凱基人壽
KGI LIFE

2025

Climate and Nature-related Financial Disclosures Report

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About the Report

This is the 2025 Climate and Nature-related Financial Disclosures Report (this Report) of KGI Life Insurance Co., Ltd. (KGI Life or the Company). Following the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) frameworks, it discloses the Company's management practices and performance in climate and nature-related governance, strategy, risk management, and metrics and targets.

■ Disclosure Period

This Report discloses KGI Life's climate and nature-related information for the period from January 1 to December 31, 2025. For integration and transparency, some of the content is not confined to 2025. The previous edition was published in October 2025 and this edition in October 2026. Every edition can be downloaded from the sustainability section of the KGI Life corporate website.

■ Reporting Scope and Boundary

The climate and nature-related management outcomes and future strategic targets described in this Report cover the Company's operating activities in Taiwan and its domestic and overseas investment activities. For portfolio analyses — such as the nature dependency and impact analysis and the various scenario analyses — the data cut-off date and coverage are as stated in each section.

■ Reference Standards

KGI Life follows and refers to international and domestic norms and standards to strengthen the quality of the climate and nature-related disclosures in this Report. The Report is prepared principally in accordance with the following frameworks and standards, in response to the expectations of its diverse stakeholders:

Issuing Body	Framework or Standard Followed
Financial Stability Board (FSB)	Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
Jointly launched by Global Canopy, the United Nations Development Programme (UNDP), the United Nations Environment Programme Finance Initiative (UNEP FI), and the World Wide Fund for Nature (WWF)	Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)
International Sustainability Standards Board (ISSB)	*IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; IFRS S2 Climate-related Disclosures*
Financial Supervisory Commission	*Guidelines on Climate-related Financial Disclosures of Insurance Companies*
Global Reporting Initiative (GRI)	GRI 101: Biodiversity 2024
United Nations Environment Programme (UNEP)	*Principles for Sustainable Insurance* (PSI); *Principles for Responsible Investment* (PRI)

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Chapter

1 Climate and Nature Governance



In the face of extreme weather and the potential loss of natural capital, strengthening climate and natural ecosystem resilience while advancing both environmental conservation and shared social well-being is an unavoidable challenge for business today. KGI Life is committed to its sustainable transition by aligning with international standards, strengthening its climate and nature management in line with the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) frameworks, and benchmarking against the IFRS S2 sustainability disclosure standard, to ensure the quality and verifiability of its information disclosures.

The Company has established a clear science-based decarbonization pathway, committing to reduce its operational carbon emissions, advance circular practices, and support responsible production and consumption. The Company leverages its influence as a financial institution to practice responsible investment, directing capital toward green and sustainable development. Through engagement, it guides its investees to undergo a low-carbon transition, collaborating with all stakeholders to build a sustainable future resilient to climate and nature-related risks.

1.1 Climate and Nature Governance Framework

To effectively manage climate-related risks and opportunities, KGI Life has integrated climate change risk into its *Risk Management Policy*. Following the *Insurance Industry Risk Management Best Practice Principles* and the *Guidelines on Climate-related Financial Disclosures of Insurance Companies*, the Company established its *Climate-related Risk Management Guidelines* to define its climate risk management procedures. The Board of Directors and senior executives ensure that identified climate-related risks and opportunities are factored into the formulation of risk appetite, strategies, and operational plans. They oversee the management and disclosure of these risks and have established a Sustainability and Ethical Corporate Management Committee and a Risk Management Committee under the Board of Directors.

▼ **Climate and Nature Governance Structure**



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■ Board of Directors

As the highest governing body, the Board of Directors holds ultimate responsibility for establishing an effective risk management mechanism and overseeing climate-related risk management. It maintains an appropriate understanding of climate-related risks and opportunities. It is tasked with approving and supervising the climate-related risk management framework, policies, and risk appetite metrics and targets.

Climate governance-related proposals approved by the Board of Directors in 2025:

- Progress against the climate-related risk and opportunity management targets for Q1 2025.
- The Company's disclosure report on the implementation of climate-related information for 2024.
- Amendment to the *Sustainable Finance Commitment* of KGI Financial Holding Co., Ltd.
- Progress against the climate-related risk and opportunity management targets for Q2 2025.
- Progress against the climate-related risk and opportunity management targets for Q3 2025.

■ Sustainability and Ethical Corporate Management Committee (Functional Committee)

This committee regularly reviews the execution of climate-related risk management and ensures adequate training for senior management to manage these risks effectively.

Six task forces sit under the Sustainability and Ethical Corporate Management Committee: Corporate Governance, Social Welfare, Environmental Sustainability, Responsible Finance, Customer Rights and Interests, and Employee Well-being. Climate issues fall to the Environmental Sustainability Task Force and the Responsible Finance Task Force.

▼ **Task Forces Responsible for Climate Issues**

Environmental Sustainability Task Force

- Sets concrete targets and practices for environmental protection, energy conservation, and carbon reduction and creates an environment for sustainable living
- Drives the Company's climate strategies and targets for its own operations, develops mitigation and adaptation plans, and evaluates their implementation

Responsible Finance Task Force

- Advances and supports sustainable economic activities by following the UN *Principles for Responsible Investment* (PRI) and *Principles for Sustainable Insurance (PSI)*
- Drives climate strategies, targets, and related action plans for investment and financing, and evaluates their implementation

■ Risk Management Committee (Functional Committee)

This committee reviews the Company's guidelines, procedures, and processes for managing climate-related risks. It also confirms the integration of these risks into the qualitative and quantitative metrics and targets of the Company's risk appetite.

■ Senior Executive Directly Reporting to the President

This executive is responsible for establishing and maintaining the management framework and processes for climate-related risks as well as ensuring effective operation. They ensure that necessary actions are taken to address identified risks and provide regular reports on the progress of climate risk management to the Sustainability and Ethical Corporate Management Committee. They also assign appropriate climate risk management personnel and ensure necessary training for them.

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■ Three Lines of Defense in Internal Control

KGI Life has integrated climate change risk into its *Risk Management Policy* and established *Climate-related Risk Management Guidelines*, in line with the *Insurance Industry Risk Management Best Practice Principles*, and *Guidelines on Climate-related Financial Disclosures of Insurance Companies*. It manages climate change risk under the three lines of defense in accordance with the *Insurance Industry Best Practice Principles for the Three Lines of Defense in Internal Control*.

First Line of Defense

Each business unit is responsible for identifying, assessing, controlling, and mitigating the various risks that climate change poses to its operations and functions. Each unit designs and implements effective internal controls tailored to the specific characteristics of these risks.

In investment management, the Company has established procedures to evaluate and manage climate-related risks involving investment targets. An additional review mechanism is in place for investments with higher climate-related risks. Furthermore, the Company regularly assesses changes in these risks to inform adjustments to investment positions.

Second Line of Defense

This line of defense is jointly managed by the Risk Management Department and the Sustainable Development Department. The Risk Management Department formulates and revises the *Climate-related Risk Management Guidelines* and monitors key risk metrics. The Sustainable Development Department compiles and discloses climate-related risk management information in the Sustainability Report.

The second line assists in overseeing the Company's overall risk-bearing capacity and current risk exposure, reporting on climate risk management to the Board of Directors or senior management.

Third Line of Defense

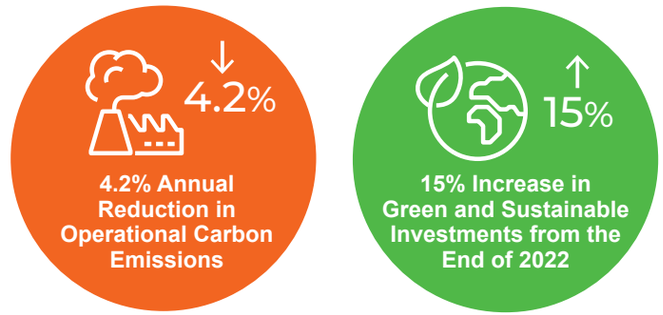
The internal audit unit assists the Board of Directors and senior management by auditing and evaluating the effectiveness of the risk management and internal control systems. This includes assessing the effectiveness of the climate risk monitoring designed and executed by the first and second lines of defense and providing timely recommendations for improvement.

1.2 Governance Performance and Remuneration Alignment

KGI Life recognizes the importance of climate change and biodiversity and has linked the relevant metrics to the annual performance appraisal of senior executives and the relevant departments, driving awareness to and action on climate issues across the organization. The President's climate governance KPIs for 2025 were a 4.2% year-on-year reduction in operational carbon emissions and a 15% increase in green and sustainable investment positions against the end of 2022. These KPIs tie the President's performance closely to the Company's sustainability strategy, and the results are reported to the Board.

Departments set climate and nature-related performance targets, formulate an implementation plan each year, and report performance quarterly to the Sustainability and Ethical Corporate Management Committee. This guides employees to embed climate and nature-related practices in their daily work, so that the Company meets its climate and nature strategy targets and advances toward its goals for corporate sustainability.

▼ **The President's Two Core KPIs for 2025**



1.3 Internal Carbon Pricing Mechanism

To achieve the Group's goal of a net-zero portfolio by 2045, KGI Life has adopted KGI Financial's internal carbon pricing system. It uses a shadow price to encourage carbon reduction across both its operations and investment and financing activities.

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On the operations front, the carbon price was set at NT$2,710 per metric ton, based on the Group's green electricity price differential in 2024. This price was used to calculate the implicit cost of its Scopes 1 and 2 emissions for 2025. Emissions are managed through dedicated systems, with reduction efforts linked to performance, across all of the Company's operational sites.

For its investment and financing portfolio, the Company used the carbon price forecasts from the Network for Greening the Financial System (NGFS), formed by the central banks and financial regulators of major countries. Specifically, it used the per-metric-ton price from the GCAM, an integrated assessment model, which is adjusted annually for inflation. This serves as a reference for managing Scope 3 risks and informs its engagement strategies with clients in carbon-intensive industries.

1.4 Implementing ISO Management Systems

KGI Life uses international standards as the foundation for its operational carbon reduction management. By systematically implementing multiple ISO management systems, it has built a carbon management framework that is consistent, traceable, and verifiable. The ISO 14001 Environmental Management System provides a mechanism to identify and control environmental impacts across its operations, strengthening its ability to manage environmental risks and improving emission reduction and relevant performance.

The Company conducts its greenhouse gas inventory in accordance with the GHG Protocol, covering Scope 1, Scope 2, and material Scope 3 emissions. It strengthens the completeness of the inventory boundary and the quality of the data year by year, so that the disclosures are transparent and reliable and can inform its reduction strategies.

For energy management, it has implemented the ISO 50001 Energy Management System, using the PDCA cycle to build a systematic and sustained management mechanism.

Furthermore, in August 2025, KGI Life became the first life insurer in Taiwan to achieve carbon neutrality for its headquarters building, verified by a third party against the ISO 14068-1 standard. This use of international standards and external verification ensures the transparency and credibility of its carbon reduction achievements and embeds low-carbon management into its long-term management system.



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1.5 Climate and Nature Governance Performance



2025

- Received the National Enterprise Environmental Protection Award, the nation's highest environmental honor
- Earned CommonWealth Magazine's 1.5°C temperature-control target certification for the third time
- The first life insurer in Taiwan whose headquarters building passed ISO 14068-1 international carbon neutrality verification
- The share of investment in carbon-intensive industries continued to fall, reaching 11.55%, well below the monitoring threshold of 24.5%
- Green and sustainable investments grew 44.4% from the base year of 2022
- Achieved 118% of its operational carbon reduction target, staying aligned with its science-based targets (SBTs)
- Advanced paperless administrative processes, saving 6,262,623 sheets of paper in 2025, 10% more paper saved than in the previous year
- Fully withdraw from activities involving thermal coal and unconventional oil and gas industries by the end of 2040



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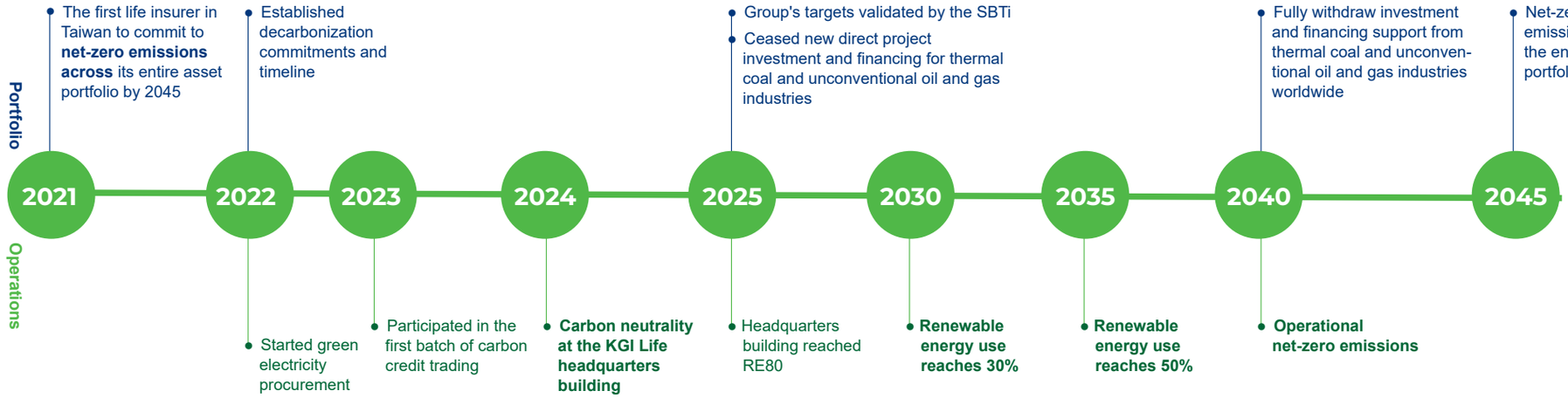
2 Climate Management Strategy



KGI Life's climate management rests on three strategic pillars — realizing the value of sustainable investment, optimizing green operations and carbon management, and sustainable supply chain management — supported by an internal carbon pricing mechanism. On this basis, the Company integrates climate management into its core business and is moving steadily toward its net-zero transition target. In investment, it implements its responsible investment policy and processes, incorporates ESG and climate factors into investment decisions, and follows the *Reference Guidelines for the Recognition of Sustainable Economic Activities* to direct capital toward economic activities with substantial environmental benefits. In operations, the Company reduces its own operational carbon emissions along the science-based targets (SBT) pathway and delivers low-carbon operations. At the same time, it works with suppliers on green procurement and ESG due diligence to build a climate-resilient, sustainable supply chain.

Climate Net-Zero Pathway



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2.1 Realizing the Value of Sustainable Investment

As a major life insurance company, KGI Life aims to foster prosperity across the value chain. It has continued to invest in areas with sustainable impact through comprehensive investment strategies and is committed to fostering a sustainable finance ecosystem. Its approach begins with responsible investment, where it systematically excludes ineligible targets and establishes clear evaluation factors for ESG-related domains to construct an investment portfolio of enduring sustainable value.

Concurrently, KGI Life proactively aligns with international sustainability trends and governmental policy directives, advancing its sustainable investments. While pursuing impact investing, it also prioritizes long-term, stable financial returns. This ensures its investments generate positive environmental, social, and corporate governance outcomes, fully embodying the spirit and value of sustainable investment.

2.1.1 Responsible Investment

■ Responsible Investment Policy

To institutionalize responsible investment, KGI Life formulated its own *Responsible Investment Policy* in accordance with key regulations and frameworks, including the *Stewardship Principles for Institutional Investors* by the Taiwan Stock Exchange and the United Nations *Principles for Responsible Investment* (UN PRI). This policy integrates critical Environmental (E), Social (S), and Governance (G) indicators into its investment process. By strengthening sustainability considerations in its investment decisions, the Company fulfills its corporate social responsibility and pursues stable, long-term sustainable operations.

The scope of the *Responsible Investment Policy* covers domestic and international listed, unlisted, and OTC equities, corporate and financial bonds, government bonds, and fund management institutions. KGI Life incorporates ESG factors throughout the investment lifecycle: pre-investment evaluation and analysis, target selection, execution, and post-investment management. It also actively engages in governance to increase investment value and promote the sound development of its investment activities.

To mitigate investment risks, KGI Life has established clear investment exclusion criteria to exclude potential targets whose primary business activities are on the Company's negative list from direct investment. The list covers involvement in environmental pollution, social controversies, or poor corporate governance. Furthermore, in line with its *Climate-related Risk Management Guidelines*, it applies an additional review mechanism for investments with higher climate-related risks to improve risk identification and management.

Specific industry policies: For companies within the coal mining, coal-fired power generation, and thermal power generation sectors, those that have been penalized by regulators due to major environmental pollution within the past year must present improvement progress reports or action plans.

In investment management, KGI Life monitors the sustainability-related information of its holdings. If an investment is found to be involved in activities on its list of exclusion criteria, the Company immediately conducts a review to assess any remedial actions or plans. Its response measures, such as adjusting investment strategies or limiting investment exposure, are documented in assessment reports. In 2025, no investments in its portfolio were involved in activities on the exclusion criteria list. The entire portfolio remained compliant with the *Responsible Investment Policy*.

▼ **Negative List**

E
- Tropical rainforest logging
- Tobacco
- Polychlorinated biphenyls (PCBs)

S

Concrete evidence of involvement in:
- Illegal gambling
- Nuclear weapons
- Financing of terrorism
- Human rights violations
- Pornography
- Forced or slave labor
- Money laundering
- Drugs
- Child labor

G

Concrete evidence that the Board of Directors, in its execution of duties, has violated laws, articles of incorporation, or shareholder resolutions, resulting in a significant negative impact on the rights and interests of shareholders or investors

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■ Responsible Investment Process

KGI Life's *Responsible Investment Policy* is structured around the UN *Principles for Responsible Investment (PRI)* and the Taiwan Stock Exchange's *Stewardship Principles for Institutional Investors*. The Company integrates ESG considerations and climate risks into core decision-making processes for investment and asset management through an institutionalized, quantifiable evaluation and management model to ensure its investment portfolio aligns with sustainable trends, mitigating potential financial and non-financial risks and enhancing long-term social and environmental benefits.

Before the Investment Decision — Investment Evaluation Centered on ESG Factors

KGI Life has institutionalized ESG factors as a cornerstone of its investment evaluation and decision-making process, making the enhancement of positive environmental or social impact a core consideration in both its selection of investment targets and its investment strategy. This serves as a vital framework for its ESG risk management and valuation. At the pre-investment due diligence stage, KGI Life goes beyond evaluating macroeconomic conditions, industry outlooks, and financial returns. It employs its ESG and higher climate risk checklist to systematically assess a target's performance across environmental (e.g., carbon emissions, climate risk, low-carbon transition), social (e.g., human rights policy, labor conditions, social controversies), and governance (e.g., regulatory compliance, board structure, information transparency) dimensions. This process helps to identify potential sustainability risks and their long-term impacts.

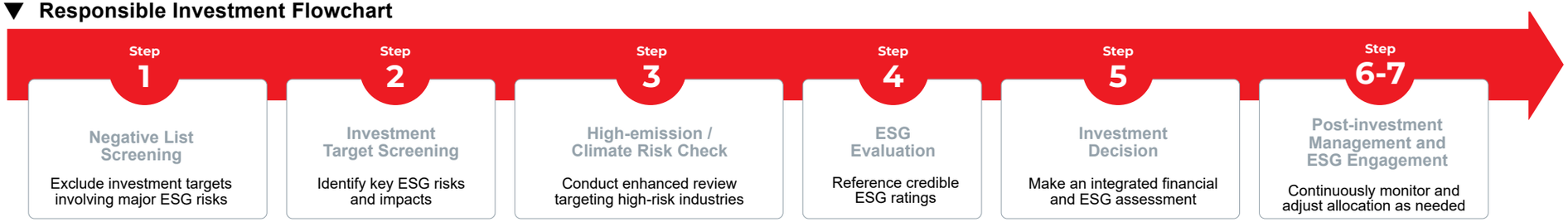
For investment targets with elevated climate risks, KGI Life initiates an enhanced due diligence process using its checklist for ESG and higher climate risk. This involves analyzing their carbon emissions, whether they belong to carbon-intensive industries, as well as evaluating whether their transition plans, carbon reduction targets, and improvement initiatives are in place. If a target has received major environmental penalties in the past year, the Company would review the target's remedial actions and disclose this information in its reports to inform investment decisions.

KGI Life sources information and data from domestic and international ESG rating agencies, accessed via the ESG IR platform. By subscribing to professional databases such as MSCI ESG Manager and Bloomberg, the Company gathers financial data, ESG ratings, emissions data, and information on major controversies, which it combines with its internal evaluation reports and ESG checklists. It also references credible sustainability indices and lists to ensure thorough and consistent evaluations.

After the Investment — Post-Investment Management and Portfolio Carbon Risk Control

KGI Life conducts regular carbon emissions inventories of its investment portfolio. Using carbon emissions data from the MSCI database, the Company periodically calculates and tracks the portfolio's total carbon emissions and carbon intensity. This serves as a tool for investment evaluation and management, enabling the Company to adjust investment positions, progressively reduce the portfolio's carbon footprint, and channel capital toward companies and projects with low-carbon transition opportunities. This process helps to systematically decrease exposure to carbon-intensive industries and follow the decarbonization pathway to achieve the Group's targets.

▼ **Responsible Investment Flowchart**



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Information Disclosure and Internal Controls to Prevent Greenwashing

For all green and sustainability bonds, KGI Life rigorously reviews their use of funds to ensure alignment with its green investment guidelines and support for environmental or social sustainability. Referencing the *Guidelines for Financial Institutions on Greenwashing Prevention*, it has enhanced information disclosure and internal control mechanisms for green and sustainable financial products. These include:

1. Reviewing the transparency and traceability of fund utilization and management plans
2. Examining the expected environmental benefits and their quantitative indicators
3. Verifying the recognition of sustainable financial products by a credible third-party institution or competent authority
4. Cross-referencing the investee's ESG or impact reports
5. Establishing internal controls and supervisory review processes
6. Engaging assurance services for green and sustainable financial assets, starting in 2025

These measures ensure that product disclosures align with sustainability principles and effectively mitigate the risk of greenwashing.

Sustainability Investment and Corporate Engagement

To obtain adequate and reliable information from its investees, KGI Life has established a formal engagement policy, stipulating that companies with which interaction and engagement are likely to yield positive ESG outcomes can be considered in accordance with the investment strategy.

- Active Investment (Listed Equity, Fixed Income, Private Equity): Post-investment, KGI Life monitors, analyzes, and evaluates relevant information of the investee by regularly reviewing the investee's operations and industry trends, reporting investment performance to the highest-level approving authority, and disclosing responsible investment outcomes in its Sustainability Report. It also regularly assesses ESG issues and major negative news related to its investments, conducting further review or issuing investment reports. If an investee is suspected of regulatory violations or actions detrimental to KGI Life's ESG policy or long-term value, the Company proactively investigates the cause and handling progress. The responsible unit then assesses the materiality to determine if engagement and communication are required. In 2025, 100% of its individual stock investment reports incorporated ESG evaluation criteria.
- Passive Investment (Funds, ETFs): For foreign funds and ETFs, KGI Life's *Responsible Investment Policy* includes screening criteria such as whether the fund manager or its parent group is a PRI signatory. For domestic funds and ETFs, it reviews whether the fund manager or its group has an ESG policy, improvement plans, or carbon reduction targets.
- Real Estate Investment: KGI Life's *Real Estate Investment Operations Manual* and *Real Estate Investment and Management Procedures* mandate thorough Environmental (E), Social (S), and Governance (G) considerations. This includes assessing whether a property has been certified as a green, low-emissions building or energy-efficient. It also evaluates environmental risks such as global warming, soil liquefaction, and geological sensitivity to ensure the property's ESG alignment. Furthermore, when leasing properties, it conducts ESG screening of potential tenants, avoiding high-pollution, high-energy-consumption, and socially controversial industries. This ensures compliance with KGI Financial Holding's *Sustainable Finance Commitment*, effective risk management, and fulfillment of its corporate social responsibility.

2.1.2 Three Major Climate Actions

KGI Life recognizes climate change as a global risk. As a long-term asset owner, the Company has made it a core strategy to prioritize investment in opportunities that facilitate a low-carbon transition. It assesses the potential transition risks and financial impacts associated with these investments. To render investment decisions more resilient and sustainable, KGI Life's investment departments conduct prudent assessments based on portfolio carbon emissions analysis and reviews of targets with higher climate risk. Before making decisions, the Company evaluates the potential impacts of carbon emissions, net-zero initiatives, and other sustainable activities. Guided by the level of impact and feasibility, it has adopted three specific climate action plans: investment in renewable energy power plants, investment in green and sustainable financial assets, and engagement with carbon-intensive industries. Through investments, KGI Life aims to collaborate with its investees to create impact on climate action.

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① Investment in Renewable Energy Power Plants

To put its corporate sustainability values into practice and support Taiwan's renewable energy sector, KGI Life's investment department conducts rigorous evaluations of investment targets, risks, and opportunities in selecting renewable energy power plant investments. As of the end of 2025, its investments in renewable energy power plants totaled approximately NT$1.84 billion, an 11.5% increase from the previous year. Based on its expected share of investment, KGI Life's share of avoided carbon emissions is approximately 146,000 metric tons. By the end of 2025, its investments in renewable energy power plants contributed to a total expected installed capacity of 812 MW, and the power generation from its holdings reached approximately 343,780 MWh, a 69% increase year-over-year.

KGI Life is an active investor in the renewable energy industry, fostering the industry's growth by increasing its investment allocation and seeking opportunities with development potential and tangible environmental benefits. When investing in renewable energy power plants, the Company requires targets to complete environmental impact assessments covering risks to ecological conservation and the environment. Through engagement and questionnaires, KGI Life encourages investees to disclose climate and ecological information, set carbon reduction or sustainability goals, and leverages its financial influence to promote biodiversity and sustainable development.

② Investment in Green and Sustainable Financial Assets

KGI Life actively invests in benchmark domestic and international green bonds, sustainability-related funds, and ETFs to direct its funds toward renewable energy, energy efficiency improvements, green transportation, sustainable water management, and green buildings. As of the end of 2025, its green and sustainable investments amounted to approximately NT$44.85 billion, representing a 44.4% increase from 2022. These investments include green bonds, sustainability bonds, renewable energy projects, sustainable thematic funds, and green technology.

As of 2025, KGI Life's investments in green and sustainability bonds amounted to approximately NT$31.18 billion, estimated to contribute to an annual greenhouse gas reduction of 333,000 metric tons. Furthermore, in support of the government's *Green Finance Action Plan 3.0*, KGI Life has invested approximately NT$2.3 billion in green bonds recognized by the Taiwan Stock Exchange and Taipei Exchange, and approximately NT$9.29 billion in ESG ETFs. This represents a 2.5% increase from the previous year and demonstrates the Company's commitment to supporting Taiwan's ESG development and sustainable investment.

▼ **Investment in Renewable Energy Power Plants and Various Green/ Sustainable Financial Assets**

Action Plan	Results as of the End of 2025
Investment in solar power generation industry	Equity investment balance was NT$1.84 billion
Investment in energy storage and green energy	Equity investment balance was NT$720 million
Green bonds and sustainability bonds	Investment balance was NT$31.18 billion
Sustainable thematic funds	Investment balance was NT$1.82 billion
ESG ETF funds	Investment balance was NT$9.29 billion

③ Engagement with Carbon-intensive Industries

KGI Life's parent company, KGI Financial Holding, had its decarbonization targets validated by the Science Based Targets initiative (SBTi), and KGI Life has set corresponding reduction targets for its investment and financing assets. KGI Life also actively engages with its investees to guide their low-carbon transition and promote net-zero emissions. Its 2025 inventory revealed that 32.22% of the investment value in its listed equity and bond portfolio is now covered by SBTi carbon reduction targets, exceeding the target of 31.8%.

In 2025, KGI Life sent a total of 167 questionnaires to its investees in carbon-intensive industries and to investees and fund managers not yet SBTi signatories. Its goal was to collaborate with investees on climate action. The questionnaires encouraged them to inventory and manage their greenhouse gas emissions, set reduction targets or transition plans, and establish milestones to track progress.

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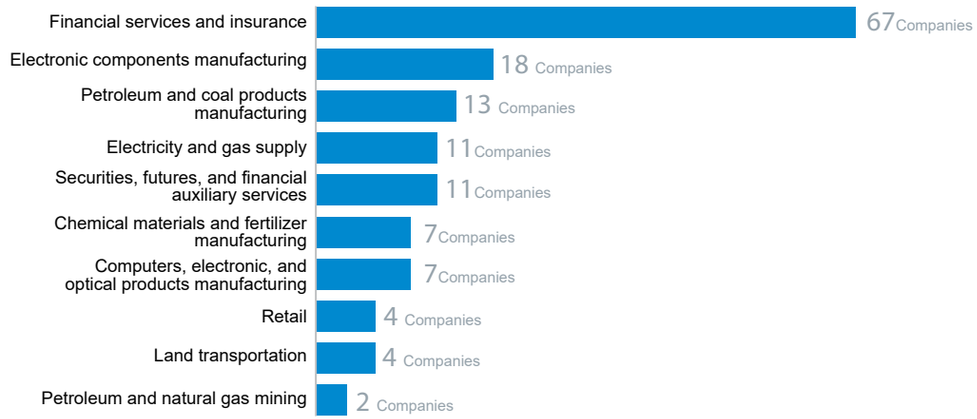
Key Findings from KGI Life's Climate Engagement:

- 100% provide training on low carbon, energy transition, circular economy, or nature conservation.
- 92% have human rights policies or commitments and promote gender equity and anti-harassment measures.
- 96% have established anti-corruption/fraud policies with training and reporting systems.
- 92% have a sustainability committee or a dedicated unit overseeing ESG/climate issues.
- 85% have integrated circular economy or waste management policies and practices into their operations.
- 85% have established or are disclosing biodiversity policies or commitments.
- 81% have formulated climate change plans or transition strategies with phased milestones.
- 69% link ESG or carbon reduction performance to senior executive performance and compensation.
- 69% have completed Scope 1, 2, and 3 greenhouse gas inventories.
- 81% have joined SBTi or set specific carbon reduction targets (with base year, scope, and target year).
- 65% have obtained a third-party verification of their Scope 1, 2, and 3 carbon emissions data.
- 58% have implemented water resource management policies.
- 50% have published TCFD or IFRS S2 reports on climate-related risks and opportunities and financial impacts.
- 54% have initiated or are conducting nature-risk assessments using the TNFD LEAP framework.

▼ Engaged Companies by Industry



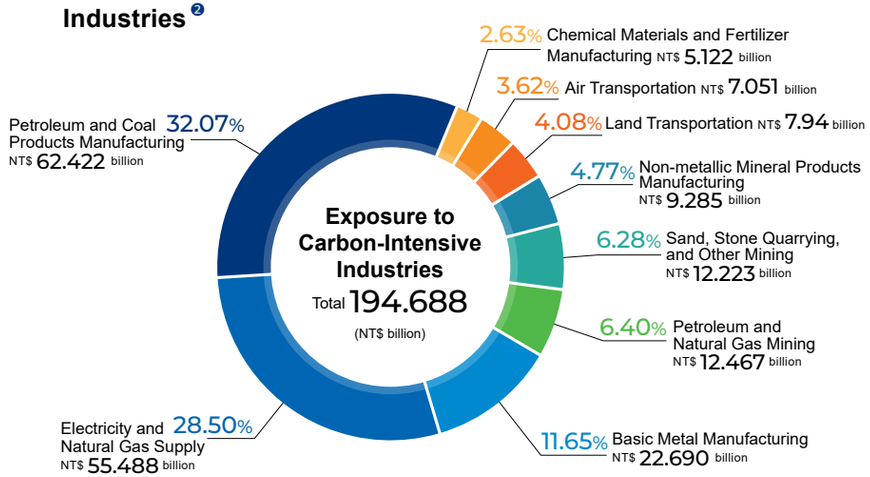
▼ Engagement Questionnaires by Region



▼ 2025 ESG Engagements with Investees [1]

	(E)Environmental	(S)Social	(G)Governance	Comprehensive ESG
Engagements	158	130	129	166
Percentage	27%	22%	22%	29%

▼ 2025 Distribution of Investment Balance in Carbon-Intensive Industries [2]



[1] Measured by the delivery of engagement questionnaires.

[2] In 2025, identified carbon-intensive industries include: non-metallic mineral products manufacturing, electricity and gas supply (excluding renewable energy power plant projects), air transportation, basic metal manufacturing, chemical materials and fertilizer manufacturing, petroleum and natural gas mining, land transportation, petroleum and coal products manufacturing, and sand, stone quarrying and other mining industries.

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2.1.3 Assessment for the Recognition of Sustainable Economic Activities

To support Taiwan's 2050 net-zero emissions goal, the Financial Supervisory Commission issued the *Reference Guidelines for the Recognition of Sustainable Economic Activities*. These guidelines encourage financial institutions to systematically apply sustainable taxonomy principles to investment and financing evaluations, capital allocation, transition engagement, and disclosure of the share of sustainability-related investments. The aim is to channel capital toward economic activities with substantial environmental benefits or companies with credible transition plans, thereby enhancing the transparency and credibility of sustainable finance.

Leveraging its financial influence to help Taiwan's industries transition to net zero in an orderly manner, KGI Life has adopted the second edition of these guidelines to calculate and disclose key performance indicators for its investments. In 2025, 7.52% of its investments were eligible under the guidelines. 4.26% was aligned with the guidelines, while 2.42% was in transition. Among those eligible, 56.62% was aligned. The breakdown of these investment amounts is detailed below.

▼ Breakdown of Sustainable Economic Activity Investments

Description of Investment Economic Activity	Balance (NT$ million)
Total investment assets (A)[3]	2,216,016
Investments excluded from the guidelines (A1)[4]	272,972
Investments covered by the guidelines (A2)	1,943,044
Non-eligible investments (B1)[5]	1,796,876
Eligible investments (B2)	146,168
Aligned investments (C1)	82,761
Investments in transition (C2)	47,116
Non-aligned investments (C3)	16,291

KPIs	Percentage (%)
Percentage of eligible investments (B2/A2)	7.52%
Percentage of aligned investments (C1/A2)	4.26%
Percentage of investments in transition (C2/A2)	2.42%
Percentage of non-aligned investments (C3/A2)	0.84%
Percentage of aligned to eligible investments (C1/B2)	56.62%

[3] Total investment assets refer to financial assets at FVTOCI, financial assets at amortized cost, investments accounted for using the equity method, financial assets at FVTPL, and investment property—buildings.
[4] Excluded items include derivatives, real estate mortgage-backed securities, and debt issued by central governments, central banks, and supranational institutions.
[5] Non-eligible investments include the financial industry and non-financial industries not covered by these guidelines, unlisted companies, foreign enterprises, and indirect investments.

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The guidelines classify eligible economic activities into general and enabling categories. In 2025, KGI Life's investments in general economic activities involved 34 companies, totaling NT$131,341 million. Investments in enabling economic activities involved 10 companies, totaling NT$3,234 million. The breakdown is as follows:

▼ Investment Amounts by Sustainable Economic Activity

General Economic Activity	DGBAS Code	Investment Amount (NT$ million)
Semiconductors	C2611, C2613	97,753
Computers and peripheral equipment	C2711, C2712, C2719	23,319
Cement	C2331	5,695
Petrochemicals	C1810, C1841	2,249
Textiles	C1111, C1112, C1113, C1119, C1121, C1122, C1123, C1124, C1129, C1130, C1140, C1210, C1850	1,226
Passenger and freight rail transport	H4910, H4920, H5231	960
Waste treatment	E3821, E3822, E3830	20
Freight transport services by road	H4940, H5231	18
Road transport and public transport infrastructure	H5241, H5249, H5290	96
Waste reuse	E3821, E3822, E3830	5

Enabling Economic Activity[6]	DGBAS Code	Investment Amount (NT$ million)
Renewable energy generation, facilities, and components	C2810, D3510	1,353
Smart grid system R&D and infrastructure	C2810, C2831, C2832, C2890, D3510, F4220	1,324
Infrastructure enabling low-carbon water transport	F4290, H5251, H5259	1
Energy storage facilities and components	C2820, C2890	556

Furthermore, KGI Life analyzed investments aligned with the second edition of the guidelines to determine their contribution to the six major environmental objectives. The analysis revealed that investments making a substantial contribution to climate change mitigation totaled NT$67,862 million, while those making a substantial contribution to the transition to a circular economy amounted to NT$73 million. This demonstrates that the Company supports multiple environmental goals through investing.

▼ Alignment with the Reference Guidelines for the Recognition of Sustainable Economic Activities: Share of the 6 Environmental Objectives

Six Environmental Objectives	Investment Amount (NT$ million)	Percentage of Total Investment Balance (%)
Climate change mitigation	67,862	3.97%
Climate change adaptation	-	-
Sustainable use and protection of water and marine resources	-	-
Transition to a circular economy	73	0.0043%
Pollution prevention and control	-	-
Protection and restoration of biodiversity and ecosystems	-	-

[6] The industrial classifications of the enabling economic activities listed in the Reference Guidelines for the Recognition of Sustainable Economic Activities and of the 12 Key Strategies under the 2050 Net-Zero Emissions Pathway are not identical, so the amounts the Company discloses under each framework may differ.

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To put the sustainable economic activity guidelines into practice, KGI Life is integrating these assessment results into its risk management, corporate engagement, and investment evaluation processes. Through training, it is systematically enhancing the transparency and practicality of its sustainable investment practices to more effectively guide corporate transitions. As this was its first year making an inventory of those eligible and aligned according to the second edition of the guidelines, KGI Life will use these results to prioritize future capital allocation to aligned economic activities.

■ Corporate Engagement

Based on the guidelines, KGI Life has developed differentiated engagement strategies:

- For companies eligible but not yet aligned: KGI Life's engagement focuses on the specific criteria they fail to meet by encouraging them to analyze the gap between their current practices and the criteria and develop concrete transition plans with phased targets.
- For companies not eligible: KGI Life uses engagement questionnaires to gather information on their current ESG practices and climate change responses, fostering a dialogue about their climate-related transition plans and actions.

Through these questionnaire-based engagements, KGI Life also assesses the provision of educational and advisory resources on sustainable economic activities and holds engagement workshops with selected investees to guide them in understanding concepts such as eligibility and alignment and to raise their awareness of enabling activities such as renewable energy adoption and carbon capture and utilization.

▼ 2025 Engagement Case Studies

Eligibility & Alignment	Eligible but not aligned	Not eligible
Engaged Party	A domestic textile company	A domestic general merchandise retailer
Topic	Domestic and international trends in sustainability taxonomies, circular economy-related regulations, and international supply chain transition requirements	Climate change-related plans.
Content	Through an engagement questionnaire, KGI Life gained an initial understanding of the company's assessment under the *Reference Guidelines for the Recognition of Sustainable Economic Activities*. Subsequently, in June 2026, it co-hosted an engagement workshop with KGI Securities, focusing on the applicability criteria for the textile industry under the climate change mitigation and transition to a circular economy objectives, and exchanged views with the investee on issues such as the use of recycled materials and supply chain management to understand its current implementation challenges, directions for improvement, and future transition needs.	Through an engagement questionnaire, KGI Life gained an understanding of the company's current climate transition plan and its execution and initiated a dialogue on its climate change response strategy.
Outcome	The company gave positive feedback on the engagement and pointed out that it had already introduced circular economy and resource-efficiency measures in some of its manufacturing processes. This exchange further clarified the gap between its current practices and the applicability criteria for sustainable economic activities. The company will plan concrete transition actions to improve its likelihood of meeting the criteria.	KGI Life has obtained a preliminary understanding of the company's climate transition plan and will continue to track its progress through future engagements.

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2.1.4 Greenhouse Gas Emissions from Investment and Financing

After KGI Financial Holding joined the Partnership for Carbon Accounting Financials (PCAF)[7] in June 2023, KGI Life applied the PCAF methodology to complete carbon inventories for its investments in equity, bonds, power generation projects, and sovereign debt, as well as mortgages[8].

As of the end of 2025, KGI Life's financed emissions were approximately 4.816 million metric tons, with the inventory covering about 83% of its total investment and financing positions. This inventory allows the Company to identify key sources of emissions. Among asset classes, debt investments other than sovereign debt accounted for the largest share of financed emissions at 50.7%, followed by sovereign bonds excluding LULUCF[9] at 40.2%.

▼ **Financed Carbon Emissions Classification** (Unit: metric tons CO_2e; NT$ million)

Asset Class / Industry	Equity		Debt		Credit		Other[10]	
GICS	Balance	Emissions	Balance	Emissions	Balance	Emissions	Balance	Emissions
Utilities	3,883	118,736	53,443	1,077,407	-	-	-	-
Materials	3,557	176,005	33,570	593,794	-	-	-	-
Energy	-	-	80,728	551,169	-	-	-	-
Information Technology	160,606	120,637	68,875	12,892	-	-	-	-
Industrials	3,513	1,907	63,043	87,152	-	-	-	-
Communication Services	25,037	17,033	133,751	49,104	-	-	-	-
Financials	44,428	1,551	911,491	31,012	-	-	-	-
Consumer Staples	5,075	1,960	28,723	26,586	-	-	-	-
Consumer Discretionary	7,085	2,761	20,848	4,382	-	-	-	-
Health Care	106	19	38,490	6,176	-	-	-	-
Real Estate	-	-	-	-	49	24	-	-
Other	-	-	-	-	-	-	262,136	1,935,811
Total	253,291	440,609	1,432,963	2,439,675	49	24	262,136	1,935,811
Share of total investment and financing positions covered by the financed emissions calculation	83%							

[7] Asset classes for which PCAF has not yet provided a calculation methodology (e.g., derivatives, securitized products) are not included.
[8] Due to data availability constraints, financed emissions are calculated using investees' Scope 1 and Scope 2 emissions.
[9] LULUCF refers to land use, land-use change, and forestry.
[10] The "Other" asset class includes sovereign debt. Sovereign debt emissions (excluding LULUCF) were 1,935,811 metric tons CO_2e; sovereign debt emissions (including LULUCF) were 738,015 metric tons CO_2e.

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2.1.5 Decarbonization Commitment

In line with international consensus and Taiwan's energy transition timeline, KGI Life is committed to decarbonization. It is reducing its investment exposure to industries related to thermal coal, unconventional oil and gas, and other carbon-intensive sectors. It will adjust its thresholds and timelines in response to global decarbonization trends and Taiwan's energy transition progress.

Following the Group's decarbonization commitment, KGI Life pledges to fully withdraw from all business activities related to thermal coal and unconventional oil/gas industries by the end of 2040. This includes project financing and investment, credit lines, loans, fixed-income products, underwriting, and all active, passive, and discretionary investments.

As a phased commitment, by 2025 the Company ceased[11] direct financing and investment for new thermal coal and unconventional oil/gas projects (including new extraction and expansion of existing projects) and for companies that are expanding[12] their operations in these sectors. As of 2025, KGI Life has made no new project-based investments in these businesses.

▼ Investment Evaluation Factors



Considers the target's environmental protection efforts, such as low- carbon transition plans, energy-saving and carbon-reduction measures in operations, and avoidance of major environmental pollution or improper waste disposal.



Considers whether the company has a human rights policy, manages employee health, talent development, measures for workplace safety and sexual harassment prevention, and avoids major information security incidents, while also supporting community development or charitable activities.



Considers the company's ethical management, regulatory compliance, information transparency, board independence, and ESG reporting practices.

Lists of top sustainability performers or indices selected by recognized and credible institutions and government agencies.

For foreign asset managers, being a PRI signatory is a key screening criterion, in addition to evaluating their corporate or group-level ESG policies.

2.1.6 Investments in National Strategic Industries

KGI Life's sustainable investment framework is built on four pillars: strategy formulation, decision-making process, post-investment management, and performance and impact measurement. By using quantitative indicators and ongoing monitoring, the Company ensures its sustainable investment strategies are effectively translated into its asset allocation and portfolio performance.

[11] As of January 1, 2025, no new direct project financing or investment may be added for projects covered by this commitment.
[12] Companies whose revenue share from related businesses is expected to continue to grow.

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▼ Investment Balance and Allocation in the Six Core Strategic Industries

Six Core Strategic Industries	Investment Balance (NT$ hundred million)	Percentage (%)
Information and Digital Technology	546	28.4%
Cybersecurity	19	1.0%
Medical Technology and Precision Health	8	0.4%
Green and Renewable Energy	1,294	67.3%
National Defense and Strategic	2	0.1%
Public Livelihood and Strategic Stockpile	54	2.8%
Total	1,923	100%

In alignment with the government's initiative for investments in the Six Core Strategic Industries, KGI Life continues to channel capital into sectors with significant growth potential and policy importance. These include information and digital technology, green and renewable energy, and industries vital to public livelihood and strategic readiness. As of 2025, the Company's investment balance in these areas reached NT$192.3 billion. The green and renewable energy sector accounted for the largest share, underscoring KGI Life's concrete support for low-carbon transition and national industrial advancement.

Beyond the Six Core Strategic Industries, KGI Life also supports the government's 12 Key Strategies, prioritizing investment in sectors crucial to net-zero transition and energy resilience. In 2025, its investments spanned wind and solar power, power systems and energy storage, and green finance. Through strategic asset allocation, the Company supports renewable energy development, energy infrastructure enhancement, and the growth of the sustainable finance market.

▼ Investment Balance in the Sectors Covered by the 12 Key Strategies

Industry	Investment Balance (NT$ hundred million)
Wind/Solar Photovoltaic Power	18.4
Power Systems and Storage	7.1
Green Finance (green bonds and sustainability bonds)	23
Remaining Nine Strategies (Hydrogen, Innovative Energy, Energy-saving & Efficiency, Carbon-Free and Electric Vehicles, Carbon Capture, Utilization, and Storage (CCUS), Resource Recycling & Zero Waste, Green Lifestyle, Just Transition, and Carbon Sinks)	-

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2.2 Optimizing Green Operations and Carbon Management

2.2.1 Electronic Services

As digital technology advances and environmental awareness grows, the insurance industry is transitioning towards low-carbon, digital models. To streamline manual processes and offer policyholders more convenient and eco-friendly services, KGI Life has expanded its electronic services. These initiatives reduce paper-based processing and the associated carbon emissions. In 2025, its electronic services saved a total of 10.41 million sheets of paper, preventing approximately 187 metric tons of carbon emissions.

Action Plan	2025 Results	Paper Saved (sheets)
Service Type: Application		
Group Insurance Online Service	This online portal allows corporate clients to manage employee enrollments and withdrawals. Insured employees can also view their coverage details online. In 2025, the adoption rate reached 85%.	26,000
Mobile Application	A total of 71 banks and brokerage partners have adopted the Company's mobile application system. Submissions reached 129,000 policies in 2025.	778,000
Mobile Notification	Agents and policyholders can respond to underwriting notifications via mobile devices. In 2025, about 76% of cases were responded to using this method, shortening processing time by an average of three to five days per case.	91,000
Electronic Policy	Policyholders can apply for electronic policies and download policy terms via QR code, reducing paper policy use and making it easier to review their coverage.	2,209,000
Service Type: Policy Service		
Electronic Notice (e-Notice)	The Company replaced paper mailings with email, sending approximately 4.441 million electronic notices in 2025.	5,469,000
KGI i-Life app / e-Service Platform	These platforms provide online access for policy inquiries, changes, and investment target switching.	912,000
Mobile Policy Service (iPOS)	This platform simplifies applications through initial digital checks, reducing the need for follow-up notifications and speeding up service for policyholders.	368,000
Electronic Authorization (eDDA)	In 2025, 7,977 of 9,218 authorizations were processed online, saving 7,977 sheets of paper.	8,000
Service Type: Claims		
Mobile Claims	Through the Company's mobile claims service and the Claims Alliance Chain, policyholders can submit claims and have them reviewed quickly.	195,000
Service Type: Administrative Process		
Electronic Documents/ Procurement	The Company has fully implemented e-management for administrative workflows, using digitalization to improve efficiency, timeliness, and operational quality.	355,000

Year	2023	2024	2025
Number of electronic policies (policies)	64,508	91,254	75,553
Share of new policies for the year (%)	30.95%	42.99%	51.44%

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2.2.2 Environmental Management

Guided by the ISO 14001 Environmental Management System, KGI Life strengthens environmental management at its operational sites. It integrates environmental risk identification, resource efficiency, and pollution prevention into its operations and property management. Through initiatives in green real estate, water management, and waste management, it promotes energy and water conservation, waste reduction, and recycling to minimize its operational environmental footprint and enhance its overall environmental performance.

① Green Real Estate Management

- **Self-Owned Property**

KGI Life integrates eco-friendly and low-carbon design principles into the management of its properties. Its headquarters building, which has earned a Gold-level Green Building Label, incorporated site greenery, on-site water retention, and energy management from the initial design phase. Similarly, the Datong Building urban renewal project is designed to meet Gold-level Green Building and seismic resistance standards. It has already received a candidate green building certificate and is expected to be completed in 2026. This further enhances the environmental performance of KGI Life's properties.

- **Investment Property**

When making real estate investments, KGI Life adheres to its *Real Estate Investment Operations Manual* and *Real Estate Investment and Management Procedures*. These guidelines require full consideration of ESG factors, including whether a property has obtained green or low-carbon building certifications or has undergone a building energy efficiency assessment. The Company also incorporates environmental risk factors such as warming risk, soil liquefaction, and geological sensitivity into its due diligence to ensure its investments align with ESG principles.

Gold-level Green Building Label	Silver-level Green Building Label	Candidate Green Building Certificate
KGI Life Headquarters Building	Chung Mao Asia-Pacific Center	Datong Building



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② Water Resource Management

KGI Life's water usage is primarily for domestic purposes. It annually inventories and discloses water consumption at its headquarters and branch offices to enhance management and transparency. In line with the group's targets, it has set an annual water-saving target of 1%, tracking and reporting performance quarterly to strengthen water use efficiency and management. To improve efficiency, it has implemented several water-saving measures, such as adjusting water supply levels and installing water-saving fixtures. Through regular equipment maintenance, employee awareness campaigns, and using more water-saving appliances, KGI Life is improving its overall water efficiency. In 2025, it completed an inventory of its toilets, faucets, and urinals, finding that 594 of the 987 fixtures carried the water-saving label, a share of 60%.

In 2025, KGI Life's water consumption increased compared to the previous year primarily because a new tenant, a five-star hotel, in its headquarters building required additional water for building cleaning and landscape maintenance. The Company is closely monitoring this change and reinforcing its water management measures.

▼ Water Consumption in the Last Three Years

	2025	2024	2023
Water Consumption (cubic meters)	70,042	56,773	50,366
Revenue (NT$ million)	241,015	265,451	232,723
Water Intensity (cubic meters/NT$ million)	0.29	0.21	0.22
Share of Water-saving Fixtures	60%	51%	43%
Scope	Headquarters office and 9 Branch offices		

③ Waste Management and Resource Circularity

- **Operational Waste Reduction and Recycling**

All waste generated from KGI Life's operations is non-hazardous and is segregated into general and recyclable waste. The Company continues to implement waste management and recycling programs at its headquarters and branch offices to promote resource reuse. In 2025, a total of nine workplaces achieved an average recycling rate of 74.04%.

▼ Waste Recycling in the Last Three Years

	2025	2024	2023
Total Waste Amount (kg)	391,345	389,578	229,830
Recycling Rate (%)	74.04%	73.02%	55%
Inventory Scope	Headquarters and 8 branch offices		

- **Employee Cafeteria Zero Food Waste Research Project**

To advance the circular economy, KGI Life launched its Employee Cafeteria Zero Food Waste Research Project and became the first in the financial industry to use black soldier fly biotechnology. This process converts food waste into high-nutrient fertilizer, which farmers use to grow seasonal fruit and vegetables. The resulting products are then purchased for its employee cafeteria, creating a sustainable agricultural value chain: from food waste to eco-friendly farming to the green dining table. Through reduction, reuse, and recycling, this initiative effectively cuts carbon emissions and waste while fostering a mutually beneficial relationship between local agriculture and the environment.

In 2025, KGI Life collected and processed 5,580 kg of food waste, producing 948.6 kg of insect-based organic fertilizer. This method significantly reduces carbon emissions compared to traditional incineration, lowering the carbon footprint of the employee cafeteria. The fertilizer was used by partner farmers in Taoyuan, and the harvested vegetables were purchased for the employee cafeteria, providing safe and sustainable meals.

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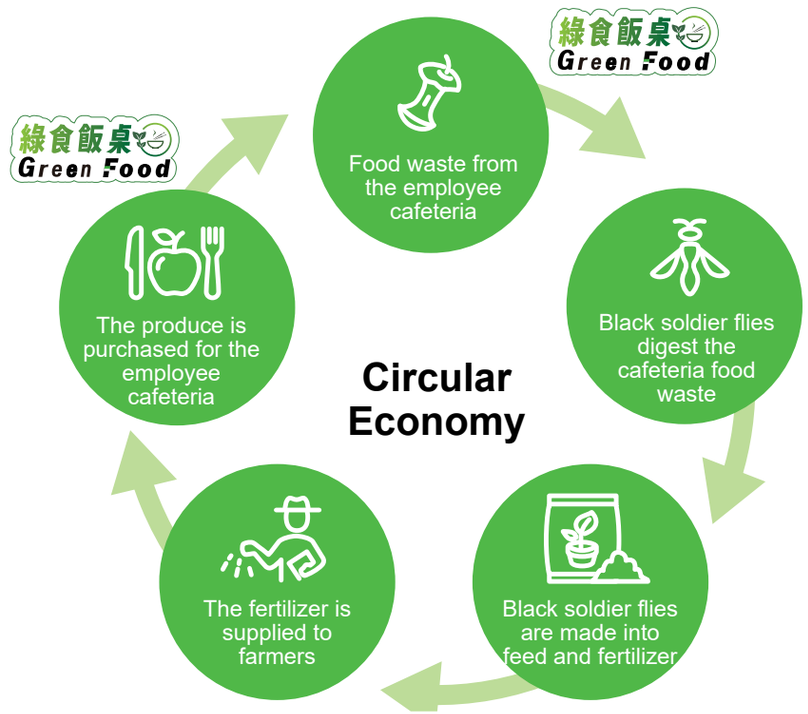
This circular model not only reduces waste and emissions but also supports local agriculture, promotes ecological balance, ensures food source transparency, and provides employees with a tangible experience of the circular economy. It is a concrete practice of UN SDG 12: Responsible Consumption and Production. In 2025, the project received three major awards: the Taiwan Institute for Sustainable Energy's TSAA Taiwan Sustainability Action Awards – Bronze, the Ministry of Environment's National Enterprise Environmental Protection Award, and the Asia Responsible Enterprise Awards – Green Leadership Award.



- **Cooking Oil Recycling and Reuse**

In another financial industry first, KGI Life has implemented a system using DGM smart barrels to collect used cooking oil from its employee cafeteria at its corporate headquarters. The collected oil is refined by a professional vendor and converted into sustainable aviation fuel (SAF), which can reduce carbon emissions by up to 80% compared to conventional fossil fuels. In 2025, a total of 1,996 liters of used cooking oil were collected.

Social Participation through Circularity

To embed the circular economy into its operations and broaden its social impact, KGI Life has partnered with the ASUS Foundation on its Second Life for Computers – Empowering People in Need program. It donates its end-of-life, fully depreciated IT equipment to the program. The equipment is then professionally refurbished and donated to disadvantaged groups and non-profit organizations.

In 2025, KGI Life donated 790 items, including LCD monitors, desktops, and laptops. The ASUS Foundation estimated this donation avoided 6.792 metric tons of CO_2 emissions, equivalent to saving 565 trees. This initiative extends the life of old equipment, creating value far beyond the hardware itself. It not only reduces e-waste and its environmental impact but also helps bridge the digital divide for disadvantaged communities, successfully merging environmental sustainability with social welfare. This demonstrates the Company's commitment to balancing operational growth with resource circulation and social responsibility, leveraging its corporate influence for sustainable impact.

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2.2.3 Energy Use Management

Using 2022 as a baseline, KGI Life continued to reduce workplace power consumption in 2025 by evaluating and scheduling the replacement of aging equipment, such as installing LED lighting and upgrading air-conditioning systems, and by regularly maintaining and repairing older, energy-intensive equipment in its offices. It also promoted energy-saving habits among employees through awareness campaigns and monthly email reminders. In 2025, it invested over NT$25.44 million to upgrade aging air-conditioning units and related facilities in its properties.

The KGI Life headquarters building continues to implement the ISO 50001 Energy Management System, improving its energy control mechanisms and equipment operation scheduling to advance energy conservation, carbon reduction, and efficient energy use. The system has passed third-party verification.

▼ **2025 Air Conditioning Upgrade, Maintenance, and Repair Costs**

Category	Cost (NT$)	Percentage (%)
Equipment Upgrade	$18,867,500	74%
Equipment Maintenance	$4,071,902	16%
Equipment Repair	$2,510,145	10%
Total	$25,449,547	100%

To achieve net-zero operations by 2040, KGI Life started a green power procurement plan for its headquarters in 2022. It procured green electricity jointly with tenants in the building to advance its green operations and carbon management. In 2025, KGI Life's share of this procured green electricity was 2.605 million kWh.

▼ **Power Consumption in the Last Five Years**

Item	2025	2024	2023	2022	2021
Non-renewable Energy Consumption (kWh)	10,237,043	11,437,507	12,782,626	13,124,069	13,163,506
Renewable Energy Consumption (kWh)	2,707,255	2,498,256	1,012,902	145,858	48,452
Energy Consumption (GJ)	46,599.5	50,168.7	49,663.9	47,771.7	47,563.0
Revenue (NT$ million)	241,015	265,451	232,723	239,766	300,244
Energy Intensity (kWh/NT$ million)	53.70	52.49	55.00	55.34	44.00
Inventory Scope	All company locations (52 in Taiwan, one overseas)			New headquarters and nine branches	Headquarters and eight branches

Renewable Energy Certificates

The solar panels at the KGI Life headquarters operate on a 100% self-consumption model. Since their commissioning in June 2020, the panels had generated a total of 223,100 kWh as of the end of 2025, earning 185 national renewable energy certificates as evidence of the Company's own solar generation. In 2025 alone, the panels generated 44,500 kWh, demonstrating the Company's tangible support for renewable energy development.

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2.2.4 Greenhouse Gas Management

Setting a Science-Based Targets (SBT) Pathway

In line with the *Paris Agreement*'s 1.5°C goal, KGI Life, in collaboration with its parent company KGI Financial, has set targets through the SBTi. In March 2025, its decarbonization pathway for its own operations was officially validated, confirming its alignment with international scientific standards and demonstrating its commitment and capability for a low-carbon transition.

KGI Life began conducting its ISO 14064-1 greenhouse gas inventory in 2015, with annual third-party verification ensuring 100% coverage of all domestic and overseas operational sites. In 2025, its combined Scope 1 and Scope 2 GHG emissions totaled 5,656.215 metric tons of CO_2e, a 10.2% decrease from the previous year. Its emissions intensity for 2025 was 0.0235 metric tons of CO_2e per NT$ million in revenue, a 0.8% reduction from the prior year.

▼ KGI Life Greenhouse Gas Inventory Milestones

Milestones

2015 Initiated GHG inventory for the headquarters and major branch offices.

2018 Expanded scope to include Categories 3 and 4.

2020 Expanded boundary to include all branch offices.

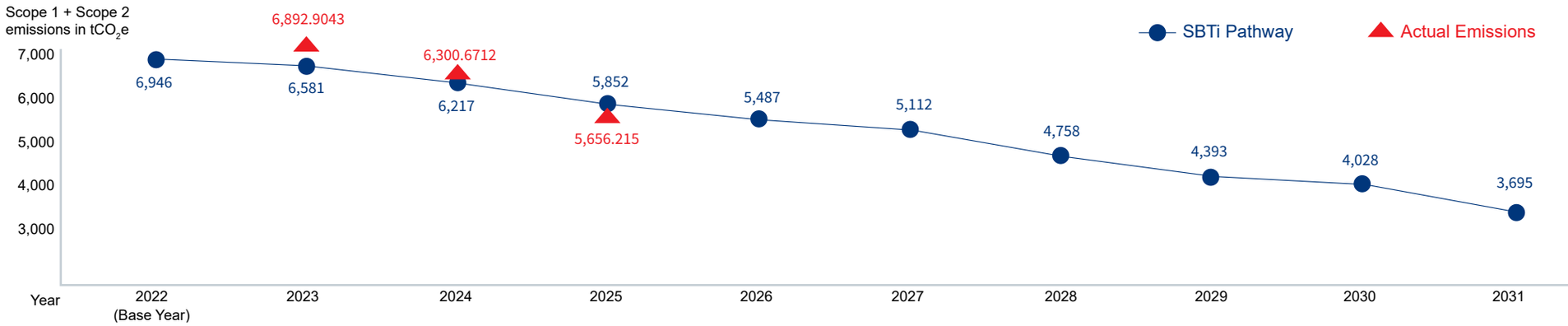
2022 Included all overseas locations in the GHG inventory.

2023 Expanded scope to all agencies and added natural gas data for the employee cafeteria and agencies, achieving 100% coverage of service locations.

2025 In collaboration with parent company KGI Financial, received SBTi target validation in March 2025, committing to net-zero operations by 2040.

Standards Followed: ISO 14064-1 | GHG Protocol

▼ Scope 1 and Scope 2 SBT Pathway Planning



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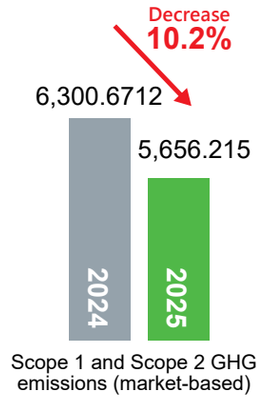
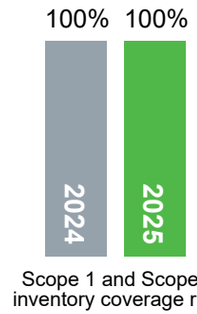
▼ Differences in Greenhouse Gas Emissions

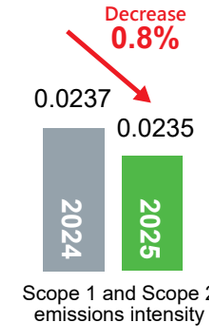
		2024	2025
Scope 1: Direct GHG Emissions [13]		732.4330	831.0374
Direct emissions from stationary combustion		126.9722	115.3202
Direct emissions from mobile combustion		15.3847	13.6670
Direct process emissions or removals		–	–
Direct fugitive emissions		590.5418	702.0502
Scope 2: Indirect GHG Emissions from Electricity [14]		5,568.2382	4,825.1776
Indirect emissions from imported electricity	Location-based	6,781.4069	6,087.4396
	Market-based:	5,568.2382	4,825.1776
Indirect emissions from imported energy		–	–
Scope 3: Other Indirect GHG Emissions [15]			
1 Purchased goods and services		Not disclosed	Not disclosed
2 Capital goods		Not disclosed	Not disclosed
3 Fuel- and energy-related activities (not in Scope 1 or 2)		1,374.7391	1,458.7855
4 Upstream transportation and distribution		0.4084	0.4077
5 Waste generated in operations		107.7003	115.4957
6 Business travel		45.7070	48.9392
7 Employee commuting		Not disclosed	Not disclosed
8 Upstream leased assets		Not disclosed	0.5692
9 Downstream transportation and distribution		0.1151	0.1106
10 Processing of sold products		Not disclosed	Not disclosed
11 Use of sold products		Not disclosed	Not disclosed
12 End-of-life treatment of sold products		Not disclosed	Not disclosed
13 Downstream leased assets		18,727.25 [16]	17,844.48
14 Franchises		Not disclosed	Not disclosed
15 Investments [17]	Including LULUCF	3.539 million	3.618 million
	Excluding LULUCF	5.305 million	4.816 million



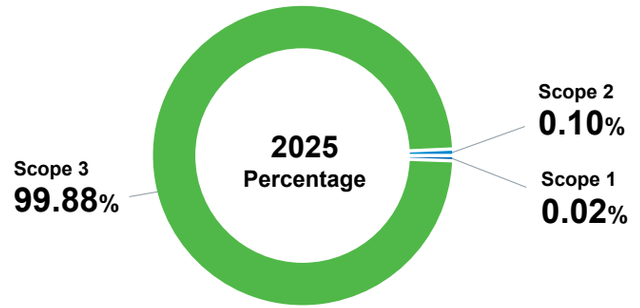
Scope 1 and Scope 2 GHG emissions (market-based)



Scope 1 and Scope 2 inventory coverage rate



Scope 1 and Scope 2 emissions intensity
(metric tons CO_2e/NT$ million revenue)



[13] The increase in Scope 1 direct fugitive emissions from greenhouse gases released by anthropogenic systems in 2025 compared with the previous year is attributable to the Company's adoption of the GHG Protocol methodology for its operational GHG inventory and the resulting adjustment of emission factors.

[14] Scope 2 emissions are reported using a market-based method to reflect the impact of the Company's actual electricity sources, such as green power procurement.

[15] Emissions for "13. Downstream leased assets" and "15. Investments" are self-estimated and have not yet undergone third-party assurance or verification.

[16] The calculation method for "13. Downstream leased assets" was updated in 2025. The 2024 data have been retroactively adjusted to ensure comparability.

[17] KGI Financial joined the Partnership for Carbon Accounting Financials (PCAF) in June 2023. KGI Life has also followed PCAF's methodology to complete the carbon inventory of its equity and bond investments, commercial real estate loans, and power generation project financing.

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2.2.5 Carbon Footprint Management for Insurance Services

After quantifying its operational carbon emissions, KGI Life extended its carbon management to the service level. In 2022, it conducted its first carbon footprint inventory for all types of life insurance services, at 2.6 kg CO_2e per life insurance service, establishing a baseline of carbon information. This data serves as a crucial reference for improvement and for guiding customers toward low-carbon choices.



Carbon Label No. 2316510002 — Per life insurance service (all types)

2022

KGI Life first adopted the ISO 14067 standard to calculate the carbon footprint for each life insurance service (all types) and passed verification by the British Standards Institution (BSI).

2023

The Company obtained the Product Carbon Footprint Label Certificate from the Ministry of Environment. The carbon footprint for each life insurance service (all types) was certified at 2.6 kg, valid until June 2028.

2024

The Product Carbon Footprint Label was printed on the front and back covers of the policy documents to disclose emissions data to customers and raise awareness of sustainable consumption.

2025

KGI Life used green energy, promoted remote applications featuring facial recognition, and digitized service workflows to reduce the carbon emissions of its service processes.

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2.3 Sustainable Supply Chain

A company's sustainable development is built on its commitment to the environment and society. KGI Life views its suppliers as essential partners in achieving its sustainability vision and aims to build a resilient and responsible supply chain through close collaboration.

Sustainable Procurement Declaration

KGI Life is guided by a philosophy of ethical corporate management, ensuring fair and transparent transactions and strict adherence to business ethics. It is committed to protecting labor and human rights in line with international conventions to foster a safe, equal, and healthy work environment. In response to the pressing challenge of climate change, it partners with its suppliers to promote green procurement and a low-carbon transition, adopting environmental protection and resource circularity measures to minimize the impact of its operations on nature.

KGI Life will continue to exert influence through its financial and insurance expertise, working alongside its partners to build a future of environmental sustainability and shared prosperity while pursuing operational excellence.

KGI Life has established its *Supplier Sustainable Management Guidelines*, which it and its suppliers follow to comply with regulations on labor and human rights, health and safety, environmental protection, and ethical conduct. To support both local economies and ecosystems, its local procurement ratio reached 97.98% in 2025, reducing unnecessary transportation distances and its carbon footprint while supporting local suppliers as part of its sustainability philosophy.

In 2025, it conducted 25 supplier selection processes, all carried out fairly, impartially, and openly in accordance with its procurement rules. It gives preference to suppliers with strong sustainability performance and manages delivery quality, lead times, and pricing. Selected vendors are required to sign its *Supplier Sustainable Development Commitment*. Contracts involving labor safety must also comply with its *Contractor Safety, Health, and Environmental Management Guidelines*.

- In 2025, all 63 new suppliers signed the *Supplier Sustainable Development Commitment*, which includes environmental protection requirements.[18]
- In 2025, **220** procurement contracts included the Company's *Sustainability and Ethical Management Clauses*.

2.3.1 Supplier Due Diligence

■ Supplier Composition

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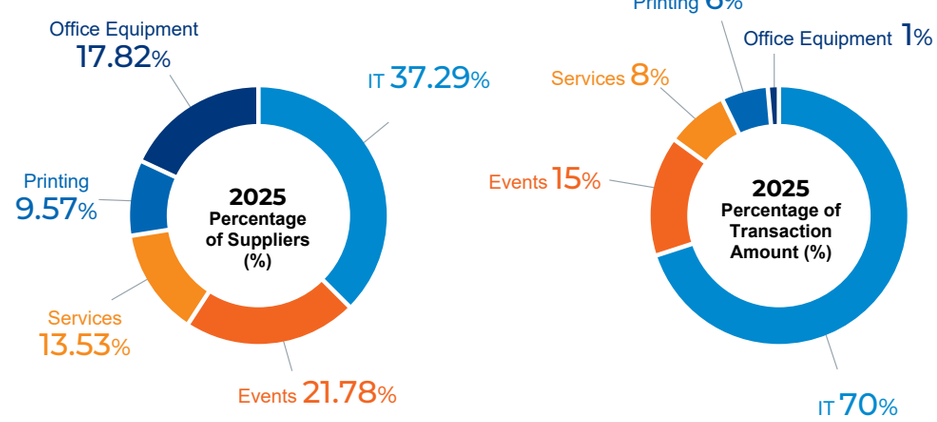

■ Supplier Assessment and Due Diligence

KGI Life considers supplier sustainability risk assessment integral to corporate resilience. Since 2024, it has implemented a comprehensive *Supplier Human Rights Risk and ESG Due Diligence Survey* based on its *Supplier Sustainable Management Guidelines* and referencing the RBA *Code of Conduct*. This survey provides an in-depth review of core issues such as labor rights, environmental sustainability, and ethical management.

[18] The *Supplier Sustainable Development Commitment* signed by the Company's new suppliers covers environmental protection and other related clauses.

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The 2025 assessment comprised the five core dimensions of the *Supplier Human Rights Risk and ESG Due Diligence Survey*, with the environmental protection dimension evaluating suppliers' climate transition actions, such as GHG reduction policies and targets, environment-related ISO certifications, and disclosures. It also covered the four dimensions of the ESG sustainability self-assessment; together these provide a comprehensive review of whether suppliers' professional services and sustainable operations meet KGI Life's standards. The Company selected its top 30 suppliers—those with cumulative transactions over NT$5 million and a business relationship of over three years—for this assessment. The average score in 2025 was 4.39 out of 5.0, indicating generally strong service quality and compliance awareness among its key suppliers. Lower-scoring vendors are placed in a guidance program and required to submit improvement plans.

KGI Life believes that strong partnerships are crucial for advancing ESG goals. Through this annual rolling assessment, it prioritizes suppliers who value human rights and environmental protection as long-term strategic partners. It aims to use this transparent process to build a more resilient green financial supply chain in collaboration with its suppliers.

■ Performance Evaluation of Outsourced Service Providers

As the insurance industry increasingly relies on outsourcing for fintech, digital transformation, and cloud services. The competent authority requires insurance companies to adopt a risk-based approach (RBA), take appropriate control measures, establish sound policies and principles, and retain ultimate responsibility for all outsourced activities. In line with this, KGI Life has strengthened its risk control mechanisms for all stages of outsourcing. It assesses the risk level, materiality, and potential impact on operations and consumer rights for all outsourced tasks, implementing appropriate risk mitigation measures and conducting regular risk assessments.

▼ KGI Life Key Supplier Assessment

Five Core Dimensions

- Labor Rights and Human Rights
- Labor Health and Safety
- Environmental Protection
- Climate Change Risk Management
- Ethical Business Conduct



Four Assessment Areas

- Service Satisfaction: Assessed by user departments on suppliers' professional consultation, delivery timeliness, and after-sales service
- Supplier Cooperation: Assessed by the procurement unit on suppliers' quotation efficiency, document accuracy, and the coordination of their business contacts
- ESG Sustainability Self-assessment: Results derived from the *Supplier Human Rights Risk and ESG Due Diligence Survey*
- Regulatory Compliance Check: Tracks suppliers' recorded violations of environmental protection, labor rights, and occupational safety regulations on government websites

Selection Criteria

- Cumulative transaction value of NT$5 million or more during the assessment period
- Business relationship of more than three years

2025 Assessment Results

Number of Suppliers	30
Grade A (4.6–5.0)	10
Grade B (4.0–4.5)	19
Grade C (3.0–3.9)	1
Average Score	4.39

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To effectively monitor its service providers' qualifications, service quality, processing timelines, and level of cooperation, the Company conducts a formal review of their contract performance at least once a year. The results of this review inform its vendor selection and contract renewal decisions. In 2025, it held briefing sessions, review meetings, and training for all outsourcing units; every unit completed its review and compliance checks by the end of July. KGI Life will continue to partner with and renew contracts with high-performing, compliant vendors.

■ Contractor Occupational Safety and Health Management

KGI Life has established *Contractor Safety, Health, and Environmental Management Regulations* to enhance contractors' management of occupational safety, health, and the working environment and improve the safety of all on-site operations. To date, it has had no occupational accidents involving its construction contractors.

Contractors for construction projects are selected through a fair and open process, with bids primarily invited from contractors listed in the Company's Annual Qualified Contractor Database. The Real Estate Department updates at least 10% of this database annually to ensure quality and competitive pricing. In 2025, the database included 73 construction contractors, 18 of whom were newly qualified.

■ Supplier Personal Data Protection

To ensure that personal data involved in procurement is handled in good faith and with respect for individual rights, any contractor whose work involves the collection, processing, or use of personal data must sign KGI Life's *Supplier Personal Data Protection Ability Evaluation Form* to demonstrate its ability to protect personal data. In 2025, all 18 relevant suppliers signed this form, achieving 100% coverage.

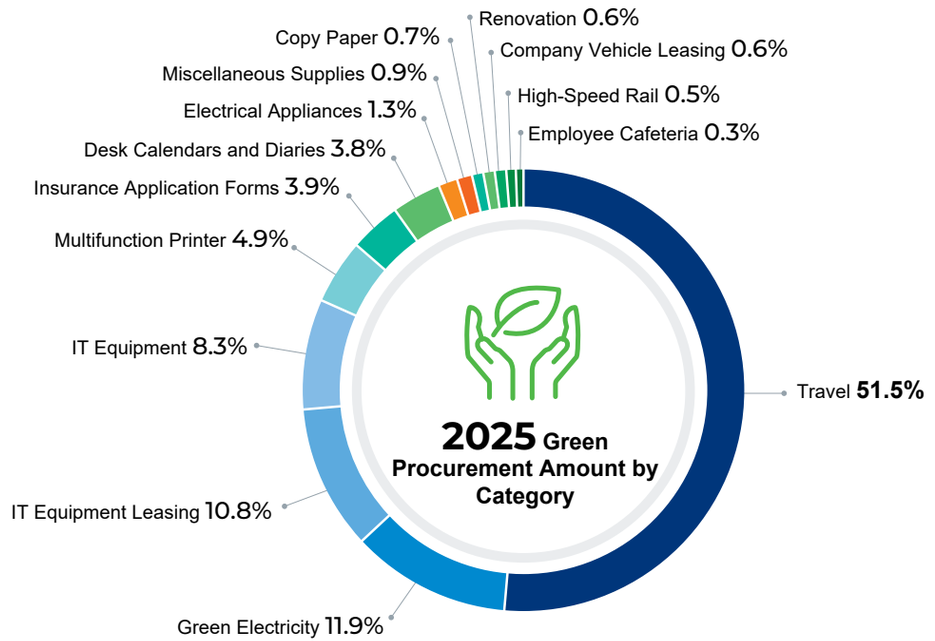
■ Supplier Conference

To foster a culture of sustainability and share knowledge on emerging trends, KGI Life and KGI Financial co-hosted the KGI Financial Group 2025 Supplier Conference on World Earth Day. More than 100 vendors attended to learn about the group's sustainability achievements. The event featured a keynote lecture on the circular economy by Unity Sustainability Services. Two top-performing suppliers, Acer e-Enabling Service Business (AEB) and SYSTEX Corporation, also shared their key strategies for net-zero, spanning their own operations through to the engagement of their supply chains, with presentations titled *From Linear to Circular: Building a Sustainable Supply Chain* and *Starting with the End in Mind: Circular Sustainability Towards Net Zero*.

2.3.2 Green Procurement

KGI Life actively supports low-carbon, sustainable products and suppliers. Its sustainable procurement policy gives preference to suppliers with strong ESG performance. It procures products with energy-saving or environmental labels, such as Green Star-rated computers and monitors, and uses FSC-certified paper for its application forms. It also partners with travel agencies holding environmental labels for its agent incentive tours.

Embracing the circular economy, KGI Life expanded its green procurement in 2025. The top three categories were travel (51.5%), green electricity (11.9%), and IT equipment leasing (10.8%). Its total green procurement spending reached NT$132.5446 million, reflecting a deeper and more practical commitment in this area.



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▼ **Green Procurement Results Over the Years**

2023

Actions

1. Adopted green travel for employee incentive tours, focusing on low-carbon itineraries.
2. Continued green electricity procurement for the headquarters.

Procurement Amount

NT$ 54.92 million

2024

Actions

1. Prioritized purchasing or leasing products with environmental labels.
2. Increased leasing of IT products and office equipment (lease over buy).
3. Increased green electricity procurement for the headquarters.

Procurement Amount

NT$ 70.754 million

2025

Actions

1. Significantly increased cooperation with eco-certified travel agencies.
2. Prioritized leasing or purchasing products with environmental labels, in line with circular economy principles.
3. Continued green electricity procurement for the headquarters.

Procurement Amount

NT$ 132.544 million

2.3.3 Social Innovation Product Procurement

Upholding its philosophy of "We Share We Link", KGI Life connects with local enterprises. Through the Taipei-Origin Promotional Station (TOPS), established by the Taipei City Government's Department of Economic Development, it has built a local procurement model, earning a Silver Award in the Procurement Contribution Award category at the first TOPS awards. In 2025, it was also honored with the Excellence Leadership Award (formerly First Prize, the award's highest honor) at the Buying Power Social Innovation Products and Services Procurement Awards, organized by the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs. This marks its ninth consecutive year of national recognition and its fourth time winning the top honor.

In 2025, KGI Life partnered with 15 qualified social innovation organizations, with a total procurement value exceeding NT$88 million, a 23% increase year-over-year. This demonstrates its long-term, institutionalized commitment to social innovation procurement, responding to the call to give back to society and creating a virtuous cycle of sustainability.

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3 Climate Risk Management



As defined in KGI Life's *Climate-related Risk Management Guidelines*, climate risk is categorized into physical risk and transition risk. Physical risk pertains to direct or indirect losses from specific natural disaster events caused by climate change or from longer-term shifts in climate patterns; transition risk refers to potential changes in the Company's operating costs as society moves toward a low-carbon economy, driven by policy and legal developments, low-carbon technology, and social preferences.

Climate-related opportunities are the opportunities that the Company's efforts to mitigate and adapt to climate change may create for it — for example, through improved resource efficiency and cost reduction, adoption of low-carbon energy, development of new products and services, entry into new markets, and greater supply chain resilience. The management process is as follows:

1. Identification

The first line of defense identifies the financial impacts of climate-related risks and opportunities on finance, business, products, investments, and similar areas. When the annual business objectives and the strategies for business, products, and investments are set, the impacts of the identified climate-related risks and opportunities are taken into account, and climate-related risk management may be incorporated into performance metrics.

2. Assessment

The first line of defense analyzes the likelihood of climate-related risks and opportunities occurring and the magnitude of the impacts they produce, in order to understand their effects on the Company, and assesses the degree of impact qualitatively or quantitatively, prioritizing climate-related risks according to the materiality standards.

3. Monitoring and Response

The second line of defense assists the first line in setting climate risk management metrics and targets and climate risk appetite metrics for risks identified, submitting them to the Board of Directors for approval. A climate risk appetite monitoring mechanism is to be established, with auditing and evaluation by the third line of defense. The responsible units adopt mitigation, transfer, acceptance, or control measures in response to the climate-related risks they face.

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3.1 Climate Risk Identification

Following the TCFD framework, KGI Life identifies its climate risks by surveying relevant departments. Each department assesses the potential financial impact of various types of climate-related risk on the investment portfolio, life insurance products, operations, and suppliers. These impacts are then linked to traditional financial risks to identify the Company's climate risks.

Climate-related Risks in Operations

KGI Life's operations are also exposed to climate-related regulatory risks. The development of domestic carbon fee policies, for instance, could increase operating expenses at the Company's business locations.

Moreover, office locations situated in high-risk climate areas could be affected by extreme weather events, disrupting business operations, damaging facilities and equipment, and increasing operating and repair costs.

Climate-related Risks for Life Insurance Products

For life insurance products, significant uncertainty remains globally regarding the timing and extent of climate risk impacts, making it a potential and uncertain risk. In addition to monitoring regulatory and market developments, the Company assesses whether extreme weather events could threaten the safety or health of policyholders, potentially increasing medical and life insurance claims, and with them the Company's overall claim costs.

Climate-related Risks in the Investment Portfolio

KGI Life recognizes that investees may face increased operating costs as climate regulations evolve, carbon fees are introduced, or emerging and developed low-carbon technologies are adopted. Conversely, shifts in market demand or heightened public awareness could reduce an investee's revenue, diminishing its profitability and the Company's investment returns.

Furthermore, real estate investments in high-risk climate zones, such as flood-prone areas, are exposed to potential impairment of asset value from climate-related disasters, which could increase the Company's asset impairment losses or reduce gains from future disposals.

Climate-related Risks for Suppliers

The primary climate-related risk for suppliers is physical risk. Supplier headquarters, facilities, or factories located in high-risk climate zones could be damaged by climate-related disasters, disrupting their supply capacity and potentially causing the Company to incur additional procurement costs.

3.2 Climate Risk Measurement

To analyze the impact of climate change on its business, KGI Life employs scenario analysis based on international standards. This analysis evaluates potential climate-related impacts on investments, insurance products, operations, and suppliers under various climate scenarios. The scope includes physical risk analysis for flooding, climate change scenario analysis for investment assets, and climate scenario analysis for life insurance services, all to ensure climate-related risks are effectively controlled or mitigated.

According to the assessment, while the financial impact of climate-related risks on KGI Life was not significant in 2025, the findings from this scenario analysis will be used to develop response measures, guide future strategy, and set carbon reduction targets.

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Scenario	Description
Low-Emission Scenario SSP1-2.6	Assumes the world pursues sustainability goals but progress is slow, corresponding to an approximate 2°C temperature rise by the end of the century.
Very High-Emission Scenario SSP5-8.5	Assumes a high-emission trajectory with minimal climate policies, corresponding to a temperature rise of over 4°C by the end of the century.

3.2.1 Physical Risk Scenario Analysis for Real Estate and Suppliers

In assessing physical climate risk, KGI Life used data from the Financial Industry Climate Physical Risk Information Integration Platform provided by the Joint Credit Information Center (JCIC). Using flood hazard and vulnerability as metrics, the analysis modeled potential value loss for the Company's self-owned and investment properties in 2030, 2040, and 2050. It also assessed the risk level and potential for additional procurement losses for suppliers in 2030. The analysis was conducted under two scenarios from the IPCC's *Sixth Assessment Report*: SSP1-2.6 and SSP5-8.5.

■ Investment Property

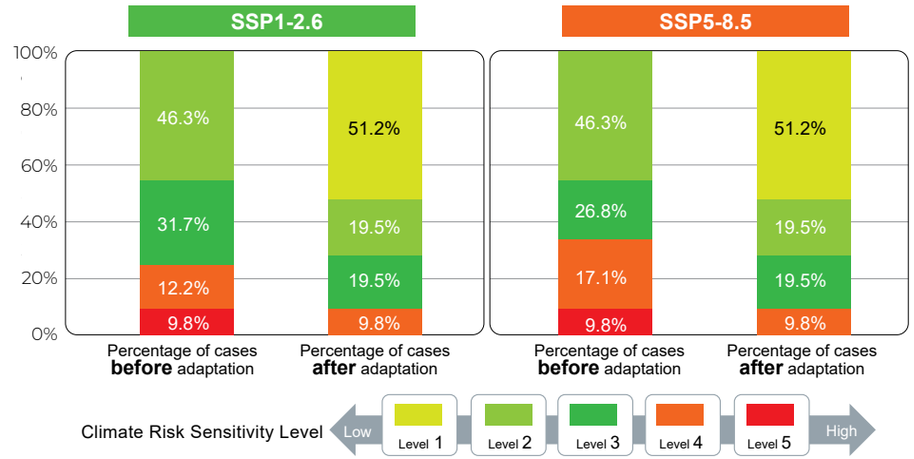
»Assessment

To evaluate the impact of climate disasters on KGI Life's investment properties over time, the Company analyzed their vulnerability and hazard based on administrative district, floor level, building type, and existing adaptation measures. Climate risk sensitivity is categorized on a scale of 1 to 5, with Level 5 representing the highest risk.

»Result

The 2025 physical risk analysis showed that after adaptation, no investment properties were projected to remain at the highest climate risk sensitivity level (Level 5) by 2050 under either the SSP1-2.6 or SSP5-8.5 scenario. Expected potential value loss in 2050 was estimated at 0.16% and 0.14% of total property value under the respective scenarios — a minor overall financial impact.

▼ **Investment Property Risk Level Distribution (by Number of Cases)**

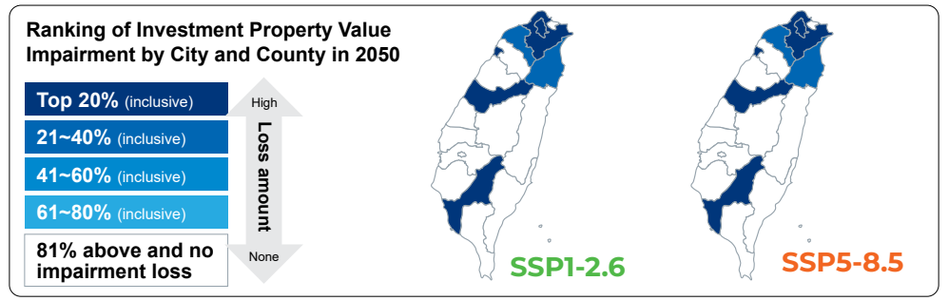


▼ **Distribution of Investment Properties with Higher Climate Sensitivity* Before Adaptation**

Scenario	Percentage of Cases	Percentage of Balance	Locations
SSP1-2.6	22.0%	3.7%	New Taipei City, Taoyuan City, Kaohsiung City, Yilan County
SSP5-8.5	26.8%	7.7%	New Taipei City, Taoyuan City, Hsinchu City, Kaohsiung City, Yilan County

*Properties with Higher Climate Sensitivity of Level 4 or Level 5.

▼ **Potential Value Loss as a Percentage of Property Value**



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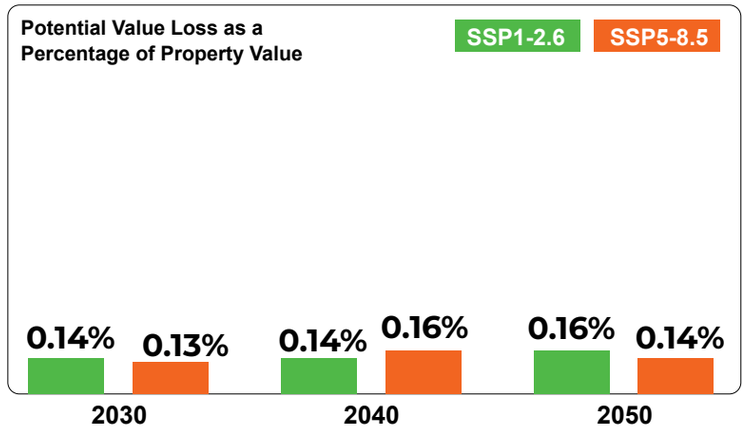


■ Self-Owned Property

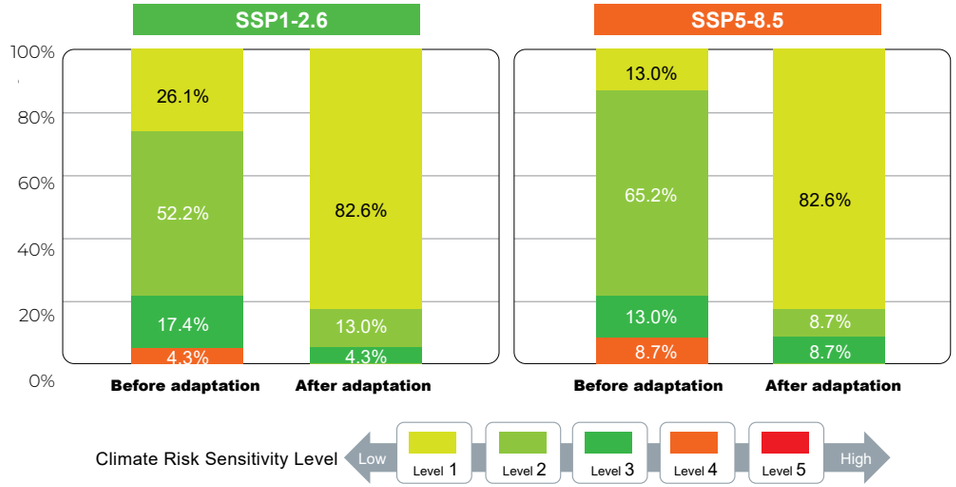
» Assessment

To evaluate the impact of climate disasters on KGI Life's 23 self-owned properties, the Company analyzed their vulnerability and hazard based on location, floor level, building type, and adaptation measures. Climate risk sensitivity is rated on a scale of 1 to 5, with 5 being the highest risk.

» Results

The 2025 physical risk analysis indicated that, before adaptation, no KGI Life business locations were projected to be at climate sensitivity Level 5 in 2050 under either the SSP1-2.6 or SSP5-8.5 scenario. The proportion of locations at sensitivity Level 4 was 4.3% and 8.7%, respectively. After accounting for the floor level of the locations and implementing adaptation measures such as disaster prevention management and business continuity plans, no business locations remained at a high climate sensitivity level (Level 4 or 5).

▼ **Self-Owned Operating Locations Risk Level Distribution (by Number of Cases)**



■ Suppliers

» Assessment

To assess the impact of climate disasters on suppliers, the Company inventoried the locations of its domestic leased data center suppliers, including backup and cloud service provider data centers. It analyzed their vulnerability and hazard based on location, floor level, building type, and adaptation measures, assigning a climate risk sensitivity rating on a scale of 1 to 5, with 5 being the highest risk.

» Results

In 2025, the Company had one leased data center supplier. Before adaptation, its climate sensitivity was projected to be at Level 4 in 2050 under both SSP1-2.6 and SSP5-8.5 scenarios. However, a detailed review revealed the site is on high ground with a very low flood probability. The supplier has also implemented robust flood control equipment, disaster management protocols, and a business continuity management (BCM) plan. Factoring in these geographical advantages and adaptation measures, the climate sensitivity rating dropped to Level 2.

Overall, owing to the Company's prudent evaluation mechanisms and proactive adaptation measures, the impact of flooding from climate disasters on its investment properties, self-owned properties, and suppliers is within a controllable risk range.

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3.2.2 Climate Change Scenario Analysis for Investment Assets

■ Market Risk Impact

» Assessment

This analysis quantifies the additional expected loss from potential climate risk arising as market risk to the Company's equity investment positions from carbon pricing costs. It assumes that the Company's equity investment positions maintain their current form and distribution in the future, and that under global decarbonization regulation investees may incur additional carbon costs due to factors such as emissions reduction, carbon trading, or carbon taxes and fees, affecting their net worth and generating expected impairment losses.

Balance of Equity Investments

Input Parameters

- Investees' carbon emissions.
- Carbon prices and carbon costs by country.
- Industry carbon emissions growth pathway under the BAU scenario.

Transition Scenarios

To assess transition risk, KGI Life used the climate scenarios published by the Network for Greening the Financial System (NGFS), aligning its analysis with the scenarios used by central banks and financial supervisors worldwide. Three scenarios were selected: Orderly Transition (Net Zero 2050), Disorderly Transition (Delayed Transition), and Fragmented World.

Assessment Result

Expected loss as a percentage of asset holdings under each climate scenario.

Orderly Transition (Net Zero 2050)	Ambitious carbon reduction action begins immediately, giving at least a 50% chance of limiting global warming to 1.5°C by the end of the century.
Disorderly Transition	Carbon reduction and transition strategies are set before 2030 but take effect only from 2030, achieving net-zero emissions by 2050 and limiting warming to 2°C.
Fragmented World	Delayed and divergent global climate policies lead to higher transition and physical risks, with an expected temperature increase of 2.3°C.

» Results

Under the Orderly Transition scenario, the Company's expected loss is 0.61% of its asset holdings by 2030, rising to 11.88% by 2050. Under the Disorderly Transition scenario, no additional expected loss is projected before 2030, but it reaches 3.52% of asset holdings by 2050. In the Fragmented World scenario, the expected loss is 0.24% of asset holdings by 2030 and 0.68% by 2050.

From an industry perspective, under the Orderly Transition scenario, the semiconductor, electronics manufacturing, and service sectors are projected to have the highest expected losses. In the Disorderly Transition scenario, the semiconductor, cement, and electricity and gas supply sectors show the highest expected losses. Under the Fragmented World scenario, the sectors with the highest expected losses are electricity and gas supply, semiconductors, and wholesale and retail. The results indicate that these sectors face higher climate transition risks, and they will inform the Company's future risk management strategies.

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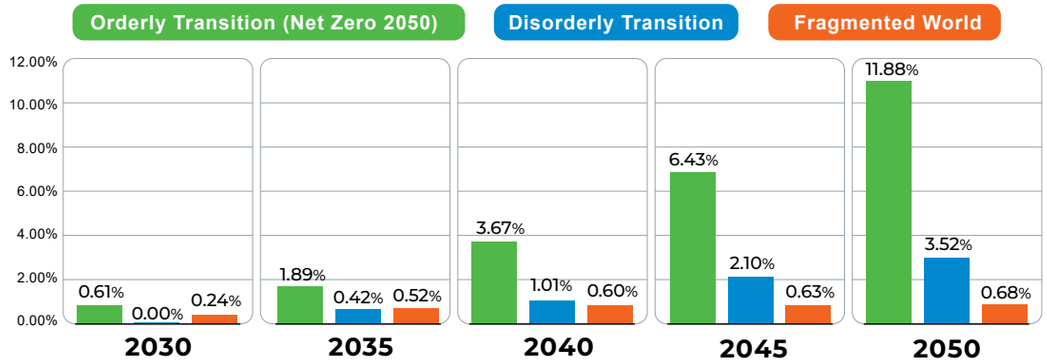
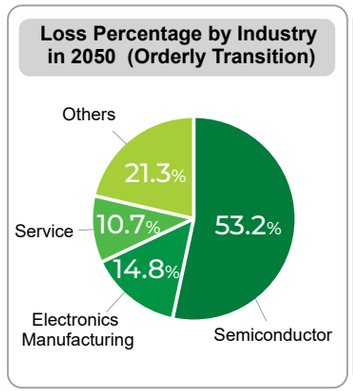
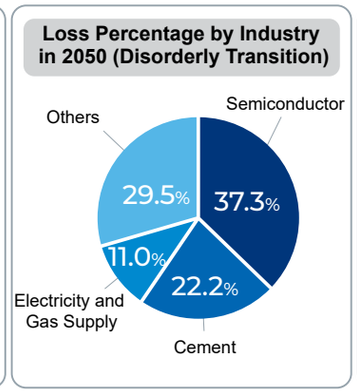
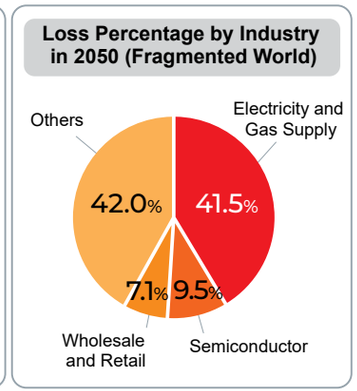
▼ **Total Expected Loss as a Percentage of Asset Holdings**









■ Credit Risk Impact

» Assessment

KGI Life adopted the climate change scenario analysis framework mandated by the competent authority. Using the Orderly Transition (Net Zero 2050), Disorderly Transition (Delayed Transition), and Fragmented World scenarios, it quantified the credit risk impact on its domestic and foreign corporate debt, equity, and sovereign debt investments. This was measured by the change in additional expected loss as a percentage of asset holdings (ΔEL%) compared to a baseline scenario.

The assessment factors for physical and transition risk, together with the impact metric and analysis method, are as follows:

Position Category	Investment Position		
	Domestic Corporate Investment	Foreign Corporate Investment	Sovereign Investment
Physical Risk Assessment Factors	Flooding, business interruption from heavy rainfall, drought, landslides, heatwaves	Flooding, drought, heatwaves	
Transition Risk Assessment Factors	Carbon emissions intensity at the national and sector level, sector emission trends, carbon pricing		National electricity emission factor, net-zero commitments
Impact Metric and Analysis Method	Stress adjustment to corporate credit ratings		Stress adjustment to sovereign credit ratings

» Results

By evaluating physical and transition risks across corporate equity and debt investments, sovereign debt investments, and the overall investment portfolio, the Company observed how expected losses change relative to the baseline. The results indicate that impacts begin to materialize by 2030, with the Fragmented World scenario showing the highest increase in expected loss, followed by the Orderly Transition scenario. The Disorderly Transition scenario shows a relatively lower impact. Corporate equity and debt positions are significantly more sensitive to climate scenarios than sovereign debt, reflecting their greater exposure to sector transitions, rising carbon costs, and operational stress.

By 2050, expected losses expand further across all scenarios. The impact is most pronounced in the Fragmented World scenario for both the overall portfolio and individual asset classes. This highlights that delayed or insufficient global decarbonization efforts will place progressively greater credit deterioration stress on investment portfolios over time.

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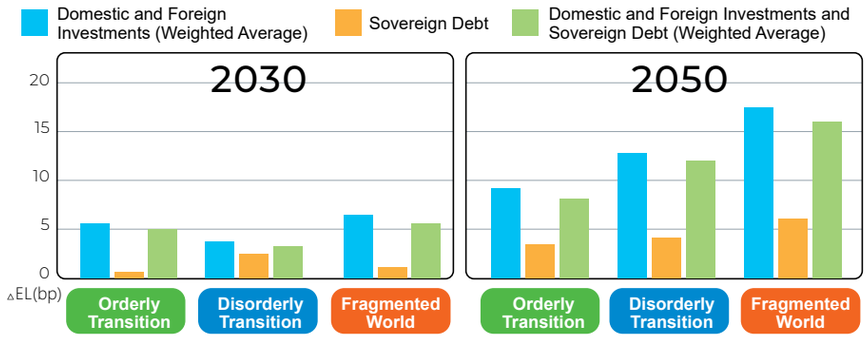
▼ **Additional Expected Loss as a Percentage of Total Investment Exposure**



The scenario analysis confirmed that the impact of climate risk on assets accumulates over time, especially under the Fragmented World scenario, in which the transition is delayed or fails. The Company will continue to monitor climate risk changes under different scenarios to inform its future risk management practices.

Furthermore, an analysis of risk impacts on domestic and foreign corporate investments across different scenarios and timeframes revealed that the greatest impact from both physical and transition risks occurs under the Fragmented World 2050 scenario. In this scenario, approximately 15% of the domestic and foreign corporate investment portfolio is exposed to high physical risk areas, while about 3% is exposed to high transition risk industries.

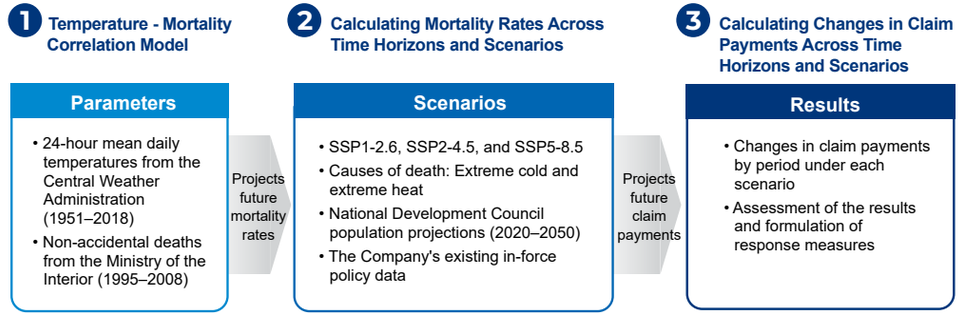
▼ **Result - Domestic and Foreign Corporate Investment**

Risk Item Analyzed	Scenario	Orderly Transition		Disorderly Transition		Fragmented World	
	Time Horizon	2030	2050	2030	2050	2030	2050
Transition Risk Impact Level	Risk Level	Medium	Low	Low	Medium	Low	High
Physical Risk Impact Level		Low	Medium	Low	Medium	Low	High

3.2.3 Life Insurance Climate Physical Risk Scenario Analysis

Climate change has significantly increased the frequency of extreme temperature events, posing a substantial threat to human health. Research indicates a significant link between temperature anomalies and mortality from cardiovascular and respiratory diseases. For KGI Life, estimating the impact of extreme temperatures on policyholders' mortality rates and on life insurance claims is crucial for strengthening its climate risk management and ensuring long-term financial stability.

» Evaluation Process[19]



»Results[20]

Analysis across the three climate scenarios revealed that in most periods, the overall mortality rates from extreme temperatures are lower than in the base year. This is likely because the Company's policyholder base skews younger, a demographic more adaptable to extreme temperatures. However, under the high-emission SSP5-8.5 scenario, the mortality rates from extreme temperatures are projected to exceed the base year between 2051 and 2060. This suggests that as climate change intensifies, the impact of extreme temperatures on mortality will become more pronounced, leading to a corresponding increase in claim payments.

[19] Mortality rates are adjusted to reflect the age structure of the Company's policyholder base.

[20] The analysis model's base year is 2018. The Company used 2025 in-force policy data to project claim payment changes from 2026 to 2060.

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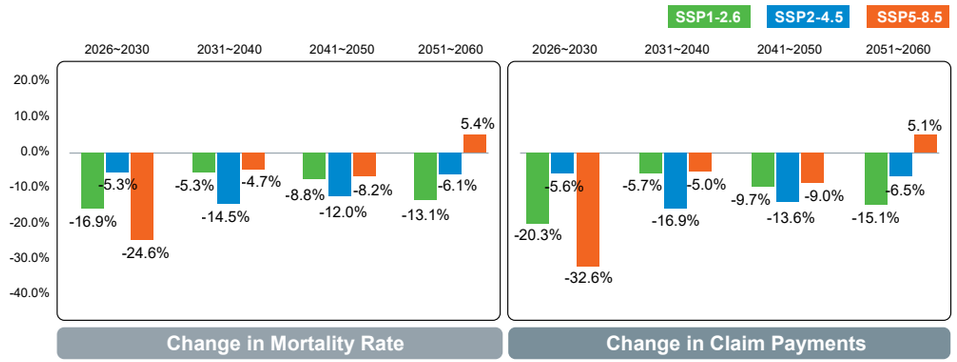

In summary, the global warming trend is expected to increase the probability of death from extreme temperatures in Taiwan over time. This trend is more pronounced under higher-emission pathways. The preliminary assessment indicates that the Company's future life insurance claim payments are likely to rise in line with this trend.

» Response Measures

Based on this scenario analysis, the Company faces potential upward pressure on future insurance claim payments due to rising temperatures. Consequently, it will continue to enhance policyholder adaptability to extreme temperatures through innovative insurance product design and related services to mitigate potential impacts.

KGI Life has launched spillover insurance policies that integrate health management with policy design, encouraging policyholders to proactively manage their health. For instance, policyholders can use wearable smart devices to upload health data, such as sleep duration and daily steps, to the Company's platform. Those who meet certain criteria receive rewards such as premium discounts or increased coverage. Through these initiatives, the Company aims to encourage proactive health management and prevent temperature-related illnesses, creating a virtuous cycle in which policyholders become healthier and more resilient to risk. This also enhances the Company's overall adaptability and risk response capabilities in the face of extreme climate impacts.

- **Insurance Product Losses from Climate and Natural Disasters**

KGI Life analyzed its Probable Maximum Loss (PML) using population statistics from the Ministry of the Interior covering 1958 to 2024 and Taiwan's natural disaster loss reports. The analysis was based on historical disaster casualty probabilities, calculated for events with return periods of 50 years (2%), 100 years (1%), and 250 years (0.4%). The Gross PML represents the estimated claim payments under these disaster scenarios, calculated by multiplying the year-end in-force policy face amount by the respective occurrence probabilities. The Net PML is calculated similarly but uses the year-end in-force retained face amount. Considering the Company's asset base and size, the financial impact of both gross and net PML has remained manageable.

▼ **Gross Probable Maximum Loss (Gross PML)**

Unit: NT$

Disaster	2% (1 in 50)	1% (1 in 100)	0.4%(1 in 250)
Typhoon/Hurricane	269,512,942	336,045,650	380,345,877
Flood	21,238,146	267,744,564	510,264,361

▼ **Net Probable Maximum Loss (Net PML)**

Unit: NT$

Disaster	2% (1 in 50)	1% (1 in 100)	0.4%(1 in 250)
Typhoon/Hurricane	177,887,774	218,288,344	248,807,996
Flood	17,080,116	209,691,980	399,202,570

In addition to estimating potential losses, the Company regularly tracks actual claims arising from natural disasters. In 2025, total insurance claims paid for natural disasters — typhoons, earthquakes, and floods — amounted to NT$1.3 million[21]. During the same year, the Company recorded no claims resulting from droughts, blizzards, or tornadoes. Considering the Company's asset base and size, the estimated gross and net PML from extreme weather remain limited. When compared with the stable and modest actual disaster claims for the year, the overall financial impact is deemed manageable.

[21] This figure includes claim payments for injuries or deaths caused by natural disasters, where the diagnosis certificate or death certificate clearly states a natural disaster as the cause.

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3.3 Setting Materiality Standards and Responding to Climate Risks

In 2025, through a survey, KGI Life identified its climate-related risks across departments. It then assessed the materiality of these risks over short-, medium-, and long-term horizons. Materiality was measured by scoring and multiplying the likelihood of occurrence and the magnitude of impact. The top three risks were classified as material. Additionally, any risk identified as "very high" on its risk matrix was automatically deemed material.

KGI Life has developed specific strategies and action plans to address the multifaceted impacts of climate risk. It regularly tracks its climate risk management and changes in climate risk to ensure effective risk management.

▼ Overview of Material Climate-related Risks

	Corresponding Existing Risk	Impacted Dimension	Financial Impact Period and Degree [2]	Potential Financial Impact	Response Measures
Transition Risk	**Risk Type: Policy and Legal**				
	Description: Increasingly stringent domestic and international climate-related regulations, initiatives, and carbon pricing (fees/taxes/trading) are raising sustainability requirements for businesses.				
	Other risks (including reputational, litigation, and liability risks)	Operational	Short-term: Low Medium-term: Medium Long-term: Medium	Increased operating expenses	1. Reducing operational carbon emissions across all offices and agencies. 2. Replacing old, inefficient equipment and optimizing the operating schedules of energy-intensive systems. New systems will prioritize virtualization and energy-saving equipment to lower CO_2 emissions. 3. Expanding the implementation of carbon reduction and environmental sustainability initiatives. 4. Continuing the use of green power.
	Market Risk, Credit Risk	Investment	Short-term: Low Medium-term: Low Long-term: Low	Increased operating costs for investees, affecting their profitability and reducing the Company's investment income.	1. Utilizing an ESG and high-climate-risk checklist for pre-investment evaluation to identify exposure to the group's designated high-carbon industries. 2. Adhering to the parent company's Sustainable Finance Commitment to phase down investments and financing in thermal coal, unconventional oil/gas, and other carbon-intensive industries. 3. Following the Company's climate risk appetite framework and the group's carbon-intensive industry screening criteria to set and regularly monitor climate risk appetite metrics and targets. 4. Using the group's screening criteria to calculate and analyze the proportion of carbon-intensive industries in the investment portfolio, informing subsequent adjustments.
Physical Risk	**Risk Type: Acute**				
	Description: Increased frequency and severity of extreme weather events such as typhoons, droughts, and heavy rainfall.				
	Market Risk, Credit Risk	Investment	Short-term: Low Medium-term: Low Long-term: Low	Decreased value of investment and financing assets, leading to reduced investment income for the Company.	1. Using an ESG and high-climate-risk checklist to identify exposure to the group's carbon-intensive industries. 2. Continuously monitoring post-investment and adjusting positions in response to significant changes in investee status. 3. Requiring the investment evaluation report to assess physical risk and formulate response measures before acquiring new investment properties. 4. Adhering to the Company's climate risk appetite framework by setting and regularly monitoring climate risk appetite metrics and targets. 5. Using annual TCFD analysis results to review and ensure that investment properties in high-risk climate zones have adequate adaptation measures such as floodgates, sandbags, pumps, and emergency plans.

[2] Short-term refers to a period within three years; medium-term, three to ten years; and long-term, over ten years. The degree of financial impact is assessed based on likelihood (rated 1 to 6, higher is more likely) and impact (rated 1 to 6, higher is more severe).

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3.4 Taiwan Insurance Guaranty Fund Climate Change Scenario Analysis

Each year the Company uses the climate change scenario analysis model provided by the Taiwan Insurance Guaranty Fund to carry out the climate change scenario analysis required of insurers, in order to understand the scale of the exposure and the impact its assets may face under climate change.

The climate change scenario analysis model provided by the Taiwan Insurance Guaranty Fund draws on the 2021 Special Topic Edition of the *Global Insurance Market Report* published by the International Association of Insurance Supervisors (IAIS), examining the potential losses on insurers' 2025 asset exposures under three different climate change scenarios: orderly transition, disorderly transition, and too little, too late.

The results of this scenario analysis have been reported to the Company's Risk Management Committee and Board of Directors, so that management and the units concerned understand the effect of climate risk on the Company under the different scenarios.

The effects of the climate change scenario analysis on the Company's asset holdings under the different scenarios are shown in the figure below:

Base date: end of 2025



Asset Class	Share	Orderly Transition Loss Ratio	Disorderly Transition Loss Ratio	Too Little, Too Late Loss Ratio
Equity securities	15.1%			
Corporate bonds, loans, and mortgages	67.4%			
Government bonds	12.1%			
Real estate	5.4%			

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Chapter

4 Climate Metrics and Targets



Effective climate metrics and targets are essential for guiding climate risk management and advancing the Company's net-zero strategy. KGI Life has systematically established 13 climate-related management metrics with short-, medium-, and long-term targets, aligned with the business plans of its various departments. It regularly tracks performance to respond to the expectations of both internal and external stakeholders regarding its climate management.

Building on its assessment of climate-related risks and opportunities, it develops targeted strategies and action plans, then sets and tracks targets annually to reduce the impact of climate change on its investments and operations.

▼ Summary of Key Management Metrics and Targets

	Strategy	Metrics	2026 Short-term Target	2027-2028 Medium-term Target	2029-2031 Long-term Target
Physical Risk	**Real Estate Investment Climate Exposure Management**	• Integrate physical risk into the evaluation of new real estate investments • Set a cap on the proportion of high-physical-risk cases	• 100% of new investment targets are assessed for physical risk • Limit the proportion of high-physical-risk cases after adaptation to below 4%	• 100% of new investment targets to undergo physical risk assessment • Limit the proportion of high-physical-risk cases below 3%	
	Sustainable Supply Chain Management	• Conduct ESG due diligence for suppliers	• ESG due diligence from major suppliers (a response rate of 75%)	• ESG due diligence from major suppliers (a response rate of 80%)	• ESG due diligence from major suppliers (a response rate of 85%)

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Transition Risk

Strategy	Metrics	2026 Short-term Target	2027-2028 Medium-term Target	2029-2031 Long-term Target
Engagement	• Engage with listed investees to encourage the adoption of net-zero or transition policies [23]	• 36.3% of the listed stock and bond portfolio, by investment value, to have set SBTs	• 40% of the listed stock and bond portfolio, by investment value, to have set SBTs by 2027	• 49.7% of the listed stock and bond portfolio, by investment value, to have set SBTs by 2029
Reduction of Exposure to Carbon-Intensive Industries	• Ratio of investment and financing in carbon-intensive industries	• Ratio below 23%	• Annually review and reduce the ratio of carbon-intensive industries by 0.5%–1.5%	
	• Follow decarbonization commitments and pathways	• Withhold new direct investment in projects involving thermal coal and unconventional oil and gas		• By 2030, withdraw direct investment in thermal coal and unconventional oil/natural gas in industrialized nations, such as EU and OECD members
Reduction of Portfolio Emissions	• Realize Scope 3 SBTs	• Reduce GHG emissions intensity per MWh of power generation project investment and financing by 37.5% from the baseline [24]	• Reduce GHG emissions intensity per MWh of power generation project investment and financing by 46.2% from the baseline by 2027	• Reduce GHG emissions intensity per MWh of power generation project investment and financing by 63% from the baseline by 2029
Decarbonization and Operational Management	• Reduce carbon emissions for offices and agencies according to SBTs	• Achieve an operational carbon emissions target of 5,487 metric tons for 2026	• Achieve an operational carbon emissions target of 4,758 metric tons for 2028 • Equip over 40% of all offices and agencies with LED panel lighting	• Reduce operational carbon emissions to 3,695 metric tons by 2031 • Equip over 80% of all offices and agencies with LED panel lighting
Climate Governance Optimization	• Enhance IFRS S2 and TCFD disclosures and refine climate risk scenario analysis methodology • Adopt the TNFD framework for nature risk analysis	• Align with and pilot IFRS S2 climate-related disclosures • Conduct TCFD climate change scenario analysis for insurance products • Adopt the TNFD disclosure framework • Optimize disclosures under the *Reference Guidelines for the Recognition of Sustainable Economic Activities*	• Publish financial information following IFRS S2 Climate-related Disclosures • Refine the climate risk scenario analysis methodology	

[23] Portfolio coverage (PC). The Company's Science Based Targets (SBTs) were approved by the SBTi on March 14, 2025. Asset classes using the PC method are adjusted based on the SBT validation pathway results.

[24] The baseline is the GHG emissions intensity per MWh of power generation project investment and financing in 2022.

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Climate-Related Opportunities

Strategy	Metrics	2026 Short-term Target	2027-2028 Medium-term Target	2029-2031 Long-term Target
Green and Sustainable Transition	• Increase green and sustainable investments[25]	• Increase green and sustainable investments by 20% from the baseline year	• Increase green and sustainable investments by 30% from the baseline year	• Increase green and sustainable investments by 45% from the baseline year
	• Digital Insurance Services	• Increase the adoption rate of electronic policies by 2% compared to 2025 • Increase adoption rate of mobile claims by 3% compared to 2025 • Achieve 5% annual growth in paper savings through paperless processes	• Increase the adoption rate of electronic policies by 4% compared to 2025 • Increase adoption rate of mobile claims by 5% compared to 2025 • Achieve 5% annual growth in paper savings through paperless processes	• Increase the adoption rate of electronic policies by 6% compared to 2025 • Increase adoption rate of mobile claims by 7% compared to 2025 • Achieve 5% annual growth in paper savings through paperless processes
Digital Finance	• Leverage AI to facilitate administration, expand digital services, and drive efficiency	• Add or optimize ≥12 features in the iLife mobile app • Use AI for medical chart recognition, coverage gap analysis, and 360-degree customer profiling	• Add or optimize ≥15 features in the iLife mobile app • Introduce diversified digital identity verification for customers	• Add or optimize ≥15 features in the iLife mobile app

[25] The baseline is the green and sustainable investments of NT$31.06 billion in 2022.

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Chapter

5 Advancing the Nature Transition



5.1 Nature Risk Management

Damage to natural capital has tangible consequences for ecosystem balance, the sustainable supply of resources, and the foundations of human life, and can pose long-term risks to environmental carrying capacity, economic development, and social stability. Taking a risk-based approach to management, the Company has brought nature-related risks within the scope of its risk management and identifies, assesses, and manages them through clearly defined processes, strengthening its grasp of the potential impacts on its operations and value chain.

Following its parent company KGI Financial Holding's formal adoption of the TNFD in August 2024, the Company follows the LEAP approach developed by the TNFD to enhance its disclosures on nature-related risks across governance, strategy, risk management, and metrics and targets. This serves as a crucial foundation for strengthening sustainable governance and overall risk management. In response to the 2050 long-term goals and 2030 targets of the *Kunming-Montreal Global Biodiversity Framework*, KGI Life follows the Group's *Sustainable Finance Commitment* in avoiding investment targets in highly polluting and carbon-intensive industries, and assesses and continuously manages targets' water use and their involvement in deforestation and other activities with a material environmental impact, in order to reduce potential environmental risk.

Locate

- Analysis of investees' nature dependencies and impacts
- Overlay mapping and location analysis of investees' domestic and international sites

Evaluate

- Identification of investees' nature-related risks and opportunities

Assess

Physical risk scenario analysis

- Drought risk (domestic investees in the electric power supply industry)

Transition risk scenario analysis

- Water consumption fees (investees – listed and OTC equity)
- EU Deforestation Regulation compliance costs (investees – listed and unlisted equity)

Prepare

- Water and forest-related metrics for investees
- Reporting in the Climate and Nature-related Financial Disclosures Report

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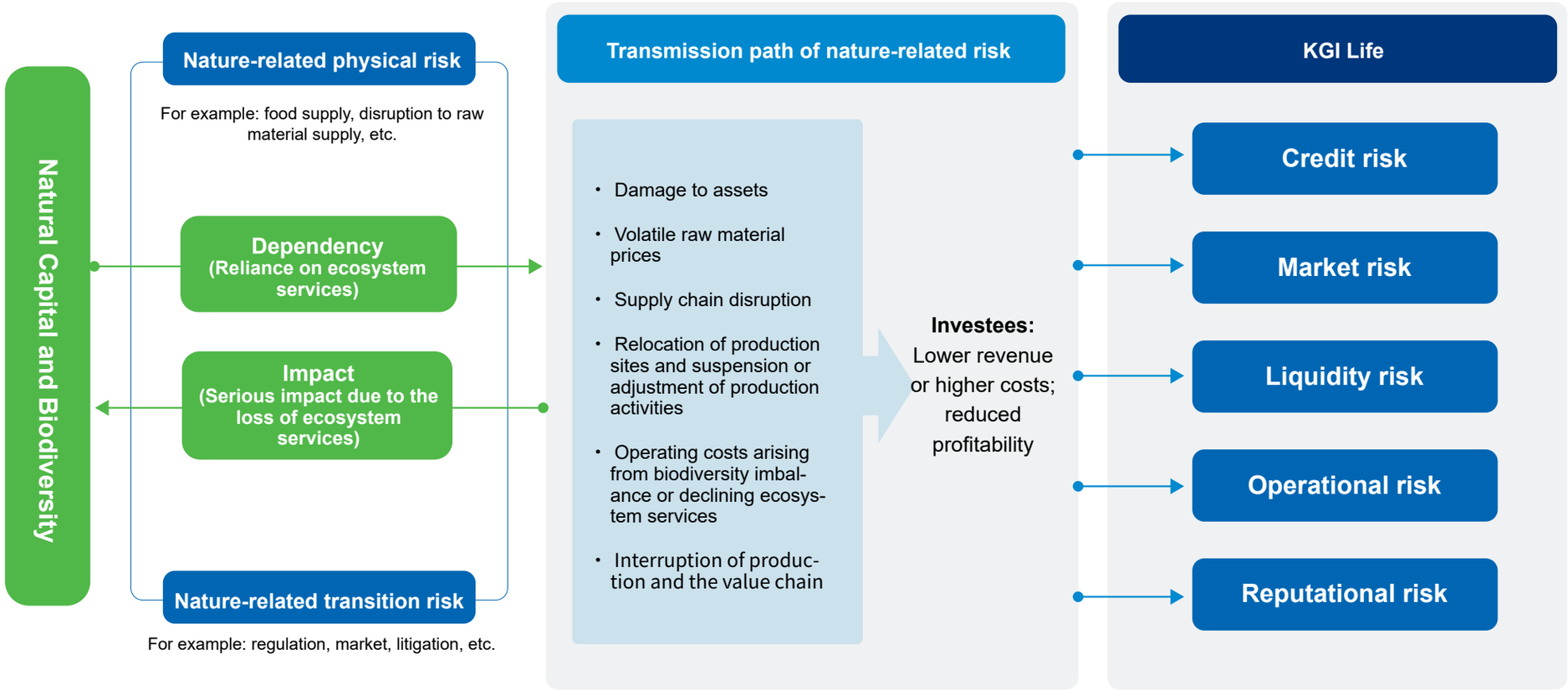
5.1.1 How Nature-related Risks Affect KGI Life

The loss of ecosystem services and natural capital will affect the stability of KGI Life's value chain directly or indirectly — through investees, the assets themselves, and the economic and operating environment in which they sit — and will ultimately be reflected in the Company's financial position and performance.

Guided by prudent capital allocation principles and professional risk management mechanisms, the Company continues to exert its financial influence, supporting industries and projects that advance the conservation and restoration of natural capital and promoting a transition that addresses climate and nature together, creating positive outcomes for global sustainability and for the Company's own long-term stability.

The Company believes that nature-related risk and climate risk are closely linked and interdependent. Changes in the state of natural capital directly affect the climate system, while the changes in precipitation patterns and the extreme weather events that climate change brings about further accelerate the depletion of natural capital. This has shown that nature and climate are inseparable. Through appropriate risk management, influencing through sustainable finance, and enhancing the identification, measurement, and management of climate and nature-related risks, while actively advancing the conservation and restoration of natural capital, the Company continues to advance toward a low-carbon transition and nature-positive development.



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5.1.2 Analysis of Nature Dependencies and Impacts

■ Identification Process for Nature Dependencies and Impacts

Using data from the ENCORE[26] database as updated in September 2025, the Company made an inventory of the nature dependencies and impacts of the industries to which its investees belonged as of the end of 2025 and plotted a nature dependency and impact matrix for the ten industries with the largest share of investment balance. This makes it possible to identify the industries with high dependency and high impact, informing subsequent identification of nature-related risks and opportunities.

Step 1 Obtain ENCORE data on nature dependencies and impacts by industry

Use the ENCORE database to obtain the degree of nature dependency and impact for the industry classifications corresponding to the investment positions.

Step 2 Map to ISIC industry codes

Use the mapping table between the 11th revision of the DGBAS codes and ISIC to match industry codes, and compile the ENCORE dependency and impact risk levels by industry.

Step 3 Convert to scores and calculate nature dependency and impact scores

Convert the degree of materiality into scores and calculate the dependency and impact scores for each invested industry at the three-digit DGBAS level.

Step 4 Plot the matrix

Compile the data from the preceding steps into a matrix to identify the industries in the investment positions with high nature dependency and impact.

■ Portfolio's Nature Dependency and Impact Identification Results

The Company's assessment of the nature dependencies and impacts of the industries in its portfolio shows the dependency and impact matrix below for the ten industries with the largest share of investment balance among its 2025 investees. Based on each industry's combined dependency and impact scores, the analysis identified the electric power supply industry and the petroleum and coal products manufacturing industry as the two sectors with the highest degrees of nature dependency and impact this year. The power supply industry's significant water consumption can affect ecosystems and the climate, while the petroleum and coal industry's mining and drilling activities can lead to deforestation and habitat destruction.

The Company has been tracking and managing its investments in the power sector. For the petroleum and coal sector, it is following the parent company's *Sustainable Finance Commitment* to gradually reduce exposure to thermal coal and unconventional oil and gas. It will continue to monitor portfolio risk changes to inform adjustments to investment positions and resource allocation. Beyond this, the Company will continue to follow its existing assessment and management framework, deepening its analysis of nature dependencies and impacts and combining it with industry characteristics and degree of risk to inform investment decisions and risk control. It will also assess industry transition trends and sustainable development directions carefully and adjust its allocation of financial resources as needed, steering the portfolio progressively toward industries with low nature dependency and low impact.

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[26] ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a nature dependency and impact analysis tool developed by Global Canopy, the United Nations Environment Programme Finance Initiative (UNEP FI), and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). It helps companies identify and assess how much each industry depends on and affects natural capital and serves as an important basis for assessing nature-related risks and opportunities.

[27] The 2025 analysis excludes mutual funds and ETFs.

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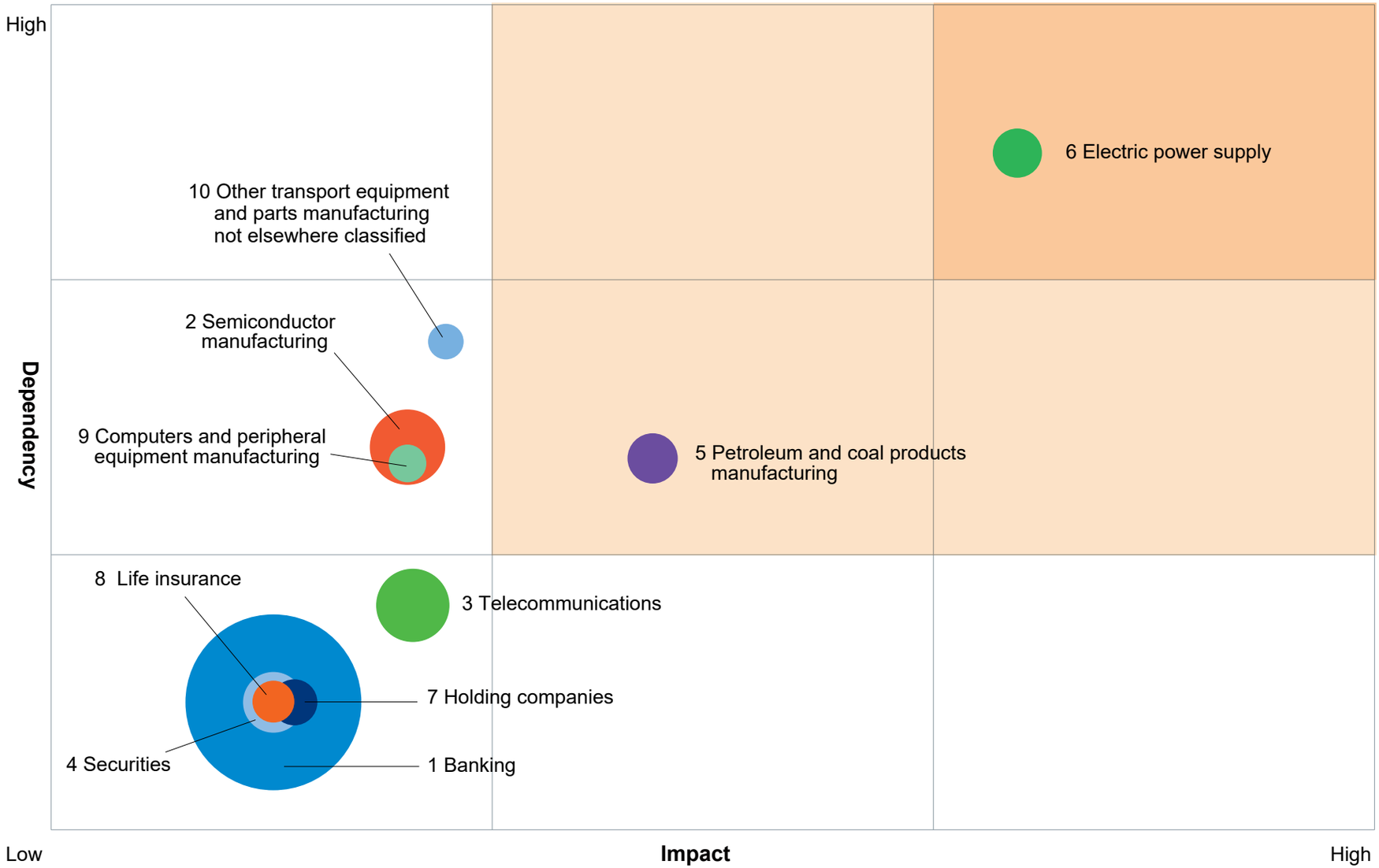

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5.1.3 Analysis of Location in Nature-Sensitive Areas

The results of the analysis of nature dependencies and impacts above show that, within the portfolio, the electric power supply industry has a relatively higher degree of nature dependency and impact. Electric power supply also has a medium-to-high degree of impact on forests and land and on oceans and water. This year's overlay mapping analysis against legally designated environmentally sensitive areas therefore gives priority to investees in the electric power supply industry.

■ Assessment

This year the Company carried out its first water and forest risk location analysis for its investees. The analysis used the list [28] of legally designated environmentally sensitive areas in the *Research Report on Demonstration Cases for the Application of Nature-related Risk Data* published by the Financial Industry Net-Zero Promotion Platform, and response strategies were formulated for its investees.

■ Domestic Analysis Results — Electric Power Supply Industry

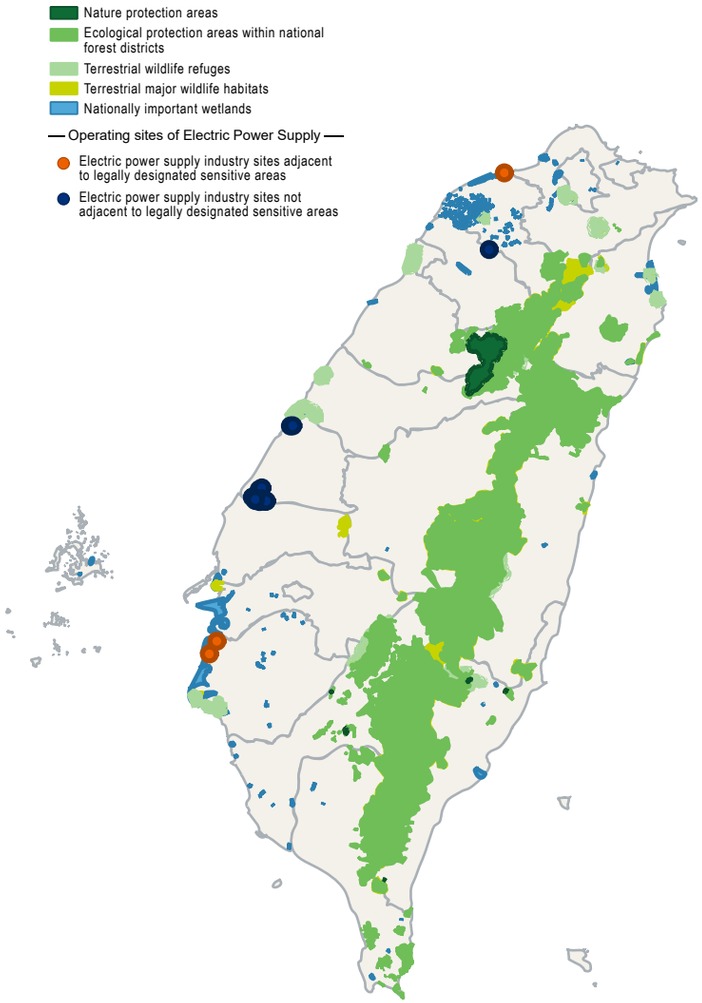
The analysis confirmed that none of the operating sites of KGI Life's investees in the domestic electric power supply industry are located within legally designated environmentally sensitive areas. Although 15% of investee sites are adjacent (within one kilometer) to these areas, they represent only about 0.03% of the Company's total investment exposure. The remaining 85% of sites are not adjacent to legally designated environmentally sensitive areas and represent 0.05% of the Company's total investment exposure.

Proximity to Legally Designated Sensitive Areas	Share of Domestic Investees' Operating Sites	Exposure
Operating sites of electric power supply industry investees adjacent (within 1 km) to legally designated sensitive areas	15.00%	0.03%
Operating sites of electric power supply industry investees not adjacent (within 1 km) to legally designated sensitive areas	85.00%	0.05%

Response Measures

The location analysis shows that some operating sites of the Company's domestic electric power supply industry investees are adjacent to nationally important wetlands. To maintain biodiversity and conserve terrestrial and marine ecosystems, the Company will continue to strengthen its evaluation of prospective investees. If an investee carries a major environmental impact or substantial nature-related risks, KGI Life will take response measures, such as adjusting its investment strategy. It will also continue to monitor the proximity of its electric power supply industry investees to legally designated sensitive areas to support the conservation of natural ecosystems.

▼ **Nature-Sensitive Areas and Sites of the Investees in the Domestic Power Supply Industry**



[28] Legally designated environmentally sensitive areas are areas protected by law or other effective measures in each country; such regulated areas reflect the ecological conservation value of the locality.

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Foreign Analysis Results — Forest Risk Location Analysis of Overseas Investees

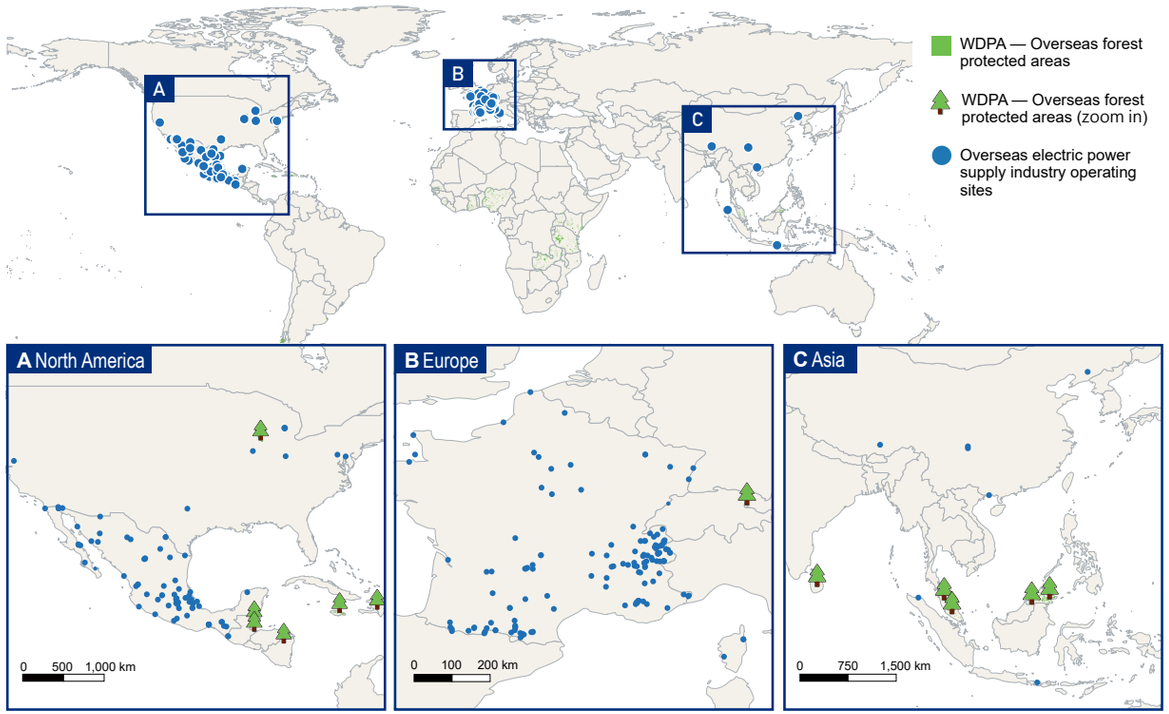
This year the Company carried out its first forest risk location analysis for overseas investees, using the World Database on Protected Areas (WDPA), which consolidates areas protected under the laws of each country, and filtering for forest protected area map data for the analysis.

A review of the Company's overseas electric power supply industry investees confirmed that none of their sites are located within foreign forest protection areas or within one kilometer of them.

Analysis of the Company's Operating Sites

To avoid any impact of its own operating activities on the natural environment, KGI Life also carried out a nature-sensitive area location analysis for its own operating sites. The analysis confirmed that none of the Company's own operating sites are situated within legally designated environmentally sensitive areas. Only one operating site is adjacent (within one kilometer) to a legally designated environmentally sensitive area, accounting for 0.66% of all its own operating sites; the remaining 99.34% are not adjacent to any legally designated environmentally sensitive area within one kilometer.

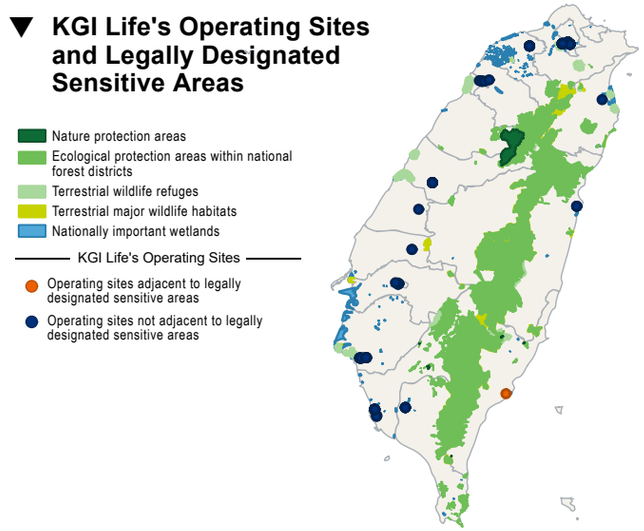
Proximity to Legally Designated Sensitive Areas	Number of Domestic Operating Sites	Share of Domestic Operating Sites
Operating sites adjacent (within 1 km) to legally designated sensitive areas	1	0.66%
Operating sites not adjacent (within 1 km) to legally designated sensitive areas	151	99.34%



Response Measures

At present only one operating site is adjacent to a nationally important wetland. The Company will continue to strengthen water and waste management at that location to avoid affecting the hydrological balance of the wetland or polluting its ecosystem.

▼ **KGI Life's Operating Sites and Legally Designated Sensitive Areas**



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5.2 Identification of Nature-related Risks and Opportunities

5.2.1 Process and Results for Identifying Material Nature-related Risks and Opportunities

The nature-related risks facing the life insurance industry arise mainly from investees' dependence on, and impact on, natural capital and ecosystem services in the course of their operations. Nature-related opportunities arise from business models and financial products that support the sustainable use of natural resources and promote the protection, restoration, and regeneration of ecosystems.

Based on its portfolio's exposure by industry and the results of the ENCORE nature dependency and impact analysis, KGI Life analyzed the electric power supply industry and the petroleum and coal products manufacturing industry using relevant TNFD industry guidance. This analysis helped the Company assess the potential financial impact of nature-related risks and opportunities on these sectors, and, by extension, the indirect financial impact on the Company itself.

Industry	Nature-related risks of the industry (including but not limited to the following)	Financial impact on investees in the industry	Financial impact on KGI Life due to its investment in the industry
Electric Power Supply Industry	Physical Risk: Reduced precipitation lowers river flows, leaving nuclear power plants with insufficient cooling water and causing damage to investees' facilities, lower generation efficiency, and business interruption. Transition Risk: The significant impact of nuclear power generation on nature may provoke public debate and controversy, eroding the reputation of investees that operate nuclear capacity and reducing their revenue.	Revenue ⬇ Asset value ⬇ Share price / net worth ⬇ Operating costs ⬆ Compliance expenses ⬆ Liabilities ⬆ Early retirement of fixed assets	Financial asset value ⬇ Investment income ⬇ Interest income ⬇ Bond default rate ⬆ Reputation ⬇
Petroleum and Coal Products Manufacturing Industry	Physical Risk: Declining soil stability leads to landslides, degradation of terrestrial ecosystems, and extreme weather, which may damage investees' facilities and interrupt operations. Transition Risk: Stricter regulatory requirements for waste treatment may increase compliance costs and even lead to loss of licenses, litigation, or fines, resulting in lower revenue and higher compliance expenses.		

Industry	Nature-related opportunities of the industry (including but not limited to the following)	Financial impact on investees in the industry	Financial impact on KGI Life due to its investment in the industry
Electric Power Supply Industry	Resource Efficiency: Renewable energy such as wind and solar reduces impacts on species and significantly cuts pollution, while being cost-effective and helping to strengthen energy resilience and supply security. Market: The solar and wind power industries can capture rising demand for low-ecological-impact energy solutions, improving overall profitability.	Operational resilience ⬆ Non-operating income ⬆ Operating costs ⬇ Share price / net worth ⬆ Reputation and image ⬆	Asset value ⬆ Investment income ⬆ Interest income ⬆ Revenue ⬆ Reputation and image ⬆
Petroleum and Coal Products Manufacturing Industry	Resource efficiency: Introducing wastewater recycling and reuse systems to recover process water during oil and gas production and gas treatment, thereby reducing groundwater withdrawal. Sustainable use of natural resources: Waste generated during production can be used as raw material by other industries.		

Electric Power Supply Industry - Creating revenue streams through residential/community solar : EDF (Solar Energy | Solar Panel System For Your Home | EDF)

Petroleum and Coal Products Manufacturing Industry - Wastewater recycling : Saudi Arabian Oil Company (Investing in growth Innovating for sustainability Aramco Sustainability Report 2024)

Petroleum and Coal Products Manufacturing Industry - Waste recycling : TotalEnergies (Circular Economy | TotalEnergies.com)

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5.2.2 Nature Physical Risk Scenario Analysis

Water and forests are important natural capital sustaining the functioning of ecosystems. The identification results in 5.1.2 *Analysis of Nature Dependencies and Impacts* show that the electric power supply industry and the petroleum and coal products manufacturing industry are the sectors in the Company's investment positions with higher degrees of nature dependency and impact. The former's significant water consumption can affect ecosystems and the climate, while the latter's mining and drilling activities can lead to deforestation and habitat destruction. The Company therefore conducted nature physical risk and nature transition risk scenario analyses of its investment positions in relation to water and forests, assessing the potential financial impact on those positions.

■ Water Resources: Drought Risk Scenario Analysis

- **Rationale:** the analysis of nature dependencies and impacts above shows that the electric power supply industry has a higher dependency on and impact on water resources. In addition to the location analysis in nature-sensitive areas, the Company therefore conducted a physical risk scenario analysis of its electric power supply industry investees. Drought can significantly impact the operations and financial stability of electric power supply industry investees, which in turn affects KGI Life. By assessing the drought risk for these investees under both an ambitious carbon reduction pathway (SSP1-2.6) and a severe warming scenario (SSP5-8.5), the Company can proactively identify investment risks and adopt corresponding management strategies.
- **Scope:** Operating sites of all domestic electric power supply industry investees held by KGI Life as of December 31, 2025, including fossil fuel power plants, onshore wind sites, and solar power plants. All of this data came from public sources.
- **Scenario:** The analysis uses the Financial Industry Climate Physical Risk Information Integration Platform, which employs statistical downscaling of IPCC AR6 scenarios (SSP1-2.6 and SSP5-8.5) to project drought conditions in Taiwan by water supply region based on precipitation estimates.
- **Time Horizon:** 2030, 2040, and 2050.
- **Method:** The drought hazard level and vulnerability level of each site are both factored into the assessment, and the resulting dual risk level is graded from 1 to 5, from low to high. The distribution of sites across risk levels is analyzed. Hazard is determined by the drought risk hazard level of the water supply region in which each domestic electric power supply plant site is located under the SSP1-2.6 and SSP5-8.5 scenarios. Vulnerability is determined by the degree of dependence on water resources of each generation type in the electric power supply industry, as recorded in the ENCORE database.
- **Results:** The drought risk level analysis shows that, under SSP1-2.6, the distribution of sites across risk levels is the same in 2030 and 2040, while the share of sites at Level 5 falls in 2050. Under SSP5-8.5, the share of sites at Level 5 rises in 2040 relative to 2030 and falls in 2050.

  Within the electric power supply industry, dependence on water resources is highest for fossil fuel generation, followed by solar and then wind. Under the SSP1-2.6 scenario, drought risk levels are the same in 2030 and 2040, while by 2050 some sites in Hsinchu County fall to a lower drought risk level. Under the SSP5-8.5 scenario, sites in Changhua County face a higher drought risk level in 2040 and 2050 than in 2030, whereas sites in Taoyuan City face a lower level in those years than in 2030, and by 2050 some sites in Hsinchu County fall below both their 2030 and 2040 levels. The drought risk heat map analysis shows that the drought risk hazard for fossil fuel generation in Changhua County, Hsinchu County, and Taoyuan City changes under SSP5-8.5: hazard rises in Changhua County in 2040 and 2050, falls in Hsinchu County in 2050, and falls in Taoyuan City in both 2040 and 2050.
- **Response:** KGI Life's electric power supply industry investees depend heavily on water resources, yet Taiwan is water-scarce, so effective water management is needed to reduce consumption and improve efficiency. These investees are strengthening their management of water resources through water-saving measures such as recycling water, lowering process water consumption, and using treated wastewater. They have also planned water-related risk management measures to ensure normal operations when Taiwan faces water shortages. KGI Life has established management mechanisms and regularly reviews the exposure of its investment positions to drought risk so that it can adjust those positions as needed.

▼ SSP1-2.6 Drought Risk for the Electric Power Supply Industry by City and County in Taiwan

Drought risk level of power plant sites (hazard × vulnerability)	2030	2040	2050
5	15.00%	15.00%	10.00%
4	15.00%	15.00%	20.00%
3	-	-	-
2	-	-	-
1	70.00%	70.00%	70.00%
Total	100.00%	100.00%	100.00%

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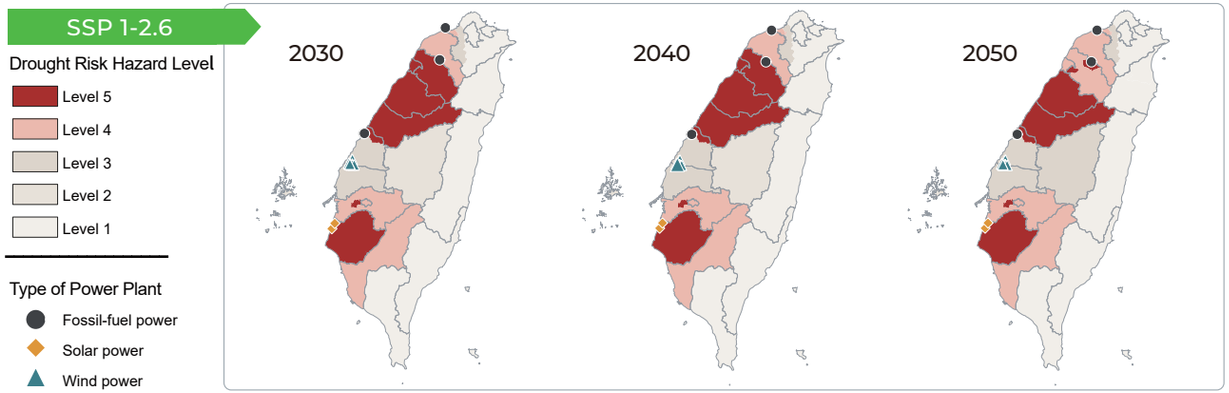
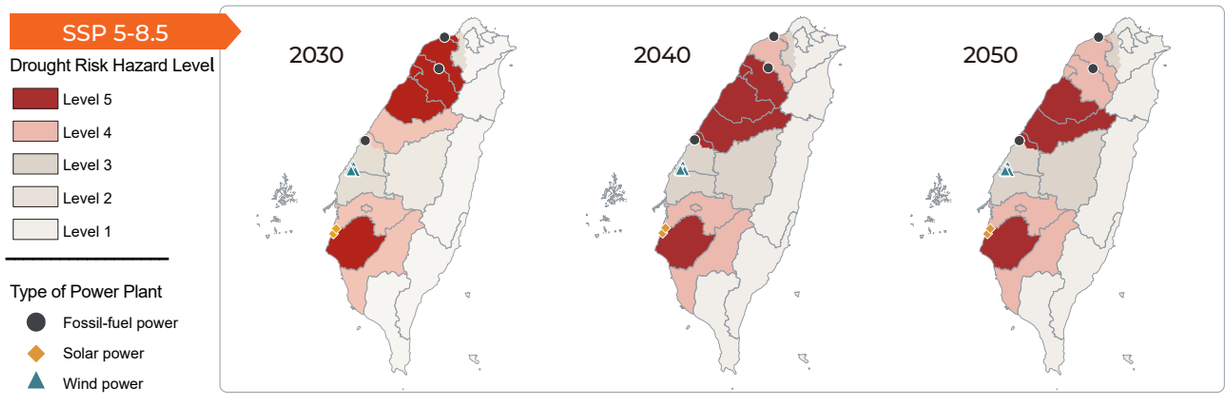


▼ **SSP5-8.5 Drought Risk for the Electric Power Supply Industry by City and County in Taiwan**

Drought risk level of power plant sites (hazard × vulnerability)	2030	2040	2050
5	10.00%	15.00%	10.00%
4	20.00%	15.00%	20.00%
3	-	-	-
2	-	-	-
1	70.00%	70.00%	70.00%
Total	100.00%	100.00%	100.00%



5.2.3 Nature Transition Risk Scenario Analysis

■ Water Resources: Water Consumption Fee Scenario Analysis

- **Rationale:** To promote industrial water saving and deliver water justice, the Ministry of Economic Affairs issued the *Regulations for the Collection of Water Consumption Fees* on January 6, 2023, levying a water consumption fee on water users consuming over 9,000 cubic meters in a single month during the dry season. This analysis estimates the financial impact of the water consumption fee on the Company's domestic listed and OTC equity investees. By calculating the potential fees these investees may pay, the Company assesses the financial impact on these companies and, in turn, KGI Life's resilience to this nature-related transition risk.
- **Scenario assumptions:**

Assumptions
Scenario: Fragmented World Corresponding to the NGFS Fragmented World scenario, this assesses the potential risk to financial institutions where the transition starts late and global decarbonization and nature protection targets are not met, resulting in more severe warming.
Scenario: Disorderly Transition Corresponding to the NGFS Delayed Transition scenario, this assesses the potential risk to financial institutions where the transition starts late but the global target of limiting warming to within 2°C by the end of the century must still be met.
Scenario: Orderly Transition Corresponding to the NGFS Net Zero 2050 scenario, this assesses the potential risk to financial institutions on a pathway of gradual global progress toward net-zero emissions by 2050.

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- **Scope:** KGI Life's investment positions in domestic listed and OTC equities as of December 31, 2025.
- **Time Horizon:** 2030, 2040, and 2050.
- **Method and process:**

Step 1 Collect information on water consumption fee

Collect data on investees' 2025 tap water and surface water consumption and water recycling rates.

Step 2 Calculate future water consumption

Use the projected GDP growth rates for each NGFS scenario to estimate investees' water consumption in 2030, 2040, and 2050.

Step 3 Calculate future water consumption fees

Using investees' water recycling rates and assuming their operating conditions remain unchanged, calculate their water consumption fee costs in 2030, 2040, and 2050.

Step 4 Assess the financial impact

Divide investees' water consumption fee costs in 2030, 2040, and 2050 by their revenue to assess the change in financial impact.

- **Results:** Across all NGFS transition scenarios, the ratio of investees' water consumption fees to their revenue is projected to rise over time, indicating that rising water costs will put growing financial pressure on businesses. In 2030, the difference between the three scenarios is not yet pronounced (all approximately 0.3%), reflecting that although the policy pressure of each transition scenario differs, the effect on companies' overall water costs remains relatively limited in the short term. By 2040 and 2050, the differences widen over the medium and long term: the ratio under the Orderly Transition scenario is the lowest of the three, at 0.514% in 2050, compared with 0.536% under Fragmented World and 0.525% under Disorderly Transition.

  The results show that where the government sends clear transition policy signals and effectively promotes improvements in water efficiency and related transition measures, companies are better able to contain the rise in water consumption fees over the medium and long term and to moderate the financial impact on revenue. Conversely, where the government's transition policy stance is passive or lacking, companies' water consumption fees may continue to climb, raising the transition risk and financial risk borne by the Company's portfolio. However, even under the most severe 2050 Fragmented World scenario, the estimated water cost for its investees remains below 1% of their revenue. This is considered an affordable cost for the investees, and therefore the risk to KGI Life is deemed controllable.

  By industry, in 2050 the electronics industry has a higher ratio of water consumption fees to revenue than the Company's other investee industries, reaching more than 0.45% under every scenario, with the highest ratio under the Fragmented World scenario and the lowest under the Orderly Transition scenario. For other industries such as cement, chemicals, and retail, the ratio varies little across the three scenarios, indicating that the impact of water consumption fees on their revenue should be relatively controllable under each future transition scenario.

Scenario Name	Projected Water Consumption Fee as a Percentage of Investees' Revenue By Scenario		
	2030	2040	2050
Orderly Transition	0.301%	0.404%	0.514%
Disorderly Transition	0.306%	0.415%	0.525%
Fragmented World	0.306%	0.420%	0.536%

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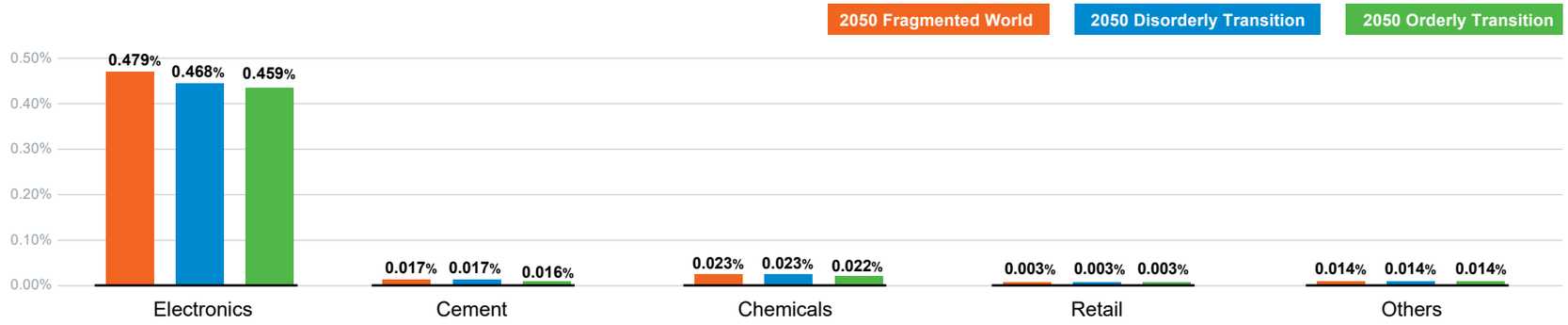
▼ **KGI Life —Change in Investees' Water Consumption Fee as a Percentage of Revenue, by Industry in 2050**



■ Forests: Investee Transition Risk Scenario Analysis—*EU Deforestation Regulation (EUDR)*

- **Rationale:** The EU is a major consumer market for high-deforestation-risk commodities such as beef, cocoa, coffee, and palm oil, and its consumption is widely recognized as an indirect driver of deforestation linked to agricultural expansion. To advance its policy objectives of mitigating climate change and biodiversity loss, the EU adopted the *EU Deforestation Regulation (EUDR)*, which requires that relevant commodities and derived products be free of deforestation and forest degradation before they may be placed on, or exported from, the EU market. The aim is to reduce greenhouse gas emissions, curb forest degradation, and steer global supply chains toward deforestation-free, traceable, and transparent production.

  In this context, the Company's scenario analysis uses the Forest IQ database[29] to screen for high-deforestation-risk investments and assess the potential financial impact on the Company from holding these positions as regulations change and supply chains adjust.

- **Assumption: T**he Company combined the FPS+Nature database[30] to calculate the compliance costs of avoiding deforestation, together with the maximum penalty under the *EU Deforestation Regulation*, in a scenario analysis assessing the revenue of domestic and foreign equity and debt investment targets that may be affected by deforestation transition risk. It assumes that the Company maintains the same investment positions in the future as at the end of 2025, and that the markets of the industries to which its investees belong are relatively mature, so that their revenue and market share will not change significantly. Leaving inflation out of account, it further assumes that the penalty costs investees may face in 2030 and 2050 will be the same as in 2025.

[29] Forest IQ is an international data platform launched jointly in 2023 by Global Canopy, the Zoological Society of London (ZSL), and the Stockholm Environment Institute (SEI). It integrates data from leading sources such as Forest 500, SPOTT, and Trase, and provides deforestation risk, financial materiality, and management performance data for over 2,000 global companies. Its data is designed around the needs of financial institutions: it links companies, commodities, and supply chain sources directly, and its methodology is aligned with the due diligence logic of the EUDR, making it suitable for quantifying deforestation-related transition risk in investment portfolios.

[30] FPS+Nature (Forecast Policy Scenario + Nature) is a scenario-based database launched in 2023 by the Inevitable Policy Response (IPR). It integrates climate policy scenarios (an approximately 1.8℃ pathway) with nature and land use policy to simulate potential policy measures of countries by 2030 and 2050 to address climate change and biodiversity loss. Its data focuses on agriculture, forestry, and land use change, helping financial institutions assess how nature and deforestation-related policy translates into transition risk and financial impact for investment.

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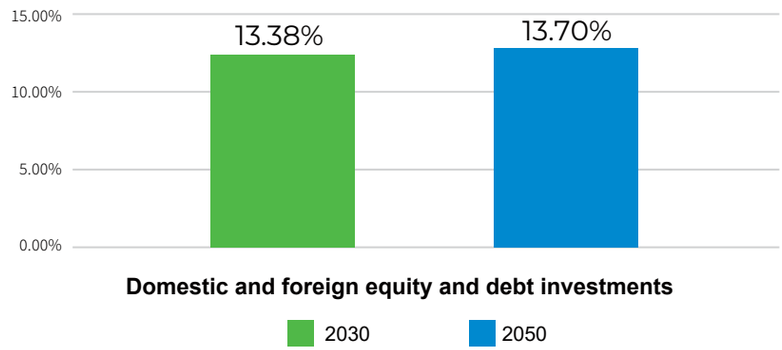
- **Time Horizon:** Using 2025 data from the FPS+Nature database as the basis for the analysis, the Company assessed separately for 2030 and 2050 the share of investee revenue affected by the additional costs arising from deforestation risk across the portfolio in all industries.
- **Scope:** KGI Life's domestic and foreign equity and debt investments as of December 31, 2025. The Company will continue to monitor the investees in the Forest IQ database whose scenario-analysis assumptions are consistent with those of KGI Life and will adjust the targets and assumption parameters of the scenario analysis according to updated data.
- **Financial Impact:** By 2030, the compliance costs for the Company's domestic and foreign investees to avoid deforestation are projected to impact their revenues by 13.38%. This impact is expected to increase slightly to 13.70% by 2050.
- **Response:** To mitigate the potential impact from deforestation-related regulations on its investees, the Company will continue to develop and apply risk management tools such as scenario analysis to regularly identify, measure, and monitor deforestation-related transition risks to inform its investment decisions and risk management.

▼ **KGI Life — Deforestation Risk Cost as a Percentage of Investees' Revenue**



5.3 Nature Metrics and Targets

5.3.1 Portfolio Water Metrics

■ Overall water risk is controllable, with no holdings in industries that are both highly water-dependent and located in high water-stress areas

The Company analyzes its listed and OTC investment portfolio using three key water management metrics: water withdrawal intensity, the percentage of assets in high and extremely high water-stress areas, and water management policy. Water withdrawal intensity reflects an investee's dependence on water in its operations. Where an investee has high water withdrawal intensity (high water dependence) and its assets are highly concentrated in high water-stress areas, water shortage may interrupt production and raise operating costs and related financial losses; assessing the portfolio's water withdrawal intensity together with the share of companies' assets in high water-stress areas therefore gives a view of the portfolio's water-related risk. Finally, the water management policy metric reflects whether an investee has established corresponding management mechanisms to reduce water-related risk. The chart below displays the top 10 industries by portfolio weighted-average water withdrawal intensity.

Industries with higher water withdrawal intensity and water stress — such as electricity and gas supply, chemical materials, and mining-related industries — account for a relatively low share of investment, and a certain proportion of the companies in them have established water management policies, suggesting manageable overall water risk for these positions. Electronic components manufacturing, where exposure is higher, shows medium-to-high water withdrawal intensity and a medium-to-high share of assets in water-stressed areas relative to other industries. However, 80% of the companies in this sector have water management policies in place, so its water-related risk is also assessed as manageable.

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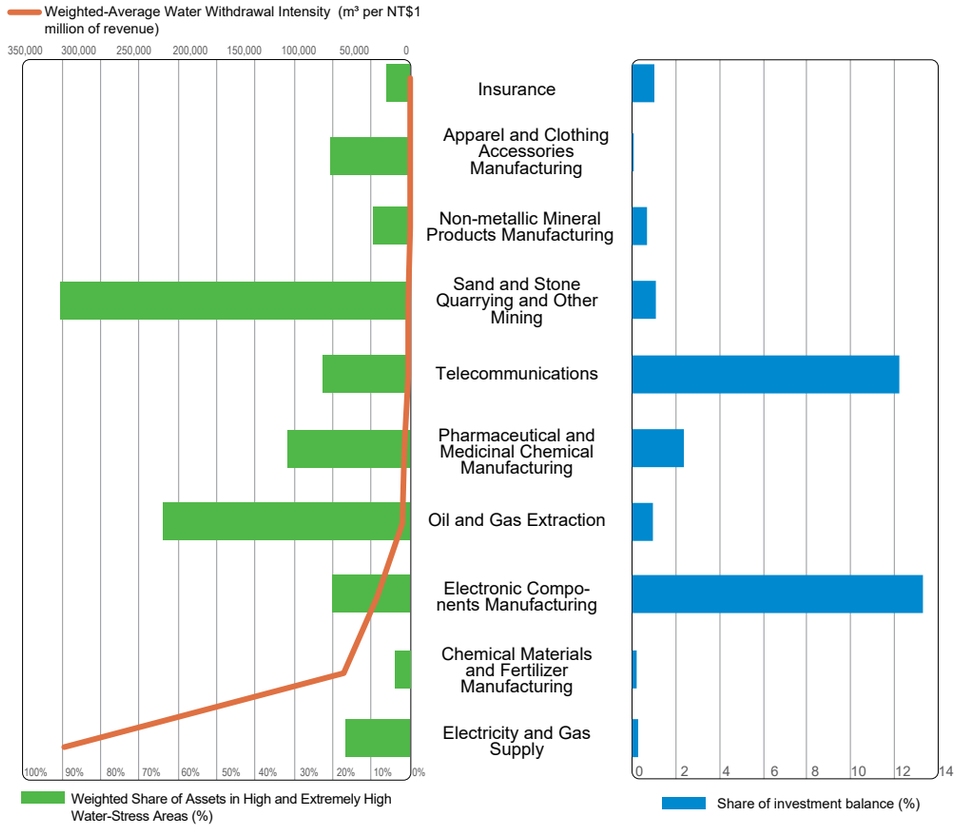
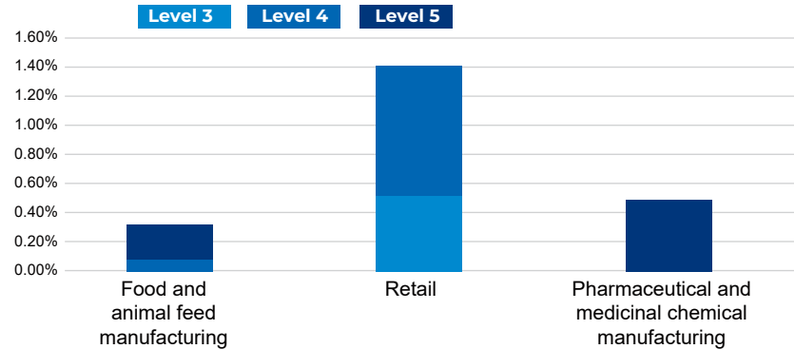


5.3.2 Portfolio Forest Metrics

■ Overall portfolio deforestation risk is low

The Company used the Forest IQ database, established by Global Canopy, to analyze the potential deforestation risk within its investment portfolio[29]. Forest IQ assigns a risk level from 1 to 5 based on a company's involvement, through its operations or supply chain, in key deforestation-linked commodities such as soy, palm oil, timber and pulp, cocoa, coffee, and natural rubber, combined with the value of its financial activities, its geographical location, and the type of supply chain activity. Companies rated Level 3 or higher, which the methodology designates as having high deforestation risk, are treated as investment targets carrying deforestation risk and form the basis of this forest risk assessment. The analysis showed that approximately 2.19% of its portfolio's exposure is linked to companies with deforestation risk. By industry, that exposure is concentrated mainly in retail: although retailers' principal business does not directly involve deforestation or land clearance, they purchase commodities strongly associated with deforestation and their supply chains may span areas of high forest risk, leaving them more readily exposed indirectly to deforestation-related nature risk.

▼ **Share of Exposure in Industries Carrying Deforestation Risk**



The Company further examined these positions carrying deforestation risk. Of this exposure, about 11.50% is attributable to companies that have publicly disclosed zero-deforestation policies, committing to prevent deforestation and forest degradation in their operations and/or supply chains and to avoid converting forest to other land uses. This shows that some companies have brought forest protection into their governance and management frameworks to avoid irreversible impacts on forest ecosystems and their biodiversity. The Company will continue to use relevant metrics to enhance the identification and monitoring of, and engagement on, forest-related nature risks, and will use them as an important basis for advancing nature-positive finance.

[29] As the financial industry's deforestation risk is indirect, arising from its financing activities, financial sector investees are excluded from this analysis.

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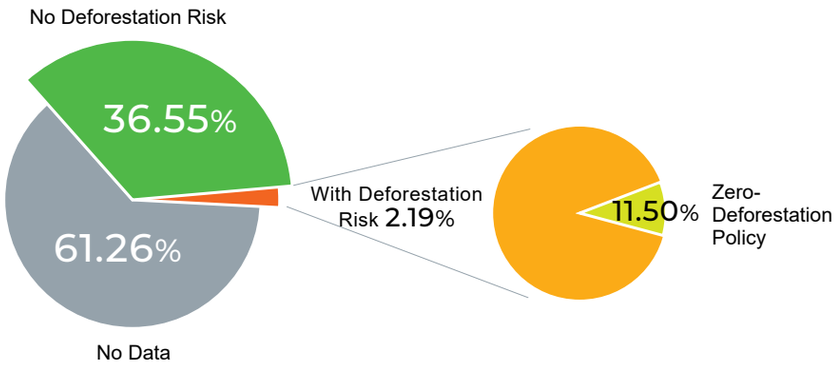

5.4 Protecting the Green Elves: *Zhangixalus arvalis* Habitat Conservation

Deep in Dalin, Chiayi, lives the Farmland Green Tree Frog (*Zhangixalus arvalis*), an amphibian endemic to Taiwan and designated by the Ministry of Agriculture as a Category II Rare and Valuable Species. Its population is restricted to the plains in Yunlin, Chiayi, and Tainan of Taiwan, with the bamboo forests of Zhonglin Community in Dalin serving as a critical habitat and an important natural carbon sink. However, agricultural land-use changes have led to a decline in these bamboo forests, causing habitat fragmentation that threatens the species' genetic diversity and survival. In 2022, the Chiayi Branch of the Forestry and Nature Conservation Agency introduced the *Zhangixalus arvalis* Friendly Habitat Management Label to encourage farmers to join conservation efforts and prevent further habitat loss.

In line with the *Kunming-Montreal Global Biodiversity Framework (GBF)*, particularly Target 2 on ecological restoration and connectivity and Target 3 on protected areas and effective area-based conservation, KGI Life treats natural capital as integral to sustainable governance. Through a four-way partnership with the local revitalization organization Tri-Small Creative, WatchNature Co., Ltd., and the Chiayi Zhangixalus arvalis Fruit and Vegetable Cooperative, KGI Life is working to conserve the *Zhangixalus arvalis* and protect local biodiversity and climate resilience.

Science-based: Ecological Baseline Survey

Previously, data on *Zhangixalus arvalis* in the Dalin area was based on single-year surveys, lacking the continuous, medium-scale data needed to accurately map population changes and develop effective conservation strategies. To address this gap, the *Zhangixalus arvalis* Ecological Survey Project was launched, surveying approximately 102.8 hectares of farmland in the Zhonglin and Sanhe villages of Dalin.

The survey found that the species is highly concentrated in large, continuous bamboo forests, with roads and buildings creating a significant barrier effect. Where wind damage or changes in cultivation cause these bamboo forests to be lost or fragmented, the frog population is affected. These findings provide a scientific basis for formulating precise habitat management strategies.

Economic Support: Green Dining and Employee Engagement

Beyond scientific research, KGI Life supports SDG 12: Responsible Consumption and Production through procurement that supports farmers who practice eco-friendly agriculture.

On World Earth Day, April 22, 2025, KGI Life and the Chiayi Branch of the Forestry and Nature Conservation Agency, Ministry of Agriculture, co-hosted a Friendly Habitat Vegetarian Day. Through Tri-Small Creative, the Company purchased over 200 kg of eco-friendly produce from the Chiayi *Zhangixalus arvalis* Fruit and Vegetable Cooperative. This included 72 kg of bamboo shoots from Dalin, Chiayi, certified under the *Zhangixalus arvalis* Friendly Habitat Management Label, as well as non-toxic gardenia pudding. Nearly 1,300 employees participated, embracing the idea that eating bamboo shoots can also protect the frogs.

Furthermore, KGI Life's employee cafeteria serves as a hub for promoting green dining and nature-friendly procurement. Built on four principles — reducing waste, cherishing ingredients, caring for the environment, and eating local — the cafeteria has earned certification from the Ministry of Environment. In 2025, it also received Green Food certification, underscoring the Company's commitment to providing employees with a sustainable, low-carbon dining experience.



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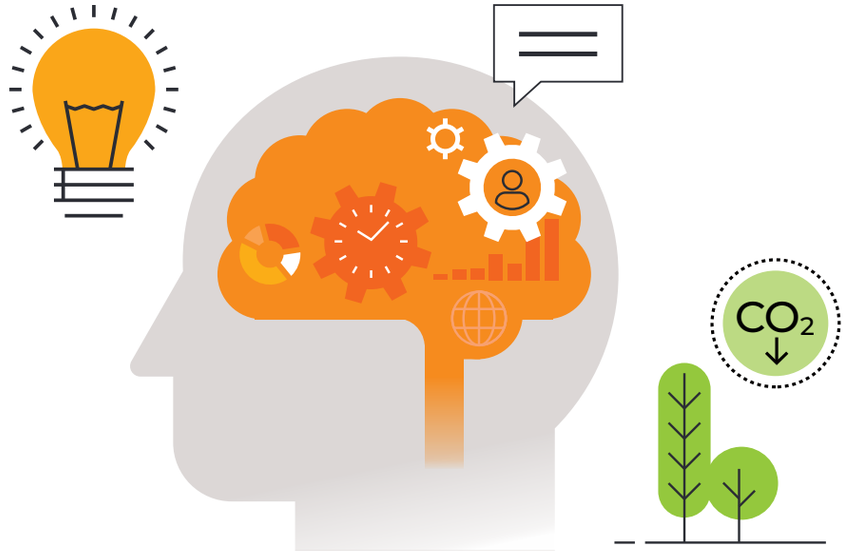
Chapter 6

Building a Culture of Climate and Nature Risk Awareness



KGI Life recognizes that capacity building is the foundation for delivering climate and nature management. To raise the knowledge and active participation of all employees, it budgets for training every year and designs climate and nature conservation training around the working practices of each core function — directors, senior executives, and general employees — so that every member of the Company can contribute value and take action in the Company's low-carbon transition and nature conservation activities.

First, for directors and senior executives, lectures and courses on climate change, renewable energy, carbon pricing and carbon inventories, green electricity procurement, and sustainable finance supervision were arranged in 2025. These help the leadership understand the development of climate and nature issues from a macro perspective, strengthen their decision-making and supervision, and formulate practical action strategies for the Company.

For employees in sustainability-related professional roles, the Company provides specialist courses such as IFRS S1/S2 Sustainability Disclosure, Recognition of Sustainable Economic Activities, and the Taskforce on Nature-related Financial Disclosures (TNFD), and encourages them to obtain advanced sustainable-finance competency certificates. More than 90% of the managers and staff of the Sustainable Development Department have obtained the advanced sustainable-finance competency certificate for the sustainable risk management module.

In addition, to strengthen all employees' awareness of sustainable finance and continue expanding its pool of sustainable finance talent, the Company has responded to the sustainable finance certification capacity-building mechanism promoted under the FSC's *Green Finance Action Plan 3.0*, encouraging employees to pass the Basic Test on Sustainable Development. Through an understanding of what sustainability means, the issues involved, and current developments, the idea of sustainable finance is embedded in daily business and corporate culture. In 2025, those who passed the exam received an enrollment fee subsidy and one day of study leave; certification subsidies totaled approximately NT$1.02 million, and 1,274 employees (53.5% of the workforce) obtained a sustainable finance certification.

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Key Milestones in Climate and Nature Governance

2019

- Became a TCFD Supporter.

2021

- Adopted a TCFD management framework and passed a third-party conformity assessment at the highest level, Excellence.
- Deepened its sustainable investment practices and advanced its climate action plans, becoming the world's first company to receive third-party validation under ISO 14097.

2022

- Introduced the carbon footprint inventory for insurance services and passed third-party verification under ISO 14067.
- Refined the climate governance mechanism and documented its management processes.
- Set short-, medium-, and long-term targets.

2023

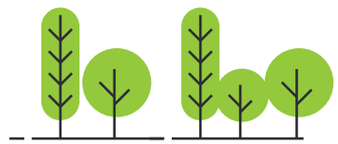
- Established the *Climate-related Risk Management Guidelines*.
- Obtained the Ministry of Environment's carbon footprint label for insurance services; the carbon footprint of each life insurance service is only 2.6 kg CO_2e.
- Became one of the first companies to trade carbon credits on the Taiwan Carbon Solution Exchange.

2024

- Set SBTs for its investment portfolio and its own operations.
- Completed the greenhouse gas inventory for all locations and obtained ISO 14064-1 certification.
- Launched the reuse project for employee cafeteria food waste, using the black soldier fly to convert organic waste and advance the circular economy.

2025

- The KGI Life headquarters building passed third-party verification under the ISO 14068-1 carbon neutrality standard in August 2025.
- Together with parent company KGI Financial, received SBTi target validation in March 2025.
- Adopted the IFRS S2 Sustainability Disclosure Standard and the TNFD nature-related financial disclosure framework.



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7.1 TCFD Recommended Disclosures Index

Dimension	Recommended Disclosure	Corresponding Section
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	[CH 1.1] Climate and Nature Governance Framework
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	[CH 1.1] Climate and Nature Governance Framework [CH 1.2] Governance Performance and Remuneration Alignment
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	[CH 3.1] Climate Risk Identification [CH 3.3] Setting Materiality Standards and Responding to Climate Risks
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	[CH 3.2] Climate Risk Measurement [CH 3.3] Setting Materiality Standards and Responding to Climate Risks
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	[CH 3.2] Climate Risk Measurement
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	[CH 3] Climate Risk Management
	b. Describe the organization's processes for managing climate-related risks.	[CH 3] Climate Risk Management
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	[CH 2] Climate Management Strategy [CH 3] Climate Risk Management
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	[CH 4] Climate Metrics and Targets
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	[CH 2.2.4] Greenhouse Gas Management [CH 4] Climate Metrics and Targets
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	[CH 4] Climate Metrics and Targets

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7.2 IFRS S2 Climate-related Disclosures Index

Dimension	Disclosure Item	Corresponding Section
Governance	Governance	[CH 1.1] Climate and Nature Governance Framework [CH 1.2] Governance Performance and Remuneration Alignment
Strategy	Climate-related risks and opportunities	[CH 3.1] Climate Risk Identification
	Business model and value chain	[CH 2] Climate Management Strategy
	Strategy and decision-making	[CH 2] Climate Management Strategy
	Financial position, financial performance and cash flows	[CH 3.2] Climate Risk Measurement
	Climate resilience	[CH 3.2] Climate Risk Measurement
Risk Management	Risk Management	[CH 3] Climate Risk Management
Metrics and Targets	Metrics and Targets	[CH 4] Climate Metrics and Targets

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7.3 Guidelines on Climate-related Financial Disclosures of Insurance Companies

Dimension	Disclosure Item	Corresponding Section
Governance	(1) The Board of Directors and senior management must ensure that identified climate-related risks are integrated into the formulation of risk appetite, strategy, and operational plans, and must continuously oversee the management and disclosure of these risks.	[CH 1.1] Climate and Nature Governance Framework
	(2) A board-level committee may be established, with a clear delineation of responsibilities between the board (or its committee) and senior management.	
Strategy	(1) Identify the financial impacts of climate-related risks and opportunities on finance, business operations, products, and investments.	[CH 3.2] Climate Risk Measurement
	(2) Prioritize climate-related risks based on materiality.	[CH 3.3] Setting Materiality Standards and Responding to Climate Risks
Strategy	(3) Integrate the impacts of climate-related risks and opportunities when setting annual business objectives and strategies for operations, products, and investments.	[CH 2] Climate Management Strategy [CH 3.1] Climate Risk Identification
	(4) Review and adjust climate-related risk management policies based on the results of scenario analysis and stress testing.	[CH 2] Climate Management Strategy [CH 3.2] Climate Risk Measurement
Risk Management	(1) Risk management and monitoring	[CH 3] Climate Risk Management
	(2) Scenario analysis and stress testing	[CH 3.2] Climate Risk Measurement
	(3) Investment management	[CH 2.1] Realizing the Value of Sustainable Investment
Metrics and Targets	(1) Establish metrics to assess and manage climate-related risks.	[CH 4] Climate Metrics and Targets
	(2) Set targets for managing climate-related risks.	[CH 4] Climate Metrics and Targets
	(3) Define criteria for prioritizing climate-related risks based on materiality.	[CH 3.3] Setting Materiality Standards and Responding to Climate Risks
	(4) Consider integrating the management of climate-related risks into performance metrics.	[CH 4] Climate Metrics and Targets

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7.4 TNFD Recommended Disclosures Index

Dimension	Recommended Disclosure	Corresponding Section
Governance	a. Describe the board's oversight of nature-related risks and opportunities.	[CH 1.1] Climate and Nature Governance Framework
	b. Describe management's role in assessing and managing nature-related risks and opportunities.	
	c. Describe the organization's human rights policies and engagement with Indigenous Peoples, local communities, and affected stakeholders, and oversight by the board and management, in its assessment of and response to nature-related dependencies, impacts, risks and opportunities.	
Strategy	a. Describe the nature-related risks and opportunities the organization has identified over the short, medium and long term.	[CH 5.1] Nature Risk Management
	b. Describe the effects of nature-related risks and opportunities on the organization's business model, strategy and financial planning.	
	c. Describe the resilience of the organization's strategy to nature-related risks, considering different scenarios.	
	d. Disclose the locations of assets and/or activities in the organization's direct operations and, where feasible, its upstream and downstream value chain that meet the criteria for priority locations.	
Risk Management	a. Describe the organization's processes for identifying and assessing nature-related risks in its own operations.	[CH 5.2] Identification of Nature-related Risks and Opportunities
	b. Describe the organization's processes for identifying and assessing nature-related risks in its upstream and downstream value chains.	
	c. Describe the organization's processes for managing nature-related risks.	
	d. Describe how processes for identifying, assessing and managing nature-related risks are integrated into the organization's overall risk management framework.	
Metrics and Targets	a. Disclose the metrics used to assess nature-related risks and opportunities in line with strategy and risk management processes	[CH 5.3] Nature Metrics and Targets
	b. Disclose the metrics used to assess and manage the organization's dependencies and impacts on nature.	
	c. Describe the targets used to manage nature-related risks and opportunities, and performance against these targets.	