate good employees, we provide training plans as well as competitive pay and benefit packages

Issues of Concern

Employee pay and benefits / Operational performance / Workplace health and safety / Corporate governance and ethical management / Employee attraction, cultivation, and retention

Issue Content

- Employee pay and benefits status
- Disease prevention implementation

China Life's Response

- Maintain positive two-way communication channels with employees in order to uphold harmony between labor and management, quarterly labor-management meetings
- Publish monthly internal materials that target Company employees as the main subjects
- Reach out to employees on Line, which has the highest user rate of all chat apps in Taiwan, and provide information updates that keep employees posted on big and small news of the Company

Engagement Approach

- Diverse education and training programs
- E-learning platform for employees on the corporate website
- List complaint channels and related information on the Company's internal website, and handle employee complaints in accordance with the Labor Inspection Act
- Online communication channels: i-Agent digital consultation hotline, digital interactive platform Top Force Network, the i-Link app, hiBox e-mail, internal and external Line group "China Life e-Family Line@ account," and digital bulletin boards
- Publish the internal Employee Corner magazine
- Quarterly labor-management meetings

2020 Engagement Performance

- Held four labor-management meetings to report on and discuss labor trends, business status, and labor-related issues
- Published 12 issues of Employee Corner magazines, and China Life e-Family Line account posted 237 messages, published 159 breaking news updates
- Two home office labor conditions were inspected: holiday overtime pay reimbursement and regulations governing application for pregnancy leave. After the Company provided relevant information to the labor authorities, no legal violations were detected



Competent Authority

Engage in ethical management of life insurance business and comply with all rules and regulations

Issues of Concern

Anti-money laundering and combating the financing of terrorism / Sustainability strategies / Corporate governance and ethical management / Compliance / Information security and personal information protection

Issue Content

- Comprehensive AML / CFT analysis
- AML / CFT implementation
- Sustainability strategies implementation
- Power use reduction, energy savings planning, and carbon emissions reduction implementation
- Ethical regulation and management status
- Compliance status
- Compliance with the financial information security action plan
- Information security and defense measures for websites and applications
- Information security defenses and mobile app security

China Life's Response

- Results of AML / CFT analysis show that we adhere to our risk appetite and risk limits
- Based on the requests of the Competent Authority, each quarter we report our AML / CFT implementations and improvements
- Inject resources to promote digitalization and innovation, in support of the Competent Authority's sustainable development strategies
- Fulfill CSR in compliance with government laws and regulations
- In coordination with the FSC's financial information security action plan, plan and implement relevant measures. Review implementation results every six months, starting in 2021
- Build management mechanisms for information security management system as well as WAF, IPS, and APT defense solutions
- Continue to introduce and obtain ISO 14064-1:2018 GHG emission certification
- Establish, announce, and implement internal information security standards for applications and programs, in line with self-regulation revisions

Engagement Approach

- Provide Competent Authority with reports or descriptions of relevant business matters
- Participate in government meetings and events, and offer recommendations
- Participate in conferences and seminars
- Disclose data to the Competent Authority to assist with oversight and inspections, or provide official letters on case progress
- Routine communication via telephone, e-mail, documents (letters), and meetings

2020 Engagement Performance

- Participated in a FSC "insurance industry corporate governance seminar" to discuss corporate governance, ESG, and responsible investing
- Submitted a report on the operations of invested companies in China to the FSC's Insurance Bureau
- Joined a seminar on internal audits for the insurance industry
- Worked in collaboration with the FSC's Insurance Bureau to hold four discussion forums on "identity authentication procedures for mobile insurance pilot"
- Participated in an "insurance industry corporate governance seminar" and used key points from the seminar as reference points for strengthening the Company's corporate governance and responsible investing
- Participated in an "insurance industry information security explanatory meeting" to understand the supervisory approach of the Competent Authority and their policy direction. These insights were valuable references when the Company formulated information security development strategies

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Media

Maintain good media relations and issue press releases to strengthen our brand image

Issues of Concern

Inclusive finance / Operational performance / Corporate image and reputation / Information security and personal information protection / Labor-management relations

Issue Content

- Provision of inclusive finance products and services
- Financial performance and long-term value creation
- Emergency disaster assistance

China Life's Response

- Regularly and proactively issue press releases on topics of concern to the media. When there is an emergency, disaster, or other critical issue, the Company gathers relevant information and issues press releases
- Publish news reports on the corporate website to promote social risk management awareness as a professional life insurer. Adhere to our core corporate spirit of "love and care" while carrying out digital innovations and transformations that bring greater recognition to the quality of our services. Provide information on awards, sustainability actions, and other positive messages to boost our corporate brand and image

Engagement Approach

- Establish a designated media unit
- Hold news conferences and media banquets, note current trends and key points in press releases to encourage quotation by the media
- Social media networks: Facebook, Instagram
- Disclose information on the "Latest News" section of the corporate website
- Issue monthly press releases and produce special news reports

2020 Engagement Performance

- The Public Relations Department, our chief media communication unit, regularly communicated with the media over e-mail, phone, and messaging apps
- Issued 85 press releases. Proactive publishing or provision of press releases and information or arranging interviews with spokespeople contributed to 2,258 media reports and 100% positive coverage
- Achieved 7,688 mentions across print media, magazines, and online media
- Posted 457 posts on Facebook and Instagram to raise our social media profile and strengthen brand awareness. Total reach was 9.17 million people



Charity Organizations / NGOs

Use corporate resources to sponsor social activities held in conjunction with charity organizations to give back to society

Issues of Concern

Employee diversity, human rights, and equality / Social participation / Inclusive finance / Workplace health and safety / Treating customers fairly

Issue Content

- Charity project promotion
- Dementia prevention and advocating for a dementia-friendly society

China Life's Response

- In the post-pandemic period, we inject corporate and community resources into online and offline charity activities to expand the number of beneficiaries and our influence
- Since 2019, the Company has sponsored two major annual events held by the Taiwan Alzheimer Disease Association: World Alzheimer's Month and the Cherished Memories Concert. Employees become Alzheimer's care ambassadors, volunteering at the events and arrange for accessible vehicles to transport association staffs and Alzheimer's patients to and from the event venues. This support eliminates barriers that would otherwise prevent patients from leaving their homes and interacting with the outside world

Engagement Approach

- Establish a designated unit
- Hold online and offline social participation activities
- Sponsor or donate to disadvantaged groups
- Cooperate with charity organizations and rural schools to hold charity activities and conduct related education and training
- Social media networks: Facebook, Instagram, Line

2020 Engagement Performance

- Organized 134 charity activities in cooperation with 82 philanthropic organizations, benefiting a total of 68,106 people
- Reached NT\$53.04 million in charitable contributions and 19,559 in volunteering hours
- Cooperated with the Taiwan Alzheimer Disease Association to become the first life insurance company to be named a "dementia friendly organization." 2,200 of our staff members completed a series of online classes on how to support customers with dementia



Channel Partners

Cultivate close relations with all cooperative channels and provide excellent products that create win-win situations

Issues of Concern

Information security and personal information protection / Operational performance / Treating customers fairly / Corporate image and reputation / Risk management / Anti-money laundering and combating the financing of terrorism

Issue Content

- Product information, mobile insurance information
- Information protection and security status

China Life's Response

- Maintain positive and effective communication with channel partners, and provide them with needed information on products and mobile insurance
- Provide channel partners with excellent products and maintain good business relationships

Engagement Approach

- Maintain communication with channels partner over e-mail, telephone, face-to-face discussions, meetings, as well as education and training sessions
- i-Agent and other digital consultation hotlines, broker agent consultation hotlines

2020 Engagement Performance

- Channel partners included 126 insurance brokers, 28 banks, and 15 securities firms
- Established mobile insurance projects with 22 banks and insurance brokers
- Total annual business from our bancassurance channels reached NT\$54.118 billion, including a record NT\$10.656 billion from regular pay insurance products, accounting for 19.69% of the total, and raising the Company's embedded value
- Cooperated with three banks to provide online insurance purchases, and offered interest sensitive annuity on the banks'e-commerce platforms
- Channel partners signed contracts committing to AML / CFT regulations. When responding to legal or regulatory requests, we notify our channel partners in writing or in person



Invested Companies

Fulfill the duties of an institutional investor by continuing to closely follow-up and communicate with invested companies, thus raising long-term investment benefits

Issues of Concern

Corporate governance and ethical management / Sustainability strategies / Compliance / Operational performance / Risk management

Issue Content

- Corporate governance and ethical management performance
- Sustainability strategies development
- Compliance and risk management status

China Life's Response

- Conduct annual inquiries into the status of invested companies to fulfill our responsibilities towards the use and management of policyholder funds. Continue to monitor and visit invested companies to inquire about their financial status and CSR performance. Results are recorded in research reports and delivered to senior management
- Formulate responsible investment policies

Engagement Approach

- Attend investor meetings and shareholders' meetings, and visit invested companies
- Directly communicate with invested companies to understand their status. When relatively large performance abnormalities occur, meet with representatives of the affected company to understand the situation

2020 Engagement Performance

- Issued monthly investment reports that reviewed the performance of invested companies and followed up on their operational status, then delivered the reports to senior management for review. The scope covered 100% of invested companies
- Participated in the shareholders' meetings of public and OTC listed invested companies to the fullest extent the Authority allowed. Our participation rate was 100%

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Suppliers / Contractors

Actively manage our suppliers and make joint promises with them to implement corporate responsibilities

Issues of Concern

Sustainable management of supply chain / Information security and personal information protection / Corporate governance and ethical management / Operational performance / Corporate image and reputation

Issue Content

- Supplier evaluations and management complaint mechanisms
- Procurement policies

China Life's Response

- Supply chain management policies follow the Company's procurement standards. Suppliers are selected using fair, equitable, and transparent methods, with priority given for excellent CSR performance. Negotiations, contract signings, progress updates, inspection and acceptance, and contract fulfillment management are transparent to better control the quality, delivery time, and price of delivered goods
- Evaluate suppliers using the "Rules governing vendor corporate social responsibility," focusing on labor rights and human rights, worker health and safety, environmental protection, and CSR. We also continue to publicize the Supplier CSR Section on our corporate website so that we can work with suppliers to support compliance with our CSR pledges
- Suppliers and contractors can access the feedback sections on the CSR and stakeholder sections of our corporate website to file relevant complaints
- Formulated the "Rules Governing Construction and Repair Work Management," which include anti-conflict of interest clauses and other risk control mechanisms to ensure fair treatment of all contractors

Engagement Approach

- Disclose information on the "Supplier CSR Section" of the corporate website
- Urge suppliers to sign the "Supplier CSR Commitment"
- Convene annual selection meetings to update the list of qualified construction and repair contractors
- Supplier evaluations

2020 Engagement Performance

- Green procurement amounted to NT\$32.94 million. For the fifth consecutive year, the Taipei Department of Environmental Protection honored us for excellence in green procurement
- 100% of general suppliers and construction and repair suppliers signed the "Supplier CSR Commitment"
- Completed sustainability audits for 12 of our key suppliers



Public Institutions and Industry Associations

Participate in insurance-related research conducted by public institutions and industry associations; adhere to association regulations

Issues of Concern

Compliance / Risk management / Information security and personal information protection / Anti-money laundering and combating the financing of terrorism / Inclusive financing

Issue Content

- Compliance status
- Risk management implementation and Task Force on Climate-related Financial Disclosures (TCFD) evaluation
- Policy research assistance
- Opinions towards legal amendments relevant to AML / CFT laws as well as practical responses
- Guaranteeing rights to purchase insurance for the disabled

China Life's Response

- To aid insurance industry innovation and progress, we shared the Company's experience ratio and other statistic data with the Life Insurance Association of the ROC (LIA-ROC). Also made recommendations for improving supervisory and accounting systems from the Company's perspective
- Joined the LIA-ROC in researching modifications to the "underwriting principles for people with disabilities" as well as "underwriting evaluation procedures for people with disabilities"
- Provide policy asset inquiries of the deceased in coordination with National Taxation Bureau policies to make financial inheritance more convenient
- Attend meetings convened by LIA-ROC

Engagement Approach

- Participate in LIA-ROC meeting, discussions, and seminars
- Provide requested information to LIA-ROC
- Use telephone, e-mail, documents (letters), and meetings to engage in routine communications

2020 Engagement Performance

- Participated in the Taiwan Insurance Guaranty Fund seminar on "2020 emerging risk trends and the corresponding environment, challenges, and opportunities for the insurance industry"
- Participated in three meetings of the insurance industry risk management regulatory task force
- Participated in two meetings on enterprise risk management (ERM) with Taiwan Insurance Guaranty Fund, Non-Life Insurance Association, and LIA-ROC
- Participated in Actuarial Institute of Chinese Taipei seminars on "enterprise risk management, emerging risk, and business continuity management" as well as "ORSA stress testing practices and review"
- Responded to LIA-ROC questionnaires on "TCFD investigation and research into Taiwan life insurance industry," "difficulties in introduction TCFD," and "TCFD research report and guidelines feedback"
- Participated in the LIA-ROC "TCFD research report and guidelines" interim and end-of-term meetings
- Participated in fund allocation meetings, as described in Article 146 of the Insurance Act
- Participated in LIA-ROC anti-money laundering promotions, education and training
- Provided the Company's annual progress in AML / CFT education and training to the LIA-ROC



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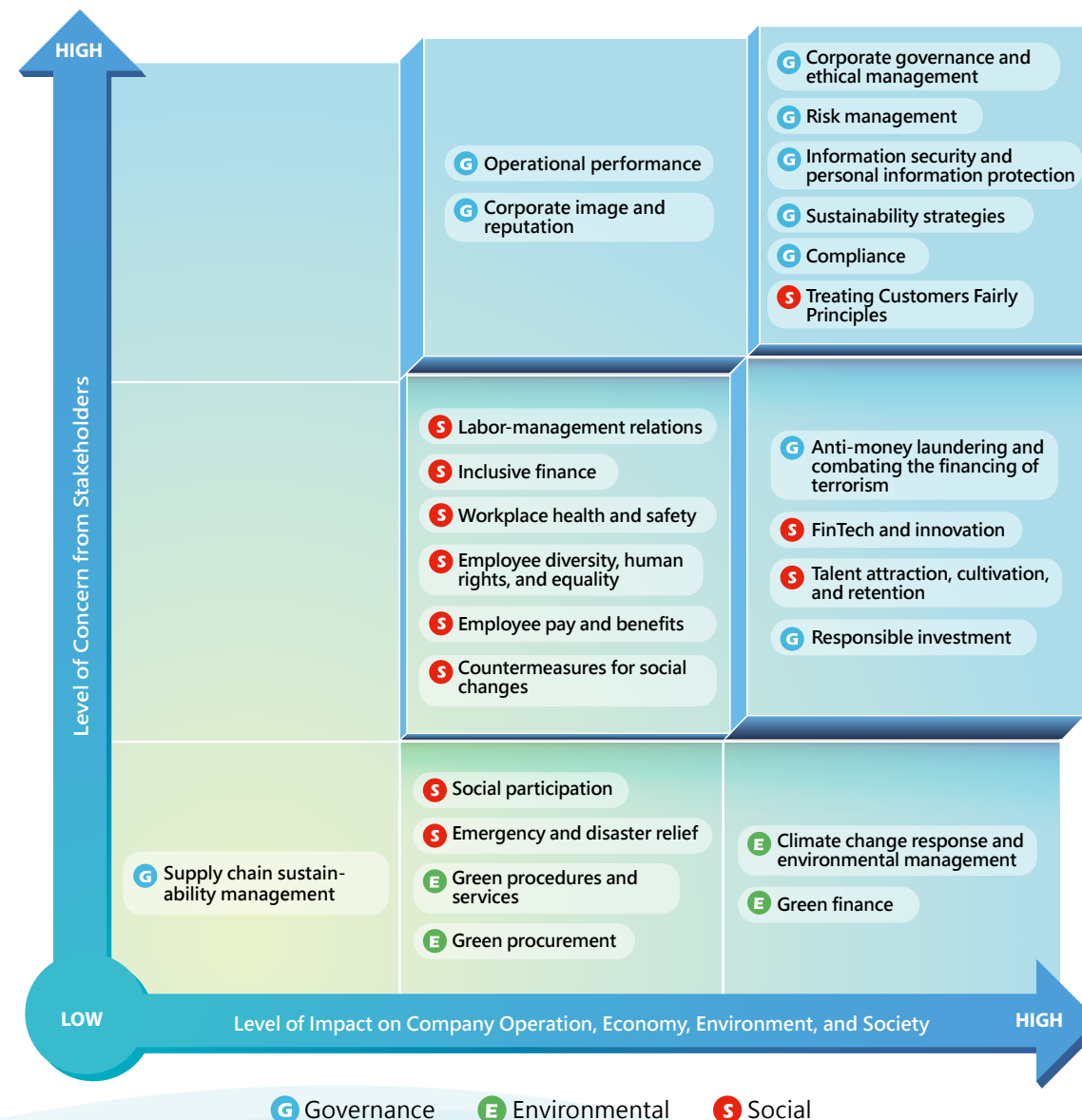
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Identifying Sustainability Issues

To ensure that disclosed information meets the expectations of stakeholders, China Life regularly and systematically identifies sustainability issues, then carries out risk analysis on the material items. By negotiating with stakeholders based on material topic analysis procedures, we referenced the opinions of stakeholders and senior management, and with final approval from the CSR Committee and the Board of Directors, we identified 12 material topics: corporate governance and ethical management, risk management, information security and personal information protection, sustainability strategies, compliance, treating customers fairly principles, operational performance, corporate image and reputation, anti-money laundering and combating the financing of terrorism, FinTech and innovation, talent attraction, cultivation and retention, and responsible investment. In the interest of completeness, information relating to other sustainability issues are disclosed throughout the Report.



▼ 2020 Material Topics Matrix





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▼ Material Topics and Impact Boundaries

	Material Topic	Topic-specific GRI Standards / Self-Designated Standards	Material Topics' Meaning for China Life	Material Risk Assessment and Performance Indicators	Value Chain					Corresponding		
					China Life	Policy-holders	Suppliers & Contractors	Channel Partners	Invested Companies	Chapter	Page(s)	
Governance	Sustainability Strategies	Self-designated standard: Sustainability Strategies	Our pursuit of corporate sustainability is based on forward-looking ESG strategies and planning together with actions to implement CSR.	Regular analysis of material issues to understand ESG-related sustainability risks. We formulate short, mid, and long-term goals to strengthen management.	●	●	▲	▲	○	CH1	25-29	
	Corporate Governance and Ethical Management	GRI205: Anti-Corruption	We are committed to ethical management, developing a strong corporate governance system, and implementing robust disclosure and transparency policies to meet the expectations of internal and external stakeholders.	The Ethical Management Committee regularly monitors risks and set a goal of making 100% of our employees aware of ethical management.	●	○	▲	▲	○	CH2	52 50-51	
	Operational Performance	GRI201: Economic Performance	Stability and growth are basic promises we make to shareholders and policyholders. Diverse products, prudent investments, and strict risk management contribute to robust annual profits that leads to innovation and advancement.	We deeply value policyholder and stakeholder rights and interests, developing diverse products to satisfy customer needs, and expanding our diverse range of services to ensure the Company's long-term operational advantage.	●	○	▲	▲	○	CH2	48-51	
	Risk Management	Self-designated standard: Risk Management	To guarantee asset security, improve service quality, and increase value for shareholders, we built a prudent risk management system. Comprehensive control measures include identifying, measuring, monitoring, responding to, and reporting on risk.	Formulate comprehensive risk management policies and organization. Use operational risk dashboard to regularly evaluate and revise our risk indicators and standards.	●	○			○	CH2	62-64	
	Information Security and Personal Information Protection	GRI418: Customer Privacy	Build an information security management system as well as a PIMS. Our rigorous approach to information security and personal information protection ensures that private information is secure, so customers' minds are at ease.	Establish the Information Security Committee and the Personal Information Protection Management Committee to monitor implementation and feasibility of our information protection mechanisms. These measures ensured there were no major information security and personal information incidents in 2020.	●	●		▲		CH2	65-68	
	Compliance	GRI307: Environmental Compliance GRI419: Socioeconomic Compliance	We act in accordance with the policies and laws of the Competent Authority. In daily operations, all departments adhere to government rules, and offer full disclosure of disciplinary action received for environmental, economic, and social issues.	Comprehensive risk assessment mechanisms ensure compliance. Annual compliance risk assessment improves monitoring, and respond to stricter financial supervision trends.	●						CH5	73 142-143
						○		▲			CH2	72-73
	Anti-Money Laundering and combating the financing of terrorism	Self-designated standard: Anti-Money Laundering and combating the financing of terrorism	Implement AML / CFT policies to guarantee the rights and interests of policyholders, maintain financial stability, and strengthen prevention against financial crimes.	Build a risk management framework based on corporate governance, system design, controls and procedures, risk management, and independent auditing.	●	○		▲	○		CH2	69-71
	Corporate Image and Reputation	GRI417: Marketing and Labeling	While conducting internal operations and external marketing of products and services, we maintain our excellent reputation by adhering to the brand spirit of "We Share, We Link" .	Internally, we promote the Company's vision and build a corporate culture that all employees shall implement in their daily work.	●	●		▲			CH2	60
	Responsible Investment	GRI supplemental indicators for the financial service industry: Product Portfolio	For potential investments, we weigh the ESG implications before making decisions. For invested companies, we assess their CSR achievements and engage in active negotiations.	Besides issuing monthly investment reports that review the financial status and CSR performance of invested companies, we track their operational status and report to senior management for review.	●	○			●		CH3	81-84
Social	Talent Attraction, Cultivation, and Retention	GRI404: Training and Education	Employees are the Company's most important asset. To cultivate innovative thinkers with professional skills, we offer comprehensive education, training, and review system that helps our employees grow together with the Company.	Put talent development within the human resources management chain of "selection, cultivation, utilization, and retention," while developing talents with the skills needed to prosper in the digital finance age.	●	○				CH4	102-105	
	Treating Customers Fairly Principles	GRI417: 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 protect customers' rights and interests.	Establish the Treating Customers Fairly Committee, which regularly compiles related measures and reports to the Board for review.	●	●		▲		CH3	93-98	
	FinTech and Innovation	Self-designated standard: FinTech and Innovation	Responding to the approach of the digital age, we integrate innovative digital applications into our operations with policyholders' needs in mind. Our goal is to improve service quality and provide customers with a brand new experience.	Develop a digital finance blueprint that promotes digital transformation from the perspectives of people, technology, and procedures, consolidating the Company's competitiveness as FinTech continues to be the modern trend.	●	●	▲	▲		CH3	85-89	

Note: ● receives direct impacts, ○ contributes to the impacts, ▲ links to the impacts through business relationships

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Corporate Governance



China Life has always abided by ethical management values and ideas. We established a dedicated ethical management committee. We created policies to prevent corruption and improper transfer of benefits. In response to recent anti-money laundering and counter-terrorist financing issues, we added a specialized department and commission third-party audits. In terms of corporate governance, we emphasize accountability and transparency among all corporate levels. Meanwhile, we built comprehensive risk control mechanisms and rigorous information security systems.

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Solidifying corporate governance and ethical management to fulfill our promises to stakeholders

2020 ESG Goals and Progress

- Made “attention towards ESG topics” and “treating customer fairly principles” part of the internal performance reviews of the Board of Directors. Results are reported to the Board.
- Disclosed results of external effectiveness assessments of the Board of Directors on the corporate website.
- Regularly reviewed results of corporate governance evaluations.
- Carried out annual internal performance reviews on the Ethical Management Committee to demonstrate the Company's corporate governance and ethical operations.
- Continually engaged in due diligence for new policyholders and current accounts and completed the filing for the first time, in order to comply with “Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions”.

2021 ESG Goals

- All new employees sign agreements relating to business integrity and ethics.
- Complete ethical management and ethics risk evaluations, and actively prevent potential risks related to ethical management.
- Arrange classes for directors on a diverse range of topics, such as green financing.
- Establish business continuity management (BCM) regulations that incorporate emerging ESG risks.
- Incorporate climate change risk analysis and evaluations in our ORSA reports and related documents.
- Include emerging ESG risks in our pricing processes.
- The Board of Directors and management formulate and promote risk management strategies related to climate change.

Strengthening information security and personal information protection to fulfill our promises to policyholders

2020 ESG Goals and Progress

- The Information Security Department and employees from each subsidiary from China Life's parent company formed teams to join an external competition related to information security attack and defense drills. We won first place in the finance category and fourth place overall.
- Continued to promote PIMS and passed third-party assessment.
- Continued to conduct education and training courses to raise awareness of personal information security and achieved a training completion rate of 100%.
- Continued to build and ensure various information security defense systems, commission external experts to evaluate our information security measures, and release information security statements.

2021 ESG Goals

- Cooperate with external experts to carry out distributed denial-of-service (DDoS) attack defense drills on 100% of the Company's e-commerce websites.
- Acquire an App MAS label to demonstrate the security of our app.
- Maintain PIMS and pass third-party assessment.

Perfecting anti-money laundering and counter-terrorist financing methods to effectively control risk

2020 ESG Goals and Progress

- 100% of our anti-money laundering and counter-terrorist financing staff obtained related domestic or international certifications.
- 100% of the brokers we cooperated with signed a contract pledging to adhere to anti-money laundering requirements.

2021 ESG Goals

- 100% of our anti-money laundering and counter-terrorist financing staff shall obtain related domestic or international certifications.
- 100% of the bancassurance we cooperate with shall sign contracts pledging to adhere to our fair treatment of customers principles and anti-money laundering requirements, and they shall also complete anti-money laundering education and training.

Management Approach

Material Topics : GRI 201: Economic Performance, GRI 205: Anti-Corruption, GRI 418: Customer Privacy, GRI 419: Socioeconomic Compliance, Risk Management, Anti-Money Laundering and Counter-Terrorist Financing, Corporate Image and Reputation

Commitments

- Uphold the rights and interests of shareholders by continuing to increase transparency of information disclosures. Treat shareholders equitably and implement the “Treating Customers Fairly Principles” by providing high-quality communications channels.
- The Board of Directors and management regularly sign the Company's “Declaration of Ethical Management,” which serves as a promise of our ethical management policies.
- Make prudent self-assessment of risk management and the pursuit of corporate sustainability key aspects of our corporate culture, with an aim of achieving sustainable growth.
- Dedicated executives report on anti-money laundering and counter-terrorist financing every half year to the Audit Committee and the Board of Directors, so that members understand implementation of relevant control measures and can fulfill financial sector social responsibilities.
- Uphold and maintain our information security philosophy in the Company's operational environment, continue to raise the Company's information security monitoring and defense standards, and build information security operating procedures that are both standardized and documented. Raise information security awareness and functions throughout the Company.

Policies / Management System

- Establish a comprehensive risk management mechanism that includes Own Risk and Solvency Assessment (ORSA) as well as key risk management mechanisms. Incorporate three major management tools for personal information protection, money laundering and terrorist financing risk assessment, and operational risk identification and measurement.
- To fulfill ethical management policies and actively prevent unethical behavior, the Company sets up “Ethical Corporate Management Best Practice Principles,” “Ethical Corporate Management Best Practice Principles” and “Measures for the Report on Illegal, Unethical and Dishonest Conducts.”
- Implement the “Directions for Anti-Money Laundering and Counter-Terrorist Financing,” “Evaluation of Money Laundering and Terrorist Financing Risk Control Policies,” “Rules Governing Anti-Money Laundering and Counter-Terrorist Financing,” “Directions and Rules Governing Anti-Money Laundering and Counter-Terrorist Financing by Offshore Insurance Units” and “Operating Procedures for the Evaluation of Money Laundering and Terrorist Financing Risk Control” in order to actively carry out anti-money laundry and fight against cyber attack.
- Prudent assessment and review of our anti-money laundering and counter-terrorist financing internal control mechanisms includes submitting a statement to the Board of Directors. Following pass by the Board of Directors, the statement is disclosed on our corporate website within three months of the end of each fiscal year. We also announce the full extent of our internal control mechanisms on a website designated by the FSC.
- To uphold the importance of information security, China Life has established the Information Security Department as a designated and independent unit for planning information security throughout the Company. In addition, the Information Security Committee examines information security management mechanisms and monitors implementation. The Company also maintains ISO 27001:2013 Information Security Management System certification to further advance information security practices.
- Anyone who does business with China Life, including sales agents, contractors, and temporary employees, must adhere to the Company's information security policies and relevant standards. When the acquisition or use of Company-owned information is required for work purposes, those who handle the information are obligated to protect it and prevent it from unauthorized saving, tampering, damage or disclosure. Regular testing and drills of the Company's IT business continuity plan ensures effective operations.

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Grievance Mechanisms

- ◆ Operate a diverse set of channels to report illegal, immoral, or unethical activities, in order to create an ethical corporate culture and promote robust corporate development. These channels include direct reporting, written reporting, and e-mail system (whistleblower@chinalife.com.tw). The regulations describe procedures for handling such violations as well as whistleblower protection measures.
- ◆ Set up a dedicated stakeholders' section on the corporate website and establish a department dedicated to investor relations to serve as communication channels with our investors.
- ◆ Identify and organize items on the "Information Security Stakeholder List" on an annual basis and determine topics related to information security management systems. Regularly report results to the Information Security Committee.

Evaluation Mechanisms

- ◆ In 2020, our total assets reached NT\$2.22 trillion, market value was NT\$105 billion, total premium income was NT\$257.6 billion, net income was NT\$15.548 billion, and EPS was NT\$3.29.
- ◆ Conduct annual ORSA reports and report the results to the competent authorities on annual basis.
- ◆ Delegate accountants to engage in auditing our anti-money laundering and counter-terrorist financing mechanisms found that our internal control system was effectively designed and implemented. Their unqualified opinion reflected that there were no major or obvious deficiencies.
- ◆ Produce comprehensive money laundering and terrorist financing risk analysis reports and prevention plans on an annual basis, and report to the Risk Management Committee and the Board of Directors, in order to help senior managers better understand the Company's risk exposure. In 2020, results of money laundering and terrorist financing risk analysis showed that we adhered to our risk appetite and risk limitations standards.
- ◆ The Committee of Ethical Management conducts annual reviews in order to examine if the preventive measures against unethical practices are operating effectively and to evaluate the Company's legal compliance to evaluate the effectiveness of our ethical operations. Furthermore, annual performance appraisals give insight into the committee's operations. Then report the results to the Board of Directors to review whether all business activities are conducted in compliance with the law.
- ◆ The Personal Information Protection Management Committee convenes semiannually, and each year the Company commissions BS 10012 third-party reviews. In 2020, we expanded the assessment scope to the head office and all business practices of the branch offices, in order to continue to improve our personal information protection management capacity.
- ◆ The Information Security Committee holds two meetings each year to review information security and ensure that it is effectively managed. The Company conducts annual information security mechanism policy reviews, semiannual internal information security audits, and monthly information security target checks. We also maintain ISO 27001:2013 Information Security Management System certification. In 2020, the Company did not have any major information security incidents and won a Taiwan Corporate Sustainability Award for information security.



Stabilize Corporate Operations

Business Performance

China Life continues to use our risk management policy as a basis and framework for strengthening risk quantification management, in order enhance quantitative management mechanism from major risks and further application on the Company's decision-making front. With that, China Life aims to become an exemplary company in the life insurance sector on the back of corporate governance, risk management, and steady growth.

Service Channel Development Strategies

China Life adheres to six major distribution channels combined with a balanced development strategy. Differentiated products accommodate the unique aspects of each channel. Moreover, we are undergoing a digital transformation to improve our competitiveness and satisfy customers' diverse needs regarding protection, medical treatment, investment, and asset allocations, with an aim of creating win-win situations that benefit both the Company and policyholders.



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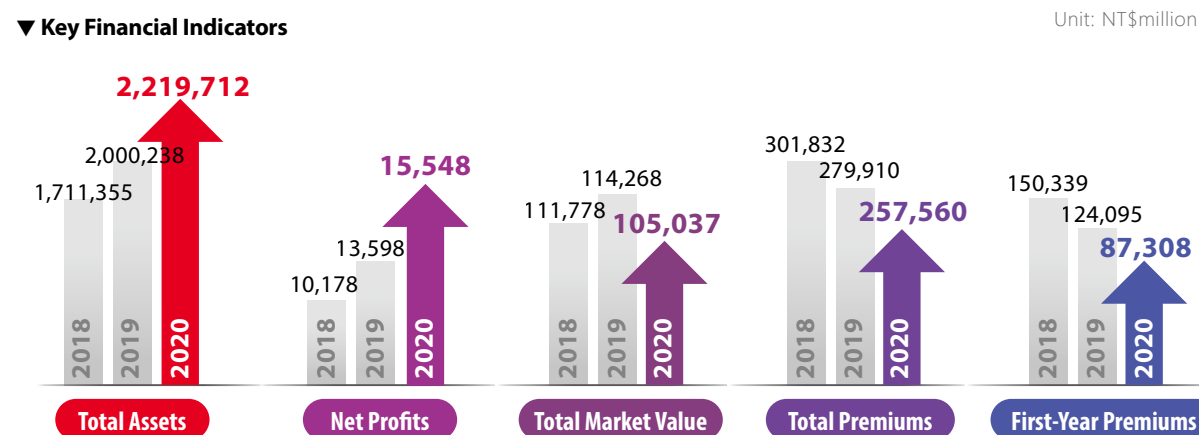
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Operational Performance

In 2020, China Life's first-year premium was NT\$87.3 billion and total premium income was NT\$257.6 billion. We again achieved record profits, with net profit of NT\$15.548 billion, for an annual growth of 14%. EPS was NT\$3.29, and market value reached NT\$105.0 billion. At the end of 2020, total assets were NT\$2.22 trillion. During the past six years, total premium income grew by close to 60%, net profits grew by 70%, and total assets grew by over 80%. Despite the turmoil in the global economy, China Life demonstrated strong performance in operations, profit, and asset quality.

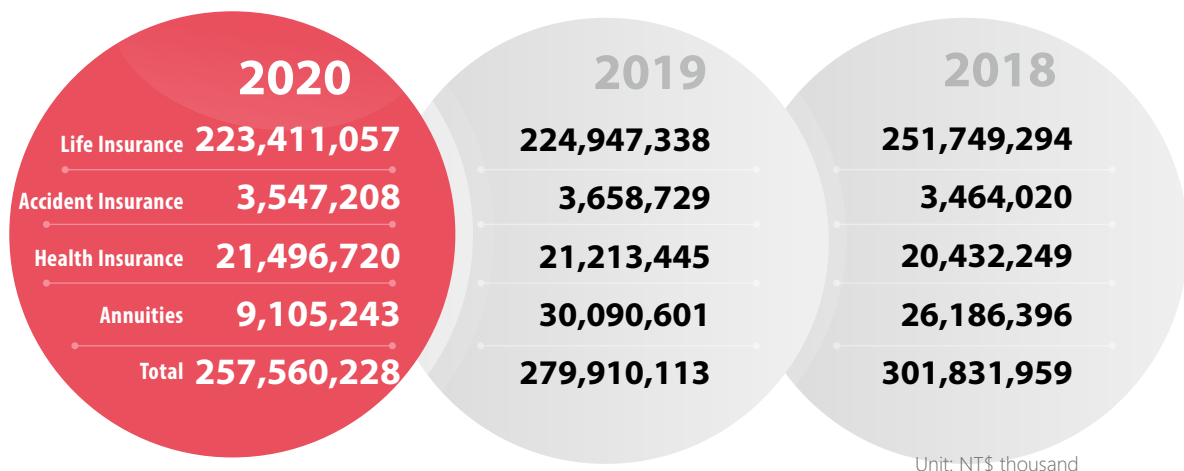
We spare no efforts in maintaining stable operations and developing products that cater to different consumer groups and thus boost overall sales. The competent authorities praise our commitment to financial stability, which protects the interests and rights of policyholders and shareholders while ensuring healthy capital adequacy as well as appropriate asset and liability management.

China Life has stable finances and remains committed to protecting the rights and interests of policyholders and shareholders. Maintaining healthy capital adequacy as well as appropriate asset and liability management have been our longstanding operational goals.



① Data collection period: total assets and total market cap end on December 31st of the year; net income, total premium and FYP ranges from January 1st to December 31st.

▼ Premium Income by Product Type



▼ Economic Value Generated and Distributed

	2020	2019	2018
Operating Revenues	323,248,432	339,115,451	338,495,113
Net Profit	15,547,836	13,597,878	10,177,987
EPS (Unit: NT\$)	3.29	3.20	2.54

Economic Value Distributed to Stakeholders

Employee Pay and Benefits	3,556,210	3,505,366	2,827,230
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Dividends

Stock Dividend Payments (Surplus Year)	1,892,559	2,678,149	0
Cash Dividend Payments (Surplus Year)	1,892,559	2,678,149	0
Cash Dividend Per Share (Unit: NT\$)	0.4	0.6	0

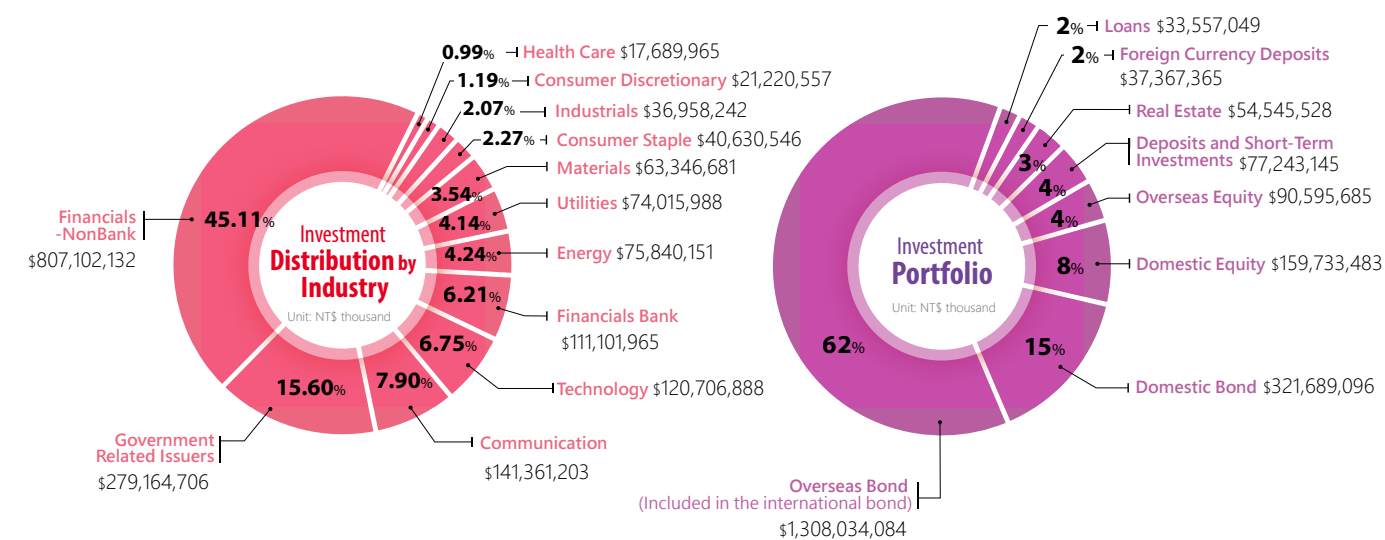
Taxes

Income Tax Expenses (Refunds) ①	3,141,673	1,254,030	0
Ratio of Tax to Operating Revenues ②	0.97%	0.37%	0%

Unit: NT\$ thousand

- ① Income taxes paid or (refunded) in each year could include taxes generated from the this or previous year. The data in the table only show income taxes generated in the listed fiscal year.
- ② Tax expense as a percentage of to operating revenues = Income tax expenses (refunds) / operating revenues
- ③ The number of income tax expense in the above table in 2020 was estimated tax payable in the financial report, and the number of income tax expense in the above table in 2019 was filed tax payable, and the number of the income tax expense in the above table in 2018 was reviewed tax payable.

▼ 2020 Investment Amount and Percentage



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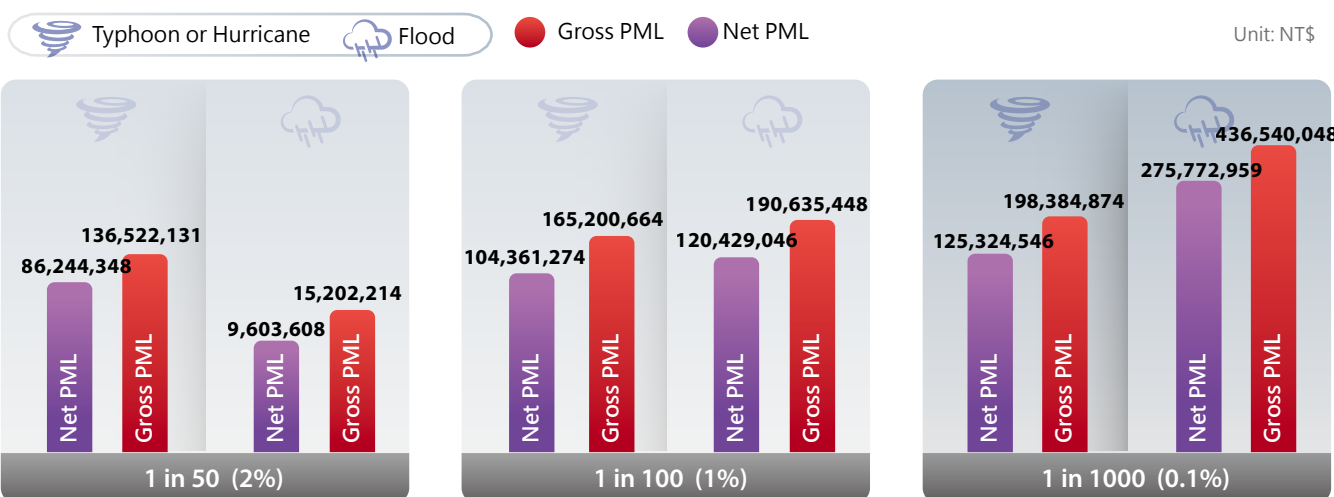
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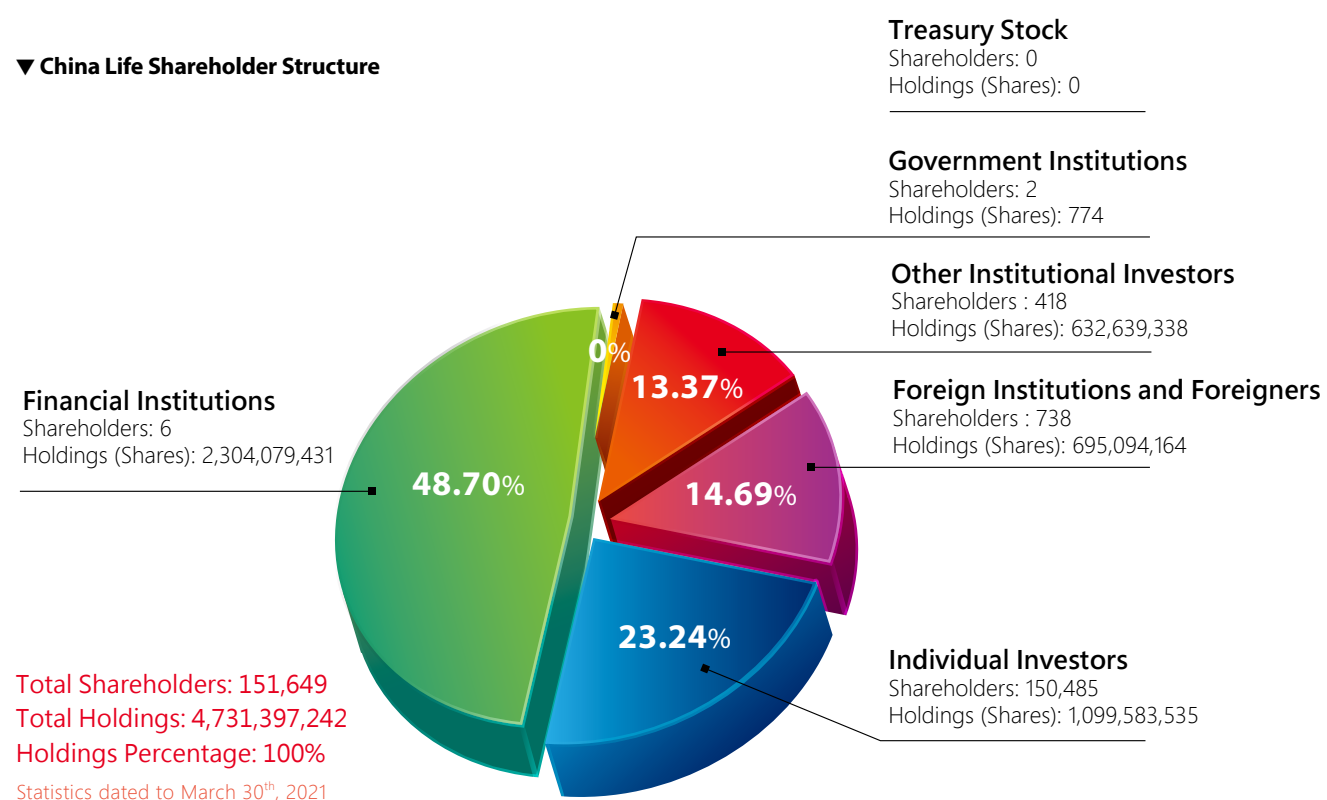
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▼ Probable Maximum Loss (PML)



- 1 The above data are based on death benefit estimates.
- 2 Ministry of the Interior data show injuries and deaths from non-tornado causes. There is not relevant data for other disasters.

▼ China Life Shareholder Structure



2020 Fair Value of Securities Lending Collateral Assets

NT\$0

Corporate Governance

Organization Chart

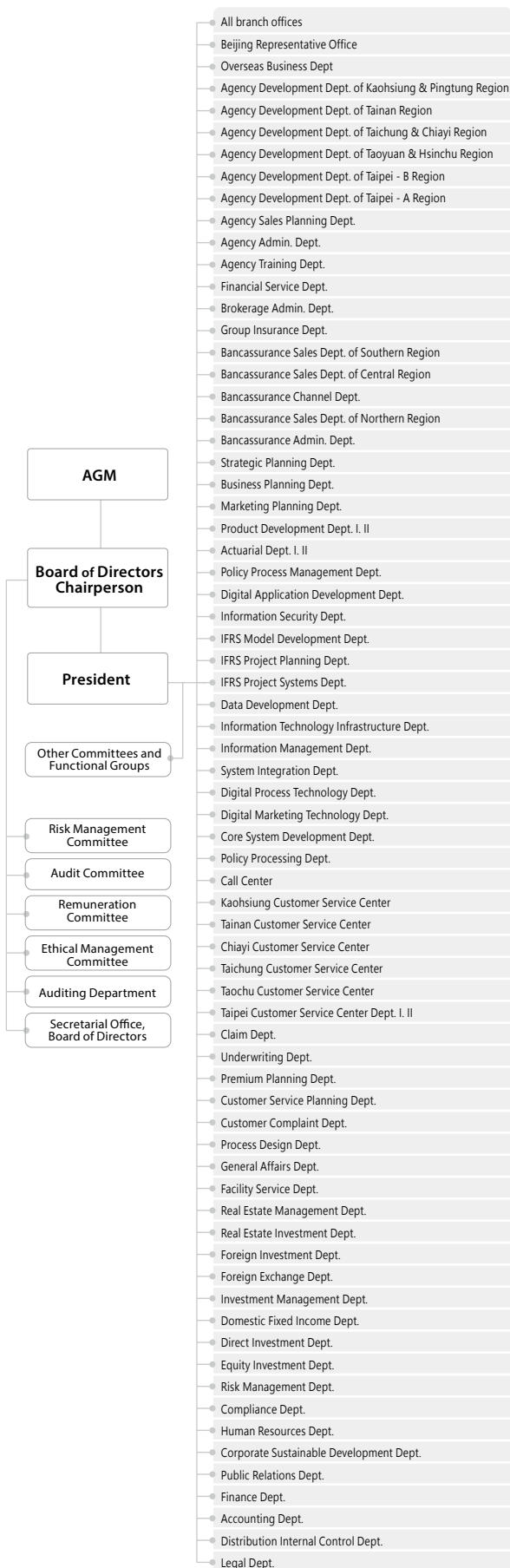
China Life has a robust corporate governance framework. Major decision-making and deliberations are carried out at the shareholders' meetings including annual dividend distribution, board elections, and revisions to the Articles of Incorporation. The Board of Directors is responsible for review of key decision-making, including operational planning, annual financial reports, and the appointment of top managers.

To protect the general interests of the Company and ensure healthy corporate governance, China Life established four functional committees overseen by the Board of Directors: the Risk Management Committee, the Audit Committee, the Remuneration Committee, and the Committee of Business Integrity and Ethics. These committees raise the effectiveness of the board. At the same time, China Life follows recommendations in the FSC's Corporate Governance 3.0 – Sustainable Development Roadmap and adheres to the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers." In 2019, the Company appointed a chief corporate governance officer that is responsible for providing relevant information to directors and ensuring legal compliance. By helping directors carry out their duties, the officer raises the effectiveness of the board. At the same time the Company maintained insurance coverage for directors, supervisors, and key officers.

Composition of the Board of Directors

A nomination system is used for the elections of both the Company's directors and independent directors, in accordance with the policies and legal requirements of the competent authorities. Based on Article 22-3 of the "China Life Corporate Governance Policy," the Board shall be assembled to be diverse, to meet basic characteristics and values (including gender), and to have professional knowledge and ability (including professional background).

▼ China Life Organizational Structure



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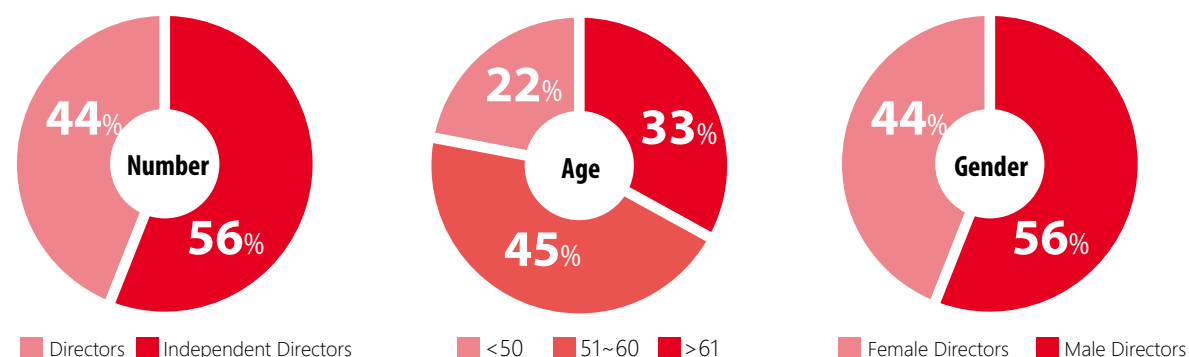
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At a shareholders' meeting on May 27th, 2020, the Company elected members of the 21st Board of Directors. Of the nine members of the board (including four independent directors), we had as many as four female directors. Each member has different expertise and experiences, including in the areas of operations, management, finance, accounting, law, statistics, actuary, or insurance. Besides fulfilling the objective of having a diverse, gender equal board, the directors have abundant practical experiences and professional capabilities, which improves the decision-making quality of the board, strengthens internal inspection mechanisms, and enhances the Company's corporate values and performance.

▼ Number, Age, and Gender Distribution of Directors



▼ Diverse Backgrounds of the Directors

Name / Title	Industrial Experience				Professional Background							
	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫
Yu Ling Kuo / Chairwoman	①		③	④		⑥	⑦	⑧		⑩	⑪	
Shan-Jung Yu / Director				④	⑤			⑧			⑪	
Hui-Chi Shih / Director	①			④		⑥				⑩	⑪	
Stephanie Hwang / Director			③				⑦		⑨	⑩	⑪	⑫
Tony T.M. Hsu / Director	①		③		⑤		⑦				⑪	⑫
Johnson F.H. Huang / Independent Director		②		④	⑤					⑩	⑪	
Cheng-Hsien Tsai / Independent Director			③				⑦			⑩	⑪	
Da-Bai Shen / Independent Director	①			④		⑥				⑩	⑪	
Ming-Jung Lai / Independent Director			③			⑥	⑦			⑩	⑪	

Industrial Experience ① Banking ② Stocks and Bonds ③ Insurance ④ Other Finance
Professional Background ⑤ Law ⑥ Accounting ⑦ Risk Management ⑧ Investment ⑨ Actuary
 ⑩ Finance and Banking ⑪ Operations and Management ⑫ Information Technology

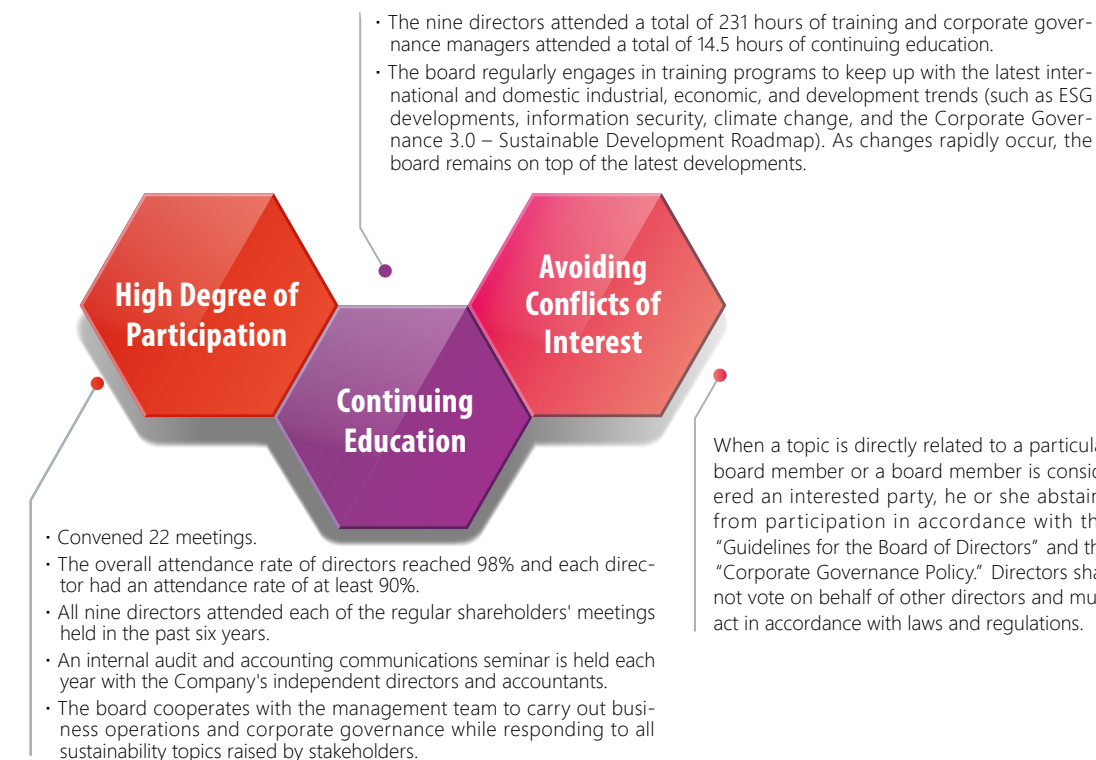


For a more detailed list of names see p.14 of the China Life Annual Report.



Operations of the Board of Directors

The Board of Directors, the highest decision-making body of China Life, prudently guides business strategy and steers the Company direction. To achieve these objectives while advancing corporate governance, the management team regularly attends board meetings to report the Company's operations. Good communication channels and interaction with the board members ensures that business proceeds smoothly and produces the greatest interests for shareholders. In addition, as the board monitors climate-related risks while identifying and responding to related opportunities, board members will pursue continuing education on climate change and ESG topics.



▼ Board of Directors and Functional Committees

Board of Directors

Total Members: 9 / Independent Directors: 4

Composition and Role

- Headed by Chairwoman Yu Ling Kuo and comprised of nine members, including four 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

2020 Track Record

- Held 22 meetings
- The overall attendance rate of directors was 98% and each director had an attendance rate of at least 90%
- Passed renewal of the directors, supervisors and officers liability insurance coverage
- Passed an amendment to the rules of procedures for shareholders' meetings and submitted the amendment to the 2020 regular shareholders' meeting for approval
- Passed amendments to the "Corporate Governance Policy," "Guidelines for the Board of Directors," "Rules Governing the Scope of Powers of Independent Directors," "Regulations Governing the Performance Appraisal of the Board of Directors," and the "Procedures for Election of Directors"

① Chairwoman Yu Ling Kuo applied for retirement on December 31, 2020.

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Audit Committee

Total Members: 4 / Independent Directors: 4

Composition and Role

- Comprised of all of the Company's independent directors
- Responsible for monitoring and ensuring effective internal controls, legal compliance, and the management of existing and potential business risks

2020 Track Record

- Held 20 meetings
- Independent accountants commissioned by China Life audited semiannual and annual financial reports and reported results to the Audit Committee. The accountants also examined the Company's internal control testing then discussed their findings and information about recent legal changes with independent directors

Remuneration Committee

Total Members: 4 / Independent Directors: 4

Composition and Role

- Comprised of all of the Company's independent directors
- Responsible for assessing, setting and reviewing the compensation and performance of Board members and senior managers

2020 Track Record

- Held nine meetings
- Assessed and reviewed annual work performance and the compensation of Board members and senior managers. Checked and verified the annual remuneration made to Board members and employees
- Amended norms and rules for deferment and payment of performance bonuses as well as the director remuneration payment rules

Risk Management Committee

Total Members: 9 / Independent Directors: 1

Composition and Role

- Comprised of five to 15 members and convened by an independent director with a banking, insurance, accounting, or finance background
- Responsible for setting and monitoring risk management policy as well as quantitative and qualitative standards. Ensures consistency, relevance, stability, and transparency across all risk management mechanisms while making risk management a part of routine operations

2020 Track Record

- Held 14 meetings
- Examined the Company's main risks to understand exposure and monitored the integrity and effectiveness of risk management mechanisms
- Added or revised risk management policies and regulations
- Revised the Company's risk appetite and risk limitation standards
- Discussed explanations and response strategies when benchmark index losses on US or Taiwan stock market indices reached warning thresholds

Committee of Business Integrity and Ethics

Total Members: 6 / Independent Directors: 3

Composition and Role

- Comprised of six members, at least half of whom shall be independent directors. Currently consists of three independent directors and three regular directors
- Established the Committee of Ethical Management, continues to strengthen the supervision and management functions of the Board, thus ensuring a better governance framework

2020 Track Record

- Held one meeting
- Reported 2020 ethical management implementation results

Board of Directors Performance Reviews

The Board's performance reviews provide an opportunity for self-evaluation of the Company's performance, paving the way for advancement. They are an important mechanism for promoting sustainable operations and management. In the future, the Company will continue to follow the Corporate Governance Roadmap and relative initiatives. In order to improve the effectiveness of the Board, make corporate operations more sustainable, and create outstanding corporate governance culture, in 2015 the Company formulated the "Regulations Governing the Performance Appraisal of the Board of Directors," which include an annual review of the full Board, individual directors, and functional committees. Every three years, the Company also commissions an external independent organization to conduct a performance review of the Board.

The Board closely monitors the Company's sustainability performance and fair treatment of customers. In 2019, the Board added two new criteria to its self-assessments: "paying close attention to ESG topics" and "actively seeking to treat customers fairly," demonstrating a commitment to sustainable operations and development, as well as resolution to uphold the rights and interests of policyholders. These measures further integrate sustainable operations and fair treatment of customers into the fabric of the Company's corporate culture.

In February 2020, the Company commissioned the Taiwan Corporate Governance Association to evaluate the effectiveness (including performance) of the Board. This third-party organization examined the operational status of the Board and functional committees then provided an objective report that can be summarized as follows:

- ① The Company fulfills core values of the insurance industry by adopting "We Share We Link" as both a development mission and a strategic goal. Employees from the top to the bottom of the Company, in particular the Board and managers, highly identify with this concept and are devoted participants, showing that the Board has successfully woven "We Share We Link" into the fabric of the Company's culture.
- ② Members of the Board are active, professional participants. The Board is adept at using functional committees to be more effective, and the Board and the functional committees operate well together.
- ③ The Company values corporate governance and CSR topics. As a proactive participant in corporate governance evaluations, we willingly join and score well in corporate governance assessments. By fully endeavoring to treat customers fairly, we finished second among insurers in a related contest, underscoring the Board's ongoing pursuit of better corporate governance and higher levels of performance.
- ④ Established a succession plan for management-level employees that considers not only operational management capabilities, professional skills, and work performance but also values and the correlation between core professional roles and the Company's needs. The Board's attention to succession of top-level management, which includes regularly reviewing the development and implementation of succession planning, is positively enforced.



China Life independent directors' mailbox

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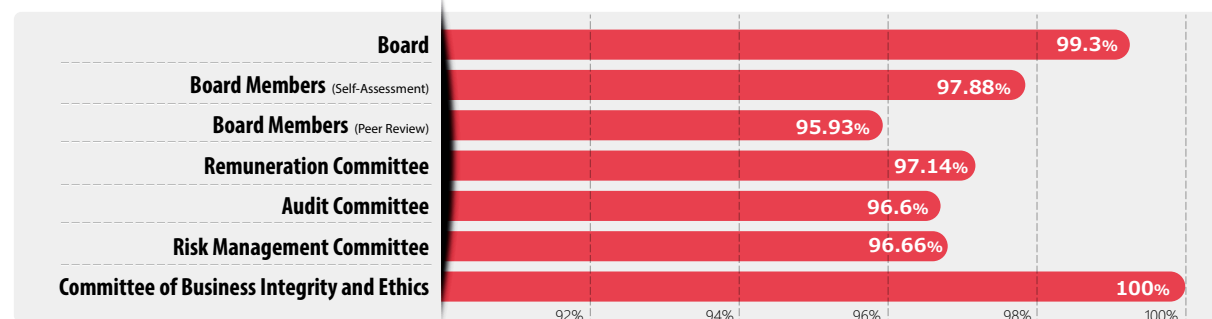
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Recommendations	China Life's Follow-Up Implementation
The Company has eight directors, including four directors who are senior level managers, equivalent to half of the Board. In the future, the Company should consider reducing the percentage of insiders on the Board to raise the Board's independence.	China Life's 21 st Board has nine members, including two who are senior managers at the Company, with proportion declining to less than 50%. The reduced percentage of insiders raises the Board's independence.
We recommend that the Company assign a dedicated unit responsible for reporting to the Board on updates on stakeholders, so that the Board remains up-to-date on relevant information and development trends in the external environment. This will enhance connections between the Board and stakeholders.	The Investor Relations Department reported content from the latest analyst meeting to the 21 st Board on June 24, 2020.
The Compliance Department handles letters that stakeholders send to the Complaints Mailbox. We recommend that the Company advance its whistleblower mechanisms by letting independent directors directly receive complaints, which will ensure effectiveness of the system.	The China Life website has an independent directors mailbox for use by policyholders, shareholders, and stakeholders. Independent directors directly receive the mail to ensure the effectiveness of whistleblower mechanisms.

Board Performance Review

In order to implement Article 5 of the "Regulations Governing Required Qualifications for Responsible Persons of Insurance Enterprises," which calls for regular evaluation of the performance of a responsible person holding a concurrent position, in the Board self-assessment we added a review item: "The director does not concurrently hold positions at multiple companies (including director or supervisor positions); if the director does concurrently hold positions, the director shall be subject to the principle that the responsibilities of the principal position and the concurrent position are both effectively discharged without any conflicts of interest or any violation of the respective internal controls of the institutions."

2020 Performance Review Results of the Board, Functional Committees, and Individual Board Members come as follows:



Results of the Board performance reviews were delivered to the Board in January 2021. To continue advancing the Board's effectiveness, they will be used as a reference for selecting or nominating future directors, as well as setting the individual remuneration of the Board and functional committee members.

The Board's performance reviews provide an opportunity for self-evaluation of the Company's performance, paving the way for advancement. They are an important mechanism for promoting sustainable operations

and management. In the future, the Company will continue to follow the Corporate Governance Roadmap established by the competent authorities and related initiatives. As we raise the effectiveness of the Board and make corporate operations more sustainable, the Company's governance and culture will advance.

Performance Reviews

At the start of each year, China Life's every employee must establish annual performance targets then seek to achieve those targets throughout the year. During the middle of the year, they review their performance with a supervisor, who provides feedback. At the end of the year, a final review and assessment are completed. The cycle of planning, execution and review cycle weighs employee performance from both quantitative (work goals) and qualitative (competencies) perspectives.



360-Degree Assessments

Assessments enable employees of the Company to understand their degree of competence then use this information to raise their performance, while also letting supervisors better know the capabilities of their subordinates, so they have a reference for talent development planning. In coordination with the policies of our financial holding Company, every two years we conduct 360-degree assessments. The objective is to use a combination of perspectives, including self-assessments, assessments by direct supervisors, assessments by direct subordinates, and peer assessments, to overcome self-awareness blind spots. This round of assessments evaluated a total of 83 managers at the department manager level and above.

Remuneration Linked to ESG Performance

ESG items are included in the performance reviews of the Board and employee remuneration includes deferment of bonuses that are linked to the long-term interests of the Company. Future payment methods will include both cash and equity.

Each department pledges that the CSR Committee's ESG targets shall be included in the department's or division's KPI. KPI fulfillment is an important part of managers' annual performance reviews and influences their remuneration, as an incentive to enhance ESG performance.

Guaranteeing Shareholder Rights & Interests and Information Disclosure

China Life is committed to guaranteeing the rights and interests of shareholders and upholding the principle of equal treatment. In addition to expanding and diversifying communication channels, we set six major action plans to ensure that shareholders know important corporate information and can participate in key decision-making. Even when facing severe challenges caused by the coronavirus disease, China Life upheld shareholder communications channels. In 2020, we held one shareholders' meetings with 70% attendance rate from foreign shareholders. Votes in favor of proposals from foreign shareholders surpassed 70% of total foreign shareholder holdings. Meanwhile, we held one online annual analyst meeting that was attended by 145 domestic and international institutional investors, as well as three online investor meetings and roadshow meetings to communicate Company performance strategies and results with international institutional investors.

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Six Action Plans for Investors Communication

1 Earlier Announcement of Financial Reports

The Company ensures the transparency and timeliness of information by releasing all financial reports and shareholders' meeting results before the regulatory reporting deadline while still maintaining strict quality standards. Resolutions from the shareholders' meetings are published on MOPS on the same day after the results are achieved. These measures are part of our commitment to providing information that is up-to-date and transparent.

2 Dedicated Website

The Company's corporate website has both English and Chinese investor relations sections to publish investor meeting announcements, important information, regular financial information, and relevant shareholder services. Investors use the site to quickly access relevant content.

3 Diverse and Informative Meetings

The Company holds onsite or online analyst meetings and attends domestic and international investor conferences, roadshows, and phone/online meetings, so that investors can gain insights into the updates on the Company's operations and finances as well as development strategies.

4 Diverse Communication Channels

The Company announces information both in Chinese and English on the corporate website and the Market Observation Post System (MOPS), in order to ensure consistent disclosure and equal treatment of domestic and foreign shareholders. Investors also have access to a designated contact window to make inquiries and express opinions via phone or email.

5 Convenient Shareholders' Meetings

The Company's annual shareholders' meeting is in May, to avoid the traditional peak season for shareholders' meetings which are usually held in June to avoid the traditional peak season for shareholders' meeting which are usually held in June. The venue of the shareholders' meeting is close to an MRT station.

6 Convenient Electronic Voting

Materials at shareholders' meetings are available in both Chinese and English. Votes are conducted electronically to support participation in major decisions by domestic and foreign shareholders.

Resolutions from the shareholders' meetings are published on MOPS on the same day the results are reached as part of our commitment to providing information that is up-to-date and transparent. We also release semiannual financial reports, annual financial reports, and shareholders' meeting information before the regulatory deadline as an additional way of providing high-quality, timely information.



Semiannual Financial Reports

For six consecutive years, we have been the only life insurance company in Taiwan to publish semiannual financial reports at least 10 days before the regulatory deadline.



Financial Reports

For seven consecutive years, we released our financial reports within two months after the end of the fiscal year, which is one month before the regulatory deadline.



Shareholders' Meeting Handbook, Supplementary Materials and Annual Reports

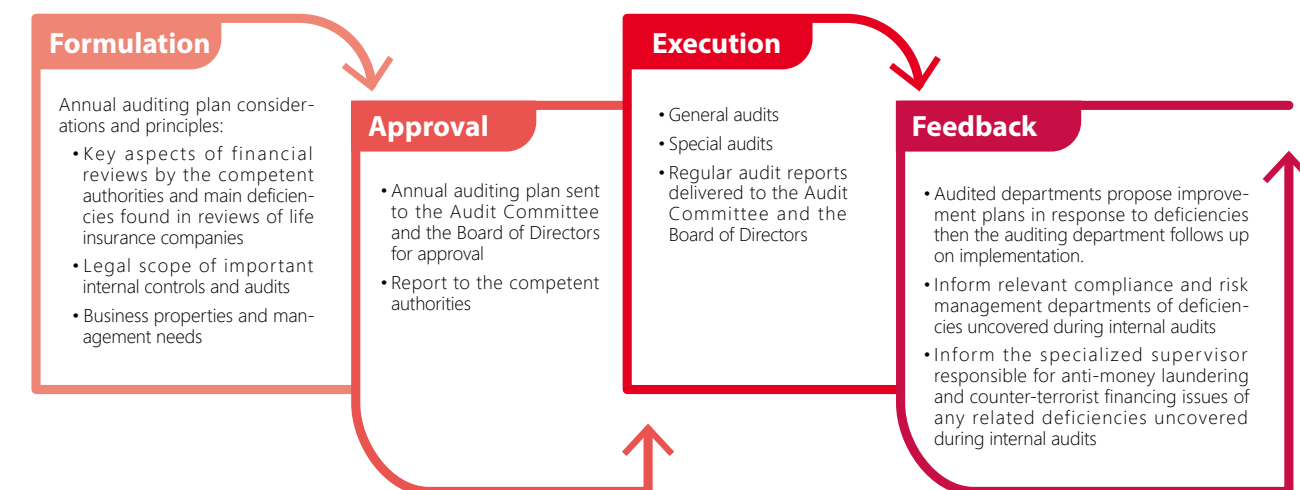
For five consecutive years, we released these materials seven to nine days before the regulatory deadline.

Internal Auditing

The internal auditing unit, which operates under the Board of Directors, organizes at least one general audit annually in accordance with the Board's annual audit planning, the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises," and other related rules and regulations. Besides examining management departments responsible for finance, sales, information, and other areas at least once

per year, the unit also carries out special audits based on practical needs. It tracks review findings and improves deficiencies found by the competent authorities, accountants, internal auditors (including the auditing unit of our parent holding company), and self-inspections. The chief auditor reports to the Audit Committee and the Board at least once a quarter, 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 Operations



Participation in Public Association

China Life participates in major sustainability and development initiatives conducted by external public associations. Besides taking part in trade associations that are closely linked to the insurance and finance industry and researching all sorts of emerging topics, we maintain close contact with other life insurance companies, academia, and government agencies. External institutions we participate in include the Life Insurance Association of the Republic of China, the Taiwan Insurance Guaranty Fund, the Institute of Financial Law and Crime Prevention, the Taiwan Insurance Institute, National Chengchi University Development Foundation, the Actuarial Institute of the Republic of China, the Life Insurance Management Institute of the Republic of China (LIMI-ROC), the Life Office Management Association (LOMA), the Financial Planning Association of Taiwan, the Taiwan Insurance Law Association, and the Financial Governance and Legal Compliance Association of the R.O.C.

Ethical Management

Ethical Management Policies

China Life is fully committed to building corporate values and sustainable operations on a foundation of ethical management. To create this type of culture, and thus solidify the Company's development, we established the "Ethical Corporate Management Best Practice Principles" as primary guidelines. Our "Ethical Corporate Management Conduct Guidelines" and the "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct" provide further support. Stronger ethical management policy execution and clear acceptance of anonymous whistleblower claims contribute towards a resilient whistleblower system that makes the Company's operations more robust.

In 2020, we did not receive any whistleblower reports of unethical operations or notification of incidents that violated our ethical operations, anti-corruption, or conduct standards.

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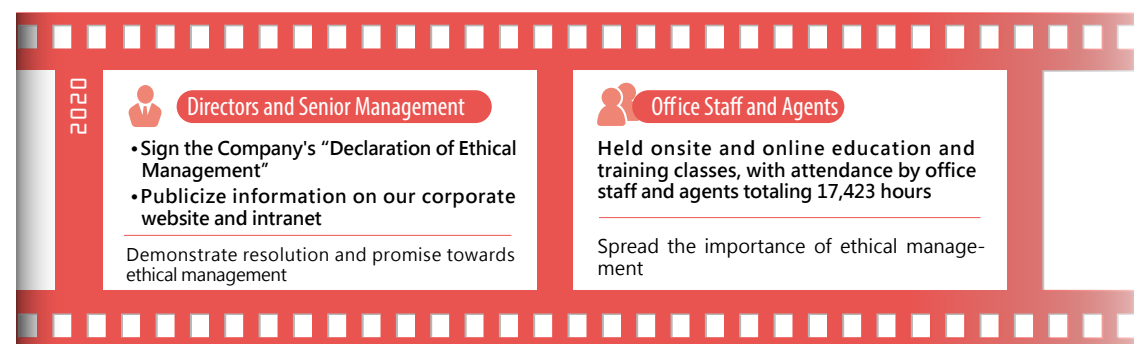
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Committee of Ethical Management

The Committee of Ethical Management was established as a functional committee under the Board of Directors to directly oversee the Company's ethical management. Besides formulating ethical management policy and preventive programs and monitoring implementation, the committee checks and evaluates the effectiveness of preventive measures from the previous year. It assesses compliance of business departments that carry out these processes, regularly holds meetings, and annually reports updates on execution to the Board. In 2020, it convened one time.

Ethical Management Education and Training

China Life uses open pledges, information delivery, education, training, and production of a short legal knowledge promotional video to reinforce our ethical management principles. We build a top-to-bottom ethical management culture that reaches all levels of the Company.



To strengthen ethical management and legal compliance principles among our agents, in 2020 we began to publicize regulatory messages. Using company-agent communication platforms and push notifications, each week we promoted two regulations that agents must comp. These notifications let agents know the rules and regulations when they are soliciting business or providing services. Our top-down approach ensures that agents adhere to ethical management principles when conducting business as a matter of routine.



Prudent Risk Management

Risk Control

After the financial crisis made the financial and insurance industry more aware of the vital role of risk managements, China Life enforced stricter risk management rules as a way of continuing to focus on our operational objectives. The Company's risk management framework is based on policies made at the highest level of risk management then extended to all related administrative measures, practical enforcement rules, and procedures. Through a management system that adopts internal norms and comprehensive documentation, we implement risk management mechanisms.

Implementing Pandemic Prevention Management Measures for Uninterrupted Operations

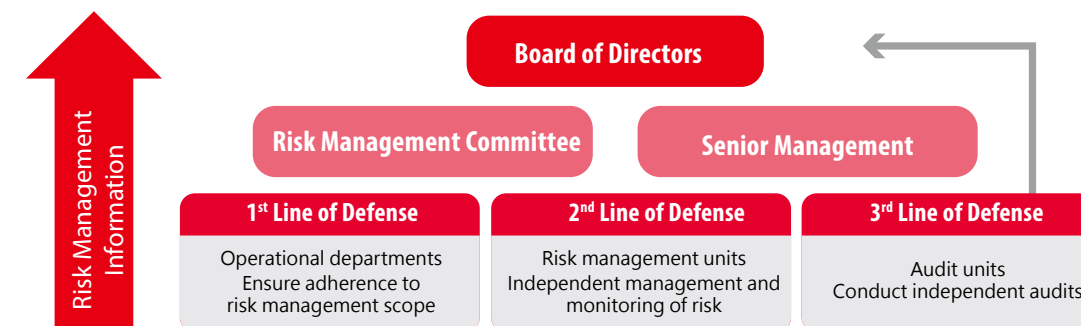
In response to the COVID-19 pandemic, China Life formed a pandemic response team at the end of January 2020. Through careful planning, oversight, and coordination, we introduced a series of response measures that ensure uninterrupted operations. Besides disinfecting the workplace, managing employees' health, reporting health incidents, and introducing off-site offices and work from home measures, we created a contingency plan to facilitate ongoing operations. We also simulate the potential scenario when facing lockdowns in Taipei, New Taipei or Taichung, in order to continue the services. In the event of a work from home order, the plans serve as a reference for handling investment transactions, policyholder services, policy procedures, business solicitation, internal administration, internal controls, legal compliance, or risk management. Ensuring the capacity for uninterrupted policyholder services and operations reduces the impact of any potential disruptions.

Risk Management Organization

The Risk Management Committee was established as a functional committee under the Board of Directors. It manages risks for the Board, self-risk, the chief risk officer, risk management departments, auditing departments, and all operational departments. By advocating a top-down approach to risk management culture and concepts, China Life enables information to flow from the bottom to the top of the Company, creating a comprehensive net for capturing risk wherever it appears. This leads to effective risk management throughout the Company.

18 risk management education and training sessions, completion rate of 100%

China Life also established a dedicated Risk Management Department to act as the core of our risk management efforts, extend risk management requirements and results to each operational unit of the Company, and ensure fulfillment of risk management objectives. The department manages the scope and enforcement of risk measurement models and risk monitoring systems. It provides risk information to support management in making responses and decisions related to risk avoidance, risk transfer or hedging, risk control, assumption of risk, and capital requirements. Close interaction between the department and all departments that undertake risk (operational units) supports risk identification and control planning. The department aims to be the first line of risk management, in order to fulfill preventive and warning objectives.



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Risk Management Policies

China Life establishes regular reviews and revises risk management policies to ensure the highest risk management guidance standard throughout the Company. These policies clearly represent our risk management goals and strategies, as well as our organization, duties, evaluation of capital adequacy, risk appetite and risk limits. Meanwhile, our major risk types and their management processes follow international trends in enterprise risk management, namely Enterprise Risk Management (ERM) while building a foundation for practical implementation and scope.

Risk Identification and Responses

Market Risk We manage risks related to interest rates, exchange rates, and securities prices according to China Life's "Market Risk Management Regulations." Mechanisms include position and quota control, sensitivity analysis, stress tests, and value at risk.

Credit Risk We manage credit risks for bond issuers and counterparties according to China Life'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. Since 2016, in consideration of the special risk of subordinate debt, we have added a minimum credit rating requirement, risk limitations by credit ratings, and a maximum position of subordinated debt to credit-based risk amount.

Liquidity Risk We manage financial and market liquidity risks according to China Life's "Liquidity Risk Management Regulations." Relative mechanisms include using cash flow models to analyze capital flow risks and stress tests.

Operational Risk Based on the "Insurance Industry Risk Management Best Practice Principles" and the Basel Accord's operational risk categories, we determined seven major operational risk and loss categories that we use to identify risk and serve as a foundation for operational risk management information. Using a combination of three primary operational risk management tools: risk control self-assessment (RCSA), key risk indicators (KRI), and loss data collection (LDC), as well as qualitative and quantitative risk identification and weighing mechanisms, we built a comprehensive operational risk management database that enables us to monitor and manage the Company's overall operational risk status.

In response to the pandemic's global impact and to strengthening business continuity management mechanisms, all departments in the Company include operational interruptions among their risk control and self-assessment (RCSA) monitoring items to continue to monitor related risks. We established a disease prevention task force, held off-site work and work from home drills, and formulated backup plans that raise our response capabilities to keep operations uninterrupted while mitigating the impact of any interruptions that do occur. In addition, to strengthen key risk indicator monitoring mechanisms, in 2020 we examined the past five years of data measurement results then used statistical analysis to formulate key risk indicator thresholds that we use as reference points.

ESG Risk and Other Emerging Risks In 2021, China Life plans to incorporate ESG risk and other emerging risks (such as climate change risk, urbanization risk, and health problem risk) into risk management procedures. At the same time, the Company will continue to add to and revise business continuity management (BCM) regulations and methods. Since the competent authorities include climate change in stress testing, and considering that the greatest climate risk Taiwan faces are typhoons, China Life included typhoon-related losses in the Company's assessment standards. As the climate changes, China Life monitors whether the Company's assumption of risk is sufficient.

The Company regularly tracks and evaluates various experience rates of policyholders. In response to Taiwan's ageing society, low birth rate, exercise popularity, and product customization for specific groups, China Life develops innovative products that match demand. For example, it developed microinsurance, small-amount life insurance, policies with health spillover effects, small-amount life insurance customized for people with disabilities, and other policies with ESG value.

Risk Management Information Platform

China Life established a "risk management dashboard" (namely risk management information platform) that it operates in accordance with guidelines for detecting operational risk. Since the launch of the platform in 2016, the Company has reviewed and adjusted 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. 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, and citizen accounts. Using these indicators, management quickly grasps exposure and risk management situations so that responses can be drafted and implemented. At the same time, monitoring data further helps us to understand and evaluate changes to overall operational risks.

Own Risk and Solvency Assessment (ORSA)

In response to international trends and requests from the competent authorities, China Life developed its own risk and solvency assessment (ORSA) framework and relative concepts 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 to support the Company's decision-making. In order for ORSA to provide more accurate risk management information and fit the framework of current risk management mechanisms, the Company invests human and physical resources into internal models for assessing major risk factors, such as stochastic models for domestic securities and forex or models to analyze bond default risks.

In our 2021 ORSA reports and related documents, the Company strengthened climate change risk assessments by examining related factors, such as material risks, the impact of transition risks, and response measures for climate change risk management.

New Technology Risk Identification

To increase the effectiveness of gathering and control mechanisms for internal and external information, and allow the managers of each operational unit to understand actual risk exposures, each business unit carries out risk analysis before new business activities, processes, systems are launched or go online. The analysis is used to comprehensively identify potential risks from a wide range of angles then introduce risk control measures. In 2020, we completed risk analysis on four new businesses activities, processes and systems.



China Life is the **first** company to apply for and **obtain approval** from the Insurance Bureau, FSC to operate a pilot facial recognition for mobile insurance policy applications, and was part of the first group of insurers to join the Taiwan Blockchain Alliance in launching a shared blockchain technology platform for the insurance industry (Conservation and Claims Consortium Blockchain).

Three Major Operational Risk Management Tools



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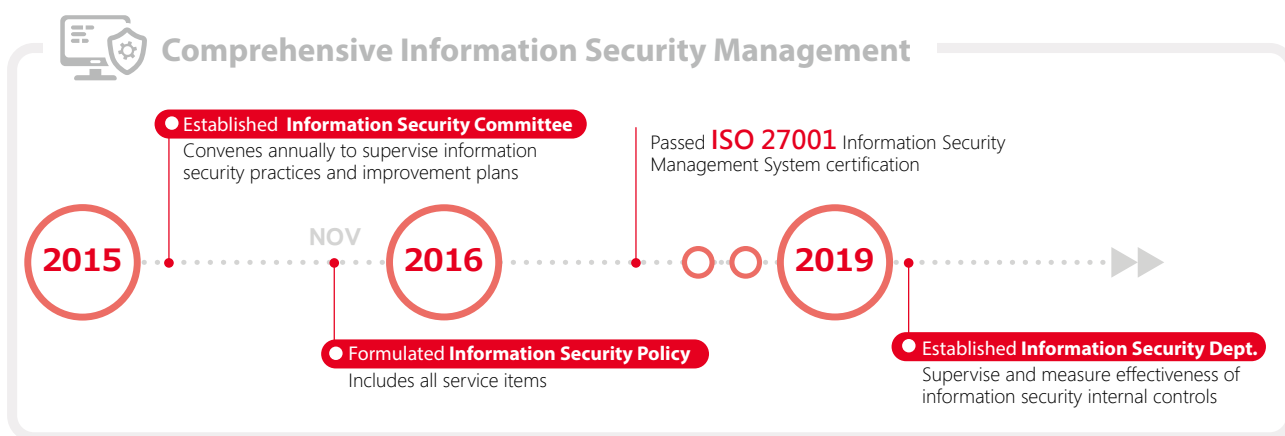
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Information Security

Information Security Management

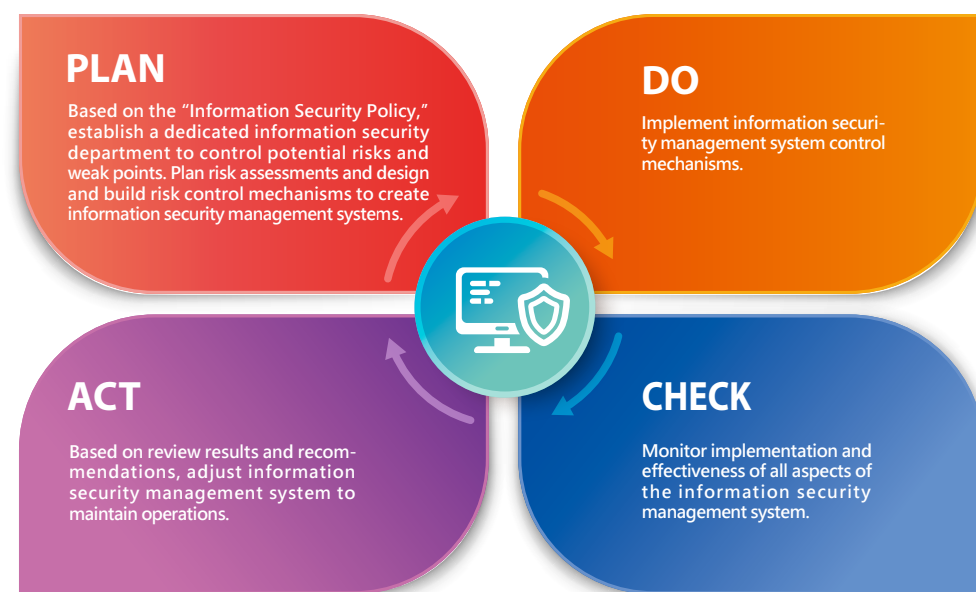
China Life established the Information Security Department to serve as the Company's dedicated information security unit. The department expands the scope of our information security management system and creates a framework to manage related control procedures and self-assessments throughout the Company. At the same time, it monitors and measures the effectiveness of information security internal controls.



The Company has also created the Information Security Policy for use in all service lines. In addition, the Information Security Committee has been established to review the policy annually, and it convenes semiannually to review information security management implementation, the status of motions previously raised by the committee, internal and external information security topics, and modifications to the information security management system. In 2020, the Company reviewed work implementation status and planned tasks to carry out in 2021. At the same time, it commissioned external experts to evaluate control procedures relating to the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises."

Information Security Management System

China Life's information security management system operates according to ISO 27001 standards and uses the Plan-Do-Check-Act cycle (PDCA) as both a foundation and a tool for maintenance and improvement.



Information Security Insurance

The Company purchased information security insurance to lower the legal and financial burden of damages that could be claimed from customers for cyber incidents. Transferring the potential losses from these risks lowers the possible impact to our reputation from such an incident.



Evaluations of Computer System's Cyber Security

To ensure the Company's information security defense, we use a variety of testing procedures to uncover cyber security's threats and weaknesses. We then use technology and management control measures to improve our defense capabilities.

China Life follows the "Computer System Information Security Evaluation Planning." In 2020, we carried out various Category 1 and 3 computer system information security assessment testing items. We issue "Computer System Information Security Assessment Reports" to regularly find and track improvements and to review the status of preventive mechanisms.

Assessments such as these strengthen the Company's network frameworks and overall information security. They reduce the risk of wrongful disclosure, alteration or seizure of internal information.



Statement on Information Security Implementation Status

In order to comply with the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises," and to emphasize the value that senior management places on information security, the Company carries out execution evaluations. The evaluation reports are intended to help senior managers understand current compliance status and release corresponding statements.

Information Security Drills and Training

In response to ever-changing external attacks and to reduce the risk of interruption of information availability due to sudden calamities or irregularities, China Life established information security defense mechanisms. External experts carry out penetration testing to demonstrate the effectiveness and response capabilities of our defenses. Annual drills show our response strategies and management plans, thus ensuring continuity of information operational systems.

In addition, the Company's employees undergo information security education, training, and receive advocacy in accordance with practical standards to advance related knowledge. General employees receive three hours of online information security education and training and must complete tests to demonstrate their knowledge and awareness. Information security staff complete at least 15 hours of education and training each year through a combination of privately arranged sessions, domestic courses and symposiums, and international training. In 2020, 100% of our staff passed information security tests.

In 2020, **100%** of our staff passed information security tests.

Information Security Joint Defense

To respond to the growing need for information security and expanded sources of information intelligence, the Company participates in a joint defense group. Using resources from multiple companies strengthens the depth and breadth of information intelligence analysis, supporting comprehensive warnings and defense recommendations that are faster and more accurate. When a major information security incident occurs, multiple institutions will be affected. Under these circumstances, the joint defense group enhances systematic risk control, enables cross-institutional or cross-field reporting and responses, and supports organizations that

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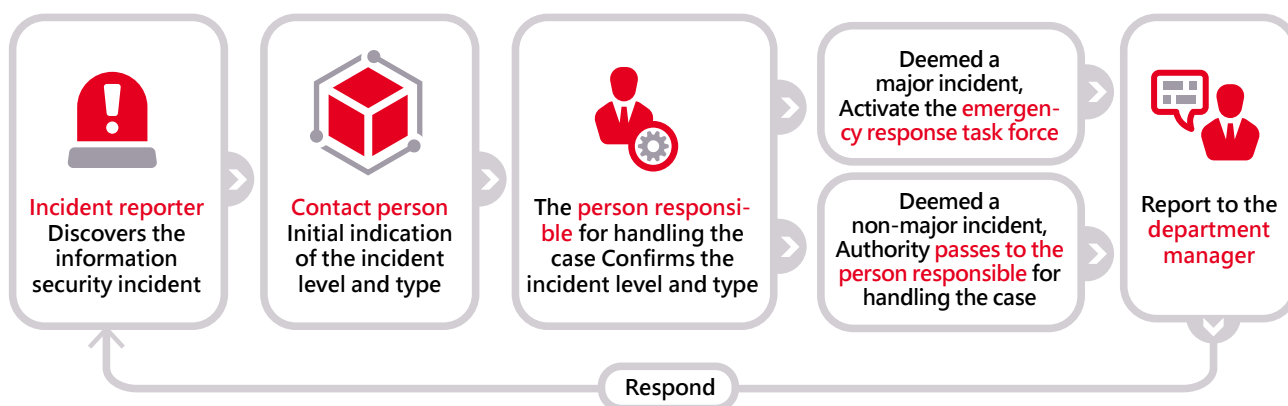
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help to manage the incident. The aforementioned advantages mitigate damage and losses. The Company also joined the information security intelligence analysis platform operated by the Financial Information Sharing and Analysis Center and established financial information security incident monitoring and response mechanisms together with our parent financial holding company and affiliated subsidiary companies.

Information Security Incident Responses and Management Mechanism

Reporting of information security incidents is handled according to the China Life information incident management methods. Whenever employees or anyone who does business with the Company, including contractors, full-time employees, or temporary employees, discover an information system or vulnerability that violates our information security policies or relevant standards, or when they face external threats, they shall remain alert and report the incident in accordance with standard procedures. When an incident that could impact personal information occurs, it shall be handled based on the internal Personal Information Incident Response, Reporting, and Prevention Management Methods. After incident handling is complete, the department supervisor responsible for the related systems or business shall make necessary improvements and preserve records of the event. The objective shall be to prevent recurrence. In 2020, China Life did not have any major information security incidents.



Personal Information Protection Organizational Framework

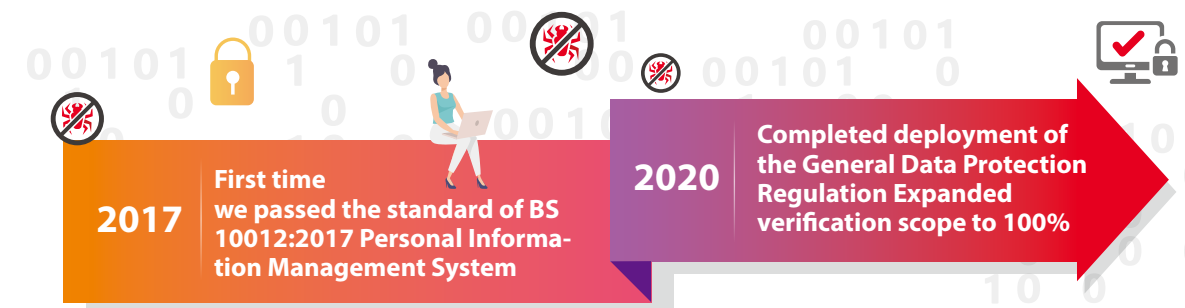
China Life cautiously handles the personal information of shareholders at every stage of operations. To strengthen the operational efficiency of our personal information security maintenance mechanisms and to integrate related management resources, we established the Personal Information Protection Management Committee. Convened by the Company's president, the committee promotes, manages, and oversees our PIMS. It meets semiannually to discuss personal information protection, technical developments, management system oversight and review, and handling of related incidents. Each committee member is briefed on the overall state of personal information protection at the Company.

Personal Information Management System

In 2017, China Life integrated BS 10012:2017 into our PIMS, and each year we acquire third-party certification. We follow best practices and the plan-do-check-act management model, which ingrains personal information protection into routine tasks, making it part of our corporate culture. To further enhance management of personal information protection and information security while acting in line with international standards and trends, we expanded certification scope in 2020 to include all units of the head office and branch offices. We also completed an applicability assessment for the General Data Protection Regulation (GDPR), which is an EU standard. In 2020, we did not have any intentional violations of customers' personal privacy or losses of customers' personal information.



In 2020, No Personal Data-Related Incident



In preparation for expanding the certification scope to include all Company units, we held 16 personal information protection education and training session on a diverse range of topics that covered both standards and practical matters. We also invited external consultants to provide support in 78 sessions totaling 163 hours. Together, these initiatives represented a large human resources commitment by the Company. In 2020, the head office and all branch offices passed BS 10012 certification.

Personal Information Protection Education and Training

To continue to make employees more aware of their personal information protection responsibilities and to strengthen continuity of related management mechanisms, the Company promotes related concepts both internally and externally while also holding practical education and training. In 2020, we held personal information protection awareness classes, in which the participation and passing rates were both 100%. In addition, after considering the day-to-day personal information protection needs of each department, we held eight in-person courses and eight online courses. Agents and other staff used these opportunities to strengthen and maintain their personal information protection management capabilities.



The Company's personal information protection education and training efforts also included training 12 employees to become lead auditors for BS10012:2017, bringing the total number of certified employees to 34. To strengthen interaction with external experts, for four consecutive years the Company invited external experts to visit and share related information. In 2020, they focused on corporate information security and personal information protection response measures during a pandemic, in order to help keep information safe as the Covid-19 pandemic raged.

Trained employees to become lead auditors for BS10012:2017
 Total certified employees: 34

Interactive Meeting for Personal Information Protection System Representatives

To manage PIMS, the Personal Information Protection Management Committee convenes semiannually and all of the Company's personal information protection system representatives meet annually to discuss expectations and recommendations of stakeholders for PIMS-related issues. In 2020, as staff shared personal information protection system feedback and opinions, new employees became more aware of related issues. Additional efforts to improve education and training materials and content raised overall practices and results.

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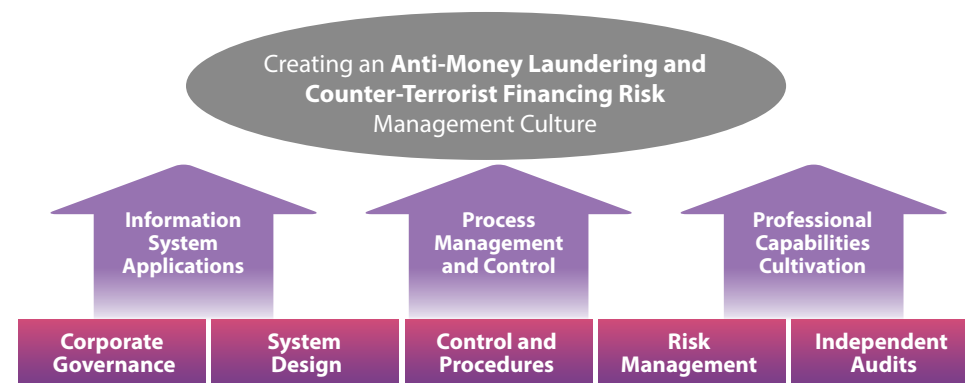
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Money Laundering Prevention

Anti-Money Laundering and Counter-Terrorist Financing Organizational Framework

China Life's anti-money laundering and counter-terrorist financing risk management framework is based on five key aspects: corporate governance, system design, control and procedures, risk management, and independent audits. We foster information systems, process management and control, and employees' professional capabilities to integrate anti-money laundering and counter-terrorist financing awareness into the Company's organizational culture.



To further implement anti-money laundering and counter-terrorist financing mechanisms, the Company's head office chief compliance officer is the officer in charge of overseeing anti-money laundering and counter-terrorist financing. In accordance with the law, the officer must report related information to the Board of Directors and the Audit Committee on at least a semiannual basis. The Board oversees corporate anti-money laundering and counter-terrorist financing operations, risk analysis, and the status of plan implementation.

China Life also established a dedicated unit to manage anti-money laundering and counter-terrorist financing efforts and designated oversight officers in each of the Company's operational departments. Senior employees with relevant professional qualifications or supervisors at the level 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.



All of the staff members serving in the units dedicated to anti-money laundering and counter-terrorist financing passed a test to acquire CAMS certification

A total of 430 employees have obtained this certification

Anti-Money Laundering and Counter-Terrorist Financing Management Mechanisms

Following revisions to the "Money Laundering Control Act," the "Counter Terrorism Financing Act," or related rules, regulations, and autonomous statutes, the Company convenes meetings to announce key points. At the same time, we carry out pre-and post-revision legal variance analysis to ensure a timely response.

To implement these procedures and improve preventive measures, China Life holds regular reviews to discuss whether internal regulations and procedures are appropriate. We check monitoring patterns and reporting standards to improve the quality of suspicious transaction reports and strengthen crime prevention. These advances reduce defensive reporting. This year, we continued to revise the "Directions and Rules Governing Anti-Money Laundering and Counter-Terrorist Financing" and the "Evaluations of Money Laundering and Terrorist Financing Risk Control Procedures."

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

Considering that anti-money laundering and counter-terrorist financing are topics of high concern around the world, the Company continues to strengthen relevant capabilities of directors, senior managers, supervisors and regular employees from dedicated units, and directors and managers of operational units, while raising awareness among general office staff and agents. All staff members must recognize the importance of these issues.

For professional education and training, China Life takes a number of steps to help employees gain more knowledge to carry out their assigned responsibilities. For example, anti-money laundering and counter-terrorist financing specialist staff from key departments attend training events at external organizations. Internally, we carry out regular advocacy and discussions on related regulatory and operational changes as well as practical concerns and cases. In total, we held or participated in 48 training events.



Anti-Money Laundering and Counter-Terrorist Financing Intensive training action

Board of Directors

- (1) To ensure that ultimate responsibility is assigned for internal anti-money laundering and counter-terrorist financing controls, related risks must be understood and measures must be taken to build an appropriate culture.
- (2) Since 2016, we have invited domestic AML/CFT speakers to hold sessions aimed at raising money laundering risk awareness and responsibility among senior managers.
- (3) In 2020, we invited Tsai Pei-ling, the executive secretary of the Anti-Money Laundering Office, Executive Yuan to introduce assessment methodologies and reporting guides for comprehensive money laundering and terrorist financing risks in the insurance industry. Content ranged from the APG Mutual Evaluation Report and developments and outlook in the post-APG era, to analysis of money laundering and terrorist financing risks at the national level and in the life insurance industry.

Dedicated Supervisors, Specialist Staff and Directors or Managers of Operational Units

- (1) Required courses and tests, in accordance with legal regulations.
 - Latest domestic and international norms and standards on anti-money laundering and counter-terrorist financing.
 - Trends and patterns of money laundering and terrorist financing risks.
 - Patterns and case study of anti-money laundering and counter-terrorist financing (including discussion of predicate crime threats and prevention of weapons proliferation).
 - Customer evaluations and assessments for anti-money laundering and counter-terrorist financing procedures.
 - Business integrity and ethics (including counter-corruption, and protection of whistleblowers).
- (2) Hold in-person classes in conjunction with external professional training organizations.
 - Hold two classes for staff members specializing in anti-money laundering and counter-terrorist financing.
 - To strengthen on-the-job training, we invited anti-money laundering and counter-terrorist financing experts to speak on financial crime prevention and control and practical anti-money laundering methods for the finance industry.
 - Completion rate of 100%

In-house and field workers

- (1) Provide a suitable amount of foundational training hours using annual online classes and post-class tests.
- (2) Convey information on laws, regulations, and important concepts relating to anti-money laundering and counter-terrorist financing.
- (3) Completion rate of 100% among in-house staff members and field workers.

Customers and External people and field workers

- (1) To effectively implement anti-money laundering and counter-terrorist financing, besides requiring hard work and enforcement at the Company, external staff and customers are critical.
 - Publicize money laundering prevention awareness and related concepts among customers.
 - Maintain a dedicated money laundering prevention section on our corporate website.
 - Posts on the Company's Facebook official account by providing relative website links, promotional materials, and information from the competent authorities for the general public
 - Hang posters in customer service centers and district offices
 - Available for replying to answers anytime. When customers inquire about anti-money laundering or counter-terrorist financing procedures, front-line staff provide explanations. They actively advocate greater awareness and understanding of related topics.
- (2) Contracts signed by cooperative channels.
 - Both sides are required to comply with relevant regulations and need to advocate relevant information via contact forms or personal connection by following the rules.

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Continue to optimize operations

To continually advance our anti-money laundering and counter-terrorist financing systems, improve related operations and procedures, and conform to internal enforcement and policy guidance, we completely revised our risk assessment methodologies. Besides adopting the same policy as our parent financial holding company, we considered domestic and international risk management reports and trends. Using repeated measurements and methodological comparisons, we created inherent risk indicators and control effectiveness indicators while strengthening the logical foundation for assessing residual risks. The indicators provide a foundation for monitoring risk trends and changes, which shows the Company's overall exposure and how it relates to national risk assessments. In consideration of the Company's customer groups, products, and transaction policies, and as part of our ongoing commitment to monitoring money laundering and terrorist financing risks, we formulate risk limits and determine risk appetite, which enables us to build a comprehensive picture of the risks we face.

In 2020, we strengthened money laundering and terrorist financing risk factor judgment rules. Using structured, logical methods, we created a documented system that supports business compliance.

In consideration of the Company's client base, products, and transaction policies, we formulate risk limits and determine risk appetite, as part of our ongoing commitment to monitor money laundering and terrorist financing risks. In 2020, results of comprehensive money laundering and terrorist financing risk analysis showed that we adhered to our risk appetite and risk limitations standards. China Life also follows the optimization items in the Comprehensive Money Laundering and Terrorist Risk Financing Evaluation Report and Prevention Plan. This includes conducting outsourced testing for name verification. Additionally, to further advance related mechanisms by enhancing customer identification features, this year we added a fuzzy match search engine for names to raise the effectiveness and accuracy of our systems. We also integrated an automated system that searches for negative news. It expands the scope of collection beyond the limited number of domestic news websites that human operators can search, so the Company can create better databases of high-risk customers.

In 2020, results of comprehensive money laundering and terrorist financing risk analysis showed that we adhered to our risk appetite and risk limitations

Legal Compliance

Legal Compliance Risk Management Mechanism

China Life builds compliance risk evaluation mechanisms in accordance with the law; the Company conducts annual legal compliance risk evaluations to improve our monitoring and respond to stricter financial oversight trends. Using proactive identification, evaluation, and detection, we monitor business areas or units that are at particularly high risk of non-compliance, formulate plans to reduce risk exposure and residual risks, then report results to the Board of Directors.

Legal Compliance Education and Training

The Company conducts education, training and advocacy programs that target different groups (directors, senior managers, department compliance managers, sales agents, and new employees). Topics include confidentiality obligations, fair treatment of customers, financial consumer protection, personal information protection, the Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard, due diligence implemented by financial institutions, insurance penalty case studies, and anti-money laundering and counter-terrorist financing.



Held 26 legal education, training, and advocacy sessions

Implementation of the "Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions" (CRS)

In order to comply with Common Reporting Standards, China Life has required due diligence for all new cases since January 1, 2019. By December 31, 2019, we completed due diligence on all existing high net-worth accounts, and by June 30, 2020, we completed our first related reporting. By December 31, 2020, we completed due diligence on existing physical accounts and accounts of relatively lower value, in preparation for reporting by June 30, 2021.

Fines and Improvement Measures

China Life's internal compliance departments gather daily information on the competent authorities' actions towards violations in the insurance industry then notify relevant departments. We review our internal operations and policies, assess the latest regulator approaches, use these findings to make revisions and prevent a similar violation occurring at the Company. Ongoing analysis of regulators' interpretations of the "Insurance Act" and other related legal standards ensures that our solicitation, products, after-sales service, protection of employee interests, and other operational procedures are in full compliance with the latest government regulations.

In 2020, the competent authorities issued one disciplinary action to China Life. The Company responded by reviewing our procedures and proposing improvements to controls and management, and we disclosed the incident on our corporate website.

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Main Points of the Breach and Fine

An FSC investigation of the Company's insurance business found violations of the "Insurance Act." On July 27, 2020, it issued a fine of NT\$600,000 and requested the following corrections:

1 When the Company underwrote insurance policies solicited by insurance brokers, it did not request that the brokerage agency review and approve insurance application documents before delivery to the Company. The Company also did not build mechanisms to confirm reviews and approvals carried out by brokerage agencies. These deficiencies run counter to subparagraphs 3 and 4 of paragraph 1, Article 7 and Article 17 of the "Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises," as authorized by paragraph 2, Article 148-3 of the "Insurance Act."

Improvement Measures ▶ Built examination and verification mechanisms and requested that brokerage agencies review and approve documents before delivery to the Company

2 When the Company sold investment-linked insurance products to customers aged 70 years or above, the agents only read the promotional scripts describing the insurance aspects of the products and did not elaborate on the investment risks associated with the linked investment targets. This did not comply with paragraphs 2 and 3 of point 6 of the regulations governing the sale of investment-linked insurance products.

Improvement Measures ▶ We modified the recording templates used during the sales process for our investment-linked insurance products based on the investment target characteristics.

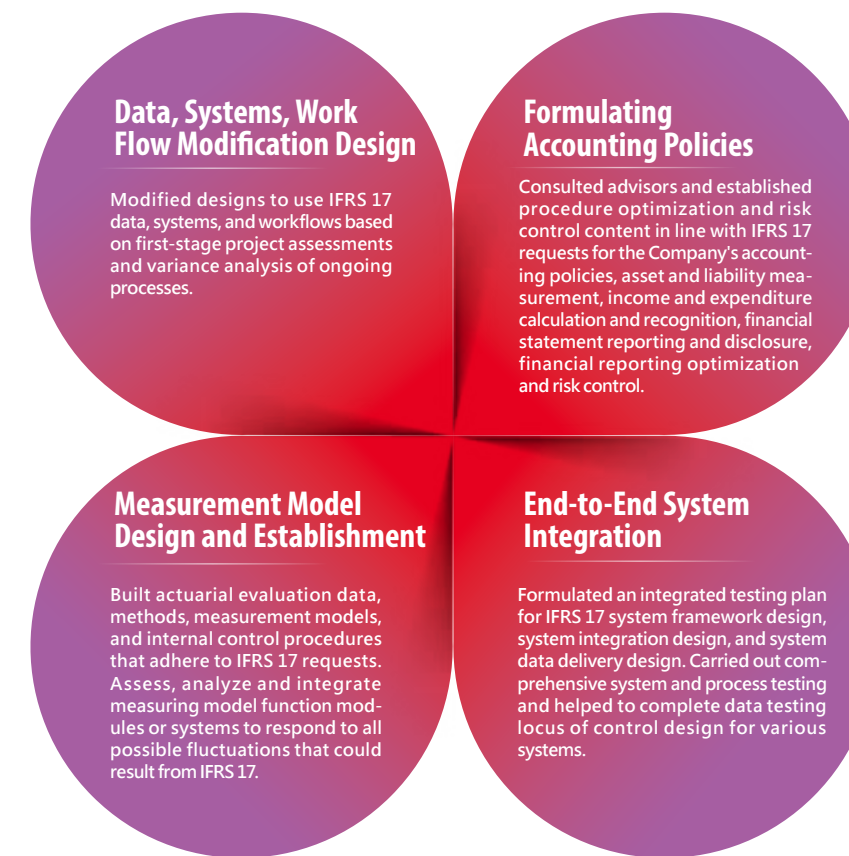


Advanced Transition to IFRS 17

To preemptively respond to the changes that the IFRS 17 will bring, in August 2019 China Life established a dedicated department overseen by the Company president and that integrates actuarial, finance, accounting, and information technology teams. The new department follows the latest changes to international standards and industrial trends then formulates strategies for products, investments, and management of assets and liabilities, in order to reduce related impacts and smoothly adapt to changes.

IFRS 17 is considered a trigger for digital transformation. From talent training to changing longstanding performance management standards and internal processes, its adoption demonstrates China Life's commitment to transformation. It represents not only systematic adjustments, but also human and management changes. During implementation, we train employees to understand actuary, accounting, information technology, investment, risk management, and operational skills, turning them into critical assets who will lead the Company's future transformations.

Following international deferment of the effective date of IFRS 17, China Life kept original adoption plans on schedule and continued to carry out transition tasks on schedule. Main work features included the following four items:



Data, Systems, Work Flow Modification Design

Modified designs to use IFRS 17 data, systems, and workflows based on first-stage project assessments and variance analysis of ongoing processes.

Formulating Accounting Policies

Consulted advisors and established procedure optimization and risk control content in line with IFRS 17 requests for the Company's accounting policies, asset and liability measurement, income and expenditure calculation and recognition, financial statement reporting and disclosure, financial reporting optimization and risk control.

Measurement Model Design and Establishment

Built actuarial evaluation data, methods, measurement models, and internal control procedures that adhere to IFRS 17 requests. Assess, analyze and integrate measuring model function modules or systems to respond to all possible fluctuations that could result from IFRS 17.

End-to-End System Integration

Formulated an integrated testing plan for IFRS 17 system framework design, system integration design, and system data delivery design. Carried out comprehensive system and process testing and helped to complete data testing locus of control design for various systems.

Stakeholder Communication

China Life places a great emphasis on fostering positive interactions with investors. We built a specialized investor relations department to promote two-way communication channels between the Company and investors. Besides regular analyst meetings, domestic and international investor forums, and investor communication, we maintain an investor relations section on the corporate website to provide access to Chinese- and English-language financial data and information on shareholders' meetings, analyst meetings, and the latest news.



China Life's Investors section

Response Strategies

Facing an ongoing low-interest rate environment and new system's impacts, the main objectives of our product strategies include optimizing product mix and raising the new business value. China Life continues to promote channel transformation while emphasizing talent cultivation, in order to raise both business efficiency and service quality. By strengthening our channel competitiveness, we are prepared to respond to the product-related strategic adjustments of IFRS 17.

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Sustainable Finance



China Life voluntarily responded to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) by incorporating ESG topics into our investment decision-making process, thereby boosting investment targets with outstanding ESG growth stories to grow.

China Life also adheres closely to the principles of inclusive financing and “treating customers fairly.” We exhibit core values of the insurance industry and social responsibility by increasing financial inclusion through product design and digital transformation. This leads to better basic insurance protection for the general public. We also introduce specialized insurance products that meet different social needs that result from different social issues such as income inequality and aging population.

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Enhance responsible investing and green finance by incorporating ESG issues into investment decisions

2020 ESG Goals and Progress

- ◆ Participated in one ESG investment-related forum and acted on the PRI.
- ◆ Incorporated CSR evaluations into 100% of our investment research reports and made CSR an important part of investment decision-making.
- ◆ Continued to be an active participant in the shareholders' meetings of invested companies. Kept our participation rate of 100% to ensure responsible use and management of policyholders' assets.

2021 ESG Goals

- ◆ Apply ESG factors when evaluating investment targets. Prioritize companies that focus on ESG and regularly review their performance. Conduct investment research on 100% of the companies we invest in in the research papers and disclose ESG evaluations in all of the reports, to support making ESG an important investment criteria.
- ◆ Conduct ESG investment education and training for our investment analysts so that they understand the latest ESG investment trends.
- ◆ Have at least 80% of the companies in our foreign mutual funds and ETFs be PRI signatories by 2021.
- ◆ Participate in 100% of the shareholders' meetings of invested companies to the extent that our authority allows, in order to fulfill our responsibilities towards the use and management of policyholder funds.
- ◆ Continue to participate in ESG investment forums to understand the latest topics and trends regarding responsible investing.
- ◆ Continue to invest in the 5+2 Innovative Industries Plan. Increase our investment in such topic by 5% in 2021, including a 50% investment increase in solar power plants.
- ◆ The Board of Directors and management shall formulate and promote climate change-related risk management strategies.
- ◆ Add ESG topics to our investment-linked products to provide policyholders with multiple choices.
- ◆ Publicize green finance sustainability concepts and awareness. In 2021, we will hold four online and offline activities to foster environmental sustainability, and each month we publish such promotional messages on the official accounts of social platforms (such as Facebook or Line@).

Promote digital transformation to strengthen digital competitiveness

2020 ESG Goals and Progress

- ◆ Built an insurance fraud detection system integrating with AI capabilities to protect the claims-related rights and interests of policyholders and improve customer service experience.
- ◆ Used big data analysis platforms to develop smart recommendation functions that meet policyholders' need.
- ◆ Completed automation testing scripts for three types of mobile insurance-enabled products (pension, accident insurance, and health insurance). Integrate automation testing mechanisms into the policy recommendation systems for two types of products (life insurance and investment-linked products).
- ◆ Deployed mobile application inspections into the iCare system by making mobile application inspections mobile in order to improve the underwriting efficiency.

2021 ESG Goals

- ◆ Continue to stay client-oriented and aim to create precision marketing lists using big data analysis for at least six products, in order to provide heartwarming service and provide comprehensive protection.
- ◆ Introduce automation testing mechanism for "recommendation form system for investment-link variable annuity insurance products" by optimizing four types of product testing cases and continue to maintain mobile insurance automation related testing scripts.

Implement inclusive financing to satisfy policyholder needs

2020 ESG Goals and Progress

- ◆ Continued promotion of microinsurance products. Accumulated policyholders reached 33,178 people.
- ◆ Continued to promote small-amount life insurance, bringing the total amount of policies sold to 27,000.
- ◆ Promoted inclusive financing insurance products. Increased the total number of disabled persons who are policyholders to 500.
- ◆ Sold policies online in cooperation with one new third-party sellers.

2021 ESG Goals

- ◆ Continue to promote microinsurance products while using love and care to build a comprehensive safety net. Increase the number of our policyholders by 15% compared with the previous year.
- ◆ Promote small-amount life insurance policies. Increase accumulated number of policyholders by 20% compared with the previous year.
- ◆ Promote inclusive financing insurance products. Increase the number of disabled policyholders by 20% compared with the previous year.

Provide heartwarming services that raise policyholder satisfaction

2020 ESG Goals and Progress

- ◆ Held two education and training events on the fair treatment of customers and one employee participation activity. Blend "Treating customers fairly" principles into all staff members' daily routine, in order to improve policyholders' experience.
- ◆ Held three health talks for the general public and policyholders at our customer service centers nationwide.
- ◆ Expanded cross-industry cooperation by partnering with one more healthcare institution, as part of our efforts to build a comprehensive protection network for policyholders.
- ◆ Added a clause pledging to commit to the principle of "treating customers fairly" to 100% of our bancassurance channel contracts. Prohibited use of unapproved promotional materials, advertisements, introductions, product explanations, or recommendations for solicitation purposes.
- ◆ Continued to promote fast claims at service counters and increased the usage rate to 50%.
- ◆ Improved policyholder service quality and satisfaction by holding two service ambassador selection activities and one award ceremony annually.
- ◆ Achieved a satisfaction rate of at least 97% in our customer satisfaction survey.

2021 ESG Goals

- ◆ Hold two education and training events on the fair treatment of customers and one employee participation activity. Blend "Treating customers fairly" principles into all staff members' daily routine, in order to improve policyholders' experience.
- ◆ Complete deployment of our customer satisfaction survey system.
- ◆ Integrate a net promoter score (NPS) mechanism to optimize customer experience.
- ◆ Use an insurance fraud detection system to help claims staff precisely identify high-risk cases, with the goal of increasing accuracy by 15% compared with identification without a support model. The model will improve customer experience.
- ◆ Continue to engage in cross-industry cooperation by collaborating with health and medical professionals to build a comprehensive protection network for policyholders.

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Management Approach

Material Topics : Responsible Investing, Marketing and Labeling, along with FinTech and Related Innovations

Commitments

- ◆ Continue to promote responsible investing and green services. Promote sustainable development while protecting the environment and society.
- ◆ Continue to integrate innovative technologies to introduce new commercial models for the insurance industry and create conditions that support China Life's future competitive advantages.
- ◆ Quickly and effectively address customer needs to improve service quality.
- ◆ Carry out the principle of "treating customers fairly."
- ◆ Uphold the philosophy of rapid, prompt, enthusiastic and empathetic service by providing policyholders, agents, and cooperative channels with fast and effective phone consultation service. Do everything we can to solve callers' problems, which improve our corporate image while solidifying our customer base and channel relationships. Make mutual trust the cornerstone of our operations.

Policies / Management System

- ◆ Voluntarily respond to the international standards including PSI and the PRI by incorporating ESG topics into our strategic planning, operational management systems, and decision-making process.
- ◆ Formulate "Responsible Investing Policies" . Take ESG and sustainable management factors into account when analyzing investment targets, making investment decisions, and managing investments. Screen investment targets and fulfill our governance responsibilities.
- ◆ Voluntarily sign the statement of "Stewardship Principles for Institutional Investors" , which were issued by the Taiwan Stock Exchange, in order to express our commitment to stewardship principles in the investments we make.
- ◆ Regarding management of private equity funds, only adopt private equity funds that are recommended by our consultants, comply with the rules governing investments by life insurance companies, and complete the internal review process. Use of funds in special projects must complete the internal review process and be reported to the Board of Directors for discussion.
- ◆ Continue to integrate big data analysis and AI technologies to manage digital finance applications for internal operations and external services.
- ◆ Formulate policies and strategies related to the principle of "Treating customers fairly" , in order to protect policyholders' rights and interests.
- ◆ Handle product design, review, and pre-sale procedures in accordance with the "Regulations Governing Pre-Sale Procedures for Insurance Products" and other legislation. Convene insurance product review meetings and management meetings to check products and ensure that they meet legal requirements.
- ◆ In 2021, we will increase the sampling ratio of customer satisfaction surveys by using a system to make customer satisfaction survey calls, replacing manual dialing from customer service centers. This will provide a broader understanding of the customer service experience so that we can improve our service quality.
- ◆ Develop a consumer complaint management mechanism and the "Customer Complaint Department Service Manual" to ensure complaints and reviews are handled appropriately and efficiently.

(Continued from previous page)

Grievance Mechanisms

- ◆ Customer Service Channels: Customers can visit a local customer service center for counter services or use a free hotline (0800-098-889), leave a message on the China Life website, send a letter (Customer Complaints Department, No. 122 Dunhua North Road, Songshan District, 105, Taipei), send a fax (02-87121097), or send an email: services@chinalife.com.tw. A dedicated team will be responsible for the customer services.
- ◆ External Complaint Channels: The competent authorities, the Financial Ombudsman Institution, and consumer ombudsman officers in city and county governments accept complaints and respond to consumer opinions.

Evaluation Mechanisms

- ◆ Obtained patents "AI applied to insurance service-used label library and marketing system" in 2019 and "smart coaching system for training and educating agents" in 2020, in order to facilitate China Life's digital innovation.
- ◆ Taiwan utility model patents in 2019 for establishing a user tag library and marketing system by applying AI to insurance services and 2020 for an intelligent coaching system for salesman education and training agents.
- ◆ The Insurance Bureau, FSC approved our pilot facial recognition technology for mobile insurance applications, and the mechanism received the Digital Insurance Initiative of the Year award from the Insurance Asia Awards and a Growth Through Innovation award from the Taiwan Corporate Sustainability Awards.
- ◆ Each year we continue to pass ISO 27001 Information Security Management System certification and PIMS certification.
- ◆ Obtain a mobile app information security testing label from the Mobile Application Security Alliance by 2Q21.
- ◆ Regularly examine and revise our after-sale policyholder service procedures as well as our procedures for handling major disaster protection services and care measures.
- ◆ Hold weekly cross-departmental meetings to discuss complaints. A manager at the vice president level facilitates the meetings and supervisors from relevant units join. Discussion centers on prevention, improvement, and formulating solutions. Managers from local customer service centers attend meetings to discuss the ways they handled disputes related to underwriting, claims, policy services, and premiums. They jointly examine and evaluate suitable solutions.
- ◆ Conduct monthly complaints and review case summaries, examinations and discussions. Following reviews and communications offer recommendations or proposals. Review results for all cases and problems discovered in the handling of complaints are shared with relevant units to reduce the Company's operational risks and raise service quality. In 2020, we gathered and provided feedback from 36 cases.
- ◆ In 2020, we sought to handle all complaints within 30 days of receipt. Our reply ratio was approximately 99.5%.
- ◆ In 2020, appraisals found that 98.09% of our case reviews were handled properly, demonstrating that China Life upholds the principle of treating customers fairly. We protect the rights and interests of all policyholders and defend insurance mechanisms.

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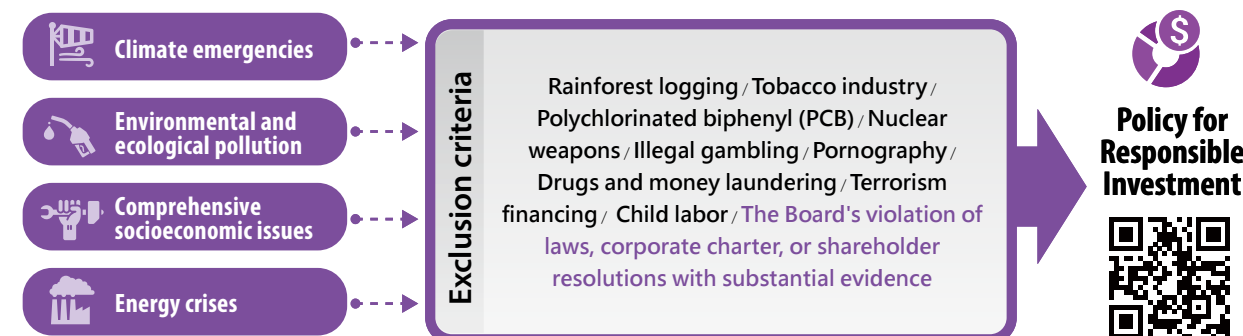
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Popularizing Responsible Investing

Responsible Investing Bellweater

Policy for Responsible Investment

To carry out CSR responsibilities and fulfill our commitments to sustainable operations and green finance, China Life established the Policy for Responsible Investment. While evaluating the products, business items, or other corporate behavior of the companies that we consider investing in, we weigh related ESG topics. At the same time, we take lists or indexes of companies that perform highly in social responsibility into account, as determined by well-known, credible domestic or international institutions and government agencies. Those companies that demonstrate sustainable values and satisfy CSR requirements become investment candidates. To further increase investment value and support robust development of our investment business, the Policy for Responsible Investment stipulates criteria for exclusion. While evaluating potential deals, we exclude direct investment in companies that violate these criteria.



After investing in a company, China Life continues to monitor, analyze, and evaluate ESG-related information. If we discover that a company engages in business that falls within our criteria for exclusion, we shall immediately inspect and evaluate whether the company is drafting or implementing an improvement plan. Our evaluation report shall explain whether, in light of this new information, strategic adjustments are needed, such as a reduction in the investment amount.

Investment Evaluation Principles



Stewardship Principles for Institutional Investors

In accordance with amendments to the “Stewardship Principles for Institutional Investors” that were announced by the Taiwan Stock Exchange Corporation on December 24, 2020, we released our updated compliance statement. Changes included incorporating ESG topics into our investment analysis decision-making and increasing disclosure of ESG information. As an institutional investor, we can influence invested companies. By attending shareholders' meetings, exercising voting rights, and interacting with directors or senior managers, we can play a role in governance, and thus leverage our power as institutional investors to effect change.



Compliance with the Stewardship Principles for Institutional Investors

100% attendance at the shareholders' meetings of listed invested companies

100% voting rate at shareholders' meetings

Performance Regarding Responding to the Principles for Responsible Investment

PRI Principles	2020 Achievements
Principle 1 Incorporate ESG topics into investment analysis and decision-making processes	<ul style="list-style-type: none"> Formulated the Policy for Responsible Investment, investment policies, and operational norms handbooks while including ESG issues in our investment decision-making. The proportion of reports on investment targets including CSR evaluation items achieved 100%. All investment evaluation reports were required prior to investing in non-listed companies included information on ESG-related issues, including environmental protection, labor-management relations, and corporate governance.
Principle 2 Be an active shareholder and incorporate ESG issues into our ownership policies and practices	<ul style="list-style-type: none"> 100% participation in the shareholders' meetings of invested companies that are listed on a stock exchange and 100% voting rate in shareholders' meeting proposals. 100% participation in the shareholders' meetings of invested companies that are not listed on a stock exchange and 100% voting rate in shareholders' meeting proposals. ①
Principle 3 Seek appropriate disclosure on ESG issues by invested entities	<ul style="list-style-type: none"> Investment target evaluation reports referred to CSR reports and other related information. When purchasing existing shares to invest in unlisted companies, we reached an agreement on ethical management policies with 100% of invested companies.
Principle 4 Promote acceptance and implementation of the PRI principles within the investment industry	<ul style="list-style-type: none"> 90.9% of our foreign funds, ETFs and foreign private equity funds were from signatories of the PRI.
Principle 5 Build cooperation mechanisms to enhance our effectiveness in implementing the PRI 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 Build cooperation mechanisms to enhance our effectiveness in implementing the PRI principles	<ul style="list-style-type: none"> Compiled monthly reports on the operations or trends of industry chain of invested companies and reported investment performance to the related manager with the highest level of authority. Disclosed our responsible investment achievements in the CSR Report.

① We voted in all elections, apart from the election of directors or supervisors at invested companies, as prohibited by the “Insurance Act.”

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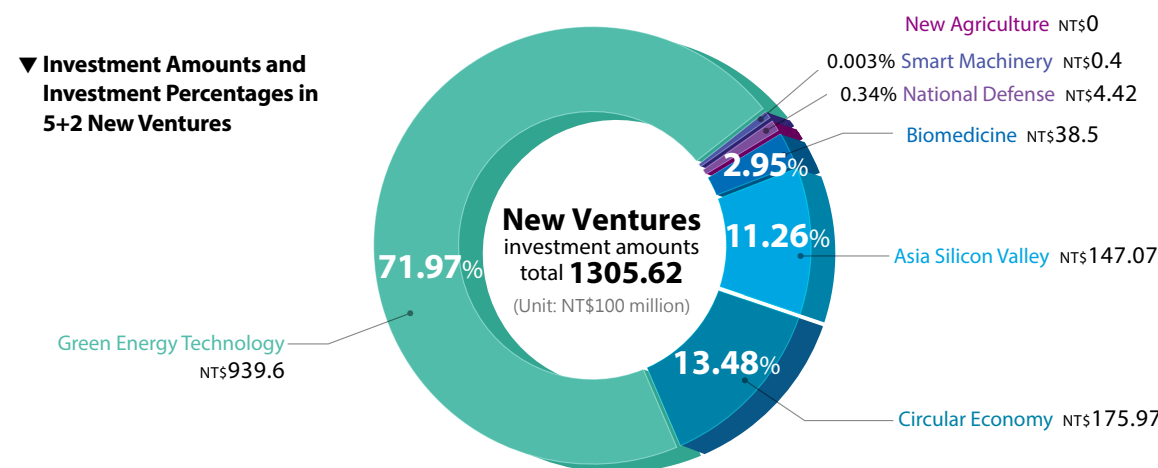
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Responsible Investing Performance

China Life has long invested in natural gas power plants, green energy, pharmaceutical plants, and other Taiwanese enterprises. The launch of the government's 5+2 Industrial Innovation Plan enhanced our resolution to find these types of investment opportunities. In addition to direct investments, we uphold the principle of "giving back to the community we take from" by making venture capital investments in new, unlisted domestic 5+2 companies that we can help to grow into the leading companies of tomorrow. In 2020, we made direct or indirect investments totaling NT\$130.562 billion in 5+2 industries (green energy technology, the Asia Silicon Valley, national defense, biomedicine, national defense, smart machinery, and circular economy). Included in this amount was NT\$1.355 billion in green investments that supported the government's green energy and development policies as well as the Green Finance 2.0 plan. We also made public investments amounting to NT\$21.397 billion in 2020 to spur social benefits, growth, and development.

In the future, China Life will continue to pursue responsible investing opportunities. Building a portfolio of responsible investments will not only create a stable return on investment for shareholders and policyholders but also help us to fulfill our corporate responsibilities.



Joint Participation in Green Energy Investment Plans to Create Procurement Solutions for Enterprises

China Life has been a longstanding advocate of the government's renewable energy policies and supporter of an amendment to "The Electricity Act", which created new commercial models in the power industry and kickstarted the liberalization of green energy sales. In 2020, we joined domestic and foreign holding companies, insurance companies, and financial holding companies in investing NT\$1 billion to develop 100MWp of rooftop solar capacity within three years. The power generated will provide a green energy procurement channel for domestic companies to advance sustainable operations and ESG investment value.



In 2020, we invested NT\$69 million in solar power stations

Support for the Government's Sustainability Bonds, which Use Capital to Promote Clean Energy Development

In response to the government's Green Finance Action Plan 2.0, which aims to accelerate the development of green finance products, China Life has invested in green bonds issued by TSMC and Orsted to support clean energy development in Taiwan. The total investment amount of NT\$1.5 billion demonstrated how we carry out ESG investing in action and spirit.

Staff Members Dedicated to Responsible Investing and ESG Education

In 2021, China Life created new positions dedicated to responsible investing. Employees who fill these roles watch international sustainability developments and trends, as well as responsible investing methods used by leading enterprises. They stay updated on ESG-related topics and monitor how ESG policy implementation is integrated into responsible investing at China Life. As the investment team adopts ESG concepts, we hope that our internal investment practices gradually affect and improve the operational outlooks of our counterparties, our invested companies, and stakeholders.

In 2020, all 18 members of our investment team underwent internal education and training on the topic "ESG investment and risk management" to better learn how to implement responsible investing. In total, they received 36 hours of training. In addition to internal lessons, we sent staff members to ESG forums to discuss the latest views on sustainable investing, green finance, and ESG emerging risks with domestic and foreign experts.

Anti-Money Laundering and Counter-Terrorist Financing Reviews of Our Invested Companies

To strengthen investment safety and adhere to the "Money Laundering Control Act", the "Counter-Terrorism Financing Act", and the "Regulations Governing Anti-Money Laundering of Financial Institutions", before making investment decisions, China Life purchases external databases and builds databases of high-risk counterparties. Reviews of investment targets and business counterparties ensure that the companies we do business with implement anti-money laundering and counter-terrorist financing duties.

After making an investment, if violations are found, we evaluate whether we should continue holding the position or reduce our stake.

Exposure to Derivative Products

China Life engages in foreign exchange derivative finance products transactions for the hedging purpose. We use both direct hedges and proxy hedges, together with foreign currency assets, to diversify risk. In consideration of market conditions, point costs, and changes to foreign exchange valuation reserves, we adjust our hedging positions to reduce overall hedging costs. Generally, our hedge ratio is between 60% and 100%. As of December 2020, our hedge ratio was approximately 70%, and the net worth of our unexpired foreign exchange derivative finance products was US\$28.1 billion. Our annualized hedging costs were approximately 1.5%.



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Innovative Digital Transformations

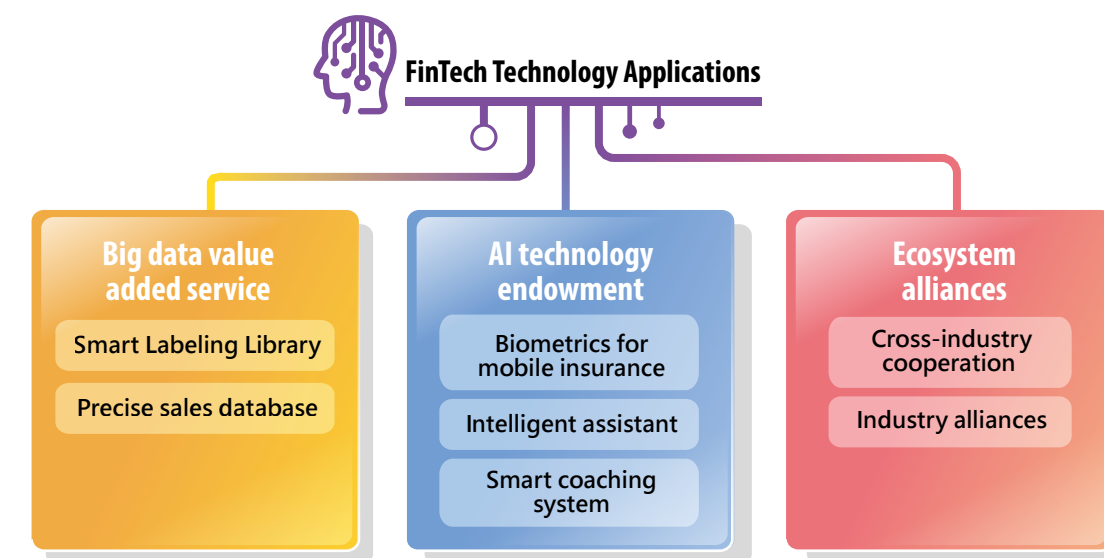
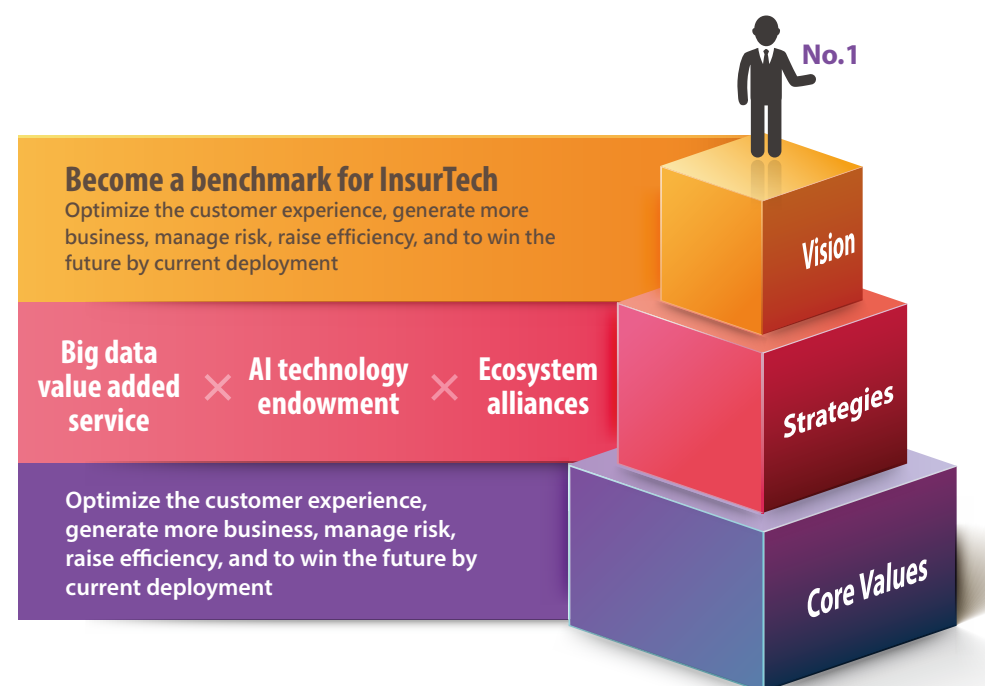
Digital Finance Applications

FinTech Developments – big data, AI and ecosystem Strategic Blueprint

China Life's extensive expansion into digital applications and data-based systems supports a data-driven corporate culture. Using "big data, AI and ecosystem" as strategic themes, we launched a three-year blueprint that includes a pioneering chief experience officer role. The chief experience officer works with our chief digital and information officers to build a comprehensive digital development platform, where we can incubate innovative new ideas and plans while integrating new FinTech applications. Our goal is to break free from the stereotype of technology as a cold, unfeeling features by adding "heartwarming" touch to the new technological applications we provide to users. These advances put us at the forefront of the industry and make us a benchmark for InsurTech.

The digital "big data, AI and ecosystem" strategy is based on big data value added service, AI technology enabled functions, and ecosystem alliances. Big data added service, which uses analytics for commercial decision-making, supports our Smart Labeling Library, a precise sales database, radar charts for intelligent analysis, and an insurance fraud prevention model. AI technology enabled functions include biometrics for mobile insurance, the Baby Q intelligent assistant, the AI Intelligent Instructor system, and other innovative applications. Ecosystem alliances facilitate strategic cooperation with businesses inside and outside the insurance industry, bringing us closer to existing and potential customers so that we can provide a higher-quality experience and greater convenience.

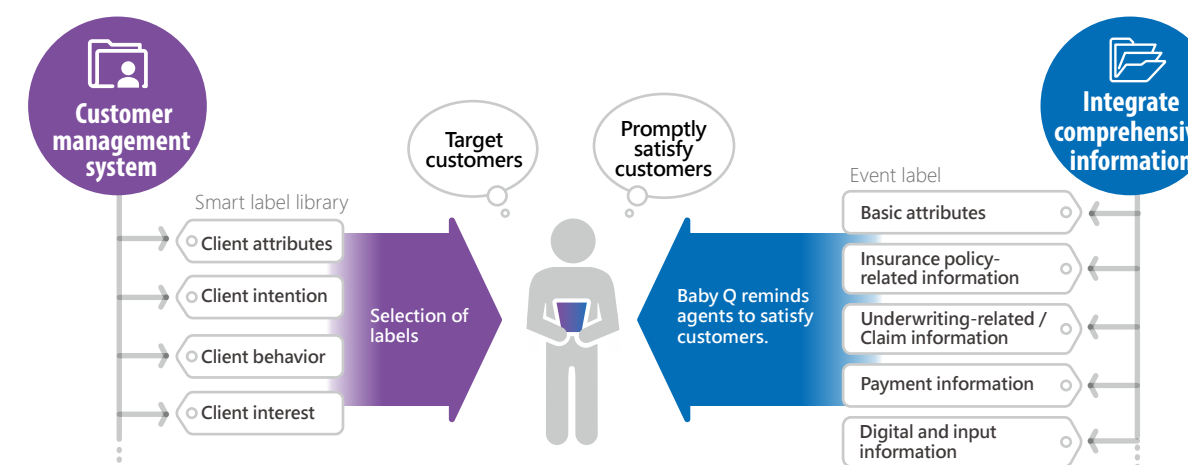
For example, we engage in cross-industry collaboration by cooperating with convenience stores that offer reward points to policyholders diagnosed as having a catastrophic illness when they purchase healthy food products as an incentive for managing their health risks. In cooperation with third-party service providers (TSP), we use digital tools to determine customer needs and then follow with AI to recommend the most suitable agents to provide support. To further advance our insurance business, China Life also joined a group of 11 insurers to establish the Conservation and Claims Consortium Blockchain, which uses blockchain technologies to offer one-stop claims applications including multiple insurance companies.



Big Data Added Services

Big Data, AI Platforms and Sales Labeling Library: Follow the principle of the "target users selects the product, and the product selects the target users"

We built the Smart Labeling Library to automate interactive data arrangements and correlative definitions. The system turns customer properties, behaviors, intentions, and interests into uniform data frameworks that support label production. The agents selects a library based on the sales situation and target customer then embeds the library into the customer management system, in order to automatically detect customer interest towards specific products and compile comprehensive Company info that supports the production of incident labels. When a customer requires additional assistance, the chatbot alerts an agent at the appropriate time, so that the service will hit home.



Precise Sales Databases – Finding the Right Customers in the Right Markets

Using big data analysis and machine learning models, we pore over existing customer databases to find the customers with the highest repurchase rates for various product categories, so that sales agents can target marketing activities on these customer groups. In 2020, China Life improved data quality in our customer databases. We incorporated XGboost, CatBoost and other advanced machine learning models. The optimization of our algorithms increased the purchase rate by up to 20%, producing approximately NT\$1.6 billion in premium income.

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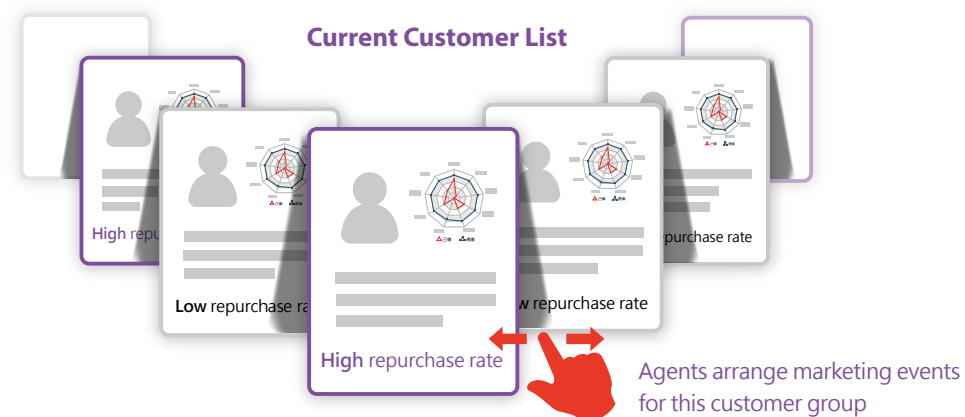
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AI Technology Enabled Functions

A Pioneering Facial Recognition System Paves the Way for Bioidentification Use in Mobile Insurance Applications

After becoming the first insurance company to obtain approval from the competent authorities to operate a pilot program using biometrics for insurance policy application, we integrated facial recognition technologies into the online application process. This technology won the Digital Insurance Initiative of the Year at the 2020 Insurance Asia Awards and the Digital Project Awards – Best Biometric Project from The Asset Triple A Digital Awards 2021.



A Powerful Prospecting Tool for Sales Agents

Baby Q is an intelligent assistant that sales agents can carry with them everywhere they go. Using big data analysis, provides information that helps the agents inform customers of updated services. Such information includes customer birthdays and daily to-do lists. Agents are then better equipped to provide timely, thoughtful services to customers, leaving a positive impression.

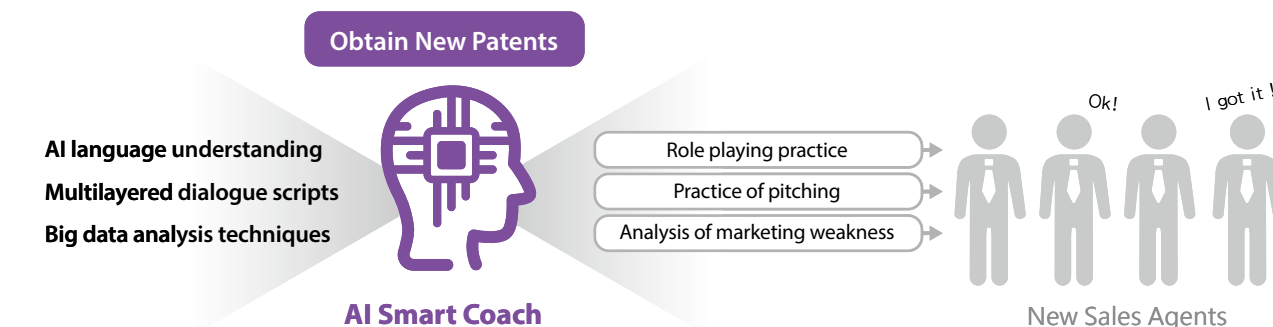
In addition, Baby Q combines natural language processing and a life insurance database. Sales agents can ask Baby Q about product lines, sales rules, or other information. More dialogue and training, function upgrades, and sales agent experience will make Baby Q smarter. Baby Q is becoming an advanced part of an intelligent customer service platform that raises both customer experience and satisfaction ratings.



- Supporting Sales Agents**
Offer 24-7 service to promptly provide agents with needed information and answers while enhancing their service efficiency, which in turn raises customer satisfaction.
- Assisting Sales Agents in expanding businesses**
The industry's first AI intelligent training tool raises agents' prospecting capabilities and makes supervisors more effective instructors, thus lifting overall capabilities.
- Strengthening Digital Competitiveness**
Enhance China Life's technological image with an intelligent assistant for sales agents. This exclusive tool makes our agents more competitive.

Smart Coaching System – Precise Guidance for New Sales Agents

The AI Intelligent coach is an exclusive tool that offers training tailored to new sales agents. Using big data, it analyzes interactions between sales agents and customers to uncover individual agent's weakness then provides timely guidance and recommendations. As these measures increase the sales activity and conversion rates of new agents, the agents benefit from higher income. The Intelligent coach also compiles information on new agents to share with supervisors, who are then equipped to provide more precise, effective guidance.



Ecosystem Alliance

Cross-Industry Cooperation

Simple Fit: Joining Convenience Stores to Build a Life Circle for Healthy Eating

One outcome of the coronavirus pandemic was that people has become more aware of health risks. With that, China Life urges customers to make health awareness a part of their everyday lives, starting from diets. In this manner, they can lower the risk of acquiring diseases or other health problems.

Through cross-industry cooperative venture, China Life has promoted healthy dietary habits with a leading convenience store company. Policyholders who bought healthy food or beverages received convenience store reward points. Since the convenience store has multiple outlets across Taiwan, the program was a convenient way of making insurance benefits enjoyable in our daily lives. In addition, by studying the consumption habits of policyholders, China Life gains insights into the policyholders' lifestyles, so as to can provide services that more closely align with their needs. Making policyholders adequately aware of their health risks gives them an opportunity to adopt better risk defenses.

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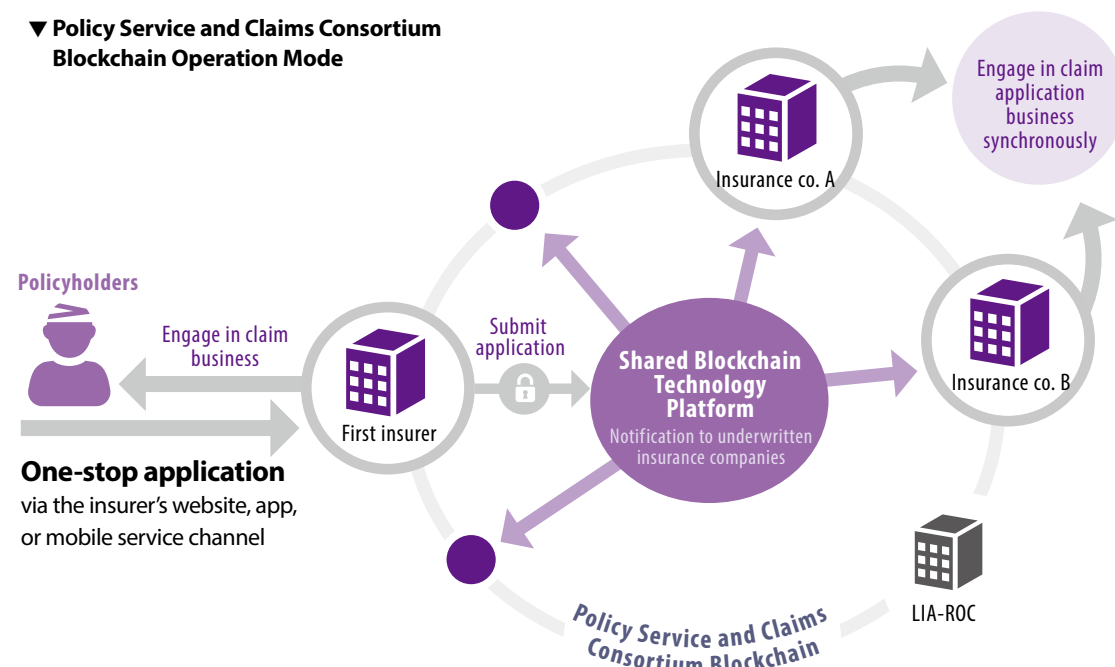
Industry Alliances

Policy Service and Claims Consortium Blockchain: A New Insurance Service on the Blockchain Supports a Technological Lifestyle

China Life joined a group of 11 insurers to establish the Policy Service and Claims Consortium Blockchain, which leverages the safety, convenience, and sharing benefits of blockchain technology to improve the policyholder service experience. The new service started pilot run from July 1, 2020, with a total of 122 policyholders taking advantages of this service. Elsewhere, the insurance peers have received 2,165 applications.

Policyholders only need to make a claim application to one insurer in the group and authorize the insurer to use the Taiwan Blockchain Alliance's shared blockchain technology platform for the insurance industry to notify other insurers where the policyholder has an insurance policy. The policyholder can then simultaneously launch claim procedures at other insurers, instead of submitting multiple applications to different insurance companies where he/she has purchased insurance policies. The sharing of documents fulfills our goal of one-stop service and accelerates the claims process, leading to a better consumer experience.

▼ Policy Service and Claims Consortium Blockchain Operation Mode



E-commerce

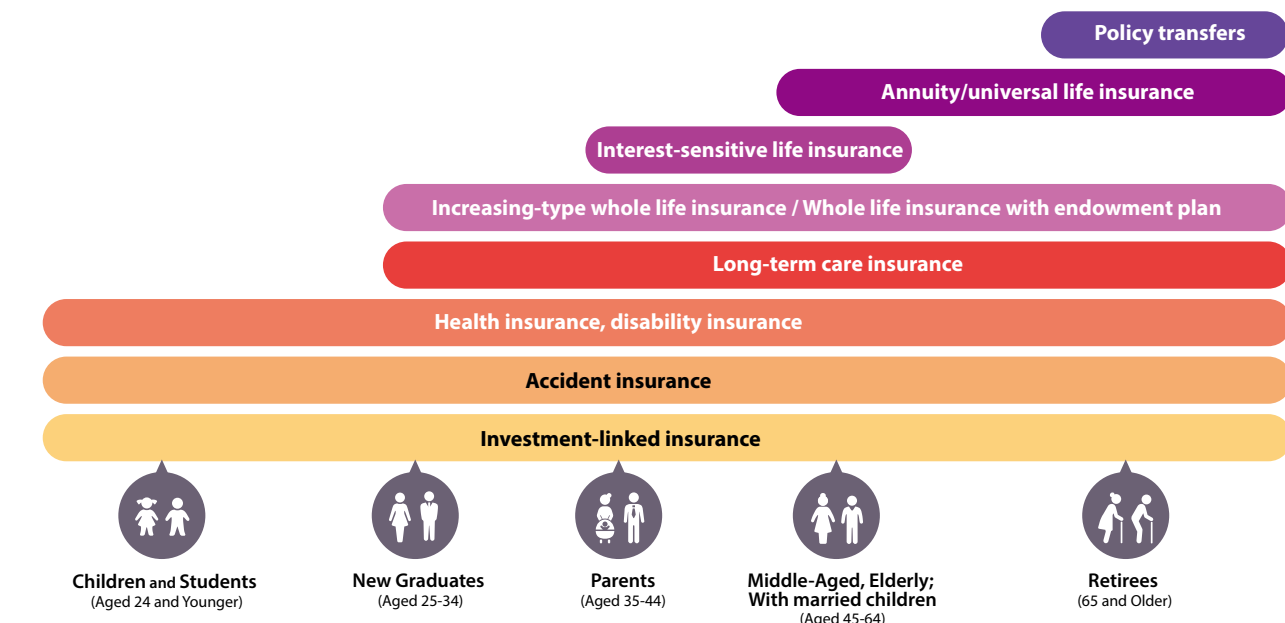
China Life actively promotes insurance policy e-commerce channels, as shown by our 17% share of total premiums from the online life insurance market. Using big data analysis, we analyzed our customers' travel habits then created travel insurance products catering to two of the most popular international destinations: Japan and South Korea. These specialized protection products, which offer basic overseas travel protection, are available online. They support government policy that aims to enhance basic protections. At the same time, in order to coordinate with digital transformation strategies underway in the banking and financial industries while participating in the bancassurance ecosystem, we added online-exclusive insurance products to banking e-commerce platforms. In 2020, the number of our members who bought such insurance policies online increased by 21% compared to 2019.



Fulfilling Inclusive Financing Inclusive Product Services



When responding to the social environment and national policy development directions, we focus on "optimizing product structure" and "raising the Company's long-term embedded value" as the two main themes for product development by adhering to the core business of the insurance industry. We consider urbanization, emerging health threats (such as obesity), environment-induced health threats, population ageing, demographic changes, and other emerging ESG risks. On the basis of maintaining sustainable operations, we promote products and services that support inclusive financing and abide by the "treating customers fairly" principles. Besides satisfying the varied needs of customers at each stage of their lives, we devise solutions for the distinct pain points felt by people from different groups. Through traditional, online, and mobile channels, we provide products for children, young adults, seniors, and others, spanning from the general public to special or disadvantaged groups. In this manner, we fulfill our social responsibility as members of the insurance industry.



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A Pioneering Life Insurance Product Customized for People with Disabilities

People with disabilities face greater difficulties when acquiring insurance, particularly in the areas of health check-up requirements, added fees, restricted face amount, and coverages. Therefore, at the end of 2019, China Life addressed such social risks by pioneering Taiwan's first composite life insurance product specifically designed for people with mild to medium physical disabilities. This whole life insurance (BPGJPL) provides disabled people with the same insurance protection as general customers, thus expanding inclusive financing and fulfilling "treating customers fairly" principles.

After releasing Taiwan's first insurance product tailored for people with disabilities, in 2020 we reviewed our full sales procedures, underwriting process, and customer service. We then made improvements to eliminate the barriers that people with disabilities may face. For these advances, the Insurance Asia Awards gave us the Insurance Initiative of the Year award and the Taiwan Corporate Sustainability Awards gave us a Growth Through Innovation award.



To precisely promote our life insurance products for people with disabilities, in 2020 we placed advertisements on the outsides of Taiwan Taxi's fleet of 32 accessible cabs serving the Taipei and New Taipei City region. Product information, including our 080 service hotline info, was available inside the vehicles to directly reach people with disabilities as well as their family and friends. During the three-month campaign the taxis were ordered 34,000 times, approximately 4.67 million people were exposed to the advertisements on the outside of the vehicles, and 121,000 people saw the advertisements inside the vehicles. Besides spreading awareness of China Life's efforts to support the disabled and treat customers fairly, the campaign provided disabled people with valuable insurance information.

Our life insurance customized for people with disabilities is not just a single product. Rather, it is a starting point from which different departments join to launch new products that combine to create a comprehensive safety net. We made Taiwan's first Braille introduction for an insurance product. This serves as a powerful symbol of how we carefully consider the needs of people who are blind in order to uphold our commitment to sustainable insurance principles.

Dementia Prevention Spillover Policies: Protection and Care to Prepare for Dementia Risks

In recent years, as people grew more aware of health management and the coronavirus pandemic caused them to take risks more seriously, health protection and disease prevention became popular focal points. To encourage policyholders to manage their health, develop good lifestyle habits, and reduce morbidity risks, China Life promotes health management-related policies with spillover effects. Product scope ranges from insurance for



Life Insurance Customized for People with Disabilities

- Death benefit or funeral expense payments
- Total disability insurance
- Maturity benefits
- Return of premium (with interest)
- Accidental death insurance or funeral expense payments
- Transportation accident death insurance or funeral expense payments
- Public building fire accident death insurance or funeral expense payments
- Daily payments for hospitalization due to accidental injury
- Advance payment of hospitalization expenses for seniors
- End-of-life advance insurance payments

serious or specific diseases and injuries, to life insurance. At the end of 2020, approximately 500 spillover policies were in effect. Policyholders use the China Life Keep Going application to regularly upload their health data to a health database; when they achieve the designated health goals, this will qualify them for additional protections. Besides serving as a compensation mechanism for losses, spillover policies turn insurance into an incentive mechanism that encourages healthier habits, a tool for insurers to reduce claim rates, and an instrument for cutting medical treatment costs on society, thereby reaching win-win situation.

China Life also released the first spillover health insurance product that focuses on dementia prevention. Dubbed LEGOYC 2020, the policy encourages prevention when the policyholder is healthy, responses if dementia onset occurs, and compensates as the policyholder's condition worsens. To further support dementia relief, China Life sponsors the Taiwan Alzheimer Disease Association. The Company's customer service centers and district offices also joined the association's group of dementia friendly organizations, making us the first dementia friendly insurance company. We release easy-to-understand comics and pamphlets to spread dementia-related information, and maintain a webpage dedicated to dementia prevention and health. As more people understand dementia, the dementia safety net improves.

Microinsurance

China Life introduced microinsurance products with lower premiums, lower face amount, and easily understandable terms. These products protect economically disadvantaged people or members of special groups. Accident microinsurance for groups is another way that we make basic coverage affordable for people with low incomes. With the protection of microinsurance, families can avoid the debilitating financial effects of a major accident.

To expand synergistic effects, in 2020 we began to cooperate with the Tainan City Government and Taitung County Government on promoting microinsurance, building upon cooperative partnerships we already have with the Yilan, Yunlin, and Hualien county governments. In 2020, total microinsurance claims were NT\$2.52 million.

2020 premiums surpassed NT\$8.35 million and there were more than 33,000 beneficiaries.

To sustain the virtuous cycle that results from benefits of our microinsurance products while demonstrating the influence of our value chain, we bring together sales partners, customers, NPOs, and banks. Through integrated products, channels, and services, we provide disabled people and households with comprehensive guarantees. For these efforts, the FSC awarded us a micro-performance excellence award and a micro-sustainability care award.

For three consecutive years, microinsurance premiums grew by over 40%. The accomplish rate on our 2020 goal was 234%.

Disease Prevention Products

In the face of repercussion from the coronavirus pandemic, China Life has aimed to help people protect themselves from health risks with a diverse range of disease prevention products. We have developed endorsement clauses for nine in-patient medical care products, introduced a clause to cancel the initial 30-day waiting period restriction for notifiable infectious diseases, and adjusted hospitalization quotas on some disease prevention-oriented policies. These product features fulfill disease prevention needs for customers in all age groups while making the application process faster and more convenient. People who choose these policies are able to easily disperse medical treatment risk.

In addition, China Life has launched a number of disease prevention care measures for policyholders to help them fight against the pandemic. One of these measures is the choice of a NT\$50,000 consolation payout or a doubling of the daily hospital cash benefit for health professionals who are diagnosed with COVID-19. This demonstrates our support for health workers.

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Promoting the Principles of Treating Customers Fairly

The Experience of Treating Customers Fairly

In order to deepen our corporate culture of “treating customers fairly and treating customers as ourselves” , in 2020 China Life formulated enforcement rules for treating customers fairly. Implementation results are regularly reported to the Treating Customers Fairly Committee. To make employees more aware of this important topic, we integrated educational concepts relating to friendly financial services for the disabled and friendly treatment of people with dementia into the digital learning materials of our treating customers fairly program. In 2020, more than 2,200 home office employees have completed such training. Elsewhere, we also offer education and training sessions for our Board of Directors, senior-level management, and department managers and representatives. Meanwhile, we held two on-site classes on treating customers fairly with total attendance of 240 people.

The only company scoring in the top 20% of life insurance companies for two consecutive years in the Principles of Treating Customers Fairly in the Financial Service Industry review.

Treating Customers Fairly Committee

China Life's Treating Customers Fairly Committee, which consists of senior managers from relevant departments, convenes quarterly and reports to the Board of Directors on actions, plans, and achievements related to customer treatment. The Board leads supervision and optimization of the committee.

Soliciting Entries for a Treating Customers Fairly Story Competition

Following a 2019 internal competition centering on the principles for treating customers fairly, which was based on the theme of “changing customer treatment methods to raise service quality” , in 2020 we held a new policyholder story competition based on the theme “Your trust is my responsibility.” We gathered 245 heartwarming stories about policyholder services, from which independent directors chose three stories that stood out. The competition drew attention to the importance of making fair treatment of customers a routine part of our work.

Considerate Methods of Treating Customers Fairly

Health and Medical Care Services

Coronavirus Claims Measures

During the coronavirus pandemic, policyholders can submit claims applications via fax. To uphold the rights and interests of policyholders and improve service quality, patients who stayed in isolation wards due to coronavirus qualified for payments in line with intensive care stays. In 2020, 34 beneficiaries used this policy to receive total payments of NT\$3,231,710. Also, in recognition of the contributions made by front-line medical workers, China Life offered special consolation payments to health care workers who are not only China Life's policyholders but contracted coronavirus at a medical institution while carrying out disease prevention duties or treating patients.

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 are qualified for second opinion referrals as well as information on the disease's cause and treatment methods. Additionally, depending on place of residence, we provide transportation subsidies to ease financial burdens.

Pre-paid Hospitalization Payments

In the past, when policyholders applied for medical treatment claims, the full process was handled after the treatment. Following discharge and the completion of treatment, the policyholder would ask the hospital for his or her medical records and receipt then apply for claims. Hospital fees, however, may be collected from the policyholder during the course of treatment. In the interest of meeting our obligations as an insurer to protect policyholders, we developed a pre-paid payment system for hospitalizations. Policyholders who are hospitalized with a disease or an 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. Pre-paid payments of up to NT\$60,000 are offered after the submission for review is approved by the Company. In 2020, seven policyholders used this service and received a total NT\$201,800.

Care for Disadvantaged Seniors

Friendly Care for People with Dementia

We cooperated with the Taiwan Alzheimer Disease Association to jointly manufacture “We Can Help” promotional materials that urge the general public to heed dementia-related problems and provide dementia prevention and care information. At the same time, we have built a webpage dedicated to dementia prevention and health on our corporate website to disseminate relevant information and contribute towards a dementia friendly society. In 2020, all of our staff completed a series of online classes on how to support customers with dementia, and all of our district offices joined the Taiwan Alzheimer Disease Association's dementia map plan. These efforts made us the first dementia friendly insurance company.

Care Counters

To provide better and faster service to senior citizens and people with poor mobility, we set up care counters at service centers in Taipei, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung. Specially trained counter-staff are available to provide priority service to the elderlies, people with mobility issues, or other policyholders in need of extra assistance.

Served 537 customers

House Visits

China Life continues to offer caring measures for disadvantaged groups, such as people with visual or hearing impairments, physical disabilities, or mobility problems, as well as seniors aged 65 years or older. This includes house visits for claims applications and delivery and collection of documentation. When applying for a claim, customers can choose to have payments transferred to their bank account or have a check delivered to their home by members of our staff.

Made 33 house visits

Improved Website Accessibility for Better Financial Services

China Life's corporate website is compatible with multiple browsers and was specially designed to offer greater access to people with disabilities. A friendly financial services section discloses needed information, and an easy-to-use interface lets dpeople with disabilities and those who struggle to operate a mouse enjoy the same browsing experience and procedures as general users, using their smartphones or computers to conveniently obtain comprehensive information on products and protections.

Duofu Care & Service Co., Ltd. that provides travel packages and pickup services

In 2020, we hired DuoFu Holidays to help our sales agents plan an accessible travel experience for elderly policyholders and policyholders with disabilities (cerebral palsy, physical disabilities or dementia), together with their family members. The event aimed to raise awareness of caring for the disabled and the elderly as well as the importance of heeding the physical and mental health of caregivers.

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Emergency Disaster Relief Services

Expedited Counter Claims

China Life empathizes with the anxiety of policyholders who are affected by an emergency or a disaster. To help them overcome these challenging periods, we have launched fast claim services at service counters in six customer service centers across Taiwan. Policyholders who meet certain conditions can complete a claim review in 30 minutes at the earliest and receive their payment on the same day. This service, which is four times faster than our normal claims process, demonstrates the value of insurance towards people who are in distress. It makes claims more than just a number; they are a form of care that is there for policyholders in times of need. In 2020, a total of 21 banks joined China Life's Enhanced Automated Clearing House (eACH) system for fast payment transfers. Using eACH, claims payments for policyholders can be finished in as little as 30 seconds.



Fast Claims Services
 Review and approval within 30 min.
 Payment within 30 sec.

Emergency Disaster Relief

In 2020, China Life launched response measures to five major disasters: lightning strikes, landfall by Typhoon Mekkhal, a fire accident in Partyworld's outlet located at Linsen Road, a UH-60 Black Hawk military chopper accident, and the coronavirus pandemic.

▼ Provide Policyholder Relief Response Measures of Emergency Disasters

Policy services and policy loan benefits

Qualified policyholders in disaster areas can receive favorable policy loan deals, and apply for re-issuance of policy for free.

Free Re-issuance of Insurance Policies

Insurance policies that are lost or damaged due to a typhoon or other major disaster are re-issued free of charge.

Deferred Payment of Premiums

Policyholders affected by a disaster can apply for a three-month extension to their deadline for premium payment.

Diverse Service Channels

E-Service

China Life provides policyholders with an uninterrupted e-service platform. Customers can quickly check their policy info, make adjustments, or pay premiums anytime and anywhere. Besides eliminating the trouble of filling out paper forms, users reduce time and cut GHG emissions produced during mail delivery or transportation to and from the insurance office. In 2020, we improved and accelerated member registration procedures to optimize the policyholders' user experience.

Policyholder E-Newsletter

China Life sends monthly e-newsletters to provide information covering five main areas: policyholder news, hot topics, financial tips, health & you, and love & sharing. The newsletters give policyholders an opportunity to obtain health-related information in an efficient, environmentally friendly way.

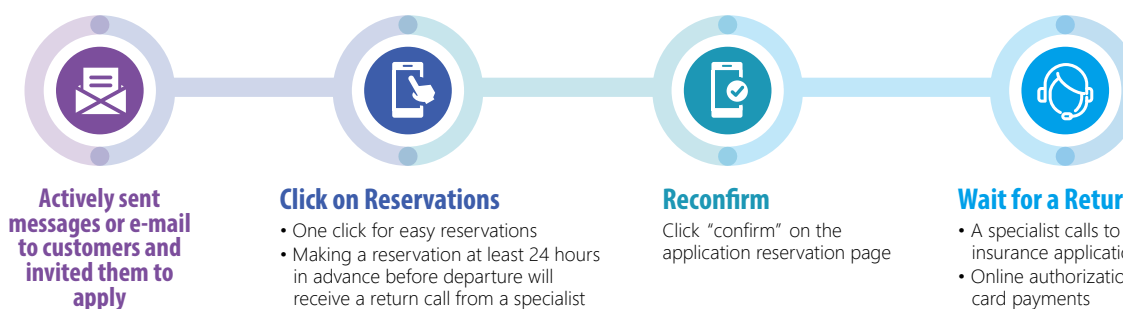
080 Product Audio Introductions

China Life provides audio introductions for our insurance products and builds service options in our telephone customer service center to arrange for specialized staff members to assist with product explanations and insurance applications. In 2020, the service center received more than 1,500 calls to hear product audio introductions and handled 188 consultations. Policyholders also asked 1,275 FAQs online. China Life will further analyze related data to plan and develop a more intelligent customer service system, which will leave a favorable impression among customers and strengthen our connections with policyholders.

Travel Insurance Message and Appointment Services

China Life pioneered a message reply system for making appointments to apply for travel insurance products. The system makes "Peace of Mind" travel insurance application by phone more convenient by expanding the range of reservation channels.

The 2020 coronavirus pandemic caused a steep decline in the number of reserved policy applications. Recognizing that there would be an increase in domestic tourism, China Life shifted focus to domestic travel insurance. We actively sent messages to customers and invited them to apply for insurance protection in advance when making travel plans.



Plan to Payout Outstanding Payments

For unsuccessful benefit payments, we actively call policyholders to launch the unpaid benefit payment procedure. In the spirit of treating customers fairly and to improve the customer experience, we carry out internal cross-departmental reviews and notifications in an effort to uphold the rights and interests of beneficiaries. In 2020, we completed 2,533 such calls and completed payments of close to NT\$46 million.

Bilingual Service

We are one of the first insurers in Taiwan to provide English documents, services, product explanations, and policies for interest-sensitive annuity products. This initiative is a response to the government's Blueprint for Developing Taiwan Into a Bilingual Nation by 2030, as well as our Company objectives to improve online policy application service quality and implement our core corporate culture of treating customers fairly. In the future, we will continue to provide product explanations flyers in English and English service for application procedures and other products. People from other cultures and countries will then have more opportunities to experience our thoughtful and caring online insurance application services.

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Listening to Our Policyholders with Our Hearts

Counter Service


To measure customer satisfaction, staff members ask customers at general service counters and care counters to rate their experience from 1 to 5 (5 being the highest) after the policyholders visited the "general service counter" and "care counter." Their responses serve as a reference for further improvements. In the future, we will continually aim to maintain satisfaction ratings of 4 or above.



General Service Counter
 The Customer Satisfaction Rate Was 4 or Higher in **99.9%** of Interactions at General Service Counters

Care Counter
 The Customer Satisfaction Rate Was 4 or Higher at **100%** of Interactions at Care Counters

Call Centers

Customer service representatives at call centers need comprehensive professional skills and certifications. To ensure customer rights and interests, when customers place a call to inquire about policy-related issues, we first confirm their identity before providing assistance. To enhance customer service, in 2020 we upgraded our customer service system to eVoice , which has added functions that make it easier for service agents to check information.



92% of Customer Service Agents Possess Basic Insurance Certifications

45% of Customer Service Agents Possess Life Office Management Association (Loma) Certification

To strengthen service quality, China Life continues to conduct customer satisfaction telephone surveys. The surveys inquire about service attitude, handling methods, and overall performance to quickly assess customer experiences, problem resolution, and overall service. In 2020, we scored an average of 4 (out of 5) or higher on 99.16% of surveys.

▼ eVoice System Optimization

Increase data availability in the general policy inquiry platform	Quickly reviews more policy information and improve online service efficiency.	Facilitate communication among policyholders, customer service reps, and sales agents	Fast delivery of messages to sales agents on the platform makes for an efficient customer communications bridge
Achieve remote system integration	Uses the next-generation of JAVA programming language for development. Besides complying with information security rules and regulations, it will be able to use API to connect with other digital platforms.	Provide customers with one-stop service	Integrates late night/busy line voicemail systems, message boards, service mailboxes, "Peace of Mind" application reservations, and other communications channels, so that customer service agents can see a complete communications history for the customer on a single interface.
Match customer needs in the digital age	Increases email request form channels and integrates mail, fax, and email search platforms.	Understand customers' latest concerns	Deliver data on customer statements organized into Excel files. Updates can be made based on specific projects, regulations, or customer directions

Service Ambassador Selection Demonstrates Our Commitment to Caring Service

In order to raise the sense of honor among the frontline customer representatives, for two consecutive years we held an election to choose service ambassadors. We urged staff members to provide exemplary and heartwarming services, in an attempt to create model employees who improve our corporate image and customer satisfaction. In 2020, we had 26 service ambassadors, 10 of whom were honored during a pair of "Top 5" competitions that showed our appreciation for their contributions and highlighted the importance we place on service.

 eVoice system has come online since 2020 and some of the new functions will be available in 2021 after the second-stage upgrade.

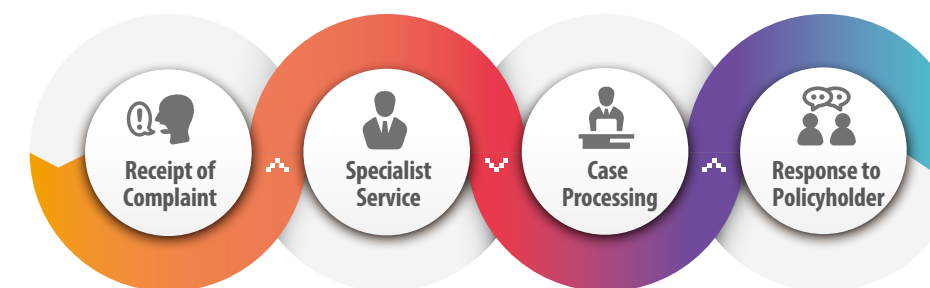
Adoption of a Net Promoter Score Mechanism (NPS) to Uncover Core Customer Service Problems and Enhance the Customer Experience

In order to build customer experience operation mechanisms, we drafted customer journey maps (CJM) with the assistance of professional consultants. The maps located points of contact between China Life and customers at each stage of service. Using quantitative and qualitative surveys, we determined areas where improvements should be prioritized then formulated implementation plans. We regularly review, track, and evaluate progress as we enhance both the customer experience and our net promoter score (NPS). Our goal is to strengthen both customer loyalty and sales growth.

Customer Complaints and Complaint Handling

China Life prudently receives a wide range of opinions and suggestions while offering diverse customer complaint channels and comprehensive complaint management processes. We hold weekly cross-departmental meetings to handle complaints while supervisors discuss how to fix problems and designate steps to prevent those problems from happening again. In 2020, all relevant departments successfully reached their targets for complaint settlement rates, settlement volume, and handling speeds.

▼ Customer Complaint Handling Procedures



Customers file complaints through different channels, and China Life will contact the customer within one working day of receiving the complaint.

Relevant departments formulate a solution and respond to customers within 30 days of receiving the complaint. If a deadline extension is needed, the customer service representative will notify the clients.

Case progress is regularly updated to the policyholder via telephone, text message, or in writing. No effort is spared in handling the case.

In 2020, we handled all complaints within 30 days of receipt and had a reply ratio of approximately 99.5%. In the Principles of Treating Customers Fairly in the Financial Service Industry review we finished in tier 1 for financial consumer dispute status, under the "complaint guarantee" 8th indicator, earning a full point. In the 2020 life insurer complaint rate survey, conducted by the Financial Ombudsman Institution, China Life had a complaint rate of 0.2108‰, which ranked 7th among 22 life insurers, demonstrating the value we place on customers' views and experiences, as well as our commitment to lowering the complaint rate. The quantity and rate of complaint cases increased slightly during the past eight years, but 98.09% of the cases were suitably addressed. Among the 211 cases in 2020, 159 were for claims disputes and 52 were for other issues. 98.09% of the cases were well addressed.

In March 2021, we announced review methods for Indicators 1 to 7 and 9 "complaint guarantee" in the 2020 Principles of Treating Customers Fairly in the Financial Service Industry review. China Life received 7 out of 8 points in the ratio of settled complaint cases without total or partial legality, reasonability and legitimacy, which again demonstrated our efforts to implement the principles. These results show our commitment to protecting the rights and interests of all policyholders and maintaining the integrity of insurance institutions.

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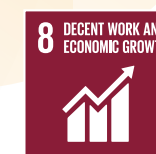
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Employee Care



China Life actively deploys FinTech by using digital technology as an instrument in transforming our business and the services we provide. We gather and train talents who become the bedrock of our wide-ranging organization. The diverse, high-quality job opportunities they fill are the result of a comprehensive set of human resource policies that leave plenty of space for development. In terms of hiring and pay packages, we adhere to the principles of gender equality and equal pay for equal work. Our Board of Directors has a male-to-female ratio of 5:4, which shows how deeply we value gender equality and have made great progress in this area. As for protecting human rights, aside from favorable policies and promotions, we prioritize the hiring of a disabled people for several of our job vacancies. Their contributions show our commitment to protecting human rights.

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Building a complete development map to cultivate professional finance and insurance talent

2020 ESG Goals and Progress

- ◆ Evaluated training programs for key staff using the Kirkpatrick Model and achieved a score of at least 80%.
- ◆ Departments that established annual ESG goals included these goals in their department's or division's KPI at the start of the year.
- ◆ Recruited a total 17 people for the Management Associates (MA) & internship program.
- ◆ Completed optimization of three major series of classes and integrated four main themes into micro-learning courses: Marketing, Hiring, Guidance, and Leadership.
- ◆ Offered online digital trends courses for employees, with an attendance of over 1,000 people.
- ◆ Promoted mobile device use by sales agents, achieving a 92% usage.

2021 ESG Goals

- ◆ Continue to implement ESG performance reviews and link annual ESG goals to department KPI.

Diverse worker benefits to build a safe workplace

2020 ESG Goals and Progress

- ◆ Held a series of employee health promotion activities lasting two months. 34 teams (91.89%) out of a total of 37 teams met the reward requirements.
- ◆ Provided mental and physiological service channels in caring for employees' health and held five physical and mental health talks or courses.
- ◆ Held 36 health service events.

2021 ESG Goals

- ◆ Conducted our first employee engagement survey.
- ◆ Continued to hold 36 health service events.

Management Guidelines

Material Topics : Market Position (Competitive Salaries), Labor-Employer Relations, Training and Education, Employee Diversity and Equal Opportunity

Commitments

- ◆ Shift talent development to a "select, cultivate, utilize, and retain" human resources management chain in achieving our corporate sustainability objectives.
- ◆ Enact appropriate salary policies and ensuring that employee pay and benefit packages are competitive.
- ◆ Commit to gender equality laws and policies to guarantee equal employment opportunities for women and ensure fair promotion opportunities.

(Continued from previous page)

Policies / Management System

- ◆ Formulate rules governing paid vacation time, annual leave, and unpaid leave for office staff. Manage employee leave in accordance with the law, and amend internal policies in compliance with revised laws.
- ◆ Build an e-learning training platform that offers comprehensive, professional courses available at all times.
- ◆ Plan a six-part study map for sales agents and build digital training models in response to FinTech transformations.
- ◆ Formulate rules governing incentives for office staff who undergo professional testing. Encourage employees to obtain various certifications, including certifications from the Life Office Management Association as well as fields inside and outside their main area of work. Acquiring certifications will help employees adapt to industry trends and changes in relevant regulations.

Grievance Mechanisms

- ◆ Offer complaint channels for office workers on the Company's internal website. Employees who face problems at work can use the channel to reach management of all levels as well as the HR department.
- ◆ We hold quarterly labor-management meetings to discuss issues concerning the rights and interest of workers.
- ◆ In 2020, no complaints were filed by office staff or sales agents.

Evaluation Mechanisms

- ◆ Commission an outside company to conduct annual salary reviews that examine each position grade within the Company and compare the Company's salary and benefits to industry standards. Use the findings as a reference when adjusting salaries and giving bonuses.
- ◆ Track and identify employees with strong performance or potential in annual performance reviews. When opportunities arise, insert them into key positions or promote them to management.
- ◆ Establish annual training and review mechanisms to ensure that our training programs help employees learn and grow.

Choosing and Cultivating Human Capital

Diverse Recruitment Strategies

As FinTech becomes a modern trend, we aim to become more digitalized and be more open minded in our thinking and practices. Our workforce must be committed to digitalization and innovation and integrate these concepts into their business practices and services, thereby providing more efficient and caring services. Despite the challenges arising from the pandemic, China Life plans to expand its recruitment operations. Candidates from a wide range of fields, in particular the insurance and digital fields, are attracted to our stable business operations and progressive training plans.

Aside from regular recruitment channels, China Life cooperates with colleges and universities in industrial-academic cooperative ventures, holding summer internship plans, Company visits, and other initiatives. Our goal is to promote our corporate culture and operational philosophy to students, so that they develop an interest in joining China Life in the future.

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▼ Diverse Recruitment Strategies



Pandemic Recruitment Plans

As the COVID-19 pandemic devastated the world in 2020, China Life adopted a remote workplace policy from March to June. Department managers and human resources staff were distributed to different workplaces. To prevent job applicants from moving between various remote workplaces and increasing virus transmission risks, interviews for some of the candidates were conducted via video or teleconferencing tools. In principle, job candidates were limited to a single work location for their interviews, which minimized the spread of the virus and resulted in increased efficiency.

The pandemic also led to the cancellation of all domestic school campus recruitment events, but this did not halt China Life's recruitment efforts. To avoid face to face contact and increased transmission risks, online interviews were conducted for the 2020 preliminary selection of management associates. In two weeks we interviewed 133 people using digital tools and thereby raised efficiency and minimized contagion risks.

Internship Program

China Life has long maintained good interactions with academic institutions and actively engages in industrial-academic cooperation. With this in mind, we made our youth internship program a key part of talent cultivation. The program consists of three main themes: comprehensive internship courses, senior counselors, and diverse activities. Interns are guided through career exploration, professional cultivation, social participation, and mental care. Students apply for intern positions in departments that complement their major, interests, and future development direction. They are assigned to actuarial, investment, legal, information, customer service, or distribution channels. Our two-month internship allows for the exploring of the professional work environment, which bridges the gap between what is learned in school and actual practice. Moreover, the program helps students cultivate a positive work attitude and establish the right values. Every student intern is assigned a specialized counselor who not only oversees the student's work but also offers encouragement and care when needed.



Industrial-Academic Cooperation Program

In order to build industrial-academic cooperative mechanisms and expand recruitment channels that are needed to find elite members for the Company's future development, China Life signed industrial-academic cooperative

plans with the Department of Risk Management and Insurance at Feng Chia University for five consecutive years. The program strengthens our ties with the school and brings us closer to its students, which lets us promote our corporate brand and values. It bridges the gap between what students study in school and the skills they will use in the workplace, thus giving them a head start on their professional future and supporting the Company's efforts in cultivating future insurance talents.

In 2020, we hired two interns for our Taichung customer service center. They learned about underwriting and claims, corporate culture, service achievements, and other professional skills. We shared valuable feedback with the school, including monthly records, intern achievements and insights, and corporate evaluations. After graduation, interns who performed particularly well may qualify for full-time positions with competitive salaries and benefit packages.

Management Associates Program

As part of our commitment to cultivate young students and recruit talented graduates from Taiwan and abroad, China Life has operated the Management Associates (MA) Program since 2016. The MA Program is a comprehensive, two-year course that is tailored to each participant's educational background. In the first stage, MAs undergo joint training to understand the business group's vision. They rotate to different departments to gain a wider understanding and view of the industry. In addition to being assigned designated tasks, supervisors and MA jointly select a suitable department to engage in more practical learning. This leads into the second stage, in which the MA joins a suitable department for in-depth development and practical applications.



Since the Company is moving towards offering more innovative financial services that spread across a range of fields and are comprehensive in nature, the MA program recruits participants from different departments and backgrounds. In adapting to the COVID-19 pandemic, senior MAs made videos which share their achievements and career development online. The Human Resources Department arranged for each MA to join video-based interviews, including one-on-one interviews and explanatory meetings with a human resources manager. Operational teams also conducted their interviews and selection process online, making special effort in highlighting the importance of the program. China Life provides competitive salaries and performance-based salary adjustments, bonuses, and reward distributions during the training period as incentives to further encourage MAs to become the Company's future leaders.

In 2020, we had six MAs, who accounted for 1.37% of our new employees. In-person and online training hours reached 877 hours, for an average of 146 hours per person.

Agency Channel MA Program

First launched in 2020, this program recruits young talent with potential and offers them classes, practical training, and rotation of different departments with the goal of helping them quickly understand the operational aspects and processes of the insurance industry. The MAs are cultivated to become business channel leaders of tomorrow.

In 2020, we hired eight outstanding business channel MAs

During the cultivation period, MAs learn about business channel planning units and insurance business departments for a period of 4.5 months. Supervisors then assess MAs' skills and performance to place them in a suitable department to undergo further development.

We target graduates or individuals with less than two years working experience from risk management, insurance, business management, or science and engineering related departments of public universities or leading private universities. In 2020, we hired eight outstanding agency channel MAs.

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After-Sales Service MA Program

In order to cultivate after-sales service staff, China Life engaged in joint recruitment for the first time in 2020. The Company plans to recruit 10 – 15 talented young people for its contract, insurance services, premiums, claims, and customer service departments.

In 2020, our retention rate after probation was over 80%.

Staff hired through the joint recruitment are assigned to a suitable division based on their academic background and experiences as well as their interests. Upon starting, they receive after-sales service training. They are then guided by an experienced employee or manager after being assigned to a department, where they learn and grow.

Elite Project Training Program

To encourage a broad range of high potential youths to join the Company's sales agents team, in 2018 we released the "Elite Project" training program. It targets talented workers aged 20 to 55 who are interested in finance or sales. Using big data recruitment models and character tests, we find new talents and place them in a position to support business development. For qualified candidates, we offer a 15-month financial subsidy plan which provides up to NT\$380,000 in cash and an iPad. We also developed the i-Agent system as a mobile, digital method tool for staff to quickly and efficiently promote the Company's business. A mixture of comprehensive training mechanisms, attractive financial subsidies, and digital systems and tools give talented staff the support they need to push forward on the path to achieving their career goals and lifestyle dreams.



Transformative Development of Talent

Employees are China Life's most important asset. To truly achieve sustainable operations, a company must accumulate human capital, enhance employee education and training, and raise the professional capabilities of employees in all lines of work. China Life therefore integrates the core capabilities that the Company needs and identified four strategic areas of talent cultivation planning: operational management capabilities, finance capabilities, FinTech capabilities, and internationalization capabilities; thereby encouraging employees to



continue to learn and achieve new breakthroughs. This leads to positive development in both management and professional fields. Raising the management capabilities of supervisors at all levels paves the road which allows employees and the Company to grow together, strengthening the Company's competitiveness.

▼ 2020 Education and Training Classes, Hours Attended

				Total
Office Worker				
Education & Training Hours	Management	15,311.2	27,524.1	42,835.4
	Non-management	22,589.5	36,925.9	59,515.4
	Subtotal	37,900.7	64,450.0	102,350.8
Total Number	Management Staff	220	218	438
	Non-management Staff	647	1,329	1,976
	Subtotal	867	1,547	2,414
Average Education & Training Hours	Management Staff	69.6	126.3	97.8
	Non-management Staff	34.9	27.8	30.1
Sales Agents				
Education & Training Hours	Management	80,251	162,099	242,349
	Non-management	163,635	268,034	431,669
	Subtotal	243,886	430,133	674,018
Total Number	Management Staff	1,288	2,645	3,933
	Non-management Staff	3,309	6,096	9,405
	Subtotal	4,597	8,741	13,338
Average Education & Training Hours	Management Staff	62.3	61.3	61.6
	Non-management Staff	49.5	44.0	45.9

① The male to female ratio for management staff is 1:14, therefore the average number of education & training hours for female management staff is higher.

Office Staff Development

In order to enhance the Company's responsive competitiveness in the digital age, China Life continues to promote self-training capabilities and willingness of each Company unit. Hardware advances include a comprehensive digital study platform that enables each unit to plan suitable training courses for staff based on the unit's internal needs. Software advances include microlearning tools and techniques, which facilitate faster lessons that are closer approximations to the needs of learners. Together, these provide a solid foundation to success as digitalization becomes a modern business trend.



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China Life continues to conduct diversified talent development and training programs in responding to the external changes and challenges. Using both in-person classes and online study platforms that are accessible across different platforms, the Company has planned legal training, management skills training, professional skills training, in addition to general education courses.

AI Academy

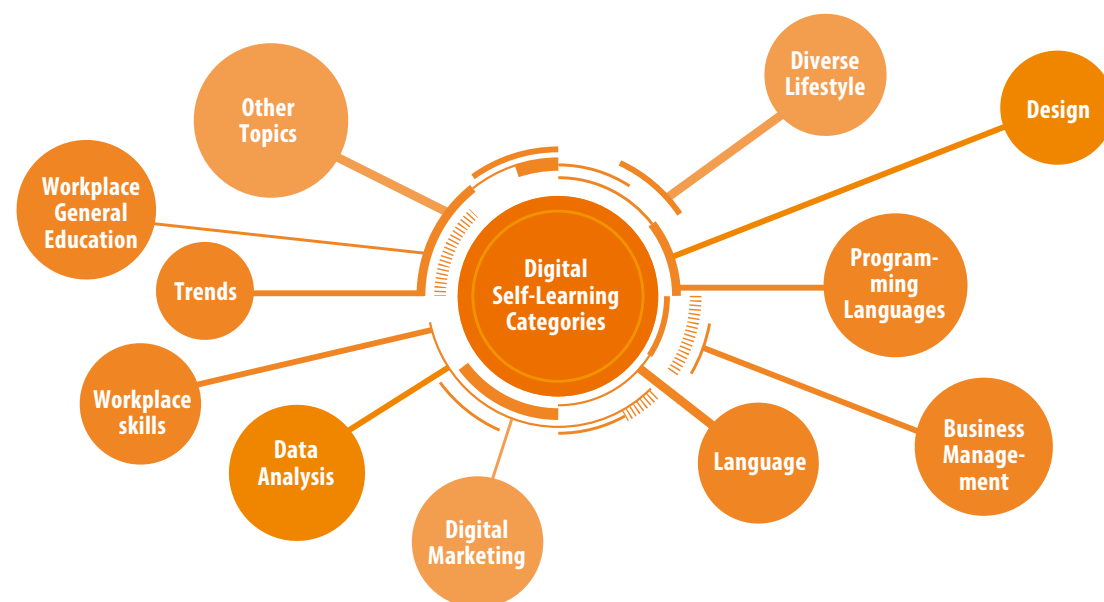
Following the arrangements in 2019, the President led 10 high-level management staff in attending a 16-week weekend course on management and a course on technical leadership training at the Taiwan AI Academy. This facilitated in-depth study of AI, machine learning, deep learning, social networks analysis, etc., and the implementation of these concepts into their management and everyday work.

Hahow Digital Self-Learning Program

The COVID-19 pandemic ran rampant around the world in 2020. China Life prioritizes learning while recognizing the need to promote social distancing in order to keep employees safe. In this spirit, we launched a one-year digital self-study program that was made in conjunction with the external online multimedia lesson producer Hahow. Our “all-you-can-eat” study program offers employees a chance to embark on a rich, interesting, and diverse learning experience as an individual or as an organization.

Our digital self-learning program provided more than 200 classes and 11 types of courses. Employees had full access to all study materials, allowing them to learn more about areas of personal interest. The Company's departments created study plans that included mandatory courses and lessons for new on-board staff during their probation periods. China Life links education to organizational development while helping individuals pursue their own self-study goals, thereby creating a more competitive workforce.

Many of the classes cover digital and technology-related topics, from programming languages, digital marketing, to data analysis and digital trends. Lesson materials for both beginning and intermediary learners are presented in simple, practical, and lively ways that are conducive to all people interested in learning about digital technology. These classes are available to all employees regardless of their professional background. Our digital technology arrangements reach a wide audience, which further expands the Company's digital technology capabilities.



In encouraging learning, the Company also offers study incentives, including product vouchers as a reward for tangible learning achievements. In 2020, close to 1,800 employees received vouchers, with a total value of over NT\$80,000. Accumulated study hours totaled at 30,998, and more than 90% of employees used the platform.

In 2021, we will offer a third round of study incentives. We will plan competitive, open incentive activities involving both learning and application performance in order to raise the organization's competitiveness and generate synergistic benefits in terms of talent cultivation.

Online Overseas Training Courses

Due to the COVID-19 pandemic, in-person overseas training classes were either suspended or cancelled in 2020. To promote continuous learning, China Life encouraged employees to join online classes held by international training organizations and even offered study subsidies. By joining the Society of Actuaries (US) Associateship Professionalism Course, the Association of Certified Money Laundering Specialists continuing education lessons, and other courses, employees took advantage of cross-field learning opportunities and engaged in exchange with people from different backgrounds.

English Training Program

As dual language nations become an international trend, the Taiwan government hopes to make English a second language. China Life recognizes the need to encourage learning as well as raise the English capabilities of our employees. We therefore launched fully subsidized English training classes in 2020 and offered complementary incentive plans. For mid-to-high-level management staff, lessons focus on business oral communication. For non-management employees, lessons focus on English self-study and foundational training. Pre- and post-course TOEIC exams provide insight into course effectiveness and serve as a learning goal for participants.

In 2020, 4 English lectures were held, as well as 5 English certification examinations. As for adaptive online English Learning materials, the courses focused on English used in social interaction, daily lives, and the workplace. Employees can choose English listening, speaking, reading and writing courses to enhance their English capabilities and learning progress.

Professional Certificate Incentives

The Company established rules governing incentive programs for office staff who seek professional certificates as well as rules for office staff who seek actuarial certificates. The rules stipulate standards for exam holidays, study holidays, registration subsidies, and bonuses. The incentives encourage staff to continue to advance their professional skills and obtain certificates to for their expertise. In response to global efforts toward anti-money laundering and counter-terrorist financing, the Company subsidizes annual fees and re-certification fees for staff who already have Certified Anti-Money Laundering Specialist certification. We also encourage staff in departments dedicated to anti-money laundering and counter-terrorist financing to obtain relevant domestic and international certificates and subsidize all relevant fees. In response to big data trends, the Company encourages staff to pursue Society of Actuaries (US) predictive analysis certification. Enhanced data analysis knowledge and skills contributes to better business operations. In 2020, the average number of certificates per office staff was 2.41, and this number has increased for the past three years.

English lecture participants: 91
No. of people taking the TOEIC test: 156
No. of people who completed English training classes: 90
Percentage of people who completed English training classes: 97.82%
Percentage of participating management staff who were at the department manager level or above: 10%
Percentage of participants below the section management level: 5%

Learning Results
Non-management Employees
 68% of students saw improvement, 33% of students scored at least 50 points better in their post-course TOEIC exams.
Mid-to-High-Level Management Personnel
 30% of management staff improved their speaking after the course.

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▼ Professional Certificates Obtained by Office Staff During the Past Four Years (Accumulated)

	2020	2019	2018	2017
Actuary Examinations	301	254	214	170
Investment, Risk Control, Auditing, Anti-Money Laundering Certificates	196	132	63	12
Underwriting and Claims Settlement Certificates ^①	119	101	87	74
Life Insurance Management Examinations	5,197	4,758	4,200	3,687
Total	5,813	5,245	4,564	3,943
Average Professional Certificates Per Person	2.41	2.35	2.14	1.97

^① In 2019, 25 employees acquired underwriting and claims settlement certificates, but there was an error in the input of numbers and only 14 were listed. We included the remaining 11 employees in the accumulated total for 2020.

Sales Channel Development

Talent cultivation is critical to strengthening the competitiveness of the organization. With our expertise as foundation, China Life enhances the skills of agents by planning comprehensive, systematic training frameworks focused on core abilities. Our training blueprint is based on the skills best suited for each specific stage of development. In addition, we constantly research and develop innovative training models. By implementing digital management, we enhance the abilities of our agents into balanced professional insurance planners that can attend to the needs of our customers using mobile tools.



Mobile Technology Tools Enhance Sales Management

As part of the Company's digital transformation, i-Agent has become a required smart tool in providing agent channels with product sales and marketing, talent recruitment, after-sales service, and performance tracking assistance. Functions such as notifications and recommendations make the smart tool much more convenient to use. An AI digital coach feature currently under development will further enhance the value of the i-Agent application.

cooperated with IBM to develop the industry's first AI recruitment and smart coach tool, which uses i-Agent to collect data for analysis and channel development. The AI recruitment smart coach feature provides agents with a variety of solutions anytime and anywhere, while also offering record management for all prospective recruits. Sales managers use this tool to understand recruitment efforts of sales agents, so they can better grasp problems that arise and provide precise guidance. Using AI to optimize the recruitment process lets sales agents do a better job of investing time and resources into new and prospective employees, which significantly raises both conversion rates and efficiency. Better agent development and quality enhances the Company's services.

The i-Agent system uses iterative development to build and manage customer name lists and calendar alerts, which helps agents to actively arrange customer engagement and scheduling. Sales managers use the system to track agent activity volume and performance. These data support scientific management, so managers can determine development models best suited to each sales agent while improving models for choosing agent talent. i-Agent also integrates AI data analysis to provide customer lists and identification markers at times when they are needed by agents. By turning this digital tool into a digital assistant then adapting it to become a digital coach, we give sales agents powerful new capabilities.

Needs Exploration / Chai Na Lai Fu Testing Instrument

developed the needs exploration/Chai Na Lai Fu digital testing instrument. Customers can use the instrument as a self-discovery tool for exploring risk items of concern and areas in which protection is lacking. Agents use the instrument to create tangible, numeric lists of protection items that customers care about, so that both sides understand the gap between customers' expectations and their current situation. This information leads to better customer risk planning.



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Diverse Training Courses

Agent Training and Study Map

In 2020, we replanned a series of professional sales representative courses and developed 12 practical classes that cover topics such as customer group engagement, policy review system applications, and sales strategies for our main products. We also designed a learning inspection and acceptance mechanism, with an emphasis on helping new employees acquire the skills they need to join the insurance market.

Agent e Academy

Developed six courses totalling 56 classes. Uploaded 344 instructional materials that focus on legal issues, information systems, products, and corporate transformation. In 2020, the e academy received a total of 120, 000 visits.

Assistant Manager Training Course

Helped excellent-performing sales supervisors accelerate their promotion to assistant managers, which advances the overall promotion system at different branch offices. Regarding issues encountered during career development, we provide courses that focus on recruitment and management capabilities. Expert speakers offer insights on solving problems, and we track post-class assignments to raise proficiency in knowledge, techniques, and tools.

Management Masters 2.0 Guidance Course

Enhanced the guidance capabilities of sales management so as to help new employees become better integrated with the Company's culture, in addition to research individual case studies, undertake joint customer visits, and facilitate the development of positive attitudes. Five additional courses are added in addressing six key scenarios.

Online Classes

In response to the coronavirus pandemic, the Company began to offer online courses in March 2020. Instructors offered insight into a variety of products, recruitment, and related topics, providing sales agents with up-to-date firsthand information. In 2020, the Company held a total of 21 livestreams, each attended by approximately 3,000 individuals. The average satisfaction rate was 4.7.

Sales Supervisor Promotion Plan

The Company uses a series of mechanisms such as training, institutions, rewards, performance, and management to track the performance of our supervisors and facilitate quick promotion of competent supervisors. At the same time, informative education, practice and discussion help students to develop the appropriate attitude and philosophy they will need to become assistant managers, while putting sales and recruiting concepts into practice. China Life fosters critical professional capabilities through digital applications. Through group practice and exchanges, we cultivate stronger future assistant managers, laying a robust foundation for future development of the Company.

Branch Manager Training Plan

Branch managers form the backbone of the Company's sales management team. They are offered a diverse range of training resources that are based on years of establishment and development of the branch office, as well as annual target performance. Employees who show high growth potential also qualify for the training. The objective is to build an environment conducive to cultivating outstanding leaders.

Employees with the Potential to Become Excellent Managers

Using practical training and post-class guidance, we focus on develop foundational skills in the first year and we teach how to build an organization, guide and recruit employees, and monitor performance in the second year. By the third year, we show how to prepare for district office establishment.

New Branch Managers

The launch of the i-Agent 2.0 branch manager occupational competency plan paves the way for more intensive training, more robust capabilities, and peer benchmarks. Practical discussion on bottlenecks and best practices promotes the formation of teams focused on learning. After district office establishment, we continue to set and track related targets.

Senior Branch Managers

We compile mid-year and year-end strategy and planning reports to cultivate an environment conducive to shared learning and communication. By adopting innovative thinking and transformational leadership qualities, we equip managers to respond to external challenges and strengthen operational management and practices. At the same time, we assess performances to understand what was successful in achieving annual benchmarks. As we spark recruitment momentum, we likewise strengthen communication management and coordination capabilities. These lessons provide a robust market base and cultivate high performing teams.

Building a Happy Workplace

Partners in Growth

Employees are both the engine that drives a company's development and the foundation of sustainable development. China Life provides diverse, equal employment opportunities and enacts labor rights protection policies for its business operations. China Life admires the role of individual within the Company. Appointment is based on the principles of equality and diversity. At the end of 2020, we had 14,638 employees, consisting of 2,414 office workers and 12,224 agents.



For staff composition among office workers, 70.80% of our employees were between 30 and 50 years old, the average age was 40.42, and the average length of employment was 7.49 years. In terms of gender, 35.96% of office staff were male and 64.04% were female. Among management, the ratio of men to women was 50:50. In terms of educational attainment, 74.57% of employees had a university or college degree and 20.51% had either a PhD or master's degree.

2020 Employee Structure – Distribution of Position Types

Office Staff				Sales Agents			
	Full-time Employees	Temporary Employees	Total			Total	
Full-time Employees	1	21	22	Sales Agents	2,955	5,345	8,300
Temporary Employees	867	1,525	2,392	Sales Managers	1,292	2,632	3,924
Total	868	1,546	2,414	Total	4,247	7,977	12,224

1 Sales agents sign a contractual agreement without establishing an employee-employer relationship. Therefore, the "Labor Standards Act" does not apply to them. Sales managers, meanwhile, sign both a contractor agreement and an employee contract. Therefore, the "Labor Standards Act" applies to them and they are subject to a partial working hours system.

For staff composition among sales agents, 54.21% of our employees were between 30 and 50 years old, with the average age at 39.88, and the average length of employment was 7.38 years. In terms of gender, 34.74% of agents were male and 65.26% were female. Among management, the ratio of men to women was 33:67. In terms of educational attainment, 60.54% of employees had a university or college degree.

2020 Staff Structure, in Terms of Age, Position

Age	Office Staff				Sales Agents			
			Total			Total		
	30 (inclusive) and below	147	228	375	30 (inclusive) and below	1,373	1,586	2,959
	31-50	546	1,163	1,709	31-50	2,162	4,465	6,627
Above 50 (not inclusive)	175	155	330	Above 50 (not inclusive)	712	1,926	2,638	
Position	Office Staff				Sales Agents			
			Total			Total		
	Department head or higher	61	35	96	Sales managers	1,292	2,632	3,924
	Section management Staff	159	183	342	Sales agents	2,955	5,345	8,300
Regular employees	648	1,328	1,976					

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▼ 2020 Staff Structure, in Terms of Education Level

Degree	Office Staff			Sales Agents		
	No. of Employees	Percentage Ratio	Total	No. of Employees	Percentage Ratio	Total
High school, vocational school, or below	38	5.96%	119	1,328	3.07%	4,295
University or college	559	87.29%	1,800	2,649	62.13%	7,401
Master's Degree	267	42.79%	491	270	6.37%	528
Doctor of Philosophy Degree	4	0.64%	4	0	0.00%	0

Employee Diversity and Creating a Tolerant Workplace

In response to the United Nation's (UN) Sustainable Development Goals, China Life has a long-standing policy of workplace gender equality. Our commitment was highlighted in the 2020 Bloomberg Gender-Equality Index (GEI), where we made the cut for index inclusion after being selected from a group of approx. 6,000 companies from 84 countries. Even more impressive was that we accomplished this feat in our first year of participation. This recognition demonstrates our commitment to promote a workplace environment that realizes gender equality and deserves international praise.



Each year, the Bloomberg GEI selects listed companies with excellent gender equality performance. Inclusion in this selection shows investors that we are committed to ESG principles. Bloomberg states the five main categories that the GEI measures: female leadership and talent pipeline, inclusive culture, equal pay & gender pay parity, sexual harassment policies, and pro-women brand.

Moreover, China Life provides disabled people and minorities with rights, benefits, and opportunities that match those of other full-time employees. Aside from prioritizing disabled people for several of our job vacancies, we installed supporting equipment to aid the disabled, including accessible bathrooms, special walkways, handicapped parking spots, 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 that make them more competitive.

China Life employed 62 disabled people in 2018, 60 disabled people in 2019, and 65 disabled people in 2020, 23% of whom had one to five years of experience at the Company, and 77% of whom had six or more years of experience. Many worked with us for over 13 or even 14 years. In addition, under the prerequisite of putting people in positions suited to their competencies, China Life prioritizes indigenous groups for several of our job vacancies beyond the required quotas. At the end of 2020, we employed 58 indigenous people, which made our workplace more diverse.

Protection of Human Rights

In order to fully implement equality and diversity policies and to build a harmonious workplace environment, China Life affirms and supports international human rights conventions, such as the UN's Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization Convention. We also reference principles laid out in the International Bill of Human Rights and other documents. Our policies aim to build diverse, tolerant workplaces that are healthy and safe, where workers enjoy equal opportunities, are treated humanely, and are not overworked. Wages and benefits must adhere to regulations, and complaints mechanisms and labor-capital agreements shall be set in place. Personal privacy must also be protected. Both office staff and sales agents must take the Human Rights Policy Promotion Course so they are equipped to help us implement our human rights philosophy. In 2020, we held the course two times. Total enrollment was 2,396, which included 100% of required participants.

Sexual Harassment Prevention Procedures

China Life adheres to the "Sexual Harassment Prevention Act" and regularly reviews the members of the Sexual Harassment Prevention Complaint Committee. When a sexual harassment incident occurs, office staff and agents can file complaints via separate phone number, fax, or email channels. Within seven days of receiving the complaints, the Company will launch an investigation task force. The investigation is confidential, and all involved parties receive ample information and are given the opportunity to voice their opinion. The investigation report shall be issued within two months of the building a case, with appeals and replies made available. There were no sexual harassment complaints for 2020.

Employee Turnover

The number of office staff at China Life has grown in recent years. In 2020, we welcomed 439 new members, representing 18.18% of our total office workforce. Among the new members, 261 (59.45%) were women. Employee turnover was 229 people, or 9.57%. Over the past five years (since 2016), turnover has generally decreased, from 17.49% in 2016 to 12.86% in 2017, 13.96% in 2018, 13.1% in 2019, and 9.57% in 2020, which shows the quality and stability of our workplace. In the future, we will continue to track employee turnover, as we use a combination of self-review and incentive mechanisms to create a better work environment.

▼ Gender and Age of New Staff, 2020

	30 (inclusive) and below		31-50		Above 50 (not inclusive)		Total	
	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio
Office Staff	71	2.94%	98	4.06%	9	0.37%	439	18.18%
	111	4.60%	147	6.09%	3	0.12%		
Sales Agents	524	4.29%	375	3.07%	48	0.39%	2,295	18.77%
	562	4.60%	668	5.46%	118	0.97%		

- ① Office staff turnover does not include temporary contractors; Sales agent turnover includes contractors.
- ② The denominator of the percentage ratio is the total number of China Life employees.

▼ Gender and Age of Voluntary Separation Employees for 2020

	30 (inclusive) and below		31-50		Above 50 (not inclusive)		Total	
	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio
Office Staff	24	1.00%	40	1.71%	11	0.46%	229	9.57%
	41	1.71%	104	4.35%	9	0.46%		
Sales Agents	263	2.15%	292	2.39%	60	0.50%	1,564	12.79%
	317	2.59%	492	4.02%	140	1.15%		

- ① Office staff turnover does not include temporary contractors; Sales agent turnover includes contractors.
- ② The denominator of the percentage ratio is the total number of China Life employees.

▼ Gender and Age of Voluntary Separation Employees for 2020

	30 (inclusive) and below		31-50		Above 50 (not inclusive)		Total	
	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio	No. of Employees	Percentage Ratio
Office Staff	23	0.96%	38	1.59%	11	0.46%	223	9.32%
	41	1.71%	101	4.22%	9	0.38%		

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Looking After Employees

Benefits

China Life believes employee happiness is critical to the sustainable development of the society and its business. Adhering to the the Company's "We Share We Link" motto, we offer diverse employee benefits that contribute towards building a healthy and safe work environment. Our welfare program features vacation, volunteer leave, children's education scholarships, and employee health checks that surpass the requirements of the law. In an effort to realize gender equality at the workplace, wages are primarily based on the employee's educational background, work responsibilities, and job performance. We encourage employees to pursue career advancement by creating a caring workplace. Only through value co-creation, can the insurance facilitate social stability.

With the COVID-19 pandemic devastating the globe in 2020, China Life and its employees spared no effort when it comes to disease prevention. In addition to providing 100 facial masks for each office staff, we also gave NT\$5,000 appreciation payments to all employees in recognition of their hard work. Due to restrictions on travel abroad, we increased the application deadline on marriage leave applications from three months to one year.

▼ Benefits Used by Full-Time Office Staff for 2020

Benefits	Description	No. of Uses
Vacation and Leave	New employees who sign full-time contracts with the Company receive annual leave as soon as they go on-board.	380 employees
Volunteer Leave	To encourage employees to give back to society by joining public welfare activities, we offer one day volunteer leave/per employee each year.	1,214 employees
Employee Insurance	We offer labor insurance, national health insurance, and group insurance (including life insurance, accident insurance, family/hospital medical insurance, and accident medical insurance).	Labor insurance: 32 payments Group insurance: 619 claims
Employee Loans (Home and Scooter Purchases)	Offer favorable employee interest rate discounts for housing and scooter loans.	Housing: 12 loans Scooters: 1 loan
Employee Clubs	We subsidize the establishment of staff clubs that enhance work-life balance.	1,057 subsidies
Holiday Bonuses and Year-End Party	Aside from Dragon Boat Festival, Mid-Autumn Festival, and birthday benefits, we organize annual parties and lucky draws to celebrate the Lunar New Year. In 2020, bonuses totaled NT\$56,027,000.	COVID-19 consolation: 2,182 payments Birthdays: 2,256 gifts Dragon Boat Festival: 2,232 bonuses Mid-Autumn Festival: 2,277 bonuses
Scholarships for Employees' Children	To encourage our employees' children to pursue academic excellence, we provide educational scholarships. In 2020, scholarships totaled NT\$3,781,200.	1,386 people
Childbirth Subsidies	In order to encourage employees to have children and promote employee benefits, the Company provides a NT\$20,000 childbirth subsidy for each child. In 2020, subsidy applications totaled NT\$1 million.	50 people
Health Checkups	We offer comprehensive health examinations in looking after our employees' physical health. In 2020, subsidies totaled NT\$1,084,909.	92 people
Other Items	We offer wedding and funeral gifts, hospitalization payments, and childcare incentives. To further help employees maintain a healthy mind and body we installed a coffee machine, sky garden, employee lounge, fitness room, and nursing room.	Weddings and funerals: 263 gifts Special allowances for hospitalization: 345 payments

Retirement Benefits

China Life places great importance on the retirement life of our employees. We formulate worker retirement regulations and established the "Labor Retirement Reserve Supervisory Committee." For employees using the old pension system, a certain percentage of their gross monthly salary is reserved as their retirement fund with the Bank of Taiwan. We evaluate whether the balance of this fund is sufficient to meet the retirement needs of employees who will retire the following year. If more funding is needed, the company will fill the gap into the fund by the end of the following March. 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. To show appreciation to our retired workers for their years of service, we have also provided a glass plaque and free health check to all retiring employees since 2018. In 2020, a total of seven employees used these benefits.

Salary Structure

China Life believes that developing a fair and competitive salary system is the key to attracting and retaining talents. 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. Key factors for determining salary include academic achievements, work experience, position, and performance, without gender wage gap. We adhere to "equal pay for equal work value" in realizing gender equality.

▼ New Recruit Salary Range Compared with Local Minimum Wage

	2020	2019	2018	
Office Staff	Entry-level new administrative recruits			
	Salary Range	Minimum wage was NT\$23,800, and we made adjustments based on experience and education	Minimum wage was NT\$23,100, and we made adjustments based on experience and education	Minimum wage was NT\$22,000, and we made adjustments based on experience and education
	Comparison with minimum wage set by the competent authority	1.00:1	1.00 : 1	1.00 : 1
Sales Agents	New administrative personnel with a university degree			
	Salary Range	Minimum wage was NT\$28,000, and we made adjustments based on experience and education	Minimum wage was NT\$28,000, and we made adjustments based on experience and education	Minimum wage was NT\$28,000, and we made adjustments based on experience and education
	Ratio of salary to minimum wage	1.18:1	1.21 : 1	1.27 : 1
Office Staff	Entry-level sales supervisors			
	Salary Range	Salary paid according to the income item stipulated in the labor contract. The monthly minimum wage shall not be lower than the hourly rate stipulated by the competent authority.		
Sales Agents	Ratio of salary to minimum wage	1.00:1	1.00:1	1.00:1

▼ Gender-Based Salary Ratios for Employees of Various Level

Department Head or Higher	2020		2019	
	Basic Wage Ratio	Annual Compensation Ratio	Basic Wage Ratio	Annual Compensation Ratio
Department Head or Higher	0.97	1	1.02	1
Division Supervisor	0.90	1	0.89	1
Division Supervisor	0.88	1	0.89	1

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▼ Number of Non-managerial Employees, Their Average Annual Wages and Benefits, and Comparison with the Previous Year

	2020	2019
No. of Non-managerial Employees	2,385	2,208
Average Non-managerial Employees Annual Wages and Benefits, and Comparison with the Previous Year		
Average Wage and Benefits (Unit: NT\$)	1,223,924	1,173,779
Increase YoY (%)	4.27%	13.75%

▼ Average Wages and Median Wages of Full-Time Non-managerial Employees and Comparison with the Previous Year

	2020	2019
Total Wages of Full-Time Non-managerial Employees (Unit: NT\$)	2,436,118,877	2,048,812,502
Full-Time Non-managerial Employees (Unit: people)	2,225	2,077
Average Wage of Full-Time Non-managerial Employees (Unit: NT\$)	1,094,885	986,429
Median Wage of Full-Time Non-managerial Employees (Unit: NT\$)	933,990	833,572

① Full-time employees are employees whose work hours meet the Company's standards for regular full-time work or legal standards for full-time work (generally those employees who work an average of 35 hours or more per week). In accordance with regulations, employees who have worked and received wages for fewer than six months are not included in the calculation.

② Average wages and total wages are affected by monthly changes in the number of employees receiving a wage. Therefore, the number of full-time employees is a weighted average, in accordance with relevant regulations.

Children's Core Competency Summer Camp

As part of our efforts to build a happy workplace environment where employees can achieve balance between work, lifestyle and family, China Life has hosted children summer camps for five consecutive years. On the day of the camp, employees are encouraged to bring their children to work. The children get to see what the office environment is like and interact with our staff. It is a memorable experience for all.


In 2020, China Life responded to the government's education policy of placing greater attention on core competencies by changing the name of the children's camp to the "Children's Core Competency Summer Camp." Two sets of activities were designed based on the age of the children: "food and agriculture" and "financial management." A total of 65 children attended, and the activity achieved a satisfaction rate of 4.9.

Food and Agriculture

China Life used hands-on activities to promote food and agriculture education. The lessons, which were designed for young children, combined with fun and practice to teach about farming, soil, and plants. Children learned about the origin of food, how to select good foods, and how to keep a proper diet. The children fostered an appreciation for food, farmers who produce the food, as well as the environment.

Financial Management

China Life used board games to help children learn about investment and financial management. Older children played the role of city planners. They divided into teams to observe economic trends, study risk analysis, and decided whether to make investments. In the process, they learned how to profit. They then split into groups to talk about how to build the best city.



65 children attended
Satisfaction rate was 4.9

▼ Children's Core Competency Summer Camp



Dementia Friendly Workplace

China Life adheres to a spirit of love and care and the principle of treating customers fairly. In response to the Ministry of Labor's policy of promoting dementia friendly workplaces, we invited the secretary-general of the Taiwan Alzheimer Disease Association, Tang Li-yu, to provide dementia-related training to employees of 76 different departments. Topics ranged from dementia awareness, dementia prevention and care to how to treat colleagues with dementia onset and ways of redesigning their work responsibilities. The goal was to build a supportive workplace environment that makes the most of the Company's valuable labor resources. When an employee develops dementia or needs to care for a family member with dementia, we are then better prepared to provide sufficient support.

In 2019, all 556 of the Company's customer service staff completed the Taiwan Alzheimer Disease Association online courses on how to treat people with dementia. In 2020, we expanded the training scope to include all staff and district offices, with lessons taking place on the Company's internal digital systems to prevent the spread of the COVID-19 pandemic. The effort made us the first dementia friendly insurance company to adopt the association's dementia plan.

Unpaid Parental Leave

Good family relationships are key to social stability. To help employees meet both their personal and family care needs, China Life provides full parental leave support by preserving parents' right to return to work. In 2020, the Company had 25 office staff and 62 sales agents apply for unpaid parental leave. Among office staff, the return to work rate was 85.71% and the retention rate was 93.33%, and among sales agents the return to work rate was 83% and the retention rate was 94%. These numbers show how China Life promotes a work-life balance and empathizes with employees who need to care for their children.

	Office Staff			Sales Agents		
	1	24	Total	12	50	Total
2020 Unpaid Parental Leave Applicants	1	24	25	12	50	62
Unpaid Parental Leave Recipients Who Returned to Work	0	12	12	13	37	50
2019 Unpaid Parental Leave Recipients Retained for at Least One Year After Returning to Work	3	11	14	9	38	47
Return to Work Rate ①	N/A	92.31%	85.71%	81%	84%	83%
Retention Rate ②	75%	100%	93.33%	100%	93%	94%

① Return to work rate = (Unpaid parental leave recipients who returned to work in 2020/the number expected to return to work in 2020) x 100%.

② Retention rate = (Unpaid parental leave recipients retained for at least 12 months after returning to work in 2019/the number who returned to work in 2019) x 100%.

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Open Communication Channels

In order to promote positive interaction between labor and management, China Life convenes quarterly labor-management meetings to discuss key issues. The Company held four such meetings in 2020 to report on and discuss employee actions, business updates, and labor-related issues.

China Life also established worker claims channels and publishes relevant information on the Company's intranet. Confidentiality and appropriate procedures are carried out in accordance with standards set by the competent authority. Employees use the channels to report work-related problems they encounter to supervisors of any level or the HR department, who abide by confidentiality requirements. In 2020, employees did not make any such claims.


After observing employees' work habits, actions, and social trends, China Life combined technology with innovative thinking to launch two new internal communications channels: the China Life e-Family and i-Talk Line@ accounts.

China Life e-Family

Release news reports each week on China Life's company culture. In 2020, we released 237 stories that boosted interaction, raised platform usage, and quickly responded to employee concerns. Increased engagement built a strong corporate culture of love and care. At the end of 2020, the platform had 2,058 fans, accounting for 85% of all employees.

i-Talk

Each week we communicate with employees via and events while tailoring stories to fit special holidays. In 2020, we issued 112 notifications and increased our fan count by 1,903.



Emphasizing Workplace Health and Safety

In order to strengthen workplace safety and health, the Company established the Occupational Safety and Health Committee, the Occupational Safety and Health Management Unit, and the Workplace Violence Prevention and Management Group. The units are convened by safety and health sales managers, professional safety and health managers, doctors, nurses, and emergency response personnel. These groups are responsible for identifying, planning, overseeing, executing, assessing, and improving all health and safety issues.



Occupational Safety and Health Committee

The Occupational Safety and Health Committee is a standing committee that includes one director and seven regular members, including four labor representatives who make up 50% of its members. In 2020, the committee convened twice to review safety and health policies then make recommendations and proposals. The Occupational Safety and Health Management Unit formulates, plans, oversees, and promotes safety and health management items while guiding relevant departments on implementation. In 2020, we also formulated the Occupational Safety and Health Management Plan to ensure proper implementation of employee safety and health measures.



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Occupational safety and environmental monitoring are vital to our business. In 2020, we regularly conducted workplace fire safety equipment inspections and repairs as well as building safety inspections and notification to appropriate authorities. 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 for business operations. Moreover, we made necessary arrangements in preparation for earthquakes, fires, and emergency medical situations. Besides establishing an autonomous fire safety group in the workplace, we participated in joint fire safety lectures and emergency evacuation drills run by building management to raise our emergency response capabilities. At the Company's Dunbei Building headquarters, we established a joint defense team that can provide disaster prevention and rescue during normal times and offer extensive support when disasters do occur.

▼ 2020 Occupational Safety Performance ①

Item			Total
Injury Rate ②	0.00051%	0.00085%	0.00137%
Absence Rate ③	0.05212%	0.31314%	0.36526%
Lost Day Rate ④	0.00145%	0.00419%	0.00564%

① In 2020, China Life had zero incidents regarding occupational death, serious injury, or serious disease among employees or non-employee personnel. The primary cause of work-related injury was traffic accidents occurring on the way to/from work or during work-related trips.

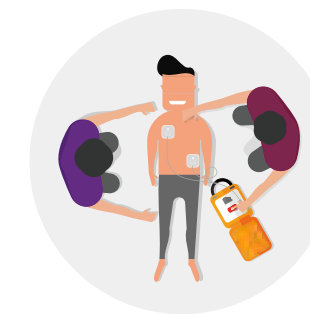
② Injury Rate = Total number of accidents/(total number of work days * total number of people) * 100%.

③ Absence rate = (Work injury leave + sick leave + menstruation leave)/(total number of work days * total number of people) * 100%.

④ Lost day rate = Work injury leave/(total number of work days * total number of people) * 100%.

On-Site Healthcare

As part of our effort to provide a comfortable, safe and healthy working environment, free blood pressure monitoring devices are available at the Company's major service counters across Taiwan. AED equipment is available at Company headquarters and the customer service centers in Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung, and each location continues to undergo AED safe location certification. In 2020, the Company had a total of 144 staff members who underwent external training and obtained certificates. These certified staff members are spread across our various offices. We even have first aid drugs and medical devices stored at each of our workplaces.



Furthermore, we employ seven nurses who offer health advice, workplace illness and injury prevention information, first aid, and emergency responses. They provide additional information on communicable disease prevention and health maintenance using the Company's internal mail network. In 2020, we continued to contract certified doctors from Chang Gung Memorial Hospital Linkou Branch, Tungs' Taichung Metro Harbor Hospital, Tainan Municipal Hospital, and Chang Gung Memorial Hospital Kaohsiung Branch to offer health services on a quarterly basis at our offices with over 300 personnel in Taipei, Taichung, Tainan, and Kaohsiung (over 26 walk-in clinics). For offices with 100~299 personnel, we held 10 walk-in clinics in addition to on-site nursing services twice a month. To expand services to other worksites, employees from our Guo Chang building, Taoyuan & Hsinchu office, and Chiayi office can participate in online lectures held by our medical personnel.

Indoor Air Quality Management

With office staff spending between 80% and 90% of their time indoors, indoor air quality has a direct impact on work quality and efficiency. Even though the insurance industry has yet to be enforced to comply with the "Indoor Air Quality Management Act," for three consecutive years, China Life has designated 10 personnel to attend external training and acquire certifications for indoor air quality management in efforts to minimize air pollution impact on the health of our employees. Our certified personnel are responsible for assessments and actions needed to effectively manage our indoor air quality, so staff can work in a healthy environment.



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Social Participation



China Life invests corporate resources and encourages employee contributions towards the promotion of social welfare and expansion of social prosperity. Through corporate culture, we cultivate a benevolent workplace. Leveraging internal and external resources, we are building a better society in the post-pandemic era. We focus on four key public welfare categories: corporate volunteering, education and empowerment, help for the disadvantaged and environmental protection. As we support educational quality, the disadvantaged, and the environment, we provide warmth wherever it is needed and make the world a better place.

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Combine the core capacities of the finance and insurance industries while participating activities that contribute to society's well-being

2020 ESG Goals and Progress

- Held 18 finance and insurance educational activities for disadvantaged children.

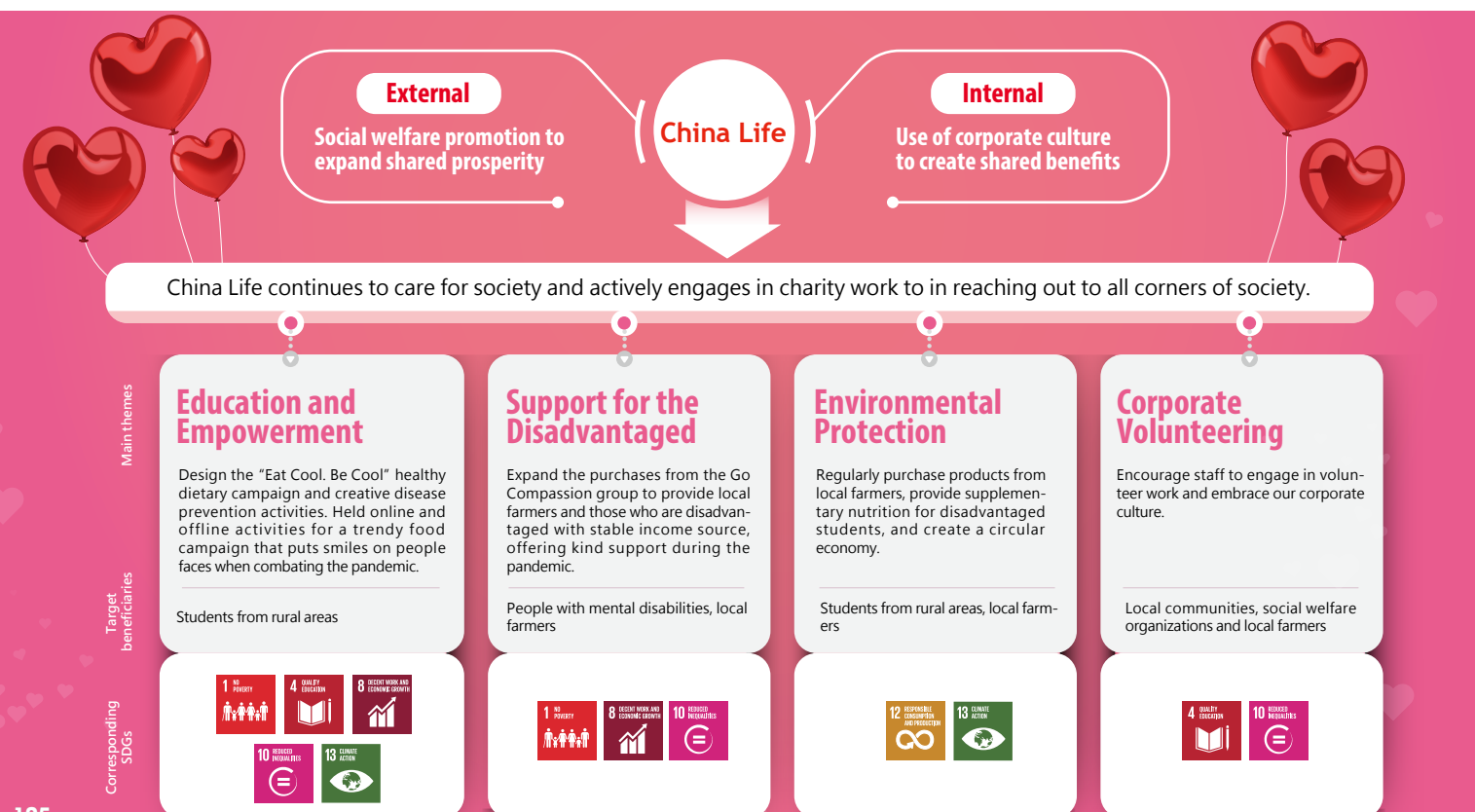
2021 ESG Goals

- Improve the service quality of the Love to Go Volunteer Team by expanding local outreach and teaching financial education. Increase office staff volunteer hours by 10% compared to the previous year.

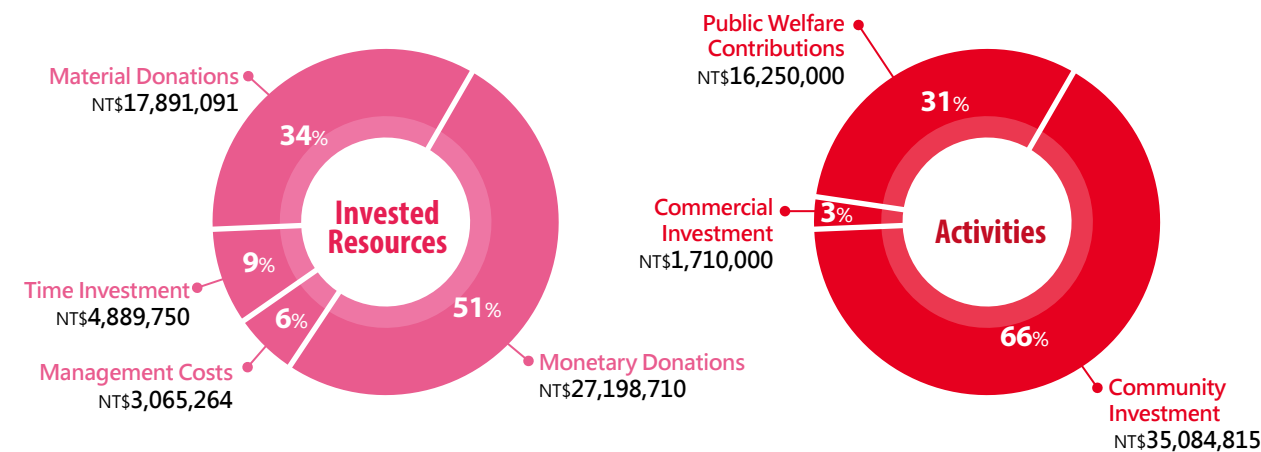
Care for Social Needs

In 2020, the global impact of the COVID-19 pandemic highlighted the importance of insurance on people's health. During this period, China Life maintained communication with and offered support to internal and external stakeholders without any pandemic-induced delays. We accelerated adoption of digital technology and built stronger connections with shareholders. Close to 15,000 of our office staff and agents cooperated with social welfare institutions and schools in contributing to society. The synergistic effects of these relationships mean that together we can do more to make society better. In regards to the future, we are building a better future for all and creating conditions conducive to achieving the UN's Sustainable Development Goals (SDGs) despite the challenges of the global pandemic.

In working toward corporate sustainability, we adopts four main approaches in interacting with our staff and the external social environment: education and empowerment, support for the disadvantaged, environmental protection, and corporate volunteering. We combine corporate resources with public welfare organizations, social enterprises, and local farmers to develop innovative social participation projects and expand social prosperity. By implementing a top-down approach, the chairperson, president, and senior management worked with our colleagues to foster a corporate culture that revolves around love and care. Together, we fulfill promises and enact change for society.



▼ 2020 Social Participation Investments



Promoting Social Welfare and Prosperity for All

The COVID-19 pandemic devastated the world, causing social uncertainty and prompting unrest. Work practices underwent major upheaval. Fundraising campaigns and charitable activities were put on hold.

China Life witnessed social welfare organizations and small farmers that we had long-term relationships with struggling to make ends meet. At the same time, we noticed the rising trend of the general population spending more time online. We therefore initiated a series of campaigns that connected online technology with actual practice. Children from rural communities were invited to use drawings as a way to express their gratitude and appreciation of front-line medical workers. Internet technology brought people together using online communication channels. After assessing conditions in rural elementary schools, we designed and launched the "Eat Cool. Be Cool" healthy dietary campaign. We reminded students to heed their health and enhance their immunity through a healthy diet. As the pandemic underwent a gradually slowdown, we encouraged staff to show care to social welfare organizations by increasing Go Compassion group-buying events and other activities. These initiatives spread our love and care for those less fortunate. We used digital technology to provide customers with soothing, warm content on social media platforms. China Life stands by the community and works hand in hand with the public combating the COVID-19 outbreak.

Despite the pandemic-related challenges, China Life continued to adopt four main themes in seeking sustainable development and formulating strategies that for social participation. We also adjusted our assistance methods according to the latest pandemic developments, so as to continue to help people in need and contribute towards making a better society.

Education and Empowerment

Read Across 319 Townships

In the post-pandemic period, China Life's Read Across 319 Townships program integrated healthy dietary concepts into online and offline activities to boost a sustainable cycle and encourage people to reducing food wastage. In encouraging consumption of imperfect fruits and vegetables, we designed an original "Eat Cool Dance" campaign. Besides promoting these initiatives on China Life fan pages, we publicized fashionable food campaign events different schools. A total of 360 students and teachers joined and video posts of the events on social media drew close to 70,000 views. Catchy songs and lively dances encouraged younger generations to appreciate food. Our aim is to make consumption of imperfect fruits and

Invested NT\$9.89 million and held 88 events

Volunteers contributed a total of 1,061 hours

3,666 students from rural areas benefitted from our efforts

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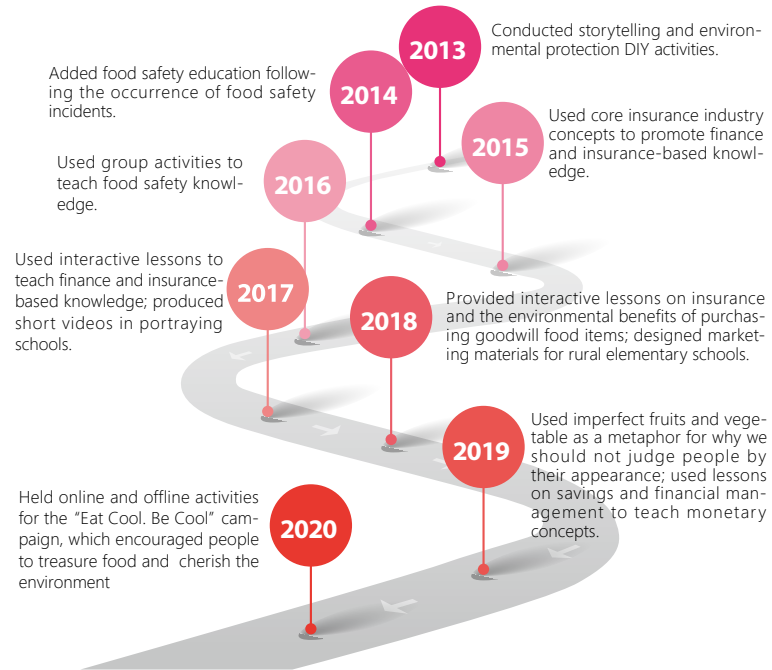
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vegetables a routine part of a nutritious lifestyle. Besides preventing waste and combating global warming, we emphasized the importance healthy dietary as part of post-pandemic lifestyle.

After considering the needs and values of students living in rural areas, China Life launched the Read Across 319 Townships program. Already in its seventh year, the program aims to reach elementary schools in all of Taiwan's 319 townships. Using reading as a foundation, it includes DIY classes, storytelling, interactive games, and other educational methods that integrate current events into their curriculum. As we encourage students to study and read, we delve into foundational concepts, such as the importance of saving money, building financial stability, environment protection, food safety, aesthetics and arts, as well as character integrity, further boosting students' learning interest and enhancing their abilities. The program helps students from rural areas access the same resources as students from urban and more developed areas.

▼ Innovative Ways of Making Events More Effective



Modifications Made in Response to the Pandemic



Sharing Health and Stability With Rural Communities

Enhancing the immunity of children from rural areas during the pandemic

- **Coming up with a trendy apple dance** : schools promoting healthy diets and living through demonstration videos
- **Donating funds for purchasing new books** : acquiring knowledge from reading and staying calm in difficult times

COVID-19 Pandemic Transformed the Way People Socialize

- Connecting through social media, replacing physical events
- Generating innovative content using old materials

Showcasing the Achievements of Rural Elementary Schools



Eat Cool Dance video

Promotional Materials for Rural Schools Encourage Students to Cherish the Land They Grew Up On



Rural travel promotes a healthier, more positive lifestyle

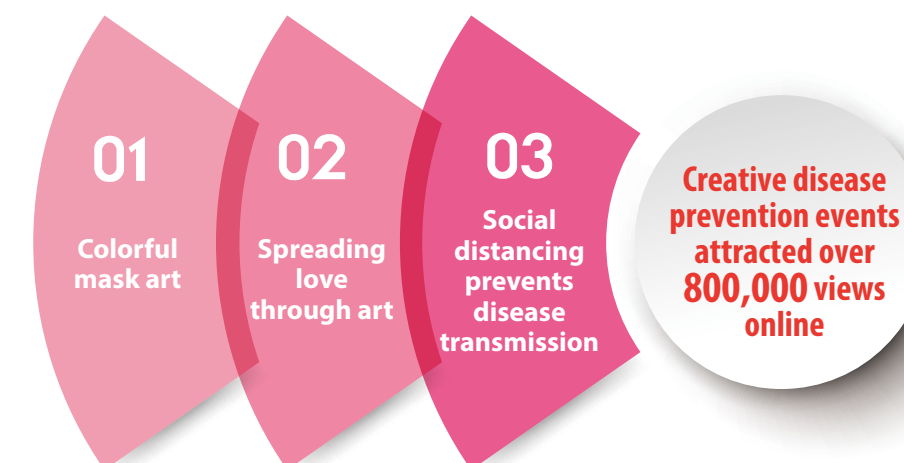


A call for green living encourages us to love Earth and protect the environment

Aesthetic Education Program

China Life launched the Aesthetic Education Plan in 2017. This public welfare program brings together emerging artists and arts-themed social enterprises to offer art classes to students living in rural areas. Incorporating local culture and school characteristics into arts helps the children develop greater recognition towards their hometown and boosts their sense of self-value. The plan won a Buying Power – Social Innovation Product and Service Procurement Award from the Small and Medium Enterprise Administration, MOEA for four consecutive years.

The pandemic has transformed how we work and live while accelerating the use of digital applications. In this environment, China Life reviewed its social welfare efforts and presentation method. Due to pandemic-induced restrictions, we went beyond physical activities by launching online events. These online events offer many advantages, including overcoming time and space limitations while providing more content and greater presentation flexibility. In 2020, virtual Aesthetic Education Plan events provided a medium for creative disease prevention. Students from Hsinhsing Elementary School in Taitung and Caopu Elementary School in Pingtung contributed artworks based on this theme, which we showcased on the Company's official Facebook and Instagram social media accounts.



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Activity 1 Colorful masks bring a smile to disease prevention

We solicited colorful mask art that could bring a smile to people's face. These masks eliminate feelings of distance that a generic face masks on the market would typically have. The creative looks remind everyone of the smile that lies beneath.

Aside from encouraging participation from the students, emerging artists such as "Prince Noodles" and COLASA also participated in the event. Despite the hardships of the pandemic, the event sparks warmth and joy to cheer people up.



Activity 2 Colorful drawings spread messages of disease prevention and love

Handwritten messages and colorful sketches express gratitude and appreciation for medical personnel working in the frontlines. They show the warmth and love of society.

Activity 3 Safe distances keeps everyone healthy

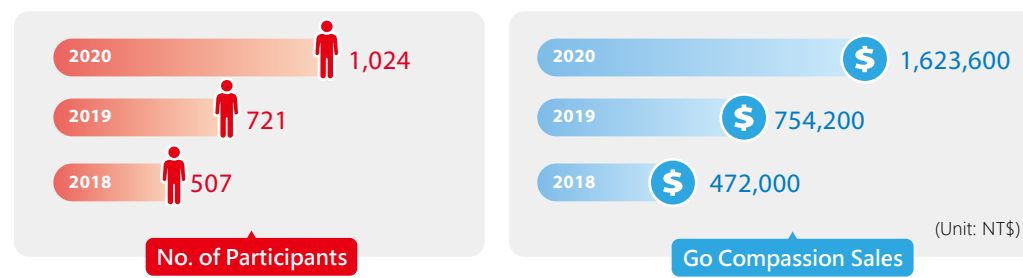
Fruits and vegetables are used as measuring devices to remind people to stand at least 1 to 1.5 meters apart to prevent disease transmission. These visual representations of safe distances also promote the nutritional value of fruits and vegetables.

Assisting the Disadvantaged

Go Compassion Group-Buying

In 2020, the COVID-19 pandemic had detrimental impact on many public welfare organizations. They saw sharp downturns in fundraising and lost channels in which they would previously sell goods, leading to unstable financial difficulties. To support stable incomes for local farmers and organizations that help people with mental disabilities, China Life expanded the Go Compassion group-buying program. Launched in 2018 to encourage more employees to buy from people in need, the program achieved record highs in terms of numbers of participants and sales in 2020, and offering relief for those in need during these difficult times.

▼ Go Compassion Group-Buying Performance, by Year
 No. of participants and sales performance underwent exponential growth year after year



Using "shared benefits" as the Go Compassion theme in 2020, we incentivized employees to put their concern for others into action. Colleagues formed groups that regularly ordered set amounts of products from

disadvantaged groups and local farmers, thus providing stable work and income for those beneficiaries. Simple participation methods helped encourage more people to join. After purchasing products, our employees can choose whether to keep the products or to donate them, thus further promoting goodwill and sustainable values while also bringing people closer together. Since 2019, we have used competition between departments and prize draws to encourage greater participation, and we purchased fruit gift baskets from social welfare enterprises to further benefit the disadvantaged.

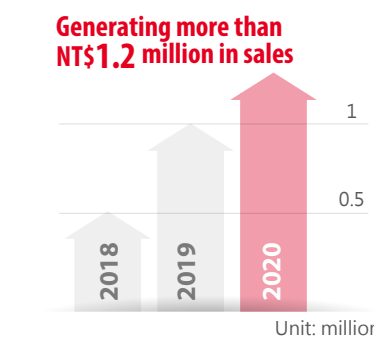


Charity Fairs

China Life has held charity fairs for 12 years and offered charity vouchers during the past two years to encourage participation. Each year, over 70% of staff make a purchase to support disadvantaged groups and local farmers. Our actions bring warmth and social care to people in need.

The charity fairs have evolved from simple gatherings of local farmers and social welfare organizations selling goods to performance-based events that provide a stage of love and dreams. By combining our corporate resources, support from social welfare organizations, small farmers, and social enterprises, we are able to offer a performance stage for children living in rural areas as well as people with disabilities, who benefit from greater self-confidence and more visibility. The social welfare organizations and farmers also help to promote nutrition and healthy lifestyles. Their embodiment of the harmony which exists between the land, the environment, and people becomes a powerful catalyst for expanding the cycle of love.

▼ Annual sales growth



Vendor Space

A platform for disadvantaged groups and local farmers to sell products.

Performance Stage

Aside from providing a channel to sell products, we offer a stage for students from disadvantaged groups to perform and build self-confidence. Local farmers use the stage to voice support for the environment.

Publicizing Good Causes

We issued charity vouchers and invited all staff to join in the program. The charity fairs and vouchers encouraged support for the disadvantaged and protection of the environment.

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▼ 2020 Charity Fairs – LBG Table



Impact

Public Welfare Connection	Interaction	Sustainability Cycle
<ul style="list-style-type: none"> Used the Company's resources to connect employees with social welfare organizations, local farmers, and social enterprises. Through joint buying power, we helped those in need. More than 70% of our staff purchased charity vouchers, showing that they were willing to use their pocketbooks to do good. Provided neighboring residents and social welfare organizations with opportunities to interact with local farmers and social enterprises. Onsite purchases of goods directly boosted sales. 	<ul style="list-style-type: none"> Provided opportunities for disadvantaged children and people with disabilities to raise their confidence and visibility while letting them perform for a supportive audience. Provided disadvantaged groups with the opportunity to sell their goods onsite. Increased opportunities to interact with the general public improved their communication skills. 	<ul style="list-style-type: none"> Combined environmental protection and social welfare. Invited staff to donate secondhand goods, which had environmental benefits.

Community Impact

- Used the Company's resources to connect employees with social welfare organizations, local farmers, and social enterprises. Through joint buying power, we helped those in need.
- More than 70% of our staff purchased charity vouchers, showing that they were willing to use their pocketbooks to do good.
- Provided neighboring residents and social welfare organizations with opportunities to interact with local farmers and social enterprises. Onsite purchases of goods directly boosted sales.

Commercial Impact

- Social organizations made schedule to participate in China Life's annual charity fairs.
- Aside from festivals and fairs, employees enhanced their environmental impact by continuing to buy goods from local farmers and disadvantaged groups throughout the year. The ongoing support provided a steady source of income and business that helped people in need.

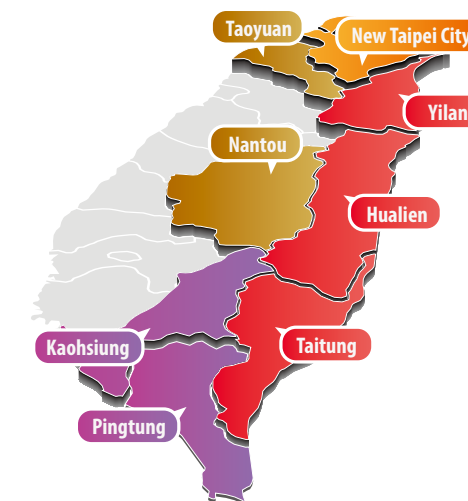
Socially Minded Young CEO Plan

China Life is committed to spreading our corporate cultural spirit of love and care. In addition to encouraging employees to contribute to public welfare and service, we appeal to students at colleges and universities across Taiwan to join us in caring for society and engaging in volunteer work. Students start by observing social needs and then propose corresponding solutions. As the students hone their self-expression capabilities, they lay the foundation for outstanding future management and execution. Charitable acts provide firsthand experience of the power of public welfare while offering an opportunity to transform more people.



▼ The Socially Minded Young CEO Plan Tour Around Taiwan

For 13 consecutive years, China Life has funded school service clubs from different universities



The Socially Minded Young CEO Plan sponsors youth-led activities that support environmental protection, education and empowerment, support for the disadvantaged, in addition to financial and insurance lessons. The plan cultivates a passion in caring for society and learning about volunteer work. Through joint efforts, we can inject more positive energy into society, spreading love across all corners of Taiwan. In 2020, we sponsored the Socially Minded Young CEO Plan at nine colleges and universities, generating support for 725 rural or disadvantaged students and residents.

Joining the Taiwan Alzheimer Disease Association to Promote Dementia-Friendly Service Ambassadors

China Life cooperated with the Taiwan Alzheimer Disease Association on holding a special event and concert for the World Alzheimer's Month. A week before the event, we generated a buzz through promotions on Facebook and a prize drawing. On the day of the event, Company volunteers adopted the role of dementia-friendly service ambassadors. They joined with members of the Taiwan Alzheimer Disease Association to promote dementia prevention and dementia-friendly practices. The event took place at two locations where we set up activity stalls that offer interesting, interactive activities. We also arranged an accessible motorcade to pick up disabled guests, providing an additional opportunity for people with disabilities to participate in social events.

Accumulated 3,553 and 2,707 messages on the Facebook activity page

Yu-Cheng Painting Competition for People with Intellectual Disabilities

For 12 consecutive years, China Life has sponsored a Yu-Cheng Social Welfare Foundation painting competition for people with intellectual disabilities and continues to promote sheltered



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workshop products. We want the paintings of mentally disabled children to be made available to the public, helping the public to appreciate the time and effort involved and develop a better understanding of the mentally disabled. Up to 2020, the competition has offered support to more than 6,000 people with intellectual disabilities. Guests of the participants joined in by watching their loved ones win awards and seeing the winning paintings put on display.

Extended care to more than 6,000 people with intellectual disabilities and their families

Blood Donations Extend the Power of Love

We continue to cooperate with the Taiwan Blood Services Foundation to promote blood donations across Taiwan. These actions have helped stabilize the inventory of Taiwan's blood banks.

As a gesture of support to participants, China Life purchased sweet potatoes from members of the Zenan Homeless Social Welfare Foundation as gifts for people who donated blood. While saving lives, blood donors were reminded of the importance of supporting the disadvantaged.



Over the years, China Life has donated a total of 524,000 c.c. of blood

Environmental Protection

Food Safety – Green Academy Program

Fruit donations to rural communities and orphanages support local farmers beset by pandemic-induced export restrictions

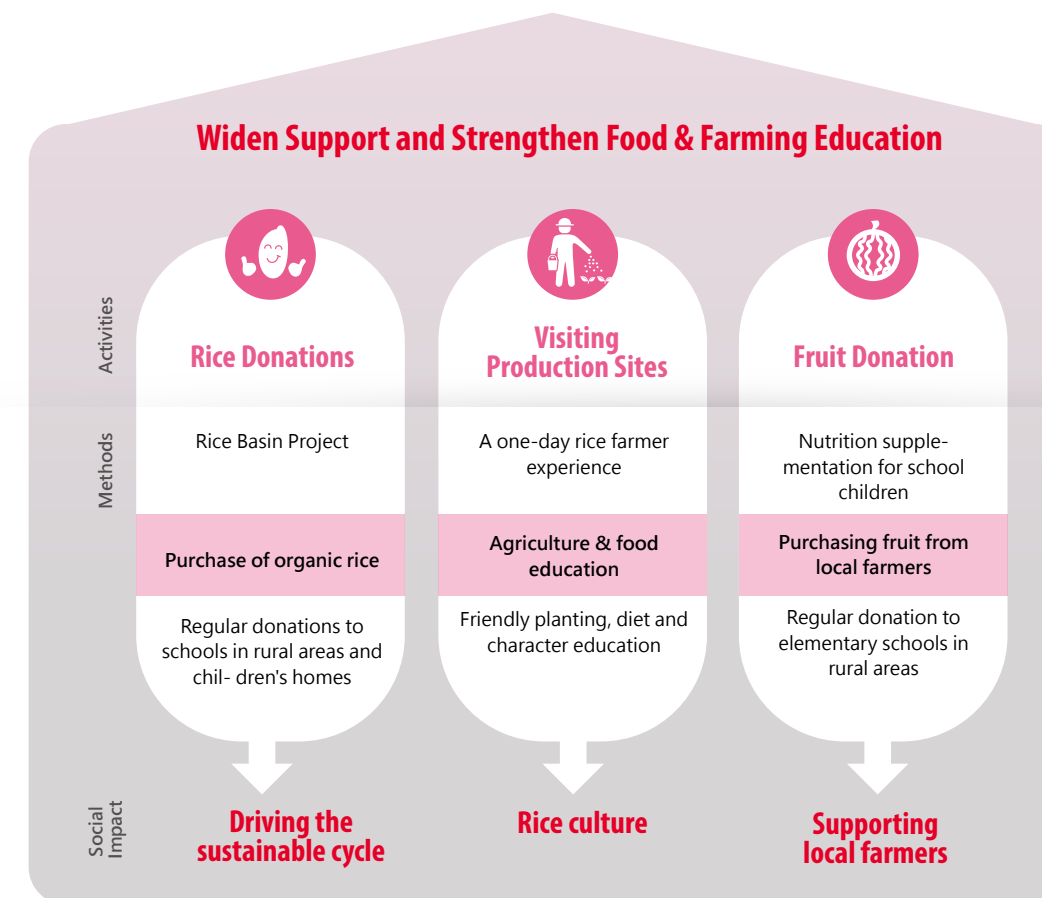
In 2020, the COVID-19 pandemic had a major impact on donations made to small- and medium-sized social welfare organizations. To provide them with support, China Life cooperated with social enterprises that specialize in the sale of imperfect agricultural products. We used our corporate buying power to purchase pineapples, papaya, and other products from farmers whose export business was affected by the pandemic. We then shared these goods with social welfare organizations. By reducing food expenses, these organizations could directly allocate more of their funding to provide services. When making these types of contributions, China Life also hopes to inspire more people to join us in supporting people in need.

In 2020, we donated 2,616 kg of organic rice Equivalent to about 34,880 bowls of rice, helping out 230 students



As part of our commitment to social welfare, China Life is a longstanding contributor to environmental sustainability practices. During the pandemic in 2020, we continued to purchase seasonal fruits from local farmers then donated these goods to rural and disadvantaged children to ensure their healthy diets. In coordination with the SHARE OWiN PROJECT we supported young local farmers while providing organic grains to rural elementary schools and orphanages. The grains symbolized goodwill and a cycle in which the sharing of resources reduces waste. Rural children also toured rice production sites and took farming classes to learn more about rice culture while gaining experiences on the connection between food and the land. As the students learn the true value of grain products, they cherish food and appreciate the value it brings. These feelings initiate a cycle of goodwill and love for the land. Since 2014, we have contributed fruits and organic grains from local farms to 40 different rural elementary schools and orphanages, benefitting a total of 2,235 children.

▼ 2020 Food Safety – Green Academy Program Public Welfare Strategies



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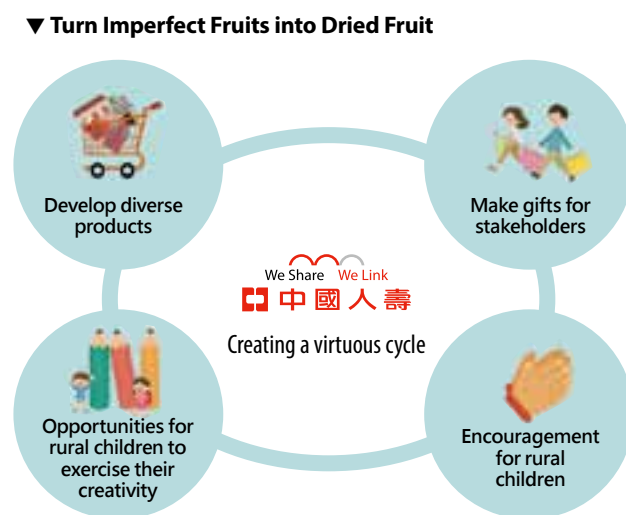
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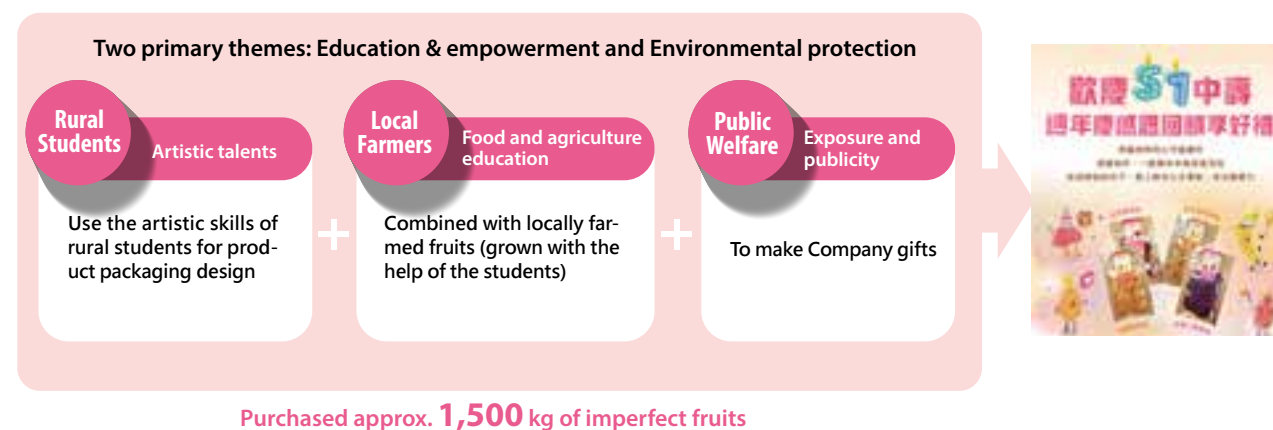
57th Anniversary Gifts

According to data from the UN's Food and Agriculture Organization, approximately 1.3 billion tons of food a year is lost or wasted throughout the global supply chain. In Taiwan, the average food waste per household is around NT\$30,000 per year.



To heed global calls for environmental protection and in response to the 12th goal of the UN's SDGs "responsible consumption and production," China Life boosted positive consumption by encouraging students from rural areas to display their art talents. We provided funding for social organizations and art teachers to instruct rural students, and we purchased organic fruits from local farmers who were suffering from lackluster sales. We then used the fruits to make dried fruits while using the students' artworks for branding and packaging. The finished products, which became our 57th anniversary gifts, reduced food waste, strengthened our connection with stakeholders, and expanded our social influence.

Highlighted the Strengths of Disadvantaged Groups While Making Public Welfare a Routine Part of China Life's Business

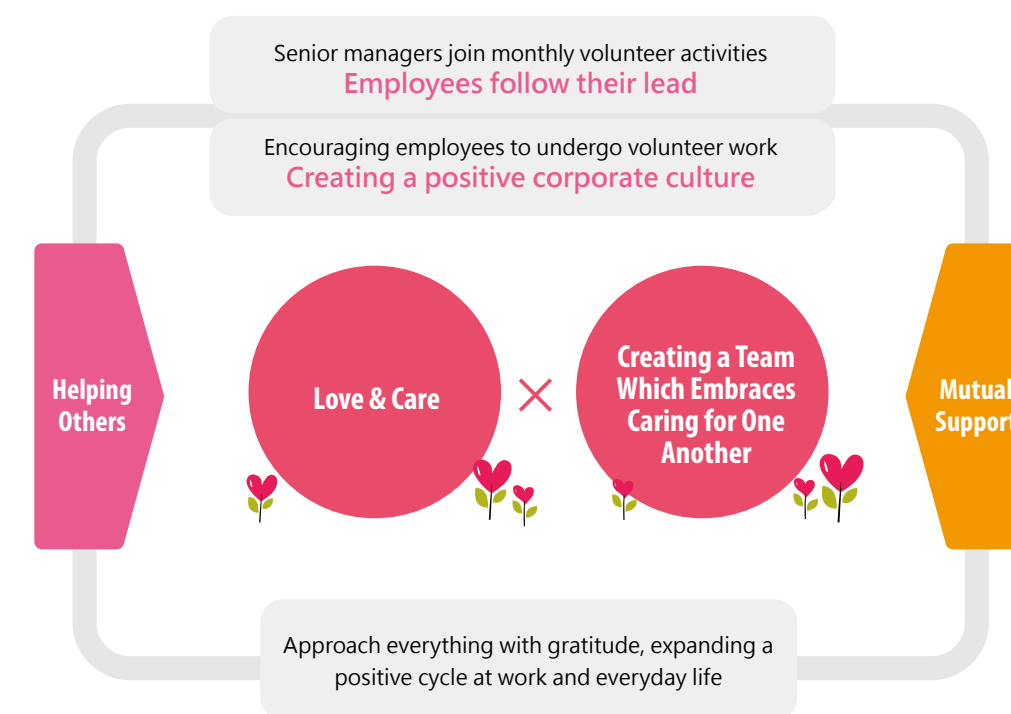


Corporate Culture Creates Shared Benefits

In 2020, the pandemic caused social upheaval that disrupted the internal work procedures of corporations. In response to changing external conditions, we adopted new internal measures: work from home, remote work, and online meetings. It was a time of extreme uncertainty and change. To prevent employees from feeling helpless and to ward off anxiety, we planned a series of activities that covered all levels of the Company, both internally and externally. We strengthened employee communication by creating positive workplace interactions. Opportunities for online and offline interactions between staff opened channels that spread warm words, encouragement, and appreciation. Employees adopted gratitude as the approach for all work and lifestyle interactions. As harmonious relations spread throughout the workplace, positive thinking kept people passionate about work and supported an effective, mutually supportive team.

The core of China Life's sustainable value chain consists of talents and mutual-benefiting DNA. Since internal acceptance and support are required to promote sustainable development, we have created a supportive environment with high internal acceptance and appreciation. These features are vital to corporate growth.

In recent years, corporate culture is seen as key in pursuing corporate sustainability. China Life created a good corporate culture by adopting "creating the greatest benefit for policyholders, shareholders, employees, and society" as its main objective. We built an atmosphere of love and care so staffs feel connected to the Company, creating a good working environment of shared benefits, shared consensus, and cohesion.



Corporate Volunteering Love to Go Volunteer Team

To help employees understand the importance of sustainable value chains, China Life has promoted the Love to Go Volunteer Team since 2012. We encourage employees to volunteer in the hope of generating greater excitement around social participation. As we spread warmth to people in need, we turn corporate volunteering into a sustainable movement.

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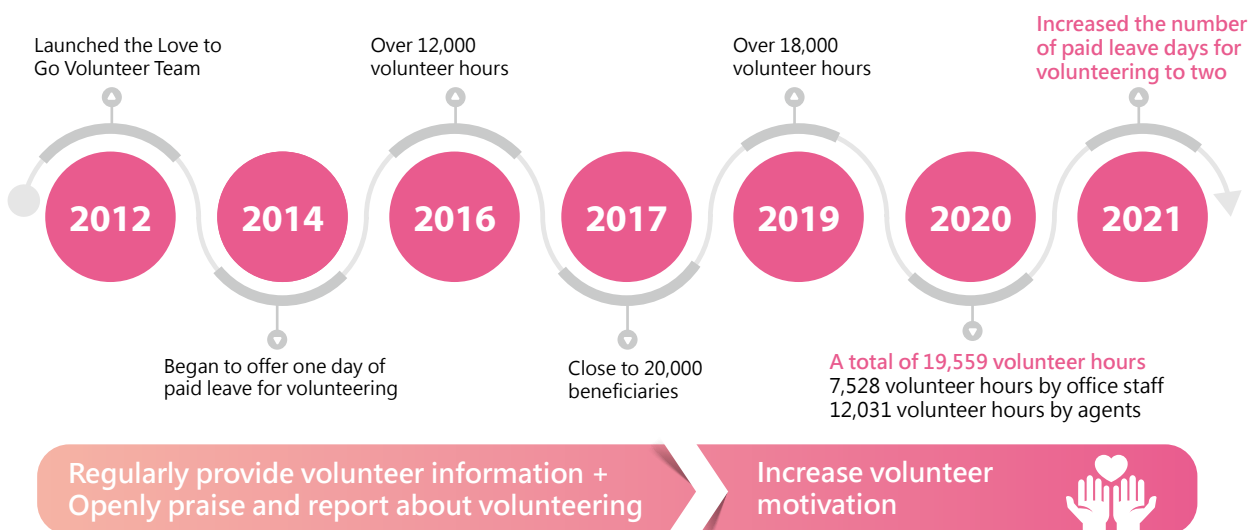
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We cooperated with close to 10 social welfare organizations that provided monthly informational updates to China Life employees, who then registered to volunteer based on their own schedules. Service categories included helping people with disabilities fit in to their communities and providing companionship to orphans, people with mental disabilities, and disadvantaged seniors. We also held beach and mountain cleaning activities and helped organizations carry out administrative affairs. The Company openly commends our passionate volunteer teams and shares their annual achievements. As other staffs learn about their experiences, the volunteer teams feel valued and honored. More people become willing to participate, which improves our team spirit and fulfills the love and care that are integral to our corporate culture.



Appreciation for Our 57th Anniversary

The pandemic posed an opportunity for us to reflect on how employees are the Company's greatest asset; we decided to focus our 2020 cultural promotion on strengthening love and care. For our 57th anniversary activities, we invited office staffs to reminisce on their original inspirations and be grateful for what they have in their lives. We encouraged employees to express their thoughts and share what makes them thankful. Combining these aims with materials that promote love and care increased positive thinking, built a team consensus, and created a cycle of benevolence in the workplace.

Activity Origin

A greeting, words of praise, or a show of concern can all be a type of gift. When people are frustrated, challenged, or face difficulties, sometimes they just need to change their mental state to think of ways to solve their problems. Cheering someone on and encouraging them to overcome adversity is a present we can give to everyone.

Love and care are important elements of the insurance industry. Part of caring for our policyholders involves finding ways to reach their hearts. In our everyday lives, we must therefore understand how to both find and give gifts. From these generous acts, we build motivation and joy that changes our thought process and behavior. We have more fun, become happier, and show greater care for friends and loved ones. These changes facilitate caring, thoughtful service.

Aside from sending thank you letters or holding award ceremonies, we used podcasts, song requests, and appreciative poems as ways of expressing gratitude. These additional channels for spreading positivity enhanced the impacts of giving thanks.

Spreading gratitude

Sending out thanks: We encouraged colleagues to send these thoughts via email to the person or persons who assisted them.

Writing down thanks: We encouraged colleagues to write down their thoughts after they received assistance so they became accustomed to expressing appreciation.

Produced 13 multimedia materials
Employee participation rate at 74%



Feedback from participants

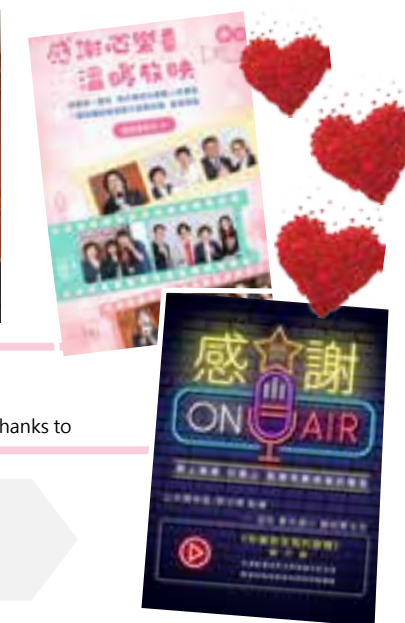
- Gratitude is a form of sharing
- Gratitude is a force for change

Feedback from judges

- Gratitude can change one's life
- There are so many parts we can give thanks to

Promoting Thanks in 2021

Appreciation E-Book: Sharing the Beauty of China Life at 57 Years Old (2020);
 Gratitude Coins: Give thanks online every day to accumulate gratitude coins



Positive Videos Inspire the Pursuit of Shared Benefits

Shared benefits form the best corporate culture. To provide our colleagues with gifts that nourish the spirit and improve recognition between office staffs and agents, we seek stories of employees helping out others in the workplace. We then turn these moving moments into stories told through plays or games while incorporating information about operational performance or achievements. Videos and our own digital platforms encourage feedbacks from other employees. Viewers get to experience the warmth that spreads throughout our workplace as well as the love and care that define our corporate culture.

When filming videos, our colleagues contribute to set design and dialogue. Participation in creative projects brings staffs together and builds team spirit. Each department gets its own theme and special characteristics that draw viewers into the story. As our colleagues learn about the operations and style of each department, they gain a positive outlook on the hard work and contributions of the different departments and staffs. Exploring the value that everyone brings inspires people to seek shared benefits for all.

Video plots based on true work stories

Joint participation in producing videos

Colleagues take on the main roles

Improve recognition between office staffs and agents

Feedback from colleagues

- My supervisor is so observant. He knows I like Sumikko Gurashi.
- A 3 minute video which brings our kaohsiung office and taipei office together.
- I made my first ever video at China Life.
- Good things happen every day at China Life.

我們是表態的
 我的團隊不簡單

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Environmental Sustainability



The World Economic Forum's Global Risks Report 2021 continues to focus on the seriousness of climate and environmental risks. For the fifth consecutive year, extreme weather is the most likely risk. China Life considers climate change to be one of the most important topics we face. We adopt standards from the Task Force on Climate-related Financial Disclosures (TCFD) to evaluate the impact that climate change will have on our operations and value chain. At the same time, to strengthen green procurement and green supply chain management, we extend "Citizen of the Earth" responsibilities and missions to the upstream and downstream members of our industrial supply chain.

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Implementing environmental management in response to climate change

2020 ESG Goals and Progress

- Expanded the scope of green procurement by increasing property, construction, and repair green procurement spending to NT\$32.94 million.
- Promoted corporate green souvenirs. At least 80% of our corporate-branded gift items had environmental protection certification.
- Continued to evaluate electricity efficiency based on equipment and spatial area at all of our workplaces. On average, we achieved a 7.82% reduction in electricity use compared to the base year of 2016.
- Integrated the revised version of greenhouse gas inventories from ISO 14064-1:2018. Besides existing inventory categories, the new inventory includes transport of bank receipts and transport of copier paper. We also passed ISO14064-1 external verification.
- Maintained ISO 14064-1 greenhouse gas certification and expanded the scope of certification to branch offices in Hualien-Taitung, Penghu, and Pingtung. Inventory scope coverage was 100%.
- Raised the energy efficiency of our data centers and lowered their PUE ratio to 1.53 or below.
- Had an average recycling rate of 52.55% at our nine primary workplaces, including the six offices in the original scope (the head office, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung offices) and three additional offices (Hualien-Taitung, Penghu, and Pingtung).
- Promoted renewable energy development by starting operations of our solar power system at the Taipei Academy.

2021 ESG Goals

- Continue to promote green procurement and win external awards and recognition.
- Launch ISO 50001 energy management system certification in coordination with relocation of the head office.
- Obtain ISO 14064-1:2018 greenhouse gas inventory certification.
- Continue to target an average electricity savings goal of at least 1% per year and 5% over five years (using 2016 as the base year) for each of our Taiwan offices.
- Raise the energy efficiency of the cooling equipment in our data centers to lower the equipment PUE ratio to no more higher than 1.5.
- Continue to achieve an average recycling rate of at least 50% at our nine primary workplaces: the head office, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, Kaohsiung, Hualien-Taitung, Penghu, and Pingtung offices.
- Finish applying for renewable energy certification for our solar power system at the Taipei Academy, as part of the Company's carbon reduction efforts.

Promoting sustainable supply chain management and joint efforts to fulfil social responsibilities

2020 ESG Goals and Progress

- Conducted sustainability audits on six key suppliers to build sustainable supply chain management mechanisms.
- Published an annual list of suppliers with excellent sustainability performance on our corporate website to publicize sustainability management achievements in our supply chain.
- Suppliers that are entrusted to collect, handle or use personal information signed the "Supplier Personal Information Protection Evaluation Form." A total of 32%, or 100% of entrusted suppliers, signed the form.

2021 ESG Goals

- Conduct sustainability audits on eight key suppliers to build sustainable supply chain management mechanisms.

Protecting the environment with green financial services

2020 ESG Goals and Progress

- Continued to promote green processes, such as e-notices and e-policies, which reduced paper usage by 3.6 million sheets, achieving our reduction target.
- Continued to promote mobile insurance policies to achieve a 95.5% usage rate in our own sales channel. Expanded use of mobile insurance policies to 22 of our cooperative partners.
- 87% of our online travel insurance and accident insurance applicants applied for e-policies.

2021 ESG Goals

- Continue to promote green processes to reduce our paper usage by 8% compared to the previous year. Improve our e-notices application services.
- Continue to promote the use of mobile insurance services. Increase the usage of mobile insurance to 20 of our channel partners.
- Continue to promote online insurance applications. Reach an e-policy usage rate of at least 75% for non-annuity/life insurance products.

Management Approach

Material Topics : Compliance with Environmental Protection Regulations

Commitments

- Become an official TCFD supporter to strengthen climate change management and respond to international trends.
- Prioritize the purchase of Green Mark products to meet low polluting, recyclable, and resource saving standards. This lowers our impact on the environment.
- Suppliers that sign procurement contracts with the Company must adhere to principles governing CSR and ethical management. These include compliance with laws and regulations relating to environmental protection, labor conditions, occupational safety and health, labor rights, and human rights.

Policies / Management System

- Promote the Company's Environmental Protection Policies and assess green energy measures. Establish the Environmental Protection Committee to set environmental organizational standards and conduct related duties.
- Encourage our property suppliers to sign the "Supplier CSR Commitment." Screening standards for selecting suppliers account for legal compliance, environmental assessments, labor practices, human rights, and social impact.
- Formulate the "China Life Environmental Protection Policy," the "Supplier CSR Guidelines," and the "Contractor Safety, Health, and Environmental Management Methods."

Grievance Mechanisms

- Complaint mechanisms to reach relevant departments are available on the CSR, stakeholder, and opinion/feedback sections of the corporate website.
- To ensure that we exercise the personal information data rights of building and repair contractors, we followed methods for managing data subjects' rights when establishing Facility Service Department procedures.

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Evaluation Mechanisms

- Conduct greenhouse gas inventories using ISO 14064-1 and complete ISO 14001 Environmental Management Systems. Pass a third-party inspection that serves as a reference for future greenhouse gas and environmental management improvements.
- Green procurement in 2020 totaled NT\$32.94 million. For the first time, the Environmental Protection Administration recognized us for our excellence in green procurement and green consumption promotion.
- For a fifth consecutive year, the Department of Environmental Protection, Taipei City Government awarded us a green procurement award.
- 120 procurement contracts signed in 2020 included the "Articles Governing CSR and Ethical Management."
- 100% of construction and repair works suppliers signed the "Supplier CSR Commitment."

Advancing Climate Governance

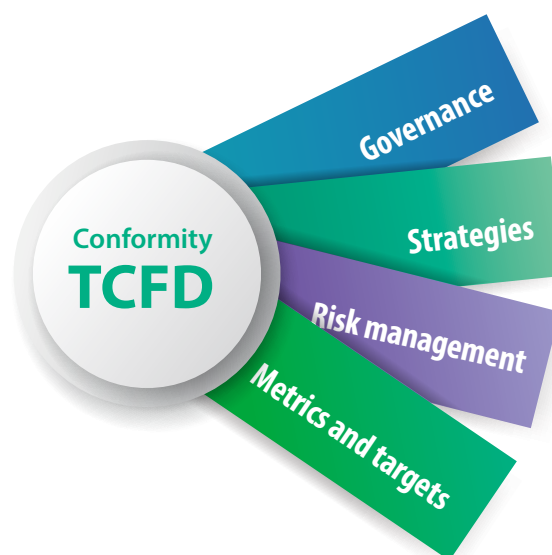
Climate Risks and Strategies

The Intergovernmental Panel on Climate Change (IPCC) forecast that average global temperatures would increase by 1.5°C or more by 2030 at the earliest. China Life recognizes the extreme impact of climate change and considers it to be one of the most important business issues we face. In 2019, we became one of official TCFD supporters with the aim of using insurance industry strengths to mitigate and adapt to climate change.

To strengthen our response capabilities to climate change, properly disclose our achievements and actions, and act in accordance with international trends, we use TCFD standards to show the impact of climate change on our operations and value chain. TCFD guidance focuses on four main areas: governance, strategy, risk management, and metrics and targets. We also include factors associated with guidelines that are important to our industry, namely insurance and property ownership. Using this framework, we strengthen the Company's climate change governance and devise systematic methods to identify climate change risks and opportunities. By setting and tracking goals, we successfully lower potential impacts and prepare for future opportunities. At the same time, we respond to the climate change management expectations of our external stakeholders by obtaining the highest "Level-5: Excellence," for our maturity model for the Climate-related Financial Disclosures following the BSI TCFD conformity check procedures.

Governance

China Life adopts TCFD's recommended framework to promote the supervision and management of actions that mitigate climate change via top-down approaches from the board of directors, CSR Committee, accountable departments, and administrative units. By doing so, the Company has effectively incorporated climate issues into organizational operation and executed accordingly.

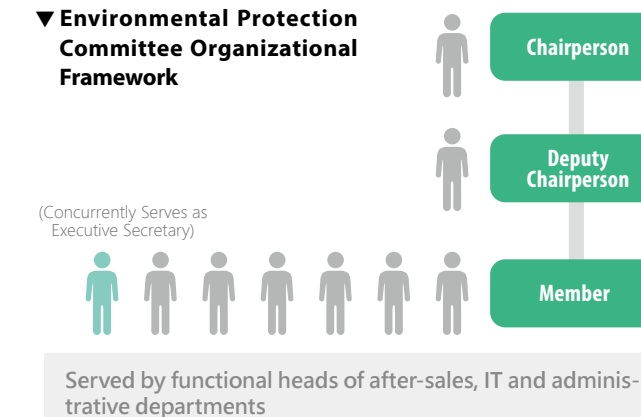


▼ Structure and Responsibilities of Committee for TCFD



The Company formulated the Environmental Protection Policies to promote environmental protection and build a low carbon corporate environment. In 2014, we established the Environmental Protection Committee, which consists of nine Company managers responsible for after-sales service, information, administrative support, and other important duties. The committee has one chairperson, one deputy chairperson, and seven other members (one of whom concurrently serves as the executive secretary to oversee the committee's overall administration and meeting communication). In addition to formulating and revising committee rules and environmental protection policies, the committee monitors implementation of energy conservation and carbon reduction, waste management, environmental and health issues, and environmental protection.

▼ Environmental Protection Committee Organizational Framework



In 2020, the committee convened twice to review implementation of environmental protection measures and establish environmental protection goals and guidance for 2021. The committee also reviewed and revised our Environmental Protection Policies to enhance environmental protection duties and improve the existing environmental performance management guidelines.



- 1 Set environmental protection goals and carry out management measures.
- 2 Continue to innovate and advance environmental performance.
- 3 Emphasize energy savings and advocate recycling.
- 4 Observe environmental duties and carry out green procurement.
- 5 Use education and training to improve environmental protection capacity and knowledge.
- 6 Cooperate with suppliers to fulfill corporate responsibilities.

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Strategy and Risk Management

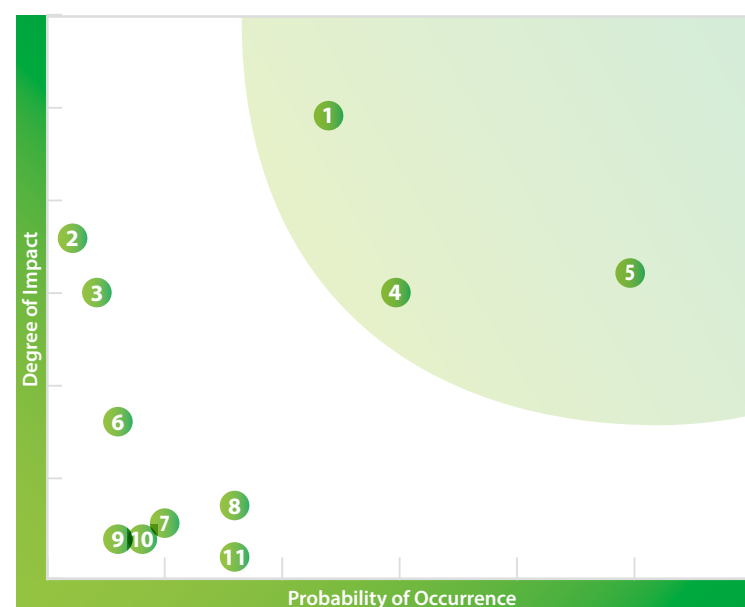
When identifying climate change risks and opportunities, China Life simulated RCP 2.6 and RCP 8.5 scenarios proposed by the IPCC for physical risks, and 2DS and 6DS climate scenarios proposed by the International Energy Agency (IEA) for transition risks. By comparing the results of RCP 2.6 / 2DS scenarios, where active carbon reduction and sustainable energy system development are conducted, with RCP 8.5 / 6DS scenarios, and where technology development is relatively limited due to current policies, the Company is able to assess the climate's potential impacts on sales, strategies, finance, and investment under different climate scenarios.

China Life gathers various units to evaluate climate change's impacts on operations and our value chain. We identify climate-related risks and opportunities then assess the impacts on the Company's revenues, costs, and continuing operations. Each unit must analyze the probability of occurrence of various scenarios as well as the potential financial, operational, and strategic impacts. This information is used as a reference for determining associated risks and opportunities then crafting response strategies and action plans. Implementation and assessments follow. We must effectively control or reduce climate-related risks and take advantage of related opportunities in order to meet the expectations of stakeholders.

Climate Risk Evaluation Results

Each unit considered "probability of occurrence" and "degree of impact" then used these data points to determine three of China Life's major climate risks. Strategists crafted responses based on risk characteristics, with the goal of adopting early management to reduce potential impact.

Climate Risk Evaluation Results



Risk Factors

- 1 Increasing severity of extreme climate events (such as typhoons and floods) and their impact on operations
- 2 Low carbon alternative products and services
- 3 Environmental protection regulatory trends
- 4 Increasing concern or negative feedback from stakeholders
- 5 Increasing severity of extreme climate events (such as typhoons and floods) and their impact on policyholders
- 6 Increased carbon disclosure requirements
- 7 Cost of low carbon technology
- 8 Increasing severity of extreme climate events (such as typhoons and floods) and their impact on suppliers
- 9 Increasing impact of climate change on our invested companies
- 10 Renewable energy policy requirements
- 11 Increase in the average temperature

Transition Risks

Reputational Risks

Risk Factors: Increasing concerns or negative feedback from stakeholders
 Investment in industries that have a reputation for high carbon emissions or pollution leads to concerns or negative feedback from stakeholders.

Scope of Impact: Revenues

Response Strategies:

- Monitor policies, laws, and market changes. Adjust investment handbooks when appropriate.
- Investment research reports include CSR evaluations to adequately assess risk.

Physical Risks

Immediate Risks

Risk Factors: Increasing severity of extreme climate events (such as typhoons and floods) and their impact on policyholders
 Extreme climate events lead to increased frequency and severity of natural disasters, raising the need for emergency relief among policyholders.

Scope of Impact: Operational expenses

Response Strategies:

- Offer policy loan incentives, premium extensions, expedited claims, and other emergency relief measures to provide policyholders with immediate support.
- Annual review of processes for supporting policyholders affected by major disasters. Make adjustments based on policyholder needs.

Risk Factors: Increasing severity of extreme climate events (such as typhoons and floods) and their impact on policyholders
 Extreme weather increases the severity of typhoons or floods while higher temperatures raise power usage. In addition to affecting office and data center operations, public utility (water, electricity, telecommunications) instability could interrupt operations.

Scope of Impact: Operational interruptions

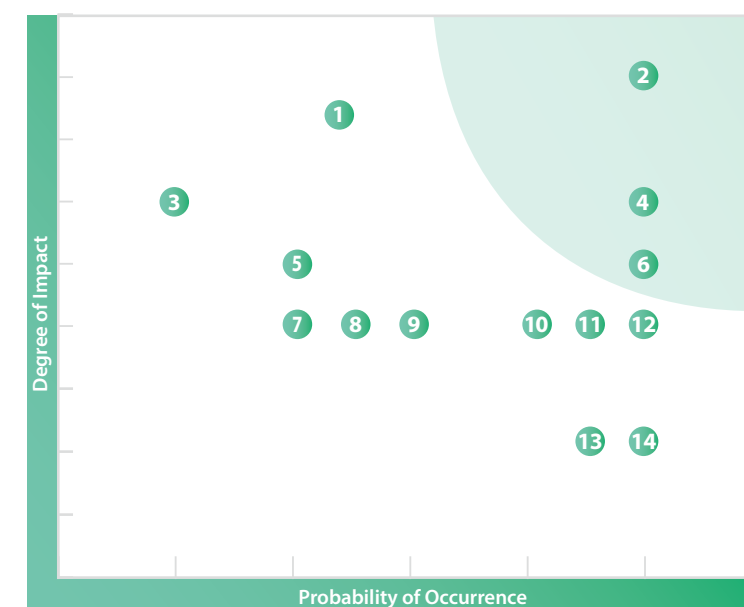
Response Strategies:

- Formulate business continuity plans to maintain operations during typhoons or other natural disasters and to shorten the time needed for system restoration.
- Regularly evaluate the impact of natural disasters on leased remote backup centers then request that needed improvements are completed in order to reduce extreme weather-related risks.
- Complete at least one annual data restoration drill at remote backup centers.

Climate Opportunity Evaluation Results

Each unit considered "probability of occurrence" and "degree of impact" then used these data points to determine three major opportunities related to climate change. We poured resources into designing action plans for taking advantage of the opportunities that climate change may potentially bring.

Climate Opportunity Evaluation Results



Opportunity Factors

- 1 Digital operating systems
- 2 FinTech trends
- 3 Adoption of innovative products and services
- 4 Green buildings
- 5 Expanded investment in low carbon products and services
- 6 Responsible investing and green energy investment
- 7 Participation in renewable energy development
- 8 Adoption of a more efficient transportation model
- 9 More efficient green offices
- 10 Resource cycles and reuse
- 11 Raise environmental awareness among consumers
- 12 Green procurement
- 13 Use of low carbon energy
- 14 Policyholder emergency relief services

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Product and Service

Opportunity Factor: FinTech trends
 Use FinTech to provide low carbon services that meet policyholders' expectations.

Scope of Impact: Operational expenses, time cost

Action Plan:

- Continue to promote digital low carbon services, including e-notices, e-service, e-policies, and mobile insurance applications to reduce paper use.
- Use mobile insurance applications to reduce the processing period by an estimated 1.5 – 2 days and notification rate by 20%.
- Use the cloud to interact with policyholders, which raises efficiency and reduces paper cost.

Efficient use of Resources

Opportunity Factor : Green buildings
 Relocate offices to a new green building to reduce energy use.

Scope of Impact: Energy efficiency

Action Plan:

- In 2021, we will relocate Company headquarters to a green building, which will reduce energy use and improve our sustainability image.
- Install 36 kW of solar panels at the new headquarters building, which we forecast will produce 47,552 kWh of green energy.

Market

Opportunity Factor: Responsible investing and green energy investment
 Participate in the 5 + 2 innovative industries plan, invest in green energy, or purchase green bonds, which will increase our investment profit sources.

Scope of Impact: Revenues

Action Plan:

- Support the government's 5 + 2 innovative industries plan by directly or indirectly investing NT\$130.562 billion, with a significant portion going green energy technology.
- Continue to evaluate renewable energy, public infrastructure, green bonds, and other related investments.

Metrics and Targets

To effectively implement climate change management mechanisms, China Life includes climate change management targets in the Company's annual ESG objectives and checks progress twice annually. For information on 2020 targets and progress, as well as 2021 targets, please refer to the Company's 2020 and 2021 ESG objectives.

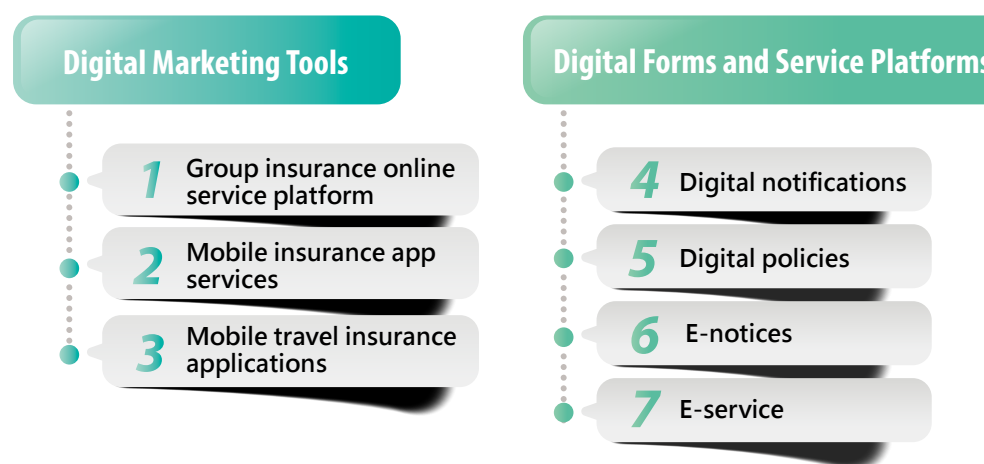


Low Carbon Green Operations

Digitalized Services

As environmental protection has gradually moved to the forefront of social awareness, it is changing both the delivery of financial products and consumption practices. In recent years, China Life has developed digital marketing tools, forms, and platforms to enhance digitalization and reduce workflow paper use. Besides conforming to modern consumer practices, these measures lower our environmental impact and greenhouse gas emissions. In 2020, our digital services saved close to 4.72 million sheets of paper.

E-Services to Reduce Paper Use and Create All-New Digital Experiences



Digital Marketing Tools

1 Group Insurance Online Service Platform

China Life offers a group insurance online service platform that uses digital services and workflows in place of paper applications. Group insurance policyholders, such as employers, use the platform to apply or cancel coverage for their employees. The insured are able to check their policy details online. In 2020, 80% of inforced group insurance applicants used the platform. In the future, we will continue to encourage employers to use the online platform to apply or cancel coverage for their employees.

2 Mobile Insurance App Service

China Life promotes the mobile insurance app as a tool for reducing paper use and raising underwriting efficiency in servicing policyholders. Customers who use the app to fill in their applications will have their information checked online, reducing errors and notification rates, thus improving the application correctness. Lower paper usage can also cut costs for document printing, delivery, scanning, filing, and storage, saving energy and reducing carbon production.



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Starting from 2018, China Life has been discussing the use of mobile insurance applications with channel partners. By 2020, a total of 22 banks and brokers have signed on to mobile insurance application, expanding the energy saving and carbon reducing benefits. In 2020, China Life received 147,000 mobile insurance applications, which saved 928,000 sheets of paper. We will continue promoting mobile insurance application for its environmental benefits, and provide customers with faster and more convenient digital services.

3 Mobile Travel Insurance Applications

To simplify administrative workflows and reduce paperwork for travel insurance, customers can use digital devices to complete application, signature signing, and online payments. In 2020, more than 90% of travel insurance cases that qualified for online applications were made using mobile application. In the future, we will continue to optimize functions of mobile travel insurance application devices, such as adding facial recognition capabilities.

Digital Forms and Service Platforms

4 Digital Notifications

In 2020, China Life completed the digitalization of new business workflows. Agents and policyholders can use mobile devices to directly respond to notifications, which increases the notification processing rate. System improvements were made based on user feedbacks. In 2020, mobile notifications were used for around 23% of cases where applications were made using mobile devices. Mobile notification reduced processing time by three to five days, which significantly improves efficiency, and lowers carbon emissions from paper printing and delivery.

5 Digital policies

In the spirit of "everyone has a responsibility to care for our planet," China Life provides digital policy services. This paperless mode of documentation contributes towards saving energy and reducing carbon emissions, providing an avenue for us to cooperate with policyholders to protect the environment. When applying for a new policy, applicants can choose to receive digital policies. Following authentication by a third party, the policies are saved on easy-to-access storage sites, so that policyholders can easily check their policies at all times. Digital policies uphold the rights and interests of policyholders while eliminating the issue of lost insurance policies. In 2020, 87% of customers who applied for China Life's travel insurance online also applied for digital policies.

6 E-notices

China Life uses e-mail in place of paper documents as the preferred method for delivering policies, notice mails, and invoices, reducing the amount of printed and mailed documents. Policies are uploaded to the Company's website, making them available for customers to search and download at any time. In 2020, we sent 4,030,180 e-letters, demonstrating how policyholders can obtain information in an efficient manner with low environmental impact. We also continued to promote paperless administrative procedures, including e-notices and e-service, which saved more than 3.68 million sheets of paper. Our paper savings increased by 6.48% compared to 2019, underscoring how we cooperated with policyholders to protect the Earth.

7 E-service

China Life provides policyholders with an uninterrupted, 24-hour e-service platform. Policyholders can quickly check their policy information and make adjustments. Besides saving the trouble of filling out paper forms, it also reduces greenhouse gas emissions produced from mail delivery or transportation in paper applications.

Green Operations

Becoming ISO 14001 Certified

To bolster our image as a sustainable company and effectively implement climate change management, we integrated ISO 14001 Environmental Management Systems into the operations of our Dunbei Headquarters

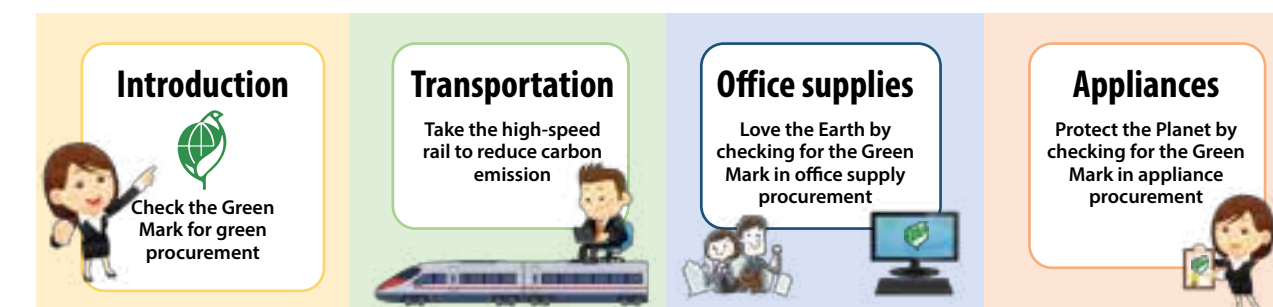
Building to strengthen environmental-friendly management while reducing energy use and waste. External consulting companies further enhanced our environmental protection efforts by implementing environmental management systems for each of the floors we use at the Dunbei Building, which passed the BSI certification in 2020. ISO 14001 environmental management system, effective from October 13th, 2020 to October 12th, 2023, encourages the continuous cycle of planning, execution, inspections, and improvements. Using the Company's environmental policies as foundation, we plan environmental projects and objectives. Objectives are met by executing each management project, and the results are inspected according to monitoring and audit procedures. When we fall short of meeting regulations, we make preventive corrections. Management reviews keep these systems operating effectively, so that we can continue making improvements.

Environmental Protection Advocacy

China Life continues to take steps to reduce greenhouse gas emissions in all workplaces in accordance with the "Environmental protection and energy savings management standards." In 2020, we carried out a four-week "green procurement" eDM education and advocacy campaign, which incorporated ESG concepts into our daily operations, using green procurement as a foundation to create a corporate culture of environmental protection and sustainability.

We participate in environmental protection themed events and advocate energy saving ideas. Using the Company's official Facebook and Instagram pages, we published 43 posts on energy saving, carbon reduction, environmental protection, and cherishing our planet. The posts were tied into events such as Earth Day, World Environment Day, Earth Hour, and "Do Something for the Tamsui River," as well as topics such as plastic reduction and green procurement. The posts had a total of 1.117 million views and more than 33,000 likes, comments, and shares.

▼ Previews of Four Green Procurement Messages



Management of Greenhouse Gas Emissions

Since 2015, China Life has taken annual inventories of greenhouse gases produced at our headquarter and primary branch offices (Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung). In 2020, we expanded the inventory scope to include other branch offices (Pingtung, Hualien-Taitung, and Penghu) while integrating the 2018 new verification methods. In 2020, our total emissions (direct and indirect) were 4,205.264 tons of CO₂e (see the following table), and in April 2021 we passed the BSI certification for ISO 14064-1:2018 greenhouse gas inventory. In 2018, we started tracking Scope 3 indirect emissions from gasoline, diesel, electricity, and waste. In 2019, we added emissions from employee business travel to our Scope 3 tracking. In 2020, we added four more types of tracked Scope 3 indirect emissions: transport of copier paper, maintenance of leased photocopiers, mail delivery packages, and transport of bank receipts. Inventory findings are referenced when formulating plans to reduce greenhouse gas emissions, and monitoring the execution as well as comparing our emission reduction initiatives.

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▼ Greenhouse Gas Emissions, 2019 and 2020

	Stationary Emissions			Mobile Emissions		Fugitive Emissions	Total
	Scope 1	Scope 2	Scope 3				
2019 Used ISO 14064-1: 2006 Standards	Scope 1			Scope 2	Scope 3	Total	
	Emissions (tons CO ₂ e/year)	0.000	36.134	148.669	3,174.020	948.845	4,307.668
	Percentage	184.803		73.68%	22.03%	100%	
2020 Used ISO 14064-1: 2018 Standards	Direct Emissions			Indirect Emissions		Total	
	Category 1			Category 2	Categories 3, 4, 5, 6		
	Emissions (tons CO ₂ e/year)	1.046	29.683	185.067	3,177.706	811.762	4,205.264
Percentage	215.796		75.57%	19.30%	100%		
	0.00%	19.55%	80.45%				
	4.29%						
	0.48%	13.76%	85.76%				
	5.13%						

- 2020 is used as the base year since it adopted the 2018 new standards, and expanded the scope and contents of the inventory.
- We used Environmental Protection Administration's greenhouse gases emission coefficient table ver. 6.0.4 for the greenhouse gases emission coefficient numbers. The GWP values were from the IPCC's fourth assessment report (2007). The inventory adopted a operational control approach.
- Scope 1 emissions include CO₂, methane, N₂O and HFCs.
- In 2020, the inventory scope covered 100% of home office workplaces.

Energy Consumption Management

For each of our Taiwan offices, we set an average electricity savings goal of over 1% per year and 5% over five years, with 2016 serving as the base year. In 2020, for existing office buildings, we continued to maintain and repair equipment while evaluating whether old, inefficient equipment, such as air condition systems, needed to be replaced to reduce energy consumption. We cultivated green working habits among employees, including advocating reducing indoor lighting, urging employees to turn off lights during lunch breaks and when leaving the office, and evaluating spatial use efficiency by our field agents. In 2020, we spent NT\$6,607,158 to renew old and inefficient air condition systems and equipment in the Company's buildings. Compared to the base year under the same scope, our electricity consumption fell by 183,764 kWh in 2017, 246,650 kWh in 2018, 910,709 kWh in 2019, and 1,002,721 kWh in 2020. The savings were equivalent to a reduction of 93.536 tons of CO₂ in 2017, 125.545 tons in 2018, 463.551 tons in 2019, and 510.385 tons in 2020 (using an emissions intensity of 0.509 tons of CO₂ per 1,000 kWh), showing that our efforts to reduce electricity use achieved excellent results.



▼ Energy Use, 2017 - 2020

	2020	2019	2018	2017	
Original Unit	Electricity use (kWh)	12,220,468	12,261,969	12,929,329	12,838,021
	Gasoline (L)	12,603.09	15,301.58	16,414.12	18,070.31
	Diesel (L)	400	0	200.6	0
Conversion Unit	Electricity use (billion J)	43,993.68	44,143.09	46,545.58	46,216.88
	Gasoline (billion J)	411.50	499.61	535.93	590.01
	Diesel (billion J)	14.06	0.00	7.05	0.00
	Total (billion J)	44,419.25	44,642.70	47,088.57	46,806.89
Intensity	Revenues (NT\$ million)	323,248	339,115	338,495	255,328
	Energy Intensity (billion J/NT\$ million)	0.14	0.13	0.14	0.18

- In 2016, we used 12,827,266 kWh of electricity, 15,207.71 liters of gasoline, and 0 liters of diesel.
- The electricity used at China Life is from nonrenewable sources. The heating values of gasoline and diesel are calculated based on the table for "Unit heating value of energy products."
- In 2020, the inventory scope included all workplaces used by home office employees and field agents. The coverage is 100% of home office employees and field agents.

Water Resources Management

China Life's primary water usages are to operate our air condition system and employees' general use. We continued to improve water usage efficiency by replacing old air condition equipment, switching to efficient equipment with water-saving labels, and urging employees to trim water consumption. In 2020, total water used at the home office and our major branches was 42,078 kl.

▼ Water Usage, 2018 - 2020

	2020	2019	2018
Total Water Used (kl)	42,078	40,209	37,764
Revenues (NT\$ million)	323,248	339,115	338,495
Water Intensity (kl/NT\$ million)	0.13	0.12	0.11

- China Life's primary water usages are to operate our air condition system and for employees' general use.

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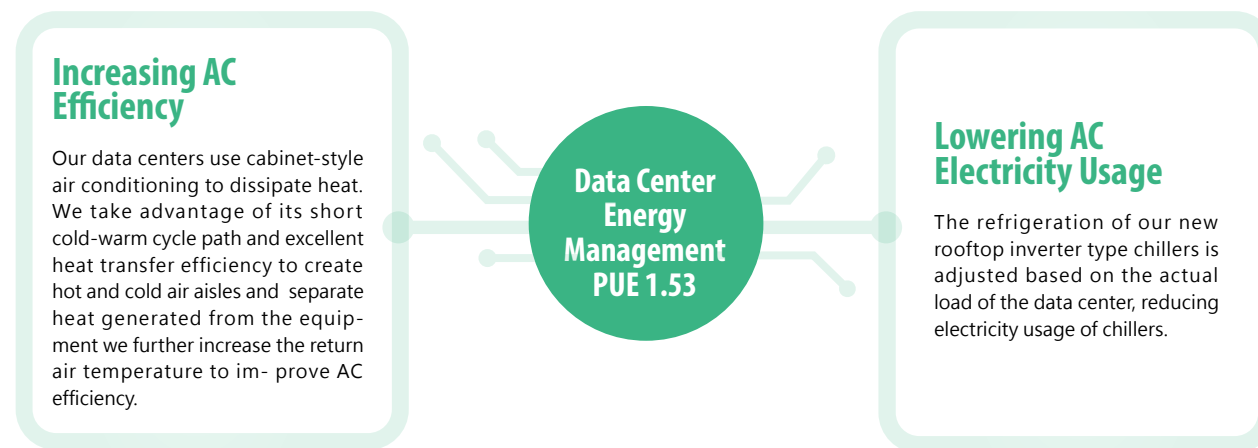
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Waste Management

All of China Life's waste is nonhazardous, and is broken down into two primary types: general waste and recyclable waste. The home office and five main branch offices (Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung) conduct waste management, including promotion and execution of garbage separation, recycling, and fulfilling the reuse policies. Total waste at our six main workplaces was 166,545kg in 2019 and 177,271kg in 2020. We also began tracking waste at our branch offices in Hualien-Taitung, Penghu, and Pingtung, which generated total waste of 3,964kg in 2020. Compared to 2019, the average recycling rate at these nine workplaces increased by 1.2% in 2020 to reach 52.55%.

Data Center Energy Management

China Life promotes data center energy management from two primary directions: increasing air conditioning efficiency, and lowering air conditioning electricity usage. These steps will lower power usage effectiveness (PUE) of the new data centers, reduce electricity fees for operating air conditioning, and cut carbon emissions. In 2020, our data centers had a PUE of 1.53, achieving our annual goal of saving electricity and energy from data centers.



Green Buildings

China Life applies for Green Building certification for new construction projects, and makes Green Building certification part of our criteria for evaluating real estate investments. One such project is our new headquarter at Taipei Academy, where we installed solar panels that went online in June 2020. The panels operate on a model of generating power for self-consumption. We plan to apply to the National Renewable Energy Certification Center for renewable energy certification, and estimate that the system will generate 47,552 kWh of electricity per year. The system demonstrates our concrete support of government policy that seeks greater development of renewable energy.

Taipei Academy building: Green Building certificate, Gold level

Making Rich Asia-Pacific Center in Taoyuan: Green Building certificate, Silver level

① The PUE of a data center is the ratio of total electricity used in the data center to the electricity delivered to the computing equipment. The smaller the PUE, the better the power usage effectiveness.

Building a Sustainable Supply Chain

Managing a Sustainable Supply Chain

Supply Chain Management Policies

The Company sources three main types of items: office supplies and equipment, labor, as well as construction and repairs. We follow Company procurement regulations, and use fair, just, and transparent methods to choose suppliers, including prioritizing suppliers that have excellent ESG performance. We require all suppliers to sign the "Supplier corporate social responsibility commitment." We manage product quality, delivery time, and prices using open bidding, contract signing, progress discussion, inspection and acceptance, and management of contractual terms. All suppliers must adhere to the Company's "Contractor Safety, Health, and Environmental Management Guidelines" in matters related to occupational safety and health.



Management of Sustainable Suppliers

China Life adheres to the core value of "We Share, We Link." By following international sustainable management values, we lead our suppliers in promoting sustainable development. Every year China Life evaluates key suppliers. Using "Rules governing vendor corporate social responsibility" as a reference, we formulated a "Corporate social responsibility self-assessment and vendor evaluation checklist," which we use to assess supplier's promotion of and progress in implementing "labor rights and human rights," "labor health and safety," "environmental protection," and "CSR." Sustainable development serves as a foundation for us to create positive cycles with shared benefits. By jointly practicing CSR, we promote a balanced ESG ecosystem and support sustainable development.

In 2020, we conducted sustainability audits on 12 key suppliers to contribute towards our sustainable supply chain management mechanisms. The audits include self-assessments on CSR progress, in which suppliers explain implementation status in the "evidence" field of the self-assessment table, and provide relevant attachments, such as policy documents or copies of certifications, when specific requests are made. After the Company's General Affairs Department scores key suppliers, and related supervisors complete their review, the suppliers are put into A, B, C, D, or E tiers based on their composite score. The three suppliers that score highest are recognized as the year's best suppliers. In 2020, our 12 suppliers had an average score of 86.6. Two suppliers received an "A" and ten received a "B." Each supplier scored well in the CSR self-assessment categories, and we posted their ranking on our Company website.

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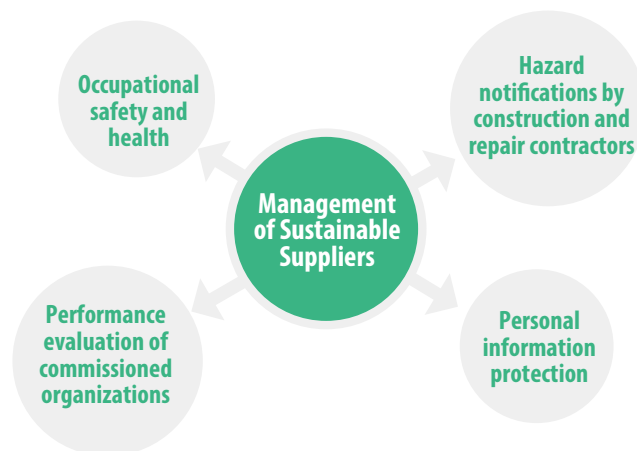
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▼ Supplier Annual Evaluation Scoring Standards and Results

Annual Evaluation Tiers	No. of Suppliers
A (100-91points)	2
B (90-81points)	10
C (80-71points)	0
D (70-61points)	0
E (60or fewer points)	0

Occupational Safety and Health

For occupational safety and health issues, as well as related laws and regulations, suppliers must adhere to the Company's "Contractor Safety, Health, and Environmental Management Guidelines." To effectively manage suppliers, "Articles Governing CSR and Ethical Management" is added to all procurement contracts. All suppliers that have signed procurement contracts and have transactions with the Company must adhere to CSR and ethical management principles, including environmental protection, labor conditions, occupational safety and health, and worker rights. Suppliers must also sign the "Supplier CSR Commitment." Prior to carrying out business transactions with suppliers, we evaluate whether they are stakeholders, or have any money laundering or terrorist financing concerns. By first confirming that the business transaction adheres to laws and regulations, we prevent relevant risks.

In 2020, we signed 120 procurement contracts

Hazard Notifications by Construction and Repair Contractors

To adhere to Article 26 of the "Occupational Safety and Health Act," which requires informing contractors of hazardous elements in the work environment and related measures, the Company established the "Safety, Health, and Environmental Management Guidelines for Contractors." The Guidelines raise contractors' awareness of hazards in the workplace as well as any safety or health management oversights, ensuring that all work is carried out safely and the work environment is properly managed. We also confirm that contractors possess all the information they need to ensure and improve work safety. Thus far, our construction and repair contractors did not have any workplace injuries.

Following reevaluation, in 2020 there were 92 approved contractors, 22 of which were newly approved.

Construction and repair contractors are selected using fair, just, and transparent methods. We prioritize suppliers in our annually approved supplier database. Quotations can also be accepted from contractors that previously worked with the Company or one of our affiliated companies, or that have excellent reputation. Each year, the Facility Service Department shall revise at least 10% of the annually approved supplier database to ensure construction quality and maintain competitive pricing.

Personal Information Protection

To protect the rights and interests of our customers, we carefully monitor how personal information is collected, managed, and used, ensuring ethical and trustworthy data processing. Entrusted suppliers that collect, manage, or use personal information shall sign the "Supplier's Personal Information Protection Evaluation Form" to confirm that they have the capacity to protect personal information.

In 2020, 32 suppliers signed the "Supplier's Personal Information Protection Evaluation Form"

Performance Evaluation of Commissioned Organizations

In order to understand the service qualifications, quality, limitations, and compatibility of the organizations that we commission, China Life carries out at least one internal inspection and satisfaction survey each year. Results are used as a reference when selecting suppliers and evaluating contract renewals. In 2020, we carried out outsourcing process training, and renewed the contracts of 15 of our contractors that received an average performance rating of 89.8 (out of 100).

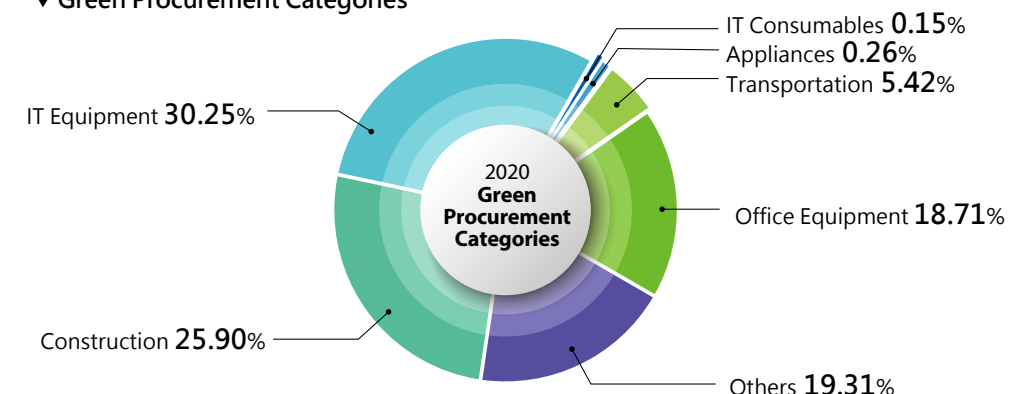
Green Procurement Policy

To carry out our philosophy of sustainable management, we treat suppliers as cooperative partners. To keep our supply chain stable, maintain long-term operations, and adopt a local manufacturing model, 98.28% of our procurement amount were paid to local suppliers. In the future, we will continue to increase the proportion of local suppliers. In addition, when carrying out procurements, we prioritize suppliers with excellent ESG performance, and products that have Energy Label, Green Mark, or Forest Stewardship Council certification. These measures ensure that we use products that are low polluting, recyclable, and resource-saving; reducing our environmental impact and promoting sustainable development.

98.28% of our suppliers were local

In 2020, our green procurement totaled at NT\$32.94 million. For the first time, the Environmental Protection Administration recognized us for excellence in green procurement and green consumption promotion. For the fifth consecutive year, the Department of Environmental Protection, Taipei City Government, recognized us for excellence in green procurement by a private enterprise or group.

▼ Green Procurement Categories



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GRI Standards Disclosure Comparison Table

		Corresponding Chapters (Includes Omitted Description)	Page No.
General Disclosure			
Organizational profile (2016)			
102-1	Name of the organization	About the Report Getting to Know China Life	05-06 07
102-2	Activities, brands, products, and services	Getting to Know China Life 3 Fulfilling Inclusive Financing All products this year were subject to review and investigation by regulators before going on sale	07 90-91
102-3	Location of headquarters	Getting to Know China Life	07
102-4	Location of operations	About the Report Getting to Know China Life	05-06 07
102-5	Ownership and legal form	Getting to Know China Life	07
102-6	Markets served	Getting to Know China Life	07
102-7	Scale of the organization	Getting to Know China Life	07
102-8	Information on employees and other workers	4 Building a Happy Workplace The Company does not have any part-time employees	112-114
102-9	Supply Chain	6 Building a Sustainable Supply Chain	154-156
102-10	Significant changes to the organization and its supply chain	No major changes	
102-11	Precautionary Principle or approach	2 Prudent Risk Management	62-64
102-12	External initiatives	6 Advancing Climate Governance	143-157
102-13	Membership of associations	2 Stabilize Corporate Operations	60
Strategy (2016)			
102-14	Statement from senior decision-maker	A Message from Management	03-04
Ethics and integrity (2016)			
102-16	Values, principles, standards, and norms of behavior	2 Stabilize Corporate Operations	60-61
Governance (2016)			
102-18	Governance structure	1 Build a Sustainable Foundation 2 Stabilize Corporate Operations	23-24 52-53
Stakeholder engagement (2016)			
102-40	List of stakeholder groups	1 Bolster Sustainable Relations with Stakeholders	31-38
102-41	Collective bargaining agreements	The company has not established trade unions; hence there are no collective bargaining agreements	

		Corresponding Chapters (Includes Omitted Description)	Page No.
102-42	Identifying and selecting stakeholders	1 Bolster Sustainable Relations with Stakeholders	31
102-43	Approach to stakeholder engagement	1 Bolster Sustainable Relations with Stakeholders	31-38
102-44	Key topics and concerns raised	1 Bolster Sustainable Relations with Stakeholders	31-38
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	1 Bolster Sustainable Relations with Stakeholders	40-42
102-47	List of material topics	1 Bolster Sustainable Relations with Stakeholders	40-42
102-48	Restatements of information	The company did not have any restatements of information during this year	
102-49	Changes in reporting	After re-analysis and identification, only the "Employee Pay and Benefits" reduced impact and removed from material issues in 2020 compared with the material issues in 2019. In addition, after considering the connotation of the topic, the company adjusted the "Employee Cultivation" to "Employee Attraction, Cultivation and Retention"	
102-50	Reporting period	About the Report	05-06
102-51	Date of most recent report	About the Report	05-06
102-52	Reporting cycle	About the Report	05-06
102-53	Contact point for questions regarding the report	About the Report	05-06
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	05-06
102-55	GRI content index	7 Appendix	157-160
102-56	External assurance	About the Report 7 Appendix	05-06 167-168

Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	1 Bolster Sustainable Relations with Stakeholders	41-42
103-2	The management approach and its components	1 Sustainability Strategies 2 Corporate Governance 3 Sustainable Finance 4 Employee Care 6 Environmental Sustainability	23 46-47 79-80 101-102 142-143
103-3	Evaluation of the management approach	1 Sustainability Strategies 2 Corporate Governance 3 Sustainable Finance 4 Employee Care 6 Environmental Sustainability	23 46-47 79-80 101-102 142-143

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Economic Aspect			
GRI 201 : Economic Performance(2016) *			
201-1	Direct economic value generated and distributed	2 Stabilize Corporate Operations	48-49
201-3	Defined benefit plan obligations and other retirement plans	4 Building a Happy Workplace	115-116
GRI 202 : Market Presence (2016)			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4 Building a Happy Workplace	116-117
GRI 204 : Procurement Practices (2016)			
204-1	Proportion of spending on local suppliers	6 Building a Sustainable Supply Chain	156
GRI 205 : Anti-corruption (2016) *			
205-2	Communication and training about anti-corruption policies and procedures	2 Prudent Risk Management	69-71
205-3	Confirmed incidents of corruption and actions taken	The company had no cases of corruption during this year	
Environmental Aspect			
GRI 302 : Energy (2016)			
302-1	Energy consumption within the organization	6 Advancing Climate Governance	151-152
302-3	Energy intensity	6 Advancing Climate Governance	152
GRI 305 : Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	6 Advancing Climate Governance	151
305-2	Energy indirect (Scope 2) GHG emissions	6 Advancing Climate Governance	151
GRI 306 : Effluents and Waste (2020)			
306-3	Waste generated	6 Advancing Climate Governance	152
GRI 307 : Environmental Compliance (2016) *			
307-1	Non-compliance with environmental laws and regulations	There is no such situation	
Social Aspect			
GRI 401 : Employment(2016)			
401-1	New employee hires and employee turnover	4 Building a Happy Workplace	114
401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	4 Building a Happy Workplace	115
GRI 404 : Training and Education(2016) *			
404-1	Average hours of training per year per employee	4 Choosing and Cultivating Human Capital	106
404-3	Percentage of employees receiving regular performance and career development reviews	2 Stabilize Corporate Operations	53

Corresponding Chapters (Includes Omitted Description) Page No.

GRI 405 : Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	2 Stabilize Corporate Operations 4 Building a Happy Workplace	52-53 112-113
405-2	Ratio of basic salary and remuneration of women to men	4 Building a Happy Workplace	116-117
GRI 406 : Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	There is no such situation	
GRI 415 : Public Policy (2016)			
415-1	Political contributions	The company did not provide any form of political donation	
GRI 417 : Marketing and Labeling (2016) *			
417-2	Incidents of non-compliance concerning product and service information and labeling	2 Prudent Risk Management	72-73
417-3	Incidents of non-compliance concerning marketing communications	2 Prudent Risk Management	72-73
GRI 418 : Customer Privacy (2016) *			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2 Prudent Risk Management	69-70
GRI 419 : Socioeconomic Compliance (2016) *			
419-1	Non-compliance with laws and regulations in the social and economic area	2 Prudent Risk Management	72-73
GRI Financial Services Sector Supplement: Product Portfolio *			
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	2 Stabilize Corporate Operations 3 Popularizing Responsible Investing 3 Fulfilling Inclusive Financing	48-49 83 90-91
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	3 Popularizing Responsible Investing	81-83
Self-Designated Topics			
Sustainable Development Strategies *		1 Uphold Sustainable Values	25
Risk Management *		2 Risk Control	62-64
Anti-Money Laundering and Counter-Terrorist Financing*		2 Money Laundering Prevention	69-71
FinTech and Related Innovations*		4 Digital Finance Applications	85-89

* GRI issues/ Self-Designated Topics marked with "*" are material topics.

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SASB Disclosure Comparison Table

Code	Category	Accounting Metric	Corresponding Chapters	Page No.
Topic: Transparent Information & Fair Advice for Customers				
FN-IN-270a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	There were no losses due to litigation arising from customer marketing and communication of insurance products in litigation cases (including judgment determination and settlement cases) concluded in 2020	
FN-IN-270a.2	Quantitative	Complaints-to-claims ratio	3 Promoting the Principles of Treating Customers Fairly	98
FN-IN-270a.3	Quantitative	Customer retention rate	Insurance Industry Public Information Observation Station-various financial business indicators of China Life Insurance Co., Ltd.: https://ins-info.ib.gov.tw/customer/Info2-12.aspx?UID=03434016	11-15
FN-IN-270a.4	Discussion and Analysis	Description of approach to informing customers about products	Implementing the Principles for Sustainable Insurance (PSI)	50
Topic: Incorporation of Environmental, Social, and Governance Factors in Investment Management				
FN-IN-410a.1	Quantitative	Total invested assets, by industry and asset class	2 Stabilize Corporate Operations	81
FN-IN-410a.2	Discussion and Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	3 Popularizing Responsible Investing	90-92
Topic: Policies Designed to Incentivize Responsible Behavior				
FN-IN-410b.2	Discussion and Analysis	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	3 Fulfilling Inclusive Financing	51
Topic: Environmental Risk Exposure				
FN-IN-450a.1	Quantitative	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	2 Stabilize Corporate Operations	62-64

Code	Category	Accounting Metric	Corresponding Chapters	Page No.
FN-IN-450a.2	Quantitative	Total amount of monetary losses attributable to insurance payouts from: (1) Modeled natural catastrophes (2) Non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	There was no major natural disasters in 2020, so there is no relevant statistics	
FN-IN-450a.3	Discussion and Analysis	Description of approach to incorporation of environmental risks into: (1) The underwriting process for individual contracts and (2) The management of firm-level risks and capital adequacy	2 Prudent Risk Management	62-64
Topic: Systemic Risk Management				
FN-IN-550a.1	Quantitative	Exposure to derivative instruments by category: (1) Total potential exposure to non-centrally cleared derivatives, (2) Total fair value of acceptable collateral posted with the Central Clearinghouse, (3) Total potential exposure to centrally cleared derivatives	The company currently only has (1)total potential exposure to non-centrally cleared derivatives, and no (2) and (3). For details, please refer to page 38 and 52 of the 2018 and 2019 individual financial report and accountants audit report of China Life Insurance Co., Ltd.	
FN-IN-550a.2	Quantitative	Total fair value of securities lending collateral assets	2 Stabilize Corporate Operations	51
FN-IN-550a.3	Discussion and Analysis	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	For details, please refer to page 100 and 101 of the 2018 and 2019 individual financial report and accountant's audit report of China Life Insurance Co., Ltd.	
Topic: Activity				
FN-IN-000.A	Quantitative	Number of policies in force, by segment: (1) Property and casualty (2) Life (3) Assumed reinsurance	Insurance Industry Public Information Observation Station- Insurance Premium Income/Self-insurance Premium of the China Life Insurance Co., Ltd.: https://ins-info.ib.gov.tw/customer/life3-2.aspx?UID=03434016	

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Taiwan's Sustainable Development Goals

NO.	Specific Goal	Corresponding Chapters
SDG 1.4	Enhance the safeguards and equal rights associated with entrepreneurship, employment, loans, financing, residence, and land ownership of all citizens, in particular people from disadvantaged groups	3 Promoting the Principles of Treating Customers Fairly
SDG 1.5	Reduce the losses caused by disasters, in particular the losses suffered by vulnerable groups in need of extra protection and people from low-income groups	3 Fulfilling Inclusive Financing
SDG 4.5	Ensure that people from disadvantaged groups, including people with disabilities, indigenous peoples, and vulnerable children, have the means to accept the channels and professional training available at all stages of education	4 Care for Social Needs
SDG 5.5	Encourage administrative departments of all levels to promote women to management and senior management positions, and political parties to cultivate women and increase their political participation. Increase the ratio of female police officers and female managers in listed and OTC companies, and guide women towards becoming company representatives	2 Stabilize Corporate Operations 4 Building a Happy Workplace
SDG 7.2	Increase the capacity of renewable energy equipment	6 Advancing Climate Governance
SDG 8.1	Maintain a suitable level of economic growth by following the core values of innovation, employment, and distribution	3 Fulfilling Inclusive Financing
SDG 8.5	Raise labor productivity	4 Choosing and Cultivating Human Capital
SDG 8.6	Match education and work skills and introduce training measures that strengthen the employment capabilities of young workers	4 Choosing and Cultivating Human Capital
SDG 8.7	Promote workplace safety and guarantee the rights of female workers to participate in labor and trade unions	4 Building a Happy Workplace
SDG 8.9	Promote FinTech innovations and diverse convenient financial services	3 Innovative Digital Transformations
SDG 8.13	Develop green energy technology, raise energy autonomy and energy diversity, promote the development of renewable energy	6 Advancing Climate Governance
SDG 10.2	Continue to promote employment initiatives for indigenous people and increase their job opportunities and income. Raise employment among the disabled as well as their economic status	4 Building a Happy Workplace
SDG 10.3	Expand promotion and education of laws that strengthen gender equality and eliminate employment discrimination. Build a comprehensive system to prevent gender violence and protect children. Improve people's ability to sense instances of discrimination or violence	4 Building a Happy Workplace
SDG 11.5	Reduce losses from various types of disasters and protect the disadvantaged and people with low incomes	3 Fulfilling Inclusive Financing
SDG 11.9	Strengthen the social safety net, ensure social stability, and uphold public security. Resist violent criminal offenses	2 Prudent Risk Management
SDG 11.12	Raise energy efficiency and GHG emissions reduction features of buildings	6 Advancing Climate Governance
SDG 12.6	Encourage companies to adopt sustainable development measures and disclose sustainable development information. At the same time, ensure that the information disclosed is accurate and of sufficient quality	1 Build a Sustainable Foundation
SDG 12.7	Encourage public and private sectors to increase green procurement	6 Building a Sustainable Supply Chain
SDG 13.1	Raise adaptability, increase resilience and reduce vulnerability for climate change	6 Advancing Climate Governance
SDG 13.3	Enhance climate change and sustainability education, as well as people's accomplishments	5 Care for Social Needs 6 Advancing Climate Governance
SDG 16.1	Strengthen the social safety net, ensure social stability, and uphold public security. Resist violent criminal offenses	2 Prudent Risk Management

The UN Global Compact Comparative Table

Classification	Main Issues	Corresponding Chapters
Human Rights	Businesses should support and respect internationally recognized human rights	4 Building a Happy Workplace
	Make sure that they are not complicit in human rights abuses	6 Building a Sustainable Supply Chain
Labor Standards	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4 Building a Happy Workplace
	The elimination of all forms of forced and compulsory labor	4 Building a Happy Workplace
	The effective abolition of child labor	4 Building a Happy Workplace
	The elimination of discrimination in respect of employment and occupation	4 Building a Happy Workplace
Environment	Businesses should support a precautionary approach to environmental challenges	2 Prudent Risk Management 6 Advancing Climate Governance
	Undertake initiatives to promote greater environmental responsibility practices	6 Advancing Climate Governance
	Encourage the development and diffusion of ecofriendly technologies	6 Advancing Climate Governance
Anticorruption	Businesses should work against all forms of corruption, including extortion and bribery	2 Prudent Risk Management

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

Chapter	Corresponding Chapters
Chapter 1 General Principles	1 Build a Sustainable Foundation
Chapter 2 Exercising Corporate Governance	2 Stabilize Corporate Operations
Chapter 3 Fostering Sustainable Environments	6 Advancing Climate Governance
Chapter 4 Preserving Public Welfare	4 Building a Happy Workplace 5 Care for Social Needs
Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information	2 Stabilize Corporate Operations
Chapter 6 Supplementary Provisions	1 Build a Sustainable Foundation

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Social Responsibility Guidance Standard (ISO 26000) Comparative Table

	Main Issues	Corresponding Chapters
Organizational Governance	Make decisions and implement a systematic corporate social responsibility philosophy when carrying out an objective	Build a Sustainable Foundation
Human Rights	Conduct due diligence to avoid human rights risks	Building a Happy Workplace
	Human right risks situations	Building a Happy Workplace
	Avoidance of complicity – including direct, beneficial or silent	Stabilize Corporate Operations
	Resolving grievances	Building a Happy Workplace
	Discrimination and vulnerable groups	Building a Happy Workplace
	Civil and political rights	Building a Happy Workplace
	Economic, social and cultural rights	Building a Happy Workplace
	Fundamental principles and rights at work	Building a Happy Workplace
Labor Practices	Employment and employment relationships	Building a Happy Workplace
	Conditions of work and social protection	Building a Happy Workplace
	Social dialogue	Care for Social Needs
	Health and safety at work	Building a Happy Workplace
	Human development and training in the workplace	Choosing and Cultivating Human Capital
Environment	Prevention of pollution	Advancing Climate Governance
	Sustainable resource use	Advancing Climate Governance
	Climate change mitigation and adaptation	Advancing Climate Governance
	Protection of the environment, biodiversity and restoration of natural habitats	Advancing Climate Governance

	Main Issues	Corresponding Chapters
Fair Operating Practices	Anti-corruption	Stabilize Corporate Operations
	Responsible political involvement	Stabilize Corporate Operations
	Fair competition	Stabilize Corporate Operations
	Promote social responsibility in the value chain	Building a Sustainable Supply Chain
	Respect for property rights	* Low relevance to the life insurance industry
Consumer Issues	Fair marketing, factual and unbiased information, and fair contractual practices	Promoting the Principles of Treating Customers Fairly
	Protecting consumers' health and safety	Fulfilling Inclusive Financing
	Sustainable consumption	Building a Sustainable Supply Chain
	Consumer service, support, and complaints and dispute resolution	Promoting the Principles of Treating Customers Fairly
	Consumer data protection and privacy	Prudent Risk Management
	Access to essential services	Promoting the Principles of Treating Customers Fairly
Community Participation and Development	Education and awareness	Care for Social Needs
	Community involvement	Care for Social Needs
	Employment creation and skills development	Choosing and Cultivating Human Capital
	Technology development and access	*Low relevance to the life insurance industry
	Wealth and income creation	Care for Social Needs
	Education and culture	Care for Social Needs
	Health Care	Care for Social Needs
Social investment	Care for Social Needs	

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INDEPENDENT ASSURANCE OPINION STATEMENT

China Life Insurance Co., Ltd. 2020 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 assuring its statements relating to its corporate social responsibility (CSR), 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. 2020 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the China Life's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability 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 Insurance Co., Ltd. 2020 Corporate Social Responsibility Report provides a fair view of the China Life CSR programmes and performances during 2020. 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 2020 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 AA1000AS v3. 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 AA1000AS v3 and their self-declaration in accordance with GRI Standards: 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 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 on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 32 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 organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that China Life has continually sought the engagement of its stakeholders and established material sustainability topics, 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 publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of China Life and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the China Life'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 China Life is developed and continually provides the opportunity to further enhance 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.

Impact

China Life has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. China Life has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the China Life's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

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

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The 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 relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, 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



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