



CHINA LIFE **2018**
**Corporate Social
Responsibility**
Report

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A Message from Management



China Life Chairman *Alan Wang*

In 2018, considerable changes to global political and economic conditions challenged the Company's sustainable operations. Despite the transformations underway, supported by the hard work of all our employees China Life still performed remarkably in terms of corporate governance, risk management, assets under management, operational results, and sustainable development, leading to many distinctions. At the same time, our stable management combined with the active pursuit of new ideas and breakthroughs kept us on the path of sustainable operations.

Strict corporate governance and risk management have always been core elements of China Life's competitiveness. For five consecutive years, the Taiwan Stock Exchange Corporation has ranked us among the top 5% of listed companies in the Corporate Governance Evaluation Awards. We are the only insurance company to achieve this feat. Besides corporate governance, the Company adheres to sustainable development, as shown by the Taiwan Academy of Corporate Sustainability awarding us a prestigious Top 50 Corporate Sustainability Report Award for three consecutive years. Over the past three years, we won 10 related awards.

Climate change is another issue that we must not neglect, especially due to its close connection to the life insurance value chain. China Life monitors and acts on international trends, including our adoption of the Task Force on Climate-related Financial Disclosures (TCFD) to understand the impacts of climate change on our operations. We focus on four key management areas: governance, strategy, risk management, and indicators & targets. Using systematic management mechanisms, we strengthen our climate change response capabilities. Through appropriate methods, we disclose related results, showing how we fulfill our mission to be a citizen of the earth.

"Love and care" are the essence of the insurance industry and the core spirit behind China Life's innovations. We seek to offer policyholders an all-new, premium service experience. In the World Economic Forum's Future of Financial Services report, the authors predicted that as consumers move from physical to digital finance instruments, there will be a significant impact on the insurance industry. China Life, however, believes that this change presents new opportunities. We named 2018 as the first year of our Company's fintech age, which activated a series of large-scale projects. Based on the premise of meeting customer needs, multiple departments are cooperating to implement new digital innovations that will optimize service workflows. Farsighted plans include creating the i-Agent digital mobile assistant, new fraudulent claims prevention models, mobile application inspections, mobile claims settlements, policy workflow digital systems, robotic process automation (RPA), and bio-identification mechanisms. This comprehensive approach to raising digital and mobile capacity combined with service based on love and care fuels our transformation and digital innovation. We plan to turn insurance into a humane service that is considerate of customers' needs.

China Life's original aspiration to operate in shared harmony and common good with society remains the same. We continue to be a positive force for Taiwan. Our stabilizing strength produces winning situations for multiple stakeholders. By integrating the United Nation's Sustainable Development Goals (UN SDGs) into our operations, we always keep environmental, social and governance criteria in mind. We leverage our exceptional risk management background, stable financial structure, and sustainable operations. We form cooperative partnerships with other subsidiaries of our parent financial holding company to consolidate services and promote digital transformations and talent cultivation. We remain dedicated to creating the greatest benefits and value for policyholders, shareholders, employees, and society in order to become the most reliable life insurance company in Taiwan.



About This Report

This is the 2018 Corporate Social Responsibility Report (hereinafter referred to as "The Report") of China Life Insurance Company Limited (hereinafter referred to as "China Life" or the "Company.")

Report Disclosure Period

The Report reveals information relating to CSR and sustainable corporate development of China Life between January 1st, 2018, and December 31st, 2018. Due to the compiling of information and transparency, the content disclosed is not limited to 2018. The previous report was released in June 2018; the next report will be released in June 2020. Each year's CSR report is available for download from the CSR section of our corporate website.

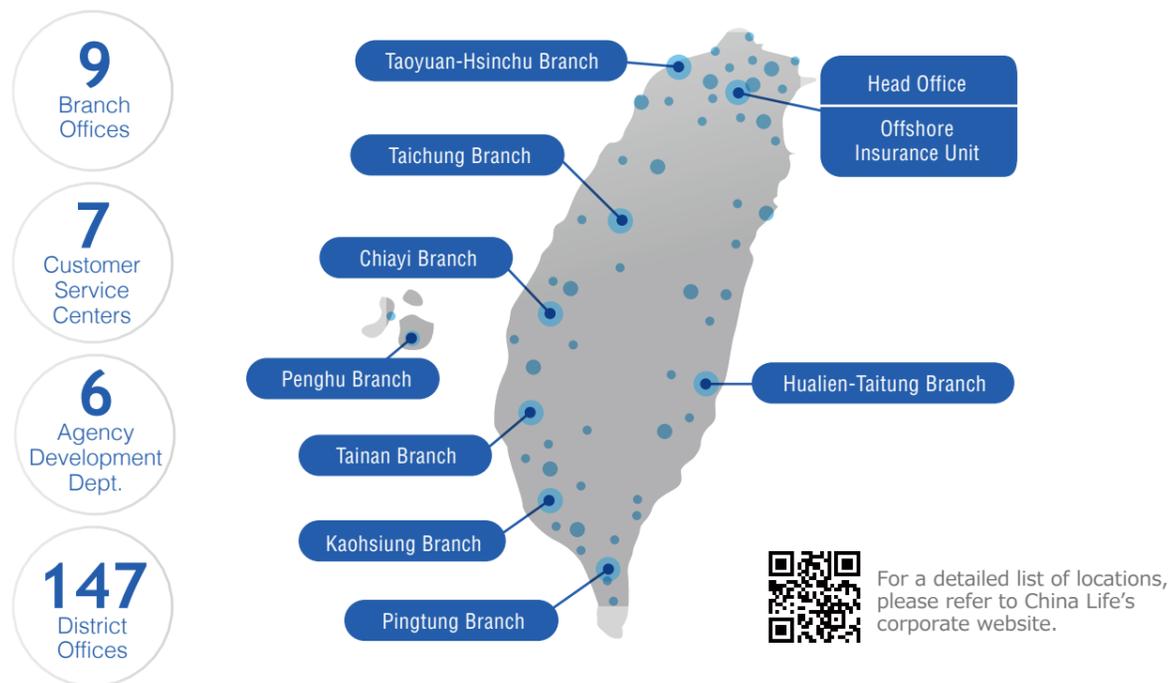


Chain Life CSR report download.
<http://www.chinalife.com.tw/wps/portal/chinalife/CSR/home/reports/>

Report Scope and Boundary

Information in The Report covers the China Life head office, all nine China Life branches in Taiwan, and all 147 China Life district offices. It covers China Life's practical achievements related to CSR and corporate sustainable development, as well as future strategic planning.

Points of Operation ▶▶▶



Guidelines

The Report uses the core disclosure method contained in the GRI Sustainability Reporting Standards (GRI Standards), published by the Global Reporting Initiative (GRI), for related analysis, data collection, and drafting.

It follows the Integrated Reporting framework of the International Integrated Reporting Council, the UN's SDGs, Taiwan's own SDGs, the Ten Principles of the UN Global Compact, social responsibility guidance under ISO 26000, the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies," the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies," as well as other international and domestic standards to strengthen disclosure of sustainable practices.

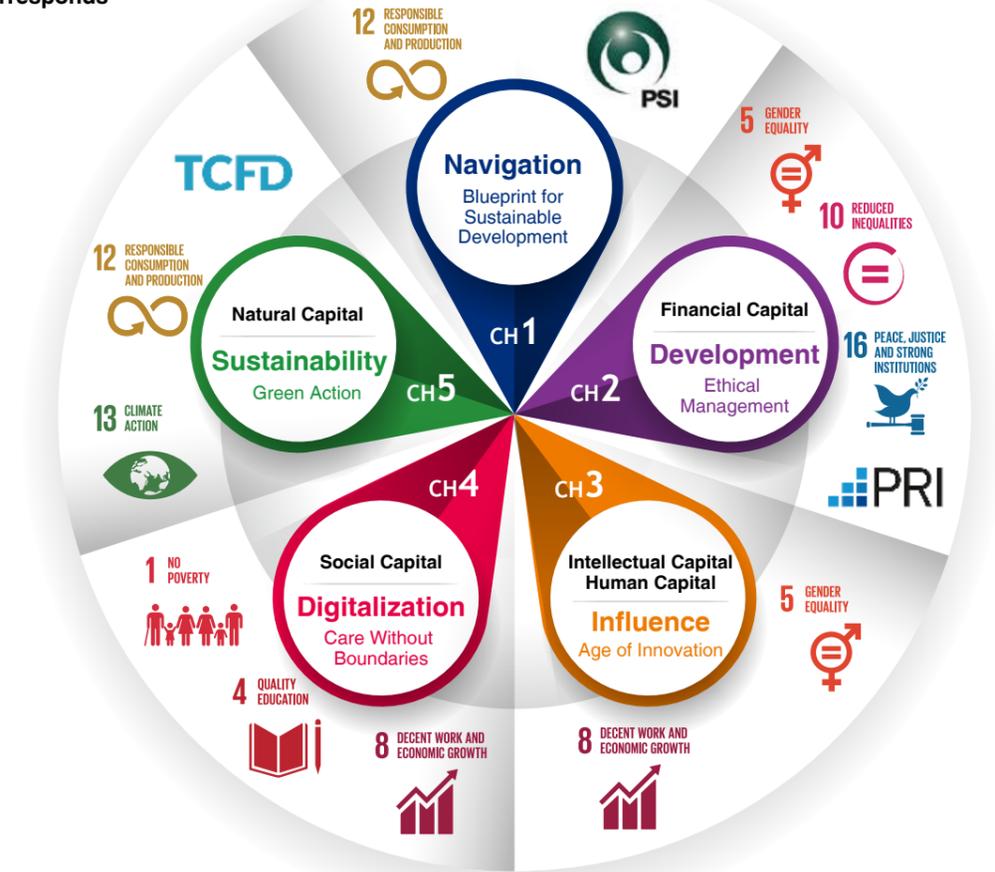
Report Verification

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

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

| | |
|---|---|
| Public Relations Department, China Life Insurance Company | Address: 14 th Floor, 122 Dunhua North Rd., Songshan District, Taipei 105 Tel: 886-2-2719-6678, ext. 1053 / Fax: 886-2-8770-7375 E-mail: pr@chinalife.com.tw |
|---|---|

5 Capital and Each chapter corresponds



Getting to Know China Life

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

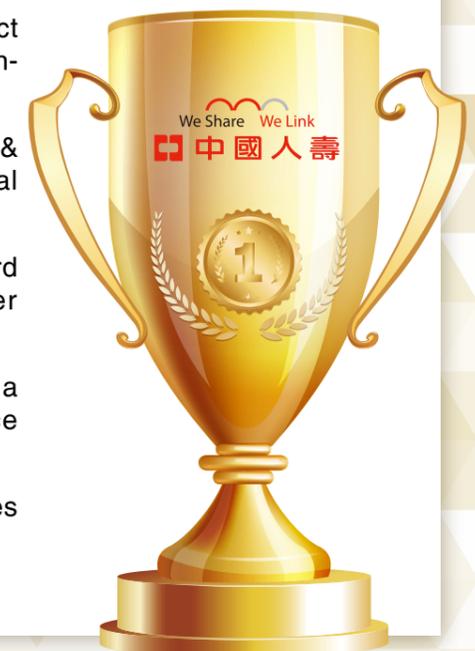
- 2018** — Completed acquisition of part of the traditional life insurance policies of Allianz Taiwan Life Insurance Co., a subsidiary of the German insurer Allianz SE.
- 2017** — China Development Financial Holding Corp. acquired a 34.99% stake in China Life, beginning an era of close cooperation.
- 2016** — Continued to promote financial technology applications. SGS certified that our core internal systems and e-commerce platforms meet ISO 27001:2013 Information Security Management System requirements, showing that we operate in accordance with international standards.
- 2015** — Established the Committee of Business Integrity and Ethics to formulate and monitor related policies and preventive programs.
- 2014** — Total assets in the first quarter of 2014 surpassed NT\$1 trillion, putting China Life in an elite echelon among domestic life insurers.
- 2013** — Established a base site for the next 50 years by acquiring superficiary rights to Taipei Academy.
- 2010** — Jointly invested in CCB Life with China Construction Bank. The strategic partnership was the first major cross-Taiwan Strait cooperative project between a bank and a life insurance company.
- 2009** — Acquired the main Taiwan assets and business of PCA Life from Prudential UK.
- 2008** — Emerged as the only large life insurance company in Taiwan that did not suffer from asset impairment losses during the global financial crisis.
- 2007** — Acquired Winterthur Life Taiwan from AXA.
- 1995** — Listed on the Taiwan Stock Exchange (stock code: 2823).
- 1963** — Established on April 25th as Overseas Life Insurance Corporation.

| | |
|---|--|
| Official Name | China Life Insurance Company Limited |
| Headquarters Location | 5 th Fl., 122 Dunhua North Rd., Songshan District, Taipei |
| Year of Establishment | 1963 |
| Stock Listing | Listed on the Taiwan Stock Exchange in 1995 (Stock Code: 2823) |
| Equity Investment in Mainland China Insurance Company | In Mainland China, CCB Life Insurance Company Limited had 23 branches and 192 sub-branches at the end of 2018 |
| Main Product Types | Individual life insurance, annuity, universal insurance, medical insurance, long-term health care insurance, accident insurance, group insurance, travel insurance, microinsurance, and investment-linked products |
| Main Market | Taiwan |
| Number of Employees | Office staff: 2,136; sales agents: 10,733 |
| Net Sales Revenue | Operating revenue: NT\$338,495,113 thousand; Premium income: NT\$301,831,959 thousand |
| Total Assets | Equity NT\$73,094,384 thousand Liabilities NT\$1,638,260,952 thousand Total Assets NT\$1,711,355,336 thousand |

For more information, please refer to China Life’s 2018 Annual Report.
<https://www.chinalife.com.tw/wps/portal/chinalife/investor-relations-en/shareholder-service/annual-general-meeting-information>

Key Achievements in 2018

- 🏆 Ranked in the top 5% of listed companies at the Corporate Governance Evaluation Awards for a fifth consecutive year.
- 🏆 Won a Taiwan Top 50 Corporate Sustainability Report Award from the Taiwan Corporate Sustainability Awards (TCSA) for a third consecutive year. We were the only life insurance company to win four major awards in 2018.
- 🏆 Won a Green Procurement Award, Private Enterprise or Group category from the Taipei City Government.
- 🏆 Selected for the FTSE4Good TIP Taiwan ESG Index for the first time.
- 🏆 Became a member of the Taiwan Sustainability Index (TWNSI), for being one of the top 40 best overall ESG performing enterprises.
- 🏆 Named a Top 5000 large company in the Taiwan region by China Credit Information Service for 28 consecutive years.
- 🏆 Won a BSI award for excellence in sustainability.
- 🏆 Won an excellence award for microinsurance business for the fifth consecutive year.
- 🏆 Won a Buying Power – Social Innovation Product and Service Procurement Award for a second consecutive year.
- 🏆 Named the Best IR Professional in Taiwan (small & midcap) in a 2018 poll conducted by Institutional Investor magazine.
- 🏆 Won a Wealth Magazine Taiwan Financial Award for best life insurance product in the consumer finance brand category.
- 🏆 Our variable life insurance product ACURIL won a holistic policy award at the Smart 5th Insurance Awards.
- 🏆 BSI verified our ISO 14064-1 Greenhouse Gases results for a fourth consecutive year.



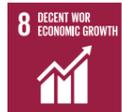
Key Sustainability Achievements in 2018

Social



Talent Development and a Secure Workplace

- Launched a series of transformational projects aimed at digital transformation of our sales channels, intellectual transformation of our internal staff, and transformation of our overall corporate thinking, in order to enhance the values we share with society. The goal is to raise our social shared values.
- Launched the Elite Talents Project, which uses big data analysis models to cultivate outstanding young talents.
- Our office staff had an average of 2.14 professional certificates, up 8.63% compared to 2017.
- Life insurance camps enabled employees' children to understand their parents' place of work. On average, participants rated the camps a 4.98 out of 5.



Diverse Products and Attentive Service

- The number of microinsurance beneficiaries surpassed 20,000. Competent authorities praised our progress.
- Launched youth-oriented protection products to promote inclusive financing. In the first month, more than 2,500 plans were sold.
- Online offerings of small-amount life insurance help to build a basic social safety net.
- The number of customers who bought plans online increased by 45% compared to 2017.
- Scores of 4 or higher (out of 5) were recorded in 99.9% of satisfaction surveys at general service counters and care counters.
- Selected six employees with outstanding performance for the inaugural service ambassador trials, in order to raise our policyholder service quality.



Core Functions and Social Participation

- Used the London Benchmarking Group (LBG) measurement framework^① to manage and quantify social influence.
- Volunteer service hours surpassed 45,000, setting a new record.
- In the six years since the "Read Across 319 Townships" program started in 2013, the number of participants reached close to 4,700.
- The Aesthetic Education Plan won a TCSA Social Inclusion Award by encouraging students to use their imagination and creativity.
- Charity fairs held regularly over the past 10 years promoted a virtuous cycle in society by supporting local farmers and disadvantaged groups. Through the sale of agricultural goods, we create a stage that spreads love and helps people to realize their dreams.
- Using the term payment model common to the insurance industry, we encouraged employees to participate in charitable group buying activities. More than 50% of employees donated group bought items.

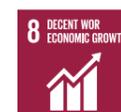
^① The LBG measurement framework was created by the London Benchmarking Group. Quantification of the engagement, output, and influence of social participation projects is used to manage projects and demonstrate how enterprises benefit society.

Governance



Ethical Management and a Robust Organizational Structure

- Only insurance company to rank in the top 5% of listed companies at the Corporate Governance Evaluation Awards for a fifth consecutive year.
- Our adherence to the Principles for Sustainable Insurance and Principles for Responsible Investment standards facilitates compliance with international norms.
- Women comprise 44% of our Board of Directors, a relatively high percentage that fosters greater gender equality.
- 100% of our anti-money laundering and counter-terrorist financing staff passed certified anti-money laundering specialist (CAMS) certification. A total of 57 certified employees are the foundation of our anti-money laundering and counter-terrorist financing corporate culture.
- Established an Information Security Department that supervises and evaluates information security in each department.



Solid Operational Performance

- Premium income for the full year was a record NT\$301.8 billion. Net profit was NT\$10.178 billion and EPS was NT\$2.54.
- In response to government policy, China Life directly or indirectly invested NT\$1.18 billion in the 5+2 Innovative Industries Plan.
- Signed the "Stewardship Principles for Institutional Investors." Attended 100% of shareholders' meetings of our invested companies and voted in 100% of shareholders' meeting votes.

Environment



Green Services and a Low Carbon Economy

- Used the Task Force on Climate-related Financial Disclosures framework to strengthen our management of climate change risks and impacts.
- Total green procurement was NT\$27.10 million, an increase of 84% compared to 2017.
- Created a green workflow that saved 4.35 million sheets of paper, an improvement of 25% compared to 2017.
- Added Scope 3 greenhouse gas emissions to our emissions accounting. In 2018, our Scope 3 greenhouse gas emissions were 852.086 tons.
- 100% of our general procurement partners and construction and repair contractors signed the "Supplier Corporate Social Responsibility Guidelines."
- 100% of our suppliers that collect, handle or use personal information signed the "Supplier Personal Information Protection Evaluation Form."

China Life's Sustainability Practices

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

Product Design

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

Sales and Underwriting

- » Underwriting is handled in accordance with the "Underwriting Management Mechanisms and Procedures" and the "Offshore Insurance Units Underwriting Mechanisms and Procedures." Professional underwriters weigh the Company's risk undertaking capacity then consider the basic information of the applicant as well as general information relating to the insured person, including the motivation for taking out insurance, the insurance benefits and need, plan suitability, financial state, and health condition. Unfair treatment of potential insured persons due to physical or mental problems is prohibited.
- » To make insurance policy planning convenient and fast for potential customers, we added customer variable inquiry and verification functionality to our policy planning system. By considering items such as age and upper and lower policy amount limits, the system makes planning more accurate and accelerates approval.
- » We regularly check sales documents (such as recommendations and product DM) to ensure that customers receive comprehensive, accurate information. In accordance with our operational procedures and related laws and regulations, we disclose relevant information.
- » Underwriting procedures include money laundering and terrorist financing risk analysis. Based on policyholder risk level, we create management mechanisms. Using a risk-based approach, we identify

potential money laundering or terrorist financing indicators. Auxiliary monitoring systems use this information to help us quickly identify suspicious transactions and adopt related risk management measures.

- » Throughout the life cycle of our insurance products, the gathering, handling, and use of customers' personal information is carried out in accordance with the latest BS 10012 standards. We incorporate best data protection management practices into all Company units and branches in order to build comprehensive personal information protection management mechanisms. We consult external experts about general data protection regulations and personal information protection in order to raise the Company's personal information protection capacity. These measures enable us to meet international standards and protect customer rights.

Investment Management

- » When making investment decisions, the Company considers factors of sustainable operations, including industrial development and environmental, social, and corporate governance responsibilities. We voluntarily signed the "Stewardship Principles for Institutional Investors." Following these principles raises the value of our investment assets as well as the long-term benefits to our Company, clients, shareholders and other stakeholders.
- » We integrate CSR concepts into our investment policies and regularly investigate the CSR performance of our investment targets. We participate in the shareholders' meetings of our invested companies to the fullest extent our authority allows and cast votes that show our strong commitment to ESG matters.

After-Sales Service

- » Maintaining customer relations is important to raising trust among existing customers and attracting new customers. We quickly respond to all types of customer needs and continue to provide considerate service.
- » In accordance with the "Principles of Treating Customers Fairly in the Financial Service Industry," we formulate relevant policies and strategies and make adjustments based on implementation, additions, and amendments to the principles. Ongoing internal promotions, education and training raise financial consumer protection awareness among our employees. We regularly assess implementation and report findings to the Board of Directors to ensure that related policies are carried out.
- » Claims settlements, a key promise that we make to our policyholders, should be handled professionally, considerately, and efficiently. Sales agents and policyholders can access claims records online, and policyholders can request text messages informing them of the status and conclusion of their case. Notifications not only list payment items and amounts but also alert policyholders of important matters (such as attached X-ray images and receipts). In 2019, we will launch expedited claims at service counters so policyholders can receive claims payments more quickly and overcome their problems.

The Rise in Digital Innovations and Services

"Insurance 2030—The Impact of AI on the Future of Insurance," a report by the global management consulting firm McKinsey & Company, describes how emerging technologies will transform the insurance industry. To satisfy customer needs and raise our core competitiveness, in 2018 China Life launched a series of transformational projects aimed at digital transformation of our sales channels, intellectual transformation of our internal staff, and transformation of our overall corporate thinking. Human thinking, higher professional capabilities, and integrated financial technology will enable us to express the greatest benefits of digital transformation. We will create better customer experiences and improve social shared values.



Digital Transformation of Sales Channels

The Company devoted a lot of resources to transforming our sales channels. Commissioned external consultancies conducted visits, surveys and in-depth interviews then used the results to diagnose problems. After formulating transformation directions, we designed plans that were first carried out on a trial basis followed by full implementation. At the same time, in order to enhance data-driven management, our transformation plans included i-Agent system development, with tools for organizing clients into groups for better management. These changes help us to better serve existing clients while providing more data and indicators to sales supervisors, who can then better manage their staff by offering guidance and tracking key indicators. We also use big data to filter out talented workers, thus improving the quality of our workforce.

Intellectual Transformation of Internal Staff

We continue to plan and host fintech classes. Internal training, domestic training assignments, overseas visits and cooperation between industry and academia raise staff performance, enabling them to keep pace with industrial

changes in areas such as fintech, program design, data and marketing. In 2018, staff were trained 532 times and close to 4,000 hours under this project. The ratio of participation, fees and hours between non-management staff and managers was 6:4.

To promote industrial-academic exchanges and understand international fintech awareness, we continue to sponsor National Chengchi University's international fintech industrial-academic alliance and serve as an alliance member. We frequently send staff to global fintech conferences organized by major international tech firms such as IBM, SAS and Gartner. Keeping pace with international technological knowledge and trends and interacting with industry peers in Taiwan and overseas helps us to remain a progressive company.

As digital transformation occurs, adjustments are needed to all areas of the Company's operations, including our procedures, services, and systems. Faced with these diverse challenges, we planned seven-month project management systems classes. Participants learned better project management theory, practice, techniques and documentation, which turned them into model employees.

Transformation of Our Overall Corporate Thinking

To accommodate transformation project needs, China Life uses "love and care & digital innovations" as the focus of seven innovation areas. The core corporate goals that we work together towards achieving include building a caring corporate culture and building a work environment that emphasizes interaction and mutual trust. Through care and collaboration, hospitality, and mutual support among employees, we promote a common corporate spirit while emphasizing genuine teamwork and positive relations.

Transformation of Our Overall Corporate Thinking

We arrange for top-level management to film videos that bring them closer to general employees while publicizing the Company's transformation philosophy. The videos include multimedia features that attract employees' attention so they can quickly learn related information. Innovative, original visual effects are a key part of our strategy. We integrate scenes from popular TV series and fun images to spark discussion among employees and encourage them to watch the videos, thus spreading our corporate culture. In 2018, we released eight videos and held four interactive activities using our own platforms, which enabled us to reach close to 60,000 viewers.



STRATEGY



CHAPTER 1 **Navigation** Blueprint for Sustainable Development

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



Implementing CSR cultivates a culture of sustainability

2018 ESG Goals and Progress

Using diverse channels, we provided sustainable development training and strengthened ESG awareness among staff. We also completed sustainability concept training and educational courses that were used by 409 people.

2019 ESG Goals

100% of staff responsible for CSR implementation and all department directors shall participate in online sustainability concept training and educational courses.

Believing in the Power of Sustainability

Forging Ahead Towards Sustainability

China Life established the CSR Committee in 2014 to promote and carry out our social responsibilities. Guided by domestic and international sustainability trends, and taking into account potential impacts of material issues, the committee's forward-looking strategies promote ESG and corporate sustainable development.

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

The CSR Committee convened twice in 2018. Topics covered included tracking CSR implementation progress, reviewing the results of previous goals, drafting the framework of the China Life 2018 CSR report, the material topics matrix, and setting 2019 ESG goals.

Management Guidelines

Major Topics

Sustainability Strategies

Commitments

Implement our sustainable development philosophy and professional conduct. Fulfill our CSR obligations, achieve the greatest possible benefits and value for stakeholders, and become the top choice of policyholders. Become the most reliable life insurance company in Taiwan.

Policies / Management System

- Formulate CSR policies that include indicators and directions for promoting corporate sustainability.
- Established the CSR Committee and integrated the UN's SDGs into our four main development themes of business integrity and ethics, professional cultivation, value sharing, and green services. Use these themes as the basis of our corporate strategies and mid- to long-term objectives.
- Establish annual ESG goals and continue to raise corporate sustainability performance.

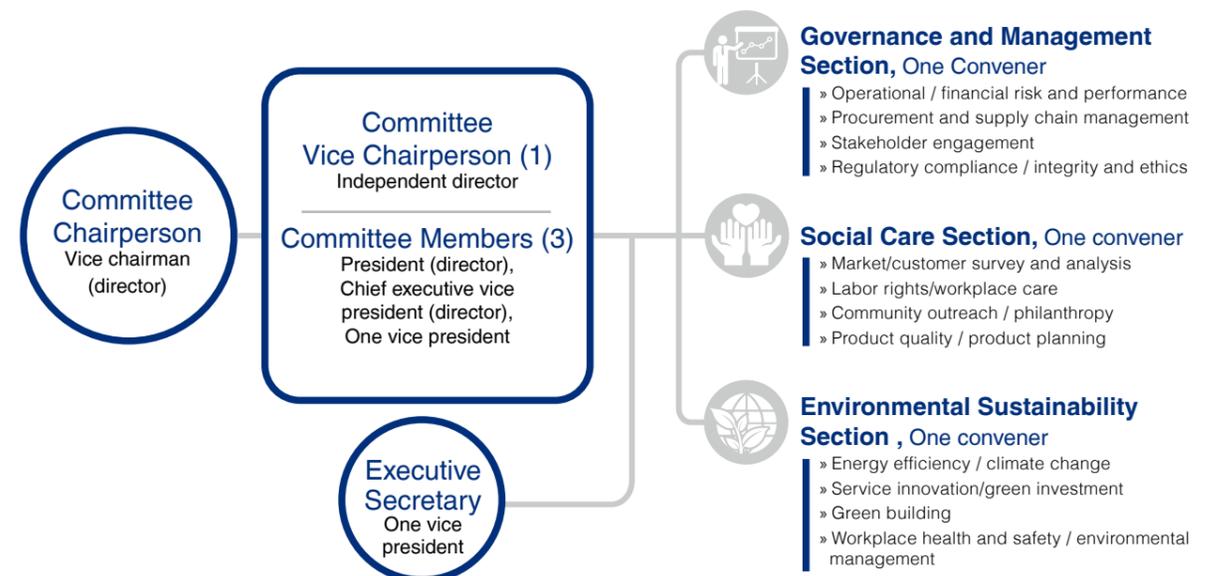
Complaint Mechanisms

- Regularly carry out surveys to understand stakeholders' areas of concern.
- Build transparent, unimpeded stakeholder communication channels that include annual disclosure of communication performance.

Evaluation Mechanisms

- Track progress towards implementing ESG goals and conduct two annual reviews. Ensure implementation of all sustainability projects. In 2018, the achievement rate of ESG goals was 97.5%.
- Regularly convene CSR Committee meetings to track corporate sustainability progress and examine related goals and actions. The committee reports observations to the Board of Directors.

CSR Committee Organizational Structure and Duties



■ Advancement of China Life's CSR Committee



To ensure full and transparent disclosure of information, each year the CSR Committee drafts the contents and framework of The Report, while the Public Relations Department handles compilation and editing. Department heads review related information, and inspection and approval are complete following confirmation by the company chairperson. The Taiwan Academy of Corporate Sustainability honored our efforts with 10 major awards over the past three years. In 2018, we won a Top 50 Corporate Sustainability Report Platinum Award in Finance & Insurance, a Top 50 Corporate Sustainability Award, a Social Inclusion Award, and a Growth Through Innovation Award, making us the only life insurance company to win four major honors.

China Life CSR Education and Training

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



Developing Sustainable Values

Opportunities and Challenges

Global regulations and trends are advancing quickly. Digital technology progresses daily, demographics are changing, and climate change is becoming increasingly manifest. China Life closely watches the external environment to identify risks and opportunities. By managing risk early, we take advantage of opportunities. The competence we gain for sustainable development helps us to provide comprehensive information and services to external stakeholders.

Corporate Governance

[Changes to Product Policies and Regulations]

Opportunities and Challenges in the External Environment

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

China Life's Responses

- Actively promote online insurance policy purchases. Online e-small-amount life insurance, in conjunction with regular small-amount life insurance, provides an additional policy purchase channel for customers. China Life also considers legal enforcement and government policies to ensure that product development and Company operations are within the scope of the law.
- Design and promote protection products based on policyholder needs, market conditions and government policy. The government eased the policy reserve interest rate for new protection product contracts to encourage the life insurance industry to promote these products and raise the insurance coverage amount for citizens.
- Develop health insurance products with positive spillover effects. These not only provide compensation for diseases suffered but also promote preventive mechanisms. Premium reductions or paybacks encourage policyholders to cultivate good exercise habits that reduce the loss ratio for insurers. We will continue to develop new health promoting insurance products that encourage our policyholders to strengthen health awareness, leading to a winning situations for all parties.
- Conduct regular after-sale reviews of policies as part of our product pricing and after-sale management and to ensure reasonable expense rates and avoid loading losses.

[Insurance Fraud]

Opportunities and Challenges in the External Environment

- In recent years, there have been an increasing number of insurance fraud cases, particularly organized and group cases. Human assessments in related claims settlements are difficult and time consuming, and it is hard to teach people required financial analysis skills.

China Life's Responses

- Launch a financial fraud prevention model project. Use big data analysis and methods to increase the number of solved cases, identify risk abnormalities and raise the investigation hit rate.

Corporate Governance

[Anti-Money Laundering and Counter-Terrorist Financing]

Opportunities and Challenges in the External Environment

- ◆ Addition and revision of anti-money laundering and counter-terrorist financing laws; increased oversight by competent authorities.
- ◆ International anti-money laundering and counter-terrorist financing efforts.

China Life's Responses

- ◆ Continue to strengthen our responses to legal changes. Improve monitoring of anti-money laundering and counter-terrorist financing measures of invested companies, in line with government policy. Add and strengthen monitoring before and after investing in other companies.
- ◆ Strengthen reporting of suspicious transactions and the countering of illegal activities by continuing to review monitoring mechanisms, monetary value thresholds, and monitoring frequency.
- ◆ Commission accounting agencies to audit our anti-money laundering and counter-terrorist financing measures. Obtain an unqualified audit report.
- ◆ Hold diverse, customized anti-money laundering and counter-terrorist financing education and training programs that reach everyone from the Board of Directors and top-level management to key department staff, office staff and sales agents. The top-to-bottom approach shall cover the Company's culture of anti-money laundering and counter-terrorist financing as well as risk awareness. Continue to monitor domestic and international developments to further improve management.
- ◆ Encourage staff to obtain professional credentials, such as Certified Anti-Money Laundering Specialists (CAMS) certification and domestic anti-money laundering and counter-terrorist financing certification, in order to implement and improve related measures.

[Information Security]

Opportunities and Challenges in the External Environment

- ◆ To strengthen information security in the revised version of the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises," the Financial Supervisory Commission requests that insurance enterprises establish a dedicated information security unit.
- ◆ An Executive Yuan action plan to develop Taiwan's financial sector cited a rise in information security risks. We shall respond by offering information security insurance and strengthening related disclosures.

China Life's Responses

- ◆ Set up a dedicated information security unit, the Information Security Department, together with a chief information security officer. Together they shall be responsible for the Company's information security management and the planning of future information security development blueprints.
- ◆ Faced with a complicated information security risk environment, companies that purchase full e-commerce and information security protection insurance can reduce their losses and the company's assumed risk in the event of major information security incidents.

Society

[Fintech Developments]

Opportunities and Challenges in the External Environment

- ◆ Digitalization and the widespread use of mobile devices continue in the finance industry as digital technology applications change the insurance industry ecosystem. Companies that effectively utilize these technologies will provide services that better meet customers' needs.
- ◆ As fintech develops and the use of bioidentification expands, competent authorities and the general public are looking forward to ways that these technologies will make insurance plan purchases more convenient.

China Life's Responses

- ◆ As a new digital age approaches, a series of transformational projects aimed at digital transformation of our sales channels, intellectual transformation of our support staff, and transformation of our overall corporate thinking will provide policyholders with better service.
- ◆ Video survival analysis is conducted through mobile devices to overcome spatial barriers and eliminate transit time. Better efficiency and accelerated examination and approval of new contracts raise the Company's competitiveness and digital capacity.
- ◆ Through active participation in identity verification research meetings hosted by the Life Insurance Association, China Life formulates and evaluates plans for using bioidentification with mobile insurance applications. We will incorporate this technology in line with regulatory changes, in order to provide more convenient services to our policyholders.
- ◆ Mobile insurance policy purchases make insurance buying more convenient, which is why we promote it in all of our cooperative channels. Fingerprint and facial recognition sign in mechanisms dramatically improve the user experience.
- ◆ Continue to promote online insurance purchases while adding three new products. Convenient digital insurance purchases are in the spirit of inclusive finance.

[Demographic Structure Changes]

Opportunities and Challenges in the External Environment

- ◆ According to Ministry of the Interior statistics, Taiwan has an aged population structure. It has more elderly people than people between the ages of 0 and 14. By 2026, the elderly population is forecast to grow from 14% to 20%, which will represent the arrival of a super-aged society. Older populations pose challenges in terms of health care and higher social welfare expenditures. Many older people are unable to work due to poor health, which also makes their life more difficult.
- ◆ Taiwan society faces lower birth rates, an ageing population, an aged society, rising elderly care needs, and a need to raise health awareness. These changes are creating demand for related insurance products.

China Life's Responses

- ◆ Introduce new products for specific diseases and disabilities. These products prevent economic hardship due to sickness and help policyholders maintain their quality of life.
- ◆ Provide a variety of personalized and customized products for youths with limited incomes but still in need of protection, thus offering them greater freedom of choice and plans that best fit their needs.
- ◆ Promote innovative insurance policies with spillover effects to help policyholders think more about managing their own health. These tools expand the function and value of insurance products. By encouraging regular exercise and walking, they motivate policyholders to lead a healthy lifestyle.
- ◆ Set up care counters at our Taipei, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung service centers to better serve the elderly or policyholders with mobility problems. Reduced waiting times and specially trained staff improve the service experience for people with special needs.
- ◆ Our corporate website includes a special financial services section that the National Communications Commission recognizes as offering a high level of accessibility to people with disabilities. Special accessibility modifications help people with difficulties using a mouse still quickly browse the website to obtain whatever information they need.

Society

[Uneven Distribution of Social Resources]

Opportunities and Challenges in the External Environment

- ◆ An urban-rural development gap has led to a high percentage of children in rural areas who are economically disadvantaged or lack resources. They are often being raised by their grandparents, are in dysfunctional families, lack cultural integration, or are deprived of daily necessities .

China Life's Responses

- ◆ Continue the Read Across 319 Townships program, which aids children by injecting corporate resources and care into rural schools. It increases student confidence while raising education standards and narrowing the urban-rural development gap.
- ◆ Promote the Aesthetic Education Plan, which incorporates local elements and characteristics into aesthetics-based courses. Encourage rural students to exhibit their creativity and explore what their living environments have to offer.
- ◆ Conduct the Food Safety – Green Academy program to continue to support our mutually beneficial relationship with society. Regularly donate local Taiwan fruits to rural schools and orphanages. Promote food and agricultural education at rural schools to encourage students who are closest to the land to adopt balanced diets. Students who learn the value of food will understand the importance of living in harmony with the land.
- ◆ Promote local charitable activities through the Love to Go Volunteer Team, including monthly volunteer activities. Continue the Socially Minded Young CEO plan by sponsoring charitable activities carried out by university and college students. Local charity helps disadvantaged groups and has the power to “light up” all corners of society.

Environment

[Global Climate Change]

Opportunities and Challenges in the External Environment

- ◆ The Global Climate Risk Index 2018 ranked Taiwan seventh among nations most severely affected by climate change, recognizing how extreme climate events are becoming more frequent. In recent years, the number of high-temperature days in Taiwan increased. The number of rainy days decreased, but the risk of disaster grew due to more days with torrential rain. Besides raising environmental protection awareness among the general public, we must prepare people for major disasters.
- ◆ Global warming and climate change will lead to more typhoons, droughts, torrential rain, and other extreme weather events, severely impacting the agriculture and the fisheries industries while causing human casualties and property losses.

China Life's Responses

- ◆ Formulated the “Guidelines Governing Post-Disaster Services for Policyholders” to serve as management procedures after disasters. The guidelines provide fast, considerate, and convenient care to help victims overcome the difficulties they face.
- ◆ Promote greater environmental awareness among staff and advocate energy saving, carbon reduction principles. Actively respond to government green procurement policies, continue to buy Green Mark products to build a low carbon operational environment and lower our impact on the environment.
- ◆ Hold annual charity fairs, Food Safety – Green Academy events, and Love to Go Volunteer Team activities in order to exhibit the influence of our corporate value chain and demonstrate our commitment to positive environments. Purchase agricultural goods from conscientious small-scale farmers and share these with policyholders and staff. This shows our concern for imbalances between supply and demand caused by the environmental impacts of climate change and demonstrates the insurance industry's spirit of aiding those in distress.
- ◆ Promote Food Safety – Green Academy events that bring social enterprises into rural schools to promote food and agricultural education. Children study the impact of different farming methods on crops and the environment. They learn the difficulties of growing food crops, which in turn teaches them to treasure and respect the land and protect the environment. The academy program regularly sponsors the purchase of fruits for children, so they can have a balanced diet. Our actions also offer big support to farmers who are conscientious stewards of the land.

Sustainable Development Strategies

“We Share, We Link” is a core value of China Life and the spirit behind our sustainable development. We have always believed that CSR requires combining professional capacity and resources to make a positive impact on society. Our vision is to “create the greatest benefits and value for policyholders, shareholders, employees, and society to become the most reliable insurance company in Taiwan.” Together, these efforts fulfill the promise of sustainable operations.

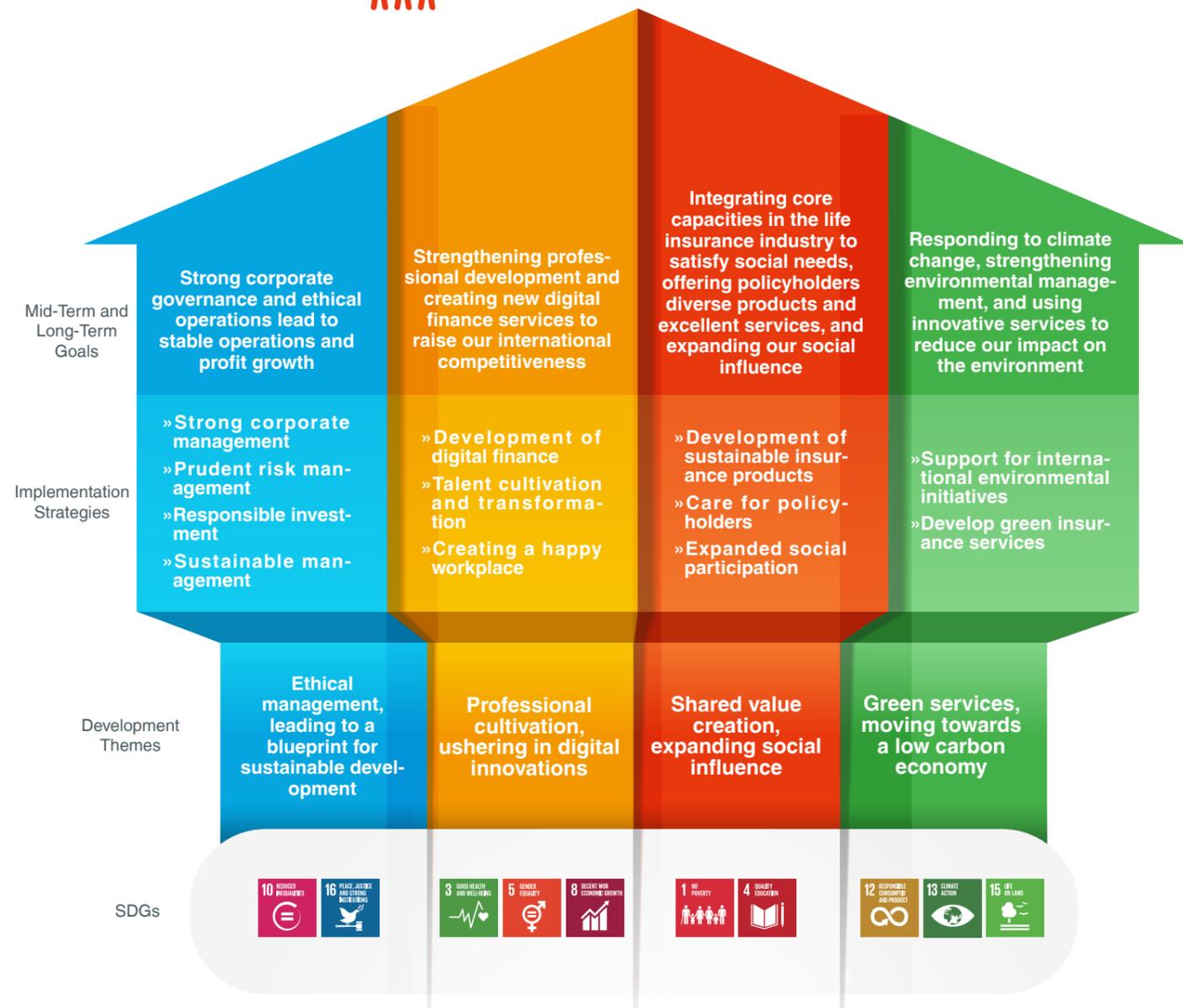
The life insurance industry has its finger on the pulse of society. Whether it is the ageing population, the widening wealth gap, or climate change, we know that anything affecting the environment, society as a whole, or individual lifestyles and health could also impact our operations. Therefore, on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

As a new digital age approaches, China Life is introducing a series of transformational projects aimed at digital transformation of our sales channels, intellectual transformation of our support staff, and transformation of our overall corporate thinking. We are moving beyond traditional techniques, processes and methods in favor of diverse, innovative technology. Starting from a position of meeting policyholder needs, we are demonstrating the service advantages of digital technology.



In addition, we integrated the 17 UN SDGs and Taiwan's sustainable development goals into our operations. We established the Company's four main development themes of business integrity and ethics, professional cultivation, value sharing, and green services. Implementation of each begins as soon as promotional strategies are completed. Each year we establish annual ESG goals that seek to fully implement the Company's sustainable development strategies. At the same time, we respond to global sustainable development needs in order to help make the world a better place.

Vision  **The most reliable insurance company**



2018 Capital Invested

Paid-in capital : NT\$ **40.1 billion**
 Total assets : NT\$ **1.7 trillion**



2018 Capital Output

Net profit : NT\$ **10.178 billion**
 Premium income : NT\$ **301.8 billion**
 Earnings per share : NT\$ **2.54**

Campus recruitment events : **7**
 Management associate recruits : **5**
 Average employee pay and benefits, non-managerial staff : NT\$ **950,648**



Office staff : **2,136**
 Sales agents : **10,733**
 Office staff retention rate : **86%**
 Sales agent retention rate : **79%**

Office staff education and training, total hours : **64,600**
 Sales agent education and training, total hours : **580,360**
 Education and training expenses: NT\$ **31,233,343**
 Subsidies for professional certification testing fees : NT\$ **4,802,323**
 Fintech investment capital : NT\$ **32,684,950**
 i-Agent investment capital : NT\$ **30 million**



Average number of licenses per employee : **2.14**
 Online members : **150,000**
 Mobile insurance purchase usage rate : **90.2%**
 Video survival analysis calls : **15**
 i-Agent usage rate : **85%**

Customer service center visits : **90,268**
 Care counter visits : **548**
 Phone service connection rates : **96%**
 Philanthropic donations : Over NT\$ **15 million**
 Volunteer hours : Over **45,000**
 Philanthropic activities : **562**



Service counter satisfaction rate of 4 or higher (out of 5) : **99.9%**
 Care counter satisfaction rate of 4 or higher (out of 5) : **100%**
 080 customer satisfaction survey of 4.5 or higher (out of 5) : **100%**
 Microinsurance customers : **21,505**
 Philanthropic beneficiaries, organizations : **67**
 Philanthropic beneficiaries, people : **Over 29,000**

Green procurement : NT\$ **27.1 million**
 Workplaces assessed as part of ISO 14064-1 Greenhouse Gas Accounting : **6**
 Green data center costs : NT\$ **75 million**
 Green data center area : **139.5** pings



Total electricity usage : **12,929,329** kWh
 Total carbon emissions : **4,480.035** tons CO₂e
 Total water usage : **37,764** kiloliters
 Recycled waste : **86,000** kg
 Paper saved through green service promotion : Close to **4.35 million** sheets
 Data center energy savings : PUE ≤ **1.7**

Bolstering Sustainable Management

Stakeholder Engagement

China Life systematically identifies and classifies stakeholders. Referring to the AA1000 Stakeholder Engagement Standard, we determine stakeholders' scope of engagement based on the following five attributes: responsibility, influence, tension, diverse perspectives, and dependency. We gather and analyze the opinions of senior supervisors from 46 departments then use these data to determine 10 main stakeholder types: regulators, channel partners, public institutions & industry associations, shareholders & investors, policyholders, employees, the media, suppliers & contractors, invested companies, and non-profit organizations & NGOs.

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

Regulators

Engage in ethical management of our life insurance business, respond to government policies, and comply with all rules and regulations

- Issues of Concern ▶ Information security and personal information protection / Compliance / Anti-money laundering and counter-terrorist financing / Corporate governance and ethical management / Sustainability strategies

- Engagement Approach ▶
 - ◆ Proactive visits to regulators to explain corporate matters or provide reports
 - ◆ Participation in government meetings and offering of recommendations
 - ◆ Participation in conferences and seminars
 - ◆ Participates in evaluations by regulators
 - ◆ Disclosure of data to regulators to assist with oversight and inspections, as well as providing information on case progress
 - ◆ Routine communication via telephone, e-mail, documents (letters), and meetings

- 2018 Engagement Performance ▶
 - ◆ Submitted two reports on the Company's anti-money laundering and counter-terrorist financing status to the Financial Supervisory Commission's Insurance Bureau
 - ◆ Participated in private sector simulated evaluation meetings held by the Anti-Money Laundering Office, Executive Yuan and the Financial Supervisory Commission
 - ◆ The Financial Information Sharing and Analysis Center regularly provides information security reports. We also receive information security announcements and warnings.
 - ◆ CRS/FATCA information went online
 - ◆ Submitted one report on the operations of invested companies in Mainland China to the Financial Supervisory Commission's Insurance Bureau
 - ◆ Declared auditing plans and progress to regulators

Channel Partners

Cultivate close relations with all cooperative channels; excellent products lead to win-win situations

- Issues of Concern ▶ Sustainability strategies / Anti-money laundering and counter-terrorist financing / Corporate governance and ethical management / Compliance / Risk management

- Engagement Approach ▶
 - ◆ i-Agent and other digital consultation hotlines
 - ◆ Addition of a new brokerage agent consultation hotline
 - ◆ Maintain communication with partner channels over e-mail, telephone, and meetings, as well as education and training sessions

- 2018 Engagement Performance ▶
 - ◆ i-Agent and other digital consultation hotlines served customers 9,753 times
 - ◆ Channel partners reached 164, including brokerage agents, banks and securities firms
 - ◆ Premium income from bancassurance channels was NT\$108.29 billion over the full year, which was the highest in the industry
 - ◆ Channel partners signed contracts committing to anti-money laundering and counter-terrorist financing regulations. When laws or regulations change, we notify our channel partners in writing or in person

Shareholders & Investors

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

- Issues of Concern ▶ Corporate governance, business integrity and ethics / Risk management / Operational performance / Corporate image and reputation / Legal compliance

- Engagement Approach ▶
 - ◆ The Investor Relations Department, which serves as the primary unit responsible for communicating with investors, replies to investor and analyst inquiries by telephone or e-mail
 - ◆ Annual and extraordinary shareholders' meetings
 - ◆ Analyst meetings
 - ◆ Attendance at domestic and overseas investor conferences and roadshows
 - ◆ Updating important news and information in Chinese and English on the bilingual investor relations page of the corporate website
 - ◆ Provide business audit information to our parent financial holding company

- 2018 Engagement Performance ▶
 - ◆ Held one annual shareholders' meeting. The attendance rate and rate of votes in favor of proposals from foreign shareholders both approached 70%.
 - ◆ Held one annual analyst meeting
 - ◆ Joined five investor conferences and three overseas road shows. Met with 108 institutional investors.
 - ◆ Simultaneously published major information in both Chinese and English
 - ◆ Published English-language quarterly financial reports on the corporate website
 - ◆ Published semiannual financial reports 15 days before the regulatory reporting deadline, a pioneering practice in the life insurance and financial holding industry. Published annual financial reports one month before the regulatory reporting deadline and within two months after the end of the fiscal year, giving investors timely and adequate information and meeting the standards followed in advanced nations.
 - ◆ Published the annual general shareholders' meeting agenda handbook, supplementary information, and annual report, all seven to nine days before the regulatory deadline. Compiled complete English-language versions of the general shareholders' meeting agenda handbook and annual report to provide comprehensive information disclosure to foreign institutional investors, in line with international practice



Public Institutions and Industry Associations

Participate in insurance-related research conducted by industrial institutions and associations; adhere to association scopes

- Issues of Concern** ▶ Compliance / Risk management / Information security and personal information protection / Anti-money laundering and counter-terrorist financing / Customer service and care / Inclusive financing
-
- Engagement Approach** ▶
- ◆ Participate in anti-money laundering and counter-terrorist financing promotions, education and training together with public institutions
 - ◆ Participate in General Data Protection Regulation evaluations
 - ◆ Participate in seminars and meetings
 - ◆ Use telephone, e-mail, documents (letters), and meetings to engage in routine communications
-
- 2018 Engagement Performance** ▶
- ◆ Assisted the research of regulatory policies in order to aid industrial innovation and progress. Gave the Company's experience ratio to regulators and made recommendations for improving monitoring and accounting systems from the Company's perspective
 - ◆ Provided the Company's annual progress in anti-money laundering and counter-terrorist financing education and training to the Life Insurance Association of the ROC
 - ◆ Participated in a Life Insurance Association of the ROC meeting to research identity verification mechanisms. Helped to formulate draft notices for insurance companies to utilize when confirming the identity, transactions, or services of customers



Policyholders

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

- Issues of Concern** ▶ Corporate image and reputation / Operational performance / Sustainability strategies / Information security and personal information protection
-
- Engagement Approach** ▶
- ◆ Sales staff
 - ◆ Local customer service counters
 - ◆ Free customer service hotline: (0800-098-889)
 - ◆ Overseas inquiry hotline: +886-4-36083600
 - ◆ Overseas emergency hotline: +886-2-25360077
 - ◆ "Peace of Mind" phone insurance purchase service hotline: 0809-001-005
 - ◆ Customer service and claims channels using regular mail and fax
 - ◆ Automatic delivery of policyholder notices
 - ◆ Corporate website: consultation messages, policyholder section, online policy purchases, stakeholder section, free e-newsletter subscriptions
 - ◆ Social media networks: Facebook, Instagram
 - ◆ News reports
-
- 2018 Engagement Performance** ▶
- ◆ Service counter satisfaction rate of 4 or higher (out of 5) in 99.9% of cases
 - ◆ Care counter satisfaction rate of 4 or higher (out of 5) in 100% of cases
 - ◆ Visitors to the corporate website reached 1.59 million and total views were 3.31 million. Visitors to the online policy purchase page were 760,000 and total views were 2.9 million
 - ◆ 1,473 messages were left on the corporate website
 - ◆ Sent 122 eDMs to members
 - ◆ Sent 12 policyholder newsletters that reached 300,000 people
 - ◆ Followed by more than 21,000 people on Facebook and more than 1,000 people on Instagram
 - ◆ Issued 44 press releases or interview reports to promote new products. These led to 133 newspaper reports and 594 online reports.
 - ◆ Handled 1,053 claims cases



Media

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

- Issues of Concern** ▶ Operational performance / Employee pay and benefits / Corporate governance, business integrity and ethics / Information security and personal information protection/ Emergency disaster assistance
-
- Engagement Approach** ▶
- ◆ Established a designated media unit
 - ◆ Issue regular monthly press releases and produce news special reports
 - ◆ Hold news conferences
 - ◆ Add information relating to current trends and key notices to press releases to encourage use by the media
 - ◆ Social media networks: Facebook, Instagram
 - ◆ Disclose information on the "Latest News" section of the corporate website
-
- 2018 Engagement Performance** ▶
- ◆ The Public Relations Department, our chief media communications unit, regularly communicated with reporters over e-mail, phone, and messaging apps
 - ◆ Held one public media event
 - ◆ Issued 101 press releases that led to 2,392 media reports and 100% positive coverage
 - ◆ Proactive provision of article submissions and data and arranging interviews with spokespeople led to 585 mentions in the media. The media praised our PR Department for its professionalism, attention to detail, attentiveness, and high volume of quality submissions
 - ◆ Published 481 posts on Facebook and Instagram to raise our social media profile and strengthen our brand awareness. Total reach was 6,159,272
 - ◆ Published news reports on the corporate website that were written from the perspective of a life insurance consultant to offer information on medical care, long-term care, retirement planning and other topics. These promoted social risk management awareness. We also provided information on awards, sustainability actions, and other positive information to boost our corporate brand and image



Suppliers / Contractors

Actively manage our supply chain and make joint promises with suppliers to implement corporate sustainability

- Issues of Concern** ▶ Corporate governance, business integrity and ethics / Compliance / Risk management / Corporate image and reputation / Information security and personal information protection
-
- Engagement Approach** ▶
- ◆ Disclose information on the "Supplier CSR Section" of the corporate website
 - ◆ Urge suppliers to sign the "Supplier CSR Commitment"
 - ◆ Use supplier selection, negotiations, and contract signing meetings as opportunities to ensure suppliers comply with environmental protection rules; continue to prioritize procurement of green-certified products
 - ◆ Convene annual selection meetings to update the list of qualified construction and repair contractors
-
- 2018 Engagement Performance** ▶
- ◆ Green procurement was NT\$27.10 million; for the third consecutive year, the Department of Environmental Protection, Taipei City Government honored us for excellence in green procurement
 - ◆ Continued to promote the supplier CSR section on the corporate website; worked with suppliers to fulfill CSR promises
 - ◆ 100% of general suppliers and construction and repair suppliers signed the "Supplier CSR Commitment"

Employees

Employees are the Company's most important asset. To cultivate good employees we provide training plans, generous pay and benefit packages, a safe working environment, and unimpeded communication channels. These measures support harmonious relations between labor and management

Issues of Concern ▶ Employee pay and benefits / Operational performance / Corporate governance, business integrity and ethics / Sustainability strategies / Compliance

- Engagement Approach** ▶
- ◆ Diverse education and training programs
 - ◆ E-learning platform for office staff on the corporate website
 - ◆ Publish the Employee Corner magazine
 - ◆ Labor-management meetings
 - ◆ Online communication channels: i-Agent digital consultation hotline, the digital interactive platform Top Force Network, the i-Link app, hiBox e-mail, internal and external Line groups, digital bulletin boards
 - ◆ List complaint channels and related information on the Company's internal website. Handle employee complaints in accordance with the "Labor Inspection Act"
 - ◆ EDMs

- 2018 Engagement Performance** ▶
- ◆ Published 12 issues of Employee Corner magazine
 - ◆ Held four labor-management meetings to discuss changes to overtime limits, nomination of Occupational Safety and Health Management Committee members, employee work standard revisions, and other topics. Agreements on all these topics were reached
 - ◆ There were four internal staff inspection cases that covered issues such as working hours, salary, and attendance management reviews. All passed review by labor and regulatory office representatives, and no legal violations were detected
 - ◆ Respond to fintech trends by arranging for service staff to attend digital tool workplace training and offer i-Agent and other consultation hotlines. These tools are available for agents to use
 - ◆ Agents use the digital interactive platform Top Force Network to inquire about staffing rules and other issues. They got answers to all 54 inquiries made in 2018
 - ◆ Our Line group offers updated company information to office staff and agents. A total of 521 messages were sent in 2018
 - ◆ Sent 192 EDMs that provide the latest information to office staff and agents. Used pictures and writing together to attract more readers

Invested Companies

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

Issues of Concern ▶ Corporate governance, business integrity and ethics / Corporate image and reputation / Risk management / Operational performance / Sustainability strategies

- Engagement Approach** ▶
- ◆ Continue to follow and track invested companies, including participating in shareholders' meetings, tracking financial reports, and heeding social issues. Issue research reports to management

- 2018 Engagement Performance** ▶
- ◆ Issued monthly investment reports that reviewed the performance of invested companies and followed up on their operational status. The reports were delivered to top-level management for review. The scope covered 100% of invested companies
 - ◆ Participated in the shareholders' meetings of public and OTC listed invested companies to the fullest extent our authority allowed. Our participation rate of 100% underscored our commitment to responsibly using and managing policyholders' assets. Continued to monitor and inquire about the financial status of invested companies and their CSR performance. These results were recorded in research reports delivered to top-level management and included CSR evaluations

Non-profit Organizations / NGOs

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

Issues of Concern ▶ Risk management / Employee cultivation / Workplace health and safety / Employee pay and benefits / Sustainability strategies / Corporate image and reputation / Social participation

- Engagement Approach** ▶
- ◆ Cooperate with foundations to offer microinsurance
 - ◆ Use district offices as external communication channels
 - ◆ Hold social participation activities
 - ◆ Use sponsors or donations to assist disadvantaged groups

- 2018 Engagement Performance** ▶
- ◆ Joined three foundations under the United Way, the Garden of Hope Foundation, and the Ching Hsing Social Welfare Foundation in offering basic accident insurance to people who qualified for microinsurance
 - ◆ Organized 562 public welfare activities in cooperation with 67 philanthropic organizations, benefiting a total of 2,450 people
 - ◆ Charitable contributions surpassed NT\$15 million and volunteer hours were over 45,000



Identifying Sustainability Issues

To ensure that disclosed information meets the expectations of stakeholders, China Life uses systematic analysis and engagement to identify material sustainability issues. Using the opinions of stakeholders and top-level management as a reference, and with final approval coming from the Company chairperson, we identified 13 material topics: corporate governance and ethical management, operational performance, risk management, anti-money laundering and counter-terrorist financing, information security and personal information protection, principles for the fair treatment of customers, talent cultivation, fintech and innovation, corporate image and reputation, sustainability strategies, responsible investment, compliance, and employee pay and benefits. At the same time, in the interest of completeness, other issues are disclosed throughout The Report.

Process for Analyzing Material Topics



Sustainability Topic Updates

» China Life refers to past material topics analysis, international indicators and standards, the special characteristics of the finance and insurance industries, and international sustainability trends. We regularly update our annual list of sustainability topics, which focuses on corporate governance, environmental, and social issues.

Material Topic Identification

» Based on the results of stakeholder identification, China Life departments distribute 110 questionnaires to internal and external stakeholders. Their answers provide valuable insight into the level of concern stakeholders have towards core sustainability topics.

» Top-level management evaluate the impacts on operations and economic, environmental and social issues. Findings provide valuable insight into the degree of impact of each sustainability topic.

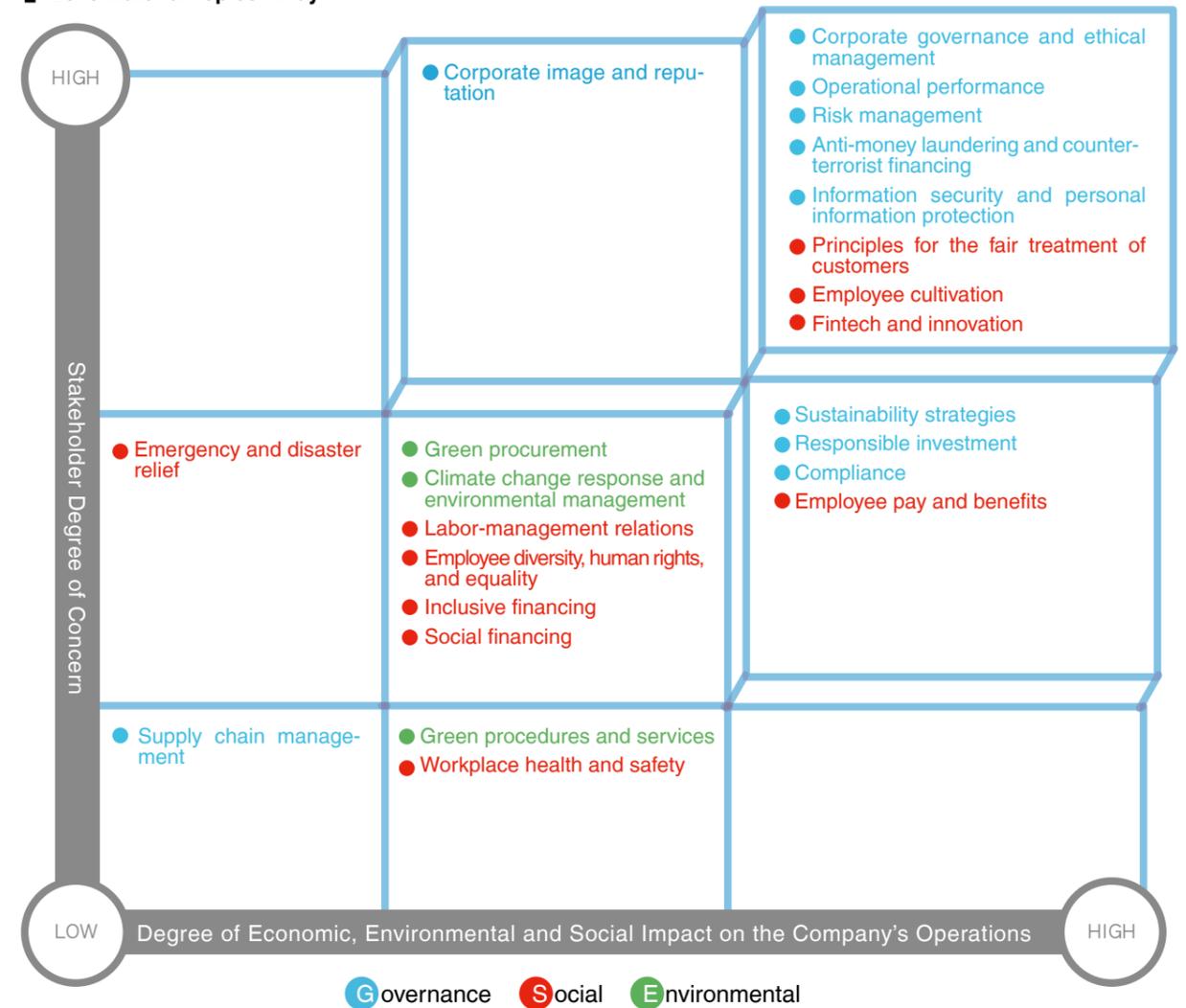
Material Topic Confirmation

» Based on the degree of concern stakeholders show towards each topic as well as the evaluations into the impacts on operations and economic, environmental and social issues, and following final confirmation from the CSR Committee and chairperson, we selected key topics for 2018 as well as our 13 material topics.

Corresponding Themes and Management Guidelines

» China Life establishes management guidelines for all identified material topics, in line with GRI Standards, in order to ensure effective implementation of related actions.

2018 Material Topics Array



Reasons for Material Topic Changes

| Material Topic | Anti-money laundering and counter-terrorist financing | Principles for the fair treatment of customers | Fintech and innovation |
|-----------------------|---|---|--|
| Change | New topic | Topic name change | New topic |
| Reason for the Change | Following an amendment to the "Money Laundering Control Act" and in response to international evaluations and attention, China Life strengthened related controls. These changes adhere to legal standards and evaluations and will raise the effectiveness of the Company's anti-money laundering and counter-terrorist financing control efforts. | In order to increase protection of stakeholders' financial rights and interests, China Life built a corporate culture based on fair treatment of customers. We promote related strategies and actions to protect the rights and interests of consumers and gain society's confidence. | In response to the emerging fintech and insurtech trends, we acted in concert with transformation projects to adopt more digital finance applications and other innovations. We put our practices in line with the digital age in order to satisfy customers' needs. |

Note : In response to sustainability trends and operational advances at the Company, each year we regularly examine our material topics array. In 2018, we changed the name of the topic "product social responsibility" to "inclusive financing" and moved it to a medium-level degree of concern. Also, we removed "major fraud and financial crimes protection."

Material Aspects and Boundaries

| Material Issues | GRI Standards/ Self-Designated Standards | Meaning for China Life | China Life | Policyholders | Suppliers / Contractors | Cooperative Channels | Invested Companies | Corresponding Chapter | Page(s) |
|--|---|--|--------------------|---------------|-------------------------|----------------------|--------------------|-----------------------|--|
| Governance | | | Value Chain | | | | | | |
| Sustainability Strategies | Sustainability Strategies | China Life's pursuit of sustainability is based on forward-looking ESG strategies and planning. We formulate short-, mid- and long-term goals and implement CSR objectives. | ● | ● | ▲ | ▲ | ○ | CH1 | 20-25 |
| Corporate Governance, Business Integrity and Ethics | Anti-Corruption | We are committed to ethical management, developing a strong corporate governance system, and implementing robust disclosure and transparency policies to meet the expectations of internal and external stakeholders. | ● | ○ | ▲ | ▲ | ○ | CH2 | 48-56 |
| Operational Performance | Economic Performance | Stability and growth are basic promises we make to shareholders and policyholders. Diverse products, prudent investments, and strict risk management contribute to robust annual profits, innovations, and advancement. | ● | ○ | ▲ | ▲ | ○ | CH2 | 46-47 |
| Risk Management | Risk Management | To guarantee asset security, raise service quality, and add value for shareholders, we built a prudent risk management system. Comprehensive control measures include identifying, weighing, monitoring, responding to, and reporting risk. | ● | ○ | | | ○ | CH2 | 64-67 |
| Information Security and Personal Information Protection | Customer Privacy | We built an information security management system and conduct personal information protection in accordance with regulator requirements. Our rigorous approach to information security and personal information protection ensures that private information is secure, so customers' minds are at ease. | ● | ● | | ▲ | | CH2 | 68-72 |
| Compliance | Compliance with Environmental Protection Laws | We act in accordance with government policies and obey laws. In daily operations, all departments adhere to government rules and offer full disclosure of environmental, economic, and social legal issues. | ● | | | | | CH2 CH5 | 72-74 140 |
| | Compliance with Socioeconomic Laws | | ● | ○ | | ▲ | | CH2 CH3 | 72-74 96 |
| Anti-Money Laundering and Counter-Terrorist Financing | Anti-Money Laundering and Counter-Terrorist Financing | To guarantee the rights of policyholders and maintain financial stability, China Life implements anti-money laundering and counter-terrorist financing policies, thus strengthening our financial crime prevention. | ● | ○ | | ▲ | ○ | CH2 | 59-63 |
| Corporate Image and Reputation | Marketing and Labeling | While conducting internal operations and external marketing of products and services, we maintain our excellent reputation by adhering to the spirit of "We Share, We Link." | ● | ● | | ▲ | | CH2 | 48-56 |
| Responsible Investment | Product Portfolio | When analyzing potential investments, we weigh ESG implications. We also assess the CSR achievements of invested companies and actively seek to raise engagement. | ● | ○ | | | ● | CH2 | 56-58 |

Note: ● Causes the impacts, ○ Contributes to the impacts, ▲ Directly linked to the impacts through its business relationships

| Material Issues | GRI Standards/ Self-Designated Standards | Meaning for China Life | China Life | Policyholders | Suppliers / Contractors | Cooperative Channels | Invested Companies | Corresponding Chapter | Page(s) |
|--|---|--|--------------------|---------------|-------------------------|----------------------|--------------------|--|-------------------------|
| Social | | | Value Chain | | | | | | |
| Employee Cultivation | Training and Education | Our employees are our most important asset. To cultivate innovative thinkers with professional skills, we offer a comprehensive education, training, and review system that helps our workers to grow with the Company. | ● | ○ | | | | CH3 | 79-91 |
| Employee Pay and Benefits | Market Positioning | Our pay and benefits packages are fair to current employees and competitive towards external recruits. We want employees to realize their full potential in a good workplace environment while receiving appropriate compensation. | ● | | | | | CH3 | 100-101 |
| | Labor-Management Relations | | ● | | | | CH3 | 92-101 | |
| | Employee Diversity and Equal Opportunities | | ● | | | | CH3 | 92-93 100-101 | |
| Principles for the Fair Treatment of Customers | Marketing and Labeling | China Life is committed to providing policyholders with top quality service and thoughtful care. From product sales and after-sales service to complaint management, we work meticulously to ensure customers' rights and interests are protected. | ● | ● | | ▲ | | CH4 | 116-121 |
| Fintech and Innovation | Fintech and Innovation | In response to the approach of the digital age, starting from the perspective of policyholders' needs we are integrating innovative digital applications into our operations. Our goal is to raise service quality and provide customers with an all-new service experience. | ● | ● | ▲ | ▲ | | CH4 | 109-112 |

Note: ● Causes the impacts, ○ Contributes to the impacts, ▲ Directly linked to the impacts through its business relationships

LAW

REGULATIONS

POLICIES

COMPLIANCE

ST

CHAPTER 2 Development Ethical Management

China Life has always embraced ethical management values and ideas. We established a committee that exclusively focuses on ethical management. We built mechanisms to prevent corruption and improper transfer of benefits. In response to recent anti-money laundering and counter-terrorist financing issues we added a specialized department and commission third-party audits. In terms of corporate governance, we emphasize accountability and transparency and built comprehensive risk management mechanisms and information security systems. Since launching the Principles for Responsible Investment, we incorporate ESG principles into all of our investment decisions. We also support government policies that seek to use investments to boost domestic industrial growth.



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

2018 ESG Goals and Progress

- Made CSR a standard part of evaluating investment targets and included CSR evaluations in stock research reports.
- Attended 100% of the shareholders' meetings of our invested companies and clearly expressed our views on topics under discussion.
- Revised internal investment policy and decision-making standards, including the "Investment Policies and Procedures Scopes Handbook," the "Investment Management Procedures," the "Derivatives Financial Products Transactions and Risk Management Procedures," and the "Mainland China Area Securities Management Procedures and Risk Management Mechanism."

2019 ESG Goals

- Continue to be an active participant in the shareholders' meetings of invested companies. Keep our participation rate above 95% to ensure responsible use and management of policyholders' assets.
- Incorporate CSR evaluations into 100% of our investment research reports and make CSR an important part of investment decision-making.

Solidify corporate governance, business integrity and ethics to fulfill our promises to stakeholders

2018 ESG Goals and Progress

- Completed annual performance appraisals of the Board of Directors and the Committee of Business Integrity and Ethics, and reported the results to the Board.

2019 ESG Goals

- Continue to cooperate with the competent authorities to conduct corporate governance assessments of listed (OTC) companies.
- The Committee of Business Integrity and Ethics conducts annual performance reviews to strengthen corporate governance and ethical management.

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

2018 ESG Goals and Progress

- Offered diverse anti-money laundering and counter-terrorist financing education and training at all levels. Held or participated in 84 education and training events, with 100% of our office staff and agents receiving training.

2019 ESG Goals

- Continue to hold diverse anti-money laundering and counter-terrorist financing education and training
- Carry out due diligence on new policyholders and high-asset policyholders in accordance with the "Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions."

Build internal models for implementing risk management mechanisms

2018 ESG Goals and Progress

- Completed the analysis and testing of our internal forex models as well as related paperwork.

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

2018 ESG Goals and Progress

- Completed Personal Information Management System (PIMS) BS 10012 third-party reassessment. Continued to use the Plan-Do-Check-Adjust cycle to strengthen our personal information protection management capacity.
- Held 14 personal information protection education and training courses, with 100% participation in the e-learning course section.

2019 ESG Goals

- Strengthen inspection and framework review of new technology before it goes online. Formulate procedures to respond to information security incidents and conduct three information security response training drills.
- Commission external information security experts to carry out evaluations, issue third-party information security statements, and build our own information security defense systems.
- Formulate a Secure Software Development Life Cycle (SSDLC), implement related procedures, ensure that 100% of our external apps pass information security testing, and achieve Mobile Application Basic Security (MAS).
- Regularly conduct education and training courses to raise awareness of information security; achieve a completion rate of 100%.
- Use the Plan-Do-Check-Adjust cycle to maintain our personal information management system. Each year, a third-party auditor assesses the system.

Management Guidelines

Major Topics

Economic performance, product portfolio, marketing and labeling

Commitments

- For all customer groups, provide comprehensive risk coverage planning that takes into account future social trends and government policies. Expand channel operational planning and customer penetration of digital operational models in order to raise operational growth.
- Ensure the rights and interests of the Company and policyholders by fulfilling our social responsibilities as an institutional investor and making ESG principles part of our responsible investing approach.
- Uphold the five service concepts of "joy, precision, enthusiasm, timely, and gaining customer approval." Provide warm service that satisfies customers' needs.

Policies / Management System

- ◆ Compile the Investment Handbook, which includes CSR within the scope of our considerations. When screening investment targets, besides weighing ESG performance, regularly examine anti-money laundering and counter-terrorist financing performance.
- ◆ Voluntarily sign the “Stewardship Principles for Institutional Investors,” which was issued by the Taiwan Stock Exchange, in order to express our commitment to governance in the investments we make.
- ◆ Implement the “Call Inquiry and Personal Information Control Compliance Handbook” and the “Rules Governing the Service Ambassador Selection Activity,” in order to implement customer information security and raise service quality.
- ◆ Implement measures in the “Corporate Mark Handbook,” the “Spokesperson System and Statement Procedures,” and the “Standards Governing the Production and Management of Advertisements, Solicitations, and Promotional Activities,” in order to effectively publicize the Company’s “We Share, We Link” corporate brand image.

Complaint Mechanisms

- ◆ Incorporate a stakeholders’ section on the corporate website and use the Investor Relations Department to serve as communication channels with our investors.
- ◆ Provide counter service, a free customer service hotline (0800-098-889), website inquiries and comments, Facebook inquiries and comments, postal and fax channels, and other customer service and complaint channels operated by specially assigned staff.

Evaluation Mechanisms

- ◆ In 2018, our assets totaled NT\$1.7 trillion, market value was NT\$111.8 billion, total premiums were NT\$301.8 billion, net profit was NT\$10.178 billion, and EPS was NT\$2.54.
- ◆ Fulfilled our stewardship role as an institutional investor by attending 100% of the shareholders’ meetings of our invested companies and voting in 100% of the shareholders’ resolutions that we qualified to participate.
- ◆ To encourage passionate, caring service from our employees, we hold the Service Ambassador Selection activity. This event shows what it takes to be a model of excellent service and gives insight into our service culture, thus raising our corporate image and customer satisfaction. In 2018, we selected six top service ambassadors.

Major Topics**Risk management, anti-corruption, anti-money laundering and counter-terrorist financing, customer privacy, compliance with socioeconomic regulations****Commitments**

- ◆ Conscientious risk management and the pursuit of corporate sustainability. Become leaders of corporate culture and sustainable growth.
- ◆ The Board of Directors and management regularly sign the Company’s “Declaration of Ethical Management,” which serves as a promise of our ethical management policies.
- ◆ Actively carry out anti-money laundering and counter-terrorist financing works in order to maintain trade security and stable finance procedures while fulfilling our financial social responsibilities.
- ◆ Provide a safe transaction environment for customers as part of our commitment to information security. This shall include comprehensive protection and safeguards for information system storage, processing, transmission and disclosure. All information system developments, repairs and maintenance must comply with information security standards.

Policies / Management System

- ◆ Establish a comprehensive risk management mechanism that includes own risk and solvency assessment, key risk management mechanisms, personal information protection, and money laundering and terrorist financing risk assessment mechanisms. These tools enable us to identify and weigh risks.
- ◆ Implement the “Ethical Corporate Management Best Practice Principles,” the “Ethical Corporate Management Conduct Guidelines,” and the “Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct” in order to achieve ethical management and actively prevent the occurrence of unethical practices.
- ◆ Describe our ethical management policies on the investor relations’ webpage and the investors’ conference briefing to improve disclosure to our customers.
- ◆ Implement anti-money laundering and counter-terrorist financing risk controls, including the “Directions for Anti-Money Laundering and Counter-Terrorist Financing,” “Evaluation of Money Laundering and Terrorist Financing Risk Control Policies,” “Rules Governing Anti-Money Laundering and Counter-Terrorist Financing,” “Directions and Rules Governing Anti-Money Laundering and Counter-Terrorist Financing by Offshore Insurance Units,” and the “Operating Procedures for the Evaluation of Money Laundering and Terrorist Financing Risk Control.”
- ◆ Anyone who does business with the Company, including sales agents, contractors, and temporary employees, must adhere to the Company’s information security policies and related standards. When the acquisition or use of Company-managed information is required for work purposes, those who handle the information are obligated to protect it and prevent it from unauthorized saving, modification, damage or disclosure. Regular testing of the Company’s IT business continuity plan is needed to ensure effective operations.

Complaint Mechanisms

- ◆ Operate a diverse set of channels to report illegal, immoral, or unethical activities, in order to create an ethical corporate culture and promote robust corporate development. These channels include direct reporting, documented reporting, and e-mail (whistleblower@chinalife.com.tw). The regulations describe procedures for handling such violations as well as whistleblower protection measures.
- ◆ Update the “Information Security Stakeholder List,” which is reviewed annually to ensure that we track all stakeholders tied to our information security systems. Examine the arrangements, timing, roles, and people associated with all of our internal and external contacts. Use this information to decide on operating procedures for each channel.

Evaluation Mechanisms

- ◆ Carry out annual own risk and solvency assessments and report the results to the competent authorities.
- ◆ The Committee of Business Integrity and Ethics conducts annual internal analyses of the Company’s legal compliance to evaluate the effectiveness of our ethical operations practices. Results are reported to the Board of Directors. Furthermore, use annual performance appraisals to gain insight into the committee’s operations.
- ◆ Independent accounts commissioned by the Company to audit our anti-money laundering and counter-terrorist financing mechanisms found that our related internal control system were effectively designed and implemented. They determined that all key required information was available, and their unqualified opinion was that there were no major or obvious deficiencies.
- ◆ Produce annual money laundering and terrorist financing risk analysis reports and prevention plans. These are submitted to the Risk Management Committee and the Board of Directors, so senior executive managers can better understand the Company’s risk exposure.
- ◆ The Information Security Committee holds two annual meetings to review information security and ensure that it is effectively managed. The Company conducts semiannual internal information security audits and measures information security targets each month. In 2018, there were no major information security incidents.
- ◆ The Personal Information Protection Management Committee meets semiannually to report on related practices. Annual BS 10012 third-party reviews are used to assess and improve our personal information protection management capacity. In 2018, we passed the re-assessment with no faults.

Firm and Stable Operations

Outstanding Business

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

In addition, we continue to use our risk management policy as a basis for strengthening risk quantification and using our findings in corporate decision-making. We aim to become a model in the life insurance industry for corporate governance, risk management, and stable growth.

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

Six Distribution Channels and Development Strategies

01 Group Insurance

Group insurance planning for corporate clients helps companies to offer comprehensive welfare and protection to their employees. Flexible service workflows that fit the diverse needs of companies provide higher-quality, comprehensive safeguards. Through the enterprise market and automation, our service platforms actively promote market development and workplace services, thus building positive interactions and trust with policyholders, which raises satisfaction rates.

02 Agents

The Company has a pool of over 10,000 agents. To continue to expand operational capacity and attract top talent, we launched the Elite Project. For product strategy, we focused on promoting policies denominated in foreign currencies and protection products. At the same time, we integrated i-Agent system digital tools to promote digitalization and mobilization of our sales channels. More convenient information management and efficient communication with customers raises our overall competitiveness.

03 E-commerce

Our e-commerce channel upholds the spirit of inclusive financing, in order to make people feel stable and at ease, raise convenience, and facilitate independent enrollment in insurance policies. Besides continuing to provide online policy purchases, we launched three new products, including a small-amount life insurance policy. We hope that the lower premium budget threshold encourages more people to purchase coverage online and thus feel more secure. Our online product section also includes "Insurance Lifestyle +," which uses lifestyle topics to show that insurance is not an esoteric financial topic; rather, it is an important part of our everyday lives.

06 Financial Services

We continue to develop and expand business with high-net worth clients by offering a diverse product range available in different currencies. We are developing new digital sales and service tools that are advanced, thoughtful, and fast. As part of our environmental advocacy and love of nature, most of the small commemorative gifts that we hand out feature products made by conscientious local farmers or disadvantaged groups. We hope to use this gesture as a way of giving back to society.



05 Brokers

To expand market share, we continue to strengthen regular premium products. We offer a wide range of products and services to raise long-term sales and profit sources. At the same time, we foster lasting relationships with brokers to strengthen our strategic operations and partnerships.

04 Bancassurance

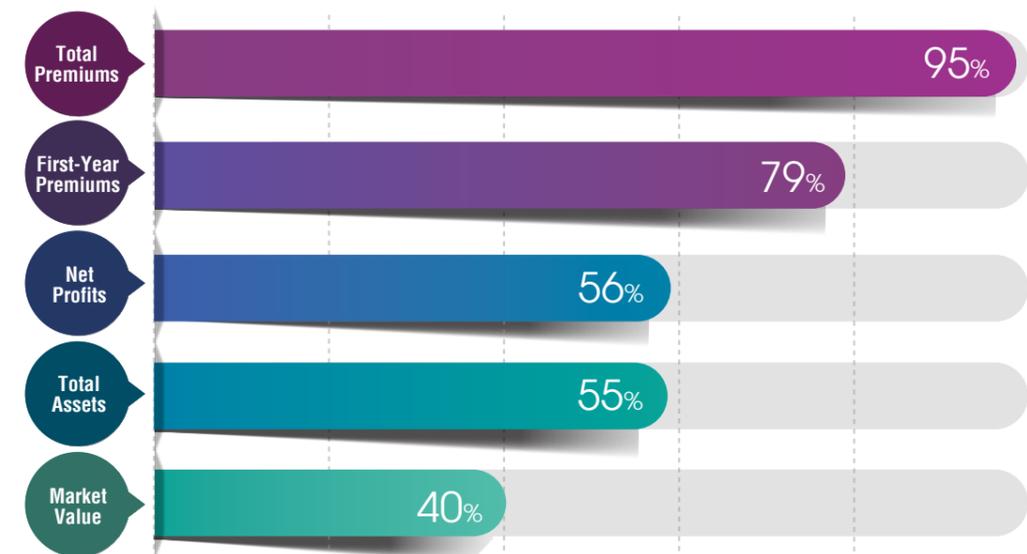
Utilizing our diverse product development experience and considering the special characteristics of banking and insurance markets, the Company offers a range of bancassurance products. These include retirement planning and wealth building products that support our customers with personal protection, retirement pension, and savings preparation. At the same time, we are cooperating with banks to respond to the various changes brought by the new digital age.

Superb Operational and Financial Performance

In 2018, the Company set new records in operational performance. New premium income reached NT\$150.3 billion and total premium income rose to NT\$301.8 billion, for respective growth of 87% and 46%. Net profit after tax was NT\$10.178 billion, for an annual growth of 12%, EPS was NT\$2.54, and market value reached NT\$111.8 billion. At the end of 2018, total assets were NT\$1.7 trillion. During the past five years, premiums from new contracts, market value, and net profits each grew by over 50%, while total premium income nearly doubled. Despite the turmoil in the global economy, China Life continued to demonstrate strong performance in operations, profit, and asset quality.

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

Financial Growth Over the Last Five Years



Note : Base year is 2014; data collected through 2018

Key Financial Performance Indicators

| | 2018.12.31 | 2017.12.31 | 2016.12.31 |
|---------------------|------------|------------|------------|
| Total Assets | 1,711,355 | 1,465,734 | 1,323,711 |
| Net Profits | 10,178 | 9,084 | 9,468 |
| Total Market Value | 111,778 | 113,403 | 111,334 |
| Total Premiums | 301,832 | 206,440 | 191,139 |
| First-Year Premiums | 150,339 | 80,225 | 90,627 |

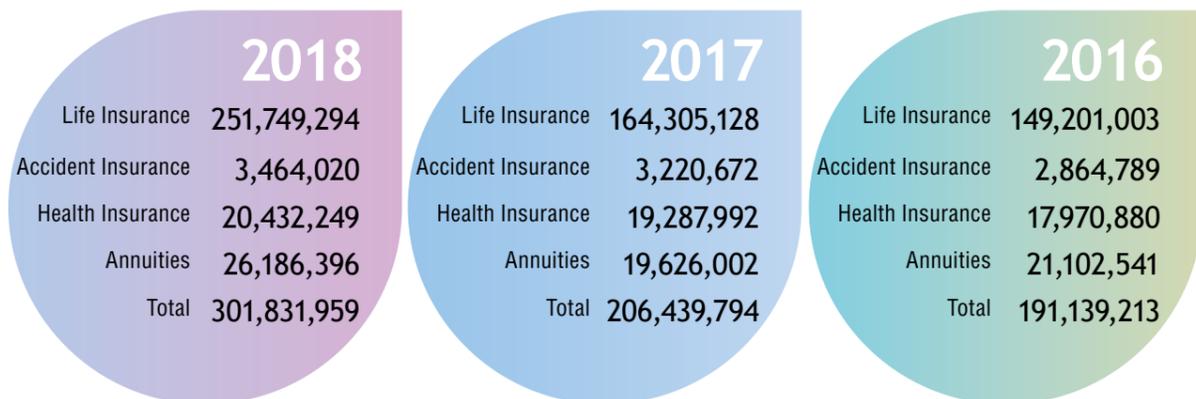
Unit: NT\$ millions

Economic Value Generated and Distributed

| | 2018 | 2017 | 2016 |
|---|-------------|-------------|-------------|
| Operating Revenues | 338,495,113 | 255,328,334 | 237,222,260 |
| Net Profit | 10,177,987 | 9,083,972 | 9,468,357 |
| EPS (Unit: NT\$) | 2.54 | 2.26 | 2.36 |
| Value Distributed to Stakeholders | | | |
| Employee Pay and Benefits | 2,827,230 | 2,811,924 | 2,600,650 |
| Dividends | | | |
| Stock Dividend Payments (Surplus Year) | 0 | 2,271,839 | 3,126,384 |
| Cash Dividend Payments (Surplus Year) | 0 | 3,029,119 | 2,779,008 |
| Cash Dividend Per Share (Unit: NT\$) | 0 | 0.8 | 0.8 |
| (Refund) Income Tax Expenses | 5,534,662 | (61,294) | (39,334) |

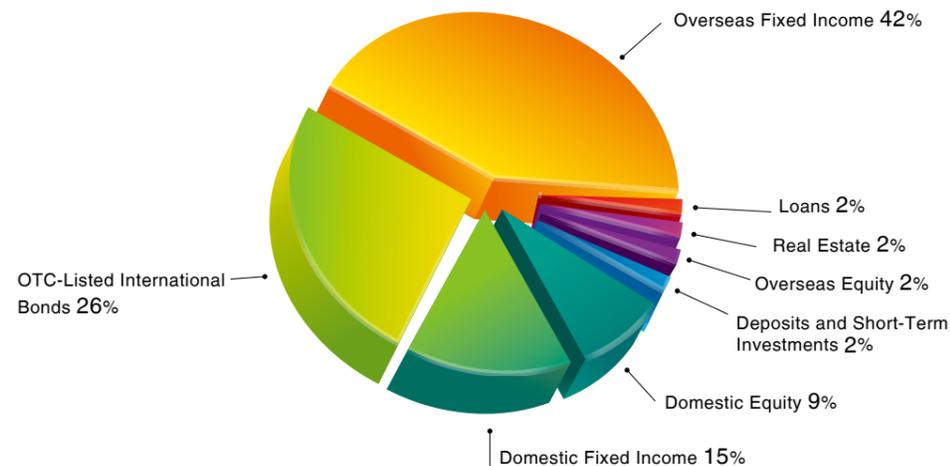
Unit:NT\$ thousands

Premium Income by Product Type



Unit:NT\$ thousands

Premium Income by Product Type

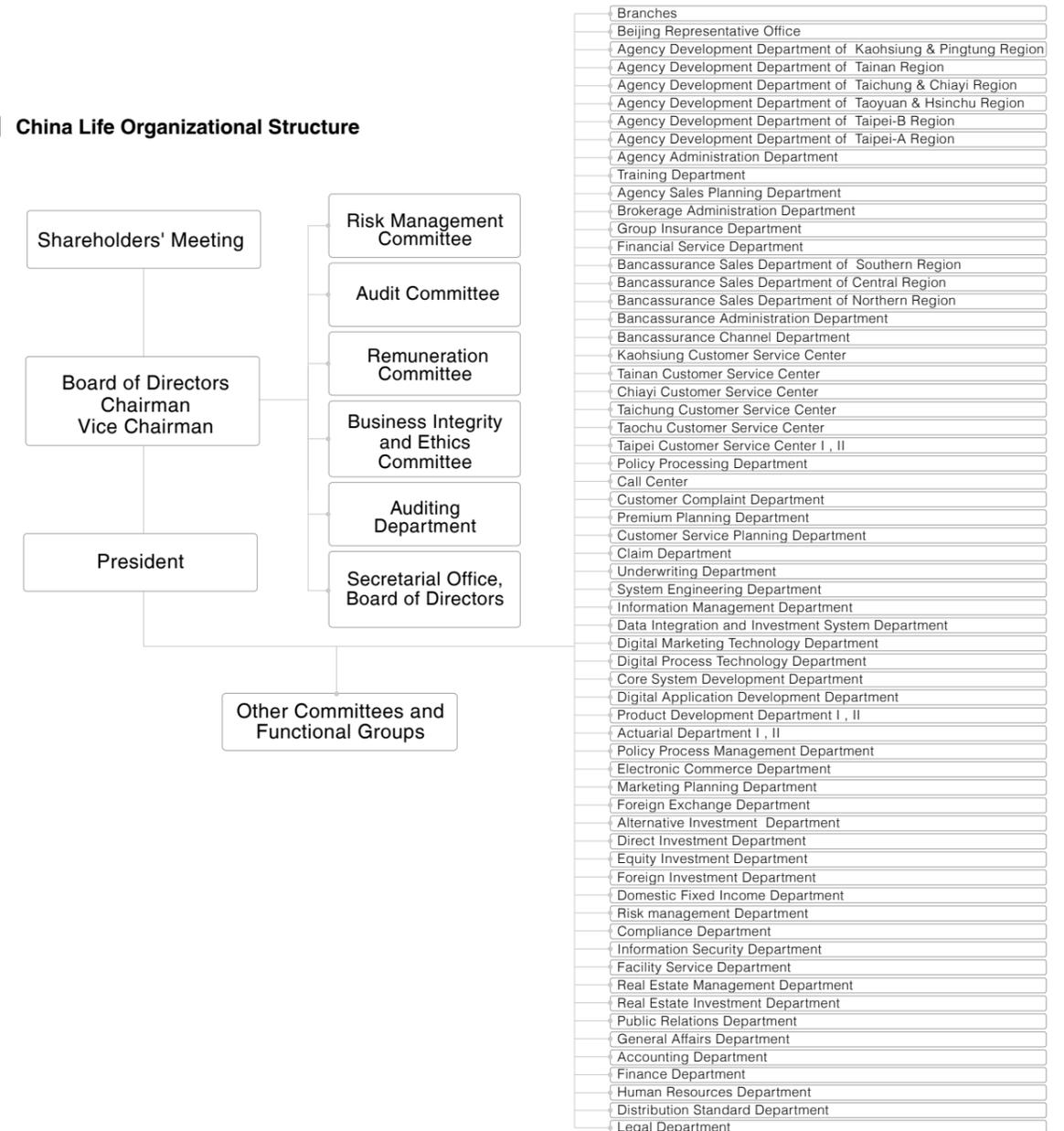


Corporate Governance

Structure of the Board of Directors

The Board of Directors, the highest decision-making body of China Life, adheres to the spirit of clean governance as it prudently guides business strategy and steers the direction of the Company. To achieve gender equality, we promote numerous women to decision-making positions. For example, four of our nine Board members (including independent members) are now women. Furthermore, to protect the general interests of the Company and ensure healthy corporate governance, besides establishing an independent director system we created two functional committees, the Audit Committee and the Remuneration Committee, and upgraded the Risk Management Committee and the Committee of Business Integrity and Ethics to functional committees. All functional committees must report to the Board to optimize the Board's oversight and management capacities. China Life also has various other committees overseen by the president to create a more robust corporate governance structure.

China Life Organizational Structure

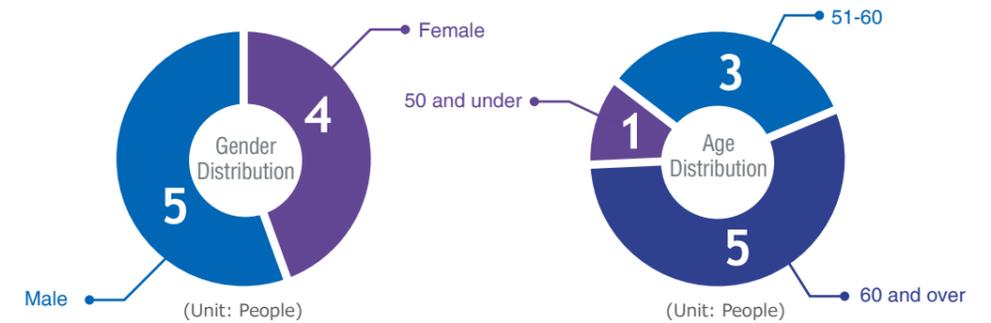


Composition of the Board of Directors

A nomination system is used for the elections of both the Company's directors and independent directors, in accordance with the expectations and legal requirements of the competent authorities. Based on Article 22-3 of the "China Life Corporate Governance Policy," the members of the Board shall be diverse. Guidelines for the best qualities of the Board shall be determined by assessing the business and operations of the Company as well as related development needs. Basic characteristics and values to consider include gender, age, nationality, and culture; professional knowledge and ability include professional background, professional skills, and industrial experiences. All Board members shall have the knowledge, technical ability, and qualities required to fulfill the duties of their post. To achieve the Company's corporate governance ideals, the Board must be able to make operational judgments, analyze accounting and finance records, manage operations, manage risk, and handle crises. Directors must have financial and insurance professional knowledge, an international market perspective, leadership abilities, and the capacity to make decisions.

The nine members of the Board of Directors (including independent directors) have training and experience in operations, management, finance, banking, law, statistics, actuary, or insurance. There are four female directors, accounting for 44% of all members. Five Board members are 60 or above, three are 51 to 60, and one is 50 or under. These data show that the 20th Board of Directors has already fulfilled the Company's objective of having a diverse, gender equal Board.

Gender and Age Distribution of Directors



Operations of the Board of Directors

All Company directors are highly active participants in the operations of the Board. They actively discuss business operations and carry out continuing education to keep track of the latest international trends. When a topic is directly related to a particular Board member or a Board member is considered an interested party, he or she abstains from participation in accordance with the law and to avoid conflict of interest. These practices lead to excellent corporate governance practices. The Board not only abides by legal requirements but also meets the expectations of the competent authorities. **This excellent performance contributed to China Life placing among the top 5% of listed companies at the 5th Corporate Governance Evaluation Awards. We were the only life insurance company to achieve this recognition for five consecutive years.**

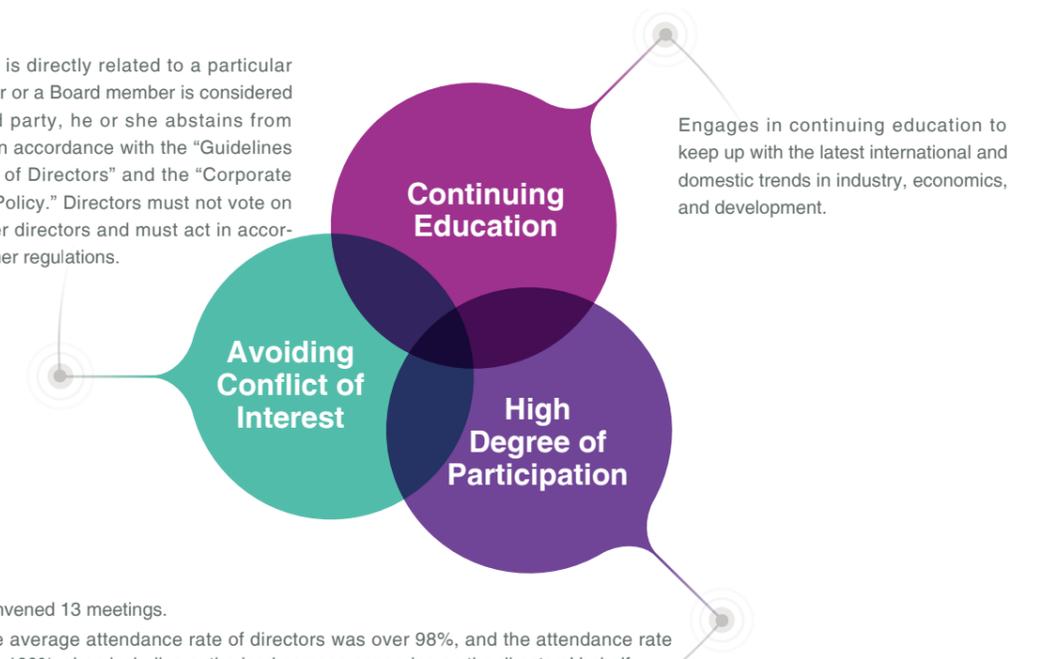
China Life Board of Directors

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



Note: Refer to the Company's Annual Report for more details.
<https://www.chinalife.com.tw/wps/portal/chinalife/investor-relations-en/shareholder-service/annual-general-meeting-information>

When a topic is directly related to a particular Board member or a Board member is considered an interested party, he or she abstains from participation in accordance with the "Guidelines for the Board of Directors" and the "Corporate Governance Policy." Directors must not vote on behalf of other directors and must act in accordance with other regulations.



- Convened 13 meetings.
- The average attendance rate of directors was over 98%, and the attendance rate was 100% when including authorized persons appearing on the directors' behalf.
- An internal audit and accounting communication seminar is held each year for the independent directors.
- All nine directors attended the previous five regular shareholders' meetings.
- Cooperates with management to carry out business operations and corporate governance, responds to all sustainability topics raised by stakeholders.

Board of Directors and Functional Committees

The Board of Directors oversees four committees: the Audit Committee, the Remuneration Committee, the Risk Management Committee, and the Committee of Business Integrity and Ethics. For all proposals, the committees must report to the Board.

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

| | |
|---|--|
| <p>Board of Directors</p> <p>3 Independent Directors / 9 Total Members</p> | <p>Composition and Role</p> <ul style="list-style-type: none"> Headed by Chairman Alan Wang and comprised of nine members, including three independent directors The Board is tasked with approving operational guidelines, reviewing the budget and final accounts, profit distribution, change of capital, and approving the articles of incorporation <p>2018 Track Record</p> <ul style="list-style-type: none"> Held 13 meetings Passed a revision to the Company's "Corporate Governance Policy" Passed the "Liability Insurance of the Directors and Important Staff" |
| <p>Audit Committee</p> <p>3 Independent Directors / 3 Total Members</p> | <p>Composition and Role</p> <ul style="list-style-type: none"> Comprised entirely of independent directors Responsible for monitoring and ensuring effective internal controls, legal compliance, and the management of existing and potential business risks <p>2018 Track Record</p> <ul style="list-style-type: none"> Held 13 meetings Independent accountants commissioned by China Life audit semiannual and annual reports and report results to the Audit Committee. The accountants also examine the Company's internal control testing then discuss their findings and information about recent legal changes with the Company's independent directors |
| <p>Remuneration Committee</p> <p>3 Independent Directors / 3 Total Members</p> | <p>Composition and Role</p> <ul style="list-style-type: none"> Comprised entirely of independent directors Responsible for assessing, setting and reviewing the compensation and performance of Board members and senior executive managers <p>2018 Track Record</p> <ul style="list-style-type: none"> Held four meetings. Assessed and reviewed work performance and the compensation of Board members and senior executive managers. Checked and verified the annual remuneration made to Board members and employees |
| <p>Risk Management Committee</p> <p>1 Independent Director / 13 Total Members</p> | <p>Composition and Role</p> <ul style="list-style-type: none"> Comprised of five to 15 members and convened by an independent director with a banking, insurance, and finance background Responsible for setting and monitoring risk management policy and standards. Ensures consistency, relevance, stability, and transparency across all risk management mechanisms while making risk management a part of routine operations <p>2018 Track Record</p> <ul style="list-style-type: none"> Held six meetings. Established or revised related policies and regulations |
| <p>Committee of Business Integrity and Ethics</p> <p>3 Independent Directors / 6 Total Members</p> | <p>Composition and Role</p> <ul style="list-style-type: none"> Comprised of three independent directors and three directors. Responsible for formulating and overseeing programs to promote business integrity and ethics policies. Regularly analyzes related business procedures and evaluates compliance. Reports directly to the Board of Directors <p>2018 Track Record</p> <ul style="list-style-type: none"> Held two meetings Revised the "Procedures for Reporting Illegal, Immoral, or Unethical Behaviors," reviewed and modified related system procedures, and strengthened protection of whistleblowers |

Independent Directors Total Members

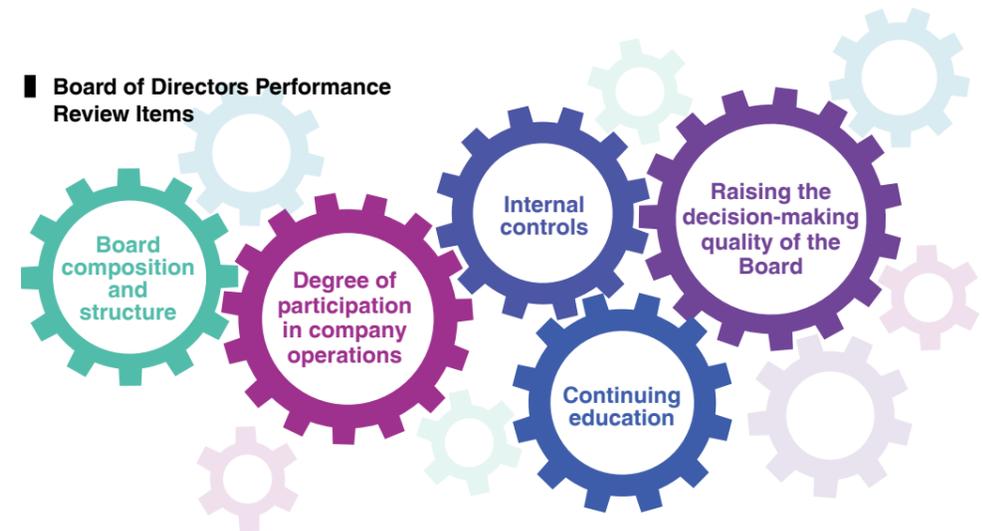
Note: Refer to China Life's 2018 Annual Report for more information regarding the actual operations of the Board of Directors and functional committees, important meeting conclusions, director shareholdings, and continuing education plans.

Board of Directors Performance Reviews

China Life formulated the "Regulations Governing the Performance Appraisal of the Board of Directors" to strengthen oversight and management of the Board. Annual performance reviews of the Board of Directors, functional committees and individual directors ensure that the Board and committees complement each other, so they can work together to improve the Company's corporate governance.

We also distribute appraisal questionnaires to members of the Board of Directors and all functional committees. The questionnaires are used to self-evaluate the previous year's performance of the Board and functional committees and for Board members to evaluate their own performance and that of their peers. The Board Secretarial Office gathers the questionnaires at the beginning of each year. Results are compiled and recorded then reported to the Board.

Board of Directors Performance Review Items



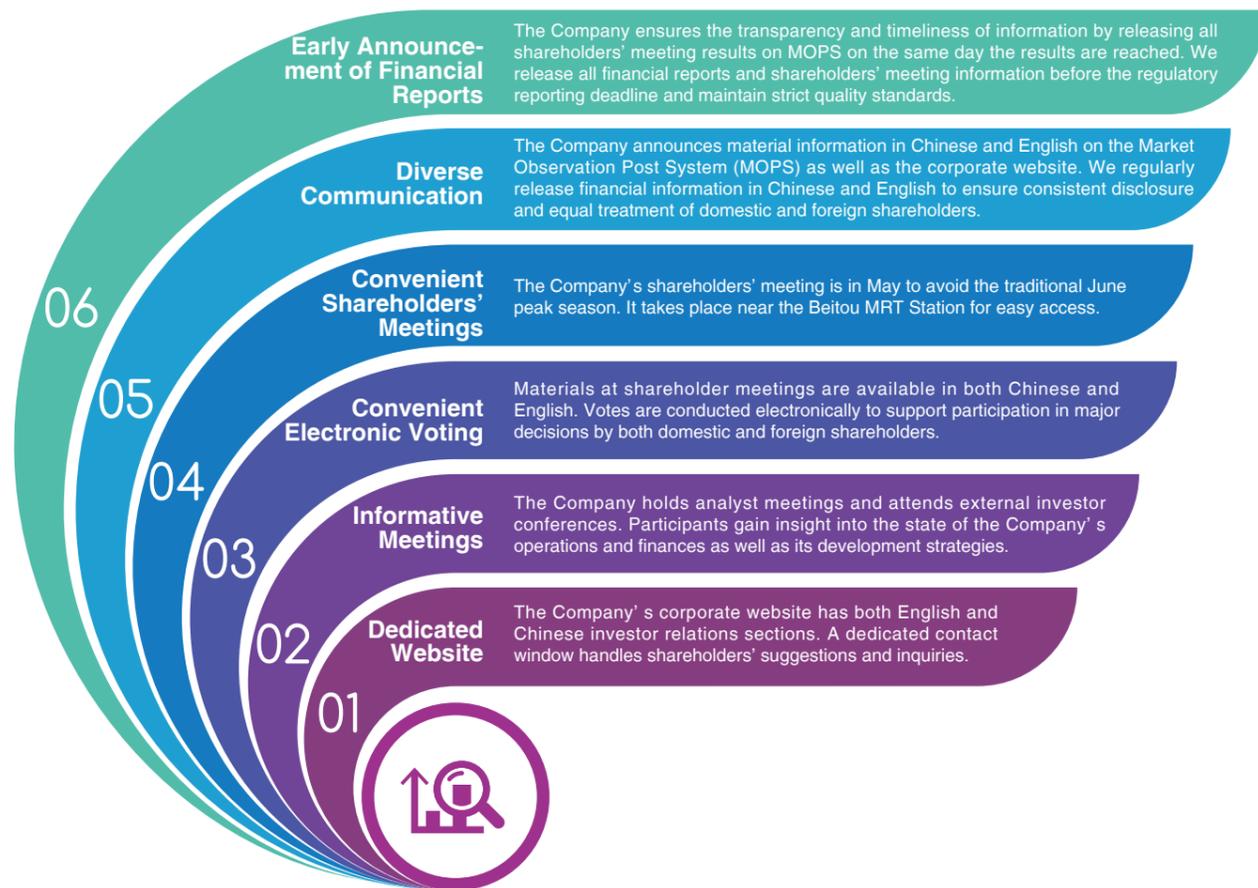
In 2017, to improve corporate governance mechanisms for 2018 and beyond, we revised the "Regulations Governing the Performance Appraisal of the Board of Directors." Now an external, independent institution or academic team evaluates the performance of the Board every three years to provide an impartial evaluation of corporate governance mechanisms. Suggested modification guidelines help us to introduce new corporate governance models or feasible plans to support ongoing improvements.

In 2018, the average self-assessment score of Board members was 95.88 points (out of 100), and Board members gave their peers on the Board an average score of 96.22. These results were rated as "outstanding." At the same time, we carried out performance assessments of functional committees and reported the results to the Board in January 2019. The assessments provide an excellent opportunity for each Board member to examine his or her performance and make suitable adjustments or improvements. The greater awareness serves as a point of reference for planning a better work approach in the following year. Recommendations improve the effectiveness of the Board and the functional committees it oversees while serving as a mechanism for continuing improvements. Assessment results are also used as a reference for selecting or nominating future directors, as well as setting the individual remuneration of the Board and committee members.

Guaranteeing the Rights and Interests of Shareholders

When managing investor relations, we must guarantee the rights and interests of shareholders while enabling investors to fully understand important Company information and participate in major decision-making. In this regard, we established diverse communication channels and developed six major action plans centered on protecting shareholders' rights and treating shareholders fairly.

Six Major Investor Relations Action Plans



Investors have long acknowledged China Life's financial and business performance. We perform particularly well among foreign investors, who have a very high shareholding ratio and actively participate and vote in shareholder meetings. Investors also recognize our external communication ability. In a 2018 poll held by Institutional Investor magazine, respondents named us the "Best IR Professional in Taiwan" (among small & midcap companies).

Semiannual Financial Reports

For five consecutive years, we have been the only life insurance or financial holding company in Taiwan to publish semiannual financial reports at least 15 days before the regulatory deadline.

Financial Reports

For five consecutive years, we have released our financial reports within two months of the end of the fiscal year and one month before the regulatory deadline.

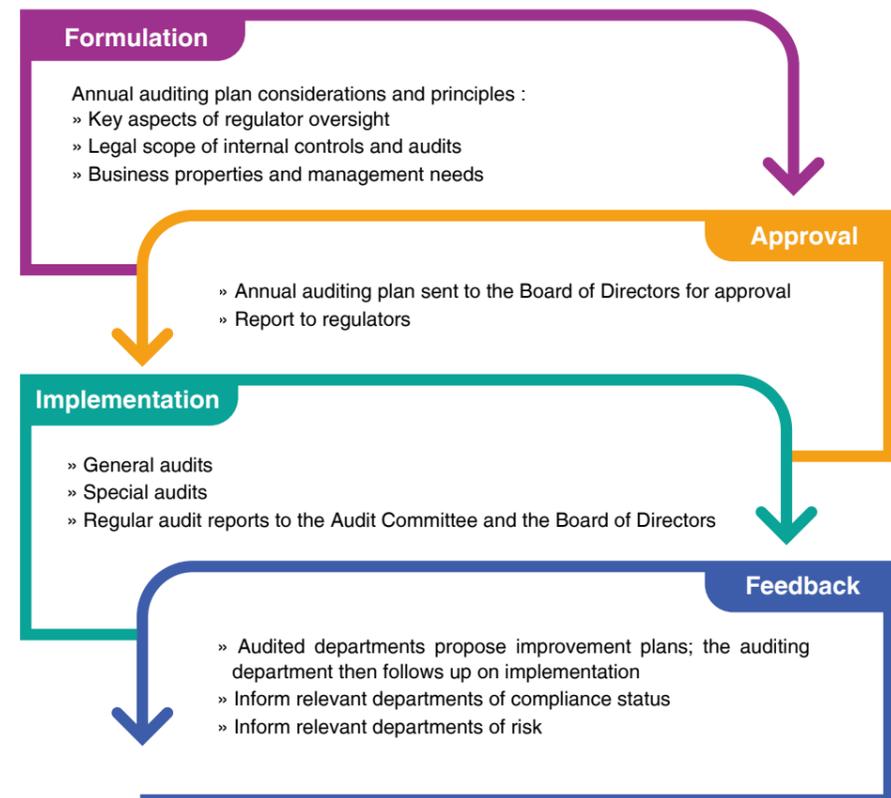
Shareholders' Meeting Handbook, Supplementary Material and Annual Report

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

Internal Auditing

The internal auditing unit, which operates under the Board of Directors, organizes at least one general audit annually in accordance with the Board's annual audit planning, the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises," and other related rules and regulations. It examines management departments responsible for finance, sales, information, and other areas at least once per year, and it carries out special audits based on practical needs. It tracks review findings and improves deficiencies found by regulators, accountants, internal auditors (including the auditing unit of our parent holding company), and self-inspections. The chief auditor reports to the Audit Committee and the Board at least quarterly, and directors review internal control deficiencies and communicate with internal auditors. Communication between independent directors and internal auditors (including communication methods, items, and results) is disclosed on the Company website to ensure proper corporate governance.

Internal Auditing Unit Operations



Participation in External Institutions

China Life participates in major sustainability and development initiatives conducted by external institutions. Besides taking part in trade associations that are closely linked to the insurance and finance industry and researching emerging topics, we maintain close contact with other life insurance companies, academia, and government. External institutions we participate in include the Actuarial Institute of the Republic of China, the Life Insurance Association of the Republic of China, the Taiwan Insurance Institute, the Insurance Anti-Fraud Institute, the Life Insurance Management Institute of the Republic of China (LIMI-ROC), the Financial Planning Association of Taiwan, and the Taiwan Insurance Law Association.

Ethical Management

China Life is fully committed to building our corporate values and sustainable operations on a foundation of ethical management. To create a corporate culture based on ethical management and to strengthen the Company's development, we established the "Ethical Corporate Management Best Practice Principles," the "Ethical Corporate Management Conduct Guidelines," and the "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct." These serve as our guiding principles of ethical management. We also established the Committee of Business Integrity and Ethics and made it a functional committee under the Board of Directors. The committee strengthens the Board's oversight and management and solidifies ethical management.

Committee of Business Integrity and Ethics

The Committee of Business Integrity and Ethics is responsible for establishing and overseeing ethical management policies and control mechanisms. It reviews the effectiveness of related control mechanisms, assesses compliance of our business departments, and regularly reports findings to the Board of Directors. In 2018, after an amendment to the "Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct," we revisited related mechanisms and examined our protections of human rights and interests. We built a more comprehensive reporting system that has advanced the Company's operations.

Ethical Management Measures and Training

China Life uses public commitments, information transmission, education, and training to reinforce our ethical management principles. We build a corporate culture of ethical management that reaches all levels of the Company.



In 2018, 100% of the Company's office staff and agents received ethical management training and passed training assessments, demonstrating awareness of relevant topics. Employees of all levels at China Life, from the Board of Directors and senior management to department supervisors and general staff, engage in ethical operations and fight against corruption. As a result of effective advocacy, there were no reported violations of our ethical management principles in 2018.



Responsible Investment

Environmental pollution is becoming worse by the day. Climate change and energy supply-demand imbalances pose a threat, and there are a plethora of other social, industrial and economic problems. To help solve these problems, China Life is committed to fulfilling CSR duties and achieving sustainable development. We incorporated CSR into our investment policies and make it a basic criteria when selecting investment targets.

Based on the "Autonomous Standards for Insurance Industry Asset Management," each year we review and act on our investment policies. In line with legal and regulatory amendments from the competent authorities and IFRS 9 accounting mechanisms, within three months of legal changes the Company completes modifications of internal procedures in order to stay in full compliance.

Response to the Principles for Responsible Investment

China Life responded to the UN's Principles for Responsible Investment (PRI) by compiling an investment handbook, engaging closely with the companies we invest in, and participating in related external institutions. We use responsible investing to guarantee the long-term interests of customers, shareholders and other stakeholders while simultaneously supporting industrial development and ESG principles. Besides raising the value of our investment assets, these measures allow us to fulfill our social duties as a life insurance company.

In 2018, China Life signed the "Stewardship Principles for Institutional Investors." In line with these principles, we will continue to interact with the senior management of the companies we invest in through conference calls, face-to-face interaction, attendance at investor meetings, and sending our employees to regular shareholders' meetings and extraordinary general shareholders' meetings. A suitable degree of dialogue and interaction will enable us to understand the operational strategies and risks of the companies we invest in and offer a chance for us to work with the companies to achieve a consensus on long-term values.



Performance Related to the Principles for Responsible Investment

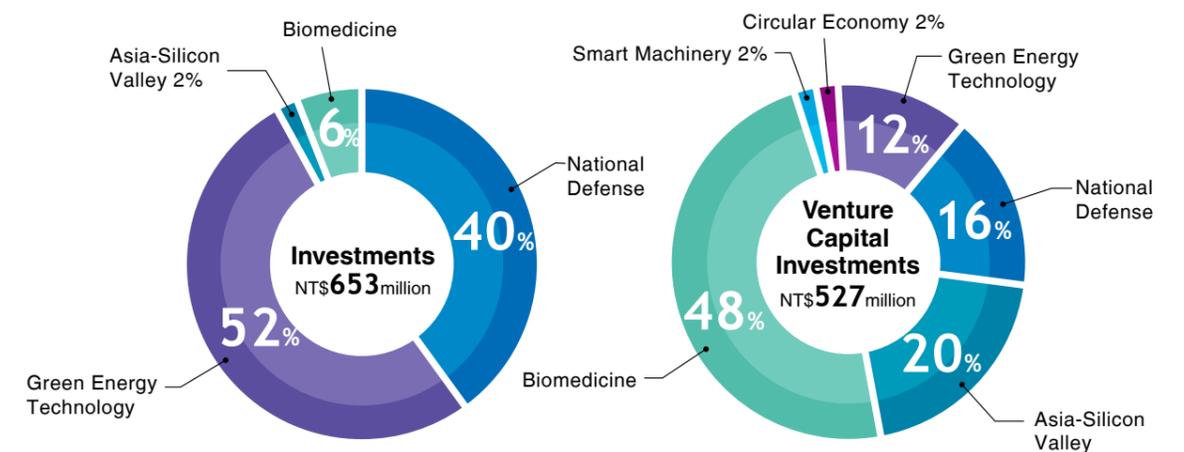
| Six PRI Principles | 2018 Achievements |
|--|--|
| <p>Principle 1 We will incorporate ESG issues into investment analysis and decision-making processes</p> | <ul style="list-style-type: none"> Compiled the "Investor Handbook," which includes CSR topics that we shall consider when making investments 100% of investment target reports included CSR performance evaluations All investment evaluation reports required prior to investing in non-listed companies included information on environmental protection, labor-management relations, and corporate governance |
| <p>Principle 2 We will be active owners and incorporate ESG issues into our ownership policies and practices</p> | <ul style="list-style-type: none"> 100% participation in the shareholders' meetings of invested companies that are listed on a stock exchange and 100% voting rate in shareholders' meeting proposals (Note1) 100% participation in the shareholders' meetings of invested companies that are not listed on a stock exchange and 100% voting rate in shareholders' meeting proposals (Note2) |
| <p>Principle 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest</p> | <ul style="list-style-type: none"> Investment target reports refer to CSR reports and other related information When purchasing existing shares to invest in non-listed companies, in all cases we consider the ethical operations policies of the target investment company |
| <p>Principle 4 We will promote acceptance and implementation of the principles within the investment industry</p> | <ul style="list-style-type: none"> 100% of our foreign funds, ETFs and foreign private equity funds are from signatories of the Principles for Responsible Investment |
| <p>Principle 5 We will work together to enhance our effectiveness in implementing the principles</p> | <ul style="list-style-type: none"> By participating in the investment research task force of the Life Insurance Association of the Republic of China, we discussed investment practices with other life insurance companies |
| <p>Principle 6 We will each report on our activities and progress towards implementing the principles</p> | <ul style="list-style-type: none"> Monthly reports are compiled on the operations and industrial chain trends relating to invested companies; investment performance is reported to senior executive managers. Domestic investment reports are delivered to the Company chairperson and foreign investment reports are delivered to the Board of Directors We disclose our responsible investment achievements in the CSR Report |

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

Responding to Policy by Investing in the 5+2 Industrial Innovation Plan

China Life invested in corporate sustainable development before government policy promoted it. We work hard to support related Taiwanese enterprises that produce electricity with natural gas, generate green energy, and manufacture pharmaceutical products. After the government promoted the 5+2 Industrial Innovation Plan, we investigated related investment opportunities. In 2018, China Life invested NT\$653 million in industries such as green energy technology, the Asia · Silicon Valley, biomedicine, and national defense. We participated in non-public 5+2 industries through venture capital that paired us with suitable investment targets that we helped to grow. Our total venture capital investments in companies related to the 5+2 industries were NT\$527 million.

Investments in the 5 + 2 Industrial Innovation Plan Industries



In the future, China Life will continue to seek related investment opportunities. Our pursuit of 5+2 investments aims to provide stable returns for shareholders and policyholders. As we promote economic transformation in Taiwan, we are putting assets raised from life insurance towards appropriate, socially responsible investments.

Strengthening Investment Security by Battling Anti-Money Laundering and Counter-Terrorist Financing Measures

To strengthen investment security and comply with the "Money Laundering Control Act," "Counter-Terrorism Financing Act," and the "Regulations Governing Anti-Money Laundering of Financial Institutions," before making an investment China Life reviews the related policies of the company it is planning to invest in or do business with. It seeks assurances that prospective partners carry out anti-money-laundering and counter-terrorist financing measures. After making an investment, if China Life finds that the invested company violated these laws or regulations, we consider whether we should reduce or eliminate holdings in the company in order to fulfill our promises as an institutional investor.

Strict Risk Management

Anti-Money Laundering and Counter-Terrorist Financing

China Life works hard to fulfill our corporate responsibility duties. To build sufficient liquidity and stable financial systems in Taiwan, we actively work with competent authorities on anti-money laundering and counter-terrorist financing. Using the following measures, we build complete control mechanisms.



Fast Responses to Legal Changes and Continued Monitoring of Operations

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

Using regular reviews, we enhance implementation and controls. We check monitoring patterns and reporting standards to improve the quality of suspicious transaction reports and strengthen crime prevention. These advances reduce defensive reporting. In 2018, we continued to revise the “Directions for Anti-Money Laundering

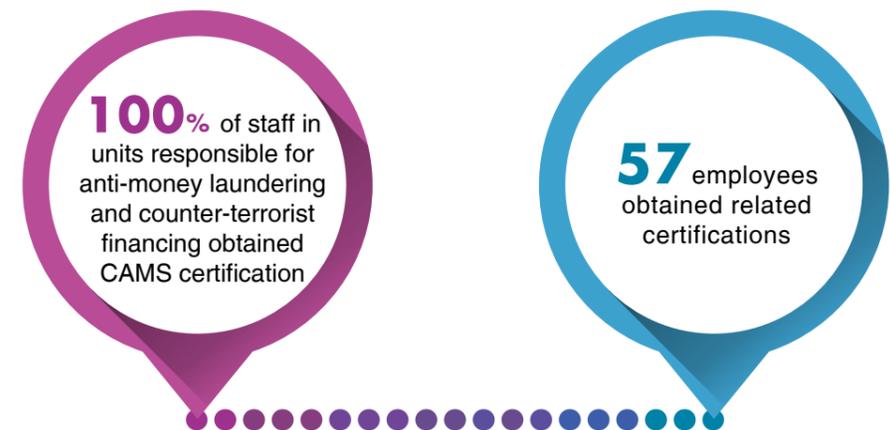
and Counter-Terrorist Financing,” the “Evaluation of Money Laundering and Terrorist Financing Risk Control Policies,” the “Rules Governing Anti-Money Laundering and Counter-Terrorist Financing,” the “Directions and Rules Governing Anti-Money Laundering and Counter-Terrorist Financing by Offshore Insurance Units,” and the “Evaluations of Money Laundering and Terrorist Financing Risk Control Procedures.”

Establish a Designated Supervisor, Department and Operational Unit to Oversee Implementation of Anti-Money Laundering and Counter-Terrorist Financing Mechanisms

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

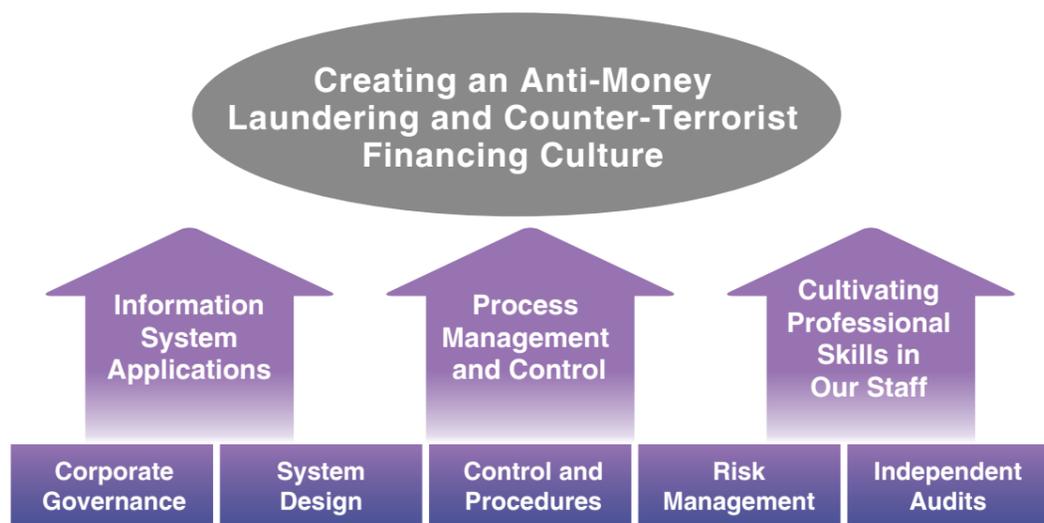
The Compliance Department also established a specialized unit to manage anti-money laundering and counter-terrorist financing efforts and designated oversight officers in each of the Company’s departments. The officers, who must hold the position of section chief or higher, are in charge of cultivating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

Another way the Company adheres to international trends and raises the professional knowledge of staff who must detect and prevent money laundering and terrorist financing is to encourage employees who engage in these lines of work to receive training in Taiwan and overseas. Such training includes becoming Certified Anti-Money Laundering Specialists (CAMS) and taking related tests held by local institutions. Subsidies and awards are available for employees who participate. In the future, we will continue to urge supervisors and other employees to take part.



Creating an Anti-Money Laundering and Counter-Terrorist Financing Culture

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



Undergoing a Special Audit

Independent accountants commissioned to conduct annual anti-money laundering and counter-terrorist financing special audits released a statement on the effectiveness of our planning and implementation. After first conducting independent reviews then analyzing the results they determined that all key required information was available. Their unqualified opinion was that there were no major or obvious deficiencies.

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

Anti-money laundering and counter-terrorist financing initiatives are a major global concern. Therefore, we will continue to strengthen our supervisors at all levels and advocate risk control awareness among general office staff and sales agents, in order demonstrate the urgency of preventing money laundering and terrorist financing.

Total of **84** events

For on-the-job education and training, in order to help front line workers gain the professional knowledge they need, besides sending key specialist staff to attend training events held at our parent financial company or external organizations, we carry out regular internal promotions and discussions on related regulatory and operational changes as well as practical concerns and cases. We also invite Asia/Pacific Group on Money Laundering pre-evaluation officials to hold training events on their APG observations and views on future insurance industry trends.

Diverse Anti-Money Laundering and Counter-Terrorist Financing Education and Training in 2018

Board of Directors, Senior Executive Managers Invite domestic anti-money laundering and counter-terrorist financing professional speakers to provide training. They raise risk awareness and responsibility among senior executive managers.

Special Supervisors, Staff and Unit Supervisors For on-the-job education and training, we developed four courses and exams based on the following themes: scope of the latest anti-money laundering and counter-terrorist financing standards; anti-money laundering and counter-terrorist financing procedures: customer evaluations and assessments; trends and patterns of money laundering and terrorist financing risks; and patterns and case analysis of anti-money laundering and counter-terrorist financing. We also send key specialist staff to attend training events held at our parent financial company or external organizations in order to learn more information and understand future trends.

Compliance Officers, Auditors, and Staff of Key Departments Besides routine foundational training for office staff, we send staff to training events held at our parent financial company or external organizations.

Office Staff & Agents Each year we provide a suitable number of hours of foundational training in order to convey the importance of anti-money laundering and counter-terrorist financing laws and regulations. The completion rate in 2018 was 100%.



Anti-Money Laundering and Counter-Terrorist Financing External Promotions

China Life publicizes anti-money laundering and counter-terrorist financing awareness and concepts to the general public and customers. Channels include a special money laundering prevention section on our corporate website and informative Facebook posts that provide related website links, promotional materials, and information from the competent authorities. We hang posters in our customer service centers and district offices. If a customer asks about money laundering prevention our front line staff offer explanations to raise awareness. The Company's partners also sign contracts to commit to complying with related laws, and we regularly use written or verbal communication to spread these messages.

Anti-Money Laundering and Counter-Terrorist Financing Joint Task Force

The Company is a member of the Anti-Money Laundering and Counter-Terrorist Financing Joint Task Force, founded by the Life Insurance Association of the ROC. The task force regularly convenes to discuss related laws and regulations, implementation, and ways for the life insurance industry to improve the effectiveness of its evaluations and practices. The Financial Supervisory Commission, judicial agencies, tax agencies, and other government officials also participate by formulating practical guidelines to follow and answers to common questions. Officials also make rolling regulatory amendments based on the internal and external environment.

Ongoing Optimization

In 2018, we adopted the same practices in our comprehensive institutional risk assessment system as our parent financial holding company in order to optimize our anti-money laundering and counter-terrorist financing systems, improve related operations and procedures, and conform to corporate policy guidance. We considered domestic and foreign risk management reports and trends to build inherent risk and control measure indicators that are suited for repeated measures and multiple comparisons. We strengthened the principles behind our residual risk evaluations. The results serve as a reference for monitoring risk trend changes, the Company's overall risk exposure, and the impact of national risk assessments. In consideration of the Company's customer groups, products, and transaction policies, we formulate risk limits. We continue to monitor money laundering and terrorist financing risks to build a comprehensive portrait of the risks we face and to ensure that these risks are within the scope of risk that the Company can accept.

In the future, we will increase mechanisms for sharing information with our parent financial holding company in order to solidify the group's anti-money laundering and counter-terrorist financing systems. We will also follow the optimization items in our Comprehensive Money Laundering and Terrorist Risk Financing Evaluation Report and Prevention Plan. These include re-examining our risk factor forms and responding to national, regulatory, and legal requests that are made as a result of the Asia/Pacific Group on Money Laundering evaluation results and recommendations.

Risk Management

Risk management is a vital part of the life insurance industry and a key operational priority of China Life. Internally, risk management starts at the highest levels of the Company then extends to all aspects of operations. Policies made at the top are expanded upon and turned into rules and plans suitable for wide-scale implementation. We work toward more detailed policy descriptions and procedures. Besides putting all of these practices and procedures into document form, we use internal standards and regulations to ensure that risk is carefully heeded in every department.

Risk Management Organization

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



Risk Management Policies

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

Dedicated Risk Management Department

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

Risk Management Information Platform

China Life established a risk management information platform that it operates in accordance with guidelines for detecting operational risk. The platform examines key indicators, such as capital adequacy, asset quality, management capability, profitability, and liquidity, while incorporating related information, such as profit sources, foreign exposure, investment portfolio, off-balance sheet items, and citizen accounts. Senior managers, the Risk Management Committee, and the Board of Directors use these indicators to quickly grasp the Company's exposure and risk management situation so that responses can be drafted and implemented.

Since the launch of the platform three years ago, reviews and adjustments have been made to the risk indicators and standards following inter-departmental meetings and in response to macroeconomic, financial market, and insurance oversight opinions raised by outside directors on the Risk Management Committee. Monitoring data further helps us to understand and evaluate changes to the Company's overall operational risks.

Own Risk and Solvency Assessment (ORSA)

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

IFRS 9 Financial Instruments

Under IAS 39, impairment allowances were measured according to an incurred loss model wherein the recognition of credit loss allowances was triggered by loss events subsequent to origination. The new IFRS 9 expected credit loss (ECL) model requires impairment allowances for all exposures from the time a loan is originated, based on the deterioration of credit risk since initial recognition. The measurement of expected credit losses is based on the future 12-month expected losses and the lifetime probability of default. To adhere to IFRS 9, the Company has taken historical experiences, market conditions and forward-looking adjustments into account to decide on the assumption and inputs of expected credit loss calculation. These estimations can be used to make timely investment amount adjustments in order to lower credit risks.

Risk Identification and Responses

Risk Identification



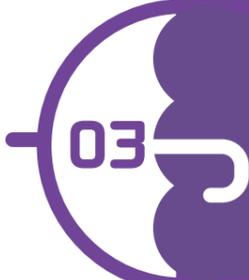
Market Risk

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



Credit Risk

We manage credit risks for bond issuers and counterparties according to the Company's "Credit Risk Management Regulations." Mechanisms include a list of qualified issuers and counterparties; internal management of credit rating and transaction limits; credit rating analysis and tracking; concentration of geographic location and industry; stress tests; expected credit loss; and credit value at risk. As of 2016, in consideration of the special risk of subordinate debt issued by financial institutions and corporations, we improved monitoring by adding a minimum credit rating requirement, risk limitations by credit ratings, and a maximum position of subordinated debt to credit-based risk amount.



Liquidity Risk

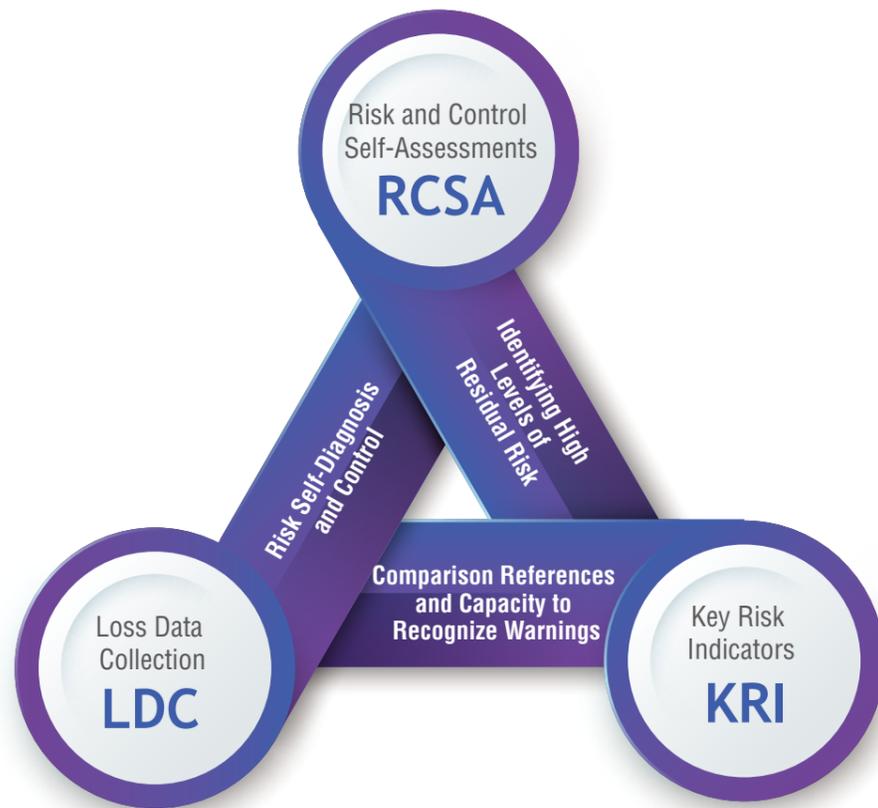
We manage financial and market liquidity risks according to the Company's "Liquidity Risk Management Regulations." Mechanisms include using cash flow models to analyze capital flow risks and stress tests.



Operational Risk

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

Three Major Operational Risk Management Tools



Risk and Control Self-Assessment Procedures

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

Key Risk Indicators

After analyzing legal revisions, technological changes, as well as internal and external threats, China Life developed 68 key risk indicators (KRI) to quantify current risks and trends. Monitoring operational risk fluctuations facilitates early responses, which strengthens risk awareness among operational and risk management departments. By monitoring KRI, we can understand the organization's goals and tolerance toward risk.

Loss Data Collection

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

Information and Personal Information security

Information Security

China Life's information security management system operates according to ISO 27001 standards and uses the Plan-Do-Check-Act cycle as both a foundation and a tool for maintenance and improvements. Through an independent, third-party review, the Company passed ISO 27001:2013 Information Security Management System certification for the first time in 2016. To this day, our information management system remains comprehensive and effective.



Information Security Management System

Information Security Specialized Unit

The Company established the Information Security Department to expand the scope of information security management system implementation, to build related operational frameworks and self-review mechanisms, and to monitor and weigh the effectiveness of internal control systems. To carry out and maintain our information security responsibilities, we planned an information security blueprint that seeks the best balance of risk management and operational effectiveness.

We also established the Information Security Committee. In semiannual reviews, the committee examines information security system operational reports and reports from related task forces.

Evaluations of Computer System Information Security

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

China Life follows the "Computer System Information Security Evaluation Planning" to carry out Type 1 computer system information security evaluations and operations testing. We issue "Computer System Information Security Evaluation Reports" to regularly track improvements to deficiencies and to review the status of preventive mechanisms. Evaluations such as these strengthen the Company's networks and overall information security. They reduce wrongful disclosure, alteration or seizure of internal information.

Rigorous information security management enabled us to achieve zero information security incidents in 2018.

Statement on Information Security Implementation Status

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

Obtaining Mobile Application Security Certification

In order to raise the basic security capacity of China Life's mobile apps, we carry out annual computer system information security evaluations using basic security testing standards for mobile apps. The results are used to strengthen information security awareness of our app developers and to gradually improve our mobile app security defense capabilities. In 2018, the iEasy and Keep Going apps both achieved Mobile Application Security certification.



Information Security Drills and Educational Training

In order to reduce the risk of interruption of information availability due to sudden calamities or irregularities, the Company uses drills to demonstrate the effectiveness of our response strategies and management plans, thus ensuring continuity of information operational systems. All employees receive information security education and training and are exposed to related promotional materials in order to raise their information security awareness.



Optimization Procedures

| Information Security Insurance | Operational Framework of Cyber Security in Cloud Computing |
|---|--|
| The Company took out information security insurance to lower the legal and financial responsibility of damages that could be claimed from customers for information incidents. Transferring the potential losses from these risks lowers the possible impact to our reputation from such an incident. | Established scopes that will strengthen information security of future cloud computing services the Company may offer while reducing the potential burden of safety risks. We hope to build a better cloud computing environment with safer, more convenient services. |

Smooth Policy Management System Transfer to Uphold Customers' Rights and Interests

When China Life acquired traditional life insurance policies spun off from Allianz Taiwan Life, we produced a "Policyholder Rights and Interest Statement" to ensure precise and fast policy transfers. Through concerted effort, we completed the difficult task of transferring 76,621 traditional life insurance policies within just 350 days. Policy management system gaps were solved to ensure that we fully upheld the spirit of the original policies and maintained our obligation to preserve customers' rights. In the process, we demonstrated our promise to our customers.

Personal Information Protection

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

Personal Information Management Follows International Practice

To demonstrate our commitment to personal information protection and to further strengthen related management mechanisms, in 2017 we integrated BS 10012:2017 into our Personal Information Management System (PIMS). We follow best practices and the plan-do-check-act management model, which ingrains personal information protection into our corporate culture. Enhanced management and protection mechanisms put us in line with international standards and trends. In 2018, we passed the re-assessment with no faults.

In response to the European Union's General Data Protection Regulation (GDPR), we modified our personal information protection management system. To continue to uphold the latest personal information protection requirements, we invite external consultants, experts, and lawyers to explain GDPR changes so that our employees understand the latest risk management trends associated with personal information protection.

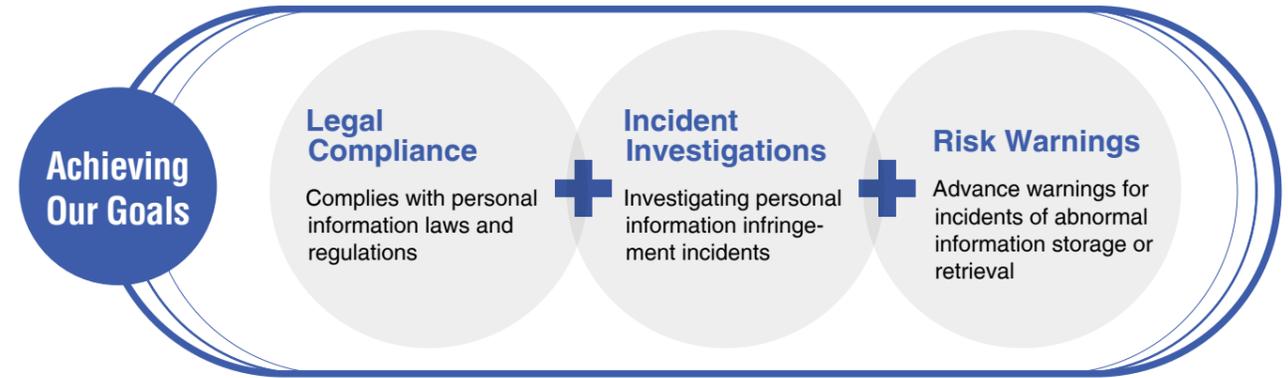
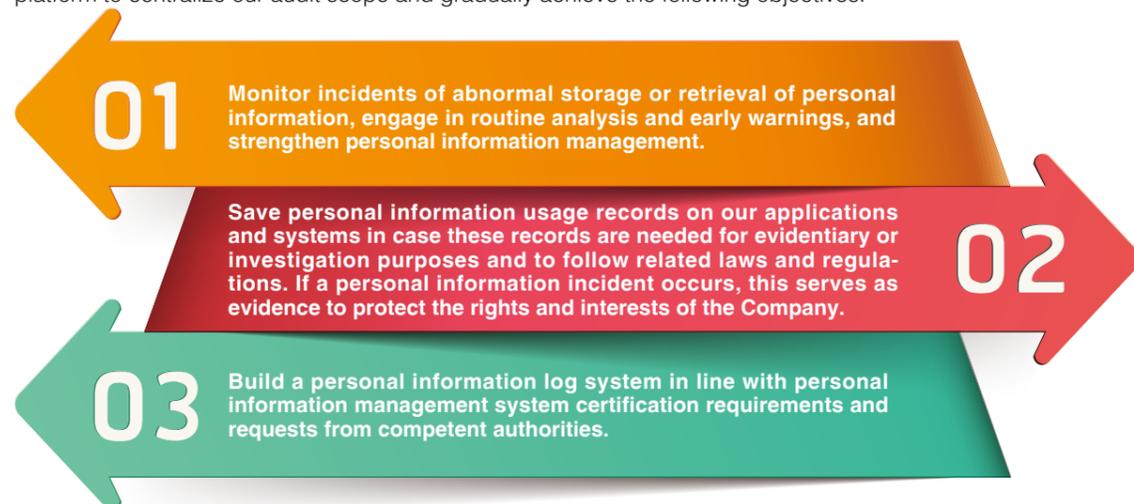
Passed BS 10012:2017 to meet the latest GDPR standards

Personal Information Protection and Management Committee

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

Measures to Strengthen Personal Information Protection Management

In line with the "Enforcement Rules of the Personal Information Protection Act" and the "Rules Governing the Financial Supervisory Commission Designating a Non-Government Agency for Setting Up the Plan of Security Measures for Personal Information Files," and in consideration of BS 10012 regulations, China Life introduced a platform to centralize our audit scope and gradually achieve the following objectives:



Personal Information Protection Education and Training

To teach employees their responsibility to protect personal information and to strengthen related management systems, China Life relies on a combination of education and training. Classes make personal information protection management an integral part of our corporate culture while strengthening and maintaining staff awareness.

13 regular classes
1 digital class

We continue to build comprehensive personal information protection systems and raise awareness. In 2018, there were no intentional violations of customers' personal privacy or losses of customers' personal information.

Legal Compliance

When developing new products or services, compliance departments join the planning process early to provide comprehensive and timely legal opinions. Systems for managing legal revisions help them understand how changes affect compliance. Findings from annual legal compliance tests and follow up on improvements contribute to subsequent education, training and promotional programs.

In 2018, we managed a total of 71 legal revisions. The highest number related to products, followed by finances. Responsible departments quickly responded to ensure continued regulatory adherence.

Legal Compliance Risk Management

In line with the core values of our corporate culture and the government's goal to strengthen compliance risk management associated with large-scale insurance operations, we build comprehensive compliance risk evaluation mechanisms. For example, starting from 2019, we will conduct annual evaluations of compliance risks in order to improve our monitoring and respond to stricter financial oversight trends. Using proactive identification, evaluation, and detection, we monitor business areas or units that are at particularly high risk of non-compliance. We also formulate plans to reduce risk exposure and residual risks then report results to the Board of Directors.

Reporting Suspicious Transactions to Prevent Money Laundering

Each year we review our monitoring indicators and reporting standards for suspicious transactions. Besides seeking to prevent defensive reporting, we gradually started to reduce internal and external reporting times in response to requests by the competent authorities. Shorter reporting times help law enforcement agencies to quickly obtain the information they need for subsequent analysis, which helps to prevent criminal acts.

Implementation of the “Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions”

Seeking to increase global tax transparency and information exchange, the Organization for Economic Cooperation and Development (OECD) announced the “Standard for Automatic Exchange of Financial Account Information in Tax Matters.” The OECD also encourages countries or areas to sign multilateral conventions on mutual tax administrative assistance, and to use the Common Reporting Standards (CRS) for tax information exchanges. In consideration of these initiatives and related rules and regulations, the Ministry of Financial Affairs promulgated the “Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions.” In order to comply with related regulations, in all new cases since 2019 China Life has required the “FATCA and CRS Individual Self-Certification and Personal Information Form.” We also conduct reviews of new policyholders. At the end of 2019, we will complete reviews of existing high-value accounts, including electronic record searches, paper record searches, and relationship manager inquiries.

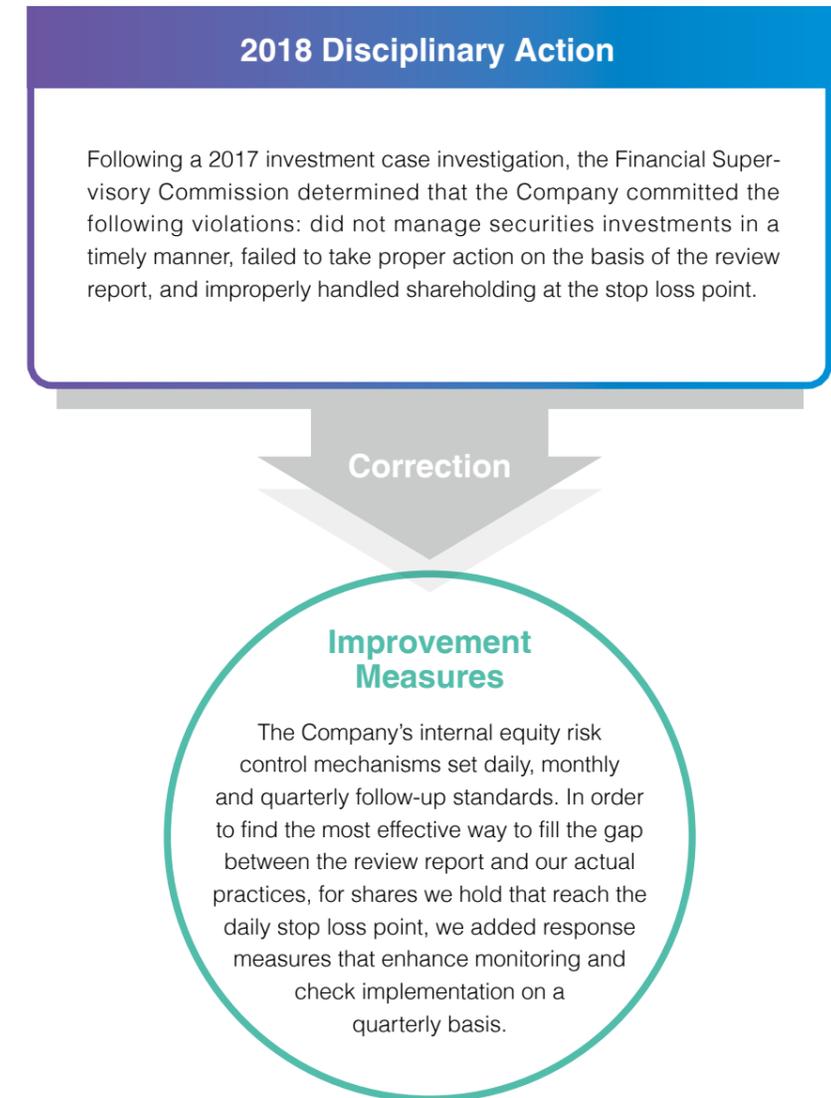
Held 30 governance education, training and promotional events

Legal Compliance Education and Training

At the end of each year, compliance departments draft education and training plans for the following year then submit them to the Board of Directors for approval. The plans target directors, senior executive managers, department compliance managers, sales agents, new employees, and more. Topics include confidentiality obligations, fair treatment of customers, financial consumer protection, personal information protection, the Foreign Account Tax Compliance Act (FATCA), Common Reporting Standard implementation by financial institutions, insurance penalty case studies, and anti-money laundering and counter-terrorist financing.

Legal Compliance Performance

Whenever regulators identify and act on a violation in the insurance industry, we review our internal operations and policies then make needed revisions. We conform to all legal changes to ensure full compliance with solicitation, products, after-sales service, the protection of employee interests, and other operational procedures. In 2018, the competent authorities issued one disciplinary action to China Life in which one correction was required. The Company responded by reviewing our procedures and proposing improvements to controls and management, and we disclosed this incident on our corporate website.



Note : In 2018, the Financial Supervisory Commission issued 40 disciplinary actions to members of the Taiwan life insurance industry, with total fines of NT\$57.60 million.



China Life disclosed related fines on our corporate website.
https://www.chinalife.com.tw/wps/portal!/ut/p/z0/04_Sj9CPyKssy0xPLMnMz0vMAfIj08zizQ18PQ0M3Q18LMwCzQ0cQ0PMLH3c3R09DU30C7IdFQHFY7_s/



CHAPTER 3

Influence

Age of Innovation

China Life's inclusive human resources policies provide a broad range of high-quality work opportunities that offer space for development.

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

To protect human rights, besides favorable policies and promotions, we prioritize disabled people for several of our job vacancies. Their presence and contributions show our commitment to protecting human rights.



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

- 2018 ESG Goals and Progress**
- Recruited five management associates, 10 interns, and six R&D substitute military serviceman as part of ongoing cultivation plans.
 - Progressive completion and initiation of study maps for various job levels.
-
- 2019 ESG Goals**
- Raise mobile device usage of sales agents to 90%.
 - Hold 60 functional training courses for sales agents focusing on three key areas.
 - Hold employee micro-study activities to raise self-study motivation and willingness.
 - Promote new ways of thinking and hold 25 internal communication activities to express the importance of care and support for employees.

Diverse worker benefits to build a safe workplace

- 2018 ESG Goals and Progress**
- Held a family insurance camp and a children's insurance camp; the satisfaction rates for children and parents were 4.98 and 4.76 (out of 5), respectively.
 - Held six aerobics classes and four health talks.
 - Held 26 health service events.
 - Five designated staff obtained professional certifications in indoor air quality.
-
- 2019 ESG Goals**
- Hold the employee "Keep Going" health walk competition. Increase the number of participants by 20% compared to 2018 and encourage employees to work out and maintain their physical and mental health.
 - Provide monthly health or stress relief e-reports and cooperate with psychotherapy institutions to provide consultation channels for employees.

Management Guidelines

Major Topics

Market Position, Labor-Employer Relations, Training and Education, Employee Diversity and Equal Opportunity

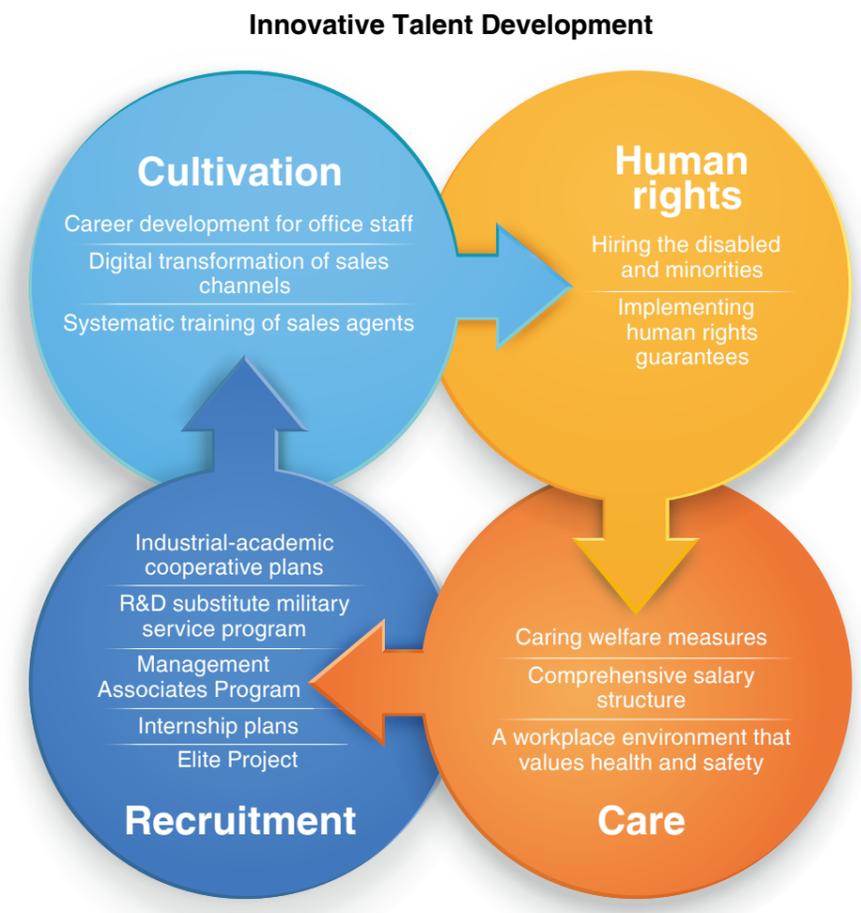
Commitments

- Shift talent development to a "select, cultivate, utilize, and retain" human resources management chain to promote sustainable corporate development.
- Enact performance-based salary policies while ensuring that employee pay and benefits packages are competitive.
- Commit to gender equality laws and policies to guarantee equal employment opportunities for women and ensure that women receive fair promotion opportunities.

Policies / Management System

- Designated rules govern incentives for office staff who undergo professional testing. Encourage employees to obtain various certifications, including from the Life Office Management Association, from fields inside and outside their main area of work, and from areas that help them adapt to industry trends and legal changes.
- Build a complete e-learning training platform that offers comprehensive, professional courses available at all times.
- Plan a six-part study map for sales agents and build digital training models to respond to fintech transformations.
- Designate rules governing paid vacation time, annual leave, and unpaid leave for office staff. Manage employee leave in accordance with the law, and change internal policies to remain in compliance with revised laws.

- Complaint Mechanisms**
- Hold labor-management meetings for two-way discussion of labor rights issues.
 - Offer complaint channels on the Company's internal website that reach management of all levels and human resources.
- Evaluation Mechanisms**
- Commission an outside company to conduct annual salary reviews that examine each position grade within the Company then compare the salary and benefits to industry standards. Use the findings as a reference when adjusting salaries.
 - Establish annual training and review mechanisms to ensure that our training programs help employees to learn and grow.
 - Track and groom employees who show strong results or potential in annual performance reviews. When opportunities arise, insert them into key positions or promote them to management.
 - Each year we hold human rights education and training for office staff and agents to strengthen recognition of human rights concepts among employees.
 - In 2018, no office staff or sales agents filed complaints about our working conditions.



Talent Transformation

Investments in Youth

The arrival of the digital age has sparked new fintech trends. For better positioning in emerging financial markets, enterprises must possess talent with the requisite financial and technological skills. Therefore, we are planning ways to transform our traditional business and policy-related administrative procedures with new customer-first approaches. We combine big data analysis, bioidentification, artificial intelligence, blockchain, and other technologies. The end goal is to promote digitalization and intelligentization of the customer service experience.

A high volume of digital talent will also be needed to achieve our goal of overhauling and upgrading our insurtech system. China Life continues to recruit more people with digital skills such as fintech planning, artificial intelligence, information technology, systems testing, channel guidance, information security, and risk control. Our recruitment channels include the R&D substitute military service program and the Artificial Intelligence Academy corporate platform. These initiatives are representative of our ambition to hire elite fintech talents.

Industrial-Academic Cooperation Planning

In order to build industrial-academic cooperative mechanisms and expand recruitment channels, and thus satisfy the Company's need for new talent, China Life signed an industrial-academic cooperative plan with the Department of Risk Management and Insurance at Feng Chia University. The program strengthens our ties with the school and brings us closer to its students, which lets us promote our corporate brand and values. It bridges the gap between what students study in school and the skills they will use in the workplace. Helping students prepare for the workplace earlier helps the Company to cultivate future insurance talents who will be able to contribute to our growth.

The 2018 industrial-academic cooperative plan arranged for interns to come to our customer service center where they learned about underwriting and claims, corporate culture, service achievements, and other professional skills. By sharing monthly records, achievements, and corporate evaluations, we offered them a valuable mix of care and feedback. After graduation, interns who performed particularly well were offered full-time positions with competitive salaries.



During my internship, I learned how China Life offers a safe workplace and good pay and benefits packages. The supervisors and employees were eager to provide guidance. Besides learning a lot of professional knowledge, I made big advances in problem solving and communication.

From Intern to Full-Time Employee

Internship Planning

For early development of promising students and to raise the workplace competitiveness of new graduates, we continue to offer summer internships. Young scholars have a chance to participate in various workflows and prepare to potentially join our team.

Intern recruitment is based on the vacancies of each department. We focus on college or university students in their third year of school or higher and daytime master's degree students. Applicants should demonstrate a high degree of interest in finance or insurance. Prospective interns and the Company join to select an area of study that best suits each student's school major, interests, and future development goals. Experience gained on the job makes the interns more confident about their selected career path and raises their future workplace competitiveness.

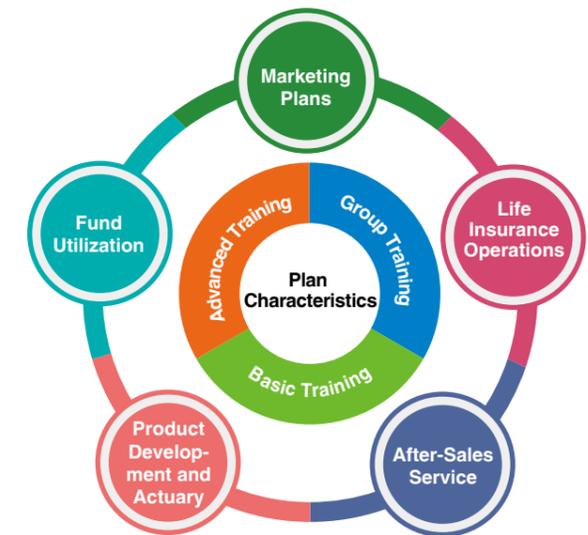
Through 2018, we had already trained 34 interns. Each experienced a wide range of business activities in their respective departments. One-on-one counselors planned work content for the interns and fostered positive work attitudes and values to support an early adjustment to workplace life.

R&D Substitute Military Service

A Ministry of the Interior plan lets corporations hire conscripted men to engage in substitute service that supports national economic development. For the past two years, China Life has participated by hiring talented young men with digital technology capabilities. In 2018, besides continuing to select candidates to fill our allotted quota, we encouraged the National Conscription Agency to increase our quota of applicants. We train participants and offer pay and benefits commensurate with those of a full-time worker, including holidays, birthday bonuses, annual bonuses, rewards, and seniority accrual. The program eases participants' transition to the workplace when their conscription ends.

Management Associates Program

As part of our commitment to cultivate talented new employees, we conduct the Management Associates Program. This comprehensive plan to identify talent specifically targets graduate-level students of all academic disciplines from Taiwan and abroad. The top manager of the Human Resources Department personally introduces the program and job openings. We recruit leading students from Taiwan and abroad and arrange for recent program participants to speak at their alma maters to describe their job experiences and give career recommendations. Candidates undergo a structured selection process led by members of the Company's management team, which shows the high value we place in the program.

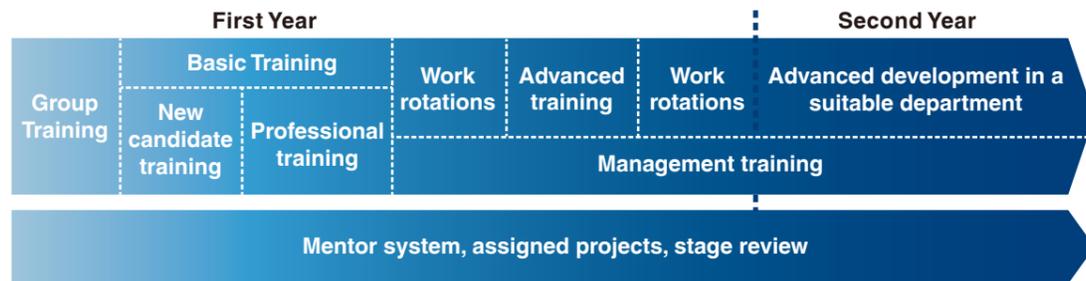


Since joining our parent financial holding company, we have expanded shared training and arranged financial holding, capital, securities and banking courses. These help new MAs understand the Company's business and prepare them for future work in a wide variety of positions. The MA program is a comprehensive, two-year course that is tailored to each participant's educational background. In the first stage, MAs rotate to different departments to gain a wider understanding and view of the industry. In the second stage, they join suitable departments to engage in more in-depth development and practical learning. The MAs strengthen their management capabilities

and attend management strategy meetings. They are assigned to tasks that expose them to different areas of the business and core strategies. As the MAs become familiar with operational aspects of the insurance industry, they develop the skills required to become future leading professionals or managers.

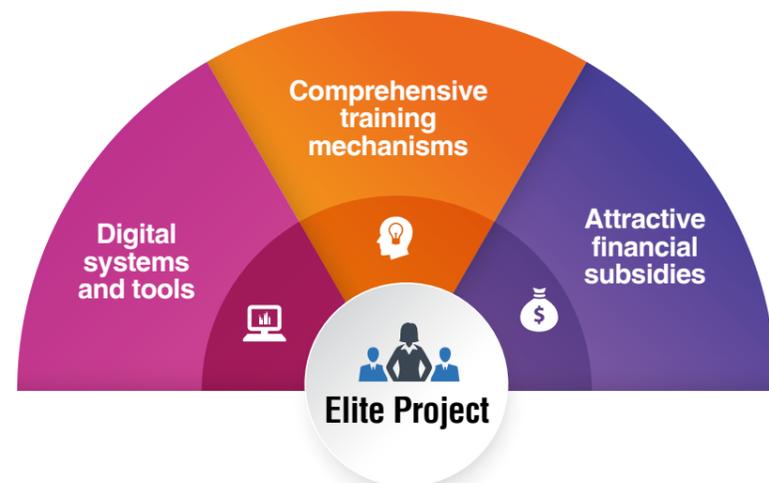


China Life provides competitive MA salaries and adjusts them during the program based on performance. Other benefits such as annual bonuses and reward distributions encourage talented employees to stay with the Company. After completing two years of training and testing at all stages, MAs are assigned to a suitable position or promoted to management based on potential and performance. The best performers are given a stage put their skills to good use and become the next group of Company leaders.



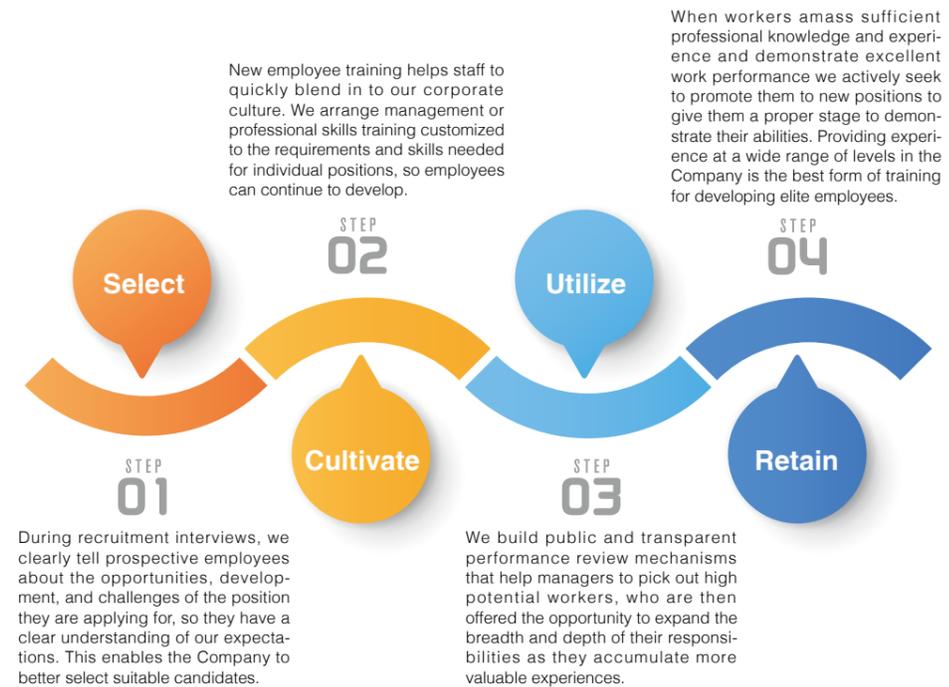
Elite Project

To encourage a broad range of high potential youths to join the Company's ranks of sales agents, we commissioned an international-level consulting agency to create three key course themes: "Effective employee recruitment, stronger training, and raising work capacity." These measures lead to comprehensive development of the organization and a more robust sales team. Besides our original "New Talents" and "Top 1,000" training plans, in 2018 we released the all-new "Elite Project" training plan. It targets workers aged 20 to 55 who are interested in finance or sales. Using big data recruitment models and questionnaires, we analyze suitable sales development models then provide a 15-month financial subsidy plan for new members. Qualified candidates who reach a certain standard of performance can receive as much as NT\$380,000 and an iPad. In addition, we developed an i-Agent system that uses digital mobile applications to support fast and efficient sales and promotion. This combination of comprehensive training mechanisms, attractive financial subsidies, and digital systems and tools supports our agents so they can fully concentrate on their core sales task and fulfill their dreams.



Talent Development

The exceptional growth of our employees, who are the Company's most valuable asset, is a prerequisite of our sustainable development. In order to cultivate new talents, China Life strictly adheres to a human resource management process of "select, cultivate, utilize, and retain." This provides the cradle in which we nurture growth.



2018 Education and Training Classes, Hours Attended

| | Office Staff | | | Sales Agents | | |
|--|---------------|---------------|---------------|----------------|----------------|----------------|
| | Office Staff | Office Staff | Total | Sales Agents | Sales Agents | Total |
| Management Education & Training Hours | 7,726 | 8,801 | 16,527 | 78,289 | 145,491 | 223,780 |
| General Staff Education & Training Hours | 15,473 | 32,600 | 48,073 | 134,049 | 222,531 | 356,580 |
| Total | 23,199 | 41,401 | 64,600 | 212,338 | 368,022 | 580,360 |
| Average Education & Training Hours Per Manager | 37.51 | 47.06 | 42.05 | 64.49 | 60.27 | 61.68 |
| Average Education & Training Hours Per General Staff | 28.71 | 27.05 | 27.56 | 50.26 | 42.08 | 44.82 |

Office Staff Career Development

In order to raise the response capabilities and competitiveness of the Company in the digital age, we continue to encourage our departments to develop the ability and desire to engage in self-training. In terms of hardware, we created a comprehensive digital study platform. Based on specific needs, departments plan suitable training courses for their staff to follow. In terms of software, we continue to promote micro-study concepts and techniques and hold micro-study competitions. Faster, more personal study methods effectively spread knowledge and skills to our staff, providing a solid foundation for new digital trends.

To ensure that we are equipped to respond to external changes and challenges in the environment, China Life utilizes a diverse range of talent development and cultivation plans that are taught both in-person and on a variety of online platforms. Broad, in-depth study focuses on four main themes: operational management, professional capabilities, new recruit training, and general knowledge and skills. In 2018, total training hours approached 65,000, for an average of over 30 hours per person. China Life encourages employees to use continuing education opportunities to raise their competitiveness, and we teach professionals of all levels how to fulfill our promise of sustainable operations.

Total training hours increased by 20%

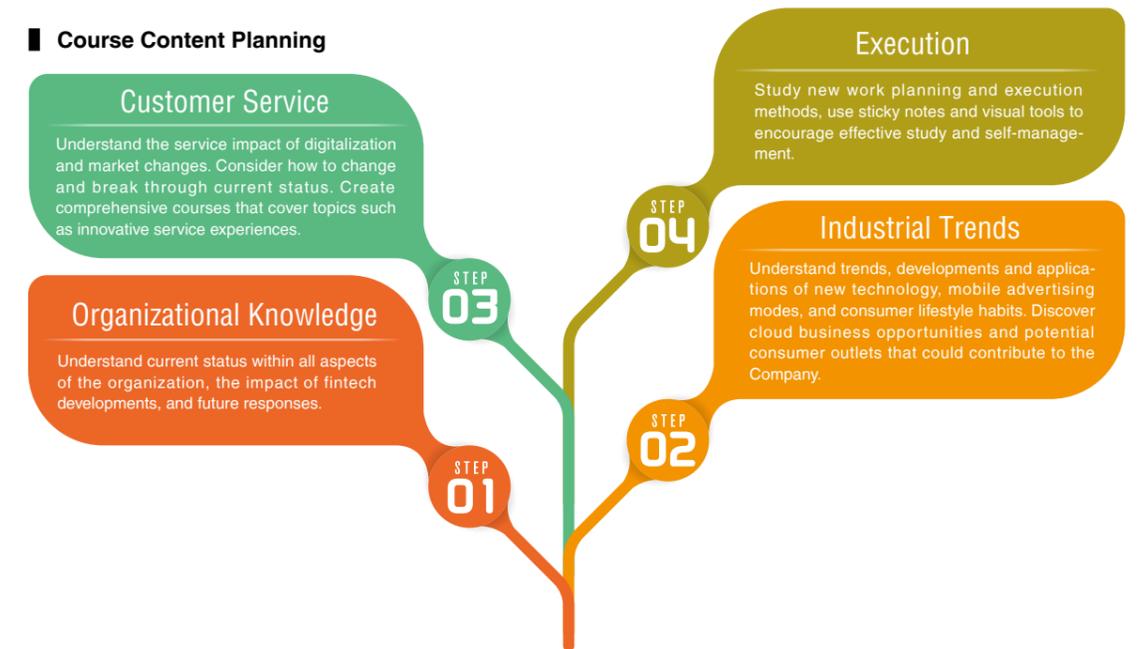


Higher Functionality in the Age of Digital Technology

In response to fintech development trends, in recent years China Life has actively promoted digital sales channel transformations, artificial intelligence models, and other advances. We made Python our primary development language for big data, website development, and computer window program design. To continue the cultivation and transformation of our staff, we invited expert programmers to teach classes on Python language foundations and web crawlers. These classes offer basic programming and data analysis that raises professionalism of our employees. In order to cultivate artificial intelligence experts within the Company, we planned for some of our best employees to enroll in artificial intelligence academy classes. The academy nurtures "seeds" who are adept at both AI techniques and management and who are capable of figuring out how to use AI in their own work.

Key Talent Cultivation and Training Plan

The Company places a high value on talent development and passing on knowledge, as shown by our Cultivation and Training Plan for identifying and developing key talent, which we have conducted for the past four years. Department managers nominate candidates with development potential, commitment to the organization, good work attitudes, and excellent performance. The candidates qualify for the plan following the approval of senior executive managers. Besides helping key employees to raise their professional capabilities, the plan advances knowledge of industrial trends, provides the opportunity to learn about different departments in the organization, and raises individual work management skills. As the plan brings staff together as a team, it prepares young employees for a future in management, thus ensuring sustainable operations.



Innovative Digital Tools Cultivate Self-Learning Ability

China Life has responded to fintech trends by launching an e-learning platform for employees. The platform offers lectures and micro-learning video courses. Besides raising insurance knowledge, the lessons improve technological skills of our employees and strengthen study habits. In 562 classes, students accumulated nearly 83,000 classroom hours.

Micro-Learning Video Competition Contributes to a Corporate Culture of Self-Learning

As digital technology develops, mobile applications become more widespread, and online information rapidly expands, we are responding with micro-learning plans that support learning anytime, anywhere. Micro-learning has already become the Company's most popular learning method. To promote it, we held a micro-learning video competition based on two primary themes: "professional workplace" and "creative lifestyles." Employees based in all locations responded enthusiastically to the program and awards, which led to dozens of submissions. Excitement around video production contributed to a strong atmosphere of learning and promoted shared discussion topics.

Professional License Incentives to Build a Strong Talent Pool

The Company established rules governing incentive programs for office staff who seek professional certificates. The rules stipulate standards for exam holidays, registration subsidies, and bonuses, and they encourage the pursuit of Life Office Management Association (US) certification and professional certifications in new fields.

China Life is very keen towards anti-money laundering and counter-terrorist financing initiatives. To meet our goal of passing evaluation by the Asia/Pacific Group on Money Laundering, we offered subsidies for obtaining Certified Anti-Money Laundering Specialist certification. To encourage more employees to pursue certifications and accelerate talent development, we expanded the number of subsidies and the range of qualified recipients, and we accelerated the rate of acceptance. Furthermore, to promote transformation policies in corporate governance, in 2018 we added international auditing certifications to the list of subsidized certifications. This change seeks to further deepen our culture of corporate governance, raise information disclosure, and strengthen legal compliance.

Professional Certificates Obtained During the Previous Three Years

| Professional Certificates item | 2018 | 2017 | 2016 |
|--|--------------|--------------|--------------|
| Actuary Examinations | 214 | 170 | 130 |
| Investment, Risk Control, Auditing, Anti-Money Laundering Certifications | 63 | 12 | 7 |
| Underwriting and Claims Settlement Certifications | 87 | 74 | 69 |
| Life Insurance Management Examinations | 4,200 | 3,687 | 3,097 |
| Total | 4,564 | 3,943 | 3,303 |
| Average Professional Certificates Per Person | 2.14 | 1.97 | 1.69 |

Transformation to Raise Technical Skills

To strengthen talent transformation, we incorporated lessons designed by a famed international consultancy and that linked to our district offices. They focused on three main topics: "management ambassadors," which could improve the training ability of our supervisors and offer guidance on management models; "employee recruitment experts," which could provide practice with key employee recruitment skills and raise organizational development; and "marketing soldiers," which could strengthen the product marketing skills of our sales agents. In the future, we will continue to gather post-class feedback from participants to improve course directions and support full implementation of sales channel transformation plans. These advances will consolidate the strength of our sales team.



Digital Transformation of Sales Channels

China Life launched plans to transform sales channels in order to strengthen the marketing and sales capabilities of the Company's agents, thus strengthening the organization. As digital trends reshape the financial services value chain, we are using "talent cultivation" and "digital transformation" as primary themes for achieving these goals. We aim to build a completely digitalized team that successfully overcomes challenges and creates winning situations for our employees, policyholders and the Company.

Primary Themes of Our Transformation Plan



Keys to Success of Our Transformation Plan



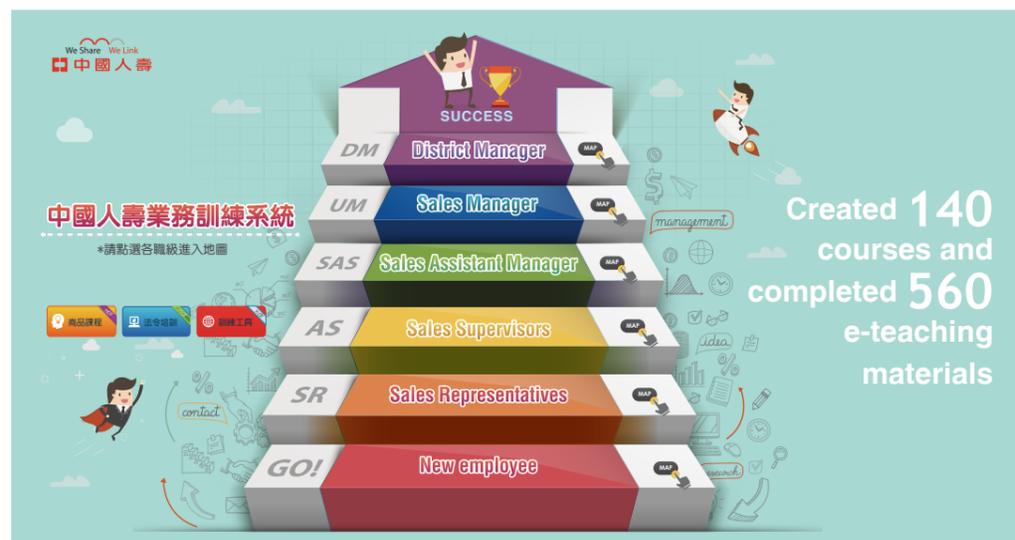
Systematic Training Plan for Sales Agents

Staff cultivation is of primary importance for strengthening the organization's competitiveness. In consideration of our need for sales agents who are capable and ready to respond to any issues, the Company planned a comprehensive, systematic training framework to raise core abilities of our agents. The plan blueprint is based on helping our agents develop the skills they need to succeed at various levels within the Company. In addition, the Company researches and develops innovative cultivation models. Using digital management, we have molded our agents into highly developed professionals who are adept at mobile systems and planning.

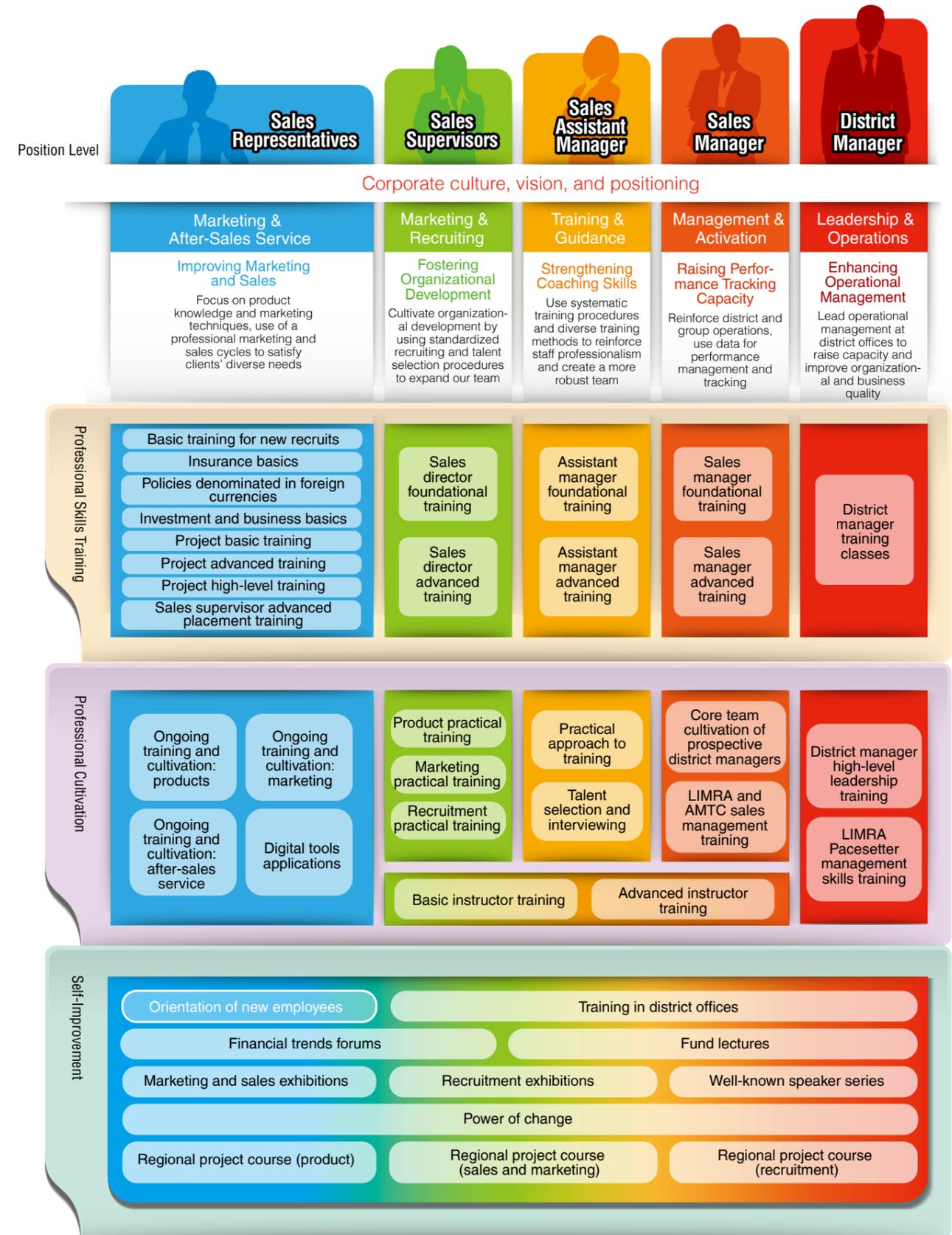
In 2018, we began to plan a new sales training map. We develop courses that teach each of the skills we need. Based on career development requirements and management learning planning, agents take courses that give them the skills needed to achieve their goals.

China Life University

China Life University plans comprehensive, systematic training suited to sales agents of all levels and contributing towards the sales team's professional knowledge and skill.



Core skills of employees at each level



LIMRA Professional Courses

China Life adopted a pair of Life Insurance Marketing and Research Association (LIMRA) (Note) professional training classes. The first, the Pacesetter Management Skills Seminar, strengthens mid- to high-level sales manager management techniques. The second, the Agency Management Training Course (AMTC), helps improve recruitment. Two AMTC classes held in 2018 focused on five critical areas of field management: planning, recruiting, selection, training, and performance. These initiatives supported operations and organizational development.

Participants undergo extensive observations during the six-month training course and are certified at the end. Among the managers who completed the coursework and passed review, analysis from before and after training showed a 10.7% increase in team quantity and a 7.6% increase in staff numbers. This remarkable performance exceeded the Company's expectations. In the future, we will continue to expand LIMRA to more sales managers in order to enable organizational development to reach new heights.

Organizational Development Via the Core Team Classes Training Program

Dubbed "the cradle of district management cultivation," our Core Team classes focus on recruitment and cultivating high-potential sales managers who will become the next generation of district managers. Besides strengthening our ranks of potential managers and enhancing organizational development, the program includes the following training content: "Professional Capacity Training Plan," "Recruiting and Talent Selection," "Training and Guidance," and "Leadership and Guidance." It teaches the importance of establishing short-, mid-, and long-term operational achievement indicators as well as monthly reviews and oversight. Each month, we invite managers of top performing district offices to provide guidance and share their experiences, with the expectation that they will cultivate a new generation of district managers. Students in the program also become regional proponents of organizational development.

In 2018, Core Team graduates grew regional management teams by 19.7% and staff numbers by 14.5%, both outperforming other managers at the same level. In the future, we will focus on three primary themes: "Attitude activation: resolute decision-making and positive thinking," "Leadership management: raising management skills and leadership thinking," "Organizational development and technical ability: formulating plans and objectives and management team performance."

Improving Sales Training Quality

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

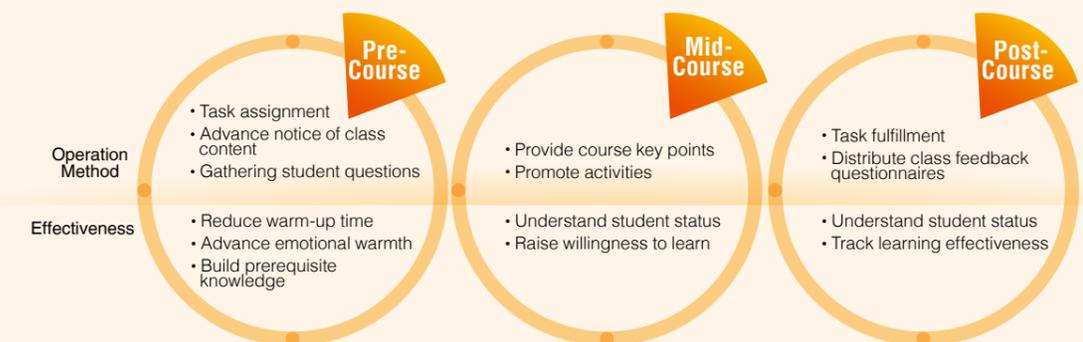
We ensure the quality of speakers by having them listen in on more experienced speakers before giving their own talks on a new subject. New speakers discuss speech topics with the speech development team then hold trial talks and lessons to further demonstrate their readiness to speak. During actual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

Note : LIMRA is the world's most trusted life insurance association. By combining knowledge gained from the research and management experiences of global members, it offers authoritative international training courses.

Using Technology to Build a Digital Learning Environment

As digital finance grows in popularity, China Life is adding digital learning tools. We use a combination of traditional classes and online classes spread across multiple devices to build diverse instructional materials suited to teaching staff at all levels. Digital classes not only raise learning efficiency and effectiveness but also eliminate instructional material printouts, which is estimated to save NT\$180,000 in printing fees and reduce paper consumption by more than 150,000 sheets. All of our new training instructional materials follow an online e-book format to speed up corrections and enable new content to be quickly added and published.

Our education and training courses also utilize Line@ accounts to further bridge traditional and digital interactive models. Customized design and planning brings instructors and students closer together, thus raising learning efficiency and consolidating study achievements. Overcoming time and spatial limitations raises students' willingness to learn. As these features build a solid learning foundation and promote correct study concepts, additional mechanisms to track learning effectiveness enable us to follow student progress.



Innovative Learning Cases

i-Talk Line@ Accounts

To strengthen self-learning channels for sales agents and enable them to have immediate access to new information sources, in 2018 we launched the China Life i-Talk Line@ account. Daily themed reports cover topics such as marketing, sales, products, recruitment, classes, and new knowledge. Every day, sales agents use i-Talk to acquire new information that they can share with customers. More than 4,500 people use the platform and the number of users continues to grow.

Medical Card Interactive e-Books

We cooperated with a well-known magazine to produce "medical card interactive e-books" that sales agents can refer to when selling insurance products for major illnesses. These interactive e-books familiarize agents with the insurance products by describing both their special features and selling points, thus enabling agents to improve their sales performance.

Marketing and Sales Master Videos

Videos that describe the experiences of top agents are available for other agents to view and study. Emulating techniques shown in the videos combined with regular training enables all agents to improve their sales performance.

Performance Reviews

There are no shortcuts to cultivating talent. Every day, we systematically train and review employees, subjecting both office staff and sales agents to regular assessments, from exams for new recruits to daily work guidance and annual performance reviews. Our comprehensive performance management cycle, which includes one-on-one communication between supervisors and employees, offers further feedback and guidance, which improves performance and encourages employees to conquer new challenges. The management system takes note of employees who perform well on annual performance reviews and show strong potential. When positions open, they are recommended for promotion, where they benefit from additional training.



Building a Happy Workplace

Partners in Growth

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



China Life deeply respects the role of each person in the Company. Appointment is based on the principles of equality and diversity. At the end of 2018, we had 12,869 employees, consisting of 2,136 office workers and 10,733 agents.

2018 Employee Structure

| | Office Staff | | | Sales Agents | | |
|----------------------------------|---------------------|----------------------------------|-------|--------------|----------------|--------|
| | Temporary Contracts | Contracts of Indefinite Duration | Total | Sales Agents | Sales Managers | Total |
| Temporary Contracts | 3 | 6 | 9 | 2,425 | 4,677 | 7,102 |
| Contracts of Indefinite Duration | 742 | 1,385 | 2,127 | 1,215 | 2,416 | 3,631 |
| Total | 745 | 1,391 | 2,136 | 3,640 | 7,093 | 10,733 |

Unit : People

Note 1 : Office staff with temporary contracts have contracts with a stipulated period of employment. Office staff with contracts of indefinite durations are regular, official employees.
 Note 2 : Sales agents sign a subcontractor agreement without establishing an employee-employer relationship. Therefore, the "Labor Standards Act" does not apply to them. Sales supervisors, meanwhile, sign both a contractor agreement and an employee contract. Therefore, the "Labor Standards Act" applies to them and they are subject to a partial working hours mechanism.

For staff composition among office workers, 71.54% of our employees were between 31 and 49, the average age was 39.63, and the average length of employment was 7.17 years. In terms of gender, 34.88% of office staff were male and 65.12% were female. Among management, the ratio of men to women was 52:48. In terms of educational attainment, 76.26% of employees had a university or college degree and 17.60% had either a PhD or master's degree.

For staff composition among sales agents, 55.87% of our employees were between 31 and 49, the average age was 39.77, and the average length of employment was 7.30 years. In terms of gender, 33.91% of office staff were male and 66.09% were female. Among management, the ratio of men to women was 33:67. In terms of educational attainment, 59.60% of employees had a university or college degree.



2018 Employee Breakdown, Based on Gender and Age, Position and Education Level

| | Office Staff | | | Sales Agents | | | | |
|----------|--|--------|-------|--------------|--|-------|-------|-------|
| | Male | Female | Total | Male | Female | Total | | |
| Age | 30 or below | 144 | 233 | 377 | 1,121 | 1,361 | 2,482 | |
| | 31-49 | 463 | 1,065 | 1,528 | 1,898 | 4,098 | 5,996 | |
| | 50 or above | 138 | 93 | 231 | 621 | 1,634 | 2,255 | |
| Position | Department manager or higher | 53 | 33 | 86 | Sales manager | 1,215 | 2,416 | 3,631 |
| | Division manager | 153 | 154 | 307 | Sales agent | 2,425 | 4,677 | 7,102 |
| | General employees | 539 | 1,204 | 1,743 | | | | |
| Degree | PhD | 2 | 0 | 2 | Master's degree | 224 | 209 | 433 |
| | Master's degree | 222 | 152 | 374 | University or college | 2,284 | 4,113 | 6,397 |
| | University or college | 471 | 1,158 | 1,629 | High school, vocational school, or below | 1,132 | 2,771 | 3,903 |
| | High school, vocational school, or below | 50 | 81 | 131 | | | | |

Unit : People

2018 Average Age and Length of Employment

| | Office Staff | | | Sales Agents | | |
|--------------------------------------|--------------|--------|-------|--------------|--------|-------|
| | Male | Female | Total | Male | Female | Total |
| Average length of employment (years) | 7.39 | 7.05 | 7.17 | 6.69 | 7.62 | 7.30 |
| Average age (years) | 40.91 | 38.95 | 39.63 | 37.73 | 40.81 | 39.77 |

Employment of Disabled Persons and Minorities

At China Life, disabled persons receive the same rights, benefits, and opportunities of all our normal full-time employees. Besides prioritizing disabled people for several of our job vacancies, we installed equipment to aid the disabled, including barrier-free bathrooms, special walkways, handicapped parking spots, specially designed elevator call buttons, Braille signage, larger computer screens, magnifying glasses, and identification lights. We encourage people with disabilities to advance their careers by applying for professional licenses. In 2018, China Life employed 62 disabled persons, 88% of whom had six or more years of experience at the Company, and many who had 13, 14 or more years of experience at the Company.

In addition, under the prerequisite of putting people in positions suited to their competencies, China Life prioritizes minority groups for several of our job vacancies beyond the required quotas. Through the end of 2018, we employed 60 indigenous peoples.

Staff Turnover

The number of office staff at China Life has grown in recent years. In 2018, we welcomed 440 new members, representing 20.60% of our total office workforce. Among the new members, 273 (62.05%) were women. Turnover was 297 people, or 13.96% of our total office staff, which was a small increase compared to the 12.86% turnover we had in 2017.

Among agents, in 2018 we welcomed 1,721 new members, representing 16.04% of the total agent workforce. Among the new members, 1,040 (60%) were women. Turnover was 2,254 people, or 21.00% of our sales agents, which was a significant decrease compared to the turnover we had in 2017.

New Staff in 2018, Based on Gender and Age

| Age | Office Staff | | Sales Agents | |
|--------------|---------------|--------|---------------|--------|
| | Male | Female | Male | Female |
| 30 or below | 78 | 122 | 367 | 415 |
| | 3.65% | 5.71% | 3.42% | 3.87% |
| 31-49 | 85 | 147 | 269 | 511 |
| | 3.98% | 6.88% | 2.51% | 4.76% |
| 50 or above | 4 | 4 | 45 | 114 |
| | 0.19% | 0.19% | 0.42% | 1.06% |
| Total | 440 | | 1,721 | |
| | 20.60% | | 16.04% | |

Note: New sales agents include employees with subcontractor agreements

Staff Turnover in 2018, Based on Gender and Age

| Age | Office Staff | | Sales Agents | |
|--------------|---------------|--------|---------------|--------|
| | Male | Female | Male | Female |
| 30 or below | 32 | 74 | 367 | 430 |
| | 1.5% | 3.48% | 3.42% | 4.01% |
| 31-49 | 65 | 110 | 446 | 716 |
| | 3.06% | 5.17% | 4.16% | 6.67% |
| 50 or above | 10 | 6 | 96 | 199 |
| | 0.47% | 0.28% | 0.89% | 1.85% |
| Total | 297 | | 2,254 | |
| | 13.96% | | 21.00% | |

Note 1: Office staff turnover does not include staff with temporary contracts

Note 2: Sales agent turnover includes employees who had subcontractor agreements

Human Rights Guarantees

In order to fully implement equality and diversity policies and to build a harmonious workplace environment, China Life considers the International Bill of Human Rights and other documents. All of our employees both inside and outside the office must adopt our human rights policy as well as take promotional classes that encourage the implementation of our human rights guarantees.



Human Rights Policy Promotion Course, Key Points

1. The Company values employees' right to work and freedom of assembly and association. We do our utmost to maintain the dignity and privacy of all employees. In order to uphold their working rights and interests, we established work rules in accordance with the law and that were examined and approved by the competent authorities.
2. The Company values the work-life balance of our employees. We offer a variety of benefits and place great importance on workers' family lives and leisure time. We oppose forced labor and aim to reduce the lifestyle pressures of our workers while raising their work performance.
3. The Company provides equal employment opportunities to a diverse range of people. We do not discriminate against any job applicant or employee on the basis of race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, disability, horoscope, blood type, or past membership in any labor union.
4. The Company established labor-management meetings in order to promote harmony and increase the number of communication channels. Workers can use these mechanisms to adequately express their opinions.
5. The Company values gender equality in the workplace. We established a Sexual Harassment Prevention Claims Committee and offer a claims management unit, reporting hotline, and punishment system. These help employees to understand standards of gender harmony, thus preserving the rights of all employees and preventing the occurrence of sexual harassment.



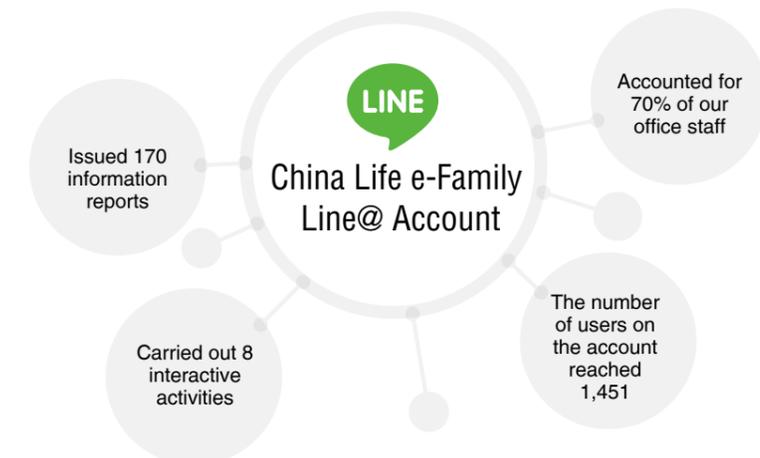
2018 Human Rights Education and Training



The completion rate of China Life's human rights education and training was 100%. In 2018, there were no recorded incidents of discrimination, child labor, forced or compulsory labor, or infringing upon the rights or interests of employees.

Unimpeded Communication Channels

Upon observing the work habits, actions, and social trends of our employees, China Life adopts suitable technology and innovative thinking. Following this practice, in 2018 we launched the "China Life e-Family" Line@ Account. This service strengthens internal communication channels, raises internal communications efficiency, and promotes information transparency. It provides corporate social responsibility information and turns our employees into a conduit for self-media. Sharing of corporate information increases the exposure and favorable opinions of external parties towards the China Life brand. To strengthen interaction and accelerate response times, which improves affinity towards the platform, we offer automatic responses and replies to all inquiries that our employees make. These unusual features make the platform more "sticky" to users. Through China Life e-Family, we issued 170 information reports and carried out eight interactive activities. The number of users on the account reached 1,451, which accounted for 70% of our office staff.



In order to promote positive communication and interaction between labor and management, China Life established quarterly labor-management meetings for the two sides to engage in discussion on key topics of concern. During four such meetings in 2018, we discussed adjustments to the upper threshold of extended working hours, nominating labor representatives for the Company's Occupational Safety and Health Management Committee, and revisions to the Company's employee regulations. Agreements were reached on all topics. We also established worker claims channels for employees to communicate any problems they may face to supervisors at all levels or human resources departments. In 2018, there were no such claims made by office staff or sales agents.

Employee Care

Caring Employee Benefit Measures

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

Benefits Use by Full-Time Office Staff, 2018

| Benefit | Description | Usage |
|---|---|--|
| Vacation and Leave | New employees who sign a contract of indefinite duration with the Company receive annual leave starting from their first year. | 401 employees |
| Volunteer Leave | To encourage employees to give back to society by joining public welfare activities, we offer one day of volunteer leave each year. | 1,177 employees |
| Employee Insurance | We offer labor insurance, national health insurance, and group insurance (including life insurance, accident insurance, family/hospital medical insurance, and accident medical insurance). | Labor insurance : 63 payments Group insurance : 635 claims |
| Employee Loans (Home and Scooter Purchases) | We offer favorable employee interest rates for housing and scooter loans. | Housing : 16 loans Scooter : 7 loans |
| Staff Clubs | We subsidize the establishment of staff clubs that aid lifestyle planning beyond work. | 998 subsidies |
| Holiday Bonuses and Year-End Party | Besides bonuses for Dragon Boat Festival, Mid-Autumn Festival, and birthdays, we organize annual parties and lucky draws to celebrate the Lunar New Year. In 2018, bonuses totaled NT\$38,849,000. | Lunar New Year Red Envelopes : 1,981 people Birthdays : 1,948 people Dragon Boat Festival bonuses : 1,913 people Mid-Autumn Festival : 1,948 people |
| Scholarships for Employees' Children | To encourage the children of staff to study hard, we provide educational scholarships. In 2018, scholarships totaled NT\$3,563,500. | 1,957 people |
| Health Examinations | We offer health examinations to support our employees' physical health. In 2018, subsidies totaled NT\$575,573. | 75 people |
| Other Items | We offer wedding and funeral gifts, hospitalization payments, and childcare incentives. To further help our employees maintain a healthy mind and body we installed a coffee machine, sky garden, employee lounge, fitness room, and nursing rooms. | Weddings and funerals : 402 gifts Special allowances for hospitalization : 571 payments |

Retirement Benefits

China Life places great importance on the retirement lifestyles of our employees. Besides formulating worker retirement regulations, we established the "Labor Retirement Reserve Supervisory Committee." For employees using the old pension system, a certain percentage of their gross monthly salary is reserved for their retirement fund with the Bank of Taiwan. Each year we evaluate whether the balance of this fund is sufficient to meet the retirement needs of employees who will retire the following year. If more funding is needed, we deposit the capital gap into the fund by the end of the following March. For employees using the new pension system, 6% of their monthly salary is deposited into a retirement fund account at the Bureau of Labor Insurance.

In addition, to show appreciation to our retired workers for their many years of service, in 2018 we provided a glass plaque and free health check to all retiring employees. A total of eight employees utilized these benefits.

Child Care

Family is the core of a stable society. China Life supports families by offering parental leave to qualifying employees who take time off to care for their children. In 2018, 23 office staff and 61 sales agents applied for unpaid parental leave. Among them, 87% of the office staff applicants and 78% of the sales agent applicants were women. The ratio of male applicants continued to rise.

In recent years, the retention rates and return to work rates of China Life employees who take unpaid parental leave have been excellent. In 2018, among office staff the return to work rate was 73% and the retention rate was 84%. Among sales agents, the return to work rate was 85% and the retention rate was 91%. During the past three years, the retention rate among our employees has remained at 80% or above, and the retention rate among office staff males has stayed at 100%. These numbers show how China Life promotes work-life balance and empathizes with employees who have childcare responsibilities. We recognize the need to give employees an opportunity to focus on advancing their careers while also caring for their families at home.

Unpaid Parental Leave

| | Office Staff | | | Sales Agents | | |
|---|--------------|--------------|-------|--------------|--------------|-------|
| | Office Staff | Sales Agents | Total | Office Staff | Sales Agents | Total |
| Unpaid Parental Leave Applicants, 2018 | 3 | 20 | 23 | 13 | 48 | 61 |
| Unpaid Parental Leave Recipients Who Returned to Work, 2018 | 4 | 15 | 19 | 11 | 49 | 60 |
| Unpaid Parental Leave Recipients Retained for at Least One Year After Returning to Work in 2017 | 1 | 15 | 16 | 9 | 40 | 49 |
| Return to Work Rate (Note 1) | 80% | 71% | 73% | 79% | 86% | 85% |
| Retention Rate (Note 2) | 100% | 83% | 84% | 82% | 93% | 91% |

Note1 : Return to work rate = (Unpaid parental leave recipients who returned to work in 2018/the number expected to return to work in 2018) x 100%

Note2 : Retention rate = (Unpaid parental leave recipients retained for at least 12 months after returning to work in 2017/the number who returned to work in 2017) x 100%

Kids Create a Happy Workplace During the Children's Insurance Camp

Get to know your parents' workplace and show employees the value of work, Children appreciate parents' labor and our employees are moved by the family atmosphere

"Thank you for all of your hard work!"

These innocent words from a visiting child swept away the toils of labor and showed the warm feelings that come from children accompanying their parents in the workplace. They were delivered in the third Children's Insurance Camp, held during the summer school vacation at China Life. On this special day, employees brought their children to the workplace. The children participated in a series of activities and games that taught about financial and insurance topics in a fun way while showing their parents' place of work. We also arranged for the children to visit our office building and hand out cookies. Seeing the hard work their parents contribute every day made for an unforgettable experience. This event contributed to a better balance between work, life and family while raising the happiness of employees and satisfaction towards the Company.

China Life Employee

My husband also works. Despite coming from a dual-income family, the children do not have a good understanding of our workplaces and do not grasp our effort. This activity offered a chance for them to gain these insights. I was really touched and grateful when (my son) came to my office and said thank you to me.

Daughter of Employee

Seeing my mom at work for the first time was a real novelty. Her office is so beautiful and the people were really nice. I think her work is really interesting. I hope I can visit again next time.

China Life Employee

I don't have any children yet, but seeing all these adorable children come to the workplace swept away all the toil of work. The whole office was brimming with joy and energy.

We firmly believe that our employees' feelings of happiness are the source of the Company's sustainable development. Adhering to the spirit of "We Share, We Link," we use these activities to provide a sense of belonging. The feeling of harmony that ensues creates a happy workplace suited to the mutual growth of all our employees.

60 children participated

Employee satisfaction rate : **4.76** (out of 5)

Children's satisfaction rate : **4.98** (out of 5)



Comprehensive Salary Structure

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

| New Recruit Salaries | | 2018 | 2017 | 2016 | |
|----------------------|---|---------------------------------|--|--|--|
| Office Staff | Entry-level new administrative recruits | Salary Range | Minimum wage was NT\$22,000, and we made adjustments based on experience and education | Minimum wage was NT\$21,100, and we made adjustments based on experience and education | Minimum wage was NT\$20,300, and we made adjustments based on experience and education |
| | | Ratio of salary to minimum wage | 1.00 : 1 | | 1.01 : 1 |
| Sales Agents | New administrative personnel with a university degree | Salary Range | Minimum wage was NT\$28,000, and we made adjustments based on experience and education | | |
| | | Ratio of salary to minimum wage | 1.27 : 1 | 1.33 : 1 | 1.40 : 1 |
| Sales Agents | Entry-level sales supervisors | Salary Range | Salary paid according to the income item stipulated in the labor contract. The monthly minimum wage shall not be lower than the hourly rate stipulated by the central competent authority. | | |
| | | Ratio of salary to minimum wage | 1.00 : 1 | | |

Female:Male Salary Ratios for Employees of Various Levels

| | 2018 | | 2017 | |
|------------------------------|------------------|---------------------|------------------|---------------------|
| | Basic Wage Ratio | Annual Reward Ratio | Basic Wage Ratio | Annual Reward Ratio |
| Department Manager or Higher | 1.04 : 1 | 1.22 : 1 | 1.03 : 1 | 1.19 : 1 |
| Division Manager | 0.89 : 1 | 0.91 : 1 | 0.91 : 1 | 0.90 : 1 |
| General Staff | 0.89 : 1 | 0.90 : 1 | 0.89 : 1 | 0.88 : 1 |

Number of Non-Managerial Employees and Their Average Annual Wages and Benefits, 2017 & 2018

| | 2018 | 2017 |
|--|---------|---------|
| No. of Non-Managerial Employees (People) | 2,051 | 1,925 |
| Average Non-Managerial Employee Annual Wages and Benefits, with Comparison to Previous Year | | |
| Average Wages and Benefits (NT\$) | 950,648 | 942,083 |
| Increase YoY (%) | 0.91 | - |

Note : By definition, non-managerial employees are non-managers. Their position is determined by their actual position at the end of the year under evaluation.

Wages of Full-Time Non-Managerial Employees, 2017 and 2018

| | 2018 | 2017 |
|---|---------------|---------------|
| Total Wages of Full-Time Non-Managerial Employees (NT\$) | 1,593,504,689 | 1,492,220,499 |
| Full-Time Non-Managerial Employees (People) | 1,867 | 1,808 |
| Average Wage of Full-Time Non-Managerial Employees (NT\$) | 853,511 | 825,343 |

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

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

Heading Workplace Health and Safety

In order to strengthen workplace safety and health, China Life established the Occupational Safety and Health Committee, the Occupational Safety and Health Management Unit, and the Workplace Violence Prevention and Management Group. Convened by occupational and health department supervisors, labor representatives, occupational safety and health supervisors and managers, doctors, nurses, and emergency response personnel, they are responsible for planning, overseeing, executing, assessing and improving all health and safety issues.

Occupational Safety and Health Management Systems

The Company established the Occupational Safety and Health Committee, which includes one director and six regular members. Among them are at least three labor representatives, accounting for 42.9% of total membership. In 2018, the committee convened quarterly to review safety and health policies then make recommendations and proposals. It also passed the annual Occupational Safety and Health Management Plan, which is used for managing related issues.

Occupational Safety and Health Management Policies and Planning

- 
Policies
 Respect the value of all life, fulfill corporate social responsibilities, provide a safe working environment, and achieve zero injuries and disasters.
- 
Regulations Governing Occupational Safety and Health
 Workers use these as a reference for safety and health issues, equipment use and maintenance, education and training, health management, first aid and rescue, and accident reporting and management.
- 
Safety, Health, and Environmental Management Methods of Contractors
 Strengthen management of the safety, health, and workplace environment of contractors. Besides providing related information, ensure that all work is carried out safely.
- 
Maternal Health Protection Plan
 Protection provided for pregnant women and postpartum mothers during their first year following childbirth.
- 
Prevention of Illnesses Caused by Extraordinary Workloads
 Doctors specializing in labor health issues provide guidance to high-risk groups to avoid ailments resulting from extraordinary workloads.
- 
Ergonomics Hazard Prevention Plan
 Avoid the onset of musculoskeletal diseases caused by poor posture, excessive force, and repetitive actions.
- 
Plan to Prevent Unlawful Attacks When Engaged in Business Operations
 Prevent supervisors, general employees, and other third parties from being subjected to physical, mental, or verbal attacks in the workplace, or other unlawful behaviors that harm physical or mental wellbeing.

Occupational safety and environmental monitoring are a vital part of our business. In 2018, we regularly conducted workplace fire safety equipment inspections and repairs as well as building safety inspections and reporting. We continued to implement automatic safety and health inspections of workplace facilities. Biannual environmental monitoring (for carbon dioxide concentration and workplace illumination) ensured that our workplace environment is favorable to operations. Moreover, we made arrangements to prepare for earthquakes, fires, and emergency medical situations. Besides establishing an autonomous fire safety group, we joined fire safety lectures and emergency evacuation drills run by building management to raise our emergency response capabilities. At the Company's Dunbei Building headquarters, we established a joint defense team that can provide disaster prevention and rescue during normal times and more extensive support when actual disasters occur.

Occupational Safety Performance, 2018

| |  |  | Total |
|---------------|---|---|---------|
| Injury Rate | 0.0008% | 0.0009% | 0.0017% |
| Absence Rate | 0.0731% | 0.3154% | 0.3885% |
| Lost Day Rate | 0.0059% | 0.0090% | 0.0149% |

Note 1 : In 2018, China Life had zero incidents of occupational death or disease

Note 2 : In 2018, the primary cause of work-related injury was traffic accidents occurring on the way to/from work or during work-related trips

Note 3 : Injury Rate = Total number of accidents/(total number of work days * total number of people) * 100%
 Absence rate = (Work injury leave + sick leave + menstruation leave)/(total number of work days * total number of people) * 100%
 Lost day rate = Work injury leave/(total number of work days * total number of people) * 100%

On-Site Healthcare

As part of our efforts to provide a safe and comfortable working environment, major service counters across Taiwan provide free blood pressure monitoring devices. To ensure that employees know how to use automated external defibrillators (AED), in 2018 a total of 2,263 employees underwent CPR and AED training at Company headquarters and the customer service centers in Taoyuan-Hsinchu, Chiayi, Tainan, and Kaohsiung, and each of these locations received AED equipment and underwent AED safe location certification. Additionally, we have 139 staff members certified in first aid spread across our various offices and provisions of emergency medicines and equipment. Wheelchairs are available at Company headquarters in case of need, and we will evaluate whether more wheelchairs are needed for other major workplaces.

We employ seven nurses who promote health by offering health advice, information on preventing workplace illnesses and injuries, first aid, and emergency responses. They provide additional information on communicable disease prevention and health maintenance using the Company's internal mail network. In addition, we offered 26 lectures and consultations in conjunction with contracted clinical service physicians from across Taiwan.

2018 Clinical Health Service Status



Note: To expand clinical service scope, simultaneous video talks were held in the Taipei area headquarters (Guochang Building), the Taoyuan-Hsinchu and Chiayi branch buildings, and the Dunbei Building.

Indoor Air Quality Management

The average person spends between 80% and 90% of his or her time indoors, so indoor-air quality is vital for a healthy workplace. To minimize the impact of air pollution, China Life follows requirements in the "Indoor Air Quality Management Act," despite this act being stricter than the standards required of the insurance industry. In 2018, we sent five employees to attend external training and become certified as indoor air quality management specialists. They will be responsible for assessments and actions needed to effectively manage our indoor air quality, so our employees can work in a healthy environment.

Health Promotion Plan

One-on-one nutritional consultations help employees nurture positive nutritional and exercise habits and provide personalized nutritional guidance. In the future, we will continue to offer aerobics classes and health lectures to enhance employees' physical health and raise their work efficiency.

- 
Employee Walking Competition – Keep Going
 We promote health and exercise habits among our employees by using the Company's walking record app "Keep Going" for health walking competitions. Departmental supervisors lead this initiative to promote health and enhance teamwork and cooperation. Employees showed a lot of enthusiasm in 2019, with 32 teams registered and 320 people participating.
- 
Weight-Loss Activity
 Company headquarters held a weight-loss activity complete with prize money. 60 people participated, 70% of whom lost weight. They shed a total of 176 kg.
- 
One-on-One Nutritional Consultations
 Conducted one-on-one nutritional consultations at Taiwan Adventist Hospital.
- 
Aerobics Classes
 Held aerobics, strength training, and spinning classes at the exercise center at Taiwan Adventist Hospital. There were 613 total participants spread across 48 classes.
- 
Health Talks
 Offered health talks at the Taoyuan, Taichung, Tainan, and Kaohsiung branch offices. There were 116 total participants at four talks.
- 
Physical and Mental Stress Alleviation Channels
 As a show of support for the physical and mental health of our employees, we cooperated with the Taiwan Institute of Psychotherapy to provide professional, caring stress alleviation channels. Employees have access to a toll-free hotline to receive professional consulting services. This provides a channel for them to alleviate their work and lifestyle pressures.



CHAPTER **4**
Digitalization
Care Without Boundaries

China Life's commitment to the core values of the life insurance industry drives us to implement CSR and expand financial inclusion. We promote digital transformation as a way of providing insurance products that mitigate the effects of the wealth gap and population ageing.

We invest corporate resources and encourage employee participation in public welfare activities. Our three key goals are to improve education, support the disadvantaged, and protect the environment, in order to provide warmth wherever it is needed and make the world a better place.



Implement inclusive financing to satisfy policyholder needs

2018 ESG Goals and Progress

- Continued promotion of microinsurance raised the number of policyholders by 30%.
- Expanded promotion of small-amount life insurance sales included the addition of e-commerce channels.

2019 ESG Goals

- Establish "Review Mechanisms for Principles Governing the Fair Treatment of Customers" that are suited to the financial services industry.
- Promote microinsurance, with a goal of reaching 17,000 policyholders.
- Continue to promote small-amount life insurance, bringing the total amount of policyholders to 20,000.
- Develop policies with health spillover effects as well as insurance products that meet inclusive financing objectives.
- Cooperate with two third-party channels to market and sell pension insurance, in order to further expand inclusive financing beneficiaries.

Provide caring services that raise policyholder satisfaction

2018 ESG Goals and Progress

- iHealth use grew by 6% and total prescriptions reached 9,960.
- Added a "love and sharing" section to the policyholder e-newsletter. The newsletter provides public welfare information to stakeholders every month. We have published a total of 11 editions.
- Achieved a satisfaction rating of 4 (out of 5) or higher at 99.9% of general service counters and 100% of care counters.
- Achieved a satisfaction rating of 4.5 (out of 5) or higher in 100% of our 080 call-back phone service customer satisfaction surveys.
- Service staff held an average of 3.59 professional certificates.

2019 ESG Goals

- Launch new health promotion services for policyholders and develop a comprehensive "protection, health, medical, care" prevention network.
- Launch fast claims at service counters to satisfy customers' needs.
- Conduct two health talks to build health awareness among the general public.
- Hold one "Service Ambassador" selection activity every quarter as well as two appreciation ceremonies in order to raise service quality and satisfaction.
- Achieve a satisfaction rating of 4 (out of 5) or higher on 100% of our customer satisfaction surveys.

Promote digital transformation to strengthen digital competitiveness

2018 ESG Goals and Progress

Built an insurance fraud detection system with artificial intelligence functionality. Completed hardware, framing and software installation of our new artificial intelligence and big data system. Supported sales agents, gathered suggestions, and published findings to facilitate future improvements.

2019 ESG Goals

- Complete establishment of a sales tag library and produce a sales recommendation name list in order to provide customized product recommendations to policyholders.
- Continue to integrate data analysis tools into our insurance fraud detection system in order to reduce the incidence of insurance fraud while accelerating claims and fraud prevention models.
- Complete an integrated data and analysis platform for use with Company projects. Build a mobile assistance system and independent record input platform in order to raise operational efficiency.
- Integrate automated user testing of new products to reduce product development timelines and raise system output quality.

Participate in social care by combining the core capacities of the finance and insurance industries

2018 ESG Goals and Progress

Held 12 finance and insurance educational activities for rural elementary school students. Expanded the scope of these activities by integrating other public welfare project resources.

2019 ESG Goals

Continue to hold finance and insurance educational activities at rural elementary schools. Increase the number of activities by 25% to improve children's understanding of financial and insurance concepts.

Management Guidelines

Major Topics

Fintech and Related Innovations, Marketing and Labeling

Commitments

- Integrate fintech and innovative business models where appropriate.
- Quickly and effectively address customer needs to raise service quality.

Policies / Management System

- Integrate big data analysis and artificial intelligence technology.
- In accordance with the Financial Supervisory Commission's "Principles of Treating Customers Fairly in the Financial Service Industry," formulate relevant internal principles, policies, and strategies to protect policyholder rights.
- Handle product design, review, and pre-sales procedures in accordance with the "Regulations Governing Pre-Sale Procedures for Insurance Products" and other relevant legislation. Regularly convene insurance product review meetings and management meetings to ensure that products meet regulatory requirements.
- Develop a consumer dispute management mechanism and the "Customer Complaint Department Service Manual" to ensure complaints and disputes are handled appropriately and efficiently.

Complaint Mechanisms

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

Evaluation Mechanisms

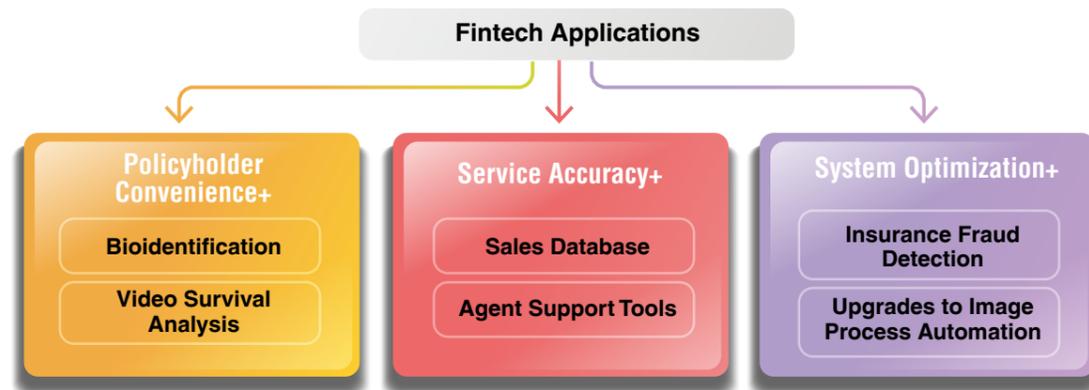
- Completed the design of a risk factor data marketplace for insurance fraud detection models in 2018. It is expected to go online in 2020.
- Completed a foundational system framework for a big data analysis platform in 2018. Build a sales tag library and sales recommendation name list in 2019.
- Integrate video survival analysis to raise investigators' operational efficiency and service quality.
- Regularly evaluate and revise the "Policyholder Service Methods."
- Customer satisfaction rates were at least 4 out of 5 in 99.9% of cases at our general service counters and 100% of cases at our care counters.
- Conduct biannual checks on the volume and rate of acceptance of complaints filed with the Financial Ombudsman Institution.
- Conduct monthly claims and appraisals summaries, examinations and discussions. Following reviews and communications offer recommendations or propose improvement projects.

Implement Inclusive Financing

Digital Innovations

Digital Applications Development

The finance and insurance industries have begun welcoming a wide range of digital technology, including artificial intelligence, blockchain, bioidentification, mobile technology and chatbots. As these applications are quickly adopted, the Company established a fintech talent team and named 2018 as the start of our fintech age. We are planning and integrating fintech use and development with artificial intelligence and big data at the core. In the future, we will launch a digital transformation plan that will further raise our technological competitiveness.



In the future, we will expand big data analysis and AI technology to a more diverse range of fields. We will build a multi-use identification tag library that facilitates more refined sales and customer service. An AI intelligent sales assistant will make agents more efficient and help them provide customers with more of the services they need. A workflow management platform will further optimize internal sales processes. At the same time, we continue to test and evaluate facial recognition technology and mobile ID recognition. As legal and regulatory changes occur, we will make suitable modifications to our operations. In the future, we forecast that emerging technologies will bring a variety of new business models to the insurance industry that will lead to even more convenient services for our policyholders.

- 
Data Analysis
 Use data analysis to understand customers' inquiries and optimize workflows.
- 
Email integrated services
 Integrate eVoice customer service, corporate website/ voice messaging, and email systems to offer simpler, more convenient, and more diverse service channels.
- 
Satisfaction Surveys
 Use interactive voice response (IVR) systems to carry out customer satisfaction surveys and expand survey scope. Combine with the Company's activity design questionnaire themes to increase sample quantity and support regular analysis.
- 
Knowledge Base QA Integration
 Provide online QA searches to reduce the amount of time that service staff need to search for answers, thus reducing the time that policyholders spend online while making answers more consistent and correct.

Bioidentification Improves Identity Verification Accuracy

China Life plans to integrate bioidentification into mobile policy purchases. Bioidentification has many advantages, including that it cannot be forgotten, is difficult to forge or steal, and can be used anytime and anywhere. Customers who purchase policies on mobile devices can confirm their identity with one simple facial scan. After self-regulation standards are approved, customers using facial recognition will not need to sign a paper contract. E-signatures and SelfieSign will further prevent false signatures and fraud risks. Stronger online signature workflows demonstrate how the Company is entering into all new fintech fields.



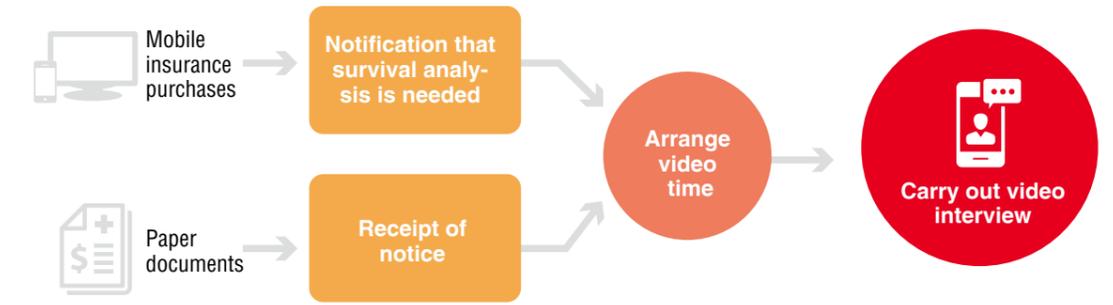
Industry Leading Combines Facial Recognition and SelfieSign Functions

In the future, we will gradually adopt more facial recognition technology for use with mobile policy services, claims, and assistance. This technology will utilize both the mobile device's camera and photo databases to automatically identify users and make risk management more intelligent. It will minimize the risk of people impersonating another or improperly acting as an agent. Besides protecting the rights and interests of our customers, it will provide a more convenient service experience.

Video Survival Analysis to Save Customer Interview and Waiting Times

Using the communications apps on mobile devices, we conduct video-based survival analysis. Policyholders only need to reserve a time to complete the analysis in conjunction with a survival analyst. Besides significantly reducing interview and waiting times, this service eliminates transit costs for customers and reduces burdens on bank workers and sales agents, freeing time for them to pursue more business leads. Video survival analysis also facilitates the recording of interviews, which supports the protection of the rights and interests of both policyholders and the Company and raises overall service quality.

Video Survival Analysis Workflow



Average case processing time is reduced from 100 minutes to 45min
Staff efficiency for workers who support the survival analysis team is increased by 45%

Marketing Database Increases Accuracy and Supports Individual Needs

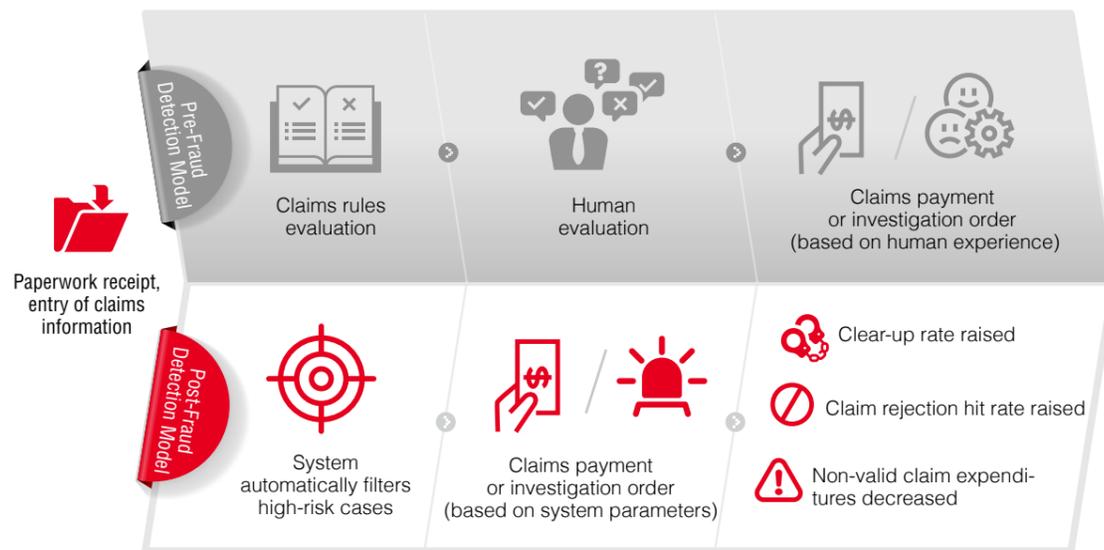
We built a big data exploratory zone, which uses big data analysis and machine learning technology to quickly and effectively organize data and establish data links. Additionally, we used AI technology to establish a sales tag library. A consistent data structure provides descriptions of customer types, behaviors, intentions, and interests. These are combined with big data techniques and machine learning to produce tags and customer labels. Based on the sales environment and target customers, different tags are selected and sales lists are created. This enables a precise, optimal dual sales approach: using customer groups to select products and products to select customer groups.

Mobile Assistance Tools and Sales Management Technology

In recent years, we continued to optimize our elite mobile network. Using online and offline auxiliary sales devices, we connect existing sales workflows. Integrating AI and big data technologies, we perform holistic examinations of cases from the customer's perspective and agent service viewpoint, thus transforming our elite mobile network into the i-Agent system. With iterative development methods, we actively seek to launch e-tools to support our sales agents. From customer name list creation and management to calendar creation and notifications, we boost agent-customer interactions and support scheduling. Tracking agent activity volume and performance supports scientific management by sales managers. Results show the development models that suit each agent while helping us to choose the best talent. Digital performance assistants and training give agents an all-new portfolio of tools and experiences to choose from. In the future, we will continue to optimize our financial management service platforms. The financial management service network will directly oversee customer relations and track individual performances. These results will serve as a reference for further improvements to the financial management team's performance and service capacity.

Insurance Fraud Detection Models, Risk Reduction, and Protection of Policyholder Rights and Interests

We launched an insurance fraud detection model that adopts big data analysis and relies on past claims settlement data and experiences. The model creates a composite profile from the policyholder's medical history, insurance records, time of claim, and claim history. It then uses identification models to differentiate claims settlement risk. Cases that are determined to be high risk are investigated; low risk claims receive fast payment approval. Systematic risk evaluation and prediction models lower human judgment errors. In the future, this method will significantly raise the efficiency of the claims process and lead to greater customer satisfaction.



Imaging & Workflow System Upgrades Protect Personal Information

We continued our two-year Imaging & Workflow System (INW) upgrade project. Improvements concentrated on a new imaging system, policy entry platform and business process management.

- New Imaging System**
An all-new imaging system will serve as a future integrated imaging management platform. It can combine imaging data from multiple systems to achieve consistent file management. At the same time, it keeps records of image saving actions, which supports the protection of personal information.
- Policy Entry Platform**
An independent policy entry platform features imaging alignment, automated work assignments, and ease of control. Platform design facilitates customization based on the data that needs to be entered. Image identification and alignment further raise entry effectiveness while strengthening the standardization of entry procedures and automated work assignments. This platform improves file creation quality and the flexibility and effectiveness of new file creation.
- Business Process Management Platform**
We integrated a new business process management (BPM) platform that utilizes a service-based design framework with rule engine, data, enterprise service bus, and AP service. Modular sales service redesign produces a BPM that is suited to sales agents' needs. Additionally, new imaging systems provide administrative staff with a complete control interface. Development and adjustment modules raise the accuracy of automatic claims calculations. At the same time, the modular service design can be applied to other application systems to optimize management of administrative resources. These changes are part of the Company's strategy of "reconstructing workflows and digital platforms while integrating platform and modular design frameworks."

E-Commerce

In 2018, we launched e-commerce annuity products targeting customers with a small budget. Expanding the opportunity to purchase insurance online supports the planning of household finances, children's education, and retirement, in the spirit of inclusive financing and stability. At the same time, we released small-amount life insurance products to provide customers with basic protection into their later years. In cooperation with banking channels we sell annuities online. The online user interface and environment give more people an opportunity to see the many insurance products we offer. On the insurance e-commerce section of the corporate website we added an "insurance lifestyle+" section that provides lifestyle information. It bridges the gap between policyholders and insurance services to create a familiar and friendly financial services environment to better engage customers.



Insurance lifestyle+
https://e-commerce.chinalife.com.tw/ECWF/F010070_SCN1.action?utm_source=ECoffice&utm_medium=F010001_Banner01&utm_campaign=2019Q1_02



Customers making online insurance policy purchases grew by 45%

Relaxed and Protected

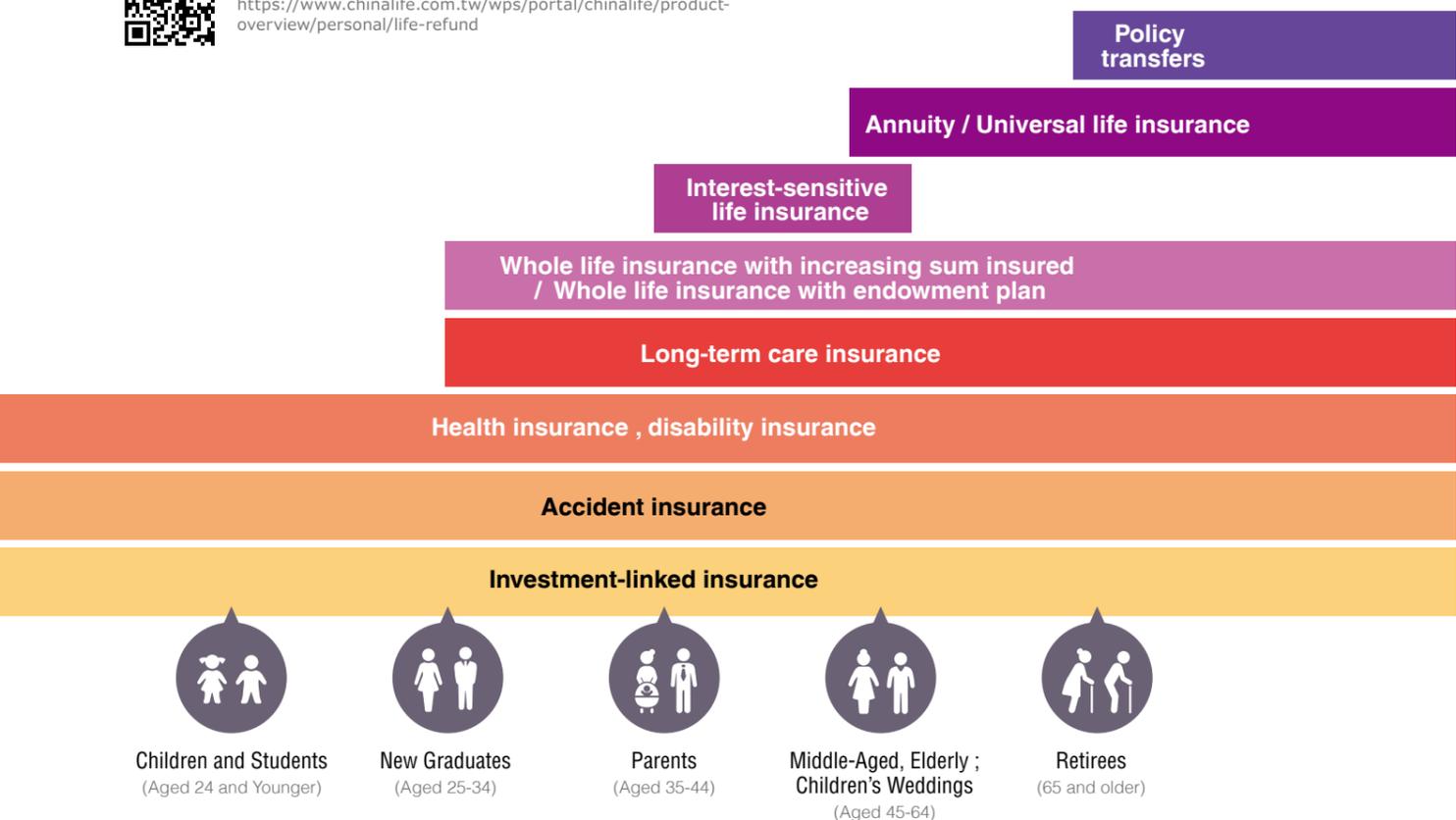
China Life continues to orient product development and innovations towards the diverse needs of our customers. We consider market dynamics and government inclusive financing policies when adjusting our product strategies. In response to population ageing, lower birth rates, and other demographic changes, as well as care for the disadvantaged and other special groups, we continue to promote traditional products such as multi-currency single and regular premium life insurance, annuity products suited to retirement planning, health insurance that can improve medical treatment quality, disability insurance suited to long-term care, microinsurance, and small-amount life insurance. These many choices meet the various needs of our policyholders at all stages of their life. Customers choose insurance policies that mitigate their protection deficiencies. Early planning enables them to maintain a high-quality lifestyle, medical treatment, and care into the future, and helps us to fulfill our corporate social responsibility goals.

As online insurance policy purchases and e-commerce needs have grown in recent years, China Life has actively sought to develop digital marketing channels. We integrate and use big data technology to improve marketing. Our offshore insurance units provide comprehensive guarantees and asset deployment services to overseas customers. In the future, we will continue to raise our visibility and competitiveness in international markets.

China Life Product



China Life Product Introductions
<https://www.chinalife.com.tw/wps/portal/chinalife/product-overview/personal/life-refund>



Microinsurance

To provide disadvantaged groups with basic accident insurance to cover death and disability, China Life began introducing microinsurance products. Microinsurance has lower premiums, lower insured amount, and easy to understand terms. It comes in three types: accident microinsurance, collective accident microinsurance, and group accident microinsurance. The goal is to make basic accident insurance covering death and disability affordable for people with low incomes. With the protection of microinsurance, families can avoid the debilitating financial effects of a major accident. At the same time, we are cooperating with banking channels, government agencies, and private organizations to jointly promote microinsurance. This enables us to spread insurance guarantees to all corners where care is needed, thus providing strong support to disadvantaged households. When a microinsurance beneficiary suffers an accidental death, the Company supports his or her family in preparing all needed documents to quickly release insurance compensation. Families appreciate the care and assistance in overcoming the difficult time they face. In this way, insurance fulfills its role as a stabilizing force.

Providing guarantees to more than 20,000 economically disadvantaged people in Taiwan

Small-Amount Life Insurance – Small Premiums for a Lifetime of Care and a Basic Safety Net for All Citizens

In 2018, we launched the e-commerce product “e-Citizen Small-Amount Life Insurance” in order to use the internet as a promotional channel to expand our reach and thus build a stronger basic social safety net. More than 19,000 signed up using this method and premiums surpassed NT\$273 million. At the same time, we continued to promote small-amount life insurance in more traditional offline channels to continue to reach people of all ages. People 55 years old and above accounted for 46% of all policyholders and contributed 70% of all premiums.

Policies with Spillover Effects – “Go Health” Term Life Insurance

With studies showing that even moderate amounts of walking can reduce stress and slow or prevent the onset of chronic disease, we seek to promote healthy habits in our policyholders. We therefore launched the China Life GO Healthy health insurance plan, which features spillover effects, and developed the China Life Keep Going app. After downloading the app and completing registration, users can set a daily steps goal. For people with sedentary lives, the app reminds them to get up and exercise. Policyholders can even share the steps data from their wearable devices with our database to qualify for discounts on policy premiums based on average annual steps. We hope this innovative product helps policyholders reduce their insurance costs and improve their health. Besides compensating policyholders for their losses, it contains prevention mechanisms in the form of premium discounts or rebates for good exercise habits. Healthy policyholders reduce costs for insurers and lower the social risk of high medical care expenditures in this ageing society, leading to a winning situation for all parties.

Winner of a Taiwan Corporate Sustainability Award for Growth Through Innovation

Protection Products – Critical Coverage for People with Limited Incomes

To promote inclusive financing and support the Financial Supervisory Commission’s advocacy of protection products, the Company launched a plan that was specially designed to help people aged 20 to 45 with limited incomes purchase composite insurance products that provide life, old age, sickness, death and disability coverage without breaking the bank. Getting protection for five major risks within the means of a limited budget strengthens guarantees that policyholders receive at major stages of life.

Even more impressive is how the product development process inspires creativity among participating teams. The Company president directly led the “Together Young at 17” cross-departmental project. To break free of past product design modes, we conducted nationwide youth market surveys then used information gathered about youths’ guarantee needs as a reference when designing new product and marketing plans. Composite insurance plans with a lifetime of 10 years aim to provide guarantee products relating to cancer control, medical treatment, care for major diseases, disability care, accident insurance, and life insurance. A flexible approach opens the way for secondary added coverage. Plans are customized to fit individual needs. Customers select guarantees based on the fees they can afford then gradually upgrade their plans to obtain more comprehensive coverage.

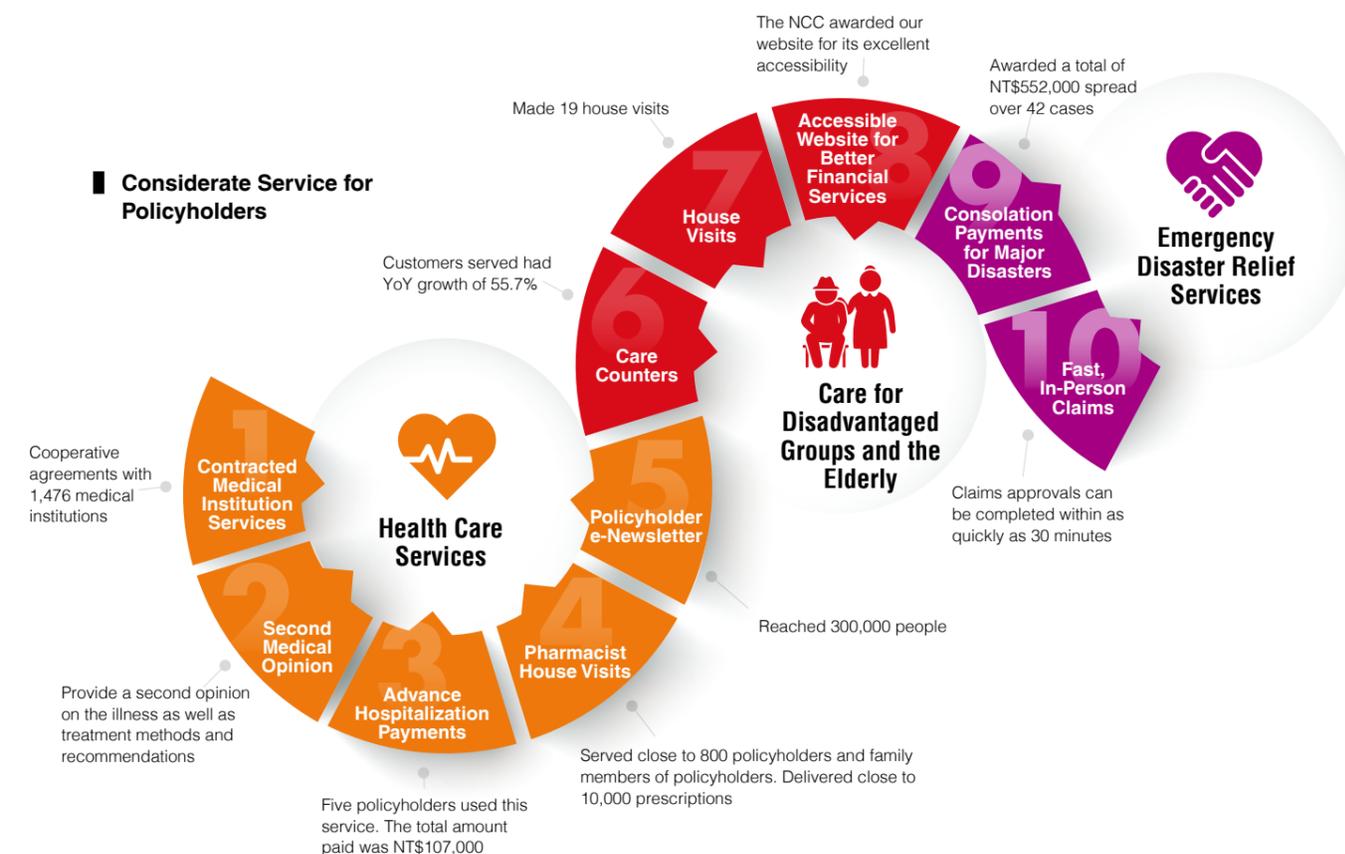
Fair Treatment of Customers

Satisfying Service Needs Considerate Service

In accordance with the Financial Supervisory Commission’s “Principles of Treating Customers Fairly in the Financial Service Industry,” we formulate relevant internal principles, policies, and strategies and make adjustments based on regulatory implementation, additions, and amendments. Using a combination of internal advocacy, education, and training, we raise recognition among financial service workers of the need to protect consumers. We regularly assess results and report to the Board of Directors to ensure smooth policy implementation and increase consumer confidence. These improvements contribute towards the sustainable development of the financial services industry.

In the future, we will continue to provide diverse services to policyholders, including expansion of e-Service functionality and preventive care talks and advocacy events to build health awareness among the general public. Furthermore, a convenient nationwide payment network means that policyholders can go online to make payments without being subjected to any restrictions related to time or place. This payment option meets the expectations of people in the digital age while making payments easier for customers to complete.

We will also continue to uphold the Company’s core corporate spirit of “We Share, We Link” while providing more high quality, innovative, and diverse policyholder services. Policyholders will not only enjoy greater guarantees but also more convenience and favorable terms.



Health Care Services

1 Services at Contracted Medical Treatment Centers and Clinics
 In response to population ageing, China Life cooperates with medical service providers across Taiwan. Many are large regional hospitals with the capacity and facilities necessary to provide comprehensive services. Policyholders can search for nearby clinics using the China Life app and GPS, greatly simplifying the treatment process. By raising the utilization of local clinics for minor diseases or illnesses, we also reduce the amount of waste in the health care industry.

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

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

4 Pharmacist House Visits
 In 2014, China Life pioneered a pharmacist house visit cooperative arrangement with the iHealth prescription delivery service. No matter where policyholders are in Taiwan, a pharmacist personally delivers the medicine and offers free prescription recommendations and advice, including warnings about potential drug interactions, health consultations, and long-term care counsel. These services enable the elderly and people with mobility problems to solve problems associated with acquiring and using the medicine they need. In 2018, we further upgraded our service by having pharmacists help patients to organize various medicines based on when they should be taken, thus lowering the risk of improper use. Pharmacists also deliver blank insurance claim application forms to reduce the time that policyholders need to prepare documents and simplify the application process.

In the future, we will offer additional services that further strengthen customer service. These measures are creating a winning situation for people, the insurance industry, and pharmacists by facilitating appropriate use of medical treatment resources, health insurance, and pharmaceutical care. In the process, we are developing a comprehensive "protection, health, medical, care" care network that fulfills our duties as a health insurer.



5 Policyholder E-Newsletter
 As part of our commitment to communicating with policyholders, China Life's monthly e-newsletter provides information covering five main areas: policyholder news, hot topics, financial tips, health & you, and love & sharing. The newsletters are delivered monthly to maintain communication channels and give policyholders an opportunity to obtain health-related information in an efficient, environmentally friendly way.

Care for Disadvantaged Seniors

6 Care Counters
 We offer regular customer service counters and care counters at service centers in Taipei, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung. The care counters are designed to provide priority service to the elderly, people with mobility issues, or other policyholders in need of extra assistance. Specially trained counter-staff provide caring service covering a broad range of insurance needs. Besides reducing wait times, the staff members go the extra mile to provide enthusiastic help. Policyholders appreciate the fast, personalized service, and in turn develop greater trust and appreciation towards the Company.

7 House Visits
 China Life continues to offer caring measures for the elderly and disadvantaged groups. This includes house visits for claims applications and delivery and collection of documentation. When applying for a claim, customers can choose to have the money transferred to their bank account or have a check delivered to their home.

8 Improved Website Accessibility for Better Financial Services
 China Life's corporate website includes a section specially designed to offer greater accessibility to people with disabilities. It is a valuable source of information on environmental issues, communication and services, products, China Life news and announcements, and various statistics. Special accessibility modifications to help people with difficulties using a mouse also help general users. For example, making graphic content available as text allows visually impaired users to employ speech-recognition software while providing general users a reference when graphics do not load properly.

To protect the rights and interests of policyholders, our annual legal training covers the Convention on the Rights of Persons with Disabilities, principles for insurance underwriting of people with disabilities, and financial support. In 2018, we held nine training courses and trained 11,583 people. The completion rate was 100%.

Emergency Disaster Relief Services

9 Consolation Payments for Major Disasters
 When major disasters occur, besides contracted insurance payments, the Company offers consolation payments for the death or injury of policyholders. In 2018, the Company provided NT\$200,000 to the family of each policyholder who died in the Hualien earthquake and a Puyuma express train derailment. For injured policyholders, payments of NT\$2,000 to NT\$60,000 were offered based on the degree of injury.

10 Expedited Counter Claims
 China Life understands the anxiety of policyholders who are affected by a disaster or major accident. To help them overcome these trying times, we launched fast claim services at service counters. For claims of NT\$30,000 or less on general medical insurance that has been valid for at least two years (including renewals), policyholders can apply in person at one of the Company's six major customer service centers to complete claim review in as fast as 30 minutes. If approved, they can receive payment on the same day.

This service, which is four times faster than our normal claims process, demonstrates the value of insurance towards people who are in distress. It shows how claims are more than just a number; they are a form of warmth and care. Policyholders who receive payments early feel more at ease.



Emergency Disaster Relief

In 2018, China Life launched response measures to a major earthquake in Hualien, torrential rains in southern Taiwan, a fire at a factory in Taoyuan run by Chin-Poon Industrial Co., Typhoon Maria, and the derailment of a Puyuma express train. In each case, we helped policyholders to smoothly overcome the disasters they faced.

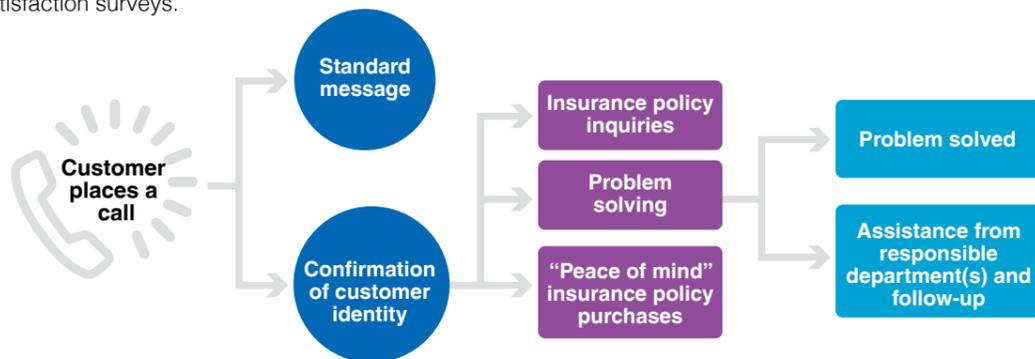
Listening to Our Policyholders

Counter Service

To measure customer satisfaction at our service counters, staff members ask customers to rate their experience from 1 (the lowest) to 5 (the highest). Their responses serve as a reference for further improvements. In the future, we will continue to conduct customer satisfaction surveys at our general service counters and care counter. We seek to maintain satisfaction ratings at 4 or higher (out of 5).

Call Center

When customers place a call to inquire about policy-related issues, we first confirm their identity to protect policyholder privacy. We then provide all needed assistance. For issues we cannot solve immediately, our staff follow internal procedures to request help from responsible department(s). Working together as a team enables us to better solve problems. The 080 hotline scored 4.5 or higher (out of 5) on 100% of customer service satisfaction surveys.



Call Service Flow

We use customer satisfaction surveys to assess customer experiences, problem resolution, and overall service. In 2018, we scored 4.5 (out of 5) or higher on 100% of surveys, which was higher than 2017. In the future, we will continue using these surveys to gather customer opinions and feedback and raise our service quality.

Customer service representatives at call centers need comprehensive professional skills and knowledge. Along with basic sales agent certification, they must possess exceedingly strong telephone etiquette, service attitude, and emotional management. Therefore, to ensure that each representative is equipped to provide professional service consultations, we encourage them to obtain licenses and certifications in foreign currency products, investment-linked products, and LOMA basic and professional life insurance management training. At the same time, we promote fintech testing in order to strengthen our human resources.

Conducted 42 education and training classes for customer service agents. Average number of classroom hours was 59

Service Ambassadors Exemplify Caring Service

In order to raise the sense of accomplishment among staff on the front lines of serving customers, in 2018 we held a selection activity to choose service ambassadors. We urged staff to show their enthusiasm by creating a high-quality service environment complete with model employees. Achieving a service culture will improve our corporate image and raise customer satisfaction. In the future, the Company will hold a biannual awards ceremony to show appreciation towards the work contributions of our employees and achieve a culture of service.

Customer Complaint Mechanisms

We will continue to enhance our service by accepting and considering a wide range of opinions and suggestions. Our diverse customer complaint channels and comprehensive complaint management processes let customers voice their concerns and obtain positive solutions to problems. We hold weekly cross-departmental meetings to handle complaints. Supervisors discuss how to fix problems and designate steps that can be taken to prevent those problems from happening again. We include the volume of customer complaints and complaint processing times in a key performance indicators index for customer service departments. In 2018, all relevant departments successfully reached their targets to reduce the number of complaints and raise problem-solving efficiency.

Customer Complaint Handling Procedures



Our three major categories of complaints are claims, solicitation quality improvement and control, and customer service. We will continue to provide response methods for each case that arises.



In 2018, the ratio of cases filed with the Financial Ombudsman Institution fell slightly compared to 2017, and our average number of working days spent dealing with cases remained the lowest in the industry. (Note)

Financial Ombudsman Institution Complaint Statistics

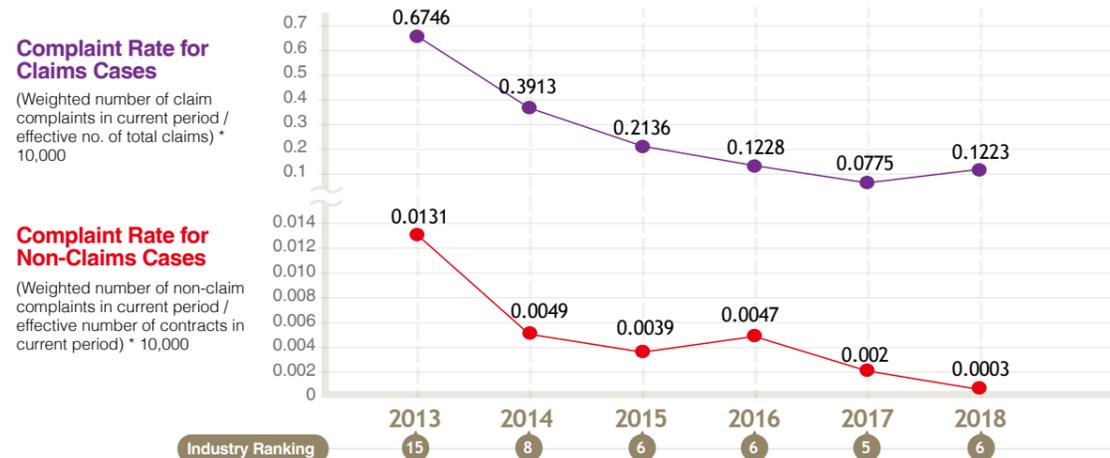
| Year | Number of Cases | Total Number of Cases Signed | Complaint Rate | Average Processing Days |
|------|-----------------|------------------------------|----------------|-------------------------|
| 2015 | 135 | 15,402,054 | 0.0876506 | 1 |
| 2016 | 96 | 16,060,558 | 0.0597737 | 1 |
| 2017 | 111 | 17,590,927 | 0.0613952 | 1 |
| 2018 | 117 | 19,279,841 | 0.0606851 | 1 |

Note 1 : The Insurance Bureau announced that all cases having a processing time of zero days are counted as one day. Hence, our 2015-2018 average processing time of one day was the best in the industry.

Note 2 : Complaint rate = (No. of complaints /No. of contracts) * 10,000

Over the past six years, the Insurance Bureau's comprehensive data on complaint scores showed great improvements in processing and response efficiency. The latest annual ranking released in March 2019 placed us sixth in the industry.

Insurance Bureau's Comprehensive Complaint Scores and Performance Statistics



Note : In 2018, there were 117 cases, consisting of 78 claim cases and 39 non-claim cases. 94.9% of cases were settled.

Advancing Social Harmony

Creating a Mutually Beneficial Age

Working for the next generation in the hope of making today better than yesterday and showing the beauty of Taiwan to the world!

China Life upholds the concepts of "mutual benefit, mutual creation, and mutual sharing." Our two primary strategies of social participation are "bolstering the countryside to create sustainable values" and "localizing public welfare to expand sustainable values." The three main themes of our charitable activities are "education and training," "support for the disadvantaged," and "environmental protection." Corporate investment and employee participation provide the means for us to use our commercial strengths to build a sustainable public welfare value chain. We want to show the synergistic effects of working together and at the same time implement the UN's Sustainable Development Goals, or SDGs.



Public Welfare Key Performances

| | Invested Amount (NT\$) | Activities | Volunteer Participation | Total Volunteer Hours |
|------|------------------------|------------|-------------------------|-----------------------|
| 2018 | 1,500 Million | 562 | 3,943 | 45,357 |
| 2017 | 1,070 Million | 544 | 3,587 | 28,675 |

Bolstering the Countryside to Create Sustainable Values

Bringing Greater Beauty to the Countryside

During the pursuit of economic growth, rapid changes are taking place in Taiwanese society, including expansion of the urban-rural wealth gap and increases in resource distribution inequality. China Life has long been heedful of these social trends. Recognizing that basic education in rural areas trails behind the education in urban areas, for the past six years we have actively sought to bolster rural areas through programs such as Read Across 319 Townships, Food Safety – Green Academy, and the Aesthetic Education Plan. These student-oriented programs seek to foster reading habits, raise financial knowledge, and strengthen aesthetic abilities. They are carried out in recognition of the beauty of rural Taiwan and to give students in rural areas more opportunities to understand their hometown. As climate change occurs and threatens food supplies, it is also becoming more important to protect the environment through such initiatives as promoting goodwill foods (irregular but useable farm products). Placing our focus on the next generation, we must continue to protect the most beautiful parts of our land. At the same time, we should act in accordance with international standards by implementing the UN SDGs, including No Poverty, Good Health and Well-Being, Quality Education, and Responsible Consumption and Production.

Linking Diverse Platforms to Make Rural Areas Even Better

Besides using corporate resources to make long-term investments in rural areas, China Life believes that rural teachers should be lauded for their selfless efforts in accompanying children's exploration, growth, and pursuit of dreams. In recognition, we produced the "Thank You Teacher for the Hope You Bring to Rural Communities" short film series. For two consecutive years, the Ministry of Education used the series to promote Teacher's Month. It was also incorporated into the 2017 National Day celebrations, which gave many foreigners a chance to see the hard work of Taiwan's rural teachers. The recognition encouraged the teachers to continue to their hard work and contributions.

As fintech expands globally and digital financial services rapidly spread in Taiwan, digital information is having a greater impact on consumers. We used these trends to launch the new Love to Go Charity Platform that showcases the Company's history of charitable achievements. We also posted artworks by rural children and people with disabilities. Publishing these works online results in a bigger audience and greater self-value for the people who created them. Furthermore, we offer e-cards as an additional way of sharing information, connecting people, and polishing our corporate image. These initiatives show our social participation and the warm contributions that we make to society.



Read Across 319 Townships Jointly Builds a Better Future for Rural Students

Since the launch of Read Across 319 Townships, the program has had accumulated investment of NT\$7 million and participation of 4,688 people. Total volunteer hours have reached 4,092 and there have been 68 events. Our goal is to visit elementary schools in all of Taiwan's 319 townships to teach and build a culture of reading. The program uses reading as a foundation, together with China Life's financial and insurance professionalism and the strengths of our employees, to bring modern teaching materials into the classroom. The large volume of reading we inspire sparks creativity and aids learning. Our goal is to put rural students on the same starting line as their urban counterparts, and thus raise their competitiveness.



謝謝老師 偏鄉的希望 III

In 2018, we released the "Thank You Teacher for the Hope You Bring to Rural Communities III -protective hands" video, which uses an image of a teacher's hands to serve as a symbol of students' wings. The wings carry the students across the land in search of more resources. We wanted to show how the teachers, with no regard for time or energy spent, are fully committed to caring for and accompanying the students, to protecting them, and to nurturing limitless hope. 770,000 impressions, 380,000 views



Thank You Teacher for the Hope You Bring to Rural Communities III
<https://www.youtube.com/watch?v=TP9cQ-14MLo&>

| | | | | |
|---|--|--|---|--|
| Turn Care and Accompaniment into a Force for Stability As working age rural residents leave their hometowns, more children are being raised by their grandparents. In the spirit of life insurance, China Life offers timely accompaniment and care. We aim to build a stabilizing social force that supports children's education. | Help Children Build Self-Confidence Diverse activities spark abundant creativity and ingenuity in children. Raise self-confidence and feelings of accomplishment while filming school videos. Promote the beauty of rural areas so residents turn greater self-value into competitiveness. | Give Children a Stage to Showcase Their Talents Help rural children to tap into their artistic potential. Provide a stage for their hard work and abilities to be seen. Attract more sponsorship and resources to rural areas to show the influence of the China Life brand and inspire other contributions. | Integrate Industry Resources Demonstrate the professionalism of the life insurance industry while spreading knowledge related to risk, protection and financial knowledge. Design interactive classes and DIY activities that teach correct financial management concepts in fun lessons. | Bring Resources to Rural Areas Provide funding to purchase extracurricular books. Company volunteers cooperate with professional storytellers to tell interactive stories on school campuses. Create contextual reading environments that spark children's interest in learning. |
|---|--|--|---|--|

China Life continues to visit rural elementary schools to promote financial savings and insurance concepts. In plain, easy to understand lessons that are fun, students learn about saving money and the importance of financial security. Volunteers also bring goodwill foods to talk about the importance of environmental protection and lead DIY activities that help to foster good daily habits. In addition, we help rural students to film school videos. The students use their own perspective to describe their schools' special characteristics and landscape, and they help to design "lazy man's guides" that provide visitors with more insights. Therapeutic pictures and descriptions attract readers, who learn about the charm of the countryside. Promotions such as these, and the steady stream of visitors that follow, revitalize these areas. Furthermore, we use social media and news reports to increase exposure of the schools and inspire others to make donations. As more people see the students we work with, they discover the beauty of each corner of Taiwan from the perspective of a child.



Supporting Rural Communities Through the Food Safety – Green Academy Program

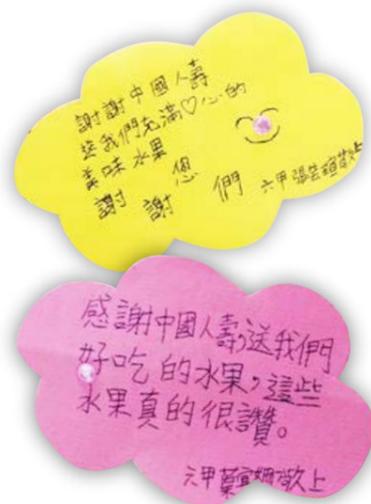
As part of our commitment to engaging in a mutually beneficial relationship with society, we hold the Food Safety – Green Academy Program. We purchase seasonal fruits from small-scale farmers who are conscientious stewards of the land then donate the fruits to rural students. Students benefit from the added source of nutrition, and the farmers receive a steady source of income that helps them to continue their good farming practices. In 2018, we continued to visit rural schools to hold food education activities and sponsor campus farming. We want rural children, who are already in close proximity to nature, to be able to eat a healthy diet. As they think about the importance of good food, they understand how to show greater respect towards the land.



Sponsorship of Campus Farms
Sponsor land restoration and farming at Changhua Yongle Elementary School.

Join Social Enterprises to Hold Agricultural Talks

Spread agricultural educational concepts by joining social enterprises in holding agricultural talks at Kaohsiung Jilai Elementary School and Changhua Yongle Elementary School.



Monthly Deliveries of In-Season Fruits from Local Farmers

Using a multi-charities approach, we buy fruits from small-scale farmers who are conscientious stewards of the land then donate the fruits to rural students.

New Confidence Shown Through the Aesthetic Education Plan

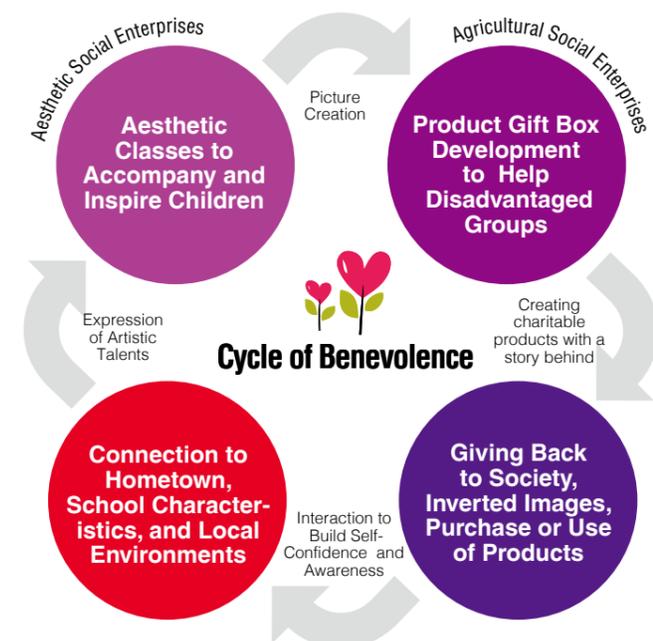
In order to help rural people and areas realize their full aesthetic potential, we decided to build on the foundation of the Read Across 319 Townships reading program with the launch of the Aesthetic Education Plan. For three years, the plan has used "I love my hometown" as the foundation of a dual-method charity approach that brings together the Company and social enterprises to introduce aesthetic education into rural schools. As we activate children's hidden potential, we integrate local culture and characteristics into lesson plans that encourage students to expand their horizons and go beyond their preconceived limitations. As they express their imagination and creativity, their awareness of home and self is increased. Their vision becomes fully activated, which in turn builds their self-confidence.

China Life is devoted to corporate sustainable development and believes that support for the disadvantaged is a core component of this process. As we continue on the path to sustainability, we cooperate with various social enterprises, using their products and services to support the disadvantaged. We follow the spirit of CSR as we utilize our social influence to create greater shared values. We also cooperate with social enterprises and cutting edge artists to offer aesthetics classes. Students are encouraged to incorporate local culture and school characteristics into their artworks to express their artistic potential in a more personal way. Offering youths an opportunity and a stage to perform gives them a chance to realize self-value and raise their self-confidence. At the same time, the general public learns about rural students from the students' own perspective.

In the future, the Company will integrate circular economy concepts in line with international trends. Planned curriculums will increase the usage of goodwill foods and reduce resource consumption and environmental costs. Group art projects created by disadvantaged groups will turn children's paintings into commercial products that can be gifted to Company stakeholders. The proceeds will help social enterprises, and the children's self-confidence will be raised after seeing their art turned into useable items. We will continue to implement plans with a multitude of benefits. As we support education, we stimulate the development of social enterprises. Our public welfare efforts will have a greater impact and make children's talents visible to a wider audience.



At the Taiwan Corporate Sustainability Awards, we received a Social Inclusion Award



2018 Read Across 319 Townships

Community Impact

1. Provide reading and art training fees. Assist schools in purchasing extracurricular books to boost the reading ability of students.
2. Corporate volunteers and professional storytellers entertain students with practically themed lessons and DIY activities, sparking students' interest in studying.
3. Volunteers join rural students in playing games and DIY activities. As an additional benefit, the students have the opportunity to interact with more people from outside their hometown.
4. Together with aesthetic social enterprises and cutting-edge artists, we create aesthetic education courses customized towards rural students. Expressing local characteristics through colorful art encourages the children to use their imagination and creativity. As the students revisit their hometowns, they expand their horizons and build greater self-confidence.
5. Produce videos that introduce the special characteristics of rural elementary schools. Use social platforms to share and spread the videos, thus overcoming spatial limitations and raising the visibility and self-confidence of rural students.

Commercial Impact

1. 61 Media reports.
2. Received a 2017 Taiwan Corporate Sustainability Award for Social Inclusion from the Taiwan Academy of Corporate Sustainability.

Leverage

- Contributed NT\$190,520 to the Food Safety – Green Academy program
- Cooperated with two social enterprises to conduct the Aesthetic Education Plan
- Cooperated with three elementary schools to conduct the Aesthetic Education Plan
- 147 people participated in the Aesthetic Education Plan

Community Benefits

1. 334 Participating students and 78 participating teachers
2. 7 Schools
3. 8 Reading activities
4. Filmed one "Thank You Teacher for the Hope You Bring to Rural Communities" video

Commercial Benefits

1. 6 Media reports

19
Volunteers

Cash
Donations of
NT\$300,000

68 Volunteer
Hours



Localized Charity Expands Sustainable Values

When conducting CSR, China Life takes inspiration from our Company spirit "We Share, We Link." The direction of our long-term social participation is based on observations we make of disadvantaged groups. We use corporate resources to develop activities that benefit society. We bring together social welfare organizations, small-scale farmers who are conscientious stewards of the land, social enterprises, and rural students, then use sponsorships, donations, and regular purchases to expand the influence of our social value chain and help make people from disadvantaged groups self-reliant. These efforts further enhance mutual benefits and values. As we practice CSR, we hope to use local operational methods to encourage our staff to proactively host and participate in charitable activities. These activities bring together office staff and sales agents in a joint effort to care for local communities. While using internal resources to expand our influence, external influences strengthen our sustainable operations. Besides demonstrating our sincerity towards sustainable operations, our employees' endorsement of localized charity enables us to achieve the greatest impact.



The Love to Go Volunteer Team Gives Back to Society Through Service

China Life believes that every one of our employees should practice the concept of "giving back what you take from society." This is the inspiration behind our Love to Go Volunteer Team, which is led by the chairperson of the Company. The team focuses on localized charity. It uses a volunteer day vacation system to encourage participation among our employees and is carried out in conjunction with close to 10 social welfare organizations. Each month the Company pours resources into the program. In 2018, we provided information on close to 3,000 charitable events that our employees could join. The choices were diverse, ranging from donating secondhand goods to rural areas to spending time with nearby disabled persons or caring for children in orphanages.

Volunteer Hours Surpassed 45,000

In order to enhance the overall volunteering environment and make people feel honored to participate in charitable events, China Life offers incentive mechanisms. Our objective is to work as one, from senior executive managers to general employees, in order to not only improve society but also strengthen our team by promoting shared values. Every quarter we publicly commend units, supervisors and teams who make exceptional contributions. For these events, we purchase agricultural goods from local farmers or products from disadvantaged groups to further help people in need. More than 70% of our office staff participated in at least one such charitable event, and together they accumulated over 45,000 hours of service. Their hard work shows how we can awaken the benevolence and love in each person to join in making our shared communities better places to live.



For our 55th anniversary celebration, we held a charitable relay based on the theme "Give Me Five." The event was inspired by our three main charitable initiatives and used a specially designed "55" as a symbol of the power of two hands. First, our Company president led senior executive managers to the Yu-Cheng Social Welfare Foundation, where they worked with intellectually disabled children to create an artwork called "Dreams Take Flight." Other colleagues then went to Peony National Primary School in a rural area of New Taipei for students there to create their own "Dreams Take Flight" installation. These were the first stops traveling Taiwan in a relay-style event that symbolized support, encouragement, leadership, and mutual thanks. Each "Give Me Five" event is meant to show the shared capacity for charitable activities among China Life employees. As we provide a platform for our benevolence to shine, we give added encouragement and bravery to disadvantaged groups. They grow better together with society. In the future, China Life will continue to use the strength of our two hands to bring the cycle of goodwill to every corner of society.



Collection of "Give Me Five" Contributions
<https://www.youtube.com/watch?v=nH2tOr6uJj8>

Charity Fairs Provide a Platform for Love and Dreams

In recent years, China Life has sought to expand the meaning behind our traditional charity fairs by turning them from a "display and sale" focused activity to an event where love and dreams take center stage. Using our corporate resources, we bring together social welfare organizations, small-scale farmers, and social enterprises to events that feature a stage for rural children and the disabled to perform. These performances improve self-confidence among disadvantaged groups and raise their visibility. The farmers, meanwhile, appreciate the chance to share the products of their hard work. They are quiet advocates of low-impact farming methods that protect the land while providing valuable sources of foods and agricultural goods.



- Bring different people together to expand social benefits**
 Use our corporate resources to bring together social welfare organizations, small-scale farmers, and social enterprises. Encourage employees to join group purchases of products that support social welfare organizations.
- Multilateral approaches to public welfare to achieve the greatest impact**
 Office staff and supervisors purchase year-end festival gift boxes from disadvantaged groups then donate them on to social welfare organizations. One compassionate gesture helps two different groups in need.
- Combining environmental protection and public welfare**
 •Gather secondhand goods.
 •Promote the use of seasonal, local products as a way of promoting the sale of environmentally friendly agricultural products. These types of purchases not only make our staff healthier but also reduce the carbon footprint associated with shipping goods long distances.
- Change consumption patterns and stabilize incomes for lower-level workers**
 Encourage employees to make advance purchases and on-site purchases. Annual increases in total sales volumes show strong support for green and charitable goods. By gradually changing the consumption habits and charitable participation of our employees, we put our social influence on display.
- Build a dream stage that support self-confidence**
 •Provide a stage for rural children and the disabled to perform. The performances, which receive enthusiastic praise and applause, raise self-confidence and visibility.
 •Children with intellectual disabilities sell goods on-site. The chance to interact with the general public improves their communication ability.
 •Spring Festival couplet calligraphy and painted design activities show the unique talents of children with intellectual disabilities.

Provide an event for disadvantaged groups and small-scale farmers to display and sell their goods, which supports green concepts and self-reliance.

Create a stage that supports love and dreams by letting disadvantaged children and the disabled showcase their skills. These performances raise self-confidence and support interaction with others.

Charity Fairs and Performances

Love and Dreams Stage

2018 Charity Fairs

Community Impact

1. Provide performance opportunities for disadvantaged groups and people with disabilities in order to raise their self-confidence and visibility.
2. Provide disadvantaged groups with the opportunity to sell their goods onsite. This increases their interaction with others and improves their communication skills.
3. Promote the consumption of seasonal, locally produced agricultural products to reduce the transport-related carbon footprints of purchased products.
4. The principal of a school we helped called to express appreciation. Through this event, we also planned educational exchanges between schools in northern and southern Taiwan.
5. Canvass for secondhand goods to donate, which has the added benefit of raising the reuse rate and protecting the environment. 60% of employees also purchase needed goods to offer as donations.
6. Gather Company managers and employees to purchase Spring Festival gift boxes from disadvantaged groups then donate the gift boxes to social welfare organizations. One compassionate gesture helps two different groups in need.

Commercial Impact

1. Employees proactively publicize these activities, which raises exposure and drums up support among local businesses.
2. Social organizations schedule time to participate in China Life's annual charity fairs.
3. The Kaohsiung Branch Office invited head office staff to visit and offer technical guidance on holding related activities. This increased communication between Company employees.

Leverage

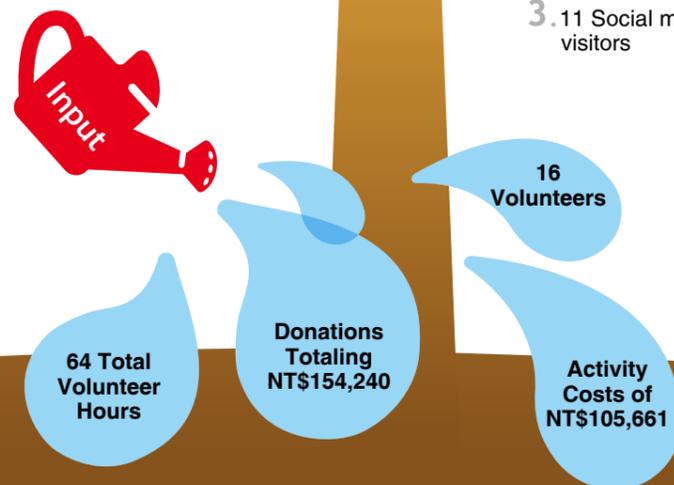
- Employees proactively donate secondhand goods and spread charitable concepts to buyers
- Businesses respond by preparing goods to give to those in need

Community Benefits

1. 2 Charity fairs
2. 3 Gift presentation sessions
3. Added 16 social welfare organizations and small-scale farmers

Commercial Benefits

1. Total sales of close to NT\$400,000
2. 23 internal electronic direct mail messages and total reach of 47,840
3. 11 Social media posts with 12,109 visitors



“Go Compassion” Internalizes Charitable Work for Greater Influence

In order to help people with intellectual disabilities and small-scale farmers achieve steady incomes and work, China Life launched a new activity called “Go Compassion.” Our inspiration was mutual benefit, or good for the Company, employees, and the beneficiary organization. The activity design combines economic value, or good products that are healthy, low-priced and provide repayment value, with the psychological benefit of helping others. In the spirit of regular payments made for insurance products, we invite employees to give NT\$100 a month. These funds are used to pre-purchase goods from small-scale farmers or children with intellectual disabilities, which helps to provide a stable income and jobs. Contributors choose to keep the goods or donate them to a social welfare organization. With each purchase, up to three different groups benefit, which shows the power of giving. Financial support for the farmers also serves as indirect support for green farming. In addition, China Life arranges for employees to visit the Yu-Cheng Social Welfare Foundation. On visits to farms, we harvest fruits, which reinforces ideas about the importance of food sources and their impacts on our health. In the process, we strengthen the connection between people and the land.

More than 50% of staff purchased goods to donate

Social welfare organizations typically have to contend with fluctuations in attention and donations. China Life therefore developed innovative models that make donations stable and ongoing, which is of greater assistance to us.

Chung Yi Orphanage

Typically, I make donations once a year to disadvantaged groups. I was therefore really pleased to see the Company launch this activity. Combining my contribution with the Company's resources helps more children. This time, I purchased 10 units and donated them all to orphanages.

Liu ○○
Protection and Planning Department





The Good Food Plan Uses Food and Agricultural Education to Teach People to Treasure the Earth

Climate change has been an important issue to China Life for many years. We value environmental sustainability and plan to use more corporate resources to support farmers who contribute to this cause by using environmentally friendly farming techniques. Our purchases will reflect these beliefs. We also hope to awaken our staff and the general public to the importance of environmental protection.

Spreading Our Views

China Life uses the theme of "food" as an entry point. We blend environmental protection and health into the discussion, and use the traditional 24 solar terms as a way of explaining in a clear, easy-to-understand manner the importance of choosing fruits and vegetables that are in season. Practical, novel recipes are also provided to make it even easier for people to choose in-season products. Promotions directed at our Company's employees encourage people to be sensitive towards the foods they choose to eat. For people outside of the Company, we offer programs like Food Safety – Green Academy to teach about the importance of choosing in-season, local agricultural products that are grown using environmentally friendly methods. In addition, our "Eat Well" campaign promotes ideas that are healthy and beneficial to the environment. Our ultimate goal is to encourage people to live in harmony with the land.

Taking Action

In consideration of the insurance industry's role of providing emergency assistance to those in need, when excess crops and associated price drops threaten the livelihoods of farmers, China Life is often the first to help. We purchase cabbage, onions, bananas and other agricultural products then share them with charitable organizations, policyholders and employees. This helps the farmers to overcome difficult times and ensures that their crops, and the hard work they put into growing them, don't go to waste. In the future, China Life will continue to provide this assistance.



Giving Back to Society with the Socially Minded Young CEO Plan

China Life believes that the new generation of leaders needs more than just excellent business management capabilities and vast global ambitions. They must also be invested in the community. We appeal to students at colleges and universities across Taiwan to join the ranks of volunteers, and we hold care relays across Taiwan. In 2018, interesting promotional campaigns attracted the attention of college and university-level students to our cause. We encouraged the students to apply for funding and sponsorship that they could use to carry out philanthropic acts. In this way, the Company's resources can have an even greater impact.

Sponsored 12 colleges and universities, 285 student volunteers, Benefitted 1,634 rural students and residents



Painting Competition for the Intellectually Disabled Nurtures an Atmosphere of Art

China Life cares deeply about the well-being of disadvantaged groups. One example of how we act on this ambition is the 11 consecutive years of sponsorship we have provided to the Yu-Cheng Social Welfare Foundation. Initially, we were only a corporate sponsor. Later, we actively promoted sheltered workshop products, so that more people could see products produced by intellectually disabled persons. Furthermore, to show how the insurance industry puts people first, we call on our employees to join the ranks of volunteers to help the disabled and their families. Besides awarding excellent artistic works created by the disabled, we put the art on display so the artists can share their work with family and friends. These special artists develop greater self-belief and build the courage to pursue their dreams. As they reveal their innermost thoughts and dreams through art, they become filled with energy and life. In turn, the general public recognizes their accomplishments and empathizes with their situation.

The Lively Bleinders Fulfill Their Dreams Through Song

By sponsoring art, we help the disabled to overcome the challenges in their life. One example of our work is helping people with visual impairments achieve their singing potential. Through song, they express toughness and toil while revealing incredible vitality. China Life contributes to the systematic training of visually impaired singers. Their disability does not limit their ability to sing, and we help them turn this skill into a way of earning a living. This raises their self-confidence, which opens up even more job opportunities and turns them into contributing members of society.

Hualien Earthquake Relief Supports Disaster Rebuilding

A major earthquake in Hualien toppled or damaged several elementary school buildings. To help students quickly recover, China Life was one of the first companies to provide funding that helped purchase new hardware and facilities. Urgent lifestyle relief provided in conjunction with social enterprises included mental therapy and art relaxation courses. We used art as a way of relieving students of the post-disaster anxiety they felt. In the process, we accompanied the children on a bold journey to restore their old way of life.



Disaster relief aid for 10 elementary schools
Total donations of over NT\$2.6 million



The Company also invited our employees to serve as pen pals for the students. This caring approach encouraged the students to share the problems they faced, enabling us to offer mental support. A total of 14 employees participated, some of whom exchanged letters with the students for a year or more.



Hi! Do you have any special plans for the upcoming summer vacation? After work my favorite thing to do is exercise. Do you like to exercise? Please remember to send me your address so that we can continue this conversation in the future!

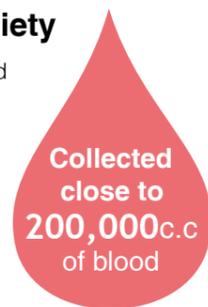
Dear auntie,
 Summer vacation is almost over. I've been busy with cram school and haven't had a chance to play. Too much time spent studying.



Art Relaxation Courses
<https://www.chinalife.com.tw/wps/portal/chinalife/CSR/charity-area/hualien-disaster>

Compassionate Blood Donations Provide Assistance to Society

We continue to cooperate with the Taiwan Blood Services Foundation to promote blood donations as a way of saving lives. At a blood drive held at Company headquarters during the Lunar New Year period, we encouraged employees and staff to roll up their sleeves and donate. During summer vacation, we held a total of seven blood drives in Taipei, Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung. These efforts to promote charity stabilized Taiwan's blood donation environment. For the Taipei blood drive, we cooperated with the Zenan Homeless Social Welfare Foundation to offer donors frozen sweet potatoes that were prepared by a single mother. By simultaneously helping multiple groups, we further demonstrated corporate care. The mother who contributed even wrote a letter to China Life expressing thanks for helping her to improve her life.





CHAPTER 5 **Sustainable Green Actions**

A major milestone was reached in 2016 when the Paris Agreement took effect, as governments and corporations around the world committed to identifying, adapting to, and mitigating the risks associated with climate change. China Life responded by adopting standards from the Task Force on Climate-related Financial Disclosures to evaluate the impact that climate change will have on our operations. At the same time, we promoted paper-free green workflows and seven key environmental sustainability actions. These show that we are serious about protecting the environment and fulfilling our duties as a citizen of the earth.



Protecting the environment with green financial services

2018 ESG Goals and Progress

- ◆ Promoted green processes (Note), which reduced our paper usage by 4.35 million sheets
- ◆ Sales agents promoted mobile insurance policy purchases, which shorten the underwriting period by an average of 1.9 days.
- ◆ Of the customers that purchased insurance products online, 80% opted to receive e-documents.

2019 ESG Goals

- ◆ Continue to promote green processes, with a goal of reducing paper usage by 50,000 sheets compared to the previous year.
- ◆ Continue to promote use of e-documents with mobile insurance policies.

Implementing sustainable supply chain management through joint social responsibility promises

2018 ESG Goals and Progress

- ◆ Expanded the scope of green procurement by adding construction and repair works items. Green procurement expenditures reached NT\$27.10 million.
- ◆ Added 20 suppliers, 100% of whom signed the "Supplier CSR Commitment."
- ◆ 100% of construction and repair works suppliers signed the "Supplier CSR Commitment."

2019 ESG Goals

- ◆ Implement personal information protection measures. Get 100% of suppliers that gather, handle, or use personal information to sign the Supplier Personal Information Protection Evaluation Form.
- ◆ Expand the scope of green procurement by increasing the green procurement purchase amount by 20% compared to the previous year.

Implementing environmental management in response to climate change

2018 ESG Goals and Progress

- ◆ Continued to evaluate electricity efficiency based on equipment and spatial area at all of our workplaces. On average, there was a 1.92% reduction in electricity use compared to the base year of 2016.
- ◆ Greenhouse gas emissions at our head office and the Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branches measured at 4,480.035 tons of CO₂e.
- ◆ Raised the average recycling rates at our head office and the Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branches to 51.38%.
- ◆ monitoring and tree protection initiatives during construction of our new head office at Taipei Academy. Each quarter, the Environmental Protection Administration and the Ministry of Culture reviewed and verified progress.
- ◆ Besides plans that were already in place to install solar cells capable of generating 36 kW of power at Taipei Academy, we continued to assess the feasibility of solar power installations at our other buildings.

2019 ESG Goals

- ◆ Raise the energy efficiency of our data rooms. Lower the power usage effectiveness (PUE) to 1.7 or lower.
- ◆ For each of our Taiwan offices, we will continue to target an average electricity savings goal of 1% per year and 5% over five years (using 2016 as the base year).
- ◆ Continue to be in compliance with ISO 14064-1 greenhouse gas certification.
- ◆ Raise the recycling rate at our main workplaces and reduce the average per capita waste generation rate by 1%.
- ◆ Participate in three environmental protection activities.
- ◆ To reduce the environmental impact arising from construction of our new head office at Taipei Academy, continue to carry out tree protection initiatives.

Note : Green processes include e-notices, e-service, e-policies, and mobile insurance policy purchases.

Management Guidelines

Major Topics

Compliance with environmental protection regulations

Commitments

- ◆ Adopt the Task Force on Climate-related Financial Disclosures standards to strengthen climate change management and respond to international trends.
- ◆ Prioritize the purchase of Green Mark products to meet low polluting, recyclable, and resource saving standards. This lowers our impact on the environment.

Policies / Management System

- ◆ Establish the Environmental Protection Committee, which is responsible for overseeing and evaluating environmental protection and green energy measures.
- ◆ Formulate the "China Life Environmental Protection Policy," the "Supplier CSR Guidelines," and the "Contractor Safety, Health, and Environmental Management Methods."
- ◆ Encourage our property suppliers to sign the "Supplier CSR Commitment." The commitment sets screening standards that account for legal compliance, environmental assessments, labor practices, human rights, and social impact.

Complaint Mechanisms

- ◆ To ensure proper personal information rights practices of construction and repair works contractors, we established the workplace workflow procedures.
- ◆ The stakeholders' section of the corporate website provides links and opinion feedback questionnaires for external stakeholders.

Evaluation Mechanisms

- ◆ Besides carrying out greenhouse gas inventories using ISO 14064-1, we passed a third-party inspection that serves as a reference for future greenhouse gas management maintenance and improvements.
- ◆ Green procurement was NT\$27.10 million.
- ◆ In 132 procurement cases, relevant suppliers signed the "Supplier CSR Commitment."

Promote a Green Economy

Climate Governance

The Intergovernmental Panel on Climate Change forecasts that average global temperatures will increase by 1.5°C or more by 2030 at the earliest. Climate change has clearly become an issue that cannot be ignored. Recognizing the growing severity of climate change and the close connection between the impacts of climate change and the life insurance value chain, we must strengthen our response capabilities and disclose our achievements and actions. In 2018, in line with international trends, we began to use the Task Force on Climate-related Financial Disclosures (TCFD) standards to show the impact of climate change on our operations. TCFD guidance focuses on four main areas: governance, strategy, risk management, and metrics and targets. We included factors associated with guidelines that are important to our industry, namely insurance and property ownership. Using this framework, we strengthened the Company's climate change governance and devised systematic methods to identify climate change risks and opportunities. By setting and tracking goals, we successfully lower potential impacts and prepare for future opportunities. At the same time, we respond to the climate change management expectations of our external shareholders.



Environmental Protection Policies

1. Set environmental goals and carry out management measures.
2. Emphasize energy savings and be an advocate of recycling.
3. Adhere to environmental protection regulations and implement green purchasing policies.
4. Use education and training to improve environmental protection capacity and knowledge.
5. Cooperate with suppliers to implement corporate responsibilities.
6. Assign responsible units and regularly review effectiveness.

Governance

In order to promote environmental protection, effectively manage climate change risks, and build a low carbon corporate environment, the Company formulated the "Environmental Protection Policies." In addition, in 2014, we established the Environmental Protection Committee. Its nine members include managers who oversee after-sales service, information, administrative support, and other important duties. The primary responsibilities of the committee are to formulate committee rules and regulations as well as environmental protection policies and rules. The committee oversees implementation of energy saving and carbon cutting initiatives, waste disposal management, environmental cleanliness, and environmental protection.

In 2018, the committee convened two times to examine and review implementation of environmental protection measures. It also established environmental protection goals and implementation guidance for the following year. Our three main guidelines will continue to be green procurement, responses to climate change, and environmental management/energy reduction.

Strategy

| | Climate Factors | Impacts | Responses and Mitigation Strategies |
|-------------------------------|--|--|--|
| Climate-Related Risks | Higher energy prices | Greenhouse gas reduction requirements could lead to higher energy costs and pressure to raise the efficiency of energy-using equipment. | <ul style="list-style-type: none"> Promote workplace energy savings and carbon reduction. Continue to conduct ISO 14064-1 greenhouse gas inventories. Set annual energy-saving goals. |
| | Stricter environmental regulations | Environmental laws in each country change. Items to consider include levying of carbon taxes on petrochemical products or restricting total petrochemical output and prohibiting the sale of fuel oil powered vehicles. These could affect investment performance. | CSR assessments shall become a key factor of investment research reports on individual stocks under investment consideration. This helps to assess risk. |
| | Extreme weather events that disrupt operations | Extreme climate events could lead to property or equipment losses. In the most severe cases, operations could be disrupted. | <ul style="list-style-type: none"> Establish a mechanism to report major incidents. Improve the restoration efficiency of related systems to quickly respond to operational changes. |
| Climate-Related Opportunities | Green energy investments | Policies and market factors will guide green energy industrial investment developments. | <ul style="list-style-type: none"> Continue to evaluate investments in renewable energy and infrastructure. Support the government's "5+2" innovative industries plan by investing in green energy industries. |
| | Low carbon fintech developments | Market conditions are changing and consumption is moving towards networked mobile solutions. These changes will support fintech. | <ul style="list-style-type: none"> Develop online insurance policy purchases and a mobile insurance policy app to satisfy policyholder needs. Continue to promote e-policies. Replace paper invoices with e-notices to reduce resource consumption. |
| | Climate-related disaster emergency responses | Climate-related disasters are frequent. When major disasters occur, policyholders will need appropriate assistance. | Established the "Policyholder Service Regulations" that serve as guidelines for handling major disasters. Provide policy loan incentives, deferred premiums, expedited claims, and other measures. |
| | Green procurement | Use of products with a green mark. They should be low polluting, recyclable, and save resources. | <ul style="list-style-type: none"> Establish green procurement principles. Prioritize the purchase of products with a Green Mark that are low polluting, recyclable, or reduce resource consumption, in order to reduce the impact on the environment. |
| | Green buildings | Markets are leaning towards green buildings that can save energy and reduce resource usage costs. | <ul style="list-style-type: none"> Taipei Academy is a candidate for Gold-Level Green Building certification. Continue to evaluate whether solar panels are suitable for the Company's buildings in order to develop renewable energy. |
| | Environmental protection awareness | As climate change impacts grow, society is becoming more aware of environmental protection topics. | Develop environmental protection concepts as a social participation theme. Promote charity fairs, the Food Safety - Green Academy program, and other initiatives. |

Risk Management

China Life gathers various units to discuss and evaluate climate change's impacts on operations. We identify the risks and opportunities associated with climate change, and assess the impact of climate change on the Company's revenues, costs, and continuing operations. Each unit must analyze potential financial impacts then establish comprehensive response and mitigation strategies followed by implementation and reviews of results. We must effectively control or reduce climate-related risks in order to meet the expectations of shareholders.

Metrics and Targets

China Life includes climate change management in the Company's annual ESG objectives. Progress is checked twice annually. For 2018 objectives and results, and 2019 objectives, refer to page 139.



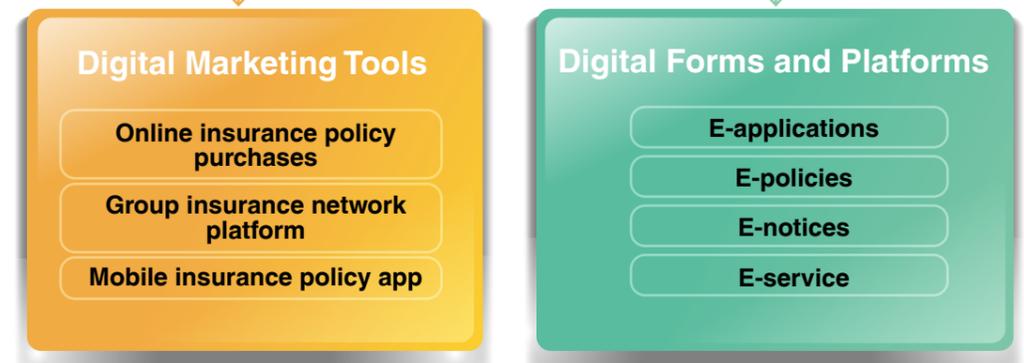
Low Carbon Operations

Digital Services

In recent years, China Life has focused digitalization and workflow paper use reduction on the development of digital marketing tools and digital form & platform services. These are more compatible with modern consumer practices, and they reduce the consumption of paper and other resources, which lowers our environmental impact. Gradually, each of our business activities is going paper-free. Included are sales agent award ceremony handbooks, data for annual meetings, product clauses, and overseas travel activity promotions. We encourage participants to download these data to their tablet computers in order to reduce paper usage. In 2018, we urged agents to use the Company's elite mobile network to search for sales recommendation name lists, as opposed to the past practice of local offices printing paper lists. The change not only saves paper but also helps to protect personal information.

The Company also urges policyholders to join environmental protection initiatives. For example, our monthly policyholder newsletter is sent out using email. In 2018, we delivered 3,629,728 e-newsletters, which not only saved paper but also provided a more efficient way for policyholders to obtain information.

E-Services Provide a New Digital Experience and Lower Environmental Impact



Digital Marketing Tools

Online Insurance Policy Purchases

China Life provides 24-hour online insurance policy purchases. No signature or fax is needed. Everything can be done online. Eliminating the need to apply in person cuts out the greenhouse gases customers produce when traveling to service centers, thus contributing to our low carbon financial services model.

Group Insurance Network Platform

China Life offers a group insurance online platform that lets group insurance applicants, such as employers, obtain or cancel coverage for their employees or other members. Insured persons are able to check their policy details online. In 2018, we began sending self-paid premium payment data to the National Taxation Bureau. A total of 45,000 data sets were provided, showing the effect of our efforts to increase digital services. Meanwhile, we provide digital insurance cards to the policyholders by email, then who can download the cards to their mobile phones. This expands the scope of related searches, increases convenience, and reduces paper use.

Peace of Mind digital card service
11.36 million applicants

Mobile Insurance Policy App

We promoted our mobile insurance policy app. Now our agents only need an iPad to assist policyholders with data entry, online verification, and document previews. The system makes insurance purchases more convenient by reducing form errors and notifications. Improved accuracy and lower paper usage cuts down on document printing, delivery, scanning, file creation, and storage costs, while also reducing energy use and lowering carbon production. At the same time, China Life is discussing mobile insurance policy applications with cooperative partners. We expect our bancassurance partners and brokers will officially adopt mobile insurance by next year, which will further support our environmental protection efforts.

Received 127,000 mobile insurance policy applications

E-forms and Platforms

E-applications

China Life actively promotes e-applications. Applicants enter their information online. Initial screening and approval of basic information takes place then the documents are printed. This not only reduces notifications but also lowers the number of applications that are printed in advance and the transit-related carbon that is associated with delivery. At the same time, we are increasing usage of e-applications by our partner channels. Progress was made in 2018 when two banks signed on to the program.

E-policies

We built an e-policies platform that covers all products across all channels. A third-party organization certified our system to ensure that policyholder information and data remain secure and accurate. We also optimized after-sale workflow and mechanisms.

E-notices

Email is replacing paper documents as the preferred method for delivering policies, mail, and invoices. Paper and print waste are lowered, as are traditional mail deliveries. Policies are uploaded to the Company's website, making them available for customers to search and download at any time. When applying for a new policy, customers can use a tablet computer to complete contracts. They sign up to have e-policies and related information and invoices delivered online. Digital services offer quick access to insurance

Use of e-policies saved 138,800 sheets of paper

More than 200,000 people applied for e-notices

information and eliminate the inconvenience of filling out paper forms. Paper consumption is substantially reduced, and greenhouse gases arising from mail delivery or transportation to/from insurance offices are mitigated.

E-Service

China Life provides policyholders with an uninterrupted, 24-hour e-service platform. Customers can quickly check their policy info and make adjustments from anywhere. Besides saving the time and trouble of filling out paper forms, users reduce greenhouse gas emissions produced during mail delivery or transportation to and from the insurance office.

e-Service saved more than 290,000 sheets of paper

Energy Management

Building a green, low-carbon business is one of China Life's primary objectives. To achieve this goal, we engage in seven key action plans: environmental protection advocacy, greenhouse gas management, electricity use management, green data center management, water resources management, waste disposal management, and green buildings. These initiatives demonstrate our commitment to protecting the earth.



Environmental Protection Advocacy

The Company continues to take steps to reduce greenhouse gas emissions in all our workplaces in accordance with environmental protection and energy savings management standards. We actively participate in environmental protection activities. E-mails sent to employees encourage healthy meals with low environmental impact, use of reusable cups, closing security doors to reduce air conditioner waste. We also prohibit the littering of cigarette butts. All workplaces participate in energy-saving activities, and we use our corporate social media accounts and website to advocate for saving energy, reducing carbon, and protecting the environment. Accumulated page views on our environmental protection social network pages reached 220,000, and there were more than 5,000 likes.

Going Past 60 Towards a Brighter Future

“Leave no trace” is an important ethical standard that reminds us to care for the environment. We should do everything we can to reduce activities and behaviors that have an impact on nature. China Life is committed to environmentally friendly concepts. We work with China Development Financial to hold litter pickup activities in mountainous areas and encourage our staff to move closer to nature and become more aware of the environment they live in. Together, we can maintain a clean and hospitable natural environment.

Completed litter pick-up on 11 mountain trails

Management of Greenhouse Gas Emissions

For four consecutive years, China Life has conducted annual inventories of greenhouse gases produced at our head office and the Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung branch offices. Total greenhouse gas emissions were 4,480.035 tons CO₂e in 2018. In addition, we obtained ISO 14064-1 greenhouse gases certification and began to track Scope 3 indirect emissions, such as emissions in the value chain from gasoline, diesel, electricity, and waste. We continue to monitor annual greenhouse gas inventories and implement measures to lower emissions.

Greenhouse Gas Emissions, 2017 and 2018

Unit : CO₂e (tons)

| | Stationary Emissions | Scope 1 | | Scope 2 | Scope 3 | Total |
|------|---------------------------------------|------------------|--------------------|---------|-----------|---------|
| | | Mobile Emissions | Fugitive Emissions | | | |
| 2018 | Emissions (tCO ₂ e / year) | 0.523 | 38.0764 | 148.358 | | |
| | | | | | 3,440.304 | 852.086 |
| 2018 | Scope | 0.28% | 20.66% | 79.06% | | |
| | | | 4.19% | | 76.79% | 19.02% |
| 2017 | Emissions (tCO ₂ e / year) | 0 | 42.666 | 132.445 | | |
| | | | 175.111 | | 3,201.308 | - |
| 2017 | Scope | 0% | 24.37% | 75.63% | | |
| | | | 5.19% | | 94.81% | - |

Note 1 : We used the power coefficient source announced by the Bureau of Energy, Ministry of Economic Affairs in 2017, and the Global Warming Potential values, 2007 edition (AR4). Emission sources belong to the Company or operations under the Company's control.

Note 2 : Scope 1 emissions include CO₂, methane, N₂O and HFCs.

Electricity Consumption Management

In response to global climate change, for each of our Taiwan offices, we set an average electricity savings goal of 1% per year and 5% over five years, with 2016 serving as a base year. In 2018, for current buildings we continued to maintain and repair equipment and to evaluate whether old, inefficient equipment, such as central air systems in our buildings, needed to be replaced. We sought to cultivate green working habits among employees, including urging them to reduce light usage by turning off lights during midday breaks and when leaving the office, and to close doors to reduce AC wastage. In 2018, we spent NT\$17,480,284 to renew old central air systems and equipment in the Company's own buildings. Compared to 2016, our total electricity consumption fell by 183,764 kWh (661,550.4 MJ) in 2017 and 264,650 kWh (952,740 MJ) in 2018. This is equivalent to a reduction of 101.805 tons and 146.616 tons of CO₂, respectively (based on 0.554 tons of CO₂ per kWh of electricity). Also, in 2018, our energy intensity fell by 2.06% compared to the base year, showing that we continued to meet our goal of reducing energy use by at least 1% per year.

In 2018, we also evaluated the feasibility of installing solar panels at the seven office buildings we own (Dunbei Building, Neihu's Technology Building, Ruihu Building, Hsinchu's Technology Building, the Taichung Branch Office, Kaohsiung's Mingcheng Building, and Kaohsiung's Zhonghua Building). The developer of a new building being built across from Kaohsiung's Mingcheng Building commissioned tests to see the impact on our sun exposure. We will use these results as a reference when making solar panel plans.

Electricity Consumption, 2017 and 2018

| | 2018 | 2017 |
|-------------------------------------|------------|------------|
| Electricity Consumption (kWh) | 12,929,329 | 12,838,021 |
| Revenue (NT\$ millions) | 338,495 | 255,328 |
| Energy Intensity (kWh/NT\$ million) | 38.20 | 50.28 |

Note : The primary energy used at China Life is electricity originating mostly from nonrenewable sources. Scope of power use includes facilities used by office staff (head office/branches) and sales agents (district offices).

Green Data Center Management

China Life is promoting data center management from two primary directions: raising air conditioning efficiency and lowering the electricity usage of air conditioning. The server room uses cabinet-style air conditioning, so we take advantage of its short cold-warm cycle path and excellent heat transfer efficiency. We planned hot and cold aisles and partitions to further enhance the return air temperature and improve AC efficiency. To reduce AC electricity usage, we added an inverter type water chiller to the roof. Based on the actual load of the data center, we adjust the chiller unit temperature and reduce electricity usage of the chiller main engine. These steps will lower the power usage effectiveness (PUE) (Note) of the new data center to 1.7 or lower, which will enable us to save on air conditioning fees.

Note : The Power Usage Effectiveness (PUE) of a data center is the ratio of total amount of energy used by a computer data center facility to the energy delivered to the computing equipment. The smaller the PUE, the better the power usage effectiveness.

Water Resources Management

The Company primarily uses water in the central air system and for domestic purposes. We are improving water use efficiency by replacing old central air equipment, switching to water-efficient equipment, and urging staff to heed consumption. In 2018, the head office and major branch offices used a total of 37,764kl of water.

Water Consumption at the Head Office, 2017 and 2018

| | 2018 | 2017 |
|------------------------------------|---------|---------|
| Total Water Use (kl) | 37,764 | 34,532 |
| Revenues (NT\$ millions) | 338,495 | 255,328 |
| Water Intensity (kl/ NT\$ million) | 0.11 | 0.14 |

Note: The Company primarily uses water in the central air system and for domestic purposes. Its usage scope is limited to office

Waste Management

All of the Company's waste is nonhazardous. It can be broken down into two primary types: general waste and recyclable waste. Waste disposal companies transport general waste to government-approved waste treatment facilities for incineration. As part of our policy of reusing resources, we encourage separating general waste and recyclable waste. In 2018, our head office and main branch offices (Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, and Kaohsiung) recycled 86,000kg out of 167,381kg of total waste, for a recycling rate of 51.38%. Our recycling rate rose 8.8% compared to 2017.



Green Buildings

The Company conducts quarterly environmental monitoring of the Taipei Academy development project to examine air quality, noise and vibrations, transportation, effluent, and construction noise, and we carry out tree protection. We delivered related plans to the local Department of Environmental Protection for review. All monitoring items adhered to standards, showing that we are effectively reducing our environmental impact. In 2018, tree protection efforts included leaving six trees in their original location, replanting 17 trees onsite, and moving 39 trees to an external location. We plan to install solar cells capable of generating 36 kW of power. On an annual basis, they are expected to produce 34,344 kWh worth of energy and reduce our carbon emissions by 19 tons.



The Taipei Academy development project became a certified candidate for a **Gold Class Green Building Label**

China Life's new headquarters is a candidate for Gold Class Green Building certification



Green Supply Chain

We have always regarded our suppliers as partners. To ensure supply-chain stability, create local job opportunities, and reduce transport-related carbon emissions, China Life procures goods from local supplies. More than 99% of our procurements come from suppliers based in Taiwan. China Life also values environmental conservation. We prioritize the purchase of Green Mark products that are low polluting, recyclable, and reduce resource use. These products lower our environmental impact.



100% of our copier paper has environmental protection certification



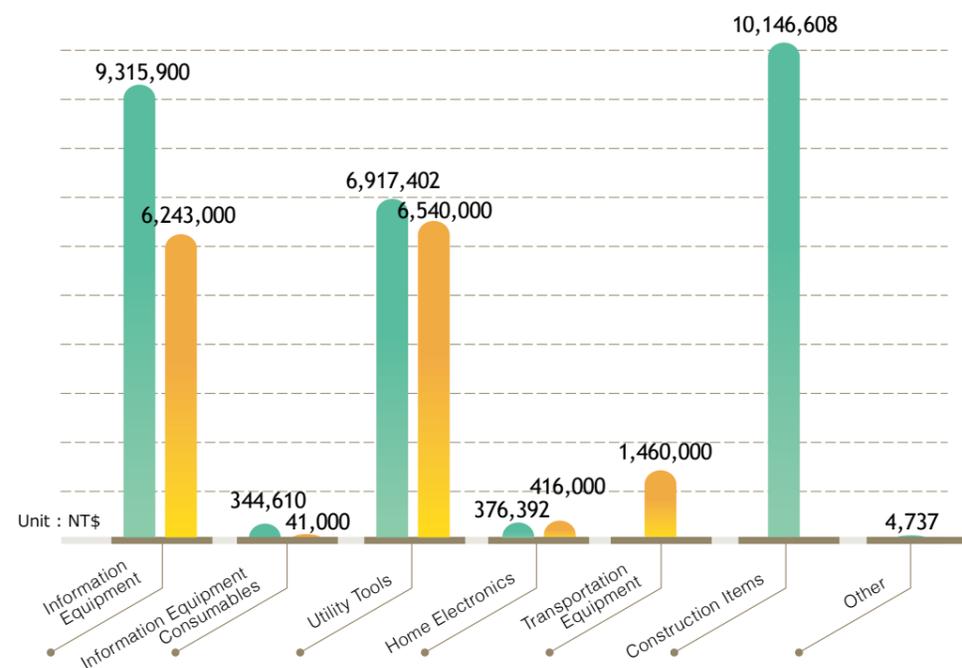


Green procurement amount : NT\$27.10 million

For three consecutive years, the Department of Environmental Protection, Taipei City Government awarded the Company a green procurement award

Green Procurement Spending, 2017 and 2018

● 2018 Spending total NT\$27,105,649 ● 2017 Spending total NT\$4,700,000



Supplier Management



Supplier Environmental Protection Policy

1. The Company is committed to ensuring that our suppliers protect the environment and society. We urge our suppliers to implement corporate social responsibility.
2. Suppliers must work towards reducing or eliminating all forms of waste, including from water and energy. Energy-saving equipment, repairs and maintenance, or new maintenance methods can all be used. Recycling, reuse, or alternative materials are additional ways to achieve energy-saving goals.
3. Suppliers shall work towards reducing waste, toxic compounds, and emissions. All waste that is generated must be disposed of in an appropriate, legal way in order to reduce our impact on the natural environment.

The Company sources three main types of items: office supplies and equipment, labor, and construction and repairs. We use fair, just, and transparent methods to choose suppliers. Relationships are managed via open bidding, signed contracts, progress discussion, inspection and acceptance, and management of contractual terms. We actively manage and control product quality, delivery dates and prices.



To effectively manage our suppliers, all of the Company's general procurement contracts contain mandatory "Articles Governing CSR and Ethical Management." Content includes environmental protection, labor conditions, occupational health and safety, and worker rights. At the same time, in accordance with occupational safety and health regulations, and to inform contractors of hazards and related measures, we established the "Safety, Health, and Environmental Management Methods of Contractors." These methods strengthen our practices and provide contractors with related information. They ensure that all work is carried out safely. In 2018, there were zero workplace injuries among our contractors.

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

Appdienx GRI Standards

General Disclosure

| | Corresponding Chapter or Remarks (Includes Omitted Description) | Page No. |
|--------------------------------------|---|---------------|
| Organizational Profile (2016) | | |
| 102-1 | Name of the organization About This Report Getting to Know China Life | 05 07 |
| 102-2 | Activities, brands, products, and services Getting to Know China Life [CH4] Implement Inclusive Financing All products this year were subject to review and investigation by regulators before going on sale | 07 113-115 |
| 102-3 | Location of headquarters Getting to Know China Life | 07 |
| 102-4 | Location of operations About This Report Getting to Know China Life | 05 07 |
| 102-5 | Ownership and legal form Getting to Know China Life | 07 |
| 102-6 | Markets served Getting to Know China Life | 07 |
| 102-7 | Scale of the organization Getting to Know China Life | 07 |
| 102-8 | Information on employees and other workers [CH3] Building a Happy Workplace The Company does not have any part-time employees | 92-93 |
| 102-9 | Supply chain [CH5] Promote a Green Economy | 151-152 |
| 102-10 | Significant changes to the organization and its supply chain No major changes | |
| 102-11 | Precautionary Principle or approach [CH2] Strict Risk Management | 64-67 |
| 102-12 | External initiatives [CH5] Promote a Green Economy | 141 |
| 102-13 | Membership of associations [CH2] Firm and Stable Operations | 54 |
| Strategy (2016) | | |
| 102-14 | Statement from senior decision-maker Letter from Management | 03-04 |
| Ethics and Integrity (2016) | | |
| 102-16 | Value, principles, standards, and norms of behavior [CH2] Firm and Stable Operations | 55-56 |
| Governance (2016) | | |
| 102-18 | Governance structure [CH1] Believing in the Power of Sustainability [CH2] Firm and Stable Operations | 18 49-52 |
| Stakeholder Engagement (2016) | | |
| 102-40 | List of stakeholder groups [CH1] Bolstering Sustainable Management | 27-32 |
| 102-41 | Collective bargaining agreements China Life has not established trade unions; hence there are no collective bargaining agreements | |

| | Corresponding Chapter or Remarks (Includes Omitted Description) | Page No. |
|---|---|------------------------------------|
| 102-42 | Identifying and selecting stakeholders [CH1] Bolstering Sustainable Management | 27 |
| 102-43 | Approach to stakeholder engagement [CH1] Bolstering Sustainable Management | 27-32 |
| 102-44 | Key topics and concerns raised [CH1] Bolstering Sustainable Management | 27-32 |
| Reporting Practice (2016) | | |
| 102-45 | Entities included in the consolidated financial statements There are no other financial reports shared externally | |
| 102-46 | Defining report content and topic boundaries [CH1] Bolstering Sustainable Management | 35-38 |
| 102-47 | List of material topics [CH1] Bolstering Sustainable Management | 35-38 |
| 102-48 | Restatements of information China Life did not have any restatements of information during this year | |
| 102-49 | Changes in reporting [CH1] Bolstering Sustainable Management | 34 |
| 102-50 | Reporting period About This Report | 05 |
| 102-51 | Date of most recent report About This Report | 05 |
| 102-52 | Reporting cycle About This Report | 05 |
| 102-53 | Contact point for questions regarding the report About This Report | 05 |
| 102-54 | Claims of reporting in accordance with the GRI standards About This Report | 05 |
| 102-55 | GRI content index Appendix | 153-157 |
| 102-56 | External assurance About This Report Appendix | 06 163-164 |
| 103-1 | Explanation of the material topic and its boundary [CH1] Bolstering Sustainable Management | 35-38 |
| 103-2 | Explanation of the material topic and its boundary [CH1] Navigation- Blueprint for Sustainable Development [CH2] Development- Ethical Management [CH3] Influence- Age of Innovation [CH4] Digitalization- Care Without Boundaries [CH5] Sustainability- Green Action | 17 42-44 77-78 108 140 |
| 103-3 | Evaluation of the management approach [CH1] Navigation- Blueprint for Sustainable Development [CH2] Development- Ethical Management [CH3] Influence- Age of Innovation [CH4] Digitalization- Care Without Boundaries [CH5] Sustainability- Green Action | 17 42-44 77-78 108 140 |
| GRI 201: Economic Performance (2016) | | |
| 201-1 | Direct economic value generated and distributed [CH2] Firm and Stable Operations | 46-47 |

Management Approach (2016)

Economic Approach

Environmental Approach

| | Corresponding Chapter or Remarks (Includes Omitted Description) | Page No. |
|--|---|----------|
| 201-3 | Defined benefit plan obligations and other retirement plans [CH3] Building a Happy Workplace | 97-99 |
| GRI 202: Market Presence (2016) | | |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage [CH3] Building a Happy Workplace | 100 |
| GRI 204: Procurement Practices (2016) | | |
| 204-1 | Proportion of spending on local suppliers [CH5] Promote a Green Economy | 151 |
| GRI 205: Anti-corruption (2016) | | |
| 205-2 | Communication and training about anti-corruption policies and procedures [CH2] Firm and Stable Operations | 55-56 |
| 205-3 | Confirmed incidents of corruption and actions taken China Life had no cases of corruption during this year | |
| GRI 302: Energy (2016) | | |
| 302-1 | Energy consumption within the organization [CH5] Promote a Green Economy | 148 |
| 302-3 | Energy intensity [CH5] Promote a Green Economy | 148 |
| 302-4 | Reduction of energy consumption [CH5] Promote a Green Economy | 148 |
| GRI 305: Emissions (2016) | | |
| 305-1 | Direct (Scope1) GHG emissions [CH5] Promote a Green Economy | 147 |
| 305-2 | Energy indirect (Scope2) GHG emissions [CH5] Promote a Green Economy | 147 |
| 305-3 | Other indirect (Scope3) GHG emissions [CH5] Promote a Green Economy | 147 |
| GRI 306: Effluents and Waste (2016) | | |
| 306-2 | Waste by type and disposal method [CH5] Promote a Green Economy | 149 |
| GRI 307: Environmental Compliance (2016) | | |
| 307-1 | Non-compliance with environmental laws and regulations China Life had no cases of non-compliance with environmental laws this year | |
| GRI 308: Supplier Environmental Assessment (2016) | | |
| 308-2 | Negative environmental impacts in the supply chain and actions taken [CH5] Promote a Green Economy China Life's supply chain had no significant negative environmental impacts this year | 152 |

Social Approach

| | Corresponding Chapter or Remarks (Includes Omitted Description) | Page No. |
|--|---|----------------|
| RI 401: Employment (2016) | | |
| 401-1 | New employee hires and employee turnover [CH3] Building a Happy Workplace | 94 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees [CH3] Building a Happy Workplace | 97-99 |
| GRI 403: Occupational Health and Safety (2016) | | |
| 403-1 | Workers representation in formal joint management-worker health and safety committees [CH3] Building a Happy Workplace | 102 |
| 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities [CH3] Building a Happy Workplace China Life did not have any incidences of occupational injury among workers who were not employees of the Company this year | 103 |
| 403-3 | Workers with high incidence or high risk of diseases related to their occupation China Life does not have any occupational activities involving a high incidence or high risk of disease | |
| 403-4 | Health and safety topics covered in formal agreements with trade unions China Life has not established trade unions;hence there are no related agreements | |
| GRI 404: Training and Education (2016) | | |
| 404-1 | Average hours of training per year per employee [CH3] Talent Transformation | 82 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews [CH3] Talent Transformation | 91 |
| GRI 405: Diversity and Equal Opportunity (2016) | | |
| 405-1 | Diversity of governance bodies and employees [CH2] Firm and Stable Operations [CH3] Building a Happy Workplace | 49-50 92-93 |
| 405-2 | Ratio of basic salary and remuneration of women to men [CH3] Building a Happy Workplace | 100 |
| GRI 406: Non-discrimination (2016) | | |
| 406-1 | Incidents of discrimination and corrective actions taken China Life did not have any incidences of discrimination this past year | |
| GRI 408: Child Labor (2016) | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor China Life had no operations or suppliers identified as having incidents of child labor | |
| GRI 409: Forced or Compulsory Labor (2016) | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor China Life had no operations or suppliers identified as having significant risk for incidents of forced or compulsory labor | |

Corresponding Chapter or Remarks (Includes Omitted Description) Page No.

| | | |
|---|--|--|
| GRI 413: Local Communities (2016) | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | [CH4] Advancing Social Harmony 122-136 |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | China Life had no operations with significant negative impacts on local communities this year |
| GRI 414: Supplier Social Assessment (2016) | | |
| 414-2 | Negative social impacts in the supply chain and actions taken | [CH5] Promote a Green Economy China Life's supply chain had no major negative social impacts this year 152 |
| GRI 415: Public Policy (2016) | | |
| 415-1 | Political contributions | China Life did not provide any form of political donation |
| GRI 417: Marketing and Labeling (2016) | | |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | [CH2] Strict Risk Management 73-74 |
| 417-3 | Incidents of non-compliance concerning marketing communications | [CH2] Strict Risk Management 73-74 |
| GRI 418: Customer Privacy (2016) | | |
| 418-1 | Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data | [CH2] Firm and Stable Operations 71-72 |
| GRI 419: Socioeconomic Compliance (2016) | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | [CH2] Firm and Stable Operations 73-74 |
| GRI Financial Services Sector Supplement: Product Assembly | | |
| FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose | [CH2] Firm and Stable Operations [CH4] Implement Inclusive Financing 46-47 56-58 113-115 |
| FS8 | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose | [CH2] Firm and Stable Operations 56-58 |
| Sustainable Development Strategies | | |
| | | [CH1] Sustainability Strategies 20-26 |
| Risk Management | | |
| | | [CH2] Risk Management 64-67 |
| Anti-Money Laundering and Counter-Terrorist Financing | | |
| | | [CH2] Anti-Money Laundering 59-63 |
| Fintech and Related Innovations | | |
| | | [CH4] Digital Innovations 109-112 |

Self-Designated Topics

Taiwan's Sustainable Development Goals

| No. | Specific goal | Corresponding Chapter |
|------|---|--|
| 1.4 | Enhance the safeguards and equal rights associated with entrepreneurship, employment, loans, financing, residence, and land ownership of all citizens, in particular people from disadvantaged groups. | [CH4] Implement Inclusive Financing |
| 1.5 | Reduce the losses caused by disasters, in particular the losses suffered by vulnerable groups in need of extra protection and people from low-income groups. | [CH4] Fair Treatment of Customers |
| 4.5 | Ensure that people from disadvantaged groups, including people with disabilities, indigenous peoples, and vulnerable children, have the means and professional training required for all stages of education. | [CH4] Advancing Social Harmony |
| 5.5 | Encourage administrative departments of all levels to promote women to management and senior management positions, and political parties to cultivate women and increase their political participation. Increase the ratio of female police officers and female managers in listed and OTC companies, and guide women towards becoming company representatives. | [CH2] Firm and Stable Operations [CH3] Building a Happy Workplace |
| 7.2 | Increase the capacity of renewable energy equipment. | [CH5] Promote a Green Economy |
| 8.1 | Maintain a suitable level of economic growth by following the core values of innovation, employment, and distribution. | [CH4] Implement Inclusive Financing |
| 8.5 | Raise labor productivity. | [CH3] Talent Transformation |
| 8.6 | Match education and work skills and introduce training measures that strengthen the employment capabilities of young workers. | [CH3] Talent Transformation |
| 8.7 | Promote workplace safety and guarantee the rights of female workers to participate in labor and trade unions. | [CH3] Building a Happy Workplace |
| 8.9 | Promote fintech innovations and diverse convenient financial services. | [CH4] Implement Inclusive Financing |
| 8.13 | Develop green energy technology, raise energy autonomy and energy diversity, promote the development of renewable energy. | [CH5] Promote a Green Economy |
| 10.2 | Continue to promote employment initiatives for indigenous people and increase their job opportunities and income. Raise employment among the disabled as well as their economic status. | [CH3] Building a Happy Workplace |
| 10.3 | Expand promotion and education of laws that strengthen gender equality and eliminate employment discrimination. Build a comprehensive system to prevent gender violence and protect children. Improve people's ability to sense instances of discrimination or violence. | [CH3] Building a Happy Workplace |

| No. | Specific goal | Corresponding Chapter |
|-------|--|---|
| 11.5 | Reduce losses from various types of disasters and protect the disadvantaged and people with low incomes. | [CH4] Fair Treatment of Customers |
| 11.9 | Strengthen the social safety net, ensure social stability, and uphold public security. Resist violent criminal offenses. | [CH2] Firm and Stable Operations |
| 11.12 | Raise energy efficiency and GHG emissions reduction features of buildings. | [CH5] Promote a Green Economy |
| 12.6 | Encourage companies to adopt sustainable development measures and disclose sustainable development information. At the same time, ensure that the information disclosed is accurate and of sufficient quality. | [CH1] Believing in the Power of Sustainability |
| 12.7 | Encourage public and private sectors to increase green procurement. | [CH5] Promote a Green Economy |
| 13.1 | Raise adaptability, increase resilience and reduce vulnerability for climate change. | [CH5] Promote a Green Economy |
| 13.3 | Enhance climate change and sustainability education, as well as people's accomplishments. | [CH4] Advancing Social Harmony [CH5] Promote a Green Economy |
| 16.1 | Strengthen the social safety net, ensure social stability, and uphold public security. Resist violent criminal offenses. | [CH2] Firm and Stable Operations |

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

| Chapter | Corresponding Chapter/Description |
|--|--|
| Chapter1 General Principles | [CH1] Believing in the Power of Sustainability |
| Chapter2 Exercising Corporate Governance | [CH2] Firm and Stable Operations |
| Chapter3 Fostering Sustainable Environment | [CH5] Promote a Green Economy |
| Chapter4 Preserving Public Welfare | [CH3] Building a Happy Workplace [CH4] Advancing Social Harmony |
| Chapter5 Enhancing Disclosure of Corporate Social Responsibility Information | [CH2] Firm and Stable Operations |
| Chapter6 Supplementary Provisions | [CH1] Believing in the Power of Sustainability |

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

| Classification | Main Issues | Corresponding Chapter |
|-----------------|---|---|
| Human Rights | Businesses should support and respect internationally recognized human rights | [CH3] Building a Happy Workplace |
| | Make sure that they are not complicit in human rights abuses | [CH5] Promote a Green Economy |
| Labor Standards | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | [CH3] Building a Happy Workplace |
| | The elimination of all forms of forced and compulsory labor | [CH3] Building a Happy Workplace |
| | The effective abolition of child labor | [CH3] Building a Happy Workplace |
| | The elimination of discrimination in respect of employment and occupation | [CH3] Building a Happy Workplace |
| Environment | Businesses should support a precautionary approach to environmental challenges | [CH2] Firm and Stable Operations [CH5] Promote a Green Economy |
| | Undertake initiatives to promote greater environmental responsibility practices | [CH5] Promote a Green Economy |
| | Encourage the development and diffusion of ecofriendly technologies | [CH5] Promote a Green Economy |
| Anti-corruption | Businesses should work against all forms of corruption, including extortion and bribery | [CH2] Firm and Stable Operations |

Social Responsibility Guidance Standard (ISO 26000) Comparative Table

| Classification | Main Issues | Corresponding Chapter |
|---------------------------|---|--|
| Organizational Governance | Make decisions and implement a systematic corporate social responsibility philosophy when carrying out an objective | [CH1] Believing in the Power of Sustainability |
| Human Rights | Due diligence | [CH3] Building a Happy Workplace |
| | Human right risks situations | [CH3] Building a Happy Workplace |
| | Avoidance of complicity | [CH2] Firm and Stable Operations |
| | Resolving grievances | [CH3] Building a Happy Workplace |
| | Discrimination and vulnerable groups | [CH3] Building a Happy Workplace |
| | Civil and political rights | [CH3] Building a Happy Workplace |
| | Economic, social and cultural rights | [CH3] Building a Happy Workplace |
| | Fundamental principles and rights at work | [CH3] Building a Happy Workplace |
| Labor Practices | Employment and employment relationships | [CH3] Building a Happy Workplace |
| | Conditions of work and social protection | [CH3] Building a Happy Workplace |
| | Social dialogue | [CH4] Advancing Social Harmony |
| | Health and safety at work | [CH3] Building a Happy Workplace |
| | Human development and training in the workplace | [CH3] Talent Transformation |
| Environment | Prevention of pollution | [CH5] Promote a Green Economy |
| | Sustainable resource use | [CH5] Promote a Green Economy |
| | Climate change mitigation and adaptation | [CH5] Promote a Green Economy |
| | Protection of the environment, biodiversity and restoration of natural habitats | [CH5] Promote a Green Economy |

| Classification | Main Issues | Corresponding Chapter | |
|-----------------------------------|---|---|--------------------------------|
| Fair Operating Practices | Anti-corruption | [CH2] Firm and Stable Operations | |
| | Responsible political involvement | [CH2] Firm and Stable Operations | |
| | Fair competition | [CH2] Firm and Stable Operations | |
| | Promote social responsibility in the value chain | [CH5] Promote a Green Economy | |
| | Respect for property rights | *Not very applicable to the life insurance industry | |
| Consumer Issues | Fair marketing, factual and unbiased information and fair contractual practices | [CH4] Implement Inclusive Financing | |
| | Protecting consumers' health and safety | [CH4] Implement Inclusive Financing | |
| | Sustainable consumption | [CH4] Implement Inclusive Financing | |
| | Consumer service, support, and complaints and dispute resolution | [CH4] Implement Inclusive Financing | |
| | Consumer data protection and privacy | [CH2] Firm and Stable Operations | |
| | Access to essential services | [CH4] Implement Inclusive Financing | |
| | Education and awareness | [CH4] Advancing Social Harmony | |
| | Community Participation and Development | Community involvement | [CH4] Advancing Social Harmony |
| | | Employment creation and skills development | [CH3] Talent Transformation |
| Technology development and access | | *Not very applicable to the life insurance industry | |
| Wealth and income creation | | [CH4] Advancing Social Harmony | |
| Education and culture | | [CH4] Advancing Social Harmony | |
| | Health | [CH4] Advancing Social Harmony | |
| | Social investment | [CH4] Advancing Social Harmony | |

INDEPENDENT ASSURANCE OPINION STATEMENT

China Life 2018 Corporate Social Responsibility Report

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

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

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

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

Scope

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

1. The assurance scope is consistent with the description of China Life 2018 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the China Life's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000 Assurance Standard (2008) with 2018 Addendum assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

Opinion Statement

We conclude that the China Life 2018 Corporate Social Responsibility Report provides a fair view of the China Life CSR programmes and performances during 2018. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the China Life and the sample taken. We believe that the 2018 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate China Life's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurors in accordance with the AA1000AS (2008) with 2018 Addendum. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that China Life's description of their approach to AA1000AS (2008) with 2018 Addendum and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

Methodology

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

- a top level review of issues raised by external parties that could be relevant to China Life's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 24 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

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

Inclusivity

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

Materiality

China Life publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of China Life and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the China Life's management and performance. In our professional opinion the report covers the China Life's material issues.

Responsiveness

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

Impact

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

GRI Sustainability Reporting Standards (GRI Standards)

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

Assurance level

The moderate level assurance provided is in accordance with AA1000AS (2008) with 2018 Addendum in our review, as defined by the scope and methodology described in this statement.

Responsibility

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

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu
Managing Director BSI Taiwan
2019-06-13




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