

# 20 | Nan Shan Life 22 | Sustainability Report





# About This Report

Nan Shan Life Insurance Co., Ltd. (hereinafter referred to as "Nan Shan Life") has been a key player in Taiwan's insurance industry. In addition to providing comprehensive and innovative insurance products and services, Nan Shan Life is committed to fulfilling corporate social responsibilities, creating long-term value for policyholders, employees, agents and shareholders. With the care and dedication of our employees and agents, we have actively engaged in various community development and public welfare activities.

Nan Shan Life has been issuing annual Corporate Social Responsibility (CSR) reports since 2014, and renamed it to Corporate Sustainability Report in 2020. To date, Nan Shan Life has already issued ten reports. We hope to communicate our efforts and achievements in business activities, the economy, society and environment to the public and all stakeholders who have an interest in Nan Shan Life.

Corporate Sustainability  
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## Reporting Period and Coverage

The disclosure period of this report is Nan Shan Life's 2022 fiscal year (from January 1 to December 31, 2022). To fully express the issues and demonstrate the related performance, this report also includes the contents and results of some projects dating back to 2021, as well as information and data from the first quarter of 2023.

With the exception of financial information which refers to the consolidated financial statements, the boundary of disclosure for all other information is primarily on Nan Shan Life. Information on the human resources structure and certain products and services also includes that of subsidiary Nan Shan General Insurance Company (hereinafter referred to as "Nan Shan General Insurance"). In Fiscal Year 2022, revenue from Nan Shan Life accounts for 99% of the consolidated net income. In terms of total employee count, Nan Shan Life occupies 84%. Any inconsistencies in scope will be specifically explained in the report.

## Compliance/Reference Guidelines

- Global Reporting Initiative's (GRI) 2021 revised universal, industry-specific, and significant topic standards .
- The International Integrated Reporting Framework (IR) published by the International Integrated Reporting Council (IIRC).
- Sustainable Accounting Indicators for the Insurance Industry from the Sustainability Accounting Standards Board (SASB).
- Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, "Sustainability Disclosure Indicators - Financial Insurance Industry" and "Climate-related Information for Listed and OTC Companies".
- Financial Supervisory Commission's Guidelines for Financial Disclosure of Climate-related Risks in the Insurance Industry.

## Internal Management

The responsible unit for this report is the Corporate Sustainability Committee. The content is provided, compiled, and consolidated by various departments, Nan Shan Life Charity Foundation, and subsidiary Nan Shan General Insurance Company. To ensure accuracy and meet stakeholder expectations, the identification of significant topics in the report has been approved by the Corporate Sustainability Committee and Board of Directors, while the report content has been verified by the President.

## Third-Party Verification

This report has been limitedly assured by KPMG in accordance with Taiwan's Auditing Standards Bulletin No. 1 (based on International Standard on Assurance Engagements 3000) and verified by SGS-Taiwan in accordance with GRI Standards 2021, SASB (Financials\_ Insurance) and AA 1000 ASv3, which meets the requirements of the above framework and standards (Please refer to pages 176 to 179 for details).

## Release Date

- Previous report release date: June 2022; next expected release date: June 2024
- Publishing Cycle: Annual

## Contact Information

- Contact: Nan Shan Life Strategic Planning Department
- Head Office Address: No. 168, Zhuangjing Road, Taipei City, Taiwan, R.O.C.
- Telephone: (02) 8758-8084
- E-mail: NS-ESG@NANSHAN.com.tw

Nan Shan Life  
Company Website





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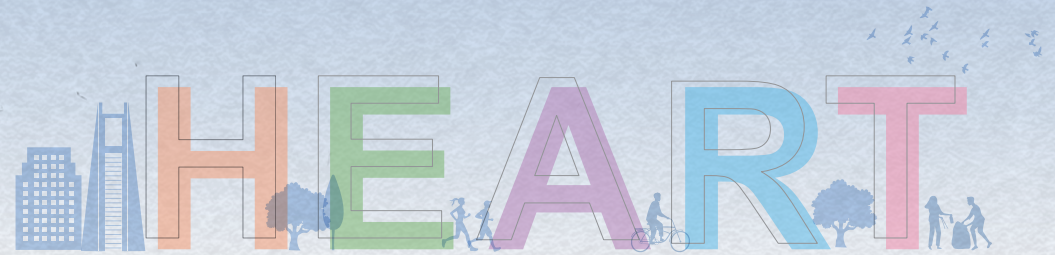
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# Letter from the Chairman



In 2022, the domestic and international environments were challenging and volatile. In accordance with our belief that insurance is a public service industry, Nan Shan Life actively deepened our work towards the corporate sustainability strategic themes: **Health, Earth, Action, Reliability, and Talent (H.E.A.R.T.)**, and took actions to protect our policyholders, employees, partners, shareholders, society, and the Earth.

Our efforts generated fruitful results. In 2022, Nan Shan Life was awarded the "Top 100 Sustainable Companies in Taiwan", the "Health Insurance Company of the Year" at the Asia Insurance Industry Awards, and the first prize in the Best Product category at the National Brand Yushan Awards, the Yushan Awards, and many other national and international awards, inspiring us to forge ahead and make breakthroughs on the road to corporate sustainability. The Company's premium income generated from new policies, total premium income, and net income all ranked among the top three in the industry in 2022. From this, we believe that our commitment to ESG will not reduce our company value, but instead positively impact Taiwan's society while achieving corporate financial performance.

Nan Shan Life has been issuing annual Corporate Social Responsibility (CSR) reports since 2014, and renamed it to Corporate Sustainability report in 2020. To date, Nan Shan has already issued ten reports. In this year's report, we actively respond to the United Nation's Sustainable Development Goals (SDGs) by integrating domestic and international trends and standards, while following our H.E.A.R.T. strategic themes for corporate sustainability. Through an open, transparent, and balanced information disclosure, we demonstrate our investments and achievements in Environment, Society, and Governance (ESG) to stakeholders.

## Health

As Taiwan is expected to enter a super-aged society by 2025, Nan Shan Life is promoting a new insurance concept of "service empowerment" and working with partners to create a "Health Protection Circle" ecosystem for policyholders, promoting products and services that combine insurance protection and health promotion to meet customers' holistic health needs in terms of Wellness and Healthcare. By the end of 2022, the number of Health Protection Circle partners had reached 43, the Health Protection Circle digital platform had been launched, and the service was recommended 74,000 times to policyholders. The number of new spillover-effect insurance policy sales exceeded 670,000. Nan Shan Life remained the No.1 player in the industry both in new spillover-effect insurance policy and long term care insurance policy sales.

## Earth

As the risks of climate change intensify, the target of achieving net zero emissions by 2050 is more urgent than ever. We continue to promote our low-carbon transition and make collaborative adjustments with our value-chain partners to mitigate the effects of climate change by following the Task Force on Climate-Related Financial Disclosures (TCFD) framework. This fosters the recognition, response, and disclosure of the related risks and opportunities. In 2022, Nan Shan Life once again received the Life Insurance Service carbon footprint label from the Environmental Protection Administration (EPA) and permitted to use the Carbon Reduction Label by fulfilling the standard of reducing carbon footprint by over 3% within five years. The Nan Shan Education and Training Center successfully installed a rooftop solar power system and received 212 renewable energy certificates by the



end of 2022. Besides, for the 11th consecutive year, we held the Nan Shan Ocean Protection Action, exhibiting a positive impact on public welfare and the environment through building fences, sand consolidation, planting trees, cleaning beaches, and creating recycling marine debris art walls.

## Action for Good

Nan Shan Life develops three major social engagement concepts: inclusive finance, community medical care, and local care to fulfill its commitment to public service and social participation. In 2022, we continued to promote micro-whole-life insurance combined with resources from Nan Shan Life Charity Foundation. Working with county and city governments, we helped over 110,000 vulnerable citizens enjoy the basic protection of microinsurance, winning five awards in the Finance Supervisory Commission (FSC) Insurance Competition. The Charity Foundation's medical care program collaborates with 210 hospitals across Taiwan. A total of NT\$ 4.7 billion was donated between 2013 and 2022, helping over 40,000 vulnerable patients receive medical care. Volunteer agents across Taiwan serve local areas, spreading care and warmth when major disasters occur. For example, volunteers from the Hualien Sales and Service Center offered immediate consolation and assistance to those affected by the 918 Taitung earthquake. Furthermore, during the Covid-19 pandemic, we continued to provide a living allowance to low and middle-income citizens hospitalized with Covid-19 through our Pandemic Care Program, protecting them when they needed it the most.

## Reliability

The vast assets of the insurance industry are built on the trust of policyholders. Insurance companies shoulder the responsibility for personal and familial security, public stability, and environmental protection. Nan Shan Life continued to renew and refine internal norms relating to corporate governance and to strengthen data security management and implement customer privacy protection measures, and treat our customers as ourselves and implement a principle of treating customers fairly. In 2022, we received the Digital Information Security Award Quality Award from the Business Times Digital Financial Award and the Information Security Award from the TSCA Taiwan Corporate Sustainability Award. Both Nan Shan Life and Nan Shan General Insurance were ranked in the top 25% performers of the industry in 2022 Treating Customers Fairly Performance Assessment by the FSC.

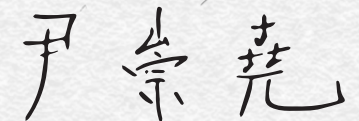
Moreover, in order to actively demonstrate the positive impact our funds have on the environment and community, the Principles for Responsible Investment (PRI) have been included in Nan Shan's Investment Policy and we have issued a statement to comply with the Stewardship Principles for Institutional Investors. We aim

to improve, consider, and integrate ESG into investment decisions and engagements with investment partners and to create sustainable and stable returns while fueling industrial low-carbon transformations and social sustainable development.

## Talent

Talent is the basis of corporate sustainability. Nan Shan Life has 4,000 internal staff members and over 30,000 agents, and we are committed to constructing comprehensive systems for career and business development. We continue to create a friendly, happy, and growth-oriented workplace that strengthens sustainable competitiveness. Besides, the Company offers professional training courses and various incentives to assist our agents in developing their own insurance business so as to deliver high-quality and professional services, product responsibility, and warmth to customers.

I believe that insurance is the business of sustainable development. Over the past sixty years, Nan Shan Life has gained the trust of over 6.6 million policyholders in Taiwan and has been playing an important role in social stability. In 2023, we implemented our "60 Years of Nan Shan, 60 Years of Gratitude" initiative to extend our thanks to all our policyholders and the general public for their long-standing trust and support as well as thanks to all Nan Shan people for their dedication and persistence. Furthermore, we will continue to promote our H.E.A.R.T. sustainable themes and to take solid actions to create a more dynamic, innovative, and resilient organization. Finally, we will drive positive changes to our environment, community and governance and to build a sustainable future.



Chairman of Nan Shan Life  
Convener of Corporate Sustainability Committee

Chung-Yao Ying  
June 2023



## 2022 Key Sustainability Achievements



- Comprehensively introduced three major environmental sustainability management systems:

**ISO 14064-1**、**ISO 14001** , and **ISO 50001**

- Completed greenhouse gas inventories of all business locations in Taiwan with a

**100%** coverage rate

- Launched the green power system at Nan Shan Education & Training Center with carbon

reduction equivalent to **106 metric tons**

- Obtained the Carbon Footprint Label for Life Insurance Services issued by the EPA again,

and obtained permission to use the **Carbon Reduction Label** by meeting the standard of

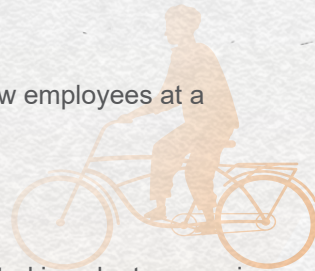
reducing carbon footprint by **3%** or more within **5 years**

- Subsidiary Nan Shan General Insurance became the first financial company to receive Carbon Footprint Labels for **property insurance** and **e-policies**





- Average salary for internal staff raised **3.8%**
- Key talent retention rate was **95%**
- Fully subsidized vaccination insurance for new employees at a coverage rate of **84.5%**
- More than **9,500** volunteers participated in volunteer services
- Nan Shan Charity Fund Medical Care Program and microinsurance served a total of over **340,000** people
- The total number of partners of the Health Protection Circle reached **43**, while the total number of service recommendation exceeded **70,000**
- Both the numbers of new spillover-effect insurance policies and long-term care insurance policies sales continued to ranked **NO.1** in the industry



- The Board of Directors' annual performance appraisal score was **98** with an **Excellent** rating
- Total assets was NT\$ **5.28** trillion and net income was NT\$ **31.6** billion
- Obtained "**ISO 22301:2019** Business Continuity Management System" and "**ISO 27001:2013** Information Security Management System" verification certifications
- The ombudsman rate was **the lowest** among medium and large life insurance companies in Taiwan
- Average satisfaction rate for insurance application and policy issue, policy services, and claim services was **99.5%**
- **100%** implementation of ESG evaluation prior to include equity investment targets and increase of quota for fixed income holdings
- Attended all shareholder meetings of invested domestic companies with **100%** attendance rate and **100%** voting rate



An isometric illustration on a light blue grid background. In the center, the words "NAN SHAN" are written in large, white, 3D block letters. Surrounding the text are various icons and figures: a tall blue skyscraper, a green mountain, a gold medal with a crown, a green leaf with a dollar sign, a red heart with a hand, a green bar chart with a dollar sign, and a blue bar chart with a red bar. Several business people in suits are shown interacting: one stands next to a laptop displaying a bar chart, another stands next to a smartphone displaying a bar chart, and others are shaking hands or talking. The overall theme is corporate success, sustainability, and customer service.

# 01

## About Nan Shan Life

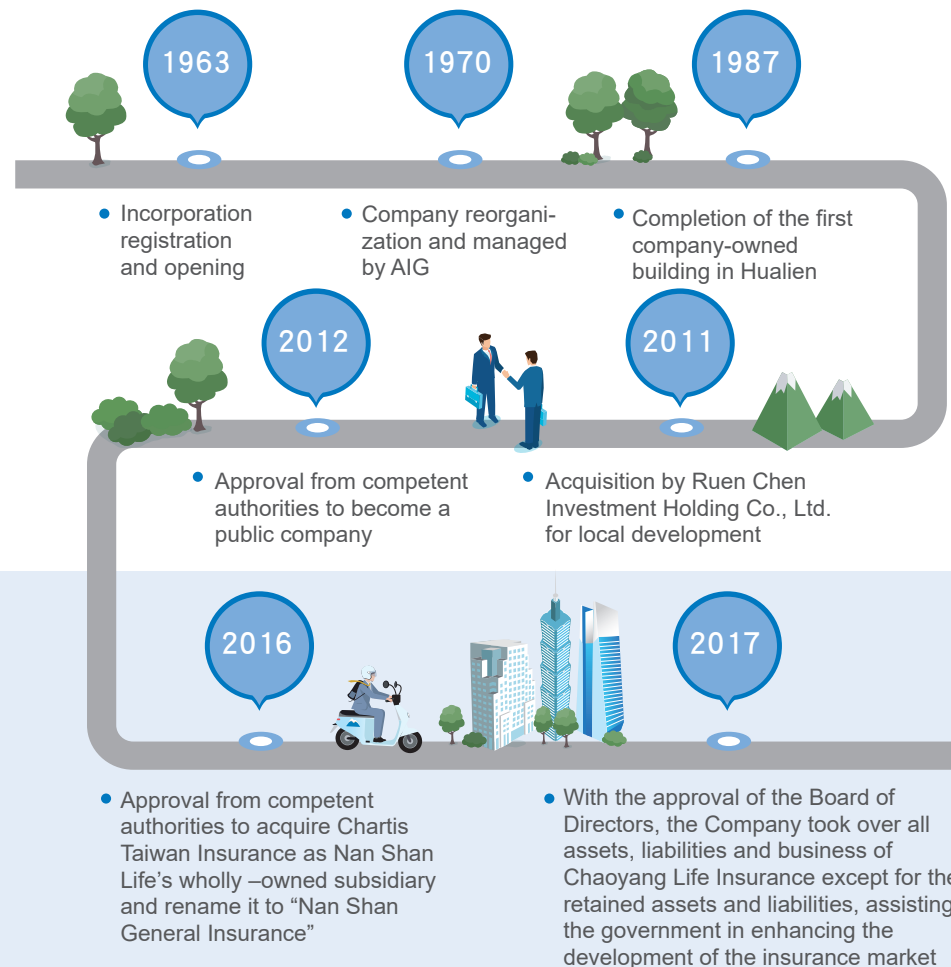
- 1.1 A Public Service Provider
- 1.2 Operation Overview
- 1.3 Honors and Recognitions

Over the past half century, Nan Shan Life Insurance provides professional insurance services to more than 6.6 million policyholders in Taiwan. Upholding the core values of trust, care, and integrity, Nan Shan Life has endeavored to fulfill the corporate philosophy of insurance as a public service provider. Founded on the business objectives to “serve every policyholder wholeheartedly and help more people pursue their dreams,” Nan Shan Life is not only the most reliable insurance company for its policyholders, employees, and agents, but also a well-established benchmark corporation in Taiwan.

Nan Shan Life serves customers and cares for society based on the philosophy of “making earnest commitments and taking protective actions”. Through the sustainable strategy H.E.A.R.T. (Health, Earth, Action for Good, Reliability, Talent), the Company builds a vibrantly innovative, resilient business that drives positive changes in the environment, society, and governance.



Founded in July 1963, Nan Shan Life is one of the most long-standing insurance companies in Taiwan known for professional management and sound finances. It is an industry leader in agents' quality, education and technological application, product innovation, and policyholder service. With well-earned public recognition, Nan Shan Life continues to implement sustainable management in Taiwan. By offering excellent care services and innovative products to meet policyholders' expectations, Nan Shan Life aspires to be the best in Taiwan among the top-ranking insurance companies in Asia.



## 1.1 A Public Service Provider

Every insurance policy serves to reassure and protect its policyholders when risks arise in life. For more than fifty years, Nan Shan Life has spread care and warmth across Taiwan by practicing the corporate philosophy of insurance as a public service provider. It has upheld the core values of trust, care, and integrity in fulfilling the corporate objective to "serve every policyholder wholeheartedly and help more people pursue their dreams". In addition to being a reliable insurance company for policyholders, employees, and agents, Nan Shan Life is also a benchmark company for corporate stability to the people of Taiwan.

### Corporate Vision



#### Being the insurer with leading mindshare

With the belief that insurance is a business that contributes to the well-being of society, Nan Shan Life is committed to forming high-quality corporate cultures and delivering values of integrity and happiness to become customers' top-choice.



#### Being the insurer that staff members take pride in and the preferred employer for job seekers

Nan Shan Life provides a platform for employees to fully develop their potentials and attain self-realization. Nan Shan Life aims at becoming the first employer choice for top job seekers. Every staff member feels proud of working at Nan Shan Life!

### Corporate Mission

<b>Strong foothold in Taiwan / Sustainable management</b>	Transformation into a local company that jointly participates in deciding the Company's policies and development
<b>Respect peers / Collaboration and sharing</b>	Team spirit, mutual cooperation, and creating shared value
<b>Care and credibility / Live up to customers' expectation</b>	Building a credible and caring insurance business



## Corporate Culture

Through warm and caring services, Nan Shan Life demonstrates its core values and spirit of delivering happiness to policyholders.

Integrity first and service above all	Insurance is the greatest form of entrustment. We never cease to consider the nature of commitment through customers' perspectives.
Altruism as the founding purpose	Putting people first with compassion. We consolidate resources and expand our influence to help others overcome their fears and achieve success.
Warmth in professionalism	We treat people like family, focus on every detail, and work together to make the impossible possible, while creating happiness and inspiration.
Boldness to innovate	We never cease being innovative. We continuously set new milestones, becoming industry pioneers, and building a healthy and stable future for society.



## Sustainable DNA—Starting from H.E.A.R.T.

For over half a century in Taiwan, Nan Shan Life has served its customers and cared for society based on the philosophy of “making earnest commitments and taking protective actions”. By incorporating the concept of corporate sustainability into its DNA, Nan Shan Life builds a corporate culture based on kindness.

In 2021, we converted our decades-long principles of corporate sustainability management into concise sustainable themes abbreviated “H.E.A.R.T.” with the goal of achieving sustainability through sincere actions. Please refer to Chapter 2, section 2.1 H.E.A.R.T. Sustainable Development Strategies on P.17 to P.23 for more details about Nan Shan Life’s sustainability strategies.

<b>H</b> Health	Elevate the level of empowerment provided by our insurance products and services, and become guardians of public health.
<b>E</b> Earth	Implement low-carbon and green energy, enhance various energy-saving and carbon reduction measures, including digitalization and mobile insurance services, and fulfill our responsibilities as a global citizen..
<b>A</b> Action for Good	Develop inclusive finance, community medical care, and local care as the three pillars for social engagement, and implement public welfare and commitments.
<b>R</b> Reliability	Strengthen corporate governance and integrity as the cornerstone of sustainable development, uphold Treating customers fairly (TCF), and develop a business core that “treat our customers as our family.”
<b>T</b> Talent	Establish comprehensive career and business development mechanisms and continuously create friendly, happy, and growth-oriented work environments to enhance sustainable competitiveness.



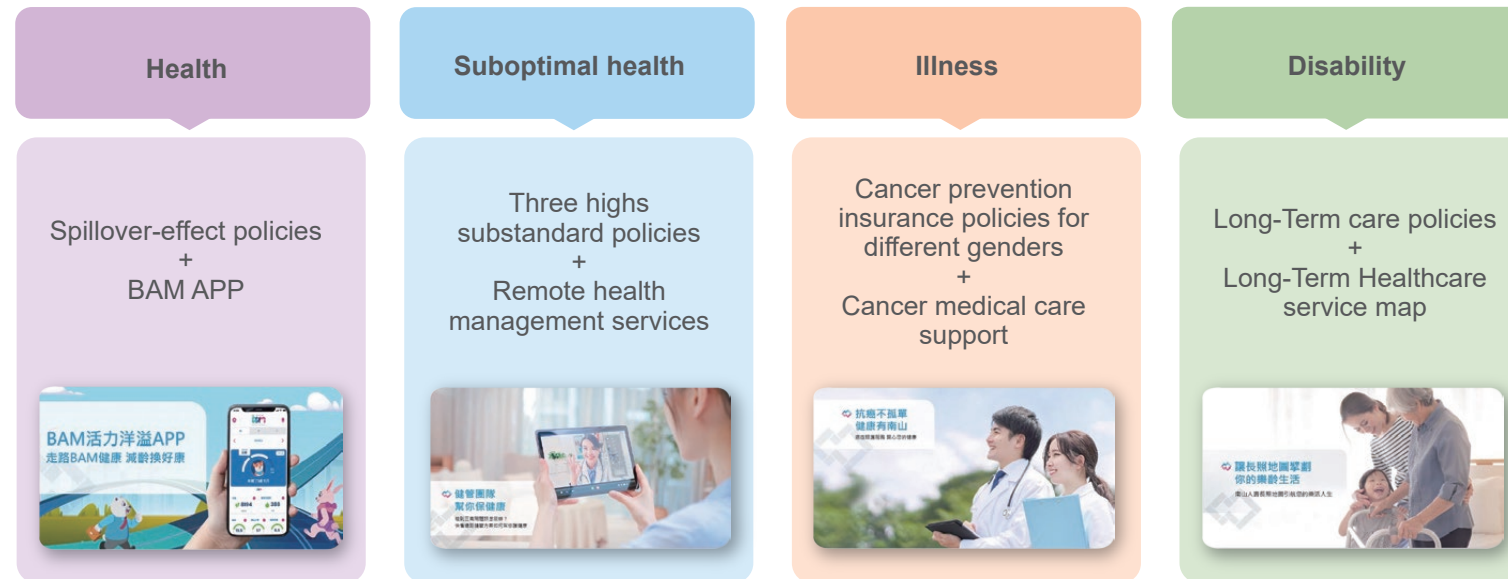


## A Public Service Practitioner

Nan Shan Life is committed to providing comprehensive health protection and care. In response to social issues like aging population, high rates of cancer and chronic diseases, unhealthy life expectancies, increasing awareness on health issues, and trends in digital healthcare, Nan Shan Life is collaborating with partners across industries to create a “Health Protection Circle” and advocate for innovative service-empowered insurance. Nan Shan Life transcends the image of insurance, which in the past primarily focused on claims, to initiate a transformation in insurance value. Nan Shan Life emphasizes on “advance prevention” and extends the value of insurance to prevention of incidents, and continues to provide services even after claims are settled. Nan Shan Life is creating innovative and comprehensive protection models to become a healthcare partner for policyholders. Nan Shan Life’s focus is on developing and designing insurance products and services that meet the needs of policyholders at all stages of risk.

In response to recent competent authority policies, Nan Shan Life has actively introduced a spillover effect incentives mechanism to its product development and design, connecting health promotion with various key health indicators. This serves the purpose of encouraging policyholders to cultivate health concepts and behaviors in the long run, promoting incident prevention besides post incident claim payment. By expanding product values beyond insurance claims, policyholders are guided to change their behaviors and live healthier. Furthermore, Nan Shan Life also implements financial inclusion products and digital innovative services to provide seniors and disadvantaged groups with affordable microinsurance as well as all-around age-friendly services. By doing so, Nan Shan Life plays an important role in maintaining the social safety net.

### ◆ The Most Thoughtful Health Services throughout Each Health Stage

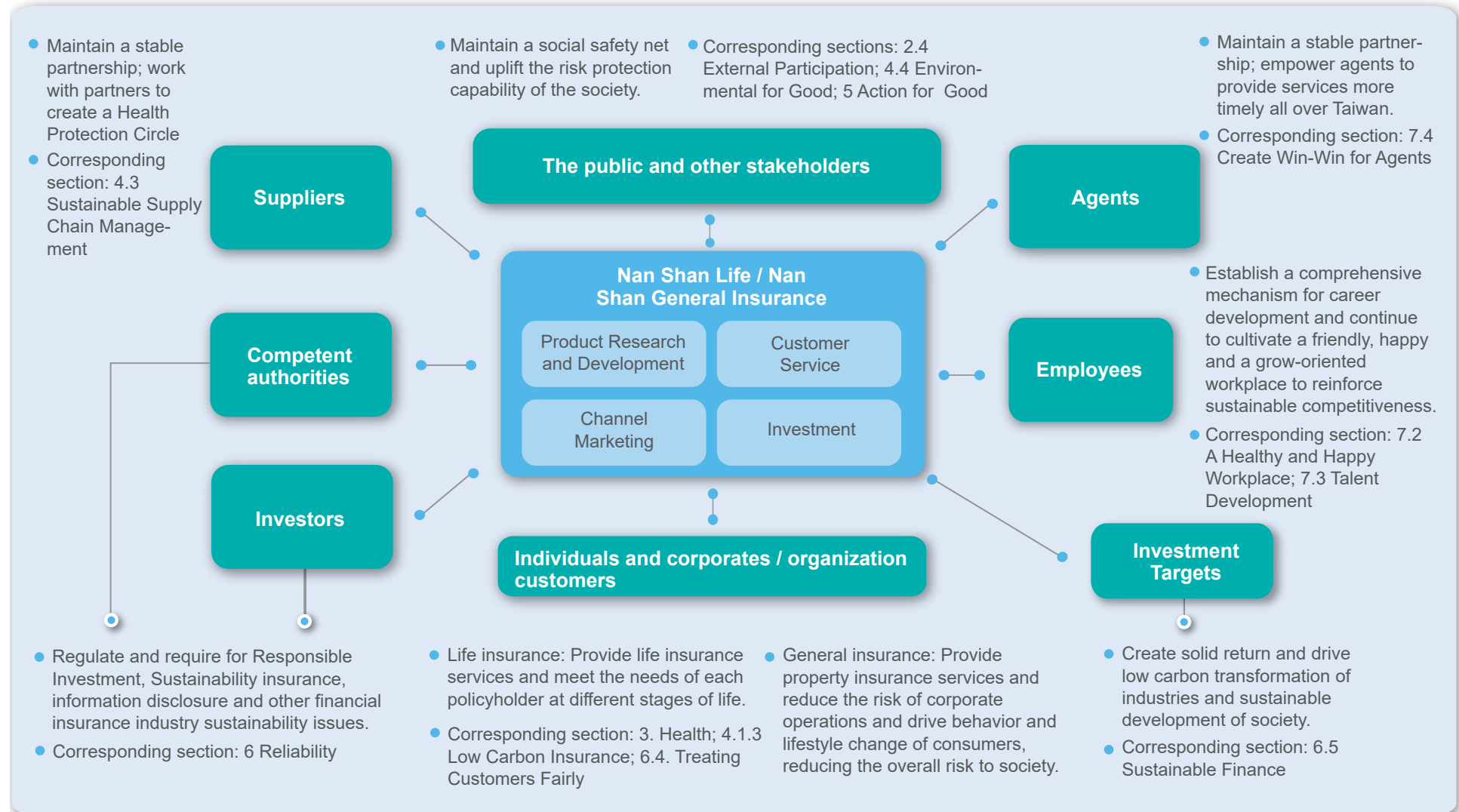


A comprehensive “Health Protection Circle” service system to help customers maintain or return to a healthy path



Driven by our commitment to the core principles of insurance, Nan Shan Life actively embraces international sustainable finance initiatives, while voluntarily aligning with the United Nations' Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI). This proactive approach ensures that Nan Shan Life internalizes ESG risks and opportunities into our day-to-day operations and decision-making processes. By offering insurance products and services, as well as through our investment activities, Nan Shan Life strives to create a positive impact on sustainable finance.

## ◆ Nan Shan Life's Value Chain





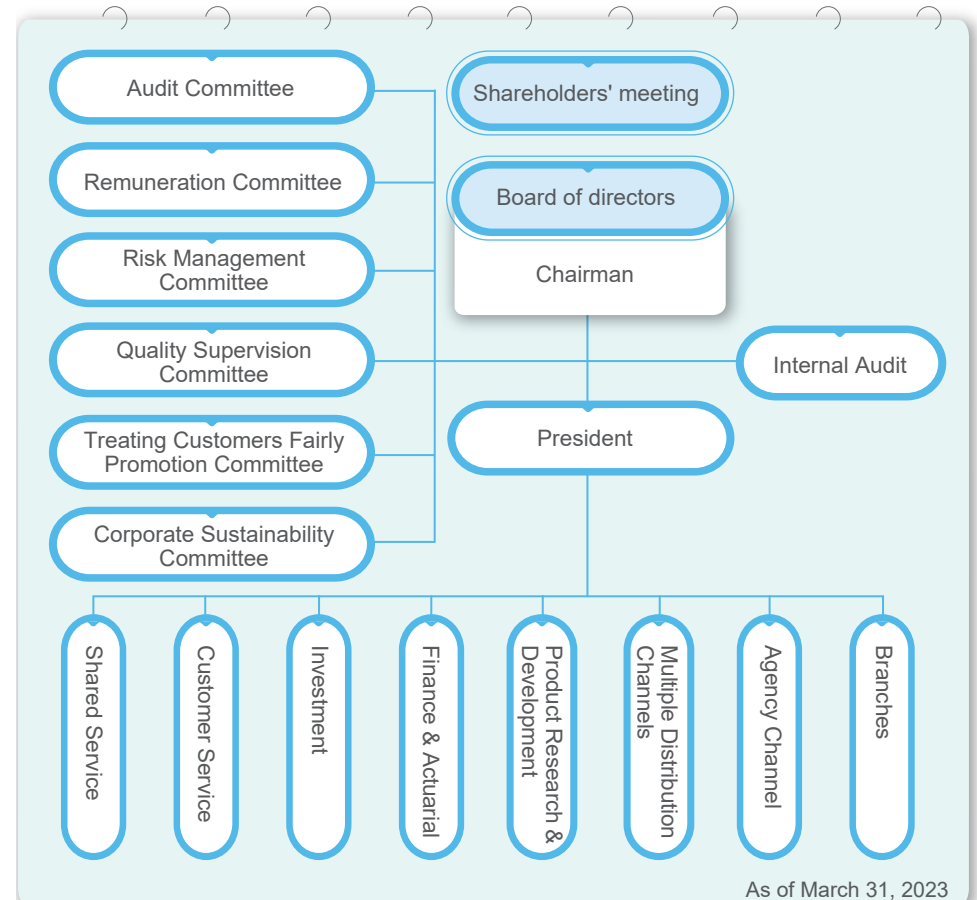
## 1.2 Operation Overview

Nan Shan Life's service network touches every corner of Taiwan with 25 branches and 305 agency offices. Nan Shan Life delivers high quality products and services in Taiwan through more than 4,000 staff and 30,000 agents to provide comprehensive financial insurance services to over 6.61 million policyholders. In other words, more than a quarter of Taiwan's population are insured by Nan Shan Life.



## Organization Structure

Nan Shan Life has constructed a complete service and operation system that offers a supportive environment for employees to reach their full potential. This structure not only maximizes the synergy of teamwork, but also provides policyholders with more convenient, considerate, and professional services under a warm and caring corporate culture.



Nan Shan Life 2022 Annual Report

- Functional description of each department, P.5 to P.6.
- Nan Shan Life's shareholding structure, P.14 to P.19.



## 2022 Operation Results

With a robust management team and the dedication of our staff and agents, Nan Shan Life maintains its steadfast commitment to sound business principles in 2022. Through flexible operations of investments that respond to market conditions, Nan Shan Life achieved excellent financial performance. Nan Shan Life's new policy premium income, total premium income, and net income consistently ranked among the top three in the industry. Nan Shan Life consolidated operating revenue reached NT\$478.8 billion, with consolidated assets totaling approximately NT\$5.28 trillion and a consolidated net worth of NT\$281.6 billion. Nan Shan Life's net income amounted to approximately NT\$31.6 billion, with a net worth ratio of 5.6%. Looking ahead, Nan Shan Life will continue to strengthen our corporate resilience and promote corporate sustainability, aiming to create social welfare and economic value for all stakeholders and society at large.

Unit: NT\$; person

	Economic Value Generated		Economic Value Distributed					Economic Value Retained	Total Assets and Number of Employees	
	Operating Income (in billions)	Total Premium Income (in billions)	Payments to the Government by Country (in billions)	Salary and Welfare Expenses (in billions)	Operating Costs (in billions)	Payments to the Shareholders (in billions)	Total Amount of Investment in the Community (in billions)	Net Income (in billions)	Total Assets (in trillions)	Total Number of Employees (persons)
2020	581.1	394.8	4.2	6.6	518.9	10.25	0.08	37.4	5.17	4,145
2021	571.4	366.3	17.3	7.6	483.0	N.A.	0.12	59.7	5.29	4,081
2022	478.8	302.1	8.0	7.3	417.3	6.15	0.18	31.6	5.28	4,080

Note 1: The operating performance is consistent with the data disclosed in Nan Shan Life's consolidated financial statements.

Note 2: In 2020, Nan Shan Life issued a total of 1,025,450,000 new shares with a par value of NT\$10 per share for earnings conversion to capital increase.

Note 3: Nan Shan Life's total amount of investment in the community as a percentage of the company's revenue is 0.01% (2020), 0.02% (2021) and 0.03% (2022).

Note 4: In 2022, a gain of NT\$123 million from the change in lease payments for investment real estate business from the government (lessor) was generated in response to the practical expedient of the "Covid-19-Related Rent Concessions."

Note 5: In 2022, Nan Shan Life and Nan Shan General Insurance have more than 11.75 million and 2.2 million policies in force respectively. Nan Shan Life and Nan Shan General Insurance have no reinsurance business.





## 1.3 Honors and Recognitions

### International honors

- Honored as the "Best Health Insurance Company of the Year" in the prestigious "Asia Insurance Industry Awards" by Asia Insurance Review, a highly reputable financial media magazine in the Asia-Pacific region.
- Recognized as the "Best Life Insurance Company in Taiwan" by Global Banking & Finance Review, a leading professional financial magazine based in the UK, for nine consecutive years.
- Received the esteemed title of "Best Life Insurance Company in Taiwan" for six consecutive years from International Finance Magazine.
- Included in the prestigious "Top 100 Most Valuable Insurance Brands Worldwide" by Brand Finance, a renowned UK-based brand consultancy firm.
- Honored as the "Best Life Insurance Company of the Year" by Insurance Asia Magazine, a prominent financial media outlet in Asia, for four consecutive years.
- Won the first place in the "Best Innovation Solution - Insurance Category" at the Garmin Health Awards.

### Corporate Sustainability Practice

- First-time inclusion as "Taiwan's Top 100 Sustainability Exemplary Corporations" and ranked 44th in the "Taiwan Corporate Sustainability Awards", receiving the "Sustainability Reporting Award" for nine consecutive years and received awards of "Leader of Social Inclusion" and "Leader of Information Security".
- Received the "Best Social Responsibility Award" and "Best Insurance Education Contribution Award" at Faith, Hope & Love Awards of Insurance from the RMIM Inc.
- Received the "Social Empowerment Award" and "Health Promotion Award" at Asia Responsible Enterprise Awards by Enterprise Asia.
- Recognized as the "Best Corporate Social Responsibility Insurance Company in Taiwan" by Global Business Outlook.

### Brand Reputation and Insurance Profession

- Selected as one of the Top 2000 Enterprises by CommonWealth Magazine, and ranked as the number one non-financial holding insurance company in Taiwan.
- Received five prizes in the National Brand Yushan Awards, including Best Product - National First Prize, Outstanding Enterprise, and Best Popular Brand prizes.
- Received five grand awards in the Insurance Competition by Insurance Bureau of the Financial Supervisory Commission (FSC) for promoting inclusive finance through microinsurance and small-scale life insurance, surpassing other industry peers in award numbers.
- Ranked in the top 25% of companies for TCF Performance Assessment from the FSC and received the "Best Progress Award" through implementing the TCF principles.
- Received the "Best Insurance Professional Award" and "Best Distribution Strategy Award" at Faith, Hope & Love Awards of Insurance.
- Received the "Digital Information Security Award - Excellence Award" from the Commercial Times' "Digital Finance Awards".
- Received the "Outstanding Program Category - Role Model Award" at the CommonWealth Magazine CSR and ESG Corporate Social Responsibility Awards.
- Received four distinguished awards at the Insurance Quality Awards, including "Best Agents," "Best Claims Service," "Most Recommended", and "Highest Recognition", from the RMIM Inc., marking the 27th time for receiving the "Best Agents" award among life insurance companies.
- Received the "Quality Award" at Taiwan Financial Award recommended by customers from Wealth Magazine.







## 02

## Sustainable Value Creation

- **2.1 H.E.A.R.T. Sustainable Development Strategies**
- **2.2 Stakeholder Identification and Communication**
- **2.3 Materiality Analysis**
- **2.4 External Participation**



Nan Shan Life actively communicates with stakeholders through a wide range of channels. It reaches out to stakeholders and actively responds to their needs and expectations, using the feedback as a basis for continuous development, execution, assessment, and operational improvement.





In 2022, Nan Shan Life referred to GRI 3: Material Topics 2021 in determining the guidelines of its material topics. By referencing international sustainability standards such as the GRI, SASB, as well as other industry trends and government/-competent authority requirements, the Company identified 5 critical topics, 8 material topics, and 3 basic topics. This information provides a reference for the key emphasis of sustainability implementation and disclosure report this year.







## 2.1 H.E.A.R.T. Sustainable Development Strategies





As an insurance company, Nan Shan Life upholds the mission of delivering public service through its core competencies. It promotes sustainable development and actively responds to the eleven sustainable development goals (SDGs) proposed by the United Nations: SDGs 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15. To integrate the Company's resources with maximum synergy and apply core competencies through greater social influence, Nan Shan Life adopts "H.E.A.R.T." (Health, Earth, Action for Good, Reliability, Talent) as its strategic theme for sustainability, while pursuing the vision of "making earnest commitment and taking protective actions."

Strategic Theme	Corresponding SDGs	2030 Vision Objectives	Interim Targets	2022 Performance	Corresponding Chapter
Health	 	<ul style="list-style-type: none"> <li>Assert our mission of public service in the insurance industry, promote new service-empowerment concepts for insurance, fulfill the wellness and healthcare needs of customers, promote the strategic transformation of Nan Shan Life through the services provided by our health protection circle, and implement a healthy brand image for the company.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the use of the Health Protection Circle to strengthen health promotion and medical care service experiences. Provide policyholders with comprehensive insurance protection for their entire healthcare experience along with the promotion of insurance protection.</li> <li>Promote the Health Protection Circle and All-Around Health Insurance Platform. Increase added values through cross-industry collaboration and product services. Offer living solutions to policyholders and to build a high-quality Industry chain for medical health.</li> <li>Integrate insurance protection and health promotion; develop services and products with spillover effects to provide customers with the most comprehensive protection.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, the Health Protection Circle service was recommended over 74,000 times to policyholders.</li> <li>As of the end of 2022, 43 healthcare partners joined the Health Protection Circle to provide policyholders with a series of comprehensive services.</li> <li>The Health Protection Circle Platform (<a href="https://health.nanshanlife.com.tw/">https://health.nanshanlife.com.tw/</a>) was launched in July, 2022 and became the first digital journey leading consumers to explore health topics.</li> <li>Established a health journey through an easy-to-understand model of Exploration → Trigger → Resolution → Enjoyment. Present ample content in a one-stop website where visitors may find various information meeting their healthcare needs.</li> <li>In 2022, more than 125,000 and 709,000 new individual life and health insurance policies were issued, respectively.</li> <li>In 2022, approximately 671,000 new spillover-effect insurance policies were issued - the highest number in the industry.</li> <li>In 2022, approximately 50,000 new long-term care insurance policies were issued.</li> <li>Approximately 6,600 insureds were covered cumulatively under medical/protection products exclusively for women, and approximately 3,900 women were insured cumulatively for the exclusive cancer insurance with health promotion.</li> </ul>	3.1 Becoming Healthy with Nan Shan



Strategic Theme	Corresponding SDGs	2030 Vision Objectives	Interim Targets	2022 Performance	Corresponding Chapter
Health	 	<ul style="list-style-type: none"> <li>Assist corporate customers to reduce operational risks and reduce insurance premium costs, strengthen resilience to environmental disasters, enhance urban resilience, and operate sustainably.</li> <li>Drive change in the lifestyle and consumption behaviors of policyholders; assist individuals to incorporate energy conservation, carbon reduction, and disaster protection into their daily lives; and reduce overall social risks.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide large-scale company customers with loss prevention service. Damage-prevention engineers offer loss prevention inspections and suggestions to reinforce the operational safety of the clients. This preventive work in advance increases the reliability of equipment operation and industry safety, assisting companies in effectively managing their operational risks.</li> <li>Use big data to analyze driving time and behaviors. Customize the Usage Based Insurance (UBI) design for motor insurance development, pricing, sales, and services. Encourage policyholders to drive safely and environmentally friendly.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, 74 infrared safety testing services were provided, helping customers identify 212 risks that needed to be tracked or immediately improved. The services effectively reduced operational risks for customers.</li> <li>The UBI automobile insurance policy "Nan Shan General Insurance – Electric Motorcycle Riding Mileage Billing Insurance" won the 2021 Digital Finance Award in the Digital Innovation Excellence Category for innovative policy design and clever use of patented block chain technology. The number of policies and premiums have steadily increased annually, and the number of policies increased 25% in 2022 compared to 2021.</li> </ul>	3.2 Excellent Insurance with Nan Shan  4.1.3 Low Carbon Insurance
Earth	 	<ul style="list-style-type: none"> <li>Minimize the Company's operational footprint; Set net-zero carbon emission as a long-term goal. Work with value chain partners to reduce greenhouse gas emission together.</li> </ul>	<ul style="list-style-type: none"> <li>Minimize environmental impacts by implementing energy and greenhouse gas management.</li> <li>Continue to align with the ISO 14067 carbon footprint standard and complete the carbon footprint calculation for "property insurance services" and "e-policies".</li> </ul>	<ul style="list-style-type: none"> <li>With 2020 set as the base year, reduce our carbon emissions by 7% by 2027.</li> <li>A rooftop solar power generation system has been installed at the Nan Shan Education Training Center in the Wuri District of Taichung City. The self-generated electricity of the solar system will supply power to the center with surplus power available for sale. It has obtained 212 certificates for renewable energy.</li> <li>In 2021, Nan Shan General Insurance adopted ISO 14067 by completing the carbon footprint calculation of property insurance services and successfully obtaining the SGS verification statement. In 2022, Nan Shan General Insurance completed the carbon footprint calculations for electronic policy businesses and obtain the SGS verification statement. With the above achievements, Nan Shan General Insurance applied to the Environmental Protection Administration (EPA) for carbon reduction label, and became the first general insurance company in Taiwan to obtain both the Environmental Protection Agency Carbon Reduction Label for Property Insurance and the Environmental Protection Agency Carbon Reduction Label for Electronic Insurance Policy.</li> </ul>	4.1.2 Low Carbon Operations  4.1.3 Low Carbon Insurance




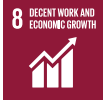


Strategic Theme	Corresponding SDGs	2030 Vision Objectives	Interim Targets	2022 Performance	Corresponding Chapter
Earth	 	<ul style="list-style-type: none"> <li>Care for marine and terrestrial ecosystems and exert positive environmental influences by taking environmentally sustainable actions.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to protect natural ecosystems on Taiwan coastlines through fencing, sand consolidation, tree-planting, beach cleaning, and recycling marine debris art walls. Reinforce environmental protection education through multiple channels.</li> <li>For the 11th year in 2022, we expanded a series of promotional activities using the theme of “Protect the Only Earth Together”.</li> </ul>	<ul style="list-style-type: none"> <li>Nan Shan organized seven beach cleanup events in five cities/counties across Taiwan in 2022, attracting the participation of 4,000 volunteers. They cleaned up more than five kilometers along the coastline, and removed approximately 5.1 metric tons of marine debris.</li> <li>On three outlying islands, including Penghu, Xiaoliuqiu, and Green Island, marine waste was recycled to create three walls of art, demonstrating the concept of environmental sustainability.</li> <li>About 150,000 people participated in marine environmental protection educational programs.</li> </ul>	4.4 Environment for Good
Action for Good	 	<ul style="list-style-type: none"> <li>Actively promote microinsurance along with preferential insurance products for disadvantaged groups to safeguard their basic personal and financial security.</li> </ul>	<ul style="list-style-type: none"> <li>Integrating the resources and manpower of Nan Shan Life Charity Foundation, and in collaboration with various government offices/social welfare organizations in the towns and villages of nine cities/counties in Taiwan, Nan Shan donated microinsurance policies to provide basic protection for vulnerable populations including: people with low/low-middle income, people with mental/physical disabilities, and economically disadvantaged elders who receive low-middle income subsidies.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, Nan Shan donated over NT\$23 million in microinsurance premium, which provided basic protection for more than 110,000 of the underprivileged.</li> </ul>	5. Action for Good


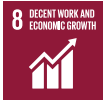
Strategic Theme	Corresponding SDGs	2030 Vision Objectives	Interim Targets	2022 Performance	Corresponding Chapter
Action for Good	 	<ul style="list-style-type: none"> <li>Continue to collaborate with hospitals in Taiwan, take initiatives to provide medical support for disadvantaged groups, and increase the number of partner hospitals each year to expand coverage to more regions and ethnic groups.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote medical and health care services as well as support hospital social workers to help others.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, Nan Shan donated NT\$24.55 million to medical relief funds for the economically disadvantaged, and worked together with medical social workers to serve the medical care needs of nearly 2,200 people.</li> </ul>	5. Action for Good
	 	<ul style="list-style-type: none"> <li>Construct an integrated risk management system and response mechanism, incorporate climate change and other emerging risks into management, and enhance corporate resilience..</li> <li>Strengthen the information security management system, protect customer privacy while digitizing products and services, and set a goal of zero data leaks.</li> </ul>	<ul style="list-style-type: none"> <li>Initiate climate scenario analysis studies.</li> <li>Establish a mechanism for detecting and managing potential emerging risks, and complete the assessment and relevant mitigation measures for emerging risk identified.</li> <li>Obtain the Personal Information Management System (PIMS) certification with zero correct action required every year.</li> </ul>	<ul style="list-style-type: none"> <li>Climate scenario analysis was launched.</li> <li>The Company has established a mechanism to detect potential emerging risks and has completed the identification of emerging risks, and has prepared adaptation measures for risk items with material impact or with moderate risk or higher.</li> <li>Obtained the PIMS certification.</li> <li>Received the “Digital Information Security Excellence Award” in the Digital Finance Category provided by the Commercial Times, as well as the “Information Security Leadership Award” provided by the Taiwan Corporate Sustainability Award (TCSA).</li> <li>Obtained ISO 22301:2019 international standards certification for Business Continuity Management (BCM). Nan Shan was one of the first three life insurance companies in Taiwan to receive the ISO22301 BCM certification.</li> </ul>	6.2 Risk Management  6.3 Information Security and Privacy Protection



Strategic Theme	Corresponding SDGs	2030 Vision Objectives	Interim Targets	2022 Performance	Corresponding Chapter
Reliability	 	<ul style="list-style-type: none"> <li>Implement the principles of Treating Customer Fairly (TCF), establish good customer communication and complaint channels, and enhance service efficiency and fairness through digital transformation.</li> </ul>	<ul style="list-style-type: none"> <li>To facilitate the integration of the TCF principles at the enterprise level into the daily work of all employees, Nan Shan Life formulated key performance indicators (KPIs) according to the responsibility of each business unit and relevance to the TCF principles. In addition, following the direction of the board of directors, the main points of TCF management are incorporated into departmental performance evaluation and remuneration, to thoroughly implement the TCF principles.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, Nan Shan Life formulated 36 KPIs related to the promotion of TCF principles to emphasize the value of TCF to employees through the management of KPIs.</li> <li>Both Nan Shan Life and Nan Shan General Insurance were recognized as the top 25% performers in the FSC's 2022 TCF Assessment. Nan Shan Life also won the Best Progress Award.</li> </ul>	6.4 Treating Customers Fairly
		<ul style="list-style-type: none"> <li>Construct the effective ESG assessments and stewardship mechanisms for investment targets. Exert Nan Shan's financial and social influence to drive the low-carbon transformation in the industry and social sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate ESG factors into the investment assessments and decision-making processes – Continue to add ESG investment targets.</li> <li>Expand investments with sustainable themes – Increase green/sustainable investments.</li> <li>Proactively conduct the post-investment management – Implement the investor stewardship through the shareholder engagement and voting mechanisms.</li> <li>Actively promote ESG principles to business partners – Promote Nan Shan's commitment and achievement in ESG aspects to business partners.</li> <li>Empower ESG investment talents – Introduce training programs for responsible investment talents and enhance the ESG awareness among employees in the investment function.</li> </ul>	<ul style="list-style-type: none"> <li>When adding a new investment underlying, the assessment was required to demonstrate the targeted company's commitment and implementation in its sustainability development.</li> <li>Evaluated investment projects that are qualified as sustainable investments. In order to meet the carbon reduction target, analysis and comments were conducted, in accordance with the company policies, on high-carbon emission industries.</li> <li>Assessed shareholder meeting proposals of the invested companies on a case-by-case basis with a 100% attendance and voting rate. The cases that remained open after 2021 were tracked and resolved. In addition, timely recommendations were provided when involving ESG issues, and new engagement was conducted.</li> </ul>	6.5 Sustainable Finance




Strategic Theme	Corresponding SDGs	2030 Vision Objectives	Interim Targets	2022 Performance	Corresponding Chapter
Reliability	 			<ul style="list-style-type: none"> <li>Promoted ESG principles to counterparties and intermediaries that have not meet Nan Shan's ESG requirements, and made corresponding deductions in the quarterly scoring of the counterparties and intermediaries.</li> <li>Employees participated ESG/TCFD related courses, seminars, or trainings for over 90 hours, held by asset management firms, external consultants, data vendors and government agencies.</li> </ul>	
Talent	 	<ul style="list-style-type: none"> <li>Ensure equality and protect human rights. Never engage in any conduct that discriminates or infringes upon the rights of others.</li> </ul> <p>Actively promote the physical and mental health of all staff and agents, reduce the rate of occupational accidents, and create a healthy and safe work culture and environment.</p>	<ul style="list-style-type: none"> <li>Nan Shan Life has established an occupational safety and health committee with eight members, 87.5% being labor representatives. Meeting once every three months, the committee is responsible for providing reviews, coordination, and recommendations related to the health and safety of employees.</li> <li>Ensure healthy employees and uninterrupted operation during the COVID-19 pandemic. Nan Shan Life's President served as the pandemic safety officer in coordinating the operation and implementation of pandemic prevention measures.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, no Nan Shan Life employees was involved in any occupational accidental deaths or diseases. Of the three minor/serious occupational accidents, two were commuting accidents, and one was caused by a fall in the office. After the accidents occurred, Nan Shan provided care to the employees, so that they may return to work after recovery.</li> <li>Continuing the practice of the previous year, Nan Shan provided vaccination insurance for new employees who started employment before the end of May, 2022. About 84.5 percent of the new employees signed up for the vaccination insurance, and their insurance premiums were fully subsidized by the company.</li> </ul>	7.2.3 Care for the Health and Safety of Employees



Strategic Theme	Corresponding SDGs	2030 Vision Objectives	Interim Targets	2022 Performance	Corresponding Chapter
Talent	 	<ul style="list-style-type: none"> <li>Create an equal, diverse work environment that enables growth. Recruit outstanding talents from diverse backgrounds. Improve employee satisfaction and participation.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly appoint external consultant companies to compare the Company's welfare policies with market levels in order to propose wages and benefits above industry P50 standards.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, the average wage-increase was 3.8 percent for employees. The maximum increase was as much as 10% for employees with outstanding performance or potential.</li> </ul>	7.2.1 System of Highly Competitive Salary and Benefits
		<ul style="list-style-type: none"> <li>Construct a robust training and development system for employees to enhance industrial competitiveness and productivity.</li> </ul>	<ul style="list-style-type: none"> <li>Recruit qualifying talents for the Company's key business developments and maintain the Company's competitiveness in sustainable management.</li> <li>Respond to government policies by providing employment opportunities to young people.</li> </ul>	<ul style="list-style-type: none"> <li>The internship program has cultivated 368 students since it was launched in 2018. During this period, interns were arranged to participate in the practical operation and core projects of the department, and dedicated mentors were arranged for in-depth guidance.</li> <li>In 2022, 57% of new hires were people under the age of 30.</li> </ul>	7.3. Talent Attraction and Retention



## Sustainable Value Management


In accordance with the International Integrated Reporting Framework, executive teams of Corporate Sustainability Committee held discussions and calculated capital investment made by Nan Shan Life as well as the resulting sustainable values created. In addition, to monitor the continuity of performance, the capital output indicator includes the performance data for three consecutive years to present a clearer picture to stakeholders regarding the growth curve of our capital value.

Capital Category	Description of the Necessity of Capital Investment	Capital Investment (NT\$ billion)	Strategic theme for sustainability	Capital Investment - Strategies/Key Objectives		Capital Output	Key Capital Output Data (Year)		
				Short Term	Mid-Long Term		2020	2021	2022
 <b>Financial Capital</b>	<ul style="list-style-type: none"> <li>Manage the risks and opportunities of corporate financial operations to ensure corporate sustainability, protect policyholders' assets and maximize the interest of shareholders.</li> </ul>	21.56	Reliability	<ul style="list-style-type: none"> <li>Continue with steady and solid premium income to protect policyholders' assets, maximize shareholders' interests, and cultivate the momentum for corporate sustainable growth.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen corporate operation and profitability to create value for policyholders, employees, agents, shareholders, and the society to move towards the goal of becoming the best insurance company.</li> </ul>	Operating revenue (NT\$ billion)	581.1	571.4	478.8
						Total assets (NT\$ trillion)	5.17	5.29	5.28
 <b>Manufacturing Capital</b>	<ul style="list-style-type: none"> <li>Maintain information system security to reduce the risk of business interruptions caused by security breaches.</li> </ul>	0.02	Reliability	<ul style="list-style-type: none"> <li>Continue maintenance of information system security to minimize the risks of business interruptions.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the information system and the tools, strengthen operation productivity.</li> </ul>	Average information-security related educational training hours of employees	3	3.48 (note)	3
 <b>Smart Capital</b>	<ul style="list-style-type: none"> <li>Strengthen the service mechanisms and tools for policyholders, keep up with social issues to ensure our professionalism and services satisfy the needs of policyholders, continuously upgrading our market competitiveness in the industry.</li> </ul>	0.1	Health	<ul style="list-style-type: none"> <li>Select 40 or more high-quality and carefully chosen health protection circle partners.</li> <li>Introduce a series of service topics including young families, healthy LOHAS lifestyle, long-term care for cancer patients, and hospital networks.</li> </ul>	<ul style="list-style-type: none"> <li>Select 60 or more high-quality and carefully chosen health protection circle partners.</li> <li>Introduce 2 new series of service topics, which must include ESG-concept partners.</li> </ul>	No. of selected top-quality Health Protection Circle Partners	4	12	43
						No. of policyholders undertook warm care services (people)	N/A	N/A	12,000
						Cumulative number of visits to the Health Protection Circle Platform	N/A	N/A	210,000

Note: Due to the need for employees to work from home, relevant training was provided in 2021 for employees who had not taken courses related to working remotely.



Capital Category	Description of the Necessity of Capital Investment	Capital Investment (NT\$ billion)	Strategic theme for sustainability	Capital Investment - Strategies/Key Objectives		Capital Output	Key Capital Output Data (Year)		
				Short Term	Mid-Long Term		2020	2021	2022
 <b>Human Capital</b>	<ul style="list-style-type: none"> <li>Provide comprehensive company benefits to ensure the physical and mental health of the employees.</li> <li>Strengthen employee professional skills and diverse development capabilities.</li> </ul>	7.33	Talent	<ul style="list-style-type: none"> <li>Continue to review and enhance salary competitiveness to enhance employee wage levels and benefits.</li> <li>Strengthen the internal and external training mechanism for employees by developing a comprehensive training system and strengthening employee professional competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Adjust the remuneration and benefits system in a timely manner while maintaining strategic flexibility, to ensure a competitive advantage for talent recruitment/retention.</li> <li>Cultivate well-rounded Nan Shan talents by assisting employees with professional transformation and upgrade, and help them with learning to use smart tools.</li> <li>Conduct comprehensive training systematically for agents, to establish comprehensive "business capability".</li> </ul>	Employee compensation and benefits expenses (NT\$ billion)	6.6	7.6	7.33
						Average training hours of employees (hours)	72.2	66.6	77.2
						Average training hours of agents (hour)	29	30	32
						Total number of people using the fitness center in a year	4,000	3,009	2,574
						Ratio of employee taking health exams (%)	90	(The health exams in 2021 were postponed due to pandemic).	90
 <b>Social Capital</b>	<ul style="list-style-type: none"> <li>Engage in public welfare and charity issues, promote the circulation of social goodness, and enhance the happiness of the public.</li> <li>Integrate the core capability of insurance, actively promote, and participate in various public welfare activities, to effectively encourage employee loyalty.</li> </ul>	0.18	Action for Good	<ul style="list-style-type: none"> <li>Utilize core competence and to establish Nan Shan Life Charity Foundation as a public service platform and to promote social inclusion.</li> <li>Establish a volunteer organization to spread love and caring around Taiwan.</li> <li>Provide quality entrepreneurial platform for agents.</li> <li>Provide policyholders with quality experience services.</li> </ul>	<ul style="list-style-type: none"> <li>Create a public service platform to integrate corporate resources and maximize support for public good.</li> <li>Offer volunteer services to fulfill the promise of long-term and continuous care for the society.</li> <li>Continue to strengthen policyholder experience and services to satisfy the needs of an aging society.</li> </ul>	Total outgoes of foundation (NT\$'000)	43,479	54,885	78,856
						Total number of beneficiaries	140,475	142,228	350,269
						Foundation volunteer service (No. of People)	8,470	8,327	9,532
						Hospitals collaborating with the Nan Shan Life Charity Foundation (No. of hospitals)	204	204	210
						No. of disadvantaged people receiving medical subsidies	2,173	2,201	2,184
						No. of microinsurance beneficiaries	41,049	62,297	112,811

Capital Category	Description of the Necessity of Capital Investment	Capital Investment (NT\$ billion)	Strategic theme for sustainability	Capital Investment - Strategies/Key Objectives		Capital Output	Key Capital Output Data (Year)		
				Short Term	Mid-Long Term		2020	2021	2022
 <b>Natural Capital</b>	<ul style="list-style-type: none"> <li>Introduce and implement systematic environmental management procedures to enhance the environmental management efficiency of operation offices.</li> <li>Reduce the resource and energy consumption of buildings, enhancing energy efficiency while improving the comfort level and quality of the working environment.</li> </ul>	0.03	Earth	<ul style="list-style-type: none"> <li>Formulate comprehensive environmental management operational procedures to strengthen sustainable management of the workplace environment, raising the environmental awareness of employees and agents.</li> </ul>	<ul style="list-style-type: none"> <li>Commit to becoming an environmentally friendly company, actively promote various software and hardware energy-saving and carbon-reduction measures, to promote environmental sustainable actions, advocating environmental protection actions to help the development of environmental sustainability.</li> </ul>	No. of sheets of paper saved with e-documents (1,000 sheets)	29,240	31,800	35,190
						Amount of green procurement (NT\$ million)	9	32.6	25.6
						Reduction of domestic waste (kg)	389,201	358,219	299,109
						Reduction of mailing (% compared to 2011)	8.607	6.479	7.211



## 2.2 Stakeholder Identification and Communication

Nan Shan Life actively communicates with internal and external stakeholders to understand their issues of concern and takes appropriate response actions. We adopt the six major principles from the AA 1000 SES (Stakeholder Engagement Standard) (V.2018) to identify 8 types of key stakeholders.

In addition to actively responding to stakeholders' appeals and expectations through various communication channels (such as questionnaires and visits), we also assess the levels of public satisfaction with our information disclosure as a basis for Nan Shan Life to develop, execute, evaluate, and improve its operations.

Type	Communication Strategy	Issue of Concern	Communication Channel	2022 Performance
Investors	Maintain investor confidence through active engagement and transparent disclosure of Nan Shan Life's development strategies as well as major changes in operation.	<ol style="list-style-type: none"> <li>1. Operational performance.</li> <li>2. Corporate governance and integrity management.</li> <li>3. Others: sustainable development progress, stock value, transparency of information disclosure.</li> </ol>	<ul style="list-style-type: none"> <li>● Shareholder meetings.</li> <li>● Questionnaire surveys.</li> <li>● Periodical face-to-face communications.</li> <li>● Corporate website/Shareholder services.</li> <li>● Annual report.</li> </ul>	<ul style="list-style-type: none"> <li>● Hold the annual shareholder meeting. (once)</li> </ul>
Policyholders	Implement the principles of treating customers fairly in the wide array of available financial products and services.	<ol style="list-style-type: none"> <li>1. Customer relationship and service quality management.</li> <li>2. Infringement of the rights of customers</li> <li>3. Digital finance and innovation.</li> <li>4. Sustainable products and services.</li> <li>5. Corporate governance and integrity management.</li> </ol>	<ul style="list-style-type: none"> <li>● Policyholder satisfaction survey.</li> <li>● Organizing marketing campaigns.</li> <li>● Publishing policyholder publications.</li> </ul>	<ul style="list-style-type: none"> <li>● Policyholder service hotline for the elderly satisfaction rate was 99%.</li> <li>● Counter Service satisfaction rate was 99.8%.</li> <li>● Claims Service and Quality satisfaction rate was 99.6%.</li> <li>● Published 6 issues of Nan Shan Fun Life Bimonthly Magazine for Policyholders.</li> </ul>
Employees	Construct a diversified communication platforms for employees to provide feedback, suggestions, or complaints and to generate a sense of integration and identification among employees.	<ol style="list-style-type: none"> <li>1. Diversity of employees and equal opportunity</li> <li>2. Employee rights and benefits</li> <li>3. Negative impact on human rights</li> </ol>	<ul style="list-style-type: none"> <li>● Internal communication channels and activities.</li> <li>● Education and training activities.</li> <li>● Internal website communication.</li> <li>● Knowledge base for sharing business information of various functions.</li> <li>● Feedback area.</li> </ul>	<ul style="list-style-type: none"> <li>● We received a total of 22 questions from employees, and responded to 100% of the submissions.</li> <li>● Average training 77.2 hours of employees.</li> <li>● Held 3 workplace health seminars with a cumulative number of 325 participants.</li> </ul>

Type	Communication Strategy	Issue of Concern	Communication Channel	2022 Performance
			<ul style="list-style-type: none"> <li>Grievance/care hotline.</li> <li>Immediate important announcement bulletin.</li> <li>Series of events in health promotion and healthy workplace.</li> <li>Public welfare service volunteer leave.</li> <li>Nan Shan E-Academy digital learning platform.</li> </ul>	
Agents	Systematically provide agents with precise training that equip them with the necessary knowledge, attitudes, and skills during different phases of their business development.	<ol style="list-style-type: none"> <li>Talent attraction and development</li> <li>Negative impact on human rights</li> </ol>	<ul style="list-style-type: none"> <li>Activities, courses, and video programs.</li> <li>Publications.</li> <li>Hold business related courses and interactive meetings.</li> <li>Broadcast Nan Shan News videos daily.</li> <li>Issue Nan Shan Monthly per month.</li> <li>Communicate via the agents' portal.</li> <li>Education and training programs for agents.</li> <li>Platforms of Nan Shan E-Academy and APP.</li> </ul>	<ul style="list-style-type: none"> <li>Average 32 training hours for agents per person.</li> </ul>
Government and Competent Authorities	Actively respond to competent authorities' policies and regulations in implementing a two-way communication.	<ol style="list-style-type: none"> <li>Corporate governance and integrity management.</li> <li>Social participation.</li> <li>Institutional investors stewardship principles and responsible investment</li> <li>Others: public policy participation.</li> </ol>	<ul style="list-style-type: none"> <li>Attend meetings, courses, or seminars.</li> <li>Sponsor seminars held by the Taiwan Insurance Institute.</li> </ul>	<ul style="list-style-type: none"> <li>Sponsored a total of 4 seminars held by the Taiwan Insurance Institute.</li> </ul>
Local Communities and NGOs	Integrate resources and connect community partners with NGOs to solve social issues together.	<ol style="list-style-type: none"> <li>Social participation.</li> <li>Others: corporate image.</li> </ol>	<ul style="list-style-type: none"> <li>Charity sponsorship activities.</li> <li>Medical care activities.</li> <li>Community participation activities.</li> </ul>	<ul style="list-style-type: none"> <li>Donated more than NT\$24.45 million to 210 hospitals, to support the medical care of the underprivileged.</li> <li>Invested NT\$1.85 million to support the volunteer service programs in 52 hospitals.</li> <li>Invested NT\$610,000 to organize 33 community health care activities.</li> <li>Donated NT\$100,000 to support the costs related to the accommodation of the epidemic prevention staff at the Hualien Hospital of the Ministry of Health and Welfare.</li> </ul>



Type	Communication Strategy	Issue of Concern	Communication Channel	2022 Performance
				<ul style="list-style-type: none"> <li>● Granted scholarships to outstanding undergraduate / graduate students with a total exceeding NT\$7.3 million.</li> <li>● Approximately NT\$4 million was invested to hold 7 beach clean-up activities. Over 4,000 people participated.</li> </ul>
Media	Build a positive brand image by actively interacting with the media and expressing the Company's position on important issues and sustainable development.	<ol style="list-style-type: none"> <li>1. Corporate governance and integrity management.</li> <li>2. Infringement of customer rights</li> <li>3. Others: industrial management development, corporate image, information transparency.</li> </ol>	<ul style="list-style-type: none"> <li>● Press conferences.</li> <li>● Press releases.</li> <li>● Join the CommonWealth Sustainability.</li> <li>● Collaborate with the media ESG sustainability platforms to construct dedicated spaces.</li> </ul>	<ul style="list-style-type: none"> <li>● Organized 7 media events.</li> <li>● Reached over 210 press releases, media interviews, and project planning.</li> <li>● Published ESG related articles with a cumulative hit rate of over 100,000.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>● Ask suppliers to sign the "Commitment Letter for Suppliers / Contractors".</li> <li>● Organize the Supplier Conference.</li> </ul>	<ol style="list-style-type: none"> <li>1. Environmental impact of business operations.</li> <li>2. Negative impact on human rights.</li> <li>3. Others: price competitiveness.</li> </ol>	<ul style="list-style-type: none"> <li>● Pre-bid meetings.</li> <li>● Management procedures.</li> </ul>	<ul style="list-style-type: none"> <li>● Organized one Supplier Conference</li> <li>● Signed in batches the "Commitment Letter for Suppliers / Contractors"</li> </ul>

## 2.3 Materiality Analysis

Every year, Nan Shan Life examines and identifies material sustainability issues in relation to the insurance industry. For 2022, we referred to the guidelines for determining major topics in GRI 3: Material Topics 2021, focusing on materiality analysis in terms of economic, environmental, population, and social impacts. Based on the list of topics identified in 2021, and assisted by external sustainability experts, we redefined the potential positive/negative impact of the topics in the value chain. Moreover, the units under the Sustainability Committee performed evaluations on the impact level and possibility of each issue to determine their order of importance. The final list was submitted to the Board of Directors for approval.

Throughout the materiality analysis process, reference was made to international sustainability standards such as the GRI and SASB insurance standards, domestic and international industry concerns, and government and competent authority requirements to ensure that no material topics were overlooked. Nan Shan Life's 2022 materiality topics include five key topics, eight material topics and three basic topics, which serve as the focus of our sustainability promotion efforts and the basis for the disclosure content of this year's report.

## ◆ Material topics Identification Process

### Understanding the organizational context and stakeholders

1

- In 2021, Nan Shan Life distributed 132 questionnaires on the material identification of various topics to conduct an analysis on the level of impact of such topics on the overall society, as well as how much the stakeholders cared about each issue.
- This year, after verifying that the operational activity types and geographic locations of Nan Shan Life had no significant changes, and based on data gathered from the questionnaires, Nan Shan Life referenced and continued to use the resulting 16 sustainability topics list determined by the 2021 materiality analysis.
- After cross-comparison of international sustainability standards such as GRI and SASB insurance industry standards, topics of concern for domestic and international industry peers, requirements of the domestic and international initiatives/guidelines as well as domestic regulations, we verified and confirmed that the sustainability topics list fully reflected the regional sustainability context where Nan Shan Life operates as well as the interests of the stakeholders.

### Identify actual and potential impacts

2

- In collaboration with external sustainability experts, various internal units of Nan Shan Life worked together to define the potential economic, environmental, people, and social impact of various sustainability topics, as well as the value direction of the impacts (9 positive and 7 negative topics).
- Based on their feedback regarding the types of impacts, the title and meaning of each topic were fine-tuned.

### Evaluate and prioritize the materiality of impacts

3

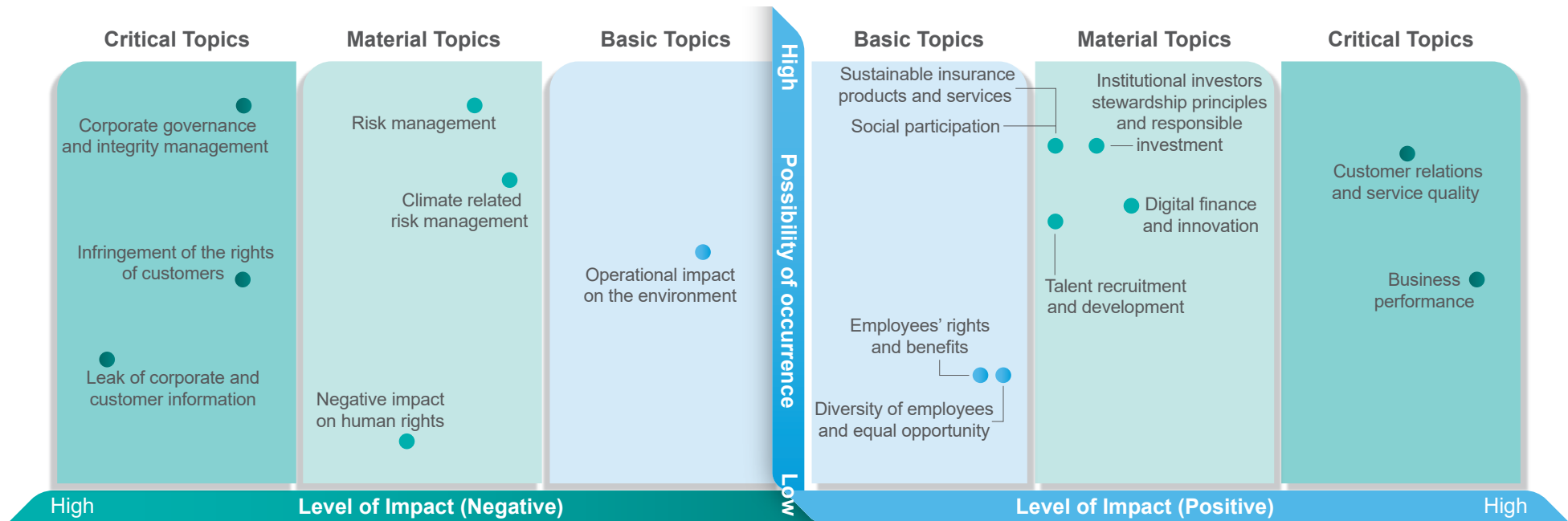
- Considering the practice of Nan Shan Life's operations, evaluations were conducted on the identified impact topics in two major areas, namely the magnitude of impact and the probability of occurrence.
- Regarding the magnitude of impact, the impact magnitude, and the value chain link (such as whether multiple value chains were involved) were considered. In addition, when an impact could lead to irreparable disasters or human rights problems, it would be prioritized.
- Regarding the possibility of occurrence, Nan Shan Life relied on the observations and opinions gathered through engagement with respective issue stakeholders in the same year, and evaluated the topics after performing an initial due diligence investigation. For example, reference employee opinions and feedback for topics that would impact the employees. For impact topics related to customers, reference customer opinions, complaints, and customer satisfaction surveys. For impact topics related to competent authorities, reference relevant regulations and penalties or major communication events, etc.
- Based on the results of analysis of the above two areas, rank the Nan Shan Life 2022 material topics accordingly, and adjustments were made as necessary.

### Confirm the material topics

4

- The representatives of the Corporate Sustainability Executive Team jointly reviewed and examined the reasonableness of the material topics matrix and presented it to the Board of Directors, confirming that there were five critical topics, eight material topics and three basic topics in Nan Shan Life's 2022 material topics matrix.

## ◆ 2022 Nan Shan Life Material Topics Matrix



Category	Type of impact	Topic	Description of Impact
Critical Topics	Positive	Customer relations and service quality management	Implement the principles of treating customers fairly by proactively optimizing the operational procedures and customer experience and maintaining good customer relations. Ensure the rights and interests of the underprivileged by providing friendly services for the elderly, people with physical and mental disabilities, and new immigrants. In addition, initiate services immediately after major social incidents, providing timely caring services for policyholders and victims of disasters.
		Business performance	The company continues to grow with solid operations, driving social and economic development as well as increasing opportunities and income for agents.
	Negative	Corporate governance and integrity management	Non-compliance of various corporate governance issues, including infringements of laws and regulations, and dishonest behavior which were detrimental to the rights and interests of the shareholders, policyholders, employees, or other stakeholders.
		Leak of corporate and customer information	Failures in the information security and privacy protection mechanism lead to a leak of the customer's personal data or sensitive corporate information, which resulted in financial losses. Moreover, the financial service stability and security were also negatively affected, reducing public trust in Nan Shan and even the entire industry, which led to fewer transactions and negative impact on the economy.
		Infringement of the rights of customers	Opaque communication or improper marketing promotions led to damages to the rights and interests of customers, who then lose trust in the insurance industry and become less willing to purchase insurance products in the future. The result is negative impact to the overall development of the industry.



Category	Type of impact	Topic	Description of Impact
Material Topics	Positive	Institutional investors stewardship principles and responsible investment	The unsuitable-for-investment list policy is in place to avoid investment targets that are not compliant with the principles of sustainability and invest only in those targets that create environmental and social benefits. Implement the stewardship by proactively communicated with the invested companies to drive economic activities toward sustainability and low-carbon transformation. In addition, analyze shareholder meeting proposals of the invested companies and provide suggestions through the active engagement to protect shareholders' interests.
		Digital finance and innovation	Promote digital transformation and fintech. Create more efficient and accurate services to provide customers with innovative insurance products and services while driving the advancement of the overall insurance industry. Furthermore, develop multiple digital technology tools to accelerate the paperless process and reduce impact on the environment.
		Sustainable insurance products and services	Provide products and services with positive effects on ESG topics or reduce the negative impacts, including spillover-effect insurance policies, health protection circle, microinsurance, low-carbon equipment insurance, and other insurance solutions beneficial to the environment and society.
		Social participation	Participated in initiatives benefiting the public, such as corporate public services, charity programs, community caring activities, emergency relief, and social-risk protection, to enhance the overall social resilience and economic development.
		Talent recruitment and development	Establish a fair and comprehensive talent development and cultivation system, which includes training, performance evaluations, and more. To enhance the professionalism of agents and optimize the entire industry ecology through training system.
	Negative	Risk management	Failure to properly monitor and manage traditional risks (including: finance and operations, etc.) and emerging risks (including: economic and political incidents, environmental or social risks), which led to negative impact on the economy, environment, and people.
		Climate risk management	Failure to implement the climate risk management in value chain links like operations, products, procurement, and investment. The negative impact on the economy, environment, and population caused by the intensified climate change.
		Negative impact on human rights	The lack of a designated policy or management programs led to human rights infringements in various topics including: equality and diversity, labor conditions, occupational injuries and hazards, assembly and associations, discrimination, harassment, and more.
Basic Topics	Positive	Diversity of employees and equal opportunity	Establish a diversified and inclusive workplace environment that prohibits discrimination in employee hiring, training, benefits, and promotions.
		Employees' rights and benefits	Place emphasis on employee health and occupational safety, and provide salaries and benefits superior to the market average (including regular health exams, as well as travel and group insurance for employees).
	Negative	Operational impact on the environment	The consumption of energy resources required for business operations create negative environmental impacts, including waste and greenhouse gas emissions.

## ◆ Material Topics Impact Boundaries

Importance	Nan Shan Life Critical Material Topics	GRI Material Topics	Impact orientation			Stakeholders involved in Impact Management						Corresponding chapters
			Economy	Environment	People	Nan Shan	Agents	Suppliers	Policy-holders	Investment targets	Local communities	
Critical Topics	Customer relations and service quality management	N/A (self-defined topics)			●	●	●					6.4 Treating Customers Fairly
	Business performance	201: Economic Performance	●		●	●	●					1.2 Operation Overview
	Corporate governance and integrity management	205: Anti-corruption 405: Diversity and Equal Opportunity 419: Socioeconomic-Compliance	●		●	●	●	●				6.1 Sustainable Governance
	Leak of corporate and customer information	418: Customer Privacy	●		●	●	●					6.3 Information Security and Privacy Protection
	Infringement of customer rights	417: Marketing and Labeling	●		●	●	●					6.4.2 Transparent Marketing & Promotions
Material Topics	Institutional investors stewardship principles and responsible investment	N/A (self-defined topics)	●	●	●	●	●			●		6.5 Sustainable Finance
	Digital finance and innovation	N/A (self-defined topics)	●	●	●	●	●					6.4.3 Innovative Fintech Applications
	Sustainable products and services	203: Indirect Economic Impacts	●	●	●	●	●					3.1 Becoming Healthy with Nan Shan 3.2 Excellent Insurance with Nan Shan 4.1.3 Low Carbon Insurance
	Social participation	203: Indirect Economic Impacts	●		●	●	●		●		●	5.1 Nan Shan Charity Strategies
	Talent recruitment and development	401: Employment 404: Training and Education			●	●	●					7.3 Talent Development

Importance	Nan Shan Life Critical Material Topics	GRI Material Topics	Impact orientation			Stakeholders involved in Impact Management						Corresponding chapters
			Economy	Environment	People	Nan Shan	Agents	Suppliers	Policy-holders	Investment targets	Local communities	
	Risk management	N/A (self-defined topics)	●	●	●	●						6.2 Risk Management
	Climate related risk management	201: Economic Performance	●	●		●	●	●	●	●		4.1 Alleviating and Adjusting to Climate Change
	Negative impact on human rights	402: Labor/Management Relations 403: Occupational Health and Safety 406: Non-discrimination 409: Forced or Compulsory Labor			●	●	●	●	●	●		7.2.2 A Diverse and Inclusive Culture 7.2.3 Care for the Health and Safety of Employees 7.4.1 Structure of Agents
Basic Topics	Employee diversity and equal opportunity	405: Diversity and Equal Opportunity			●	●						7.1 Talent Structure
	Employees' rights and benefits	201: Economic Performance 202: Market Presence 401: Employment			●	●						7.2 A Healthy and Happy Workplace
	Environmental impact of business operations	302: Energy 305: Emissions		●		●	●	●				4.1.2 Low Carbon Operations 4.2 Water Resource and Waste Management 4.3 Sustainable Supply Chain Management

Note: Nan Shan Life has formulated management policies in response to material topics. Please refer to the corresponding chapters for details.

## 2.4 External Participation

By maintaining positive interactions with influential insurance associations, other associations, government authorities, and academic institutions, Nan Shan Life hopes to enhance the levels of competitiveness and sustainable development in the financial insurance industry. In 2022, the Company has invested over NT\$ 14million in sustainable organizations and external associations and over NT\$ 76 million in long-term sponsorships for relevant organizations. In this way, Nan Shan Life contributes to charity and public issues through real actions and support.

With a forward-looking philosophy, Nan Shan Life participates in sustainability initiatives and academic seminars both domestically and abroad. It also participates in relevant global, national, and professional organizations. The interactions and exchanges between diverse stakeholder groups serve to enhance employee's expertise, skills, services, visions, and views.



## ◆ Participation in Sustainable Organizations

Name	Position	Influence on the Organization
Taiwan Business Council for Sustainable Development	1. Supervisor 2. Ordinary member	<ul style="list-style-type: none"> <li>● Participate in meetings</li> <li>● Sponsor the sustainable finance platform and provide enhanced training programs to relevant personnel</li> </ul>
CSRone	Member	Sponsor the Sustainability Report Analysis and Presentation
Unity Sustainability Services	Member	Enhance peer interactions
CommonWealth Sustainability	Founding Member	Participate in workshops, forums
Accounting Research and Development Foundation	None	Sponsored the 2022 ESG Summit

## ◆ Participation in External Associations

Name	Position	Influence on the Organization
The Life Insurance Association of the Republic of China	1. Member representative 2. Study group/committee representative	Participate in members' meetings and study groups, committees, and sponsor activities
Taiwan Financial Services Roundtable	Member representative	Participate in Members' meetings
Institute of Financial Law and Crime Prevention	Member	Participate in meetings
The Actuarial Institute of Chinese Taipei (AICT)	Member	Participate in meetings and courses
Insurance Society of the Republic of China	Member	Participate in meetings
Pension Fund Association	Member	Perform member's rights and obligations

## ◆ Participation in External Associations

Name	Position	Influence on the Organization
Cross-Strait CEO Summit	Corporate member	Participate in members' meetings
Accounting Research and Development Foundation	Member	Participate in meetings
Taiwan Insurance Law association	Member	Participate in meetings
Taiwan Bar Association	Member	Perform member's rights and obligations
Life Insurance Management Institute of the Republic of China	1. Supervisor 2. Education committee chair 3. Member	<ul style="list-style-type: none"> <li>● Participate in meetings and members' meetings</li> <li>● Responsible for designing the tests for life insurance agents, underwriters, and claim adjusters</li> </ul>
Financial Planning Association of Taiwan	Member	Participate in members' meetings and relevant courses
Chinese Professional Management Association	Member	Perform member's rights and obligations
Life Office Management Association(LOMA)	Member	Participate in courses and certification tests
Industrial Technology Research Institute - Long-Term Care Alliance (Healthy LOHAS and Smart Healthcare Alliance)	General member (Gold diamond member)	<ul style="list-style-type: none"> <li>● Participate in seminars, forums, and visits</li> <li>● Project market research</li> <li>● International industry business matching and exchange</li> </ul>
Taiwan Academy of Forensic Sciences	Member	Participate in members' meetings and relevant courses
Financial Governance and Compliance Association	Member representative	Participate in meetings
Financial Ombudsman Institution	Member	Perform member's rights and obligations
Taiwan Assistive Technology and Long-Term Care Industry Association	Member	Participate in meetings
Taiwan Alliance of Technology Industries in Smart Senior Living and Innovation Long-term Care	Member	Participate in meetings
Taiwan Digital Health Industry Development Association	Member	Participate in meetings
Alliance of Fortune Living Environment	Member	Perform member's rights and obligations

## ◆ Organizations with Long-Term Sponsorship

Name	Position	Influence on the Organization
Taiwan Insurance Institute	Sponsorship	Participate in courses and sponsor relevant events held by the Institute
National Taiwan University	Academic sponsorship	Provide academic reimbursement to the university for the Company's independent director and member of the reimbursement committee
National Taiwan University	Academic sponsorship	Provide the Operation and Management of Life Insurance Courses in National Taiwan University every semester
National Chengchi University	Academic sponsorship	Provide academic reimbursement to the university for the Company's independent director
National Cheng-Chi University Risk and Insurance Research Center	Academic sponsorship	Served as the sponsor and speaker of the annual symposium
Tunghai University	Academic sponsorship	Provide academic reimbursement to the university for the Company's independent director
National Cheng-Chi University FinTech Research Center	Sponsorship	Participate in seminars held by the research center
Soochow University	Academic sponsorship	Academic sponsorship
College of Global Banking and Finance	Donation	Made donations to National Sun Yat-sen University and National Chengchi University for the establishment of the College of Finance
Outstanding undergraduate/graduate student scholarships	Donation	Long-term donation to scholarships
210 hospitals in collaboration with Nan Shan Charity Foundation (such as Keelung Hospital, Ministry of Health and Welfare)	Donation	Donate medical assistance funds to economically disadvantaged patients
Microinsurance organizations such as Keelung City Government	Donation	Work with Keelung City Government and other organizations to provide the protection of basic accident insurance to economically disadvantaged and eligible groups
Hiin Studio and other groups	Sponsorship	Environmental conservation initiatives
Million Dollar Round Table (MDRT) Taiwan Chapter	Donation	Participate in Taiwan's MDRT Day
Taiwan Risk and Insurance Association	Sponsorship	Sponsorship of annual seminar
Sustainability Leadership Research Center	Sponsorship	Participate in forums and project results presentations
Hope Foundation for Cancer Care	Donation	Donate to foundation





## 03 Health

- 3.1 Becoming Healthy with Nan Shan
- 3.2 Excellent Insurance with Nan Shan

As Taiwan will soon become a super-aged society in 2025 with increasing medical demands from chronic illness management, Nan Shan Life applies InsurTech to developing innovative insurance products with health promotion reward mechanisms. The Company also collaborates with many healthcare service providers to build a “Health Protection Circle” that is dedicated to facilitating customers’ wellness and healthcare. By integrating the concept of insurance with comprehensive, diverse healthcare services, Nan Shan Life creates a new service-empowerment insurance that encourages the insureds to embrace healthy living. It elevates our customers’ wellness and protection for health and provides benefits to the general public.

## 3.1 Becoming Healthy with Nan Shan

Taiwan will become a super-aged society by 2025. Consequently, the demand for health management and medical treatment for chronic diseases will continue to grow. At present, a major trend is the integration of medical care and innovative technologies. Nan Shan Life emphasizes a return to the essence of insurance to construct comprehensive insurance protection and also promote health enhancement concepts. With digital tools that integrates innovative insurance technology (InsurTech), we have been proactively developing innovative insurance products with the spillover effect of health. Working with several medical care companies, we have established the Health Protection Circle. We plan and provide health and medical protection products that are both professional and innovative to create a new kind of insurance with services that empower our customers and encourage them to embrace healthy lifestyles. In this way, their health can be upgraded along with the protection we provide, elevating public welfare.

### 3.1.1 Health Protection Circle

To fulfill our mission of providing public welfare services and promoting health, Nan Shan Life established the “Health Protection Circle” in 2020. Beginning with the traditional claim payments, we extended our services forward to preventive healthcare and backward to medical care services to comprehensively address our customers’ demands for wellness and healthcare. We have integrated insurance products with comprehensive and diverse medical services and created new types of insurance supported by our services to construct a comprehensive health and medical protection circle.

The Health Protection Circle consists of two innovative dimensions: health promotion and medical care. Health promotion targets both people with good health and those with suboptimal health. Its main goal is to sustain the health of Taiwanese people by helping them develop healthy living habits and delay the onset of disease. The medical care dimension targets people with diseases and disabilities. Through a comprehensive value-added system of medical services, it offers Taiwanese people care methods to guide them back onto the path of good health.


Through the Health Protection Circle, we have shifted our role from that of a risk planner and claims payer to a partner who thinks proactively for our customers and provide total solution, accompanying our customers down the four life stages from good health to suboptimal health, illness, and disability.

### Four major services to achieve holistic health protection

- **Exercise and fitness:** Providing accurate knowledge and techniques to assist our customers cultivate a habit of exercise so they may stay healthy and boost their immune systems.
- **Diet and nutrition:** Integrating educational information on health from dieticians and professionals to offer customized dietary suggestions.
- **Healthcare:** Collaborating with professional medical care institutions to assist customers obtain favorable care for and medical information about diseases to reduce the burden on patients and their families.
- **Mental Health:** Working with social groups to provide services that offer our customers spiritual support and alleviate stress.

<b>Vision 2030 target</b>	To assert our mission of public service in the insurance industry, we have launched a new insurance concept of service empowerment to ensure customer wellness and fulfill demands for holistic healthcare. Through the services of the health protection circle, we promote the transformation of Nan Shan Life's strategies and consolidate our image as a health brand.
<b>Inputs</b>	Total service promotion fees: approx. NT\$ 103 million.
<b>Impact</b>	<ul style="list-style-type: none"> <li>Health Protection Circle services were used over 70,000 times in 2022.</li> <li>Heart-Warming Care served over 12,000 policyholders by the end of 2022.</li> <li>Award received: Asia Insurance Industry Awards : Best Health Insurance Company of the Year.</li> </ul>



Short-Term Goals (2022-2023)	Action Plan	2022 Achievements
<ul style="list-style-type: none"> <li>Select 40 or more high-quality Health Protection Circle partners.</li> <li>Introduce a series of service topics including young families, healthy (LOHAS) lifestyle, long-term care for cancer patients, and hospital networks.</li> </ul>	<p><b>Create a Healthcare Platform:</b> To continue integrating specially selected high-quality partners and expand the Health Protection Circle Platform. To create diverse, complete, and differentiated healthcare services, and assist policyholders in promoting health.</p>	<ul style="list-style-type: none"> <li>43 specially selected high-quality health protection circle partners, and launched a complete healthcare service (a comprehensive list of services can be found on Nan Shan Life's Health Protection Circle Platform / Find Health).</li> <li>Launched 4 services in 2022 serving hospital health checks, mother and baby care, long-term care, and long Covid solutions.</li> <li>Launched the online Health Protection Circle Platform at the end of July 2022. The platform is a one-stop search engine for healthcare information and has received over 210,000 visits.</li> </ul> 
<ul style="list-style-type: none"> <li>Launched <math>\geq 3</math> care services for exclusive customer groups.</li> <li>The exclusive care service has reached over 5,000 customers.</li> <li>A trial run of the Health Protection Circle customer experience center.</li> <li>The customer satisfaction level of the Health Protection Circle is over 80%.</li> </ul>	<p><b>Expansion of the Care Services for Exclusive Customer Groups:</b> According to the Health Protection Circle's quarterly promotion theme, target customer groups were selected from claims cases to gradually extend care services for more exclusive customer groups. This helps to expand the customer service aspect of the health service.</p>	<ul style="list-style-type: none"> <li>Launched care services for exclusive customer groups in 2022, including a Second Opinion Consultation service, long Covid solutions, and fracture care.</li> <li>The number of promotions by service counter colleagues across Taiwan reached 45,852 between May and December 2022. In 2022, there were over 10,000 applications for the comprehensive Heart-Warming Care service.</li> <li>In 2022, the Chung Shan branch service counter established a Health Protection Circle customer experience center.</li> <li>In 2022, feedback from over 1,500 policyholder questionnaires regarding the Chung Shan branch service counter indicated a satisfaction level of over 99%.</li> </ul>



## Health Protection Circle Platform

Nan Shan Life officially launched the Health Protection Circle Platform in July 2022. Rich contents are presented in an easy-to-understand way, offering a one-stop shop search engine for all types of health information meeting different health requirements. The platform received 210,000 visits by the end of 2022, achieving excellent results for just half a year after launch.



## Heart-Warming Care Services

We actively take the initiative to understand our customers' needs. Eligible policyholders who have made large claims due to cancer, dread disease, disability, etc. can apply free of charge for the health promotions or medical care services from collaborative partners of the Health Protection Circle, such as Second Opinion Consultations, HOPE care packages for cancer patients, Nestle Health Science nutritious care packages, and FarHugs remote psychotherapy. The service has already served over 12,000 policyholders by the end of 2022.

## BAM App and Spillover-Effect Health Insurance Products Promotion

### Project Context and Contents

Nan Shan Life encourages all citizens to develop a habit of doing positive exercise and self-health management concepts. In 2019, we started promoting the BAM app. The first generation of the app included five main variables: a daily step count, BMI, calorie counter, sleep tracker, and resting heart rate monitor. With these data, the app produced daily age reduction results, using the intuitive biological age as a health management tool to encourage users on their journey to better health.

### Nan Shan's Inputs

Activities and social events came to a halt after the outbreak of the Covid-19 pandemic, and the importance of our physical and mental health has never been higher. As a result, BAM app launched a Health Risk Reminder at the beginning of 2022 which offers help to users. The total investment for BAM app's operating expenses exceeded NT\$15 million by the end of 2022.

### Benefits

Over 65,000 users had downloaded the BAM app by the end of 2022, totaling over 47.5 billion steps. The app offers rewards to users and has already issued over 140 million reward points, which was equivalent to in-store cash value of NT\$14 million.

### Awards and Recognitions

- International Finance Insurance Awards : Most Innovative Insurance Mobile Application - Taiwan 2022
- 2022 Garmin Health Awards : 1st Prize in the Best Innovation Solution-Insurance Category
- 2022 Fintech Taipei Awards - Business Model Innovation Finalist
- 2021 Faith, Hope, & Love Insurance Award - Best Integrated Communication : Excellence Award
- 2021 Garmin Health Awards-The Most Innovative Solutions(In Insurance)

Remote Health Management Services: Creating e-Protection	
<b>Project Context and Contents</b>	<p>Nan Shan Life's allied with cross-industry telehealth management and electronic technology specialist teams and launched the innovative Intelligent Telehealth Management project.</p> <ul style="list-style-type: none"> <li>• Telehealth Management Equipment: Policyholders can access the "Chiline" app from home and use equipment to measure health-related data such as blood pressure, blood glucose, cholesterol, uric acid, and ECG. This data is then uploaded to the cloud and regularly monitored by healthcare professionals.</li> <li>• Health Management Team: Policyholders are offered a monthly health report and a quarterly online appointment with healthcare professionals.</li> </ul>
<b>Nan Shan's Inputs</b>	<ul style="list-style-type: none"> <li>• The Health Protection Circle strategic alliance telehealth management team - Hsin Sheng Health Care, Show Chwan Memorial Hospital, Formosa Biomedical Technology Corp., Kaohsiung Medical University, and electronic technology professionals Inventec Appliances Corp. which offers multiple ways to obtain telehealth management and "Chiline" equipment. Policyholders can also enjoy discounts or free exchanges.</li> <li>• Leading the industry, we have combined technology to design the three highs substandard product Nan Shan Life e-Healthcare Metabolic Syndrome Annual Endowment Insurance (MSAE) for people who have the three highs. After the insurance policies take effect, the insureds immediately enjoys the device "Chiline" and 30 months of telehealth management services (the health management provider must be either Hsin Sheng Health Care, Show Chwan Health Management Center, or Formosa Biomedical Technology Corp). They can also use the e-Protection Service to increase the possibility of receiving the health management reward.</li> </ul> 
<b>Benefits</b>	164 policyholders were using this service in 2022.

Cancer Care and Support - Comprehensive Protection against Cancer for Females and Males	
<b>Project Context and Contents</b>	<p>The value-added service of Health Protection Circle assists policyholders in fighting against cancer. Regardless of whether policyholders are healthy, undergoing treatment, or in recovery, they can always count on the warm care and support from our Health Protection Circle partners.</p>
<b>Nan Shan's Inputs</b>	<p><b>Services</b></p> <ul style="list-style-type: none"> <li>• Continue promoting the BAM app as a health management tool.</li> <li>• Work together with health examination centers for health checks, and promote Low-Dose Computed Tomography (LDCT) scans.</li> <li>• Offer Second Opinion Consultation services, HOPE Charitable Foundation care packages for cancer patients, FarHugs remote psychotherapy consultations, and Nestle Health Science nutritious care packages.</li> <li>• Strategic alliance collaborations offer the following services: Cofit professional online nutrition classes, MedNet remote doctor consultations, ACT Genomics cancer gene testing, Miracle Power Love post-chemotherapy and post-surgical nutrition planning, IMOSA functional underwear, Home Angel specialist nurse facilitation services, and telehealth management.</li> </ul> <p><b>Products</b></p> <ul style="list-style-type: none"> <li>• Developed exclusive cancer insurance policies for different genders. Nan Shan Life launched 20-Year Mei Li Xiang Shou Health Promotion Term Shero Cancer Insurance (20HTSC) in 2021 and 20-Year Qing Yi Xiang Ting Health Promotion Term Brother Cancer Insurance (20HTBC) in 2022 to enhance coverage for females and males respectively.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Encourage policyholders develop a habit of doing exercise while promoting health.</li> <li>• Help policyholders attend regular checkups.</li> <li>• LDCT scans for lung cancer screening.</li> <li>• A lump sum or payment in installments to help with medical expenses during treatment.</li> </ul>

## White Paper on Extending Healthy Life Expectancy and Upgraded Long-Term Care Service Map

<b>Project Context and Contents</b>	Taiwan will become a super aged society in 2025. Nan Shan Life clearly understands Taiwan's medical and long-term care needs to face the challenges of a rapidly aging population. We are committed to resolving these future issues as well as advocate extending healthy life expectancy to ensure a high quality of life during old age.
<b>Nan Shan's Inputs</b>	<p><b>Service</b></p> <ul style="list-style-type: none"> <li>After the joint publication of "White Paper on Long-Term Care for Elders in Taiwan" with the Industrial Technology Research Institute (ITRI) in 2021, we worked together again in 2022 to conduct research for the "White Paper on Extending Healthy Life Expectancy."</li> <li>Launched the upgrade version of the Long-Term Care Service Map 2.0 in 2022.</li> </ul> <p><b>Product</b></p> <ul style="list-style-type: none"> <li>Five long-term care insurance products were launched in 2022 to satisfy requests from different customer groups. A total of 10 products are currently provided, offering a full range of long-term care coverage for different customer groups.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>As noted in the "White Paper on Extending Healthy Life Expectancy", extending healthy life expectancy starts with improving one's health regimen, life support, and social involvement. These three aspects will help improve the quality of life of the elderly.</li> <li>The Long-Term Care Service Map 2.0 offers 11 long-term care services, gathering support from multiple sources to assist citizens in creating a dignified and high-quality life for the elderly.</li> </ul> 
<b>Industry Recognition</b>	According to statistics from the Life Insurance Association, the market share of Nan Shan's first-year premium income from long-term care insurance policies was 51% in 2022. It also won the top long-term care insurance brand for eight consecutive years.

## Long-Covid Coping Strategies

<b>Project Context and Contents</b>	Research by the American Center for Disease Control and Prevention (CDC) indicated that one-fifth of Covid-19 patients suffer from long-term effects of Covid symptoms (long-Covid). This affects multiple organs, including the heart, lungs, and kidneys. It also affects blood circulation, musculoskeletal and endocrine systems, and the digestive tract, and induces nervous system issues and psychological problems.
<b>Nan Shan's Inputs</b>	<p>Using the Health Protection Circle to integrate the healthcare services required after infection, we lead the way in launching a Long-Covid Strategy that includes the following four services:</p> <ol style="list-style-type: none"> <li>1. Remote consultations with healthcare professionals.</li> <li>2. Health checks to ensure healthy lungs.</li> <li>3. Diet and exercise recovery.</li> <li>4. Anxiety-reducing psychotherapy.</li> </ol>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Dedicated long-Covid webpage: almost 3,000 views in a single month.</li> <li>Long-Covid related services: over 10,000 views in a single month.</li> <li>Video promotion of long-Covid services (agents end): almost 10,000 views in a single month.</li> <li>Heart-Warming Care / MedNet online telephone consultations: 300 applications already received.</li> <li>Heart-Warming Care / Farhugs remote psychotherapy consultations: accumulated 208 applicants.</li> </ul> 



Nan Shan “Shen Shou Mission”	
Project Context and Contents	The Nan Shan “Shen Shou Mission” aims to create an online and offline games and interaction similar to “Pokemon Go”. Using GPS to set the Gems online at the hidden spots along the hiking trails, together with the reward mechanism, the game promotes a healthy lifestyle by encouraging users to venture into nature to collect exclusive Nan Shan Gem.
Nan Shan’s Inputs	Nan Shan Life cooperated with Hiking Biji and Health Protection Circle to establish a Nan Shan Shen Shou Mission hiking activity. In 2022, the Nan Shan Shen Shou Mission expanded to include 60 specially selected hiking trails in different counties across Taiwan, spreading the joy of hiking to people in various industries.
Benefits	<div><ul style="list-style-type: none"><li>Over 10,000 people registered for the activity.</li><li>Over 24,000 people across Taiwan participated in hiking activities.</li><li>One Step for a Better World activity attracted over 13,000 participants from the BAM app, accumulating around 800 million steps in 10 days. We also donated NT\$ 200,000 to Changhua Shui-Wei Elementary School to support children’s athletics. At present, over NT\$ 1.2 million has been donated to support rural sporting activities.</li></ul></div> <div></div>

3.1.2 Insurance Products with Health Spillover Effects

Nan Shan Life strives to develop comprehensive insurance protection. While promoting healthy behaviors and concepts, we emphasize a change from the concept of paying insurance claims after incidents to the spirit of incidents prevention. By integrating our innovative digital insurance technology, InsurTech, we proactively develop innovative health insurance products with spillover effects.

Nan Shan Life’s spillover-effect health insurance products cover insurance aspects such as hospitalization indemnity, hospital and surgical reimbursement, surgery, dread disease, specific illness, cancer, long-term care, and suboptimal health, and it features reward mechanisms to promote policyholders’ health management. In addition to enjoying protections, the health of policyholders will be improved. Our idea was endorsed by our customer and over 671,000 new contracts for spillover-effect insurance policies were sold in 2022, a 100% increase compared to 335,000 new contracts in 2021. For four consecutive years, Nan Shan won the first place in the number of new contracts for spillover-effect insurance policies.

Year	Number of Spillover-effect Health Insurance Products (on sale)	Number of New Contracts of Spillover-effect Insurance Policies (thousand)	Market Share (%)
2020	13	102	49.8
2021	26	335	50.1
2022	38	671	54.6

◆ Reward Mechanisms of Nan Shan Life Spillover-Effect Insurance Policies



Cashback



Increased Coverage Amount



Premium Discount

Spillover-effect insurance products mainly include health promotion incentives, such as meeting health check standards, taking designated vaccinations and cancer screenings. Through our reward mechanisms, we integrate the autonomous health management concept of the policyholders with insurance products, encouraging them to exercise regularly and eat a healthy diet so as to reduce morbidity. Together with taking medical check regularly to understand their health conditions, we hope to achieve the benefit of incident prevention in advance while reducing medical costs, creating a win-win spillover effect.

According to Nan Shan Life's internal statistics, cashback option is the most popular reward, contributing to over 60% of spillover-effect insurance policy sales in 2022. We added online spillover-effect insurance rewards application services in 2022, making it more convenient for policyholders to apply rewards using the Nan Shan App. Customers can upload a copy of their health check report, vaccination certificate, or cancer screening certificate to apply for cashback online quickly and conveniently.

In addition, we have collaborated with Health2Sync blood glucose management to provide exclusive insurance policies for diabetics. Around 57 people had used this service by the end of 2022. Among them, over 28% were eligible for premium discounts of health management reward mechanisms. Through this, we hope insureds will develop daily health management habits.

### ◆ In 2022, Nan Shan Life Continued to Innovate and Launched Various Insurance Products with Health Management Reward Mechanisms

Launched a series of cancer insurance products with health management reward mechanisms <sup>(note1)</sup>		
New Products <sup>(note 2)</sup>	<b>Exclusive cancer insurance product for males</b> <ul style="list-style-type: none"> <li>Nan Shan Life 20-Year Qing Yi Xiang Ting Health Promotion Term Brother (20HTBC)</li> </ul>	<b>New cancer treatments supplement package</b> <ul style="list-style-type: none"> <li>Nan Shan Life 1-year Cancer Robotic Arm Surgery Additional Clause (1RAS)</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>We continue to promote innovative insurance products. Combined with the health management mechanism, we encourage people to self-manage their health. We also remind them to live healthy lifestyles to become healthier.</li> <li>Adding the new test and treatment supplement packages to the traditional cancer treatment insurance policies, the dual protection can meet the demand for diverse treatments.</li> <li>Introduced a double spillover cashback mechanism to encourage policyholders to go for regular cancer screening and continually monitor their own health conditions, enabling early prevention and detection. In 2022, we launched 20-Year Mei Li Xiang Shou Health Promotion Term Shero Cancer Insurance for females only and received positive feedback. The male-exclusive product 20-Year Qing Yi Xiang Ting Health Promotion Term Brother Cancer Insurance was launched in 2022 to increase cancer protection during their career development phase and also provide additional benefit for male-prevalent cancers. These two products enhance protection against cancers for females and males respectively and offer a link to the Health Protection Circle services for physical and mental health.</li> <li>We continued to launch new cancer insurance products and a series of new test and treatment supplement packages to offer more comprehensive protection against cancers. Lump sum claim payment relieves the financial burden of medical expenses. The premium for the supplement packages is affordable, allowing existing and new policyholders to upgrade their cancer treatment protection easily.</li> <li>Create a comprehensive golden triangle relationship for the three phases of cancer care, including when policyholders are healthy, undergoing treatment, or in recovery. Link cancer protection with healthcare services.</li> <li>We established the Health Protection Circle. Policyholders may enjoy discounts for designated genetic tests for cancer.</li> </ul>	
Result	<ul style="list-style-type: none"> <li>In 2022, Nan Shan Life 1-Year Severe Cancer Targeted Therapy Additional Clause (1STT) received the "Best Product-First Prize" and "Best Product-YuShan Prize" in the 19th National Brand Yushan Award.</li> <li>In 2022, Nan Shan Life 20-Year Mei Li Xiang Shou Health Promotion Term Shero Cancer Insurance (20HTSC) was awarded the "Best Product Innovation Award-Outstanding Award" in the 24th Faith, Hope, &amp; Love Awards of Insurance and the "Best Product-Yushan Prize" in the 19th National Brand Yu Shan Award</li> </ul>	

Note 1: The number of new contracts for series of cancer insurance products in 2022 was approximately over 91,000.

Note 2: The number of new contracts for new products in 2022 was approximately over 3,100.

## Launched a series of products for diverse long-term care insurance (with health management reward mechanisms) (note 1)

### New Products (note2)

#### Long-term care insurance policies with health management reward mechanisms:

- Nan Shan Life Qing Yi Pei Ban Health Promotion Dementia Term Long Term Care Insurance (HDLTC)
- Nan Shan Life Yi Lu Xiang Ting Health Promotion Long Term Care Insurance (HPLTC)
- Nan Shan Life Xin Quan Fang Wei Health Promotion Short Term and Long Term Care Insurance (HSLTC)
- Nan Shan Life Xin Chang Qing Shu Health Promotion Surgical Operation and Long Term Care Insurance (HOLTC)

#### Inclusive long-term care insurance policy:

Nan Shan Life Qing Song Pei Ban Fundamental Long Term Care Insurance (FLTC)

### Benefits

- We promote health to ease the burden of long-term care and thereby reduce the social cost of long-term care.
- We offer protection for the self-payment portion under the government's Long-Term Care 2.0 program.
- A total of 10 long-term care insurance products are currently provided, including one-year term, term, and whole-life. Some products provide a death benefit or enhance dementia coverage or combine with medical protection or offer the cash value feature to meet the long-term care needs of various customer groups.
- In response to the needs of mild, moderate, and severe dementia patients, the Nan Shan Life Qing Yi Pei Ban Health Promotion Dementia Term Long Term Care Insurance (HDLTC) is the industry's first insurance product to raise awareness of and protect against dementia. It offers the Mild Dementia Benefit for helping insureds to receive early treatment and delay symptoms. Considering the manpower and costs involved in dementia care are relatively higher than other types of long-term care, we increased the coverage amount for moderate and severe cases by 1.2 times. This recognition of dementia care costs helps to alleviate financial pressure and facilitate proper care.
- In addition to the long-term care insurance policies with health management reward mechanisms, we also recommend the Nan Shan Life Qing Song Pei Ban Fundamental Long Term Care Insurance (FLTC). This provides long-term care and total disability installment benefits, with a maximum payment period of 15 years. Affordable insurance premiums help policyholders easily obtain the coverage and to prepare in advance without worrying about a budget. Moreover, there is no need to worry about their income source if they require long-term care in the future.
- The Long-Term Care Service Map 2.0 expands its cooperation services to include the home environment, assistive services and transportation, making it a comprehensive long-term care service map.
- In the past decade, we have provided approximately NT\$910 million for claims to alleviate both the economic burden of families requiring long-term care and the social cost of long-term care.

### Result

- Since 2015, Nan Shan Life Long-term Care insurance has occupied the highest market share for eight consecutive years.
- In 2022, long-term care new business premium in the industry were approximately NT\$ 2.9 billion. The market share of Nan Shan Life was approximately 51%, which was the top in the market. Nan Shan Life is the leading brand in Taiwan's insurance market (note 3).

Note 1: The number of new contracts for long-term care insurance products in 2022 was approximately 50,000.

Note 2: The number of new contracts for new products in 2022 was approximately over 6,100.

Note 3: Source: The Life Insurance Association of the Republic of China.





## 3.2 Excellent Insurance with Nan Shan

Nan Shan General Insurance continues to promote socially beneficial insurance products, offering comprehensive protection for individuals, households, and organizations.

For individuals, we offer an insurance product that covers individuals in the event of an adverse reaction to the Covid-19 vaccination in response to the Covid-19 pandemic and the government's vaccination strategy. It covers hospitalization daily indemnity, hospitalization care insurance, and funeral expenses insurance and is one of the few insurers to grant equal insurance rights and a policy renewal mechanism. Moreover, Covid-19 patients that were not hospitalized but received medicine from a doctor during quarantine will be treated leniently and they will receive daily claims indemnity.

Additionally, Nan Shan General Insurance launched the first Usage Based Insurance (UBI) Motor insurance product in Taiwan. It offers a fair and verifiable charging model based on the distance the vehicle owner rides, and it utilizes blockchain patent technology for encrypted data transmission to reinforce the information security and ensure the completeness and immutability of the exchanged data. The number of UBI policies underwritten in 2022 grew by 25% compared with that of 2021.

For households, Nan Shan General Insurance offered Extra Amounts Typhoon and Flood Insurance Riders, expanding the coverage of its Residential Fire Insurance with Typhoon and Flood Disaster Compensation.

For industry, Nan Shan General Insurance launched the first pandemic prevention policy, "Golden Pandemic Prevention", a special project for compensating business owners to reduce losses in business closures due to Small and Medium size enterprises (SME) owners or their employees contracting the virus. This makes insurance a pillar for stabilizing society.

### ◆ Nan Shan General Insurance Business Continuity Management Customer Service

Project	Content
<b>Context and Contents</b>	To provide loss prevention service for companies that allow them to continue operations, Nan Shan General Insurance provides large-scale corporate customers with loss prevention services to reinforce the operational safety of the customers. This preventive work increases customers' reliability of equipment operation and industry safety, assisting companies to manage their operational risks effectively.
<b>Nan Shan's Inputs</b>	Nan Shan General Insurance provides large-scale corporate customers with loss prevention services including on-site risk audits, risk identification workshops, safety workshops (such as company fire safety/fire survival/earthquake safety) , or infrared thermal imaging inspection services for electrical equipment.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>● In 2022, Nan Shan General Insurance provided 97 sessions of company services. During these sessions, we provided 23 loss prevention suggestions and 74 infrared thermal imaging inspection services, thereby assisting clients in identifying 212 items with potential risk that required follow-up or immediate improvement. We reminded our clients to plan early to effectively reduce their operational risks.</li> </ul>



## 04 Earth

- **4.1 Alleviating and Adjusting to Climate Change**
- **4.2 Water Resource and Waste Management**
- **4.3 Sustainable Supply Chain Management**
- **4.4 Environment for Good**

Nan Shan Life actively responds to the impacts of global climate change. Based on the TCFD structure, the Company has implemented climate-related governance and strategies, identified, and adapted to major climate risks and opportunities. By establishing various indexes and objectives, the Company also regularly tracks the progress of its management and implementation as a measure to enhance the Company's overall climate resilience. As an insurance service provider, the Company complies with environmental regulations in improving product/service-related carbon footprints and delivering eco-friendly solutions to all policyholders. It also collaborates with business partners to establish highly resilient supply chains, inviting staff and agents, policyholders, and the general public to take part in environmental welfare and local ecosystem protection.

## 4.1 Alleviating and Adjusting to Climate Change

### 4.1.1 Climate-Related Risk Management and Response Measures

According to the Global Risks Report 2023 published by the World Economic Forum (WEF), climate-related events such as unmitigated climate changes, climate change adaptation failures, natural disasters, and extreme weathers will soon pose the greatest risks to the world in the next decade. How to cope with the impacts of climate change has become a global challenge that drives governments around the world to formulate laws to counteract climate change and achieve net zero carbon emissions. To align with the international standards for net zero carbon emissions, Taiwan government revised its Climate Change Response Act in February 2023, which set the goal of Net Zero Emissions by 2050 with four transition strategies and two governance principles. This serves to connect Taiwan's achievement in net zero carbon emissions to the international community.

Since 2017, many major financial institutions and supervisory authorities around the world have started to pay attention to environmental and climate-related financial information disclosure. The Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) is supported by over 2,600 organizations and institutions across 89 countries and regions.

As one of the most influential financial institutions in Taiwan, Nan Shan Life is dedicated to keeping up with global sustainability trends and proactively responding to the potential business impacts of climate change. The Company will continue to implement its climate change strategies based on the four pillars of the TCFD framework. We also identify and respond to major climate-related risks and opportunities, enhancing the Company's climate resilience by setting up indexes, goals, and regular follow-up schedules. Nan Shan Life invites external consultants to conduct education and training on climate-related issues for board members and senior management, and incorporates climate-related risk management issues into the risk management education and training courses for all employees, risk management supervisors and TCFD working groups to enhance employees' awareness of climate-related risks.

### Climate Governance

#### Supervision by the Board of Directors

The Board of Directors is the highest supervisory authority for climate change issues at Nan Shan Life. The Board of Directors is not only responsible for approving and reviewing climate-related strategies, but also supervises climate change actions and performance-related indexes. The Board of Directors evaluates climate-related risks and opportunities in relation to the Company's strategies and adaptation plans by incorporating them into the operation and investment management structure.

The functional committees, Risk Management Committee, and Corporate Sustainability Committee are under the jurisdiction of the Board of Directors, oversee the respective management and execution of climate change-related risks and opportunities.

The Company develops a climate risk appetite statement in line with Taiwan's 2050 net zero emissions pathway announced by the government. Besides, based on the SBT commitment, the Company will continue to assess the exposure of the Company's assets and liabilities to physical and transition risks in order to continuously refine its climate risk management capabilities.



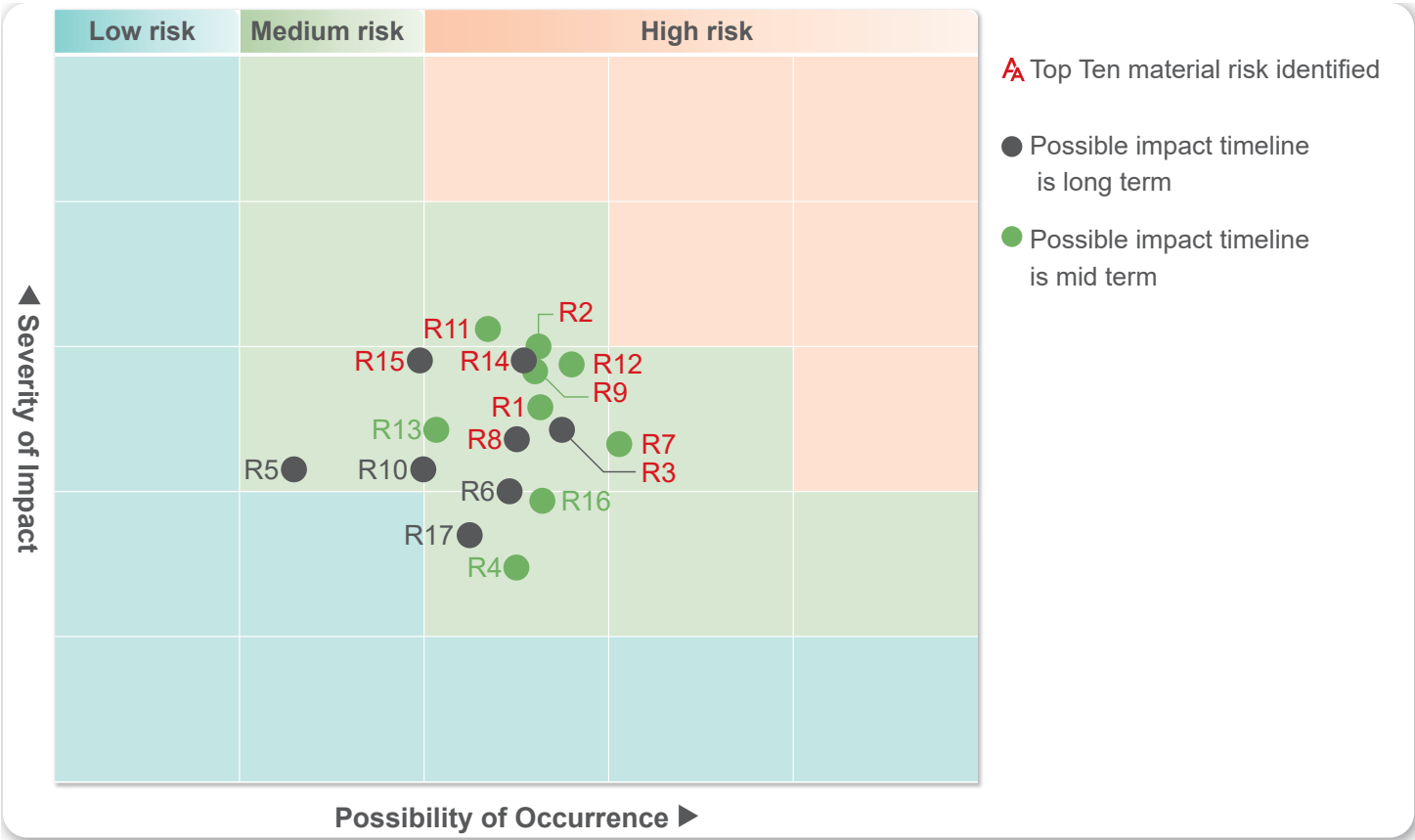
Senior Management

The President supervises and assigns the relevant departments or working groups to be responsible for the management of climate-related risks and opportunities, and continuously monitors the management and disclosure of climate-related risks and opportunities. The Risk Management Department coordinates the TCFD working groups to report to the President, Risk Management Committee and the Board of Directors on the management of climate-related risks; the Strategic Planning Department coordinates the Corporate Sustainability Executive Team to report to the President, Corporate Sustainability Committee and the Board of Directors on the management of climate-related opportunities.

Climate Strategies

Climate-Related Risks Identification Results

By conducting surveys in 2022, Nan Shan Life and Nan Shan General Insurance identified 10 climate-related risks including four physical risks and six transition risks. The Company has evaluated the business and financial impacts of these climate risks to develop adaptation countermeasures accordingly.



The climate-related risks in 2022 are listed below in the order of importance, from most to least important:

Rank	Issue Label	Risk Type	Time line	Risk Issue	Risk Description	Corresponding Inherent Risk	Potential Business or Financial Impact	Adaptation Action Plan
1	R12	Physical risk: acute	Medium term	Losses in company assets due to climate disasters	Impairment or increased replacement cost for the Company's existing real estate and business locations at high physical risk locations.	Operating risk	<ul style="list-style-type: none"> <li>Existing asset write-off and early asset retirement</li> <li>Higher insurance premiums; assets at high physical risk locations may be less eligible for insurance coverage.</li> <li>Increase operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Implement disaster prevention measures before typhoons and heavy rainfalls (including water baffle installation, drainage hole cleaning, sandbags, etc.). Conduct manual patrol and monitoring on a regular basis to prevent and handle possible damage in a timely manner.</li> <li>Continue to purchase property insurance to reduce the financial impact of physical risks from typhoons and floods on self-owned real estate.</li> <li>Continue to monitor the financial impacts of extreme weather on existing real estate. Inspect and adjust the property's waterproof and shock-proof facilities to reduce possible risks from extreme weather events.</li> <li>Introduce external databases and climate risk models for the Company to manage the physical risk exposure of its business locations and investment real estate.</li> </ul>
2	R2	Transition risk: policy and legal	Medium term	Policy requirements to increase the proportion of green buildings	The Company needs to increase the proportion of green buildings in response to related regulations and tenant expectations. These changes will increase operating costs.	Operating risk	<ul style="list-style-type: none"> <li>Increase operating costs</li> <li>Increase investment costs</li> </ul>	<ul style="list-style-type: none"> <li>Promote existing and new buildings for green building standards.</li> <li>Plan for new buildings to obtain green building certifications.</li> </ul>
3	R11	Physical risk: acute	Medium term	Increased insurance claims from insured targets suffering from climate-related damages	The Company's insured targets in high physical risk locations may be subject to climate damages, such as personnel or property damages from typhoons or heavy rainfalls. This increases both the frequency and cost of insurance claims.	Insurance risk	<ul style="list-style-type: none"> <li>Increase insurance claim and risk probability</li> </ul>	<ul style="list-style-type: none"> <li>Increased insurance claims from group insurance companies' insured employees suffering from climate-related damages</li> <li>The subsidiary company Nan Shan General Insurance will review the loss and reinsurance of its property insurance products and make adjustments as needed.</li> <li>The subsidiary company Nan Shan General Insurance provides large corporate customers with loss prevention services by assigning loss prevention engineers to propose suggestions, improve equipment operational reliability and industrial safety, enhancing prior prevention and business continuity protection.</li> </ul>

Rank	Issue Label	Risk Type	Time line	Risk Issue	Risk Description	Corresponding Inherent Risk	Potential Business or Financial Impact	Adaptation Action Plan
4	R9	Transition risk: market	Medium term	Investment losses from inaccurate market and customer information	Due to the Company's vast investment holdings by its business nature, the increase in the environmental sustainability awareness and real estate related risks in the future may directly affect the market value of the investment targets, resulting in the impairment and loss of the Company's investment values.	Market risk	<ul style="list-style-type: none"> <li>● The investment targets in the high-carbon emission list are affected by the climate changes, which may cause the decrease in their lower corporate earnings, cash flows, and asset values. The decrease in the market value of the investment targets leads to the impairment of the Company's investment values.</li> </ul>	<ul style="list-style-type: none"> <li>● Regularly evaluate the impact on the Company's capital employment caused by its investments in the high-carbon emission list.</li> </ul>
5	R14	Physical risk: chronic	Long term	Insured targets suffer from losses due to rising sea levels	For the Company's insured subjects at high physical risk locations (e.g. by the sea or in low-lying areas), there is a higher probability for accidents and losses leading to an increase in claim costs.	Insurance risk	<ul style="list-style-type: none"> <li>● Increase insurance claim and risk probability</li> </ul>	<ul style="list-style-type: none"> <li>● The subsidiary company Nan Shan General Insurance will review the loss and reinsurance of its property insurance products and make adjustments as needed.</li> </ul>

Rank	Issue Label	Risk Type	Time line	Risk Issue	Risk Description	Corresponding Inherent Risk	Potential Business or Financial Impact	Adaptation Action Plan
6	R7	Transition risk: technology	Medium term	Current products and services at the risk of being replaced by low carbon alternatives may require additional company costs.	The gradual low carbon transition may result in a smaller demand for current products and services. The Company may gradually adopt a green low-carbon approach to reduce carbon emissions from business operations. One example is the replacement of hardcopy insurance policies by electronic copies. This may increase the Company's Information Technology (IT) service costs (including system upgrade and storage expansion).	Operating risk	<ul style="list-style-type: none"> <li>● Increase operating costs</li> <li>● Increase technology implementation costs</li> </ul>	<ul style="list-style-type: none"> <li>● By developing low-carbon insurance services, promote digital/mobile insurance services to reduce the use of papers and related consumables.</li> <li>● In response to the government policy, the subsidiary company Nan Shan General Insurance rolls out "Electronic Compulsory Insurance Documents" and sends insurance policies to policyholders via text messages. In addition to reducing paper consumption, these electronic documents can be stored easily and accessed at any time. By the end of 2022, Nan Shan General Insurance's electronic policies (e-policies) demonstrated a usage rate of 66.8%. Among this ratio, the usage rate of e-policies for new health and accident insurance reached 92%.</li> <li>● The subsidiary company Nan Shan General Insurance introduced the "PAS 2060 Carbon Neutrality Standard" to e-policies in 2020. By applying carbon-reducing measures to e-policies across their life cycles and purchasing carbon rights from Taiwan's Changbin Wind Farm for carbon offset, the Company achieves carbon neutrality through SGS third-party verification. In addition, the carbon footprint of e-policies has also been verified in 2022 for obtaining the Carbon Footprint Label from the Environmental Protection Administration (EPA).</li> </ul>
7	R1	Transition risk: policy and legal	Medium term	Policy requirements to increase the proportion of renewable energy	The Company needs to increase the use of renewable energy in response to legal, client, and international initiatives. These changes will increase the operating costs.	Operating risk	<ul style="list-style-type: none"> <li>● Increase operating costs</li> <li>● Increase investment costs</li> </ul>	<ul style="list-style-type: none"> <li>● Implement solar power system at the Taichung Education and Training Center (ETC). Since the launch by Taiwan Power Company in May 2022, the solar power system has generated 364,409 kWh of electricity in total by December. The amount of self-generated electricity was 212,781 KWh, with 212 renewable energy certificates and 108.31 tons of carbon reduction.</li> <li>● Invest in the 2023 implementation of the solar power system at Tainan Xinshi Industrial Park. With a capacity of 870 kwp, the system is estimated to transfer 1.1 million kWh of green power each year.</li> </ul>



Rank	Issue Label	Risk Type	Time line	Risk Issue	Risk Description	Corresponding Inherent Risk	Potential Business or Financial Impact	Adaptation Action Plan
8	R3	Transition risk: policy and legal	Long term	Transition-related legal risks may have financial impacts on the investment targets	As the net-zero carbon emission policies become more stringent around the world, the environmental performance indicators of the investment targets may become poorer, which may affect the valuations of the investment targets, leading to the Company's investment losses and financial health deterioration.	Market risk	<ul style="list-style-type: none"> <li>● The investment targets in the high-carbon emission list are affected by the transition risks. Their poorer environmental performance indicators may cause their market values to drop and in turn cause the impairment to the Company's investment values.</li> </ul>	<ul style="list-style-type: none"> <li>● Regularly evaluate the impact on the Company's capital employment caused by its investment in the high-carbon emission list.</li> </ul>
9	R15	Physical risk: chronic	Long term	Business locations and real estate investments suffer from losses due to rising sea levels	The Company's business locations at high physical risk locations (e.g. by the sea or in low-lying areas) may be subject to business interruptions, personnel damages, and real-estate value impairments that impact the Company's profits and losses.	Market risk, operating risk	<ul style="list-style-type: none"> <li>● Decrease or interrupt production capacity</li> <li>● Impacts on labor force management/planning</li> <li>● Increase operating costs</li> <li>● Increase investment costs</li> </ul>	<ul style="list-style-type: none"> <li>● At the beginning of a new construction project, the architects will incorporate risk factors like soil liquefaction, earthquake resistance level, and legal regulations into assessment and design.</li> <li>● Apply the architectural design of a 200-year flood protection level to new buildings</li> <li>● Continue to take physical risk factors (e.g. rainfalls) into consideration based on the latest policies, laws, and architectural reports when buying or building a new real estate.</li> <li>● In cases of short-term business interruptions, the responsible personnel may either work remotely or at a nearby business location to prevent operations from being disrupted. In cases of long-term business interruptions, the Company will assess the feasibility of business relocation and personnel placement.</li> <li>● Devise and rehearse contingency measures in compliance with the Company's BCM</li> <li>● In cases of building equipment damage, the Company can quickly arrange maintenance equipment and materials through dedicated reporting mechanisms.</li> <li>● Establish a remote backup mechanism for computer facilities. Instantly activate disaster recovery for IT systems in the event of major calamities.</li> </ul>

Rank	Issue Label	Risk Type	Time line	Risk Issue	Risk Description	Corresponding Inherent Risk	Potential Business or Financial Impact	Adaptation Action Plan
10	R8	Transition risk: market	Long term	Customer behavior changes	Under the trend of net zero transition, the general public develops an increasing awareness of sustainability-related issues. An insufficient promotion of sustainability/green insurance and services by the Company will result in declining market shares, leading to a loss of business, customers, and revenue.	Operating risk, reputational risk	<ul style="list-style-type: none"> <li>● Decrease business revenue</li> </ul>	<ul style="list-style-type: none"> <li>● Promote digital/mobile insurance services to meet customer demands and respond to changes in customer preferences.</li> <li>● Design products that offer protection against environmental changes: flexibly develop and launch new insurance products that protect consumers from climate change-related health risks and accidents.</li> <li>● Increase the ratio of spillover-effect insurance policies; reduce the occurrence of illness by protecting policyholders through “active prevention.” The Company has designed spillover-effect incentive mechanisms and products to encourage self-health monitoring, providing cash incentives to policyholders.</li> <li>● Establish the “Health Protection Circle” with other industry partners to build a healthcare network that assist customers to enhance their health.</li> <li>● Recruit the Youth Army for Health Protection by selecting elite agents and providing them with solid education training and professional certification from medical universities. This will offer comprehensive healthcare services and information to policyholders.</li> <li>● The subsidiary company Nan Shan General Insurance has launched various green insurance products, including the “Residential Green Energy Upgrade Clause,” “Electric Motorcycle Mileage Billing Insurance,” and “Extra Amounts Typhoon and Flood Insurance Riders” for individuals. In the future, the Company will continue to monitor market trends and demands as it gradually launches other green insurance products.</li> <li>● In response to the government’s alternative energy policies, the subsidiary company Nan Shan General Insurance also assesses the feasibility of solar energy projects and wind power insurance for corporate customers.</li> </ul>

## Climate-Related Opportunities Identification Results

After completing and examining the survey results, Nan Shan Life and Nan Shan General Insurance identified and reported 10 climate opportunities to the Corporate Sustainability Committee for approval. These opportunities have been categorized into five main issues and eight response measures to provide a direction for future response measure development. The Company will actively contribute to climate change adaptation, grasp market trends, and connect business opportunities.

Opportunity Issue	Timeline	Coping Measures	Opportunity Description	Action Plan
Resource efficiency	Long term	Green Buildings	Use green building materials in new buildings (investment and self-owned) or business location construction. Install photovoltaic facilities or purchase new energy-saving equipment to increase energy efficiency at business locations, reducing operating costs while achieving eco-efficiency.	<ul style="list-style-type: none"> <li>● Upgrade buildings equipment to obtain energy labels. Adopt green building materials in renovation projects to meet green building standards.</li> <li>● Prepare for new buildings to obtain green building certifications.</li> </ul>
Resource efficiency	Long term	Increased efficiency	The Company improves energy efficiency by eliminating low-energy efficient equipment at business locations. This reduces water and electricity consumption by internal equipment, while also decreasing operating costs.	<ul style="list-style-type: none"> <li>● In 2022, the scope of inventory has expanded to all business locations in Taiwan, with a 100% coverage rate. For self-owned, self-use buildings, the amount of Scope 1 and Scope 2 carbon dioxide emission decreased by 1% each year(Note) since 2020 (base year for carbon emission).</li> </ul>
Market	Long term	Green finance and sustainable investment	<ul style="list-style-type: none"> <li>● Continue to evaluate thematic investments that promote human health and welfare, green energy, low-carbon emission, green technology, new agriculture, and circular economy.</li> <li>● Monitor the resilience of investment holdings when facing climate change risks. Evaluate the impact on the Company's capital employment caused by its investments in the high-carbon emission list.</li> </ul>	<ul style="list-style-type: none"> <li>● Evaluate and invest in projects with green or other sustainable themes.</li> <li>● Disclose the carbon emission data on investment holdings.</li> </ul>
Energy source	Long term	Renewable energy and green lease	<ul style="list-style-type: none"> <li>● Commit to renewable energy utilization by establishing solar power systems at company buildings. Other than self-consumption, the excess power generated can be sold to achieve carbon reduction while decreasing operating costs.</li> <li>● Respond to the Ministry of Economic Affairs' "Green Leasing Program 2.0" by helping lessee companies in commercial buildings or in similar congregate areas to obtain green power and renewable energy certificates through electricity transfer.</li> </ul>	<ul style="list-style-type: none"> <li>● Implement solar power system at the Taichung Education and Training Center. Since the launch by Taiwan Power Company in May 2022, the solar power system has generated 364,409 kWh of electricity in total by December. The amount of self-generated electricity is 212,781 KWh, with 212 renewable energy certificates and 106 tons of carbon reduction.</li> <li>● Respond to "Green Lease 2.0" by introducing renewable energy to Taipei Nan Shan Plaza, promoting green power to lessees.</li> </ul>
Operational resilience	Short term	Green procurement	Purchase low environmental impact products such as energy-saving, power-saving, water-saving equipment with Eco Labels. This will reduce both the energy waste and operating costs.	<ul style="list-style-type: none"> <li>● Enhance the suppliers evaluation mechanism and implement the ESG rating for supplier management</li> <li>● Nan Shan Life conducts priority procurement for products that meet the Environmental Protection Administration's definition for Eco Labels. In 2022, the amount of green procurement reached NT\$25,566,461.</li> </ul>

Opportunity Issue	Timeline	Coping Measures	Opportunity Description	Action Plan
Products and services	Medium term	Digital services	During the digital age, digital insurance solutions (e.g. remote and mobile applications, Claims Alliance Chain 2.0) save policyholders from having to visit the counter and go through the paperwork (e.g. via e-policies, electronic documents, and other insurance-related processes). This can reduce labor requirements and operating costs for ink and paper. The optimization of insurance policy interfaces can also increase the amount of sales and revenue.	<ul style="list-style-type: none"> <li>● By developing low-carbon insurance applications, promote digital/mobile insurance services to reduce the use of papers and related consumables.</li> <li>● Obtaining ISO14067 certification in 2022, Nan Shan Life established well-defined, comprehensive processes and scientific calculations for carbon footprint verifications through reasonable life insurance services. In addition to obtaining the Carbon Footprint Label from the EPA, through paperless operations and labor division, the Company underwent a low carbon transition: reducing carbon footprint by at least 3% in 5 years and obtaining the permission to use Carbon Reduction Label.</li> <li>● In response to the policy to promote e- policies by the Financial Supervisory Commission, the subsidiary company Nan Shan General Insurance has achieved a usage rate of approximately 70%. By calculating the carbon footprint of electronic insurance policies, the Company also became the first general insurance company in Taiwan to pass the carbon footprint verification for e-policies.</li> </ul>
Products and services	Medium term	Increase green insurance products	In response to the growing market demand for green products, the Company incorporates green concepts about low-carbon emission, environmental protection, and energy conservation into its products (e.g. renewable energy industry insurance), active preventive products (e.g. spillover-effect insurance policy), and other products that enhance protection against environmental changes (e.g. medical/health/accidents). The objectives of environmental and health protection can be achieved by reducing climate change-related illnesses and claims through the risk management mechanisms and other derived functions of insurance. The development and sale of green insurance products may also generate more revenue under growing market demands.	<ul style="list-style-type: none"> <li>● Products with enhanced protection against environmental changes: flexibly develop and launch new insurance products that protect consumers from climate change-related medical and health risks and accidents.</li> <li>● The subsidiary company Nan Shan General Insurance has launched various green insurance products, including the "Residential Green Energy Upgrade Clause," "Electric Motorcycle Mileage Billing Insurance," and "Extra Amounts Typhoon and Flood Insurance Riders" for individuals. For corporation, the Company has also underwritten several insurance policies for solar energy. The revenue from insurance premiums are rising continuously.</li> </ul>
Products and services	Medium term	New product development and innovation	In response to government policies and market trends, the Company offers electric car-related insurance. In line with loss prevention policies, the Company provides the insured with related disaster prevention training to reduce claim rates while increasing premiums revenue.	<ul style="list-style-type: none"> <li>● In adaptation to electric car market trends, the subsidiary company Nan Shan General Insurance plans to launch an all risk insurance for electric cars and charging stations.</li> <li>● Regularly review the loss and reinsurance of the Company's property insurance products and make adjustments as needed.</li> <li>● Provide large corporate customers with loss prevention services by assigning loss prevention engineers to propose suggestions, improve equipment operational reliability and industrial safety, enhancing prior prevention and business continuity protection.</li> </ul>

Note: Since 2023, the base year for greenhouse gas (GHG) verification has changed from 2020 to 2022 in alignment with SBT carbon-reduction objectives.



## Scenario Analysis

According to the TCFD recommendations, enterprises should identify future climate change risks and opportunities based on the scenarios of 2°C or even harsher conditions. Hence the Company referenced two scenarios: Representative Concentration Pathways (RCP) 2.6 and RCP 8.5 as simulated in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). For transition risks, the Company evaluated the impacts on investment portfolios by using two scenarios: Nationally Determined Contributions (NDCs) and Net Zero 2050 from the Central Banks and Supervisors Network for Greening the Financial System (NGFS). Prospective scenario analysis models are constructed to assess the financial impacts and strategy resilience of climate change.

## Physical Risk Analysis

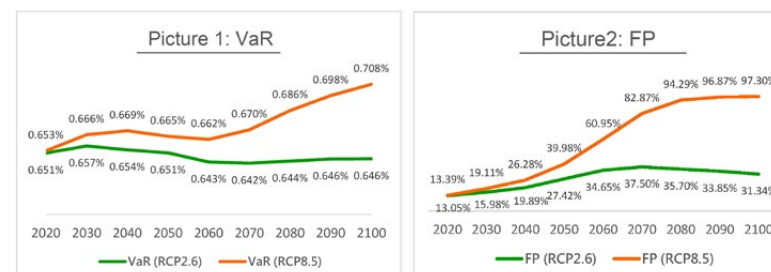
Using RCP 2.6 and RCP 8.5 as scenario parameters, Nan Shan Life and Nan Shan General Insurance imported the Cross Dependency Initiative (XDI) Physical Risk Model to analyze the value at risk (VaR) and failure probability (FP) of physical risks on the Company's business locations and investment real estates between 2020 and 2100.

### XDI Value at Risk

The impacts of physical risks are estimated through various VaRs that quantify surface water flooding, drought-induced surface displacement, flooding rivers, coastal flooding, forest wildfires, and strong winds. These VaRs are also used to evaluate the financial impacts of physical risks on building locations. Currently, the real estates owned by Nan Shan Life and Nan Shan General Insurance are prone to higher climate risks such as surface water flooding and drought-induced surface displacement. For the year 2100, the mean VaR is 0.65% in the RCP 2.6 scenario and 0.71% in the RCP 8.5 scenario.

### Failure Probability

Failure probability refers to the likelihood of buildings experiencing interrupted operations due to climate disasters in specific areas. The analysis reveals that “extreme heat” is the greatest contributing factor to failure in both RCP 2.6 and RCP 8.5 scenarios. For the year 2100, the failure probability is 31.34% in the RCP 2.6 scenario and 97.30% in the RCP 8.5 scenario.



## Transition Risk Analysis

Governments around the world respond to climate change impacts by developing policies for carbon emission supervision and carbon fee collection. As a result, it is necessary to evaluate investment targets for financial risks that may cause financial losses in achieving global net zero carbon emission. Meanwhile, climate risk factors should also be incorporated into quantitative models to determine investment strategy resilience.

## Scenario Analysis

According to the 2022 EIOPA (European Insurance and Occupational Pensions Authority) Guidelines for climate risks in Own Risk and Solvency Assessment (ORSA), enterprises should base their climate analyses on at least two long-term scenarios.

- Scenario 1: A long-term climate change scenario whereby global warming is limited to less than 2°C.
- Scenario 2: A long-term climate change scenario whereby global warming is greater than or equal to 2°C.

Here is a summary of the scenario analysis on NDCs and Net Zero 2050 under the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) Phase III Global Change Analysis Model (GCAM) model adopted by Nan Shan Life and Nan Shan General Insurance. By adding parameters like Price[Carbon and Emissions]CO<sub>2</sub> to investment portfolios, a quantitative model is constructed to estimate the rating variations and financial impacts for investment targets. The scenario analysis results are incorporated into credit risk and market risk calculations for stress testing.

NGFS Scenario	NDCs (Hot house world)	Net Zero 2050 (Orderly)
<b>Hypothetical Scenario</b>	This scenario consists of various countries' stated policies to control global temperature increase through GHG reduction.	This is the most proactive scenario for GHG reduction whereby global temperature increase is controlled through strict climate policies and technological innovation.
<b>Temperature Increase by 2100</b>	2.6°C (Scenario 2)	1.4°C (Scenario 1)
<b>Scenario Parameters</b>	Price Carbon (US\$2010 t/CO <sub>2</sub> ) Emissions CO <sub>2</sub> (Mt CO <sub>2</sub> /yr)	Price Carbon (US\$2010 t/CO <sub>2</sub> ) Emissions CO <sub>2</sub> (Mt CO <sub>2</sub> /yr)
<b>Estimated Timeframe</b>	2022-2050	2022-2050

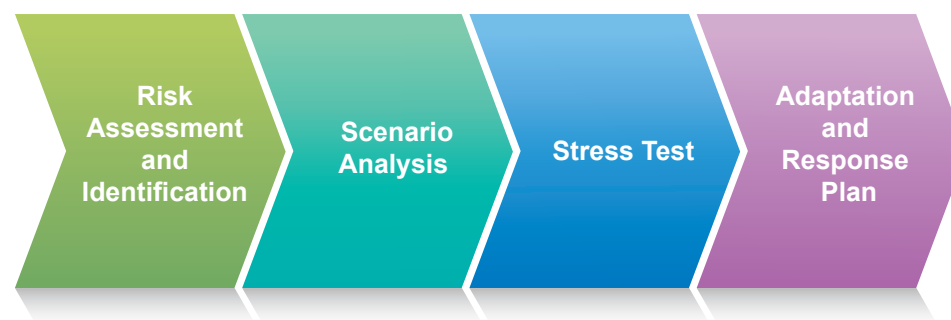
After making an inventory of high carbon-emitting industrial bonds and stock investments, the Company estimates the climate risk transmission path by integrating transition risk driving factors with risk exposure financial statements. This creates a projection of the scenario analysis results for the next 30 years. Special attention should be paid to high carbon-emitting industries such as electricity generation, multi-utilities, minerals mining, and oil, gas, and consumable fuels. The below heat map reveals a greater rating downgrade for multi-utilities, oil, gas, and consumable fuels industries. Comparing the different scenarios, Net Zero 2050 shows a more drastic rating downgrade than NDCs.

Country	Industry	Scenario	2030	2040	2050
France	Electricity generation	NDCs			
US	Multi-utilities	NDCs			
Chile	Metals mining	NDCs			
UK	Oil, Gas and Consumable Fuels	NDCs			
France	Electricity generation	Net Zero 2050			
US	Multi-utilities	Net Zero 2050			
Chile	Metals mining	Net Zero 2050			
UK	Oil, Gas and Consumable Fuels	Net Zero 2050			
Level of rating downgrade for investment portfolios (low-high)					

## Climate Risk Management

### Climate-Related Risk Management Structure

The Company follows the TCFD recommendations in establishing a climate-related risk management and control mechanism. In addition to regularly identifying climate-related risks, the Company also evaluates the business and financial impacts of these risks to develop corresponding countermeasures. Furthermore, the Company incorporates climate-related risks into the current risk management structure and divides rights and responsibilities according to the three lines of defense of internal control. By doing so, the Company ensures all climate-related risks are well monitored.



**Risk Identification and Assessment:** The Company identifies potential climate-related risks by referencing risk reports from local/foreign institutions and considering its commercial activities. The impacts on the Company are evaluated based on the risks' level of impact, probability and time of occurrence.

**Scenario Analysis:** As per TCFD guidelines, physical risk simulations are conducted using RCP 2.6 and RCP 8.5 scenarios. For transition risks, prospective scenario analysis models are constructed to assess their impacts on investment portfolios under NDCs and Net Zero 2050, thereby determining the financial impacts and strategy resilience of climate change.

**Stress Test:** Construct quantitative models through NGFS scenario parameters and apply the rating variations and financial impacts to credit risk/market risk calculations for stress testing. Under stressful scenarios, the losses due to operating risks are estimated by using RCP 2.6 and RCP 8.5 climate scenarios.

**Adaptation and Response Plan:** The TCFD Task Force works with related business units to formulate adaptation plans for the climate risks identified, and reports them to the Risk Management Committee and Board of Directors.

Nan Shan Life analyzes its self-owned, self-use buildings for physical risks and devises business continuity plans accordingly. For real estate investments, the Company implements real estate investment procedures that outline the countermeasures for high climate risk investment targets.

In order to contribute to the global effort in combating climate change and demonstrate its commitment to sustainable development as an investor, the Company adopts Partnership for Carbon Accounting Financials (PCAF) methodologies to calculate the total amount of carbon emission generated by its investment portfolios (including real estate investments). This provides a tool for managing and accessing the climate-related risks for investment portfolios.

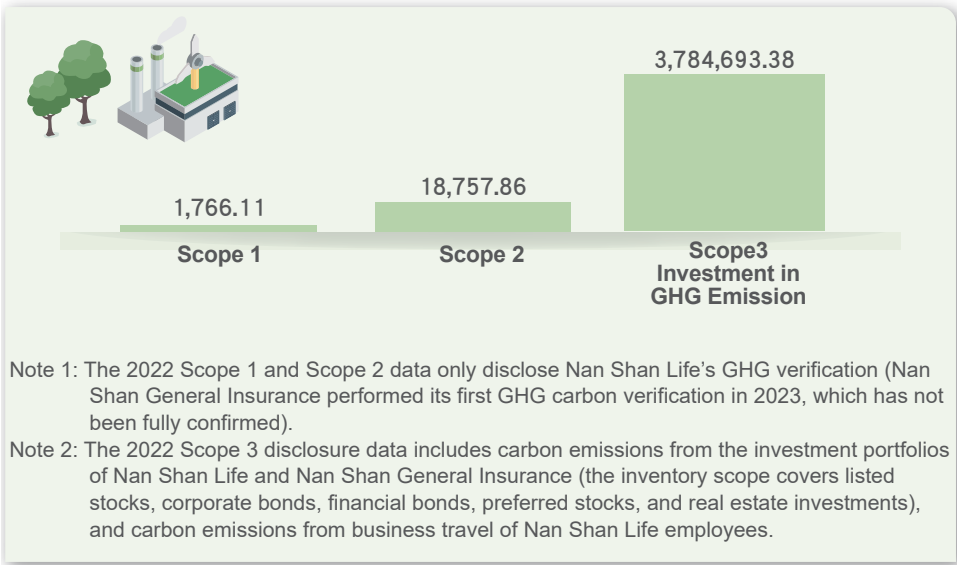
At the end of 2022, Nan Shan Life and Nan Shan General Insurance totally produced 3,784,693.38 tons of carbon dioxide equivalent (tCO<sub>2</sub>e) in terms of Scope 3 emissions. This analysis enables the Company to review high carbon-emitting targets in its investment portfolios.

Furthermore, Nan Shan has signed the SBT letter as it works on setting up carbon reduction objectives. Once the objectives are determined, the Company will implement related actions to achieve the goals every year.

Climate Indexes and Objectives

To monitor climate risk management and respond to the government’s Green Finance Action Plan 3.0, the Company actively introduces action plans such as ISO 14001 Environmental Management System, ISO 14064-1 GHG Verification, and ISO 50001 Energy Management System to its self-owned, self-use buildings. Through full-scale verifications, the Company develops an effective understanding of its carbon emission and energy efficiency. Currently, the amount of GHG emission is used as a climate-related index:

◆ Year 2022 GHG Emission (Unit: tCO<sub>2</sub>e)



The preliminary climate indexes, objectives, and action plans for the green operation project are outlined below:

Category	Green Operation	
Index	Green Procurement	GHG Emission
Index Description	Amount of green procurement for office equipment	Amount of carbon emission at the Company's business locations.
Unit	NT\$	Tonnes of Co2-e
Base Year	The green procurement amount in 2021	The Company's GHG emission in 2022
Short-Term Goal	Greater than NT\$20 million	With 2022 as a base year, the goal is to achieve SBT and reduce emission by 4.2% each year
Mid-Term Goal	Greater than NT\$25 million	Cumulative emission reduction of 21% by 2027
Long-Term Goal	Greater than NT\$30 million	Cumulative emission reduction of 37.8% by 2031
Action Plan	<ul style="list-style-type: none"><li>● Introduce ISO 20400 guidelines to establish sustainable procurement policies.</li><li>● Arrange green procurement education trainings for employees</li></ul>	
		Expand the scope of inventory. The GHG inventory from the Company's operation is expected to be completed by 2024.

Note: Since 2023, the base year for greenhouse gas (GHG) verification has changed from 2020 to 2022 in alignment with SBT carbon-reduction objectives.

Furthermore, the Company is expected to deliver a carbon reduction plan in two years since it made a commitment to promoting SBT in March 2023. Going forward, in addition to reduce carbon emissions from operations, the Company will also continue to monitor the risk exposure of the high-carbon emission industries in its investment portfolios and total investment related carbon emissions. Green finance and sustainable investments will also be assessed in order to achieve SBTs during the global transition to a low-carbon economy. In referencing climate performance linkage systems in local and foreign peer companies, the Company is planning to promote or implement TCFD related action plans by applying key performance indicators.

### 4.1.2 Low Carbon Operations

#### Environmental Energy Policy

As a long-time contributor to environmental sustainability, energy conservation, and carbon reduction, Nan Shan Life complies with environment and energy management regulations and obligations. The Company has fully incorporated the three main environmental sustainability systems ISO 14064-1, ISO 14001, and ISO 50001 to support the entire staff in executing its action plans for achieving the environmental and economic sustainability goals.

#### GHG Emission Management

Nan Shan Life introduced ISO 14064-1, one of the three main standards for the GHG management system in 2016, and subsequently referenced 2020 as the base year in reviewing the carbon emissions from its operations every year. This gives the Company a better understanding about the main source, state, and carbon reduction strategies for its carbon emissions. Most of the GHGs produced by the Company's operation come from externally purchased electricity. The scope of verification has managed to include all business locations in Taiwan, with a coverage rate of 100%.

Item	Unit	2020	2021	2022
<b>Direct GHG emission (Type 1)</b>	tCO <sub>2</sub> e	895.35	894.61	1,766.11
<b>Indirect GHG emission (Type 2)</b>		11,227.01	10,478.12	18,757.86
<b>Total Emission (Type 1 + Type 2)</b>		12,172.36	11,372.73	20,523.97
<b>Inventory Coverage</b>	%	24%	26%	100%
<b>Location Verification Coverage</b>	%	24%	26%	313%
<b>Floor area</b>	Ping (3.306 square meters)	39,035.29	39,035.29	77,649.37
<b>GHG Emission Intensity</b>	tCO <sub>2</sub> e/Ping (3.306 square meters)	0.31	0.29	0.26

Note 1: The Company performed GHG inventory and disclosure according to the GHG Protocol 2018. The Type 1 GHG corresponded to Scope 1 emission, Type 2 GHG corresponded to Scope 2 emission, Type 3~6 GHGs corresponded to Scope 3 emission.

Note 2: The scope of inventory included all of Nan Shan Life's self-owned buildings, self-owned or leased floors, and agency offices. Nan Shan General Insurance was not included. Inventory coverage rate was based on the number of buildings, formula: Inventory buildings / total number of buildings, the plan is to complete 100% inventory coverage by 2024.

Note 3: There are 7 types of GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>). Nan Shan Life performs GHG inventory according to ISO 14064-1.

Note 4: The Scope 2 GHG emission was for power usage, with an emission factor of 0.509 (2021) kg of CO<sub>2</sub>e/kWh

Note 5: Global warming potential (GWP) source: referring to the global warming potential from the IPCC (2004) Fourth Assessment Report

Note 6: In 2020 and 2021, the floor area included 13 owned buildings and 17 owned floors; in 2022, the floor area included 13 owned buildings, 35 owned floors, 3 leased office buildings and 200 agency offices.

Category	Unit	inventory Item	2020	2021	2022
<b>Type 3 Indirect GHG emission from transportation</b>	tCO <sub>2</sub> e	Business travel	N/A	29.92	63.38

Note 1: The Company performed GHG inventory and disclosure according to the GHG Protocol 2018. The Type 1 GHG corresponded to Scope 1 emission, Type 2 GHG corresponded to Scope 2 emission, Type 3~6 GHGs corresponded to Scope 3 emission.

Note 2: The scope of inventory included the business trips by Nan Shan Life Insurance employees via Taiwan High Speed Rail/Taiwan Railway. Nan Shan General Insurance was not included.



## Operational Energy Conservation and Carbon Reduction

To minimize the environmental impacts of its operation, Nan Shan Life actively carries out energy conservation and carbon reduction. It responds to green energy policies by setting up short-term, mid-term, and long-term goals for each environmental sustainability action plan. Some examples include office energy conservation, renewable energy system development, employees' energy-efficient actions, paperless insurance policies and services. Nan Shan Life hopes to fulfill its commitment for environmental protection by reducing the amount of direct GHG emissions from its business operations. In 2022, Nan Shan Life invested nearly NT \$30 million in operational energy conservation and carbon reduction. The estimated amount of energy conservation is over 270,000 kWh, with approximately 600 tCO<sub>2</sub>e of carbon reduction.

### ◆ Energy Conservation and Emission Reduction Projects and Results in 2022

Energy Conservation Project	Amount of Investment (NT\$)	Electricity Conservation (kWh)	Carbon Reduction (tCO <sub>2</sub> e)
Switch to energy-saving light bulbs	549,393	39,200	19.5
Use self-generated renewable energy	About 20,000,000	212,781	106.82
Participate in Earth Hour	None	2,404	1.22
Video Conference Promotion	1,330,000	-	47.8
Paperless Conferences	100,000	-	7
Energy-Saving Information Facilities	2,900,000	13,492	33.87
Paperless Insurance Policies and Services	4,970,000	-	389
<b>Total</b>	<b>29,849,393</b>	<b>267,877</b>	<b>605.21</b>

Note 1: The projects were executed by Nan Shan Life Insurance. Nan Shan General Insurance was not included.

Note 2: The amount of energy conservation was calculated by: power consumption difference of old and new equipment (Watts) x number of work days in 2022 x number of work hours (8 hours)/1,000

### ◆ Video Conference Promotion

#### Nan Shan's Inputs

Expand the video conferencing system. This does not only reduce the risks from gatherings of employees, but also saves the meeting attendees' commuting time and vehicle power consumption.

#### Benefits

In 2022, the Company held a total of 21,908 video conference sessions, which reduced carbon emissions by approximately 47.8 tons.

Note: Carbon emission is estimated by the reduction in transportation considering the number of attendees to large-scale online conferences in 2022 (such as education training, online courses, seminars, etc.)

### ◆ Energy-Saving Information Facilities

#### Project Context and Contents

To conserve energy and reduce carbon emissions from its operations, Nan Shan Life launches the "Energy-Saving Information Facilities" project, which mainly includes:

- Replace old, inefficient air conditioning equipment with energy-saving frequency conversion air conditioners.
- Apply hot and cold aisles for the cabinet to prevent hot and cold air from mixing together and enhance circulation. Increase the default temperature on the air conditioning system to reduce energy consumption.
- Reduce host computer server procurement: through the technology of host computer/operating system virtualization, a hardware host computer can be shared with multiple virtual application system hosts, or single operating system can be shared with more application systems via containerization. This can reduce the procurement of hardware computers, saving energy and space at the same time. Moreover, the replacement of old, energy-consuming information appliances can effectively reduce energy consumption and carbon emission, which can decrease the temperature in the IT facilities room.

#### Nan Shan's Inputs

The Company invested approximately NT\$2.9 million in 2022 to construct hot and cold aisles in the computer room and replace a cooling tower at Nan Shan Building.

#### Benefits

- In 2022, the power usage effectiveness (PUE) decreased from 1.87 to 1.86. The amount of energy conservation was 13,492 kWh, which reduced the amount of carbon emission by about 6.87 tCO<sub>2</sub>e.
- The replacement of old servers through virtualization and containerization has reduced carbon emission by 27 tCO<sub>2</sub>e.

## ◆ Paperless Conferences

<b>Nan Shan's Inputs</b>	Develop a "paperless conference system," which not only saves energy and papers, but also collectively manages confidential documents. This, in combination with an authentication and authority control mechanism reduces the risk of data leakage.
<b>Benefits</b>	<p>In 2022, the Company held a total of 473 paperless conference sessions, which reduced paper use by approximately 1.255 million sheets and reduced carbon emission by about 7 tons.</p> <p>Note: The number of conference sessions increased significantly in 2022 compared to 2021. This was because physical conferences have returned during the gradual recovery from COVID-19.</p>

## ◆ E-documentation

<b>Nan Shan's Inputs</b>	Introduced the E-document system, comprehensively reviewed the hierarchical responsibility and approval authority, provided clear guidelines for signing and approving various types of decisions, optimized the process, and formulated new document processing regulations.
<b>Benefits</b>	The proportion of documents signed online reached 99.87% in the first month of its launch in 2022, which was estimated to save 40,000 sheets of paper and related toner usage per month. Digital tools also facilitated the processing of official documents, increased operational flexibility, and reduced the impact of home or diverted offices on operations.

## Carbon Reduction Practice

Other than implementing routine energy conservation and carbon reduction practices at the office, Nan Shan Life also proactively promotes the importance of eco-friendly actions at work and in commute.

Measures	Description
<b>Better health with more stairs</b>	Encourage staff members to take the stairs in place of the elevators if it is within three floors. This enhances the company's collective effort in energy saving and carbon reduction for the planet and improve staff health.
<b>Reducing elevators in service during off-peak times</b>	Arrange appropriate number of elevators in service during peak and off-peak times to reduce electricity consumption.
<b>Promote and encourage staff to turn off lights whenever they are not needed</b>	Announce to each department that lights must be kept off throughout the lunch break and that executive members must keep their office lights off whenever they are not in it.
<b>Turn off work-related machines before leaving the office</b>	Remind staff members to turn off their personal computers, work-related machines, and air purifiers before leaving the office.

**Turn Off the Light for 1 Hour to Reduce Carbon and to Love the Earth**

**Project Context and Contents**  
Nan Shan Life cares about global warming problems caused by climate change and have been responding to the "Earth Hour" activity to turn off the lights launched by the World-Wide Fund for Nature Since 2018.

**Nan Shan's Inputs**  
During Earth Hour in 2022, we arranged to turn off the lights on the external walls for 13 buildings owned by Nan Shan Life, including Taipei Nan Shan Plaza, for an hour as our contribution to reducing GHG emissions.

**Benefits**  
According to calculations, by shutting off the lights for 1 hour at buildings owned by Nan Shan Life, we saved approximately 2,404 kWh of electricity, which was approximately 1.22 t-CO<sub>2</sub>e (note).

Note: Emission factor for electricity consumption in Scope 2 is 0.509 (2021) kg CO<sub>2</sub>e / kWh.

## Renewable Energy Use

In line with Taiwan's net zero roadmap and global low-carbon transition, Nan Shan Life invested over NT\$20 million in 2021 to develop green power systems. Rooftop solar power systems have been installed at Nan Shan ETC in Wuri Taichung to generate power for self-consumption and sale back. Since the system installation and launch by Taiwan Power Company in May 2022, the solar power system has generated 364,409 kWh of electricity in total by December. The amount of self-generated electricity was 212,781 KWh, with 212 renewable energy certificates (one renewable energy certificate for every 1,000 kWh of self-generated, self-use electricity), and 106.82 tons of carbon reduction. The renewable energy certificates from ETC solar power generation can be used in GHG verification and eco-labels to demonstrate a green corporate image and quantify the benefits on the environment.



## ◆ Energy Consumption

Energy category		unit	2020	2021	2022
Non-Renewable Energy	Externally purchased electricity	MWh	51,528	49,072	36,593
	Fuel	L	24,398.5	22,303	19,599.18
Renewable Energy		MWh	none	none	212.781
Total		Gigajoule GJ	0.186	0.177	0.132
Energy Intensity		Joule/person	6.1	6.09	4.59
Total		MWh	51,749.3	49,752.3	36,729.8

Note 1 : Nan Shan General Insurance was not included.



Note 2 : The amount of purchased electricity in 2020 and 2021 was calculated by dividing the current year's electricity usage by Taipower's average tariff.

Note 3 : 1kWh equivalent to 0.0036 GJ

There is a plan to amend ETC's solar power contract from "Feed-in tariff" to "self-consumption", which would transfer the renewable energy from ETC solar panels to 8 of Nan Shan's self-owned buildings through the Taiwan Power Company Grid. These 8 locations include Nan Shan Financial Center, Nan Shan Building, Yilan, Taichung Wuri ETC, Chungli, Taichung, Chiayi, and Kaohsiung, where green power is supplied to facilitate sustainable policy promotion. On the other hand, solar panels also prepared to be installed on the rooftops of the Neihsu warehouse and Xinshi building to generate more renewable energy for the purpose of carbon reduction.

## Paperless Policy and Services

Nan Shan Life has developed the Mobile Insurance Application Platform. With this platform, customers can buy insurance by signing on a tablet, reducing the use of paper. Meanwhile, the Company is making an effort to replace hardcopy documents with electronic forms and insurance policies. Instead of arranging traditional mail delivery, many receipts, notification letters, and insurance policies are now sent out electronically to achieve sustainability.

Performance Results	Description
 <p><b>Carbon Reduction Amount</b></p> <p><b>Reduced 389 t-CO<sub>2</sub>e</b></p>	<p><b>Results of the special project to establish e-administrative processes:</b></p> <ul style="list-style-type: none"> <li>The number of policyholders applying for the e-document service increases each year. As of the end of 2022, over 1.675 million policies had adopted the e-document format.</li> <li>Up to the end of 2022, the Company has sent out a total of 254,000 electronic life and travel insurance policies.</li> </ul>
 <p><b>Paper Saved</b></p> <p><b>41.29 million pieces of paper</b></p>	<p><b>Reductions to carbon footprints of policies:</b></p> <ul style="list-style-type: none"> <li>Each policy involves sending seven documents each year. With an estimated 3 sheets of A4 paper for each mail (including the envelope), Nan Shan Life saved approximately 35.19 million pieces of A4 paper each year due to its policyholders changing to the use of e-documents.</li> <li>On average, every life and travel insurance policy takes up 40 and 10 sheets of paper respectively. The electronic delivery of these insurance policies was estimated to save 6.1 million sheets of A4 paper every year.</li> </ul>

Note 1: Calculated based on the consumption of 3.8 kg-CO<sub>2</sub>e per pack of A4 paper (500 sheets) (Source: Product Carbon Footprint Information Network), the company reduced carbon emissions nearly by 313 t-CO<sub>2</sub>e.

Note 2: According to the IPCC calculation method, the delivery of one printed billing produces about 6.32 (±0.09) g-CO<sub>2</sub>e; Nan Shan Life has mailed 11.98 million documents per year, indicating that the implementation of e-document and electronic insurance policies has saved the company 76 t-CO<sub>2</sub>e in the mailing process alone. Totally, the company reduces 389 t-CO<sub>2</sub>e of carbon emissions each year.

## Green Real Estate Management

Nan Shan Life has incorporated sustainability principles and environmental ecosystems into the criteria for location choosing and construction planning of its real estate investment. Taipei Nan Shan Plaza not only received the Platinum Award from TIBA (Taiwan Intelligent Building Association) in 2017, the highest

award in the category for Intelligent Green Building and System Product, but also received the Gold APIGBA (Asia Pacific Intelligent Green Building Alliance) Award in 2018 and became certified by the Diamond Green Building Label from Taiwan Architecture and Building Center in 2019. After Taipei Nan Shan Plaza obtained the Gold LEED (Leadership in Energy and Environmental Design) rating from the US Green Building Council, the Nan Shan Taichung Building also received the Green Building Bronze certificate through construction site greening, water retention, rainwater harvesting design, energy-saving construction, and green building materials. Besides, the Company invested over NT\$7.76 million in energy-efficient building renovations, which saved more than 14,000 kWh of electricity in total in 2022.

## 4.1.3 Low Carbon Insurance

Although the finance and insurance industry rarely creates environmental damages or pollution directly, Nan Shan Life still makes a contribution by launching low-carbon insurance as a forerunner in the industry. From the core of insurance, the Company serves to improve the carbon footprint of its products and services. It is also dedicated to developing environment-related spillover-effect insurance products to provide policyholders with eco-friendly solutions. Nan Shan Life promotes a low-carbon economy from every aspect of its operations, services, and product designs.

## Product Carbon Footprint

Since 2018, Nan Shan Life has introduced the ISO 14067 Carbon Footprint Standard to the company and analyzed the carbon footprint of life insurance. After receiving the Carbon Footprint Label certificates from SGS-Taiwan and EPA, the Company became the world's first insurance service provider to attain a dual carbon footprint certification. In addition to obtaining the ISO 14067 certification in 2022, the Company also established a well-defined, comprehensive process for scientifically calculating the carbon footprint from life insurance services within the scope of verification. Not only receiving the EPA's carbon footprint label, the Company also adopted low-carbon transition by largely reduced paper output through labor division. By meeting the criteria of a 3% carbon footprint reduction within 5 years, the Company also obtained the Carbon Reduction Label.



Similarly, the subsidiary company Nan Shan General Insurance has also launched its carbon management operations in keeping up with the global trends for net zero carbon emission. After introducing the ISO 14067 Carbon Footprint Standard in 2021, it has completed the “carbon footprint calculation for property insurance services” to obtain the SGS Inventory Verification. In 2022, the Company calculated the carbon footprint from e-policies and became the first general insurance company in Taiwan to pass the carbon footprint verification for e-policies. After receiving the EPA Carbon Label, Nan Shan General Insurance became the first financial insurance service provider in Taiwan to be dually certified by the EPA's Carbon Label for property insurance and e-policy.

### The Carbon Footprint Label and Carbon Reduction Label for Life Insurance Services at Nan Shan Life



### The Carbon Footprint Label for property insurance services and E-Policy at Nan Shan General Insurance



### Carbon footprint from Nan Shan Life's Insurance Policy (Unit: kg of CO<sub>2</sub>e / insurance policy)

2019	2021	2022
8.05	3.4	3.16

### Carbon footprint from Nan Shan General Insurance's Insurance Policy (Unit: kg of CO<sub>2</sub>e / insurance policy)

2021	2022
Property insurance services	E-Policy
1.3	0.95

In addition, Nan Shan General Insurance also responded to the Financial Supervisory Commission's e-policy promotion by rolling out “Electronic Compulsory Insurance Documents” and text message about the delivery of insurance policies to policyholders. It also communicates the benefits of using e-policy to policyholders, since the electronic documents can be stored easily and accessed at any time. Promoted by customer service staff and agents, Nan Shan General Insurance's e-policies reached a usage rate of 66.8% by the end of 2022. Among this ratio, the usage rate of e-policies for new health and accident insurance reached 92%.

Both Nan Shan Life and Nan Shan General Insurance have taken the actions to practice low-carbon operations. The Company aspires to set an example in transforming the environmental sustainability awareness and creating a green lifestyle, making an effort to leave a better environment for future generations.

### Green Insurance Solutions

Nan Shan General Insurance continues to apply its core competence by launching products and services with spillover effects. Through incentives such as insurance premium discounts, it encourages policyholders to engage in green behaviors and practice a low-carbon lifestyle together.

## Environmental Products with Spillover Effects

## Residential Green Energy Upgrade Clause

## Target Customers/ Characteristics

- Protect customers' properties and encourage customers to perform green renovation using green building materials and equipment (Note)
- Nan Shan General Insurance launched the "Green Energy Upgrade Provision" in 2016. Policyholders purchasing the "Nan Shan General Insurance Residential Fire and Earthquake Basic Insurance," "Nan Shan General Insurance Residential Comprehensive Insurance," and "Nan Shan General Insurance Home Comprehensive Insurance" may add this clause for residential green energy upgrade to their policies with additional premiums. This can increase the claim amount to 150% of the loss amount, and the maximum compensation limit will be the insured amount for residential fire insurance.

## Insurance Policy Growth

- The number of insurance policies in 2022 increased by 19.3% compared to 2021

Note: Green building materials and equipment refer to those with government-certified green material labels, environmental labels, energy labels, or products that have been submitted by suppliers with environmental certifications.



## Green Consumer Behaviors Encouragement

Nan Shan Life aims to simultaneously provide protection to customers and conserve the environment. For this purpose, it has added special designs to specific products (interest-sensitive (Note1) life insurance or accident insurance). For example, in cases where the insured dies in a public transportation accident, Nan Shan Life will double the compensation. By doing so, the Company encourages policyholders to make use of public transportation and walk or exercise more. This not only serves to reduce carbon emissions, but also mitigates air pollution and promotes physical/mental health. This demonstrates the Company's effort in contributing to the goal of Taiwan net-zero emissions by 2050.

On the other hand, Nan Shan Life also launched the BAM (Biological Age Model) APP (Note2), which promotes health awareness by encouraging policyholders to walk. Other than the health benefits, the APP also serves to reduce carbon and air pollution. Assuming every 10,000 steps in place of automobiles or motorbikes can reduce 1.42kg of carbon emission (Note3), the APP users have walked nearly 47.5 billion steps by the end of 2022, which is equivalent to helping to reduce 6.745 million kilograms of carbon emissions.

Note 1: The "Interest-sensitive life insurance" has a non-guaranteed declared interest rate in addition to the assumed interest rate. Based on the difference between these two interest rates, the feedback mechanism makes the change of beneficial interests, such as the insured amount and non-forfeiture value as it shares the insurance company's investment performance.

Note 2: The BAM App is developed by SCOR's subsidiary company ReMark. Nan Shan Life has a partnership with ReMark based on its philosophy to promote health management.

Note 3: The formula of conversion is based on the Ministry of Health and Welfare's press release "Eat Smart and Move Happily: Walk more when you eat more, eat less resulting weight loss and carbon reduction for the world"

## Climate Change Countermeasures

Due to the climate abnormality caused by global warming, natural disasters such as earthquakes, windstorms, floods, and landslides have been observed all around the world. To cope with these impacts of climate change, Nan Shan Life specially designed benefits related to natural disasters in accident insurance products. For example, when the insured dies or becomes disability in an earthquake, typhoon, flood, or landslide, the compensation will be doubled to mitigate the impacts from natural disasters.

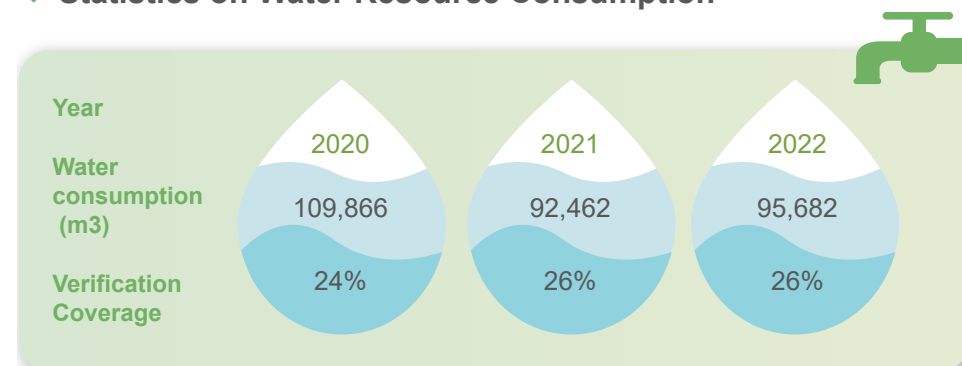
## 4.2 Water Resource and Waste Management

Nan Shan Life continues to promote various waste-reduction and water-conservation measures, including garbage separation, food waste recycling, reuse of document envelopes, and double-sided printing. We encourage our employees to protect the environment with simple acts they can do themselves. We promote garbage separation and resource recycling in the office, using the 3R principles, namely reduce, reuse, and recycle. In 2022, the water consumption in self-use buildings amounted to 95,682 L, an increase of 3.48% comparing to 2021. The average weight of general business waste per capita was 73.3 kg, 17% less than in 2021. Nan Shan Life did not receive any fines or non-monetary penalties for violation of environmental regulations in 2022.

Regarding office and daily waste, we adopt the following management measures:

- Photocopying and fax paper: Make good use of e-files and mailboxes, public server storage, paperless presentations, and double-sided printing, and set up a reuse collection area for general document use.
- Recycling of iron and aluminum cans, PET bottles, plastics, waste batteries, and waste paper to reduce waste generation. In 2022, a total of 200,190 kg of waste paper and 81,015.7 kg of iron and aluminum cans, PET bottles, plastic, and waste batteries were recycled.

### ◆ Statistics on Water Resource Consumption



Note: The estimation of water consumption only incorporated 13 buildings and 17 floors owned by Nan Shan Life.

### ◆ Statistics on Resource Handling, Recycling, and Reuse

Handling Method	General Business Waste (Unit)	2020	2021	2022
Incineration	Daily waste (kg)	389,201	358,219	299,109
Recycle or reuse (construction materials, light tubes, electricity or gas devices, trash, and recycling)	Computer asset write-offs in Taiwan (pc)	2,358	1,527	2,680
	Waste paper recycling from document files (kg)	213,870	142,074	200,190
	Waste paper recycling from filing cabinet (kg)	198,050	173,690	195,120
	Furniture and equipment reuse (pc/kg)	334	181	140
	Recycling: iron and aluminum cans, PET bottles, plastic, etc. (kg)	75,751	65,348	81,016
Total (kg)		879,564	741,039	778,255

Note: The estimation of daily waste and resource recycling only incorporated 13 buildings and 17 floors owned by Nan Shan Life. The coverage rate of business locations was 26%.

### 4.3 Sustainable Supply Chain Management

Nan Shan Life started with itself, using integrity management, environmental protection, and sustainable development as the critical factors for supply chain management. We hope to exercise our impact and promote sustainable concepts with our suppliers to realize corporate social responsibilities and establish a highly resilient supply chain to achieve a future that is sustainable for the common good.

#### Supplier Composition

Based on our procurement items, we divide our suppliers into six categories: technology procurement, printing procurement, event procurement, office supplies procurement, mechanical and electrical procurement, and building material and renovation procurement. Each year, we examine the suppliers' operation conditions, product qualities, and service qualities. There were a total of 3,629 qualified suppliers in 2022, among whom 671 are rated as "Excellent" and "Favorable" (only the active suppliers are evaluated during the assessment period).

Supplier type	Proportion of procurement amount (%)	Proportion of suppliers (%)
Technology	67.2	13.8
Printing	2.8	3.4
Event	17.7	19.9
Office supplies	3.0	9.1
Mechanical and electrical	2.6	15.7
Building and renovation	3.8	14.5
Regional procurement	2.9	23.6
Total	100	100

#### ◆ Green and Local Procurement

Project	Content	
Sources of procurement for services and products	Proportion of procurements from local suppliers in Taiwan(%)	Green procurement amount (NT\$)
	97	25,566,461



## Supplier Management

Nan Shan Life uses rigorous review and management processes to consolidate supplier management, which include the following points:

- Before conducting business with suppliers, we must thoroughly understand their background, financial situation, and operational status. We must inspect their stakeholders, efforts in anti-terrorism and sanctions lists to ensure that they meet Nan Shan Life's legal compliance to prevent risk from commercial trades.
- According to the relevant company assessment regulations in the Nan Shan Life Procurement Application Operation Regulations, we have established a comprehensive assessment system. We must follow a review system that is fair, impartial, and open in reviewing suppliers and selecting outstanding partners for collaboration.
- Before adding new suppliers, we review their ESG implementation status, and we incorporate ESG into the assessment items of annual qualified suppliers.
- We invite suppliers to sign the Supplier/Contractor Commitment and to follow corporate social responsibility commitments related to integrity management, labor and human rights, and environmental sustainability. In February 2022, the Company sent supplier commitment agreements to suppliers who had business relationship with Nan Shan in 2021 for ethical management and communication. With 445 suppliers signing back, the ratio of communication was 56.5%.
- Before leasing a location, we evaluate whether that property has energy-saving equipment/devices or whether the equipment/devices are old. We prioritize leasing properties with energy-saving equipment and devices or properties where the landlords are willing to replace the old equipment/devices with new models that conserve energy.

## ◆ Green Procurement of Information Appliances

<b>Project Context and Contents</b>	<p>Nan Shan Life promote green procurement of information appliances actively. Through energy-saving equipment procurement and ESG supplier management, the Company facilitate the green procurement of information appliances.</p>
<b>Nan Shan's Inputs</b>	<p>Since the production and operation of all information equipment would generate massive carbon footprints, the Company has designed three principles for green procurement:</p> <ul style="list-style-type: none"> <li>● Electronic Product Environmental Assessment Tool (EPEAT) for green products: priority will be given to information appliances that have been certified to be made by an eco-friendly process</li> <li>● Energy Star for energy efficiency: priority will be given to information appliances that have been certified to be energy-saving</li> <li>● ESG suppliers: suppliers must comply with the ESG regulations. Currently all primary suppliers are ESG-certified as they continue to work toward zero carbon emissions.</li> </ul>
<b>Benefits</b>	<p>In 2022, the total amount of "Green Procurement of Information Appliances" amounted to NT\$45.36 million.</p>

## 4.4 Environment for Good

As a maritime nation bounded by the sea, Taiwan is facing severe coastal erosion that has been reducing its physical land area. Nan Shan Life is the first corporation in Taiwan to focus on the coastline erosion. Since 2012, the Nan Shan Ocean Protection activity has been launched to protect the ecosystem on Taiwan's coastlines for 11 consecutive years. To solve the problem, the Company not only protects the coastline and sea through planned dune fencing, dune fixing, tree planting, beach cleaning, and recycling marine debris art walls, but also invites environmental bureaus from city/county governments to participate in ocean protection activities with local middle or elementary schools, collaborative enterprises, employees, agents, relative and friends, policyholders, and the general public. In 2022, the Company brought recycling marine debris art walls to offshore islands where the walls quietly safeguard the sea with Nan Shan and tell the stories to every visitor.

### ◆ Ocean Protection Action

#### Project Context and Contents



It has been 11 years since Nan Shan launched its Ocean Protection action. Starting from protecting Taiwan's coastlines through dune fencing, dune fixing, tree planting, and beach cleaning, the project has now expanded to focus on marine debris. The theme for 2022 was "Protect the Only Earth Together". Nan Shan Life understands that environmental issues must continue to "expand externally". In addition to organizing beach cleanups and online marine environmental courses, the Company expanded the concept of recycling marine debris by introducing marine debris art walls to offshore islands like Penghu, Xiao Liuqiu, and Green Island. These art walls convey the concept of plastic reduction, raising an awareness of environmental sustainability, promoting ocean protection actions to communities, and calling for everyone to take action in local ecosystem protection.

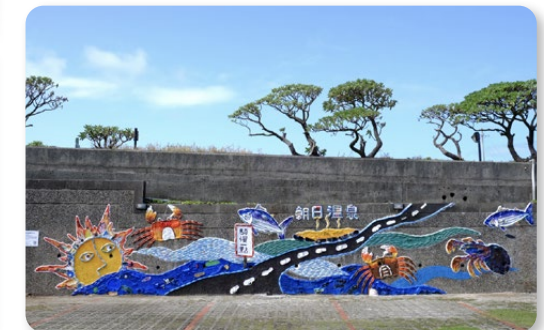
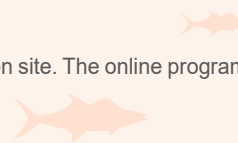
#### Nan Shan's Input

In 2022, Nan Shan Life invested about NT\$4 million for senior management to lead employees, agents, policyholders, and suppliers to beach cleaning activities. A total of 7 beach cleanups were held in Wanli District, New Taipei City, Guanyin Taoyuan, Xianxi Changhua, Dongmen Tainan, and Qijin Kaohsiung, attracting over 4,000 participants in total.



#### Benefits

- Nan Shan Life demonstrates its actions and commitments for environmental sustainability through environmental education, continued beach cleanups, recycling and reuse. It fulfills corporate social responsibility by drawing public attention to ocean protection.
1. Increased the number of beach cleanup participants to 4,400
  2. Collected a total of 5,130 kg of marine debris
  3. Held 2 environmental education seminars with 200 participants on site. The online program has been promoted to nearly 10,000 people
  4. Added 3 recycling marine debris art walls to offshore islands





## 05 Action for Good

- 5.1 Nan Shan Life Charity Strategies
- 5.2 Inclusive Finance
- 5.3 Community Medical Care
- 5.4 Local Care

Nan Shan Life believes that "happiness has the power to change lives". Nan Shan Life hopes to continue to help people in need, contribute to the cycle of social goodness, and enhance overall public happiness.

In order to fulfill its commitment of public services and social participation, Nan Shan Life has integrated the core functions of the insurance industry to develop three major social participation concepts, including "inclusive finance", "community medical care" and "local care". We provide comprehensive insurance protection and services for the disadvantaged, practice the spirit of treating customer fairly, and integrate the resources of the Company, employees and agents to safeguard community health.

## 5.1 Nan Shan Life Charity Strategies



With the belief that “happiness has the power to change lives,” Nan Shan Life continuously provides support to people in need to promote a cycle of social goodness and improve public wellness.

With care as the core value of the company, Nan Shan Life integrates the core capabilities of the insurance industry to actively promote and participate in various public welfare activities. Through a service network covering the entirety of Taiwan, Nan Shan Life actively engages various communities to learn about local needs, and provide resources and assistance for better care and security for everyone.



### 5.1.1 Social Participation Strategies


To fulfill its commitment to public service and social participation, Nan Shan Life leverages its core insurance capabilities to develop three major social participation concepts: inclusive finance, community medical care, and local care. We provide comprehensive insurance protection services for the disadvantaged, invoking the spirit of fair treatment of all customers. Through the Nan Shan Life Charity Foundation as a platform, Nan Shan works together with various hospitals across Taiwan and provides medical care services by integrating corporate resources, employees and agents to safeguard community health. In addition, we also collaborate proactively with external groups and organizations to promote actions for public welfare, implementing local care by utilizing our corporate resources and capabilities.


#### ◆ Nan Shan Life’s Three Major Social Participation Concepts



Category	Corresponding SDGs	Core Competence	Strategic Focus	Commercial, Environment, and Social Benefits
Inclusive Finance	 	Fully apply the core functionalities of insurance and promote inclusive finance services to build a risk-protection net for the underprivileged.	<p><b>Applying the value of insurance to provide comprehensive insurance protection:</b> leveraging the resources of Nan Shan Life Charity Foundation to establish an accidental risk protection network for disadvantaged groups through collaboration with social welfare organizations, city and county governments, and the offices of towns, villages, and warden.</p> <ul style="list-style-type: none"> <li>Microinsurance: Provide basic accidental death and disability protection to the economically disadvantaged and disabled people through group and collective microinsurance for injuries and disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Microinsurance               <ol style="list-style-type: none"> <li>(1) In 2022, donated more than NT\$23 million to provide microinsurance protection for 110,000 of the underprivileged.</li> <li>(2) For the “2022 Insurance Competition” organized by the Insurance Bureau of the Financial Supervisory Commission (FSC), Nan Shan Life won the most awards among the general and life insurance companies in Taiwan, including “Business Performance Excellence Award”, “Disability Care Award”, “Sprint Award”, and “Second Place in the Insurance Company Group” in the microinsurance category, as well as the “Performance Excellence Award” in the “Aging Insurance Competition”.</li> </ol> </li> </ul>



Category	Corresponding SDGs	Core Competence	Strategic Focus	Commercial, Environment, and Social Benefits
Community Medical care		<p>Nearly 10,000 staff and agents formed a corporate volunteer's group, which teamed up with 210 hospitals, 73 social welfare institutions and environmental conservation groups to form a health protection service network. The network actively explores the medical care needs of local communities and provides in-depth services.</p>  <p>Nan Shan Life Charity Fund Medical Care Project</p>	<p><b>Facilitated community medical care services:</b> Promoted Nan Shan Life Charity Fund medical care project since 2013 to serve communities by assisting the disadvantaged in collaboration with various county and city cooperative hospitals.</p> <ul style="list-style-type: none"> <li>• Provided medical services to the disadvantaged, helping them to seek medical treatment with ease by collaborating with medical social workers.</li> <li>• Promoted medical care and wellness services for hospital patients and people in the communities.</li> <li>• Provided support to medical social workers, so they can serve the public with their professionalism and provide a positive influence on the community.</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborated with 210 hospitals to form a medical care network covering 22 counties/cities to serve the vulnerable patients.</li> <li>• From 2013 to 2022, donated a total of NT\$470 million to cover the cost of medical treatment for more than 40,000 of the underprivileged patients. In 2022, donated NT\$24.55 million towards relief funds, providing medical care services to 2,200 vulnerable patients in collaboration with medical social workers.</li> <li>• In 2022, Nan Shan joined the long-term volunteer service programs of 37 hospitals, and organized 33 community medical care events. With NT\$2.46 million in charity donations and 3,400 volunteers, we provided services for more than 210,000 people. Part of the charity fund helped support the community medical care service budgets/programs of 52 hospitals, towards enhancing the quality of medical care service and providing a friendly medical care environment.</li> <li>• A total of NT\$2.5 million has been used to organize the Nan Shan Medical Social Worker Award for the fifth consecutive year. Each year, six groups and six individual winners are selected to encourage the more than 2,000 medical social workers around Taiwan.</li> <li>• Nan Shan has provided NT\$2.2 million to assist the Medical Social Work Association to promote various programs, including physical/mental medical care and insurance programs for medical social workers. The program has served more than 2,000 medical social workers.</li> </ul>

Category	Corresponding SDGs	Core Competence	Strategic Focus	Commercial, Environment, and Social Benefits
Local care		<ul style="list-style-type: none"> <li>Created a public service platform to integrate resources from the corporation, staff, agents, policy-holders, and the general public, to maximize the influence of public service.</li> <li>Establish a corporate culture with volunteer service as the core value, to realize the promise of long-term and continuous care.</li> </ul>	<p>Nan Shan delivers warmth and love in major disasters/incidents :</p> <ul style="list-style-type: none"> <li>Caring for pandemic: provide help to underprivileged and support medical staff.</li> <li>Caring service for major disasters: provided support after the Taitung Earthquake on September 18, 2022.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, as the Covid-19 pandemic surged, Nan Shan continued the “Pandemic Caring Program” to provide an allowance for patients with low income or low-middle income. Among them, anyone diagnosed with Covid-19 and required hospitalization received NT\$20,000 in subsidies. In 2022, Nan Shan provided NT\$5.9 million in living relief funds for 295 people as part of the program. Since the launch of the program in 2021 to the end of 2022, 342 people have received of assistance, and the total donation amount reached NT\$6.84 million.</li> <li>Nan Shan Support for Pandemic Prevention – Fruits for Medical Teams: Prompted by the competent authorities in response to the export blockage of pineapple sugar apple (atemoya), Nan Shan Life Charity Foundation worked with the Council of Agriculture and donated NT\$5.8 million for the purchase of 10,000 boxes of pineapple sugar apple from small farmers in Taitung. In addition to supporting small farmers, the fruits were distributed to 46 key pandemic-prevention hospitals across 12 counties/cities, to cheer on the pandemic prevention teams when Covid-19 surged again in Taiwan.</li> <li>Secure housing for pandemic prevention personnel: In response to the spread of the pandemic within the Hua-Lien Hospital of the Ministry of Health and Welfare, the Nan Shan Life Charity Foundation helped to fund the temporary housing expenses of the hospital pandemic prevention staff with NT\$100,000, serving about 300 people. The measure not only provided much needed rest for the medical staff, but also helped to prevent the spread of the disease in the communities.</li> </ul>

Category	Corresponding SDGs	Core Competence	Strategic Focus	Commercial, Environment, and Social Benefits
Local care				<ul style="list-style-type: none"> <li>After the September 18, 2022 Earthquake in Taitung, 20 volunteers from the Nan Shan Life Hualien Sales and Service Center provided caring support and helped to deliver our donations totaled NT\$530,000 to help 11 injured, four families, and one deceased's family.</li> </ul>
			<p>Provide services to local communities with local resources: team up with local charity to explore local needs</p> <ul style="list-style-type: none"> <li>Promote charitable public service activities to serve the underprivileged.</li> <li>Promote empowerment and revitalization programs for disadvantaged groups.</li> </ul>	<ul style="list-style-type: none"> <li>Nan Shan provided NT\$6.85 million in funding to organize more than 50 caring events to support underprivileged families, people with mental or physical disabilities, the elderly, children, and blood-donation campaign. A total of 700 volunteers participated in the events, serving more than 10,000 people.</li> <li>Nan Shan promoted the one-lunchbox-per-week activity in support of the dining hall for seniors at the Chiayi Christian Hospital. Nan Shan staff, agents, and customers are encouraged to support the lunchboxes for seniors program. Nan Shan also invites the support from the general public through social media such as Facebook and Instagram, to promote regional revitalization, protect and invigorate senior citizens, and provide skills training and employment opportunities for those with disabilities.</li> <li>The “Intellectual Disability Youths Farming Empowerment Workshop” in Pingtung encourages youth with disabilities to grow vegetables and fruits, such as loofah, Fushan lettuce, scallions, Chaotian pepper, and more. Nan Shan volunteers help to organize charity sales events, to boost the sales and sense of achievement for young farmers with disabilities and encourage their independence.</li> </ul>

Category	Corresponding SDGs	Core Competence	Strategic Focus	Commercial, Environment, and Social Benefits
Local care				<ul style="list-style-type: none"> <li>Support more caring programs: Nan Shan purchased about 30,000 face masks made by the First Workshop of the First Social Welfare Foundation, to help disabled people become self-sufficient. The masks were designed to help the promotion of organ donation, hospice care, and cancer screening services arranged by Cardinal Tien Hospital in Xindian and the National Cheng Kung University Hospital.</li> <li>To support the employment and independence of people with disabilities, Nan Shan donated funds to purchase Mid-Autumn mooncakes made by the Pingtung County Xiang Yang Intellectual Development Association and the Pingtung County Autism Association. The mooncakes were given as tokens of appreciation for the staff at 54 hospitals, including the Taipei Municipal Wanfang Hospital, Far Eastern Memorial Hospital, Shuangho Hospital of the Ministry of Health and Welfare.</li> </ul>
			<p><b>Provide in-depth volunteer service to the local communities:</b></p> <p>In collaboration with 210 hospitals, 73 social welfare institutions, 16 local governments, environmental conservation groups, and schools, a service network across Taiwan was established to organize various public service and charity events to promote healthy LOHAS living, friendly medical care, care for those with dementia and disabilities, and assistance for the underprivileged.</p>	<ul style="list-style-type: none"> <li>In 2022, more than 9,500 people participated in volunteer programs sponsored by Nan Shan, and more than 340,000 people were served by the medical caring program and microinsurance provided by Nan Shan Life Charity Foundation.</li> </ul>



### 5.1.2 Social Participation Performance in 2022

In 2022, Nan Shan Life called about 9,500 people to participate in public welfare activities, supporting more than 280 public welfare organizations and hospitals. Nan Shan Life Charity Fund Medical Care Project and microinsurance supported more than 340,000 disadvantaged people, such as low-mid income households, the elderly, and people with disabilities.

#### Total Public Welfare Investment for the Year

Upholding the spirit of “Making Earnest Commitments and Taking Protective Actions”, Nan Shan Life adopts the three major social engagement concepts of “Inclusive Finance”, “Community Medical care”, and “Local Care” to care for Taiwan. Applying the core capabilities of the insurance industry and cultivating the local networks, Nan Shan aims to safeguard the health and safety of society. In 2022, Nan Shan Life invested approximately NT\$178 million in public welfare activities.

Category	2020	2021	2022
Cash donation (NT\$ 1,000)	82,075	73,860	110,280
Corporate volunteer service hours (Hours)	33,880	39,396	38,128
Time contribution (Monetary equivalent of employee volunteering service hours) (NT\$1,000)	-	11,031	10,943
Donation of goods (NT\$1,000)	-	1,545	5,909
Administrative expenses (NT\$1,000)	-	36,492	50,659

Note 1: All public welfare activities were organized by Nan Shan Life, which provided relevant activity resources to agents, and volunteer paid-leaves for employees.

Note 2: “Administrative cost” includes the personnel and administrative costs incurred in organizing various public welfare activities, such as the salaries of related employees.

## 5.2 Inclusive Finance

Nan Shan Life is dedicated itself to providing universal, affordable, and high-quality financial services to the people of Taiwan. To fulfill its mission of public service in the insurance industry, Nan Shan Life proactively promotes inclusive finance, integrating digital innovation to provide convenient, comprehensive, and friendly insurance products for the economically disadvantaged, elders, and disabled.

#### ◆ Nan Shan Life Charitable Foundation Microinsurance Premium Donation

2022

Donated more than **NT\$23 million** in premiums and assisted more than **110,000** people.

2014-2022





Donated more than **NT\$68 million** in premiums and assisted more than **280,000** people.



Nan Shan Life helps economically disadvantaged low and middle-income people and those with disabilities to obtain microinsurance. With premium donations from the Nan Shan Life Charity Foundation, we collaborated with county/city governments, and the offices of towns, villages, and warden as well as various social welfare organizations. Through the insurance of small-amount and group insurance, we offers underprivileged families a risk protection net and utilize the function of insurance to enhance social stability.

In 2022, Nan Shan Life donated insurance premiums totaling NT\$23 million, providing accidental insurance protection for more than 110,000 people. From 2014 to December of 2022, Nan Shan Life has donated more than NT\$68 million in premiums to assist more than 280,000 economically disadvantaged and people with disabilities. In the “2022 Insurance Competition” organized by the Insurance Bureau of the FSC, Nan Shan Life won five awards, which was the most of any general or life insurance companies. In particular, Nan Shan Life was the only company in the industry to receive all four awards in the microinsurance category.

## ◆ Inclusive Finance Products

Product Type / Platform	Benefits	Target Group	2022 Achievements	
<div>Microinsurance</div> <div>2022 New products:</div> <div><ul style="list-style-type: none"><li>Nan Shan Life Full Le One-year Microinsurance Term Life Insurance (FRMTL)</li><li>Nan Shan Life Full Le Microinsurance Personal Accident Insurance (FRMPA)</li><li>Nan Shan Life Full Le Microinsurance Personal Accident Medical Reimbursement Rider Insurance (FRMMR)</li></ul></div> <div></div> <div>Microinsurance Products Page</div>	<div><ul style="list-style-type: none"><li>Since the launch of the first accident microinsurance of the industry for individual policyholders, Nan Shan continues to develop microinsurance products through different insurance types/channels, to include more people covered by insurance and fulfill the social responsibility of inclusive finance.</li></ul></div>	<div><ul style="list-style-type: none"><li>The elderly population</li><li>The economically disadvantaged or people with specific status.</li></ul></div>	<div><ul style="list-style-type: none"><li>In 2022, Nan Shan achieved outstanding performance in protection-type and elderly insurance products, total 6 products were allowed to be applicable for the use-and-file procedure instead of the prior-approval procedure by the Insurance Bureau of the FSC. It was the highest in the industry. The commendation helps to accelerate the development of product innovation.</li><li>In 2022, the ratio of protection-type and elderly insurance products was about 40%, an increase of 13% from the previous year.</li></ul></div>	<div><ul style="list-style-type: none"><li>Nan Shan provides microinsurance as basic protection for the economically disadvantaged or people with specific status. In 2022, 2,548 people signed up for individual microinsurance policies, with an average insured amount of NT\$467,000. In addition, about 109,080 people signed up for microinsurance policies in form of group insurance, with an average insured amount of NT\$300,000.</li><li>Nan Shan received five awards for the“2022 Insurance Competition” organized by the Insurance Bureau of the FSC, and four of the awards were in the microinsurance competition category, including“Sales Excellence Award”, “Disability Care Award”, “Sprint Award”, and “Second Place in the Insurance Company Group”.</li></ul></div>
<div>Micro-whole-life Insurance</div> <div></div> <div>Micro-whole-life Insurance Products Page</div>	<div><ul style="list-style-type: none"><li>In response to the trend of aging population and declining birth rate, Nan Shan created a micro-whole-life insurance with relatively more affordable premiums to enhance the basic insurance protection for the elderly population.</li></ul></div>		<div><ul style="list-style-type: none"><li>By the end of 2022, Nan Shan issued about 44,000 insurance policies for people aged 55 or above, effectively enhancing the basic insurance protection for the elderly population.</li><li>Received an award for the “Aging Insurance Contest” as part of the “2022 Insurance Competition” organized by the Insurance Bureau of the FSC.</li></ul></div>	
<div>FundRich Protection Insurance Product Platform</div> <div></div> <div>FundRich Protection Insurance Products Page</div>	<div><ul style="list-style-type: none"><li>Created online insurance application methods through the FundRich Protection Insurance Product Platform, to provide simple and affordable insurance products, enhancing basic insurance protection for everyone.</li><li>In addition, online insurance applications and policy documents are stored electronically, which would reduce carbon emissions and resources used in the production of paper products. The cost savings is reflected on the premium, providing the public insurance protection at a lower rate of premium.</li></ul></div>	<div></div>	<div><ul style="list-style-type: none"><li>As one of the first wave of insurance companies listed on the FundRich Protection Insurance Product Platform, Nan Shan has provided a comprehensive set of products on the platform by the end of 2022 (including term life insurance, micro-whole-life insurance, critical illness life insurance, and microinsurance).</li></ul></div>	

## ◆ Caring Services for the Disadvantaged

Financial services targeting the underprivileged	Service descriptions	Target groups	Number of times / people
<b>Policyholder service hotline for the elderly</b>	The service hotline system identifies the senior customer using the calling number, and directly transfers the call to the designated customer service personnel. This mechanism saves up to 50% of the waiting time for senior customers who call the service hotline.	The elderly	In 2022, provided services 35,834 times to customers, and 99% of the customers gave a highly satisfactory rating for the call-in process and overall service.
<b>Policy loan calculation table</b>	Explain the method of calculation of principal, interest, and revolving principal, to help senior policyholders understand the risks of borrowing from policies.	The elderly	3,057 people/times
<b>Friendly service hotline</b>	The service hotline system automatically compares the calling customer data with the database, and transfers the call directly to dedicated personnel for priority service if the caller is identified as a policyholder with a disability, with a call answer rate of 99%.	People with disabilities	In 2022, provided service 2,289 times to customers
<b>Provide attentive insurance underwriting service for those with disabilities</b>	<ul style="list-style-type: none"> <li>Hearing-impaired policyholders are provided with text service via writing by hand or text on a screen display.</li> <li>Home visitations may be scheduled to provide underwriting consultation and survival analysis.</li> <li>Sign-language video-call translation service is provided, with professional sign-language interpreters interpreting real time online.</li> </ul>	People with disabilities	In 2022, a total of 3,375 new insurance policies were issued for people with disabilities.
<b>Friendly insurance application experience for expectant mothers</b>	Breaking with the long-standing industry restriction on insurance for expectant mothers, Nan Shan Life now provides friendly insurance application experience for expectant mothers regardless of their age or gestational weeks. Additional maternity or physical exams are no longer required.	Expectant mothers	Issued 1,546 new insurance policies for expectant mothers
<b>Caring reminders for sub-health customers</b>	For sub-health customers, provide information regarding physical examinations and reminders. Once the health of the customers improves, they may provide information on healthy status and ask for better terms for insurance.	Sub-health customers	Issued 32,000 policies with postponement and extra premium charge.
<b>The description of policyholder rights and interests in multiple languages for new immigrants</b>	To implement the principle of fair treatment of customers, and provide friendly services to new immigrant residents, Nan Shan Life has strengthened communication with new immigrants to bridge the information gap. Starting from April of 2022, the "Description of Important Rights and Interests of Policyholders" has been provided in eight languages. New immigrant policyholders receive communication service in their mother-tongue, so that they may understand their rights and interest in their own language.	New immigrants	Starting from the website launch in April 2022 to the end of the year, the website page view count totaled 2,737 times.

In adherence to the principle of inclusive finance, Nan Shan Life provides comprehensive insurance options for the elderly, people with disabilities, and other vulnerable groups with friendly and attentive services.

Gradually, we have added service types to customer service counters across Taiwan, including comprehensive service counters in four major customer centers in Taipei, Zhongli, Taichung, and Kaohsiung for the vulnerable groups in the society. These policyholders may obtain comprehensive services at the same counter to request a policy loan or repay policy loan, make policy change, make a mortgage loan repayment, apply for policy reinstatement, pay a premium, purchase travel insurance, or make a claim.

We are the first in the industry to provide “QR Code scanning to listen to an audio file” services for people with disabilities. The customers may simply scan a QR Code using their mobile phone or tablets to listen to important information, so that vision-impaired customers may understand their own rights and interests.

Additional services provided include wheelchairs, video magnifiers, hearing aids, sockets for charging electric wheelchairs, installation of service bells, and the posting of “Guide Dogs Welcome” signs. Moreover, various facility improvements have been implemented at service centers across Taiwan to provide a friendly and safe barrier-free business environment for the customers, including anti-skid flooring at the front door, bilingual signs, barrier-free bathrooms, barrier-free ramps, and handicap parking.

In addition, various important documents are provided with Taiwanese/Hakka versions of voice recording services, including the policy loan contracts, policy termination applications, so that policyholders may understand rights and interests associated with their policies in languages they are familiar with.

Description of policyholder rights and interest in multiple languages for new immigrant residents	
<b>Project Context and Contents</b>	To implement the principle of fair treatment to customers, Nan Shan Life promotes friendly services for new immigrants by enhancing communication and bridging any information gaps. Starting from April 2022, the “Description of Important Rights and Interests for Policyholders” has become available in eight languages. New immigrant policyholders are able to understand their rights and interests when they are provided with services in their mother tongue.
<b>Nan Shan’s Inputs</b>	<ol style="list-style-type: none"> <li>1. Invested a total of NT\$38,000 (Cost of professional translation and fees for certification by third-party notaries)</li> <li>2. Planning, development, and testing of the web page.</li> </ol>
<b>Benefits</b>	<ol style="list-style-type: none"> <li>1. The friendly multilingual services for new immigrant policyholders have become well-known, and the web page view count has reached 2,737 times starting from the website launch in April 2022 to the end of the year.</li> <li>2. Benefits to the customers are as follows: <ol style="list-style-type: none"> <li>(1) Customers may read the details on their own time without the need to ask for help from a translator or a third-party person.</li> <li>(2) The QR Code for “Description of Important Rights and Interests of Policyholders” in various languages are included in the inside page of the policy contract, and within the first page of the Nan Shan Policyholder’s Corner and the latest activity page Nan Shan Life App. Simply scanning the QR Code or visiting the Nan Shan Policyholder’s Corner website, policyholders may access the web page with links to the eight languages. Links to the eight languages are presented on a single page, making it convenient for policyholders to choose their mother tongue to access the reading material.</li> </ol> </li> </ol>





Friendly Service Hotline	
<b>Project Context and Contents</b>	A “Friendly Service Hotline” has been established for people with disabilities. When a customer dials the 0800-020-060 hotline, the system automatically compares the caller information with the database. If the caller is identified as a policyholder with disabilities, the call would be directly transferred to a dedicated service personnel for priority services. In such cases, the customer service representative receives an audio prompt and a message reminding them of the customer’s disability status, so they may get ready to provide suitable services.
<b>Nan Shan’s Inputs</b>	In 2022, 83 man-days were invested in the IVR and CRM system planning, development, and testing.
<b>Benefits</b>	To implement the principle of fair customer treatment and provide friendly financial services to customers with disabilities, the “Friendly Service Hotline” was launched in March of 2022. As of the end of 2022, the hotline was used by policyholders 2,289 times, with a call-answering rate of 99%.

### 5.3 Community Medical Care

In 2013, Nan Shan Life officially launched the “Nan Shan Life Charity Fund Medical Care Project”, and collaborated with hospitals across Taiwan to provide medical support needed by the vulnerable people. The number of hospitals in the program has increased gradually over the years, covering more communities and different groups of people. By integrating community volunteers and social workers, we provide resources and support needed for education, medical care, and medical expenses. We aim to serve as their strong support, so that professional care-givers may continue to expand their power to promote social transformation.

As of the end of 2022, the total amount donated by Nan Shan Life Charity Foundation has exceeded NT\$520 million, mainly for the following purposes:

- Subsidies for the medical expenses of the disadvantaged: Over NT\$470 million was donated to subsidize the cost of medical care for the vulnerable people.

- Medical care resource enhancements and improvements: More than NT\$30 million was donated to improve medical care resources in 58 programs of 60 hospitals, including: 347 wheelchairs, 9 traveling medical care shuttle vehicles/ambulances/rehabilitation buses, 10 motorbikes for remote care service providers, and support for 43 community medical care programs.
- Support for medical care services and activities: Provide long-term volunteer services at various hospitals. Organize community “cancer prevention” and “dementia-friendly” community medical care events with donations totaling more than NT\$21 million.

Nan Shan Life safeguarding families dealing with dementia	
<b>Project Context and Contents</b>	<p>Nan Shan Life has long been focusing on dementia-related issues, and provides relevant comprehensive services as follows:</p> <ul style="list-style-type: none"> <li>● Enhance the health literacy ratio of dementia</li> <li>● Accompaniment services for patients with dementia</li> <li>● Caring services for families and care-givers of patients with dementia</li> </ul>
<b>Nan Shan’s Inputs</b>	<ul style="list-style-type: none"> <li>● Invested a total of NT\$665,000</li> <li>● About 650 volunteers participated in the services</li> </ul>
<b>Benefits</b>	<ol style="list-style-type: none"> <li>1. Serviced more than 8,000 people</li> <li>2. Organized 13 sessions of dementia health lectures in 2022</li> </ol>



## Guardian of Hope – Nan Shan Life Cancer Care Activities

Project Context and Contents	<p>Nan Shan Life has been a long-term supporter of care and services for cancer patients, providing comprehensive care and assistance from cancer prevention, cancer patient assistance, and caring for the families of cancer patients.</p> <ul style="list-style-type: none"> <li>● Cancer prevention: Community healthcare seminars are organized in collaboration with hospitals, communities, and Nan Shan Life resources, to promote correct prevention and treatment concepts. Volunteers also serve to assist the hospitals with cancer-screening promotional activities.</li> <li>● Care activities for cancer patients: Donations were made to provide materials needed for rehabilitation (such as wigs or knit hats, etc.) for cancer patients at the Taipei Veterans General Hospital, health supplement for underprivileged cancer patients at the Lotung Pohai Hospital, E-DA Hospital cancer patient art-therapy class, and the organization of various cancer-patient caring activities. In 2021, a three-year program was launched in partnership with the Hope Foundation for Cancer Care to enhance the overall service for cancer-prevention, and accompany cancer patients on their road to recovery. A gift featuring the images of Jimmy Liao the Illustrator was offered to cancer patients, providing them with health education knowledge after their cancer diagnosis and for their emotional healing.</li> <li>● Care for families with cancer patients: Nan Shan Life organized the “Nan Shan Cancer Patient Care Day” event. Female cancer patients featured in the video “The Weavings of Life” were invited to share their experience and ease the pressure faced by long-term cancer fighters.</li> </ul>
Nan Shan's Inputs	<ul style="list-style-type: none"> <li>● Invested a total of NT\$639,000.</li> <li>● 753 volunteers participated in the programs</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>● Services were provided to 12,656 people(times)</li> <li>● Cancer patient care: the care gift package was given to more than 12,000 policyholders (as of December 31, 2022)</li> </ul>



## 5.4 Local Care

### Nan Shan Life delivers warmth after major disasters

- In 2022, the Covid-19 pandemic continued to spread, and various services were suspended or scaled down as a result. However, Nan Shan Life called on all Nan Shan volunteers across Taiwan to provide caring community services. Totaled 9,532 people volunteered throughout the year, serving more than 350,000 of the underprivileged, including low and middle-income residents, patients, elderly with dementia, and the families of the above categories. The number of volunteers and the number of people served increased by 14% and 146% respectively compared to 2021.
- On September 18, 2022, an earthquake in Taitung resulted in disasters in the Yuli region of Hualien County. Immediately, Nan Shan Life jumped into providing caring services, and the foundation quickly joined the Caring Actions team, contacting the Social Affairs Office in Taitung County and Hualien County, as well as various hospitals in the Hualien and Taitung area, to get up-to-date status on the injured. The staff and agents at Nan Shan Life then teamed up to deliver care to the families affected by the disaster.



Program Name	Target of caring program	Support from Nan Shan Life
<b>Nan Shan Pandemic Caring Program</b>	The economically disadvantaged who were diagnosed and hospitalized with Covid-19 (people with low or low-middle income)	<p>From May 1, 2021 to December 31 of 2022, a NT\$20,000 subsidy is granted to each patient diagnosed and hospitalized with Covid-19.</p> <p>The 2022 “Nan Shan Pandemic Caring Program” assisted 295 people and donated a living assistance fund totaling NT\$5.9 million. Since the launch of the program until now, a total of 342 people received funds totaling NT\$6.84 million.</p>
<b>Pandemic-prevention personnel secure accommodation program</b>	Pandemic-prevention staff at the Hua-Lien Hospital of the Ministry of Health and Welfare	In response to the nosocomial infection in the Hua-Lien Hospital of the Ministry of Health and Welfare, the Nan Shan Life Charity Foundation provided funds helping to cover the cost of accommodation for the pandemic-prevention hospital staff. The measure helped the medical personnel to rest with ease, and helped prevent the spread of the virus in the communities. The foundation provided subsidies of NT\$100,000 in total for 300 personnel.
<b>Gift of fruits to cheer on medical personnel</b>	Medical care personnel on-duty and social workers, small farmers growing pineapple sugar apple in Taitung	Prompted by the competent authorities in response to the export blockage of pineapple sugar apple (atemoya), Nan Shan Life Charity Foundation worked with the Council of Agriculture and donated NT\$5.8 million for the purchase of 10,000 boxes of pineapple sugar apple from small farmers in Taitung. In addition to supporting small farmers, the fruits were distributed to 46 key pandemic-prevention hospitals across 12 counties/cities, to cheer on the pandemic prevention teams when the pandemic surged again in Taiwan.
<b>Social worker pandemic prevention insurance policies</b>	Medical social workers	<p>Nan Shan Life donated pandemic-prevention insurance policies to medical social workers to show support. The policy includes supplemental compensations for the hospitalization cost for a notable disease (required by law to report to the government) and for specialized wards at a hospital.</p> <p>During the pandemic period in 2022, 387 people were diagnosed with Covid-19, and the total amount of claims was more than NT\$1.8 million.</p>
<b>Happy blood donation for love</b>	Patients in urgent need of blood transfusion due to the pandemic	<p>In collaboration with corporate partners, Nan Shan Life donated NT\$660,000 to sponsor blood donation campaign which resulted in 5,700 bags of donated blood.</p> <ol style="list-style-type: none"> <li>1. Nan Shan teamed up with E.SUN Commercial Bank to organize a series of 32 “Happy blood campaign for love” events from July 25th to 30th in 10 counties/cities across Taiwan.</li> <li>2. More than 89 agency offices and 700 staff and agents from participated in the campaign. In addition, promotions initiated by the E.SUN Commercial Bank resulted in 5,717 bags of donated blood in just six days, easing the prolonged blood shortage problem due to the pandemic.</li> </ol>





## ◆ Apply Local Resources to Serve the Needs of Local Communities

### Empower the Underprivileged and Create a Dining Service for the elderly at Chia-Yi Christian Hospital

#### Project Context and Contents

- Due to the declining birth rate and rural depopulation, meal preparation and daily care for seniors living alone or with mobility problems have become a regional issue. In response, Nan Shan Life Charity Foundation donated food-delivery motorbikes as well as environmentally friendly antibacterial lunch boxes, and recruited volunteers to join in the meals service for seniors program.
- The foundation also supports the operations and marketing of the Chia-Yi Christian Hospital Elderly Dining Service (the first restaurant in Taiwan to hire chefs and wait staff who are aged 65 or above). The program encourages seniors to apply their skills and live an active life.
- Nan Shan volunteers in Chiayi City launched a promotional activity called “One lunchbox every week, sharing delicious food prepared by the elderly”. In addition to initiating publicity campaigns on FG and IG, the volunteers also purchased the meals to help with the initial operation of the dining service.
- The elderly staff of the dining service were invited to join the Elderly Daycare Center Spring Festival Party, to share traditional cuisines with the community. The goal was to highlight the skills of the elderly so they may discover their own values to the community through the event, which would hopefully delay the onset of dementia. A total of 258 Nan Shan volunteers participated in the program, serving 362 elderly people.

#### Nan Shan's Inputs

- About NT\$310,000 in donation
- 258 volunteers participated in the program

#### Benefits

- About 362 seniors were served by the program
- Every month, about 12 seniors received the mock-employment opportunity







## 06 Reliability

- 6.1 Sustainable Governance
- 6.2 Risk Management
- 6.3 Information Security and Privacy Protection
- 6.4 Treating Customers Fairly
- 6.5 Sustainable Finance

The vast assets of the insurance industry are built on the trust of policyholders. Nan Shan Life perceives sustainable business management as an integration of development of the corporation, environment, and society. It continues to perfect corporate governance regulations and establish a business culture of honesty, while protecting policyholders' rights and interests through the comprehensive construction and systematic operations of comprehensive risk management frameworks, mechanisms, and culture.

We seek continuous innovation and breakthrough in professional capabilities and services, keep on strengthening our information security and data privacy, promote treating customers fairly, and align with international sustainable finance initiatives. We internalize ESG risk and opportunity issues into our operations and decisions, through insurance products/services and investment activities to exert a positive influence.

## 6.1 Sustainable Governance

Nan Shan Life firmly believes that an insurance company must also be responsible for the protection of individuals, families, social stability, and the environment in addition to being a profitable business. To operate a sustainable enterprise, it is necessary to ensure the sustainable development of the corporation, environment, and society. This is also the core belief and principle behind Nan Shan Life's promotion of Environmental, Social, and Governance (ESG) objectives.

In this regard, the corporate sustainable management methodologies employed by Nan Shan Life for decades have been transformed into concrete strategies represented by H.E.A.R.T. The ESG implementation strategy focuses on "making genuine effort and protecting with action". In addition to seeking continuous innovation and breakthroughs in professional capabilities and services, Nan Shan Life applies sustainable and inclusive actions so that its stakeholders may obtain and share in the value of sustainability.

### 6.1.1 Structure of Governance

To ensure sustainable operations, Nan Shan Life established its corporate governance structure based on the principles of safeguarding the rights of shareholders, strengthening the functions of the Board of Directors, enhancing information transparency, emphasizing discipline and communication among management level, maintaining solvency, protecting the rights of policyholders, and safeguarding the rights and interests of stakeholders to maintain the long-term interests of the company and its shareholders.

In 2022, Nan Shan Life continued to update and expand on internal regulations related to corporate governance, serving as a solid foundation for its promotion. For example, the "Articles of Incorporation", "Corporate Governance Regulations" and "Procedures for Ethical Management and Guidelines for Conduct" were amended in accordance with internal and external regulations to establish a corporate culture of management with integrity and sound development.

## Board Governance

### Structure of the Board

Nan Shan Life's Board of Directors forms the company's highest governance unit and monitors the entire management and operations performance. 14 seats were originally elected for the 41st Board of Directors, including five independent directors. There were 13 directors by March 31st, 2023, including four independent directors (note 1). Approximately 31% of the Board of Directors is made up of independent directors. To ensure that independent directors could objectively exercise their authorities and avoid possible loss of independent judgment as a result of too many consecutive terms of tenure, the number of consecutive terms serviced by our elected independent directors do not exceed 9 years (Note2).

The Company advocates for and respects the Directors' Diversity Policy and acknowledges that Members of the Board come from diverse backgrounds, including different ages, genders, industry experiences, expertise, and capabilities. Members of the 41st Board are experienced in multiple cross-industrial fields, including finance, banking and insurance, real estate development, manufacturing and supply, information and technology, media and communication, retail, medical and biotechnology, business, accounting, law, finance/insurance, mathematics/actuarial, and risk management, offering a range of diverse and complementary skills. These individuals possess business acumen, management, and leadership skills, along with strategic decision-making and crisis management capabilities. The election of the company's independent directors adhere to a candidate nomination system. The slate of candidates for independent directors was resolved by the Board of Directors to be put on the Shareholders' Meeting Agenda for election.

Note 1: On June 15th, 2022, a total of 14 directors were re-elected for the 41st Board of Directors. Five independent directors were established to maintain the independent nature of the Board Meeting. However, one independent director passed away on December 25th, 2022. The company currently has 13 directors. The Pou Chen Group reassigned Mr. Hsiao-Tung Yang to replace the original representative director Mr. Pan-Tsu Wu on February 1st, 2023.

Note 2: For more information regarding the Board Meeting, please refer to pages 43 - 45 of the Nan Shan Life 2022 Annual Report.

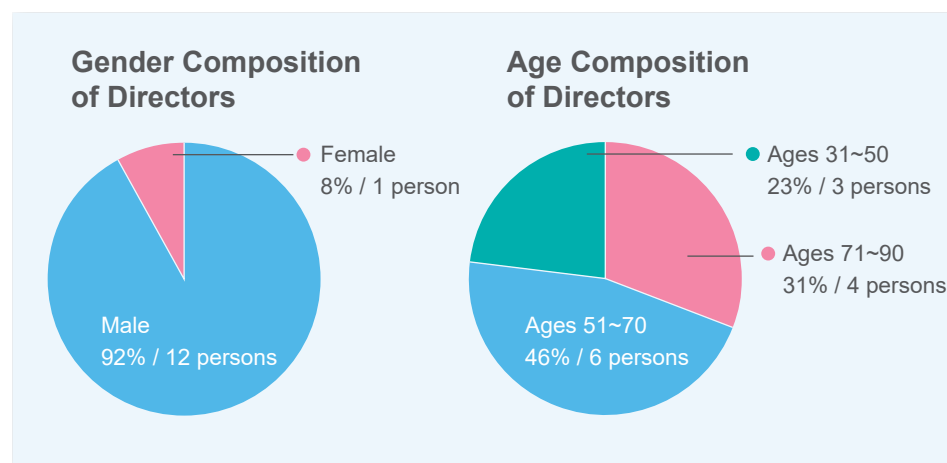
The independence and professional competence of the company's current board members are described below:

Job title Name	Core diversi- fication	Basic Composition							Industry Experience								Professional Ability							
		Na- tional- ity	Gend- er (M/F)	Age			Independent Director's Seniority / Term in Office			Finance and Finan- cial Affairs	Banking and Insur- ance	Real Estate Devel- opment	Manu- factur- ing and Supply	Infor- mation and Tech- nology	Media and Com- muni- cation	Retail	Medical and Biotech- nology	Busi- ness	Ac- count- ing and Finance	Law	Finance /Insur- ance	Mathe- matics /Actu- arial	Infor- mation /Tech- nology	Risk Man- age- ment
				31 - 50	51 - 70	71 - 90	Below 3 years	3 - 9 years	Above 9 years															
Chairman Chung-Yao Yin		Taiwan (ROC)	M	✓						✓	✓	✓	✓	✓			✓	✓		✓	✓			
Director Samuel Yin		Taiwan (ROC)	M			✓				✓	✓	✓	✓				✓	✓			✓			
Director Hsiao-Tung Yang		Taiwan (ROC)	M		✓					✓	✓		✓	✓	✓			✓			✓			
Director Yue-Ming Ho		Taiwan (ROC)	M		✓					✓	✓		✓	✓				✓		✓	✓			
Director Chi-Chuan Chen		Taiwan (ROC)	M		✓					✓	✓	✓	✓	✓		✓	✓	✓	✓		✓			
Director Hsiu-Yen Chang		Taiwan (ROC)	F		✓					✓	✓		✓					✓	✓		✓			
Director Tamon Tseng		Taiwan (ROC)	M		✓					✓	✓	✓	✓	✓		✓	✓	✓		✓	✓			
Director Stan Shih		Taiwan (ROC)	M			✓				✓	✓		✓	✓	✓			✓			✓		✓	
Director Walter H.C. Chang		Taiwan (ROC)	M			✓				✓	✓		✓			✓		✓			✓			✓
Independent Director Hsin-Chun Wang		Taiwan (ROC)	M	✓			✓			✓	✓							✓		✓	✓			
Independent Director Ming-Chin Chen		Taiwan (ROC)	M		✓		✓			✓	✓		✓				✓	✓	✓		✓			
Independent Director Rung-Syou Tseng		Taiwan (ROC)	M			✓	✓			✓	✓		✓					✓			✓			✓
Independent Director Fang-Shu Chan		Taiwan (ROC)	M	✓			✓			✓	✓							✓			✓	✓		✓

## Directors' Diversity Index

The Directors' Diversity Policy is stipulated in Article 22 of the company's Corporate Governance Regulations and includes a detailed description of the structure of the company's Board of Directors. The number of directors should be determined according to the company's business development scope and the shareholding situation of its major shareholders while taking the practical operational requirements into account. Diversification factors and related standards should be taken into consideration during the formation of the Board of Directors. The current circumstances are detailed in the table above, for example:

1. Basic conditions and values: gender, age, nationality, culture, etc.
2. Professional expertise and capabilities: professional background (law, accounting, industrial, financial, risk management, actuarial, marketing, or technology), professional capabilities and industry experience, etc.



To optimize the supervisory function of the Board of Directors, Nan Shan Life has six functional committees under the Board of Directors; namely, the audit committee, the remuneration committee, the quality supervision committee, the treating customers fairly promotion committee, the risk management committee, and the corporate sustainability committee.

Audit Committee (Note)	Remuneration Committee	Quality Supervision Committee	Treating Customers Fairly Promotion Committee	Risk Management Committee	Corporate Sustainability Committee
20 meetings 98% attendance rate	5 meetings 100% attendance rate	12 meetings 98% attendance rate	3 meetings 100% attendance rate	6 meetings 98% attendance rate	2 meetings 100% attendance rate
<ul style="list-style-type: none"> <li>The Company elected a total of five independent directors in the 2022 election.</li> <li>Significant agenda items are submitted to the Audit Committee for pre-examination and discussion before being submitted to the Board of Directors for resolution.</li> </ul>	<ul style="list-style-type: none"> <li>Consists of two independent directors and one professional.</li> <li>Charters of the Remuneration Committee has been well established.</li> <li>Regularly reviews the performance evaluation and remuneration of directors and corporate officers.</li> <li>Regularly evaluates the remuneration of directors, president and vice presidents.</li> </ul>	<ul style="list-style-type: none"> <li>Consists of all independent directors and an external director.</li> <li>The purpose of this committee is to supervise the improvement plan and implementation of Envision Project, ensure the stability and safety of the Envision Project, and regularly report to the Board of Directors on the supervision status and issues needing attention.</li> </ul>	<ul style="list-style-type: none"> <li>The chairman of the Board of Directors shall act as the convener of the committee, with two independent directors as members.</li> <li>This committee is appointed by the Board of Directors to supervise and direct on their behalf the implementation of Nan Shan Life's "treating customers fairly principles" by all departments. The committee regularly reports to the Board of Directors on status updates and important issues related to the treating customers fairly principles.</li> </ul>	<ul style="list-style-type: none"> <li>Consists of seven to ten directors and functional heads.</li> <li>Ensures effective risk management, capital adequacy, and company solvency. The committee regularly reports to the Board of Directors on status updates and issues needing attention.</li> </ul>	<ul style="list-style-type: none"> <li>The chairman of the Board of Directors is the convener of the committee, with two independent directors as members.</li> <li>This committee is appointed by the Board of Directors to supervise the implementation of corporate social responsibility initiatives and the sustainable operation of departments on their behalf. The committee regularly reports to the Board of Directors on status updates and issues needing attention.</li> </ul>

Note: For the operations of Audit Committee in 2022, please refer to page 45 to 49 of the 2022 annual report.



Since 2018, the Financial Supervisory Commission (FSC) has expanded the applicable scope of electronic voting to all over-the-counter (OTC) companies and listed companies to adopt electronic voting as one of the voting methods. Although Nan Shan Life is not under the same supervision, it also began in 2018 to voluntarily include electronic voting as one of the channels for shareholders to exercise their voting rights for the shareholders' meetings agenda items to strengthen shareholders activism.

### Training and Performance Evaluation of Directors

Directors participate in external professional courses and seminars that strengthen the sustainable governance capabilities of the board. In 2022, directors attended training for a total of 147 hours, equivalent to 11.3 hours of training per director. The topics of the courses ranged from risk management, corporate governance, ESG and corporate social responsibilities, money laundering prevention, counter-terrorism financing, the impact of IFRS17 on the insurance industry operational strategies, the principles of fair and good faith when entering agreements, and more. A total of 13 directors (100%) have already conducted integrity management communication training.

In response to the insurance industry Board of Directors' performance evaluation policy promoted by the competent authority, Nan Shan Life operates according to Article 40-1 of the Insurance Industry Corporate Governance Best Practice Principles and conducted a self-evaluation and peer-evaluation annually. All 13 directors participated in the 2022 self and peer assessment assignment for the Board of Directors. The overall assessment score average was 98, which was the level of excellence.

### Avoiding and Managing Conflict of Interest

In accordance with stipulations in the "Rules of Procedure for Board Meetings", Nan Shan Life directors with any conflict of interest with items on the meeting agenda, whether it be their own or that of the legal person they represent, are required to reveal the nature of their interest during the meeting. If the matter is harmful to the company's interest, the director involved shall abstain and step aside during the discussion and voting process, and they shall not exercise their voting rights on behalf of other directors. In addition, the board does not consist of spouses or other second degree relatives that occupy more than half of the seats on the board. The avoidance and management of conflict of interest by the company are disclosed fully in the Nan Shan Life 2022 annual report in

the section on directors and supervisors (Note), which also lists the positions of directors at other companies.

Note: Please refer to page 7 to 13 of the 2022 Nan Shan Life Annual Report to see positions held by Nan Shan Life board directors at other companies. Please refer to page 44 to 45 of the 2022 Nan Shan Life Annual Report to see the implementation of the directors' avoidance of conflicts of interest.

### Remuneration Policy of Directors and Corporate Officers

In adherence to corporate governance and a sound remuneration system for directors and corporate officers, Nan Shan Life established a remuneration committee to assist the board with assessing and supervising the company's overall remuneration policy by evaluating and approving the remuneration standards for directors and corporate officers (Note). If necessary, and with resolution, the company's Remuneration Committee may commission independent lawyers, accountants, or other professionals to conduct necessary inspections or offer advice on issues that the committee exercised its authority. Related fees will be borne by the company.

Note: For more information regarding the remunerations of Directors and Corporate Officers, please refer to pages 35 - 37 of the Nan Shan Life 2022 Annual Report.

#### ● Members of the Board

The principles of remuneration for directors (including independent directors) are in accordance with Articles 16-2 of the company's Articles of Association. The Board of Directors is authorized to consider their level of value added and participation in company operations. Remuneration and operational expenses are decided according to industry standards, which may include subsidies for transportation and other expenses. Nan Shan Life has established the "Remuneration Standards for Directors of the Board, Independent Directors, and Functional Committees under the Board" as approved by the remuneration committee and the Board of Directors, and payments are provided accordingly.

#### ● Nan Shan Life President, Vice President, and Other Corporate Officers

The remuneration policy and salary standards for Nan Shan Life president, vice president, and other corporate officers are based on industry standards, taking into account personal performance, rewards and punishment, company operational performance, and future risks. After a review by the remuneration

committee, a recommendation is submitted to the Board of Directors for a final decision. The remuneration level considers the operational risks of the company in the future and a positive correlation with performance, to reach a balance between sustainable management and risk control.

Moreover, there is a bonus deferral mechanism in place for officers. If the annual performance bonus for vice presidents and above, appointed managers, and functional heads exceeds a certain amount, it should be partially deferred as a retention bonus for a maximum of three years. Retention bonuses are returned on average every year during their time in office. Linking bonuses with company performance and staff retention encourages managers to value the long-term operating performance of the company.

### Investor information disclosure channel

Nan Shan Life has a spokesperson, an acting spokesperson and securities service personnel. The Company will accept the opinions of shareholders and investors at any time and respond appropriately. In addition, Nan Shan Life has established an investor relations page on the official website to provide investors with timely information and services. Shareholders can also respond or make suggestions through Nan Shan Life's securities agent.

### ◆ Nan Shan Life Information disclosure

- Holding shareholders' meetings in accordance with the law to protect shareholders' rights and interests.
- Set up "investor relations" pages on the company's official website to provide real-time enquiry channels for investors.
- Disclose all important information in the Market Observation Post System of Taiwan Stock Exchange (TSE) and public information disclosure website of insurance industry according to legal requirements.



Nan Shan Life  
Information for  
Investors



Nan Shan Life  
Corporate  
Sustainability



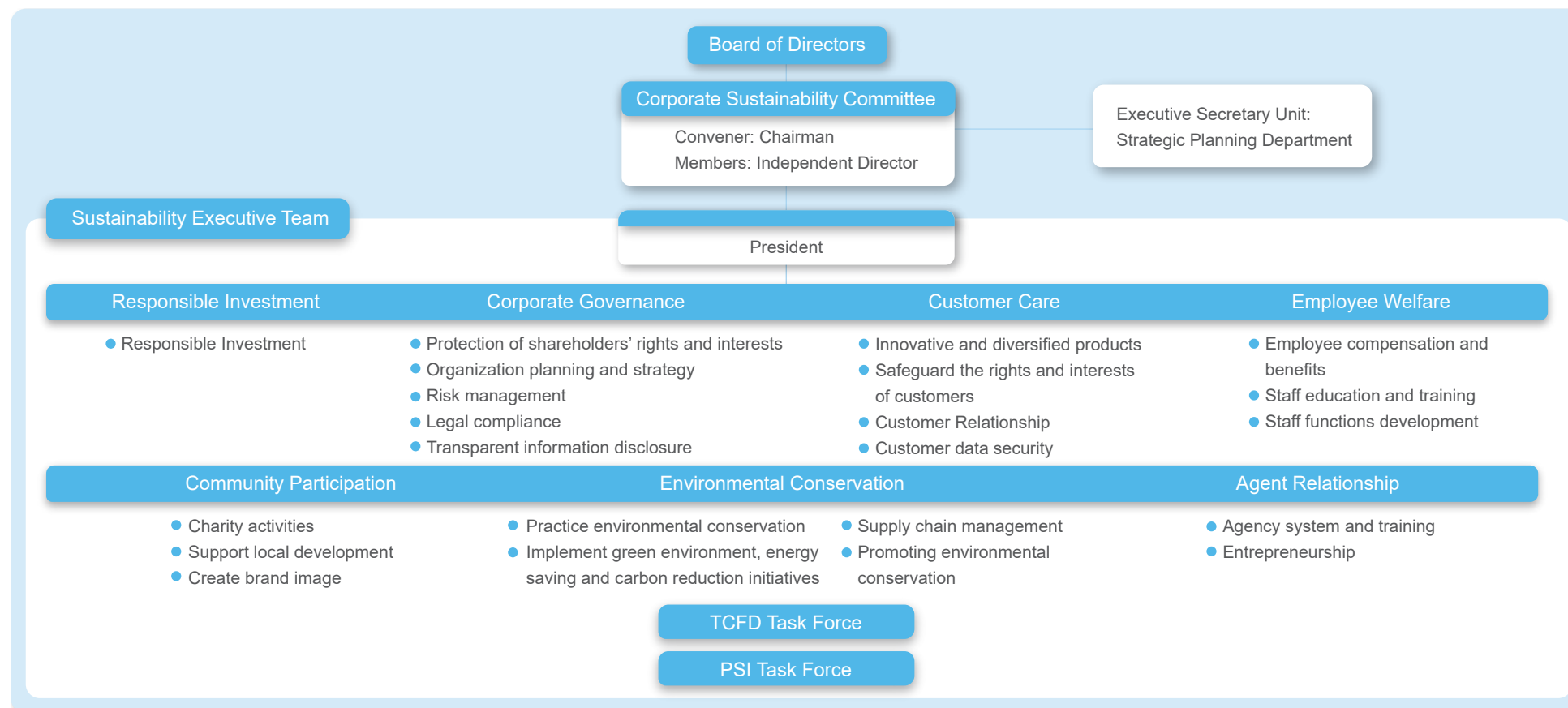
Nan Shan Life  
Charity  
Foundation

## Corporate Sustainability Governance

The Nan Shan Life Corporate Sustainability Committee is a functional committee under the jurisdiction of the Board of Directors with the Chairman as the convener and independent directors serve as Committee members for supervision, with a focus on implementing ESG decisions and authorizing annual corporate sustainability goals. In principle, meetings are held biannually and sustainability performance results are reported to the Board of Directors each year.

To pay attention to the rights and interests of stakeholders continuously while pursuing sustainable operations and profits, the importance of ESG-related points should be recognized and integrated into our management and operating activities. The Nan Shan Life Corporate Sustainability Committee has established seven corporate sustainability executive teams, including the Responsible Investment, the Corporate Governance, the Customer Care, the Employee Welfare, the Community Participation, the Environmental Conservation, and the Agent Relationship led by the President. Those teams undertake specific responsibilities in accordance with the principle of materiality and is responsible for planning, implementing, and tracking various ESG-related issues. Through the company website and other diverse communication methods, we understand our stakeholder's expectations and requirements, and their response to important sustainable development issues of concern. The executive teams reports to the Corporate Sustainability Committee bi-annually.

For information regarding Nan Shan's positive and negative impact management policy, related due diligence activities, and stakeholder comments or feedback mechanisms, please see 2.2 Stakeholder Identification and Communication and 2.3 Materiality Analysis.



## ◆ 2022 Corporate Sustainability Committee Major Resolutions

- In order to strengthen corporate governance, implement an Integrity Management Policy, and establish an intellectual property management system, the Intellectual Property Management Measures were approved and passed to the Board of Directors in March 2022 for resolution approval.
- The Identification of Material Sustainable Topics, Climate Change Opportunities and other items were approved and passed to the Board of Directors in March 2022 for resolution approval.
- Amendments to the Procedures for Ethical Management and Guidelines for Conduct, the Q&A section of Ethical Corporate Management Policy and Procedures for Ethical Management and Guidelines for Conduct, and the Intellectual Property Management Measures were approved and passed to the Board of Directors in September 2022 for resolution approval.

## 6.1.2 Integrity Management

Nan Shan Life has implemented relevant policy commitments to satisfy our corporate social responsibility and Integrity Management and protect the rights and interests of our stakeholders. As a solid foundation for the company to promote governance, we should pay attention to domestic and international regulations and development, and review, amend, maintain, and update policies and promotional measures accordingly.

To strengthen integrity management in the corporation, in addition to formulating relevant policies in accordance with the laws and regulations, Nan Shan Life Board of Directors set an example for the management team, to educate and pass on the corporate culture of integrity management. Through the “Code of Conduct for Directors” and strict management mechanism and control, the company aims to minimize risks associated with integrity.

Nan Shan Life Policy Commitments		Corresponding Chapter
<b>Ethical Corporate Management Policy</b>	Referring to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, the Board of Directors formulates the Ethical Corporate Management Policy in order to establish a corporate culture of Integrity Management, a sound business operations model, and risk control mechanisms. The Corporate Sustainability Committee serves as the responsible unit. Directors and senior management are required to issue a statement of compliance with this policy. All employees, appointed parties, or those with substantial control capabilities should also comply. The Ethical Corporate Management Policy should be explained to partners before establishing a business relationship, and a business integrity evaluation of trading partners should be conducted. A total of 5 educational training courses relating to this policy were held in 2022, comprising 2 compulsory sessions for employees, 2 sessions for external experts to share their practical expertise, and 1 educational training session for Board Members.	6.1.2 Integrity Management
<b>Anti-Money Laundering and Countering the Financing of Terrorism Policy</b>	The Board of Directors formulates the Anti-Money Laundering and Countering the Financing of Terrorism Policy to implement operations relating to anti-money laundering and countering financing of terrorism. This policy refers to the Money Laundering Control Act, Counter-Terrorism Financing Act, Regulations Governing Anti-Money Laundering of Financial Institutions, and Regulations Governing Implementation of Internal Control and Audit System for Anti-Money Laundering and Countering Terrorism Financing of Insurance Companies, Post Offices Engaging in Simple Life Insurance Business and Other Financial Institutions Designated by the FSC. The Chief Compliance Officer is responsible for anti-money laundering and countering the financing of terrorism (AML/CTF) issues. In addition, the Compliance Department has set up the AML/CTF compliance unit which dedicated to handle issues relating to AML/CTF. Nan Shan Life's Chairman, President, Chief Internal Auditors, and Responsible Supervisors issue an annual joint statement outlining internal control systems for AML/CTF. All employees are required to comply with this policy. Customers may refer to the Anti-Money Laundering and Countering Terrorism Financing section of the Nan Shan Life website for further information. There were 10 educational training courses for employees and Members of the Board in 2022. Two of which were on-the-job training sessions where external experts shared their practical expertise. Adaptive training with 7 varying difficulty levels was held for our agents.	6.1.2 Integrity Management



Nan Shan Life Policy Commitments		Corresponding Chapter
<b>Risk Management Policy</b>	<p>The policy was introduced in light of the increasingly complex financial operations environment, in order to strengthen the business operations and development and protect the rights of our policyholders, and the policy was formulated with the approval of the Board of Directors. We also built a complete risk management organizational structure, risk management mechanism, and risk management culture. All Nan Shan Life employees are required to comply with this policy. The Risk Management Department uses this policy to regularly monitor the implementation status, help business units to implement inspections and improvements of risk management shortfalls, and provide a quarterly report of the overall risk management situation to the Risk Management Committee and the Board of Directors. We held an online risk management basic awareness course for all employees and an in-personal educational training course for risk management supervisors in 2022.</p>	6.2 Risk Management
<b>Information Security Policy</b>	<p>In order to promote the confidentiality and integrity of information assets during operational processes and services, and establish information security management that meets relevant regulation requirements to prevent losses relating to internal or external threats, deliberate or otherwise, Nan Shan Life considered the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises and Self-Regulation compliance measures for Information Security for the Insurance Industry. This policy was formulated with the approval of the Board of Directors. All employees authorized to use information assets are required to comply with this policy, including but not limited to all employees, agents, contracted staff, outsourced vendors, etc. Nan Shan's vice president-level officer serves as the company's Chief Information Security Officer, overseeing the Information Security Policy and resource scheduling issues. The Information Security Department was set up dedicated for information security, planning, monitoring, and implementing information security management measures. To effectively maintain awareness and professional ability, Nan Shan Life's entire workforce must receive over 3 hours of information security educational training per year, increasing to 15 hours for information security unit staff.</p>	6.3 Information Security and Privacy Protection
<b>Treating Customers Fairly Policy</b>	<p>To provide greater protection to our customers while implementing and promoting fair customer treatment policies, Nan Shan Life considered the Financial Services Industry Principles of Treating Customers Fairly (TCF), Areas of Emphasis for Financial Institutions Implementing the Principles of TCF, and Evaluation Methods for Financial Institutions Implementing the Principles of TCF. This was formulated with the approval of the Board of Directors. It is overseen by the TCF Promotion Committee, which ensures that the Policy is implemented throughout all stages of daily business operations, including product design, advertising, marketing, contract fulfillment, service consulting, and customer complaint handling. In order to implement the policy and related practices, and to communicate with customers, we have installed a TCF Area on our website. The TCF Promotion Committee also sends a monthly TCF newsletter to communicate and provide training to employees. It also submits the results of the TCF to relevant government bodies on a yearly basis. We held 3 educational training courses in 2022. Two of which were compulsory training sessions for employees, and 1 session was for external experts to share their practical expertise.</p>	6.4 Treating Customers Fairly

## Code of Conduct for Employee

Nan Shan Life stipulated the “Code of Conduct for Employees”. This document standardizes the responsibilities and obligations of employees and defines the standards of acts and regulations and internal policies to be observed in the work. The standard items of the employee code of conduct include customer relationship and rights protection; fair transaction; respect for and protection of intellectual property rights; money laundering prevention; equal opportunity and prohibition of discrimination; workplace environment maintenance; employee health and safety; confidentiality; company reputation maintenance; legal compliance; gifts, bribery or improper interests; reporting of illegal or prohibited actions; prevention of conflicts of interest; and other key issues of employee compliance.

To ensure employees understand and comply with the code of conduct, we also implemented training programs for employees. In 2022, 100% of employees undertook Integrity Management Communication Training, consisting of 4,482 people and 1.5 training hours per person.

Nan Shan Life experienced no instances of corruption or related incidents in 2022.

## Antitrust and Monopoly

Nan Shan Life stipulated the antitrust rules in the Code of Conduct for Employees. When employee is aware of any rumors concerning the violation of the Fair Trade Act of Taiwan or antitrust law of other countries, or being involved in any related investigation by competent authorities, the employee must immediately report the case to his/her direct manager, Head Office Compliance officer and the President, and take immediate responses or remedial actions.

There were no incidents of monopoly at Nan Shan Life that required reporting to the competent authority in 2022.

## Anti-Money Laundering and Countering Terrorism Financing

Nan Shan Life has established a compliance unit dedicated to money laundering prevention, to fulfill its promise to assist in AML/CFT, and counter-proliferation financing (CPF). Furthermore, the company has formulated relevant policies and internal operating regulations to effectively promote, supervise, and monitor the status of its operations related to AML/CFT, and CPF.

In response to the latest National Money Laundering, Terrorist Financing

and Proliferation Financing Risk Assessment Report, we were dedicated to improving our risk assessment methods, introducing and expanding our risk evaluation against the risk of funding weapons of mass destruction. In 2022, we also strengthened our qualitative data analysis to control the risks of money laundering, terrorism, and the funding of weapons of mass destruction more accurately. According to the results of Nan Shan Life's 2022 Comprehensive Money Laundering and Terrorism Risk Assessment Report, the remaining risk to the company remained low throughout 2022 and did not exceed the risk levels specified by the Company.

## Training on Legal Compliance

To ensure that employees and agents receive and fully understand the concept of corporate integrity management and legal knowledge, we continue to provide comprehensive legal compliance training through on-site and online courses. In 2022, we held legal compliance courses for employees and agents including: basic training on personal data protection, basic training on AML/CFT, and ways to handle reported cases, advanced AML/CFT course, TCF principles, advocacy for integrity and anti-corruption, legal compliance seminar for the compliance supervisors of each unit, and advocate courses for domestic equity products trading related employees, with 41,713 employees and 111,329 agents completing the training.



No.	Course Type	Course Content	Trainee Group	No. of Trainees
1	Compulsory courses for employees	Personal data protection, Treating Customers Fairly, anti-money laundering, integrity management, etc.	Employees	38,137
2	Laws related agency operations and compliance courses for agents	Agency contract fulfillment evaluation, investigation of fraud cases, and analysis of 10 disciplined practices for agents, etc.	Employees	1,595
3	Legal compliance training for compliance supervisors and staff	On-site legal compliance training for compliance supervisors and staff	Employees	782
4	Anti-money laundering and the prevention of terrorism courses	Anti-money laundering courses for first-line employees, responsible supervisors and employees, members of the board	Employees	3,592
5	Basic general knowledge and information courses	Financial consumer protection, integrity and anti-corruption, major occasional incident handling	Employees	10,148
6	Advocate courses for domestic equity products trading related staff	Individual investment transactions and related management policies	Employees	100
7	Legal compliance courses for agents	Anti-money laundering, treating customers fairly, and related legal compliance.	Agents	73,036

### Violation of the insurance laws or regulations

Nan Shan Life had not been subject to major sanction and disciplinary action by the competent authority in 2022 (note 1). There were 5 sanctions relating to violations of the insurance laws or regulations, with fines amounting to a total of NT\$ 3 million. There were also 6 official reprimands, 1 order to take corrective action within a specified period of time, and 2 products were ordered to suspend sales (note2). Active improvement measures have been in place.

Note1: The major sanction and disciplinary action are recognized by the Regulations Governing Public Disclosure by the Financial Supervisory of Material Actions for Violations of Financial Legislation.

Note2: Please refer to pages 83 to 88 of the 2022 Nan Shan Life Annual Report for details.

### Integrity Management Reporting Channels

Nan Shan Life complies with laws and regulations and has established various strict internal audit and control measures and related management measures. The Company's "Regulations on Handling of Whistleblowing Cases" stipulates the procedures for receiving, internal reporting and investigation of prosecution cases. Anyone who discovers that an employee, manager or director has committed a crime, fraud or violated the law in the performance of his or her duties may report the case to the Compliance Department, the responsible unit of Whistleblowing through the following channels:

- Whistleblowing Email: NS-Whistleblowing@nanshan.com.tw
- Hotline: 886-2-8758-8877
- Fax: 886-2-2758-2136

- Postal Address: Compliance department, No. 168, Zhuangjing Rd., Xinyi Dist., Taipei City 110401

Anonymous complaints with content which is clear and specific and provides solid evidence will still be accepted and handled by the responsible unit. Valid cases evaluated by the reports team will be sent to the Investigation Team for analysis, and the investigation reports will be reviewed by the Verification Committee. Accusations brought against company directors or positions equivalent to vice president or above should be further reviewed by the Audit Committee. If cases fall outside the scope of Prosecution matters, the responsible unit handling the report will assess whether it should follow other appreciate procedures or be handled by other departments.

	Investigation Team	Verification Committee
Duties	The Investigation Team is responsible for determining whether or not complaints reports are valid. It will provide an analysis report recommending handling method to the Verification Committee.	Responsible for providing guidance and reviewing reports submitted by the Investigation Team.
Members	Should comprise the following department head or their designated person: <ol style="list-style-type: none"> <li>1. Audit Department Investigation Team leader</li> <li>2. Legal Department</li> <li>3. Compliance Department</li> <li>4. Human Resources Department</li> <li>5. Other</li> </ol>	<ol style="list-style-type: none"> <li>1. President (Chairman of the Verification Committee)</li> <li>2. Investigation Team leader</li> <li>3. General Counsel</li> <li>4. Head of the Compliance Department</li> <li>5. Head of the Human Resources Department</li> </ol>

In 2022, the Company received 15 reports mainly comprised complaints of financial consumer disputes, agent misconduct, policyholder fraud, and employee attendance management. As those didn't fall under the "Scope of Prosecution Matters" in Article 2 of the Company's "Rules for Handling Whistleblowing Cases", the handling unit had assessed whether there were other suitable handling procedures in compliance with regulations. The cases were passed on to relevant departments, depending on the evaluation results.

The company maintains strict confidentiality of the identity of whistleblowers, the content of the reports, and the procedures in the handling of the cases. Whistleblowers shall not receive a dismissal, transfer, demotion, salary reduction, demerit, or punishment or any unfavorable treatment for filing a report unless it is done with improper intentions. In addition, whistleblowers or the staff assisting with the investigation shall not receive any unfavorable work arrangements, or other physical or psychological humiliation or coercion, etc.

## Intellectual Property Management

To continuously enhance corporate governance, Nan Shan Life acts in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, Taiwan Intellectual Property Management System (TIPS) announced by the Ministry of Economic Affairs, and other relevant regulations to create Intellectual Property Management Measures. This helps create complete management systems for acquiring, protecting, maintaining, and using patents, trademarks, copyrights, trade secrets, and related intellectual property. The implementation of the Intellectual Property Management Measures is subject to annual internal audits to ensure effective creation, protection, and management of intellectual property when strengthening digital finance innovation and enhancing the company's competitive advantage within the financial market.

To strengthen the professionalism of personnel involved in intellectual property management, Nan Shan Life holds annual training courses on intellectual property protection. This enhances our employees' concept of intellectual property, teaching them how to protect our intellectual property and respect that of others. A total of 3 intellectual property training courses had been held by the end of 2022.



## ◆ Strategy for Intellectual Property Rights

Intellectual Property Rights Items	Nan Shan Life's Management Conduct	2022 Performance Results
<b>Patents</b>	Actively apply for patent rights from the competent authority for creations of inventions, utility models or designs to strengthen digital financial technology and performance.	By the end of 2022, a total of 80 patents had been obtained in Taiwan.
<b>Trademarks</b>	In order to promote the quality of financial products and services, we actively apply to the competent authority for trademark rights for identifying trademarks.	By the end of 2022, a total of 23 trademarks had been obtained in Taiwan.
<b>Copyrights</b>	<ul style="list-style-type: none"> <li>Contracts between the Company and the Company's personnel, as well as external contracts involving the production or use of works, shall include the copyright-related agreements in order to protect and safeguard the Company's copyright.</li> <li>Strengthen awareness of copyright protection among employees through education and training, and take care to avoid infringing on the copyright of others in the execution of business.</li> </ul>	
<b>Trade secrets</b>	<ul style="list-style-type: none"> <li>Take appropriate confidentiality measures to regulate employees do not infringe on trade secrets and be responsible for the confidentiality of company businesses, business plans, documents, customer information, and operation information, and do not allow unauthorized access to information outside of the scope of responsibility.</li> <li>Strengthen employees' understanding and awareness in protecting trade secrets through educational training that employees should be aware of external partners' compliance with confidentiality and refrain from infringing on the trade secrets of others when executing businesses.</li> </ul>	

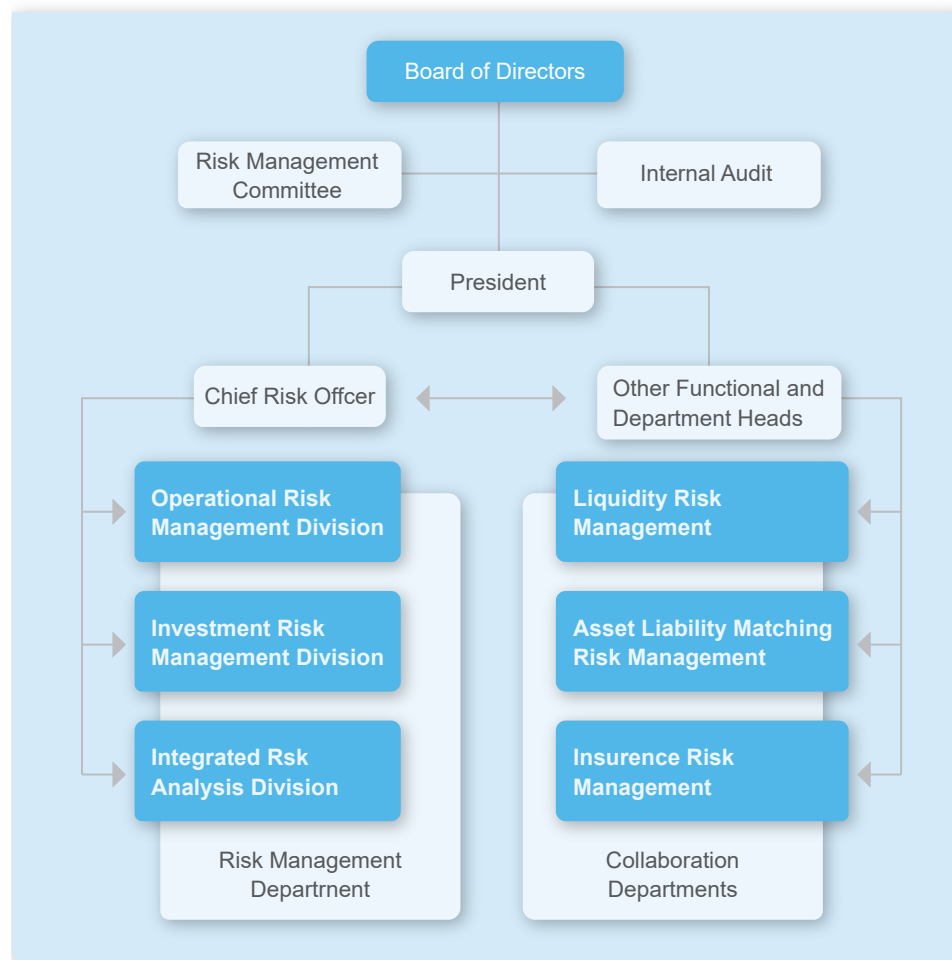
## 6.2 Risk Management

As a large financial and insurance institution in Taiwan, Nan Shan Life is responsible for maintaining domestic financial stability. To ensure capital adequacy and solvency as well as sound business operation and development, Nan Shan Life has established a comprehensive risk management organizational structure, risk management mechanisms and

a systematic operation of risk management culture to protect the rights and interests of all policyholders.

Based on the solid foundation of financial soundness, Nan Shan Life will continue to promote awareness of efficient risk control and create value for shareholders and policyholders.

## ◆ Nan Shan Life Risk Management Structure



### Risk management mechanism

Nan Shan Life's Board of Directors is the company's highest level of risk management supervision and decision-making hierarchy, within which a dedicated risk management committee has established. An independent director acts as the convener to coordinate risk management matters, and a dedicated department is built up to monitor and manage risk across departments and functions.

The Risk Management Department conducts risk monitoring in accordance with the "Risk Management Policy" set by the Board of Directors, and reports the overall risk profile to the Risk Management Committee and the Board of Directors on a quarterly basis.

Nan Shan Life implements risk management through a sound internal control system with a three lines of defense mechanism to effectively control operational risks.

### 1<sup>st</sup>

#### line of Defense Business Unit

Each business unit assigns a risk management supervisor to effectively assist the business unit in implementing risk management operations. All employees, new directors, supervisors, and senior executives are required to participate in risk management related education and training courses.

### 2<sup>nd</sup>

#### line of Defense Risk Management Unit

- Assist in the formulation and implementation of the risk management policies and risk appetite as approved by the Board of Directors, as well as the risk limits approved by the risk management committee. At the same time, applying the risk information provided by each unit, coordinate, and communicate with each unit to implement policies and limits; regularly monitor the implementation of risk management in each business unit; cooperate with the first line of defense to inspect and improve the overall risk control gap.
- Assist in risk management system planning, evaluation, suggestion and supervision; communicate with information security and compliance departments about the second line of defense; and control all aspects of risk identification, implementation, and monitoring.


### 3<sup>rd</sup>

#### line of Defense Internal Audit

- Check the risk management circumstances of each unit, as well as the compliance and implementation of regulations and mechanisms. Assist in the inspection and improvement of risk control shortfalls.
- Embark upon horizontal communication with the second line of defense units to grasp risk identification and implement monitoring.

The insurance business faces with inherent risks, including market risk, credit risk, operational risk, insurance risk, liquidity risk, asset-liability matching risk, etc. Nan Shan Life rigorously identifies, measures, supervises, and communicates risks through various risk management tools such as risk and control self-assessment (RCSA), key risk indicators (KRI), and market and credit risk measurement systems (Algo) to establish relevant risk control mechanisms and refines internal risk quantification models to ensure effective risk management implementation.

Risk Category	Method of Management
<b>Market Risks</b>	The company manages market risks by means of the Value-at-Risk (VaR). In addition to setting limits for relevant risk factors, stress testing, sensitivity analysis, etc. are used to supplement measurement and monitoring of the company's market risks. The results are reported regularly to the management team for fully awareness purpose and decision-making process.
<b>Credit Risks</b>	The company manages credit risks based on the principle of "management by rating grades and control by exposure limits", establishing limits based on the country, industry, currency types, and the counter parties, and monitoring such control factors before and after the transaction. In addition, credit risk assessment is conducted regularly, which includes related risk incidents, indicators, and adjusting the credit limits accordingly.
<b>Liquidity Risks</b>	<ol style="list-style-type: none"> <li><b>Liquidity risk management:</b> There is a funding dispatch unit independent of the trading unit, and the liquidity risk management mechanism is added or revised in accordance with the Liquidity Risk Management Regulations. The cash flow model is used to manage daily and continuous cash flows and to monitor changes in cash flows on the Company's medium- and long-term liabilities.</li> <li><b>Market liquidity risk management:</b> Considering the proportionality between market trading volume and the positions held, the Company establishes an operational crisis response team in accordance with the "Regulations on Contingency Measures for Handling Operational Crises" to deal with capital needs caused by abnormal or emergency situations.</li> <li><b>Management of operating crisis:</b> In view of abnormal policy cancellation, huge fund outflow or severe liquidity shortage, the Regulations on "Contingency Measures for Handling Operating Crisis" are established to ensure financial stability and sustainable operation of the Company.</li> </ol>
<b>Operational Risks</b>	In terms of operational risk control, the company has adopted self-assessment as the management tools for risk and control to assist each business unit with risk identification, measurement, response, monitoring, as well as processing of information, communication, and documentation. In addition, various risk control measures and risk management training courses are provided to strengthen the management of operational risk control.
<b>Insurance Risks</b>	<p>Insurance risks include underwriting, claims, catastrophe, reinsurance, product design and pricing, and risks related to reserves, etc.:</p> <ol style="list-style-type: none"> <li><b>Underwriting and claims risk management:</b> The company has formulated underwriting and claims operational process and procedures based on the "Regulations Governing Business Solicitation, Policy Underwriting, and Claim Adjusting of Insurance Enterprises", and performs analysis using statistical reports to minimize risks.</li> <li><b>Catastrophe risk management:</b> Possible losses are estimated based on Taiwan's past records on catastrophe losses and the business size of the company, considering the maximum loss in the event of extreme scenarios. The risks brought by catastrophe are reduced using catastrophe reinsurance.</li> </ol>

Risk Category	Method of Management
Insurance Risks	<ol style="list-style-type: none"> <li>3. Reinsurance risk management: The company has formulated a reinsurance risk management program, and determines the reinsurance ceded amount based on the underlying retention. Relevant processes and procedures have also been formulated regarding the limit of reinsurance or other non-traditional reinsurance, and credit risks are minimized by regular monitoring of the reinsurer.</li> <li>4. Risk management for product design and pricing: The company has established a cross-departmental “insurance product evaluation team” and “insurance product management team” to examine product review submissions and sales preparations. In addition, in accordance with the relevant laws and regulations, the company conducts risk control based on the product characteristics during the product design and pricing process.</li> <li>5. Reserves related risk management: For the provision of the reserve fund, the company calculates various reserves in accordance with the “Methods of Provision for Various Kinds of Insurance Reserves” and related laws and regulations, while also referencing the principles and standards of actuarial practices.</li> <li>6. The company has also formulated a relevant operational procedure to ensure the accuracy and completeness of reserves. In the annual certified actuarial report, the company adopts cash flow testing method to perform relevant tests and sensitivity analysis, to determine whether the reserves are adequate.</li> </ol>
Asset-liability matching Risks	<p>The company measures asset-liability matching risks by examining the asset-liability gap during the testing duration, long-term and short-term cash flow, and cash holding. An asset liability management committee meeting is convened regularly to track and report on the status of the risks.</p>
Business Continuity Risks	<ol style="list-style-type: none"> <li>1. <b>Major occasional incident management:</b> Major Occasional Incident Handling Regulations include separate incident groups that ensure major incidents such as an emergency or a human or natural disaster are properly responded to, without endangering the company's operations or financial social order.</li> <li>2. <b>Business continuity management:</b> the Business Continuity Management Policy states that fire evacuation drills, remote backup drills, and computer system disaster preparation drills should be conducted annually to ensure that minimum service levels are restored within a target recovery time if the core business operations are interrupted. This helps to improve the company's operational resilience. We received the verification certificate ISO 22301:2019 from the British Standards Institution (BSI) in February 2022.</li> <li>3. <b>Epidemic prevention:</b> During the Covid-19 pandemic, the President was appointed Chief of Epidemic Prevention. The Infectious Diseases Task Force was responsible for overseeing the pandemic status and implementing preventative measures, including: policyholder care, safety measures when entering and exiting buildings, communication and notification measures, attendance management, and preventative measures for agents to ensure the company can maintain normal operations and continue providing services to policyholders and agents. At the same time, the company also adopted information security and monitoring measures to maintain data security and continuous operations during remote backup, remote working, and working from home.</li> </ol> 



## Deepening a Risk Management Culture

In order to establish a comprehensive risk management culture, Nan Shan Life regularly conducts annual training courses on basic risk management awareness, risk management, climate-related issues, and emerging risks for all employees and risk management supervisors, in order to continuously enhance the risk awareness of employees and integrate risk management into operational activities.

## Proactive notification and feedback on operational risk events

In order to grasp and handle operational risk events in a timelier manner, the Company has established "Operational Risk Event Notification Guidelines" to establish a proactive notification mechanism to review control appropriateness and complete relevant improvements in a timely manner through root cause analysis of events. By collecting and compiling internal or external operational risk events, we will continue to improve risk control efficiency.

## Emerging Risk Management

In light of the increasingly complex financial operations, including the increasingly significant emerging risks in the environment, society, economics, geopolitics, and technology, the company has already established an Emerging Risk Team and identification process. Each year, we collect external emerging risk information and refer to global risk reports from the World Economic Forum to identify and evaluate factors that may significantly impact the company's growth over the next 10 years. We then investigate and create relevant response measures. The following table details the main emerging risks for 2022.

Risk Type	Risk Factors	Description	Potential Business Impact	Adaptive Measures
Geopolitics	Increasingly tense relationships between countries	<ul style="list-style-type: none"> <li>As geopolitical risks become more diverse and frequent, protectionism in various countries will rise, making national policies more unpredictable and extreme, which will increase asset volatility and affect fund flows.</li> <li>The economic status, political, and/or technological competitiveness of geopolitical powerhouses will cause a breakdown of bilateral relations or heightened tensions between countries.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, the rapid pace of the Russia-Ukraine conflict and attacks impacted global geopolitical and economic development. This impacted supply chains in related industries and caused global inflation. Geopolitical risks and uncertainty have significantly impacted global investment markets and supply chains. These factors could negatively impact the company's business performance.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor dynamic international political and economic trends closely. Conduct risk assessment analysis and continued monitoring of foreign and mainland China investments within politically related industries and which are highly subsidized by governments.</li> <li>In order to enhance the evaluation control mechanisms of high-risk industries and political and economic situations, pay attention to and analyze risk arising from international economic and political fluctuations and submit reports to the Risk Management Committee.</li> </ul>

Risk Type	Risk Factors	Description	Potential Business Impact	Adaptive Measures
Geopolitics	Increasingly tense relationships between countries	<ul style="list-style-type: none"> <li>China-US relations have soured in recent years, which has impacted the political and economic direction and expansion in Taiwan. At the same time, there is a risk of military conflict.</li> </ul>	<ul style="list-style-type: none"> <li>The competitive development of different countries has changed global supply chains and led to a series of reorganizations in manufacturing and division of labor. This geopolitical risk could cause energy and raw material prices to rise, intensifying financial market volatility.</li> </ul>	
Economics	Financial stability risks	<ul style="list-style-type: none"> <li>Accumulations of debt and/or repayments overburdens corporate and/or public finances, leading to potential large-scale bankruptcies, agreement violations, insolvency, liquidity crises, or sovereign debt crises.</li> </ul>	<ul style="list-style-type: none"> <li>If the global debt crisis erupts unexpectedly, financial markets could collapse and spiral into turmoil. As a result, policyholders could wish to terminate contracts, markets could become shrouded in panic, and it may be difficult to realize investments. Most global financial industries will experience the challenges of market illiquidity.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to pay close attention to the monetary policies of global central banks and monitor global financial market fluctuations and changes to issuer ratings. Analyze and examine the impact on investment positions.</li> <li>As the impact of political and economic changes are not limited to one country or region, national risk limit controls and timely warnings has been put into place.</li> </ul>
Technology	Failure of network security measures	<ul style="list-style-type: none"> <li>Corporate information infrastructures and/or measures controlled or destroyed by increasingly sophisticated cybercriminals, leading to economic disruptions and financial losses.</li> <li>Data fraud or theft and large-scale cyberattacks, such as data leaks and extortion.</li> </ul>	<ul style="list-style-type: none"> <li>The costs of a well- established information governance framework and improving information protection capabilities will increase inevitably.</li> <li>If the Company's system is hacked due to a vulnerability, the system will be compromised and blackmailed for a high ransom, causing not only property loss, but also the inability of the system to function, which may cause the company to cease operations.</li> </ul>	<ul style="list-style-type: none"> <li>Use a Defense in Depth structure to identify different security areas and establish suitable protection measures and policies for each area.</li> <li>A Security Operation Center (SOC) has been set to offer 7x24 monitoring of safety measures. An Incident Response Playbook (IR Playbook) has been prepared to detect and handle security incidents in a timely manner to minimize the impact of information security incidents.</li> <li>Hold regular core information system disaster recovery drills, attack and defense drills, computer system security evaluations, penetration testing, and social engineering drills. Integrate security infrastructure and network information protection to protect sensitive company data and personal information.</li> </ul>

Risk Type	Risk Factors	Description	Potential Business Impact	Adaptive Measures
Technology	Failure of network security measures	<ul style="list-style-type: none"> <li>The Covid-19 pandemic intensified our reliance on digital systems, and remote working has become the norm. There is a shortage of security experts, and the risk of human errors or cyber-attacks has increased. The data security threats exceed the defense capability. Moreover, intangible risks such as fake news, scams, and the lack of data security awareness threaten the public's trust in information systems.</li> </ul>	<ul style="list-style-type: none"> <li>System vulnerabilities may also allow hackers to steal sensitive company information, investment confidentiality, and compromise the rights of policyholders and employees due to data leakage, which may have a significant negative impact on the company's reputation. It may also lead to litigation compensation, company reputation risk, etc.</li> <li>Hackers have become organized together that seem to change their methods of attack. Companies and industries falling victim to attacks are also gradually increasing. Attacks may paralyze company systems and impact their business operations.</li> </ul>	<ul style="list-style-type: none"> <li>Information security threats are constantly changing, so information protection measures must keep pace. Continually strengthen security monitoring and measures, introduce advanced concepts, and bring in advanced information protection measures and staff.</li> <li>Strengthen the depth and breadth of information security monitoring and analysis, and continue to improve the speed at which suspicious data security issues are identified.</li> <li>Know yourself and your enemy, and emerge from every battle victorious. Appoint professional information security consultants to test and measure the quality of the company's security defense from a hacker's perspective.</li> </ul>
Society	Epidemics and Infectious Diseases	<ul style="list-style-type: none"> <li>If another new type of contagious disease spreads within the next 3-5 years, there may be insufficient manpower, and products or services may be brought to a standstill. It will also impact financial circumstances such as revenue, increasing operational risk. Additionally, global economic activities may cause issues like supply chain bottlenecks and inflation, impacting the global financial market.</li> </ul>	<ul style="list-style-type: none"> <li>If another large-scale epidemic spreads, the risk of staff being infected and quarantined will increase, reducing the company's customer service quality. There may be a risk of other operational interruptions. Moreover, impacts on global markets may negatively affect company profits.</li> </ul>	<ul style="list-style-type: none"> <li>Implement pandemic notification mechanisms and prevention measures. Continue to monitor pandemic-related developments.</li> <li>Implement a backup mechanism and decentralization at the start of a pandemic to ensure business continuity.</li> <li>Continue to pay attention to international political and economic trends.</li> </ul>

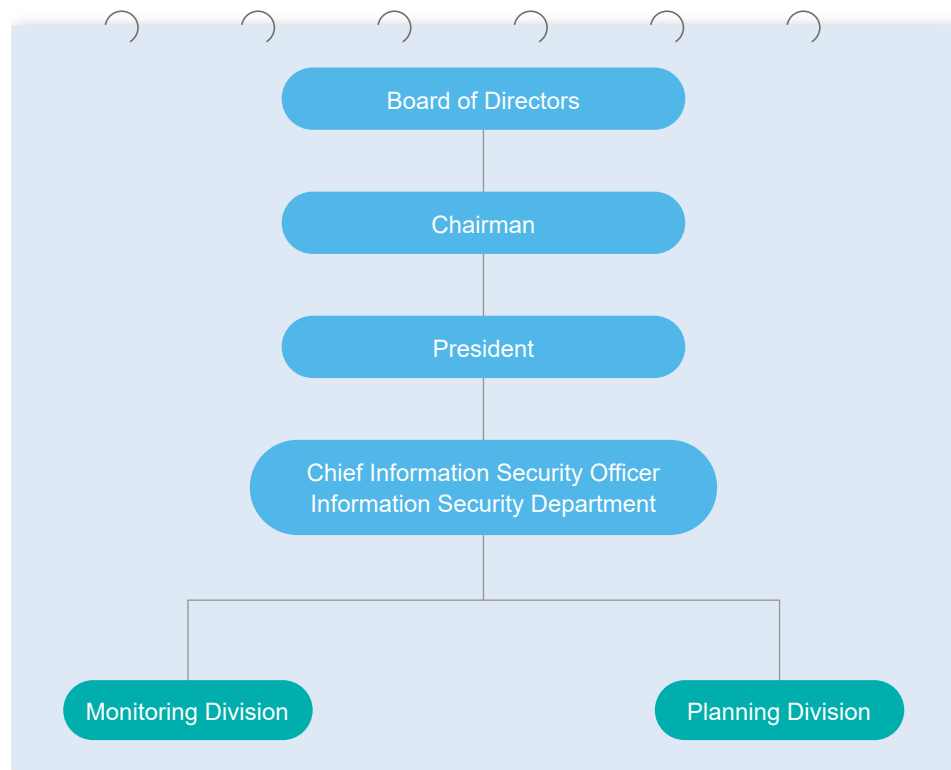
## 6.3 Information Security and Privacy Protection

### Information Security Governance

To effectively promote information security management, Nan Shan Life appointed a vice-president level executive to serve as the “Chief Information Security Officer, CISO” in 2021, to be responsible for the promotion of information security policies and resource management. In addition, an “Information Security Department” has been established as the unit dedicated to the planning, monitoring, and execution of information security management operations.

The CISO makes quarterly reports to the company’s risk management committee regarding the overall information security implementation of the previous quarter. Every year, after compiling the overall information security implementation of the previous year, the CISO, along with the company chairman, president, chief auditor, and the headquarters compliance officer jointly issue a statement on the internal control system, which is submitted to the Board of Directors for approval.

In addition, a review is conducted annually or in the event of major changes to ensure compliance with the latest development of relevant laws, technologies, organizations, and operations, while ensuring the confidentiality, integrity, availability, and legality of various information assets of the company in the operations and service provision process.

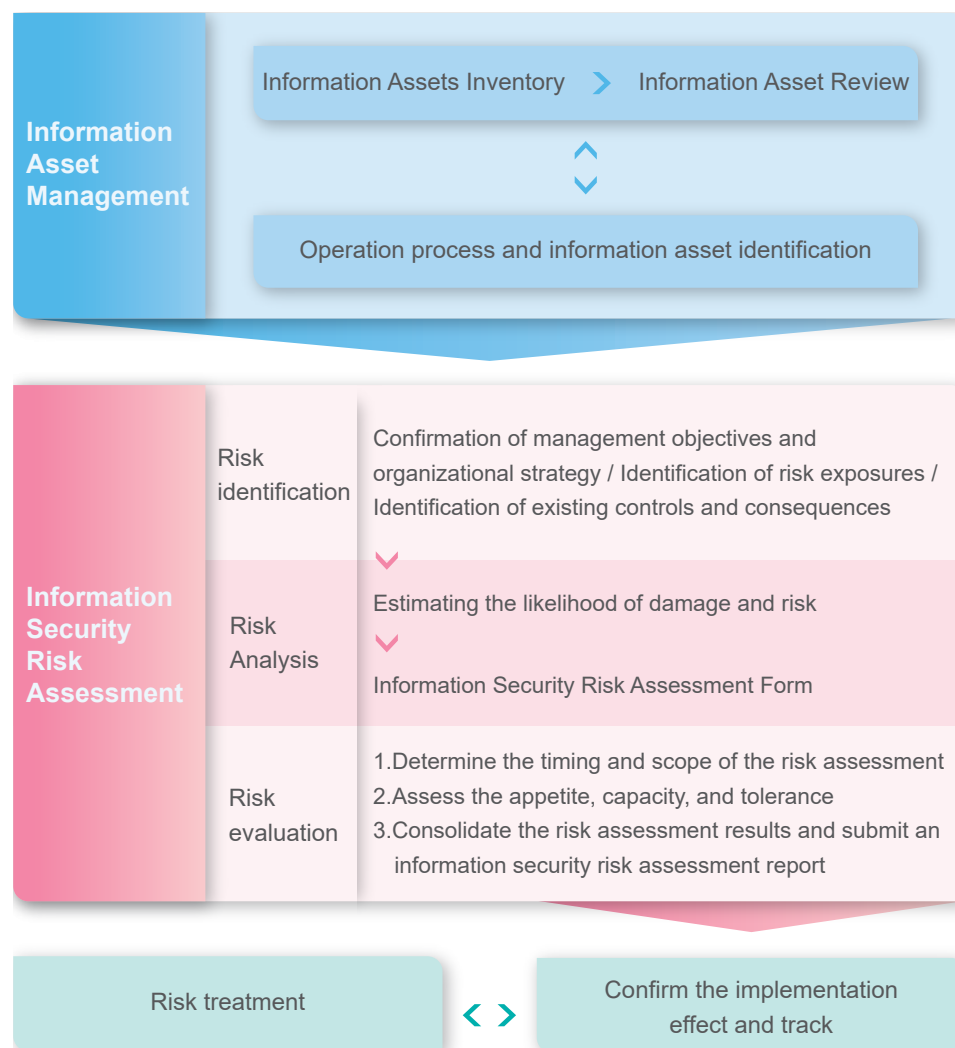


### Information Security Management

Nan Shan Life has formulated an “Information Security Policy” for all employees to follow in the implementation of information assets, networks, and system security management.

In response to the digital trend brought by FinTech, Nan Shan Life and Nan Shan General Insurance have both implemented an information security management system (ISMS), and obtained the international certification “ISO 27001:2013 Information Security Management System”. In 2022, Nan Shan Life received the Digital Information Security Award-Quality Award from the Digital Financial Award, and the Taiwan Corporate Sustainability Award (TCSA) Information Security Leadership Award.

Through the ISMS, the company has set up organizational information security management, and continuously strengthens information security management through various programs such as risk prevention in advance, in-process detection, and post-incident response, to ensure effective risk management. Furthermore, through a set of comprehensive risk analysis, risk assessment, and risk processing methods, information assets are categorized to determine their values and importance, and analyzed for potential weaknesses and threats. Risk management is thus integrated with information security, to implement information security risk management through a systematic risk assessment process.



To maintain the company's Business Continuity capabilities and information system confidentiality, integrity, and availability, we organize various information security drills annually to simulate threatening events. These exercises enhance the ability of the employees in terms of information security incident reporting and crisis response, and implement information infrastructure security and Internet security protection.

## ◆ 2022 Information Security Drills Implementation

Category	Implementation in 2022
<b>Core Information System Disaster Recovery Drill</b>	According to the computer system disaster recovery drill plan, successfully completed the system recovery test in the backup site and resumed service within the timeframe that the company may endure the interruption of operations.
<b>Distributed Denial-of-Service (DDoS) Drill</b>	Through distributed online attacks locally and internationally, monitored the network connection and webpage services to verify they were operating properly during the drill, and ensured that the anti-DDoS traffic flow cleaning protection mechanism adopted by the company was effective. In 2022, the protection mechanism of the network application layer has been planned to be strengthened.
<b>Company-wide Social Engineering exercise</b>	After continual information security education and the 2022 company-wide social engineering exercise, the overall ratio of mail respondents who violated the rules and open links inappropriately was about 4.63%.
<b>Computer System Information Security Assessment</b>	Performed evaluation of the first type of internet-facing and core computer systems, and discovered weaknesses in some external service systems, which had been corrected and successfully retested during the evaluation period.

In addition, to strengthen the overall information security awareness and enhance employee understanding of the issues, Nan Shan Life stipulates that all employees must undergo at least 3 hours of information security training annually, and staff in the information security department must undergo at least 15 hours of information security training annually, to effectively maintain their awareness and professional capabilities in the subject.

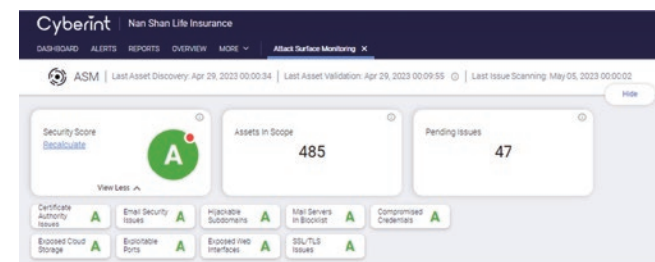


## ◆ Red Team Information Security Simulation Exercise

Project Context and Contents	<p>To holistically examine the preparedness and defense capabilities of Nan Shan's information security system when faced with security threats, we held a Red Team Exercise which is a simulation exploitation attack by an external information security consultant (the attacker: Red Team) under the premise of not affecting company operations. A simulation attack was conducted using actual offensive and defensive drills on the enterprise (the defense: Blue Team).</p> <p>Nan Shan Life participated in the drill for a comprehensive examination of the preparedness and defense capability of Nan Shan Life information security system in the event of cyber threats. After the drill, an offense/defense discussion and training session was held. In addition, Expert trainers further analyzed various common attack methods and strengthened the security system where inadequacy was found, to minimize the risk of hacker attacks and resulting losses.</p>
Nan Shan's Inputs	<p>The 2022 Red Team Exercise was conducted with about 100 man-days and NT\$4.3 million in investment. The scope of the exercise included: external information asset, internet portals, intranets, servers, endpoint computers, network equipment, and information security defense equipment, etc.</p>
Benefits	<p>After the exercise, we have proposed the direction of improvements in the company's information security defense, including: strengthening of the overall infrastructure, external website management and improvement, strengthening password management, and information security monitoring.</p> <p>We introduced a vulnerability management platform in 2022 to strengthen the Security Zone. We optimized the current framework structure and introduced security monitoring of external digital assets — a Digital Risk Protection (DRP) service to reach the goal of strengthening the information security infrastructure and optimizing internal management.</p>

## ◆ Digital Risk Protection and Digital Asset Information Security Monitoring Services

Project Context and Contents	<p>Starting from October 2021, we utilize an attack surface monitoring service called Digital Risk Protection (DRP), to understand the status of information security exposure of the digital services provided by the company. The result will be used to apply necessary protection measures to reduce the company's information security risks.</p> <p>The above measures comply with the requirement of "a counterfeit application detection mechanism shall be established" in the "Self-Regulatory Rules for Life Insurance Industry Handling Information Security", and even exceeds the existing supervisory regulation requirements.</p>
Nan Shan's Inputs	<p>Starting with October 2021, we invest NT\$6 million annually to obtain the DRP service. The DRP service covers digital certificate security, email security, main server security, monitoring of counterfeit websites or mobile apps, monitoring password leaks by employees or customers, security of external service websites, data communication security, cloud service security, and more. With the DRP service, the company may more accurately and speedily determine the benefits of external digital assets, and conduct in-depth investigations and identification services in collaboration with external information security manufacturers in the event of major information security incidents.</p>
Benefits	<p>Since the DRP service was launched in October 2021, we have continued to revise and improve the operational procedures, and have handled more than 280 information security warnings, making improvements to effectively reduce the company's information security risks. Currently, the company's overall security score is the highest level A, effectively protecting the information security of customers, greatly reducing possible risks and damages caused by hackers, and increasing customers' confidence and satisfaction with the company's services.</p>



## Personal Information Protection

Nan Shan Life values its policyholders' personal information and privacy protection. We formulated the "Maintenance Security Plan for Personal Data Files and the Essential Points for Data Processing After Business Termination" and set up the Personal Data Protection Management Committee with the President as the information management representative. The Personal Data Protection Management Committee oversees the system planning and implementation of the company's entire data protection management. The Personal Data Protection Task Force, which is formed under the Personal Data Management Committee, is responsible for the planning and promotion of the personal data protection management plan. Meetings are held at least quarterly to ensure the implementation of personal data and management policies.

To ensure the effectiveness of the personal data management cycle, Nan Shan Life and Nan Shan General Insurance perform an inventory of personal data, personal data risk assessment, and personal data protection self-assessment every year, which are organized and compiled into an annual personal data protection management self-assessment report. The 2022 personal data risk assessment result showed that the personal data protection processes of Nan Shan Life and Nan Shan General Insurance were in compliance with the Personal Data Protection Act and management standards.

Nan Shan Life and Nan Shan General Insurance adhere to the internationally recognized the BSI10012:2017 Personal Information Management System certification. We are fully committed to the meticulous management of our policyholders' personal information, and continuously improve and implement personal data management through third-party inspection and verification frameworks while complying with the Plan-Do-Check-Act mode of operation.

Nan Shan Life and Nan Shan General Insurance strictly adhere to and implement related business activities according to personal data protection legislation by relevant government bodies. If personal data is stolen, tampered with, damaged, erased, leaked, lost, or infringed in any other way, we will refer to the Personal Data Security Incidents Notification and Handling and Contingency Operations for handling, contingency measures, notification, and correction and prevention measures. Depending on the severity of the violation, cases in which employees or agents violate internal or external laws relating to the Personal Data Protection Act will be handled according to the relevant laws, such as the Employee Penalties and Rewards System or the Insurance Agent Management Regulations.

At the same time, in order to sufficiently ensure policyholders' personal information and privacy, Nan Shan Life carefully handles customer information and actively informs them of their rights, obligations, and reasons for using personal data. Please refer to the company's Privacy Protection Statement and Personal Customer Data Sharing Privacy Policy for more details. No cases of major personal data or information security breaches were identified this year (note).

Note: Major incidents are defined originally as the leak of 5,000 or more items of personal information. The company tightened the threshold of major incidents of personal information to the leak of 2,000 or more items from November 14th, 2022.



Nan Shan Life's  
Privacy Protection  
Statement

The company experienced 41 data leaks in 2022, of which the percentage of leaks relating to personal information was 100%, impacting 159 customers. After further inspection, the main reasons for the aforementioned data leaks were lost or undelivered mail items by Post Office. The second reason was due to administration errors by agents and employees. There were no major incidents of information leaks or infringement of customer privacy. The company has already reported the incidents to the relevant post office branch and the head office to inform them of the principles of mail delivery to avoid such incidents in future. The Post Office headquarters had promised to strengthen surveillance and make relevant improvements, and the company will continue to monitor the results. Regarding the post that were wrongly delivered, we contacted both the intended recipients and the actual recipients, and requested that the related letters be destroyed. These cases have been properly handled accordingly. After such incidents have occurred, the company has required the responsible units to conduct root cause analysis, establish measures for improvement, and strengthen educational training and promotion. To make relevant improvements and prevent recurrence, unresolved cases from the previous quarter will be reviewed and followed up during each quarter. The content of notification letters will also be encrypted in due course to reduce the damage caused by data leaks. Moreover, relevant disciplinary action will be taken for cases caused by the negligence of staff or agents.

Furthermore, Nan Shan Life proactively internalizes the principles of personal data protection to the organizational culture and daily business operations, requiring Nan Shan Life employees and agents to take courses related to personal data. The courses offered through an Internet learning platform and video-conferencing courses continue to promote and provide training on personal data protection. In 2022, we held basic and advanced personal data protection, personal data inventory, and personal information management system certification education and training courses, strengthening employees' and agents' risk awareness of personal information protection.

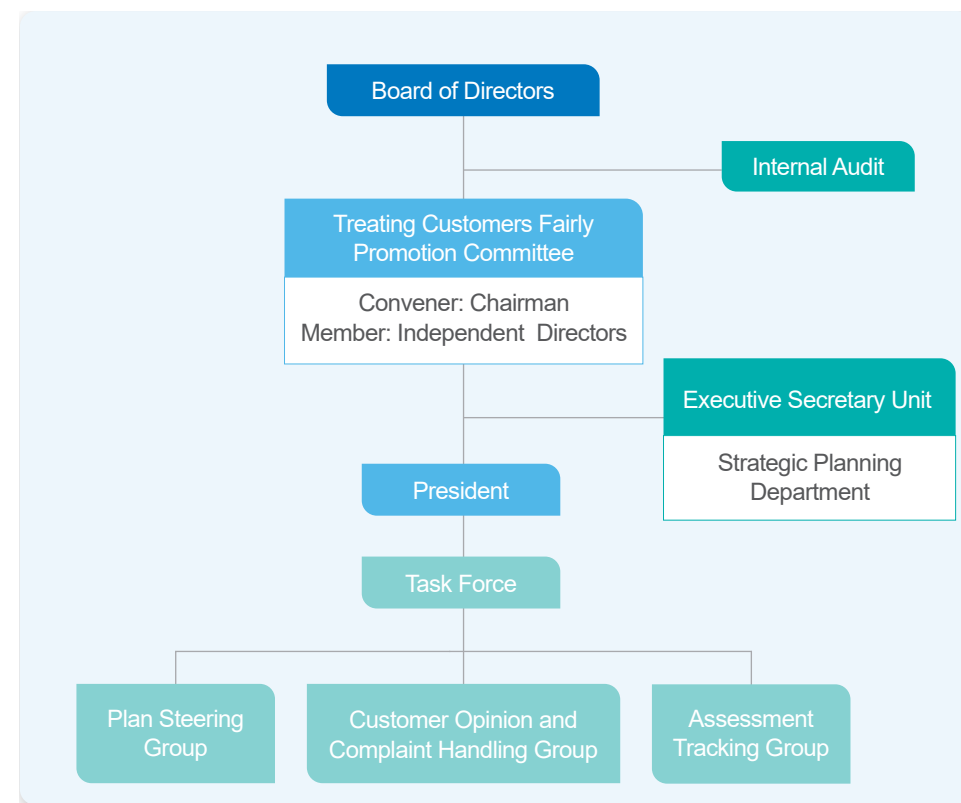
Item No.	Name of Course	Time Spent (hours)	No. of Trainees
<b>Nan Shan Life</b>			
1	Personal Data Protection: Basic Course	0.5	4,697
2	Personal Data Protection Act: Advanced Course	3	209
3	Personal Data Inventory Training Course	1.5	242
<b>Nan Shan General Insurance</b>			
1	Personal Data Protection: Basic Course	1	790

## 6.4 Treating Customers Fairly

### The business principle of “treating customers as ourselves”

To demonstrate the determination and emphasis on the principles of treating customers fairly (TCF), both Nan Shan Life and Nan Shan General Insurance have established a cross-departmental “Treating Customers Fairly Promotion Committee” to oversee the promotion of various TCF initiatives. In 2022, Nan Shan Life and Nan Shan General Insurance both were ranked in the top 25% performers of the industry in 2022 TCF Performance Assessment by the FSC

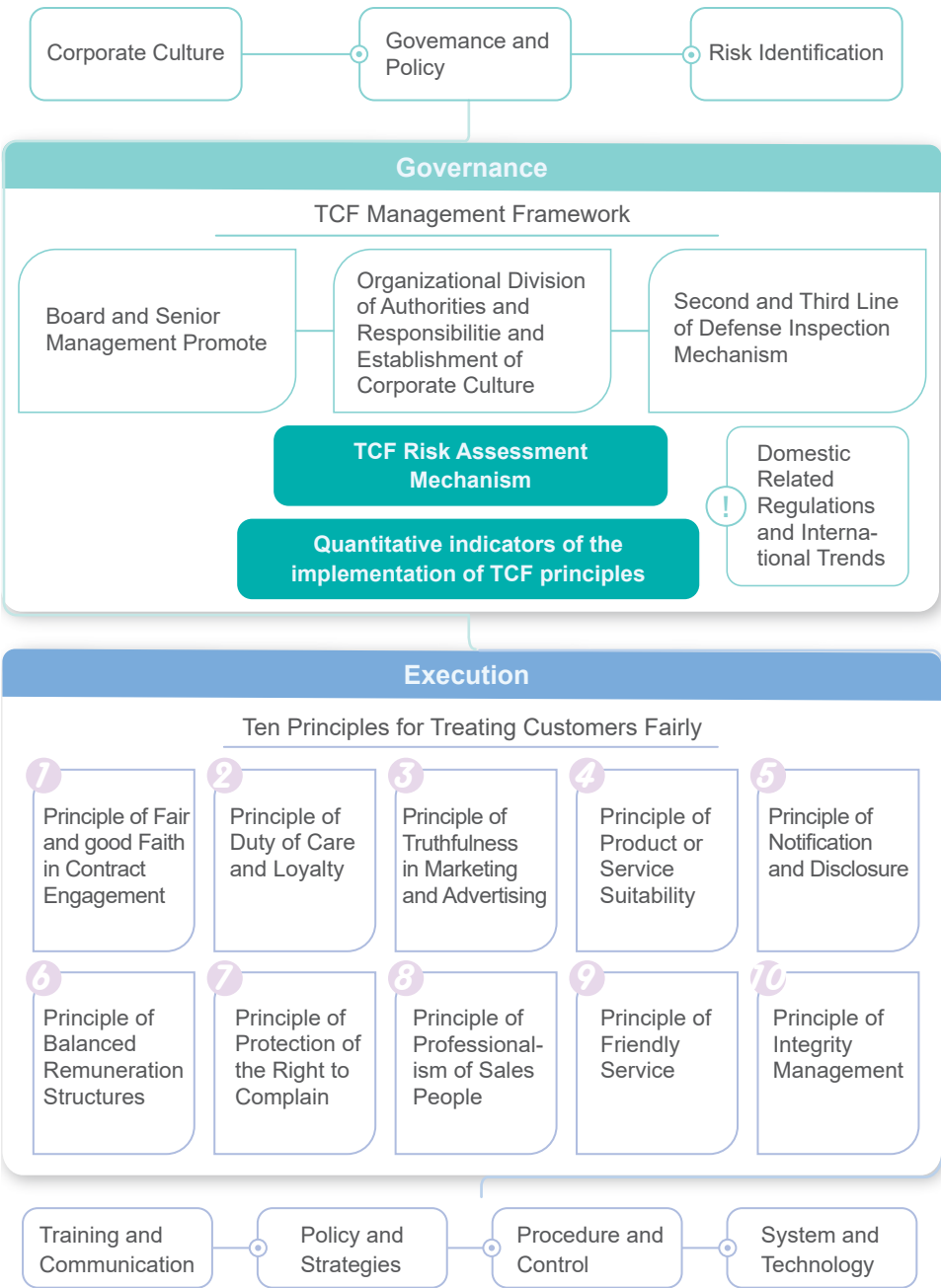
and receiving public recognition. Nan Shan Life received the Best Progress Award. As a functional committee under the Board of Directors, the Treating Customers Fairly Promotion Committee consists of the Chairman and two independent directors who convene quarterly meetings to examine the implementation results and report the Board of Directors.



To strengthen actions of the board towards the promotion of TCF, two independent directors visited first-line customer service counters and regional service centers in 2022. They experienced services received by customers at the counters, the counter process management, and staff assignments during peak hours, to observe how the customer service counter is designed to service customers with different needs, especially friendly services for the elders and the disable customers. They also offered guidance and encouragement from their perspectives.

In addition to abiding by the “Principles for Financial Service Industries to Treat Customers Fairly” issued by the FSC, Nan Shan Life also referenced the “G20 High-level Principles on Financial Consumer Protection” formulated by the Organization for Economic Cooperation and Development (OECD), and other financial consumer protection laws and regulations. Nan Shan Life has organized relevant information to integrate into the internal control structure for the establishment of a management framework of TCF.

- **Integration of the concept of corporate governance:** To achieve the goal of internalizing the culture of TCF at Nan Shan Life, the company has set up relevant management mechanisms for the following: promotion of TCF to the directors and senior executives, establishment of a corporate culture and organizational division of authority and responsibility, and verification of the second- and third-line of defense. In addition, horizontal communication frequency and effectiveness are also emphasized.
- **Integration with the risk assessment mechanism:** In line with the risk-oriented concept, Nan Shan Life conducts comprehensive risk assessment related to TCF, to ensure relevant risks are fully considered while providing services to policyholders. The results of risk assessment then serve as part of the basis for decision-making and resource allocation.
- **Integration of the customer journey with various consumer contact points related to TCF principles:** Nan Shan Life emphasizes the examination of the implementation of the TCF principles in various units, starting from the customer journey and the life cycle of insurance products. Therefore, the principles and related control points are evaluated in various departments before, during, and after product design. Customized questionnaires at each department are also used to statistically determine the degree of control implementation.







To facilitate the integration of the TCF principles at the enterprise level into the daily work of all employees, Nan Shan Life formulated key performance indicators (KPIs) according to the responsibility of each business unit and relevance to the TCF principles since 2020. In addition, following the direction of the Board of Directors, the main points of TCF management are incorporated into departmental performance evaluation and remuneration, to thoroughly implement the TCF principles. In 2022, in adherence to the ten major TCF principles, Nan Shan Life formulated 36 KPIs related to TCF, to emphasize the value of TCF to employees through the management of KPIs.

### 6.4.1 Diversified Warm Services

Nan Shan Life listens and actively responds to each policyholder's thoughts and needs by creating a system with diverse methods of opinion collection, response provision, and satisfaction survey. The Company, from its mindset to behavior, has gradually laid the foundations of quality, professional, and efficient services for its policyholders. Nan Shan Life created a Customer Service Record Integration Platform (CIC 360), by which customer service personnel can provide comprehensive services using a single interface. Effectively understanding the immediate needs of customers and solving their problems accordingly, the personnel can improve customer experience and enhance service effectiveness.

#### ◆ Diverse Communication and Service Channels

Type	Channel	Description
e-services	Nan Shan Life App	Instant and convenient mobile services for the general public and Nan Shan policyholders, with various features including insurance application, policy inquiry, policy changes, policy loan application/repayment, claim settlement, and premium payment.
	Corporate website	The Company's website (www.nanshanlife.com.tw) provides information on its products, services, events, and public information. 
	Social Media	Facebook Page  Official YouTube channel  Instagram 
	Newsletter: Nan Shan Life Policyholder Bimonthly Publication (Nan Shan Fun Life)	Providing news about latest products, services, and events.
Physical services	Media information disclosure	Press conferences, news release, media interviews, and news reports.
	Service center LCDs	Numerous LCDs are available at service centers in Taipei, Banqiao, Zhongli, Taichung, Kaohsiung, showing latest news on the Company's services and events timely and efficiently.
	Events for policyholders	The Company hosts various events for its policyholders from time to time. For example, in 2022, we held Mother's Day goodwill activities at service counters and held the Health Protection Circle experience activity at Zhong Shan Min Quan service counters.
	Nan Shan Life Policyholder Bimonthly Publication (Nan Shan Fun Life)	Providing latest news and information on products, services, and events.
	Product catalog	Providing detailed information on product features, coverage details, and examples, disclosing relevant legal regulations, risk warnings, etc.
	Various types of document notifications	Providing postal and electronic notification services.



## ◆ Excellent Insurance with Nan Shan – The Disability Friendly Hotline

Category	Contents
<b>Project Context and Contents</b>	In alignment with the Fair Customer Treatment Principles, the Nan Shan Life Disability-Friendly Hotline was launched in March 2022. The system actively compares the callers' information with its database when customers dial the hotline: 0800-020-060. Callers identified as policyholders with disabilities will automatically receive a personal priority service. To provide disability-friendly financial services, customer service staff will receive voice and message reminders that the caller is a policyholder with a disability.
<b>Nan Shan's Inputs</b>	In 2022, a total of 83 man-days were invested in IVR and CRM system planning, development, and testing.
<b>Benefits</b>	The Disability-Friendly Hotline had been used by 2,289 people with an average call answering rate of 99% by the end of 2022.

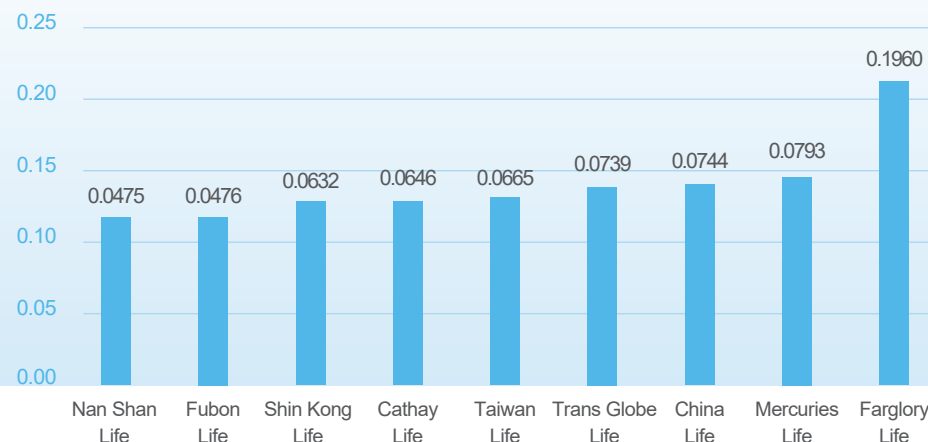
### Quick Respond to the Demands of Policyholders

Nan Shan Life has a comprehensive complaint handling mechanism to handle all complaints and investigations in a prompt, efficient, fair, and transparent manner, to continuously strengthen service quality via reviews and the Root Cause Analysis (RCA). The efforts spent on service improvements have led to high praises from policyholders for years, maintaining a high policy persistency rate and the customer retention rate. According to the data on complaint rates released by Financial Ombudsman Institution, the rate of ombudsman resolution of Nan Shan Life was the lowest among medium and large insurance companies (Note) in 2022.

### Ombudsman resolution rate in 2022

Source: Financial Ombudsman Institution

Unit: 1/10,000



Note: Medium and large life insurance companies are defined as those with a total number of signed policy contracts exceeding 5 million.

## ◆ 2022 Nan Shan Claims Complaint and Review Rate

Category	Nan Shan Life	Nan Shan General Insurance
<b>Claims Complaint Rate (1/1,000) (note 1)</b>	0.095	1.567
<b>Rate of Claims Ombudsman Cases (1/10,000) (note 2)</b>	0.027	0.292

Note 1: The claims complaint rate is calculated based on index 270a.2 proposed by the Sustainability Accounting Standards Boards (SASB). The formula is: (number of claims complaints / total number of claims (number of people) \* 1,000), rounded to the third decimal place.

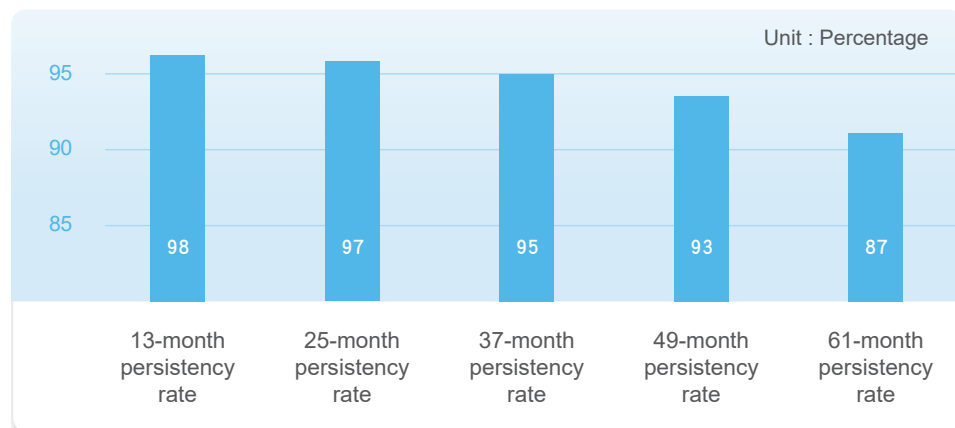
Note 2: The rate of claims Ombudsman cases is calculated based on the number of relevant reviews conducted in 2022 by the Financial Ombudsman Institution established by the FSC. The formula is: (number of applications for Ombudsman reviews / total number of signed policy contracts (number of people) \* 10,000), rounding to the third decimal place.

## ◆ 2022 Nan Shan Life customer complaint type

Type of Complaint	Reason for Complaint	Case Numbers
Insurance Coverage	Claim dispute	28
Identification of the cause of accident	Claim dispute	11
Claim amount determination	Claim dispute	10
Other issues related to claims (Note)		43
Total Number of Cases		92

Note: For a detailed classification of other issues related to claims, please refer to the case classification of the Financial Ombudsman Institution.

## ◆ 2022 Nan Shan Life Policy Persistency Rate (note)



Note: The policy persistency rate is calculated according to the annualized premium.

## ◆ 2022 Nan Shan Life Customer Retention Rate : 99.3%

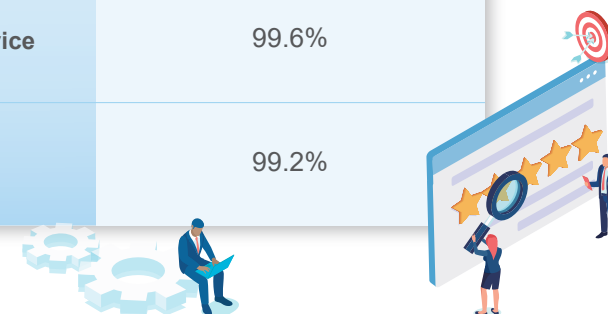
Note: The 2022 customer retention rate = (total number of customers as of the end of 2022 - the number of added customers in 2022) / (total number of customers as of the end of 2021 - involuntarily terminated customers & loss of customers under employer sponsored programs in 2022).



## Pursuing High Levels of Customer Satisfaction

Since 2020, Nan Shan Life has expanded the scope of real-time questionnaire surveys (QR code) at service counters, integrating various touchpoints of customer service, including insurance application and policy issue, policy services, and claim settlement services, which has achieved high levels of customer satisfaction. Key questions were set for insurance application and policy issue, policy services, and claim services, allowing us to assess customer experience at service counters. In 2022, the average customer satisfaction rate for all three services was 99.5%, with more than 54,000 valid survey samples.

Satisfaction Items	2022
Policy services / counter service	99.8%
Claim settlement service	99.6%
Policy issue	99.2%



## Nan Shan General Insurance: Fair Customer Treatment with Products and Services

The insurance industry has felt the shockwaves and impact of the Covid-19 pandemic over the past few years. However, Nan Shan General has continued to maintain a customer-oriented spirit. For our products and services, we continue to practice financial friendliness. As the Covid-19 virus spread, governments quickly implemented vaccination policies. We brought out a product to tackle the risk of adverse effects of the vaccination and enhanced coverage to include disabled and elderly customers with the introduction of vaccine availability for different age groups, and the subsequent expansion to children and infants. Even now, we are one of the few insurance companies that give equal rights and policy renewal options to customers.

At the same time, Nan Shan General Insurance has actively promoted compulsory insurance for many years in accordance with regulatory changes and practical experience. We are not just committed to the promotion of compulsory motor insurance, but also its integration with patented technology to simplify and enhance the motor insurance claims process. The FSC implemented the Compulsory Motor Insurance Differentiation Management Mechanism to monitor and evaluate the rights and interests of consumers, sustainable business development, market discipline and other items. Nan Shan General was awarded the first prize in both 2021 and 2022 for the Compulsory Motor Insurance Differentiation Management, recognizing our care and effort to customers.

Regarding product research and development, Nan Shan General Insurance is constantly pursuing innovation and new breakthroughs. In 2022, to make up for the period before the government passed the bill, Nan Shan General Insurance's Type A Personal Liability Insurance was launched to cover the gap that motor vehicles not requiring a license plate are not covered by the compulsory motor insurance. The protection scope of Nan Shan General Insurance's Type A Personal Liability Insurance also covers the joint responsibility risk for transferring consumers' liability caused by the negligence of their children under the age of 15. The policy also includes third-party consolation payments to help victims feel the sincerity of the policyholder's settlement.

## Claims Process Optimization and Dispute Handling Cases Sort-out

During the rush of pandemic-related claims cases, Nan Shan General Insurance started by protecting the rights and interests of its customers. In addition to

lenient claims settlements, we also implemented instant and flexible cross-departmental communication adjusting the direction of dispute handling on a rolling basis. This helped resolve disputes more efficiently and actively proposed customer claims handling measures, striking an appropriate balance between policy terms and the rights and interests of our customers.

Additionally, we go a step further in monitoring claims clauses and government anti-epidemic measures, such as the analysis of individual cases, and determining the different type of claims. After integrating claims and complaints experiences, we released an enhanced epidemic product to help customers receive continued protection.

## 6.4.2 Transparent Marketing Promotion

Nan Shan Life values the security of policyholders' data, and provides detailed product description and complete risk information disclosure before or after the policyholder makes a purchase, to establish a transparent information transmission channel to maintain the principle of fair transactions.

## Transparent Marketing and Promotion Management Mechanism

Nan Shan Life has formulated a guideline, "Key points for the management of advertising and business solicitation, advertising materials and marketing support tools for business promotional activities, and training materials", for compliance by each business unit. In addition, the "Self-check list of items to be disclosed in product catalog" has been formulated for use by each unit while creating the product catalog. The list may be used to check against the requirements of relevant laws and regulations, verifying that there is no exaggeration or deception to ensure that product promotional literature comply with the requirements of the competent authority. In addition, Nan Shan Life has established a comprehensive customer privacy management mechanism, to provide transparent and secure product information for the public. This year, the company had no incidents of fines due to violations of product or service labeling, no violation warnings, or intentional violations.

Furthermore, Nan Shan Life requires its agents to comply with the laws and regulations for business solicitation and services, and to comply with the relevant operational strengthening guidelines. In the event of a violation by an agent, the matter shall be handled in accordance with the laws and regulations, contracts, and relevant guidelines, to strengthen the quality of agent solicitations.

## ◆ Nan Shan Life Product Information Transparency Mechanism



### Product catalog is clear and easy to understand

Product catalog is written in plain language with a clear font, detailing product characteristics, insurance payment, insurance regulations, related premiums, and other information. This makes it easier for the agents to deliver the sales illustration, and also facilitates easy information retention and inspection by customers.



### Comprehensive risk disclosure and warning message

Precautions and risk warning for insurance purchase are disclosed following the related laws and regulations. Remind customers to be mindful of their rights and interests, and enhance customers' risk awareness and product-related knowledge.

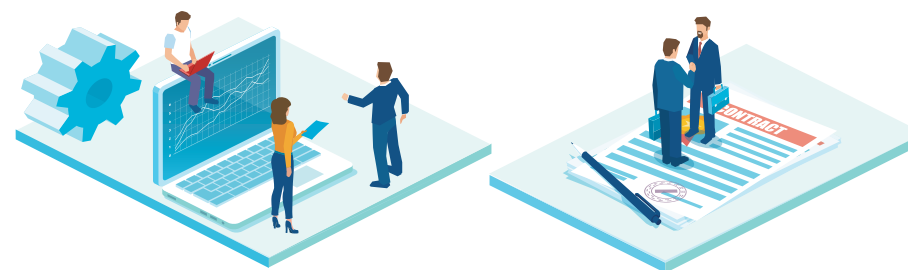


### Clear and transparent insurance application examples

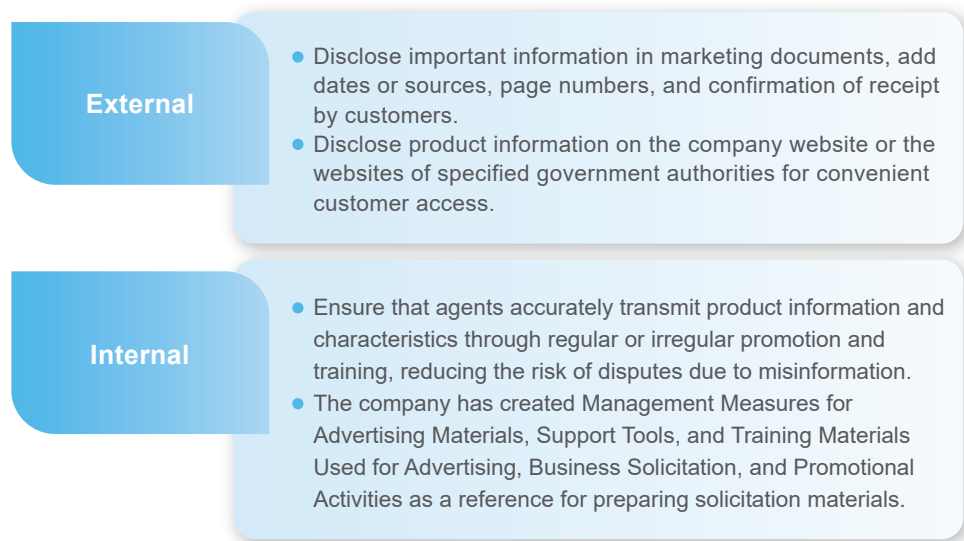
To enable customers to confirm whether insurance products meet their personal needs, specific insurance examples are designed and presented in the form of illustrations, facilitating enhanced understanding of each insurance product.

## ◆ Confirmation of Policyholder Rights

To protect the rights and interests of policyholders, Nan Shan Life has pioneered the industry by introducing the "Confirmation of Policyholders Rights". This confirmation serves as a reminder to policyholders of important considerations when applying for insurance, ensuring that they can make decision after fully understanding the coverage and related rights. During the underwriting process, Nan Shan Life carefully reviews the application to understand the policyholder's insurance objectives, occupational income, and financial status, which helps to evaluate the reasonableness of the insured amount and premium payments, thereby maximizing the value of insurance.



Nan Shan General Insurance acts in accordance with the relevant control procedures of external laws and regulations and internal methods of operation to determine the accuracy and integrity of its insurance product contents and marketing information to ensure the rights and interests of customers. In addition, we also provide agents with explanatory controls and training through regular and irregular training courses, arrange professional license exams, corporate insurance classes, and general insurance classes. This ensures that agents are accurately transmitting product information and characteristics, and reduces disputes due to misinformation.



Nan Shan General Insurance puts itself in the customer's shoes, replacing complex insurance policy terms with simple examples that are easy to understand, and helping customers better understand policy contents and their rights and interests.

Real-time Policy Coverages Check

In order to help agents to serve customers more broadly, Nan Shan Life created an internal “Policy Coverages Check” system which not only helps agents to reduce service costs, but also increases sales opportunities and provides more accurate information to customers. Key functions include:

- **Provide more diversified information:** Using the Policy Coverages Check System to consolidate information about insurance policies that customers have already purchased from Nan Shan Life and other insurers, allowing customers quickly and conveniently understand their existing coverages and insurance gaps.
- **Intuitive presentation of three aspects of coverages:** Intuitive presentation of customer lifetime protection helps customers understand future changes in their protection. At the same time, it also enables agents to help customers determine whether their protection is adequate.
- **A series of marketing tools to fill customer protection gaps:** This

not only helps customers to collect policy information, but can also help customers to double-check the adequacy of their current protection and plan more comprehensive protection.

- **Blended application for insurance and technology:** the introduction of Optical Character Recognition (OCR) through Artificial Intelligence (AI) allows policyholders to take out insurance policies with other insurers quickly and conveniently by taking and uploading pictures in 3 easy steps. By reducing operating time, agents will have more energy to serve customers.

Monetary Losses Due to Product and Sales Communication Issues

In 2022, Nan Shan Life had no cases of lawsuits or monetary loss because of the promotion or communication of its insurance products (note). However, in 2022, there was 1 penalty about violating the relevant new product promotion regulations, leading to a penalty of NT\$1.8 million. Improvement measures are already completed according to relevant regulations.

Reasons for Violation	Improvement Measures
Internal training of new products and related training materials was not adequately reviewed and confirmed according to company regulations. Unauthorized materials were used for internal training, thus violating regulations of the Insurance Law.	Three measures have been implemented to strengthen the internal control mechanisms of product training, including:  1. <b>First line of defense:</b> Revise the evaluation method for the promotion of products and to strengthen the legal compliance courses. 2. <b>Second line of defense:</b> Revising related regulations, product promotion materials, marketing tools, and training materials. All of them to be produced by Head Office. 3. <b>Third line of defense:</b> Strengthening the random inspection of the agency offices' morning meeting activities when carrying out regular or project-related checking.

Note: The monetary losses resulting from legal action from the promotion and communication of insurance product information to customers is determined according to the following standards: 1. the customer makes a request to the company, and the company is responsible for the customer's request. 2. The company pays the customer according to a final and un-appealable judgement.



### 6.4.3 Innovative Fintech Applications

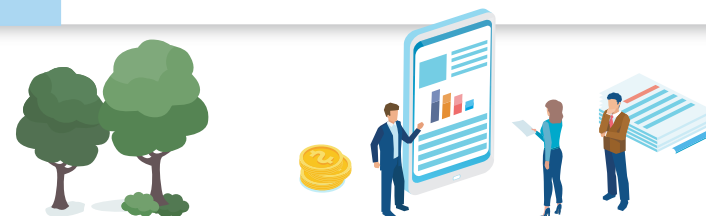
To follow the trends of technological development in insurance industry, Nan Shan promotes service and business empowerment, which labels as the core value of digital transformation and development. On one hand, we are committed to combining complete insurance protection with the Health Protection Circle service, providing a holistic service to customers and empowering agents to create a new kind of insurance service experience. On the other hand, the introduction and application of insurance technology will deliver an improved and comprehensive service approach and quality, enhanced intelligence, and a more humanized digital service experience.

To assist consumers to clearly understand their own rights and interests, Nan Shan Life moved away from its previous approach of “product” design, and now acts based on the perspectives of the policyholders by offering diversified and convenient portable digital services unlimited by time and space. Starting from the three perspectives of policy services, product design, and information provision, Nan Shan Life provides comprehensive services to various customer groups and agents. Nan Shan Life may serve the customers wherever they go, eliminating transportation needs for the disabled and the elderly, and waiting time for counter services. Agents are also provided with high-efficiency management tools, to create the most effective business model for the industry while reducing carbon emission, advancing insurance service to the cutting edge of technology. In recent years, Nan Shan Life has been committed to developing innovative applications of new technologies and big data in various aspects of insurance products, services, and processes. For example, Nan Shan Life has been at the forefront of the industry in introducing services such as “QR Code Scanning for Audio Files” and “Braille Books for Important Considerations.” These services help disabled customers obtain insurance information quickly and conveniently. Moreover, Nan Shan Life provides various services using AI technologies, including OCR (Optical Character Recognition) and NLP (Natural Language Processing), to replace manual judgments. With external resources, Nan Shan Life has applied blockchain technology to electronic policies, Policy Services/Claim Consortium BlackChain, “Medi-Claims Transmission” uploading services of claim evidences, and the direct offsetting of medical expenses with claim benefits.

To assess the direction of various digital finance initiatives and to continuously optimize the digital service application platform, Nan Shan Life regularly reviews customer service data, including metrics such as the increase rate in

app downloads after a revision or upgrade, the usage of various services, and customer satisfaction levels and feedback. Nan Shan Life gradually introduces intelligent customer service systems, and adjusts the digital platform interface and data provision accordingly. This serves as the foundation for long-term development strategic and resource allocation in FinTech.

Item	Description
Nan Shan Life App	<ul style="list-style-type: none"> <li>With a new visual style that is professional, sleek, and friendly, it presents a clearer and more intuitive information compilation and provides various policy services, including coverage compilation, policy changes, payment services, and claims filing, etc. It can be accessed through various handheld devices, making it more convenient for policyholders.</li> </ul>
Insurance Application	<ul style="list-style-type: none"> <li><b>Online insurance application service:</b> The Company has built the “Nan Shan Life Online Policy Application Center” to create an innovative, convenient, and safe channel for insurance applications with simply registering as a member through identity verification.</li> <li><b>Mobile insurance service:</b> With the connection between their iPads and the cloud system, agents can offer high-quality assistance to customers to complete insurance applications effortlessly at any time.</li> </ul>
Online Policy Services	<ul style="list-style-type: none"> <li>By visiting dedicated online service platform “Nan Shan Customer Portal”, policyholders can access comprehensive services such as online application, policy inquiries, policy changes, policy loan application/repayment, claims application, premium payment, and fund switching/redemption of investment-linked policies, enabling policyholders to obtain policy information in real time.</li> </ul>



## The Insurance Industry Claims Alliance Chain/ Digital Identity Verification

<b>Project Context and Contents</b>	In order to make the claims application process more convenient, Nan Shan Life developed its own claims tool: the Claims Expert. Integrating Mobile Identification (MID) technology, claims applications can be made by using MID verification on their cell phones. There is no need for the insured or beneficiary to sign an agreement on their tablet device or sign a paper agreement, promoting real-time identity verification.
<b>Nan Shan's Inputs</b>	In combination with the Life Insurance Association's technology-sharing platform, Nan Shan Life developed its own claims tool, the Claims Expert, to connect core system data.
<b>Benefits</b>	The Claims Expert does not just enhance the digital user experience for policyholders and agents, it also significantly improves the convenience of making insurance claims. It also supports the paperless claims service, promoting energy saving and carbon reduction, enhancing the application of financial technology for insurance claims.

## Digital Transformation of the Nan Shan General Insurance Motor Insurance Claims Service

<b>Project Context and Contents</b>	In 2019, Nan Shan General Insurance launched a motor insurance claims service, One-Call Immediate Handling and Active Notification of the Claims Progress, and successfully obtained 7 insurance technology patents. These include: Actively Informing Customers of Claims Acceptance, Motor Claims Automatic Assignment System, Claims Settlement APP Traffic Accidents Claims Notification System, Traffic Accident Transfer Service, Cross-Regional Automatic Service Assignment System, Motor Insurance Claims Progress Notification System, and Motor Insurance Claims Notification System.
<b>Nan Shan's Inputs</b>	In the event of a vehicle accident, customers can quickly receive service and assistance with just one phone call. Acceptance, notification, and activation of a claim are completed within 30 minutes.
<b>Benefits</b>	In order to ensure that motor insurance customers will feel the convenience of this innovative claims service, Nan Shan General Insurance has set high standards and simple but clear service indicators. The Company also conduct monthly satisfaction monitoring surveys. According to the results of the 2022 customer satisfaction survey, the satisfaction rate of "service attitude", "professional competence" and "overall evaluation" all reached 97% or more; in the survey of "contact efficiency", the satisfaction rate in 2022 was 97%.

## Mobile digital sales assistance

Nan Shan Life has integrated various sales assistance tools, such as product training, promotion, and the latest sales-assistance data. The Company has also established a knowledge database platform, which offers its agents a one-stop instant messaging service. The platform helps agents to provide policyholders with all the digital information they need as well as greatly saving servicing time and operating costs. In addition, in response to the incoming calls of senior policyholders, Nan Shan Life has set up an incoming call diversion and identification system, and adjusted the speed of speech and language to a friendly communication method for senior policyholders, saving nearly half of the waiting time of senior customers and winning 99% of service satisfaction.

Nan Shan Life continues to design the product eDM and policy coverage check system to assist policyholders with coverage inspection, thereby providing superior risk protection planning and recommendations for its customers.

### Mobile Digital Sales Support, Pushing Service to the Next Level: Agent APP Service Design

<b>Project Context and Contents</b>	In order to help agents to offer more efficient customer service, Nan Shan Life has collaborated with an external consultant (AJA) to launch the cross-functional designing project, the Mobile Agent App.
<b>Nan Shan's Inputs</b>	Accompanied agents in 5 customer visits and conducted 16 in-depth interviews to find out which digital tools agents need in business visits.
<b>Benefits</b>	After multiple discussions, workshops, and usability tests, we have developed a new business-related mobile application, the Agent App. The app facilitates the queries about customer and policy information, and also help editing simple proposal. The first phase is expected to go live in the second quarter of 2023.

## 6.5 Sustainable Finance

Nan Shan Life is a large financial insurance institution in Taiwan. We undertake the responsibility to drive the sustainable development in the market. We are dedicated in providing sustainable financial products and services for policyholders, employees, the society, and shareholders in line with our sustainable finance strategy.

Starting from the core insurance business, we proactively follow the international sustainable finance initiatives and voluntarily respond to the United Nations Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI). ESG risks and opportunity issues are internalized into the company's operations and decisions, as to apply the positive effects of sustainable finance through the offering of insurance products/services and making of investment activities.

### Sustainable Insurance

To fulfill the vision of sustainable insurance, Nan Shan Life initiated efforts to follow PSI in internal strategic management, business decisions, product development, external stakeholder engagement, and transparent disclosure, with the commitment to practice ESG concepts in business operations towards the goal of becoming the most trusted sustainable insurance company in Taiwan. Please see Appendix p.170 to P.172 for more information about Nan Shan Life's actions in response to the PSI principles.

Starting from the Nan Shan Life "H.E.A.R.T. Sustainability Strategy", we uphold the mission as a public service industry and fulfill our customer's wellness and healthcare needs. We created the Health Protection Circle platform offering various sustainable insurance solutions. We continually work to enhance the transparency and convenience of our sales, underwriting and claims services processes and practice sustainability in all our insurance-related actions.

## ◆ Sustainable Insurance Solutions

Type	Definition	Nan Shan Product Cases	Relevant Chapter
<b>Health Protection Circle</b>	We have worked together with partners in different industries to create integrated Wellness and Healthcare products and a service platform to efficiently prevent diseases and the risk of disabilities, fulfill health and medical needs, and create a new type of insurance that offers service empowerment and promotes health.	<ul style="list-style-type: none"> <li>Remote health management</li> <li>Cancer care and support</li> <li>Long-term care service map</li> </ul>	3.1 Becoming Healthy with Nan Shan
<b>Health Spillover-effect Insurance</b>	Through health promotion rewards mechanism, policy holders who meet the required criteria (e.g., meeting health checkup goals or receives the designated number of vaccines or cancer screenings) are eligible for cashback, increased coverage, or premium discount. Combining insurance products with a self-health management mindset, policyholders are encouraged to exercise regularly and eat healthily, reducing the illness incidence and achieve the benefits of prevention in advance and to further reduce medical expenses, creating a win-win-win spillover effects.	Coverage for Nan Shan Life health spillover-effect products includes: hospitalization daily indemnity, medical reimbursement, surgery, major diseases, specific injuries and diseases, cancer, long-term care, and sub-optimal health.	3.1 Becoming Healthy with Nan Shan
<b>Environmental Spillover-effect Insurance</b>	The risk of natural disasters resulting from extreme weather conditions has significantly increased in recent years. Nan Shan General Insurance adopts an environmental sustainability mindset to enhance customer asset protection and encourage customers to implement green building projects with green energy materials and equipment.	Nan Shan General Insurance Upgraded Home Green Energy Terms	4.1.3 Low Carbon Insurance
<b>Prevention of damage, pandemic, or other insurance types with social functions</b>	Protective insurance products in response to societal needs.	<ul style="list-style-type: none"> <li>Nan Shan General Insurance Extra Amounts Typhoon and Flood Insurance Riders.</li> <li>Nan Shan General Insurance Gold Kindness</li> <li>Nan Shan General Insurance Gold Vaccine</li> <li>Nan Shan General Insurance Gold Vaccine 2.0</li> <li>Nan Shan General Insurance Gold Epidemic Prevention 1.0</li> <li>Nan Shan General Insurance Gold Epidemic Prevention 2.0</li> </ul>	3.2 Excellent Insurance with Nan Shan
<b>Microinsurance and other preferential insurance</b>	Provided basic accidental death and disability protection to the economically disadvantaged and physically/mentally disabled people through group microinsurance for injuries and disabilities, and collective microinsurance for injuries and disabilities.	<ul style="list-style-type: none"> <li>Nan Shan Life 1-year Accident Microinsurance</li> <li>Nan Shan Life Collective Accident Microinsurance</li> <li>Nan Shan Life Group Accident Microinsurance</li> </ul>	5.2 Inclusive Finance

In addition, Nan Shan Life actively take internal and external engagement, encouraging staff and agents to adopt a sustainable insurance mindset and communicate sustainable insurance issues with customers, government authorities, and related external stakeholders. In 2022, employees took a total of 9.5 hours of ESG-related educational training courses. Externally, we actively respond to sustainability policies such as Corporate Governance 3.0 and the Green Finance Action Plan 2.0. We respond to the PSI principles autonomously and integrate the ESG mindset throughout the core of our insurance business. We regularly publish a sustainability report to communicate the results of our ESG efforts to our external stakeholders.

## Responsible Investment

Since 2015, Nan Shan Life has been incorporating ESG issues into the investment decision-making process in abiding the essence of the Principles

for Responsible Investment (PRI). In addition, the PRI has been integrated into Nan Shan Life's "Investment Policy", as the foundation for compliance and actual implementation of responsible investment in the company. Furthermore, Nan Shan Life has issued a statement of compliance to the "Stewardship Principles for Institutional Investors" stipulated by the Taiwan Stock Exchange Corporate Governance Center. We actively exert our financial influence and join hands with our invested companies to create sustainable stable returns.

Nan Shan Life has set up the "Responsible Investment Team" under the Corporate Sustainability Committee, which is dedicated to planning responsible investment strategies and supervising the implementation of responsible investment. In 2022, the Responsible Investment Team convened four meetings in total.



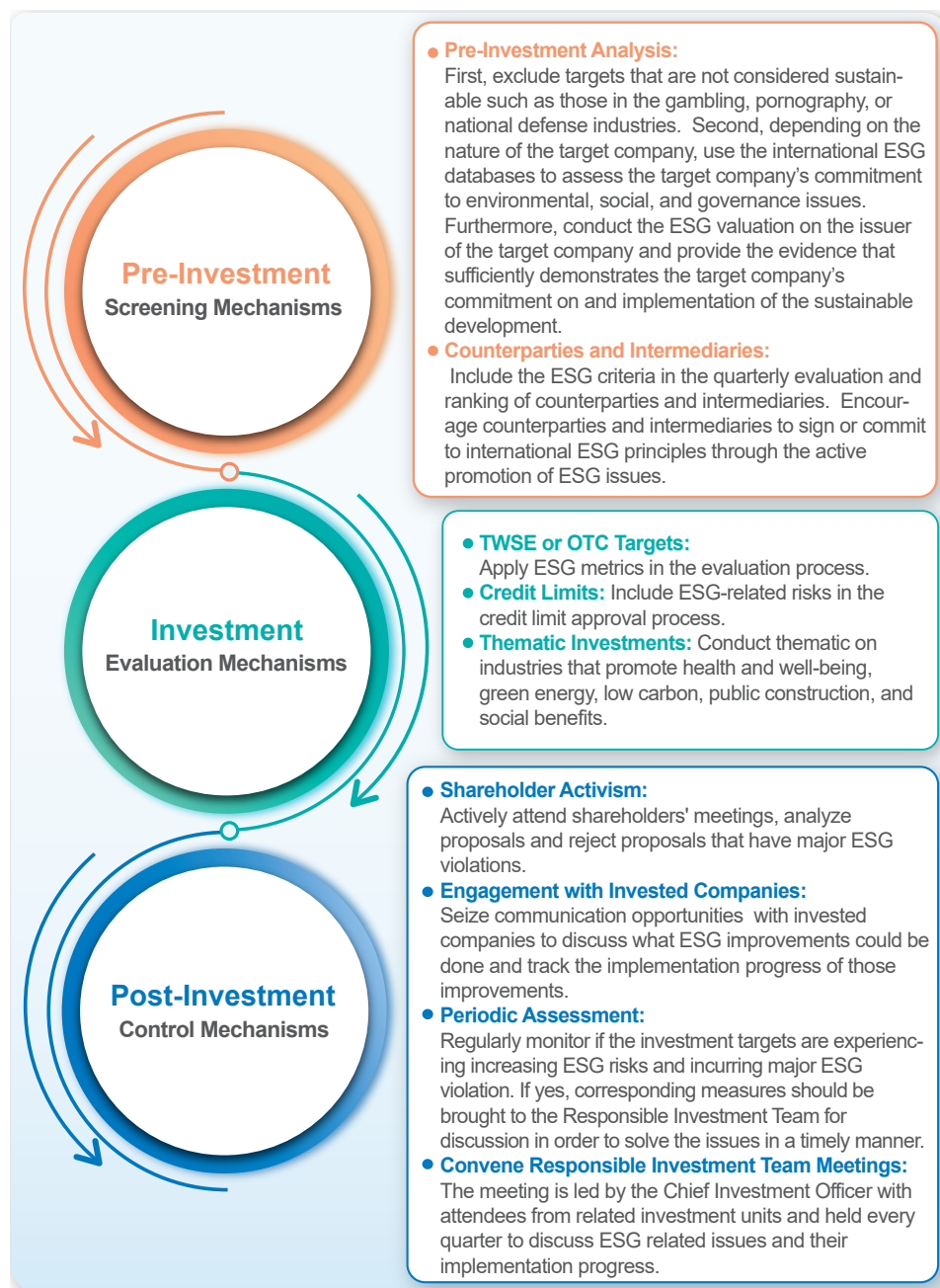
Stewardship  
Principles for  
Institutional  
Investors

Nan Shan Life Responsible Investment System	Nan Shan Life Implementations
Investment Principles that are ESG integrated	<ul style="list-style-type: none"> <li>• Integrate Responsible Investment Principles into the Investment Policy as the foundation of the Company's compliance and implementation of responsible investments.</li> <li>• ESG factors has been incorporated into the investment analysis and decision-making processes. The ESG evaluation is conducted on existing equities and fixed income holdings, to be included investment targets, and fixed income holdings that are scheduled to have an increase in their investment quota. At least one statement should be provided to demonstrate the target company's commitment to the sustainable development and practices.</li> </ul>
Investment Guidelines for Specific Asset Classes	<ul style="list-style-type: none"> <li>• Conduct the ESG evaluation on fixed income, equities, and managed fund holdings. According to the attributes of each asset class, further assess the implementation status on the sustainability development from the issuers or guarantors of the investment holdings. Periodically detect if their risk indicators are experiencing apparent deterioration or reflecting major ESG violations.</li> </ul>
Industry-Specific Regulations	<ul style="list-style-type: none"> <li>• Abide by company policies and provide analysis and opinions on the high-carbon emission list in order to gradually implement the carbon reduction target.</li> </ul>



Nan Shan Life Responsible Investment System	Nan Shan Life Implementations
<b>Screening and Exclusion Policies</b>	<ul style="list-style-type: none"> <li>• Non-sustainable targets in gambling, pornography, and national defense weapons and ammunition industries should be excluded. The Board-level Investment Policy states that the not-suitable-for-investment list should be reviewed annually. In 2022, there were 654 companies on the list, an increase of 42 from the previous year.</li> <li>• Use the international ESG database to incorporate positive elements into the evaluation of the investment targets and with the approval from the Board of Directors, stipulate those elements into the Investment Policy.</li> </ul>
<b>Engagement Principles</b>	<ul style="list-style-type: none"> <li>• Continually pay attention to the ESG development of invested companies and engage in proper dialogue and communication with them. In 2022, we communicated and followed up with invested companies on different ESG topics, including strengthening the information disclosure, enhancing the corporate governance, and fulfilling ESG responsibilities. Confirmed that all invested companies either have responded positively or taken specific actions.</li> <li>• Actively promote ESG principles to counterparties and intermediaries. Send advocacy documents to those who have not yet signed or practiced the international ESG standards and make the corresponding deduction in their quarterly ranking score.</li> <li>• Establish the mechanism to advocate ESG to business partners and ways to implement the shareholder activism. The implementation progress of each working item is reported to the Responsible Investment Team for discussion each quarter to enable timely review and adjustments. In 2022, we have checked all investment related business partners for their ESG commitments and advocated to those who haven't met Nan Shan's ESG requirements with a full execution rate.</li> </ul>
<b>Voting Policy</b>	<ul style="list-style-type: none"> <li>• Assess shareholder meeting proposals of the invested companies on a case-by-case basis and attend the shareholding meetings through the TDCC E-voting system. In 2022, Nan Shan Life attended all shareholder meetings of invested domestic companies, evaluated all proposals, and found no proposals that have major ESG violations.</li> </ul>

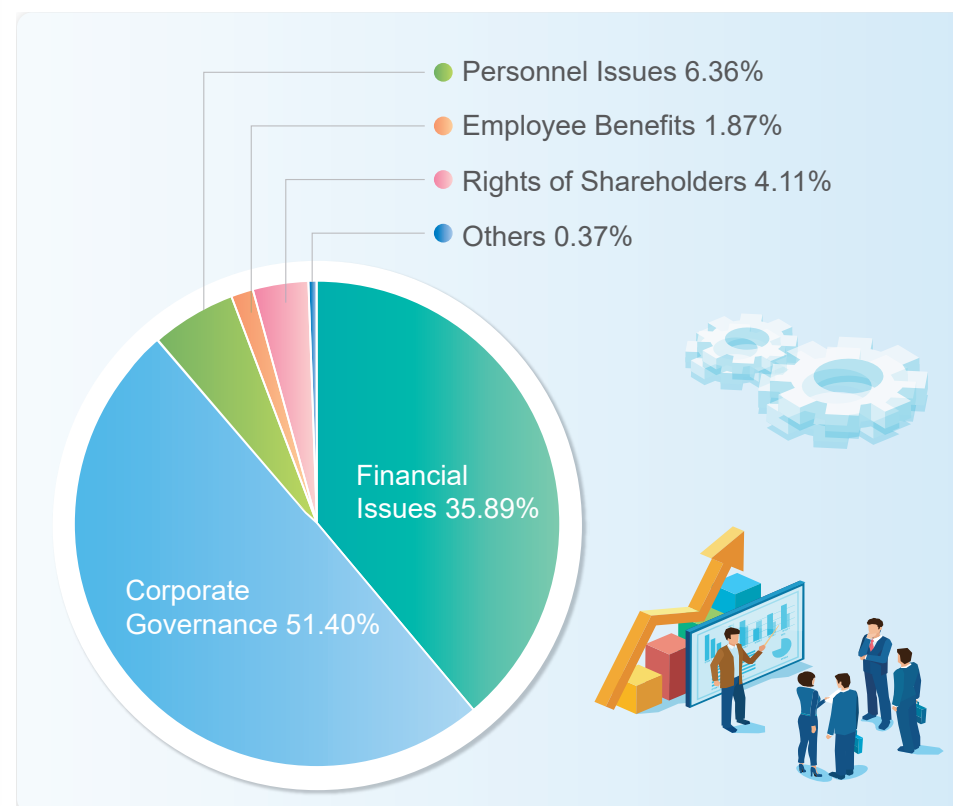
Nan Shan Life will continue to improve and deepen its implementation of the responsible investment through strategies and actions, including broadening the scope and increasing the amount of sustainability investments, strengthening the ESG database construction capability, increasing the training for internal ESG talents, and improving the communication with invested companies, effectively integrating ESG factors into Nan Shan Life's investment strategies.



## Practice Shareholder Activism

Nan Shan Life complies with the Stewardship Principles for Institutional Investors and actively exercises its voting rights, attends shareholder meetings, communicates ESG-related issues with invested companies, and annually discloses the progress of the communication. Nan Shan Life also discusses the results of its ESG negotiation with the invested companies to the external stakeholders while implementing the shareholder activism. Please visit the Stewardship Principles for Institutional Investors section on our website for more information.

In 2022, Nan Shan Life attended shareholder meetings of all invested domestic companies and voted on 501 proposals with a voting rate of 100%. After prudently examined for any proposals that may be detrimental to ESG issues, no proposals were found to have major ESG violation in 2022.





# 07

## Talent

- 7.1 Talent Structure
- 7.2 A Healthy and Happy Workplace
- 7.3 Talent Development
- 7.4 Creating Win-Win for Agents

Nan Shan Life believes talent serves as the foundation for sustainability. We dedicate to constructing comprehensive mechanisms for career and business development, as well as creating a friendly, and happy work environment that nurtures growth and empowers talents to demonstrate professional and high-quality services and to deliver responsibility, passion, and love to all policyholders. During the COVID-19 pandemic in 2022, we made every effort to safeguard the health and safety of our employees and managed to deploy digital technology and facilitate remote learning to enhance employee competitiveness, fostering an environment for talents to fulfill their dreams and create a sustainable value and future together.

## 7.1 Talent Structure

With the belief that talent serves as the foundation for corporate sustainability, Nan Shan Life regards its employees as partners who grow and serve together with the company. We have long been dedicated to creating a friendly and happy work environment that nurtures growth. We offer above median and market competitive compensation and benefits in the financial insurance industry to our employees and have also established comprehensive career development mechanisms that provide a stage for employees to achieve their professional growth and dreams. While inviting our employees to join hands with Nan Shan Life, we strive to work together to create a sustainable future and value.

In 2022, the total number of Nan Shan Life's employees was 4,080, of which 64.5% were female and 35.5% were male. 57.5% of the employees were between the ages of 30 and 50, with an average age of 42.6 and an average length of service of approximately 13.5 years. The total number of Nan Shan General Insurance's employees is 760, of which 62% are female and 38% are male.

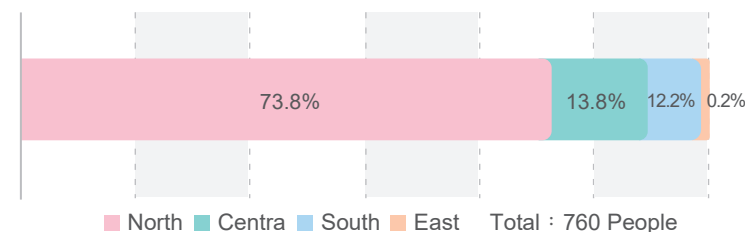
### ◆ 2022 Talent Structure

Nan Shan Life gender distribution of employees - by position, type, and age							
Nan Shan Life		Male		Female		Total	
		Number of People	(%)	Number of People	(%)	Number of People	(%)
Total Number of Employees		1,448	36	2,632	65	4,080	100
Position	Managerial Positions	286	50	284	50	570	14
	Non-Managerial Positions	1,162	33	2,348	67	3,510	86
Category	non-fixed-term contract employees	1,448	36	2,632	65	4,080	99.7
	fixed-term contract employees(note)	8	67	4	33	12	0.3

Nan Shan Life		Male		Female		Total	
		Number of People	(%)	Number of People	(%)	Number of People	(%)
Age	Age 50 (inclusive) and above	386	35	702	65	1088	27
	Age 30 (inclusive) to Age 50	815	35	1,531	65	2,346	58
	Under Age 30 (exclusive)	247	38	399	62	646	16

Note: Nan Shan Life fixed-term contractors were interns, all were in the north region of Taiwan.

### Nan Shan Life Distribution of Employees by Region

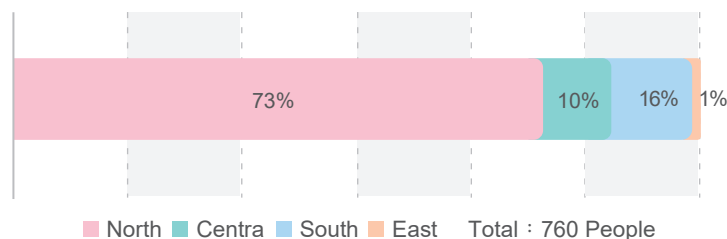


### Nan Shan General Insurance gender distribution of employees - by position, type, and age

Nan Shan General Insurance		Male		Female		Total	
		Number of People	(%)	Number of People	(%)	Number of People	(%)
Total Number of Employees		292	38	468	62	760	100
Position	Managerial Positions	42	41	60	59	102	13.4
	Non-Managerial Positions	250	38	408	62	658	86.6
Category	non-fixed-term contract employees	290	38	465	62	755	99.3
	fixed-term contract employees(note)	2	40	3	60	5	0.7
Age	Age 50 (inclusive) and above	64	54	54	46	118	15.5
	Age 30 (inclusive) to Age 50	194	39	309	61	503	66.2
	Under Age 30 (exclusive)	34	24	105	76	139	18.3

Note: Nan Shan General Insurance term-contractors were interns.

### Nan Shan General Insurance Distribution of Employees by Region



## 7.2 A Healthy and Happy Workplace

### 7.2.1 System of Highly Competitive Salary and Benefits

Nan Shan Life's overall salary positioning is based on the principle that salaries are above the median of the financial insurance industry, and it keeps track of market trends and maintains strategic flexibility for key personnel to ensure a competitive edge for talent.

In response to the government's policy to increase the pay levels of younger generations, starting in June 2022, Nan Shan Life adjusted the monthly starting salary to NT\$32,000 per month for new staff with college degree (Nan Shan General Insurance is NT\$ 30,000) and NT\$35,000 for new master's degree. A flexible salary strategy is also available for designated positions and talented prospects. All starting salaries offered are above the minimum wage of Taiwan. According to the 2022 Willis Towers Watson financial industry employee benefits survey analysis report, most of Nan Shan Life's benefit measures are superior to the P50 of the financial industry. Nan Shan Life leads the industry in employee group insurance coverage.

#### ◆ Year 2022 Salary Levels

	Life insurance industry	Nan Shan Life
The average regular salary	1	1.01 times
Total regular salary plus non-regular salary	1	1.42 times
Average monthly salary of entry-level employees	—	+3.8% (Compared with 2021)
Starting salaries for recent college graduates	—	>1.27 (Compared with basic wage)



	General Insurance Industry	Nan Shan General Insurance
The average regular salary	1	1.05 times
Total regular salary plus non-regular salary	1	1.02 times
Average monthly salary of entry-level employees	—	+ 1.13% (Compared with 2021)
Starting salaries for recent college graduates	—	>1.19 times (Compared with basic wage)

### ◆ Salary for full-time employees in non-managerial positions

Nan Shan Life		2021	2022	YoY (%)
Full-time employees (people)		3,791	3,821	0.8
full-time employees in non-managerial positions	Average Salary (NT\$1,000)	1,337	1,307	-2.2
	Median Salary (NT\$1,000)	1,177	1,166	-1.0

Nan Shan General Insurance		2021	2022	YoY (%)
Full-time employees (people)		747	755	1.1
full-time employees in non-managerial positions	Average Salary (NT\$1,000)	626	670	7.0
	Median Salary (NT\$1,000)	573	614	7.2

Note 1: The average regular salary and total regular salary plus non-regular salary are compared between Nan Shan Life/Nan Shan General Insurance and the insurance industry information published by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

Note 2: The average monthly salaries of entry-level employees are internally compared by Nan Shan Life/Nan Shan General Insurance.

Note 3: Nan Shan Life/Nan Shan General Insurance pays annual performance bonus based on the company's operating performance and departmental/individual performance.

Note 4: The starting salaries of new college graduates are the same regardless of gender.

Note 5: Full-time employees refers to employees who are not in managerial positions who have been employed for 6 months in the current year.

### Comprehensive Employee Benefits

Nan Shan is committed to establishing a happiness workplace. In addition to comply with labor insurance & national health insurance and pension plans as stipulated in the Labor Standards Act, Nan Shan applies core insurance capabilities to provide full time employees comprehensive employee group insurance benefits, so employees may enjoy security and focus on their career development.

## ◆ Employee Insurance Benefits

Category	Content
<b>Term life insurance</b>	An insurance amount of 36 times salary, with a NT\$2 million minimum and NT\$13 million maximum.
<b>Accidental injury insurance</b>	
<b>Outpatient subsidy (Note1)</b>	NT\$500 maximum per day, maximum 20 days/year.
<b>Hospitalization insurance (Note 2)</b>	<p>Actual payment:</p> <ul style="list-style-type: none"> <li>● Hospitalization fee (per day): NT\$2k~3k based on job level</li> <li>● Miscellaneous hospital expenses (each time): NT\$40k~60k based on job level</li> <li>● Surgical operation fee (each time): NT\$60k~90k based on job level</li> <li>● Physician's consultation fee (per day): NT\$1k~1.5k based on job level</li> <li>● Daily payment (per day) : NT\$2k~3k based on job level</li> </ul>
<b>Accident medical insurance</b>	Maximum of NT\$10k per incident.
<b>Cancer medical insurance</b>	<ul style="list-style-type: none"> <li>● Hospitalization (per day): NT\$2k~3k based on job level.</li> <li>● Surgeries (each time): NT\$60k~90k based on job level.</li> <li>● Post-operation care after discharge (per day): NT\$2k~3k based on job level.</li> </ul>
<b>Long term care insurance (the industry's first employee long-term care insurance benefit)</b>	<ul style="list-style-type: none"> <li>● Since 2015, employees are also provided with "long-term care insurance" with the company paying the full premium.</li> <li>● Employees are provided with 24 times the insured amount for total disability care / long term care insurance one time payment, and 24 times the insured amount annually for total disability living support / long term care installment payments (up to 16 payments). The payments help to share the load of economic pressure for employee long-term care.</li> </ul>

Note 1: Applicable only to Nan Shan Life Employees

Note 2: Spouses and children may obtain insurance coverage by paying 1/3 of the premium while the Company pays 2/3 of the premium. Parents may obtain insurance coverage where the employee is responsible for the full premium amount.

## ◆ Employee Care and Healthcare

Category	Content
Flexible work hours	During the pandemic, work hours are staggered into two shifts of 8:30~17:00 and 9:30~18:00.
Work from home	Work from home (WFH) measures were implemented during the pandemic.
Childcare	Nan Shan has signed contracts with large kindergarten chains to provide exclusive discounts to Nan Shan employees, enabling them to arrange proper childcare for their young children and focus on their jobs while at work.
Parental benefits	To help boost the fertility rate in Taiwan, we provide childcare benefits beyond those required legally: <ul style="list-style-type: none"><li>● Maternity leave: Female employees may take maternity leave for childbirth, and a leave of 5 days to 8 weeks during pregnancy. They may also choose to take maternity leave in advance of childbirth up to four weeks ahead of time to prepare for childbirth and childcare.</li><li>● Maternity subsidy: Employees or their spouse's newborn subsidy is calculated according to the number of fetuses for the first child and the number of fetuses for the second child or more.</li></ul>

Category	Content
<b>Parental benefits</b>	<ul style="list-style-type: none"> <li>Contracted childcare centers: Collaborate with legally registered childcare center chains to provide employees with childcare discounts.</li> <li>Childcare leave without pays:               <ol style="list-style-type: none"> <li>(1) After six months of employment, an employee may apply for childcare leave without pay before each child reaches the age of three. The leave shall end when the child reaches the age of three, with a maximum leave period of two years. Employees caring for two or more children at the same time shall combine the leave periods, which ends when the leave period reaches two years for the youngest child.</li> <li>(2) During the period of childcare leave, the employee may continue to participate in their original labor insurance and national health insurance, and the insurance premiums to be paid by the employee may be deferred for up to three years.</li> </ol> </li> </ul>
<b>Health exam program</b>	<ul style="list-style-type: none"> <li>Provide a health exam program for staff with standards superior to those legally required (81 items for general staff; 87 items for manager/assistant vice president level; about 106 items for executives at the vice president level and above).</li> <li>Employees are eligible for one health exam per year.</li> <li>Employees 40 years of age or above who undergo self-paid "low-dose computed tomography lung cancer screening" procedures are subsidized with 2/3 of the cost.</li> <li>Provide health exam categories with standards superior to those legally required, and organize one-on-one health consultations with physicians throughout Taiwan.</li> <li>In addition, Nan Shan Life employees also enjoy the following benefits:</li> <li>Regular employees also eligible for ophthalmoscope examinations, thyroid ultrasonography examinations, and cardiovascular blood tests.</li> <li>Director/managerial level employees were eligible for ophthalmoscope, thyroid ultrasonography, cardiovascular blood tests, and ultrasound examination of carotid artery.</li> </ul>
<b>Long service honor and retirement benefits</b>	<ul style="list-style-type: none"> <li>Employees with more than 3 years of service receive a bonus of NT\$2,500 to NT\$48,000 depending on the length of their service in Nan Shan Life. They also receive a certificate of honor after five years of service in the company, and a golden emblem weighing between one to four mace-unit depending on their length of service after 10 years.</li> <li>To provide employees with comprehensive retirement planning, prior to the enactment of the Labor Standards Act (April 1, 1998), the Company set aside an amount towards each employee's retirement fund depending on their length of service ranging from 5% to 10% of their basic salary.</li> </ul>

Category	Content				
<b>Long service honor and retirement benefits</b>	<ul style="list-style-type: none"> <li>For employees who qualify under the old retirement plan, a Labor Retirement Reserve Fund Supervisory Committee has been set up, and funds are transferred monthly to the labor retirement reserve fund account at the Bank of Taiwan. As of the end of 2022, the retirement reserve fund balance reached NT\$1.152 billion.</li> <li>For employees who qualify under the new retirement plan required by law, a monthly pension fund equivalent to 6% of their salaries are transferred to their individual retirement account at the Bureau of Labor Insurance under the Ministry of Labor. In addition, the appointed manager receives 6% to 10% of the salaries from the managerial retirement fund, with options to choose from the new plan mentioned above, trust fund, or annuity insurance.</li> <li>Qualified retired employees are eligible for various retirement benefits, including term life insurance, retirement gift in cash, etc. In addition, retired employees are invited back to the company to participate in annual social events, such as the annual spring festival banquet, company hiking trips, and charity activities.</li> </ul>				
	<b>System</b>	<b>Retirement plans</b>	<b>Retirement term life insurance</b>	<b>Retirement cash gift</b>	<b>Additional retirement benefits</b>
	Old plan	The total length of employment service must be in the same business unit	Provide term life insurance for qualified retired employees. The amount for the first year is equivalent to the insured amount of the employment group insurance (36 times the basic monthly salary), and 1/2 of the initial "insured amount" for subsequent years. All the expenses are covered by the company.	A retirement cash award of NT\$10,000 to NT\$50,000 is provided to retired employees in accordance with their employment position, and the cash amount doubles for those in service for 30 years or more.	<ol style="list-style-type: none"> <li>1. Preferential self-paid group hospitalization health insurance.</li> <li>2. Year-end bonus is provided based on the proportion of service for the year.</li> <li>3. Employees have the option to choose payment of year-end bonus after retirement or in January of the following year.</li> </ol>
	New plan	The length of service used for calculating retirement pension is not limited to the same business unit			

In 2022, 226 Nan Shan Life employees were eligible for parental leave, and a total of 37 people had applied. 34 people had been reinstated after maternity leave, with a reinstatement rate of 75.6%. 53 Nan Shan General Insurance employees were eligible for parental leave, and a total of 13 people had applied. 10 people had been reinstated after maternity leave, with a reinstatement rate of 83.3%.

### ◆ Status of Parental Leave Applications

Nan Shan Life	Male	Female	Total	Nan Shan General Insurance	Male	Female	Total
Employees eligible for unpaid parental leave in 2022 (A) (Note 1)	84	142	226	Employees eligible for unpaid parental leave in 2022 (A) (Note 1)	17	36	53
Employees who actual applied for unpaid parental leave in 2022 (B)	3	34	37	Employees who actual applied for unpaid parental leave in 2022 (B)	3	10	13
Estimated employees who applied for reinstatement in 2022 after parental leave (C)	2	43	45	Estimated employees who applied for reinstatement in 2022 after parental leave (C)	2	10	12
Employees returned to work after unpaid parental leave in 2022 (D) (Note 2)	1	33	34	Employees returned to work after unpaid parental leave in 2022 (D) (Note 2)	1	9	10
Employees returned to work after unpaid parental leave in 2021 (E)	2	15	17	Employees returned to work after unpaid parental leave in 2021 (E)	1	4	5
Employees who returned to work after unpaid parental leave in 2021 and completed one year of service (F)	2	12	14	Employees who returned to work after unpaid parental leave in 2021 and completed one year of service (F)	1	3	4
Parental leave application rate in 2022(B) / (A) (%) (Note 3)	3.6	23.9	16.4	Parental leave application rate in 2022(B) / (A) (%) (Note 3)	17.65	27.78	24.53
Return-to-work rate in 2022 (D)/(C) (%) (Note 4)	50.0	76.7	75.6	Return-to-work rate in 2022 (D)/(C) (%) (Note 4)	50.00	90.00	83.33
Retention rate in 2021 (F) / (E) (%) (Note 5)	100	80.0	82.4	Retention rate in 2021 (F) / (E) (%) (Note 5)	100	75	80

Note 1: Employees eligible for unpaid parental leave in 2022: The number of employees who had taken maternity or paternity leave in the past 3 years.

Note 2: Employees returned to work after unpaid parental leave in 2022: Employees reinstated in 2022 who had applied in 2020, 2021, and 2022

Note 3: Parental leave application rate means employees who actual applied for unpaid parental leave in 2022 (B) / Employees eligible for unpaid parental leave in 2022 (A).

Note 4: Return-to-work rate means employees returned to work after unpaid parental leave in 2022 (D) / Estimated employees who applied for reinstatement in 2022 after parental leave (C).

Note 5: Retention rate means Employees who returned to work after unpaid parental leave in 2021 and completed one year of service (F) / Employees returned to work after unpaid parental leave in 2021 (E).

## Other Employee Benefit

In addition to employee insurance, retirement, care and healthcare benefits, we provide diverse people-oriented benefits, including various employee social activities, cash gifts for weddings and festivals, funeral condolence money, and preferential loans, etc.

Category	Content
<b>Employee Care</b>	
<ul style="list-style-type: none"> <li>Reserved Parking Spaces (Note1)</li> </ul>	Reserved parking spaces have been arranged in each owned building for use by disabled or pregnant female employees. In 2022, 19 employees applied.
<b>Time off</b>	
<ul style="list-style-type: none"> <li>Annual Leave</li> </ul>	Days granted based on length of service in the Company (up to 30 days)
<ul style="list-style-type: none"> <li>Sick leave with pay</li> </ul>	12 days / year (employees with length of service less than 1 year) 24 days / year (employees with length of service over 1 year)
<b>Employee activities</b>	
<ul style="list-style-type: none"> <li>Activity Groups (note 2)</li> </ul>	Established new activity groups, including a dance club and a Lohas Tai Chi club to promote cross-departmental exchange and communication, enhancing health and relationship.
<b>Festival bonuses / cash gifts</b>	
<ul style="list-style-type: none"> <li>Dragon Boat Festival / Mid-Autumn Festival</li> </ul>	NT\$3.5k (note 3)
<ul style="list-style-type: none"> <li>Employee marriage</li> </ul>	NT\$6k
<ul style="list-style-type: none"> <li>Childbirth (employee or spouse)</li> </ul>	NT\$10k~NT\$200k for each baby born
<ul style="list-style-type: none"> <li>Funeral (Employee / spouse / parents, children)</li> </ul>	NT\$21k / NT\$10k / NT\$5k
<ul style="list-style-type: none"> <li>Employee hospitalization due to injury on duty</li> </ul>	NT\$1k
<ul style="list-style-type: none"> <li>Employee retirement</li> </ul>	A cash gift of NT\$10k ~ NT\$100k based on years of service / job level.
<b>Service anniversary reward</b>	
	NT\$2.5k~NT\$48k bonus based on years of service and a badge of up to approximately 15 grams of gold.
<b>Preferential loan</b>	
<ul style="list-style-type: none"> <li>Interest-free emergency loan</li> </ul>	A loan of NT\$100k ~ NT\$400k may be provided based on specific need.

Note 1: Applicable only to Nan Shan Life Employees

Note 2: Applicable only to Nan Shan Life Employees

Note 3: Nan Shan General Insurance provides funds according to the revenue of the Benefits Committee instead of a fixed amount.



## 7.2.2 Diverse and Inclusive Culture

Nan Shan Life is committed to the establishment of a diverse and inclusive workplace culture along with equal opportunities for the career development of each employee. In 2022, Nan Shan Life employed a total of 32 employees with disabilities, 13 employees with indigenous backgrounds, and 7 foreign employees. Nan Shan General Insurance employed a total of 5 employees with disabilities, 1 employee with indigenous background.

### ◆ Statistics of Employee Diversity

Particular		Nan Shan Life		Nan Shan General Insurance	
		number of people	%	number of people	%
<b>Employees with disabilities</b>		32	0.78	5	0.7
<b>Diverse age groups</b>	Age < 30	646	15.8	139	18.3
	Age 30-49	2,346	57.5	503	66.2
	Age >= 50	1,088	26.7	118	15.5
<b>Diverse ethnicity and nationality</b>	Asia - indigenous peoples	13	0.32	1	0.0
	Asia - from Taiwan	4,073	99.8	760	100.0
	Asia - from Hong Kong	1	0.02	--	--
	Asia - from Malaysia	4	0.09	--	--
	Europe - from England	1	0.02	--	--
	North America - from Canada	1	0.02	--	--
<b>Gender Diversity</b>	Total female employees	2,632	64.5	468	61.6
	Total female management (note1)	284	49.8	60	58.8
	Junior female management (note2)	236	54.0	53	52.0
	Mid- or high level management (note3)	48	36.1	7	6.9
	Regular employees (non-management)	2,348	66.9	408	62.0
	Newly recruited female employees	277	60.5	92	62.6
	Female employees in the for-profit units (note 4)	1,774	69.9	66	45.8
	STEM department female employees (note 5)	195	38.9	18	47.4

Note 1: Management position refers to personnel tasked with the responsible for the supervisory management of a unit.

Note 2: Junior management means supervisor, assistant manager, manager.

Note 3: Middle and senior management means assistant vice president and above.

Note 4: Nan Shan Life for-profit departments: including agency channel, multiple distribution channels, and customer service function.

Note 5: Nan Shan Life STEM department: including the technology & application department, product department, actuarial department, operating data center, and information security department.



The talent policies of Nan Shan Life and Nan Shan General Insurance adhere to the core value of gender equality, treating employees regardless of gender. Female employees account for 65% of all staff at Nan Shan Life, and 62% at Nan Shan General Insurance and with 50% and 59% of managerial staff being female respectively. This shows how Nan Shan has been implementing gender equality in the recruitment, hiring, training, and promotion of all its employees.

### ◆ 2022 Nan Shan Female / Male Salary Ratio

Type			Annual salary		Total salary (annual salary + bonus)	
			Female	Male	Female	Male
Managerial Positions	Assistant Vice President (inclusive) and above	Nan Shan Life	1	1.12	1	1.12
		Nan Shan General Insurance	1	1.11	1	1.11
	Managers	Nan Shan Life	1	1.01	1	1.05
		Nan Shan General Insurance	1	1.85	1	1.83
	Supervisors / Assistant Managers	Nan Shan Life	1	1.03	1	1.02
		Nan Shan General Insurance	1	0.94	1	0.94
Non-Managerial Position	Nan Shan Life		1	0.93~1.04	1	0.91~1.07
	Nan Shan General Insurance		1	0.66~2.11	1	0.64~1.3

To establish a healthy workplace with zero tolerance for discrimination and harassment, we have formulated the “Workplace Sexual Harassment Prevention Measures, Complaint and Punishment Regulations”. In addition, a special section for employee complaints has been set up in the internal website, providing employees with channels, including a complaint hotline, fax number, and email, to file complaints that are then handled by dedicated personnel. All employees are required to take online courses and exams, establishing a friendly working environment.

### 7.2.3 Care for the Health and Safety of Employees

Nan Shan Life cares about the overall physical, mental, and spiritual health of employees. We firmly believe that only happy employees can pass on the power of happiness to policyholders. Therefore, through humane perspectives, we have built a happy workplace with comprehensive mechanisms for care.

To effectively prevent the occurrence of occupational injuries and promote the safety and health of employees, Nan Shan Life has formulated an Occupational Safety and Health Management Program based on business risks and the nature of operations for the entire office workforce. In addition, based on the program, the company carries out educational training, workplace inspections, and other measures. In the future, the plan is to include non-employees whose job or workplace is under the management of our organization.

In 2022, 23 occupational safety and health educational training sessions (including fire drills) were held with 3,925 participants. In addition, inspections were conducted in 382 workplaces (including spaces utilized by non-employee workers), with a 100% inspection rate. In addition, a second inspection was conducted in units with higher risks, to verify the improvements. Of the 259 items of recommended improvements, 100% were implemented.

In 2022, the internal audit was carried out by 27 personnel with safety and health inspection qualifications from the company headquarters and 24 branch offices. They performed automatic safety and health inspections in the workplace. External audits were conducted by the Labor Inspection Office, which carried out labor inspections thrice and no defects were found.

Accidents that occur mostly in workplaces are common hazards such as traffic accidents and falls that may cause musculoskeletal injuries. Nan Shan references the risk assessment tools provided by the Occupational Safety and Health Administration of the Ministry of Labor, and makes adjustments according to the actual requirements of Nan Shan before performing hazard evaluation and identification. In 2022, no occupational accidental deaths occurred among the office staff of Nan Shan Life. In the three incidents which resulted in minor or severe injuries, two were commuting accidents and one was due to a falling accident in the office.

Regarding the falling accident mentioned above, an investigation was conducted to verify the existing protection measures, to help determine whether the risk level required an adjustment. Based on the cause of the accident, improvements have been made, such as putting up warning signs, enhancing educational training, and improving the safety of walkways. In addition, Nan Shan monitored the employee's physical and mental health, to ensure a full recovery before returning safely to the workplace.

In addition, during the safety and health training for new recruits, employees are strongly advised to stop their task at hand and retreat to a safe location when there is immediate danger while performing their duties at work, when doing so does not endanger the safety of other workers. They shall also report the matter to their immediate supervisor, and no penalties would result.

Regarding health protection and promotion for office staff, including human factor musculoskeletal injuries, maternal health protection, etc., on-site physicians and nurse practitioners shall be responsible to provide healthcare guidance, consultation, and care. In 2022, 4,787 employees were evaluated for musculoskeletal injuries related to human factors and ergonomics, and no employees were affected. For 115 employees with suspected symptoms, the nurse practitioner provided health promotion education and monitored their progress.

In terms of caring for mothers, during pregnancy and within one year of giving birth, female employees receive phone calls from nurses inquiring about their health, and face-to-face on-site services are arranged as necessary. In 2022, evaluations were provided to 2,632 female employees and 64 pregnant/postpartum female employees, and the rate of health educational guidance reached 100%. In the last three years, no employees died of occupational injuries, and no one was diagnosed with occupational or work-related illnesses after evaluations by occupational health specialists.



Types of Occupational Injury (Note 1)	Nan Shan Life	Nan Shan General Insurance
Total hours worked (hours)	10,003,080	1,419,300
Number of severe occupational injuries (person)	0	0
Severe occupational injury ratio (%) (Note 2)	0	0
Number of recordable occupational injuries (person)	1	0
Recordable occupational injury rate (%) (Note 3)	0.10	0

Note 1: The statistics does not include accidents during commutes.

Note 2: Severe occupational injury rate = (number of severe occupational injuries / total work hours) x 1,000,000. The total work hours = total number of employees x daily work hours x actual days worked in a year.

Note 3: Recordable occupational injury rate = (number of recordable occupational injuries / total work hours) x 1,000,000. The total work hours = total number of employees x daily work hours x actual days worked in a year.

Staff Injury Rate						
Year	2020		2021		2022	
	Nan Shan Life	Nan Shan General Insurance	Nan Shan Life	Nan Shan General Insurance	Nan Shan Life	Nan Shan General Insurance
Male	0.20	0	0.00	0	0.00	0
Female	0.00	0	0.10	0	0.10	0
Total	0.20	0	0.10	0	0.10	0

Note 1: Injury Rate (IR) = (total number of people injured or disabled / total work hours) x 1,000,000.

Note 2: In 2022, the injury rate in Nan Shan Life remained the same, because the number of occupational injury cases remained the same.

## Comprehensive Epidemic Prevention Measures Ensuring Employee Safety

To ensure employee health and continuous operations in response to the outbreak of COVID-19 pandemic, the presidents of Nan Shan Life and Nan Shan General Insurance have been serving as the chief of the epidemic prevention taskforces to coordinate business operations and promote various epidemic prevention measures. We have formulated the "Epidemic Prevention Manual for Severe Infectious Diseases" to specify measures to be taken by each department during an epidemic in accordance with the three major goals of "ensuring employee safety, providing uninterrupted service to customers, and maintaining sustainable corporate operations". These include:

- 1.Enhance the cleaning and disinfection operations of the office building environment, and ensure adequate epidemic prevention resources. (Surgical masks, alcohol, infrared thermometer, etc.)
- 2.Depending on the epidemic severity, activate remote backup mechanisms, especially for operations that cannot be interrupted. Arrange for key business operational staff to be working from distributed offices. Furthermore, physical contact between employees of different office buildings is prohibited.
- 3.In response to governmental policies, employees undergoing home-isolation or quarantine are provided with "paid epidemic quarantine leave", which provide more than the minimum as required by law. In 2022, a total of 217 employees filed relevant applications totaling 6,460 hours.
- 4.In accordance with the government's epidemic prevention recommendations, visitors are required to sign a "health declaration" and cooperate with measures such as taking body temperature, alcohol disinfection, and wearing a mask.



## ◆ Pandemic Prevention Measures Exceeding the Regulation Requirements

Nan Shan Implementation	Description of content	2022 Achievements
<b>Vaccination leave with pay</b>		
	Employees who opted for vaccination in accordance with government policies were provided with paid leave for receiving the basic and some booster doses.	A total of 3,106 (76%) Nan Shan Life employees applied for leave, taking a total of 5,071.25 days of leave. A total of 799 (86.2%) Nan Shan General Insurance employees applied for leave, taking a total of 689 days of leave.
<b>Vaccination insurance</b>		
	To help alleviate the physical and mental pressure on employees to prepare for pandemic prevention measures while performing their duties, continuing the practice of last year, vaccination insurance for new employees arrived before the end of May was provided in accordance with individual wishes, with the company subsidizing the full premium.	A total of 254 (84.5 %) Nan Shan Life new employees applied for the insurance including 234 staff and 20 interns. A total of 699(89.2%) Nan Shan General employees applied for the insurance.

## ◆ Pandemic Prevention Measures Exceeding the Regulation Requirements

Nan Shan Implementation	Description of content	2022 Achievements
<b>2022 employee travel subsidies</b>		
	Considering the severity of the pandemic in 2022, instead of the usual employee travel activities, employees were given travel vouchers to avoid the risk of infection during cross-regional travel.	Travel vouchers were given to 3,953 Nan Shan Life employees at a cost of NT\$13.83 million. Travel vouchers were given to 740 Nan Shan General Insurance employees at a cost of NT\$4.94 million.
<b>2022 employee health exam adjustments</b>		
	The annual health exam budget for each employee increased in 2022 as follows: <ul style="list-style-type: none"> <li>General staff: an increase from NT\$2,000 to NT\$3,000</li> <li>Managers / Assistant Vice Presidents: an increase from NT\$3,500 to NT\$5,000.</li> </ul>	The annual budget was NT\$4.51 million higher than that of 2020 (implementation was suspended due to the epidemic in 2021).

## Become full of vitality with health promotions

To enhance the physical, mental, and spiritual health of employees, Nan Shan has been planning abundant and diverse health promotion mechanisms and activities annually, to convey the work hard and LOHAS mindset to employees, helping them to cultivate an exercise habit and pay attention to their own health.

Health Promotion Mechanism		2022 Achievements
Establish a fitness center	The Nan Shan fitness center is equipped with the latest exercise equipment, to help employee develop a healthy habit of regular exercise.	Used by 2,574 persons/times.
Established a health service station for one-on-one health exam consultations	Established a health service station for one-on-one health exam consultations Nan Shan Life set up a "health service station" at the Nan Shan Financial Center, hiring full-time health service nurses. In addition, occupational medicine specialists and labor health service physicians were appointed to provide on-site health services. After health exam, employees are provided with accurate preventive health care information during one-on-one consultation services with professional physicians.	<ul style="list-style-type: none"> <li>Nan Shan Life organized 43 consultation sessions with a total of 296 employees participated.</li> <li>Nan Shan General Insurance organized 2 consultation sessions with a total of 70 employees participated.</li> <li>107 people were eligible to participate in the lung screening exam, and another 10 employees chose the exam at their own expense.</li> </ul>
Nan Shan General Insurance Healthy Workplace Certification	Continue to plan a healthy working environment for employees in accordance with the regulation stipulated by the Health Promotion Administration, Ministry of Health and Welfare, to promote the physical and mental health of employees.	Received Healthy Workplace Certification from 2020 to 2022



Health Promotion Mechanism	2022 Achievements	
Nan Shan Life CPR and AED educational training	Continue to collaborate with relevant units, provide CPR+AED training to educate employees First Aid knowledge, including actual practice sessions.	277 people participated in the training.
Getting the "seasonal influenza vaccine"	In response to flu epidemics, provide seasonal influenza vaccination services to the employees.	Nan Shan Life and Nan Shan General Insurance organized five and 1 influenza vaccine health promotions respectively, with a total of 360 people received the vaccine.
Workplace Health Lectures	Seminars on the following: prevention of atrial fibrillation and stroke, infectious diseases prevention, ergonomics and how to maintain a good posture to stay away from pain, introduction of lung cancer, and the importance of lung screening exams.	Nan Shan Life and Nan Shan General Insurance organized 4 seminars attracting a total of the participation of 342 people.
Well-known doctors lectures	Seminars were held by inviting well-known doctors to share the importance of healthcare measures and preventive medicine, for the benefit of employee health.	Nan Shan Life organized three seminars that focused on the functions of lungs, livers, and breasts, attracting the participation of 630 people.

Health Promotion Mechanism	2022 Achivements	
“Lohas Nan Shan” Nan Shan Life employee social activities		
The LOHAS Nan Shan activities were organized to facilitate social networking among employees for employees to enjoy a healthy LOHAS atmosphere via sharing and exchanges. Creating a healthy Lohas environment at the workplace by giving employees free movie tickets or booking a theatre for employees for a designated time for a movie.	More than 4,000 staff participated.	
Online Sports Academy		
Collaborated with sports associations and sports centers to provide authorized sports videos to employees, encouraging them to enjoy workouts regardless of time and space.	The videos have been watched nearly 15,000 times in total.	
Nan Shan Life One-Hour Activity every other Wednesdays		
To promote health awareness among the employees, a one-hour team sports competition is held biweekly on Wednesday afternoons, including the following types of events: scheduling an employee-only exercise class in a fitness center, stair-climbing competition, yoga, a 11-legged race (with 10 people per team), hula hoop exercises, and more. The competitions enhance the spirit and bonding among employees, and promote the habit of regular exercise among them, which help to boost their health.	Nearly 3,000 staff participated in the activities, with a 90% satisfaction rate.	
Promotion of health information-rich and diverse eDM		
eDM is used from time to time to share information on healthy living or major diseases, to provide employees with accurate disease-prevention and treatment information.	A total of 137 articles of health information has been shared.	
Provision of health exams exceeding regulation requirements - Cancer screening		
Free abdominal ultrasound and cancer screening were added to the Company’s annual employee health exams. In 2022, “low-dose computed tomography lung cancer screening” was added to the list of subsidized exams for employees aged 40 or more.	2 Cancer screening health exams were held, with 166 people in attendance.	

## ◆ “Nan Shan Can Go Wild”, Family Day Forest Party

<b>Project Context and Contents</b>	<p>During the Nan Shan Family Day in October of 2022, “Health, Environmental Conservation, Having Fun Together” was chosen as the core concept. All the event planning, including transportation, team competition, meals provision, and parent-child activities all revolved around health promotion and environmental sustainable management.</p> <ol style="list-style-type: none"> <li>1. Teamed up with the Xindian Bus Company to provide Nan Shan Family Day shuttle buses, encouraging employees to reduce carbon consumption and protect the environment by taking public transportation.</li> <li>2. Provided employees with in-depth excursions in nature, such as tea leave harvesting, DIY tea jelly, farm ecological tour, and parent-child orienteering activities, etc.</li> <li>3. During the activities, set up team competitions, the game of four-challenges, parent-child interactive zones and more, prompting the participants to discover the fun of playing healthy in the mountains while burning fat.</li> <li>4. After completing the challenge of walking the trail, participants received the gift of a cooling towel.</li> <li>5. In line with the concept of environmental conservation, and protecting the earth by caring for the mountains and forests, employees were asked to bring their own water bottles and environmentally friendly tableware. Disposable tableware was not provided.</li> <li>6. Lunchboxes were provided to the Chung Yi Social Welfare Foundation.</li> </ol>
<b>Nan Shan ‘s Inputs</b>	<p>Breaking with tradition, the 2022 Family Day event was held outdoors in the countryside for the first time. In addition, employees were encouraged to use public transportation to enjoy the tranquility of nature in the mountains during the holidays.</p>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>● The satisfaction rate for the overall event promotion and planning was 4.48 points (out of 5 points total).</li> <li>● About 5,200 employees, agents and their family and friends participated in the regional Family Day activities across Taiwan.</li> <li>● 20.4% of the participants took the Nan Shan Family Day shuttle bus.</li> <li>● About 1,000 people participated in the in-depth mountain experience program.</li> <li>● 50 lunch boxes were provided to the Chung Yi Social Welfare Foundation.</li> </ul>



## Employee Assistance Program (EAP)

Nan Shan Life has set up a “Spiritual Meeting Room” Employee Assistance Programs (EAP) in collaboration with the Hsinchu Lifeline Association, a professional psychological counseling group. Employees are provided with a 24-hour 0800 toll free hotline and employee counselling service to help relieve work-related or other types of pressure and stress. In addition to assisting employees with management of emotional issues, the Company also assists employees resolve other life issues (such as legal, parent child relations, workplace communication, personal taxation, etc.) through the comprehensive support system of the consulting unit, covering all service locations in Taiwan and hundreds of professional consultants.

In addition, we invited experts from various sectors to provide online healthcare seminars, to actively promote EAP related services and take care of the health of employees. Since 2016, 360 employees have utilized the EAP service, with 309 participating in the “Healthcare Series Lectures”, which scored a consulting service satisfaction rate of 6.0 (out of 6).

Employee care mechanism	2022 Achievements
<b>0800 toll-free hotline service</b>	
Professional psychologists are available to provide employees initial counseling service to help relieve stress in life and work. Legal consultation is also available for employees.	Since its launch in 2016, 215 people have used the hotline.
<b>Employee counseling service</b>	
Hsinchu Lifeline Association provides the space for counseling services, and arrange for appropriate psychological and management professionals to conduct one-on-one sessions with employees. Family counseling services for employees and their families may also be arranged if necessary.	Since its launch in 2015 to 2022, 145 people have used the service.
<b>Employee caring cards</b>	
Employee Assistance Programs (EAP) cards are provided to employees requiring special care, to remind them of the services available when necessary.	A total of 500 cards were printed for use in 2022.

## Active Listening for Reviews and Improvements

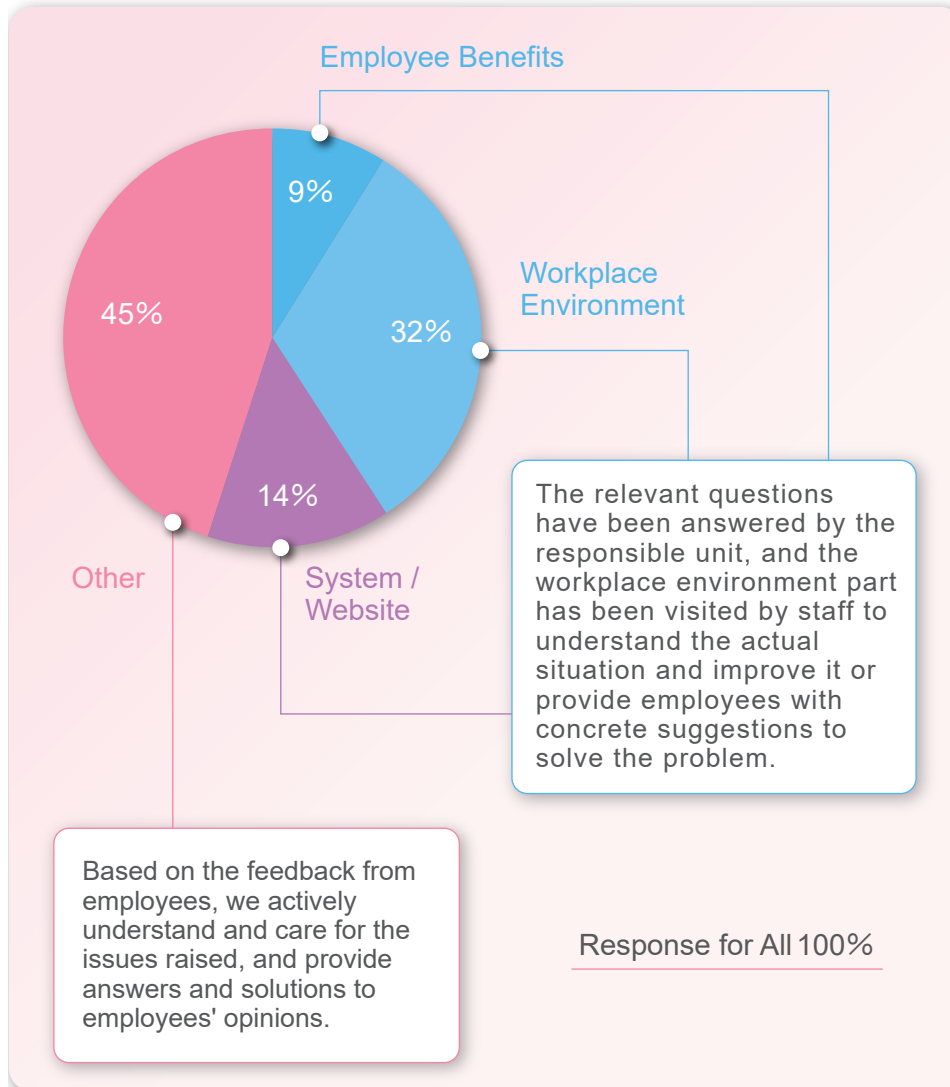
To listen and respond to employees, Nan Shan established diverse communication channels for employees to provide feedback, make recommendations, and file complaints. The entire process and response is handled confidentially, with an atmosphere of respect, equality, and open communication, to enhance employees' identification and loyalty with the company.

## ◆ Diverse Communication Channels

Communication Channels	Description
<b>Town hall Meeting</b>	To establish an employee participation culture, Town hall meeting is held at least once a year, to communicate the company vision, business performance, and near-term key plans. Feedback channels are also provided for employees to share ideas for improvements and future development of the company.
<b>Ideas &amp; feedback section</b>	Staff may go online to raise questions or offer recommendations, and receive a response from the relevant units to assist them resolve any problems they have encountered at the Company.
<b>Employee communication mailbox</b>	Nan Shan Life: NS-HumanResources-Communication@nanshan.com.tw Nan Shan General Insurance: NSGI-HR-Communication@nsgeneral.com.tw
<b>Employee dedicated complaint hotline</b>	Nan Shan Life Employee complaint hotline: 02-8758-8366, Nan Shan General Insurance Employee complaint hotline: 02-7726-8630. Answered by a dedicated supervisor who confidentially handles employee complaint cases, providing them with a worry-free complaint channel.
<b>Employee dedicated care hotline</b>	Dedicated Nan Shan Life employee care hotline: 02-8758-8330 for employee care automatically transferred calls to the human resource department personnel, who is responsible for answering employee questions. Nan Shan General Insurance employee care hotline: 02-7726-8630
<b>Newsletter eDM</b>	Various newsletters/eDM/email/announcements are issued frequently, whether singularly, weekly, bi-weekly or monthly as needed, to help employees keep abreast of the latest company developments.
<b>Departmental contact person</b>	The human resource department has established a communication network with each department head and secretaries to communicate important company information and related activities in a timely manner. In addition, the human resource department checks on the staff at each unit, to understand whether employees have received important announcements or employee response.
<b>Employee identification and development surveys</b>	Conduct surveys from time to time to understand employees' opinions and situations, and implement corresponding improvement programs.

In 2022, Nan Shan Life received a total of 22 cases of questions from employees, and 100% responded to the submissions after listening and understanding of the issues with care.

### ◆ 2022 Major Feedback from Nan Shan Life Employees



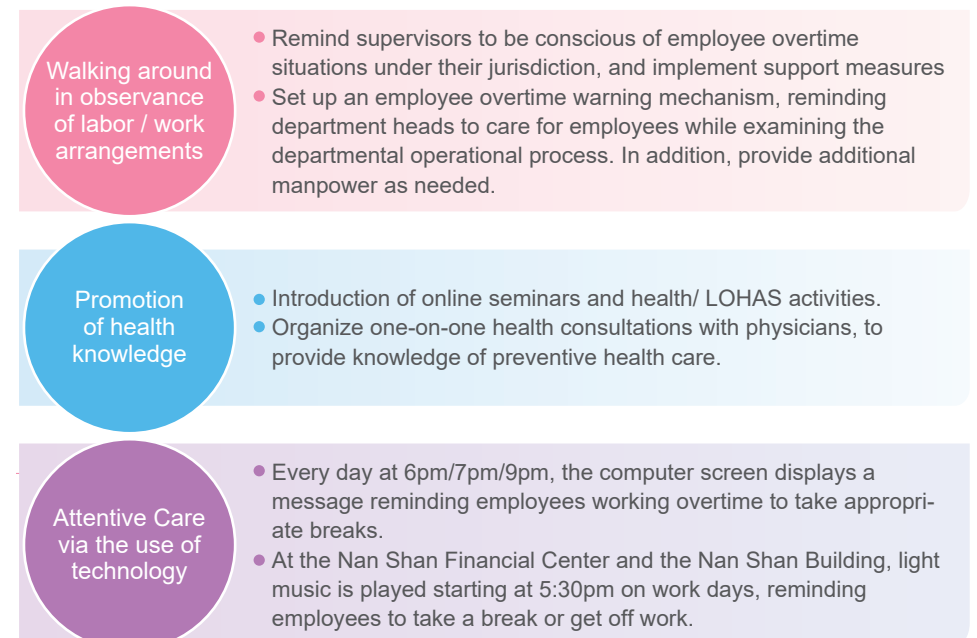
### Violation of Labor Laws and Its Penalties

In 2022, Nan Shan Life was penalized violations of labor laws(note). The main cause was the company's business system of contracting and appointments. However, a few insurance agents claimed that they had a labor contract with the company, which led to legal disputes related to labor laws and regulations. The Company complies with all related laws and regulations, and shall continue to apply legal means to settle relevant disputes in accordance with the spirit of Interpretation No.740 of the Justices of the Constitutional Court.

Nan Shan Life continues to conduct self-review and improvement, while actively caring about employees' overtime situations to initiate relevant solutions. Furthermore, we have added "employee overload assessment" in the company's annual routine health exams, and prompted nursing staff at the workplace to provide attentive care to overtime employees by taking their nighttime blood pressure, and reminding them to care for their own physical and mental health.

Note: In 2022, there were 43 cases of fines, with a total of NT\$19.71 million. In 2021, there were 29 cases of fines, with a total amount of NT\$15.43 million.

### ◆ Nan Shan Life Mechanism for Improving Issues with Overtime



## ◆ Nan Shan Life Employees Average Work Hour Data

Year	2020	2021	2022
Overtime hours / year	621,486	572,289	710,713
Available manpower for overtime	4,085	4,058	4,003
Average hours of overtime / month	13	12	15

## 7.3 Talent Development

### 7.3.1 Talent Recruitment and Retention

In response to the advent of fintech and big data, Nan Shan Life has been recruiting talents through internal and external employment platforms and on campuses, collaborating with various universities to create talent recruitment programs targeting the new generation. In addition, the company's recruitment program emphasizes talents needed for key business developments based on the company's direction of operations to continue the competitiveness of corporate sustainability management.

In recent years, Nan Shan Life has adhered to government policies to provide employment opportunities to outstanding young talents. In 2022, 57% of new hires were people under the age of 30.

## ◆ Talent Attraction and Retention

Program	Content	2022 Achievement
Nan Shan Elite Program	Since 2019, Nan Shan Life has been cultivating future talent for the insurance industry, attracting a new generation of outstanding employees across various fields equipped with innovative thinking and global vision, and the courage to accept challenges in pursuit of excellence.	<ul style="list-style-type: none"> <li>A total of 74 were recruited for the first four terms. After completing the program, they began implementing important projects at departments in the company.</li> <li>In 2022, three on-site sessions (at National Taiwan University, National Chengchi University, and National Tsing Hua University) and one online session were held to recruit students for the reserve talents and internship programs. Senior executives were present to provide encouragement, and senior members of Nan Shan elite program shared their career options and program details with their younger schoolmates.</li> </ul>
Internship Program	In line with the company culture, Nan Shan Life has been recruiting young students with high potential and enthusiasm about the insurance industry. They are invited to participate in actual business operations at various departments, core departmental programs, and paired with dedicated mentors providing them with in-depth professional instructions. They are also given opportunities for individual and group presentations of performance results. In addition, through diverse on-site or online courses at the Nan Shan e-College, the students may select courses to improve their problem-solving, data analysis, and communication skills, to promote the insurance service mission, preparing students with the ability to apply their knowledge and skills in the workplace.	<ul style="list-style-type: none"> <li>The internship program was available for three academic semesters in 2022, including the first and second semesters, and during the summer.</li> <li>The internship program has cultivated 368 participating students since it was launched in 2018.</li> </ul>



Program	Content	2022 Achievement
Industry-Academia Cooperative Program	<p>In 2022, Nan Shan Life collaborated with various universities to enhance the employment competitiveness of students, connecting them with the job market while still in school.</p> <ul style="list-style-type: none"> <li>“Life Insurance Management Practice Seminar” , Department of Finance at the National Taiwan University</li> <li>National Taipei University Career Development Center, Corporate Internship Program</li> <li>National Dong Hwa University Department of Information Management Corporate Internship Program</li> <li>“Actuarial Big Data Research Center” Industry-Academic Collaboration, Department of Financial Engineering and Actuarial Mathematics, Soochow University</li> </ul>	<p>Nan Shan Life integrated an industry-academia internship system, and continued to recruit students from the cooperative program to join Nan Shan internships. Those with outstanding performance are given the opportunity to turn their internship into a fulltime job.</p> <ul style="list-style-type: none"> <li>In 2022, 83 students elected to take the National Taiwan University Life Insurance Management Practice Seminar, where 32 executives and employees worked together to complete 20 courses, and overseeing the end of semester special topic reports. The average teaching satisfaction rate was 4.66 (out of 5).</li> <li>To continuously strengthen the finance and insurance profession, and cultivate actuarial talents that satisfy the latest needs in the long run, the “Soochow University Nan Shan Life Insurance Elite Cultivation Scholarship” has been awarded to 25 students since 2018.</li> </ul>

### ◆ 2022 New Hires Statistics

	Under Age 30 (exclusive)		Age 30(inclusive) to Age 50		Above Age 50 (inclusive)		Total	
	Number of people	(%)	Number of people	(%)	Number of people	(%)	Number of people	(%)
Nan Shan Life								
M	95	20.7	80	17.5	6	1.3	181	39.5
F	165	36.0	106	23.1	6	1.3	277	60.5
Nan Shan General Insurance								
M	15	10.2	38	25.9	2	1.4	55	37.4
F	43	29.3	46	31.3	3	2.0	92	62.6

### ◆ 2022 Staff Attrition Statistics

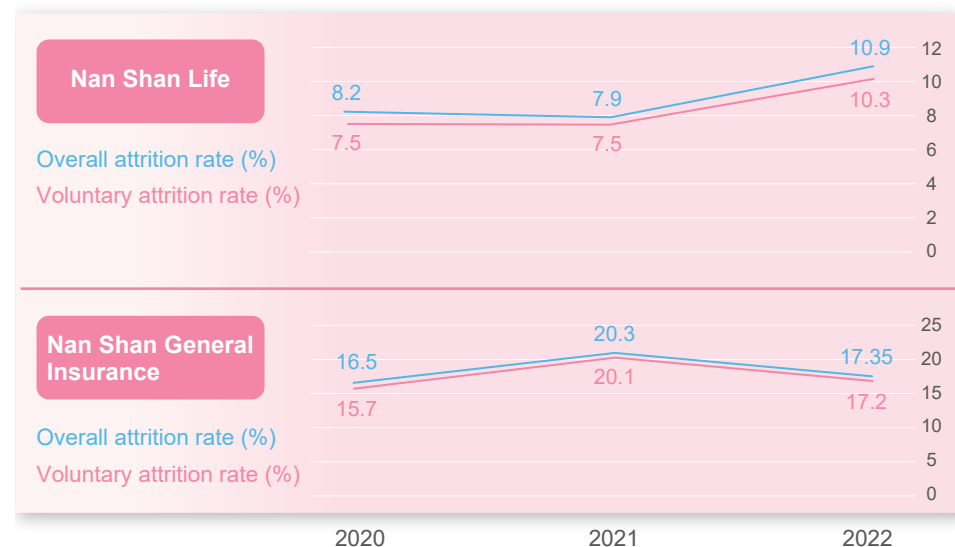
Gender	Under Age 30 (exclusive)		Age 30(inclusive) to Age 50		Above Age 50 (inclusive)		Total	
	number of people	(%)	number of people	(%)	number of people	(%)	number of people	(%)
Nan Shan Life								
Male	71	16.0	86	19.3	38	8.5	195	43.8
Female	99	22.2	122	27.4	29	6.5	250	56.2
Nan Shan General Insurance								
Male	9	6.3	34	23.8	7	4.9	50	35.0
Female	33	23.1	55	38.5	5	3.5	93	65.0

Note 1: Percentage of employees under aged 30(exclusive): Number of employees attrited aged under aged 30(exclusive) under non-fixed-term contracts/ Total number of employees attrited under non-fixed-term contracts

Note 2: Percentage of employees aged 30(inclusive) or above to 50: Number of employees attrited aged 30(inclusive) to 50 under non-fixed-term contracts / Total number of employees attrited under non-fixed-term contracts

Note 3: Percentage of employees aged 50(inclusive) or above: Number of employees attrited aged 50(inclusive) or above under non-fixed-term contracts / Total number of employees attrited under non-fixed-term contracts

## ◆ Staff Attrition Statistics





## Diversified Performance Appraisal System

Nan Shan Life constructs transparent and concrete “performance indicators” to conduct appraisals to continuously improve enterprise competitiveness. In addition, senior managers and above are evaluated by the 360-degree “behavioral indicators”, encouraging employees to demonstrate corporate culture in daily routines.

The results of performance reviews are used as a basis for decisions regarding employee promotions, career development, salary adjustments, and performance bonuses. For underperforming employees, a support scheme is offered to enhance their performance. Under this scheme, the supervisor holds irregular meetings with the underperforming employee as a day-to-day management practice to understand the employee’s work conditions and provide timely assistance accordingly.

The employee must then improve the specified aspects of their performance and meet established goals for improvement within the designated period; regular monitoring, support, and care are provided to the employee. When the period ends, the supervisor and employee will jointly review the progress of improvement and find ways to further enhance the employee’s competencies.

## ◆ Non-fixed-term contract staff

<div> <b>Nan Shan Life</b>  <b>2022</b>  <b>Nan Shan General Insurance</b>  </div>	Male	1,422	143	1,422
	Female	2,599	93	2,599
	No. of Employees Evaluated	4,021 100 %	236 5.9 %	4,021 100 %
	Performance Evaluation Method (Note 1)	Management by Objectives (Note 2)	Multi-faceted Evaluation ( eg.: the 360 degree performance appraisal system)	Evaluation and ranking of the performance of formal employees (Note 3)
	Male	270	20	270
	Female	448	11	448
	No. of Employees Evaluated	718 100 %	31 4 %	718 100 %

Note 1: Performance appraisals were conducted on employees who have passed the probationary period on December 31, 2022.

Note 2: Performance appraisals are conducted by immediate supervisors based on the individual objectives of each employee.

Note 3: Create a ranking of employees’ performance based on the list of employees in the same functional category

## 7.3.2 Talent Cultivation

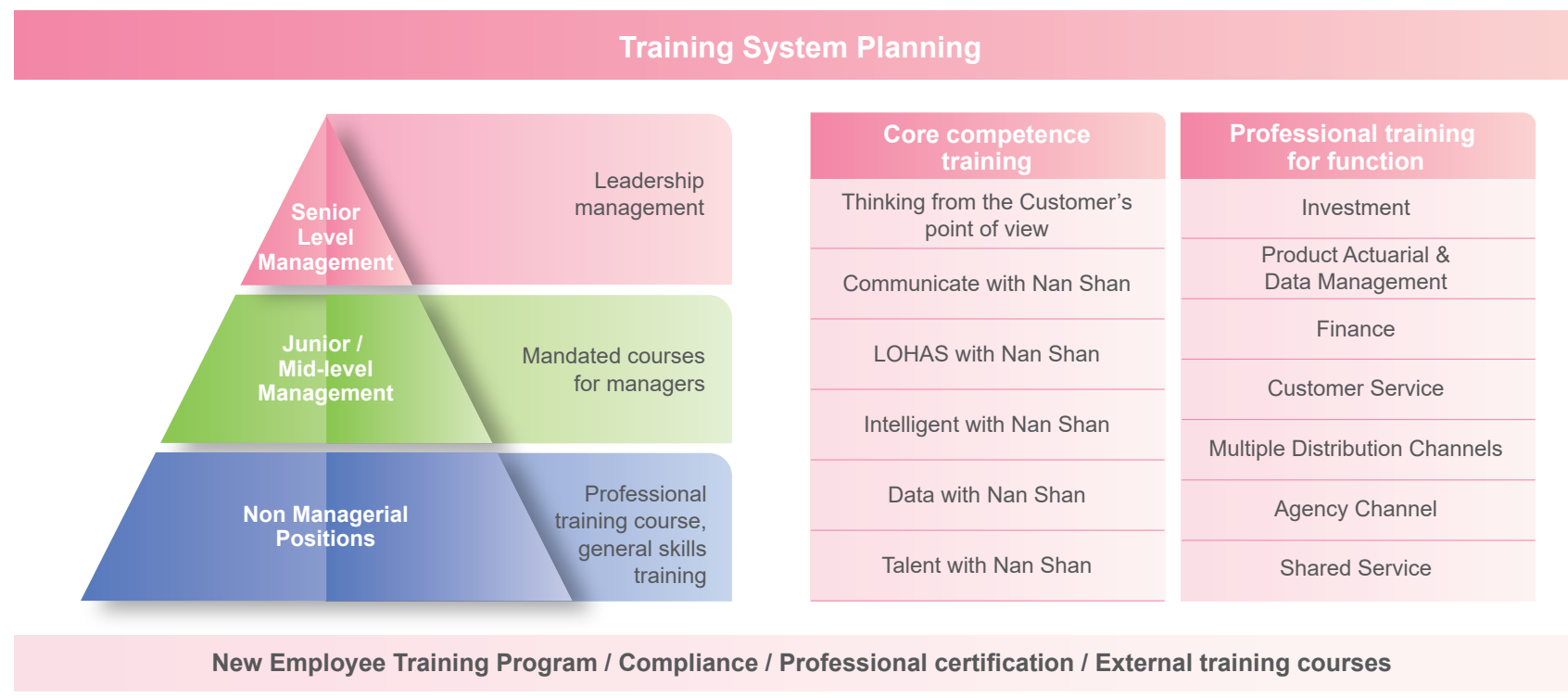
Nan Shan Life values the cultivation and development of talents. The Company also integrates internal and external training resources to plan the employee training and development mechanism, to enhance staff competitiveness and establish a sustainable competitive advantage.

Based on its core values of “Thinking from the customer’s point of view” and becoming “Intelligent with Nan Shan”, the Company endeavors to upgrade employees’ digital awareness and competence continuously and help Nan Shan talents cultivate the characteristics of “all-around knowledge, broader perspective, global outlook, and taking on responsibilities bravely”.

The Company has long been committed to talent development and cultivation by promoting and training outstanding talents, and is continuously motivating employees towards a common vision of creating values for customers, employees, and Nan Shan Life.

## Nurturing all-round professionals

To satisfy the development requirements of employees at all levels, we support the long-term career growth of employees and assist in their cultivation for becoming versatile insurance elites by providing various training opportunities including: professional training course, general skills training, leadership development training, courses to obtain professional licenses, and more.



In 2022, in response to the severe epidemic, Nan Shan Life held the concept of uninterrupted learning. In addition to digital courses, Nan Shan Life also combined distance learning with the platform's built-in interactive functions to enhance the richness and interactivity of the courses. For example, the "lunchtime fun" program, the company provided multiple learning channels, allowing employees to learn and strengthen their workplace skills without being restricted by the epidemic or space.

## 2022 Nan Shan Life Training Results

- Digital courses were held 1,057 times, with 191,443 participants in total.
- Remote and on-site courses totaling 6,440 hours were held, with 3,964 participants (not including professional training at various units)
- 224 training sessions at external professional training institutions were held, with a total of 922 participants
- The average training hours per employee was 77.2 hours

## ◆ Training Status of Staff

	Job levels	Category	2021		2022	
			Male	Female	Male	Female
Nan Shan Life	General staff (Note 1)	Total training hours	68,998	163,636	78,114.9	185,583.9
		Average training hours	58	70	67	79
	Junior-level Management (Note 2)	Total training hours	13,872	18,329	18,003.9	24,222.1
		Average training hours	71	79	89	103
	Mid-Senior management (Note 3)	Total training hours	4,655	2,209	5,786.4	3,143.8
		Average training hours	57	49	69	65
Nan Shan General Insurance	All employees	Total training hours	27,960		25,374	
		Average training hours	33		31	

Note 1: General staff: Non-supervisor level.

Note 2: Junior-level management: The level of executives such as supervisors, assistant managers, and managers.

Note 3: Mid-Senior management: Assistant Vice President or above.

Statistics (all employees)	Nan Shan Life	Nan Shan General Insurance
Average training hours (hour)	77.2	31.06
Average training cost (NT\$)	3,970	447.8

## ◆ Statistics of Staff Training Courses

Year	2020		2021		2022	
	Nan Shan Life	Nan Shan General Insurance	Nan Shan Life	Nan Shan General Insurance	Nan Shan Life	Nan Shan General Insurance
General Skills	2,031	--	2,465	--	6,440	--
Professional training	105,991	20,788	103,367	20,621	119,048	14,419
Online courses	180,969	6,689	155,429	7,036	181,143	9,884
External training	10,095	3,689	10,440	304	8,224	1,072
Training hours subtotal	299,085	31,165	271,701	27,960	314,855	25,375



## Training Performance Appraisal and Feedback

Human capital is an indispensable part of Nan Shan Life to maintain competitiveness and organizational performance. To achieve training objectives and value effectively, we continuously provide and optimize employee training, and use the Kirkpatrick Model for training evaluations so that the benefits of learning and human capital investment can be demonstrated by tracking relevant data regularly and measuring the training performance quantitatively

Level	Evaluation Target	Method of Evaluation	Program Focus	2022 Evaluation Results
<b>Reaction Level (L1)</b>	Examine the learners' course evaluation	Questionnaires are used to examine the students' evaluations of the course	Core professional skills training program	89% satisfaction rate
<b>Learning Level (L2)</b>	Examine how much knowledge the learners have acquired from the course	Tests are used to examine the amount of knowledge the students have acquired from the course	Establishing employees' concepts and awareness of the employee code of conduct, legal compliance, treating customers fairly, and information security	100% test passing rate
<b>Behavior Level (L3)</b>	Examine whether the learners are applying their knowledge at work	After-class action plan, individual development plan, and multi-faceted performance appraisal	Key talent cultivation program	<ul style="list-style-type: none"> <li>Key talent retention rate of 95%. (Note)</li> <li>A total of 1,071 development objectives have been formulated through the individual development programs, with a 92% overall achievement rate. The self-assessment score average was 8 (out of 10 total)</li> </ul>
<b>Results Level (L4)</b>	Actual contribution by the learners to the management of the organization	Actual performance results	Leadership and management training for management staff	<ul style="list-style-type: none"> <li>570 management staff participated in the trainings with 51,156.3 training hours in total.</li> <li>In 2022, under the leadership of management staff from all levels, the annual after-tax net profit was approximately NT\$31.6 billion.</li> </ul>
<b>Training Return on Investment</b>	Apply the human capital ROI to determine the return on the overall training investment	Human capital ROI	---	Human capital ROI: 2.37%

Note: Key talent retention rate = number of incumbents at the end of the plan period / number of applicants at the beginning of the plan period

Note: Human capital ROI = Benefits – [Operating Cost – (Cost of Salary + Cost of Benefits)] / (Cost of Salary + Cost of Benefits)



## Cultivation of potential successors

To establish a sustainable business operational foundation for the next century, we have created a leadership succession plan by identifying and selecting employees with leadership qualities through assessment of performance, potential and the 360-degree behavioral-indicators. Tailor-made Individual Development Programs (IDP) and job rotation would be implemented. Furthermore, the talent development progress has been tracked regularly.

In 2022, a total of 241 executives were selected for the Individualized Development Program, resulting in an outstanding 95% retention rate for key talents.

Individualized Development Program		
Project Context and Contents	Integrate the organizational strategic direction and key talent development needs to implement the Individualized Development Program, enhancing the talent retention rate while establishing a tier of talents.	
Nan Shan’s Inputs	<div>241 key talents, 1 project manager, combined with the following training resources</div> <ul style="list-style-type: none"><li>• Personal Dominance, Influence, Steadiness, Compliance (DISC) communication style assessment: Maket Value NT\$500,000</li><li>• Exclusive training course: Market Value NT\$300,000</li><li>• Manager management knowledge base: Market Value NT\$720,000</li><li>• Quantitative investment cost of training resources: Market Value NT\$1.52 million</li></ul>	
Benefits	<div><div>Quantitative results</div><div>Retention rate = 95%</div><div>Progress towards the goals = 93%</div><div>86% of the employees with achievement exceeded 80% of their goals</div><div>33% of the employees rated themselves 9 points or above (out of 10 points total)</div></div>	<div><div>Exclusive training</div><div>1,802 people completed training, with a satisfaction rate of 99%</div><div>Training with most people completed: Enhance your workplace digital savvy (113 people)</div><div>Highest rate of satisfaction: 100%, Sandwich supervisors communication skills</div><div>Highest training completion rate: FA at 91%, followed by CS at 90%</div></div>
	<div>241 training participants, which was 6% of all employees</div> <div>Starting in 2004, Nan Shan Life has been selecting talents with leadership potential from various levels, providing them with personalized development training. In 2022, 241 people were selected through a recommendation process. Through a performance and professional skills analysis, individualized development plans (IDP) were created.</div> <div>A mentor was designated to communicate with each trainee, to create a plan detailing the areas to be developed, as well as the corresponding training, activities, projects, and up-close mentorship, etc.</div> <div>Furthermore, online and offline resources were integrated to support the implementation of over 1,000 goals, with an overall goal-achievement rate of 93%. In the future, key position rotations will be implemented, to regularly track the talent development progress and make timely adjustments, for the cultivation of well-rounded management talents.</div>	

## ◆ Nan Shan MA Elite Program

Project	Content
<b>Project Context and Contents</b>	Formulate training programs tailored to elite personnel in accordance with their professional fields. Actively cultivate the younger generation to create momentum for enterprise growth and cultivate the future leaders of the finance and insurance industry.
<b>Nan Shan's Inputs</b>	Plan intensive training sessions to establish a sense of corporate identity among the MA's, to understand the business concept of the company, the operational styles of senior executives and their attitude and capabilities at problem resolution. Through Call Back Training, strengthen their required professional skills, and pay attention to the performance of reserve talents in their assigned units.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>47 people have been trained in the MA Elite program, accounting for nearly 1% of all employees.</li> <li>Satisfaction rate for Call Back Training was highly satisfactory at 5.98 (out of 6 points total). The achievement presentation received a high average score of 3.483 (out of 5 points total) from the judges.</li> <li>Retention rate of nearly 71%.</li> <li>Cultivate insurance service and digital management talents of the new era: Through training and systematic job rotation programs, strengthen insurance expertise and cross-functions integration capabilities and provide accelerated development opportunities (For example: digital technology training, enhance the effectiveness and efficiency of decision-making in projects).</li> </ul>

## ◆ Nan Shan Life internal positions vacancy filling rate

Year	2020	2021	2022
<b>Number of People (person)</b>	85	93	142
<b>Vacancy filling rate (%)</b>	17.3	20.9	21.6

## 7.4 Creating Win-Win for Agents

More than 30,000 agents of Nan Shan Life present product responsibility, enthusiasm and love to policyholders with their professionalism and excellent service quality. They create their life insurance business by professional training courses and diversified incentive programs.

### 7.4.1 Structure of Agents

Structure of Agents (note1)	Nan Shan Life		Nan Shan General Insurance	
	Male (%)	Female (%)	Male (%)	Female (%)
<b>Nationals</b>	40.35	59.63	38.58	61.39
<b>Foreign nationals (note2)</b>	0.003	0.02	0.01	0.02
<b>Non-fixed term contractors (note 3)</b>	40.36	59.64	--	--
<b>Total (People)</b>	33,776		26,025	

Note 1: Structure of Agents refers to the number of agents who have contracts with the Company as agents.

Note 2: Foreign nationals include people from China, and Malaysia.

Note 3: Non-fixed term contractors refers to agents whose contracts remain valid if contractual conditions are met.

Note 4: In addition to agents, there are 602 non-employee workers include dispatched workers and outsourced consultants in Nan Shan Life.



## ◆ Statistics of Agents Contract Type

Contract Type	Male (%)	Female (%)	Total (%)
Agents	38.64	61.36	100
Agency supervisors	40.76	59.24	100
Senior agency supervisors	41.29	58.71	100
Unit manager and above	50.10	49.90	100
Total	40.36	59.64	100

Note: Nan Shan General Insurance has a different organizational structure. This table includes only Nan Shan Life.

## ◆ Age Distribution of Agents

Age	Nan Shan Life		Nan Shan General	
	Male (%)	Female (%)	Male (%)	Female (%)
Age 50 (inclusive) and above	37	46	37	46
Age 30 (inclusive) to Age 50	41	39	47	44
Under Age 30 (non-inclusive)	22	15	16	10
Total (%)	100	100	100	100

## 7.4.2 Co-Prosperity and Growth

Nan Shan Life has a unique contracting and appointment system with its agents, and develops suitable training courses and service networks to meet the needs of different local cultures across Taiwan. In addition, by passing on cultural heritage through exchange, agents form an excellent partnership that is both competitive and cooperative.

We offer diverse training courses to assist our agents enhance their business skills. We also integrate training with large-scale competition activities to modify and transform the learning model, expanding the learning horizons of agents. In 2022, with additional resource investments, the overall average training hours of the agents was two hours higher than that in 2021.

## ◆ Agents Training Results

Level	Category	Male	Female
Agency Leaders	Total training hours	176,628	217,583
	Average training hours per person	35	33
Agents	Total training hours	279,050	398,931
	Average training hours per person	33	29
Overall	Total training hours	455,678	616,514
	Average training hours per person	33	31
Total training hours		1,072,191	
Average training hours per person		32	
Training costs (NT\$)		43,934,701	
Average training cost per person (NT\$)		1,301	

### Comprehensive Agency Training System

Nan Shan Life has established the Nan Shan Smart University with six colleges, two lectures, and three major programs. We systematically provide agents with precision training in accordance with each of stage of their professional development goals and requirements. We also give them with the necessary knowledge, attitude, and skillset to develop into all-round insurance professionals.



**“College for New Agents”: Cultivate new agents with a solid foundation of knowledge and protection-oriented thinking in sales**

To proactively cultivate highly value-added health risk management talent, the four-stage one-year “Outstanding Talent Cultivation Program” was created to cultivate new agents becoming guardians of customers’ health and happiness by providing them a solid knowledge foundation and a protection oriented sales mindset. In 2022, the ratio of new agents who participated in the “Outstanding Talent Cultivation Program” was 48%, and the ratio of new agents graduating from national universities increased to 24% from 23% in 2021. In 2022, we recruited a total of 2,110 people to participate in the program, and the one-year retention rate of participating students was 72% (35% higher than that of other new agents), and the one-year appointment rate was 45% (40% higher than that of other new agents). The average monthly income was about NT\$53,000 for program graduates. The program lifts young people from the predicament of low-income, assisting them to create a new future while working together to provide customers with the best insurance protection and services professionally.

**Phase 1**  
(1st to 3rd months)  
96 hours

1

**With customer needs as the starting point, become customer's first choice of life insurance consultant**

The Phase 1 Course starts with the meaning and functions of insurance, to establish the protection-oriented concepts, establish the framework of insurance product knowledge. In addition, provide insurance protection planning for customers through needs analysis.

**Phase 2**  
(4th to 6th months)  
36 hours

2

**Advanced professional skills cultivation, enhance the capability of insurance planning by groups**

The Phase 2 Course continues the basic training of Phase 1, providing students with advanced needs analysis divided by groups, theme-based marketing and healthy LOHAS sales capabilities.

In addition to sales of insurance policies, the course also trains students to help customers live a healthy and happy life.

**Phase 3**  
(7th to 9th months)  
36 hours

3

**Strengthen service empowerment and establish value marketing capabilities**

The Phase 3 Course focuses on building new agents' customer base and more refined business service capabilities. Through resources such as health care circles, digital sales tools, and basic financial tax training, the program gives new agents more diverse professional functions.

**Phase 4**  
(10th to 12th months)  
36 hours

4

**Integrate general insurance / life insurance / group insurance marketing, cultivate versatile risk management talents.**

The Phase 4 Course combines general insurance, life insurance, and group insurance to expand service to customers. It integrates marketing training and services to provide insurance protection and financial management for customers, while cultivating agents to become versatile risk management talents.





### **College of the Elite – Development of top talents at all levels**

The Elite Program was designed for the top agents, strengthening their core professional skills in sales, service, and organizational development through peer learning, exchanges and competition. It strengthens the core competencies of sales, service and organizational development. In addition, the program has been promoting sales transformation, service empowerment and digital empowerment in conjunction with the Company's strategic direction.

A total of 1,051 elite agents have completed the training as of the end of 2022. In terms of performance, the average annual output per elite agents is 2.7 times that of ordinary agents. Potential successors also achieved 3 times that of ordinary agents in organizational development (ratio of new agents recruitment activities).

### **College of Management – Building a Successful Elite Team**

The agency leaders are the most influential leaders in organizational development. To equip agents with the necessary professional skills immediately after their agency leader's appointment, the school has set up a series of courses tailored to agency leaders to help them quickly achieve initial targets in business development and the successful creation of an elite professional team. In 2022, a total of 1,680 agency leaders completed the training.

### **College of the Associate Agency Office Managers: Cultivating a new generation of potential agency office managers**

Conducted by senior executives, "College of the Associate Agency Office Managers" has an exceptional faculty. The training participants are unit managers with the most outstanding sales, recruiting and service performance, so-called elite of the elite. Nan Shan Life's innovative prerequisite course has been designed to systematically cultivate students with the proprietor mindset of managers of the new era. Since the launch of the "Associate Agency Office Managers College" in 2012, a total of 395 unit managers have completed the training and established 58 agency offices as a result.

Nan Shan Life has established a training program to cultivate leadership talents, to ensure that they are equipped with key professional skills of a manager when they set up an agency office. As of the end of 2022, 76 unit managers have participated in the program, and 32 of them have set up an agency office.

### **College of Career Advancement: Promote the agents transformation into professional risk planners, becoming the health guardians of customers**

Nan Shan Life has been proactively cultivating highly qualified professional international insurance talents. In 2022, the Company continued its collaboration with the Taiwan Academy of Banking and Finance to set up Associate Financial Planner/Certified Financial Planner (AFP/CFP) certification tutoring class. Agents are encouraged to obtain CFP internationally certified financing planners, becoming a professional financial planning consultant.

### **College of Leadership: Strengthening the thinking process of managers**

The program strengthened the management and transformational leadership knowledge of agency office managers in response to the implementation of IFRS17 and challenges brought by the external environment, and led the agency offices to implement innovative transformational sales promotions to build a team with high performances.

Starting in 2020, Nan Shan Life has been collaborating with National Taiwan University (NTU) to offer a small-scale EMBA course. The best of NTU EMBA business management and leadership courses were selected for the creation of a special program tailored to the agency directors and agency office managers at Nan Shan Life to enhance their management and leadership skills. The class has been offered thrice since 2020, with a total of 273 students. (Since some students participated in all three sessions, the total count included only those who have completed the training.)

## ◆ Developing three major programs to cultivate outstanding talents

Nan Shan Life has identified key capabilities required of outstanding insurance professionals, and developed three major programs, including “risk and financial management”, “strategic sales”, and “team development”, which have been introduced into the courses offered in six colleges and two lectures. These programs systematically lead the agents to gradually transform into “Smart new insurance talents”. In 2022, nearly 230,000 agents completed the three major programs.

- **Risk Management and Financial Management Program:**

Focus on comprehensive expertise, so that agents can gain insight into customer relationship network and understand the people and things that customers care and concern about, so as to discover customer pain points, lead to hidden needs, and then plan the most complete risk protection according to customer needs.

- **Strategic Sales Program:**

Cultivate data analysis expertise to understand customer profiles and gap in insurance protection. Upholding the principle of treating customers fairly, provide them with comprehensive protection planning service.

- **Team Development Program:**

Strengthen the core capabilities required by agency leaders at all stages of team development through systematic training courses. Apply smart technology to effectively expand the team through a new top quality recruitment system.

## ◆ Developing two lectures to cultivate professional business teams that are worthy of customers’ trust

Nan Shan Life has developed two lectures of marketing and legal compliance, to allow all agents to promptly understand and identify with the company’s strategic directions, market environment changes, and matters related to legal compliance, enabling them to make concerted efforts to reach the company’s objectives. In 2022, more than 850,000 agents have completed the training in the two lectures.

- **Lecture on Marketing:**

Designed an advanced marketing professional training lecture in accordance with various factors, including the market environment, social trends, company strategies, and more.

- **Lecture on Legal Compliance:**

Continued to upgrade the mindset and professional capability of Nan Shan new agents, so they may provide customers with legal-compliant high-quality services based on the principle of treating customers fairly.



## Digital Tools and Smart Services

Nan Shan Life cultivates situational digital tools to assist in their agents daily service or business, utilizing the 24/7 characteristics of digital tools to optimize the service process, enhance business efficiency, and provide more personalized and precision smart services to the customers.

1	<b>Smart Insurance Sales Process</b> Establishing new smart insurance concepts and thinking in agents, to strengthen their smart sales capabilities.	A total of 2,578 new agents completed the training.
2	<b>Activity Management of Selling</b> Integrating envision system applications such as calendar, customer management, sales opportunity management, sales activity volume, performance forecast, and more, to help agents understand the benefits of sales activity management.	A total of 2,179 new agents and seed lecturers completed the training.
3	<b>Insurance Needs Planning (Three Aspects and Nine Protections)</b> Utilizing the financial demand analysis system, quickly customize the demand and gap amount with precision, to provide customers comprehensive insurance planning.	A total of 2,372 new agents completed the training.
4	<b>Leverage Customer Portal to Enhance Performance</b> Assist customers with connection to the Nan Shan Life Customer Portal, enabling them to understand their existing protection, discover protection gaps and how to bridge such gaps, to enhance interaction and communication with customers.	A total of 2,111 new agents completed the training.
5	<b>Intelligent Recruitment and Selection</b> Starting with the concept of organizational development, guide the students step by step to understand the process and core skills of recruitment, and how to recruit effectively through the application of recruitment management tools.	A total of 1,387 agency leaders completed the training.

## ◆ Health Protection Circle training promotion

Project Context and Contents	At the end of 2020, Nan Shan collaborated with cross industry to create “Health Protection Circle”, and 40 cross-industry partners have joined the program so far. Starting from the perspective of holistic health, a comprehensive value-added service plan has been created, covering the four healthcare journeys of health, sub-health, disease, and disability.
Nan Shan’s Inputs	<ul style="list-style-type: none"> <li>• Developed promotional materials – “Health Protection Circle Application Scenarios, Procedures, and Business Opportunities”.</li> <li>• Designed “Health Protection Circle Interactive Application Board Game Cards”</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• Cultivated 95 seed lecturers, and incorporated the teaching materials into “New Agency Supervisor Training” Program.</li> <li>• A total of 14,371 people participated in the “Health Protection Circle Interactive Application Board Game Cards” activity.</li> </ul>

## ◆ Value Transformation and Service Empowerment

Project Context and Contents	In compliance with IFRS17, Nan Shan Life continued to promote sales transformation. In addition, the company collaborated with National Taiwan University International Business Department Professor Hsieh Ming-Huei and the Owl Consulting Co. to promote the “Value Transformation and Service Empowerment” training.
Nan Shan’s Inputs	<ul style="list-style-type: none"> <li>• Created four personas specific to Nan Shan customers.</li> <li>• Established a value-marketing model starting from the customer journey.</li> <li>• Designed an interactive board game.</li> </ul>
Benefits	<p>In 2022, the company headquarters initiated a training program for core lecturers and regional seed lecturers. Subsequently, seed lecturers held the “Value Transformation and Service Empowerment” marketing class in various regions and branch offices, with 7,829 people completing the course.</p>



## ◆ Guidance for obtaining professional finance certificates

<b>Project Context and Contents</b>	In response to aging population risks associated with a declining birth rate, Nan Shan established the first Retirement Financial Advisor (RFA) class in 2022 for staff and agents. The class provided guidance for obtaining the Retirement Financial Advisor certificate, to assist agents in upgrading their professional skills as well as making the best retirement planning and healthcare protection plans for their customers.
<b>Nan Shan's Inputs</b>	Participated in the course of Professional Certificate in Retirement Financial Planning held by Pension Fund Association, R.O.C. to promote staff and agents to obtain the Retirement Financial Advisor (RFA) certificate.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Completed 45 hours of training.</li> <li>In October 2022, 144 people passed the RFA exam.</li> <li>In response to aging risks as a result of a declining birth rate, assisted agents in upgrading their professional skills, so they can make the best plans for their customers in retirement financial management and healthcare protections.</li> </ul>

In accordance with the regulations and requirements of the competent authorities, Nan Shan General Insurance assisted agents to complete the “Annual General Insurance Training”, including:

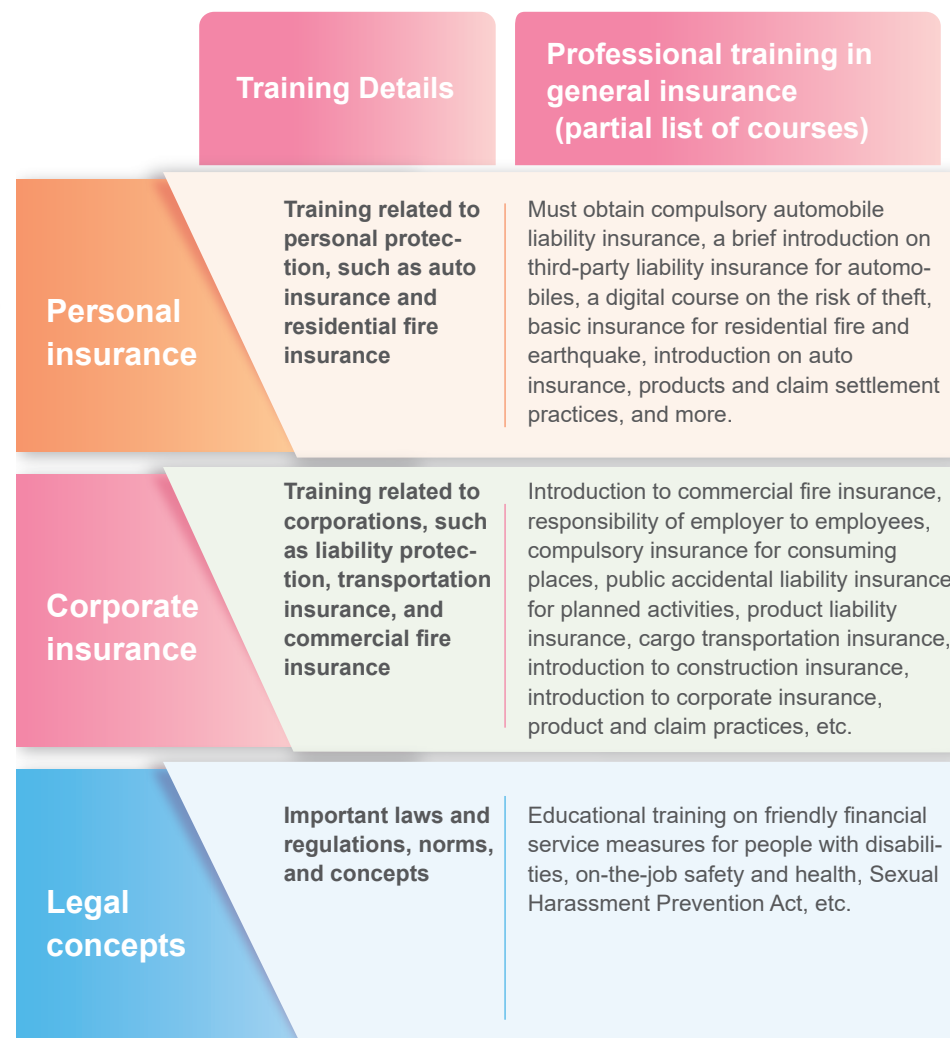
- Friendly financial service: Financial service industry principle of fair treatment of customers, insurance industry friendly financial service guidelines, education on the protection of the rights and interests of elderly insurance customers.
- Information security: education training on the following topics: Personal Data Protection Act, information security, money laundering and terrorism-financing countermeasures.
- Regulation requirements: Insurance agents management guidelines, consisting of a six-hour course on legal compliance, etc.

## ◆ Nan Shan General Insurance agents training hours

Project	Male	Female	Total
Total training hours	240,686	424,306	664,993
Average training hours per person	24	27	26

Note: The Nan Shan Life organizational structure is not set up in Nan Shan General Insurance, and there is no distinction between agency leaders and agents

In addition, based on the general insurance product promotion focus and strategies, Nan Shan General Insurance organized regular and irregular “general insurance professional training” related to general insurance product knowledge and sales techniques through on-site and online teaching venues. Agents may select on-site or digital courses based on the training requirements, to enhance their general insurance related professional knowledge and skills.





In addition, Nan Shan General Insurance continues to use “digital tools” to assist agents to enhance their general insurance knowledge and skills. For example: they may use the sales operation integration platform (Agent Portal), to look up general insurance product marketing resources, to perform real-time look up and complete general insurance training sessions (General Insurance e Campus).

The Nan Shan General Insurance Line@ for agents has been integrated with the Agent official account (to complete the Line@ identity binding.) Without the need to download additional Apps, agents are able to receive information on the latest company products, messages, news, and personalized notifications. The resources enable them to easily speak with customers about general insurance and to provide professional and timely services for the customers.

## ◆ Obtained technology patent certification – Agents Educational Training System

The Nan Shan General Insurance Line@ account “Agents educational training system” has been granted a technology patent in 2020. The online training system provides resources for agents to learn about general insurance continuously at any time.

### ● line@ / General Insurance e Campus (agent educational training system) – Anyone may complete their insurance training using the mobile phone.

In the era of digital education, after agents use line@ to verify their account identity, they may quickly link to the “General Insurance e Campus”, and complete the required training courses as well as training hours certification. The measure greatly saves time for agents. (In 2022, about 95.1% of agents completed the line@ identification certification and binding of qualifications).



#### Step 1

Nan Shan General Insurance agents online@  
Click on “e-Academy” at the bottom left corner.



#### Step 2

Step 2, Enter “e-Academy”, select the training course and complete the reading requirements, then you will be certified to have completed the training hours.

### ● Line@ / Marketing data zone: e-training and marketing resource. Agents may engage in marketing tasks at any time and environmental friendly.

1. In line with the principles of environmental conservation, Nan Shan General Insurance provides educational training and marketing promotional services directly using the line@/Marketing data zone. The mobile phone link provides training and promotional messages, and reduces the use of traditional product DM (paper printed materials).
2. While performing marketing promotions, agents may use the line@/Marketing data zone, and quickly look up information or learn about the latest general insurance information at will. The measure reduces the time used to search for data.
3. Taking “Auto insurance marketing training” as an example: the traditional training model is gone. Instead, agents may use line@ and eDM to complete training promotions, which assists with their learning and use of “General insurance mobile insurance application function + online payment function + electronic policy + line@ instant communication”. As a result, the time needed for communication between agents and customers is reduced, optimizing the service quality while demonstrating the professional knowhow of agents.

#### Mobile Insurance

- Sign Online, and Ensure Personal Information Security
- Check all fields without missing them
- Online Application Submission and Underwriting



#### e-Policy

- Easy and fast policy delivery
- Save time and travel costs



#### Online Payment

- Provide customers with multiple payment channels

## Appendix I GRI Standards

Nan Shan Life Insurance Co., Ltd. has prepared this report in accordance with the GRI Standards for the period from January 1 to December 31, 2022.

### GRI 1: Foundation 2021

Topic	GRI Standard	Corresponding Section	Remarks/Reasons for Omission	Page
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report 1.1 A Public Service Provider 1.2 Operation Overview		1 9-14
	2-2 Entities included in the organization's sustainability reporting	About This Report 1.2 Operation Overview		1 13
	2-3 Reporting period, frequency and contact point	About This Report		1
	2-4 Restatements of information	—	No significant change	—
	2-5 External assurance	About This Report / Appendix VIII.Independent Limited Assurance Report / Appendix IX / Independent Assurance Statement		1 176-179
	2-6 Activities, value chain and other business relationships	1.1 A Public Service Provider 4.3 Sustainable Supply Chain Management		11-12 69-70
	2-7 Employees	7.1 Talent Structure		125-126
	2-8 Workers who are not employees	7.4.1 Structure of Agents		148-149
	2-9 2-9 Governance structure and composition	6.1.1 Structure of Governance		87-92
	2-10 Nomination and selection of the highest governance body	—	<p>The election process of the Nan Shan Board of Directors is conducted in accordance with the relevant internal and external regulations, including the Company Act, the Company's Articles of Incorporation, and Regulations on Board of Directors' Election.</p> <ul style="list-style-type: none"> <li>• Company's Articles of Incorporation</li> <li>• Regulations on Board of Directors' Election</li> </ul>  	—

Topic	GRI Standard	Corresponding Section	Remarks/Reasons for Omission	Page
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	6.1.1 Structure of Governance		87
	2-12 Role of the highest governance body in overseeing the management of impacts	6.1.1 Structure of Governance		91
	2-13 Delegation of responsibility for managing impacts	6.1.1 Structure of Governance		91
	2-14 Role of the highest governance body in sustainability reporting	About This Report 2.3 Materiality Analysis		1 29-30
	2-15 Conflicts of interest	6.1.1 Structure of Governance		90
	2-16 Communication of critical concerns	6.1.1 Structure of Governance		91
	2-17 Collective knowledge of the highest governance body	6.1.1 Structure of Governance		89-90
	2-18 Evaluation of the performance of the highest governance body	6.1.1 Structure of Governance		90
	2-19 Remuneration policies	6.1.1 Structure of Governance		90
	2-20 Process to determine remuneration	6.1.1 Structure of Governance		90-91
	2-21 Annual total compensation ratio	—	Due to internal confidentiality restrictions, this information cannot be disclosed and is intended to be further disclosed in the future.	—
	2-22 Statement on sustainable development strategy	Letter from the Chairman		4-5
	2-23 Policy commitments	6.1.2 Integrity Management		93-94
	2-24 Embedding policy commitments	6.1.2 Integrity Management		93-94

Topic	GRI Standard	Corresponding Section	Remarks/Reasons for Omission	Page
<b>GRI 2: General Disclosures 2021</b>	2-25 Processes to remediate negative impacts	2.2 Stakeholder Identification and Communication		27-29
		2.3 Materiality Analysis		29-34
		6.1.2 Integrity Management		96-97
		6.4.1 Diversified Warm Services		111-114
		7.2.3 Care for the Health and Safety of Employees		133-141
	2-26 Mechanisms for seeking advice and raising concerns	6.1.2 Integrity Management		96-97
<b>GRI 3: Material Topics 2021</b>	2-27 Compliance with laws and regulations	6.1.2 Integrity Management		93-97
	2-28 Membership associations	2.4 External Participation		36-37
	2-29 Approach to stakeholder engagement	2.2 Stakeholder Identification and Communication		27-29
	2-30 Collective bargaining agreements	—	Nan Shan does not enter into group agreements with its employees and is not subject to the group agreements of other organizations that determine the working conditions and terms of employment of its employees.	—
	3-1 Process to determine material topics	2.3 Materiality Analysis		29-30
<b>GRI 417: Marketing and Labeling 2016</b>	3-2 List of material topics	2.3 Materiality Analysis		31-32
	3-3 Management of material topics	2.3 Materiality Analysis		33-34
<b>Material Topic: Customer Relations and Service Quality Management</b>				
<b>Management Approach</b>		6.4 Treating Customers Fairly		109-111
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	6.4.2 Transparent Marketing Promotion		114-116
	417-2 Incidents of non-compliance concerning product and service information and labeling	6.4.2 Transparent Marketing Promotion		116
	417-3 Incidents of non-compliance concerning marketing communications	6.4.2 Transparent Marketing Promotion		116

Topic	GRI Standard	Corresponding Section	Remarks/Reasons for Omission	Page
<b>Critical Topic: Business Performance</b>				
<b>Management Approach</b>		6.1 Sustainable Governance		87-92
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	1.2 Operation Overview		14
	201-4 Financial assistance received from government	1.2 Operation Overview		14
<b>Critical Topic: Corporate Governance and Integrity Management</b>				
<b>Management Approach</b>		6.1.2 Integrity Management		93-98
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	6.1.1 Structure of Governance 6.1.2 Integrity Management 4.3 Sustainable Supply Chain Management		90 95 70
	205-3 Confirmed incidents of corruption and actions taken	6.1.2 Integrity Management	No related matters	95
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	6.1.1 Structure of Governance 7.1 Talent Structure		87-89 125-126
<b>Critical Topic: Breach of Corporate and Customer Information</b>				
<b>Management Approach</b>		6.3 Information Security and Privacy Protection		105-109
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.3 Information Security and Privacy Protection		108
<b>Critical Topic: Infringement of the Rights of Customers</b>				
<b>Management Approach</b>		6.4.2 Transparent Marketing Promotion		114-116
<b>GRI 417: Marketing and Labeling 2016</b>	417-2 Incidents of non-compliance concerning product and service information and labeling	6.4.2 Transparent Marketing Promotion		116
	417-3 Incidents of non-compliance concerning marketing communications	6.4.2 Transparent Marketing Promotion		116





Topic	GRI Standard	Corresponding Section	Remarks/Reasons for Omission	Page
<b>Material Topic: Institutional Investors Stewardship Principles and Responsible Investment</b>				
<b>Management Approach</b>		6.5 Sustainable Finance		119-123
<b>Material Topic: Digital Finance and Innovation</b>				
<b>Management Approach</b>		6.4.3 Innovative Fintech Applications		117
<b>Material Topic: Sustainable Insurance Products and Services</b>				
<b>Management Approach</b>		3.1 Becoming Healthy with Nan Shan 3.2 Excellent Insurance with Nan Shan 4.1.3 Low Carbon Insurance		117-119
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	3.1.1 Health Protection Circle		41-44
	203-2 Significant indirect economic impacts	3.1.1 Health Protection Circle		41-44
<b>Material Topic: Social Participation</b>				
<b>Management Approach</b>		5.1.1 Social Participation Strategies		73-77
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	5.1.2 Social Participation Performance in 2022		78
	203-2 Significant indirect economic impacts	5.2 Inclusive Finance 5.3 Community Medical Care 5.4 Local Care		78-85
<b>Material Topic: Talent Recruitment and Development</b>				
<b>Management Approach</b>		7.3 Talent Development		141-145
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	7.3.1 Talent Recruitment and Retention		141-143
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	7.3.2 Talent Cultivation		144-145
	404-2 Programs for upgrading employee skills and transition assistance programs	7.2.1 System of Highly Competitive Salary and Benefits		126-131
	404-3 Percentage of employees receiving regular performance and career development reviews	7.3.2 Talent Cultivation		143-148
<b>Material Topic: Risk Management</b>				
<b>Management Approach</b>		6.2 Risk Management		98-104

Topic	GRI Standard	Corresponding Section	Remarks/Reasons for Omission	Page
<b>Material Topic: Climate Related Risk Management</b>				
<b>Management Approach</b>		4.1.1 Climate Change Risk Management and Response Measures		41-61
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	4.1.1 Climate Change Risk Management and Response Measures		41-61
<b>Material Topic: Negative Impact on Human Rights</b>				
<b>Management Approach</b>		7.2 A Healthy and Happy Workplace		126/133-134
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	—	According to Labor Standards Act.	—
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	7.2.3 Care for the Health and Safety of Employees	Currently covers all employees, and will plan to include non-employees whose work and/or workplace is under the control of the organization	133-134
	403-2 Hazard identification, risk assessment, and incident investigation	7.2.3 Care for the Health and Safety of Employees		133-134
	403-3 Occupational health services	7.2.3 Care for the Health and Safety of Employees		133-139
	403-4 Worker participation, consultation, and communication on occupational health and safety	7.2.3 Care for the Health and Safety of Employees		139-140
	403-5 Worker training on occupational health and safety	7.2.3 Care for the Health and Safety of Employees		133
	403-6 Promotion of worker health	7.2.3 Care for the Health and Safety of Employees		136-138
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.2.3 Care for the Health and Safety of Employees		133-136
	403-8 Workers covered by an occupational health and safety management system	7.2.3 Care for the Health and Safety of Employees	Currently covers all employees, and will plan to include non-employees whose work and/or workplace is under the control of the organization	133
	403-9 Work-related injuries	7.2.3 Care for the Health and Safety of Employees	Currently covers all employees, and will plan to include non-employees whose work and/or workplace is under the control of the organization	133-134
	403-10 Work-related ill health	7.2.3 Care for the Health and Safety of Employees		134
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	—	No incident reported in 2022	—

Topic	GRI Standard	Corresponding Section	Remarks/Reasons for Omission	Page
<b>Basic Topic: Diversity of employees and equal opportunity</b>				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	6.1.1 Structure of Governance 7.1 Talent Structure		87-89 125-125
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-2 Ratio of basic salary and remuneration of women to men	7.2.2 Diverse and Inclusive Culture		132-133
<b>Basic Topic: Employee rights and benefits</b>				
<b>GRI 201: Economic Performance 2016</b>	201-3 Defined benefit plan obligations and other retirement plans	7.2.1 System of Highly Competitive Salary and Benefits		127-129
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	7.2.1 System of Highly Competitive Salary and Benefits		126-127
<b>GRI 401: Employment 2016</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2.1 System of Highly Competitive Salary and Benefits		127-131
	401-3 Parental leave	7.2.1 System of Highly Competitive Salary and Benefits		128/130
<b>Basic Topic: Operational Impact on the Environment</b>				
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	4.1.2 Low Carbon Operations		64
	302-3 Energy intensity	4.1.2 Low Carbon Operations		64
	302-4 Reduction of energy consumption	4.1.2 Low Carbon Operations		61-65
	302-5 Reductions in energy requirements of products and services	4.1.2 Low Carbon Operations		64-67
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	4.1.2 Low Carbon Operations		61
	305-2 Energy indirect (Scope 2) GHG emissions	4.1.2 Low Carbon Operations		61
	305-3 Other indirect (Scope 3) GHG emissions	4.1.2 Low Carbon Operations		61
	305-4 GHG emissions intensity	4.1.2 Low Carbon Operations		61
	305-5 Reduction of GHG emissions	4.1.2 Low Carbon Operations		62-65

## Appendix II.Sustainability Accounting Standards Board (SASB)

Topic	Code/Accounting Metric	Corresponding Section	Remarks/Reasons for Omission	Page
Transparent Information & Fair Advice for Customers	FN-IN-270a.1 Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance productrelated information to new and returning customers	6.4.2 Transparent Marketing Promotion		116
	FN-IN-270a.2 Complaints-to-claims ratio	6.4.1 Diversified Warm Services		112
	FN-IN-270a.3 Customer retention rate	6.4.1 Diversified Warm Services		113
	FN-IN-270a.4 Description of approach to informing customers about products	6.4.2 Transparent Marketing Promotion		114-116
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1 Total invested assets, by industry and asset class	Please refer to   <ul style="list-style-type: none"> <li>• Nan Shan Life's Fund Utilization Report</li> <li>• Nan Shan General Insurance's Fund Utilization Report</li> </ul>		—
	FN-IN-410a.2 Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	6.5 Sustainable Finance		119-123

Topic	Code/Accounting Metric	Corresponding Section	Remarks/Reasons for Omission	Page
<b>Policies Designed to Incentivize Responsible Behavior</b>	FN-IN-410b.1 Net premiums written related to energy efficiency and low carbon technology	—	Relevant information will be further disclosed in the future.	—
	FN-IN-410b.2 Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	3.1 Becoming Healthy with Nan Shan 4.1.3 Low Carbon Insurance		33-46 65-67
<b>Environmental Risk Exposure</b>	FN-IN-450a.1 Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	—	Relevant information will be further disclosed in the future.	—
	FN-IN-450a.2 Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	—		—
	FN-IN-450a.3 Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital (3)dequacy	—	Relevant information will be further disclosed in the future.	—
<b>Systemic Risk Management</b>	FN-IN-550a.1 Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	—	Please refer to Nan Shan Life 2022 Fincial Report pages 99 to 103.	—



Topic	Code/Accounting Metric	Corresponding Section	Remarks/Reasons for Omission	Page
Systemic Risk Management	FN-IN-550a.2 Total fair value of securities lending collateral assets	—	Not applicable	—
	FN-IN-550a.3 Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	6.2 Risk Management		100
Activity Metric	FN-IN-000.A Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance <sup>5</sup>	1.2 Operation Overview		14

## Appendix III. TWSE Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Sustainability Disclosure Indicators – Financial Insurance			
No.	Indicator	Corresponding Section	Page
1	The number of information breaches, percentage of personal data-related breaches, number of customers affected by the information breaches	6.3 Information Security and Privacy Protection	108
2	The balance of financing provided and the number of loans to promote small business and community development	Not applicable	—
3	The number of participants in financial education for vulnerable groups who are unfamiliar with banking services	Not applicable	—
4	Products and services designed by each business to create environmental or social benefits	3.1 Becoming Healthy with Nan Shan 3.2 Excellent Insurance with Nan Shan 4.1.3 Low Carbon Insurance	39-47 65-67

## Appendix IV. Climate-Related Information for Listed Companies

Climate-Related Information			
No.	Indicator	Corresponding Section	Page
1	The board of directors and the management's supervision and governance of climate related risks and opportunities	4.1.1 Climate-Related Risk Management and Response Measures	49
2	How the climate risks and opportunities identified by the company affect the business, strategy and finances of the company (in short, medium and long term)	4.1.1 Climate-Related Risk Management and Response Measures	49-57
3	The financial impact of extreme weather events and Net Zero transformation	4.1.1 Climate-Related Risk Management and Response Measures	49-55
4	How the climate risk identification, assessment and management process is integrated into the overall risk management system	4.1.1 Climate-Related Risk Management and Response Measures	59
5	If a situational analysis is used to assess the resilience to climate change risks, the company shall describe the scenario, parameters, assumptions, analysis factors, and key financial impacts	4.1.1 Climate-Related Risk Management and Response Measures	58-59
6	If there is a transformation plan for managing climate-related risks, the company shall describe the contents of the plan and the indicators and targets for identifying and managing physical and transformation risks	4.1.1 Climate Change Risk Management and Response Measures	50-55 60-61
7	If there is a transformation plan for managing climate-related risks, the company shall describe the contents of the plan and the indicators and targets for identifying and managing physical and transformation risks	—	—
8	If climate-related targets are set, the company shall describe the activities covered, the scope of greenhouse gas emissions, the schedule, the annual progress of achievement, etc. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant goals, the company shall describe the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs)	4.1.1 Climate-Related Risk Management and Response Measures 4.1.2 Low Carbon Operations	60-62
9	Greenhouse Gas Inventory and Assurance	4.1.2 Low Carbon Operations Appendix VII. ISO Management System and Carbon Footprint Label Certificate	61 173

## Appendix V. Principles for Responsible Investment (PRI)



Principles	Nan Shan Life Implementations
Incorporate ESG issues into investment analysis and decision-making processes	<p>Incorporate ESG issues throughout the processes of pre-investment target analysis, investment decision-making, and post-investment management:</p> <ul style="list-style-type: none"> <li>● <b>Pre-Investment Analysis and Decision-Making:</b> Exclude the list of unsuitable-for-investment underlyings. Utilize international ESG databases to objectively evaluate potential investment targets on how they respond to environmental, social and governance topics according to their attributes.</li> <li>● <b>Post-Investment Management:</b> Regularly track if invested companies have experienced a significant increase in ESG risks or major ESG risk incidents. Should any violations of ESG issues and Nan Shan's responsible investment principles are evident after the proper investigation, the Responsible Investment Team will evaluate the corresponding measures and take proper actions in time.</li> </ul>
Be active owners and incorporate ESG issues into our ownership policies and practices	<ul style="list-style-type: none"> <li>● Proactively practice the shareholder activism and participate in the shareholder meetings of invested companies.</li> <li>● Examine on a case-by-case basis whether invested companies have any motion which may be detrimental to ESG topics. In addition, effectively use motions to communicate with invested companies about the importance of implementing responsible investment principles.</li> </ul>
Seek appropriate disclosure on ESG issues by the entities in which we invest	Seize the opportunity when engaging dialogues with invested companies and when appropriate, encourage them to disclose ESG related information, including publishing sustainability reports.
Promote acceptance and implementation of the Principles within the investment industry	<p>The Responsible Investment Team actively promotes and advocates Nan Shan's ESG plans and implementation to overseas business partners and has received positive feedbacks, helping to shape future collaborations on ESG investments.</p> <p>In addition, advocacy documents are delivered to business partners that had not signed or practiced the international ESG standards. We encourage those business partners to join hands with Nan Shan Life in the implementation of responsible investment and follow up closely on their implementation progress subsequently.</p>
Work together to enhance our effectiveness in implementing the Principles	Communicate with data vendors to acquire databases based on practical needs, including data on the ESG rating analysis, ESG risk indicators and risk event analysis.
Report on our activities and progress towards implementing the Principles	Issue the Corporate Sustainability Report every year, and publicly disclose the implementation progress on the Stewardship Principles for Institutional Investors stipulated by the Taiwan Stock Exchange.

## Appendix VI. Principles for Sustainable Insurance (PSI)

Principle	Nan Shan Practice	Corresponding Section
<b>Principle1:</b> Embed in decision-making environmental, social and governance issues relevant to insurance business.	<b>Company strategy</b> <ul style="list-style-type: none"> <li>● Convene a sustainability committee meeting every six months with various sustainability reporting on the progress of sustainability promotion. Submit relevant proposals for approval by the board of directors, which is responsible for management and monitoring.</li> <li>● The “Nan Shan H.E.A.R.T. Sustainability Strategies” were planned in 2021, promoting ESG sustainable development from five major strategic directions: Health promotion, Earth Protection, Action for Good, Reliability, and Talent empowerment.</li> </ul>	2.1 H.E.A.R.T. Sustainable Development Strategies 6.1 Sustainable Governance
	<b>Risk management and underwriting</b> <ul style="list-style-type: none"> <li>● Incorporate ESG issues fully into the processes of pre-investment target analysis, investment decision-making, and post-investment management.</li> <li>● Apply various risk management tools, including Risk and Control Self-Assessment (RCSA), Key Risk Indicator (KRI), and a market and credit measurement system (Algo), etc., to establish relevant risk control mechanisms and proactively improve the internal risk quantification model, to ensure the implementation of risk management.</li> </ul>	6.2 Risk Management 6.5 Sustainable Finance
	<b>Product and service development</b> <ul style="list-style-type: none"> <li>● “Nan Shan Life Health Protection Circle”: Collaborated with business partners from different industries to create a wellness and healthcare platform for insurance products and services, for effective prevention of diseases and disability risks, satisfy the demand for wellness and healthcare, and create new insurance products that empower services and promote health.</li> <li>● Health spillover-effect products: Our health promotion products consist of three operational mechanisms: deductions on premiums, increased coverage amount, and cash feedback. Through our reward mechanisms, we integrate the autonomous health management concept of the policyholders with insurance products, encouraging them to exercise regularly and eat a healthy diet. We hope to reduce the morbidity rate to achieve the effect of prevention in advance while reducing medical costs, creating a win-win health promotion effect.</li> <li>● Prevention of damage, pandemic, or other insurance types with social functions: To provide protections for companies that allow them to continue operations, Nan Shan General Insurance provides large-scale company clients with damage-prevention services. Damage-prevention engineers for Nan Shan General Insurance offer damage prevention inspections and suggestions to reinforce the operational safety of the clients.</li> <li>● Microinsurance and other privileged insurance: Provided basic accidental death and disability protection to the economically disadvantaged and physically/mentally disabled people through group microinsurance for injuries and disabilities, and collective microinsurance for injuries and disabilities. Provided more than NT\$23 million in donations to help more than 110,000 disadvantaged people obtain microinsurance protection in 2022.</li> </ul>	3.1 Becoming Healthy with Nan Shan 3.2 Excellent Insurance with Nan Shan 5.2 Inclusive Finance


Principle	Nan Shan Practice	Corresponding Section
<b>Principle1:</b> Embed in decision-making environmental, social and governance issues relevant to insurance business.	<b>Claims management</b> <ul style="list-style-type: none"> <li>● Collect customer feedback and satisfaction rate. In 2022, the service counter satisfaction rate was <math>\geq 99\%</math>.</li> <li>● To simplify the claims application process for policyholders, the company actively promoted medical bill deduction from claims settlement, claims online system, claims alliance chain, and the service where medical institutions directly upload information relevant to insurance claims.</li> <li>● Promote electronic claims settlement documents to send payment notices via text messaging or email, thereby reducing paper printing and the cost of postal mail, fulfilling the vision of environmental conservation and carbon reduction.</li> <li>● Proactively reminds our spillover insurance policyholders to apply for the health promotion rewards and the pandemic prevention rewards before the due date for application and encourage them to implement health management and promote their health.</li> <li>● For policyholders who apply for long-term care insurance payout for the first time, a designated claims personnel takes the initiative to contact the policyholder and explain their protection benefits, providing timely and attentive claim services.</li> </ul>	6.4 Treating Customers Fairly
	<b>Sales and marketing</b> <ul style="list-style-type: none"> <li>● In 2022, a “Principles of Treating Customers Fairly Policies and Strategies” digital course was held, with 3,988 completing the training, which was a completion rate of 99.75%. The staff were given a test before and after the course, to enhance their mastery of the course material.</li> <li>● Provide diverse methods via video-conferencing, in-person, and digital channels, to strengthen the awareness of Treating Customers Fairly among agents. Present concrete examples to establish the proper behavior model for the agents.</li> </ul>	6.4 Treating Customers Fairly
	<b>Investment management</b> <ul style="list-style-type: none"> <li>● In compliance with the Principles for Responsible Investment (PRI), continue to improve and deepen our implementation of the responsible investment through strategies and actions, including expanding the breadth and depth of sustainability investments, strengthening the ESG database construction capability, increasing the training for internal ESG talents, and improving the communication with invested companies, effectively integrating ESG factors into Nan Shan's investment strategies.</li> </ul>	6.5 Sustainable Finance
<b>Principle2:</b> Work together with clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions	<b>Customers and Suppliers</b> <ul style="list-style-type: none"> <li>● Suppliers: A letter of commitment for suppliers and contractors and a letter of commitment for Nan Shan Life partners have been created to ensure that suppliers meet Nan Shan Life's request for legal compliance, integrity management, and ESG related requirements.</li> <li>● Customers: Nan Shan Life has long been promoting actions in three aspects, “education promotion, insurance service, and care for cancer patients”, actively advocating for cancer-fighting and health promotion concepts.</li> </ul>	4.3 Sustainable Supply Chain Management 3.1 Becoming Healthy with Nan Shan
	<b>Insurers, Reinsurers, and Brokerage Agencies</b> <ul style="list-style-type: none"> <li>● Communicate with the insurers, reinsurers, and brokerage agencies to provide ESG related promotion and training, to enhance their awareness and professional knowledge of ESG.</li> </ul>	6.5 Sustainable Finance



Principle	Nan Shan Practice	Corresponding Section
<b>Principle3:</b> Work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.	<b>Governments, regulators and other policymakers</b> <ul style="list-style-type: none"> <li>Proactively follows the sustainability promotion development policies of the competent authority (including Corporate Governance 3.0, Green Finance Action Plan 3.0, etc.), and formulated the main themes of sustainability strategies, relevant action plans, and objectives.</li> <li>Participated in the Life Insurance Association's Task Force on Climate-Related Financial Disclosures (TCFD) industry version preparation consultant selection, and formulated relevant policies to develop a complete climate change risk management mechanism.</li> </ul>	2.1 H.E.A.R.T. Sustainable Development Strategies 4.1 Alleviating and Adjusting to Climate Change
	<b>Other key stakeholders</b> <ul style="list-style-type: none"> <li>Worked together again with the Industrial Technology Research Institute (ITRI) in 2022 to conduct research for the "White Paper on Extending Healthy Life Expectancy." And launched the upgrade version of the Long-Term Healthcare Service Map 2.0 in 2022. " gathering support from multiple sources to assist citizens in creating a dignified and high-quality life for the elderly.</li> <li>For 9 consecutive years, we have cooperated with the Department of Finance of National Taiwan University to offer the "Life Insurance Management Practice Seminar ". Besides, since 2018, we have been cooperating with the Department of Actuarial Mathematics of Soochow University to train insurance actuarial professionals, and we have donated to Sun Yat-sen University and National Chengchi University to establish the School of Finance to continue to convey the power and value of social stability of insurance and nurture insurance elite talents.</li> <li>Collaborated with Business Today's ESG Sustainable Taiwan and the CommonWealth Magazine's CSR@Common-Wealth (csrcw) ESG media platforms, and established a Nan Shan special section to launch a series of strategic communication and publicity related to sustainability management. Conducted focused communication with important stakeholders, including government units, opinion leaders, and the public.</li> </ul> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <span>CommonWealth Sustainability</span> <span>ESG Sustainable Taiwan</span> </div>	2.2 Stakeholder Identification and Communication 3.1 Becoming Healthy with Nan Shan 7.3 Talent Development
<b>Principle 4:</b> Demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.	<ul style="list-style-type: none"> <li>Since 2014, Nan Shan has been autonomously compiling a sustainability annual report, with certification from an independent third-party institution. The 2022 Nan Shan Life Sustainability Report references the Global Reporting Initiative (GRI) standards, SASB standards, the International Integrated Reporting Framework (IR) published by the International Integrated Reporting Council (IIRC), Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, "Sustainability Disclosure Indicators - Financial Insurance Industry", and "Climate-related Information for Listed and OTC Companies" to disclose sustainability information.</li> <li>Established an ESG official website, and completed updates on the "Fulfillment of Social Responsibility Status" webpage within three months after the end of the year, to strengthen the quality of information disclosure.</li> <li>Participated in stewardship principles for institutional investors' evaluation, and disclosed the sustainability promotion status.</li> </ul>	2.2 Stakeholder Identification and Communication

## Appendix VII. ISO Management System and Carbon Footprint Label Certificate

### ISO 14064-1 : 2018 Greenhouse Gas Verification Statement


Statement TW23/00185GG 

**Greenhouse Gas Verification Statement**







The inventory of Greenhouse Gas emissions in year 2022 of  
**Nan Shan Life Insurance Company Ltd.**  
 No. 168, Zhuangjing Rd., Xinyi Dist., Taipei City 11049, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of  
**ISO 14064-1:2018**

Direct emissions  
**1,033.4306** tonnes of CO<sub>2</sub>e  
 Indirect emissions  
**11,986.1038** tonnes of CO<sub>2</sub>e  
 Direct emissions and indirect emissions  
**13,019.534** tonnes of CO<sub>2</sub>e

Authorized by  
  
 Stephen Pao  
 Knowledge Deputy General Manager  
 Date: 29 May 2023  
 Version 1

TGP56A-15-6 2207  
 SGS Taiwan Ltd.  
 No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,  
 New Taipei City 24803, Taiwan  
 t (02) 22993279 f (02) 22999453 www.sgs.com

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

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### ISO 14001 : 2015 Environmental Management System

Certificate TW16/00893 

The management system of  
**Nan Shan Life Insurance Company, Ltd.**

No.168, Zhuang Jing Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)  
 has been assessed and certified as meeting the requirements of  
**ISO 14001:2015**

For the following activities  
 Provision of Life Insurance Service.

This certificate is valid from 18 October 2022 until 18 October 2025 and remains valid subject to satisfactory surveillance audits.  
 issue 7. Certified since 18 October 2016  
 Certified activities performed by additional sites are listed on subsequent pages.

Authorized by  
  
 Jonathan Hall  
 Global Head - Certification Services

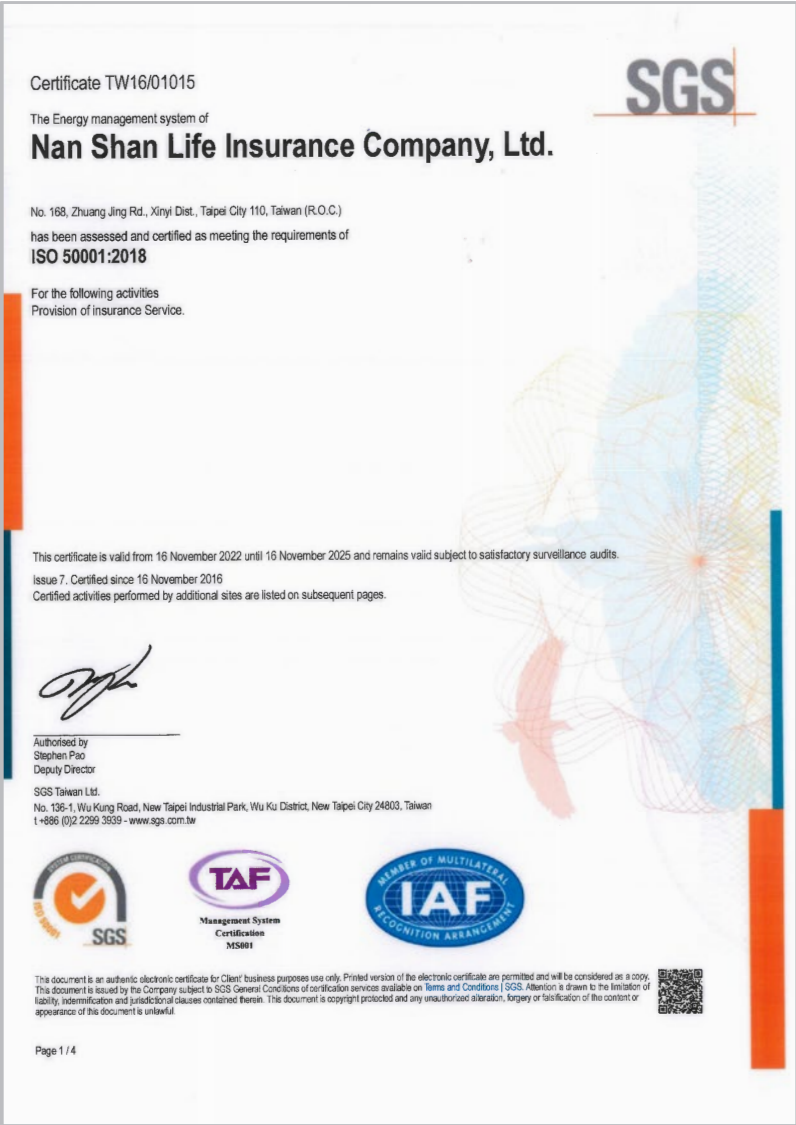
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 t +44 (0)151 350 6666 - www.sgs.com

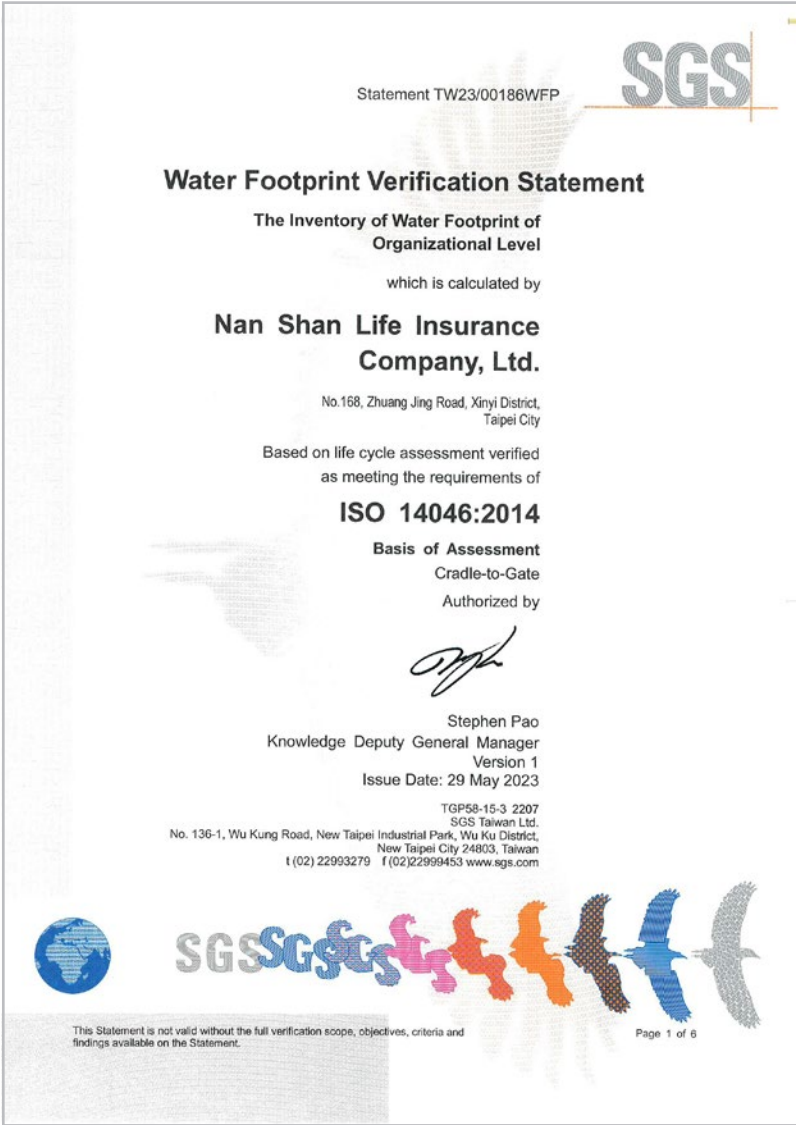
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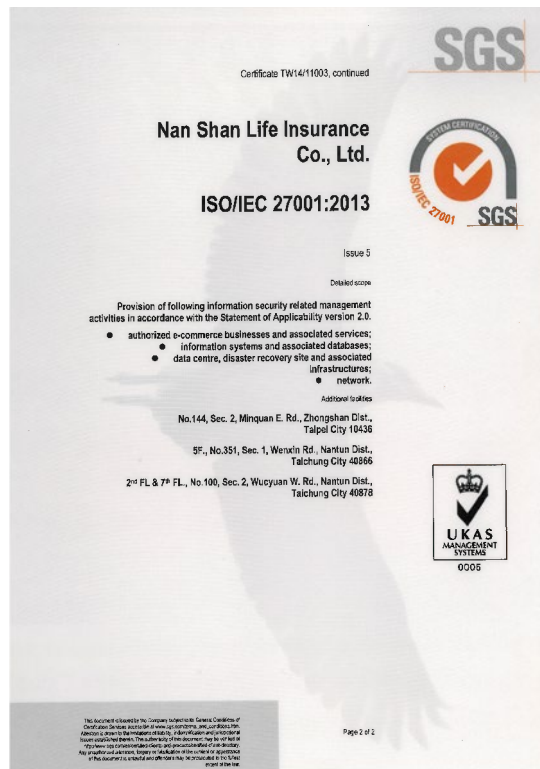
ISO 50001 : 2018 Energy Management System



ISO 14046 : 2014 Water Footprint Verification Statement



## ISO/IEC 27001 : 2013 Information Security Management Systems Certificate



## ISO 22301 : 2019 Business Continuity Management System Certificate




## Certificate for the Use of Product Carbon Footprint Label





Appendix VIII. Independent Limited Assurance Report



安泰連業聯合會計師事務所  
KPMG  
台北市110815信義路5段7號8樓(台北101大樓)  
6樓, Taipei 107, Taiwan (R.O.C.)  
Xinyi Road, Taipei City 110815, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 8666  
傳真 Fax + 886 2 8101 8667  
網址 Web kpmg.com.tw

### Independent Limited Assurance Report

To Nan Shan Life Insurance Co., Ltd.:

We were engaged by Nan Shan Life Insurance Co., Ltd. ("Nan Shan Life") to provide limited assurance over the selected information attached as Appendix I ("the Subject Matter Information") on the 2022 Sustainability Report of Nan Shan Life ("the Report") for the year ended December 31, 2022.

**Reporting Criteria of the Subject Matter Information**

Nan Shan Life shall prepare the Subject Matter Information in accordance with reporting criteria required by Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Regulation") and Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board as set forth in Appendix I.

**Management's Responsibility for the Report**

Nan Shan Life is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly prepare and present the Subject Matter Information. Nan Shan Life is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

**Our Responsibilities**


We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

**Independence and Standards on Quality Management**

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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**Summary of Work Performed**

As stated in reporting criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Nan Shan Life;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

**Inherent limitations**

The Report for the year ended December 31, 2022 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Nan Shan Life. Therefore, the different stakeholders may have different interpretations of such information.

**Conclusion**

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the reporting criteria.

**Other Matters**


The management of Nan Shan Life is responsible for the maintenance of its website where includes the Limited Assurance Report, we shall not be responsible for any further changes on the Subject Matter Information or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of the Limited Assurance Report.

KPMG  
Taipei, Taiwan (Republic of China)  
May 26, 2023

Notes to reader:

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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Appendix I : Summary of the Subject Matter Information

No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
1	6.3 Information Security and Privacy Protection	108	<ul style="list-style-type: none"><li>No cases of major personal data or information security breaches were identified in 2022.</li><li>The company experienced 41 data leaks in 2022, of which the percentage of leaks relating to personal information was 100%, impacting 159 customers. After further inspection, the main reasons for the aforementioned data leaks were lost or undelivered mail items by Post Office. The second reason was due to administration errors by agents and employees. There were no major incidents of information leaks or infringement of customer privacy.</li></ul>	<ul style="list-style-type: none"><li>Details on personal data and information security breaches of Nan Shan Life</li></ul>	Taiwan Stock Exchange Corporation Rules Table 1-3 No.1  Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.
2	3.1.1 Health Protection Circle	41-44	<ul style="list-style-type: none"><li>BAM App and Spillover-Effect: Health Insurance Products Promotion: Nan Shan Life encourages all citizens to develop a habit of doing positive exercise and self-health management concepts. In 2019, we started promoting the BAM app. The first generation of the app included five main variables: a daily step count, BMI, calorie counter, sleep tracker, and resting heart rate monitor. With these data, the app produced daily age reduction results, using the intuitive biological age as a health management tool to encourage users on their journey to better health.</li><li>Remove Health Management Services, Creating e-Protection: Policyholders can access the "Chilene" app from home and use equipment to measure health-related data such as blood pressure, blood glucose, cholesterol, uric acid, and ECG. This data is then uploaded to the cloud and regularly monitored by healthcare professionals. Policyholders are offered a monthly health report and a quarterly online appointment with healthcare professionals.</li><li>Cancer Care and Support - Comprehensive Protection against Cancer for Females and Males: The value-added service of Health Protection Circle assists policyholders in fighting against cancer. Regardless of whether policyholders are healthy, undergoing treatment, or in recovery, they can always count on the warm care and support from our Health Protection Circle partners.</li><li>White Paper on Extending Healthy Life</li></ul>	<ul style="list-style-type: none"><li>The description and benefits of Nan Shan Life Health Protection Circle and Insurance Products with Health Spillover Effects</li></ul>	Taiwan Stock Exchange Corporation Rules Table 1-3 No.4  Products and services designed by individual operating units to create benefits for the environment or society.

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No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<p>Expectancy and Upgraded Long-Term Care Service Map: Nan Shan Life clearly understands Taiwan's medical and long-term care needs to face the challenges of a rapidly aging population. We are committed to resolving these future issues as well as advocate extending healthy life expectancy to ensure a high quality of life during old age.</p> <p>■ Long-Covid Coping Strategies: Using the Health Protection Circle to integrate the healthcare services required after infection, we lead the way in launching a Long-Covid Strategy that includes the following four services: Remote consultations with healthcare professionals, health checks to ensure healthy lungs, diet and exercise recovery, and anxiety-reducing psychotherapy.</p> <p>■ Nan Shan "Shen Shou Mission": Nan Shan Life cooperated with Hiking Diji and Health Protection Circle to establish a Nan Shan Shen Shou Mission hiking activity. In 2022, the Nan Shan Shen Shou Mission expanded to include 60 specially selected hiking trails in different counties across Taiwan, spreading the joy of hiking to people in various industries.</p>		
3.1.2	Insurance Products with Health Spillover Effects	44	<p>■ Nan Shan Life's spillover-effect health products cover insurance aspects such as hospitalization indemnity, hospital and surgical reimbursement, surgery, dread disease, specific illness, cancer, long-term care, and suboptimal health, and it features reward mechanisms to promote policyholders' health management. In addition to enjoying protections, the health of policyholders will be improved.</p> <p>■ Number of New Contracts of Spillover-effect Insurance Policies: 671 thousand; Market Share: 54.6%.</p>		
5.2	Inclusive Finance	79	<p>■ Microinsurance: Nan Shan provides microinsurance as basic protection for the economically disadvantaged or people with specific status. In 2022, 2,545 people signed up for individual microinsurance policies, with an average insured amount of NT\$467,000. In addition, about 109,080 people signed up for microinsurance policies in form of group insurance, with an average insured amount of NT\$300,000.</p> <p>■ Micro-whole-life Insurance: By the end of 2022,</p>	■ The description and benefits of Nan Shan Life inclusive finance products	

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No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<p>Nan Shan issued about 44,000 insurance policies for people aged 55 or above, effectively enhancing the basic insurance protection for the elderly population.</p>		
3	6.1.2 Integrity Management	96	<p>■ Nan Shan Life had not been subject to major sanction and disciplinary action by the competent authority in 2022<sup>(note1)</sup>. There were 5 sanctions relating to violations of the insurance laws or regulations, with fines amounting to a total of NT\$3 million. There were also 6 official reprimands, 1 order to take corrective action within a specified period of time, and 2 products were ordered to suspend sales <sup>(note2)</sup>. Active improvement measures have been in place.</p> <p>Note1: The major sanction and disciplinary action are recognized by the Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation.</p> <p>Note2: Please refer to pages 83 to 88 of the 2022 Nan Shan Life Annual Report for details.</p>	<p>■ Details on penalties imposed on Nan Shan Life</p>	<p>GRI Standards 2-27</p> <p>Compliance with laws and regulations</p>
	7.2.3 Care for the Health and Safety of Employees	140	<p>■ In 2022, Nan Shan Life was penalized violations of labor laws <sup>(note)</sup>. The main cause was the company's business system of contracting and appointments. However, a few insurance agents claimed that they had a labor contract with the company, which led to legal disputes related to labor laws and regulations. The Company complies with all related laws and regulations, and shall continue to apply legal means to settle relevant disputes in accordance with the spirit of Interpretation No.740 of the Justices of the Constitutional Court.</p> <p>Note: In 2022, there were 43 cases of fines, with a total of NT\$19.71 million.</p>		
4	5.1.2 Social Participation Performance in 2022	78	<p>■ In 2022, Nan Shan Life called about 9,500 people to participate in public welfare activities, supporting more than 280 public welfare organizations and hospitals. Nan Shan Life Charity Fund Medical Care Project and microinsurance supported more than 340,000 disadvantaged people, such as low-mid income households, the elderly, and people with disabilities.</p> <p>■ In 2022, Nan Shan Life invested approximately NT\$178 million in public welfare activities: 2022 Financial Inclusion Products Performance</p>	<p>■ Details on Nan Shan Life's Social Engagement Achievements</p>	<p>GRI Standards 203-1</p> <p>Infrastructure investment and services supported</p>


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No.	Corresponding Section	Page	Subject Matter Information	Reporting Criteria	The Regulation
			<p>- Cash donation (NT\$1,000): 110,280</p> <p>- Corporate volunteer service hours (Hours): 38,128</p> <p>- Time contribution (Monetary equivalent of employee volunteering service hours) (NT\$1,000): 10,943</p> <p>- Donation of goods (NT\$1,000): 5,909</p> <p>- Administrative expenses (NT\$1,000): 50,659</p>		
5	4.3 Sustainable Supply Chain Management	70	<p>■ We invite suppliers to sign the Supplier/Contractor Commitment and to follow corporate social responsibility commitments related to integrity management, labor and human rights, and environmental sustainability. In February 2022, the Company sent supplier commitment agreements to suppliers who had business relationship with Nan Shan in 2021 for ethical management and communication. With 445 suppliers signing back, the ratio of communication was 56.5%.</p>	<p>■ Details and data on Nan Shan Life's communication with suppliers for integrity management</p>	<p>GRI Standards 205-2</p> <p>Communication and training about anti-corruption policies and procedures</p>
	6.1.1 Structure of Governance	90	<p>■ A total of 13 directors (100%) have already conducted integrity management communication training.</p>	<p>■ Details and data on Nan Shan Life's communication and training for integrity management with Directors and Employees</p>	
	6.1.2 Integrity Management	93, 95	<p>■ Directors and senior management are required to issue a statement of compliance with the Ethical Corporate Management Policy.</p> <p>■ In 2022, 100% of employees undertook Integrity Management Communication Training, consisting of 4,482 people and 1.5 training hours per person.</p>		

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Appendix IX. Independent Assurance Statement



ASSURANCE STATEMENT

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE NAN SHAN LIFE INSURANCE CO., LTD.'S SUSTAINABILITY REPORT FOR 2022**

**NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Nan Shan Life Insurance CO., LTD. (hereinafter referred to as Nan Shan Life) to conduct an independent assurance of the Sustainability Report for 2022. The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 Moderate level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Universal Standard (2021), AA1000 Accountability Principles (2018), and SASB's Standard, Insurance, VERSION 2018-10 during on-site verification (2023/04/07~2023/05/05) in Nan Shan Life headquarter. The boundary of this report includes Nan Shan Life Taiwan operational and service sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD) and Integrated Reporting Framework. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

**INTENDED USERS OF THIS ASSURANCE STATEMENT**

This Assurance Statement is provided with the intention of informing all Nan Shan Life's Stakeholders.

**RESPONSIBILITIES**

The information in the Nan Shan Life's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body and management of Nan Shan Life. SGS has not been involved in the preparation of any of the material included in the Sustainability Report. Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all Nan Shan Life's stakeholders.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 2 Moderate (AA1000AP Evaluation plus evaluation of Specified Performance Information)

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

TWLPP5008 Issue 2305

Reporting Criteria Options
1 GRI Universal Standard (2021) (In Accordance with)
2 AA1000 Accountability Principles (2018)
3 SASB (Insurance)

- evaluation of content veracity of the sustainability performance information in relation to the determined material topics at a moderate level of scrutiny for Nan Shan Life and moderate level of scrutiny for subsidiaries, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standard 2021 (GRI 2, GRI 3, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with; and
- evaluation of the report against the SASB Disclosures and Metrics included in the HARDWARE Sustainability Accounting Standard (VERSION 2018-10) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

**ASSURANCE METHODOLOGY**

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability task force team members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

**LIMITATIONS AND MITIGATION**

Financial data drawn directly from independently audited financial accounts ,Integrated Reporting Framework (IR) and Task Force on Climate-related Financial Disclosures (TCFD) related disclosures has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Nan Shan Life, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

**VERIFICATION/ ASSURANCE OPINION**

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

**AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

**Inclusivity**

Nan Shan Life has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, Sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Nan Shan Life may collect more responses from diversified stakeholders to integrate their engagement results into governance, strategy and relevant decision-making processes across the full organisation.

**Materiality**

Nan Shan Life has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

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**Responsiveness**

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Nan Shan Life could develop a strategy based on a comprehensive and balanced understanding and response to material sustainability topics and stakeholder concerns.

**Impact**

Nan Shan Life has demonstrated a process on identifying impacts that fairly encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Impacts related to material topics were in place at target setting with qualitative and quantitative measurements and evaluation, leading to more effective decision-making and results-based management.

**GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

The report, Nan Shan Life's Sustainability Report of 2022, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. Nan Shan Life has set goals and targets for each material topic aligning with SDGs, which the results are expected to demonstrate with qualitative and quantitative information. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, including impacts on their human rights as well as the role of the highest governance body in overseeing these processes. More detailed disclosures of the highest governance body's involvement with ESG management are encouraged.

**SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

Nan Shan Life has referenced with SASB's Standard, Insurance, VERSION 2018-10 to disclose information of material topics that are vital for enterprise value creation. The reporting boundary is the same as Nan Shan Life's Sustainability Report of 2022. Nan Shan Life used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. Process to identify, assess, and manage topic-related risks and opportunities were integrated into Nan Shan Life's overall management process. For future reporting, it is recommended to have comprehensive descriptions of the Policies Designed to Incentivize Responsible Behavior (FN-IN-410b.1) and the Environmental Risk Exposure topic. There can include detailed descriptions of the policies implemented and specific methods used to assess and manage environmental risk. To enhancing the disclosure, Nanshan Life can demonstrate its commitment in these areas and enable better understanding of its performance among investors and stakeholders.

Signed:

For and on behalf of SGS Taiwan Ltd.



Stephen Pao  
Knowledge Deputy General Manager  
Taipei, Taiwan  
09 June, 2023  
[WWW.SGS.COM](http://WWW.SGS.COM)



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Nan Shan Life

