



# **2022 Sustainability Report**

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# A Message from the Chairman

International attention to sustainable development issues and the subsequent actions are being carried out at unprecedented speed and force. ESG is a key issue in decision-making for the insurance industry. Apart from the guidance provided by the competent authority for sustainable governance, more and more institutional investors, credit rating agencies, and financial institutions are attaching greater importance to ESG when making investment, rating, and trading decisions. Sustainable development goes beyond social responsibility, and is the key to sustainability of the economy and society. Companies with exceptional performance in sustainable development may generate stable profits in the long-term. Insurance companies should maximize the effect of sustainable finance on the path to sustainable development, and drive the transition of companies towards sustainability through investment and financing policies.

China Life has provided insurance services for six decades with the vision of becoming the "the most recommended and trustworthy life insurance company." China Life strives to protect the interests and well-being of policyholders, and continues to expand its social stabilizing force through its business management and constant improvement of insurance services. In addition, China Life has established a comprehensive sustainable governance framework, in which the Board of Directors and Corporate Sustainability Development Committee integrate and supervise sustainable development-related operations of each department, and introduce international sustainability concepts and actions of other countries.

China Life and its parent company, China Development Financial Holding Corporation have jointly committed to net zero emissions, and China Life continues to improve measures for responsible investment, incorporating the impact of climate change into risk management and investment decisions. China Life periodically monitors the carbon emission of its investment portfolio, seeks green investment opportunities, and strengthens engagement with investees. China Life completed insurance service carbon footprint inventory and obtained the ISO 14067 verification for its own business operations based on insurance policy life cycles in 2022. Inventory data is used as the basis for optimizing processes and strengthening digital transformation to reduce carbon footprint.

To further inclusive finance, China Life launched the "One policy one love, passing on hope and sharing love" campaign in 2022, and invited policyholders to get involved in charity. For each

traditional insurance product purchased through an insurance agent, China Life donates NT\$100 to the Maria Social Welfare Foundation, with the Company's employees also making donations, becoming the epitome of best interpretation of charity partnership. Furthermore, China Life collaborated with Chi Mei Medical Center, National Cheng Kung University Center for Research of E-life Digital Technology, Tokio Marine Nawa Insurance, and World Gym in creating a cross-industry ecosystem that provides policyholders with better health management and financial services.

China Life has been repeatedly recognized by domestic and overseas authoritative institutions for managing climate change risks and seizing opportunities. China Life was jointly selected by Financial Times and Nikkei Asia as an "Asia-Pacific Climate leader" in 2022, and was the only insurance company in Greater China and Taiwan to be selected. China Life was recognized with Taiwan SIA for two consecutive years for implementing responsible investment. China Life's overall sustainability performance, as well as information disclosure and communication with stakeholders through different platforms, e.g. the Company's Sustainability Report, has been recognized with the Taiwan Corporate Sustainability Awards (TCSA) for many consecutive years. China Life was recognized by the competent authority for excellent performance in the "Treating Customers Fairly Evaluation" four times for its protection of consumers' rights and interests, and optimization of financial services.

Sustainable development is key to economic and social sustainability. China Life strives to be a driving force for sustainable development, and encourages sustainability innovation and transition. China Life actively works with different parties and forms cross-industry alliances to create a sustainability ecosystem. Only by working together can we truly achieve sustainable development for society and future generations.

Chairman

*Su-Kuo Huang*

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## About the Report

This Report is the 2022 Sustainability Report (hereinafter referred to as this "Report") of China Life Insurance Co., Ltd. (hereinafter referred to as "China Life").

## Reporting Period

This Report discloses information on sustainable development of China Life from January 1, 2022 to December 31, 2022. Due to data integration and transparency considerations, some contents disclosed in this Report are not limited to 2022. The previous Sustainability Report was issued in June 2022, and the next Sustainability Report is expected to be issued in June 2024. Reports each year can be downloaded from the Sustainable Development section on China Life's company website.

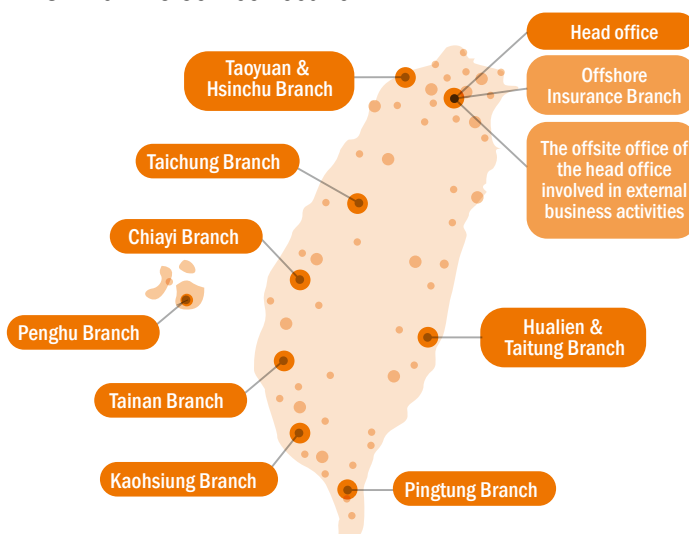


Sustainable Development section of China Life

## Scope and Boundaries of this Report

This Report describes sustainable development related practices and results, future strategies, and goal planning. Its scope covers China Life's head office, the offsite office for external business activities, the customer service center, and 9 Company branches as well as 138 agent offices around Taiwan.

### China Life Service Location



9

Branch

1

Service Center

138

Offices



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

## Reference Standards

This Report enhanced disclosures of sustainability practices according to or after referencing international and domestic regulations and standards.

Issued By	Compliant With <sup>①</sup>
Global Reporting Initiative, GRI	<ul style="list-style-type: none"> <li>GRI Universal Standard</li> <li>GRI Financial Services Sector Disclosures</li> </ul>
International Integrated Reporting Council, IIRC	<ul style="list-style-type: none"> <li>Integrated Reporting, IR</li> </ul>
United Nations, UN	<ul style="list-style-type: none"> <li>Sustainable Development Goals, SDGs</li> <li>United Nations Global Compact</li> </ul>
United Nations Environment Programme, UNEP	<ul style="list-style-type: none"> <li>Principles for Sustainable Insurance, PSI</li> <li>Principles for Responsible Investment, PRI</li> </ul>
Task Force on Climate-related Financial Disclosures, TCFD	<ul style="list-style-type: none"> <li>Recommendations of the Task Force on Climate-related Financial Disclosures</li> </ul>
Sustainability Accounting Standards Board, SASB	<ul style="list-style-type: none"> <li>Insurance Sustainability Accounting Standard</li> </ul>
International Sustainability Standards Board	<ul style="list-style-type: none"> <li>IFRS S1 General Requirement for Disclosure of Sustainability-related Financial Information</li> <li>IFRS S2 Climate-related Disclosures</li> </ul>
International Organization for Standardization, ISO	<ul style="list-style-type: none"> <li>ISO 26000 Guidance on social responsibility</li> </ul>
Taiwan Stock Exchange Corporation	<ul style="list-style-type: none"> <li>Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies</li> <li>Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies</li> </ul>
Financial Supervisory Commission	<ul style="list-style-type: none"> <li>Guidelines for Climate-related Risks and Financial Disclosures in the Insurance Industry</li> </ul>
Jointly compiled by the Non-Life Insurance Association of the Republic of China and Life Insurance Association of the Republic of China	<ul style="list-style-type: none"> <li>Corporate Governance Best-Practice Principles for the Insurance Industry</li> </ul>

<sup>①</sup> GRI 205-2 indicators, response to Principle 2 of the PSI: micro insurance premium income, percentage of trading counterparts that have signed the UN PRI for Principle 4 of the PSI, percentage of investments in TCFD high carbon emission industries, and SASB FN-IN 450a.1 indicators

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**Report assurance**

The contents of this Report were prepared according to quality principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability) of the GRI Standards, and complies with the Sustainability Accounting Standards Board (SASB) insurance industry standards. An independent third party assurance institution – Deloitte provided limited assurance of compliance according to TWSAE3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (established with reference to ISAE 3000 Revised). Please refer to the appendix of this Report for the assurance statement.

Information Category	Standard	Verification Institution
Sustainability	<ul style="list-style-type: none"> <li>Limited assurance of compliance according to TWSAE3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information</li> </ul>	Deloitte Taiwan
Environmental	<ul style="list-style-type: none"> <li>ISO 14064-1:2018 GHG inventory</li> <li>ISO 14067:2018 Carbon footprint of products</li> <li>ISO 14001:2015 Environmental Management Systems</li> <li>ISO 50001:2018 Energy Management Systems</li> </ul>	British Standards Institution (BSI)
Information Security	<ul style="list-style-type: none"> <li>ISO 27001:2013 Information Security Management System</li> <li>BS 10012:2017 Personal Information Management System</li> </ul>	SGS Taiwan
Risk Management	<ul style="list-style-type: none"> <li>ISO 22301:2019 Business Continuity Management System</li> </ul>	SGS Taiwan

**Stakeholder Communication, Opinions and Feedback**

If you have any advice or recommendations regarding this Report or the sustainability planning and practices of China Life, please do not hesitate to contact us through the following methods, and we will respond and provide an explanation in a timely manner:



**Sustainable Development Department, China Life Insurance Co., Ltd**

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 Tel: +886-2-2719-6678 ext. 1884  
 E-mail: chinalifeESG@chinalife.com.tw

**About China Life**

In the post-pandemic era amidst volatile financial markets, China Life upholds the insurance industry's core value of being "people-oriented" and the Company's "We Share We Link" spirit, effectively implementing the ABCDE strategy<sup>②</sup>. China Life has established a digital health ecosystem with forward-looking innovative concepts, cross-sector collaboration, and remote insurance enrollment.

We uphold the mission to "embrace innovation and talent to deliver sustainable finance solutions to our clients, employees, shareholders, and to the community" because we are fully aware that the insurance industry is a stabilizing force for society. Hence, we held the "One Policy One Love" charity event despite severe market conditions. Both office staff and agents extended warmth from policyholders to the underprivileged, creating a virtuous cycle of love and care. Our company value of being "customer-centric" was recognized with excellent Treating Customers Fairly Evaluation rating by the Financial Supervisory Commission (FSC) for the fourth consecutive years. Through volunteer work, employees learned to be humble, altruistic, and thankful, and utilized their professional services to fulfill corporate social responsibility values. With over six decades of history, China Life aims to be a shining beacon of society and become the most recommended and trustworthy life insurance company.

**Basic Information of China Life Insurance**

<b>Official Company Name</b>	China Life Insurance Co., Ltd.		
<b>Location of Head Office</b>	3, 4, 5, 6, 7F, No. 135, Rd. Dunhua N, Taipei City		
<b>Time of Establishment</b>	1963		
<b>Investee Insurance Company in China</b>	CCB Life established 24 branches in China and the total number of branches reached 235 as of the end of 2022		
<b>Main Products</b>	Life insurance, annuity, universal insurance, health insurance, accident insurance, group insurance, travel insurance, micro insurance, and investment-linked products		
<b>Main Market</b>	Taiwan Area		
<b>Number of Employees</b>	2,533 office Staff and 15,754 Sales Agents		
<b>Net Sales Amount</b>	NT\$239,765 million (operating revenue); NT\$179,338 million (premium income)		
<b>Equity</b>	NT\$106,660 million	<b>Total assets</b>	NT\$2,347,085 million
<b>Liabilities</b>	NT\$2,240,425 million		



China Life "Life Gym - Training for Your Life"



China Life "The Best Companion"



Please refer to the 2022 Annual Report

② China Development Financial Holding Corporation's ABCDE development strategy: Accelerate Digital, Become Employer of Choice, Customer Focus, Drive Growth, and Execution Excellence

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## ▼ History of China Life Insurance

Completed share conversion with China Development Financial Holding Corporation and became a wholly-owned subsidiary of China Development Financial Holding Corporation.

Received a Taiwan utility model patent for our "establishing user tag library and marketing system by applying artificial intelligence to insurance service" breakthrough.

China Development Financial Holding Corporation acquired 34.99% of China Life shares and the two companies will cooperate fully in the future.

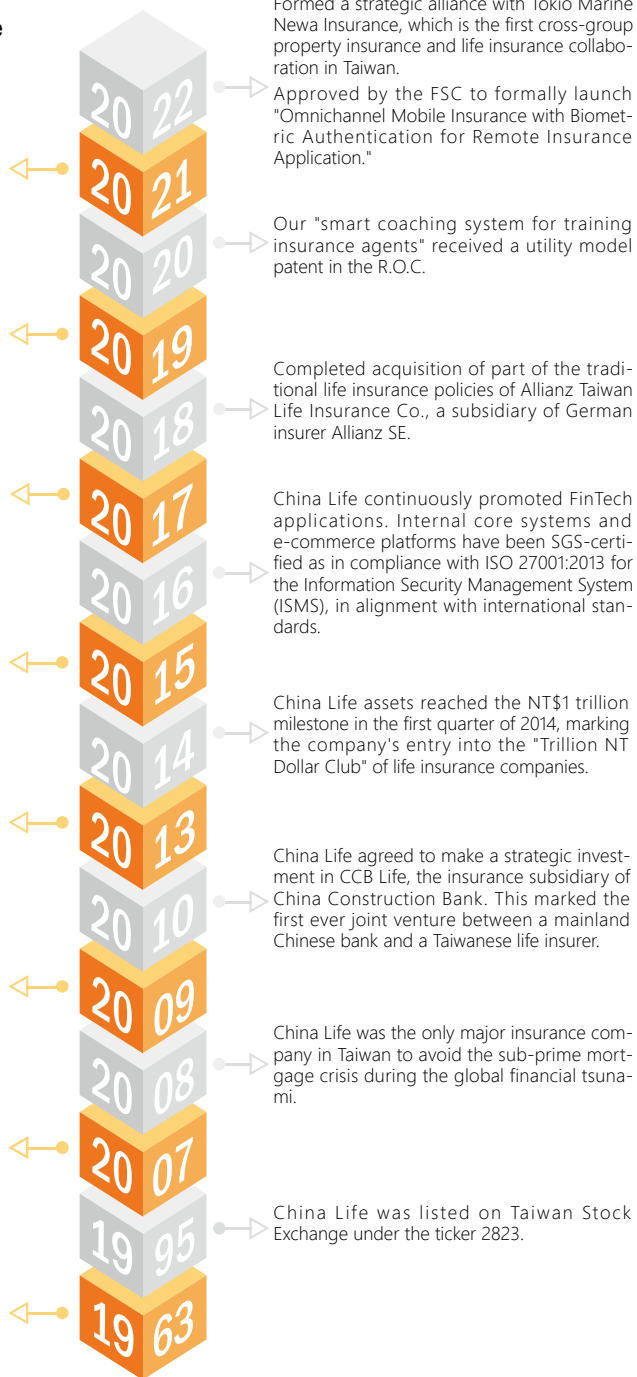
China Life established the Committee of Business Integrity and Ethics, responsible for developing and overseeing the implementation of integrity management policies and fraud prevention programs.

China Life obtained the superfluous rights of the Taipei Academy, establishing the foundation for the next 50 years.

China Life acquired PCA Life's major assets and operating business from UK-based Prudential Life.

China Life acquired Winterthur Taiwan from AXA.

Overseas Life Insurance Corp., the predecessor of China Life, obtained approval for incorporation on April 25.



## Key Achievements in 2022

### Corporate Governance



Corporate Governance

- The Board of Directors established the "Nomination and Performance Evaluation Committee" to strengthen board functions and corporate governance, as well as avoid and mitigate conflicts of interest.
- Overall attendance of the Board of Directors reached **100%** (attendance by proxy 0 times), and attendance of individual directors reached 100%.
- The Company emphasizes management of assets and liabilities, continues to promote regular-pay products, and strives to increase the Company's long-term value. Despite market turmoil, the Company has maintained a sufficient capital adequacy ratio, and maintained stable returns through a stringent investment portfolio.



Risk Management

- Implemented a business continuity management mechanism and **obtained the ISO 22301 Business Continuity Management Certification**. Completed disaster recovery drills based on 2022 business impact analysis (BIA).
- Strengthened climate change governance** and incorporated climate change risks into the Company's Own Risk and Solvency Assessment (ORSA) report.
- Expanded the application of scenario analysis in climate risk assessment. In addition to physical risk scenario analysis for real estate investments and supplier business locations, we also applied transition risk scenario analysis to the climate risk assessment of business locations.



Responsible Investment

- China Life's results from incorporating ESG issues into investment management procedures were provided to SME representatives through seminars on **green finance ESG initiatives** at the SME Carbon Reduction Forum. China Life hopes to exert its financial influence to drive the industry chain's sustainable development.
- Launched carbon footprint inventory of our investment portfolio, to use as basis for making low carbon investment transition decisions. The total carbon emission from the investment balance at the end of 2022 was approximately 2.52 million metric tons, **down by approximately 44%** compared with the end of 2020, and investments in high carbon industries decreased approximately 4% compared with the previous year.
- Actively invested in green bonds**, with the amount invested in green bonds and sustainability bonds for 2022 increased 86% compared to 2021, able to reduce GHG emissions by approximately 317,000 metric tons/year.
- China Life and Marubeni Taiwan Co., Ltd. jointly invested in the world's largest offshore solar power plant, which expands Taiwan's renewable energy market, realizing ESG sustainability investments.



Digital Financing

- Utilized facial recognition technology** for identity verification during remote insurance enrollment, and expanded services to all channels. Used rigorous information security and personal data protection measures to break through conventional time and location insurance enrollment limitations, while reducing the use of resources. Improved administrative efficiency by 25% and reduced carbon emissions by approximately 94,000 kg.
- Released the "i-Life" digital app** to integrate insurance, health, healthcare, life, and technology, and achieved friendly financial services by providing a friendly financial services section, an accessible interface, and voice authentication. The "i-Life" app is the first accessible app launched by a domestic life insurance company.
- Formed alliance with partners to create an ecosystem** and jointly developed digital services with National Cheng Kung University and Chi Mei Medical Center. Utilized digital innovation to reduce manual and paper operations, improved doctor-patient relationships, and optimized the customer service experience.

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## Social



Financial Inclusion



Treating Customers Fairly



Community Involvement

- Expanded the scope of micro insurance, and allowed insurance to serve its function of stabilizing society through premium donations. Won the Award for Caring for the Disabled for **three consecutive years**, won the Micro-Insurance Business Competition Award for **eight consecutive years**, and won the Award for Excellent Performance in Insurance for the Elderly.
- Offered discretionary investment accounts based on ESG, allocated investment targets for low carbon economy, agricultural upgrade, mobility revolution, and resource transition, and allowed customers to seize ESG investment opportunities through investment-linked insurance policies, exerting the Company's financial influence.
- Completed the first cross-group collaboration between property insurance** and life insurance, formed a strategic alliance with Tokio Marine Nawa Insurance, and jointly expanded the scope of insurance services.
- Recognized for excellent performance in the "Financial Industry Treating Customers Fairly Evaluation" by the Financial Supervisory Commission (FSC) for **four consecutive years**.
- Won the life insurance silver award in the Taiwan Customer Center Evaluation and Taiwan Service Industry Evaluation, **becoming the only life insurance** company to win the silver award in both evaluations.
- Commissioned a third party to survey Net Promoter Score (NPS) and received a NPS that was 10 points higher than the industry average, **ranking first in the life insurance** industry with service quality widely recognized by our customers. Established an "Experience Engineer Team" to actively respond to the customer opinion survey and resolved customer issues, continued to implement service optimization projects, and provided customers with an excellent insurance service experience.
- The only company** in the industry with two platforms receiving the accessibility recognition: Company website receiving the highest (AAA) accessibility rating and "i-Life" app obtained accessibility certification.
- Offered "sign language translation reservation services"** and provided sign language translator video conferencing and on-site translation reservation services to policyholders with impaired hearing.
- Created a friendly financial service culture from the heart**, and provided training on treating customers fairly based on actual requirements for staff of different positions and duties. Contents of training include financial inclusion lessons such as protecting the rights of financial consumers, age, disability, and those with disabilities. Participants include 41 directors and senior managers, 101 department supervisors and representatives, and over 18,000 office staff and sales agents.
- Provided accessible pick-up / drop-off / travel, Duo Fu value-added services. Cooperated with Duo Fu Travel Agency to organize a "Fitness Travel" event for elderly policyholders in promoting awareness of health issues for the elderly, with NPS reaching 92 points.
- China Life and the Maria Social Welfare Foundation jointly launched the "One policy one love, passing on hope and sharing love" campaign and invited policyholders to donate to charity. For each insurance policy that becomes effective, China Life donates NT\$100 to Maria Social Welfare Foundation. **The total donation amount is approximately NT\$4 million.**
- Upholding the core spirit of "love and care," China Life worked with 101 charity organizations over the course of the year and participated in 380 charity events, **helping 28,627 underprivileged individuals.**
- Office staff volunteer service hours of the "Go for Love Volunteer Group" **reached a record high** of nearly 30,000 hours.
- Promoted the reduction of waste bottles and set 5 drinking water provision stations around Taiwan. Became the only insurance company to join the circular carbon reduction 100+ initiative. Waste plastic bottles was reduced by the equivalent of 16,225 plastic bottles, and the **total carbon reduction was 1,508.96 kg.**
- China Life is set to share a dual-language emergency contact anti-wandering card at the 2022 ADI Asia Pacific Regional Conference, and provide such card to over 20 participating countries, e.g. England, Japan, Singapore, etc. **taking action to support and advocate for being dementia friendly.**



Talent Development



Human Resources Management

- Implemented the Workday human resources system** for talent recruitment, and utilized database along with AI analysis to select suitable talent.
- Established regulations on incentives for professional examinations** to encourage employees to continue improving and obtaining professional certifications. Office staff on average have 2.71 certificates and the number continues to grow each year.
- Provided diverse talent recruitment projects, and provided a complete and solid training system for developing key skills to integrate professional competitiveness, showing determination to cultivate sales talent; **the retention rate of sales personnel reached 86.6%** in 2022.
- Established "human rights policy"** and created a workplace environment with respect, openness, tolerance, and free from harassment; held the "human rights policy communication" course that was completed by all office staff and agents.
- To encourage employees to actively participate in charity events to give back to society, the number of **volunteer** leave days was adjusted **from two days to four days** in 2023.

## Environmental



Sustainable Supply Chain



Green Operations



Climate Risks and Strategies

- Supported local suppliers based on the concept of sustainable development. 69 new suppliers signed the "Supplier Sustainable Development Commitment" and **local procurement amount accounted for 98.89% of procurements.**
- Green procurements amounted to NT\$**59.86 million.**
- Implemented an e-document system and electronic services (including mobile insurance enrollment, e-policies, i-Life, E-Service, E-Notice, and mobile claims). For 2022 paper consumption **was reduced by over 8 million sheets** in 2022.
- Implemented the international standard ISO 14067** carbon footprint inventory, compiled the carbon footprint inventory of insurance services provided at the head office, branches, and offices around Taiwan, and obtained an ISO 14067 verification certificate.
- To strengthen environmental management, China Life continued to implement the ISO 14001 environmental management system. In 2022, China Life implemented the system in the head office building and obtained third party verification, **thereby improving implement policies and goals for environmental protection.**
- Enhanced energy management: The head office building implemented the ISO 50001 Energy Management Systems in 2022 and obtained third party verification to **improve energy efficiency and achieve energy and carbon reduction.**
- Continued to purchase of green buildings: Purchased the Making Rich Asia Pacific Center and obtained the Green Building Silver Certificate in 2021. China Life's Datong Building Urban Renewal Project was launched in 2022, and has adopted a gold level green building and seismic resistance design, **obtaining the green building candidate** certificate in October the same year.
- Purchased green electricity for the head office building and began wheeling green electricity in December 2022. As of 2022, China Life has **used 103,575 kWh of green electricity.**
- Jointly selected by Financial Times and Nikkei Asia as the first Asia-Pacific Climate Leaders for climate governance and carbon reduction in business operations. **The only insurance company in Greater China and Taiwan** to receive this recognition.

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## Honors and Milestones in 2022

### Brand Management



#### The National Brand Yushan Award

**Best Product Category**  
AI Coach, China Life i-Life app, Long-term Care (LTC) Lifelong Health Insurance

**Most Popular Brand Category**  
"Life Coach" Brand Video



#### Insurance Quality Award

**Excellence** for highest brand awareness  
**Excellence** for most recommended  
**Excellence** for best agents  
**Excellence** for best claims service



#### Insurance Dragon and Phoenix Awards

**Excellence** Award in the Sales Agent Division  
**Recognized as the best company** for graduates of finance departments for the second consecutive year



#### Common Wealth Magazine's

Top 2000 Business Survey **5<sup>th</sup> in the finance industry**



#### Ministry of Economic Affairs

"Buying Power – the Social Innovation Product and Service Purchase Award"  
**First Place**

### Innovation and Services



#### Financial Supervisory Commission

Treating Customers Fairly Evaluation  
Excellent rating for **four consecutive years**

**2022 Insurance Contest of the FSC**  
**Excellent** Performance Award for eight consecutive years for the Micro Insurance Contest

**Excellent** Performance Award for the Caring for the Disabled Award

**Excellent** Performance Award for the Elderly Insurance Contest



#### Insurance Asia Awards

**Digital Insurance Initiative of the Year**



#### Taiwan Sustainability Action Award (TSAA)

Economic Development – **Silver Award**



#### Commercial Times

Taiwan Customer Service Center Evaluation **Silver Award**

2022 Taiwan Service Industry Evaluation **Silver Award** for excellent life insurance services



#### Global Banking & Finance Review

**Best Digital Transformation Life Insurance Company** in Taiwan 2022

### Sustainable Development



#### Taiwan Corporate Sustainability Awards (TCSA)

Corporate Sustainability Report **Platinum Award**  
Top 100 **Sustainable Companies Award**

**Information Security Leadership Award, Talent Development Leadership Award, Social Inclusion Leadership Award**



#### Global Corporate Sustainability Awards (GCSA)

Corporate Sustainability Report **Bronze Award**



#### Taiwan SIA

**Role Model** in the Life Insurance Group of the Influential Institution Division, **Gold Class** in the ESG Innovation Award, **Silver Class** in the Shareholders' Action Award



#### Financial Times and Nikkei Asia

**Asia-Pacific Climate Leaders**



#### Environmental Protection Administration

Excellence in promoting green procurement and green consumption **Excellent performance**



#### Taipei City Government

**Private Enterprise and Organization Green Procurement Award** Won the award for seven consecutive years



#### British Standards Institution (BSI)

**Sustainability Resilience Excellence Award**



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**[Column] Climate Change Response and Environment Sustainability Vision**

China Life supports the parent company's goal to achieve net zero emissions by 2045, and follows the competent authority's policies by monitoring domestic and overseas development trends in climate risk management. The Company has set important milestones in terms of climate risk management, from initiatives and commitment, to realization through an "action-based" approach. China Life aims to work hand-in-hand with internal and external stakeholders to achieve its sustainable environment through sustainable finance actions.

China Life was jointly selected by Financial Times and Nikkei Asia as the Asia-Pacific Climate Leaders in 2022 for the Company's efforts and contribution to carbon reduction. Over the past year, China Life continued to improve its green service process, worked toward a green finance environment, and jointly protected the environment with policyholders through e-Notice, e-policies, and mobile insurance application. China Life jointly made a commitment with the parent company to sustainable finance, established principles for aggressive decarbonization, and gradually reduced its investment and financing positions in coal related industries, irregular oil/natural gas related industries, and other high carbon emission industries.

In light of the growing threat of climate change, China Life engages in carbon reduction actions to lower its impact on the environment, and has also planned adaptation measures to mitigate the potential impact of climate change on its own operations. Aside from further optimizing the Company's current climate risk management framework, the Company has expanded scenarios and subjects of its scenario analysis, in order to conduct comprehensive evaluation of potential climate risks. China Life has also compiled an "insurance service carbon footprint inventory" in 2022, which provides the baseline for carbon reduction of future operations.

**Completed Climate Governance Framework**

**1. Formulated Internal Rules and Regulations on Climate Risk Management**

China Life established a dedicated management organization and relevant procedures for climate-related risks, incorporated physical and transition risks into the scope of risk management, and periodically discloses climate-related risk management information; including governance, strategies, risk management, indicators, and goals, according to the TCFD framework.

**2. China Life Included Climate-Related Risks into its 3 Lines of Defense for Internal Control**



**Expanding Scenarios and Subjects for Scenario Analysis**

China Life expanded the application of scenario analysis on climate risk assessment from the perspective of its life insurance value chain. In addition to physical risk scenario analysis for real estate investments and supplier business locations, the Company also applied transition risk scenario analysis to climate risk assessment of business locations.

Physical Risks		Transition Risks	
<b>Scenario</b>	Scenario RCP 8.5 provided in IPCC AR5	<b>Scenario</b>	Climate scenario settings provided by the NGFS for t orderly transition (Net Zero 2050), disorderly transition (Delayed 2 °C ), and Hot House World (NDCs)
<b>Indicator</b>	Hazard and vulnerability indicators in projections of scenario RCP8.5 in the climate change disaster risk map compiled by the National Science and Technology Center for Disaster Reduction (NCDR), Ministry of Science and Technology	<b>Risk factor</b>	Carbon fee collection
<b>Subjects</b>	Real estate investment, China Life's business locations, suppliers' business locations	<b>Subjects</b>	Securities investment portfolio, business location electricity consumption

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## Insurance service carbon footprint inventory

China Life's care for the environment is what drives the Company to manage the carbon emissions of its operations. The Company began compiling the GHG inventory of our head office and branches in 2015, and the inventories have passed third party verification. Electricity conservation projects are implemented in units of five years, in hopes of improving electricity efficiency through energy conservation and contributing to carbon reduction.

China Life compiled its first insurance service carbon footprint inventory in 2022 to plan comprehensive carbon emission management of its own operations. Focusing on the insurance policy life cycle, the Company carried out systematic and consistent inspections to analyze sources of carbon emissions in business operations, and then compiled, as well as summarized inventory results for future planning and pursue continuous improvement.

The insurance service carbon footprint inventory includes three stages of the insurance policy life cycle:

### 1. Raw Materials Acquisition Stage

The raw materials stage is included in the life cycle evaluation. The raw materials acquisition scenario for services is as follows: The raw materials processes of this service includes application documents, promotional materials, administrative documents, and consumables and their transportation to the head office and branches.

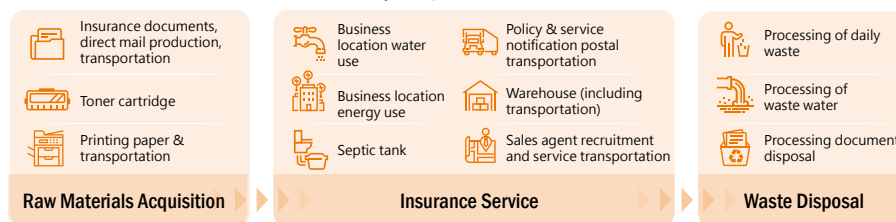
### 2. Service Stage

GHG emissions from energy and resources used in the service stage of this service, as well as the GHG emissions from the distance for soliciting business, distance of delivering documents, mailing documents, and on-site investigations for claims are all counted.

### 3. Waste Disposal Stage

The waste disposal stage is included in the life cycle and includes waste generated from the service process. The waste disposal process includes GHG emissions from waste generated by China Life, and GHG emissions from the disposal of physical documents provided to consumers in the service process.

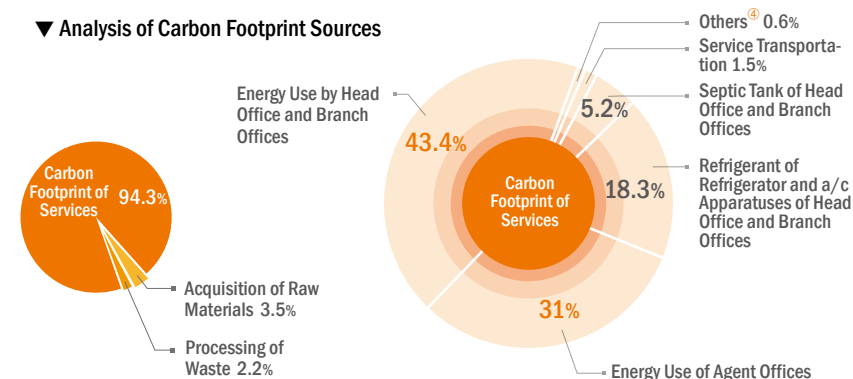
#### ▼ Insurance Service Process and Inventory Scope



The scope of this inventory covers the head office, 9 branches, and 144 agent offices<sup>③</sup>. A total of 158 employees from the head office and agent offices assisted in compiling inventory data, and the overall data quality was assessed as high quality. China Life passed the two stage verification from BSI, including documentary review and on-site inspection, and obtained the ISO 14067 certificate on December 2022.

According to inventory results, the Company's average carbon footprint per policy was 2.619 kg CO<sub>2</sub>e. Analysis showed that the carbon footprint was mainly from the service stage, in which electricity consumption of business locations accounted for 70% of the carbon footprint.

#### ▼ Analysis of Carbon Footprint Sources



China Life implemented ISO 50001 Energy Management Systems and improved the energy use efficiency of the head office building to gradually lower the carbon emissions of operations. In addition, to installing solar panels at the head office building to generate electricity for self use, China Life also purchased renewable energy from external institutions to reduce carbon emissions from energy use. China Life continues to implement green services, digitalize operating procedures and insurance services, as well as set short, mid-, and long-term management goals to gradually reduce carbon emissions from transportation and paper use when providing services to its customers. Regarding the future, China Life will use inventory results as the basis to further discover development opportunities for zero carbon insurance services.

③ The period for ISO 14067:2018 was 2021.01.01-2021.12.31, during which China Life simultaneously had up to 144 offices around Taiwan.

④ Including refrigerator and a/c systems of agent offices, head office and branch office official vehicles, water use of head office, branch office, and agent offices.

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## Sustainable Governance Corporate Culture

China Life utilizes its advantages and resources of its core business to link the UN SDGs to Taiwan's sustainable development goals, and aligns itself with global ESG trends, in order to show the spirit of sustainability and make a positive impact. China Life planned four sustainability development themes: "Low Carbon Transition," "Inclusive Finance," "Sustainable Finance," and "Corporate Governance Enhancement" in response to its parent company China Development Financial Holding Corporation's ABCDE strategy.

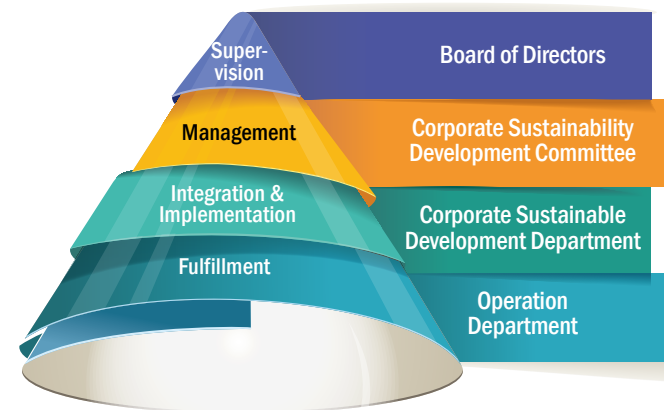
China Life's four sustainable development themes cover ten ESG goals, namely "Climate Risk Governance," "Green Operations and Carbon Management," "Transition to Low Carbon Products and Services," "Promotion of Inclusive Product Services," "Social Participation," "Digital Finance Innovation Development," "Continue Talent Cultivation," "Sustainable Investment Development," "Enhance Corporate Governance," and "Optimize Sustainable Supply Chain Management." These goals fulfill the social responsibilities of a life insurance company. The Company has set many short-term, mid-term, and long-term goals related to governance, environment, and society, and deeply embed ESG into our corporate culture, which improves our ESG performance and allows us to produce sustainability results that meet stakeholders' needs and expectations. (Link : [Sustainability Strategies](#))

## Corporate Sustainability Governance Framework

China Life established the Corporate Social Responsibility Committee in 2014 and renamed it the Sustainable Development Committee in 2021. The committee is chaired by the chairman and up to 50% of its members are directors. Aside from board members, the committee also consists of managers at the vice president level and above. China Life restructured the Sustainable Development Committee into a functional committee under the Board of Directors in March 2023 to enhance its supervisory and sustainability management functions. The Company has launched innovative corporate sustainability programs from a broader perspective, displaying the Company's determination to achieve sustainable development. Sustainable development is considered in business decisions and routine operations through supervision by the Board of Directors. We also amended the Sustainable Development Policy and Sustainable Development Best Practice Principles.

Furthermore, China Life established the Corporate Sustainable Development Department in 2021, which is the first dedicated unit in carrying out sustainability affairs in the domestic life insurance industry. In addition to helping business divisions set their ESG-related goals, the department reports ESG results and action plans to the Corporate Sustainable Development Committee. The Corporate Sustainable Development Committee convened a total of 4 meetings in 2022 and discussed implementation results of ESG goals for that given year, as well as short-, mid-, and long-term goals, the implementation status of ISO 14067 sustainability action plans, and the TCFD framework. The Corporate Sustainable Development Committee periodically reports implementation results to the Board of Directors.

▼ Sustainable Development Organization Structure and Duties



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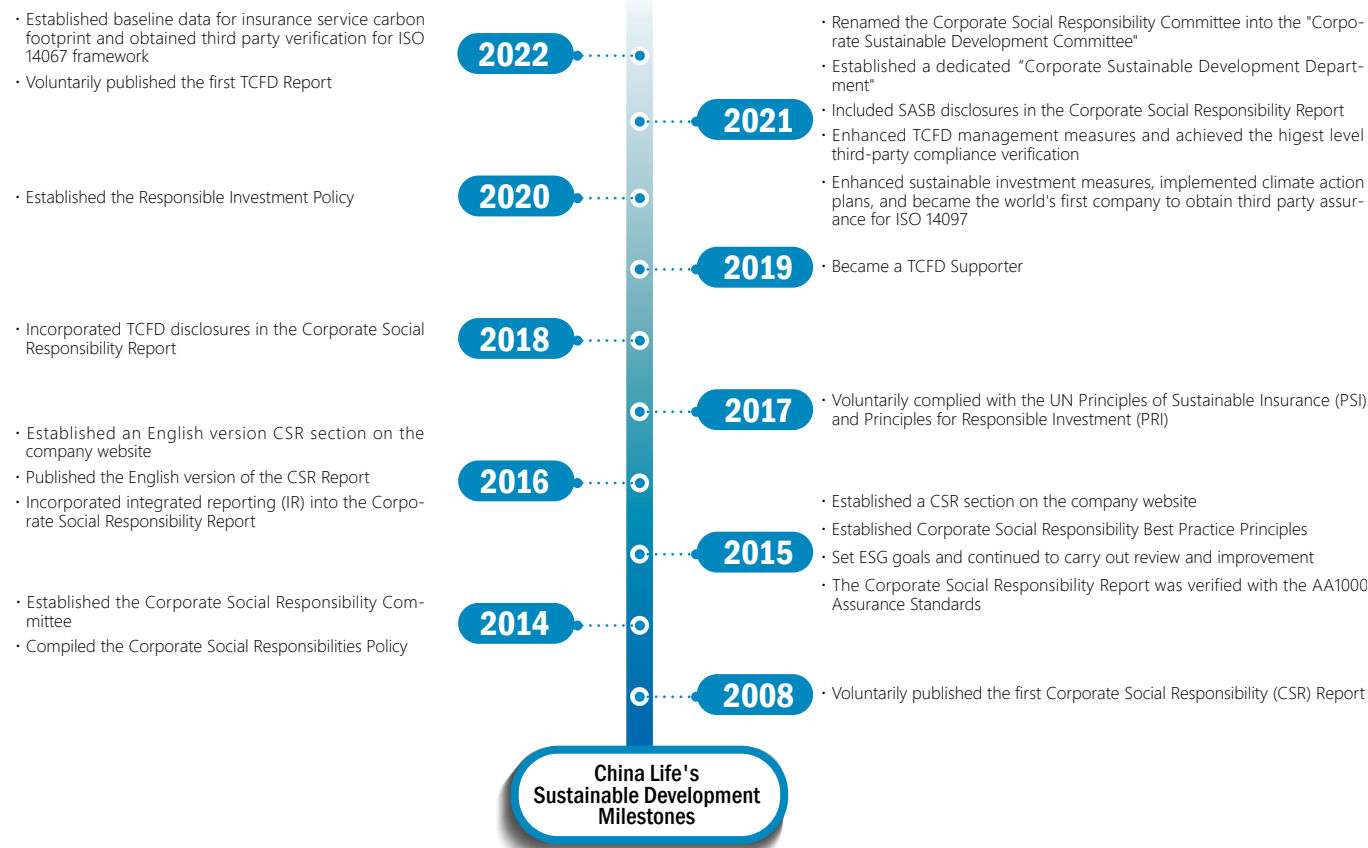
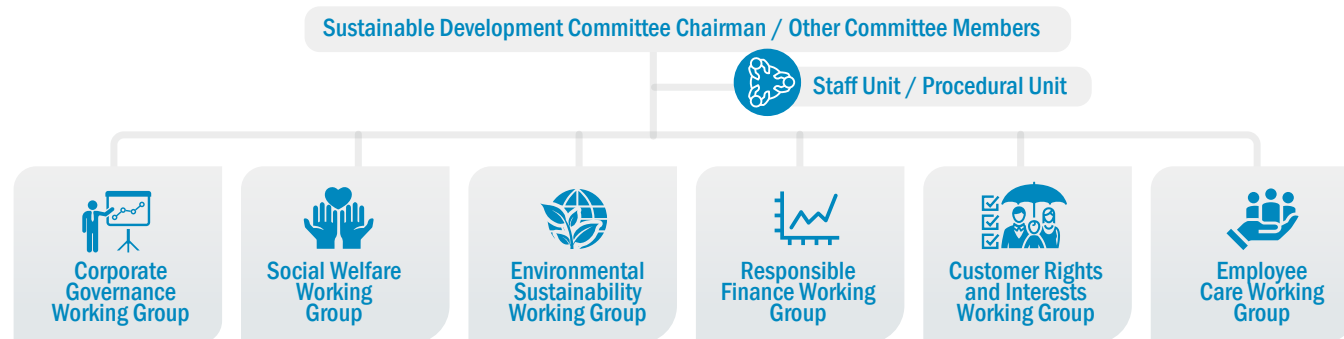
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## Corporate Sustainability Awareness Training

China Life provides comprehensive sustainability training to employees and managers, and guides sustainable development through training. For 2022, the combined ESG training for all employees totaled 19,592 hours. Topics include human rights equality, ethical corporate management, information security, treating customers fairly, friendly financial services, climate risks, and TCFD.

Directors and supervisors continue to receive education on sustainability-related topics, which enhances the Company's ability to identify, manage, and respond to climate-related risks and opportunities. Topics of external courses include corporate governance, green finance and IFRS17, ESG development trends, information security, climate change, and Corporate Governance 3.0 -Sustainable Development Roadmap, with over 180 hours of training. Through training, directors and supervisors alike, learn the importance of sustainable development and take action in contributing to sustainable development.

# Sustainability Strategies

China Life utilizes its strengths and resources of its core business to align with the UN SDGs, and planned four sustainable development themes: "Low Carbon Transition," "Inclusive Finance," "Sustainable Finance," and "Corporate Governance Enhancement" in responding to global ESG trends. All sustainability goals set by China Life in 2022 have been achieved. For 2023, China Life will continue to set goals and schedules based on its four sustainability themes as it progresses towards a sustainable future.



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### Sustainable Investment Development

#### Implementation Status in 2022

- Reduced investments in high carbon industries to under 26% of the overall investment positions.
  - Using 2020 as the baseline year, reduced carbon emissions from the investment portfolio by 44%, increased the amount invested in green and sustainability bonds by 11x, and reduced GHG emissions by 317,000 metric tons/year.
  - Investments in high carbon industries accounted for 18.5% of overall investment positions in 2022.
- Actively conducted investees carbon reduction engagement, and continued to track the carbon reduction progress of investees with high carbon emissions, and fulfill management duties in using policyholders' funds.

#### Short-term Goals

- Keep investments in high carbon industries under 26%.
- Compared with the end of 2020, carbon emissions from the investment portfolio decreased 15% by the end of 2023.
- Compared with the end of 2020, increase the green investment position by 15% by the end of 2023.

#### Mid-term and Long-term Goals

- Keep investments in high carbon industries under 26%.
- Decrease carbon emissions from the investment portfolio by 35% compared with the end of 2020, by the end of 2027.
- Increase the green investment position by 35% compared with the end of 2020, by the end of 2027.

## Corporate Governance Enhancement



### Enhance Corporate Governance

#### Implementation Status in 2022

- Arranged diverse continuous education topics for directors and continued to improve the board's ESG acumen.
  - Board members pay attention to ESG, climate change, green finance and IFRS 17, information security, and treating customers fairly issues. Total continuing education hours reached 180 hours and courses offered by external institutions accounted for 80% of overall hours.
- Improved the structure of the sustainability report and enhanced benefits of information disclosure.
  - Adopted the SASB insurance industry standard in the 2021 Sustainability Report.
  - The 2021 Sustainability Report obtained the certificate for AA 1000 Type II moderate level of assurance.

#### Short-term Goals

- Reference the continuous education planning of the director education map, continue to pay attention to courses on sustainable development-related topics, and continue to arrange courses on information security, corporate sustainability, sustainability report, climate change, and other ESG issues.
- Provide the annual continuing education survey form to newly appointed directors in the 23rd-term Board of Directors, actively and periodically provide continuous education courses in the abovementioned fields, and encourage directors to take the courses.
- Periodically report board member development plans and operating status to the Board of Directors to achieve the Company's sustainable development goals.
- Focus on key items for the financial industry in the SASB Standards and obtain ISAE 3000 assurance.

#### Mid-term and Long-term Goals

- Continue to pay attention to courses on sustainable development-related issues, and monitor revisions to the competent authority's policies to adjust course planning, including corporate sustainability, green finance, climate change, and other ESG issues or emerging issues.
- Continue to pursue stable company development and improve operational safety and sustainability performance through board member development planning, successor planning, and continuous education courses.
- Evaluate responses to new international sustainability disclosure frameworks/standards.

### Optimize sustainable supply chain management

#### Implementation Status in 2022

- Continue to optimize sustainable supplier management and embed the concept of sustainability into the industry value chain.
  - 100% of new suppliers signed the Corporate Social Responsibility Commitment.
  - Completed 12 supplier CSR self-evaluations and distributed promotional materials on corporate sustainability management.
- Support the EPA's green office by adopting green purchasing
  - Gave priority to products, hybrid vehicles, and electric vehicles with the environmental protection mark.
  - Gave priority to video conferencing to reduce energy consumption.
  - Listed green procurement and energy transition in the supplier CSR self-evaluation standards; listed the commitment to net zero emissions as extra credit for self-evaluation.
  - The green procurement reached NT\$59.86 million in 2022 – the social innovation procurement amount was NT\$14 million in 2022.

#### Short-term Goals

- Optimize Sustainable Supplier Management.
  - 100% of new suppliers sign the Corporate Social Responsibility Commitment.
  - Send training EDM to suppliers and communicate energy conservation and carbon reduction with suppliers.
  - Complete supplier CSR self-evaluation and supplier evaluation (13 suppliers/year).
- Net Zero Emissions
  - Purchases from suppliers that commit to net zero emissions reaches NT\$10 million.
- Promotion of Sustainable Procurement
  - Support the EPA by continuing to engage in green purchasing
  - Encourage suppliers to join social innovation organizations and purchases from social innovation organizations reaches NT\$10 million

#### Mid-term and Long-term Goals

- Optimize Sustainable Supplier Management.
  - Complete the supplier CSR self-evaluation form in 2027 (18 suppliers/year).
  - Optimize supplier selection and risk management mechanisms: Optimize supplier evaluation procedures, compile a list of high risk suppliers (key suppliers), and formulate risk prevention measures.
- Net Zero Emissions
  - Purchases from suppliers that commit to net zero emissions reaches NT\$10 million.
- Promotion of Sustainable Procurement.
  - Support the EPA by continuing to engage in green purchasing.
  - Encourage suppliers to join social innovation organizations and \$10 million in purchases from social innovation organizations.

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## Inclusive Finance



### Promotion of Inclusive Product Services

#### Implementation Status in 2022

- Continued to promote inclusive financial products in response to the special needs of the elderly and underprivileged groups.
  - Annual growth of premiums from micro insurance surpassed 10% and ranked third in the industry.
- Completed the selection mechanism for discretionary investment account of investment-linked products, and included ESG investment strategy constituents.
- Conducted a NPS survey to show concern for the voices of the elderly and underprivileged groups.
  - Expanded the scope of customer opinion surveys and added four key points of contact.
  - Improved the policyholder communication experience on digital platforms and established an experience engineer team to show concern and follow up on customer needs.

#### Short-term Goals

- Provide products or marketing services suitable for the elderly or disadvantaged groups.
  - Premiums from micro insurance increase at an annual rate of 10%.
  - Top three in the industry in micro insurance premiums and promoting customized product portfolios.
- Targets of the ESG investment strategy account for 25% of discretionary investment accounts for new investment-linked products.
- Promotion of e-policies with utilization reaching 30%.
- Overall NPS goal: 3<sup>rd</sup> in the industry.
- Digital NPS goal: 5<sup>th</sup> in the industry.

#### Mid-term and Long-term Goals

- Provide products or marketing services suitable for the elderly or disadvantaged groups.
  - 10% annual increase for premiums from micro insurance policies.
  - Top three in the industry in micro insurance premiums and promoting customized product portfolios.
- Gradually increase the percentage accounted for by ESG investment strategy targets to 100% of discretionary investment accounts for new investment-linked products by 2027.
- Gradually increase the utilization of e-policies to 70% by 2027.
- Overall NPS goal by 2025: 1<sup>st</sup> in the industry.
- Digital NPS goal by 2025: 3<sup>rd</sup> in the industry.

### Social Participation

#### Implementation Status in 2022

- Went into local communities, integrated charity resources, and linked social enterprises for regional revitalization.
  - Annual office staff and sales agent volunteer service hours was nearly 42,000 hours.
  - Organized 4 social enterprise and charity organization sharing events with a total of 537 participants.
  - Worked with NPOs in developing co-branded cultural creative products and assisted beneficiaries with realizing self-value.
  - Implemented the China Life Hong Te Water Refill Project, promoted plastic reduction travel, and reduced annual carbon emissions by 1,508.96 kg.
- Consulted the implementation of SROI and social impact analysis.

#### Short-term Goals

- Increase the volunteer service hours of office staff to an average of 6 hours per person.
- Match the core competencies of life insurance companies with the needs of various parties, help underprivileged groups become self-sufficient, help over 20,000 individuals through charity events.
- Continue to implement China Life's Hong Te Water Refill Project.
- Planning sustainability initiative events.

#### Mid-term and Long-term Goals

- Gradually increase the average annual volunteer service hours of office staff to 8 hours per person by 2027.
- Number of charity event beneficiaries increases 5% each year.
- Implement ISO 20121 sustainable event management measures to increase implementation benefits.
- Assist local communities with establishing sustainability mechanisms and implement the social impact valuation system.
- Continue to organize sustainability initiative events.

### Continue Talent Cultivation

#### Implementation Status in 2022

- Enhanced leadership training and developed sustainable finance solutions.
  - Total training hours reached 2,827 hours and student recommendation and satisfaction exceeded 90%.
- Planned an employee digital competency development blueprint, consolidated human capital in terms of FinTech talent, and shaped the organization's digital culture.
  - Offered over 10 courses for core soft skill training with a total of 2,803 training hours. Both student recommendation and satisfaction level exceeded 90%.
  - Received enthusiastic responses from the promotion of employee digital self-learning with total learning hours exceeding 20,000 hours.
  - Strengthened the cultivation of FinTech talent with a total of 2,861 hours and nearly 500 participants in competency training, enhancing the Company's competitiveness in big data, AI, information security, and InsurTech.

#### Short-term Goals

- Expand leadership development of supervisors, develop leadership competencies for sustainability transition, and enhance the sustainability competitiveness of supervisors.
- Develop a young generation talent pool, cultivate next sustainability leadership for the next generation, and empower companies in achieving sustainable development.
- Strengthen new talent cultivation, employee skills redevelopment, and develop talent with an expertise in sustainable insurance, cultivating sustainable finance talent.
- Strengthen performance management cycle, establish a performance-oriented culture, and realize the Company's sustainable development goals.

#### Mid-term and Long-term Goals

- Continue to establish talent recruitment, retention, and cultivation plans to cultivate exceptional talent.
- Become the employer of choice for outstanding talent and realize the vision of becoming a leading financial institution in Asia.

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## Low Carbon Transition



### Digital Finance Innovation Development

#### Implementation Status in 2022

- ◆ The digital health ecosystem collaborated with well-known fitness centers in activities that embed healthy lifestyles and concepts in the hearts of policy-holders.

#### Short-term Goals

- ◆ Increase customer satisfaction with develop the ecosystem through digital innovation and cooperation with partners in different industries.
- ◆ Continue to optimize claim services through a customer-centric approach, and provide customers with paperless claim services.

#### Mid-term and Long-term Goals

- ◆ Develop innovative plans to increase the convenience of services for the elderly.
- ◆ Continue promote digital innovation, implement scenario-based finance, and create a sustainable ecosystem with partners in different industries.

### Climate Risk Governance

#### Implementation Status in 2022

- ◆ Supported the competent authority's amendment to the Risk Management Best Practice Principles for Insurance Companies.
  - Included physical risks and transition risks of climate change into the Company's risk management policy.
- ◆ Included climate change assessments into the ORSA report and improved the description of the scope of impact.
- ◆ Strengthened business continuity management measures and obtained the ISO 22301:2019 Business Continuity Management System Certification.

#### Short-term Goals

- ◆ Include climate change related assessments, scenarios, and response plans into the ORSA report
- ◆ Strengthen carbon reduction management measures in coordination with the low carbon limit of China Development Financial Holding Corporation.

#### Mid-term and Long-term Goals

- ◆ Optimize the climate risk management measures to improve the effectiveness of risk management.

### Green Operations and Carbon Management

#### Implementation Status in 2022

- ◆ Compiled statistics of electricity consumption in the workplace and established the baseline for electricity conservation.
- ◆ Adopted environmental and energy management systems and continued to optimize green operations.
  - The head office building and Dunbei building obtained ISO 14001 Environmental Management System certification.
  - The head office building obtained ISO 50001 Energy Management System certification.
  - The head office building began using green electricity on December 1, 2022.

#### Short-term Goals

- ◆ Expand the scope of ISO 14064-1 inventory to cover 100% of sales agent offices of China Life.
- ◆ Complete the evaluation of water conservation plans for office staff and sales agent offices.
- ◆ The head office building using 700,000 kWh or more green electricity.
- ◆ Reduce carbon emissions from operations of office staff by 10% each year (2022 as the baseline year).

#### Mid-term and Long-term Goals

- ◆ Gradually increase the use of equipment with the water conservation mark for office staff and sales agent offices: 50% and above by 2025 and 80% and above in 2027.
- ◆ Head office building becomes carbon neutral green building by 2024.
- ◆ Reduce carbon emissions from operations of office staff by 50% over five years (using 2022 as the baseline year.)

### Transition to Low Carbon Products and Services

#### Implementation Status in 2022

- ◆ The insurance carbon footprint inventory project obtained ISO 14067 verification.
- ◆ Established the baseline for insurance service carbon footprint.

#### Short-term Goals

- ◆ Carry out insurance service carbon footprint reduction actions.
- ◆ Obtain the carbon label from the Environmental Protection Administration base for insurance service carbon footprint.

#### Mid-term and Long-term Goals

- ◆ Improve insurance service carbon footprint reduction.
- ◆ Evaluate and apply for the carbon reduction label from the Environmental Protection Administration for insurance service carbon footprint reduction.



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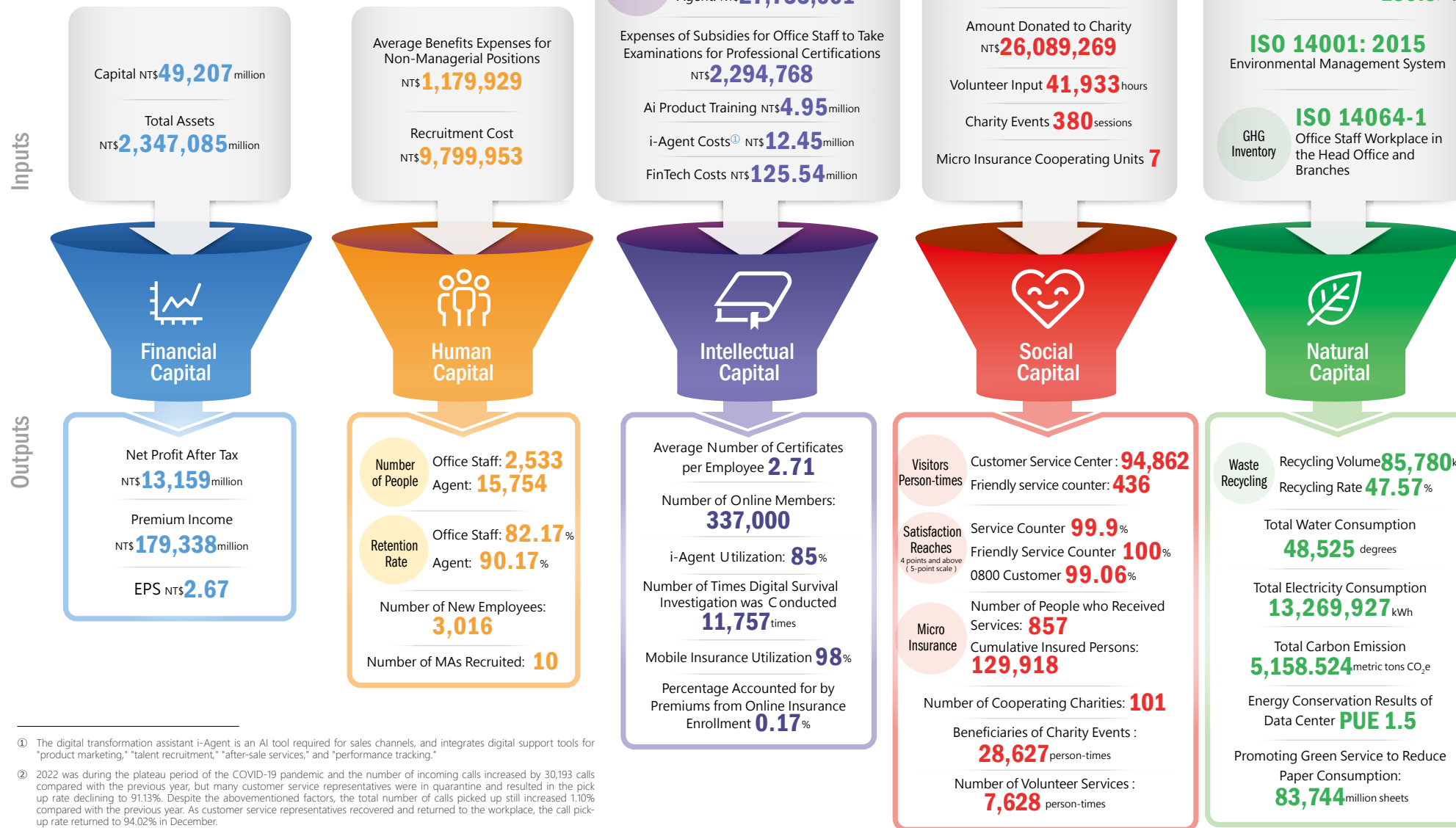
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▼ Capital Inputs and Outputs in 2022



① The digital transformation assistant i-Agent is an AI tool required for sales channels, and integrates digital support tools for "product marketing," "talent recruitment," "after-sale services," and "performance tracking."

② 2022 was during the plateau period of the COVID-19 pandemic and the number of incoming calls increased by 30,193 calls compared with the previous year, but many customer service representatives were in quarantine and resulted in the pick up rate declining to 91.13%. Despite the abovementioned factors, the total number of calls picked up still increased 1.10% compared with the previous year. As customer service representatives recovered and returned to the workplace, the call pick-up rate returned to 94.02% in December.

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## Stakeholder Engagement

Based on identification results using the AA1000 Stakeholder Engagement Standard in previous years, as well as methods of the benchmark enterprise, we selected 9 types of important stakeholders of China Life, including the competent authority, cooperating channels, policyholders, employees, media, suppliers/contractors, investees, and charity organizations/NGOs disclosed in 2021 and shareholders (parent company) that was added in this Report. We engaged shareholders through different channels to understand topics of concern to stakeholders and their opinions and feedback, which are referenced during material topic analysis. We adjust management measures or provide corresponding information on this basis to achieve good engagement results.



### Competent Authority

Ethical corporate management of the insurance business complies with regulations of the competent authority

#### Topics of Concern

Corporate Governance and Ethical Corporate Management / Net zero emissions and Response to Climate Change / Information Security and Personal Data Protection / Responsible Investment / Compliance / Green Operations / Treating Customers Fairly and Customer Relationship Maintenance

#### Communication Channel and Frequency

- Provide reports or descriptions of related businesses to the competent authority
- Participated in discussions, seminars, government meetings and activities, and provide recommendations
- Disclosures required by law are disclosed on the official website

#### Communication Actions

- Participated in discussions held by the competent authority, including the following:
- Discussions for signatories of life insurance products
  - Insurance Industry AML/CFT Working Group Meeting
  - Insurance industry risk management discussion meeting
  - Insurance Industry TCFD Communication and Case Compilation
  - Economic and insurance development, Sustainable Development Summit
  - Seminar and meeting on adjustments to product related regulations
  - Meeting discussing information security self-regulation of the insurance industry/ Directions for Insurance Enterprises Engaging in Online Insurance
  - "Discussion on the Insurance Industry Adopting a Risk-Based Internal Audit System" and "Insurance Industry Internal Audit Forum"



### Policyholders

Provide a wide variety of high quality insurance products and thoughtful after-sale service to meet the needs of different policyholders

#### Topics of Concern

Treating Customers Fairly and Customer Relationship Maintenance / Green Operations / Information Security and Personal Data Protection

#### Communication Channel and Frequency

- Inquire or file a complaint with the Company via mail, fax, telephone, online message, visit a service counter in person, personal visit, or other channels (including but not limited to the Financial Ombudsman Institution, Financial Supervisory Commission Insurance Bureau, and county/city governments)
- Company website: Inquiries and comments, policyholder section, online insurance enrollment section, stakeholders section, AML section, and free subscription to e-newsletter
- Social media: Facebook, Instagram, Line
- Online interaction tools: i-game, i-inquiry
- Toll-free customer service hotline: 0800-098-889
- Overseas consultation hotline: International call prefix +886-4-36083600
- Overseas emergency hotline: International call prefix +886-2-25360077

#### Communication Actions

- Issued the policyholder e-newsletter 12 times with a total of 107 articles
- Provided a policyholder sharing card with 3,804 contracted institutions that provide discounts
- Received 1,321 complaints in 2022, in which 157 complaints were from elderly, disabled, and disadvantaged people, accounting for 11.9% of all cases
- A total of 590,449 incoming calls were received in 2022, up 1.10% compared with the previous year
- A total of 10,889 comments were left on the company website in 2022, and first contact with the commenter was made within 5 hours after the case was assigned
- A total of 12 overseas emergency assistance services were provided in 2022



### Shareholders (Parent Company)

Stable business performance growth and strict risk management to create the maximize value for the parent company

#### Topics of Concern

Business Performance / Financial Inclusion / Corporate Governance and Ethical Corporate Management / Community Involvement

#### Communication Channel and Frequency

- Annual General Meeting
- Extraordinary shareholders meeting
- Investor conference
- Official website
- Market Observation Post System

#### Communication Actions

- Convened the annual general meeting, established a Shareholders' Interests section on the official website to disclose matters related to corporate governance and shareholders' interests
- China Development Financial Holding Corporation held investor conferences in Chinese and English
- The Information Disclosure section on the official website periodically updates the Company's financial overview, credit rating, corporate governance, and implementation of sustainable development
- Updated financial statements and the annual report on the Market Observation Post System
- Announced Chinese and English version financial statements and annual reports on the official website



### Investees

Implement the Stewardship Principles for Institutional Investors, continue to pay attention to and communicate with investees, and fulfill responsibilities when making investments to increase long-term investment benefits

#### Topics of Concern

Corporate Governance and Ethical Corporate Management / Risk Management / Information Security and Personal Data Protection

#### Communication Channel and Frequency

- Periodically attend shareholders' meetings and board meetings
- Pay attention to investor conferences of investees and irregularly look into material topics

#### Communication Actions

- Publish monthly investment reports that review the performance and track the operating status of investees, and submit the reports to senior managers for review; monitor 100% of investees each month
- Participated in 100% of shareholders' meetings of domestic public investee companies with the scope permitted by law

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## Employees

Employees are the Company's most important assets, so the Company provides optimal training plans and competitive salaries and benefits

### Topics of Concern

Treating Customers Fairly and Customer Relationship Maintenance / Information Security and Personal Data Protection / Compliance

### Communication Channel and Frequency

- Quarterly labor-management meetings
- Diverse training and courses
- Company website "Employee learning" section
- Published an internal publication for employees
- Electronic communication channels: i-Agent digital consultation hotline, elite action digital interaction platform, i-Link APP, hiBox e-mail, office staff and field personnel LINE@Living Circle "China Life e-Family," electronic bulletin board
- The intranet provides employee complaint channels, and complainants can access the information to file a complaint

### Communication Actions

- Organized 4 labor-management meetings were held to report and fully communicate and discuss labor trends, business overview, and labor related matters
- Published an internal publication for employees 12 times
- 2 cases involved the labor conditions of office staff, but did not involve a violation of the law



## Cooperating Channels

Build close relationships with channels to provide high quality products and create a win-win cooperation model

### Topics of Concern

AML/CFT / Business Performance / Treating Customers Fairly and Customer Relationship Maintenance

### Communication Channel and Frequency

- Insurance broker and agent consultation hotline: 0809-008-800
- Bancassurance financial advisor consultation hotline: 0800-580-919

### Communication Actions

- Established relationships with 28 banks and 15 securities firms as cooperating channels, and jointly implemented mobile insurance application projects with 6 banks
- Sales performance of the bancassurance channel reached NT\$42.53 billion for the year, in which installment payments of NT\$17.793 billion accounted for 41.84%, a record high since the bancassurance channel was established
- Led the industry in working with Hua Nan Bank in remote insurance enrollment, and led the industry in digitalization results
- 100% of cooperating channels agreed to comply with AML/CFT laws and regulations
- Coverage of AML/CFT compliance performance evaluations reached 100%



## Media

Maintained good interaction with the media, and actively provided press releases to enhance China Life's brand image

### Topics of Concern

Employee Salaries and Benefits / Treating Customers Fairly and Customer Relationship Maintenance / Information Security and Personal Data Protection

### Communication Channel and Frequency

- Established a dedicated unit
- Published press releases and irregularly produced special topics
- Held press conferences
- Maintained relationships with the media and irregularly organized lunch gatherings or dinner parties
- A note of recent events and highlights is provided to the media for press releases
- Social media: Facebook, Instagram
- Information disclosures on company website "Latest News"

### Communication Actions

- The Public Relations Department is the dedicated unit for daily communication via e-mail, telephone, and messaging software.
- Issued 91 press releases and the number of news reports where China Life actively sent the manuscript, data, or arranged for the spokesperson to be interviewed reached 3,083; 100% of the reports were positive.
- Held 4 press conferences.
- Published 447 posts on Facebook and Instagram, actively create exposure on social media, increased brand awareness, and reached 12 million users



## Social Welfare Organizations/NGOs

Invest company resources to work with charity organizations in organizing community involvement activities, and show gratitude by giving back to society

### Topics of Concern

Community Involvement / Financial Inclusion / Employee diversity, human rights, and equality

### Communication Channel and Frequency

- Organize monthly corporate volunteer service activities
- Irregularly sponsor or donate to underprivileged groups
- Irregularly organize charity events based on the topic
- Communication on social media: Facebook, Instagram, Line

### Communication Actions

- Provided 6 foundations with approximately 3,400 treating customers fairly trinkets (reflective pendants, safety whistle, metal bag hook, skid-resistant umbrella cane)
- Cooperated with 101 charity organizations, organized 380 charity events, benefited 28,627 participants, and provide 41,933 volunteer service hours



## Suppliers / Contractors

Actively carry out supplier management and jointly fulfill the commitment to social responsibility with suppliers

### Topics of Concern

Information Security and Personal Data Protection / Treating Customers Fairly and Customer Relationship Maintenance / AML/CFT

### Communication Channel and Frequency

- Information disclosure on "Supplier CSR Section" of company website
- Suppliers sign the "Supplier Corporate Social Responsibility Commitment"
- Supplier Evaluation
- Sustainable Supply Chain Management and ESG EDM
- Qualified construction contractors are updated every year through evaluation meetings

### Communication Actions

- The green procurement amount was NT\$59.86 million, received a letter of appreciation from the Department of Environmental Protection, Taipei City Government for "implementation of the Private Enterprise and Organization Green Procurement Promotion Project" for the 7th consecutive year, and was once again recognized by the EPA time for "Excellence in promoting green procurement and green consumption"
- 100% of suppliers of general procurement contracts and construction contracts signed the Supplier Commitment to Corporate Social Responsibility
- Completed the sustainability audit of 12 key suppliers
- The Supplier Commitment to Corporate Social Responsibility signing rate reaches 100% for construction contracts
- In the construction category, 10 suppliers were eliminated, 29 suppliers were added, and the number of qualified suppliers increased to 88 in 2023

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## Material Topic Analysis

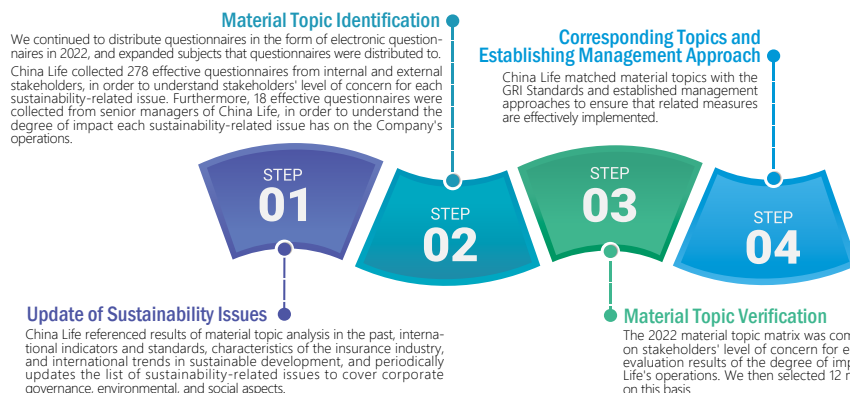
China Life carries out material topic analysis every year through the four steps: examine, identify, verify, and establish. We establish a corresponding management approach for material topics that are identified to ensure that related measures are implemented. We referenced international trends in sustainable development, the opinions of domestic and overseas leading companies, and internal opinions in 2022, and adjusted the 23 sustainability-related issues covering environment, economy, and society to 20 issues, focusing more on core issues to communication with stakeholders more efficiently. After engaging stakeholders with respect to the 20 sustainability-related issues, we carried out material topic identification procedures and referenced the opinions of the Company's senior managers to identify 12 material topics.

The 12 sustainability-related issues serve as the basis for annual information disclosures and sustainable governance. We also disclose information on other sustainability-related issues in various chapters of this Report with consideration to the completeness of information. Compared with 2021, four material topics were added in 2022, namely "Green Operations," "Responsible Investment," "Digital Finance and Innovation," and "Community Involvement,"<sup>③</sup> which shows that stakeholders attach importance to China Life's performance in the 4 material topics above.

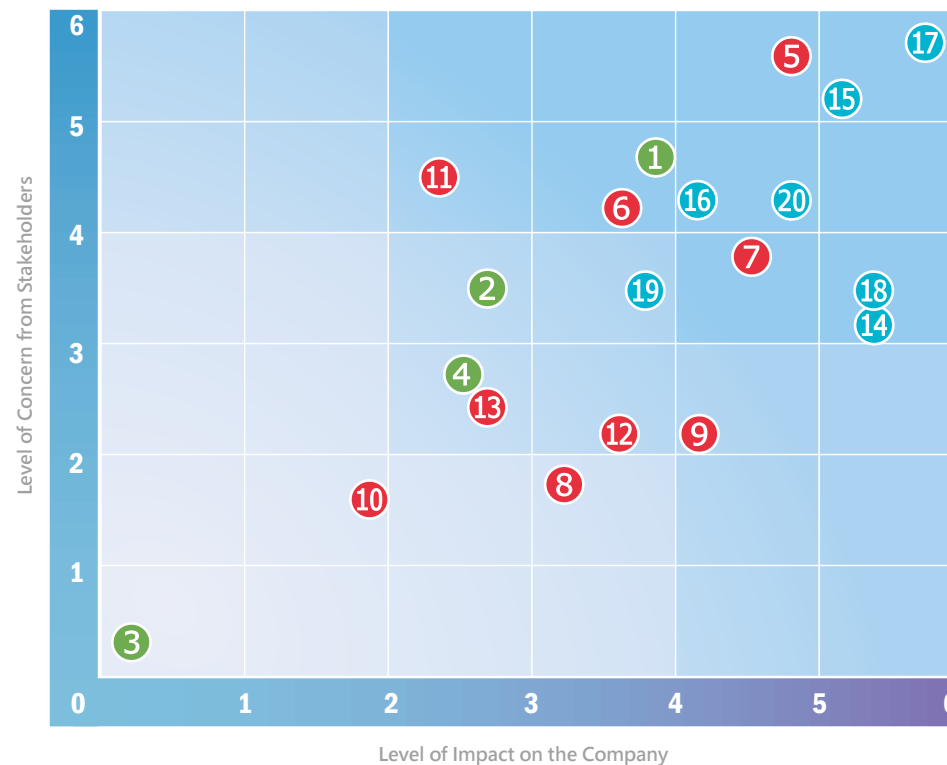
### ▼ 12 Material Topics in 2022

Information Security and Personal Data Protection	Risk Management	Financial Inclusion
Corporate Governance and Ethical Corporate Management	Business Performance	Digital Finance and Innovation
AML/CFT	Compliance	Community Involvement
Responsible Investment	Treating Customers Fairly and Customer Relationship Maintenance	Green Operations

## Material Topic Analysis Process



### ▼ Material Topic Matrix in 2022



- ① Green operation
- ② Net zero emission and climate change response
- ③ Biodiversity
- ④ Supply chain sustainability management and green purchasing
- ⑤ Treating customers fairly and maintaining customer relations
- ⑥ Financial inclusion
- ⑦ Digital finance and innovation
- ⑧ Workplace health and safety
- ⑨ Talent attraction, cultivation, retention
- ⑩ Labor-management relations
- ⑪ Social participation
- ⑫ Employee remuneration and compensation
- ⑬ Employee diversity, human rights, equality
- ⑭ Compliance
- ⑮ Corporate governance and ethical management
- ⑯ Risk management
- ⑰ Cyber security and personal data protection
- ⑱ AML/CFT
- ⑲ Business performance
- ⑳ Responsible investment

③ Material topics added in 2022 include "Green Operations," "Responsible Investment," "Digital Finance and Innovation," and "Community Involvement." Furthermore, due to the adjustment to sustainability-related issues, the material topics "Sustainability Strategies" and "Sustainable Finance" in 2021 were no longer included in sustainability-related issues in 2022. The name "Principles for Treating Customers Fairly" was changed to "Treating Customers Fairly and Customer Relationship Maintenance."

# Material Topic Impact Assessment

The Sustainable Development Department comprehensively evaluated the positive and negative "degree of impact" and "frequency/probability of occurrence" of the 12 material topics identified above with respect to their external ESG impact.

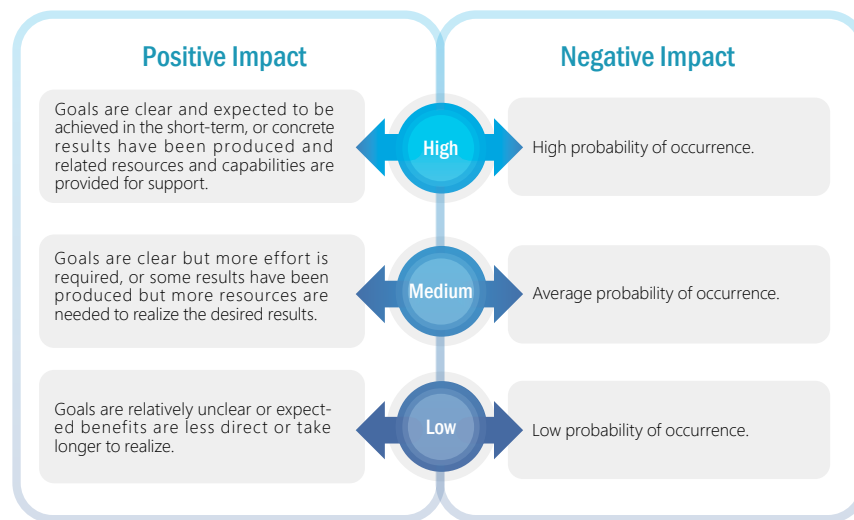
## Evaluation Process

### 1. Quantitative Impact

We evaluated the quantitative positive and negative impacts of the 12 material topics on the economy, environment, and people (including human rights).

### 2. Impact Assessment

The meaning of high, medium, and low frequency and probability of occurrence is defined based on the frequency and probability of impacts.



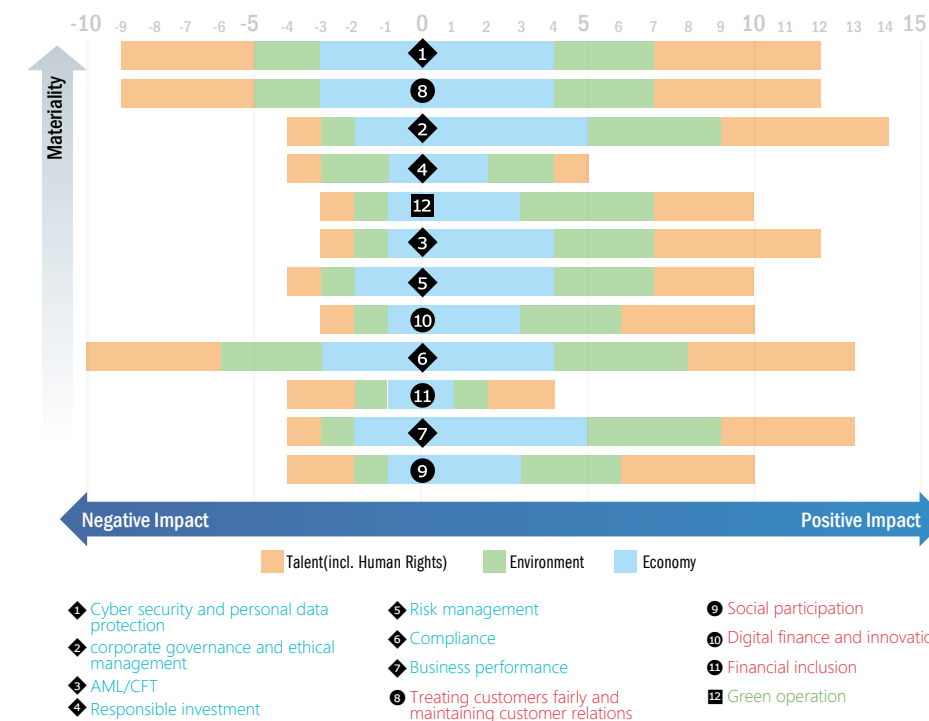
### 3. Weighted Score

The scores for "degree of impact" and "frequency/probability of occurrence" are weighted to evaluate the significance of material topics.

## 4. Results Presentation

Graphs are used to show the degree of impact of material topics in different aspects, so that the probability of future impacts of material topics can be observed. The material topics are then ranked by materiality according to the material topics matrix. We respond to potential impacts and make reinforcements by improving business processes and decision-making based on evaluation results.

Based on impact assessment results, the three material topics "corporate governance and ethical corporate management," "compliance," and "business performance" had the most significant positive impact, while "compliance," "information security and personal data protection," and "treating customers fairly and customer relationship maintenance" had the most significant negative impact.



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## Material Topics and Impact Boundaries

	Material Topics	Specific GRI Topics / Self-Defined Topics	Meaning of Material Topics to China Life	Material Risk Assessment and Performance Indicators	Value Chain					Response Chapter	Response Page	
					China Life Insurance	Policyholders	Suppliers/ Contractors	Cooperating Channels	Investees			Social Welfare Organizations/ NGOs
Governance	Compliance	GRI 2-27 Compliance with Laws and Regulations	Departments all comply with policies of the competent authority and regulatory requirements in daily operations, and truthfully disclose fines imposed according to environmental, economic, and social regulations.	Established complete compliance risk assessment mechanisms, and carried out compliance risk assessments each year to effectively strengthen monitoring of compliance risk and respond to the growingly strict financial supervision trends.	●	○		▲	○		CH2 CH3 CH5	<a href="#">P.37-38</a> <a href="#">P.40</a> <a href="#">P.77-80</a>
	Corporate Governance and Ethical Corporate Management	GRI 205 Anti-Corruption	China Life insists on the value of ethical corporate management, strives to make the corporate governance system more robust and make information disclosures more transparent, and is accountable to internal and external stakeholders.	The Ethical Corporate Management Committee periodically supervises the Company's risks and set the goal for 100% of employees to complete ethical corporate management training.	●	○	▲	▲	○		CH2	<a href="#">P.25-26</a>
	Risk Management	Self-defined Topics - Risk Management	To protect asset safety, improve service quality, comprehensively establish a rigorous risk management system, and manage related risks through risk identification, measurement, monitoring, response, and report	Established a complete risk management policy and organization, and periodically examine and revise risk indicators and standards based on the operational risk dashboard	●	○	▲	▲	○		CH2	<a href="#">P.32-33</a>
	Responsible Investment	GRI G4-Product Mix	Consider ESG when making investment decisions, continue to pay attention to the ESG performance of investees, and actively communicate with and engage investees.	Investment in projects for environmental issues, such as renewable energy, green energy technology, and circular economy, and social and governance issues, such as human rights, labor relations, and human capital.	●	○			●		CH3	<a href="#">P.40-43</a>
	Business Performance	GRI 201-Economic Performance	Stable operation and growth are our most fundamental commitments to policyholders. We provide a wide variety of products, make cautious investments, and strictly manage risks, generating high profits and driving the Company to engage in innovation and move forward.	We attach importance to policyholders and stakeholders' interests, developed a wide variety of products to meet customer needs, and expanded diverse and thoughtful services to ensure the Company's long-term advantages.	●	○	▲	▲	○		CH2	<a href="#">P.23-24</a>
	Information security and personal data protection	GRI 418-Customer Privacy	Establish an information security management system and personal data protection system, face information security and personal data protection with a conscientious and careful attitude, and ensure that personal data is not leaked, so that policyholders will not have any worries.	Establish an Information Security Committee and Personal Data Protection Committee, continued to monitor the feasibility of overall mechanisms, and achieve the goal of no major information security and personal data incidents.	●	●		▲			CH2	<a href="#">P.35-37</a>
	AML/CFT	Self-defined Topics - AML/CFT	To protect policyholders' interests, maintain financial order, implement AML/CFT, and strengthen the prevention of financial crime.	Establish the AML/CFT risk management framework for corporate governance, system design, control and procedure, risk management, and independent audits	●	○		▲	○		CH2	<a href="#">P.34</a>

Note: ● represents a direct impact, ○ represents it contributed to the impact, ▲ represents a business relationship.

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	Material Topics	Specific GRI Topics / Self-Defined Topics	Meaning of Material Topics to China Life	Material Risk Assessment and Performance Indicators	Value Chain						Response Chapter	Response Page
					China Life Insurance	Policyholders	Suppliers/ Contractors	Cooperating Channels	Investees	Social Welfare Organizations/ NGOs		
<b>Social</b>	Treating Customers Fairly and Customer Relationship Maintenance	GRI 417- Marketing and Labeling	Exert every effort to provide policyholders with the best services and most thoughtful care from product sales, after-sale services, to complaint handling, protecting policyholders' interests through services and care	Establish a Treating Customers Fairly Committee and periodically summarizing and reporting measures for treating customers fairly to the Board of Directors	●	○		▲			CH4	<a href="#">P.49-55</a>
	Financial Inclusion	GRI G4- Product Mix	Maintain the accessibility, usability, and quality of financial products in response to social and environmental changes, and develop and design products based on society's needs, in order to protect people belonging to different groups and those with different needs.	Design a wide variety of insurance products to meet the needs of different groups, in which the two themes of product development are to optimize the product mix and increase the Company's long-term embedded value.	●	○		▲			CH4	<a href="#">P.48-49</a>
	Community Involvement	Self-defined Topics - Community Involvement	Invest company resources to work with charity organizations in organizing community involvement activities, uphold the belief of being people-oriented, continue to transform good intentions into action, and work together with society in jointly creating value for a better future	Pay attention to and respond to society's needs under the four themes "education and cultivation," "support for the disadvantaged," "eco-friendly," and "corporate volunteers"	●					●	CH4	<a href="#">P.66-70</a>
	Digital Finance and Innovation	Self-defined Topics - Digital Finance and Innovation	Apply innovative digital technologies based on policyholders' needs, improve the quality of services, and give policyholders a new experience following the arrival of the digital era.	Develop the digital banking blueprint, implement digital transformation with respect to employees, technologies, and processes, and maintain competitiveness in the trend of Fin-Tech.	●	●	▲	▲			CH3	<a href="#">P.44-46</a>
<b>Environmental</b>	Green Operations	GRI 302- Energy GRI 303- Water and Discharged Water GRI 305- Emissions GRI 306- Waste GRI 308- Supplier Environmental Assessment	As climate change continues to garner attention, advocacy for green operations has only grown stronger worldwide, and green transition has become a path that all industries must take.	Simplify manual handling procedures through digital market tools, electronic forms, and platform services, and provide policyholders with more eco-friendly and convenient green services in each stage of the policy life cycle.	●	●	○	○			CH5	<a href="#">P.76-82</a>

Note: ● represents a direct impact, ○ represents it contributed to the impact, ▲ represents a business relationship.

We Share We Link

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# 2 | Corporate Governance Enhancement



## Business Performance

Looking back at 2022, the insurance industry was not only impacted by the pandemic, but also regulatory changes, which led to a change in the Company's product mix. China Life maintained steady organization development despite challenges in the market, and grew in terms of number of sales personnel, digital insurance sales, and bancassurance sales performance.

## Channel Development Strategy

We insist on a balanced development strategy for the Company's six major channels, and offer different products based on the unique characteristics of each channel. We are also engaging in digital transformation and meet policyholders' needs regarding protection, healthcare, investment, and asset allocation through different channels.

### ▼ Development of Six Major Channels

#### 01 E-Commerce

China Life offers a wide range of online insurance products in coordination with the trend of digitalization, and engages in digital communication with citizens through convenient insurance enrollment processes, and simple and easy-to-understand product introductions on the official website and diverse digital media, promoting the convenience of online insurance enrollment and the coverage provided by related products. We collaborated with third-party channels in online insurance enrollment, so that customers of third party channels can also enjoy the online enrollment convenience, attracting a wider range of customers to increase the scale of the insurance sales online.

#### 02 Sales Channel

In the implementation of business channel transition and organizational restructuring, our business strategies focus on three themes: sales performance, organization, and digital development. Goals include increasing the sale of high value products, organizational transition, promotion training, and digital empowerment, in order to continue growing and creating sales growth.

#### 03 Sales Service

We flexibly plan product portfolios to meet the needs of high net worth customers. We implemented a flexible business promotion strategy to mitigate the impact of rising interest rates. Develop excellent professional competencies internally and externally through continuous training, in order to provide customers with a more thoughtful service experience.

#### 04 Bancassurance

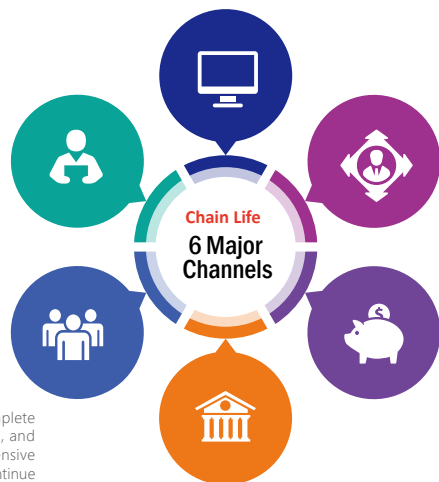
China Life focuses on promoting long-term products for retirement savings and asset accumulation based on its abundance of product development experience. We actively promote foreign currency-denominated policies policyholders' asset allocation needs in mind, in order to meet the insurance needs of bank customers for personal safety protection, retirement, and asset inheritance. In response to the arrival of the digital era, we are actively looking into how to respond to changes brought by digital trends together with banks, and thus offer digital and online training, mobile insurance application, and remote insurance application, in order to meet the needs of sales and customers in the new digital era.

#### 06 Brokerage

Strengthen the promotion of investment-linked products and traditional health regular-pay insurance products, and provide diverse products and services.

#### 05 Group Insurance

China Life assists companies in formulating a complete plan for employee benefits and group insurance, and provides a flexible service process and comprehensive services based on specific company needs. We continue to implement insurance product plans that meet the needs of SMEs, and provide large enterprises with diverse service platforms through both worksite and digital means.



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## Financial Performance Indicators

In 2022, China Life's first year premium reached NT\$70.1 billion and total premium was NT\$179.3 billion, after-tax net profit was NT\$13.159 billion, EPS was NT\$2.67, and total assets surpassed NT\$2.35 trillion at the end of 2022. China Life has delivered remarkable operational performance over the last eight years, after-tax net profit grew 40% and total assets grew more than 90%. Despite the turmoil in the global financial market and the impact of sustainability risks and opportunities brought by climate change, as well as the pandemic, China Life delivered an impressive performance in business expansion, profitability and asset quality.

Based on the principle of stable operation, China Life has developed a variety of products to meet the needs of different groups. As a result, our overall business has continued to grow, we have maintained a steady financial position, and also give consideration to the rights and interests of policyholders and shareholders. We have gained recognition from the competent authority for appropriate management of assets and liabilities and moderate capital adequacy ratio.

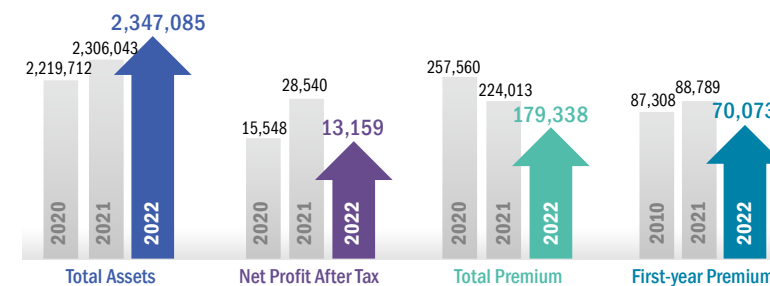


China Life's Overview of information disclosure items



TWSE MOPS (2823) China Life

### ▼ Important Financial Performance Indicators<sup>①</sup> (Unit: Million NTD)



① Total assets as of December 31 of the year; net profit after tax, total premiums, and first-year premiums are from January 1 to December 31 of the year.

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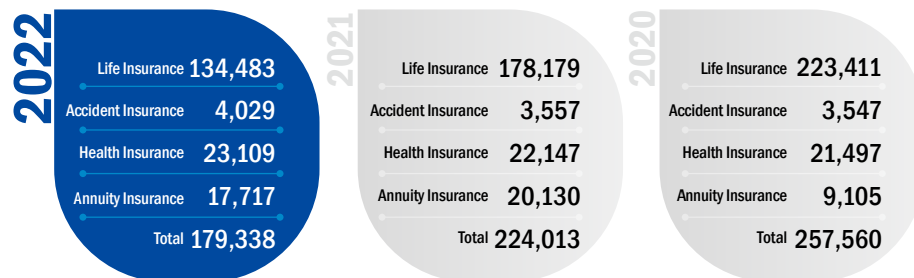
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▼ Total Premium Income from Each Type of Insurance (Unit: Million NTD)



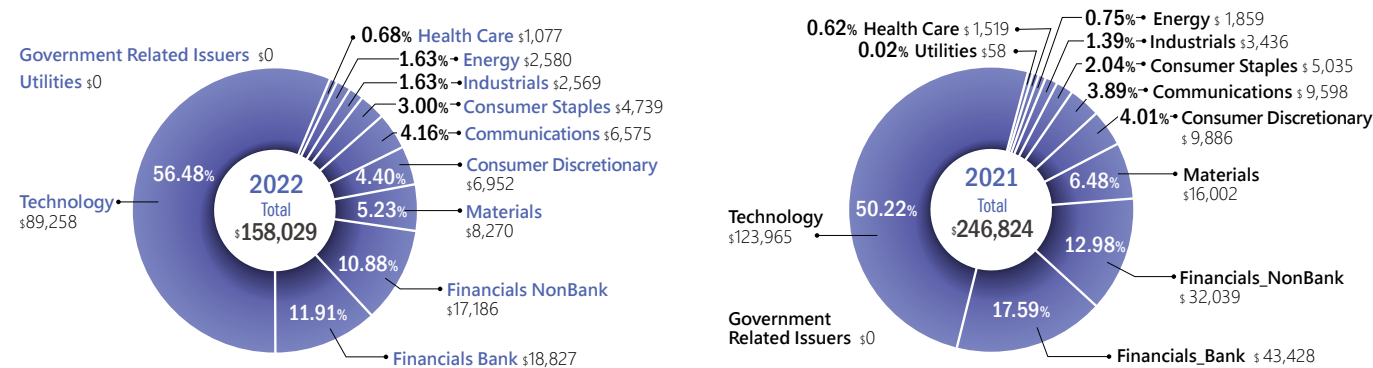
▼ Economic Value Generated and Distributed (Unit: Million NTD)

Item	2022	2021	2020
Operating revenue	239,765	300,244	323,248
Profit and loss after tax	13,159	28,540	15,548
EPS <sup>②</sup> (Unit: NTD)	2.67	5.8	3.16
Economic value distributed to stakeholders Employee salaries and benefits	3,663	4,868	3,556

▼ Tax Amount (Unit: Million NTD)

Item	2022	2021	2020
Income tax paid <sup>③</sup>	0	3,456	3,071
Taxes as a percentage of operating revenue <sup>④</sup>	0%	1.15%	0.95%

▼ Industries of Investees- Stock Investment Amount and Percentage SASB FN-IN-410a.1 (Unit: Million NTD)



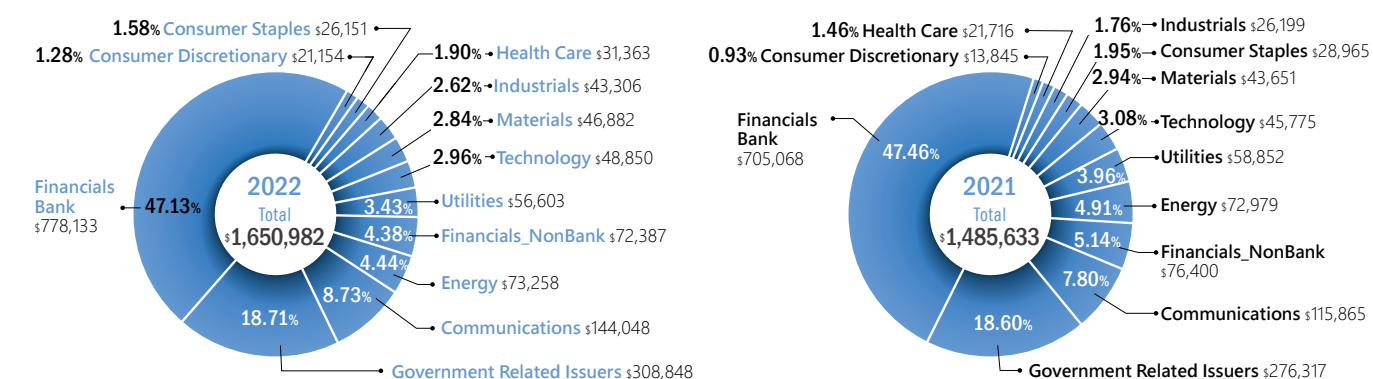
▼ Total Fair Value of Securities Lending Collateral Assets SASB FN-IN-550a.2

**Total Fair Value of Securities Lending Collateral Assets on 2022**

**NT\$0**

(Unit: Thousand NTD)

▼ Industries of Investees- Bonds Investment Amount and Percentage SASB FN-IN-410a.1 (Unit: Million NTD)



② EPS is calculated by making retroactive adjustments for capital increases in the past.

③ Considering that the amount of income tax paid each year may include income tax for the current year and previous year, the "income tax paid" in the three years in this table all refer to the "income tax payable in the current year." The figures for 2020-2022 are the amounts of income tax payable that were reported.

④ Taxes as a percentage of operating revenue = Income tax paid / Operating revenue.

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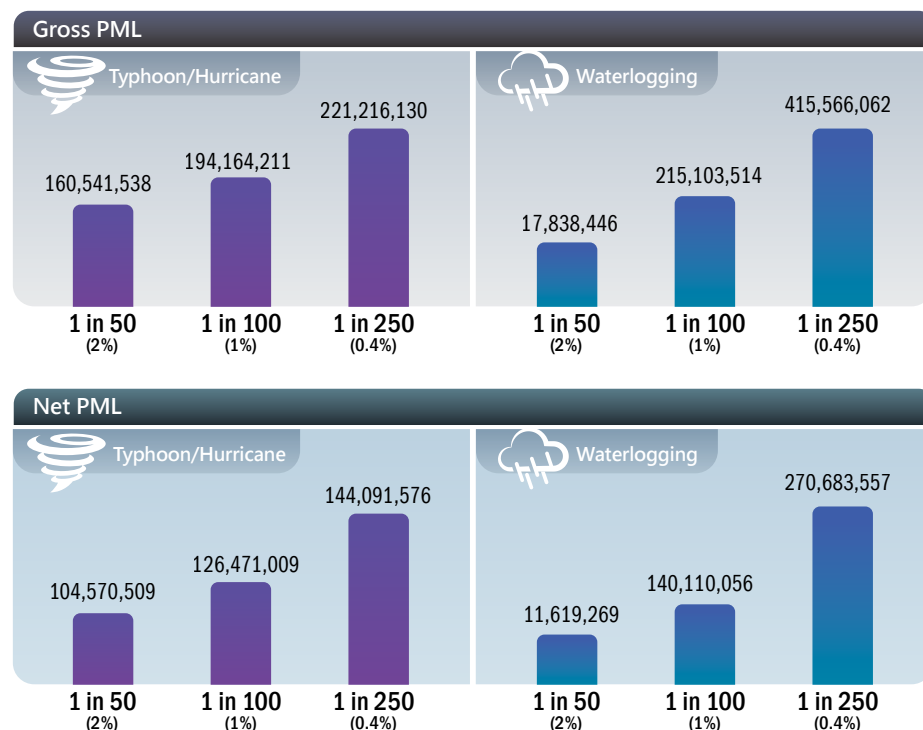
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China Life uses demographic data of the Ministry of the Interior from 1958 to 2021 and the report on statistics of natural disaster losses in Taiwan to analyze the probable maximum loss (PML)<sup>⑤</sup>. Statistics of the mortality rate of disasters each year is used as the basis, and the probability (2%, 1%, 0.4%) of disasters occurring in each statistical interval is further used for calculation. The gross PML is the estimate of death benefits for the insurance amount of effective contracts at the end of the year, which is calculated by multiplying the probability of occurrence in the abovementioned disaster scenarios. The net PML is the estimate of death benefits for the net amount at risk for effective contracts at the end of the year, which is calculated by multiplying the probability of occurrence in the abovementioned disaster scenarios. With consideration to company assets and scale, the gross PML and net PML above are limited and still within the Company's acceptable scope.

▼ Probable Maximum Loss(PML)<sup>⑥</sup> SASB FN-IN-450a.1 (Unit: NTD)



⑤ This statistical data mainly includes the number of people impacted by natural disasters in Taiwan.

⑥ The statistics above are estimates using death benefits. Data of the Ministry of the Interior show no casualties caused by tornado, and there are no statistics for other disasters (China Life does not have re-insurance, hence on net PML, deducted reserve is used as the calculation basis.)

## Integrity and Governance

China Life's goal is to internalize ethical corporate management and corporate governance into its corporate culture. In addition to complying domestic laws and regulations, we continue to align ourselves with international trends, and have led the industry in governance performance for many years. China Life was rated in the Top 5% of the Corporate Governance Evaluation six times by the TWSE. We are also the first company to receive an "Excellent" rating in the CG6012 (2019) Corporate Governance System Assessment two consecutive times, which was organized by the Taiwan Corporate Governance Association. Based on the philosophy of ethical corporate management and corporate governance, China Life actively protects shareholders' interests and treats shareholders equally, strengthens board structure and operations, increases information transparency, expands stakeholder participation, and implements sustainable development. We continue to make progress in terms of domestic and overseas benchmarks, and adjust our governance framework to improve our governance performance.

In 2022,  
all office staff and agents  
received ethical corporate  
management training  
(including classroom and online courses),  
receiving a total of **5,910** hours  
and **9,914.5** hours of training,  
respectively

## Ethical Corporate Management Policy

China Life attaches importance to ethical corporate management and the Ethical Corporate Management Best Practice Principles serves as the Company's highest guiding principles. We also established the "Code of Conduct for Ethical Corporate Management" and "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct" to implement the ethical corporate management policy.

In 2022, all directors, senior managers, office staff, and agents signed the statement on ethical corporate management. All office staff and agents completed training courses. Furthermore, China Life established a complete whistleblowing system to discover unethical conduct within the organization, and established numerous whistleblowing channels to protect the rights and interests of whistleblowers. No reports of unethical conduct were received in 2022, and there were no violations of ethical corporate management and anti-corruption as well. Additionally, we distributed questionnaires to all office staff to understand the implementation status of ethical corporate management in 2022, and used survey results and recommendations from employees as the basis for reviewing the ethical corporate management policy and implementation measures.

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To strengthen the accountability of supervisors, China Life implemented the accountability system in 2022, and China Life will hold supervisors accountable for major deficiencies that occur according to the system.

### Integrity and Ethics Management Committee

To strengthen supervision and management functions of the Board of Directors and improve ethical corporate management, China Life established the Integrity and Ethics Management Committee as a functional committee under the Board of Directors in 2017, and expanded the scale of the committee to 8 members in 2021, in which half of the members are independent directors. The Integrity and Ethics Management Committee convened a total of 4 meetings in 2022, in which the attendance rate was 100%. The committee approved the implementation status of ethical corporate management in 2021, ethical corporate management risk assessment results, and the ethical corporate management plan for 2023 during the meetings, optimizing China Life's ethical corporate management system.

### Ethical Corporate Management Training

China Life has created a corporate culture of ethical corporate management through a top-down approach from public commitment, information communication, and periodic training.

To strengthen the Company's ethical corporate management and self-compliance concepts, information on ethical corporate management is announced on the company website and intranet. We also irregularly communicate laws in the form of posters or e-newsletters on the information platform between the Company and agents. In addition we also remind and require agents to comply with laws and regulations when soliciting business and providing services in order to ensure that routine operations of sales channels comply with principles of ethical corporate management.

To improve business solicitation, we remind employees to control quality on the front-line and voluntarily comply with regulations on soliciting business. We produced a series of educational and promotional clips based on actual cases to strengthen legal concepts of agents, helping employees understand the importance of ethical corporate management, and continue to care for policyholders with love, aiming to make China Life the most trusted and recommended life insurance company.



China Life's training video "Constant care for policyholders with love"

## Corporate Governance Organizational Structure

China Life has a sound corporate governance framework, in which the shareholders' meeting<sup>⑦</sup> is responsible for acknowledging annual dividend distribution, financial statements, and issuance of new shares for the capitalization of profits. The Board of Directors is responsible for reviewing important business decisions, such as the Company's business plans and appointment of important managers. To fulfill our commitment to ethical corporate management and avoid and mitigate conflict of interest, directors recused themselves according to the Rules of Procedure for Board of Directors Meetings and Corporate Governance Best Practice Principles if they or the entity they represent have an interest in any agenda items during the board meeting, and they believe that they should recuse themselves or the Board of Directors decides that the directors should recuse themselves. Directors who recuse themselves may not exercise voting rights on behalf of other directors, thereby complying with relevant laws and regulations.

Four functional committees, including the Risk Management Committee, Audit Committee, Remuneration Committee, and Integrity and Ethics Management Committee, were established under the Board of Directors to protect the Company's overall interests and improve board performance. The 16th meeting (November 17, 2022) of the 22nd-term Board of Directors adopted the resolution to establish a "Nomination and Performance Evaluation Committee" and the "Nomination and Performance Evaluation Committee Charter," in order to enhance board functions, improve corporate governance, and avoid and mitigate conflict of interest.

China Life actively supports the FSC's "Corporate Governance 3.0 - Sustainable Development Roadmap" and complies with the TWSE's "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers." China Life appointed a dedicated corporate governance officer in 2019 to provide directors with the information required to perform their duties and ensure their compliance, and assist directors in performing duties and improving board performance. This has enabled China Life to achieve good corporate governance performance. China Life continues to purchase liability insurance for directors, supervisors, and important staff members.

<sup>⑦</sup> The shareholders' meeting reviewed and adopted resolutions in 2021. After China Life became a wholly-owned subsidiary of China Development Financial Holding Corporation on December 30, 2021, China Life's Board of Directors exercised powers on behalf of the shareholders' meeting.

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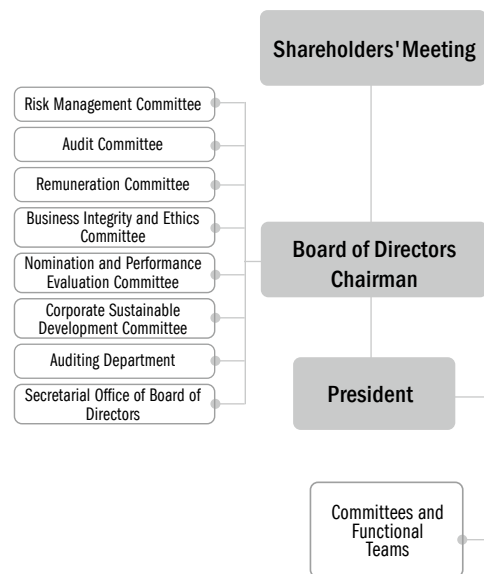
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▼ **Organizational Chart of China Life Insurance Co., Ltd.**

This organizational chart is the March 2023 version.



- Branches
- Beijing Representative Office
- Overseas Business Department
- Agency Development Department of Kaohsiung & Pingtung Region
- Agency Development Department of Tainan Region
- Agency Development Department of Taichung & Chiayi Region
- Agency Development Department of Taoyuan & Hsinchu Region
- Agency Development Department of Taipei-A Region
- Agency Development Department of Taipei-B Region
- Agency Sales Planning Department
- Agency Admin. Department
- Agency Training Department
- Financial Service Department
- Brokerage Admin. Department
- Group Insurance Department
- Bancassurance Sales Department of Southern Region
- Bancassurance Sales Department of Central Region
- Bancassurance Channel Department
- Bancassurance Sales Department of Northern Region
- Bancassurance Admin. Department
- Strategic Analysis Department
- Strategic Supporting Department
- Strategic Planning Department
- Sales Planning Department
- Marketing Planning Department
- Product Development Department I, II
- Actuarial Department I, II
- Policy Process Management Department
- Digital Application Development Department
- Information Security Department
- IFRS Model Development Department
- IFRS Project Planning Department
- IFRS Project Systems Department
- Data Development Department
- Information Technology Infrastructure Department
- Information Management Department
- Digital Service Technology Department
- Digital Process Technology Department
- Digital Marketing Technology Department
- Core System Development Department
- Policy Processing Department
- Call Center
- Kaohsiung Customer Service Center
- Tainan Customer Service Center
- Chiayi Customer Service Center
- Taichung Customer Service Center
- Taoyuan Customer Service Center
- Taipei Customer Service Center I, II
- Claim Department
- Underwriting Department
- Premium Planning Department
- Customer Service Planning Department
- Group Insurance Admin. Department
- Customer Experience development Department
- Customer Complaint Department
- General Affairs Department
- Facility Service Department
- Real Estate Management Department
- Real Estate Investment Department
- Foreign Investment Department
- Foreign Exchange Department
- Investment Management Department
- Domestic Fixed Income Department
- Direct Investment Department
- Equity Investment Department
- Risk management Department
- Compliance Department
- Human Resources Department
- Corporate Sustainable Development Department
- Public Relations Department
- Finance Department
- Accounting Department
- Distribution Internal Control Department
- Legal Department

**Composition of the Board of Directors**

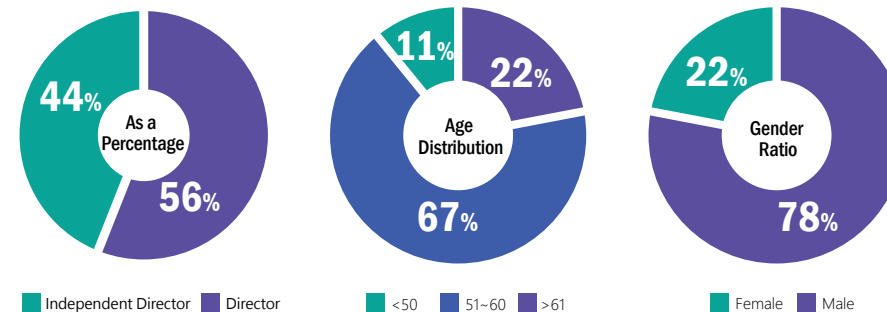
The 22nd-term Board of Directors was appointed by the single juristic person shareholder, China Development Financial Holding Corporation on December 30, 2021<sup>⑧</sup>. There are 9 directors in total, including 4 independent directors, 2 female directors<sup>⑨</sup>, and 2 directors who are foreign nationals. Independent directors account for 44% of directors and all four independent directors have held the position for 3 years or less; 78% of directors are under the age of 60 years old.

Every member<sup>⑩</sup> has an expertise and practical experience in business administration, finance, law, statistics, actuary, and insurance. Besides meeting the principles of board diversity and equality, members all have a wealth of practical experience and professional competence, which helps improve the quality of board decisions, strengthens internal supervision mechanisms, and improves company performance.



See "Board Diversity and Independence" of the annual report and p.23-25 of the attachment for details

▼ **Number of Directors and Distribution by Age and Gender**



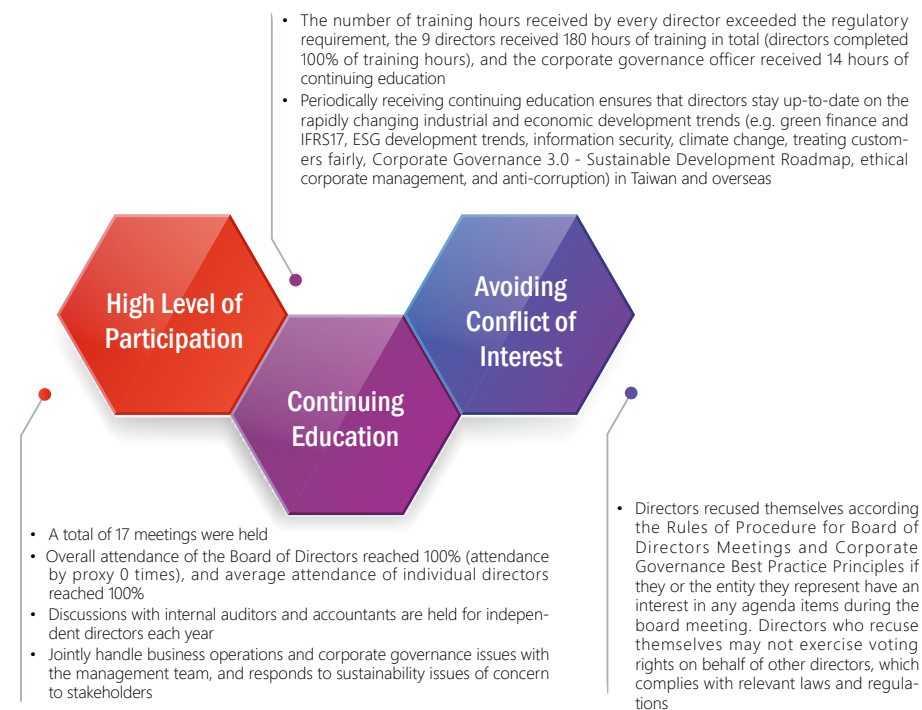
⑧ For positions held by board members in other boards of directors, please refer to "Profile of Directors and Supervisors" on p.13-18 of the 2022 Annual Report.

⑨ (Original representative of juristic person) Director Shan-Jung Yu resigned on 2022.6.9 and China Development Financial Holding Corporation appointed Director Jenny Huang on 2022.6.10.

⑩ Please refer to the [Board of Directors section](#) of China Life's company website for the latest information on directors.

## Board Operations

The Board of Directors is the highest level decision-making organization of China Life, and carefully decides the Company's business strategy and direction. The management team periodically attends board meetings to propose reports, and maintains good communication channels and interactions with directors to help the Board of Directors better understand the Company's business situation. Furthermore, the Board of Directors continues to supervise the identification, management, and response to climate-related risks and opportunities, and periodically receives continuing education on climate change, ESG, green finance, IFRS 17, information security, treating customers fairly, ethical corporate management, and anti-corruption, in which courses offered by external institutions (excluding courses offered by China Life) account for 70% and above of overall continuing education hours, showing that the directors are highly interested in and attach importance to the topics above, receiving a total of 180 hours and above.



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## ▼ Board of Directors and Functional Committees<sup>®</sup>

### Board of Directors

**Independent Directors: 4 / Total Directors: 9**

#### Composition and Overview of Duties

- Consists of 9 members, the chairman is Mr. Saloon Tham, and includes 4 independent directors
- Duties of the Board of Directors include approving business policies, reviewing budgets and final accounts, deciding on earnings distribution, deciding on capital increase/decrease, and review regulations

#### Operating Status in 2022

- A total of 17 meetings were held
- Overall attendance of the Board of Directors reached 100% (attendance by proxy 0 times), and attendance of individual directors reached 100%
- Approved the renewal of liability insurance for directors, supervisors, and important employees
- Abolished China Life's Rules of Procedure for Shareholders' Meetings and Regulations Governing the Election of Directors and submitted the proposal to the shareholders' meeting for approval
- Approved amendments to China Life's Rules of Procedure for Board of Directors' Meetings and Board of Directors Performance Evaluation Guidelines, and abolished standard operating procedures for handling requests from directors
- Approved amendments to China Life's Corporate Governance Best Practice Principles and Articles of Incorporation

**Important Agenda Items and Implementation Status** : 2022 Annual Report p.36-37

### Audit Committee

**Independent Directors: 4 / Total Directors: 4**

#### Composition and Overview of Duties

- Formed by all independent directors
- Supervises and ensures the effective implementation of China Life's internal controls, compliance with related laws and regulations, and management of the Company's existing and potential risks

#### Operating Status in 2022

- A total of 16 meetings were held
- The accountants explain audits of financial statements to the Audit Committee during semi-annual and annual reports, performs tests on internal controls, and engages in two-way communication with independent directors regarding findings and recent amendments to laws

**Important Agenda Items and Implementation Status** : 2022 Annual Report p.40-43

### Remuneration Committee

**Independent Directors: 4 / Total Directors: 4**

#### Composition and Overview of Duties

- Formed by all independent directors
- Responsible for periodically evaluating, establishing, and reviewing the remuneration and performance of the Company's directors and senior managers

#### Operating Status in 2022

- A total of 7 meetings were held
- Evaluated and reviewed the annual work performance and remuneration of directors and senior managers, and reviewed the amount allocated for directors' remuneration and employee bonuses
- Amended the Performance Bonus Deferred Payment Standards and enforcement rules, as well as the Regulations Governing Remuneration of Directors

**Important Agenda Items and Implementation Status** : 2022 Annual Report p.67

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## Risk Management Committee

**Independent Directors:** 1 / **Total Directors:** 13

### Composition and Overview of Duties

- Consists of 13 members, in which an independent director with a professional background in insurance and finance serves as the convener
- Responsible for formulating the Company's risk management policy, establishing qualitative and quantitative management standards, and ensure the consistency, appropriateness, stability, and transparency of risk management mechanisms, in order to implement risk management in routine operations.

### Operating Status in 2022

- A total of 15 meetings were held
- Executed the Board's risk management decisions and periodically examined the development, establishment, and implementation performance of the Company's overall risk management mechanisms
- Assisted and supervised departments in carrying out risk management activities

**Important Agenda Items and Implementation Status :** 2022 Annual Report p.71

## Integrity and Ethics Management Committee

**Independent Directors:** 4 / **Total Directors:** 8

### Composition and Overview of Duties

- Consists of 8 members, in which half are independent directors
- Continue to strengthen the Board's supervision and management functions to make the governance structure more well-rounded

### Operating Status in 2022

- A total of 4 meetings were held
- Reported the implementation status and risk assessment results of ethical corporate management in 2021
- Reported the 2023 Ethical Corporate Management Plan

**Important Agenda Items and Implementation Status :** 2022 Annual Report p.75

## Nomination and Performance Evaluation Committee

**Independent Directors:** 1 / **Total Directors:** 3

### Composition and Overview of Duties

- Consists of 3 members, in which an independent director serves as the convener
- Responsible for reviewing the president selection and succession plan; vice president candidate, annual performance, and promotion; succession plans for supervisors one level under the president

### Operating Status in 2022

- A total of 1 meeting was held
- Established the Nomination and Performance Evaluation Committee Charter
- Approved vice president and above promotions and appointments of directors of investees

**Important Agenda Items and Implementation Status :** 2022 Annual Report p.68



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⑪ Statistics on board composition is up to 2022.12.31. Please refer to the [Board of Directors section](#) of China Life's company website for the latest information on directors.

## Board Performance Evaluation

The Board performance evaluation is an important mechanism for self-examination, improvement, and sustainable management. China Life established the Board of Directors Performance Evaluation Guidelines to ensure the effective operation of the Board of Directors, the Company's sustainable development, and create an excellence corporate governance culture. China Life conducts performance evaluations for the Board of Directors, individual directors, and functional committees each year.

The Board of Directors pays close attention to issues relating to sustainable development and treating customers fairly, and added "Attention to ESG issues" and "Actively implements the principles for treating customers fairly" to self-evaluation items of directors in 2019, fully showing that China Life is constantly pushing itself to achieve sustainable development, and our determination to protect policyholders' rights and interests.

To meet the requirement on evaluating the performance of responsible persons in concurrently held positions set forth in Article 5 of the Regulations Governing Qualification Requirement and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Insurance Enterprises, the Company added "Directors do not concurrently hold positions in multiple companies (including director and supervisor seats). If directors concurrently holds different positions, the directors have ensured their effective performance in their concurrent positions, that they do not have any conflict of interest, and that they do not violate internal controls of each institution."

The Secretariat of the Board conducts performance evaluations on the Board of Directors, individual directors, and functional committees, including level of participation in company operations<sup>⑫</sup>, improving the quality of Board decisions, Board composition and structure, appointment of directors and their continuing education, and internal controls. The average score in the 2022 Board performance evaluation was 100% with a rating of "Excellent." Performance evaluations of individual directors are divided into self-evaluation and peer-evaluation, in which the average score was 98.80% and 98.15%, and the rating was both "Excellent." The average score in functional committee performance evaluations was all above 99% and the rating was all "Excellent."

Evaluation results were reported during the 21<sup>st</sup> meeting of the 22<sup>nd</sup>-term Board of Directors on February 23, 2023. Evaluation results will be used as the basis for selecting

⑫ Self-evaluation items for "Degree of participation in company operations" by directors: "The Board of Directors attaches importance to the Company's sustainable development, monitors risks and opportunities of ESG issues, actively implements sustainable development, and creates an excellent corporate culture and values".

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or nominating directors, and for establishing the individual remuneration of directors and functional committee members. Going forward, the Company will actively cooperate with the competent authority's corporate governance blueprint, as well as promotion and implementation measures for important issues; to enhance the effectiveness of Board operations, drive the Company's sustainable development, and create an excellent corporate governance culture.

**Remuneration Policy for Directors and Senior Managers**

The remuneration of the Company's directors is evaluated based on the directors' participation in the Company's operations, the value of their contributions, and their responsibilities, while taking into consideration other domestic or foreign company's remuneration policies in the same industry and the company's future risk. The Company also established the Regulations Governing Remuneration of Directors, which was approved by the Remuneration Committee and Board of Directors.

The remuneration standards for senior managers took into consideration remuneration standards of the industry in Taiwan and overseas and the Company's future risks, and was approved by the Remuneration Committee and Board of Directors. When a senior manager joins the Company, a remuneration recommendation is made based on the abovementioned salary standards, the position, experience, and market standard for bonuses, and is submitted to the Remuneration Committee and Board of Directors for approval.

To ensure that the remuneration of senior managers is aligned with the long-term interests of the Company and shareholders, the Company established regulations for performance evaluation, remuneration of managers<sup>⑬</sup>, and bonus distribution, ensuring that the performance indicators of senior managers is aligned with the Company's overall goals; individual performance also directly affects annual remuneration. The performance goals for all senior managers of the Company include financial aspects, e.g. business performance, non-financial aspects, e.g. ESG, and internal control and governance, e.g. compliance. Annual performance bonuses based on the Company's overall profits and individual performance are submitted to the Remuneration Committee and Board of Directors for review. A performance bonus deferred payment mechanism was established for senior managers, and performance bonuses are paid over three years with a clawback mechanism requiring that the recipient still hold the position when the bonus is distributed, aligning long-term interests of the manager with the Company.

Furthermore, a significant portion of senior managers' performance goals are ESG-related goals each year. Aside from including ESG evaluation items into board performance evaluations, each

<sup>⑬</sup> The remuneration of managers includes fixed compensation, such as monthly salary and allowances, and variable compensation, such as performance bonus and signing bonus, as well as severance pay and pension.

department reports the implementation of ESG performance goals that year and implementation plans for the following year to the Sustainable Development Committee for review. China Life's sustainable development goals for each department in 2022 are set based on the four sustainability themes: "Low Carbon Transition," "Inclusive Finance," "Sustainable Finance," and "Corporate Governance Enhancement." Achieving the goals will affect the variable compensation of managers that year, so that managers will jointly work towards the long-term goal of sustainable development.

**▼ Performance Goals and Measurement Indicators for Senior Managers**

Evaluation Indicator	Description
<b>Financial Indicator</b> The Company's business development and financial performance	Example: net profit after tax, after-tax ROE, total revenue, and key financial performance indicators related to the life insurance industry
<b>Non-financial Indicator</b> Promotion and implementation of ESG, NPS, digitalization, and employee engagement	Corresponds to the ABCDE strategy and includes 7 non-financial indicators in three aspects, which looks towards future trends in financial services, accelerates organizational transformation, and improves the customer experience and employee benefits, in hopes of becoming the industry benchmark.
<b>Internal Control and Governance</b> Strengthen internal audits and internal controls for compliance, and implements practices for the organization's mission, vision, and values	Compliance, internal audits and internal control, and compliance of information security operations
	Promote practices and measures related to the mission, vision, and values

**Internal Audit**

The internal audit unit is subordinate to the Board of Directors and audits finance, sales, information, and other management units at least once a year according to the annual audit plan and "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises." Special audits are conducted according to actual needs, the principles of treating customers fairly are included as key audit items for the financial services industry. The internal audit unit follows up on improvements in response to inspection opinions and audit deficiencies found by the competent authority, accountants, internal audits (including the internal audit unit of the financial holdings corporation), and self-inspections. Furthermore, communication between independent directors and chief internal auditor are disclosed on the company website for corporate governance.



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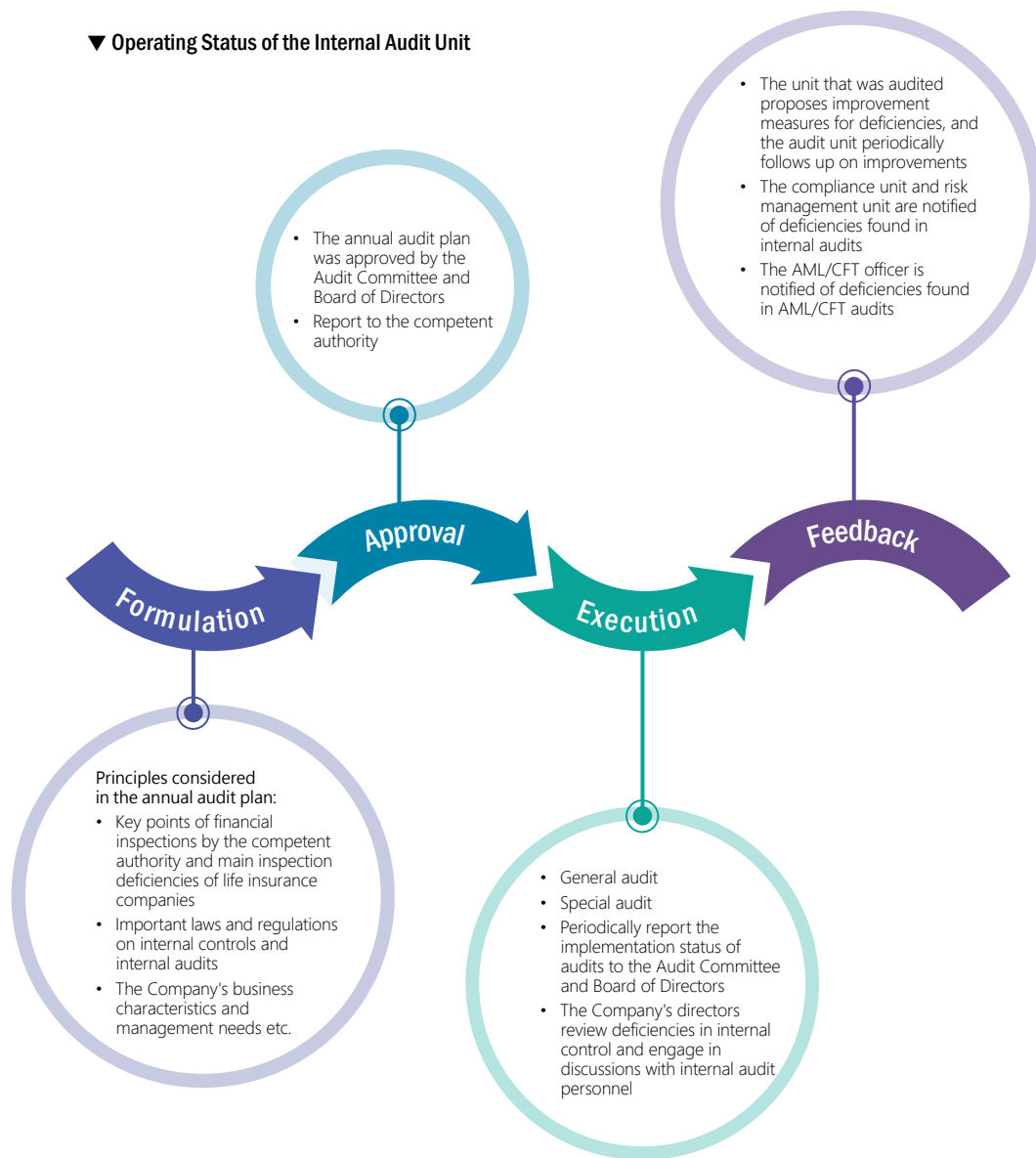
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▼ **Operating Status of the Internal Audit Unit**



**Participation in Associations**

China Life actively supports important sustainable development initiatives, participates in external associations and holds related positions. Besides joining insurance industry associations and looking into emerging issues, we also maintain exchanges and interactions with peers in the industry, academia, and the competent authority. With regard to friendly financial services for the elderly, disabled, and underprivileged, China Life cooperates with professional associations to advocate for dementia friendly and financial equality for the elderly, disabled, and underprivileged.

Category	Name of Organization China Life Participates in	Position <sup>④</sup>
Industry Associations	The Life Insurance Association of the Republic of China	Vice Chairperson, Director
	Actuarial Institute of Chinese Taipei	Vice Chairperson, Supervisor
Academic Associations	Life Insurance Management Institute of the Republic of China	Standing director, Director
	Taiwan Insurance Law Association	
	Financial Governance and Compliance Association	
Association	Life Office Management Association	
	Financial Planning Association of Taiwan	
	Taiwan Alzheimer Disease Association	
	Chinese National Association of the Deaf	
	Homeless Taiwan Association	
Others	Institute of Financial Law and Crime Prevention	

<sup>④</sup> Statistics of positions held by China Life in related associations up to December 31, 2022.

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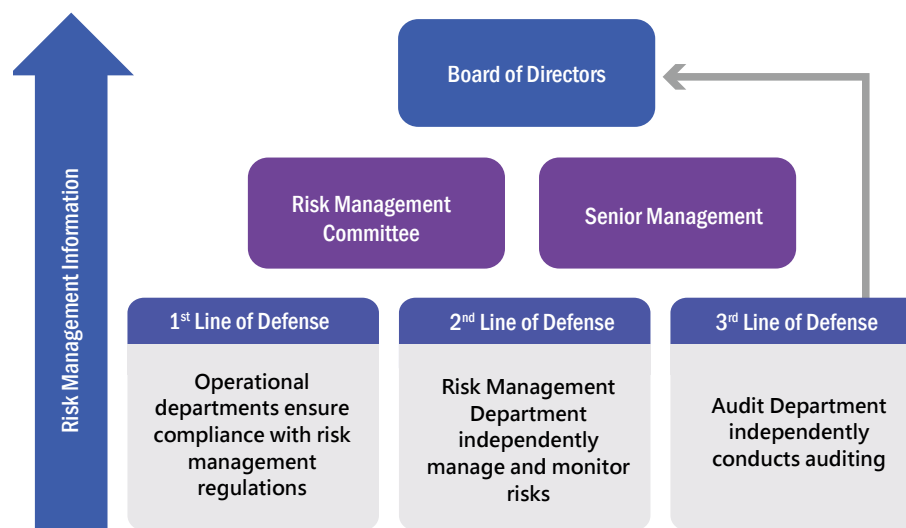
# Risk Management

## Risk Management Policy

Risk management is a major topic of the insurance industry. China Life has set strict risk management as a business goal of concern in the future, and established and periodically reviewed the risk management policy, which is the highest guiding principle of internal risk management mechanisms. The policy clearly defines overall risk management goals and strategies, organization and duties, capital adequacy assessment, risk appetite and limit, and identifies material risk categories and management processes. Besides matching the trend of Enterprise Risk Management (ERM), it is also the basis for establishing regulations, mechanisms, and implementation practices.

## Risk Management Organization

China Life established the Risk Management Committee under the Board of Directors and a dedicated Risk Management Department, not only building a comprehensive network of risk management information, but also extending risk management needs and results to all business units to ensure compliance with risk management regulations.



▼ Identification and Response to Material Risks SASB FN-IN-450a.3 SASB FN-IN-550a.1

- Market Risk**  
Manage the risks of interest rates, exchange rates, and equity securities price according to the internal Market Risk Management Regulations. Related mechanisms include limit management, sensitivity analysis, stress test, and value at risk. The Company also established an Asset and Liability Management Group responsible for measuring and monitoring risks related to assets and liabilities.
- Credit Risk**  
Monitor issuers, guarantors, trading counterparts, and custodian banks according to the internal Credit Risk Management Regulations. Related mechanisms include internal credit rating and trading limit management, credit rating distribution and tracking credit rating changes, expected credit loss, and credit risk; strengthen monitoring of subordinated debentures, including risk limit and percentage of subordinated debentures.
- Liquidity Risk**  
Manage funds and market liquidity risks according to the internal Liquidity Risk Management Regulations. Related mechanisms include using cash flow model to assess liquidity risks and stress tests.
- Operational Risk**  
Use the three management tools for operational risks, namely Risk Control Self Assessment (RCSA), Key Risk Indicators (KRI), and Loss Data Collection (LDC) to continuously supervise and manage overall operational risks.
- Climate Change Risk**  
Climate change is mainly divided into physical risks and transition risks. Physical risks originate from direct or indirect losses caused by climate change. Transition risks originate from the impact of policies and regulations, low carbon emission technologies, and social preferences, as well as potential changes in operating costs in the process of transitioning to a low carbon economy. We have included the physical risks and transition risks of climate change in the Company's risk management policy, and created the scenarios RCP (Representative Concentration Pathway) 8.5/6DS and RCP 2.6/1.5DS to assess related mechanisms. We included climate change risks and related assessments, scenarios, and response plans in the 2022 ORSA report, strengthening our climate change governance to reduce future impacts, seize business opportunities, and respond to the expectations of external stakeholders for our climate change management.

## Risk Management Technology and Automation

We established a market risk management system in 2021 to generate value at risk and stress scenarios, which are used for planning and application of an automated and visualized internal report analysis platform.

Furthermore, we used Tableau visualized analysis results and an automated process to update data and analyze information, reducing errors from manual operations so that users can choose infographics to present data according to their needs. To improve the quality and efficiency of analysis, we utilized the manpower released from the use of technology to increase output and added value on research and analysis.

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## Business Continuity Management

To ensure personnel safety and protect customer rights and interests, business reputation, and assets, China Life has made a commitment to minimize damage and prevent the suspension of operations when a risk event takes place, and thus implemented business continuity management mechanisms in 2021. China Life also announced a business continuity management policy and statement that all employees are required to comply with. Furthermore, the Company established related management procedures and response plans to systematically handle the risk of catastrophic disasters. We also provide related training and organize disaster evacuation drills, and strengthen and improve current management measures to reduce the impact of catastrophic disasters on the Company.

Furthermore, we integrated the resources required for the business continuity management system, evaluated the resources required for the core business of departments, provided business continuity related training through 8 digital courses, organized 13 simulation drills, and successfully obtained ISO 22301:2019 Management System certification in 2022 to ensure that key operations, such as policyholder services, claims, and new contracts, are not suspended, thus fulfilling our commitment to sustainable development.

Furthermore, we strengthened offsite and remote work mechanisms and capacity in response to the impact of the pandemic, continued to strengthen business continuity mechanisms, and expanded equipment of the disaster readiness center. Based on the core businesses identified in the BIA in 2022, we included an additional 46 key systems and 35 dependent systems; 81 systems in total. To verify the effectiveness of backup mechanisms, we completed disaster recovery drills that included the abovementioned systems in 2022.

## Epidemic Risk Management

During the pandemic, office staff took turns working from home in response to the situation, and flexible internal adjustments were made. We strictly implemented epidemic prevention and information security measures to ensure employee safety and lower the risk of operations being suspended:

- Maintained the frequency of disinfecting the workplace once a week and customer service counters once a day.
- Access control was implemented at office buildings, people entering the buildings had their temperature measured and were asked to disinfect their hands with alcohol.
- The security guard diverted people taking the elevator and people practiced social distancing in elevators.
- External cleaning personnel do not enter the workplace during business hours to prevent employees from coming in contact with cleaning personnel.
- Implemented flexible work hours and arranged for employees to work from home or offsite.
- Established a "healthcare hotline" to provide employees with professional consultation on epidemic prevention.
- Established epidemic prevention reporting procedures; if an employee is diagnosed, isolated, quarantined, or suspected of coming in contact with a confirmed case and at risk of being infected, the employee's department or office will initiate the "reporting process for employees at risk of infection," and dedicated personnel will track the health condition of the employee who was reported.
- The dedicated information security unit launches information security mechanisms according to the Company's decisions based on the epidemic situation. Response measures include strengthening the information security monitoring system and remote connections using VPN (Virtual Private Network); this did not affect how warnings of information security incidents were handled.

## Anti-Money Laundering (AML)

### AML/CFT Policy

China Life periodically examines internal AML/CFT regulations and operations, and reviews monitoring patterns and reporting standards when appropriate, in order to improve the quality of suspicious transaction reports (STRs), better prevent crimes from occurring, and avoid defensive reporting. China Life amended the "Guidelines Governing Anti-Money Laundering and Countering Terrorism Financing"<sup>⑤</sup> and established the "Guidelines for Sharing Data on Anti-Money Laundering and Countering Terrorism Financing" in coordination with laws and practices in 2022.

### AML/CFT Organizational Structure

Establish the AML/CFT risk management framework for corporate governance, system design, control and procedure, risk management, and independent audits, and incorporate AML/CFT awareness into the corporate culture through information system use, process management, and the development of employees' professional competencies.

To further implement AML/CFT mechanisms, the chief compliance officer serves as the AML/CFT officer and oversees related operations. The AML/CFT officer reports related matters to the Board of Directors and Audit Committee at least once every six months. The Board of Directors oversees related matters, risk assessments, and operations of projects.

Furthermore, we also established a dedicated AML/CFT unit to oversee related matters, and a supervisor is appointed for each business unit. The position is held by senior employees

<sup>⑤</sup> In response to amendments to the Money Laundering Control Act, Counter-Terrorism Financing Act, and their sub-laws and self-regulations, China Life analyzed the difference before and after amendments to ensure that operations are adjusted in a timely manner.

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or section chief and above supervisors with professional qualifications in AML/CFT, ensuring that business units serve their function as the first line of defense.



## AML/CFT Education and Training

We continue to raise AML/CFT awareness of directors, senior managers, office staff, and agents, periodically organize training, and communicate or discuss changes in laws and operations, questions regarding practices, and cases. A total of 37 training sessions with 16,800 participants were organized in 2022.

We launched the annual fee and re-certification fee subsidy program for employees that already have the CAMS certificate, and encourage and subsidize employees in business units involved in AML operations to obtain professional certifications in Taiwan and overseas. Office staff obtained an additional 122 certificates in 2022.

**100%** of personnel in the dedicated AML/CFT unit obtained professional certifications in Taiwan or overseas  
Over **700** certifications obtained company-wide

### ▼ AML/CFT Education and Training

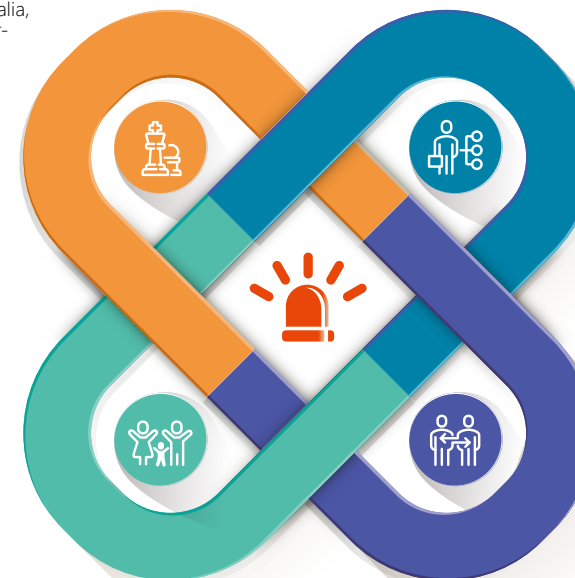
#### Board of Directors

To bear the ultimate responsibility for ensuring that suitable and effective AML/CFT internal controls are established and maintained, it is necessary to understand money laundering and terrorism financing risks and response measures.

Invited the captain of International Criminal Affairs, Criminal Investigation Bureau to speak on "Challenges of Law Enforcement in Combating International Money Laundering and Scenarios of Insurance Companies Being Used as Money Laundering Channels in 2022." The topics included current status of AML, AML in Australia, and AML/CFT strategies of the insurance industry.

#### Dedicated Officer, Dedicated Personnel, and Business Unit Supervisor

Required to take courses and complete tests on related topics in accordance with the law<sup>96</sup>. China Life organizes classroom courses with external professional training institutions, and organized 2 on-the-job courses for AML/CFT personnel, which taught how to prevent financial crime and AML practices in the financial industry. Over 70 participants took the courses and received over 950 hours of training with a 100% completion rate.



#### Customers and External Personnel

The implementation of AML/CFT not only involves matters that need to be executed by the Company, the understanding of customers and external personnel is also crucial. China Life actively raises awareness and communicates AML concepts with customers and external personnel through different channels.

1. Established an "AML Section" on the Company's official website.
2. Official Facebook posts.
3. Provided links to related websites, promotional materials, and letters from the competent authority.
4. Put up physical posters at the counter of the Customer Service Center and offices.
5. Front-line employees provide explanations for any questions customers have regarding AML/CFT.

#### Office Staff and Agents

A suitable number of basic training hours is provided via online courses and after-class tests to communicate AML/CFT laws and important concepts. 100% of office staff completed training and over 85% of field personnel completed training.

<sup>96</sup> Course topics include: The latest AML/CFT regulations and standards in Taiwan and overseas, trends and patterns of money laundering and terrorism financing risks, AML/CFT patterns and case analysis (including examples of predicate crimes and threats, anti-proliferation), AML/CFT customer review and evaluation, ethical corporate management and ethics, prevention of insider trading, and whistleblowing system.

# Information Security

## Information Security Policy

China Life has established an information security policy and information security management system to ensure the confidentiality, completeness, and availability of information assets, and also aims to achieve compliance of information operations and services by implementing information security risk management. In response to the expansion and diversity of the insurance business, we made information security internal controls and related regulations applicable to the entire company in 2021. As such, business units not only play the role of user, but also play the role of responsible unit and maintenance unit, which further enhances the Company's overall information security management.

The Company implemented a management system according to the international information security management framework to ensure solid information security. We have also maintained the effectiveness of our ISO 27001 Information Security Management System certification, and improved our protection for customers' rights and interests.

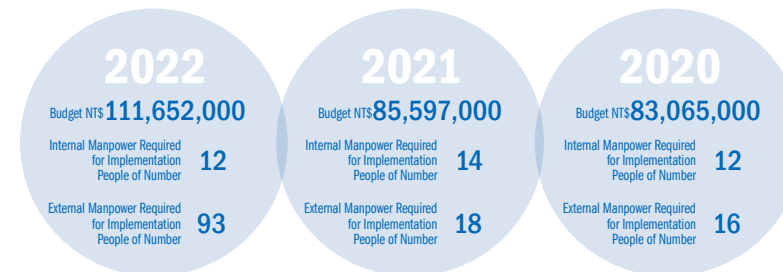
## Information Security Organization

The Company established an Information Security Committee to ensure the information security of information assets and continue to provide customers with complete services. Managers serve as committee members and directly supervise operations of the information security management system. China Life established an Information Security Department in 2018 as the dedicated unit for information security. The department is headed by the Chief Information Security Officer, who is a manager at vice president level. The Information Security Department is positioned as the second line of defense in internal controls, and is responsible for supervising and assisting units on the first line of defense. Furthermore, each department has information security personnel to serve as contact persons for information security affairs, and cooperate with asset inventory taking, continuity of information operations, and training.

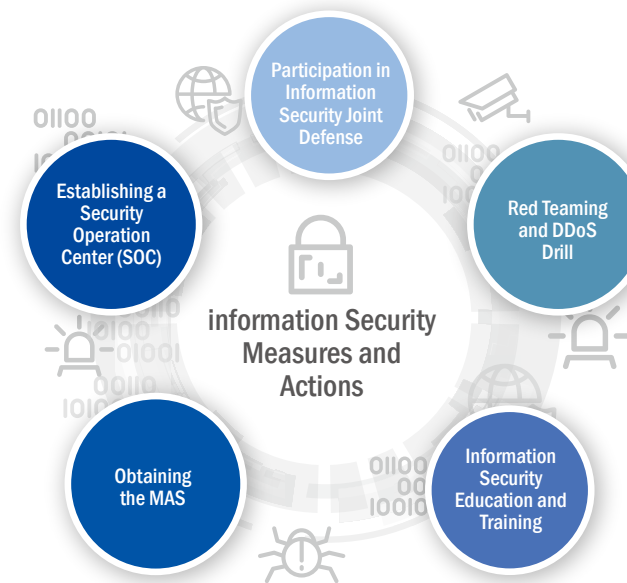
## Information Security Measures and Actions

The Company increases the information security budget each year to continue improving information security management and the overall maturity of information security. We also continue to recruit experienced personnel internally and externally. The Information Security Department has 12 dedicated personnel, and there are 93 information security personnel company-wide serving as contact persons for each unit. The information security budget in 2022 grew nearly 30% compared to expenses in 2021, and accounted for approximately 18% of the overall IT budget.

### ▼ Cyber Security Budget of the Past 3 Years (UNIT:NTD)



Aside from improving information security equipment and management measures for different aspects, the Company began purchasing information security insurance in 2018 to fulfill our corporate social responsibility and reduce the impact of information security incidents. Besides examining the Company's overall information security situation, we also received feedback from professional information security consultants from the insurance company, in hopes of aligning with international information security concepts.



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### 1. Participation in Information Security Joint Defense

The Company actively participates in the joint defense exercises with financial institutions, and submitted an application to join the Financial Information Sharing and Analysis Center (F-ISAC) of the FSC, becoming a member as early as 2017. We continue to share detection and blocking intelligence from our information security equipment after de-identification for the F-ISAC to conduct integrated analysis. This allows us to prevent incidents from occurring, take caution against small matters during incidents, and minimize the damage afterwards. The Company has attended 8 FISAC conferences so far.

### 2. Establishing a Security Operation Center (SOC)

The Company established a Security Operation Center (SOC) to monitor, detect, and discover information security incidents 24/7, increasing information security incident monitoring capabilities. China Life integrated the SOC with the information security log incident management and analysis system to conduct multi-dimensional association analysis. Information security analysts perform the analysis and provide recommendations to achieve precise reporting and warning of information security incidents in real-time.

The immediate reporting of information security incidents will significantly improve the effectiveness of subsequent tracking, response, and handling. By properly handling information security incidents, the level of damage can be reduced.

### 3. Red/blue teaming and DDoS drill

China Life hired external experts for red teaming, in order to examine the effectiveness of defenses and strengthen the Company's response capabilities. The websites of government agencies and important livelihood services are often the target of Distributed Denial of Service (DDoS) attacks launched by hacker organizations, resulting in the websites of some agencies going offline. To strengthen defense and response capabilities for DDoS attacks, China Life conducted DDoS drills in 2022 to verify the ability of its website or important servers to withstand a DDoS attack, and verify the effectiveness of defense plans against DDoS attacks.

### 4. Obtaining the Mobile Application Security (MAS) Mark

To strengthen the ability of mobile apps provided by China Life to customers in protecting basic information, we carry out computer system information security evaluations every year, conduct tests, and obtain the MAS mark according to the "Mobile App Basic Information Security Testing Standards." This effectively raises information security awareness when developing mobile apps, and also gradually improves the security of mobile apps.

### 5. Information security education and training

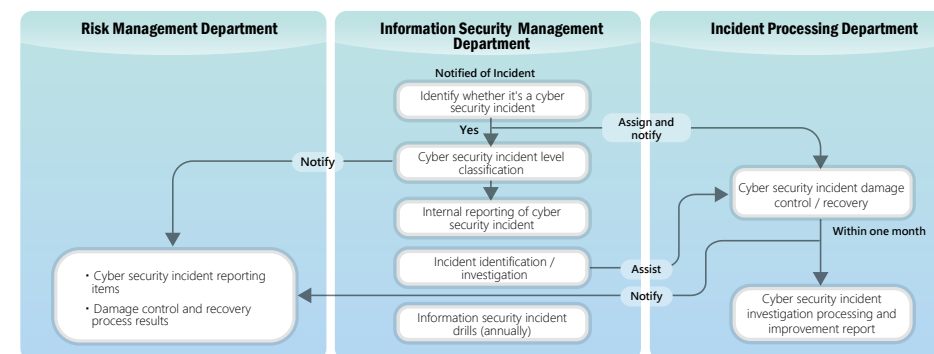
The Company's dedicated information security personnel receive at least 15 hours of professional information security training each year. Information security personnel of each department must take at least 6 hours of courses on information security communication and operations. For office staff, the Information Security Department plans 3 hours of information security training each year, online information security training for new employees, and irregularly sends company-wide e-mails promoting information security, in order to continue improving the information security literacy of the Company's employees. Training completion among employees was 100% in 2022.

According to the list of information security certifications announced by the Executive Yuan, the Company's dedicated information security personnel hold a total of 19 professional information security certificates, all members of the information security audit team have the ISO 27001 Information Security Management System Lead Auditor certificate, and we continue to assist and encourage employees to obtain information security certifications.

## Information Security Incident Reporting and Handling Mechanisms

The Company established the "China Life Information Security Incident Reporting and Response Management Regulations" for reporting, handling, and responding to information security incidents. When an information security incident occurs, it must be classified, reported, and responded to according to procedures. After damage control or recovery procedures are completed, the incident handling unit submits an "Information Security Incident Investigation, Handling, and Improvement Report," which is filed and retained by the dedicated information security unit to avoid similar incidents from repeating. There were no major information security incidents in 2022.

### ▼ Information Security Incident Reporting, Handling, and Response Process



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## Personal Data Protection and Management System

China Life implemented the personal information management system (PIMS) in 2017 according to BS 10012: 2017 Personal Information Management System, and embedded personal information protection and management into the corporate culture. China Life expanded the scope of verification to all units in 2020, and completed an applicability evaluation mechanism for the European Union's General Data Protection Regulation (GDPR). We continued to hire an external verification institution each year and passed the review for the BS 10012 certification in 2022.

China Life has established a Personal Information Management Committee with the president as the convener. The committee meets every six months and the overall operating status of personal information protection is reported to committee members. Contents of the meetings include the implementation of personal data protection, technology development, management system supervision and review, and personal information incident management. The meetings discussed the private and information security of user identity and mobile phone location data, and aim to continue promoting, managing, and supervising the effective operation of the personal information management system. Furthermore, China Life also has a Personal Data Protection Working Group that examines if personal data management, management procedures, and safety management mechanisms are implemented according to plans; 30% of the working group's members have the PIMS Lead Auditor certificate.

## Personal Data Protection Education and Training

Since the Company implemented BS 10012 Personal Information Management System, we have improved the efficiency of personal data security mechanisms based on the concept of constant reviews and continuous optimization. We integrated the resources needed by the personal information management system and organized 21 simulation drills in 2022; organized 10 training sessions on personal data protection in the form of classroom courses and online courses, and offered 6 online elective courses to raise the personal information management awareness of every employee.



## Legal Compliance Compliance Risk Management System

In response to the growingly strict financial regulations of the competent authority in Taiwan, China Life established the "Compliance Risk Management and Supervision Framework" and conducts compliance risk assessments every year. We assess the existing risks, control results, and residual risk of each department using the "compliance risk assessment procedures and methods," and examine the management measures and operating procedures of high risk departments based on assessment results, in order to improve control results and assist monitoring and integration through the "regulatory change management system." We established standardized examination procedures to understand the progress and implementation of action plans related to internal regulations and systems of departments in response to regulatory changes. The compliance unit participates in the planning of new products and services and immediately provides complete compliance opinions, rapidly responding and effectively managing compliance risks. We conduct compliance inspections on an annual basis, track improvements, and arrange related training. We also established management mechanisms for fines that were imposed on peers in the industry, and conduct sampling self-inspections to lower the probability of similar deficiencies.

## Compliance with the Regulation Governing Common Reporting and Due Diligence Review by Financial Institutions

Pursuant to the Regulation Governing Common Reporting and Due Diligence Review by Financial Institutions, due diligence must be carried out for all new accounts starting in 2019, and reporting must be completed between June 1 and 30 the following year. China Life completed the first report in June 2020, and completed due diligence for existing accounts and the accounts of relatively low net worth individuals before the end of the same year. We completed reporting within the period every year thereafter.

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## Compliance Education and Training

We organized training sessions and promotional campaigns for different subjects, including employees' confidentiality obligations, the principles for treating customers fairly, financial consumer protection, personal data protection, related party transactions, Foreign Account Tax Compliance Act (FATCA), Regulation Governing Common Reporting and Due Diligence Review by Financial Institutions, analysis of fines imposed on peers in the industry, amendments to laws and self-regulation.



We organize training sessions and advanced training courses on laws and regulations to raise the compliance concepts of sales agents, so that they do not violate ethical corporate management, anti-corruption, or the Code of Conduct. We ask agents to comply with laws and regulations when soliciting businesses and providing services, ensuring that routine operations comply with principles of ethical corporate management.

## Compliance Self-Assessment

The Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises stipulates that each department must conduct a compliance self-assessment every six months to find any deficiencies in their operations, in hopes that they will make corrections to become compliant with the law. Departments all conducted a compliance self-assessment in the first and second half of 2022, 1 department found 1 item that required improvement, and the improvement has already been completed.

## Fines and Improvement Measures

For violations by peers in the industry that were punished by the FSC<sup>⑦</sup>, the compliance unit collects related information and sends the information to responsible units, which then examine internal operations and regulations. This allows us to monitor the FSC's attitude and prevent similar violations from occurring, ensuring that the Company is in compliance with the government's latest laws and regulations when soliciting businesses, selling products, and providing after-sale services.



Penalties imposed by the competent authority on China Life in 2022

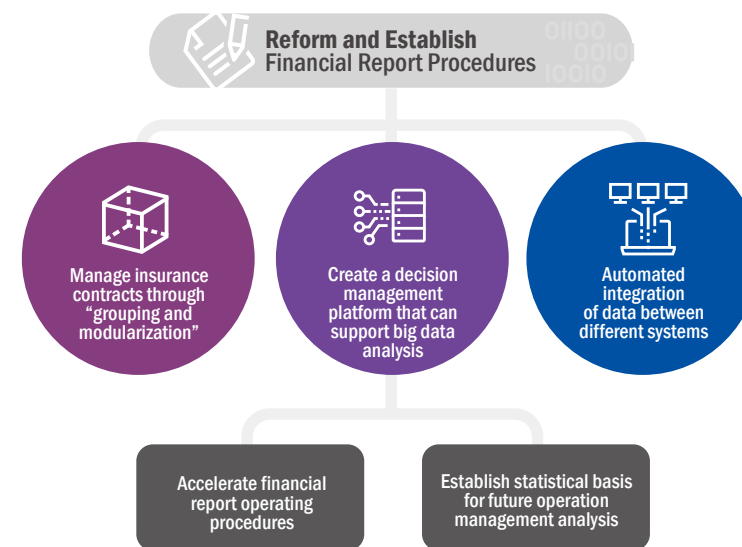


Please see p.96 of the annual report for events of China Life that had a material effect on shareholders' interests or stock prices in 2022

## Alignment with IFRS 17

IFRS 17 takes effect in 2023 and will be applied in Taiwan in 2026. We will also become aligned with the Insurance Capital Standard (ICS) at the same time. The requirements of IFRS 17 bring different impacts and challenges to data, systems, and processes.

China Life established a dedicated department in 2019 to prepare for the changes brought by IFRS 17 in advance. The department integrates actuary, accounting, finance, and IT teams to understand the latest changes to international standards, and also cooperates with the implementation of the competent authority's transition plan. The department formulates strategies for products, investments, and asset and liability management to mitigate the impact and achieve a smooth transition.



⑦ China Life was not fined by the FSC in 2021.



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# Sustainable Investment Development

## Responsible Investment Policy

China Life referenced the United Nations Principles for Responsible Investment (PRI) and incorporated factors of ESG into its investment policy, in order to implement sustainable development strategies and realize sustainable finance. We select investment targets with sustainability value by comprehensively evaluating their products, operations, and actions from the perspective of ESG, while pursuing investment profits and growth. Furthermore, we established exclusion standards to exclude companies that are involved in environmental pollution, social disputes, or poor corporate governance when evaluating potential investment targets, excluding them from making direct investments.



Responsible Investment Policy

We continue to monitor, analyze, and evaluate information on investment targets after making investments. If any investment target is involved in a matter listed in the exclusion standard, we immediately examine and evaluate if the investment target has made any improvements or plans, and explain the response measures taken by China Life in the evaluation report, such as changing investment strategy or lowering the limit.

Going forward, China Life will continue to adjust its investment portfolio with an emphasis on the implementation of initiatives, in hopes of driving carbon reduction in the industry value chain through climate action.

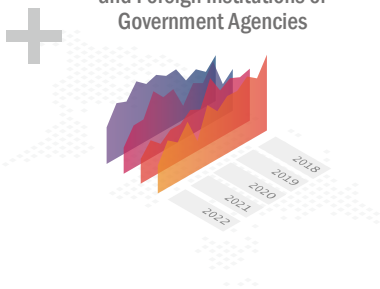
### Investment Evaluation Principles SASB FN-IN-410a.2

**E** Considers the company's implementation of environmental protection, such as: whether the materials and processes for making products comply with environmental protection standards, and whether the company implements energy conservation, carbon reduction, and waste disposal in its operations

**S** Considers the company's labor rights, human rights protection, inputs in social services, and contribution to society, or if its products are a matter of social security and better efficiency, or if the company is the industry leader

**G** Considers the company's ethical corporate management, compliance, information transparency, independence of directors and supervisors, and CSR report preparation

Lists or Indexes of Excellent Sustainable Development Performance selected by Well-known or Credible Domestic and Foreign Institutions or Government Agencies



For private equity funds, we not only evaluate its ESG policy, but also include whether the fund management company is a signatory to the PRI in the selection standard

### Negative List SASB FN-IN-410a.2

- Tropical forest lumbering industry
  - Tobacco industry
  - Polychlorinated biphenyls
  - Nuclear weapons
  - Illegal gambling
  - Pornography
  - Drugs
  - Money laundering
  - Terrorism financing activities
  - Employment of child labor
- There is evidence that the Board of Directors violated the law, Articles of Incorporation, or resolutions of the shareholders' meeting when performing its duties

## Responsible Investment Flowchart

China Life established the Responsible Investment Policy, investment policy, and operating regulations manual for different investment categories, and incorporated ESG issues into the investment analysis and decision-making process. ESG elements are taken into consideration when making investment decisions, and whether investments are increased or decreased is determined based on assessment results. The percentage of individual stock investment reports that included evaluation items reached 100%. An investment evaluation report that references the investment target's ESG report and other information must be prepared before making an investment. The report considers a number of ESG aspects, including environmental protection, labor-management relations, corporate governance, climate action, and other sustainability activities. We also consider the climate transition risks of investment subjects, and use carbon emissions as the standard for determination; higher carbon emissions indicate higher transition risks

We periodically review trends in operations or the industry chain of investees after making an investment, and report investment performance to the highest level supervisor. Investment results are also disclosed in the Sustainability Report. We strictly review reports on use of funds from green, social, and sustainability bonds, and ensure that funds are used to support sustainable development of the environment or society.

The scope of responsible investment includes: Listed and unlisted stocks and bonds in Taiwan and overseas, overseas funds, overseas ETF issuers, and fund management companies.

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## ▼ Responsible Investment Flowchart



China Life plans to inspect or review ESG topics in the investment process, decide on investment targets based on macroeconomic analysis, industry research, and investment reports, and make investment decisions within the investment limit. We monitor and manage investments by periodically compiling the carbon emission inventory of our investment portfolio, and irregularly look into or prepare investment reports on ESG issues or major negative news involving investment targets. The responsible unit then determines whether engagement and communication is necessary.

For overseas funds, ETFs, and fund management companies, we not only evaluate if its investment policy complies with the Company's responsible investment policy, but also include whether the fund management company is a signatory to the PRI in the selection standard.

## Stewardship Principles for Institutional Investors

China Life actively implements the Stewardship Principles for Institutional Investors, strengthens ESG after referencing the UN PRI, and participates in the corporate governance of investees by attending shareholders' meetings, exercising voting rights, and engaging in dialogue and interaction with directors or managers. We hope to influence investees through the power of an institutional investor, in order to meet the Stewardship Principles for Institutional Investors.

China Life actively exercises ownership and participates in the shareholders' meeting of 100% of investees (TWSE/TPEX-listed companies). China Life abandoned its voting right in some agenda items due to regulations, otherwise China Life voted on 100% of agenda items during shareholders' meetings. Furthermore, China Life also participated in the Investment Research Working Group of the Life Insurance Association of the Republic of China, and implemented the PRI principles. We further encouraged investors to accept and implement the PRI. 100% of overseas funds and ETF companies and 78.6% of fund management companies of overseas private equity funds held by China Life<sup>①</sup> are signatories to the PRI, showing that China Life strives to implement the UN PRI.



Statement of Compliance with the Stewardship Principles for Institutional Investors

## Actions of the Green Finance Initiative

China Life, parent company China Development Financial Holding Corporation, and Business Today co-organized the SME Carbon Reduction Forum in 2022. China Life's Chief Investment Officer gave a speech on green finance ESG initiatives, and most of the 100 participants in the forum were representatives of SMEs. China Life expresses how it incorporates ESG issues into investment management procedures and the importance of ESG through public forums. We hope to exert the influence of finance and drive the industry chain's sustainable development.

## Carbon Footprint of Investment Portfolio

We began compiling the carbon footprint of our investment portfolio in 2022 to understand the carbon exposure of our current investment portfolio, and use it as the basis for making low carbon investment transition decisions. China Life estimates carbon emissions of the six categories<sup>②</sup> of

① 100% of overseas funds and ETF companies and 78.6% of fund management companies of overseas private equity funds held by China Life are signatories to the PRI, the percentages have obtained third party assurance, which corresponds to Principle 4 of the PRI.

② The six categories of investment assets are as follows: Listed stocks and corporate bonds, corporate loans and unlisted stocks, project financing, commercial real estate, mortgage loans, and motor vehicle loans.

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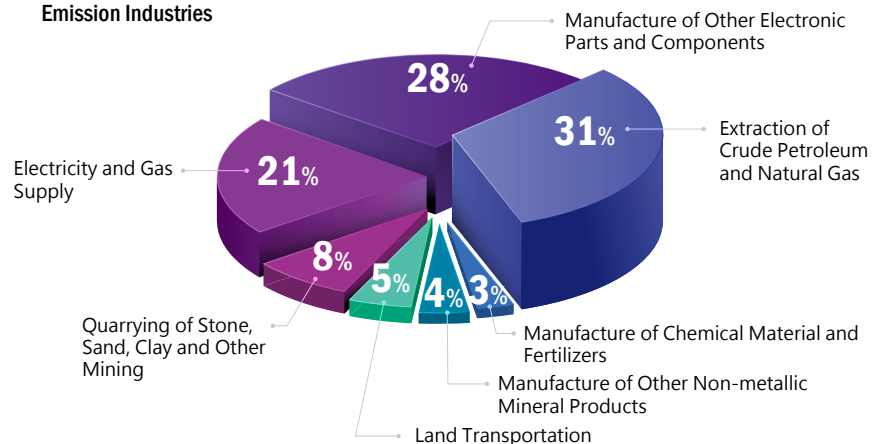
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investment assets every six months according to "The Global GHG Accounting and Reporting Standard for the Financial Industry" of the Partnership for Carbon Accounting Financials (PCAF).

China Life uses the group's selection standards for high carbon emission industries, and uses the industry classification standard of the Directorate-General of Budget, Accounting and Statistics to calculate the total amount invested, total carbon emissions, and carbon emission density<sup>③</sup> of each industry in the investment portfolio, in order to analyze high carbon emission industries in the investment position, and comprehensively consider the percentage of investments in each industry, which is used as the basis for subsequent position adjustments.

After compiling the inventory, the total carbon emission from the investment balance at the end of 2022 was approximately 2.52 million metric tons, down by approximately 43.8% compared with the end of baseline year of 2020, and investments in high carbon industries accounted for 18.5% of overall investments, achieving the goal of reducing it to less than 26% of the overall investment position. After taking inventory of carbon emissions from the investment portfolio, China Life is able to verify the investment limit in key emission targets and high carbon emission industries. We will continue to evaluate the composition of industries and companies in our investment portfolio, and gradually guide the investment portfolio to low carbon industries, in order to achieve the goal of net zero emissions from our asset portfolio by 2045.

▼ Distribution of Investment Balance in High Carbon Emission Industries



③ Carbon emission density is the carbon emissions per million NTD.

## Responsible Investment Performance

### Evaluate Climate Action Results Based on ISO 14097

We understand that climate change has become a global risk. As an asset owner, China Life hopes to work together with investees and jointly gain influence in climate actions through the guidance of funds. After discussions in cross-departmental meetings, investment departments propose potential climate actions based on analysis of carbon emissions from our asset portfolio, including: adjusting positions and investment targets, and attending shareholders' meetings, forums, and workshops. After considering feasibility, we selected three climate actions, "Investment in renewable energy power plants," "Investment in green bonds," and "Engage high carbon emission industries" as our goals in the current stage.

### Investment in Renewable Energy Power Plant

To realize the value of corporate sustainability and support the development of Taiwan's renewable energy industry, the investment and sustainability teams of China Life carefully evaluate qualifications, risks, and related opportunities of investment targets. As of 2022, China Life invested in renewable energy power plants expected to have a total installed capacity of 632.63 MW (up 277% compared to the previous year), and electricity generation expected to reach 863 million kWh (up 277% compared to the previous year), achieving the environmental benefit of reducing GHG emissions by a total of 452,600 metric tons (up 310% compared to the previous year). Based on the percentage of funding invested by China Life, this will reduce GHG emissions by 79,600 metric tons (up 1,067% compared to the previous year). China Life is actively investing in the renewable energy industry. Besides increasing the investment percentage, China Life will continue to search for investment opportunities with development potential and substantive environmental benefits.

### Investment in Green Bonds

China Life is actively investing representative green bonds in Taiwan and overseas, and expects the funds to be invested in renewable energy, the improvement of energy efficiency, green transportation, sustainable water resource management, and green buildings. As of 2022, China Life's investments in green bonds and sustainability bonds increased approximately 86% compared to 2021, which is expected to reduce GHG emissions by 317,000 metric tons/year. China Life supports the government's Green Finance Action Plan 3.0, which is a policy that promotes the development of green financial products, and invested in the green bonds issued by TSMC and Orsted to support the development of clean energy in Taiwan. The investment amount reached NT\$2.3 billion and shows that we take action to make ESG investments.

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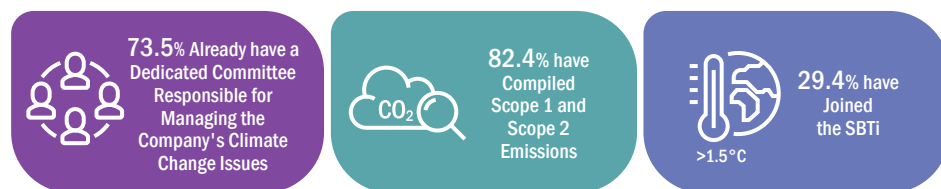
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## Engaging High Carbon Emission Industries

After identifying investment positions with high carbon emissions<sup>④</sup>, China Life distributed 121 questionnaires to investees with high carbon emissions in 2022. China Life aims to jointly engage in climate action with investees, and encourages investees through the questionnaires to actively inventorize and manage GHG emissions, set reduction goals, carry out reduction actions, and track reduction results. We understand the carbon emissions, current carbon reduction measures, climate actions, and future carbon reduction goals of investees of different scales and in different industries based on analysis results. We continue to track their carbon emissions and other climate actions to verify if investees are able to achieve the goals they set for each year.

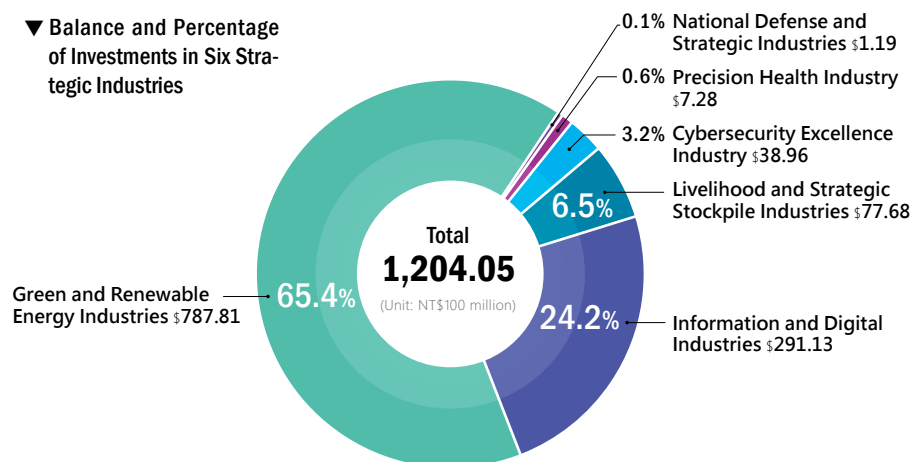
### ▼ Investees that Participate in Climate Engagement



## Actively Investing in Six Strategic Industries

After the 5+2 Industrial Innovation Plan, China Life continued to actively invest in and support natural gas power plants, green energy, and pharmaceutical companies, in compliance with under the government's policy to invest in six strategic industries. The balance of direct and indirect investments in six strategic industries reached NT\$120.405 billion in 2022.

### ▼ Balance and Percentage of Investments in Six Strategic Industries



## Dedicated Responsible Investment Personnel and Training on ESG Issues SASB FN-IN-410a.2

We have appointed dedicated responsible investment personnel, provided investment managers with ESG training, and provided sustainability talent training on domestic and overseas development trends in sustainable finance, legal framework, and climate change risk management, ensuring that ESG values are implemented in investment practices. The total number of training hours reached 87 hours. We invested approximately NT\$88,000 to cultivate dedicated ESG responsible investment personnel.

### ▼ Duties of Dedicated Responsible Investment Personnel



Gradually influence the future outlook of trading counterparts, investees, and stakeholders by internalizing responsible investment

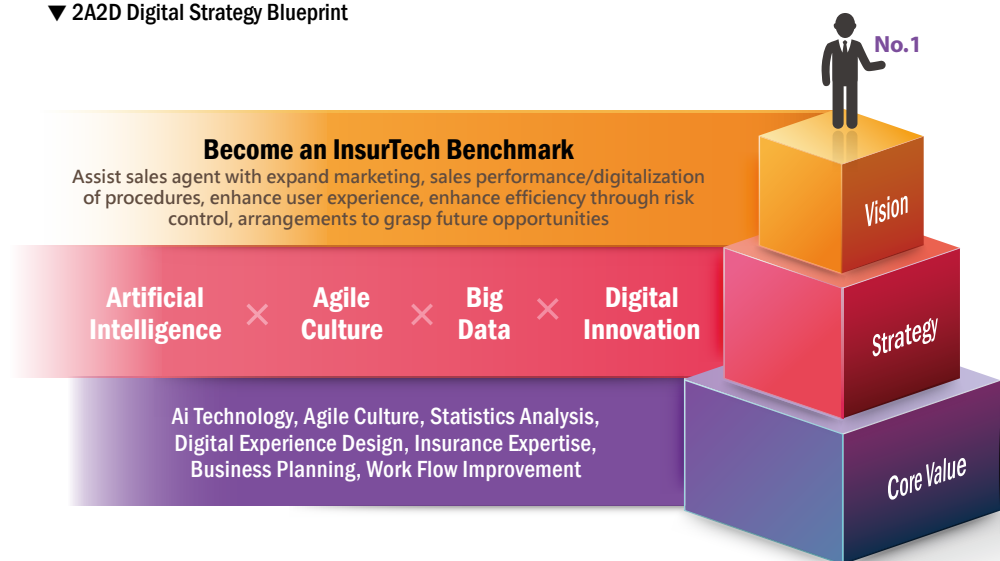
④ Identify high carbon emission industries, including electricity, steel, cement, semiconductors, and oil refining industries.

# Digital Finance Innovation Development

## Digital Banking Strategy Blueprint

China Life has invested considerable resources into digital and data infrastructure to push forward accelerate digital in response to the trend of FinTech. We compiled a data-driven, experience first, comprehensive development strategy blueprint "2A2D, AI/Agile/Data/Digital Innovation," eliminating the stereotype of technology being cold, and using innovative technologies to provide services from the heart. China Life strives to become a representative life insurance company in the field of InsurTech.

### ▼ 2A2D Digital Strategy Blueprint



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## Artificial Intelligence

We continue to improve our AI technical capabilities. Besides developing iterations of AI assistant and AI Coach Trainingbot Xiao Chai, we expanded Smile to Sign remote insurance enrollment to all channels, and provide sustainable and innovative financial solutions.

### AI Assistant "Xiao Chai"

Xiao Chai uses natural language processing ability combined with the experience of life insurance experts for sales agents to ask work-related questions. Furthermore, Xiao Chai is able to provide information on policyholder services through the system API, allowing sales agents to provide customers with thoughtful services when appropriate. It also lowers the demand on manual services and improves the operating efficiency of sales personnel.

We continued to release optimized and upgraded versions of Xiao Chai in 2022, and trained it with over 300 new knowledge sets and developed 12 new functions. We further upgraded the UI/UX user experience; average utilization exceeded 90% each month and it was used in over 30,000 interactions. It provided digital services that was not suspended during the pandemic, and became the most trusted AI assistant of sales agents.

### "Smile to Sign" Remote Insurance Enrollment Using Facial Recognition

China Life was the first to apply facial recognition technology in the insurance enrollment process, and combined innovative remote insurance enrollment with the most rigorous information security and personal data protection measures. We were the first in the industry to receive approval for implementation on a trial basis, and developed an AI-based identity verification mechanism, eliminating the constraints time and place restriction regarding of traditional insurance enrollment in person. This also reduced the consumption of paper and resources during transportation, leading the industry into a new era of using facial recognition for insurance enrollment.

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The applications have been further expanded in 2022, allowing more customers and agents to use remote insurance services. The company received approval from the competent authority in April to introduce the brokerage channel, and the approval was expanded to all channels in November. Online cases have exceeded 36,000, improving administrative efficiency by 25% and resulting in carbon emission savings of 94,000kg.

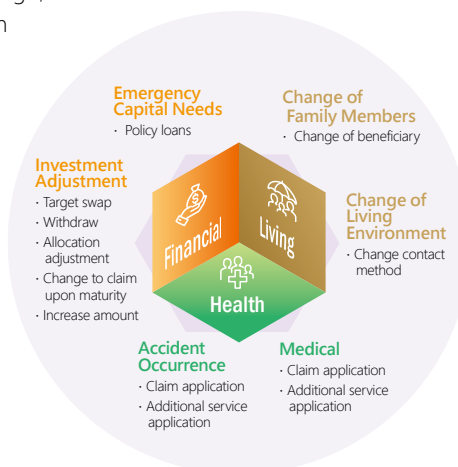
### "China Life i-Life" APP

The Company upholds the philosophy of being "customer-centric" and launched "convenient self-service," "immediate access to history," and "lifestyle of abundance and health" at the start of 2022, creating an experience that includes policy services, reminders, and health management through the digital communication platform – "China Life i-Life" app that provides customers with convenient and easy digital insurance services.

The "China Life i-Life" app has an intuitive, simple, and clear interface to provide users with insurance and steward services for daily life, allowing policyholders to enjoy a life with China Life's love. This platform links together insurance, health, healthcare, life, and technology, and is a convenient self-service platform that provides one-stop insurance services from customers' perspective. The platform has a friendly financial service section and also provides an accessible interface and voice recognition services under the policy to provide friendly financial services. The "China Life i-Life" app obtained the app accessibility certification of Taipei Parents' Association for the Visually Impaired, making China Life the first insurance company in Taiwan to obtain this professional certification, achieving the policy of friendly financial services by providing visually impaired people with friendlier services.

The "China Life i-Life" app provides nearly a hundred functions, including policy inquiry, policy change, payment, claims application, policy loan, push notifications, and health management. The app embeds health management and lifestyle information into customer services through cross-sector cooperation. If customers need to seek medical attention or receive a health examination, they can use the consultation services and exclusive health examination plan of cooperating hospitals. We also extended from policy services to health and lifestyle services, and expanded the breadth and depth of customer services to meet different needs in their life journey.

▼ China Life i-Life APP



## Promotion of an Agile Culture

Facing the rapid changes in the overall industry environment, as well as breakthroughs in technology and business models, the experience of digital users is becoming growingly important. China Life established the Agile Academy to embed the agile culture into its corporate DNA, in order to rapidly respond to changes, more quickly deliver software, increase team productivity, optimize teamwork, improve software quality, and improve customer satisfaction.

In 2022, Agile Academy provided guidance to 6 project teams to transition into product teams with agile development abilities through learning by doing; Organized 30 professional courses, workshops, or related activities, and promoted professional knowledge on agile development and cultural literacy; Provided digital tools to support cross-departmental operations of the teams; Implemented user-centric and data-driven management concepts.

## Big Data

We use data analysis to support business decisions and provide a number of services, including claims fraud prevention model, smart label database, precision marketing list, and smart needs analysis radar chart.

### Big Data Marketing Label Database

China Life established a marketing label database that automatically organizes data on customer attributes, behavior, intentions, and interests, and detects customers' intentions towards specific products. We analyzed the text of interview data in 2022, broke down key information and included it in the customer label database and customer big data analysis market, which has grown to contain 1,500 feature information.

### Precision Marketing List

We find customers who are more likely to repeatedly purchase products through big data analysis and machine learning model, and provide the list to sales personnel as a priority for marketing activities. In 2022, we adopted the innovative approach of combining groups designed together with sales channels with machine learning, and used it to improve the interpretability and maintain the precision of the precision marketing list. This generated 11 lists and improved the sales performance of front-line agents.

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### Fraud Prevention in Claims

The claims fraud prevention system integrates claims related data and analyzes the features and conduct in cases where claims were rejected to provide a risk score and risk factors to front-line personnel, thereby improving review and investigation performance. We continued to optimize the model in 2022 and not only doubled the warning rate, but also saved on software licensing fees by developing proprietary software.

### Speedy Claims Jet Case

Machine learning is utilized to help claims personnel quickly review cases through claims application data, notification records, and insurance type information. This improves customers' experience and claims performance, and creates a win-win situation for policyholders, sales agents, and the Company.

### Application of AI in Talent Recruitment

The application of AI in talent recruitment takes into consideration interaction records of sales agents during talent recruitment, the subjects being recruited, and attributes of sales agents, and uses machine learning to actively warn sales agents of bottlenecks they are about to encounter in the talent recruitment process, while providing a customized solution, achieving "automated diagnosis" and "AI solution." The model is optimized through self-learning each iteration based on results of the solutions. New employees successfully recruited through the application of AI in talent recruitment accounted for 17% of all applicants in 2022.

### Digital Innovation

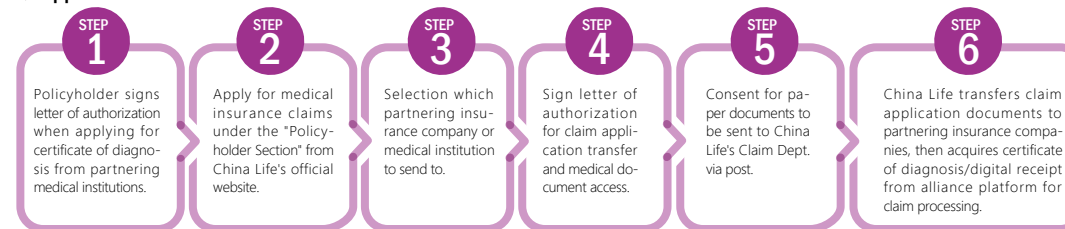
We are looking into new technologies and existing operating procedures in search of scenarios to improve and optimize. We actively formed strategic alliances within the industry and across industries to create a better customer experience.

### Claims Alliance Chain 2.0

The Claims Alliance Chain utilizes the safety and convenience of blockchain technology. When a policyholder files a claim with any insurance company that is a member of the alliance chain and agrees to let the company send a push notification on the "InsurTech utilization and sharing platform," the policyholder will be able to simultaneously file a claim with other insurance companies in the alliance chain that the policyholder has purchased a policy from. "Insurance claims e-pass" allows insurance companies to directly obtain medical documents from the hospital after obtaining further authorization from the policyholder. This saves policyholders from the inconvenience of submitting claims applications to different insurance companies and then applying for medical documents at the hospital.

China Life participated in the Insurance Industry Identity Verification Center established by the Life Insurance Association of the R.O.C. to improve the convenience of claims services in 2022. Policyholders are no longer required to provide paper medical and approval documents after digital identity verification, and can use online claims and mobile claims for fully digital and paperless claims application services.

#### ▼ Application method for Claims Alliance Chain 2.0

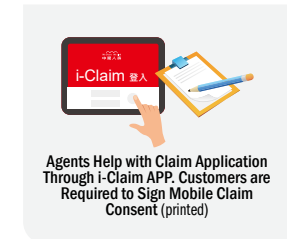


### Chi Mei Medical Center Fully Digital Claims

China Life created an ecosystem with strategic alliance partners that have an expertise in medicine, academics, technology, finance, and insurance to offer a new experience in terms of doctor-patient relationships and customer services. We linked the medical data of Chi Mei Medical Center through the digital platform of National Cheng Kung University, which effectively reduces the delay in claims caused by uploading photos of medical documents that are not clearly taken, optimizing the claims process by reducing manual operations and paper operations. The integrated claims service allows customers to enjoy the healthcare experience and innovative services brought by the combination of healthcare with technology and insurance.

#### ▼ Chi Mei Medical Center's Fully Digital Claims Application Method

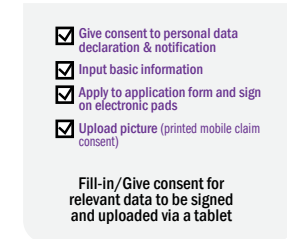
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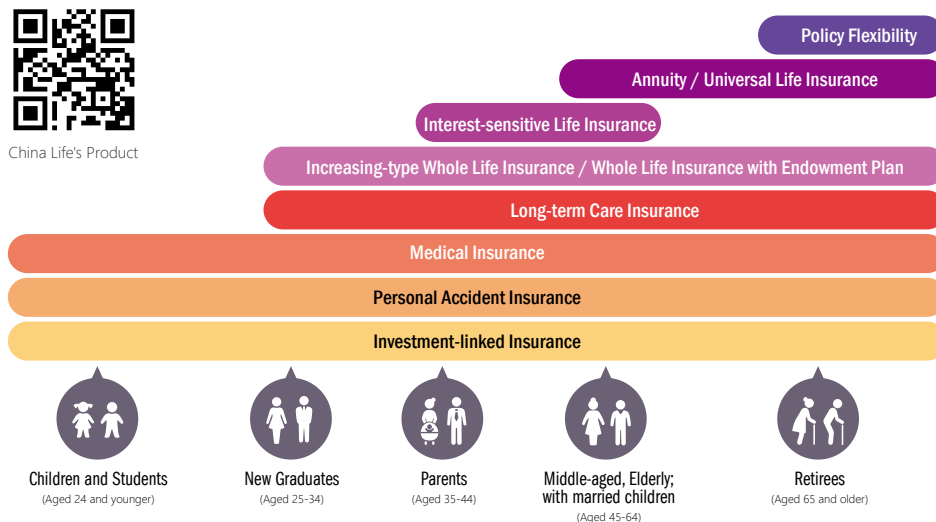
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# Promotion of Inclusive Product Services



With consideration to the needs of different policyholders and an aging population, China Life continues to promote traditional single premium payment and regular payment life insurance denominated in different currencies, annuity products suitable for retirement planning, health insurance that improves the quality of healthcare, and investment-linked insurance policies that simultaneously meet investment and insurance needs, in order to meet the different needs of policyholders in different stages of life. Policyholders can fill in gaps in their coverage through proper insurance planning, and maintain the quality of future life and healthcare by planning in advance.

The Company develops innovative products that meet people's needs, and periodically examine various actuarial assumptions. An Insurance Product Management Working Group meeting is convened at least once every six months according to the Insurance Product Pre-Sale Procedure Guidelines, in order to ensure sustainable development and protect consumers' rights and interests.

The spirits of inclusive finance and the principles for treating customers fairly are implemented in product design, and the Company continues to promote micro insurance, small amount whole-life insurance, general whole life insurance exclusive for people with disabilities, exclusive products in the protective insurance products section, and health management products with spillover-effect, in order to meet the needs in different stages of life and the needs of different groups.

## China Life's Product Design Process



## Health Management Insurance with Spillover-Effect

According to statistics of the Ministry of the Interior, the average life expectancy of Taiwanese people has reached 80.86 years, but the number of unhealthy life years has also reached 8.02 years, showing that citizens face the dilemma of poorer health and quality of life in their later years. To encourage policyholders to develop good habits for self-health management, we provide health management products with spillover effects, which provide additional coverage based on whether conditions agreed to in advance are achieved. The combination of health management products and self-management not only helps policyholders reduce costs, but also enjoy insurance coverage and maintain good health. As a result, insurance products will not only provide compensation for damages, but also provide prevention mechanisms to lower the risk of policyholders becoming ill, lower the claims rate of insurance companies, and reduce the consumption of healthcare resources by society.

## Building a Complete Retirement Safety Net

The importance of preparing for retirement in advance is being recognized in more and more countries with aging societies, but knowing and doing are two different stories for people stuck in between or with low net worth. China Life provides three major categories of products on the "Retirement Preparation Platform," namely term life insurance, critical illness insurance, and small amount whole life insurance. Consumers can purchase insurance on their own online at any time of the day in a few simple steps, and can choose from multiple premium payment periods as well as insurance amounts.

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### Term Life Insurance

**Period** 5 years, 20 years, and 70 years  
**Insured Amount** NT\$200,000-NT\$4,500,000  
**Product Features** Premiums are evenly distributed throughout the coverage period. The payout can be used to take care of survivors or the disabled insured person if the insured person is deceased or fully disabled due to illness or accidents.



### Critical Illness Insurance

**Period** 1 year, 20 years  
**Insured Amount** NT\$100,000-NT\$700,000  
**Product Features** Insured persons will receive a lump-sum payment of benefits if they are diagnosed by a physician with any one of seven critical (severe) illnesses to compensate for their loss of income or medical expenses.

### Small Amount Whole Life Insurance

**Period** 10 years, 20 years  
**Insured Amount** NT\$100,000-NT\$500,000  
**Product Features** Provides lifelong coverage after paying premiums for a fixed period of time, but limited to three policies offered by all life insurance companies. Cumulative insured amount is NT\$500,000.

### Micro Insurance

China Life's premium income from micro insurance exceeded NT\$18 million<sup>①</sup> in 2022 and benefited over 90,000 people. In response to the government policy to promote micro insurance, China Life lifted restrictions on the elderly collecting living allowances on medium and low income spectrum according to the Senior Citizens Welfare Act and their family members, so that they can purchase micro accident insurance, providing basic security to the economically disadvantaged at affordable premiums, and preventing accidents from severely impacting households financially.

Performance Award in the Micro Insurance Contest for 8 consecutive years



Award for Caring for the Disabled for 3 consecutive years

Award for Excellent Performance in Insurance for the Elderly

Furthermore, China Life collaborated with banks, government agencies, and non-government organizations in promoting micro insurance services to every corner that needs care. To provide coverage to even more economically disadvantaged people, we expanded the scope of coverage in 2022 and promoted micro insurance by donating insurance premium, supporting people through different stages of life with insurance, thus allowing insurance to serve the function of stabilizing society. The Company began working with Kaohsiung city in 2022 and provided micro insurance to approximately 11,000 people from low income households or people with disabilities. We also worked with Tainan City Government and Chao-Hsing Center for Intellectual Development Chao-Hsing Social Welfare Foundation to expand from "low and medium income households" to "people with mild and moderate or less severe disabilities."

### Investment-linked Products

China Life's investment-linked insurance is aligned with ESG. We jointly launched a discretionary investment account with ESG as the core investment strategy together with Barings SICE in May 2022 – Barings Green Trend Discretionary Management Account. It uses green trends as the theme along with four topics for allocating investment targets, including "low carbon economy, agricultural upgrade, mobility revolution, and resource transition." Management by a professional investment institution allows customers to seize ESG investment opportunities through investment-linked insurance policies.

### Long-term Care Products

As mentioned above, the average life expectancy of Taiwanese people has reached 80.86 years, but the number of unhealthy life years has also reached 8.02 years, including being in a disability, bedridden, and having a chronic illness. It is necessary to take long-term care more seriously, raise awareness of long-term care (LTC) insurance, and provide comprehensive coverage through LTC insurance.

- Policyholders receive a one-time payment along with subsequent installment payments to cover the considerable expenses at the beginning and also provide steady support for long-term care.
- Multiple standards for determining claims, including determination of physiological function disorder, cognitive function disorder, and degree of disability, to provide more comprehensive coverage

① Premium income from micro insurance has obtained third party assurance, corresponding to Principle 2 of the PSL.

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# Treating Customers Fairly Principles Treating Customers Fairly Management Mechanisms

The Company established internal regulations as the highest guiding principles for treating customers fairly, and adopted the "Guidance for firms on the fair treatment of vulnerable customers" provided by the Financial Conduct Authority (FCA) to strengthen service mechanisms for underprivileged financial consumers. We aim to create a corporate culture that attaches importance to financial consumer protection, and ensure that the overall transaction process for providing financial products and services treats financial consumers fairly and reasonably. The FSC revised the "Principle for Financial Service Industries to Treat Clients Fairly" in May 2022, and the Company also examined its rules and regulations, establishing the Fair Customer Treatment Policy, Fair Customer Treatment Strategy, and amended the Rules for Implementing the Principles of Treating Customers Fairly, which were reported to the Board of Directors for approval. Clear standards are set forth in internal regulations from policies and strategies at the highest level to implement regulations.

To increase the scope and depth of treating customers fairly actions and to cooperate with the competent authority's sustainable finance policy, in 2022, the Company implemented treating customers fairly actions through "Digital leap, carbon reduction for sustainability," "Equality and care, value spillovers," and "Customer rights protection, ethical corporate management." The Company was recognized for excellent performance by the competent authority's "Financial Industry Treating Customers Fairly Evaluation" for four consecutive years.

We uphold the value of being customer-centric when implementing customer-oriented strategies for treating customers fairly. We led the industry in establishing customer service charter in Chinese and English, and disclose our customer service commitment and multiple two-way communication channels to financial consumers, so that customers can access complete services and resources for treating customers fairly. China Life fulfills its corporate social responsibility and promotes sustainability and equality by expanding the concept of treating customers fairly to the family members of policyholders.



China Life Treating Customers Fairly Section



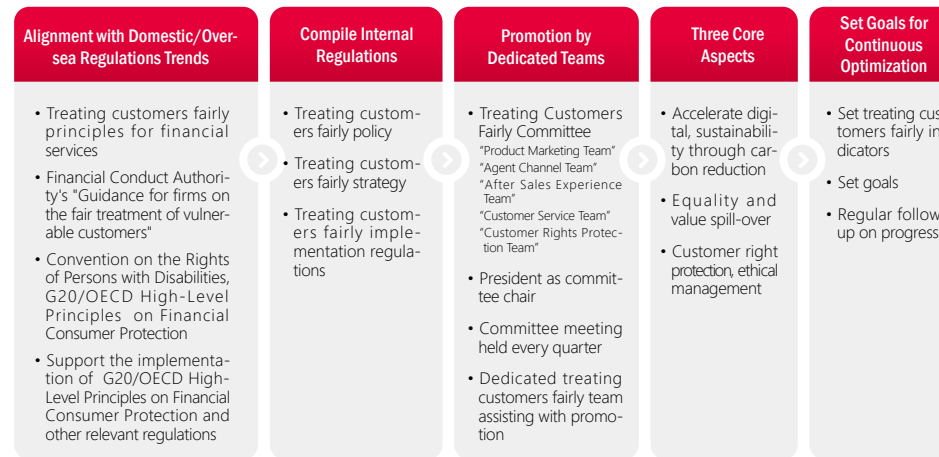
China Life's Treating Customers Fairly Policy



China Life's Customer Service Charter

## China Life Treating Customers Fairly Management Framework

Core Spirit Treat Others as We Would Ourselves



## Treating Customers Fairly Committee

China Life has dedicated years of effort to financial consumer protection, and established a corporate culture with a treating customers fairly core. The Board of Directors established the Treating Customers Fairly Committee in 2019, and a dedicated department supervises the implementation and results of treating customers fairly and friendly financial services. The Treating Customers Fairly Committee has 5 groups, namely the "Product Marketing Group," "Sales Channel Group," "After-sale Experience Group," "Customer Service Group," and "Customer Rights Protection Group." The president serves as the committee chairman, senior managers of related departments serve as committee members, the committee convenes quarterly meetings to report results of action plans and implementation of treating customers fairly, which are reported to the Board of Directors, and independent directors are invited to attend meetings to provide guidance to the committee. Agenda items reported to the Board of Directors in 2022 include summary of meetings of the Treating Customers Fairly Committee and progress of action plans each quarter, and the establishment and amendment to the Fair Customer Treatment Policy, Fair Customer Treatment Strategy, and Rules for Implementing the Principles of Treating Customers Fairly.

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## Dedicated Unit and Direction for Implementing Treating Customers Fairly

The Company has a dedicated implementation unit led by a vice president-level supervisor. The unit handles meeting affairs of the Treating Customers Fairly Committee and engages in cross-departmental communication and coordination, assists the planning and implementation of treating customers fairly principles, deeply embeds treating customers fairly into the work culture of office staff and agents by setting customer-related performance evaluation indicators for all employees, continues to improve operating procedures to become aligned with international trends, and implements the 10 principles of treating customers fairly in various aspects of insurance services. We established indicators and goals for treating customers fairly and periodically track implementation results to improve the overall results of treating customers fairly actions.

### Treating Customers Fairly Training

Created China Life's friendly financial service culture from the heart, and provided training for practical requirements at different levels and positions. Contents of the training include protecting the rights of financial consumers and providing friendly financial services to the elderly and people with disabilities. Organized a total of 13 training sessions in 2022, participants included 41 directors and senior managers, 101 department supervisors and representatives, and over 18,000 office staff and agents.

- Collaborated with Duofu Care & Service, which specializes in accessible services, in organizing the "Accessible Friendly Services Training and Outdoor Practical Experience" to strengthen the practical skills of front-line employees providing services to people with disabilities. We invited front-line supervisors and employees to wear a suit simulating how the elderly feel and sit in a wheelchair outdoors, so that they can personally experience the barriers encountered by the elderly or persons with disabilities and how others look at them in everyday, learning to empathize and to provide suitable friendly financial services.
- Organized a "Hearing Impairment Friendly and Sign Language Training" course, in which the president of the Chinese National Association of the Deaf shared the situation and needs of the elderly with hearing impairment and hearing loss and also taught sign language. Employees are able to empathize and provide suitable assistance and support to fulfill the spirit of treating customers fairly.

**▼ Cross-Disability Practical Experience**

Accessible environment inspection: Experience the barriers in the environment faced by the elderly and persons with disabilities in everyday life by eating, shopping, using the ATM, and going to the restroom in a wheelchair.



- Organized the "Dementia and Elderly-friendly Financial Training" course and invited Secretary-General Chen Yun-Ching of the Chinese National Association of the Deaf to serve as the course instructor, sharing dementia related knowledge and resources for office staff and agents to better understand the elderly and dementia patients, in order to provide thoughtful insurance services and experiences.

### Treating Customers Fairly Story Contest

China Life began organizing the treating customers fairly story contest in 2019, and has accumulated over a thousand proposals over the past 4 years. The theme used in 2022 was "Practice treating customers fairly every day" and work experiences and recommendations relating to treating customers fairly were collected. A total of 197 proposals were received and independent directors personally selected the top 10. Award winning proposals were gradually put into practice, including organizing anti-fraud seminars for the elderly, offering training courses for the elderly through cross-industry collaboration, diversifying the professional skills of front-line agents for providing services catered to the needs of the elderly, and improving their understanding of social trends.



### Thoughtfully and Comprehensively Treating Customers Fairly



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### Friendly to Persons with Disabilities

- The new "sign language translation reservation service" allows policyholders with hearing impairment to make reservations 1 work day in advance via app/official website/e-mail/friendly hotline, and a sign language translator will be arranged to provide translation via video chat at the service counter. If a sign language translator is needed to provide translation service in person, policyholders can also make a reservation 3 work days in advance.
- China Life leads the industry in providing value-added services for people with disabilities and elderly policyholders through its "Duo Fu Corporation," which specializes in accessible transportation services. Moreover, China Life collaborates with Duo Fu Travel Agency in planning accessible tourism and advocate for travel equality.
- By developing an accessible website and mobile app combined with offline seminars, we provide people with disabilities and the elderly with more comprehensive insurance services. Increased interactions and communication with policyholders for people with disabilities and the elderly to more clearly understand insurance products and more easily access the services they need, in order to meet the needs and gain the trust of policyholders.
  - ◆ Online – construct a company website that supports multiple browsers and meets accessibility guidelines, disclosure necessary information through the "Friendly Financial Services Section," use a simple and easy-to-use interface for visually impaired people and people with difficulty using a mouse to enjoy the same smooth experience as regular people, and more conveniently and smoothly obtain information on insurance coverage on a smartphone or computer.
  - ◆ Offline – Narrow digital divide by explaining how to purchase insurance online and the advantages to the elderly and people with disabilities via seminars and by producing easy-to-understand instruction manuals and videos for online insurance enrollment.
- Continue to provide care measures for the disadvantaged and elderly aged over 65 with visual impairment, hearing impairment, physical and mental disabilities, or poor mobility, including assistance with claims at home and picking up and delivering application documents to and from customers' homes. When filing a claim, customers can choose remittance or have dedicated service personnel deliver the claim settlement check to the customer's home. A total of 56 policyholders used this service in 2022.

### Friendly Financial Measures for the Elderly with Dementia

- China Life and Taiwan Alzheimer Disease Association began jointly creating friendly financial services for people with dementia in 2019. China Life extended this cooperation in three aspects in 2022:
  - ◆ Cultivation: Exclusive sponsorship of the first Dementia Program Design Competition for Colleges and Universities, which encourages younger generations to pay attention to the elderly dementia issue.
  - ◆ Initiative: Supported World Alzheimer's Month, supported dementia-friendly financial initiatives, and sponsored the joint academic conference "Dementia-friendly Finance from the Perspective of Dementia-friendly Taiwan."
  - ◆ Assistive devices: Collaborated with the Taiwan Alzheimer's Disease Association to develop and produce 4,800 emergency contact card keychains, a new type of anti-wandering device.

### Fraud-prevention Financial Education for the Elderly

- Organized 10 age-friendly fraud-prevention events, provided important insurance knowledge to approximately 340 the elderly with insufficient financial knowledge living in rural areas and indigenous tribes, and reduced the gap between urban and rural areas.
- Distributed nearly 10,000 anti-fraud trinkets to remind the elderly of fraud, protecting their asset safety.

### Health Promotion for the Elderly

- To promote elderly health and meet the needs of the elderly for interpersonal exchanges and community involvement, we actively provide policyholders with value-added health services, and cooperated with Duo Fu Travel Agency to organize a "Fitness Travel" event for our elderly policyholders in 2022, in which the NPS reached 92 points.
- In 2023, we expanded services scope to the about-to-retire and retirement age groups to promote the idea of preventing diseases through exercise. We will collaborate with the startup "Duo Fu Health and Joy Gathering Club" to organize "health promotion travel" activities to help the elderly gain correct exercise knowledge and get into the habit of exercising.

### Healthcare

- In response to developments of the COVID-19 pandemic, China Life set up an "Infectious Disease Response Section" on the official website to provide deferred payment services for insurance policies, one-stop services for underwriting, preferential policy loans, and "fast claims" services. For policyholders who are deceased or are hospitalized due to COVID-19, we actively provide fast claims measures where policyholders can supplement documents afterwards. During an epidemic, policyholders who are infected may apply for deferred payment of insurance premiums for up to three months. A total of 51 applications for deferred payment of insurance premiums was received in 2022, and the amount of deferred premium payments in each currency are as follows: NT\$1,267,219, US\$151,705, and AUD530.
- Collaborated with Koo Foundation Sun Yat-Sen Cancer Center in providing policyholders suspected of having cancer with a professional second opinion and medical service referral, and provided policyholders with different amounts of transportation fee subsidies based on their permanent address, which lifts the burden of healthcare on policyholders.
- In the past, policyholders could only file a claim after being discharged from the hospital and had to prepare the diagnosis and receipts. Considering that policyholders may need to pay medical expenses while they were seeking medical attention, we actively served the function of insurance coverage and continued to provide hospitalization prepayment services. Policyholders who are hospitalized due to illness or injury in an accident may submit their application when they first seek medical attention, provided that they meet qualifications, and China Life will send personnel to show concern for the policyholder and pick up application documents. Once the application is approved, the policyholder will receive a hospitalization prepayment of up to NT\$60,000. The total payment for 2022 was 88,500.



China Life's  
Infectious Diseases  
Response Section

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## Fast Service and Major Disaster Service

### Fast Claims at a Service Counter

Fast claims services are provided at service counters and qualified applicants can complete claims review in as fast as 30 minutes, a testament to how insurance companies can promptly help those in distress.

### Major Disaster Services

Major disaster service actively pays benefits and allows policyholders to supplement documents afterwards; consolation money of NT\$100,000 for the deceased and NT\$20,000 for the injured are also provided.

## Diverse Channel Services

### Promotion of Electronic Authorization Services

Aside from collaborating with KGI Bank in electronic authorization services, we became connected to multiple banks through eDDA in 2022, increasing the number of banks that can use electronic authorization services for NTD-denominated insurance policies. As of the end of 2022, a total of 4,916 insurance policies were authorized and 1,465 were successfully authorized after adding 13 banks, including Land Bank of Taiwan, Taiwan Cooperative Bank, Hua Nan Bank, Chang Hwa Bank, Shanghai Commercial & Savings Bank, Cathay United Bank, Mega Bank, Shin Kong Bank, Yuanta Commercial Bank, Bank SinoPac, Taishin Bank, Jih Sun Bank, and CTBC. Besides increasing service usage rate, it effectively simplified operations and shortened the average time of operations. Going forward, we will continue to add cooperating banks in electronic authorization, increase electronic authorization's penetration, and give customers more control over the progress of authorization.

### Providing Multilingual Services

To provide services to corporate customers of different nationalities, China Life currently provides group insurance manuals and service introductions in both English and Japanese to help company employees understand group insurance coverage, claims application procedures, and notices for seeking medical attention.

## Friendly Financial Service Hotline

China Life established a dedicated "Friendly Financial Service Hotline" to care for the elderly and disadvantaged, and simplified the voice input process over the phone with dedicated personnel providing faster and more thoughtful services. The hotline for the elderly received 4,268 incoming calls and provided consultation services in 2022.

## Easy-to-understand Communication with Customer

We engage in two-way communication with customers, especially the elderly aged 65 and above, using colloquial language, so that they better understand the contents of insurance products and conversations with customer service representatives. In 2022, we adjusted telephone interview talk to more colloquial language so that it is easier to understand, including: telephone interviews with the elderly for insurance enrollment, telephone interviews before insurance policies expire, and telephone interviews for the elderly to change their policy. We also increased the font size on the claims application form, premium payment notice, and application form to change contract contents (friendly services version) to make the documents easier for the elderly to read.

## Uncollected Benefit Clearance Project

We actively call policyholders to notify them of insurance benefits they have not collected, in order to protect the rights and interests of beneficiaries. In 2022, the Company made 1,863 calls to notify policyholders of uncollected benefits and NT\$57.08 million of benefits was paid.

## Gaining Customers' Trust and Recommendation

China Life actively listens to customers' voices to better meet customers' different needs, and periodically hires a third consultancy party to conduct an NPS survey. Based on survey results at the end of 2022, China Life ranked first in the life insurance industry in terms of NPS with a score 10 points<sup>②</sup> higher than peers in the industry, showing that our service quality is recognized by customers. We established an "Experience Engineer Team" in 2022 responsible for contacting customers who provided responses in the opinion survey, immediately responding to and resolving customers' opinions. We will continue implement optimization projects to provide customers with an excellent experience with our services.

## Counter Services

To understand how satisfied policyholders are with counter services, which is used as the basis for improving services, counter personnel invited policyholders at service counters to rate their satisfaction with "General service counter" and "Friendly service counter" services on a 5-point scale, and maintained satisfaction at 4 points and above.

<sup>②</sup> According to survey results at the end of 2022, the overall NPS of life insurance companies that were surveyed was 9 points, while China Life's NPS was 19 points.

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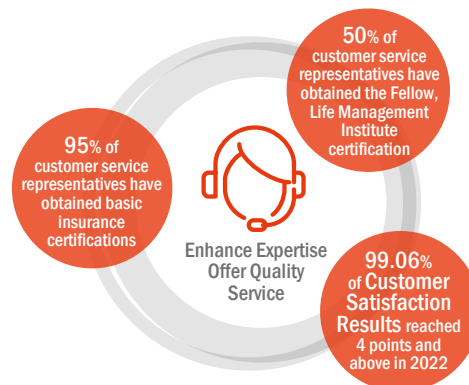
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## Telephone Services

To improve surveys' satisfaction rate and collect policyholders' opinions more effectively, we established a customer satisfaction survey system, and monitored the service attitude of customer service representatives during phone calls and whether they assisted in handling or properly processed policyholders' questions, gaining an in-depth understanding of the overall performance of customer service representatives.



### Service Ambassador Selection, "Every Service is a Touching Moment"

We encourage front-line customer service representatives to show their enthusiasm, establish service paradigms, and organized Service Ambassador Selections for five consecutive years since 2018. The selections have produced 140 service ambassadors, in which 26 service ambassadors were selected in 2022 and 11 entered the selection of the Top 5 service ambassadors, sharing their service experience for all employees to learn from them. The service ambassadors told 3 of their most touching stories of services in the activity "listen to touching moments," which achieves our original intention of "fairness, empathy, and treating customers as we would ourselves" to continue improving customers' experience.

#### Praises from Customers

China Life serves as a bridge between companies and customers/channels and received 2,590 praises from customers in 2022. Besides producing an audio file of praises for employees to learn from, stories of services were shared internally to help improve our corporate image and customer satisfaction.

#### Promoting the "China Life i-Life" App among Customers

The policyholder app was launched in 2022 to improve self-service rate, reduce paper use (energy conservation and carbon reduction), allow policyholders to make inquiries at any time, and promote digital service use among policyholders; the app was promoted to 28,385 policyholders in 2022.

#### Collecting Customer Feedback

We encourage employees to actively collect customer recommendations (customer voice), and 519 recommendations were listed in 2022, including 143 recommendations for e-commerce or app optimization.

## Customer Complaint, Handling Process, and Performance

China Life provides a variety of complaint channels and complete customer complaint handling procedures, and convene weekly meetings to discuss cross-departmental complaint cases. The meetings are chaired by a vice president-level supervisor, and related units jointly examine the handling process of service dispute cases and determine solutions.

### Customer Complaint Management

China Life established a Grievance Committee with the president serving as the chairman of the committee. Committee members include senior managers of sales, products, legal compliance, after-sale services, and healthcare. Grievance Committee meetings are irregularly convened, the Customer Complaint Department provides feedbacks on issues related to complaint cases, and overall information, and improvements are evaluated and tracked by related units according to recommendations of committee members. The Customer Complaint Department is required to report major complaints/review cases to the Grievance Committee, discuss and formulate review and improvement plans. If there are any major or latest developments, the progress must be updated at any time and reported to related departments and supervisors. If the media intervenes or the case may draw attention from the media, the Public Relations Department must be notified to respond. Even though the number of complaint cases increased due to the pandemic in 2022, the cases were properly handled by related departments through a customer-centric approach, and achieved improvement goals for "complaint/review case rate," "number of complaint/review cases," and "complaint case handling efficiency."



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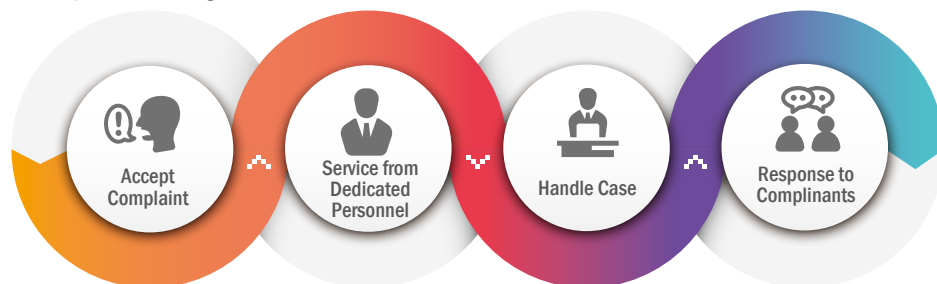
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### Customer Complaint Handling Process

In the 2022 life insurance company complaint rate statistics announced by the Financial Ombudsman Institution, China Life's complaint rate was 0.22‰, ranking top 8 amongst the 22 life insurance companies, a slight increase of 0.07‰ compared to 2021. The number and percentage of applications for review increased compared with the previous year due to the pandemic, the percentage of review cases properly handled was maintained above 90%. Among the 169 applications for review in 2022, a total of 121 cases were claims complaints, 48 were non-claims complaints, and 95.2% of cases were properly handled.

#### ▼ Customer Complaint Handling Process



Customers can file a complaint through different channels, and the Company will contact the policyholder **within one work day after accepting the complaint**.

A handling plan will be formulated within 30 days and **a response will be provided to the customer as soon as possible**. If the period needs to be extended, the customer will be notified via phone, text message, or in writing.

Periodically **notify customers of the handling progress** via phone, text message, or in writing, and properly handle cases to eliminate dispute.

### Safeguard Elderly and Disadvantaged Consumers' Right to Complain

Safeguarding the rights and interests of the elderly and disadvantaged is a top of mind issue for China Life. The Company established handling principles for customer disputes that involve the elderly and disadvantaged in "Consumer Dispute Handling and Complaint Operation Improvement System". Besides a complete complaint handling process, the Company takes in opinions from consumers and responds accordingly. Down below are our friendly measures to make sure filing complaint is accessible for everyone:

- The Company provides diverse channels for filing complaint. If person with physical or mental disability wants to file a complaint, he or she can opt for way that is most suitable to him/her, for example, telephone, interview, written communication, text message, e-mails, writing, or recording.
- Added sign language interpretation service in 2022 to help people that are hearing- or speech-impaired to voice their opinions.
- For elderly or bedridden policyholders, the Company will send visitor to communicate with and provide services to them. Under certain circumstances, the Company will ask for professional's help.
- Provide easy-to-understand documents with large font to complainant so that he or she can understand important personal rights and interests.
- For elderly, physically or mentally challenged persons, the Company will make another phone call after the case is closed to ensure that elderly, physically or mentally challenged persons are fully aware of the results. The purpose is to provide friendly financial services to safeguard the rights and interests of the disadvantaged.

## Talent Innovation Cultivation

### Diverse Recruitment Channels

In response to the international development trends of digital transformation, green sustainability, and customer experience, we strengthened the allocation of "sustainable finance" talent, recruitment plans for corporate sustainability, AI business plans, and customer experience design talent, in order to meet the knowledge and skills required for insurance operations. We also implemented the Workday human resources system, structural interviews, personality assessment, AI and big data analysis tools, and talent recruitment projects. We plan to establish talent recruitment indicators and exclusive recruitment models through data analysis, and precisely select talent that embraces innovation, is customer-centric, trustworthy, and has the spirit of an entrepreneur.

### Internship Program

The Company launched the China Life Internship Program in 2022, and provided different internship opportunities for the summer, semester, and academic year, allowing students who are still in school or about to graduate to participate in work processes of a company before entering the workplace. The internship experience strengthens their professional competence and helps them understand the blueprint for their future career development. It also allows the Company to go into campuses and build bonds with students, communicate the Company's brand value, obtain the benefits of MAs, and give interns the opportunity to become YouLead candidates. The Company issued a

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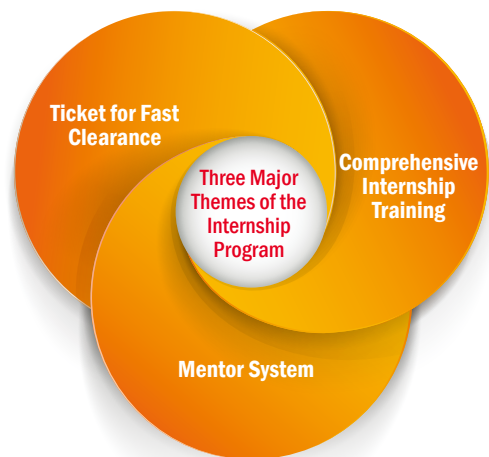
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total of 82 internship certificates to outstanding interns who completed the program in the past 5 years. China Life hired a total of 32 interns (including summer, semester, and academic year) in 2022.



## Thoughts Shared by Intern

China Life's image in the life insurance industry can be best described as "thoughtful." Department supervisors, colleagues, and HR helped me a lot during the internship, and the six-month internship unveiled the mystery of the life insurance industry, eliminating my original impression of life insurance. Participating in large projects allowed me to learn from outstanding seniors, and I greatly look forward to have an opportunity to work for China Life.

## Industry-academia Collaboration Project

China Life aims to strengthen human capital, cultivate industrial talent, and fulfill its corporate social responsibility. We strengthen the technical and practical abilities of the younger generation through industry-academia collaboration mechanisms, and allow them to gain an understanding of the workplace at an earlier stage, so that they will enhance their professional competencies. China Life has signed industry-academia collaboration agreements with many outstanding public and private schools.

China Life accepted a total of 16 students under industry-academia collaboration in 2019-2022, and supervisors provided guidance with respect to policyholder practices, corporate culture, and professional fields. We completed student internship monthly logs, student internship results reports, and student corporate performance evaluation forms according to schedule in coordination with schools, and many students were offered a job, aligning exceptional talent on campus with the FinTech industry.

## MA Program

The Management Associate (MA) Program has been implemented for 7 consecutive years. China Life launched a new 18-month YOUTH LEADERSHIP (YouLead) Talent Training Program to seize talent, recruiting talent from all departments, divisions, and fields without any limit on the number of people recruited.

China Life started the MA Program in 2016 and has recruited 40 MAs so far. We currently have 37 MAs with a retention rate of 92.5%. MAs that joined China Life were promoted to a management position in as fast as two years. There are currently 7 former MAs holding management positions, in which one has served at China Life for 6 years and holds the position of department supervisor, showing that China Life spares no effort in talent cultivation.

Recruited 40 in total with a **92.5% retention rate and 7 holding management positions**



## Thoughts Shared by MA

A former MA shared that China Life provides complete training through the MA Program, regardless of financial background or knowledge of insurance. MAs participate in the training of China Development Financial Holding Corporation after they report for duty, introducing us to senior managers of China Development Financial Holding Corporation and its subsidiaries, so that we understand the operations that China Development Financial Holding Corporation, KGI Securities, KGI Bank, and departments of China Life are responsible for.

MAs begin China Life's cultivation program after joint training ends, and the program is tailored for bancassurance channel, sales channel customer services, and marketing planning. MAs accumulate the knowledge and skills they need for work through guidance from supervisors and colleagues and practice. The program allows MAs to understand the duties of each department and operations between different departments, laying a solid foundation in the life insurance industry. China Life's MA program also provides senior managers as mentors to share their experience, allowing us to quickly understand the essence of life insurance. MAs are assigned important projects in the job rotation process and directly report to the president. China Life's MA program completes the puzzle of the finance and insurance industries within the shortest time possible, and also serve as the best starting point for their career.

### ▼ Tailor Individual Career Development Plans

#### ONE

Personalized Development Plan

#### TWO

2 Weeks of Comprehensive Training

#### THREE

3E On-the-Job Training for Rapid Growth

#### FOUR

4 Core Values

#### FIVE

5 Rations in Terms of Expertise

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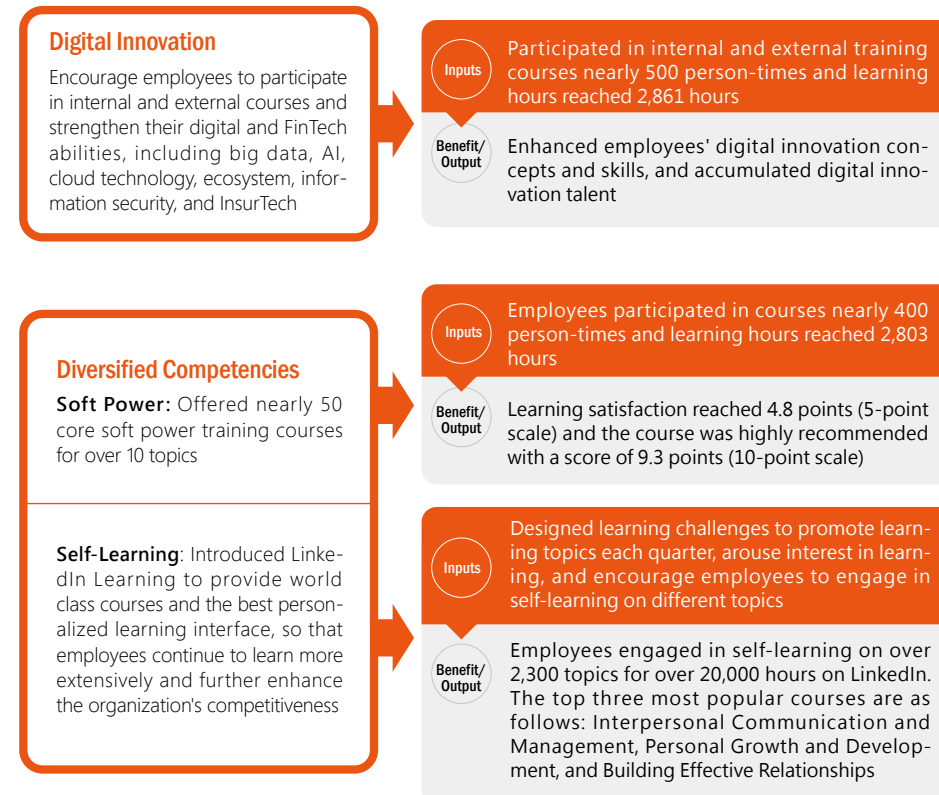
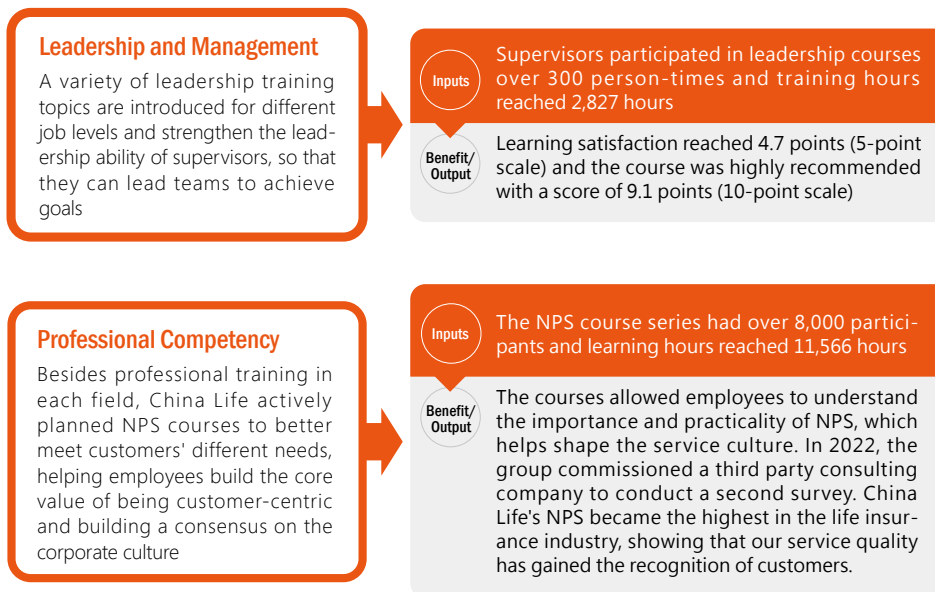
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## Talent Development

China Life takes talent development and cultivation very seriously, and has laid out the blueprint for talent cultivation and training, strengthening leadership and management training to enhance the leadership of supervisors in sustainability. We assist employees in developing their professional abilities and continue to develop overall digital competencies, consolidating our human capital in FinTech, continuing to shape the culture of a learning-oriented organization, and empowering the Company for sustainable development.

### Development of Office Staff

In 2022, China Life planned courses on leadership and management, professional competencies, digital innovation, and diverse competencies, in order to meet employees' competency development needs and implement its talent cultivation and training blueprint. We combined internal and external courses with digital learning platform resources to build a complete training system for increasing talent for different level positions.



### Professional Certificate Incentives

China Life established "Regulations Governing Incentives for Office Staff to take Professional Examinations" and "Regulations Governing Incentives for Office Staff to take Actuarial Examinations" and provided examination leave, study leave, subsidized examination fees, and provided prizes, encourage employees to continue making improvements and obtaining professional certifications.

Office staff on average had 2.71 certificates in 2022, and the number grew every year in the past 5 years.

▼ Professional Certifications Obtained by Office Staff in the Past 5 Years (Cumulative)

Professional Certifications Obtained by Office Staff	2022	2021	2020	2019	2018
Actuarial examination subjects	395	348	301	254	214
Investment, risk management, audit, and anti-money laundering professional certifications	470	348	196	132	63
Professional certificates for underwriting and claims	146	128	119	101	87
Life insurance manager examination subjects	5,863	5,692	5,197	4,758	4,200
Total	6,874	6,516	5,813	5,245	4,564
Average number of certificates per employee	2.71	2.59	2.41	2.35	2.14

**Agent Recruitment and Development**

The number of China Life's registered agents increased by 1,214 in 2022, the highest growth in the life insurance industry, increasing for the 4th consecutive year despite the pandemic to become the 4th largest life insurance agent team in Taiwan. China Life is actively expanding the scope of agent recruitment, and provide more diverse and complete subsidy projects based on the background of job applicants, including: Rising Star, Elite, Top 1,000, and Leadership projects. Whether it is graduates entering the workplace, people changing careers, or even sales experts from peers in the industry, the projects show our determination to cultivate talent.

China Life develops key skills and integrates professional competitiveness through the close connection between the Training Department, Agency Development Department Training Center, and offices, providing a complete and solid training system for agents to receive systematic training as they progress in their career, and steadily work towards fulfilling their dreams. Agent retention rate reached 86.6% in 2022, meaning that on average 86 out of 100 agents remained at China Life, showing that we have developed a complete and comprehensive talent training system from training, marketing, to organizational expansion, helping upgrade the agent team. China Life has become the number one choice of life insurance agents, and continues to work towards becoming the "most trustworthy life insurance company worth recommending to others."

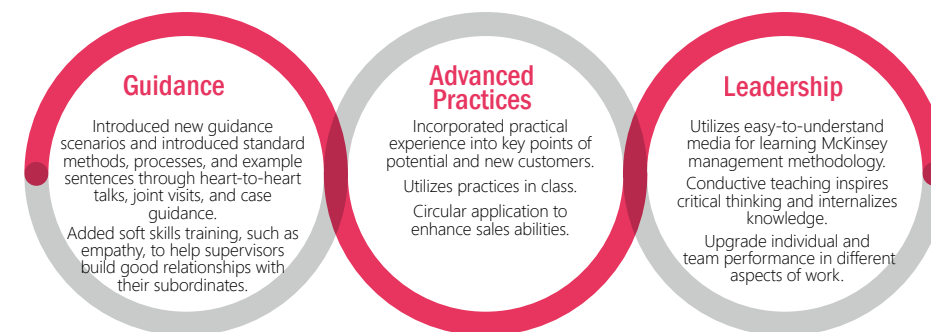
**i-Study**

China Life planned courses in eight directions related to the competencies of agents, including marketing, organizational development, administrative sales services, digital tools, and law courses. Learning contents not only include required courses on laws, but also 664 courses on new product knowledge and digital empowerment platforms.

In addition to required courses on laws, we also provide comprehensive training courses on new product knowledge, digital tools, and required competencies for business development. Six classes were available for instructor training courses and 2,452 participants have taken related courses. At present, a total of 512,480 participants have taken courses on the digital platform over the entire year.

**Transition Course**

Three types of transition courses are offered, namely guidance, advanced practices, and leadership.



**RFA Courses**

China Life abides by the principles for treating customers fairly and continues to improve the professional competences for agents. To train comprehensive retirement financial planning personnel to assist the elderly and general consumers, China Life specially introduced RFA courses to achieve optimal asset allocation and financial planning through diverse



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financial products for retirement. In 2022, a total of 445 agents participated in and completed RFA course, 433 people signed up to take the certification examination, which is a registration rate of 97%; 275 people passed the examination, which is a passing rate of 64%; 230 people obtained certifications, meaning that 52% of employees who completed training obtained certification.

## Health Service Professional Certification Training Course

China Life upholds the spirit of being "customer-centric" and cares about policyholders' security and health. We jointly offered the "health service professional certification" training course together with Taipei Medical University in 2022, sharing medical and new health knowledge through a medical authority, helping agents to continue improving professional competencies in different aspects. A total of seven sessions were held in the year and cultivated 416 healthcare promotion ambassadors, helping agents gain accurate medical information and sensitivity, so that they can respond to the healthcare questions and coverage requirements of policy holders. China Life exerts every effort to creating a health safety net for life after retirement.

## Insurance Policy Health Examination Digital Marketing Tool Training and Application

To expand the promotion and application of digital tools, fully utilize the value of emerging technologies to business development, and organized 7 professional instructor training sessions in 2022 for digital seed instructors, in hopes of improving the expertise of agents in planning insurance needs and ability to determine product suitability.

We reviewed insurance policies of 42,576 policyholders in 2022, in which the usage rate of new employees reached 57%, showing that the function benefits new agents in analyzing gaps in customers' coverage and providing suitable products.

## AI Coach

China Life developed the industry-first tool for the application of AI in talent recruitment, and utilizes i-Agent to integrate product marketing, talent recruitment, after-sale service, and performance tracking. We further collect data for analysis and application in channel development, and significantly increased the conversion rate and personnel business development time, improving the quality of organizational development and new businesses.

China Life held 11 briefings in northern, central, and southern Taiwan in 2022, during which we explained the interface, layout, and contents, and also conducted a demo of the software. The events received good feedbacks and were convenient and practical in talent recruitment, assistance, and supervisor training.

## AI Product Training

China Life obtained the industry's first "AI product training" tool, using new technology to help employees become familiar with products and accelerate product sales. AI interaction mechanism – New product training lets agents interact with AI technology. The system provides personalized scores and recommendations based on the contents of responses. After completing training, direct supervisors examine training results and provide individual guidance or advanced exercises to shorten the time supervisors spend on training and testing, which further increases the productivity of new employees and supervisors.

According to statistics, the average productivity of agents that frequently use AI product training was 7% higher than other agents. The AI product training function can reduce the time spent by supervisors on basic training for agents. As a result, every supervisor can save 1.5 days of guidance time per month, which can be used on sales activities and business development instead.

### ▼ AI Product Training

Current applications are mostly direct interactions between supervisors and new recruited agents, thereby increasing the administrative workload of supervisors.

- WHO** Direct assistance from supervisors
- WHERE** Location and time
- WHEN** Sale scripts and techniques require 2-3 weeks of practice to master



**1** **Developing Tool**  
Help new personnel cultivate an habit of constantly refining sales techniques

**2** **Developing a Model**  
Establishing a System/-module for experience sharing of supervisors

**3** **Enhancing Efficiency**  
Minimize the amount of time supervisors spend in training and reviewing sales agent performance

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### Cultivation Project for Promoting Sales Executives to Assistant Sales Managers

We planned numerous key measures in response to the extension of the Company's i\_AG1.0 transition engineering to i\_AG2.0 organizational development. With the theme of "promotion" and "talent cultivation," we launched a cultivation project for "promoting sales executive to assistant sales manager" in 2021. The project provides key competency courses, recruiting exercises, and then direct supervisors provide guidance after class to strengthen professional marketing abilities and organizational development abilities. During the three-year cultivation project, a total of 1,153 sales executives have participated in the project as of December 2022, in which 171 were successfully promoted to assistant sales manager, which is a promotion rate of 14.8%, 3% higher than the average.

## Human Resources Management

### Partners in Growth

China Life provides diverse and equal employment opportunities and established a policy to protect human rights at work. We attach importance to equality and diversity, and treats all employees based on their competencies. China Life had a total of 18,287 employees in 2022, in which 2,533 were office staff and 15,754 were agents.

### Employee Turnover

The number of office staff has continued to grow in recent years, and increased by 479 in 2022, accounting for 18.91% of all office staff, in which 293 were female and accounted for 61.17% of new employees. The number of employees separated was 450 people, accounting for 17.83% of all office staff. The voluntary turnover rate was 16.05% and the main reason for the increase compared with the previous year was normal turnover in an active market. China Life also added excellent new employees to build a more energetic team. China Life provides competitive salaries and benefits to create a workplace environment that will be able to retain talent, and also optimizes work processes to retain exceptional talent. In the future, we will continue to track employee turnover, conduct reviews and provide encouragement to create a better work environment.

### A Workplace with Employee Diversity and Tolerance

China Life responded to the UN SDGs by implementing gender equality in the workplace, and was selected into the Bloomberg Gender Equality Index (GEI) from nearly 6,000 companies in 84 countries around the world. The GEI selects public companies with excellent performance in gender equality worldwide each year, and is an ESG indicator referenced by investors. Female managers account for 48.88% of all managers at China Life. Female employees in non-managerial positions account for 65.87% of all employees, and the salaries of office staff and agents take into consideration individual education and experience, duties at work, and performance. Salaries do not vary due to gender, achieving gender equality. China Life achieved excellent performance the first time it participated, and was selected for 3 consecutive years in 2020 to 2022, taking action to create a workplace environment with gender equality with results recognized internationally.

Furthermore, we continue to hire persons with disabilities and ethnic minorities, and employees with disabilities enjoy the same benefits and opportunities as full-time employees. Besides giving persons with disabilities priority for certain job openings, China Life also provides accessible facilities in the work environment. We encourage employees with disabilities to continue making progress in their field of expertise, sign up for professional certifications required for their work, and enhance their competitiveness in the workplace. The number of employees with disabilities has increased each year over the past three years, in which 23% have worked at China Life for 1-5 years, 77% have worked at China Life for 6 years and above, and some have worked at China Life for 13, 14 years and above. Under the principle to put the right people in the right position, we actively provide certain job openings that give priority to indigenous people, and employ 43 indigenous employees as of the end of 2022.



Year	Number of Employees with Disabilities	Number of Indigenous Employees
2022	73	43
2021	70	54
2022	65	58

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## Implementation of Human Rights Protection

China Life strives to achieve equality in employment, to build a diverse team, and to create a workplace environment with respect, openness, tolerance, and free from harassment. We support the Universal Declaration of Human Rights, United Nations Global Compact, and International Labour Organization, and established our human rights policy in 2022. China Life does not allow any form of illegal discrimination or infringement on human rights, and ensures that all employees are treated fairly and equally. Furthermore, we conduct human rights due diligence in coordination with the parent company China Development Financial Holding Corporation, in which China Development Financial Holding Corporation distributes a human rights due diligence questionnaire to all employees, surveying workplace diversity and equality, work-life balance, harmony between labor and management, healthy and safe workplace, and prohibiting the use of child labor and forced labor. The results of due diligence and implementation are disclosed each year<sup>③</sup> to plan more complete care for employees.

With regard to the promotion of workplace safety and health, aside from complying with labor laws and regulations, China Life has created a workplace environment that is healthy, safe, sustainable, and comfortable, and actively show concern for employee health and manage abnormal workload, preventing excessive overtime. We periodically provide labor safety education, free employee health examinations, and on-site services by a physician, comprehensively caring for the physical and mental health of employees. We respect employees' right to organize and join various clubs, provide diverse communication mechanisms and platforms, smooth labor-management communication channels, and ensure harmonious labor-management relations to create a win-win situation. "Human rights policy communication" and "Human rights commitment training" courses were offered a total of 3 times in 2022 and 5,066 office staff and agents completed training; the training completion rate was 100%.

## Sexual Harassment Prevention Procedures

Sexual harassment cases are handled according to the Sexual Harassment Prevention Act, and members of the Sexual Harassment Prevention Committee are periodically inspected. When a sexual harassment case occurs, a complaint is made through the dedicated telephone number, fax, or e-mail for office staff and agents. An investigation team is formed within 7 days after a complaint is accepted, and the investigation process is kept confidential. All of the parties involved are given the opportunity to fully express their opinions and defend themselves. The investigation results and report are completed and a decision is made within 2 months with an opportunity for restitution. There were no complaints of sexual harassment by office staff or agents in 2022.

<sup>③</sup> For the analysis process and results of the human rights due diligence questionnaire, please refer to the 2022 Sustainability Report of China Development Financial Holding Corporation.

## Employee Care Benefits

China Life pursues employee well-being in terms of physical, mental, and financial health, and actively creates a healthy and safe work environment. We provide office staff and agents with a wide variety of benefits. Aside from cash gifts during Dragon Boat Festival, Mid-Autumn Festival, and Chinese New Year, birthday cash gifts, subsidies for marriage/funeral/hospitalization, leave, and health examinations, China Life also expands benefits to employees' family members and children. Group insurance for employees' spouse and children are fully subsidized, employees with children who are still students are all eligible to apply for education subsidies, and a childbirth subsidy of NT\$20,000 is provided to employees or their spouses to encourage employees to have children. We adopted a top-down approach to realize the value of sustainable development, and increased the number of volunteer leave days from two days to four days in 2023, encouraging employees to actively participate in charity events to give back to society. The employee benefits above show that China Life puts the spirit of employee care into practice is favored by employees.

Furthermore, the Company launched the Employee Welfare Trust Shareholding Plan in 2022 to take care of employees' financial health. Employees provide a certain amount each month and the Company provides a corresponding amount of subsidies as an incentive, and overall participation reached 89.4% that year.

In response to the continued spread of COVID-19 in 2022, China Life distributed rapid test kits to employees during the outbreak despite a severe shortage in the market, helping employees effectively manage and understand their physical health condition and that of their family members. China Life also provided COVID-19 group insurance and allowed family members to become ensured as well, comprehensively improving employee benefits and insurance.

Benefit	Benefits Spending in 2022
Cash Gifts to Show Appreciation	NT\$ 60,744,400
Education Subsidies for Children	NT\$ 4,265,800
Childbirth Subsidies	NT\$ 1,040,000
Health Examinations	NT\$ 4,017,104

## Unpaid Parental Leave

China Life understands employees need to sacrifice their career development to take care of young children, and fully supports employees' need for parental leave. A total of 121 office staff and agents applied for unpaid parental leave in 2022, in which the majority were female

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employees, accounting for approximately 79%, but the percentage of male employees continues to increase. The retention rate of employees who applied for unpaid parental leave has been good in recent years, and the reinstatement rate of office staff reached 76.67% and retention rate reached 84.21% in 2022. The reinstatement rate of agents reached 96% and retention rate reached 96%. This shows that China Life's efforts to promote work-life balance and understanding of employees' need to take care of young children has maintained its reinstatement rate and retention rate at high levels.

▼ **Statistics of Parental Leave**

Item	Office staff			Agent			
	Male	Female	Total	Male	Female	Total	
2022	Number of employees that applied for unpaid parental leave						86
	Actual number of employees reinstated						66
	Number of employees that should be reinstated						69
2021	Number of employees who continued to work for one full year after reinstatement from taking unpaid parental leave						70
	Actual number of employees reinstated						73
Reinstatement rate <sup>④</sup>		40%	84%	77%	95%	96%	96%
Retention rate <sup>⑤</sup>		0%	84%	84%	100%	95%	96%

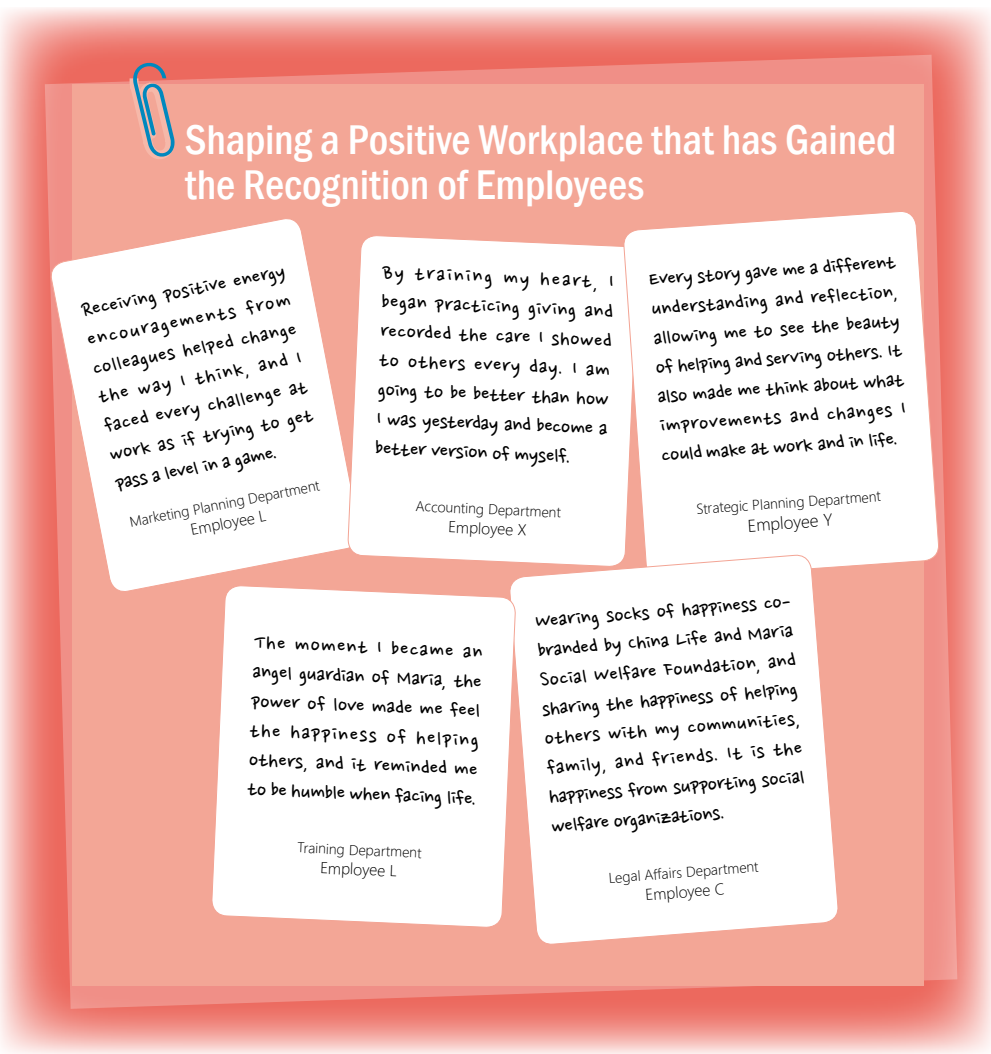
**Retirement Benefits**

China Life attaches importance to employees' life after retirement, and established Employee Retirement Regulations and the Supervisory Committees of Workers' Retirement Reserve Funds. For employees using the old labor pension system, a certain percentage of their monthly salary is contributed to the retirement reserve fund, and deposited into a dedicated account for the retirement fund at the Bank of Taiwan. The balance of the dedicated account is examined before the end of each year to determine if it is sufficient for employees who meet retirement requirements in the following year. If the balance is insufficient, then the Company will make up for any shortfall before the end of March in the following year. For employees who choose the new pension system, we allocate 6% of their monthly salary to their personal dedicated account at the Bureau of Labor Insurance. If the employees' monthly salary is higher than the upper limit in the Table of Monthly Contributions for Labor Pension, the Company will withhold 6% from the

④ Reinstatement rate = (Actual number of employees reinstated in 2022/Number of employees that should be reinstated in 2022)x100%.

⑤ Retention rate = (Number of employees still active 12 months after reinstatement in 2021/Actual number of employees reinstated in 2021)x100%.

excess part as a pension reserve on a monthly basis. To show the Company's gratitude to retired employees for their years of service and let employees feel valued by the Company, China Life began awarding retired employees with a glass trophy and free health examination starting in May 2018; a total of 33 employees retired in 2022.





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### Training Internal Strengthen for Practices of Love – Heart Culture Activity Series

Employees have always been the most important stakeholder in sustainable development. Facing the post-pandemic era in 2022, China Life strives to strengthen employees' "heart" and thus engaged in "heart culture" communication under the theme of "mutual benefit," strengthening positive and two-way exchanges with employees to increase employee commitment. Over 8,000 articles were written by employees over the year and shared over 300,000 times. We also encourage employees to take actions to benefit others, and give back to customers and society, which led to 1,560 volunteer hours over the year, deeply embedding love and care into the Company's corporate culture.

Encouraging employees to take action to benefit others led to 1,560 volunteer hours

Over 8,000 jointly written posts were shared over 300,000 times

- Story co-creation – Examples of communication delivering service value**  
 The service experience shared by employees allows employees in different positions to become more familiar with service scenarios. This makes the value of services more concrete and allows employees to experience the sincerity of services and jointly enrich customers' lives. We communicated with office staff through different methods, such as a podcast and videos, and achieved 90% favorability.
- Mutual benefit – Taking charity actions to enrich the service culture**  
 Combined the capabilities of the Company and employees and invited office staff and agents to join the charity donation action taken by Maria Social Welfare Foundation, and responded to the charity event with over 50 videos. We allowed employees to understand the purpose of the event and the mission of the social welfare organization through promotions on multimedia platforms. This allowed employees to empathize with the needs of the disadvantaged at work, enjoy the happiness of helping others, and experience and expand the love and care abilities of China Life.
- Training partner sharing - Innovative interactions and communication to create a positive atmosphere**  
 China Life invited office staff and agents to share warm stories of keeping others company in response to the brand spirit, and collected positive sentences to make electronic cards. Employees submit sentences, draw a card, and share the card to send blessings of China Life to their colleagues, family and friends, and policyholders, creating a warm atmosphere in the workplace and allowing the spirit to love your neighbor as yourself to spread from the inside out.
- Care and companionship – Counter measures in life for epidemic prevention, training the heart against depression**  
 When the outbreak peaked, we designed and sent company care messages to show care for and stabilize employees emotions, guiding them to face the situation of "coexisting with the pandemic." We encouraged employees and showed them gratitude, and sent timely information on epidemic prevention. We planned online volunteer activities and invited the founders of social welfare organizations to share their life stories, guiding employees to develop positive thinking, increase actions to benefit others through reflection, and accumulate positive energy in the corporate culture.

## Remuneration Policy and Structure

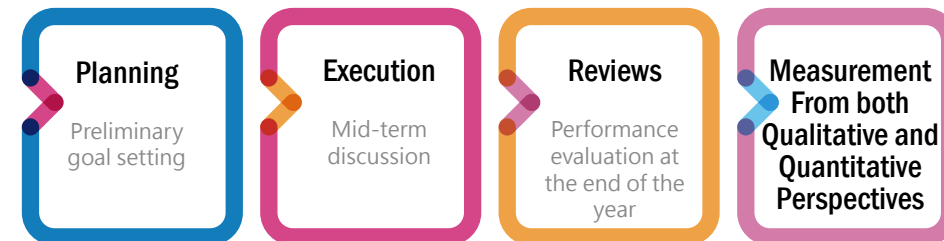
China Life's remuneration policy is to provide reasonable remuneration for each position after taking into consideration the duties of managers and employees, the Company's business performance and individual performance, the market situation for attracting and retaining talent, and reasonableness of the correlation with future risks. China Life participates in the market survey on remuneration conducted by external consulting companies each year to determine the competitiveness of the Company's remuneration. The performance, remuneration policy, and payment of remuneration to directors and senior managers is periodically supervised and reviewed by the Remuneration Committee, and then submitted to the Board of Directors for discussion to ensure that the remuneration policy is aligned with the Company's long-term strategy. We strive to create a win-win situation for employees, employers, and shareholders. The remuneration strategy for general employees is to be "competitive externally and fair internally"; the remuneration of office staff and agents meet standards of the competent authority, and take into consideration individual education and experience, duties at work, and performance. Salaries do not vary due to gender, achieving gender equality.

## Performance Management

To ensure that the Company's strategic goals are achieved and create a performance-oriented culture, we carry out the performance management cycle of setting goals at the start of each year, discussing goal achievement in the middle of the year, and evaluating performance at the end of the year. The participation of applicable personnel in performance evaluations reached 100% in 2022.

### Employee performance evaluation statistics

Personnel Category	Female	Ratio	Male	Ratio	Total	Ratio
Supervisor	239	15.5%	245	27%	484	20%
Non-supervisor	1299	84.5%	673	73%	1972	80%
Total	1538	100.0%	918	100.0%	2456	100.0%



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### Course on Performance Management Cycle

Performance management is an important management tool. To help supervisors and employees improve their performance management skills, we offered courses on performance goal-setting, performance evaluation, and performance interviews and feedback at the start, middle, and end of 2022, allowing managers to learn effective performance interview skills, build trust, and provide constructive feedback. Managers use coaching techniques to guide employees to think about their career development, allowing employees to grow through learning and further achieve the goal of talent retention.

### 360 Degree Evaluation

Leadership development is a key measure to achieving an organization's business development strategy. We adopted the Heidrick & Struggles 360 degree leadership evaluation tool in 2022, and further linked it to results of the Organizational Assessment Questionnaire Survey (OAQ Survey). This allowed us to understand factors driving the performance of leaders and the potential correlation with key factors of the organization's competitiveness, focusing on developing leadership skills that will accelerate organizational development. We started with executives in 2022 and then expanded downward to support our leaders in discovering their individual management strengths and the key to potential development. We further accelerate improvement in leadership performance and bring out their full potential as leaders, in order to become their number choice.

### Smooth Communication Channels

To improve labor-management relationships and protect labor rights and interests, China Life holds labor-management meetings on a quarterly basis, and engages in positive two-way communication on topics that both sides are concern about. We organized 4 labor-management meetings in 2022 to report and fully communicate and discuss labor trends, business overview, and labor related matters.

Furthermore, China Life established complaint channels for office staff, and the confidentiality and complaint process are all in accordance with the labor complaint template announced by the competent authority of labor. If employees encounter any issues at work, they can file a complaint with supervisors and human resources units at each level through complaint channels. Personnel or units processing complaints are required to maintain the confidentiality of complaints. Office staff did not file any complaints in 2022. (The situation of agents needs to be discussed)

### Organizational Assessment Questionnaire Survey (OAQ Survey)



China Life conducts employee questionnaire surveys through a third party professional institution, understands areas that need improvement, and gradually builds a consensus by listening to the opinions and thoughts of employees. This serves as an important reference when formulating mid-term and long-term business strategies, and gives employees an even more important role in company operations.

The questionnaire contains 105 items and 3 open questions, focusing on 13 factors that drive performance improvement: Customer first, energetic leadership, clear goals, accountability, streamlined process, ability to win, innovative thinking, bravely take on challenges, teamwork, preparedness, continuous improvement, adapting to changes, and high resilience.

The nearly 100% response rate in 2022 shows employees enthusiasm for work, and survey scores showed significant improvement (67% to 78%), the improvement for two consecutive years shows that China Life values and fulfills its commitment to employees. China Life is streamlining processes to improve overall business performance based on survey results in 2022, and continues to work towards becoming the first choice for employees.

### i-Think Mailbox



China Life established i-Think Mailbox in 2021 and encourages employees to use innovation and thinking abilities to foster the spirit of continuous improvement, accelerating the optimization of operating procedures to improve customers' experience.

We collected 1,141 employee proposals in 2022. Since the i-Think Mailbox proposal event was implemented, 100 optimization items have been included, 70 items have been implemented as of the end of 2022, which is an implementation rate of 70%, and remaining items will be subsequently implemented.

Ideas received by i-Think Mailbox include service quality, system operations, customer notifications, service speed, customer contact, and customer data. China Life improves operating procedures in different stages of the customer journey through cross-departmental collaboration, and further optimizes the customer experience.

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## Workplace Safety

We have three organizations: the Occupational Safety and Health Committee, the Occupational Safety and Health Management Unit; and the Workplace Violence Prevention and Disposal Team. These are composed of occupational safety and health business managers at all levels, occupational safety and health administrators, physicians, nurses and emergency personnel. These people carry out identification, planning, supervision, implementation, evaluation and improvement of safety and health affairs.

## Occupational Safety and Health Committee

The Occupational Safety and Health Committee has 1 chairman and 8 members, including 4 labor representatives, accounting for 44% of all committee members. The Occupational Safety and Health Committee convened a total of 4 meetings in 2022 to review and provide recommendations regarding safety and health policies and proposals, and passed the annual Occupational Safety and Health Management Plan for employee safety and health management. China Life also has an occupational safety and health management unit to formulate, plan, supervise, and implement safety and health management affairs, and provide implementation instructions to related departments

## Occupational Safety and Health Training

All new employees are required to receive three hours of general safety and health training, and the completion rate was 100% in 2022. We organized a one-hour online general safety and health on-the-job training session in 2022 to strengthen employees' safety and health concepts, and 2,533 employees completed the training (100% completion rate). The theme of the course was "Plan to prevent illnesses caused by abnormal workload" and allowed employees to understand the physiological and psychological impact of abnormal workload, abnormal workload hazard evaluation and health management, improve physical and mental healthcare, and achieve "no overworking, healthy work without any worries."

## Occupational Safety and Health Monitoring and Management

With regard to workplace safety and environment monitoring, China Life periodically inspects and repairs fire safety equipment in the workplace and reports building public safety inspections. We continue to carry out workplace equipment safety and health self-inspections, as well as environment monitoring <sup>⑥</sup> once in the first and second half of the year to ensure the appropriateness of the operating environment. We established a self-defense fire safety team in response to contingencies, such as earthquake, fire accident, and emergency rescue, and actively

work with and participate in the joint fire safety exercises or emergency evacuation drills held by building management units.

### ▼ 2022 Occupational Safety Performance <sup>⑦</sup>

	Male	Female	Total
Injury Rate (IR) <sup>⑧</sup>	0.001%	0.001%	0.002%
Absentee Rate (AR) <sup>⑨</sup>	0.163%	0.376%	0.539%
Lost Days Rate (LDR) <sup>⑩</sup>	0.007%	0.002%	0.009%

## On-site Services Provided by Medical Personnel

To provide a comfortable and safe work environment, besides providing free blood pressure monitors at main service counters around Taiwan, we also installed automated external defibrillators (AED) at the head office, Taoyuan & Hsinchu Branch, Taichung Branch, Chiayi Branch, Tainan Branch, and Kaohsiung Branch, and continued to obtain the AED Safe Place Certification. We have 139 qualified first aid personnel <sup>⑪</sup> that received external training to provide first aid in workplaces as of 2022, and also provided first aid kits and instruments to each workplace.

We hired 8 nurses for health promotion and hygiene guidance, prevention of work-related injuries and illnesses, to perform first aid, as well as promote infectious disease prevention and health through internal emails. In 2022, China Life continued to organize 34 sessions of on-site health services provided by physicians from Chang Gung Memorial Hospital Linkou Branch, Asia University Hospital, Tainan Municipal Hospital, and Kaohsiung Chang Gung Memorial Hospital <sup>⑫</sup>. We signed a contract with a health management consulting company for nurses to provide on-site health services at five workplaces with 100-299 employees <sup>⑬</sup> twice a month, and a total of 120 sessions were held. Physicians from the consulting company provide on-site health services once every six months, and a total of 10 sessions were held.

⑥ Monitoring items include carbon dioxide concentration and workplace lighting.

⑦ This table only contains statistics of office staff. There were no occupational deaths, severe occupational injuries, or occupational illnesses among any staff members or non-staff members in 2022.

⑧ The majority of occupational injuries were due to traffic accidents when commuting to work or during business trips in 2022. Injury rate = Total number of accidents / (Total number of work days x Total number of people) x 100%.

⑨ Absentee rate = (Occupational injury leave + Sick leave + Menstrual leave days) / (Total number of work days x Total number of people) x 100%.

⑩ Lost days rate = Occupational injury leave days / (Total number of work days x Total number of people) x 100%.

⑪ Besides adding 2 first aid personnel, 33 first aid personnel took external re-training courses to gain the latest concepts and techniques.

⑫ One session every two months at the head office building in Taipei, and one session every quarter in other areas of Taipei (Dunbei Building, Excellence Building, Taiping Building), Taoyuan (Making Rich Asia Pacific Center), Taichung (Arts Royal Building), Tainan (Golden Triangle Building), and Kaohsiung (Mingcheng Building).

⑬ Includes five workplaces in Taipei (Asia Plaza Building, Shin Kong Life Tower), Hsinchu (Guangfu Building), Tainan (Minsheng Rd.), and Pingtung (Pingtung Branch Building).

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## Social Participation

Insurance is an industry that helps others help themselves. Its main function is to combine the masses to provide protection and transfer risk, and the same goes for social welfare. China Life combined the group's resources and invested time and manpower to help the disadvantaged become independent, lending a helping hand to those in needs, and jointly achieving sustainability and better society. Therefore, China Life's goal when developing a sustainable society is creating a "mutually beneficial society." We not only pursue our own interests, but also the interests of the next generation, and uphold the life insurance industry's spirit of being "people-oriented." The spirit of altruism is our original intention and we partner with like-minded charity organizations and social enterprises to create a powerful force for good, bringing hope and light to even more people.

China Life continues to pay attention to and respond to society's needs under the four themes "education and cultivation," "support for the disadvantaged," "eco-friendly," and "corporate volunteers," and mitigates the impact of the pandemic while promoting social sustainability and mutual benefit. We work together with charity organizations, social enterprises, and NGOs in building a value chain, expanding social inclusion, and using innovative thinking and active actions to create positive cycle for social sustainability by matching the needs of different parties.

### Community Involvement B4SI Input, Output, and Benefits Measurement

Upholding the core spirit of "love and care," we worked with 101 charity organizations in 2022 and participated in 380 charity events, helping 28,627 underprivileged people and citizens. Community involvement activities not only allow people to better understand China Life's business philosophy and services, but also allows employees to make charity a part of daily life, actively seek opportunities to provide volunteer services at social welfare organizations, as well as donate or purchase products from charity organizations. China Life hopes to increase opportunities for interacting with people as we provide donations and supplies for those in need. We also provide a stage for them to be seen, which will increase their self-confidence, value, and social skills.

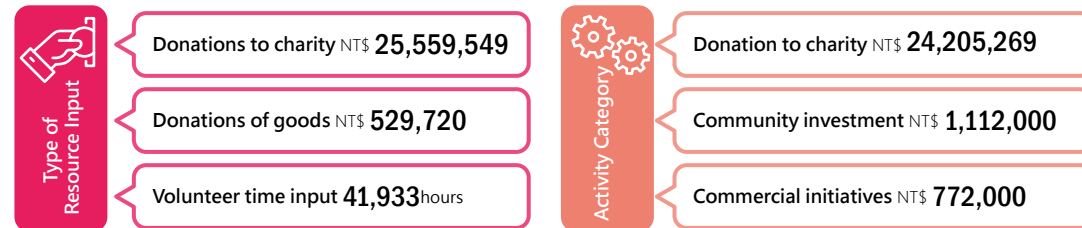
**2022 Charity Strategy**

**Influence of Value Chain**

Bringing together office staff and agents, policyholders, and social enterprises to jointly create influence

**Digital Support During the Pandemic**

Utilizing digital resources to expand volunteer services



### Care for Pandemic Prevention and Charity Actions

The pandemic not only impacted front-line health workers, but also made the situation even more dire for disadvantaged groups. China Life upholds the spirit of "love and care" and aids health workers and disadvantaged groups with real resources, including: donating rapid test kits and epidemic prevention supplies to the homeless, which helped lower the probability of them becoming infected and reduced severe cases. If they are tested positive, they could be quarantined and treated sooner, preventing the epidemic from spreading. China Life supported the Shimmer Plan of Plahan Symbiosis Care Labor Cooperative, and provided economically disadvantaged the elderly living in rural areas with supplies and funds for care. We set up simple screening stations in communities, provided care and telemedicine services to nearby clinics, and delivered food and supplies necessary in daily life. We collaborated with Taipei City Government in providing epidemic prevention health workers with group accident insurance and epidemic prevention insurance, so that they can engage in epidemic prevention services without any worries. By creating a culture of treating customers fairly, we learned how inconvenient and hard it is for persons with disabilities when they test positive. China Life thus supported the volunteer team of the Chinese National Association of the Deaf, showing care to people with hearing impairment that test positive by providing supplies and delivering medications, so as to help them overcome the anxiety and inconvenience of having COVID.

Rural Areas

The Homeless

Persons with Disabilities

Medical Personnel

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## Education and Cultivation

### CSR CEO Supports Students and Broadens Their Horizons Through Charity

China Life sponsored service clubs of 2 universities in 2022 and served nearly 300 children and residents of rural areas or are disadvantaged. We joined forces with young college students nationwide in providing charity services, and not only fostered their care for society and service learning abilities, but also sponsored service activities initiated by students for "eco-friendly," "empowerment through education," "supporting the disadvantaged," and "promoting financial management and insurance concepts." China Life aims to combine the capabilities of all people to provide more positive and sable energy for Taiwan's society.

### Financial Education for the Elderly

China Life hopes to become a "financial guardian for the elderly" and led the industry in designing a learning section on our website for the elderly, so that the elderly can learn important financial knowledge and how to protect their assets from fraud without any constraints on time and place. The website design uses plain language, large font size, and graphic descriptions, along with a magnifying glass function for the elderly to easily read the text. We provided financial knowledge and the anti-fraud series posts on our own platform, and the 13 Facebook posts reached over 14,000 people in 2022. We published a financial safety manual for the elderly and notes containing mnemonic phrases for preventing fraud; distributed nearly 10,000 anti-fraud trinkets at Customer Service Centers and related institutions for the elderly or disadvantaged around Taiwan, reminding the elderly to avoid fraud, improve their insurance knowledge, and protect their asset safety. We also established a "Training Partner Volunteer Team for the Elderly" and worked with local organizations for the elderly in organizing age-friendly fraud-prevention communication activities. Organized 10 sessions and assisted approximately 340 the elderly living in rural areas and indigenous tribes or disadvantaged the elderly in 2022, reducing the gap between urban and rural areas and prevented the elderly from becoming fraud victims.

## Eco-Friendly

### Supporting Disadvantaged Farmers for a Win-win Situation with Environmental Sustainability

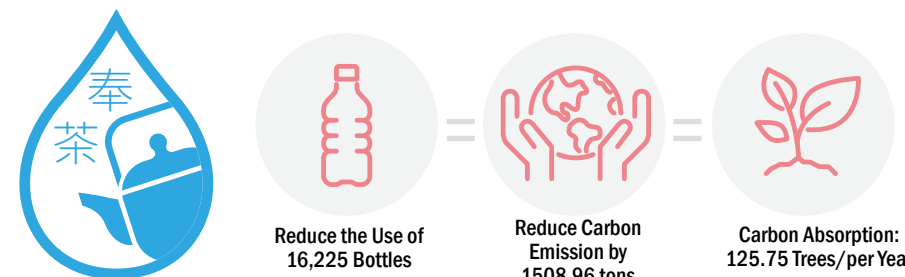
China Life supports Taiwanese farmers with its actions, and made timely purchases of pineapples and sugar apple that were slow-selling due to the pandemic. The fruits provided additional

nutrition for 2,000 underprivileged children and the elderly. This helped sheltered workshops with unstable income and difficulty obtaining supplies during the pandemic. We shared the situation with employees and called on employees to purchase fruits and vegetables that are in season, using the power of their food choices to protect the land, and also contributing to the reduction of food waste. These efforts show the influence of the life insurance industry's value chain by mutually benefiting Taiwan's society and environment.



## Hong Te Water Station Project

China Life continued to support the Hong Te Water Station Project that combines environmental sustainability with social innovation in 2022. China Life set up water stations in Taipei City, New Taipei City, Hualien, and Taitung, as well as cycling routes<sup>④</sup> to reduce the waste of plastic bottles. The "Water Station" app shares locations and encourages residents and tourists in surrounding areas to find free water dispensers, where they can enjoy clean drinking water, reducing bottled water from the source, and raise public awareness about the problem of plastic waste. The "Hong Te" app uses ICT to create an interesting drinking water experience, and created a new circular economy business model where "product is service" to further reduce plastic waste and carbon emissions from the source, exerting the influence of a life insurance company in environmental initiatives to create a win-win situation for the economy and the environment. The water stations supported by China Life are estimated to have reduced the use of plastic bottles by 16,225 bottles in 2022, with total carbon reduction reaching 1,508.96 kg, equal to the annual carbon absorption of 125.75 trees.



<sup>④</sup> China Life set up water stations in Tamsui Business District Culture and Tourism Association, Dadaocheng Business District - Chengletong, Sanxia Old street - Hidekawa, and Hualien City - Li Shuan Hotel, and Taitung County Taimali - Indigenous Family Service Center.

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## Support for the Disadvantaged

### Showing Altruism by Donating Blood for Charity

People are less willing to go out and donate blood due to the pandemic and the stock of blood banks around Taiwan is alarming low. China Life began organizing blood donation charity events around Taiwan in 2016, and called on employees and residents in northern, central, and southern Taiwan to demonstrate altruism by living up to the "Donate a bag of blood, save one life" slogan and engaging in an act of good. Over 160,000 cc of blood was collected in 2022, with the Company's total collected blood sample reaching 560,000 cc. The event is a one of mutual prosperity between China Life and society, using love to create a virtuous cycle.



### Sending Love in Christmas Shoe Boxes to Students in Rural Areas

China Life has supported the charity event of KGI Charity Foundation for the second consecutive year, and transformed the love of employees into a positive force. The shoe boxes filled with gifts represent the sincerest blessings, and nearly 300 shoe boxes of gifts were collected and delivered to children in rural areas for Christmas, giving them warmth and hope.

### Assisting Age Friendly Placemaking to Form a Mutually Beneficial Alliance

China Life cares about the disadvantaged elderly in rural areas and supported the Plahan Symbiosis Care Labor Cooperative with implementing the "Chicken-Friendly Life Project," which provides guidance to the elderly on starting a small-scale business raising chicken. The business

can stably generate an average of NT\$72,000 in income each year. China Life also organized a charity sharing event, during which the stories of elderly raising chicken changed how employees pictured elderly life, and called on employees to take action in their daily life to choose what they eat, helping them improve their physical and mental as well as the well-being of our planet.



### First Customized Socks to Help People with Intellectual Disabilities Become Independent

China Life continues to work with partners to maximize value for charity, and collaborated with Maria Social Welfare Foundation in the social enterprise brand "Merry Young," jointly manufacturing 3,000 eco-friendly Merry Young socks. This initiative not only recycles waste for a circular economy, but also made China Life the first company to partner with the brand to produce customized products, assisting in the expansion of diverse product lines, and supporting innovative business models to increase income and create work opportunities for the disadvantaged. The works of young artists with intellectual disability are converted into cultural creative products, encouraging them to show their talent through their creativity, helping them change from recipients of aid, to individuals that generate value.

China Life assisted the sale of Merry Young socks during the group's charity day, exerting the Company's influence to lead by example. We called on the public to "wear good socks and do good deeds." The event contributed nearly 25% of the revenue from the first batch of purchase orders after the brick-and-mortar store was opened in Taichung, helping young people with intellectual disabilities work in an environment where they are understood, while also helping them learn more about life.

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1 Corresponds to Three UN SDGs



2 Promoting Circular Economy and Environmental Sustainability

Merry Young socks are made from eco-friendly yarn with recycled fiber. The raw materials used to make the socks and packaging materials are all eco-friendly. Each pair of Merry Young socks is equal to recycling 2 plastic bottles, realizing the concept of circular economy through business actions. Eco-friendly non-toxic textile products certified by the EU, eco-friendly recycled paper packaging materials, and 100% pollution-free certified polyester yarn for a sustainable planet.

China Life X Maria Social Welfare Foundation

wear 1 Pair of Good Socks and Do 3 Good Deeds

1<sup>st</sup> Good Deed

Help Maria youth become independent and successfully take the first step

2<sup>nd</sup> Good Deed

Each pair of Merry Young socks made is equal to recycling 2 plastic bottles, protecting Earth's environment



3<sup>rd</sup> Good Deed

Continue to create a virtuous cycle and call on people to buy Merry Young for the sheltered workshop to become sustainable

Donations to Protect the Disadvantaged and Fulfill Our Responsibility to Sustainability

China Life extended care for policyholders to corners of society in need, and launched the event "One policy one love, passing on hope and sharing love," which invited policyholders to donate to charity. For each insurance policy that becomes effective, China Life donates NT\$100 to Maria Social Welfare Foundation, helping persons with disabilities gain a comfortable home for healthy aging. China Life's employees also made donations and took action to show love, giving Taiwan's society a meaningful blessing as China Life prepares to celebrate its 60th anniversary by donating a total of approximately NT\$4 million.



▼ China Life Set up Charity i-Display Boards in Public Spaces, Such as the Lounge in Each Workplace, to Utilize Digital Capabilities for Charity. The Display Boards Present the Mutual Benefits Accumulated by China Life and Policyholders!



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## Long-term Support for the Disadvantaged to Achieve Sustainability and Mutual Benefit

China Life has worked with the Maria Social Welfare Foundation for years. In addition to supporting the art therapy class for students with intellectual disabilities, which enhances the soft power of students and provides them with art therapy, we also provided funds to purchase equipment for the Multiple Disabilities Service Building, allowing over 12,000 people with disabilities to receive complete care services each year. We supported the reconstruction of the wall of historical photos, helping present the institution's service philosophy and increase its visibility in society. China Life hopes to exert its financial influence for more people to care about and support disadvantaged groups. We continue to work with partners to maximize value for charity, jointly realizing the vision of sustainability and mutual benefit.

## Homeless Support Program

China Life provided funds to serve additional dishes at Chinese New Year dinner of the Homeless Taiwan Association in 2022, helping the homeless with food during Chinese New Year amidst the pandemic. China Life continued to sponsor the Chinese New Year dinner for the homeless in 2023. China Life donated social worker insurance to Homeless Taiwan Association, Do You A Flavor, and Philosociety, supporting social workers who provide services to the homeless. We continue to care for the underprivileged and provide an umbrella for the fallen.

## Corporate Volunteer

### Go for Love Volunteer Group for Social Sustainability and Mutual Benefits

China Life's office staff volunteer service hours reached a record high of nearly 30,000 hours in 2022. Since 2012, the Go for Love Volunteer Group has encouraged employees to voluntarily participate in social services, and exerted its influence in hope that employees will give back to society and utilize the empathy they gained when providing services in the workplace and daily life. With many in-person volunteer activities suspended, China Life worked with social welfare organizations in developing innovative online volunteers, such as using smartphones to scan books to let visually impaired people read online books, or telling stories via video chat to keep children in rural areas or disadvantaged children company. This action also helps with pandemic prevention.

#### ▼ Love and GO Volunteer Work Milestones by Year



### Online Volunteers Provide Love and Care Without any Distance

China Life co-organized online volunteer activities with Zenan Homeless Social Welfare Foundation, Eden Social Welfare Foundation, and Parents' Association for the Visually Impaired, such as using smartphones to scan and upload books for the visually impaired to read. There is zero contact and zero risk of infection throughout the entire course of the event. China Life also assisted in transcribing videos of visits, and provided social welfare foundations with close to 3,000 hours of volunteer services.

China Life will continue to jointly develop online or home volunteer activities together with social welfare organizations, using more flexible methods to participate in charity and welfare, promoting love and care without distance limitations hat there is no distance with love and care and no interruptions as well.





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Honors and Milestones in 2022

【Column】 Climate Change  
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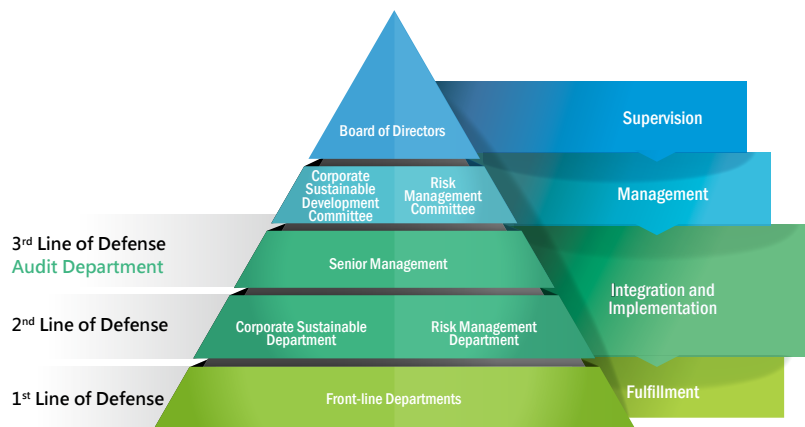
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# Climate Risk Governance

As extreme weather and climate change become increasingly severe, governments and enterprises actively invest in ways to control the rise of global temperature. For financial institutions, establishing a comprehensive climate governance system within the enterprise, serves not only as foundation in working toward global net zero emissions, but also aligns with the expectations of interested parties.

Aware of the severity of global warming, China Life adopts the TCFD framework to execute its climate change monitoring and management actions. Through a top-down approach involving the Company's Board of Directors, Corporate Sustainable Development Committee, Risk Management Committee, senior management, Corporate Sustainable Development Department, Risk Management Department, etc., the Company effectively incorporates climate change issues into its business operations as it executes its climate risk governance.

## Climate Governance Organization Structure



### Board of Directors

China Life's Board of Directors is highest responsible unit in establishing effective risk management measures, as well as highest responsible unit in implementing climate-related risk management.

### Corporate Sustainable Development Committee

In 2023, China Life decided to elevate the "Corporate Sustainable Development Committee" in to a functional committee functioning under the Board, using a more comprehensive approach to promote innovative sustainability projects. The Corporate Sustainable Development Committee sets its goals based on the Company's sustainable development policies, and is tasked with promoting corporate governance, developing sustainable environment, holding charity events, enhancing the disclosure of sustainable development information, compiling and issuing annual sustainability reports, as well as being responsible for reviewing climate risk management development strategies, and ensuring that senior management personnel have received adequate training in managing climate-related risks.

### Risk Management Committee

China Life has established a "Risk Management Committee," that is responsible for setting the company's risk management policies, and has established quality and qualitative management standards to ensure consistency, appropriateness, stability and transparency for each risk management measure. The Risk Management Committee will review the Company's climate-related risk management operating regulations, procedures and processes; and confirm climate-related risks have been included in qualitative and quantitative risk appetite indicators.

### Integration and Operation Departments

China Life views climate change actions as one of its main priorities and was the first of its peers to establish a "Corporate Sustainable Development Department," responsible for integrating business operation departments, promoting corporate ESG and climate-related risk management. It is also responsible for disclosing its sustainability report, executing the Company's sustainability commitments and strategies as well as enhancing the impact of its value chain.

To ensure proper climate risk management, the "Risk Management Department" is also one of the executing departments when it comes to climate risk management. The Risk Management Department is responsible for compiling and amending climate-related risk management operating regulations, as well as regularly monitor climate-related risk indicators. In addition, the Risk Management Department should have climate-related risk management personnel, capable of providing educational training on climate risk management and net zero transition.

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# Identifying and Measuring Climate Risk

To respond to climate risk and measure the potential impact of climate risk on the Company, China Life abides by risk management principles and adopts risk identification, risk measurement, risk response and risk monitoring cycle procedures, to actively manage the potential impact of climate-related risks on the Company.

## Identifying Risks

In identifying its climate risks and opportunities, China Life has integrated traditional financial risks and authorized relevant departments to assess the potential impact of different physical and transition risks on the Company's investment portfolio, life insurance products, business operations and suppliers using the TCFD climate risk management framework, thereby identifying the Company's climate risks and opportunities.

### 1. Climate-Related Risk on Investment Portfolio

If the investment target is assessed by China Life as being part of a high climate risk industry (e.g. high carbon emission, energy-intensive or high pollution industry), the investment target's operation costs may increase as a result of climate regulation changes, carbon fees, maturity of emerging or low-carbon technology, etc.; or the investment target's revenue may decrease, potentially affecting the investment target's profitability and lowering the Company's investment profit.

In addition, if the Company's real estate investment is located in a high climate risk areas (e.g. areas susceptible to floods or slope disasters), climate disasters may cause loss of value of certain assets, resulting in increase in losses for the Company's assets or decrease in returns of future asset disposals.

### 2. Climate-related Risks of Life Insurance Products

There is uncertainty amongst the international community regarding the time and scope assessment of physical risk impact on life insurance products, and therefore there are potential uncertainty risks. In the future, China Life will continue to monitor market changes and provisions set by regulators and assess climate change disasters will cause personal safety and health issues for policyholders, as this may increase medical or insurance claim, increasing the Company's claim expenses.

### 3. Climate-related Risks of Business Operations

China Life's business operations may be susceptible to transition risks from climate laws and regulations. As domestic regulators begin implementing carbon fee regulations and changing

energy policies, the energy and carbon emission costs of the Company's business operation sites may increase.

Moreover, the Company may even face physical risks, with business locations located in high climate risk locations being susceptible to extreme weather disasters, in turn disrupting the Company's business operations. Such disasters may also cause damage to the business locations or apparatus equipment, leading to increased operation costs and maintenance fees.

### 4. Climate-related Risks of Suppliers

In terms of suppliers, the main climate-related risk is physical risk. If the headquarters, business locations or factories are located in high climate risk locations, climate disasters may cause damage or losses, significantly reducing asset value/ability to supply its products, causing procurement difficulties or increase in costs.

## Measuring Climate Risk

To analyze climate physical and transition risks, the Company first defined high climate risk areas and high carbon emission industries, then conducted scenario analysis to measure the impact of climate risks on the Company's business using international scenario conditions. This is to assess the potential climate-related impact and ensure that the organization's climate-related risks can be effectively controlled or lowered.

### 1. Measuring Physical Risk

When assessing physical risks, China Life adopts "National Science and Technology Center for Disaster Reduction" (hereinafter as NCDR) climate change disaster risk map – RCP8.5 and its hazard, vulnerability indicators. The two indicators are used to conduct comprehensive analysis and a climate risk rating is generated for each area. After a standardized risk rating has been completed, areas with higher risk rating are defined as high climate risk areas.

The risk scenario analysis applicatory party includes the Company's real estate investment portfolio, business locations and the locations of major suppliers. According to analysis results, 17% of real estate investments are high climate risk investments, accounting for 6% of total investment real estate. These are located in Taipei City, Taoyuan City, Kaohsiung City, and Yilan City. As for business locations, 13% of business locations are high climate risk locations, mainly located in Taipei and Kaohsiung. Regarding major suppliers, 19% of suppliers have business locations in high climate risk areas, mainly located in Taipei, New Taipei City and Hsinchu City.

### 2. Measuring Transition Risk

For transition risk scenario testing, China Life uses a consistent scenario setting taken from the

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Network of Central Banks and Supervisors for Greening and Financial System (NGFS). China Life conducted investment portfolio and business location analysis under three different climate scenarios and uses the carbon pricing of different scenarios to analyze the possibility of carbon fees in the future.

### Net Zero 2050

Ambitious scenario where countries actively implement climate policies, with the intent of achieving net zero by 2050, gradually enhancing carbon pricing/tax and other policies. Global warming is limited below 2° C or 1.5° C. Transition risk is relatively low.

### Delayed 2°C

Carbon reduction is accelerated only after carbon emission reaches its highest in 2030; or carbon reduction is concentrated on certain countries/industries. Although net zero is achieved, transition risk is relatively high.

### NDCs

Countries are committed to achieving internal carbon reduction goals, or certain countries continue to adopt current climate policies, while other regions have no new climate change mitigation policy changes. Physical risk is high under this scenario.

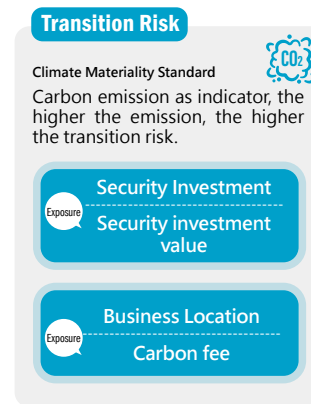
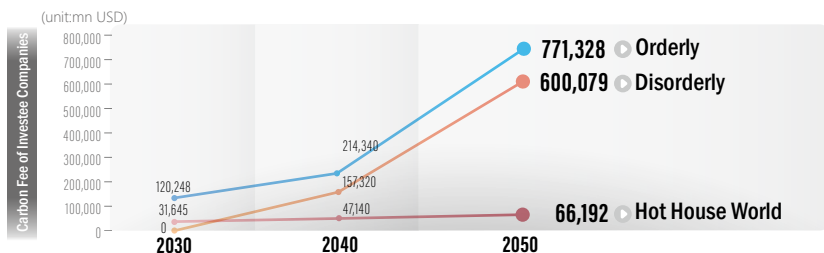
Since there is high likelihood of high carbon emission industries being impacted by transition risk factors (e.g. carbon fees), China Life uses high carbon emission industries as basis for conducting climate scenario analysis, and assessing the GHG emissions of investee companies under three scenarios: orderly, disorderly, and hot house world. The emission result is then used to calculate carbon fees and assess the financial and profitability impact on the investee company.

Results show that the high carbon emission industry investee companies of China Life's bond and equity investments will face annual increases in carbon fees in all three scenarios, with the biggest carbon fee increase under the "orderly" scenario.

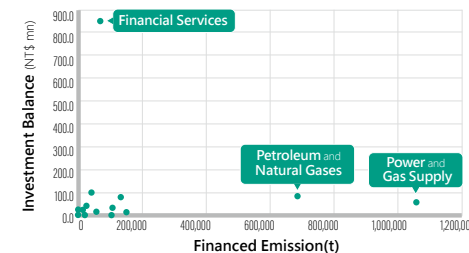
### 3. Climate Risk Materiality Standard

China Life sets assessing indicators for climate-related risk after taking the definition and of certain industries into consideration. The indicators are then arranged in prioritizing order based materiality standards.

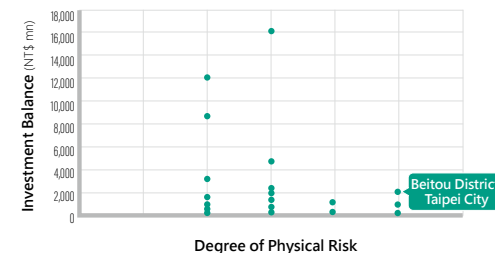
▼ Carbon Fees from Securities Investments Under Different Climate Scenarios



In terms of transition risk, China Life conducted cross analysis of carbon emission and investment sums for securities across different industries, identifying industries with emissions and material exposures, including petroleum, natural gas, energy, and fuel gas suppliers, etc.



As for physical risks, China Life conducted cross analysis of future flood physical risk and investment sums for real estate investments, identifying investment targets with higher physical risk and material exposure.



## Climate Risk Response

China Life sets response measures in addressing climate risks, and proactively conducts relevant action plans. The Company regularly tracks climate risk management changes to effectively manage climate risks.

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**Transition Risk**

Impact	Strategy Approach	Action Plan
Investment	Climate risk analysis of securities	Adopts ISO14097/TCFD framework to conduct climate risk management and audit, and continue to monitor high carbon industries or enterprise investment risk exposure. If after assessment, relevant risks are deemed hard to control, it is better to reduce relevant operations, thereby gradually reducing investment portfolio GHG emissions.
Operation	Green operation	Continue to lower GHG emissions from business operations and acquire ISO14064-1:2018 GHG emissions.

**Physical Risk**

Impact	Strategy Approach	Action Plan
Investment	Real estate climate risk assessment	Regularly take inventory of real estate distribution, as well as identify and assess potential impact of climate change risks on real estate.
Supply Chain	Real estate risk assessment	Regularly take inventory of HQ distribution of suppliers, as well as identify and assess potential impact of climate change risks on suppliers.
Operation	Business Continuity Management Measures	Maintain and adjust BCM measures when needed. Regularly conduct backup drills and recovery plans.
Product	Continue to track relevant laws & regulation regarding impact of climate risk on life insurance products	Continue to monitor domestic/foreign life insurance laws and regulations, assess plans in incorporating product actuary and product development.

**Climate Risk Indicators and Targets**

Effective climate key indicators and targets can guide climate risk management and promote the implementation of the Company's net zero strategies. China Life has systematically set short-term, mid-term, long-term targets to track the performance of climate-related results of the company, including specific implementation and management plans covering targets, schedules and tracking mechanisms.

▼ **Investment Activities**

Risk Indicator	Short-term Goals	Mid-term Goals	Long-term Goals
Investment portfolio carbon emission	Investment portfolio carbon emission 20% lower than base year <sup>①</sup>	Investment portfolio carbon emission reduced by 25% compared with the base year by 2025	Investment portfolio carbon emission reduced by 50% compared with the base year

Risk Indicator	Short-term Goals	Mid-term Goals	Long-term Goals
High carbon emission industry investment percentage	Lower than 26%	Lower than 26%	Lower than 26% in alignment with parent company's net zero commitment
Green investment percentage	Increase green investment by 20% compared with base year	Increase green investment by 25% compared with base year	Increase green investment by 50% compared with base year

▼ **Business operation**

Risk Indicator	Short-term Goals	Mid-term Goals	Long-term Goals
GHG emission from Company's own business operations	Continue to reduce carbon emission, and achieving carbon neutral for the HQ building	Expand the scope of ISO 14064-1, including nationwide agency offices, and acquiring verification for 100% coverage	Reduce carbon emission in alignment with parent company's net zero commitment by 2045, and achieving carbon neutrality for its own operations by 2030
Increase the use of digital services	75% online enrollment across all products	80% online enrollment across all products	85% online enrollment across all products
Offsite work drills	Enhance BCM measures and acquire ISO22301 verification	Maintain, as well as adjust natural disaster-related BCM measures, and hold back-up & recovery plans at least once a year	

**Looking into the Future**

China Life has adopted the TCFD framework in disclosing information on the Company's climate governance, climate risk management and scenario analysis, net zero strategy, and current status and performance of the indicators and targets. As climate change becomes a highly prioritized issue, China Life insurance proactively promotes low carbon transformation and has set concrete risk response measures to material climate-related risks. The Company will continue to monitor domestic and foreign climate trends develop a comprehensive climate risk management structure and relevant assessment methods. In addition, China Life holds climate risk stress tests in alignment with the competent authority's planned schedules and goes further to incorporate stress test results into the planning of the Company's overall climate strategy planning.

① Base year was 2020.

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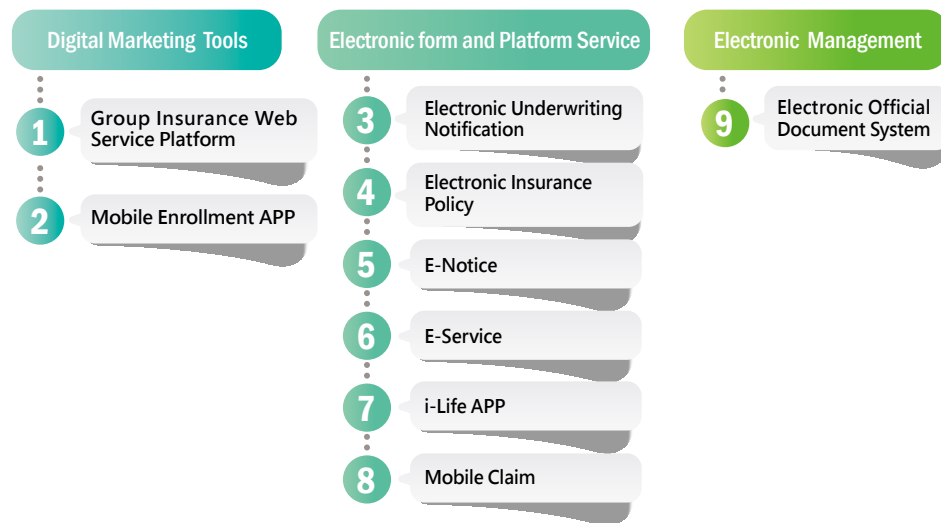
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# Green Operations and Carbon Management

## Electronic Service

As society places more emphasis on environment protection, consumer behavior and provision of financial products and services has changed. China Life continues to refine and simplify its operating procedures in different stages of its insurance policy life cycle to provide green and environmentally friendly service. The Company aims to achieve GHG reduction from paper, postal services, and transportation via digital marketing tools, electronic forms and service platforms, and digital management. In 2022, electronic services saved a total of 8.37 million sheets of paper, reducing approx. 150 tons of carbon emission.

### ▼ Electronic Services Reduced the Use of Paper and Offer a Brand New Digital Experience



### Digital Marketing Tool

#### 1. Group Insurance Web Service Platform

Promote the group insurance web-based service platform, replacing paperwork with electronic services and processes, providing online application for employees' enrollment and surrenders of insurance policies, and allowing insured persons to inquire about their insurance coverage online. In 2022, the rate of application for the group web-based service system by

specialized insurance units reached 85%. In the future, we will adopt a customer-centric approach in continuing to optimize the functionality of the web-based platform to increase the rate of utilization by companies in applying for enrollment or surrenders.

#### 2. Mobile Enrollment APP

Promote mobile enrollment app services to lower the amount of paper used during the customer enrollment process. Customers can use the mobile enrollment app to conduct data review, lowering the need for electronic underwriting notification to address mistakes. This saves printing, delivery, scanning, filing, and inventory costs, achieving energy saving and carbon reduction.

As of the end of 2022, a total of 47 banks, broker companies have incorporated mobile enrollment. A total of 203,000 insurance policies used mobile enrollment, annually saving 1.223 mn sheets of paper. China Life is dedicated to "energy-saving and carbon reduction" and provides prompt, fast, and convenient digital services to its customers.



### Electronic forms and Service Platforms

#### 3. Electronic Underwriting Notification

Starting in 2019, China Life began forming a new electronic contract operating procedure through different implementation phases. This helps sales agents and policyholders to respond to underwriting notifications using their mobile device, enhancing effectiveness in processing underwriting notifications. In 2022, the response rate of cases using electronic underwriting notifications was 60%, saving on average 3-5 working days per case.

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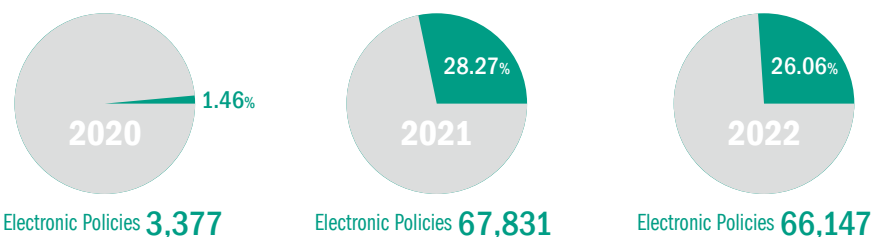
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### 4. Electronic Insurance Policy

When enrolling in new contracts, policyholders may apply for electronic policy format which can be saved on a mobile device after verification from an independent third party institution. This enables easy access and protects the rights of policyholders, as well as prevents loss of physical insurance papers. In 2023, electronic insurance contract clauses function was added, with QR code provided to allow policyholders to download their respective policy contract clauses.

▼ Annual New Contracts(%)



### 5. E-Notice

Printed policies, notifications, documents were replaced with e-mails to reduce printing and postal resources. In addition, the electronic files were stored on the corporate website for search and inquiry from policyholders. As of 2022, 5,655,617 electronic files were sent, ensuring that policyholders received relevant information in an effective and environmentally friendly manner. Moreover, China Life continues to promote paperless administrative procedures, including the E-notice function, which saved approx. 4,499,300 sheets of paper, a 13% increase compared with 2021.

### 6. E-Service

The E-service platform allows policyholders to rapidly search and access policy details and policy endorsement services, effectively reducing inconvenient reliance on printed documents, and reducing GHG emissions from Chunghwa Post Co., Ltd. postal services and transportation, saving approx. 217,926 sheets of paper.

### 7. i-Life APP

China Life's i-life was officially launched in 2022. By downloading the app and completing registration, policyholders can access common services such as accessing policy details, policy

endorsements, investment position details, and certain withdraw functions. i-Life has reduced inconvenience from printed policies and reduced approx. 188,715 sheets of paper.

### 8. Mobile Claim

To offer convenient, rapid, and quality claim services, the Company launched mobile claim services in May 2021, helping service personnel and policyholders to rapidly apply for insurance claims and reduce GHG emission from printing and postal services. For 2022, the total number of paper reduced reached 70,000. Moreover, underwriting personnel speed up processing through the platforms preview function.

## Electronic Management

### 9. Electronic Official Document System

Previous official documents were paper printed and were drafted manually. Since China Life developed its electronic official document system, the Company aims to increase administrative and time efficiency, increase operation quality, reduce employee burden, reduce printed paper and protect the environment.

The electronic official document system was launched in April 2022. After 9 months of use, administrative and processing efficacy was increased, operation quality was improved, employee burden was reduced, and loss of printed document files was reduced, while approval timeliness was improved. Over 13,898 official documents were processed electronically and if each document consisted of 4 sheets of paper, a total of 55,592 sheets of paper was saved in 2022.

## Environment Management

In following the Company's environment and energy management strategies, China Life continues to conduct GHG inventory review, and has implemented environment and energy management systems. The Company adopts a systematic approach in achieving comprehensive environment-related resource management. China Life's "Environment Protection Committee" consists of 9 functional supervisor members<sup>②</sup>, and is responsible for compiling and amending the committee charter, the Company's environment protection-related rules and regulations, as

② 1 Chair, 1 deputy chair, 7 committee members; among which 1 committee member will be executive secretary responsible for meeting affairs and meeting affairs and contacting committee members.

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well as the monitoring of the results of the Company's energy saving and carbon reduction, waste management, environment hygiene, environment protection measures. In 2022, two meetings were held to review the results of environment protection measures, and the Company continues to adopt green purchasing, climate change response, environment management, and energy saving & carbon reduction as its three main sustainability promotion topics.

To strengthen environment management, China Life continues to run the ISO 14001 environment management system for the Dunbei office building. In 2022, the new HQ building was incorporated into the environment management system and acquired third-party verification, ensuring environment protection policies and targets have been implemented.

**Green Investment Property**

From 2021 to 2022, China Life relocated its head office to the new HQ building. The new building incorporates environment friendly and energy-saving & carbon reduction concepts into its building site plans and internal facility designs, greening, water retainment and energy management



**Environment-Friendly Monitoring:** In order to minimize the impact on the environment during the construction period, we conduct quarterly environmental monitoring on air quality, noise and vibration, traffic flow, water discharge, and construction noise during the construction of the development project, as well as carry out tree preservation operations and submit them to the Environmental Protection Bureau of the Environmental Protection Administration (EPB) for inspection. The monitoring results are all in compliance with the standards, which effectively minimize the impact on the environment.



**Amount of Greening:** Greening with localized multi-layered eco-planting, shaping the ecological urban environment, providing biodiversity possibilities, mitigating the urban heat island effect and the global warming crisis, and reducing CO<sub>2</sub>e by an estimated 3,029,421.28 kilograms.



**Water Retention of Building Site:** Set greenery vegetation and garden soil to retain water. Through the building's well and drain design, water is funneled to the water storage tank instead of being released into the public drain system.



**Daily Energy-Saving:** The HQ building has an optimized energy saving design which automatically adjusts sunlight entry angle to reduce heat ray penetration, thereby reducing a/c energy use. When there is no sunlight, the blinds are automatically opened to let in sunlight. Illumination setting is automatically adjusted

based on the amount of natural light. All public spaces within the HQ building have high performance LED lighting and electronic stabilizers to reduce illumination energy use.



**Ventilation Energy-Saving Technology:** The chillers have strategic automatic control, with energy-saving ventilation through inverter continuously variable technology, while the water delivery system uses variable control. The cooling tower uses a wet-bulb temperature control and is connected to a central energy monitoring management system, which integrates energy records from different facility records and control functions, enabling a balanced ventilation system that delivers performance.



**Continuous Purchase of Green Buildings:** Purchased the Asia Pacific Building in 2021, which acquired silver green building certification. China Life launched renewal project for its Tatung Building in 2022 and incorporated gold green building and shockproof designs, with green building candidate certification acquired in October of the same year.



**Raising Environment Protection Awareness**

The Company implemented GHG emission reduction actions in accordance with the Company's "Environment Protection Energy Saving Regulations." In 2022, the Company conducted a 4 week "green purchasing" environment protection awareness promotion through the use of EDMs. ESG concepts were internalized into the Company's daily operations. By engaging in green purchasing, China Life strives to incorporate environment protection concepts into its sustainable corporate culture.

In addition to actively participating in various environmental issues and widely promoting energy-saving and environmental protection concepts, in 2022, in line with the aforementioned environmental issues, a total of 66 posts were posted through China Life's official Facebook and Instagram page, covering topics such as World Earth Day, Environment Day, Lights Off Day, plastic reduction, paper saving and green purchasing. The posts generated a total of 2.68 million views and more than 76,000 likes, messages, and shares.



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## GHG Management

Since 2015, China Life's head office and branch offices<sup>③</sup> have conducted GHG inventory. For 2020, the inventory was expanded to include all branch offices<sup>④</sup>, with all oversea offices included by 2022. With 2022 as base year, China Life aims to reduce carbon emission of its office operations by 10%, with 50% reduction as the long-term goal in 5 years<sup>⑤</sup>.

Aside from expanding the inventory review, the scope of the inventory was enlarged in 2018 to include type 3, 4, 5, 6: petroleum, diesel, energy, waste, employee business trips, transportation of printing paper, maintenance and repair of leased printing machines, postal packages, postal receipts. China Life will continue to monitor inventory results, file relevant data to use as references for GHG.

### ▼ GHG Emission<sup>⑥</sup>

	Direct			Indirect		Total	Emission Intensity	
	Category 1 <sup>⑦</sup>			Category 2	Category 3,4,5,6			
	Stationary Emission Source	Mobile Emission Source	Fugitive Emission Source					
2022	Emission (tons CO <sub>2</sub> e/year)	0.000	27.6836	183.8535	4,109.842	837.145	5,158.524	0.022 tons CO <sub>2</sub> e / million
	Percentage of Total Emission	0%	13.08%	86.91%	79.67%	16.22%	100.00%	
2021	Emission (tons CO <sub>2</sub> e/year)	0.000	25.264	247.493	4,021.457	864.961	5,159.176	0.017 tons CO <sub>2</sub> e / million
	Percentage of Total Emission	0%	9.26%	90.74%	77.95%	16.77%	100.00%	

## Energy Use Management

In 2022, there were changes to the company's worksites in terms of the Company's head office, as well as Taoyuan, Hsinchu, and Pingtung branch offices due to the completion of the new HQ building. To promote energy saving goals across the company's different workplaces, 2022 will be used as the base year for the promotion of future worksites. This year, the Company will continue to maintain or repair apparatus of existing office buildings and review energy expense of old apparatuses – e.g. a/c ventilation in lowering energy expense. Moreover, the Company will promote green working habits and review space use efficiency of its agent offices. In 2022, a total of NT\$13 million invested in updating company-owned old a/c ventilation systems.

China Life's head office relocated to the group's HQ building in 2022, with ISO 50001 energy management system implemented to the used office floors. The system is a third-party verified

system that can improve energy control measures, optimize activation, achieve energy saving and carbon reduction, ensuring effective energy use.

### ▼ Energy Use in Recent 5 Years

	2022	2021	2020	2019	2018
Non-Renewable Energy Use (kWh)	13,124,069	13,163,506	12,220,468	12,261,969	12,929,329
Renewable Energy Use (kWh)	145,858	48,452	0	0	0
Energy Use (1 bn joules)	47,771.7	47,563.1	43,993.7	44,143.1	46,545.6
Turnover (mn NT)	239,766	300,244	323,248	339,115	338,495
Energy Density (kWh/mn NT)	55.34	44.00	37.81	36.16	38.20
Scope	10 work sites, including new HQ building and branch offices		9 work sites, including head office and branch offices		

## Renewable Energy Certificates

The solar power panels of the new HQ building are 100% self-developed and for self-use. The estimated amount of energy generated per year is 47,552 kWh. The solar panels were officially activated in June 2020 and as of the end of 2022, the total amount of green energy generated was 90,736 kWh. A total of 50 renewable energy certificates have been acquired from the T-REC (National Renewable Energy Certification Center).

To achieve the Company's ESG development goals and align with the group's "net zero carbon emissions for its total portfolio by 2045" goals, the Company purchased green energy, with the costs distributed among the HQ building's tenants. This realizes green purchasing and carbon emission management. The HQ building started providing green energy in December 2022 and China Life was allocated 103,575kWh in green energy for 2022.

## Water Resource Management

Since 2012, China Life has disclosed the water use of its Dunbei building and implemented measures to reduce water use, such as lowering water supply and installing water-saving gaskets. The Company uses concrete actions to support the UN's SDGs, implementing a water-saving hygiene system.

③ Main company branches include: Taochu, Taichung, Chiayi, Tainan, Kaohsiung branches.

④ All branches include: Taochu, Taichung, Chiayi, Tainan, Kaohsiung, Pingtung, Hualien, Penghu, etc.

⑤ In the new HQ building was in operation starting in 2022, changes were made to branches such as Taochu and Pingtung. For this reason, the 2022 will be used as the future benchmark year.

⑥ Boundaries are set through the "operation control authorization method," GHG emission coefficient are taken from the Environmental Protection Administration's greenhouse gas emission coefficient table 6.0.4 ver.

⑦ Category 1 includes 7 major GHG types. China Life only emits 4 of the 7 gasses: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs.

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▼ The Short-Term, Mid-Term, Long-Term Goals



Short-term (2023)

Completed evaluation of office and agent worksite water-saving plans (using water-saving equipment, adding water-saving gaskets, lowering water supply, etc.).



Mid-term (2024-2025)

Use of water-saving equipment over 50% for the office and agent worksite.



Long-term (2026-2027)

Use of water-saving equipment over 80% for the office and agent worksite.

As water use mainly comes from a/c ventilation and every day water use, the Company will continue to regularly repair and maintain its existing apparatus, use water apparatuses with the water-saving label, as well as continue to encourage employees to save water. For 2022, the total water used by the head office and its branch offices totaled 48,525 tones<sup>⑧</sup>.

▼ Water Use of Past 3 Years<sup>⑨</sup>

	2022	2021	2020
Water Use (one cubic meter)	48,525	44,086	42,078
Turnover (mn NT)	239,766	300,244	323,248
Water Density (one cubic meter/mn NT)	0.20	0.15	0.13
Scope	10 work sites, including new HQ building and branch offices		9 work sites, including head office and branch offices

Waste Management

All waste generated by China Life are non-hazardous, and is divided into general waste and recyclable waste. Through optimized waste management and recycling, resources can be reused. In 2022, the average recycling rate of 9 of the Company's worksites<sup>⑩</sup> was 47.57%. Amidst the 9 worksites, food management and waste reducing measures have been implemented, with the total amount of generated waste by the HQ building was 42,656 kg in 2022, with recyclable waste totaling 11,277 kg.

▼ Recycling Status of the Past 3 Years

	2022	2021	2020
Total Waste (kg)	180,324	165,097	181,235
Recycle Rate (%)	47.57	51.06	52.55%
Scope	9 work sites, including new HQ building and branch offices	10 work sites, including new HQ building and branch offices	9 work sites, including head office and branch offices

Sustainable Supply Chain Management

China Life's suppliers are divided into three main categories: "Office Supplies and Equipment," "Service," "Repair & Construction." To realize sustainable development of its suppliers, China Life established "Supplier Regulations Governing Sustainable Supplier Management," and worked with partnering suppliers in abiding regulations concerning employee rights, human rights, health and hygiene, environment protection, ethical management regulations, stimulating sustainable development and achieving an economic, social and environmental balance. China Life's sustainable operations supports local suppliers, with purchasing from local suppliers accounting for 98.89% of the total purchasing amount in 2022.

Supplier selection are all based on China Life's purchasing regulations. The selection process is fair, just, transparent and prioritizes suppliers with outstanding ESG performance. In 2022, China conducted 25 supplier selection. All selected suppliers meet requirement standards. The Company proactively manages suppliers' quality, delivery date, and pricing through transparent price negotiations, contract signing, progress discussions, acceptance testing, contract fulfillment management, etc. All suppliers are required to sign a "Supplier Sustainability Responsibility Commitment," and any operations that involve labor safety should be in compliance with China Life safety and environment management contracting regulations.

In 2022, 69 new suppliers signed the "Supplier Sustainability Responsibility Commitment"  
Over 196 projects involved contracts that included "Sustainability Responsibility and Integrity Management" clauses



⑧ Energy use for the Company's new office building was 22,790 kWh for 2022.  
⑨ China Life's water use is mainly for a/c ventilation and everyday use. In 2021, water use for the new HQ building was added in addition to original worksites.  
⑩ Unlike 2021, the scope of 2022 inventory no longer includes the Company's Pingtung branch.

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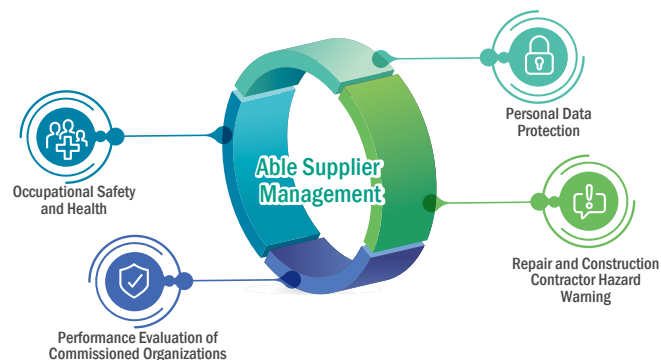
## Sustainable Supplier Management

Supplier evaluation is a crucial part to a company's corporate sustainability risk assessment as it allows the Company to assess supplier's dedication to sustainability. For this reason, China Life holds evaluations of key suppliers every year and strengthens corporate sustainability initiatives and promotions. Based on "Regulations Governing Sustainable Supplier Management," the Company has established the "Supplier Corporate Social Responsibility Assessment and Self-Assessment Form." Suppliers are to conduct self-assessment based on the weight of four question categories ("Employee Rights and Human Rights" 25%, "Employee Health and Safety" 20%, "Environment Protection" 45%, "Corporate Social Responsibility"). The purchasing departments rate suppliers based on their evidence documents and review suppliers relevant policies and implementation status, ensuring a balance between environmental, social and governance development.

In 2022, Supplier Corporate Social Responsibility Assessment and Self-Assessment was conducted on 12 suppliers, an increase of 4 compared with 2021. In response to the highly discussed human rights and environment protection issues of 2022, the Company optimized "Supplier Corporate Social Responsibility Assessment and Self-Assessment Form" to not only include important human right issues (e.g. child labor, human trafficking, discrimination/equality, freedom of association and negotiation, etc.), but went further and expanded the scope of issues to include "humane compensation, complaint and remedial measures, human trafficking, green purchasing and energy transition, climate risk strategies." The top 3 suppliers in terms the overall rating after supplier assessment and supplier self-assessment are recognized as outstanding suppliers with awards. The distribution of the 12 suppliers are as follows: 4 suppliers ranking 90~100 and 8 suppliers ranking 80~90, with the passing score set at 80 and a 100% qualification rate. This is an indication that suppliers have taken action in CSR self-assessment items.

To establish a sustainability corporate culture, share sustainable development trends and knowledge, the Company has used EDMs to promote the Company's short-, mid-, long-term ESG plans, as well as sustainable supply chain elements and values. China Life carefully selects suppliers who value ESG development as its partners and implements supplier management policies, inviting both upstream and downstream take on sustainability operation challenges.

In 2022, China Life participated in the government's "Buying Power - Social Innovation Products and Services Procurement" and entered collaboration with 11 qualified social innovation organizations, a 36% increase compared with 2021.



## Performance Evaluation of Commissioned Organizations

To properly understand the service qualifications, quality, processing deadline, cooperation of the commissioned institution, the Company conducts an Internal Audit and Control Review & Satisfaction Survey at least once every year. The results are used as basis for supplier selection and contract renewal. In May 2022, training on commissioning external organizations was held. Performance evaluation of all commissioned external organizations was completed in September. Amongst them, 18 suppliers scored an average of 90.8 (100 being maximum). The Company will select suppliers as well as renew contracts with suppliers based on the evaluation results.

## Repair and Construction Contractor Hazard Warning

Formulated the "Regulations Governing Contractor Safety and Environment Management" to strengthen safety and environment management, thereby increasing safety for all work items. There are no occupational accidents from repair and construction contractors as of date.

Repair and construction contractors are selection is fair and just. Suppliers need to go through the Company's "Annual Qualified Supplier Database" before participating providing their quotation. The Facility Service Dept. is required to update 10% of qualified suppliers to ensure repair and construction service quality as well as pricing and competency competitiveness.

After regular annual evaluation, the number of qualified suppliers was **88** in 2022, including 29 new suppliers

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## Protection of Personal Data

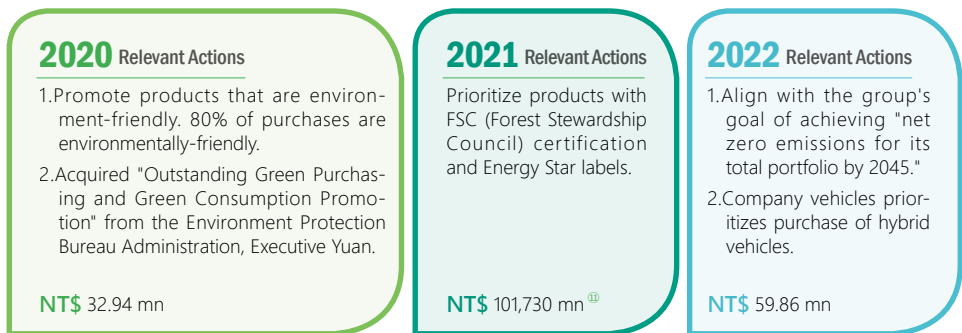
As respect to the rights of individuals involved and ensure that the collection, processing and use of personal data in purchasing is handled in honesty and integrity, all purchasing involving "collection, processing, and use of personal data" will require suppliers to sign a "Supplier Personal Data Capability Evaluation Form," ensuring that supplier has the ability to safeguard personal data.

In 2022, a total of 54 suppliers signed the "Supplier Personal Data Capability Evaluation Form" a 100% coverage

## Green Purchasing

Selection of suppliers prioritizes those with excellent ESG performance and the Company purchases products with energy-saving and environmental labels (e.g., EcoStar computers, monitors, etc.), Forest Stewardship Council (FSC) products, and vehicle suppliers of hybrid and electric vehicles to reduce environmental impact. The actual amount of green procurement in 2022 was \$59.86 million, including information and photocopying paper, etc. For seven consecutive years, we have been awarded the Certificate of Appreciation for Promoting Green Procurement Programs by the Taipei City Environmental Protection Bureau, and we were awarded the Certificate of Appreciation for Promoting Green Procurement and Green Consumption by the Department of Environmental Protection of the Executive Yuan.

### ▼ Green Purchasing Results



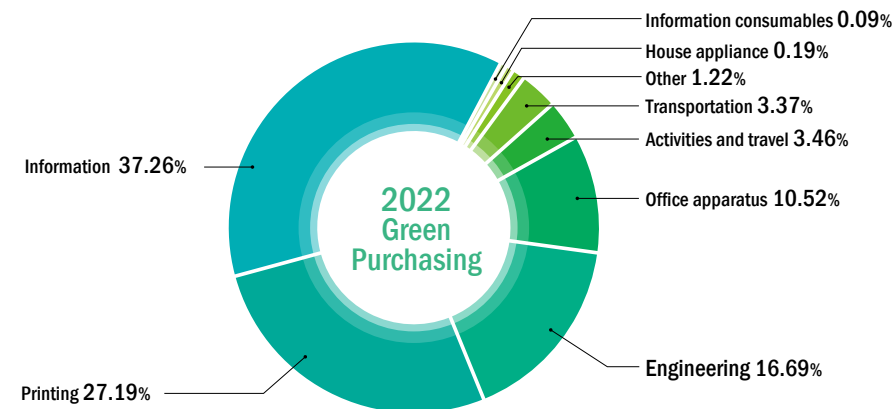
① The Company relocated to the new HQ building in 2021 and invested heavily into green procurement. Green procurement increased by 308.8% compared with the previous year.

## Buying Power

The "Buying Power Social Innovation Goodies and Services Procurement Award" was launched by the MOEA based on the Executive Yuan's "Social Innovation Action Project" in order to comply with achieve the UN's SDGs. China Life actively promotes this policy to promote social innovation among vendors, share Buying Power Award info, while also encouraging vendors register for "Registered Social Innovation Organization Vender."

China Life acquired support from long-term printing suppliers and uses renewable, non-toxic soy ink, FSC certified environmentally friendly paper; and uses social innovative products to realize sustainability goals. The Company joined MOEA's Buying Power Social Innovation Goodies and Services Procurement and Buying Power purchases exceeding NT\$14 mn between November 2021 and October 2022, significant growth over the NT\$0.8 mn of the previous week. The Company was awarded the "Buying Power Social Innovation Goodies and Services Procurement Award" 1<sup>st</sup> place in 2022.

Through EDMs, China Life promotes the concept of social innovation with suppliers, encouraging existing suppliers to become members of social innovation organizations, thus stimulating more enterprises to invest in social innovation and connecting enterprises and suppliers to become a great driving force for sustainable development.



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## Management of Material Topics

### CH2 Corporate Governance Enhancement

2022 Major Topic	Legal compliance / Corporate governance and ethical management / Risk management / Cyber security and personal data / AML/CFT / Business performance
Corresponding GRI Indicator/ Topic	GRI 2-27 Compliance with Laws and Regulations GRI 205- Anti-Corruption Self-Declared Topic-Risk Management GRI 418-Customer Privacy Self-Declared Topic-AML/CFT GRI 201-Economic Performance
Commitment	<ul style="list-style-type: none"> <li>The Board of Directors, internal and external colleagues regularly sign the "Ethical Management Statement" in following the Company's ethical management policy.</li> <li>Adjusted internal risk management to constantly monitor major risks and emerging risks.</li> <li>Commit to cyber security and personal data protection, continue to enhance personal data protection and cyber security capabilities, establishing a standardized &amp; documented cyber security and personal data processing procedures</li> <li>Assess and review internal AML/CFT control measures, and providing an internal control system statement.</li> <li>Adopt stable operation principles and commit to balanced development of 6 major distribution channels, providing different products to satisfy the needs of different groups.</li> </ul>
Policy / Management System	<ul style="list-style-type: none"> <li>Establish "Compliance Risk Management and Supervision Structure," "Law Change Management System" and "Management Measures for Fined Peers" to rapidly respond and effectively control compliance risks, preventing similar occurrences.</li> <li>Established a "Business Integrity and Ethics Committee," compiled "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and relevant internal regulations.</li> <li>Established a "Risk Management Committee" and a dedicated Risk Management Department to build a comprehensive risk management network. The Company's Risk Management Policy services as the Company's highest risk management guidance for risk management measures.</li> <li>Continue to operate in alignment with "BCM Management Policy" to ensure employee safety, customer rights, the Company's reputation, and security of assets, as well as continuous policyholder services.</li> <li>Establish "Cyber Security Committee" and an "Information Security Department" to ensure the safety of the information assets.</li> <li>Establish a "Personal Data Protection Management Committee" and "Personal Data Protection Audit Team" to implement personal data management procedures and safety control measures.</li> <li>Established "AML/CFT Policy" and relevant internal regulations.</li> </ul>
Communication /Complaint Measures	<ul style="list-style-type: none"> <li>Internal reporting channels: In-person, in-writing, by phone, or through <a href="#">e-mail</a>.</li> <li>Internal stakeholder risk management auditing and meetings, including: Competent authority audits and meetings, group audits, China Life audits, etc.</li> <li>Regularly identify and compile a "Cyber Security Stakeholder List," and identify cyber management related issues, as well as regularly reporting to the Cyber Security Committee.</li> <li>Offline communication channels: Stakeholders' meeting, investor conferences</li> <li>Online communication channel: official corporate website financial information page, online investor conference, email.</li> </ul>

Evaluation Measures / Management Indicators	<ul style="list-style-type: none"> <li>Conduct a compliance assessment once every six months.</li> <li>Hold Business Integrity and Ethics Committee meetings every year to report relevant progress and achievements as well as assessment of relevant risks.</li> <li>Hold Risk Management Committee meetings every quarter to report risk management issues.</li> <li>Hold Security Committee meetings every six months to conduct annual review of the cyber security management system and policies.</li> <li>Conduct semi-annual cyber security internal audits and monthly cyber security index measurements.</li> <li>Hold semi-annual personal data protection management committee meetings to report current situations.</li> <li>Continue to renew ISO 27001: 2013 cyber security and BS 10012: 2017 personal data management system verification</li> <li>Report to the Audit Committee and the Board of Directors on AML/CFT.</li> <li>Conduct audit on AML/CFT preventative measures.</li> <li>New business income, total premium, net income, EPS, total asset worth.</li> </ul>
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### CH3 Sustainable Finance

2022 Major Topic	Responsible investment / Digital finance and innovation
Corresponding GRI Indicator/ Topic	GRI G4-Product Portfolio Self-Declared Topic – Digital Finance and Innovation
Commitment	<ul style="list-style-type: none"> <li>Consider ESG sustainability factors in the evaluation of investment targets, investment decision-making, and investment management stages, in order to fulfill stewardship actions, enhance the value of investments and promote sound development of investment business.</li> <li>Adopt a customer-centric approach in responding to environment and pandemic changes by combining AI learning, Big Data analysis and team collaboration, thereby providing customers optimized service experiences, dedicated to becoming an InsureTech life insurance company benchmark.</li> </ul>
Policy / Management System	<ul style="list-style-type: none"> <li>Voluntarily align with UN's PRI principles, and establish "Responsible Investment Policy," consider ESG factors in selecting investment targets to achieve stewardship.</li> <li>Voluntarily sign the "Institutional Investor Stewardship Guidelines" to display investment stewardship commitment.</li> <li>"2A2D" as development blueprint, including "AI," "Agile culture," "Big Data," "Digital Innovation," providing financial solutions with sustainability innovation, manage internal operations and digital financial applications for external services.</li> </ul>
Communication /Complaint Measures	<ul style="list-style-type: none"> <li>Offline communication channels: Stakeholders' meeting, investor conferences.</li> <li>Online Communication Channel: Corporate official website (Stewardship section, financial information section), emails.</li> </ul>

A Message from the Chairman

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Honors and Milestones in 2022

【Column】Climate Change Response and Environment Sustainability Vision

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Evaluation Measures / Management Indicators	<ul style="list-style-type: none"> <li>▪ Increase the percentage of offshore green bonds and sustainability bonds.</li> <li>▪ Total emission of investment amount, investment ratio in high carbon emission industries.</li> <li>▪ Shareholder meeting participation rate and motion voting rate.</li> <li>▪ Participation in domestic/oversea digital finance application awards and evaluations.</li> </ul>
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## CH4 Inclusive Finance

2022 Major Topic	Treating customers fairly and customer relation maintenance / Inclusive Financing / Social Participation
Corresponding GRI Indicator/ Topic	GRI 417-Marketing and Labeling    GRI G4- Product Portfolio Self-declared Topic-Social Participation
Commitment	<ul style="list-style-type: none"> <li>▪ Adopt a "treating customers as we would ourselves" approach in developing products that are customer-oriented and that meet customer needs; providing comprehensive care and support.</li> <li>▪ Continue to develop medical, retirement, nursing protection products based on the Company's core competency and the needs of society.</li> <li>▪ Engage in cross-group, cross-generation "partnership charity," with NGOs, office staff, customers, etc., enhancing inclusive value for all.</li> </ul>
Policy / Management System	<ul style="list-style-type: none"> <li>▪ Voluntarily align with UN's PSI principles.</li> <li>▪ Establish a "Treating Customers Fairly Committee," with a dedicated department assigned to monitor and ensure the promotion of treating customers fairly and financially friendly actions.</li> <li>▪ "Treating Customers Fairly Principles Policy and Strategy" and other internal regulations based on the FSC's "Financial Service Industry Treating Customers Fairly Principles" and the FCA's "Guidance for firms on the fair treatment of vulnerable customers."</li> <li>▪ Introduced "NPS" system to categorize customer pain point, as well as generate an improvement plan.</li> <li>▪ Establish a "Customer Satisfaction Survey System" to effectively understand customer feedback and opinions.</li> <li>▪ Develop innovative products that meet customers' needs and regularly hold "Insurance Product Management Team Meeting" in alignment with the competent authority's policies. The team inspects difference actuary assumptions to examine the Company's sustainable operations and protect consumer rights.</li> <li>▪ Established a "Rules Governing Office Staff Volunteer Work" to encourage employees take action caring for the vulnerable.</li> </ul>
Communication / Complaint Measures	<ul style="list-style-type: none"> <li>▪ Internal feedback channel: A dedicated ideas email.</li> <li>▪ Customer service channel: customer service center, toll-free service lines, inquiry through official corporate website, printed mail, fax, <a href="#">email</a>, etc.</li> <li>▪ External complaint channel: Financial Ombudsman Institution, consumer ombudsman, etc.</li> <li>▪ Diverse internal communication channels: Corporate volunteer services sector, employee newsletter, publications, press release.</li> </ul>

Evaluation Measures / Management Indicators	<ul style="list-style-type: none"> <li>▪ Participate in domestic/oversea treating customers fairly, inclusive financing, and social participation awards and evaluations.</li> <li>▪ Department-based treating customers fairly self-assessment.</li> <li>▪ Treating customers principles evaluations held by the competent authority.</li> <li>▪ Annual Customer Service Center Satisfaction Survey.</li> <li>▪ Regularly hold "Complaint Committee" cross-department complaint meetings to jointly review and assess complaint related issues.</li> <li>▪ Complaint case processing, processing reply rate, and complaint case.</li> <li>▪ Hold offline social participation events, no. of charity events participated in, no. of people assisted, number of volunteer hours invested.</li> </ul>
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## CH5 Low Carbon Transition

2022 Major Topic	Green Operation
Corresponding GRI Indicator/ Topic	GRI 302-Energy    GRI 303-Water and Effluents    GRI 305-Emissions    GRI 306-Waste GRI 308-Supplier Environmental Assessment
Commitment	<ul style="list-style-type: none"> <li>▪ In order to promote environmental protection actions and establish a green and low-carbon corporate environment, we are committed to achieving the goals stated in the environmental policy with full participation from all employees and while embracing sustainable management.</li> </ul>
Policy / Management System	<ul style="list-style-type: none"> <li>▪ Established a "Environment Protection Committee" and compiled environment protection policies as well as relevant regulations as means to monitor energy saving and carbon reduction, waste management, environmental hygiene, and environment protection measures.</li> </ul>
Communication /Complaint Measures	<ul style="list-style-type: none"> <li>▪ Offline communication channels: Official documents (letters), telephone calls, or participation in relevant meetings.</li> <li>▪ Online communication channels: official corporate Website Stakeholder's section, email.</li> </ul>
Evaluation Measures / Management Indicators	<ul style="list-style-type: none"> <li>▪ ISO 14067 Quantification of carbon footprint of products verified by a third-party.</li> <li>▪ ISO 14064-1 GHG verified by a third-party.</li> <li>▪ Implemented ISO 14001 Environmental Management Systems and ISO 50001 verified by a third-party.</li> <li>▪ Annual green purchasing received recognition from the EPA, Executive Yuan's "Outstanding Green Purchasing and Green Consumption Promotion" award.</li> <li>▪ Amount of paper saved from digitalized services.</li> </ul>

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#### ▼ 2022 Anti-corruption Policy and Procedure Communication and Training Overview

Anti-Corruption Indicator	Target	No. of People	Percentage	
Anti-Corruption Communication	Governance Department Members	9	100%	
	Employee	Office Staff Departments and Section Head-Level Supervisors	490	100%
		Internal Staff	2,043	100%
		Sales Agent	14,271	100%
	Suppliers	69	100%	
Anti-Corruption Training	Governance Department Members	9	100%	
	Employee	Departments and Section Head-Level	490	100%
		Internal Staff	2,043	100%
		Sales Agent <sup>①</sup>	13,762	100%

#### ▼ 2022 Office Staff & Sales Training Overview

Office Staff	Male	Female	Total
Training hrs for Supervisors	14,127.5	16,794.4	30,921.9
Training hrs for Non-supervisors	37,103.5	66,527.0	103,630.5
Subtotal	51,231.0	83,321.4	134,552.4
Total no. of Supervisors	250	240	490
Total no. of Non-Supervisors	698	1,345	2,043
Subtotal	948	1,585	2,533
Average Training hrs of Supervisors	56.51	69.98	63.11
Average Training hrs of Non-Supervisors	53.16	49.46	50.72

Sales Agents	Male	Female	Total
Training hrs for Supervisors	67,528	152,673	220,201
Training hrs for Non-supervisors	106,467	188,104	294,571
Subtotal	173,995	340,777	514,772
Total no. of Supervisors	1,388	2,787	4,175
Total no. of Non-Supervisors	4,491	8,027	12,518
Subtotal	5,879	10,814	16,693
Average Training hrs of Supervisors	48.65	54.78	52.74
Average Training hrs of Non-Supervisors	23.71	23.43	23.53

#### ▼ 2022 Employee Overview – Office Staff Age, Position, Education

	Gender	2021			2022				
		Male	Female	Combined	Male	Percentage	Female	Percentage	Combined
Age	≤ 30	156	203	359	159	39.8%	240	60.2%	399
	30-50	593	1180	1773	606	34.0%	1178	66.0%	1784
	≥ 50	200	179	379	183	52.3%	167	47.7%	350
Position	Department Head or above	66	39	105	71	67.0%	35	33.0%	106
	Section Head	177	204	381	179	46.6%	205	53.4%	384
	General Employees	706	1319	2025	698	34.2%	1345	65.8%	2043
Education	High School or below	35	72	107	33	36.3%	58	63.7%	91
	College	586	1238	1824	591	32.0%	1255	68.0%	1846
	Masters	323	252	575	318	53.9%	272	46.1%	590
	PhD	5	0	5	6	100.0%	0	0.0%	6
Employment Type	Non-Fixed Term <sup>②</sup>	946	1552	2498	948	37.6%	1576	62.4%	2524
	Fixed Term <sup>③</sup>	3	10	13	0	0.0%	9	100.0%	9

#### ▼ 2022 Employee Overview – Sales Agent Age, Position, Education

	Gender	2021			2022		
		Male	Female	Combined	Male	Female	Combined
Age	≤ 30	1,549	1,879	3,428	1,544	1,898	3,442
	30-50	2,748	5,329	8,077	3,092	5,716	8,808
	≥ 50	853	2,264	3,117	939	2,565	3,504

① Competent authority gives a one year flexibility period for employee re-training. All 2022 training hrs for sales agents were completed by Mar. 2023.

② Non-fixed term contracts means the employee does not have a restricted working period. As long as the work content is required, the employee can continue working, unless laid off by the company or voluntary resignation. These employees are entitled to severance pay and the Company needs to allocate funds for their retirement.

③ Fixed term contracts means the employee has a limited working period. Examples included temporary, short-term, seasonal, specific jobs. These employees are to leave after the specific time period. Unless the Company wishes to renew their contract, the term of employment will be terminated. These are not entitled to severance pay but the Company needs to allocate funds for their retirement.

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		Gender	2021			2022		
			Male	Female	Combined	Male	Female	Combined
Position	Agent Supervisor		1,372	2,818	4,190	1,389	2,793	4,182
	Agent		3,778	6,654	10,432	4,186	7,386	11,572
Education	High School or below		1,588	3,405	4,993	1,706	3,600	5,306
	College		3,229	5,739	8,968	3,497	6,223	9,720
	Masters		333	328	661	372	356	728
Employment Type	Part-Employed <sup>④</sup>		1,372	2,818	4,190	1,389	2,793	4,182
	Contracted <sup>⑤</sup>		3,778	6,654	10,432	4,186	7,386	11,572

### ▼ 2022 Office Staff Gender and Age Overview - New on-board, By Resignation, Departed

		Gender	≤30		30-50		≥50		Total <sup>⑥</sup>
			Male	Female	Male	Female	Male	Female	
New on-board									
2021	No. of		73	88	110	136	5	4	416
	Percentage		17.55%	21.15%	26.44%	32.69%	1.20%	0.96%	6.57%
2022	No. of		52	92	123	175	11	26	479
	Percentage		10.86%	19.21%	25.68%	36.53%	2.30%	5.43%	18.91%
Departed									
Departed	2021	No. of	31	60	63	137	10	11	312
		Percentage	1.24%	2.4%	2.52%	5.48%	0.40%	0.44%	12.49%
	2022	No. of	44	43	111	194	29	29	450
		Percentage	1.74%	1.70%	4.40%	7.69%	1.15%	1.15%	17.83%
By Resignation	2021	No. of	31	59	61	135	9	10	305
		Percentage	1.24%	2.36%	2.44%	5.40%	0.36%	0.40%	12.21%
	2022	No. of	44	43	105	185	11	17	405
		Percentage	1.74%	1.70%	4.16%	7.33%	0.44%	0.67%	16.05%

### ▼ 2022 Sales Agent Gender and Age Overview - New on-board, By Resignation, Departed<sup>⑦</sup>

		Gender	≤30		30-50		≥50		Total <sup>⑥</sup>
			Male	Female	Male	Female	Male	Female	
New on-board									
2021	No. of		446	554	583	1008	113	225	2929
	Percentage		3.05%	3.79%	3.99%	6.89%	0.77%	1.54%	20.03%
2022	No. of		402	490	496	823	99	227	2537
	Percentage		2.55%	3.11%	3.15%	5.22%	0.63%	1.44%	16.10%

			≤30		30-50		≥50		Total <sup>⑥</sup>
			Male	Female	Male	Female	Male	Female	
Departed									
Departed	2021	No. of	183	178	170	259	45	102	937
		Percentage	1.25%	1.22%	1.16%	1.77%	0.31%	0.70%	6.41%
	2022	No. of	237	314	306	460	80	152	1549
		Percentage	1.50%	1.99%	1.94%	2.92%	0.51%	0.96%	9.83%
By Resignation	2021	No. of	183	178	170	259	45	102	937
		Percentage	1.25%	1.22%	1.16%	1.77%	0.31%	0.70%	6.41%
	2022	No. of	237	314	306	460	80	152	1549
		Percentage	1.50%	1.99%	1.94%	2.92%	0.51%	0.96%	9.83%

### ▼ Remuneration of New On-Board Personnel

		2022	2021	2020
Office Staff				
Entry-Level Operators	Wage Scope	Minimum wage NT\$25,250, plus adjustment for experience and education	Minimum wage NT\$24,000, plus adjustment for experience and education	Minimum wage NT\$23,800, plus adjustment for experience and education
	Comparison Ratio with Competent Authority	1.00:1	1.00:1	1.00:1
Administrative Personnel with College Education	Wage Scope	Minimum wage NT\$28,000, plus adjustment for experience and education	Minimum wage NT\$28,000, plus adjustment for experience and education	Minimum wage NT\$28,000, plus adjustment for experience and education
	Comparison Ratio with Competent Authority	1.11:1	1.17:1	1.18:1

④ Part-Employed: The Company signs duo contracts with the Agent Supervisor (contract & employment). The Labor Standards Act applies.

⑤ Contracted: The Company signs contract with the individual sales agent, but with no employer/employee relationship. The Labor Standards Act does not apply.

⑥ Total no. of office staff (percentage denominator): 2,511 in 2021, 2,533 in 2022. Total no. of sales agents (percentage denominator): 14,622 in 2021, 15,754 in 2022.

⑦ New on-board and Departed Employee Overview (including contracted sales agents.)



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		2022	2021	2020
Sales Agent				
First-line Managers	Wage Scope	Remuneration based on the items stated in the employment contract. The minimum monthly remuneration should not be lower than the remuneration set by the competent authority.		
	Comparison Ratio with Competent Authority	1.00:1	1.00:1	1.00:1

## ▼ Remuneration Comparison Ratio Between Genders

	2021				2022			
	Basic salary ratio		Annual remuneration ratio		Basic salary ratio		Annual remuneration ratio	
	Female	Male	Female	Male	Female	Male	Female	Male
Department Head and Above	0.81	1	1.05	1	0.80	1	1.18	1
Section Head	0.92	1	0.98	1	0.95	1	1.00	1
Normal Employee	0.87	1	0.89	1	0.88	1	0.89	1

## ▼ Average and Median Salary of Full-Time Employees Not in Supervisory Positions and Comparison with the Prior Year

Item	2022	2021	Comparison
Total Remuneration of Full-Time Employees not in Supervisory Positions (Unit: NTD) <sup>⑧</sup>	2,440,235,223	2,928,916,906	-17%
No. of Full-Time Employees not in Supervisory Positions (Unit: NTD) <sup>⑨</sup>	2,309	2,325	-1%
Average Remuneration of Full-Time Employees not in Supervisory Positions (Unit: NTD)	1,056,836	1,259,749	-16%
Median Remuneration of Full-Time Employees not in Supervisory Positions (Unit: NTD)	916,406	1,056,745	-13%

## ▼ Number of Non-Supervisory Employees, Average Employee Benefit Costs, and Comparison with the Prior Year

Item	2022	2021	
No. of Non-Supervisory Employees	2,501	2,479 <sup>⑩</sup>	
Non-Supervisory Employees Average Benefit Cost and Comparison with the Prior Year	Average Benefit Cost	1,179,929	1,369,598
	Average Benefit Cost Growth	-13.85%	11.90%

## ▼ Annual Salary Ratio <sup>⑪</sup>

Comparison Ratio Between Highest Salary Individual and the Median	56.17
Comparison Ratio Between Highest Salary Growth Individual and the Median	0.86

<sup>⑧</sup> Full-time employees refers to employees whose working hours meet China Life's normal working hours or working hours set by law (approx. 35 hours per week); Those whose paid employment have yet to reach 6 months, will not be included in the calculation as regulated.

<sup>⑨</sup> Since the "total employees' remuneration" used to calculating "salary average" is affected by the increase or decrease of the number of employees in each month, the "number of full-time employees" is calculated using the statistical concept of "weighted average" in accordance with relevant regulations.

<sup>⑩</sup> Number of non-supervisory employees calculated in accordance with TWSE's disclosure requirements.

<sup>⑪</sup> The median above does not include the remuneration of the highest individual.

## GRI Standards Disclosure

Statement: China Life has applied the GRI standard in for the contents of its report (Jan.01, 2022 ~ Dec.31, 2022)

Item	Chapters and Sections	Page No.
GRI 1 : Foundation 2021		
Disclosed GRI content index	Appendix	P.88-89
Statement of use	About the Report	P.02-03
GRI 2 : General Disclosures2021		
2-1	Organizational details	About China Life P.03
2-2	Entities included in the organization's sustainability reporting	About the Report P.02-03
2-3	Reporting period, frequency and contact person	About the Report P.02-03
2-4	Restatements of information	There are no restatements of information for 2022 --
2-5	External assurance	About the Report Independent Auditors' Limited Assurance Report P.03 P.97-98
2-6	Activities, value chain and other business relationships	About China Life [CH5] Green Operations and Carbon Management P.02-03 P.76-82
2-7	Employees	[CH4] Talent Innovation Cultivation Appendix-Sustainability Report Charts & Tables ▪ Office staff employment type: "non-fixed term" & "fixed term" employees are all considered full-time employees. ▪ Sales agent cannot be categorized using the GRI 2-7 employee categorization due to the nature of their jobs. P.55-65 P.85-87
2-8	Workers who are not employees	[CH4] Talent Innovation Cultivation Appendix-Sustainability Report Charts & Tables P.55-65 P.85-87
2-9	Governance structure and composition	[CH2] Integrity and Governance ▪ Regarding the organization's capability and impact, please refer to P.23-24 of China Life's 2022 annual Report. ▪ Stakeholder representative: Please refer to China Life's 2022 annual report p.13-18. ▪ The Company did not differentiate executive director and non-executive director in terms of title. P.25-31
2-10	Nomination and selection of the highest governance body	[CH2] Integrity and Governance P.25-31
2-11	Chair of the highest governance body	[CH2] Integrity and Governance P.25-31

Item	Chapters and Sections	Page No.
2-12	Role of the highest governance body in overseeing the management of impacts	[CH1] Sustainable Governance Corporate Culture [CH2] Integrity and Governance P.10 P.25
2-13	Delegation of responsibility for managing impacts	[CH1] Sustainable Governance Corporate Culture [CH2] Integrity and Governance P.10 P.25
2-14	Role of the highest governance body in sustainability reporting	[CH1] Sustainable Governance Corporate Culture [CH5] Climate Risk Governance P.10 P.72
2-15	Conflicts of interest	[CH2] Integrity and Governance P.30
2-16	Communication of critical concerns	[CH2] Integrity and Governance P.28-29
2-17	Collective knowledge of the highest governance body	[CH2] Integrity and Governance P.26
2-18	Evaluation of the performance of the highest governance body	[CH2] Integrity and Governance P.29
2-19	Remuneration policies	[CH2] Integrity and Governance P.30
2-20	Process to determine remuneration	[CH2] Integrity and Governance P.30
2-21	Annual total compensation ratio	[CH4] Talent Innovation Cultivation Appendix-Sustainability Report Charts & Tables P.60-61 P.85-87
2-22	Statement on sustainable development strategy	A Message from the Chairman P.01
2-23	Policy commitments	[CH2] Integrity and Governance [CH4] Talent Innovation Cultivation [CH5] Sustainable Supplier Management P.25-31 P.63 P.80-82
2-24	Embedding policy commitments	[CH2] Integrity and Governance [CH4] Talent Innovation Cultivation [CH5] Sustainable Supplier Management P.25-31 P.63 P.80-82
2-25	Processes to remediate negative impacts	[CH4] Treating Customers Fairly Principles P.53-55
2-26	Mechanisms for seeking advice and raising concerns	[CH4] Talent Innovation Cultivation P.61 P.64
2-27	Compliance with laws and regulations	[CH2] Legal Compliance P.37-38

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Item	Chapters and Sections	Page No.
2-28	Membership associations [CH2] Integrity and Governance	P.31
2-29	Approach to stakeholder engagement [CH1] Stakeholder Engagement	P.16-17
2-30	Collective bargaining agreements China Life did not sign collective bargaining agreements	--
GRI 3 : Material Topic2021		
3-1	Process to determine material topics [CH1] Material Topic Analysis	P.18-20
3-2	List of material topics [CH1] Material Topic Analysis Appendix-Management Policy of Material Topics	P.18-20 P.83-84
3-3	Management of material topics Appendix-Management Policy of Material Topics	P.83-84
GRI 201 : Economic Performance2016		
201-1	Direct economic value generated and distributed [CH2] Business Performance	P.23-24
201-2	Financial implications and other risks and opportunities due to climate change [CH5] Climate Risk Governance	P.72-75
201-3	Defined benefit plan obligations and other retirement plans [CH4] Talent Innovation Cultivation	P.61-62
201-4	Financial assistance received from government No financial assistance received from government	--
GRI 205 : Anti-corruption2016		
205-1	Operations assessed for risks related to corruption 100% business location coverage	--
205-2	Communication and training about anti-corruption policies and procedures [CH2] Integrity and Governance [CH5] Sustainable Supply Chain Management	P.25-31 P.80-82
205-3	Confirmed incidents of corruption and actions taken No corruption occurrences	--
GRI 305 : Emission2016		
305-1	Direct (Scope 1) GHG emissions [CH5] Green Operations and Carbon Management In alignment with ISO 14064-1:2018, Direct (Category 1) GHG emissions, Category 1 calculation of GHGs includes 7 main types. China Life only emitsCO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, and has 0 emissions for the other types of GHGs.	P.79
305-2	Energy indirect (Scope 2) GHG emissions [CH5] Green Operations and Carbon Management In alignment with ISO 14064-1:2018, Category 2 Energy indirect (Category 2) GHG emissions	P.79

Item	Chapters and Sections	Page No.
305-3	Other indirect (Scope 3) GHG emissions [CH3] Sustainable Investment Development [CH5] Green Operations and Carbon Management In alignment with ISO 14064-1:2018 "Other indirect (Category 3) GHG emissions," "Indirect (Category 4) GHG emissions from using the Company's products," "Indirect (Category 5) GHG emission from using the Company's products," "Indirect (Category 6) GHG emission from other energy sources."	P.41 P.79
305-4	GHG emissions intensity [CH5] Green Operations and Carbon Management	P.79
305-5	Reduction of GHG emissions [CH5] Green Operations and Carbon Management	P.79
305-6	Emissions of ozone-depleting substances (ODS) China Life did not emit substances what will destroy the ozone layer	--
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions China Life did not emit Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	--
GRI 417 : Marketing and Labeling 2016		
417-2	Incidents of non-compliance concerning product and service information and labeling [CH2] Legal Compliance <a href="#">Internal control measure statement</a>	P.37-38
417-3	Incidents of non-compliance concerning marketing communications [CH2] Legal Compliance <a href="#">Internal control measure statement</a>	P.37-38
GRI 418 : Customer Privacy2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data [CH2] Information Security	P.36
GRI G4 Financial Supplementary Guidelines : Product Portfolio		
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose [CH3] Sustainable Investment Development [CH4] Promotion of Inclusive Product Services	P.42 P.49 P.53
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose [CH3] Sustainable Investment Development	P.42

## SASB Disclosure

Indicator	Disclosure Indicator	Indicator Descriptions / Corresponding Chapters	Page No.
Topic : Transparent Information & Fair Advice for Customers			
<p><b>Indicator Code</b> FN-IN-270a.1</p> <p><b>Indicator Nature</b> Quantitative</p>	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.	As for the litigation cases concluded in 2022 (including judgment finalization and settlement cases), there were no losses caused by litigations arising from the marketing and communication of insurance products to and with customers.	--
<p><b>Indicator Code</b> FN-IN-270a.2</p> <p><b>Indicator Nature</b> Quantitative</p>	Complaints-to-claims ratio.	<p>[CH4] Treating Customers Fairly Principles</p> <p>In the 2022, complaint rate statistics published for life insurance companies by the Financial Ombudsman Institution (FOI), the complaint rate for China Life was 0.22 ‰, which increased by 0.07‰ in comparison with 2020, still ranked highly among the 22 life insurance companies. The number and proportion of cases that applied for review increased as a result of the pandemic, proper handling rate via deliberation still remained above 90%. Among the 169 cases applying for reviews in 2022, there were a total of 121 cases of appeals for claims, and a total of 48 non-appeals for claims, and 95.2% of these cases had been handled properly.</p>	P.54-55
<p><b>Indicator Code</b> FN-IN-270a.3</p> <p><b>Indicator Nature</b> Quantitative</p>	Persistency Ratio.	<p><a href="#">Various financial business indicators of China Life Insurance Co., LTD.</a> published on the Market Observation Post System (MOPS) for the insurance industry.</p> <p>The insurance policy continuation rate was calculated based on the "Life Insurance Industry's Plan for Enhancing the Insurance Service Solicitation Quality" of the Financial Supervisory Commission (FSC), where China Life's 13-month policy continuation rate reached 97.38%, and the 25-month policy continuation rate reached 96.78%.</p>	--
<p><b>Indicator Code</b> FN-IN-270a.4</p> <p><b>Indicator Nature</b> Qualitative</p>	Description of approach to informing customers about products	<p>China Life official website – <a href="#">Treating customers fairly section</a>, <a href="#">product overview section</a></p> <p>[CH4] Promotion of Inclusive Product Services [CH4] Treating Customers Fairly Principles</p>	P.48-54
Topic : Incorporation of Environmental, Social, and Governance Factors in Investment Management			
<p><b>Indicator Code</b> FN-IN-410a.1</p> <p><b>Indicator Nature</b> Quantitative</p>	Total invested assets, by industry and asset class.	[CH2] Business Performance	P.23-24

Indicator	Disclosure Indicator	Indicator Descriptions / Corresponding Chapters	Page No.
<p><b>Indicator Code</b> FN-IN-410a.2</p> <p><b>Indicator Nature</b> Qualitative</p>	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies.	[CH3] Sustainable Investment Development	P.40-43
Topic : Policies Designed to Incentivize Responsible Behavior			
<p><b>Indicator Code</b> FN-IN-410b.1</p> <p><b>Indicator Nature</b> Quantitative</p>	Net premiums written related to energy efficiency and low carbon technology.	Not applicable to life insurance enterprises	--
<p><b>Indicator Code</b> FN-IN-410b.2</p> <p><b>Indicator Nature</b> Quantitative</p>	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors.	[CH4] Promotion of Inclusive Product Services	P.48-49
Topic : Environmental Risk Exposure			
<p><b>Indicator Code</b> FN-IN-450a.1</p> <p><b>Indicator Nature</b> Quantitative</p>	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes.	[CH2] Business Performance	P.25
<p><b>Indicator Code</b> FN-IN-450a.2</p> <p><b>Indicator Nature</b> Quantitative</p>	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.)	No major natural disasters in 2022, therefore, there are no relevant statistics.	--
<p><b>Indicator Code</b> FN-IN-450a.3</p> <p><b>Indicator Nature</b> Qualitative</p>	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts, (2) the management of firm-level risks and capital adequacy.	<p>In terms of incorporating environmental risks into (1) Individual underwriting process: The insurance business of the Company belongs to personal life insurance, so it is not applicable.</p> <p>In terms of the methods for incorporating environmental risks into (2) the management of firm-level risks and capital adequacy : [CH2] Risk Management</p> <p>Environment risks such as "physical risk" and "transition risk" of climate change has been included in the Company's "Risk Management Policy." In the future, climate-related assessments, scenarios, response plans will be included in the ORSA report in alignment with the competent authority's policy regulations.</p>	P.32

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Indicator	Disclosure Indicator	Indicator Descriptions / Corresponding Chapters	Page No.
Topic : Systematic Risk Management			
<p><b>Indicator Code</b> FN-IN-550a.1</p> <p><b>Indicator Nature</b> Quantitative</p>	<p>Exposure to derivative instruments by category:</p> <p>(1)Total potential exposure to non-centrally cleared derivatives.</p> <p>(2)Total fair value of acceptable collateral posted with the Central Clearinghouse.</p> <p>(3)Total potential exposure to centrally cleared derivatives.</p>	<p>Please refer to 2022 Financial Report for the potential total risk exposure level of the non-centrally-cleared derivative financial products. There was no holding of acceptable collaterals issued for central clearance or centrally-cleared derivative financial products as published. Please refer to p.39 and p.52 of the 2022 and 2021 Individual Financial Reports and the Accountant's Audit Report of China Life Insurance Co., LTD.</p> <p>(1)Total potential exposure to non-centrally cleared derivatives: As of December 31, 2022, the amount of non-centrally-cleared derivative financial products held by China Life was as follows:</p> <p>(i)Derivative financial assets, with an account amount of NT\$9,614,892,000,</p> <p>(ii)Derivative financial liabilities, with an account amount of NT\$7,876,147,000.</p> <p>(2)Total fair value of acceptable collateral posted with the Central Clearinghouse: NT\$0.</p> <p>(3)Total potential exposure to centrally cleared derivatives: NT\$0.</p>	--
<p><b>Indicator Code</b> FN-IN-550a.2</p> <p><b>Indicator Nature</b> Quantitative</p>	Total fair value of securities lending collateral assets.	[CH2] Business Performance Total fair value of securities lending collateral asset in 2022 was NT\$0.	P.24
<p><b>Indicator Code</b> FN-IN-550a.3</p> <p><b>Indicator Nature</b> Qualitative</p>	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities.	Please refer to P.102 and P.103 of China Life's 2022 and 2021 Individual Financial Reports and the Accountant's Audit Report.	--
Topic :Operating Activities			
<p><b>Indicator Code</b> FN-IN-000.A</p> <p><b>Indicator Nature</b> Quantitative</p>	<p>Number of policies in force, by segment :</p> <p>(1)property and casualty,</p> <p>(2)life,</p> <p>(3)assumed reinsurance.</p>	<p>Number of effective insurance policies:</p> <p>(1)Property and casualty: 0 cases,</p> <p>(2)Life insurance: 22,722,399 cases, appendix 6,435,307 cases,</p> <p>(3)Assumed reinsurance: 0 cases.</p>	--

## UN Principles for Sustainable Insurance (PSI)

Four Principles of PSI	Disclosure Item	Corresponding Chapters
<p><b>Principle 1</b></p> <p>We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.</p>	Business strategies	[CH1] Sustainability Strategies
	Risk management	[CH2] Risk Management [CH5] Climate Risk Governance
	Sales underwriting	[CH2] Ethical Management Training [CH3] Big Data [CH4] Treating Customers Fairly Principles
	Product design	[CH4] Promotion of Inclusive Product Services
	Post-sale service	[CH3] Digital Finance Innovation Development [CH4] Treating Customers Fairly Principles [CH5] Digitalized Services
	Claim management	[CH3] Digital Finance Innovation Development [CH4] Treating Customers Fairly Principles [CH4] Treating Customers Fairly Principles
<p><b>Principle 2</b></p> <p>We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.</p>	Investment management	[CH3] Sustainable Investment Development
	Customer	[CH1] Collaboration Channel [CH4] Promotion of Inclusive Product Services [CH4] Treating Customers Fairly Principles
	Supplier/Contractor	[CH1] Stakeholder Engagement [CH5] Sustainable Supply Chain Management
<p><b>Principle 3</b></p> <p>We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.</p>	Collaboration Channel	[CH1] Stakeholder Engagement [CH2] Channel Development Strategies [CH3] Digital Innovation
	Government and Supervising authority	[CH1] Sustainable Governance Corporate Culture [CH1] Stakeholder Engagement [CH2] Corporate Governance [CH2] Information Security [CH4] Treating Customers Fairly Principles
	Key Stakeholders	【Column】Climate Change Response and Environment Sustainability Vision [CH1] Stakeholder Engagement [CH3] Investment Institution Stewardship [CH3] Responsible Investment Performance [CH4] Social Participation [CH5] Sustainable Supply Chain Management
<p><b>Principle 4</b></p> <p>We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.</p>	Sustainability Report Assurance	About the Report – Report Assurance
	Sustainability information disclosure	China Life 2022 Sustainability Report China Life 2022 TCFD Report China Life website-Sustainability Section China Life website-Treating Customers Fairly Section China Life website-Stewardship Section

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## UN Principles for Responsible Investment (PRI)

Six Principles of PRI		Corresponding Chapter and Section
Principle 1	We will incorporate ESG issues into investment analysis and decision-making processes.	[CH3] Responsible Investment Policy [CH3] Responsible Investment Flowchart
Principle 2	We will be active owners and incorporate ESG issues into our ownership policies and practices.	[CH3] Investment Institution Stewardship
Principle 3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.	[CH3] Responsible Investment Flowchart
Principle 4	We will promote acceptance and implementation of the Principles within the investment industry.	[CH3] Investment Institution Stewardship
Principle 5	We will work together to enhance our effectiveness in implementing the Principles.	[CH3] Responsible Investment Flowchart [CH3] Investment Institution Stewardship
Principle 6	We will each report on our activities and progress towards implementing the Principles.	[CH3] Sustainable Investment Development

## Financial Disclosure Guidelines for Climate-related Risks of the Insurance Industry

Indicator	Chapter and Section	Page No.
Governance		
The Board of Directors and senior management should ensure that the Company takes the identified climate-related risks into consideration when setting the Company's risk appetite, strategies and operational plans, and continuously supervises the management and disclosure of climate-related risks.	<b>【Column】</b> Completed Climate Governance Framework	P.07
	[CH1] Sustainability Strategies	P.12
	[CH5] Climate Governance Organization Structure	P.72
The Board of Directors, or a committee of the Board of Directors, is ultimately responsible for the management of climate-related risks.	[CH1] Corporate Sustainability Governance Structure	P.10
	[CH5] Climate Governance Organization Structure	
The Board of Directors, or a committee of the Board of Directors, approves and oversees the structure and policies for managing climate-related risks.	<b>【Column】</b> Completed Climate Governance Framework	P.07
	[CH1] Corporate Sustainability Governance	P.10
	[CH5] Climate Governance Organization Structure	P.72
The Board of Directors, or a committee of the Board of Directors, recognizes that climate-related risks are included in risk appetite qualitative or quantitative indicators.	[CH2] Risk Management Organization	P.32
	[CH5] Climate Governance Organization Structure	P.72

Indicator	Chapter and Section	Page No.
The board of directors, or a committee of the board of directors, ensures that the directors have a proper understanding of climate-related risks and opportunities, and regularly reviews senior management's implementation of the same, and ensures that senior management has received adequate training.	[CH1] Corporate Sustainability Awareness Training	P.11
	[CH2] Corporate Governance	P.28
	[CH5] Climate Governance Organization Structure	P.72
Senior management has established a framework and policy for the management of climate-related risks.	<b>【Column】</b> Completed Climate Governance Framework	P.07
	[CH1] Corporate Sustainability Governance Framework	P.10
	[CH5] Climate Governance Organization Structure	P.72
Senior management have confirmed the effectiveness of climate-related risk management framework and policies.	[CH1] Corporate Sustainability Governance	P.10
	[CH5] Climate Governance Organization Structure	P.72
Establishment of internal management process for climate-related risks by senior management.	[CH2] Risk Management Organization	P.32
	[CH5] Climate Governance Organization Structure	P.72
	[CH5] Identifying and Measuring Climate Risk	P.73-74
Senior management ensures that necessary measures are taken for identified climate-related risks.	[CH5] Climate Governance Organization Structure	P.72
The senior management has appropriately allocated personnel for the management of climate-related risks and provided them with the necessary training.	[CH1] Corporate Sustainability Awareness Training	P.11
	[CH5] Climate Governance Organization Structure	P.72
Senior management regularly reports to the Board of Directors or a committee of the Board of Directors on the management of climate-related risks.	[CH1] Corporate Sustainability Governance Framework	P.10
	[CH2] Risk Management Organization	P.32
	[CH5] Climate Governance Organization Structure	P.72
Strategy		
Identified the financial impacts of climate-related risks and opportunities in terms of finance, operations, products and investments.	[CH3] Responsible Investment Flowchart	P.40
	[CH5] Identifying and Measuring Climate Risk	P.73-74
Prioritize climate-related risks based on materiality.	[CH5] Identifying and Measuring Climate Risk	P.73-74
Consider the impact of climate-related risks and opportunities when setting annual targets and strategies for business, products and investments.	[CH1] Sustainability Strategies	P.12
	[CH5] Identifying and Measuring Climate Risk	P.73-74
Review and adjust climate-related risk management policies based on scenario analysis and stress test results.	<b>【Column】</b> Expanding Scenarios and Subjects for Scenario Analysis	P.07
	[CH5] Identifying and Measuring Climate Risk	P.73-74
Risk Management		
Establishment of a risk management method to identify climate-related departments, transaction counterparties and customers (including existing and potential counterparties and customers) and assess their impact.	[CH5] Identifying and Measuring Climate Risk	P.73-74

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Indicator	Chapter and Section	Page No.
To establish a mechanism for the management and continuous monitoring of climate-related risk exposures with respect to risk management and monitoring. For departments, transaction counterparties and customers with significant climate-related risks, establish mechanisms to manage the identified climate-related risks and encourage the transaction counterparties and customers to take necessary measures to reduce their climate-related risks.	[CH5] Identifying and Measuring Climate Risk [CH5] Climate Response	P.73-74 P.74-75
Conduct risk management based on climate risks identified by the Company and in accordance with the "Insurance Industry Guidelines for Internal Control Three Lines of Defense"	【Column】Completed Climate Governance Framework [CH5] Climate Governance Organization Structure	P.07 P.72
Possesses qualitative or quantitative scenario analysis and stress testing capabilities to assess the impact of climate-related risks.	【Column】Expanding Scenarios and Subjects for Scenario Analysis [CH5] Identifying and Measuring Climate Risk	P.07 P.73-74
Setting up general and severe scenarios with qualitative or quantitative risk indicators for scenario analysis and stress testing, and setting up long-term or short-term scenarios for strategic planning and risk management purposes.	[CH5] Identifying and Measuring Climate Risk [CH5] Climate Response	P.73-74 P.74-75
Establish appropriate procedures for investment management to assess and manage climate-related risks associated with the underlying investments. Additional review mechanisms should be in place for investment targets with higher climate-related risks.	[CH3] Responsible Investment Flowchart	P.40
Regularly evaluate the changes in climate-related risks associated with investment targets, in order to properly adjust investment positions.	[CH3] Responsible Investment Flowchart [CH5] Climate Response	P.40 P.74-75
Metrics and Targets		
Setting up indicators for assessing and managing climate-related risks.	[CH5] Climate Risk Indicators and Targets	P.75
Setting objectives for climate-related risk management.	[CH5] Climate Risk Indicators and Targets	P.75
To determine the criteria for ranking climate-related risks in order of significance.	[CH5] Identifying and Measuring Climate Risk	P.73-74
Consider the inclusion of climate-related risk management as a performance indicator.	[CH2] Corporate Governance [CH5] Climate Risk Indicators and Targets	P.30 P.74-75

## Task Force on Climate-related Financial Disclosures (TCFD)

Indicator	Chapter and Section	Page No.
Governance		
a.Description on Board of Directors monitoring climate-related risk and opportunities	[CH2] Corporate Governance [CH2] Risk Governance [CH5] Climate Governance Organization Structure	P.26 P.32 P.72
b.Description on the role of management supervisors on assessment and management of climate-related risk and opportunities	[CH1] Corporate Sustainability Governance Framework [CH5] Climate Governance Organization Structure	P.10 P.72
Strategy		
a.Description on climate-related risks or opportunities that have a major impact on the organizations business, strategy, and financial plans	[CH5] Identifying and Measuring Climate Risk	P.73-74
b.Description on the organization's strategic resilience and the inclusion of different climate change scenarios, including 2 °C or lower climate change	[CH5] Identifying and Measuring Climate Risk	P.73-74
c.Description on the organization's strategic resilience and the inclusion of different climate change scenarios, including 2 °C or lower climate change	【Column】Expanding Scenarios and Subjects for Scenario Analysis [CH5] Identifying and Measuring Climate Risk	P.07 P.73-74
Risk Management		
a.Description the organizations procedures in identifying and assessing climate related risks	[CH5] Identifying and Measuring Climate Risk	P.73-74
b.Description on the organizations relevant climate-related risk management procedures	【Column】Completed Climate Governance Framework [CH5] Climate Governance Organization Structure	P.07 P.72
c.Description on how the organization incorporates over risk management into climate-related identification, assessment and management procedures	[CH5] Climate Response	P.74

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Indicator	Chapter and Section	Page No.
Metrics and Targets		
a. Description on the organizations indicators in assessing climate related risks and opportunities while in compliance with its strategies and risk management procedures	[CH5] Climate Risk Indicators and Targets	P.75
b. Disclosure of Scope 1,2,3 (if applicable) emission and relevant risks	【Column】Insurance Service Carbon Footprint Inventory	P.08
	[CH3] Carbon Footprint of Investment Portfolio	P.41
	[CH5] Climate Risk Indicators and Targets	P.75
	[CH5] Environment Management	P.77
c. Description on the organization's targets in managing climate-related risks and opportunities and the performance of said targets.	[CH3] Responsible Investment Performance [CH5] Climate Risk Indicators and Targets	P.42 P.75

## Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Section		Corresponding Chapters and Sections
Section 1	General Principle	[CH1] Sustainable Governance Corporate Culture
Section 2	Exercising Corporate Governance	[CH2] Integrity and Governance
Section 3	Fostering a Sustainable Environment	[CH5] Climate Risk Governance [CH5] Green Operations and Carbon Management
Section 4	Preserving Public Welfare	[CH4] Human Resource Management [CH4] Treating Customers Fairly Principles [CH4] Social Participation
Section 5	Enhancing Disclosure of Sustainable Development Information	China Life 2022 Sustainability Report China Life 2022 TCFD Report China Life website-Sustainability Section China Life website-Treating Customers Fairly Section China Life website-Stewardship Section
Section 6	Supplementary Provisions	[CH1] Sustainable Governance Corporate Culture

## IFRS Sustainability Disclosure Standard

### IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

Disclosed Item Name		Corresponding Chapter
Governance	Governance	[CH1] Sustainable Governance Corporate Culture [CH2] Integrity and Governance
Strategy	Sustainability related risks and opportunities	[CH1] Sustainability Strategies [CH1] Material Topic Significant Impact Assessment [CH5] Climate Response
	Strategy and Decision Making	[CH1] Sustainability Strategies [CH1] Material Topic Impact Assessment [CH2] Risk Management [CH5] Climate Risk Governance [Appendix] Material Topic Management Approach
	Financial status, performance and capital flow	[CH2] Business Performance [CH3] Sustainable Investment Development
	Resilience	[CH2] Business Performance
Risk Management	Risk Management	[CH1] Material Topic Analysis [CH1] Material Topic Impact Assessment
Indicators and Targets	Indicators and Targets	About the Report Key Achievements in 2022 Honors and Milestones in 2022 [CH1] Sustainability Strategies [CH5] Climate Response

### IFRS S2 Climate-related Disclosures

Disclosed Item Name		Corresponding Chapter
Governance	Governance	[CH1] Sustainable Governance Corporate Culture [CH2] Integrity and Governance [CH5] Climate Governance Organization Structure [CH5] Climate Response
Strategy	Climate-related risks and opportunities	[CH5] Climate Risk Governance
	Strategy and Decision making	[CH5] Climate Risk Governance
	Financial status, performance and capital flow	[CH2] Business Performance [CH3] Sustainable Investment Development
	Climate Resilience	[CH5] Climate Risk Governance
Risk Management	Risk Management	[CH5] Climate Risk Governance
Indicators and Targets	Indicators and Targets	[CH2] Integrity and Governance [CH5] Climate Risk Governance [CH5] Green Operations and Carbon Management



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## UN Global Compact

Classification	Main Issues	Corresponding Chapters and Sections
Human Rights	Businesses should support and respect internationally recognized human rights	[CH4] Human Resource Management
	Make sure that they are not complicit in human rights abuses	[CH5] Sustainable Supplier Management
Labor Standards	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	[CH4] Human Resource Management
	The elimination of all forms of forced and compulsory labor	[CH4] Human Resource Management
	The effective abolition of child labor	[CH4] Human Resource Management
	The elimination of discrimination in respect of employment and occupation	[CH4] Human Resource Management
Environment	Businesses should support a precautionary approach to environmental challenges	【Column】 Climate Change Response and Environment Sustainability Vision [CH2] Risk Management [CH5] Climate Risk Governance [CH5] Green Operations and Carbon Management
	Undertake initiatives to promote greater environmental responsibility practices	[CH5] Climate Risk Governance [CH5] Green Operations and Carbon Management [CH5] Sustainable Supply Chain Management
	Encourage the development and diffusion of ecofriendly technology	[CH3] Responsible Investment Performance [CH5] Climate Risk Governance [CH5] Green Operations and Carbon Management
Anti-corruption	Businesses should work against all forms of corruption, including extortion and bribery	[CH2] Integrity and Governance

## Taiwan's Sustainable Development Goals

No.	Specific Goals	Corresponding Chapters and Sections
1.4	Enhancing the protection and equal rights for all, especially the underprivileged, in terms of entrepreneurship, employment, loans, financing, housing, land ownership, etc.	[CH4] Promotion of Inclusive Product Services [CH4] Treating Customers Fairly Principles
1.5	Reducing losses caused by various disasters and make extra effort in protecting underprivileged groups and low-income groups	[CH4] Rapid and Major Catastrophe Service
4.5	Making sure that the accesses to education and vocational trainings at all levels for underprivileged groups, including physically/mentally disabled persons, indigenous people and disadvantaged children	[CH4] Human Resource Management [CH4] Education Training [CH4] Helping the Vulnerable
5.5	Encouraging administrative authorities at all levels to promote females to serve as supervisors or chiefs; to encourage political parties to cultivate females cadres and involve them in politics; to increase the ratio of female police officers and female managers in listed companies; to coach and encourage females to serve as corporate representatives	[CH2] Integrity and Governance [CH4] Human Resource Management
6.d	Enhance reduction of general waste and stimulate resource recycling	[CH5] Waste Management
7.2	Enhancing the installed capacity of renewable energy	[CH5] Energy Use Management
8.5	Enhancing labor productivity	[CH4] Diverse Recruitment Channels [CH4] Talent Development
8.6	Implementing knowledge-action integration and training measures, to strengthen the employability of the youth	[CH4] Diverse Recruitment Channels [CH4] Talent Development
8.7	Promoting the working environment safety and protecting the rights and interests of female workers in participating in trade unions	[CH4] Human Resource Management
8.9	Encouraging Financial Technology (FinTech) innovation, to provide convenient and diverse financial services	[CH3] Digital Finance Innovation Development
8.13	Developing green energy technologies, enhancing energy independence and energy diversity, and encouraging the development of renewable energy	[CH3] Responsible Investment Performance [CH5] Green Operations and Carbon Management
10.2	Continuously promoting indigenous people employment programs, increasing employment opportunities for indigenous people to increase their economic income; improving the employment situations for physically/mentally disabled persons and enhancing their economic status	[CH4] Human Resource Management

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No.	Specific Goals	Corresponding Chapters and Sections
10.3	Strengthening publicity and education on laws and regulations related to gender equality and elimination of employment discrimination; building and improving the system of gender-based violence prevention and children/youth protection to raise public awareness of discrimination or violence	[CH4] Human Resource Management
10.6	Optimizing social innovation momentum, discover diverse social innovation methods and build a social enterprise friendly ecosystem, helping solve social problems	[CH4] Social Participation
11.5	Reducing the losses caused by various disasters and taking special care for protecting vulnerable groups and low-income groups	[CH3] Promote Inclusive Product Services
11.9	Strengthening the social safety net, ensuring social stability, strengthening public security maintenance, and curbing violent crimes	[CH2] Anti-money Laundering
11.12	Improving the effectiveness of energy saving and carbon reduction in buildings	[CH5] Environment Management [CH5] GHG Management [CH5] Energy Use Management
12.6	Encouraging enterprises to take sustainable development measures and disclose sustainable development information, while ensuring the accuracy and quality of the information	[CH1] Sustainable Governance Corporate Culture
12.7	Promoting the increase of green procurements both in public and private sectors	[CH5] Sustainable Supply Chain Management
13.1	Enhancing adaptation to climate change, with stronger resilience and lower vulnerability	【Column】 Climate Change Response and Environment Sustainability Vision [CH2] Risk Management Policy [CH2] Risk Management Organization [CH3] Investment Portfolio Carbon Emission Inventory [CH3] Responsible Investment Performance [CH5] Climate Risk Governance
13.3	Improving sustainable education on climate change, and public literacy	[CH4] Friendly Environment [CH5] Climate Risk Governance [CH5] Green Operations and Carbon Management
16.1	Strengthening the social safety net, ensuring social stability, strengthening public security maintenance, and curbing violent crimes	[CH2] Anti-money Laundering

## ISO 26000 Guidance on Social Responsibility

Subject	Issue	Corresponding Chapters and Sections
Organizational governance	Adopt systematic CSR concepts for decision-making and in achieving targets	[CH1] Sustainable Governance Corporate Culture
Human rights	Compliance with regulations and avoidance of risks due to human rights issues through verification	[CH4] Human Resource Management
	Handling human rights risk scenarios	[CH4] Human Resource Management
	Avoidance of Complicity - Direct, Benefit and Silent complicity relationships	[CH2] Integrity and Governance
	Solving problem	[CH4] Human Resource Management [CH4] Performance Management
	No discrimination towards the vulnerable	[CH4] Human Resource Management
	Protect civil and political rights	[CH4] Human Resource Management
	Protect economy, social and cultural rights	[CH4] Human Resource Management
	Protect basic working rights	[CH4] Human Resource Management
Labor practices	Enhance labor and management relations	[CH4] Human Resource Management
	Working conditions and social protection	[CH4] Human Resource Management
	Maintain social dialogue	[CH4] Social Participation
	Maintain work health and safety	[CH4] Human Resource Management
	Human resource development and training	[CH4] Talent Development
The environment	Pollution prevention	[CH5] Green Operations and Carbon Management
	Using sustainable resources	[CH5] Green Operations and Carbon Management
	Climate change mitigation and adaptation	[CH5] Green Operations and Carbon Management
	Environmental protection, biodiversity and recovery of natural habitats	[CH5] Green Operations and Carbon Management

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Subject	Issue	Corresponding Chapters and Sections
Fair operating practices	Anti-corruption	[CH2] Integrity and Governance
	Responsible political participation	[CH2] Integrity and Governance
	Fair competition	[CH2] Integrity and Governance
	Stimulate industry value chain and social responsibilities	[CH5] Sustainable Supply Chain Management
	Respect intellectual property rights	*Lower relevance to life insurance industry
Consumer issues	Fair marketing, practical information and contracting	[CH3] Treating Customers Fairly Principles
	Protecting consumer health and safety	[CH3] Promote Inclusive Product Services
	Support sustainable consumption	[CH5] Sustainable Supply Chain Management
	Consumer services, support, complaint, and dispute-solving	[CH3] Treating Customers Fairly Principles
	Consumer data protection and privacy	[CH2] Risk Management
	Protection of right to services	[CH3] Treating Customers Fairly Principles
	Education and raising awareness	[CH4] Social Participation
Community involvement and development	Social participation	[CH4] Social Participation
	Create job opportunities and technical development	[CH4] Diverse Recruitment Channels
	Technology Development	*Lower relevance to life insurance industry
	Help increase financial wealth	[CH4] Social Participation
	Promote education and culture development	[CH4] Social Participation
	Promote health	[CH4] Social Participation
	Social investment	[CH4] Social Participation

## INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders  
China Life Insurance Co., Ltd.

We have performed a limited assurance engagement on the selected subject matter information (see Appendix) in 2022 Sustainability Report ("the Report") of China Life Insurance Co., Ltd. ("the Company")

### Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

### Auditors' Responsibilities for the Limited Assurance Engagement Performed on the Report

We planned and conducted our work on the selected subject matter information (see Appendix) in the Report in accordance with the Statements of Assurance Engagements Standards 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on the preparation, with no material misstatement in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Obtaining and reading the Report.
- Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures for the preparation of the Report.
- Inquiring the personnel responsible for the preparation of the Report to understand the process, controls, and information systems in the preparation of the selected subject matter information.
- Analyzing and examining, on a test basis, the documents and records supporting the selected subject matter information.

# 1 Sustainability

# 2 Corporate Governance Enhancement

# 3 Sustainable Finance

# 4 Inclusive Finance

# 5 Low Carbon Transition

# 6 Appendix

## Inherent Limitations

The subject information included non-financial information, which was under more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

## Independence and Quality Controls

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Quality Management Standard 1 “Quality Management for Public Accounting Firms” issued by the Accounting Research and Development Foundation of the Republic of China and, accordingly, requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report is, in all material respects, not prepared in accordance with the above mentioned reporting criteria.

## Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the limited assurance report is Han-Ni Fang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

June 29, 2023

### Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of selected subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of selected subject matter information shall prevail.

## SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	Assurance Subject Matter	Descriptions of Indicators	Corresponding Section	Applicable Criteria
1.	GRI 205-2: 2016	Communication and training about anti-corruption policies and procedures	[CH2] Integrity and Governance [CH5] Sustainable Supply Chain Management	The numbers and percentage of governance body members, employees and suppliers engaged in anti-corruption communication and the numbers and percentage of governance body members and employees received anti-corruption training.
2.	SASB FN-IN 450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	[CH2] Business Performance	The Probable Maximum Loss (PML) of insurance products under typhoons/hurricanes and waterlogging.
3.	Designated indicator 1	Percentage of investment balance in high carbon emission industries	[CH3] Sustainable Investment Development	Percentage of investment balance in high carbon emission industries by industry classification standard.
4.	Designated indicator 2	Premium income from micro insurance	[CH4] Promotion of Inclusive Product Services	Premium income from micro insurance.
5.	Designated indicator 3	Percentage of trading counterparts signed the UN Principles for Responsible Investment (PRI)	[CH3] Stewardship Principles for Institutional Investors	Percentage of overseas funds, ETF companies, and fund management companies of overseas private equity funds that have signed the UN Principles for Responsible Investment (PRI).