

We Share We Link

CHINA LIFE
INSURANCE

2021 Sustainability Report



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A Message from Management

Climate change has long-lasting impact on the environment, the ecosystem and daily life of human beings. Military conflict and the global pandemic have accelerated development imbalance around the world. In the process of pursuing net-zero emission, how to undergo transformation in response to risks and thereby facilitate economic, social, and governance development, is the joint-goal for countries and enterprises around the globe.

The financial sector is the driver for economic activities and should therefore exert positive investing and financing influence in the process of pursuing sustainable development. Life insurance companies provide the public with long-term security and financial planning and manage substantial amounts of investment assets. As such, life insurers shoulder the responsibility of social stability as well as the livelihood of its policyholders.

China Life continuously incorporates ESG sustainable management into its management strategies. Through rigorous and exceptional corporate governance, China Life has established a comprehensive risk management structure for climate change and promoted the structure through collaboration between departments. In addition, China Life takes the initiative in tending to society' s needs by facilitating digitalized services and providing customer-centric insurance services while also devoting itself to providing a quality workplace that ensures equality among employees.

In terms of core businesses, China Life deems policyholders' rights and benefits as top priority and implements excellent assets and liabilities management as foundation for its operations. Moreover, the Company has gradually integrated Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI) into every aspect of our business. China Life continues to adopt "fairness, empathy, and treating customers as we would ourselves" in facilitating inclusive finance, offering insurance services to fulfill every need.

As an asset owner, China Life continues to strengthen its responsible investments, exerting positive influence of an investor. The Company actively responds to climate change-related risks and opportunities for its investment portfolio, and not only gradually reduces carbon emissions of it investment positions but also undertakes climate actions. China Life's achievements are on par with international standards. In 2021, China Life acquired the world's first ISO 14097 Validation Opinion Statement, validated by British Standards Institution (BSI), one of the most prestigious third-party certification bodies.

With the aim of becoming "the most recommended and trustworthy insurance company," China Life collaborates with its parent company – CDF, to implement the ABCDE strategy. Our five core strategies include Accelerate Digital, Become Employer of Choice, Customer focus, Drive Growth and Execution Excellence. Sustainable development is another goal that the Company incorporates in every part of its operations, creating long term value for all our stakeholders and assuming the social responsibility of a life insurance company.

Chairman
Saloon Tham

About the Report

This is the 2021 Sustainability Report (hereinafter referred to as "The Report") of China Life Insurance Company Limited (hereinafter referred to as "China Life" or the "Company").

Report Disclosure Period

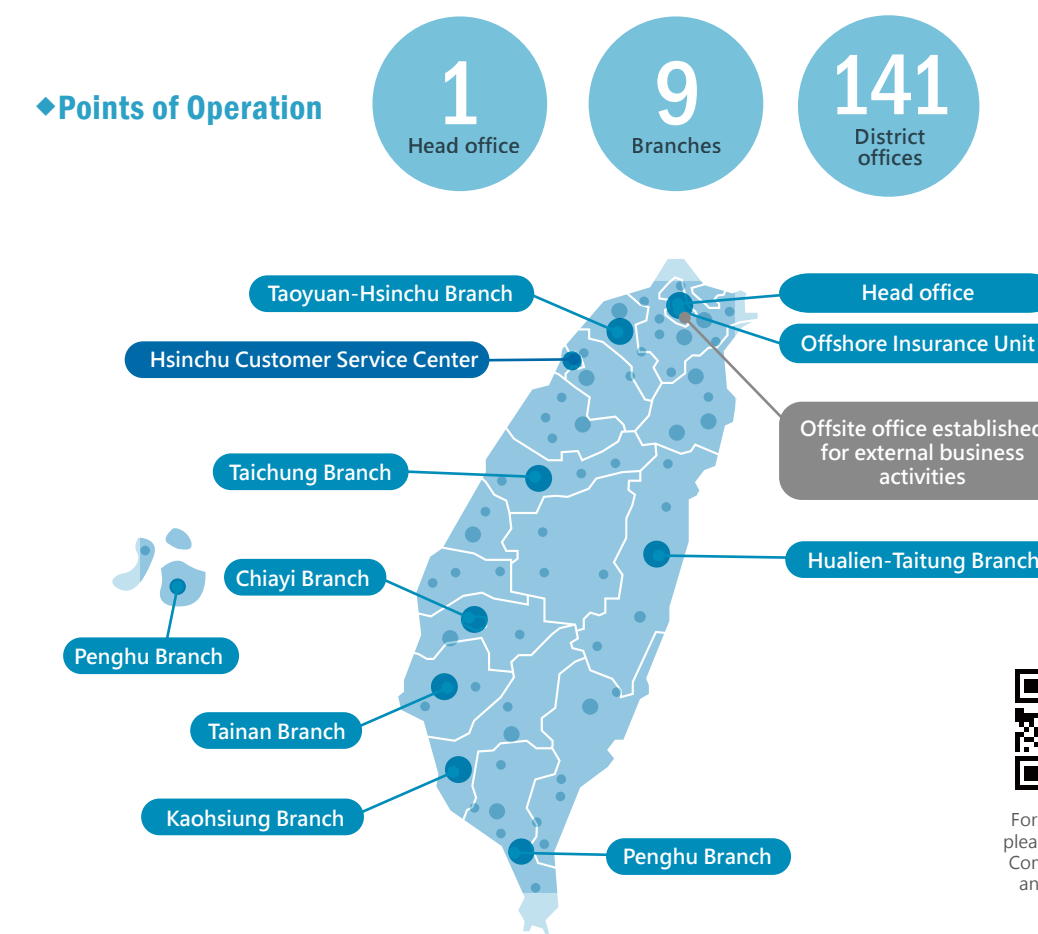
The Report reveals information relating to corporate sustainable development of China Life between January 1st, 2021, and December 31st, 2021. Due to the compiling of information and transparency, the content disclosed is not limited to 2021. The previous report was released in June 2021; the next report will be released in June 2023. Each year's CSR report is available for download from the Sustainability section of our corporate website.



China Life's Sustainability Section

Report Scope and Boundary

The Report delineates the achievements related to corporate sustainable development and planning of future strategic goals. Information in the Report covers the China Life head office, 1 offsite office established for external business activities, 1 customer service center, 9 China Life branches in Taiwan, and all 141 China Life district offices.



For more details, please refer to the Company's 2021 annual report.

Guidelines

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

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Institution	Global Reporting Initiative, GRI	Compliance Items	• GRI Standards: Core Option
	International Integrated Reporting Council, IIRC		• GRI Financial Services Sector Supplement
	United Nations, UN		• International Integrated Reporting Framework
	Sustainability Accounting Standards Board, SASB		• Sustainable Development Goals, SDGs
	International Organization for Standardization, ISO		• The Ten Principles of United Nations Global Compact
	Taiwan Stock Exchange Corporation, TWSE		• Standards for the Insurance Industry
			• ISO 26000 Social Responsibility Guidance
			• Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
			• Corporate Governance Best-Practice Principles for Insurance Enterprises
			• Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies

Verification of the Report

The Report meets GRI reporting principles requirements (including accuracy, balance, clarity, comparability, reliability and timeliness) and was prepared in accordance with the GRI Standards Core Option and the Standards for the Insurance Industry issued by SASB. The British Standards Institution (BSI), an independent third-party certification body, verified the Report in accordance with AA1000 international standards using Type 2 moderate level assurance. Verification details can be found in the appendix.

Information / Data Type	Compliance Standards	Verification Institution
Sustainability Information	AA1000 international standards using Type 2 moderate level assurance	British Standards Institution (BSI)
Investments and Financing Activities	ISO 14097: 2021 Framework including principles and requirements for assessing and reporting investments and financing activities related to climate change	British Standards Institution (BSI)
Environmental Information	ISO 14064-1:2018 Greenhouse Gases Inventory ISO 14001:2015 Environmental Management System	British Standards Institution (BSI)
Information Security	ISO 27001:2013 Information Security Management BS10012:2017 Personal Information Management System	SGS Taiwan

Stakeholder Communication and Feedback

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



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China Life Insurance Company Limited**
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Tel: +886-2-2719-6678, ext. 1884
E-mail: chinalifeESG@chinalife.com.tw



Getting to know China Life

China Life has provided excellent services for over 60 years. Its mission is to "provide sustainable financial solutions for customers, employees, shareholders, and society through innovation and talent development" In the Company's latest "The Training Partner" ① promotional video, the "training partner" is used to illustrate the "We Share We Link" brand value, depicting a moving story of deep trust in which China Life's agents adopt a "customer-centric" approach to not only grow with our customers, but accompany them in every phase of life. In the future, China Life will integrate CDF's resources and implement a forward-looking and innovative approach in executing the business group's ABCDE strategy ②. The Company will work with stakeholders in creating joint-value, and in turn, offer a helping hand to safeguard hand to safeguard others. China Life strives to realize its company mission of being sustainable and become the most trustworthy and recommended life insurance company.



China Life's all new "The Training Partner" brand promotional video

China Life Timeline

2021	Completed share swap with CDF, becoming a wholly-owned subsidiary of CDF.
2020	Obtained two Taiwan utility model patents for a sales training chatbot.
2019	Received a Taiwan utility model patent for establishing a user tag library and marketing system by applying artificial intelligence to insurance services.
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 Corporation 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 superfluous 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	Emerg ed as the only large life insurance company in Taiwan that did not suffer from asset impairment losses due to investments in subprime assets 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.

China Life Basic Information

Official Name	China Life Insurance Company Ltd
Headquarters	3F.-7F., No. 135, Dunhua N. Rd., Songshan Dist., Taipei City
Year of Establishment	1963
Equity Investment in Mainland China Insurance Company	CCB Life Insurance Company Limited in Mainland China had 24 branches and 237 sub-branches at the end of 2021.
Main Product Types	Individual life insurance, annuity, universal insurance, medical insurance, long-term health care insurance, accident insurance, group insurance, travel insurance, micro - insurance, and investment-linked products
Main Market	Taiwan
Number of Employees	Office Staff: 2,511 Sales Agent: 14,622
Net Sales Revenue	NT\$300,244,000,000 (Operating Revenue); NT\$224,013,000,000 (Premium Revenue)
Equity	NT\$177,009,000,000
Liabilities	NT\$2,129,034,000,000
Total Assets	NT\$2,306,043,000,000



For more details, please refer to the Company's 2021 annual report.

① The promotional video was well-received by colleagues and the public alike, with over 23 million ad views.
② ABCDE Strategy stands for Accelerate Digital, Become Employer of Choice, Customer Focus, Drive Growth, and Execution Excellence.

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G Corporate Governance

Corporate Governance

- **Company in fulfilling diversity value**, with members not only specializing in management, finance, law, actuary & statistics, insurance, etc., but also having practical experience. The Board consists of 4 seats of independent directors, 2 female directors and 2 foreign directors.
- Conducted the first-ever "**Integrity Management Risk Assessment**," assessing whether the residual risks from non-integrity behavior align with China Life's risk appetite.
- Profit after tax for 2021 was NT\$28.54 billion and **EPS was a historical high of NT\$5.8**, with total premium reaching NT\$224 billion. China Life broke previous records in terms of profit and total assets.

Risk Management

- **Established visualized analysis platforms using Risk Metrics and Tableau**, automatically producing visualized charts and enhancing added value and research output.
- **Business Continuity Management (BCM) measures** and announced BCM policies and statements. Acquisition of ISO 22301 certification is scheduled in 2022.
- **Conducted first drill for identity DoS attacks**, ensuring the effectiveness of tolerance and attack protection solutions for the Company's website or important hosts.
- **100%** CAMS qualification acquisition rate for personnel working in AML/CFT departments. With over 680 colleagues having acquired the said certificate, the Company aims to cultivate an AML/CFT culture.

Responsible Investment

- Became the **first-ever company** to acquire "ISO 14097 Framework including principles and requirements for assessing and reporting investments and financing activities related to climate change" certification
- Actively adjusted investment portfolios in accordance with responsible investment policies. Compared with the end of 2020, the total investment carbon emission towards the end of 2021 **reduced by 32%**.
- **For 4 years**, maintained 100% participation in invested company (TWSE Listed & Taipei Exchange Listed) shareholders meetings, as well as their decision-making in accordance with the Institutional Investor Stewardship Principle Declaration.

Digital Finance

- **Led the industry in adopting** "facial recognition technology" when it comes to policy enrollment. From July to the end of 2021, over 10,000 customers have completed insurance enrollment using facial recognition.
- **Created digital sales tools** – "i-game" & "i-inquiry." Accumulated 78,885 sent records from July to the end of 2021. Customer reply rate reached 82%.

E Environment

Climate-related Risks & Strategies

- Continued to support TCFD as a TCFD Supporter. First disclosure of TCFD report and acquired "**Excellence**" rating for TCFD compliance.

Green Operation

- New HQ building acquired **golden-level green building rating**, with indoor design adopting power-saving facilities and air-conditioning systems. Greenery of the HQ site is projected to **reduce the equivalent of 3.03 million kilograms** of carbon emission.
- Solar panels are installed at new HQ building, with close to **50,000 kWh green energy produced** in 2021.
- **Launch of mobile APP services**, reducing papers used in servicing clients while increasing underwriting efficiency. Since its launch in 2016 to 2021, over 97% of insurance enrollments are submitted remotely through the mobile APP.

Sustainable Supply Chain

- **Green purchasing totaling NT\$117.3 million.**

S Social

Talent Development

- China Life Champion Management Cultivation: Involving 33 workshops, 1,622 personnel, 2,703 hrs; **cultivating sustainability talent, enhancing the Company's ability to develop sustainable financial solutions and accelerating transformation.**
- Average number of certificates held by office staff was 2.59, with **consistent growth for 5 consecutive years.**

Human Resource Management

- With 65.5% of supervisors being female, China Life was **selected in the Bloomberg, Gender-Equality Index (GEI) 3 year in a row.**
- **Purchased & delivered pandemic prevention kits** for all office staff. **Provided Company-paid "Communicable Disease Hospitalization Health Insurance" for office staff.**
- Held "Heart-warming Culture" serial events. **Creating a friendly working environment** by encouraging sharing and exchange between colleagues. "Game-based interaction" had a 90% approval rate.
- Near 100% OAQ survey reply rate, with survey results drastically improving by 67%. Action plans have been compiled based on the 2021 **results in efforts to become the "Employer of Choice."**

Inclusive Financing

- Consumers can use the FundRich website to enroll in regular life insurance, insurance for major illnesses, small-sum retirement insurance, and **establish an insurance protection web depending on personal needs.**
- Worked in partnership with Tainan City Government, and Chao Xing Foundation to **provide microinsurance protection for 35,753 citizens while donating premium.**
- **First in the industry** to offer 4 different vaccine insurance products, such as the "China Life Vaccine Adverse Effect Hospitalization Health Insurance."

Treating Customers Fairly

- Ranked among top 20% by the Financial Supervisory Commission's (FSC) Treating Customers Fairly Principles Assessment **three years in a row.**
- **First in the industry** to establish "Policies and Strategies of Treating Customers Fairly," "Execution Guidelines for Treating Customers Fairly" and "Continuous Improvement System for Handling Consumer Disputes & Complaints" in reference to the UK's Financial Conduct Authority's "Guidance for Firms on the Fair Treatment of Vulnerable Customers."
- First in the industry to compile and announce the **bilingual Version of "Customer Service Articles" to financial consumers regarding** China Life's commitment to different policy details.
- First in the industry to engage in cross-industry cooperation with "Duofu Care & Service" and "Duofu Holidays" in **providing disability transportation services and holiday deals.** In addition, China Life implemented an environment enhancement program for the disabled while also holding friendly service practice training for front-line customer service staff.
- Scores of 4 or higher (out of 5) were recorded in **99.9%** of satisfaction surveys at general service counters. Care Counters scored 5/5 for **100%** of satisfaction surveys.
- **Introduced Net Promoter Score (NPS)** to assess customer experience, with both "new contract" and "claim" averaging over 70 in score.
- First in the industry to launch 3 "Taiwanese + Sign Language" pop-up insurance educational videos, **helping the elderly and the hearing-impaired better understand insurance products and their rights prior to insurance enrollment.**

Social Participation

- Adopted the B4SI standard in measuring and managing social impact. **Social participation investment totaled NT\$34 million**, as well as cooperation with 137 charity institutions, a total of 1,031 charity events and benefitting 116,941 people.
- Love to Go Volunteer Team had over 30,000 volunteer hours, **a record-high.**
- In response to the pandemic, China Life was the **first** to cooperate with the Taipei City Government, offering **coverage for retired medical personnel.**
- **Exclusive donation** to the establishment of a mental health platform. With over 400 psychiatrists involved, the project offered one-on-one consulting for over 2,000 individuals.
- Become the only insurer **among the Circular Economy & Carbon Reduction 100+.** Integrated sustainability with social innovation through its "My Hong-Te Water Refill Map" participation and the setting of 5 water refill locations. The first quarter of 2022 saw a reduction of 3,803 plastic bottles, reducing carbon reduction by 353.68 kilograms.
- **For the 13th consecutive year** we held charity fairs. Fair sales reached a record-high of NT\$1.4 million.

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Incorporation of Principles for Sustainable Insurance

China Life has actively responded to the United Nation's Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI), integrating the principles and spirits of PSI and PRI into the Company's overall strategic planning, and takes environmental, social and governance (ESG) topics into account for its operating management system and decision making process. The Company strives to enhance and understand sustainable opportunities and risks, and carries out these concepts in the insurance sector's value chain spanning product design, sales, underwriting, investment management, and after-sale services.

Principle 1 Integrate ESG topics into the decision making process for core businesses as an insurance company

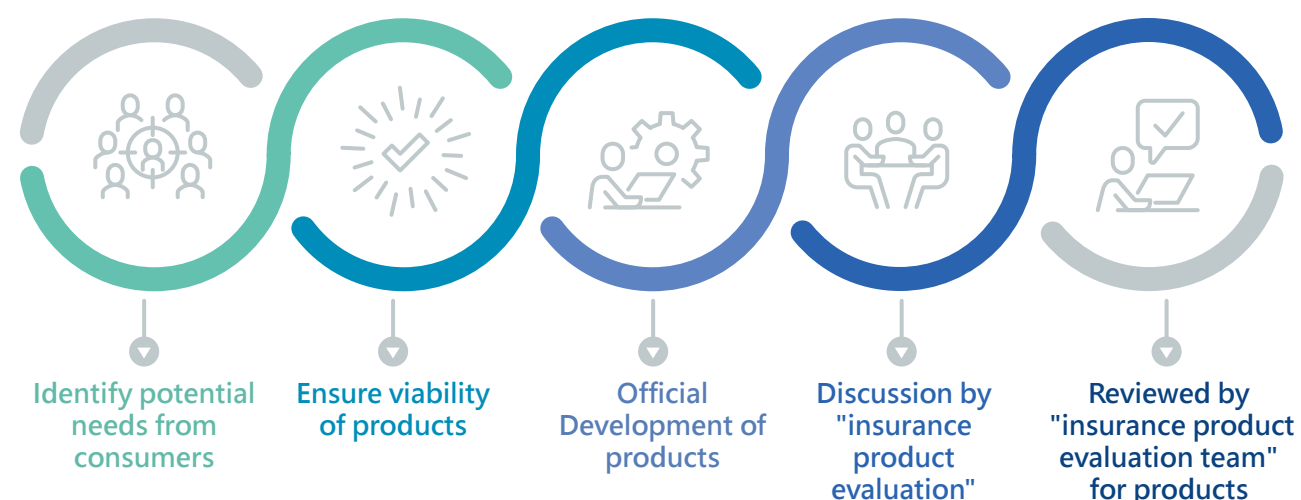
Business strategies

- The board, serving as China Life's highest decision making organization, continues to monitor and identify enterprise-related risks and opportunities, and integrate the ESG topics into the business decisions.
- We regularly convene "corporate sustainability committee" meetings, with the Chairman chairing the committee . The constitution of the committee closely aligns to business administration and corporate governance strategies, with the committee managing and tracking executive performance of ESG goals.

Product design

- The Company continues to develop innovative products that meet the public's need and regularly examines all types of actuarial statistics . According to "Regulations Governing Pre-sale Procedures for Insurance Products," meetings of insurance product management team shall be held semi-annually to ensure sustainable development and customer's rights.
- Product design embodies the spirit of inclusive finance, with our continual promotion of micro-insurance, small-sized life insurance, general insurance for the disabled, health products with spillover effect, as well as COVID-19 and vaccine insurance products with ESG value. The aim is to satisfy multiple needs from customers in different life stages.

▼ China Life's product design process



Sales and Underwriting

- Sales agents are required to sign the "Convention of sales agents to follow treating customer fairly principles to maintain customers' rights and interests." In addition, the Company continually reminds sales agents to provide transparent and reasonable transaction environment and abide by principles of integrity via agents' e-platform, "Elite Mobile Network."

SASB FN-IN-270a.4

- China Life regularly reviews sale-related materials such as plans and product fliers, add page numbers, offer information to consumers , provide full details about product information and disclosure, as well as understand consumer-related information to ensure the suitability of the products and services for consumers. We also ensure that the operations comply with operational procedures and other related regulations and follow the principles of fairness, reasonableness, equality, reciprocity and integrity, without falsehood, fraud, hiding or other actions that mislead people.

SASB FN-IN-270a.4

- The underwriting process is conducted according to "Underwriting Systems and Procedures," "Off-shore Insurance Units Underwriting System and Procedures." During the underwriting process, the Company evaluates all sorts of underwriting factors including compliance to treating customer fairly principles, personal information, insuring motivation, insurance gain, demand, suitability items, financial and health situation while also taking the Company's risk tolerance into consideration.

SASB FN-IN-270a.4

- According to the revision of "Self-discipline standards for solicitation advertising," sales agents shall use advertisements approved by the Company when engaging in sales and solicitation for certain insurance products online. They are not allowed to reproduce, redesign, or edit the materials in any other forms. Moreover, they can only leave their personal information apart from the advertisement, in order to avoid additional footnotes that might mislead the clients.
- Sales agents shall follow the principles of integrity and treating customers fairly during the selling process. A total of 11 online treating customers fairly training sessions were held in 2021, with 107,225 agents completing the training. The 1-hour course of "Guidelines of financially friendly service for the insurance industry" is held annually, with a total of 16,433 agents completing the training.
- The Company established respective management and control measures for policyholders with different risk levels such as age, insurance amount and health condition and engage in underwriting process. We also assess AML/CFT risks based on automatic matching and human checking procedures.
- To provide comprehensive protection for physically and mentally disabled clients, the precautions for solicitation of the disabled in the "Insurance solicitation handling system and procedures" and "Management guidelines for sales agents" were revised, which remind agents to understand the medical rules before they solicit businesses from physically or mentally disabled clients. The revision requires agents to ensure that the policyholders fully understand the content during the sell-

• Please refer to committee's organization chart and duties in CH1 Organizational Culture for Sustainable Governance, p.22.
 • We take into consideration ROI, death rate, morbidity rate, lapse ratio, expense ratio, exchange rate and tax rate.
 • Please refer to CH3 Inclusive Finance on multiple inclusive finance products.
 • For instance, provide solicitation process and policyholders' identity by filling in "Agent solicitation report."

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ing process and that we provide the proper services. Rejection of providing insuring services, refusal of sending insurance application, and dissuasion of giving up insuring will be punished.

- In order to protect elderly financial consumers in an aging society, in addition to complying with the business solicitation guidelines and procedures to conduct the insuring operation, employees are encouraged to receive training sessions for retirement financial planning and a 2021 Retirement Financial Advisor certificate program grant was launched. A total of 322 agents completed the sessions, with 163 agents obtaining the certificates. The purpose is to meet elderly clients' needs of early retirement.
- When engaging in insurance business based on the insurance policies' product life cycle, the Company needs to collect, handle and use large number of customers' personal information according to the latest standards of the BS 1012 PIMS. The best practice of personal information management has been adopted to the headquarters and branch offices. In 2021, external assessment organization was hired for second review, improving the Company's personal information management system to reach the international standard as a representation of the Company's overall culture.

Investment management

- We formulated "Responsible Investment Policies" and updated our "Compliance Statement of Stewardship Principles for Institutional Investors," embedding ESG principles into our internal investment policies and decision-making. In addition to designating "Exclusionary Standards for Direct Investments." We increase the value of our investment assets through comprehensive analysis of the industrial development, profits, and sustainable actions of our investment targets.⁷
- Every year we regularly evaluate the overall operating performance, sustainability and ESG performance of our invested companies. By attending shareholders' meetings, exercising voting rights, and communicating with the directors or executive managers of the invested companies, we assume our responsibility as an institutional investor through proper engagement. We fulfill our stewardship principles as investors over the long-term to uphold the rights and interests of the Company, customers, shareholders, and other stakeholders.

After-sales service

- Adopting a customer-centric approach to everything we do, China Life acts with love and care. We facilitate relevant departments spanning service planning, process optimization, hardware and facilities deployment and front-end service execution, striving to provide clients with heartwarming, spontaneous, and high-quality services. In addition, we have established a positive relationship with our customers based on interactive services and mutual trust, thereby improving customer loyalty.
- Regularly update after-sales service management measures according to the "Principles for Financial Service Industries to Treat Clients Fairly," and enhance colleague's awareness of consumer protection through internal communication and training.
- Set policyholders' mind at ease via heartwarming services. These include setting up innovative and

diverse medical health products and services, providing transportation subsidy for cancer diagnosis consultancy services, and collaborating with specialty cancer treatment centers, in order to offer second diagnostic opinions on probable cancer patients.

- Fulfill promises made to policyholders via claims. Continuous improvement on the transparency of claim procedures. Policyholders can receive text message notifications on application acceptance and insurance case closure. They can also download the policyholder APP to look up their claim history and their insurance case processing progress. Customers can also take advantage of "Claim Alliance Services" by using a single document for claims of multiple insurance companies, achieving the goal of "one-stop application and documentation sharing."



Joint collaboration with customers and business partners to raise ESG awareness, manage ESG risks and develop relevant solutions

Customers

- In order to provide value added services that best suit the needs of policyholders, service counter staff, customer service hotlines, enterprise official sites, social media, and digital tools⁸ such as "i-game" and "i-inquiry" are used to cater to clients' real needs⁹. Suitable communications methods are used to ensure clients can smoothly interact with China Life both online and offline.
- Sticking to the spirit of "treating customer fairly," financial inclusion and digital finance services including "protection friendly," "smart mobility," and "disease protection" are offered to satisfy policyholders' diverse demands across different stages in life. China Life tailors its products to satisfy the needs of different customer groups.

Suppliers

- China Life uses the Property Procurement Guidelines as a basis for selecting suppliers. The Company prioritizes suppliers with excellent ESG performance and directly addresses ESG issues through open negotiations, contract signings, progress reports, inspection and acceptance, and performance management. All of local suppliers from general procurement contracts or construction and repair contracts have signed the "Supplier Corporate Social Responsibility Guidelines."
- Our green procurement policies include prioritizing products with environmental labels as a way of urging suppliers to strengthen their product sustainability. In 2022, our total green procurement was NT\$101.73 million.
- China Life evaluates suppliers using the Supplier CSR Guidelines, which manages risks by focusing on 12 ESG topics, including labor rights and human rights, worker health and safety, environmental protection, and CSR.

⁷ Please refer to CH3 "Responsible Investment" p.73-75 for Responsible investment policies and compliance statement of Stewardship Principles for Institutional Investors.

⁸ Please refer to CH3 Digital Finance for digital tool part on p.81-83.

⁹ Please refer to CH1 Stakeholder Engagement part on p.31-32.

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- We continue to publicize the CSR Supplier Section on our corporate website so that we can work with suppliers in complying with sustainability pledges. Suppliers and contractors can also access the feedback sections on the sustainability and stakeholder sections of our website to engage in proper communication.



CSR Supplier Section

Cooperative Channels: Insurers, Reinsurers, and Brokers/Agents

- Contracts with agents and brokers stated that the insurance contracts should be carried out with due care of a good and prudent administrator, detailing insurance contracts or relevant services with fiduciary duty. The documentation including fliers and advertisement used for solicitation used by the sales agents should be created under social ethics, integrity, and financial consumer protection, and be compliant with the law.
- Use email, telephone, meetings, education and training, and other methods to communicate ESG issues with our cooperative channels. Provide high-quality products that adhere to ESG values and information on mobile application to our cooperative channels.
- Since 2018, we have discussed mobile insurance application methods with our cooperative partners. Through 2021, 42 of our partner banks, insurance brokers and agents offered mobile insurance applications, which expanded our energy savings and carbon reduction efforts.

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

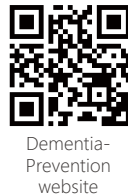
Governments, Regulators and Other Policy Decisionmakers

- We engage in close, frequent interactions with governments and regulators. We submit business reports and hand over of financial inspection data upon requests. We also attend relevant government meetings, conferences, and seminars. At the same time, we carry out sustainable development strategies, such as corporate governance, green finance, responsible investing, fair treatment of customers, financial inclusion, digital innovation, anti-money laundering and counter-terrorist financing to promote ESG actions both internally and externally.
- In coordination with the FSC's financial information security action plan, we plan and implement information security promotion measures. Starting from the second half of 2021, we will review implementation status every six months.

Other Important Stakeholders

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

- China Life was the first to announce the launch of the "Insurance Claim Hospital Sync" project in collaboration with the Taipei City Government. It uses innovative blockchain technology to engage in document sharing with 10 hospitals located in Taipei City, reducing time and resources spend on claim application.
- We became the first dementia-friendly insurance company in Taiwan. In cooperation with the Taiwan Alzheimer's Disease Association, we have integrated dementia care into our business practices. We publish easy-to-understand comics and other guidebooks and offer a dementia-prevention website to raise dementia awareness. Through our actions, we have jointly created a safety net for dementia patients.



Dementia-Prevention website

Principle 4 We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing these principles for sustainable insurance.

In June of each year we publish our annual sustainability report. In special columns, we disclose implementation of sustainable insurance principles. The British Standards Institution (BSI), an independent third-party certification body, verified our 2021 Report in accordance with AA1000 international standards. Through these measures, we ensure that we are open, accountable, and transparent about our compliance with sustainable insurance principles.

In addition, stakeholders can also access the [sustainability](#) and [treating customers fairly sections](#) of China Life's website to better understand the Company's progress in implementing principles for sustainable insurance and to understand more about our sustainable products and services.



Sustainability Section



Treating Customers Fairly sections



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Low Carbon Transformation – Working Together to Create a Net Zero Ecosystem

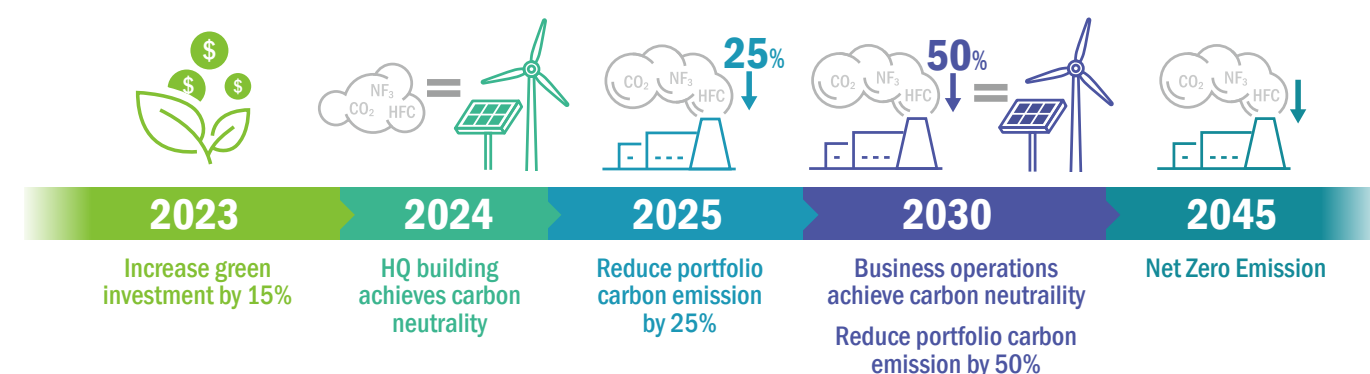
Net Zero Mission and Strategy

The UNFCCC COP26 was held in Glasgow in November 2021. Countries have pledged to undertake more active climate actions in an effort to keep global warming below 1.5 ° C, a goal set in the Paris Agreement. Initiatives and commitments made by the financial industry have become crucial driving force in promoting sustainable development. In response to the global net zero trend, the Taiwanese government has set net zero emission goals for 2050. The Executive Yuan has established a cross-departmental "Net Zero Emission Task Team" to plan Taiwan's future climate governance strategies and net zero roadmap.

In utilizing the influence of finance/life insurance on value chains to combat climate change, China Life continues to incorporate sustainability concepts into its operation strategies. Through the CDP disclosure insight action, the Company has disclosed the results of its GHG management and carbon reduction actions, increasing data transparency and enhancing business strategies. In addition, China Life became the first ever company to implement the "ISO 14097 Framework including principles and requirements for assessing and reporting investments and financing activities related to climate change" in enhancing responsible investment management measures.

After joining the CDF group in 2021, China Life actively aligns with CDF's visions and strategies of achieving net-zero investment portfolio emission by 2045. In alignment with CDF's 2045 net zero carbon emission ^⑩ schedule and the Company's short, mid, long-term goals ^⑪, China Life will work toward "Net Zero Carbon Emission Business Operations" and "Net-Zero Investment Portfolio Emission" and develop relevant measures as it exerts its influence to encourage invested parties in undergoing net zero transformation.

▼ CDF's Net Zero by 2045 Schedule



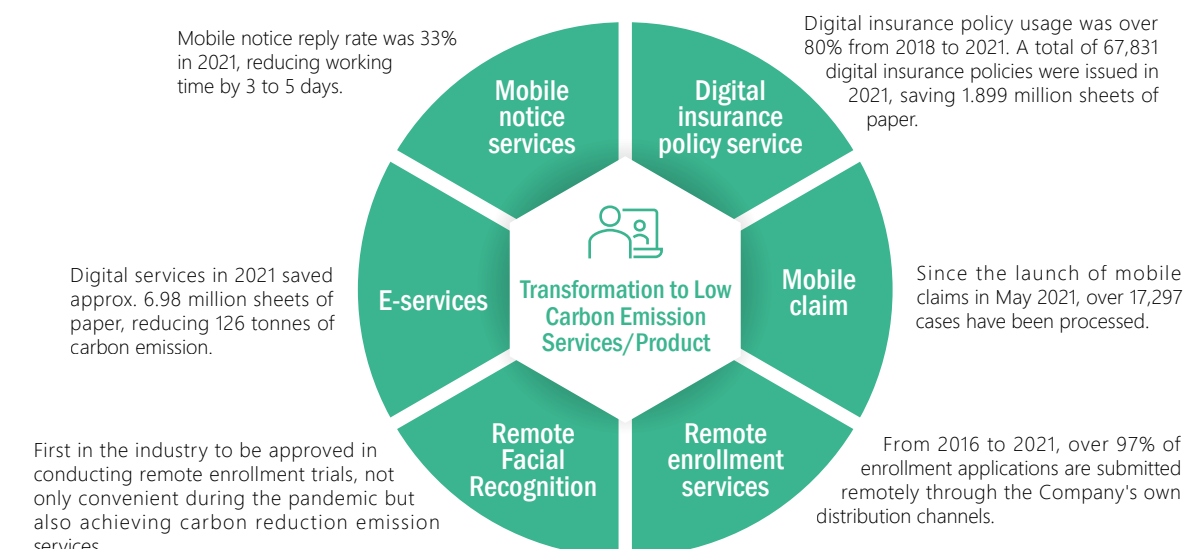
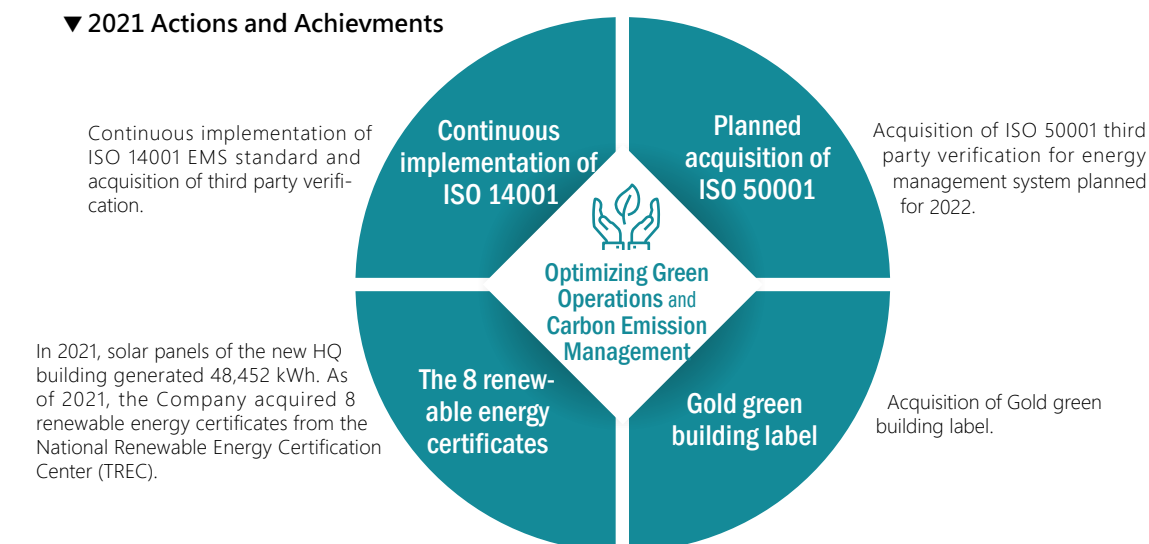
^⑩ CDF's five net zero strategies: Voluntarily abide by UNFCCC's initiatives, as well as setting engagement goals, industry goals, investment portfolio goals, transformation goals.

^⑪ Please refer to p.29 of CH1 Sustainability Strategies.

Net Zero Emission Business Operations

Environmental sustainability has always been a key issue for China Life's ESG strategy planning. In addition to alignment with the "Green Living Initiative" launched by the Environmental Protection Administration, Executive Yuan, R.O.C (Taiwan), the Company continues to engage in internal promotion of green procurement, ISO 14064-1 Greenhouse gases inventory, enhancement of power usage efficiency and appropriate recycling, as well as launch of different digitalization and paperless procedures in reducing environmental impact and greenhouse gas emission. In 2021, with the "Low Carbon Emission Transformation" strategy, the Company formulated power-saving and carbon reduction measures for its workplace and business locations.

▼ 2021 Actions and Achievements



Net Zero Investment Portfolio Emission

Since 2017, China Life has voluntarily abided by the UN's Principles for Responsible Investment (PRI) and formulated RI policies that incorporate ESG factors into its investment assessments. To enhance the Company's responsible investment actions, the ISO 14097 framework was introduced in 2021, with three main climate actions executed: "Renewable Energy Power Plant Investment," "Green Bond

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Investment," "Engagement with High Carbon Emission Industries." China Life supports green finance and encourages invested companies to undergo low carbon transformation. China Life has set carbon reduction targets for different project phases in accordance with CDF's 2045 net zero carbon emission schedule, moving toward the goal of reducing portfolio emissions to net-zero by 2045.

▼ 2021 Actions and Achievements



Investment in Renewable Energy Power Plant

- Invested installed capacity for 2021 is projected at 228 (MW) with annual generated power projected at 311 million kWh. Based on China Life's planned capital investment ratio, a reduction of 890,000 tonnes of greenhouse gases is expected.
- Lead the development of business strategies as a director of energy companies, while gathering green energy related knowledge.



Green Bond Investment

- Requested issuance of sustainability and green bonds from financial institutions and engaged in relevant investment.
- Investment in green bonds as of the end of 2021 is projected to reduce carbon emissions by 207,100 tonnes.
- In 2021, Peru launched its first sustainability bond which China Life actively invested in. The funds is expected to be used on the climate change adaptation measures, COVID-19 Recovery Project, and Low Carbon Development Project under the Nationally Determined Contributions (NDC) framework.



Engagement with High Carbon Emission Industries

- Identification of high carbon emission industries: identifying and categorizing invested companies. Conduct initial engagement with identified high carbon emission industries and enterprises.
- Climate Engagement Surveys: Engaged in two-way communication through surveys. Communicated China Life's climate change strategies and goals with invested companies while also collecting information on greenhouse gas-related management policies, project planning and actions.
- Long-term Engagement: Maintained a 100% attendance for meetings and shareholders' voting of TWSE and Taipei Exchange listed companies.

Having made early preparatory arrangements, China Life has gradually accumulated success in net zero transformation, including becoming a TCFD supporter in 2019. The Company has actively developed climate-related financial disclosure management measures, engaged in responsible investment, and formulated sustainable finance management measures. In the future, China Life will follow CDF's five net zero strategies in voluntarily abiding by the UNEP's Net-Zero Asset Owner Initiative. In addition, the Company will continue to incorporate climate management into its corporate culture and business operation decisions, as well as take the nature and issues of the industry into consideration when planning different net zero transformation actions. Through engagement, China Life encourages customers to work toward net zero emission and will continue to develop innovative, low-carbon financial services and wield its financial influence in pursuit of low carbon emissions.

Honors and Milestones in 2021

- ★ Became the **world's first enterprise to pass** "ISO 14097: 2021 Climate Change-Related Investment Activity Assessment and Disclosure Report" standard after validation by BSI
- ★ **Rated Excellence**, the top grade, for our 2021 TCFD Report in BSI's TCFD compliance review.
- ★ **Achieved B management level** in CDP's climate change scoring system.
- ★ **Received SGS verification**, becoming one of the first insurance companies to pass the expanded scope of BS10012: Personal Information Management System (PIMS). The scope included all businesses of the Head Office and all branches.
- ★ **Awarded 2021 outstanding sustainability and resilience** by the BSI.
- ★ **Won Insurance Asia Awards** for the Digital Insurance Initiative of the Year and the Insurance Initiative of the Year, respectively for **two consecutive years**.
- ★ The only insurance company in Taiwan to be selected for **Bloomberg Gender-Equality Index (GEI)** for **three consecutive years**.
- ★ **Named a member of the Forbes Global 2000** for **eight consecutive years**.
- ★ **Named a Top 20 performer in Taiwan in Greater China Business Sustainability Index (GCBSI)**.
- ★ **Recognized by the Corporate Governance Evaluation of Taiwan Listed Firms** as one of the companies in the TOP 5% for **six times in total**.
- ★ **Recognized for the third consecutive year** by the Financial Supervisory Commission's (FSC) Treating Customers Fairly Principles Assessment.
- ★ **Won the gold prize** for "Talent Training Project Planning Award" and silver prize for "Micro-insurance Promotion Award" in **Taiwan Insurance Excellence Awards**.
- ★ **Applied Smile to Sign**, the facial recognition technology, to insurance application process. China Life's MIJIVA Health Insurance, the first personal vaccine insurance policy in Taiwan's insurance sector, **won two awards for "Best Products" at National Brand Yushan Award**.
- ★ **Awarded a certificate of appreciation** from the Department of Environmental Protection, Taipei City Government for "Promoting Private Enterprises and Groups to Implement Green Procurement Projects" for the **sixth consecutive year**.
- ★ Became the first in the sector to apply Smile to Sign, the facial recognition technology, to insurance application process, an innovative insurance service recognized by The Asset Magazine with **Digital Project Awards - Best Biometric Project**.
- ★ **Won the most prizes** in the life insurance sector in 2021 TCSA, including "Platinum Award for Corporate Sustainability Report Awards," "Top 50 Corporate Sustainability Awards," "Growth through Innovation Award," "People Development Award," and "Social Inclusion Award."
- ★ **Proactively engaged in green investments** and was **honored with the 1st Taiwan Sustainable Investment Awards** in the life insurance category.
- ★ **Received two awards** in Commercial Times' first Digital Financial Service Award: Digital Innovation Award and Digital Information Security Award.
- ★ **Rated Excellent** for the sales agent category and administrative work category in RMIM's **2021 Dragon & Phoenix Insurance Awards**.
- ★ **Placed fifth among** financial enterprises in CommonWealth Magazine's ranking of the 2021 Top 2,000 large companies in Taiwan.

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1 Sustainability Strategies



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Sustainable Governance of Organizational Culture

Life insurers need to be people-oriented and attend to the needs of policyholders. Every insurance policy is a long-term or even life-long commitment made by China Life to its policyholders. For this reason, China Life has long invested in sustainability projects, with the board of directors offering top-down support in setting sustainability policies and strategic goals. Not only does China Life contribute to society and the environment, but the Company also insists on placing great emphasis on its commitment to policyholders. To enhance its sustainability governance, China Life has established a Corporate Sustainable Department, dedicated to setting the company's sustainability management guidelines, implementing sustainable development strategies, and engaging in relevant actions in reference to the Corporate Governance 3.0 - Sustainable Development Roadmap.

Corporate Sustainability Development Committee

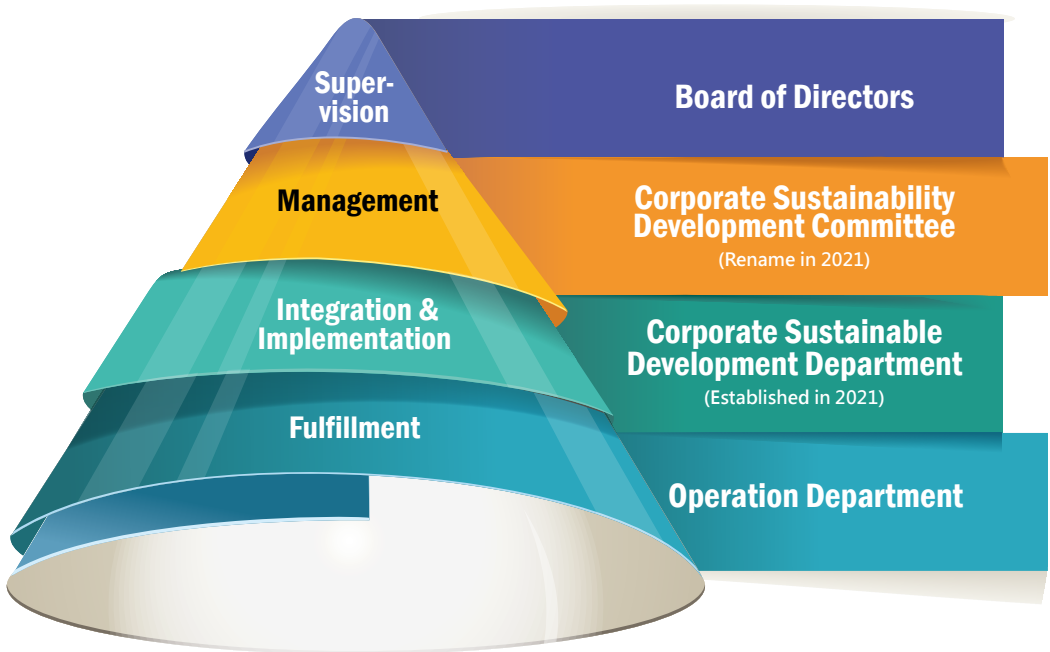
Established a "Corporate Social Responsibility Committee" in 2014, and in 2021, its official name was changed to "Corporate Sustainability Development Committee," with the Chairman as the chair of the committee and over half of the committee members assumed by the Company's directors. Aside from the Company's directors, the Committee also consists of Vice-President or above management personnel. The Committee adopts a forward-looking approach in managing and tracking progress of ESG goals. In 2021, the Corporate Sustainability Committee reported to the board of directors on 3 different occasions. Topics reported include ESG related promotional strategies, execution effectiveness, as well as communication with stakeholders.

Corporate Sustainable Development Department

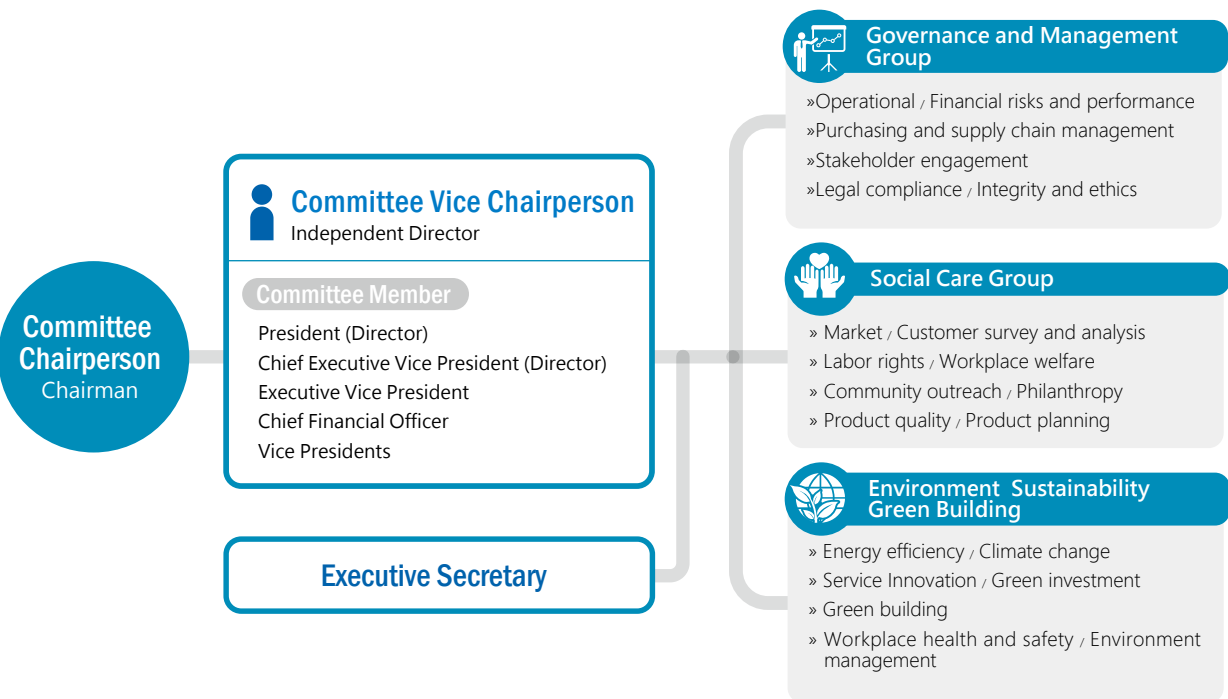
Established in 2021, the "Corporate Sustainable Development Department" is responsible for the integration of different department operations while executing ESG related affairs and developing corporate sustainability solutions.



▼ Sustainable Governance of Organizational Culture



▼ Corporate Sustainability Development Committee Organization Structure and Responsibilities



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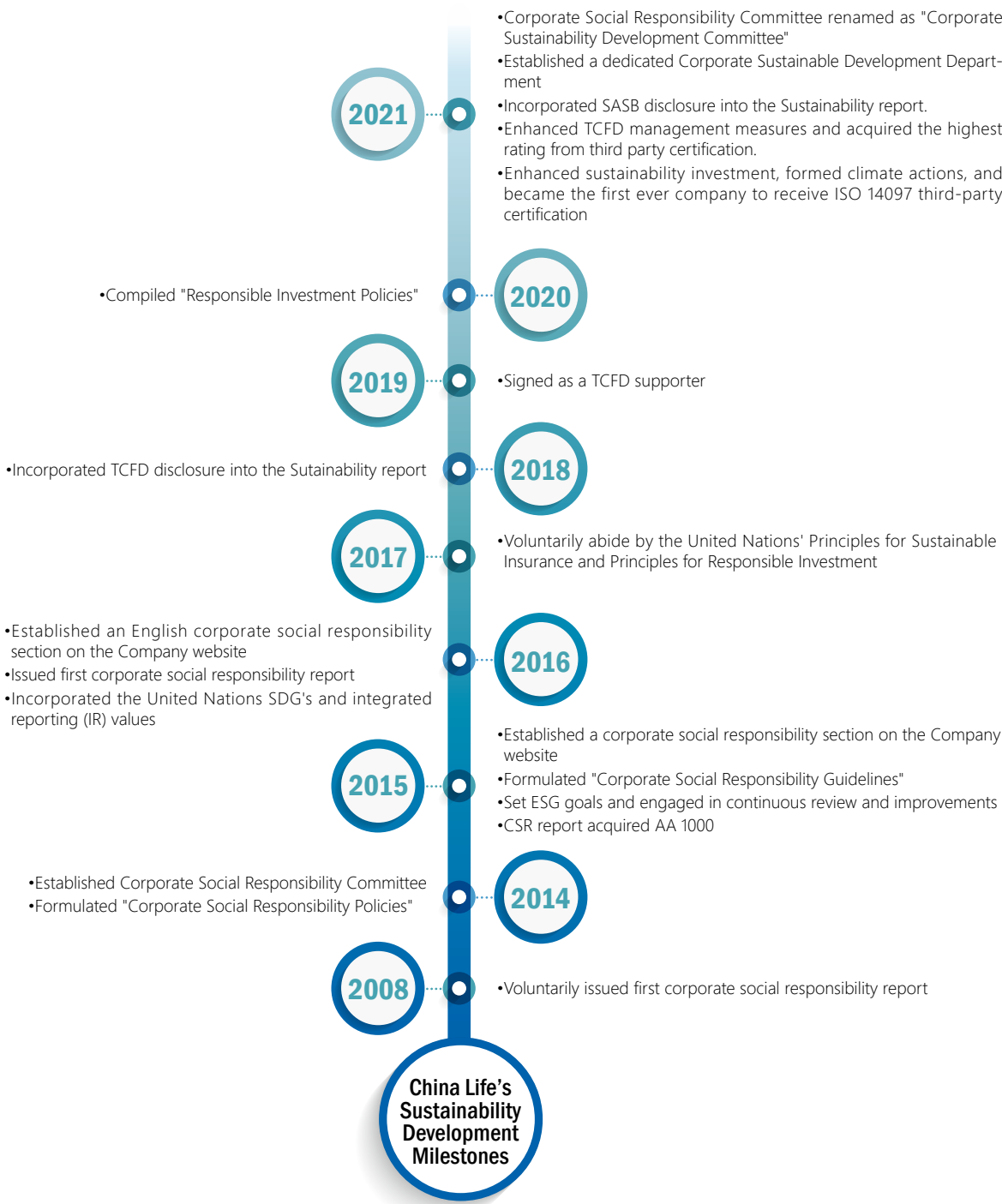
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▼ China Life's Sustainability Development Milestones



Corporate Sustainability Awareness Training

Provide staff with training on ESG issues. Tailor courses to respond to different goals, parties and diverted communication, with a total of 13 education training sessions held on 2021. The courses are targeted at different trainees and are used to fulfill different purposes. Trainees include senior management, as well as office staff and sales agents. Training content include: Sustainability Trends & Concepts, TCFD Climate Related Financial Disclosure, Carbon Pricing, Principles for Sustainable Insurance, etc., with a total of 10,983.5 training hours.

Sustainability Governance Opportunities and Challenges

With ESG related risks becoming increasingly apparent, such as domestic/foreign policies and regulations, rapid trend changes, social structure changes, climate change, etc., China Life constantly observes the external environment and identifies sustainability governance risks and opportunities. By implementing early management, the Company generates sustainability development momentum, providing stakeholders with more comprehensive data and services.

Governance

♦ Topic: Anti-Money Laundering and Counter-Terrorist Financing

External Environment Opportunities and Challenges

- In response to Asia/Pacific Group on Money Laundering (APG) assessment results, the competent authority strengthened supervisory regulations and added AML & CTF-related regulations.
- The international community continues to observe the impact of the pandemic on AML & CTF actions.
- Based on the report issued by the Financial Action Task Force (FATF)^①, the LIA-ROC shall deem counter-proliferation financing as a form of suspicious transaction.

China Life's Actions

- Continuous enhancement of law change implementation practices, supervision of AML & CTF actions by invested companies, and add control measures before and after investments.
- To enhance reporting of suspicious transactions and prohibit crime, conduct continuous review of supervision methods, transaction amounts and transaction frequency. An additional FATF TREIN Counter-Proliferation Financing suspicious transaction category was added after a request from LIA-ROC. Internal regulations and training materials were adjusted.
- Continuous observation of the latest domestic and oversea news reports, and providing customized and diverse AML & CTF education training for the board of directors, senior management, important departments as well as office staff and sales agents.
- Encourage colleagues to acquire AML & CTF related certification.^②
- Commission CPA's to conduct AML & CTF mechanism audits and acquire audit reports with "unqualified opinion."

^① The Typologies Report on Proliferation Financing published in 2008, the Countering Proliferation Financing Guidance published in 2017 and the Guidance on Proliferation Financing and Mitigation published in 2021.
^② Such as CAMS and domestically-issued AML & CTF expertise certification.

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◆ Topic: Cyber Security

External Environment Opportunities and Challenges

- Rapid Fintech development, innovation of financial services, web security management, operating environment safety management, information technology safety management in addition to non-financial challenges such as AI technology continues to pose cyber security risks.
- The FSC launched its "Finance Cyber Security Action Plan" to strengthen financial cyber security awareness, enhance security momentum of the finance sector, allowing the provision of safe, convenient and undisrupted financial services.
- To strengthen the effects of the "Guidelines for the Use of Emerging Technology by the Insurance Sector," the FSC added supervisory and auditing measures; compiled offshore disposal guidelines, emergency response plans, data processing measures for facility replacements; and adjusted the guidelines stipulating insurance sector's use of IoT facilities.

China Life's Actions

- Strengthen cyber security governance and supervisory actions. China Life completed its 2021 information security management systems and system maturity assessment, continuous to hold ISO 27001 certification.
- Amend intranet security management, operating environment safety management, and information technology system security management standards.
- Actively participate in cyber security self-disciplinary regulations and discussions held by the LIA-ROC.
- Joined the F-ISAC information security analysis platform, becoming a joint finance cyber security member.
- Establish monitoring response mechanisms with the CDF and other subsidiaries. Work with external cyber security vendors to develop early warning mechanisms and implement timely protection.

◆ Topic: Changes to Product Policy Regulations

External Environment Opportunities and Challenges

- Supervisory Authority Policies and Regulations.
- Insurance product fees should be adequate, reasonable and fair.

China Life's Actions

- Develop protection type products according to policyholders' needs, market changes and policy plans as well as in alignment with the law and requirements of the competent authority. We enhance policyholder protection by adjusting life insurance product's minimum benefits for death ratio in maintaining appropriate protection levels and allocate reserve ratios for the government's loosening of new contract terms for protection type products.
- Actively promote online insurance enrollment, providing diverse enrollment platforms such as the "CPENPL" in combination with "CHJIPL."
- Regularly review practical experience in the sale of insurance policies to implement appropriate pricing and after-sale management, thereby ensuring adequate premium income and preventing losses for the Company.
- Set early warnings for products to enhance risk management mechanisms.

Social

◆ Topic: FinTech Developments

External Environment Opportunities and Challenges

- The arrival of the pandemic led to the rise of contact-less business models. Consumers demand that the insurance industry moves towards offering more digitalized services.
- The introduction of digital technologies such as AI, blockchain, biometrics, mobile technology, and chatbots have changed the insurance industry ecosystem. In response to different consumer and service demands, insurers not only have to face digital transformation, but must also make use of new technologies in meeting the service demands of policyholders.
- There has been an increasing number of intentional and group insurance fraud cases. Some people use fraudulent FinTech tools to commit fraud or cyber crimes.
- Human assessments in claims settlements and risk evaluations are difficult and time consuming. As FinTech continues to advance, the insurance industry must keep up with current trends.

China Life's Responses

- Added Touch ID and Face ID sign-in options to mobile insurance enrollment. As of the end of 2021, remote enrollment for the Company's own distribution channels accounted for 97%. Currently, 42 partnership distribution channels are using online insurance enrollment.
- In addition to the survival survey conducted by face-to-face meeting with policyholders, communication software was used to execute video surveys. 2021 saw a total of 7,742 cases in which video survey was used. Compared with face-to-face meetings, each policy case can save up to 1 hour working time.
- China Life's industry-first "Smile to Sign" face recognition insurance enrollment was approved for a trial run. In 2021, a total of 14,166 policies were enrolled using remote enrollment.

◆ Topic: Uneven Distribution of Social Resources

External Environment Opportunities and Challenges

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

China Life's Responses

- Long-term implementation of inclusive financing, offering care to society and providing resources to rural areas. Aside from continuously offering microinsurance to the disadvantaged, China Life also relies on its core business and collaborates with university students in holding the "Seeing A Happy Life - Finance Classroom" series events, providing financial knowledge while also minimizing the difference of financial knowledge between urban and rural areas. As of 2021, 150 personnel have worked together and held 5 events, with close to 400 participants benefiting from said events. The events achieved a 100% satisfaction rate.
- Launched Socially Minded Young CEO plan 14 years in a row, encouraging the young to care for society, cultivate their passion to help others, thereby inserting positive energy into society. In 2021, the program provided service to approx. 300 rural and disadvantaged children and residents.
- Published 37 social media posts on charity events and social participation, with a total of 1.13 million views.

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◆ Topic: Demographic Structure Changes

External Environment Opportunities and Challenges

- Taiwan's demographic has officially become an aged population structure. Population aging and a declining birth rate has resulted in fewer families and an increase in the number of elderlies that require care. This has resulted in increased spending for health care and social welfare. As the population ages, people lose the ability to work due to illnesses, increasing the need for retirement planning and insurance products.
- In face high life expectancy risks from an aging society, the competent authority actively promotes retirement wealth planning. The TDCC plans to combine retirement investing with "Retirement Preparation Platform," incorporating 40 different retirement investment funds, and three major protection type insurance products from nine major insurers.

China Life's Responses

- In terms of demographic structure trends, China Life leverages its core functions to develop health insurance products with spillover effects. By offering discounted premium prices and benefits, China Life encourages policyholders to exercise and develop health-conscious awareness. This is a win-win situation for both policyholders and insurance companies alike.
- To provide services to the elderly and those with physical and mental difficulties, China Life has set friendly service counters to reduce waiting time for its customers, with dedicated staff tending to different insurance needs.
- Small amount insurance provides basic insurance protection to those who are economically disadvantaged, meeting the insurance needs of a ageing society. Over 4,000 policies sold in 2021, bringing in a total of NT\$78 million in premium. In 2021, China Life gradually launched surgery, hospitalization, cancer and major disease (injury) medical insurance products, providing the public with small amount insurance that spreads costly surgery bills and offering coverage for medical treatment costs.
- Launching ILP's, while providing variable life insurance or variable annuity insurance, helping strengthen retirement planning. Moreover, certain discretionary accounts offer regular return of compensation, providing policyholders with long-term cash flow for financial purposes or retirement preparation.



Environmental

◆ Topic: Global Climate Change

External Environment Opportunities and Challenges

- According to the Global Risks Report 2021 published by the World Economic Forum, risks related to climate change have been considered as a major global challenge for five consecutive years. The impacts of climate change have become a risk issue that enterprises around the world cannot overlook.
- 2021 is a key year in the global effort at tackling climate change. Carbon reduction has become a global consensus with countries around the globe committed to achieving carbon neutrality between 2050-2060, with policies and regulations implemented for optimal management. The government of Taiwan announced its goal of achieving net zero transformations by 2050, propelling industries to make sustainable development and low carbon transformations.
- In reference to the EU Taxonomy, the FSC has established Taiwan's own sustainability taxonomy, clearly defining sustainable actions. This provides investors and financial institutions with quantifiable information in hopes of directing investment capital into sustainable economic activities.

China Life's Responses

- In 2021, CDF pledged to have all assets achieved zero carbon emissions by 2045, becoming the first financial holdings company in Taiwan to do so. The groups investment management goals are as follows: increase green investment by 15% by 2023, reduce investment portfolio carbon emission by 25% compared to 2020 by 2025; and by 50% by 2030. These goals are then used to set targets for each subsidiary company.
- Adjust investment positions to increase sustainable investments, reduce high-carbon investment ratio, while also actively influencing invested companies to undergo carbon reduction transformation, fully displaying the value chain influence of the financial industry. Acquired the world's first ISO 14097 certification in 2021 through three major climate actions: "Investment in Renewal Energy Power Plants," "Green Bond Investment," "Engagement with High-Carbon Emission Industries."
- Signed up as a TCFD supporter and used the TCFD structure to implement financial industry requirements while systematically identifying climate risks and opportunities. After scenario analysis and assessment of different climate situations, China Life assessed climate impact in terms of agents, business strategies, finance and investments. Appropriate response strategies and actions were made. China Life's climate governance structure was awarded the "TCFD conformity - Excellence" highest rating by BSI, with the Task Force on Climate-Related Financial Disclosure report published in 2021.
- In alignment with the emphasis of carbon issues and voluntary disclosure by both domestic and foreign enterprises, China Life participated in the CDP climate change assessment and disclosed the results of its GHG management and carbon reduction actions. Doing so increased information transparency and refined planning strategies. In 2021, China Life was awarded a "B grade" management for its first year.

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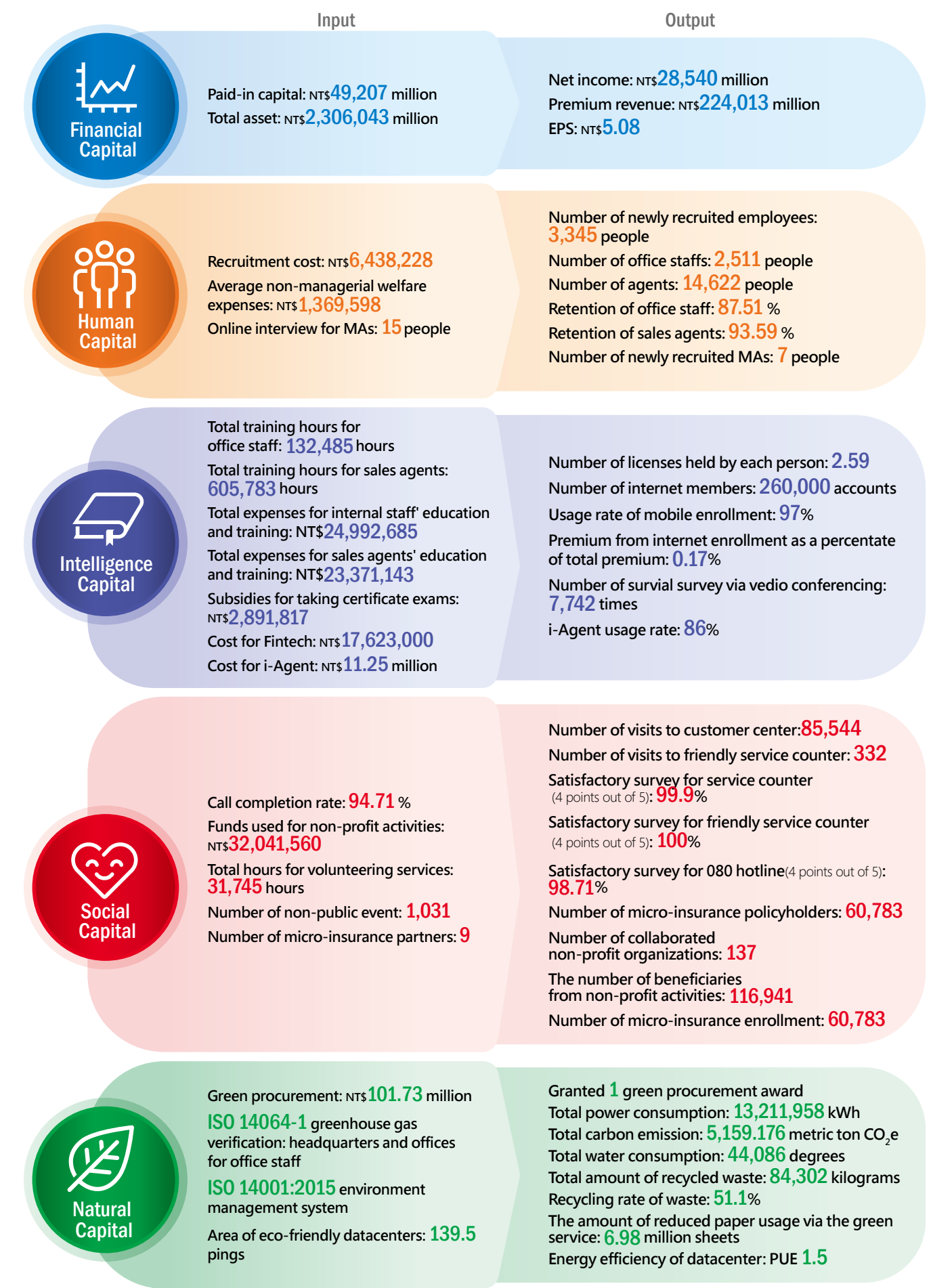
Sustainability Strategies

In order to carry out sustainable operation and bring about positive impact, China Life takes advantage of core businesses' strengths and resources, aligning 17 SGD's items and Taiwan's sustainability goals, laying out three sustainable themes, namely "carrying out low carbon transformation," "creating inclusive finance and common prosperity," and "perfecting governance and implementing sustainable finance," in order to respond to global ESG demand. China Life achieved all of the goals in 2021, spanning implementing corporate social responsibility, ethical management, cybersecurity, AML/CFT, responsible investment, digital transformation, inclusive finance, employee training and welfare, social caring, environment management, sustainable finance and sustainable supply chain. In 2022, the Company takes a step further by implementing sustainable objectives and mid-and long-term sustainable goals.

▼ Short-, mid-and long-term ESG goals



▼ 2021 Capital input and output



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Engagement with Stakeholders

Adopting a systematic process for stakeholder identification, China Life referenced AA 1000 Shareholder Engagement Standards to identify relations with stakeholders, using five major indicators – responsibility, influence, tension, diverse perspectives, and dependency – for evaluation. After compiling comments from department heads and analysis, we selected eight types ^③ of major stakeholders for China Life, including the regulators, channel partners, policyholders, employees, media, suppliers/contractors, invested companies and charity organizations/NGOs. We engage with stakeholders through multiple channels to timely receive feedbacks from each type of stakeholders, then adjust relevant management actions accordingly or provide needed information to benefit such good engagement relationship.

^③ In 2020, 10 major types of stakeholders were identified, including the competent authority, channel partners, public institutions and industry associations, shareholders/investors, policyholders, employees, media, suppliers/contractors, invested companies and charity organizations/NGOs. The reasons for the difference are as follows: 1. China Life became delisted in 2021 after it became a 100% owned subsidiary of the CDF Group. As a result, shareholders/investors are no longer stakeholders. 2. The type "public institutions and industry associations" is consolidated into "the competent authority."



Policyholders

Provide various quality insurance products and heart-warming after-sales services to satisfy policyholders' different needs.

Communication Channels and Frequency

- Official website: leave a message for consultation, policyholder section, online insurance application section, stakeholder section, AML material section, and free subscription for newsletter.
- Social media platforms: Facebook, Instagram, Line.
- Online communication tools: i-Games and i-Inquiry.
- Overseas inquiry hotline: +886-4-3608-3600.
- Overseas emergency hotline: +886-2-2536-0077.

Information Security and Personal Data Protection

Issue Content

- Personal data protection approaches for policyholders.

Responses

- Proactively acquired BS 10012 certification for personal data protection.

AML/CFT

Issue Content

- Disseminate Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) related information

Responses

- Updated the latest information about AML/CFT on official website and social media from time to time.

Sustainable Finance

Issue Content

- Execution status of sustainable finance

Responses

- Promoted sustainable finance and implemented sustainable development through rigorous climate-related risk management, active responsible investments, continuous evaluation over and increase in green bond investments and investments in infrastructure related to green energy industry.

Emergency assistance

Issue Content

- Execution status of emergency assistance.

Responses

- Paid the claim to customers first and allowed customers to provided required documents afterwards. Paid consolation payment to the deceased and the injured.

Treating Customers Fairly Principles Issues of Concern

Issue Content

- Compliance to Treating Customers Fairly principle and related practices

Responses

- Created products specifically for customers with disability and fliers with braille characters.
- Became the first in the industry to establish a section dedicated to providing financial information to the elderly on the official website. Provided financial information using plain language, larger fonts and copious images in order for the elderly to gain more financial knowledge and protect themselves.
- In order to enhance the protection for elderly consumers, in "System and Procedure for Business Solicitation," China Life requires all our sales agent to properly evaluate the customer's insurance needs, fully understand customers' purpose of purchasing insurance products and the suitability of financial status against premium and the insured amount against the needs of protection.
- Actively sent personnel to provide caring services to the elderly and the underprivileged.
- Enhanced friendly financial services for the elderly, people with disability and the underprivileged.
- Became the first life insurance company to establish "Customer Service Charter," respecting and supporting the elderly, people with disability and the underprivileged by making tangible commitment to the quality of customer services.

Communication Outcomes

- Rated Excellence for the third consecutive year by the Financial Supervisory Commission's (FSC) Treating Customers Fairly Principles Assessment.
- Invited Doufu organization to create a training course for mentally/physically disabled customers-friendly financial services, incorporating the concept of friendly finance into our customer services and daily operations.
- Worked with Doufu organization to arrange outdoor trips suitable for the elderly and people with disability.
- Scheduled 11 on-line Treating Customers Fairly training courses for different topics in 2021, including long-term care insurance, the rights of people with mental/physical disability to insurance, and improvement of sales agent's solicitation quality. As of the end of December 2021, 107,225 people completed the Treating Customers Fairly courses.
- Provided friendly financial services. Revised and optimized 2021 regulation-related training courses and scheduled at least one hour of "Insurance Industry Guidelines for Friendly Financial Services" training courses annually. A total of 14,415 people completed the training.
- Promoted protection type insurance products through lectures on dementia, printed literature and press releases. Worked with Taiwan Taxi to promote protection type products on accessible taxis at the end of 2021 in order for people with disabilities to obtain the information easily and plan ahead according to their needs.



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The Regulators

Ethical management of finance and insurance business and compliance with the regulators' regulations.

Communication Channels and Frequency

- Submitted reports or explanations of relevant businesses to the regulators.
- Attended seminars, conferences, government's.

Sustainability Strategies

Issue Content

- Execution status of Green Finance 2.0 and Corporate Governance 3.0.
- Corporate sustainability, green management, and GHG management.

Responses

- Supporting the policy of Green Finance 2.0, and introducing the TCFD disclosure framework to implement climate change risk management.
- Being the leader in the financial service sector with sustainable investments. Acquired the world's first ISO 14097 Verification.
- Continued to introduce and passed the latest ISO 14064-1:2018 Greenhouse Gases Inventory verification.

Legal Compliance

Issue Content

- Implementation status of financial information security action plans.

Responses

- In coordination with the FSC's financial information security action plan, we review the implementation status every six months.
- Established "China Life's Policies and Strategies for Treating Customers Fairly Principles" and incorporated it into internal regulations such as internal control system.

Risk Management

Issue Content

- BCM for information systems and information security approaches for mobile Apps.

Responses

- Established and adjusted the disaster recovery center system based on the Business Impact Analysis (BIA) result every year to ensure the operational continuity during disasters.
- Established guidelines for managing information security management system and adopted defense solutions such as WAF, IPS, APT, etc.
- Established execution regulations for management of internet of social media resources.

AML/CFT

Issue Content

- Comprehensive Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) analysis and execution status.

Responses

- Conducted risk analysis for money laundering and financing terrorism, with the result adhering to China Life's risk appetite and risk limits.

Treating Customers Fairly

Issue Content

- Ethical regulation and management status.

Responses

- Became the leader in the sector to revise "Policies and Strategies for Treating Customers Fairly," "Execution Guidelines for Treating Vulnerable Customers Fairly" and "Enhancement System for Consumer Dispute Process and Complaints Handling" in reference to the guidance for "Treating Vulnerable Consumers Fairly" announced by the UK's Financial Conduct Authority (FCA).
- Became the leader in the sector to formulate a bilingual "Customer Service Charter," disclosing China Life's commitment to service details in every insurance aspects to consumers of financial services.

Communication Outcomes

Attended seminars held by the regulators, including:

- Meetings of AML/CFT joint working group for the insurance sector.
- Meetings regarding pilot run of identity authentication in remote insurance application
- Meetings regarding matters of remote insurance applications.
- Panel on Artificial Intelligence and Machine Learning, Fintech Forum (FF) of International Association of Insurance Supervisors (IAIS).
- Insurance industry information security explanatory meeting.
- Insurance industry climate-related financial disclosure conference.
- Seminar for the draft of guidelines concerning insurance industry climate-related financial disclosure.
- 2021 Taiwan ESG and Responsible Investment forum.
- Green Finance Innovation Summit Forum.
- Insurance Industry Risk Management Trend Forum.
- 2021 ORSA stress test practices and Life Insurance Association climate-related Risk meetings.
- Corporate Governance for Insurance Enterprises Seminar.
- Internal audit seminar for insurance industry.
- Submit "Execution and Revision of AML/CMT Mechanism Update Form."



Employee

Deemed employees as the Company's most important assets and provided well-organized training programs and competitive salary and benefits.

Communication Channels and Frequency

- Held labor-management meetings quarterly.
- Diverse training programs and courses.
- E-learning platform for employees on the corporate website.
- Publish the internal Employee Corner magazine.
- Online communication channels: i-Agent digital consultation hotline, digital interactive platform Top Force Network, the i-Link app, hiBox e-mail, internal and external Line group "China Life e-Family Line@ account," and digital bulletin boards.
- List complaint channels and related information on the Company's internal website, allowing employees to access necessary information to file complaints.

Sustainability Strategies

Issue Content

- Directions of sustainability strategies.
- Status of sustainability awareness training.

Responses

- Formulated sustainability strategies, implemented the management system in every level through sustainability governance framework and promoted sustainable development for the Company.
- Scheduled on-line or off-line training courses concerning environment, society and corporate governance issues, raising the awareness of sustainability among employees.

Corporate Governance and Ethical Management

Issue Content

- Status of ethical management awareness training.
- Employee communication channels and complaint mechanisms.
- Employee pay and benefits system.

Responses

- Maintain positive two-way communication channels with employees in order to uphold harmony between employees and the management.

Information Security and Personal Data Protection

Issue Content

- Raising awareness of information security and cultivating related abilities.

Responses

- Manage information security risks based on information security management system and in compliance to related regulations.

AML/CFT

Issue Content

- Training status of AML/CFT.

Responses

- Updated the latest information about AML/CFT on internal website from time to time with notifications via email to increase the timeliness of information delivery.
- Ensured that both office and field workers complete related educational trainings.
- Formulated clear regulations about subsidies to employees who acquired related certificates.

Treating Customers Fairly Principles

Issue Content

- Development and implementation of Treating Customers Fairly culture.

Responses

- Reminded our employees to integrate the spirit of Treating Customers Fairly (TCF) into their daily operations by filming annual videos about TCF principle and decorating workplace with relevant visual materials. Planned an annual TCF proposal event to enhance employees' understanding of TCF principle and increase employees' participation and commitment. Implemented the TCF both within and without.

Communication Outcomes

- Held labor-management meetings quarterly.
- Publish the internal Employee Corner magazine monthly.
- Created visualized information to deliver caring messages to employees on Line, the most commonly-used communication app in order for employees to stay updated with the Company's latest information.
- Renewed visuals for Treating Customers Fairly 21 times in 2021 and the TCF video clip had more than 570,000 views.
- Launched a proposal campaign for Treating Customers Fairly in 2021, with 226 proposals from 54 units.

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Channel Partners

Established close relationship with all channel partners and provided quality products to create a win-win cooperation model.

Communication Channels and Frequency

- Broker agent consultation hotline: 0809-008-800.
- Maintain communication with channel partners over e-mail, telephone, face-to-face discussions, meetings, education, training sessions.

Corporate Governance and Ethical Management

Issue Content

- Information about products.

Responses

- Provided quality products to channel partners and maintained good business relationships.

Legal Compliance

Issue Content

- Compliance to AML/CFT related regulations

Responses

- Required all partners to comply with AML/CFT related regulations and laws by including the requirement in contracts, with compliance status included in channel partners' review items. In addition, when responding to legal or regulatory requests, we notify our channel partners in writing or in person.

Risk Management of Concern

Issue Content

- Current status of information protection and security

Responses

- Required external units to understand the "Information Security Statement" and to observe the Company's regulations concerning information security.

Business Performance

Issue Content

- Training programs about products and courses about services

Responses

- Provided trainings and courses about business product solicitation, introduction and the administrative procedures based on the channel partners' needs, helping partners' agents with insurance selling and after-sales services.

Inclusive Finance

Issue Content

- Development of inclusive finance products
- Optimization of product structures

Responses

- China Life has developed and promoted comprehensive protection type products that include health-care, retirement and nursing (e.g., traditional single payment/ regular pay term life insurance in various currencies, annuity products suitable for retirement planning, health care policies that can enhance health care quality and ILPs that cater to the needs of investment and protection) to satisfy policyholders' various needs in life.
- Promoted regular pay protection type products and products for aging population with longer policy periods to satisfy the public's needs.

Digital Finance and Innovation

Issue Content

- Information about mobile insurance

Responses

- Maintain excellent and effective communication with channel partners, providing products they need and information about mobile insurance.

Communication Outcomes

- Channel partners included 127 insurance brokers, 28 banks, and 15 securities firms and among them, we also established mobile insurance projects with 3 banks and 39 insurance brokers.
- Total annual business from our bancassurance channels reached NT\$53.401 billion, including a record NT\$13.309 billion from regular pay insurance products. The total premium of 6-year term life insurance reached NT\$6.04 billion, the highest in the industry.
- Optimized the service process of 0809 broker agents consultation hotline, streamlining the operation process and reducing waiting time.



Invested Companies

Implemented the Compliance Declaration of Stewardship Principles for Institutional Investors by continuously monitoring and communicating with the invested companies. Fulfilled the responsibility as an institutional investor and increase the long-term investment benefits.

Communication Channels and Frequency

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

Legal Compliance

Issue Content

- Legal compliance status and risk management level.

Information Security and Personal Data Protection

Issue Content

- Enterprise personal data protection and management.

Responses

- Conduct annual inquiries into the status of invested companies to fulfill our responsibilities towards the use and management of policyholder funds. Continue to monitor and visit invested companies to inquire about their financial status and sustainability performance. Results are recorded in research reports and delivered to senior management.
- Compiled Responsible Investment Policies.

Communication Outcomes

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



Suppliers/Contractors

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

Communication Channels and Frequency

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

Legal Compliance

Issue Content

- Supplier evaluation
- Supplier management and complaint mechanisms
- Procurement policies

Responses

- China Life and our suppliers jointly comply with regulations concerning labor rights, human rights, worker health and safety, environmental protection, ethical management.
- Suppliers and contractors can access the feedback sections on the CSR and stakeholder sections of our official website to file relevant complaints.
- Follow the Company's procurement standards. Suppliers are selected using fair, equitable, and transparent methods, with priority given for excellent CSR performance.

Communication Outcomes

- Green procurement amounted to NT\$ 101.73 million. For the sixth consecutive year, the Taipei Department of Environmental Protection honored us for excellent performance in green procurement.
- 100% of general suppliers and construction and repair suppliers signed the "Supplier CSR Commitment."
- Completed CSR self-audits for 8 of our key suppliers.
- The number of qualified construction and repair contractors reached 56 in 2021, including 13 newly qualified.

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Charity Organizations/NGOs

Injected corporate resources in charity events in cooperation with charity organizations, contributing to the society with gratitude.

Communication Channels and Frequency

- Hold online and offline social participation activities.
- Sponsor or donate to disadvantaged groups.
- Cooperate with charity organizations and rural schools to hold charity activities and conduct related educational trainings.
- Social media platforms: Facebook, Instagram, Line.

Social Participation

Issue Content

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

Responses

- In the post-pandemic period, we injected corporate and community resources into online and offline charity activities to expand the number of beneficiaries and our influence.
- Since 2019, the Company has sponsored two major annual events held by the Taiwan Alzheimer Disease Association: World Alzheimer's Month and the Cherished Memories Concert. Employees become Alzheimer's care ambassadors, volunteering at the events and arrange for accessible vehicles to transport association staffs and Alzheimer's patients to and from the event venues. This support eliminates barriers that would otherwise prevent patients from leaving their homes and interacting with the outside world.
- China Life cooperated with Taiwan Alzheimer Disease Association in 2021 to develop the latest assistive devices which can prevent Alzheimer's patients from getting lost: emergency contact key chain. The Company also held a press conference with the Association and National Police Agency to donate the emergency contact key chains. The Company also sponsored an online seminar concerning Alzheimer's patients protection to jointly promote the key chains and to enhance the safety net for preventing getting lost.

Communication Outcomes

- Organized 1,031 charity activities in cooperation with 137 charity organizations, benefiting a total of 116,941 people.
- Reached NT\$53.04 million in charitable contributions and 31,745 in volunteering hours.
- Cooperated with the Taiwan Alzheimer Disease Association to become the first life insurance company to be named a "dementia friendly organization." 2,200 of our staff members completed a series of online classes on how to support customers with dementia.
- Donated 2,800 emergency contact key chains to the Association.
- Sponsored 1 joint academic conference about health care services for patients with dementia and 2 seminars about dementia patients safety net.
- In 2021, the Company also sponsored a joint academic conference held by the Taiwan Alzheimer Disease Association to raise awareness about care for people with dementia through online channels and support.



Media

Maintain positive interaction with media, providing relevant press release materials to enhance our brand image

Communication Channels and Frequency

- Used both internal and external channels.
- Used digital tools to protect our employees from the pandemic, cater to the needs of organization and employees and increase efficiency.
- Established a designated media unit.
- Issued monthly press releases and produced special news reports from time to time.
- Held press conferences.
- Highlighted current trends and key points in press releases to encourage quotation by the media.
- Social media networks: Facebook, Instagram, e-family and iTalk line platform
- Disclose information on the "Latest News" section of the official website.
- Held media banquets.

Talent Attraction, Cultivation and Retention

Issue Content

- Talent recruitment strategy.

Responses

- In response to the digitalization trend in the financial service industry, China Life digitalized our recruitment process and adopt younger generation's way of thinking to offer a more effective, flexible and heart-warming recruitment process.

Workplace Health and Safety

Issue Content

- Measures to safeguard workplace health and safety.

Responses

- Established "Safety and Health at Work Committee," "Management Unit for Safety and Health at Work" and "Workplace Violence Prevention and Handling Team," responsible for the identification, planning, supervision, execution, assessment and improvement of matters related to safety and health at work.

Emergency Assistance

Issue Content

- Execution status of emergency assistance.

Responses

- Regularly and proactively issued press releases on topics of concern to the media. When there is an emergency, disaster, or other critical issues, the Company gathers relevant information and issues press releases to communicate with the public.
- Regularly and proactively issued press releases on topics of concern to the media. When there is an emergency, disaster, or other critical issues, the Company gathers relevant information and issues press releases.

Treating Customers Fairly Principles

Issue Content

- Continued external communication about China Life's commitment to consumers and performance about Treating Customers Fairly.

Responses

- Disclosed China Life's commitment to our customers on Customer Service Charter and Treating Customers Fairly sections on the official website.
- Filmed Treating Customers Fairly videos and created key visual signboards every year and promoted the event on social media.
- Issued relevant press releases from time to time.

Inclusive Finance

Issue Content

- Response to changes to the demographic structure.
- Development of products for the underprivileged.
- Response measures to COVID-19.

Responses

- Established comprehensive retirement safety nets, providing three major types of term life insurance, critical illness insurance and small amount whole life insurance.
- Worked with 6 banks to launch microinsurance, offering basic security to the economically underprivileged with affordable premium.

- Launched "Friendly Protection Whole Life Insurance," offering affordable whole life insurance coverage to people with mild or moderate intellectual and physical disabilities.
- Launched 4 vaccine insurance products such as "China Life's Vaccine Hospitalization Medicare Policy," offering protection for vaccines side effects and infection after the vaccination.

Digital Finance and Innovation

Issue Content

- Provided new type of services in response to the development of digital technology.

Responses

- Issued press releases about life insurance profession on the official website to raise awareness of risk management amount the public. Promoted digital innovation and transformation to improve insurance experiences and delivered positive information such as awards we received and sustainability actions to enhance brand image and preference.

Communication Outcomes

- Continued recruitment campaigns despite the pandemic, inviting talent with expertise in various fields, digitalization and insurance to build China Life's talent pool.
- The Public Relations Department, our chief media communication unit, regularly communicated with the media over e-mail, phone, and messaging apps.
- Issued 93 press releases. Proactive publishing or provision of press releases and information or arranging interviews with spokespeople contributed to 3,194 media reports and 100% positive coverage.
- Posted 480 posts on Facebook and Instagram to raise our social media profile and strengthen brand awareness. Total reach was 11 million people.

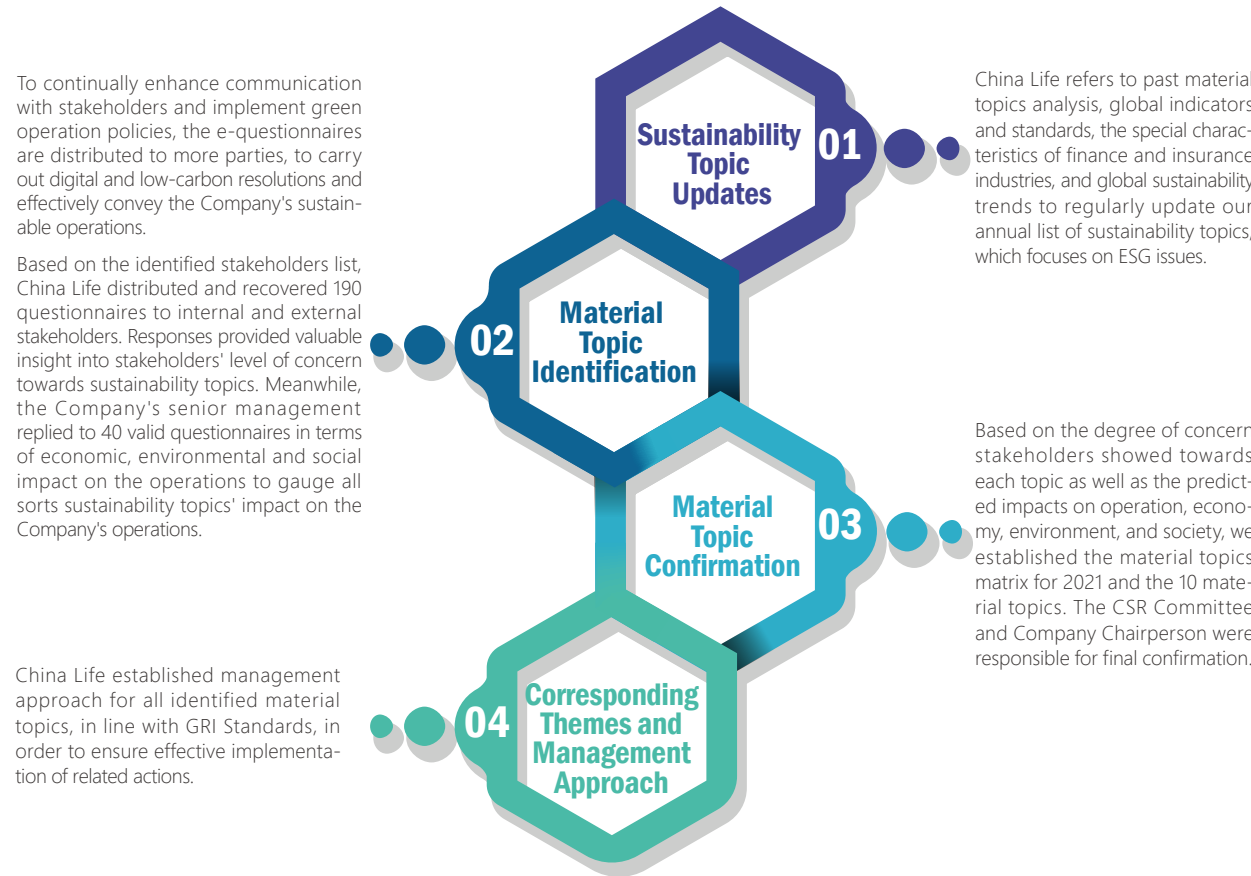


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Material Topic Analysis

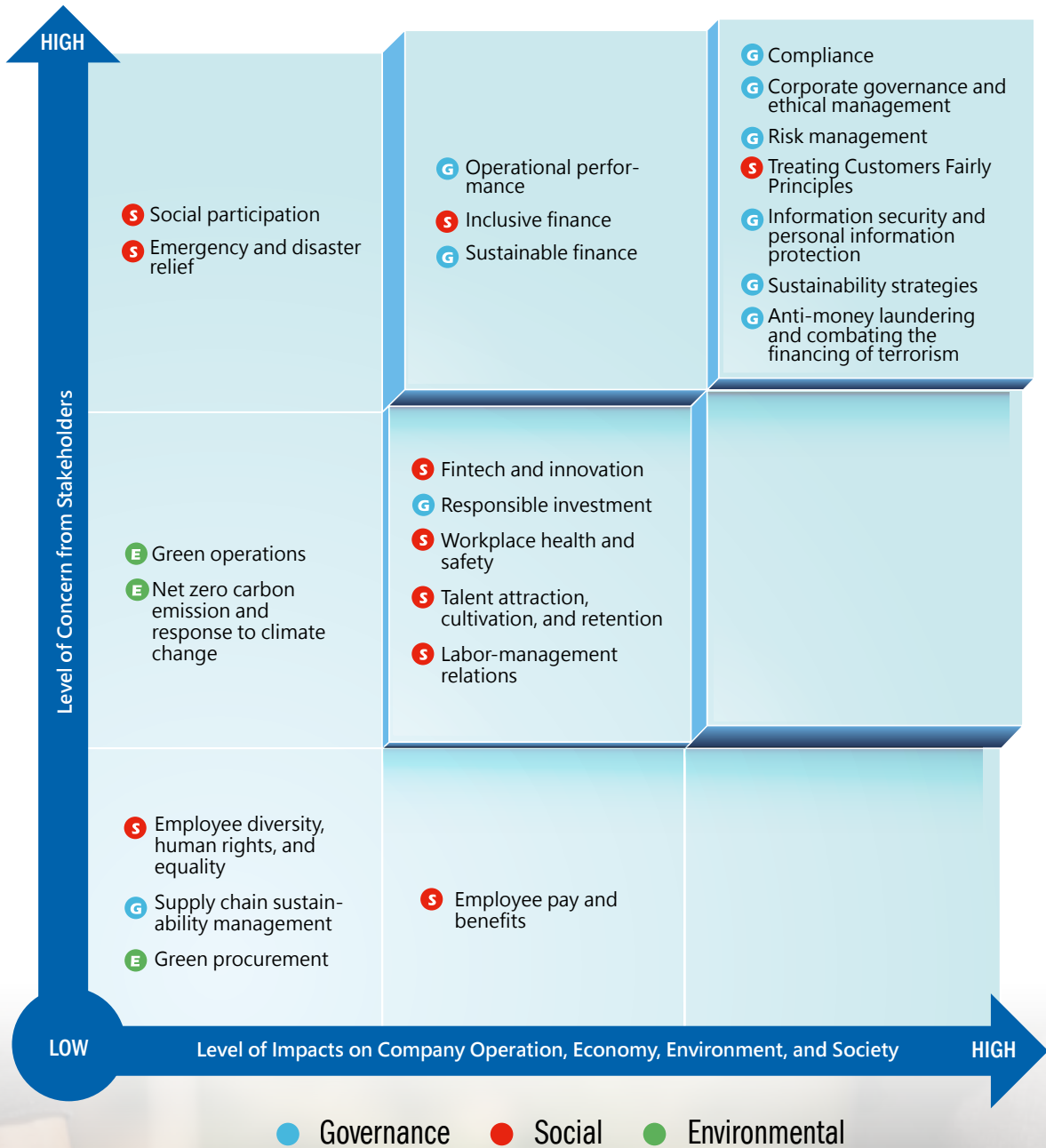
To ensure that disclosed information meets the expectations of stakeholders, China Life regularly identifies sustainability issues and combine the domestic and international trends, China Life's core business and issues that have been concerned by the Company for the long term, then carries out risk analysis on the material items. China Life in 2021 selected a total of 23 sustainable issues, engages in material risk evaluation, stakeholder engagement, and referenced the opinions of stakeholders and senior management, with final confirmation by CSR Committee and Company chairperson the Board of Directors. Ten material topics were identified: "legal compliance," "corporate governance and ethical management," "Risk Management," "Treating Customers Fairly," "Information Security," "sustainability strategies," "anti-money laundering and combating the financing of terrorism," "operational performance," "sustainable finance," and "inclusive finance." Compared with 2020, "sustainable finance" and "inclusive finance" are newly added in 2021 ⁴, magnifying China Life's proactive strengthening and implementation of ESG strategies and actions.

Material Topic Analysis Procedure



⁴ The material topics identified in 2020 including "corporate image and reputation," "responsible investment" and "digital finance and innovation" were removed from the material topics scope.

2021 Material Topics Matrix



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▼ Material Topics Issues and Impact Boundaries

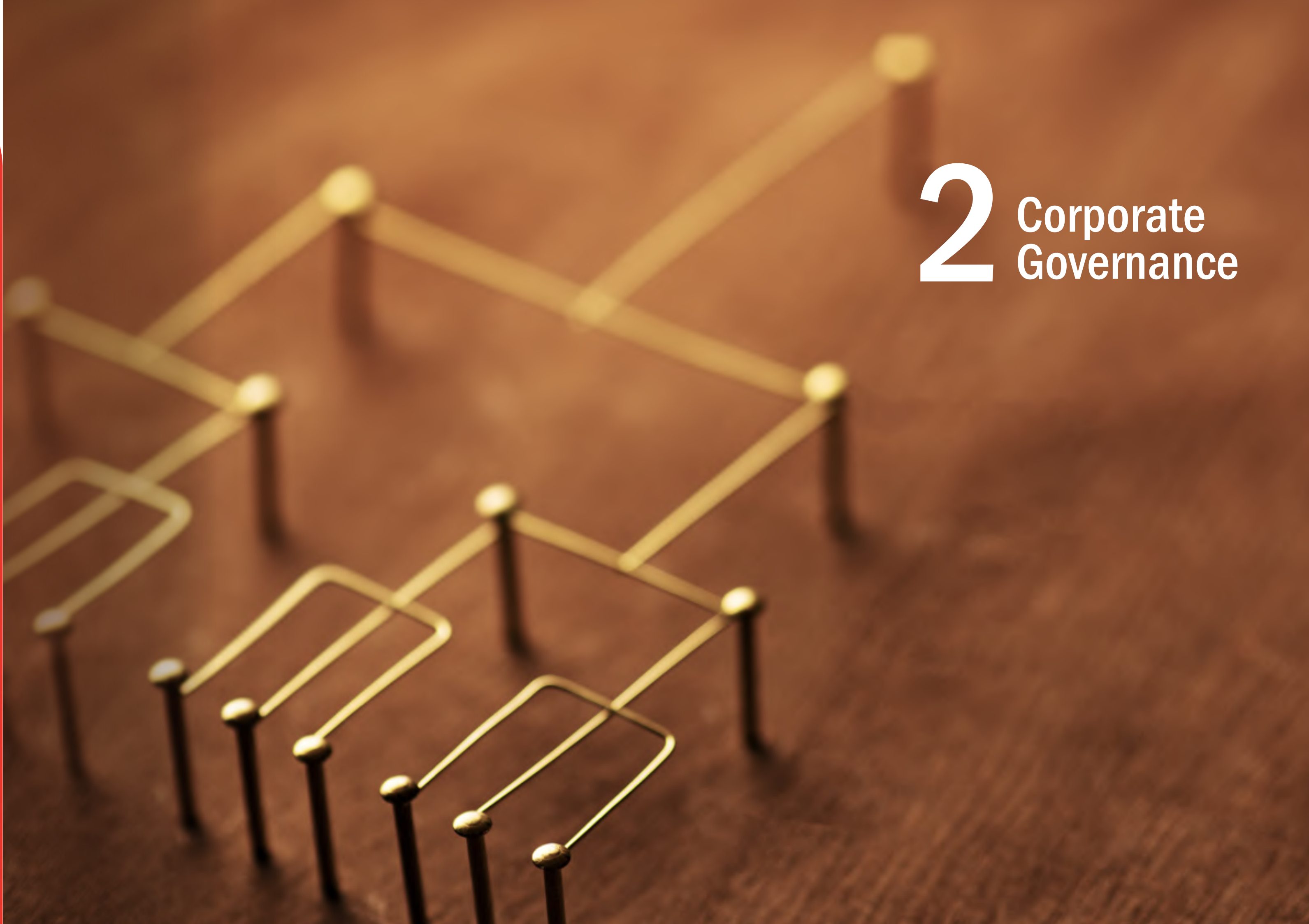
Material Topic Issues	Topic-specific GRI Standards/ Self-Designated Standards	Material Topics' Meaning for China Life	Material Risk Assessment and Performance Indicators	Value Chain					Corresponding	
				China Life	Policy-holders	Suppliers & Contractors	Channel Partners	Invested Companies	Chapter	Page(s)
Compliance	GRI307: Compliance with Environmental Compliance Protection Laws	We act in accordance with the policies and laws of the competent authorities. In daily operations, all departments adhere to government rules, and offer full disclosure of disciplinary action received for environmental, economic, and social legal issues.	Comprehensive risk evaluation assessment mechanisms ensure legal compliance. Annual compliance risk assessment evaluations improves monitoring, and respond to stricter financial supervision oversight trends.	●					CH5	127-130
	GRI419: Compliance with Socioeconomic Compliance Laws			●	○		▲	○	CH2	68-70
Corporate Governance and Ethical Management	GRI205: Anti-Corruption	We are committed to ethical management, developing a strong corporate governance system, and implementing robust disclosure and transparency policies to meet the expectations of internal and external stakeholders.	The Ethical Management Committee of Business Integrity and Ethics regularly monitors risks and set a goal of making 100% of our employees aware of ethical management.	●	○	▲	▲	○	CH2	49-50
Risk Management	Self-designated standard: Risk Management	To guarantee asset security and improve service quality, we built a prudent risk management system. Comprehensive control measures include identifying, measuring, monitoring, responding to, and reporting on risk.	Formulate comprehensive risk management policies and organization. Use an operational risk dashboard to regularly evaluate and revise our risk indicators and standards.	●	○	▲	▲	○	CH2	58-60
Sustainability Strategies	Self-designated standard: Sustainability Strategies	Our pursuit of corporate sustainability is based on forward-looking ESG strategies and planning together with actions we take to implement CSR.	Regular analysis of material issues to understand ESG-related sustainability risks. We formulate short-, mid- and long-term goals to strengthen management.	●	○	▲	▲	○	CH1	24-29
									CH3	39 73-96
Operational Performance	GRI201: Economic Operational Performance	Stability, progress and growth are basic promises we make to shareholders and policyholders. Diverse products, prudent investments, and strict risk management contribute to robust profits that leads to, innovations, and advancement	We deeply value policyholder and stakeholder rights and interests, developing diverse products to satisfy customer needs, and expanding our diverse range of services to ensure the Company's long-term operational advantage.	●	○	▲	▲	○	CH2	45-48
Information Security and Personal Information Protection	GRI418: Customer Privacy	Build an information security management system as well as a PIMS system. Our rigorous approach to information security and personal information protection ensures that private information is secure, so customers' minds are at ease.	Establish the Information Security Committee and the Personal Information Protection Management Committee to monitor implementation and feasibility of our information protection mechanisms. These measures ensured there were no major information security and personal information incidents in 2021.	●	●		▲		CH2	64-67
Anti-Money Laundering and Combating the Financing of Terrorism	Self-designated standard: Anti-Money Laundering and Combating the Financing of Terrorism	Implement AML/CFT policies to guarantee the rights and interests of policyholders, maintain financial stability, and strengthen prevention against financial crimes.	Build a risk management framework for AML/CFT based on corporate governance, system design, controls and procedures, risk management, and independent auditing.	●	○		▲	○	CH2	61-63
Sustainable Finance	GRI G4: Product Portfolio	For potential investments, we weigh the ESG implications before making decisions, continuing focus on the ESG performance of our investments and seek for proactive engagement with them.	Engage in environmental issues such as renewable energy, green technologies and circular economy along with social and governance issues such as human rights, employment relations and lobar capital.	●				●	CH3	73-96
Treating Customers Fairly Principles	GRI417: Marketing and Labeling	China Life is committed to providing policyholders with top quality service and thoughtful care. From product sales and after-sales service to complaint management, we work meticulously to protect customers' rights and interests.	Establish the Treating Customers Fairly Committee, which regularly compiles related measures and reports to the Board for review.	●	○		▲		CH3	89-96
Inclusive Finance	GRI G4: Product Portfolio	In response to change in social environment, maintain financial products' availability, usability and quality. Develop and design the products based on the societal need, to protect the rights of different groups and people with different needs.	Design insurance products that are diversified and meet needs for different groups, with aims of optimizing product mix and increasing the Company's long-term embedded value.	●	○		▲		CH3	85-88

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

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2 Corporate Governance



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Business Performance

Looking back to 2021, the insurance sector experienced change in product mix due to regulation revision, in addition to impact from COVID-19. In face of the challenges in the market, China Life still exhibit organizational development in a stable manner, showing growth in sales agent number, digital insurance and bancassurance despite overall decline in the industry.

Channel Development Strategies

China Life adheres to six major distribution channels combined with a balanced development strategy. The Company offers differentiated products depending on the unique aspects of each distribution channel. Moreover, we are undergoing a digital transformation to satisfy customers' diverse needs regarding protection, medical treatment, investment, and asset allocations.

▼ Development of 6 Major Channels

06 Brokerage

Promotion of investment-lined products and regular paid-health insurance policies is enhanced, in order to provide diversified product items.

05 Group Insurance

Group insurance helps companies offer comprehensive welfare and protection plans for employees. Flexible service workflow to meet corporate clients' all sorts of needs together with comprehensive service quality and guarantees fit the diverse needs of companies. The channel continues to launch products designed for the SME and provide diversified service platform for large-sized enterprises via occupational-based and automatized operations support.

01 E-commerce

With big data analysis and guidelines to respond to government policies, the regular policies, critical illness insurance policies, small-amount life insurance are designed to provide basic protection to the policyholders. Meantime, in proactive collaboration with banks' digital transformation strategies, insurance policies only dedicated to bancassurance channel-used e-commerce platform are provided to integrate into the bancassurance ecosystem.

02 Agency

Promote transformation and organizational restructuring with business strategies focusing on the three themes-sales performance, organization, and digitalization; thereby increasing sales of high-priced policies, undergoing organizational transformation and promotion, as well as digital empowerment, achieving continuous business growth and sales performance improvement.

03 Financial Services

The channel focuses on high net worth clients with the theme of high value-added products. Promotion of such products features such policies which are not counted as taxable income as death benefit. Sales agents' expertise and educations are enhanced by inviting lecturers from different areas and adopting digitalized marketing and service tools, to provide timely and high-quality services and experiences.

04 Bancassurance

By leveraging our abundant product development experience, we develop a wide range of products suitable for all channels. We also develop all sorts of insurance policies to satisfy bancassurance clients' insurance needs including personal protection, retirement and saving. At the same time, we cooperate with banks to explore the possibilities of possible changes under the digital age.

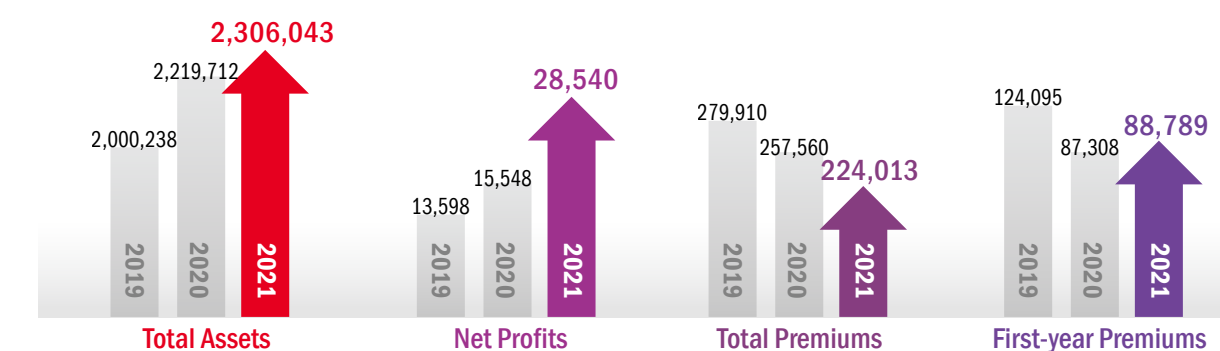
Financial Indicators

China Life reported 2021 FYP of NT\$88.8 billion, total premium of NT\$224 billion, with profit reaching a record high. Net income arrived at NT\$28.54 billion, with EPS of NT\$5.8. As of 2021-end, total asset came in at NT\$2.3 trillion. In the past seven years, total premium grew nearly 40%, total asset up 90%,

and net income more than doubling. Despite fluctuations in the financial markets, China Life has maintained impressive performance in terms of business expansion, profitability and asset quality.

Adhering to principles of stable operations, China Life develops all sorts of insurance policies, to satisfy needs from different groups. As such, the overall operations have continued to grow. The competent authorities praise our commitment to financial stability, which protects the interests and rights of policyholders and shareholders while ensuring healthy capital adequacy as well as appropriate asset and liability management.

▼ Important Financial Indicators (Unit: NT\$ million)



▼ Economic Value Generated and Distributed (Unit: NT\$ million)

	2021	2020	2019
Operating Revenues	300,244	323,248	339,115
Net Profit	28,540	15,548	13,598
EPS ^① (Unit: NT\$)	5.8	3.16	2.90

Economic Value Distributed to Stakeholders

Employee Pay and Benefits	4,880	3,556	3,505
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Dividend Payout

Distributed Stock Dividend (Profitable Year)	0	1,893	2,678
Distributed Cash Dividend (Profitable Year)	4,500	1,893	2,678
Cash Dividend Per Share (Unit: NT\$)	0.91451274	0.4	0.6

TAX

Income Tax Expenses (Refunds) ^②	3,455	3,071	1,254
Ratio of Tax to Operating Revenues ^③	1.15%	0.95%	0.37%

^① EPS is calculated and adjusted according to historical capital increase.

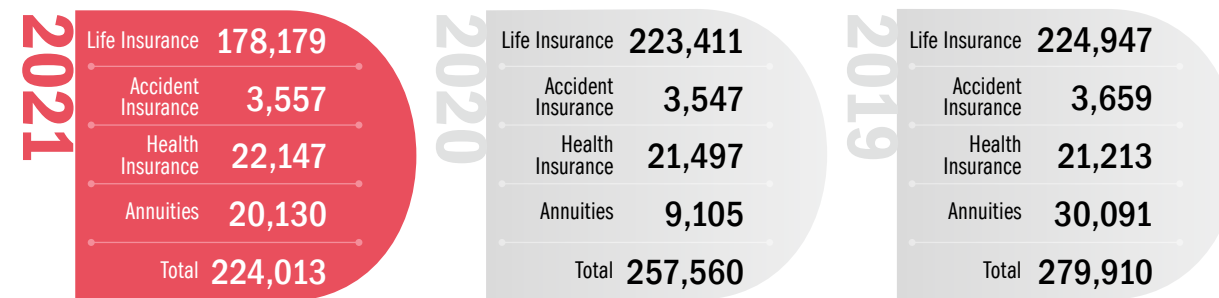
^② Income taxes paid or (refunded) in each year could include taxes generated from the this or previous year. The data in the table only show income taxes generated in the listed fiscal year. The income tax expense in the above table for 2021 was estimated tax payable in the financial report, and the income tax expense in the above table for 2020 was filed tax payable, and the income tax expense in the above table for 2019 was reviewed tax payable.

^③ Tax expense as a percentage of operating revenues = Income tax expenses (refunds) / operating revenues.

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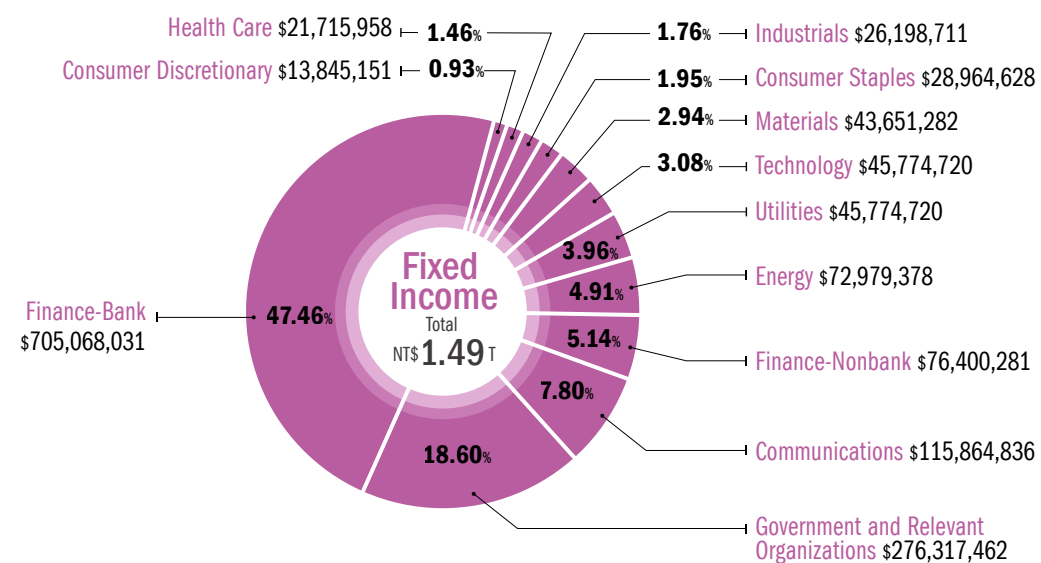
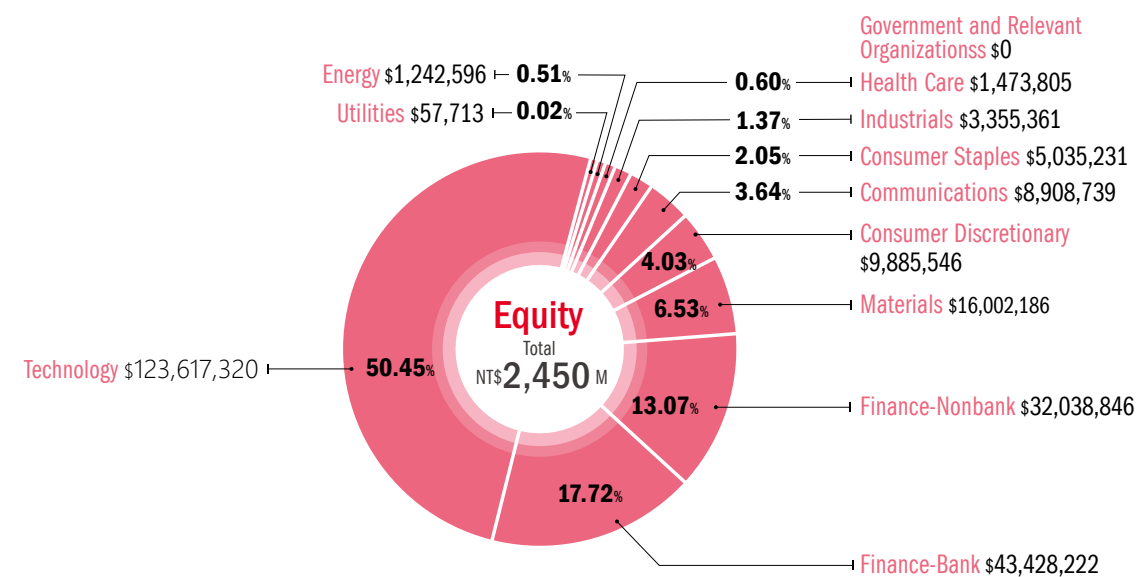
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▼ Premium Income by Product Type (Unit: NT\$thousand)



▼ Investment Breakdown by Industry and Entity (Investment Amount and Proportion) (Unit: NT\$thousand)

SASB FN-IN-410a.1

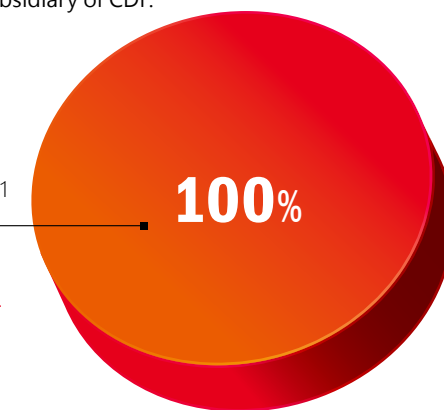


▼ Shareholder Structure (Dated till December 30, 2021)

China Life completed 100% share swap with CDF in Dec.30, 2021, becoming a wholly-owned subsidiary of CDF.

Financial Institutions
Shareholders: 1
Holdings (Shares): 4,920,653,131

Total Shareholders: 1
Total Holdings: 4,920,653,131
Holdings Percentage: 100%



Treasury Stocks
Shareholders: 0
Holdings (Shares): 0

Government Institutions
Shareholders: 0
Holdings (Shares): 0

Other Institutions
Shareholders: 0
Holdings (Shares): 0

Foreign Institutions and Foreigners
Shareholders: 0
Holdings (Shares): 0

Individual
Shareholders: 0
Holdings (Shares): 0



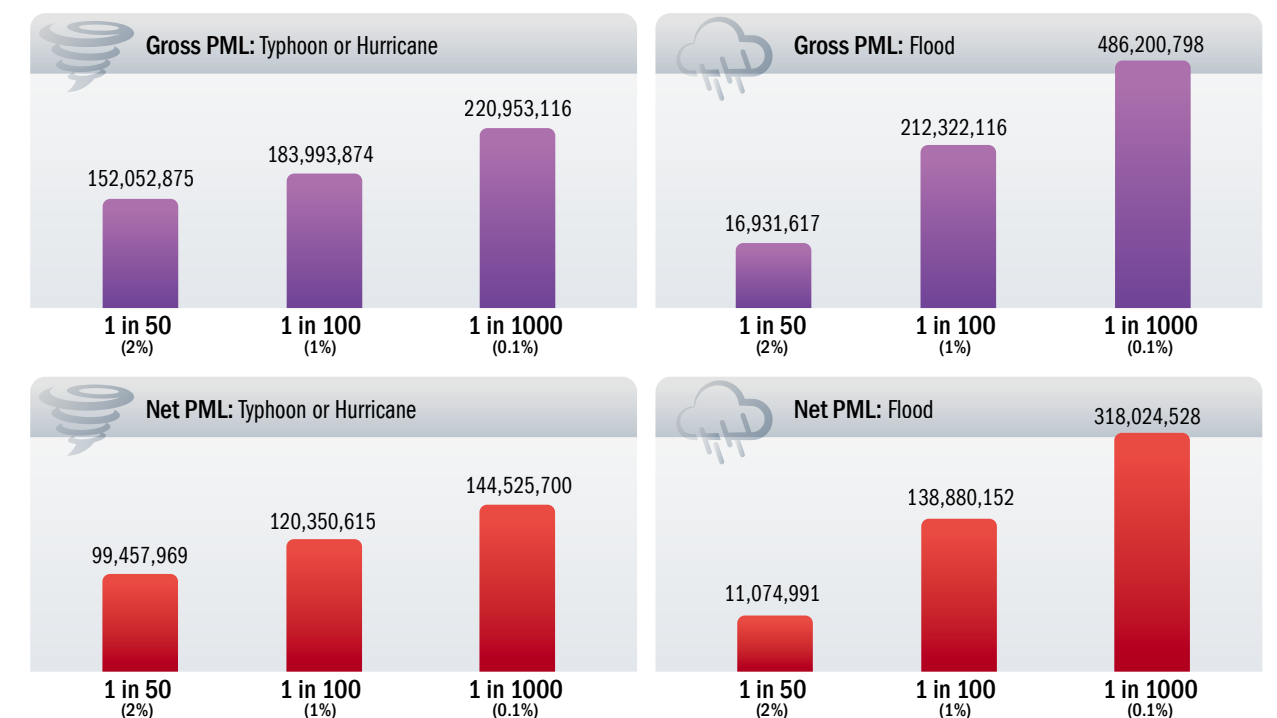
SASB FN-IN-550a.2

Fair Value of Securities Lending Collateral Assets on 2021

NT\$0

China Life analyzes the probable maximum loss (PML) based on the demographic data compiled by the Ministry of Interior in 1958-2020 and loss from natural disasters. First, the calculation is based on odds of dying every year, and then calculation of disaster's possibility of occurrence (first 2%, 1% and 0.1%). PML refers to the death benefit which is the amount of year-end effective contract during the aforementioned multiplied by expected loss percentage. The Net PML refers to the amount that is the net amount at risk of year-end effective contract during the aforementioned multiplied by expected loss percentage.

▼ Probable Maximum Loss (PML) ④



④ The above data are based on death benefit estimates. Ministry of the Interior data show injuries and deaths from non-tornado causes. There is not relevant data for other disasters.

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Integrity and Governance

China Life aims to internalize ethical management and corporate governance in the corporate culture. To ethically manage its business, China Life has long been dedicating itself to improving mechanisms for corporate governance and information disclosure. In addition to being recognized by the 6th Corporate Governance Evaluation of Taiwan Listed Firms as one of the companies in the Top 5%, China Life also became the second company winning the recognition from the Taiwan Corporate Governance Association for its excellence in CG6012 (2019) Corporate Governance Assessment. Adhering to the highest priorities of ethical management and corporate governance, China Life has aggressively protected shareholders' equity and equality, enhancing board structure and operations, improving information transparency, expanding stakeholders' participation and carrying out sustainability development, continuing to achieve the benchmark set by the domestic and international organizations, adjusting governance structure, in order to perfect the corporate governance.

Ethical Management Policies

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

In 2021, "Evaluation Procedures and Methods of Ethical Management" was stipulated, which details the measurement procedures including risk identity, valuation and mitigation along with residual risk measurements. The procedures assess whether all sorts of unethical behavior's residual risk meets China Life's risk appetite. The results of assessment are reported to ethical management committee and board. The overly high risk will lead to drafting of improvement measures, in order to control risks in a timely and effective manner. The appropriateness and effectiveness for the prevention project will be reviewed and adjusted subsequently.

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. In 2021, we did not receive any whistleblower reports of unethical operations or notification of incidents that violated our ethical operations, anti-corruption, or conduct standards.

Committee of Ethical Management

To enhance board's supervision and management function and improve ethical management, the Committee of Ethical Management was set in 2017 under the board's functional committee, "Committee of Ethical Management." In 2021, the committee's size was scaled up to 8 members, half of whom are independent directors. The Committee of Ethical Management convened 4 times in 2021, with attendance rate reaching 100%. The four meetings finalized the operations of ethical management, results of ethical management, ethical management plan in 2022 as well as stipulation of China Life's "Evaluation Procedures and Methods of Ethical Management" and "Measures for the Report on Illegal, Unethical and Dishonest Conducts," in anticipation of optimizing China Life's operation system.

Ethical Management Education and Training

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

To strengthen ethical management and legal compliance principles among our agents, the Company's official and internal websites both publicized regulatory messages. Since 2020, the regulations related messages were created in 2020. Using company-agent communication platforms and push notifications, each week we promoted two regulations that agents must comp. These notifications let agents know the rules and regulations when they are soliciting business or providing services. Our top-down approach ensures that agents adhere to ethical management principles when conducting business as a matter of routine. In 2021, four legal films were shoot with core themes including the four cardinal principles of propriety, righteousness, integrity, and shame. The content of the film were drew from actual cases, helping the colleagues to understand the importance of ethical management.

In 2021,
China Life held on-site
and online education and
training classes, with
100% attendance by
office staff ,
5,018 hours and 7,065.5
hours respectively.

Corporate Governance

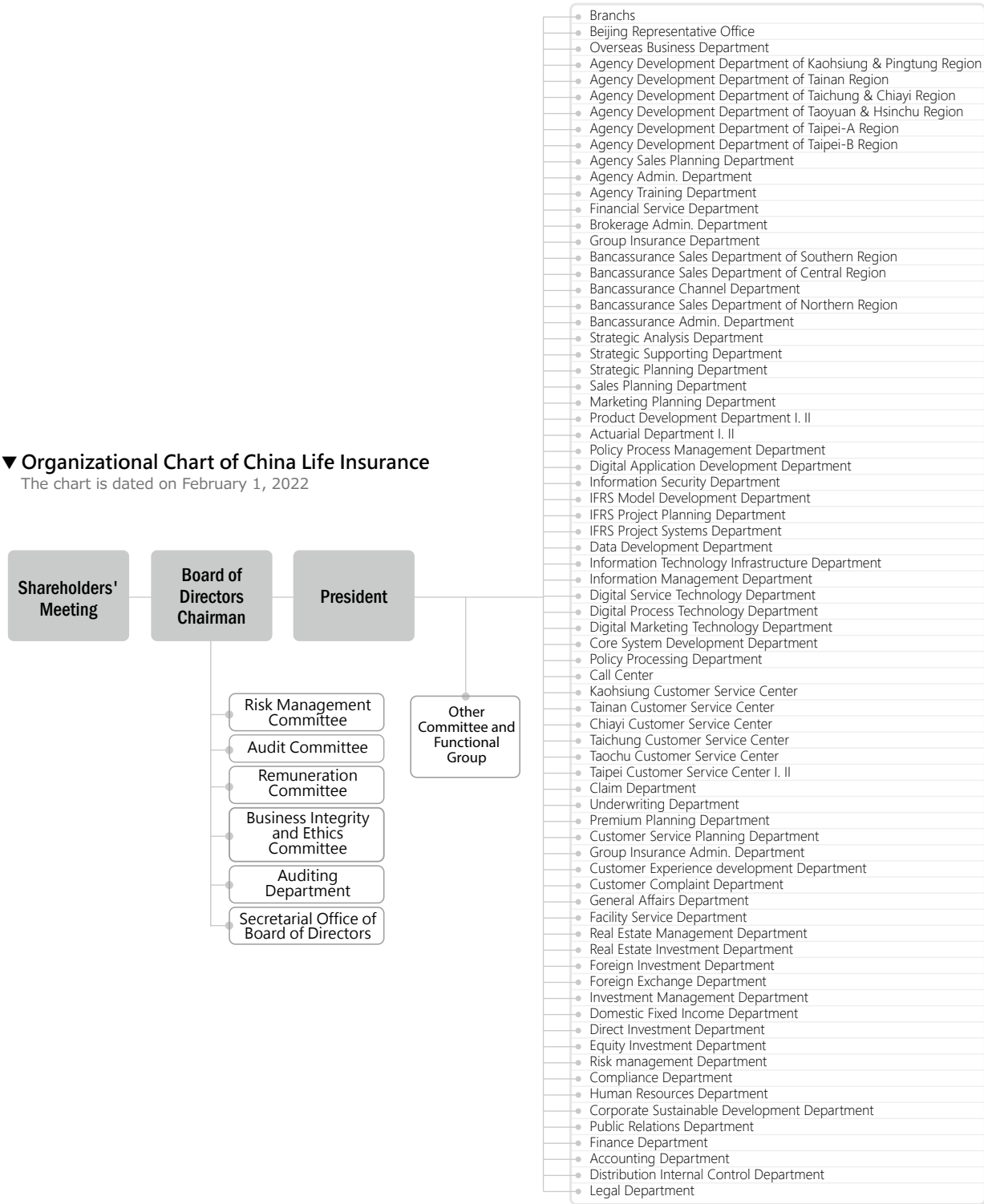
Organization Chart

China Life has a robust corporate governance framework. Major decision-making and deliberations are carried out at the shareholders' meeting ^⑤, including annual dividend distribution, board elections, and revisions to the Articles of Incorporation. The Board of Directors is responsible for review of key decision-making, including operational planning, annual financial reports, and the appointment of top managers.

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

^⑤ In 2021, the shareholders at the AGM approved the proposal that China Life will become a wholly owned subsidiary of CDF on December 30, 2021. Since then, China Life's board has acted on behalf of shareholders meeting.

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Composition of the Board of Directors

The 22nd board of directors were assigned by the single juristic person shareholder, CDF, including 9 directors, including 4 independent directors, 2 female board directors and 2 foreign directors. Among that, independent directors account for 44% of the board, with term of office below three years. 78% of the board directors are below 60 years old.

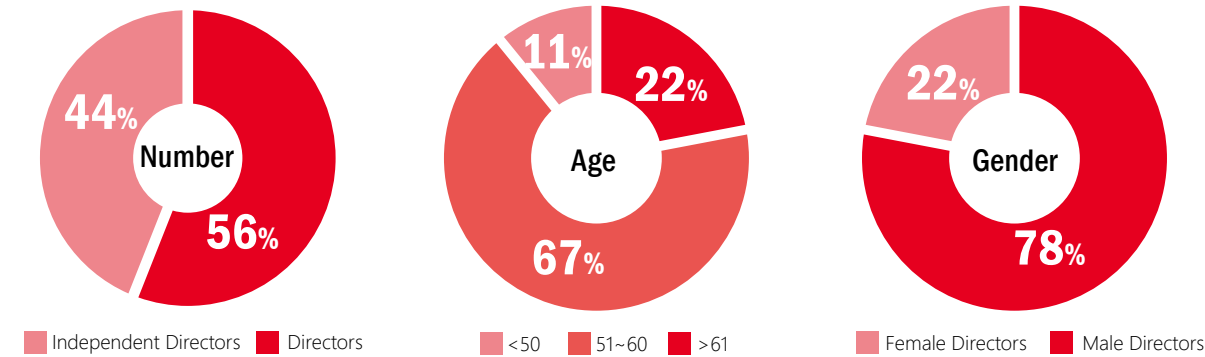
Each member has different expertise and experiences, including in the areas of operations, manage-



For details on diversity of the directors, please refer to p.11 of the annual report.

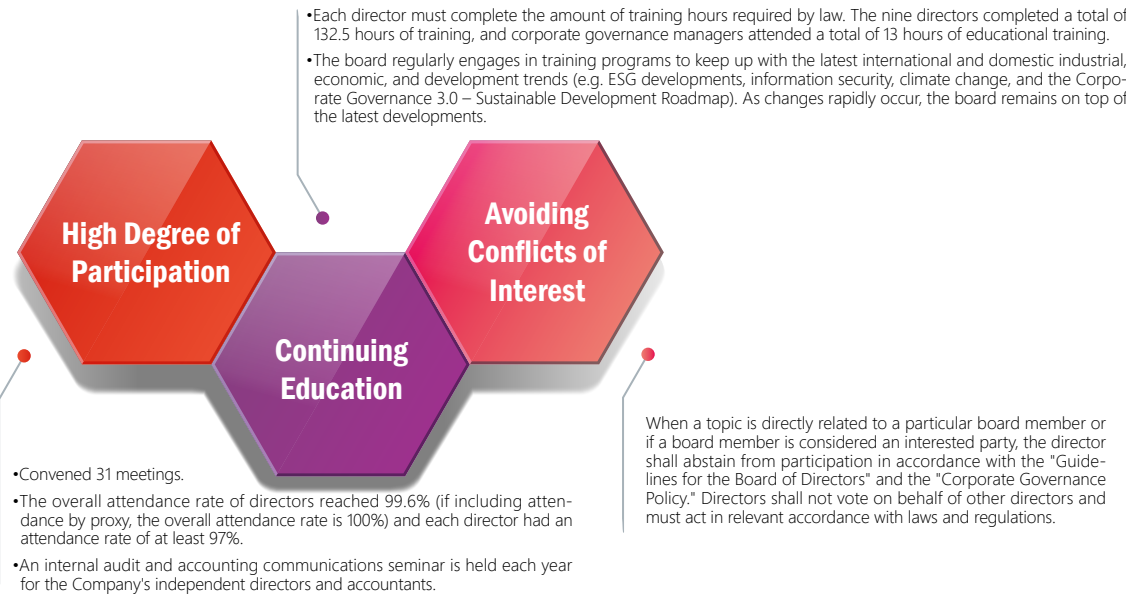
ment, finance, accounting, law, statistics, actuary, or insurance. Besides fulfilling the objective of having a diverse, gender equal Board, the directors have abundant practical experiences and professional capabilities, which improves the decision-making quality of the Board, strengthens internal inspection mechanisms, and enhances the Company's corporate values and performance.

▼ Number, Age, and Gender Distribution of Directors



Operations of the Board of Directors

The Board of Directors, the highest decision-making body of China Life, prudently guides business strategy and steers the Company direction. To achieve these objectives while advancing corporate governance, management regularly attends Board meetings to report the Company's operations. Good communication channels and interaction with the Board members ensures that business proceeds smoothly and produces the greatest interests for shareholders. In addition, as the Board monitors climate-related risks while identifying and responding to related opportunities, Board members will pursue continuing education on climate change, ESG, green finance and IFRS 17 topics, with total accumulated hours reaching more than 34.5 hours. ⑥



⑥ The training sessions focusing on the themes of ESG and green finance include the "13th Taipei Corporate Governance" in 2021, "Corporate sustainability wave-ESG 101 for senior managers," "New trend for corporate finance and responsible investment, and green investment - Taiwan renewable energy market trend," "2021 Cathay sustainable finance and climate change summit forum," "Round table meeting for green finance - climate's finance trend and risk management."

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▼ Board of Directors and Functional Committees

Board of Directors	<p>Independent Directors: 4 ,Total Director: 9</p> <p>Composition and Role:</p> <ul style="list-style-type: none">• Headed by Chairperson Saloon Tham ^⑦ and comprised of nine members, including four independent directors.• The Board is tasked with approving operational guidelines, reviewing the budget and final accounts, profit distribution, change of capital, and approving the Articles of Incorporation. <p>2021 Track Record:</p> <ul style="list-style-type: none">• 31 meetings were convened.• The overall attendance rate reached 99.6% and each director had an attendance rate of more than 97%.• Passed renewal of the directors, supervisors and officers liability insurance coverage.• Passed an amendment to the rules of procedures for shareholders' meetings and submitted the amendment to the regular shareholders' meeting for approval.• Passed amendments to the "Corporate Governance Policy."
	<p>Independent Directors: 4 ,Total Director: 4</p> <p>Composition and Role:</p> <ul style="list-style-type: none">• Comprised of all of the Company's independent directors.• Responsible for monitoring and ensuring effective internal controls, legal compliance, and the management of existing and potential business risks. <p>2021 Track Record:</p> <ul style="list-style-type: none">• 25 meetings were convened.• Independent accountants commissioned by China Life audited semiannual and annual financial reports and reported results to the Audit Committee. The accountants also examined the Company's internal control testing then discussed their findings and information about recent legal changes with independent directors.
	<p>Independent Directors: 4 ,Total Director: 4</p> <p>Composition and Role:</p> <ul style="list-style-type: none">• Comprised of all of the Company's independent directors.• Responsible for assessing, setting and reviewing the compensation and performance of Board members and senior managers. <p>2021 Track Record:</p> <ul style="list-style-type: none">• 9 meetings were convened.• Assessed and reviewed annual work performance and the compensation of Board members and senior managers. Checked and verified the annual remuneration made to Board members and employees.• Amended norms and rules for deferment and payment of performance bonuses as well as the director remuneration payment rules.
	<p>Independent Directors: 1,Total Director: 13</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, accounting, or finance background.• Responsible for setting and monitoring risk management policy as well as quantitative and qualitative standards. Ensures consistency, relevance, stability, and transparency across all risk management mechanisms while making risk management a part of routine operations. <p>2021 Track Record:</p> <ul style="list-style-type: none">• 8 meetings were convened.• Executed the Company's risk management decisions, and regularly examined the overall risk management mechanism's development, deployment and performance of the Company.• Assist and supervise each department's risk management activities.

Committee of Ethical Management

<p>Independent Directors: 4 ,Total Director: 8</p> <p>Composition and Role:</p> <ul style="list-style-type: none">• Comprised of 8 members, at least half of whom shall be independent directors.• Continually strengthen the supervision and management functions of the Board, thus ensuring a better governance framework.
<p>2021 Track Record:</p> <ul style="list-style-type: none">• 4 meetings were convened.• Reported 2020 ethical management implementation results and ethical management risk assessment results.• Stipulated "Ethical management risk assessment procedures and methods."• Revise the Company's "Rules Governing Whistleblowing of Illegal, Immoral, or Unethical Conducts."• Reported 2022 ethical management plan.

Board of Directors Performance Reviews

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

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

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

The Secretarial Office, Board of Directors, conducted the performance review of board of Directors, individual directors and functional committees on the five fronts including "participation to the Company's operations," "improvement of the Board of Directors' decision quality," "Composition of the Board of Directors," "election and continual training of the directors" and "internal control." In 2021, the overall

^⑦ Chairwoman Yu Ling Kuo applied for retirement on December 31, 2020.

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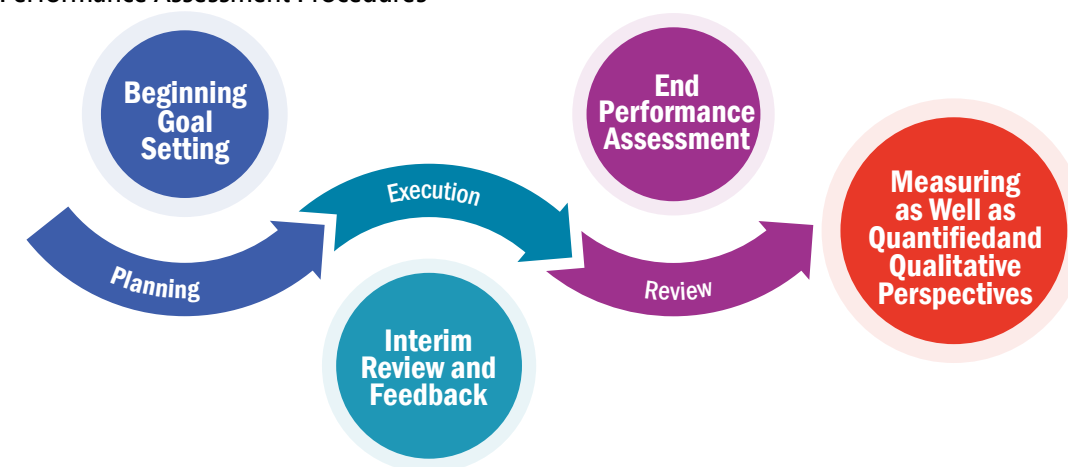
score of directors' performance review reached 100%, with a "outstanding" ranking. Each director's performance review will be categorized into "self-evaluation" and "peer evaluation" with average score reaching respective 98.84% and 96.9% and "outstanding" ranking for both. Each functional committee's overall average score all surpassed 99% and a "outstanding" ranking.

The evaluation results were reported to the board, for the reference for distributing remuneration for individual directors and functional committee's members, to perfect board of director's operations. Board of directors' performance reviews are important mechanisms for self evaluation, improvement, sustainable operations and management. This will serve as a move to comply with regulators' corporate governance road-maps and promotions of relevant issues, so that China Life's board may effectively operate and engage in corporate sustainability development, to create high-quality corporate governance culture.

Employee Performance Reviews

At the start of each year, China Life's every employee must establish annual performance targets then seek to achieve those targets throughout the year. During the middle of the year, they review their performance with a supervisor, who provides feedback. At the end of the year, a final review and assessment are completed.

▼ Performance Assessment Procedures



Performance Management Circular Course

Circular curriculum of performance review was adopted in 2021, helping employees set up performance targets, with subsequent performance related discussion in mid-year and year-end. Construction of performance-oriented culture can effectively allocate bonuses. Data bank was applied to compare the office employees in the Company and the other life insurance companies nationwide. The scale in the market is well positioned to help employees to better analyze career path. More bonuses will be distributed to outperforming employees for a long time via encouragement.

360-Degree Assessments

Assessments enable employees of the Company to understand their degree of competence then use this information to raise their performance, while also letting supervisors better know the capa-

bilities of their subordinates, so they have a reference for talent development planning. In coordination with the policies of our financial holding Company, every two years we conduct 360-degree assessments. The objective is to use a combination of perspectives, including self-assessments, assessments by direct supervisors, assessments by direct subordinates, and peer assessments, to overcome self-awareness blind spots.

Remuneration Linked to ESG Performance

ESG items are included in the performance reviews of the Board. Each department pledges that the CSR Committee's ESG targets shall be included in the department's or division's KPI. KPI fulfillment is an important part of managers' annual performance reviews and influences their annual remuneration, as an incentive to enhance ESG performance. Meanwhile, distribution of managers' remuneration will be postponed and integrate with the Company's long-term benefit, by giving cash and stocks.

Protection of Shareholder Rights^⑧

China Life is committed to guaranteeing the rights and interests of shareholders and upholding the principle of equal treatment. In addition to expanding and diversifying communication channels, we set six major action plans^⑨ to ensure that shareholders know important corporate information and can participate in key decision-making. Meantime, proactive communication with ESG performance in response to international investors' focus on the corporate sustainability. Continual adoption of international standards will improve information disclosure related to sustainability. The Company has been granted impressive performance in the international/domestic assessment. In 2021, 1 AGM and 1 EGM were held, and all proposal passed with over 90% approval rate. Meanwhile, we held one online annual analyst meeting that was attended by 145 domestic and international institutional investors, as well as four online investor meetings. Meantime, quarterly earnings materials are posted in the Company's official websites, to continually communicate the Company's business strategies and results. The presentation materials are always announced before the deadline set in the regulations, to protect shareholders' rights.

6m. Semiannual Financial Reports

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

12m. Annual Financial Reports

For eighth consecutive years, we released our financial reports within 75 days of the end of the fiscal year, 15 days before the regulatory deadline.

Shareholders' Meeting Handbook, Supplementary Materials and Annual Reports

7-9 days before the regulatory deadline for six years in a row

^⑧ AGM will not no longer be held after China Life has become a wholly-owned subsidiary on December 30, 2021.

^⑨ The six major action plans include a dedicated website, diverse and informative meetings, diverse communication channels, convenient electronic voting, convenient shareholders' meetings, and earlier announcement of financial reports.

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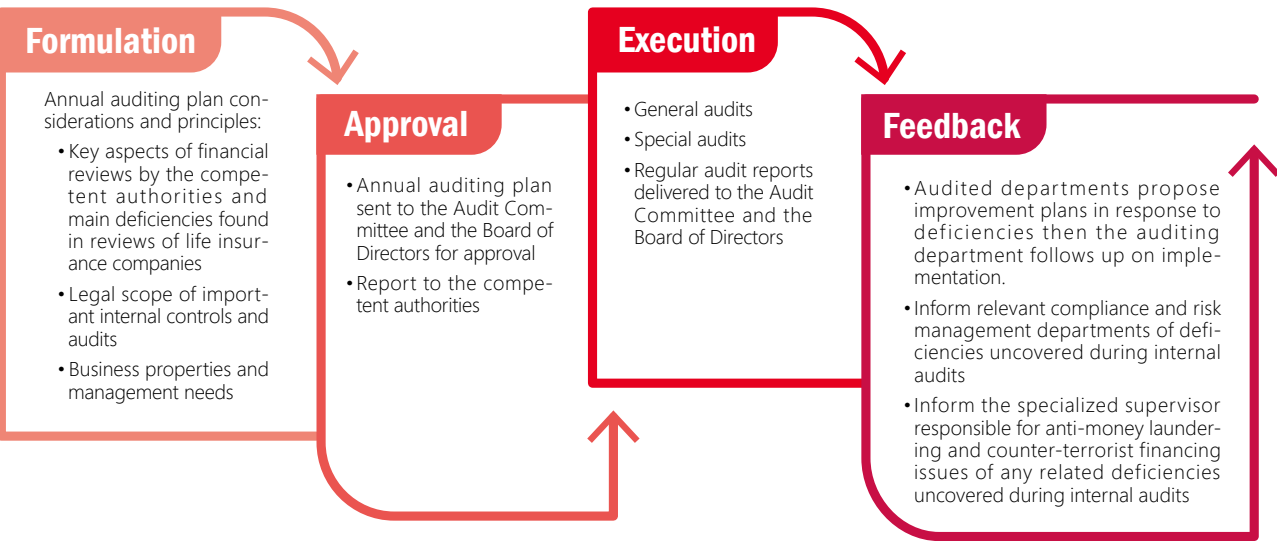
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Internal Auditing

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

Internal Auditing Unit Operations



Participation in Public Association

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

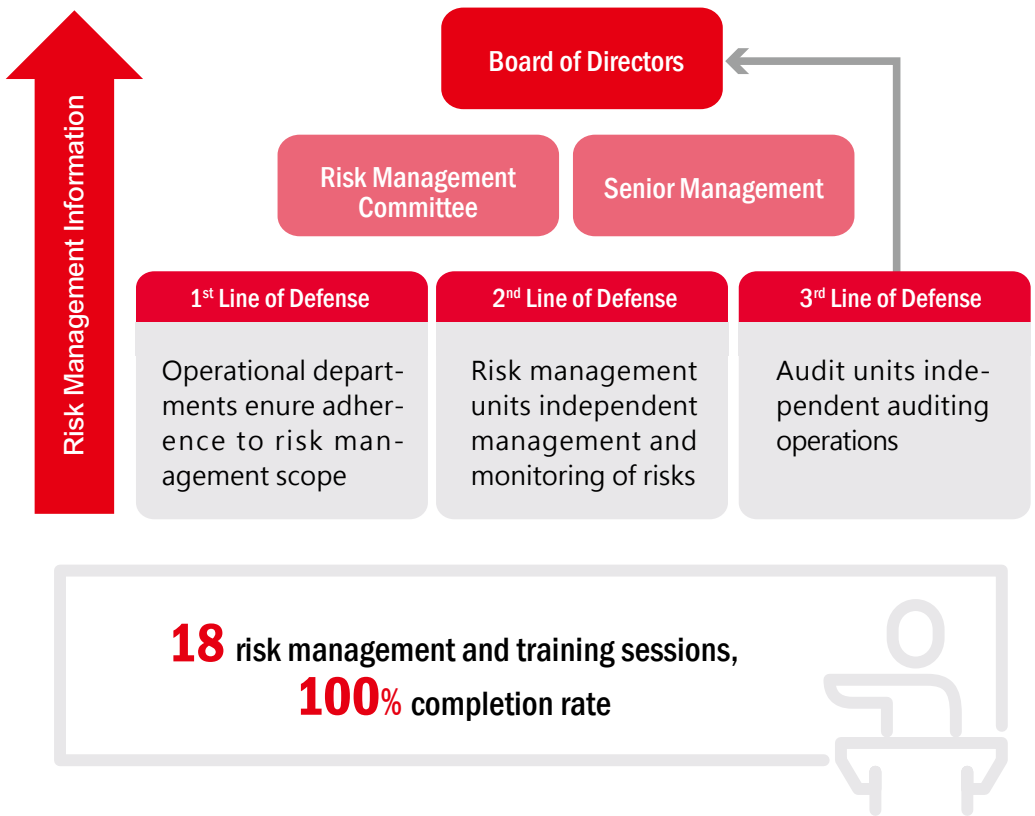
Risk Management

Risk Management Policy

Risk management is a key issue for the operations of the financial insurance industry. In this regard, China Life has set rigorous risk management as an operating objective requiring constant attention in the future, and has formulated and periodically reviewed our risk management policies in serving as the top guidelines for our internal risk management mechanisms. The risk management policies clearly disclose the goals and strategies of the Company's overall risk management, including the organization and responsibilities, the capital adequacy assessment, the setting of risk appetite and risk limit, the identification of major risk categories and their management processes, etc. In addition to observing the trends in Enterprise Risk Management (ERM), the risk management policies also form the basis for building compliance mechanisms and for implementing practices.

Risk Management Organization

Two risk management organizations have been established, namely the Risk Management Committee under the Board of Directors, and the Risk Management Department which is independently run with dedicated responsibilities. We not only build a comprehensive network for risk management information, but also extended and implemented the requirements and effectiveness of risk management to each business department, to ensure the compliance with risk management regulations.



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▼ Major Risk Identification and Responses SASB FN-IN-450a.3 SASB FN-IN-550a.1

Market Risk	According to internal market risk management regulations, we manage the risks associated with interest rate, exchange rate, and equity securities price. Relevant mechanisms include quota control, sensitivity analysis, stress testing, and value-at-risk.
Credit Risk	According to the internal credit risk management regulations, we implement relevant mechanisms, including internal credit rating and trading limit management, credit rating distribution and the tracking of credit rating changes, Expected Credit Losses(ECL), Credit Value at Risk(CVAR), etc. In addition, we also strengthen the monitoring and control of subordinated debts, including risk limit and the percentage of subordinated debentures.
Liquidity Risk	According to the internal liquidity risk management regulations, we manage the risks associated with capital and market liquidity. Relevant mechanisms include the assessment of liquidity risk, stress testing, etc. using the cash flow model.
Operational Risk	Through the interactive use of the three major operational risk management tools, namely Risk Control Self Assessment (RCSA), Key Risk Indicators (KRI), and Loss Data Collection (LDC), the Company continues to monitor and manage the overall situation of operational risks.
Climate Change Risk	Climate change is categorized into physical risks and transition risks. The former arises from direct or indirect losses caused by climate changes, while the latter arises from the process of the transition to Low-Carbon Economy(LCE) due to the influence of policies and regulations, low carbon emission technology, and social preferences of society. We have established mechanisms for evaluating the scenarios of RCP 8.5/ 6DS and RCP 2.6/ 1.5DS under Representative Concentration Pathway. For 2022, we also plan to elaborate on the assessment results of climate change risk in the Own Risk and Solvency Assessment (ORSA) report and relevant documentation, including the impact of physical risks and transition risks on the Company, as well as the countermeasures for climate change risk management.

Technologization and Automation of Risk Management

We have deployed the "Risk Metrics" since 2021, to produce the results such as value-at-risk, stress testing, etc., which will subsequently be used for the planning and applications of analysis platform processes, along with the automation and visualization of internal reports.

In addition, through the analytical effect of Tableau visualization, information can be updated and multi-analyzed as part of the automatic processes, so that users can choose the data charts they want to present depending on their needs and enhance the quality and efficiency of these analyses. Furthermore, with the labor margin yielded through the technologization, we can increase output and added values in researches and analysis, etc.

Business Continuity Management (BCM)

To ensure the safety of personnel, the rights and interests of customers, and the preservation of business reputation and assets, we commit to minimize relevant damage, for maintaining uninterrupted operations in the event of a risk incident. Since 2021, the Company entrusted a consulting company to assist in introducing a business continuity management mechanism and issuing the business con-

tinuity management policy and statement for all personnel to follow. In addition, by integrating and using the resources required for the Business Continuity Management System, the Company held 31 interviews regarding Business Impact Analysis (BIA), to assess each departments' core business as well as the resources they need. We also held educational trainings on business continuity through on-line courses, so as to gradually promote the operation of the Business Continuity Management System. In the future, we plan to obtain ISO 22301 certification in 2022, to demonstrate the Company' s commitment to implementing business continuity management.

In addition, in response to the impact of the epidemic, we strengthened the mechanisms and capacity of off-site and remote working, continued the strengthening of business continuity mechanisms, expanded the equipment in the disaster recovery center, and increased the number of systems in the disaster recovery center in accordance with BIA results. The original 14 sets of critical systems have been expanded to 26 sets. We have also procured and deployed disk space, host equipment, and wire bandwidth, etc.

Epidemic Risk Control

During the level-3 epidemic alert nationwide period, except for personnel responsible personnel for specific operations, all office staff were asked to work from home until the level-3 epidemic alert was lifted. During the period between the lift of level-3 epidemic alert and September 2021, our office staff took turns working from home; only about 50% of the staff were allowed to return to the workplace.

To ensure the safety of our colleagues and reduce the risk of business interruption during the pandemic outbreak, we have implemented strict epidemic prevention and information security measures.

Periodically perform workplace disinfections: once per week for office areas and once per day for the customer lobby front desk.



China Life implemented the access control to the office building; everyone should measure forehead temperature and then sanitize hands with rubbing alcohol:

- The security guards guide people to take the elevators in divided groups. The interior space of each elevator has been demarcated by colored lines to form a nine-square division, for people to keep social distancing.
- During working hours, external janitors are not allowed to enter the office area, therefore preventing contact with our employees.
- The Company implemented flexible working hours and take measures for people to take turns in working from home and working offsite.
- The Company has set up a "Health Care Hotline" dedicated to epidemic prevention, to provide our employees with professional consultation on epidemic prevention.
- The Company has established an epidemic prevention reporting process. In the event that a colleague has been exposed to any infectious risks, e.g. being a confirmed case of COVID-19, being compelled to be in isolation or quarantine, or being suspected to have contact with any person confirmed with COVID-19, etc., their department involved or the Business Communications Department will immediately activate the "Process for Reporting Any Colleague with Infectious Risk," and a dedicated person will daily track the health condition of such colleagues who have been reported.
- In response to the pandemic, the dedicated information security units will activate the information security mechanism in accordance with the Company's policies. The countermeasures include the strengthening of the information security monitoring systems and the remote connection via virtual private network (VPN), so as not to affect the alarm processing operations for information safety incidents.

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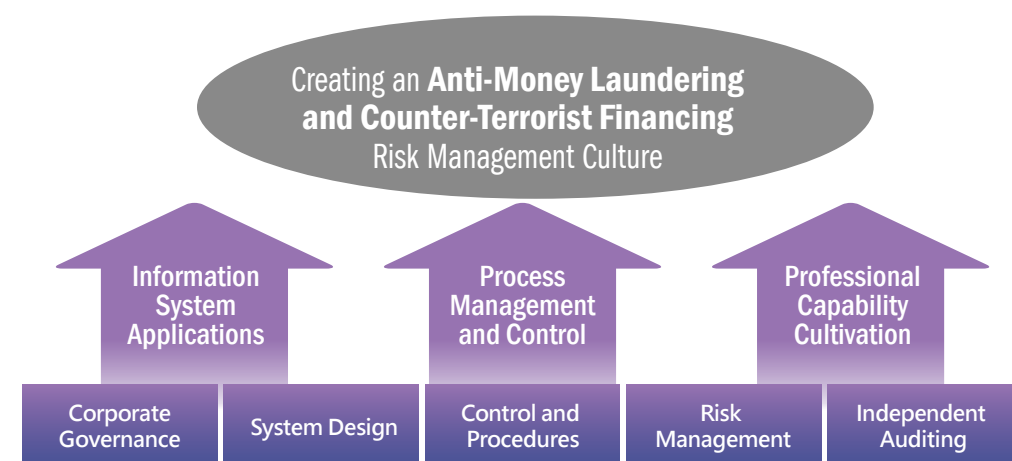
Anti-Money Laundering (AML)

Policies for Anti-Money Laundering and Countering the Financing of Terrorism(AML/CFT)

China Life periodically reviews Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) internal stipulations and operations. The Company reviews its monitoring modality and reporting standards in a timely manner, so as to enhance reporting of suspicious transactions, strengthen the effectiveness of crime interdiction, and avoid defensive reporting. Moreover, in 2021, in alignment with laws, regulations, and practical operations, the Company made many amendments to its "AML/CFT Risk Assessment Policy," "AML/CFT Risk Assessment Processing Procedures," "Precautions and Detailed Rules for Anti-Money Laundering and Countering the Financing of Terrorism(AML/CFT)," and "Directions Governing Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)."

Organizational structure for Anti-Money Laundering and Countering the Financing of Terrorism(AML/CFT)

In terms of corporate governance, system design, control and procedure, risk management, and independent audit, the Company has established a risk management framework for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) through a three-pronged strategy that combines information system usage, process control, and personnel expertise cultivation, to incorporate AML/CFT risk prevention awareness into the Company's organizational culture.



In order to further implement AML/CFT mechanisms, the Company's Chief Compliance Officer (CCO) plays the role of the dedicated supervisor responsible for AML/CFT, and oversees relevant matters. The CCO should report relevant matters to the Board of Directors and the Audit Committee at least once every six months according to the law. The Board of Directors supervises the operation of relevant matters, risk assessment, and planning.

Moreover, China Life has also set up a dedicated unit for "Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)" which handles all relevant matters. In addition, each business unit has appointed its own overseeing supervisors (senior colleagues or section level-or-above supervi-

sors) who have relevant professional qualifications in AML/CFT, to ensure that each business unit carries out its function of serving as the first defense line.

Educational trainings on Anti-Money Laundering and Countering the Financing of Terrorism(AML/CFT)

To continue strengthening and enhancing AML/CFT awareness among directors, senior management, office staff and agents, the Company regularly holds educational trainings to promote or discuss relevant laws and regulations, operational changes, concerns in practice, and case studies. In 2021, China Life held 27 educational training sessions, with a total of 16,645 participants.

For any colleague who already has an internationally recognized Certified Anti-Money Laundering Specialist (CAMS) certificate, China Life offers a program for individuals to get subsidized annual fees and re-certification fees. Meanwhile, we also continue encouraging and subsidizing the personnel in relevant business units responsible for dealing with AML/CFT matters to obtain relevant domestic and international certificates. In 2021, our office staff acquired an additional 151 certificates. The number of certificates has continued to increase for the past five years.

100% of the personnel in the dedicated AML/CFT units have passed the examinations and obtained Certified Anti-Money Laundering Specialist (CAMS) qualification.



Board of Directors

The Board of Directors should take on the ultimate responsibility to ensure the establishment and maintenance of proper and effective internal control on AML/CFT, and the board of directors must understand the risks and countermeasures for AML/CFT.

In 2021, we invited an AML consultant to give a lecture on "International Trend in AML/CFT Regulatory Environment Changes." Covered topics include changes in international AML trends, as well as various new systems in line with the international community. In face of the global pandemic and the booming development of emerging financial technology, the lecture also talked about how insurance companies should enhance their "Know Your Client (KYC)" techniques by replacing traditional customer due diligence surveys with digital technology-oriented surveys so as to effectively address relevant risks.



Dedicated supervisors, dedicated personnel, and overseeing supervisors in relevant business units

According to the requirements of laws and regulations, relevant supervisors and personnel should attend courses on relevant topics and complete subsequent examinations. The Company also held off-line courses by cooperating with external professional training institutions. The Company previously held two sessions of on-the-job courses on AML/CFT for its employees. Topics include issues regarding financial crime prevention, AML practices in the financial industry, etc. There were 82 participants a total of 1,538 hours of training, with a 100% completion rate.

^⑩ In response to amendments to the "Money Laundering Control Act," the "Counter-Terrorism Financing Act," relevant supplementary provisions, and self-disciplinary regulations, China Life has simultaneously conducted difference analyses before and after such amendments to ensure timely adjustments to relevant operations.

^⑪ Course theme includes: Latest domestic and foreign AML/CFT regulations and standard, AML/CFT risk development and trends, AML/CFT case study analysis (including discussion of predicate crime threats and prevention of weapons proliferation), AML/CFT customer review and assessment, corporate integrity management and morals (including anti-corruption and whistleblower protection.)

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Office staff and agents

Every year, China Life provides appropriate basic training on AML/CFT regulations and key concepts through online courses and post-course tests. The completion rate of such trainings for both the office staff and agents was 100%.

Customers and external personnel

To effectively implement anti-money laundering and counter-terrorist financing, besides requiring hard work and enforcement by the company, external staff and customers are critical. China Life has been actively communicating with customers and external personnel to promote AML awareness and concepts through various channels.

- 1.The "AML Promotion Section" has been set up on the Company's website.
- 2.The Company releases official articles on Facebook.
- 3.The general public can access links to relevant websites, promotional materials, and the correspondences from the competent authorities, etc. available on websites.
- 4.Printed posters are posted at the counters of customer service centers as well as the Business Communications Department.
- 5.When customers inquire about AML/CFT operations, front-line colleagues will communicate with the customers and provide detailed explanations.

Continue refining AML/CFT operation processes

Since 2021, we have strengthened the rules for the systematic judgment of AML/CFT risk factors, and formulated relevant documentation in a structured and more logical manner, so as to facilitate business compliance. In 2021, the results of the Comprehensive AML/CFT Risk Assessment met the risk limit requirements and risk appetite levels required by China Life. According to the optimization items proposed in the "Comprehensive AML/CFT Risk Assessment and Prevention Plan," the Company has incorporated investigations by the prosecutor's office or the investigation authority who ask to retrieve information of any insurance client for any suspected case involving in money laundering or corruption as customer risk assessment factor. The Company engages in continuous improvement of our AML/CFT system.

Information Security

Information security policy

China Life has created the Information Security Policy and deployed information security system, to ensure the confidentiality, completeness, usability and compliance with information related operation and services, to enhance information security and risk management. In response to insurance sector's expansion and diversity, since 2021 the Company has expanded the information security's internal control and relevant procedures to all companies, allowing each business unit to play a role as user, responsible unit and maintenance department, so as to improve the Company's overall information security management.

In 2016, the Company passed ISO 27001 Information Security Management System certification and regained certification again in 2021.

Information Security Organization

In 2015, China Life has established the Information Security Department, and it convenes semiannually to review information security management implementation, the status of motions previously raised by the committee, internal and external information security topics, and modifications to the information security management system. The Company reviewed work implementation status and planned tasks to carry out for the next year.

China Life in 2019 established the Information Security Department to serve as the Company's dedicated information security unit. The department expands the scope of our information security management system and creates a framework to manage related control procedures and self-assessments throughout the Company. At the same time, it monitors and measures the effectiveness of information security internal controls. The Company also appoint information security staff in each department, expanding the information security related operations across the Company.

Information Security Policies and Operations

In response to ever-changing external attacks and to reduce the risk of interruption of information availability due to sudden calamities or irregularities, China Life has aimed to be fully prepared in terms of institution, framework and information security drills.



The Company's policies are for use in all service lines.
China Life's information security management system operates according to ISO 27001 standards and uses the Plan-Do-Check-Act cycle (PDCA) as both a foundation and a tool for maintenance and improvements.

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Information Security Joint Defense

To respond to the growing need for information security and "Finance cybersecurity mobile solution" promoted by the FSC, the Company has participated in PC cybersecurity-related emergency response team established by CDF, to timely grasp and support the response and dealing of the cybersecurity events within the group, to lessen the losses of the incidents. Elsewhere, when a major information security incident occurs, multiple institutions will be affected. Under these circumstances, China Life has participated in the F-ISAC, allowing the joint defense group enhances systematic risk control that enables cross-institutional or cross-field reporting and responses, to lessen the losses of major incidents.

Establishment of Security Operation Center (SOC)

SOC has been set for 24/7 surveillance, to detect and identify the cybersecurity event, to improve the capability of cybersecurity events. The SOC also integrates China Life's cybersecurity platform and logs related to information security and networking equipment. Multidimensional association analysis has been implemented. Meanwhile, professional information security log-related management and analysis system with cybersecurity staff to engage in judging and giving suggestions, to reach precise instant report and alarm for cybersecurity event.

Instant report for cybersecurity event will significantly improve effectiveness of tracking and handling of the cybersecurity events. Implementation of cybersecurity events management will lessen the severity of the event.

Red Team VS Blue Team and DDoS Drill

External exports were delegated to engage in Red Team VS Blue Team and DDoS drill, to review the effectiveness of the drill and enhance the resilience of the event. Elsewhere, the government and important consumption-related services have been attacked by the distributed denial of service (DDoS), leading to breakdown of some institutes. To enhance defensiveness and resilience of DDoS, the DDoS drill was held, to gauge the resilience for the website and the main hosts, and ensure the effectiveness of DDoS attack solutions.

Acquire an App MAS label to demonstrate the security of our app.

To improve basic cybersecurity protection of mobile APP provided by China Life, the projects to assess the computer system's information security conducted every year and operations to test mobile APP's basic security function shall effectively enhance information security awareness and gradually perfect security and protection of mobile APP.

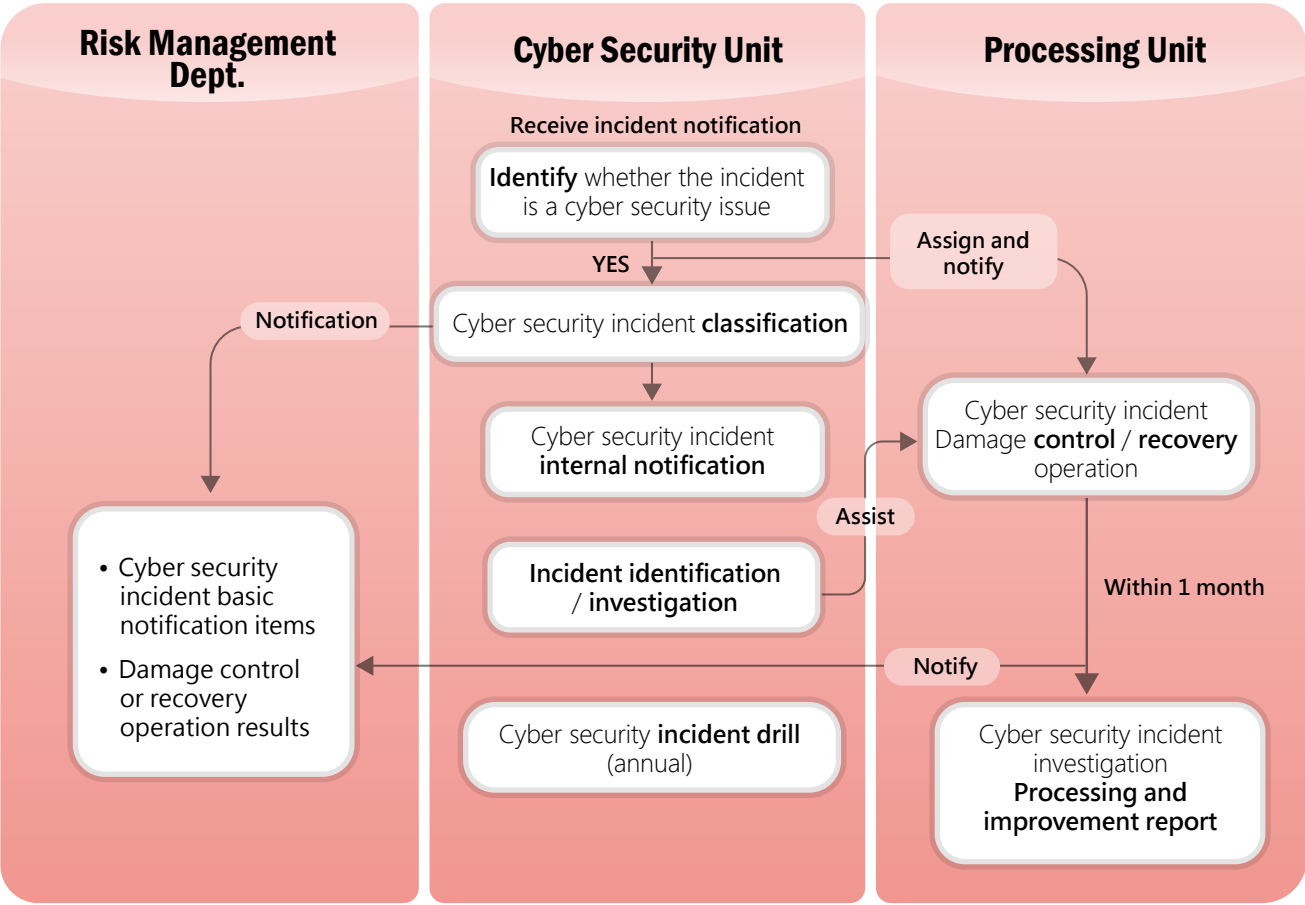
Information Security education and training

The Company's employees undergo information security education, training, and receive advocacy in accordance with practical standards to advance related knowledge. In-house employees receive three hours of online information security education and training and must complete tests to demonstrate their knowledge and awareness. Information security staff complete at least 15 hours of education and training each year through a combination of privately arranged sessions, domestic courses and symposiums, and international training. In 2021, 100% of our staff passed information security tests.

Meantime, all employees received social engineering training, to cultivate a good habit to use the e-mail service safely and enhance the cybersecurity awareness. In 2021, 100% of the employees received the training, with the unqualified rate of as low as 0.204%. Additional education and training sessions were provided for employees who failed the exams, to ensure all staffs are on the same page in terms of cybersecurity awareness. These employees were under extra care by their department heads.

Information Security Incident Responses and Management Mechanism

Based on China Life's Personal Information Incident Response, Reporting, and Prevention Management Methods, reporting, handling and reaction to the cybersecurity events shall be categorized based on different procedures. After incident handling is complete, the department supervisor responsible for the related systems or business shall make necessary improvements and submit the "survey and improvement report on information security incidents" of the event. The objective shall be to prevent a similar repeat occurrence. In 2021, China Life did not have any major information security incidents.



Personal Information Management System

In 2017, the Company for the first time passed the standard of BS 10012:2017 Personal Information Management System (PIMS), internalizing personal information protection into the corporate culture. In 2020, assessment was expanded to all departments. Deployment of the General Data Protection Regulation's (GDPR) applicability assessment mechanism was completed, the second review of BS 10012 was completed in 2021.

China Life established the Personal Information Protection Management Committee. Convened by the Company's President, the committee promotes, manages, and oversees our PIMS. It meets semiannually.

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ally to discuss personal information protection, technical developments, management system oversight and review, and handling of related incidents. Each committee member is briefed on the overall state of personal information protection at the Company. The meetings concerns execution, technological development, management system's surveillance and review of the personal information protection. It also covers issues regarding personal information incidents, discussing personal data related technologies and data domestically and internationally as well as response to personal information data, to promote, manage and monitor the effective operations of personal information management system. Additionally, "personal information review team" was established to review whether personal information management, procedures and safety control measures are implemented according to the plan. 30% of the team members should obtain qualifications of Privacy Information Management System Lead Auditor.

Personal Information Protection Education and Training

Since the Company introduced BS10012, the personal information security has been continually reviewed and optimized; personal information security maintenance's efficiency has been enhanced; required resources has been integrated into the personal data management system. Meantime, the company hired external consultants to help held 57 simulated review drills totaling 119 hours. In 2021, 18 in-person online courses were held in 2021, to raise each employee's personal information protection awareness.

57 simulated training sessions, 18 personal information training sessions, course completion rate 100%



Legal Compliance

Legal Compliance Risk Management Mechanism

In response to tighter financial regulations from domestic and international regulators, China Life builds "legal compliance risk evaluation mechanisms in accordance with the law and conducts annual legal compliance risk evaluations" and use "changed regulation management system" to help monitor, integrate and established standardized review process, to help understand updates of change in regulations on the internal and system front in every department. In face of the international trends, China Life has set up a dedicated department in advance, to better implement International Financial Reporting Standards (IFRS) 17. Legal compliance unit provides complete and timely legal compliance opinions via earlier participation in planning of new products and new services, responding and effectively controlling legal compliance risks. Legal compliance testing are held on a regular basis every year, to track the improvement. Related education and training sessions are arranged. Meantime, Peer penalty cases' management mechanism has been established, to lower the possibility to make errors.

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

Event	Timing
Due diligence for all new accounts	1/1/2019 to present
Completion of due diligence for existing high net worth individual accounts	12/31/2019
Annual filing	Since 2020, every June,
Completion of due diligence for existing personal high net worth accounts	12/31/2020

According to the Common Reporting Standards, due diligence for new accounts should be completed from 2019, and filing should be completed from June 1-30 in the next year. China Life has completed due diligence on the accounts for the first time in June 2020. By 2020-end, we completed due diligence on existing physical accounts and accounts of relatively lower value, in preparation for reporting in June 2021.

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Legal Compliance Education and Training

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

Held 126 legal education, training, and advocacy

To strengthen ethical management and legal compliance principles among our agents and help them comply with ethical management and anti-corruption, sales agents are required to comply with regulations regarding business solicitation and services, to ensure that daily operations are in line with ethical management principles. Regulatory training and education for sales agents and senior managers.

Legal Compliance Self-assessment

The "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises," requires each department to conduct legal compliance self-assessment semiannually, to identify possible flaws for the operations, in order to achieve self-correction and comply with the law. One legal compliance self-assessment was held each in 1H21 and 2H21. The results showed that the Company showed no any flaws.

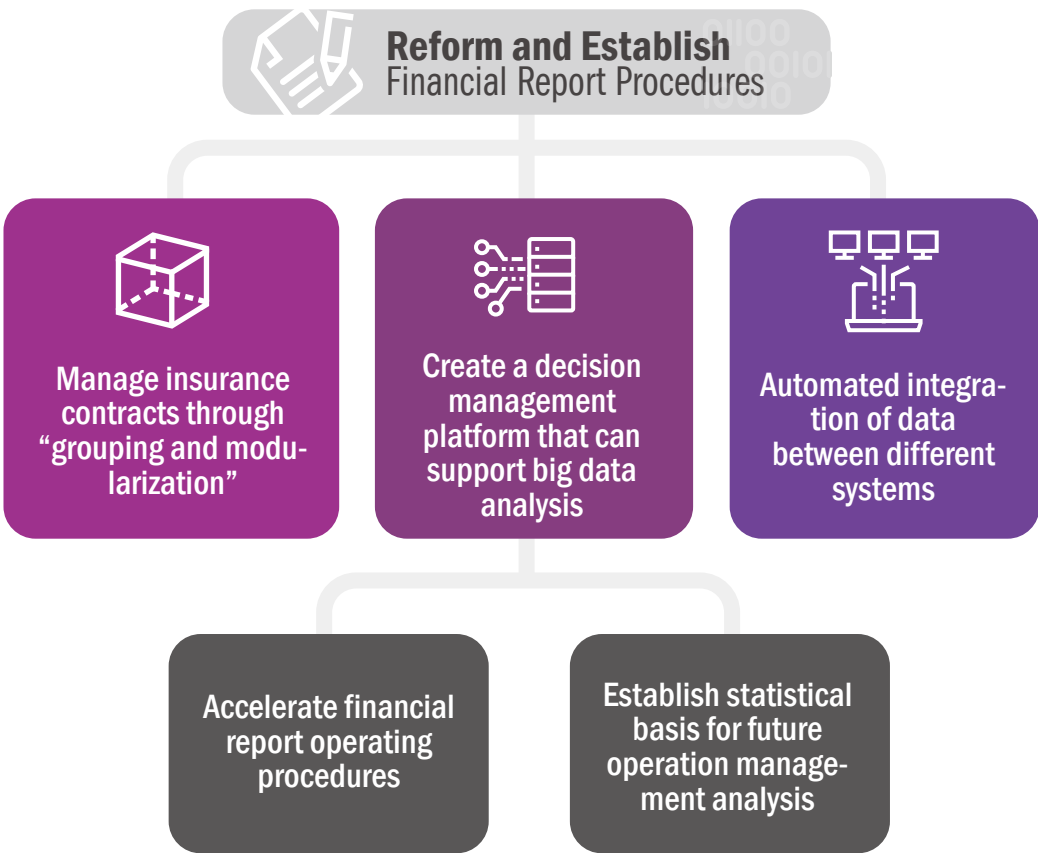
Fines and Improvement Measures

China Life's internal compliance departments gather daily information on the competent authorities' actions towards violations in the insurance industry then notify relevant departments. We review our internal operations and policies, assess the latest regulator approaches, use these findings to make revisions and prevent a similar violation occurring at the Company. Ongoing analysis of regulators' interpretations of the "Insurance Act" and other related legal standards ensures that our solicitation, products, after-sales service, protection of employee interests, and other operational procedures are in full compliance with the latest government regulations. In 2021, the competent authorities issued no disciplinary action to China Life.

Implementation of IFRS 17

IFRS 17 is about to take effect in 2023. Taiwan will adopt both IFRS 17 and Insurance Capital Standard (ICS) in 2026. IFRS 17 articles and requests bring about impact and challenges on the front of data, system, and process.

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



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Responsible Investment

Responsible Investment Policies

To put the sustainable business strategy and sustainable finance spirit into practice, China Life incorporates ESG factors - Environment, Society and Governance into its investment policies. While pursuing investment profit and growth, we comprehensively evaluate products, operations, and active behaviors of the investment targets according to the three major aspects of ESG, to screen out investment targets with sustainable value. In addition, we have formulated criteria for investment exclusion. When it comes to evaluating potential investment targets, if the main business items of a company involve any of the circumstances listed in the Negative List, e.g. environmental pollution, social disputes, and poor corporate governance, the company shall be excluded from China Life's direct investment list.

After making an investment, we continuously pay attention to, analyze and evaluate the information related to the investment target. If the investment target is involved in any of the situations listed in the criteria for exclusion, it shall be immediately inspected and evaluated for any improvements have been made or planned, and the countermeasures adopted by China Life shall be described in the evaluation report, such as altering investment strategies or decreasing investment limit.

In the future, China Life will continue to adjust its investment portfolio, and focus on the promotion of initiatives, with the goal of advocating carbon reduction in the industrial value chain through climate actions.



Responsible Investment Policies website

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



For private funds, aside from evaluating its ESG policies, the Company also takes into account whether the fund has signed PRI as a screening criterion.

Stewardship of Institutional Investors

We updated the "Compliance Declaration of Stewardship Principles for Institutional Investors" in December 2020 to strengthen our ESG spirit. As institutional investors, we hope to influence our investment companies for the good, and that we can participate in the corporate governance of our investment targets through engagement methods such as attending shareholders' meetings, exercising voting rights, properly having conversations and interaction with the executive-level personnel such as directors or managers of the investment targets.

100% attendance rate for the shareholders' meeting of invested companies (Listed company or OTC company)

And the voting rate for proposals in shareholders' meetings reaches **100%** ①

Statement of Compliance with Stewardship Principles for Institutional Investors

Performance Regarding Responding to the Principles for Responsible Investment (PRI)

Principle 1 Incorporate ESG issues into investment analysis and decision-making processes

Performance in 2021:

- We formulate the Responsible Investment Policies, investment policies, and operational regulations handbooks, and take ESG factors into consideration in our investment decision-making process
- 100% of the individual stock investment reports have been incorporated into ESG evaluation items
- Before investing, investment evaluation reports shall be issued, and these reports shall take into account ESG factors such as environmental protection, labor-management relations, and corporate governance

Principle 2 Exercise active ownership and incorporate ESG issues into ownership policies and practices

Performance in 2021:

- 100% attendance rate for shareholders' meetings of the invested listed companies or OTC companies, as well as 100% voting rate for shareholders' meeting proposals.
- 100% attendance rate for shareholders' meetings of the invested companies which are not listed companies or OTC companies, as well as 100% voting rate for shareholders' meeting proposals

① China Life participated in the voting of all proposals with the exception of proposals requiring abstention from the election proposal of Directors or Supervisors under the provisions of the Insurance Act.

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Principle 3 Seek appropriate disclosure of ESG issues from invested entities

- Performance in 2021:
- The investment evaluation report refers the investment target's ESG report and other related information.

Principle 4 Facilitate the acceptance and implementation of the PRI principles within the investment industry

- Performance in 2021:
- 100% of foreign funds, ETF companies, and 81% of foreign privately offered fund in our possession are signatories of the United Nations Principles for Responsible Investment (UN PRI).

Principle 5 Establish a collaboration mechanism to enhance effectiveness in implementing PRI

- Performance in 2021:
- As a member of the investment research task force of the Life Insurance Association of the Republic of China (LIA-ROC), we discuss investment practice with peers of the life insurance industry.

Principle 6 Separately report our activities and progress in implementing PRI

- Performance in 2021:
- We conduct monthly reviews on the operations or trends of the industry chain of invested companies, and then report the investment performance to the manager with the highest level of authority for approval and resolution.
 - We disclose the responsible investment achievements in our sustainability report.

Portfolio Carbon Footprint Verification (CFV)

In 2021, we conducted a portfolio carbon footprint verification (CFV) to understand current portfolio carbon exposure, and used this as basis for decision-making in pursuing low-carbon investment transformation. China Life follows the "Global GHG Accounting and Reporting Standard for the Financial Industry" in the Partnership for Carbon Accounting Financials (PCAF) and "Global GHG Accounting and Reporting Standard for the Financial Industry," and conducts carbon emission estimations for the six investment asset categories ❷ covered by the standards every six months.

China Life calculates the total investment, total carbon emission and carbon emission intensity ❸ of each industry classification in the investment portfolio according to Bloomberg Industry Classification Systems (BICS), to analyze the high carbon emission industries of investment positions. We also take into account the investment proportion of each industry to serve as the basis for subsequent position adjustment.

As of the end of 2021, the total carbon emission of the investment balance was approximately 3 million metric tons, which was approximately 32% lower than that at the end of 2020. Through a preliminary inventory of the carbon emission status quo of the portfolios, China Life has been able to confirm key emission targets as well as investment quotas for the industries with high-carbon emissions. The Company will continue to evaluate industries and corporate components in its investment portfolio, and ensure that its investment portfolio gradually moves toward low-carbon industries, so as to achieve the goal of reaching portfolio net-zero carbon emission by 2045.

❷ The six investment asset categories are: listed stocks and corporate bonds, corporate loans and unlisted stocks, project financing, commercial real estates, mortgage loans, motor vehicle loans.

❸ Carbon emission intensity means the carbon emission per million NT\$ investment.

Responsible Investment Performance

Evaluate Climate Action Achievements Through ISO 14097

Recognizing that climate change has become a global risk, China Life, as an asset owner, hopes to co-operate with investment objects and create the impact of climate action through the introduction of funds. After conducting the inter-departmental meeting discussions, each investment department proposed potential climate actions through asset portfolio carbon emission analyses, including: Adjusting the holding positions and investment targets, participating in shareholder meetings, holding symposiums, workshops, etc., and finally took factors such as feasibility into consideration, to select three practical climate actions "Renewable Energy Power Plant Investment," "Green Bond Investment" and "High Carbon Emission Industry Engagement" as the current goal to put into practice.

China Life follows the ISO 14097 climate change-related investment and financing behavior evaluation, as well as reporting framework methodology, to plan and implement climate actions, and further analyzes the output, outcome and impact of climate action. China Life is the first company in the world to acquire the "ISO 14097 The Reports of Climate Change Investment Activities Evaluation and Reporting."

Investment in Renewable Energy Power Plants

To put corporate sustainability value into practice and support the development of Taiwan's renewable energy industry, China Life's Investment and the sustainable team has prudently evaluated the qualifications of the investment targets, investment risks and related opportunities. As of 2021, China Life's investment in renewable energy power plants is expected to have a total installed capacity of 228 megawatts, with an expected power generation capacity of 311 million kWh per year, and a total environmental benefit of reducing greenhouse gas emissions by 158,300 tons. Among them, based on China Life's expected investment ratio, a reduction of 8,900 tons of GHG emissions is expected.

Green Bond Investment

China Life actively invests in reputable foreign and domestic green bonds, and we expect that the funds will be invested in renewable energy, energy efficiency enhancement, green transportation, sustainable water resource management and green buildings. As of 2021, China Life has invested approximately NT\$10.2 billion in green bonds, and we estimate that 207,100 tons of greenhouse gas can be reduced. On the other hand, in 2021, Peru issued its first perpetual bond, in which China Life actively invested in. It is expected that the funds will be invested in climate change adaptation measures subject to the framework of National Determined Contribution (NDC), as well as the COVID-19 recovery plan and the industrial low-carbon development plan. In response to the Green Finance Action Plan 2.0 for promoting the green financial goods development policies advocated by the government, China Life invests in the green bonds issued by TSMC and Ørsted, to support the development of domestic clean energy. The investment amount reaches NT 2.3 billion, to put ESG investment spirit into practice.

High Carbon Emission Industry Engagement

After identifying high carbon emission investment positions ❹, China Life conducted the survey by issuing 92 questionnaires to high carbon emission investment targets in September 2021. Through

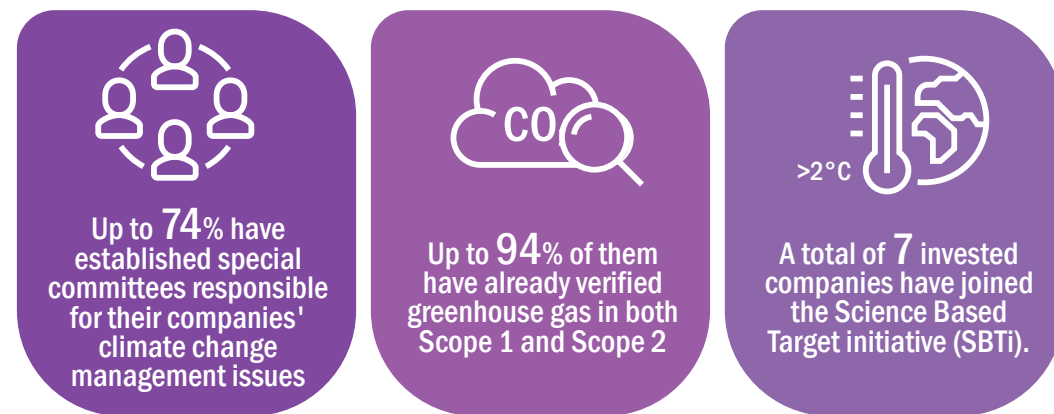
❹ The identification of high carbon emission industries includes the industries such as power, steel, cement, semiconductor, petroleum refining, etc.

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questionnaire analysis, China Life grasps the carbon emissions status of its investments of different scales and industries, current carbon reduction measures, climate actions and future carbon reduction goals; and in addition tracks their carbon emissions and other climate-related action, to confirm whether the investment objects can gradually achieve self-set goals in the preset year.

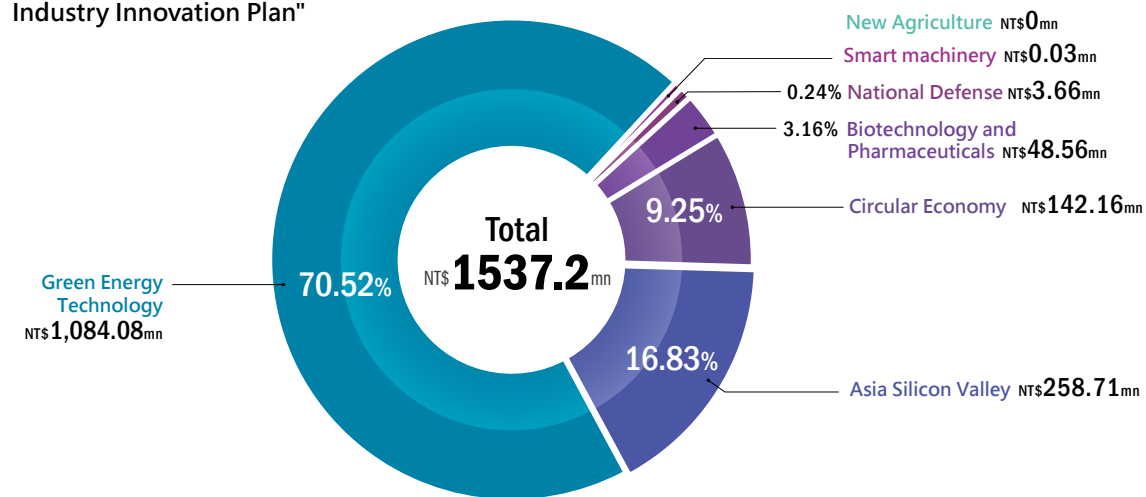
▼ The investment targets participating in climate engagement



Active Investment in "Five Plus Two Industry Innovation Plan"

Even before the government's "Five Plus Two Industry Innovation Plan ⑤," China Life has actively invested in and supported natural gas power generation, green energy and pharmaceutical companies. In 2021, the investment balance of direct and indirect investments for the "Five Plus Two Industry Innovation Plan" reached NT\$15.372 billion.

▼ Investment Balance and Ratio in the "Five Plus Two Industry Innovation Plan"

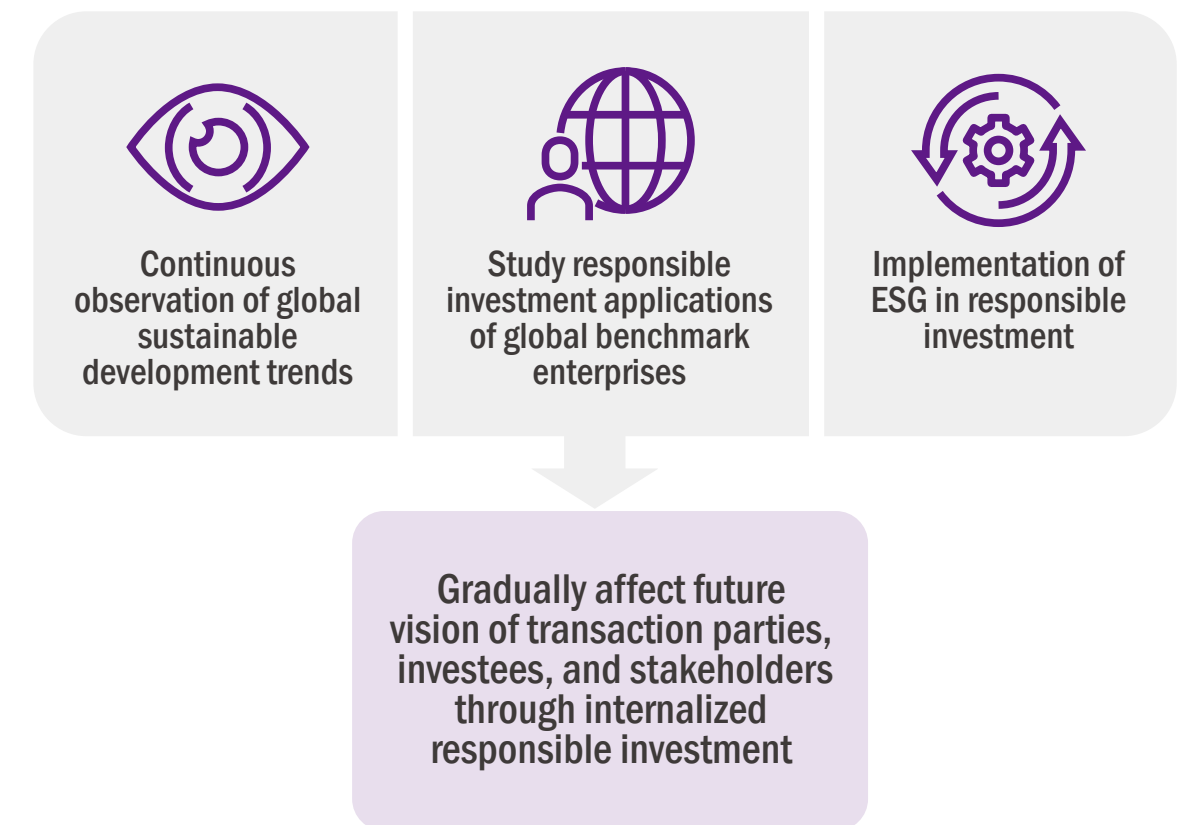


⑤ These industries include green energy technology, Asia Silicon Valley, biotechnology and pharmaceutical Industries, national defense, smart machinery, new agriculture, circular economy, etc.

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

Assigned responsible investment dedicated personnel. China Life held two internal training sessions for all investment personnel in 2021, to introduce the impact and turnaround of carbon reduction on future investments, international carbon reduction trends, as well as laws and regulations related to greenwashing and anti-greenwashing, to ensure that ESG values is put into investment practice.

▼ Responsibilities of a Dedicated Responsible Investment Personnel



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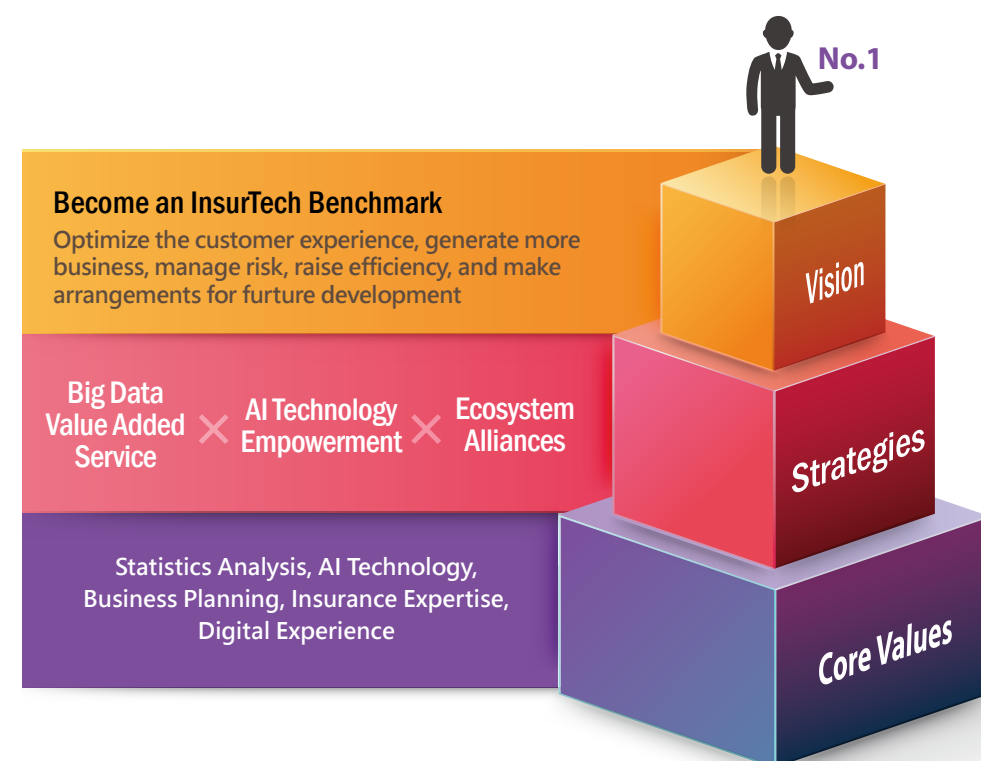
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Digital Finance

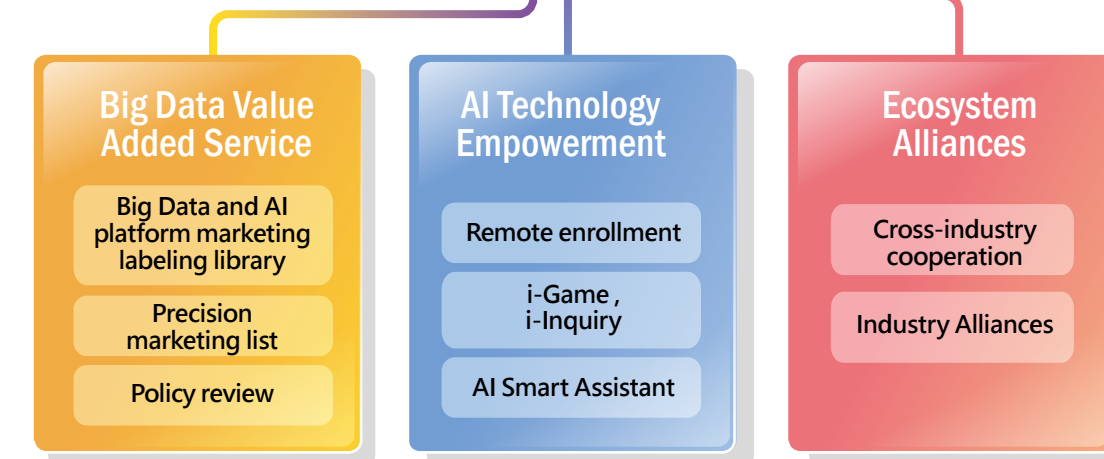
Digital Financial Development - Digital "Big Life" Strategic and Blueprint

In the face of financial technology developments, China Life has laid out solid digital and data-oriented infrastructure, and invested significant resources in pursuing "Accelerate Digital." China Life has established a data-driven and experience-first corporate culture. With a digital "Big Life" strategy, we have activated a three-year plan blueprint. Moreover, the Company's "Three Executives" - the Chief Experience Executive (CEE), Chief Digital Executive (CDE), and Chief Information Executive (CIE) work hand-in-hand to become the benchmark in the InsurTech industry, by building a comprehensive digital development platform that integrates digital technological application development, breaks through conventional technology concepts, applies new technology, and provides "hearty" services.

The digital "Big life" strategy consists of "Big Data Value-added Service," "Artificial Intelligence Technology Empowerment," and "Ecosystem Alliance." In the "Big Data Value-added Service," we support business decisions based on data analysis, to provide value-added services such as Claim Anti-Fraud Model, Smart Labeling Tag Library, Precision Marketing List, Smart Analysis Requirement Radar Chart, etc. For "Artificial Intelligence Technology Empowerment," we continue to introduce artificial intelligence technology. In addition to applications such as Smart Assistant "Xiao-Cai" and Smart Coaching System, we have further introduced biometric application for remote Insurance matters that combines facial recognition technology so that insurance coverage operations will not be impacted by the pandemic, thereby offering sustainable and innovative financial solutions. In terms of "Ecosystem Alliance," we actively engage in strategic alliances with peers and different business to develop the concept of ecosystem. China Life offers superior experience and convenience by said ecosystem to approach the lives of both the insured and the potentially insured.



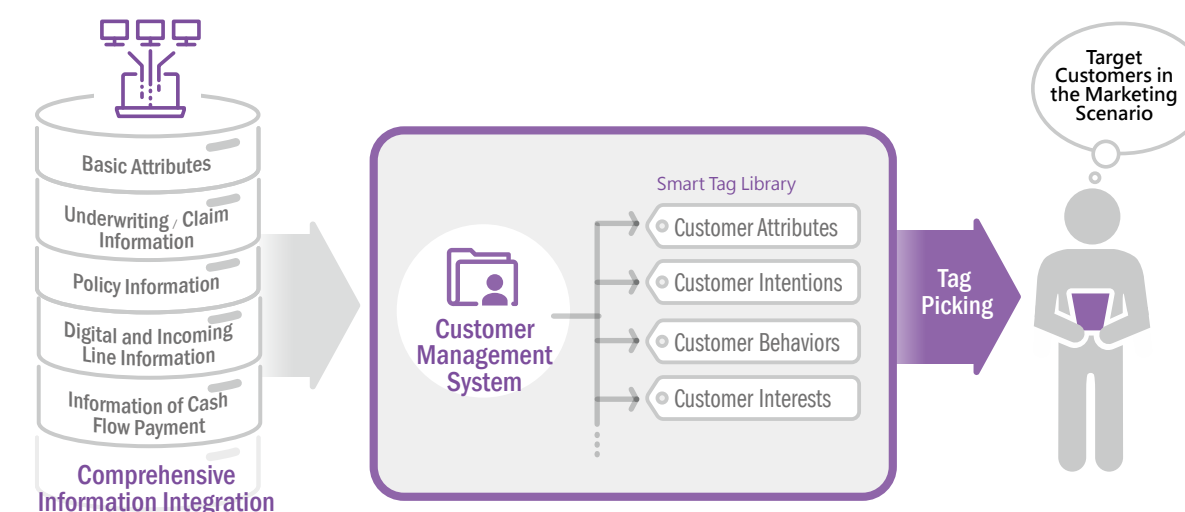
FinTech Technology Applications



Big Data Value-added Service

Big Data & AI Platform & Marketing Tag Library

China Life has its own marketing tag library. It can detect customer intentions on specific products through automatic compilation of interactive information to get information such as customer's attributes, behaviors, intentions, interests, etc. In 2021, China Life went even further and assisted front-line customer service personnel by enhancing customer experience based on the information of customer funds application. In addition, in line with the development strategy for the entire ecosystem, we strengthened subsequent service experience through the use of customer tags.



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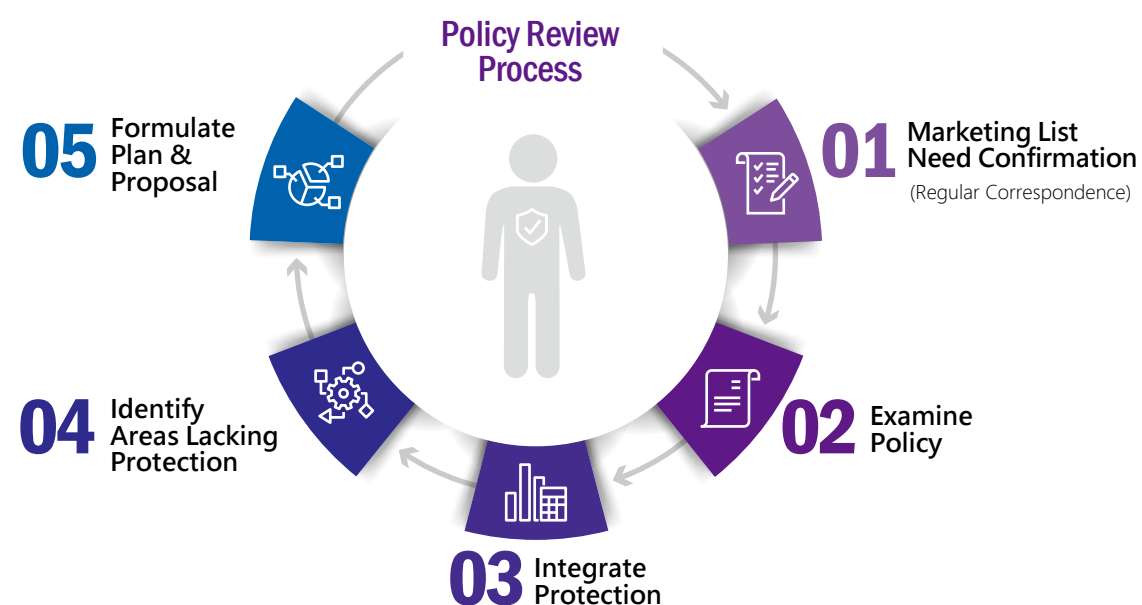
Precision Marketing List

Through big data analysis and machine learning models, we identify the customers with higher re-purchase rates across a variety of products allowing agents to prioritize their marketing activities. In 2021, we continued expanding data dimension and strengthened the hyperparameter tuning for advanced models. Thus, the list repurchase multiple has increased fivefold.



Policy Review: E-implementation in Discovering Protection Gaps

Protection gaps are identified through "Policy Review." With the innovative exertion of smart labels via AI technology, we provide individually customized professional protection planning advice to customers. The average monthly usage rate of the policy review reached 50% and has served 86,456 insured individuals.



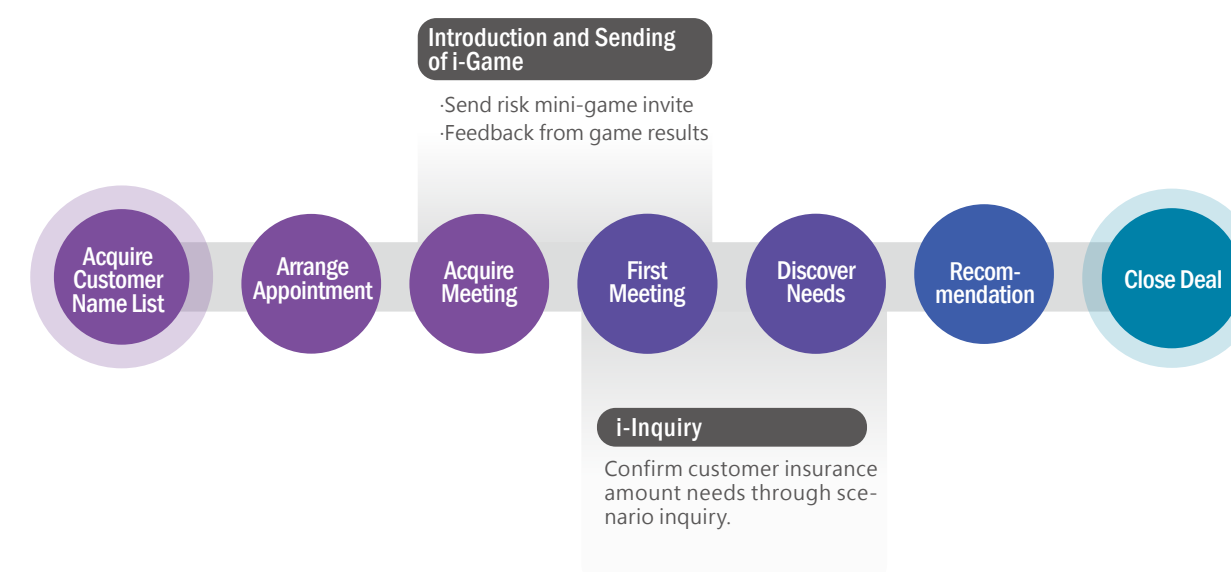
Artificial Intelligence Technology Empowerment

"Smile to Sign" Face Recognition Insurance Enrollment

First in the industry to utilize facial recognition in insurance enrollment, China Life one of the few pioneering life insurers being approved to conduct remote insurance enrollment. In line with stringent information security and personal data protection measures, we create a smart identity confirmation mechanism, leading the industry into the new era of "Insurance Enrollment via Facial Recognition." Since its launch, the technology has completed over 10,000 policy enrollments.

Sales Aids to for Agents with New Digital Opportunities: "i-Game," "i-Inquiry"

Exclusive digital tools "i-Game" and "i-Inquiry" assists new agents with identifying root problem. Pain spots can be solved by referring to the successful experience of senior agents. Through "i-Game," risk-based games have been distributed to assist new agents in understanding their customers' insurance awareness. Then, through "i-Inquiry" scenarios, they can confirm customer needs in terms of insured amount, and they in turn propose appropriate protection recommendations according to customer needs. Between July (since it first went online) and December 2021, there were 78,885 transmission records in total, with an average of 18 transmissions per supervisor, and a total of 64,728 customer replies. The response rate was 82%.



Smart AI Assistant "Xiao-Cai": Ideal Assistant for Agents as Well as a Powerful Tool for Career Development

Integrating Natural Language Processing (NLP) technology with the experience from life insurance experts, "Xiao-Cai" allows agents to inquire questions about products, business rules, digital tool usage, information required for daily work, offering agents timely assistance. In addition, through big data and algorithms, "Xiao-Cai" can provide dynamic information on the insured, including a reminder of a customer's birthday, as well as today's To-Do List, etc. In line with auxiliary tools for business expansion, agents can provide customers with heartfelt experiences at appropriate times.

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In 2021, "Xiao-Cai" had been continuously optimized and upgraded. More than 200 sets of knowledge have been added through continuous knowledge training. Moreover, "Keyword Search Function" has been added, which can predict the questions that the agents intend to enter, and then instantly provide matching answers. In 2021, the average monthly usage rate was over 90%. During the pandemic outbreak, the system still provides uninterrupted digital services, making it the personal smart assistant trusted by agents.

Ecosystem Alliance

Cross-industry Alliance

"Simple Healthy Diet" : A Healthy Life Begins with Daily Diet

We encourage hundreds of thousands of insured to put their health awareness into daily life by adopting a healthy diet. As the old saying goes, "Exercise accounts for 30% of your health while your diet accounts for 70%." By collaborating with convenient stores, we have initiated the event "Simple Healthy Diet," to integrate insurance into everyday life. We hope that the insured persons can reduce the likelihood of diseases and health incidents through their implementation of health promotion activities, such as healthy diet, exercise, and health checkups, etc. They can constantly review the adequacy of their insurance policies and supplement enough health insurance coverage, so as to comprehensively safeguard against risks.

The repurchase rate among the participating customers was three times higher than those of general insured persons

Peer Alliance

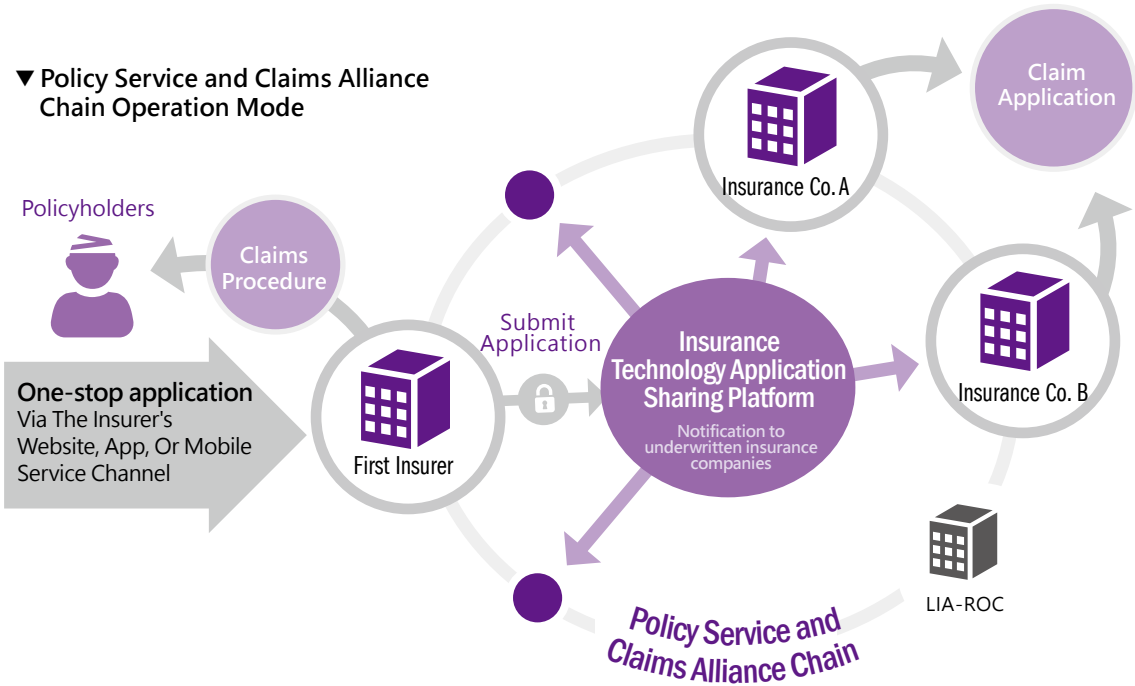
"Online Insurance Claims and Medical Document Application Service": New Online Claim Services Uses Technology to Lead Way to a New Life

Under the preparations made by Life Insurance Association of the Republic of China (LIA), China Life takes the initiative in joining hands with Taipei City Government for launching the program "Online Insurance Claims and Medical Document Application Service." We cooperate with 10 hospitals in Taipei City to share 6 medical documents and information. The insured can simply go to China Life's to apply for claims and give authorization. Then, the "Insurance Technology Application Sharing Platform" will automatically provide medical documents such as diagnosis certificate to various insurance companies. The insured will no longer need to travel between hospitals and insurance companies for documents. To this end, the time and costs involved in preparing documents required for the insurance claims can be significantly reduced. In addition, by using the blockchain security features, we provide a high degree of information security protection for the personal data of the insured, safeguarding the privacy of personal information.

▼ Application methods for the "Online Insurance Claims and Medical Document Application Service"

- STEP 1 Policyholder signs letter of authorization when applying for certificate of diagnosis from partnering medical institutions.
- STEP 2 Apply for medical insurance claims under the "Policyholder Section" from China Life's official website.
- STEP 3 Selection which partnering insurance company or medical institution to send to.
- STEP 4 Sign letter of authorization for claim application transfer and medical document access.
- STEP 5 Consent for paper documents to be sent to China Life's Claim Dept. via post.
- STEP 6 China Life transfers claim application documents to partnering insurance companies, then acquires certificate of diagnosis/digital receipt from alliance platform for claim processing.

▼ Policy Service and Claims Alliance Chain Operation Mode



6 The medical institutions include all branch hospitals of TAIPEI CITY HOSPITAL, as well as CATHAY GENERAL HOSPITAL, SHIN KONG WU HO SU MEMORIAL HOSPITAL, TAIPEI MUNICIPAL WAN FANG HOSPITAL, etc.

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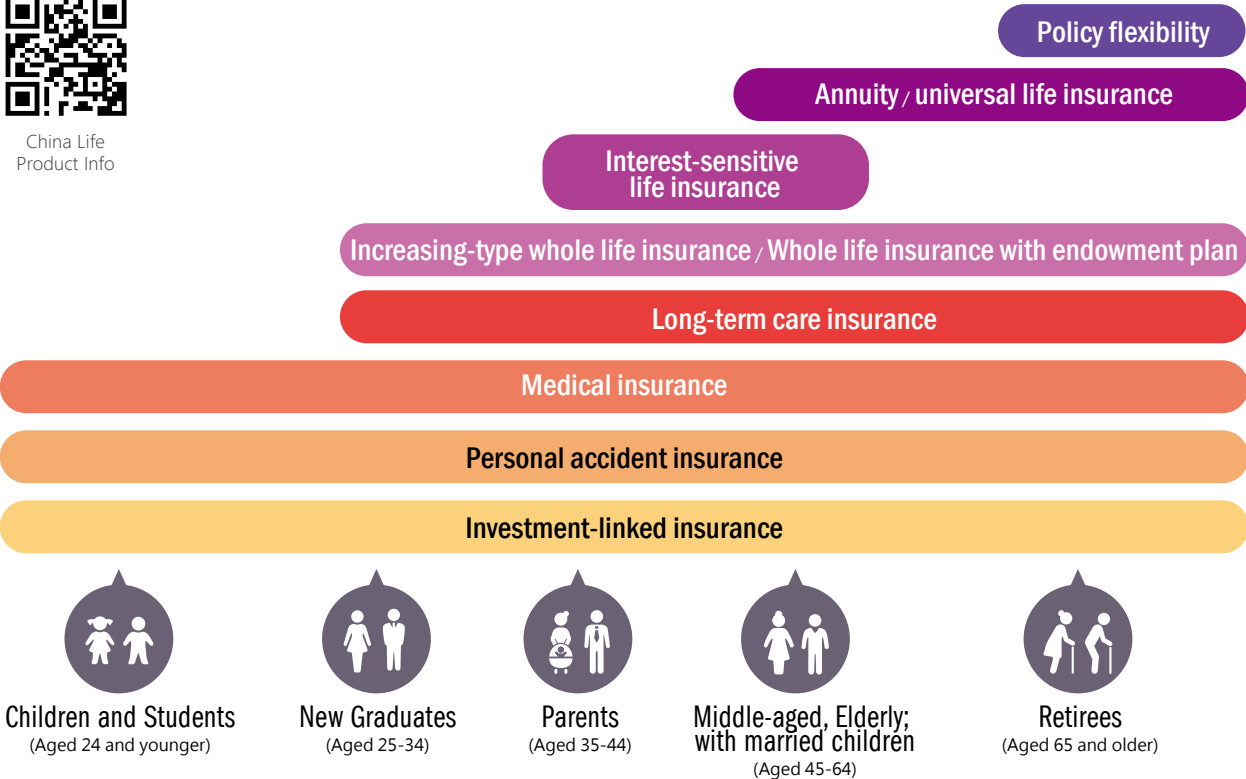
Inclusive Finance

Overall Environment	Government Policies	Development directions for China Life's products and services
<ul style="list-style-type: none">Global low interest rate environmentAlign with International Financial Reporting Standards "IFRS17"Changes in the demographic structure of Taiwan (fewer children, and longer life expectancy)The pandemic outbreak enhances the awareness of health risks	<ul style="list-style-type: none">To promote reasonable product profitsTo raise the threshold criteria for protection-oriented product regulationsTo strengthen the laws and regulations on post-sale management mechanism for interest-sensitive productsTo promote the threshold policy on death benefit in life insurance productsTo promote annuity reformTo promote long-term care policyTo promote the treating customers fairly principlesTo establish the indicators for inclusive finance	<ul style="list-style-type: none">Two main objectives of product development: "Optimizing product structure" and "Enhancing the Company's long-term embedded value"In the past, high-saving policies were the best selling products. However, in the future, we will launch protection-oriented products, long-term regular pay protection products or the elderly, to meet the needs of the general publicDevelop and promote comprehensive protection products covering medical, retirement, and long-term nursing, etc. (e.g. single/regular pay traditional life insurance products denominated in multiple currencies, annuity products suitable for retirement planning, health insurance products for improving medical health care quality, and investment-oriented policies encompassing investment and protection needs), so as to meet diverse needs throughout the policyholder's life cycle.Focus on products that address costumers' needs and the vulnerable, so as to realize the spirit of treating customers fairlyDevelop and promote innovative health management insurance products with spillover effects, to reduce emerging risks through digital financial technology.

In response to factors such as the different needs of policyholders, aging demographic, etc., China Life continues to promote single pay and regular pay traditional life insurance products denominated in multiple currencies, annuity products suitable for retirement planning, health insurance products for improving medical health care quality, COVID-19 insurance and COVID-19 vaccination insurance, as well as ILPs that ensure both investment and protection, so as to meet the diverse needs throughout the policyholder's life cycle. Policyholders can supplement their protection through early, well-organized insurance planning that ensures quality in terms of future life, medical treatment, and care.



China Life Product Info



Health Management Insurance Policy with Overspill Effects SASB FN-IN-410b.2

According to the statistics from the Ministry of the Interior (MOI), the average life expectancy in our country is as high as 81.3 years, but the average disability-adjusted life year (DALY) is as high as 8.5 years, which reflects the plight faced by people in their late age in terms of deteriorating health and quality of life. To encourage the policyholders to perform autonomous health management and foster good living habits, health management products with spillover effects are provided with additional protection depending on whether the agreed conditions are met. Through the combination of health management products and autonomous management, the policyholders can not only save their money and enjoy insurance protection, but also can maintain their health and fitness level. To this end, insurance products will no longer just be a form of compensation, but contain a preventive mechanism, thus achieving a three-win situation in which the risk of contracting diseases is reduced, lowering the claim rate for insurance companies is reduced, in addition to the reduction of medical resource expenditure.

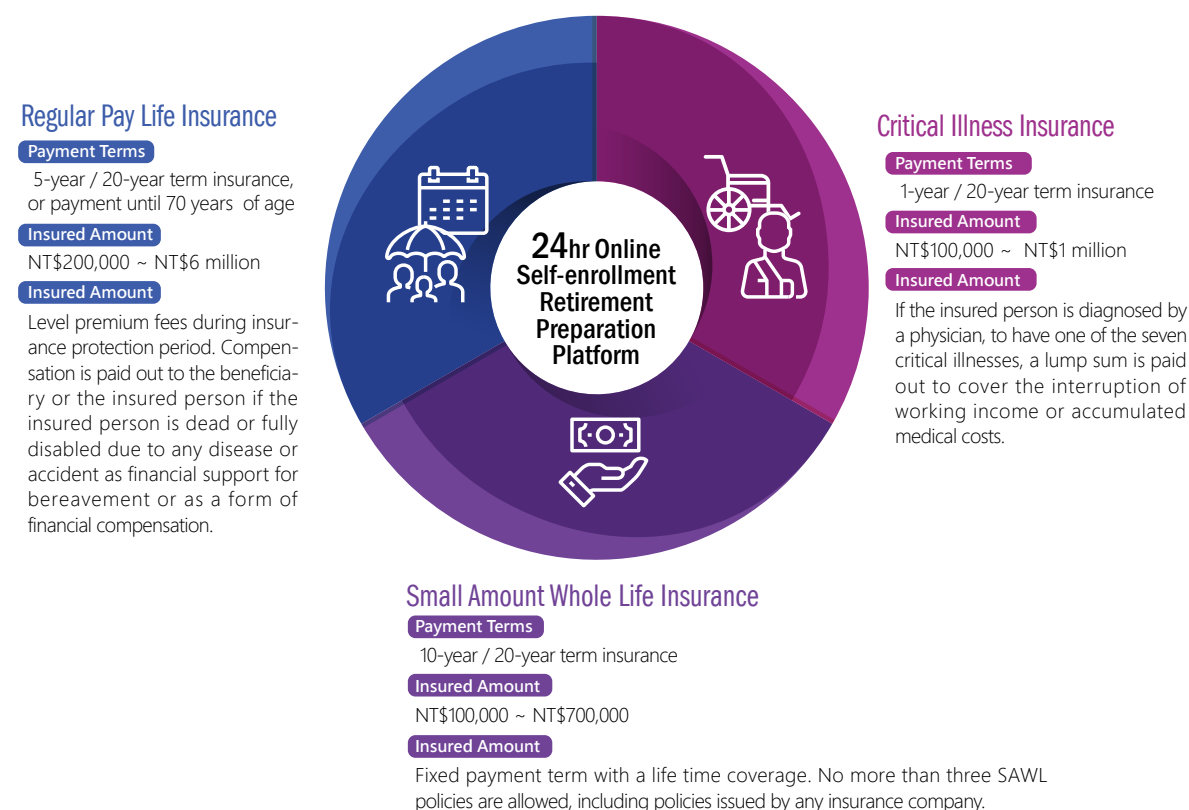
FYP from spillover insurance was NT\$8 million in 2021

As of the end of 2021, the number of valid contracts was 944

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Building a Complete Protection Net for Retirement

In an aging society, the early retirement planning awareness is on the rise. However, this is a challenge for those with both elderly parents and children, as well as your average salaryman. In 2021, China Life launched three product categories on the "Plan Well, Retire Well Platform," namely regular pay life insurance, critical illness insurance, and small amount whole life insurance. The insurance procedure is very simple. Customers can autonomously apply for the insurances on-line at any given time and choose from a variety of payment terms and insured amounts.



Microinsurance

In 2021, China Life's microinsurance products generated more than NT\$9.407 million in annual premium, benefiting more than 60,000 individuals. In response to the government's promotion of microinsurance, underwriting coverage has been expanded, so that elderly persons who receive living allowance for low- and middle-income seniors in compliance with the provisions of the Senior Citizens Welfare Act, or their family members, can also enroll in the injury microinsurance. By offering an insurance that is affordable to the economically underprivileged, China Life offers basic security and protection, to mitigate serious financial impact on the family.

In addition, China Life has been actively working with Bancassurance channels, government agencies, and non-governmental organizations (NGOs), to promote microinsurance services in every corner of society. In 2021, the scope of protection was expanded to allow more economically disadvantaged people to benefit from the protections. By cooperating with the Tainan City Government and the Tainan City private Chaoxing Social Welfare Charitable Foundation, we donated our insurance premium and offered microinsurance coverage to approximately 16,000 citizens.



For Seven Consecutive Years
Micro Insurance Contest - Performance Award



For Two Consecutive Years
Caring for Physical and Mental Disability Award



Micro Insurance Promotion
Excellency Silver Award

COVID-19 Related Products

With the development of the pandemic and the arrival of vaccines, China Life stands by the public by offering a protection net and offering a diversified array of products.

- China Life works with enterprises to launch the "Supplementary Provisions for China Life's New Group Insurance - Communicable Disease Hospitalization Health Insurance" workplace, so as to offer protection to enterprise employees are not insured with pandemic prevention insurance products.
- The "China Life's Annotation Terms for COVID-19 with Health Safeguard Insurance" can be automatically added to policies, so as to remove the restriction of 30-day waiting period for the "statutory communicable diseases."
- As a pioneer of the insurance industry, China Life has launched four levels of vaccine insurance products under the "China Life Easy Epidemic Protection Hospitalization, Medical Care, and Health Insurance" (or "Easy Pandemic Protection" in short), which provides dual protection on "vaccination" and "post-vaccination diagnosis" for the public.

Education on Inclusive Finance

In addition to promoting the "Knights CEOs' Relay Race for Love to Taiwan" for 14 years in a row, which has facilitated the education on basic savings and financial security planning for students in rural areas, China Life has also promoted a series of activities under "Finance Academy" since 2020, touring around many townships and towns such as Ji'an, Yuli, Fenglin, and Xincheng in Hualien County.



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Treating Customers Fairly

To establish a corporate culture which emphasizes the protection of financial consumers, and to ensure that financial consumers are treated fairly and reasonably in the transaction process of providing the, with financial instruments or services, China Life has formulated policies and strategies related to the principle of "Treating Customers Fairly" and the "Enforcement Rules for the Principle for Treating Customers Fairly," and continues align with the international trend by referring to the "FG21/1 Guidance for Firms on the Fair Treatment of Vulnerable Customers" formulated by the Financial Conduct Authority (FCA), United Kingdom. In 2021, the internal policy specifications were amended, to expand the promotion of financially-friendly services for underprivileged groups.

In addition, by upholding customer-centric values, China Life promotes customer-oriented customer-treating strategies, formulates customer service by-laws, and discloses our customer service commitments and two-way diverse communication approaches to financial consumers, so that customers are informed on relevant comprehensive services and resources. In the future, China Life will focus on international trends and the regulations enacted by domestic competent authorities, to expand the "Treating Customers Fairly" to the insured persons' family, so that we can exert corporate social responsibility to promote sustainability and equal rights.

Treating Customers Fairly Committee

China Life has long placed protection of financial consumers into practice, and has created a corporate culture with "Treating Customers Fairly" as its core value. The "Treating Customers Fairly Committee" was established in 2019 to promote different treating customers fairly affairs. The President serves as the chair and senior management of relevant departments serve as committee members. The committee is convened on a quarterly basis. Since its establishment, over 11 meetings have been convened to report "Treating Customers Fairly" action plans and promotion achievements to the Board of Directors. Independent directors also participate in discussions and provide suggestions and guidance if necessary. In order to enhance customer right protection and service experience for financial consumers, the committee sought to divide the task force into the groups including "Commodity Marketing Group," "Sales Channel Group," "After-sales Experience Group," "Customer Service Group," and "Customer Rights Protection Group" in 2021 based on customer journey experience. By establishing a dedicated treating customers fairly unit, China Life seeks to strengthen treating customers fairly actions.

A Call for Treating Customers Fairly Stories

Since 2019, China Life has held "A Call for Treating Customers Fairly Stories" tournament. For 2021, the theme was "Protection of the Underprivileged Elderly," and we held a "Protect the Elderly, Create Happiness Together" event with our office staff and agents to promote Treating Customers Fairly actions. Employees are invited to brainstorm and propose the projects for underprivileged protection. A total

Top 20% of the insurance sector in achieving outstanding performance of the "Treating Customers Fairly Principles" assessment for three consecutive years



China Life Treating Customers Fairly Section
Disclose achievement information to ensure two-way communication and friendly services



China Life Treating Customers Fairly Policies
Comply with ten major principles and put financial consumer protection into practice



China Life Customer Service by-Laws
8 major commitments to create a corporate culture which regards "Treating Customers Fairly" as its core value.

of 226 proposals have were raised in this event, and the top 10 have been chosen and awarded by Independent Directors in person. Awarded proposals have been compiled and evaluated by each competent unit, and will be gradually put into practice in 2022.

Thoughtful Methods for Treating Customers Fairly Health and Medical Care Services

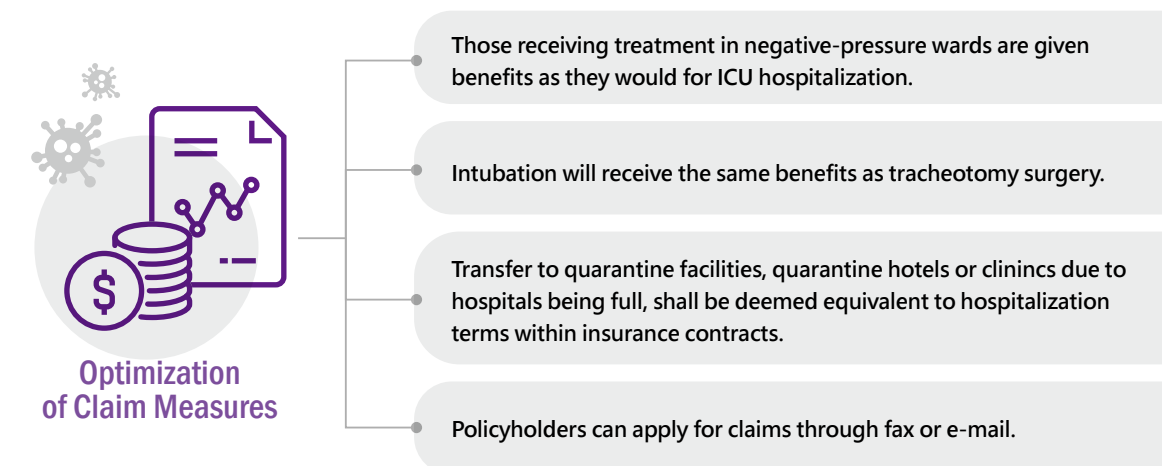


China Life Communicable Disease Section

COVID-19 Countermeasures

In response to the ever-changing COVID-19 pandemic, a "Communicable Disease Response Section" has been created on China Life's official website to provide services such as policy deferral services, one-stop conservation works services, preferential measures for policy loans, and measures for "rapid claim" services. When it comes to deceased insured who died of COVID-19 or have been hospitalized due to COVID-19, China Life will activate "rapid claim" measures in which the documents may be submitted afterwards. During notifiable disease pandemic, insured individuals who have contracted such diseases may apply for a three-month extension of the premium payment expiration calculated from the due date. In 2021, there were a total of 472 cases of premium deferral application, with the accumulated amount of deferred premiums in each currency as follows: NT\$ 9,207,297; US\$ 252,169; AUD\$ 18,663; and RMB\$ 43,500.

▼ Optimization of Claim Measures



Second Medical Opinion

For a long time, China Life has engaged in cooperation with Koo Foundation Sun Yat-Sen Cancer Center to provide professional second medical opinions and medical service referrals for the insured who are prone to having cancer. In addition, China Life also provide varying transportation allowance according to the registered household address of the insured, so as to relieve their medical care burden.

Pre-paid Hospitalization Payment Services

In the past, the insured can apply for claims only after they have provided documents such as certificate of diagnosis or receipts issued by the hospital. Considering that medical expenses may be

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required prior to medical treatment, China Life exerts insurance protection by continuously offering "Pre-paid Hospitalization Payment Services." If the insured is hospitalized due to diseases or accidents but meets the application requirements, they can submit claim application forms at the very moment of medical treatment. A designated China Life will go to the hospital where they are being treated and handle all delivery/receiving document affairs. After the review, the insured are eligible for pre-paid payments of up to NT\$ 60,000. There has already been an insurance case in which the customer applied for this service and received benefit payment of NT\$60,000.

Caring Service for the Underprivileged Elderly

Friendly Care for People with Alzheimer's Disease

China Life has long attached great importance to age-friendly issues. The Company cooperated with the Taiwan Alzheimer's Disease Association adopting the "Safeguarding Year" theme to promote the issues such as prevention, treatment and caring of Alzheimer's disease. Together with the Alzheimers Disease Association, we have researched and developed 2800 co-branded "Emergency Contact Cards" that serve as innovative lost-preventing auxiliary devices, which have been divided among the National Police Agency, the association's 12 offices around Taiwan, and China Life's 6 major customer service centers. In addition, through the "[Health is Visible](#)" section of China Life's official website, the Company promotes key concepts dementia prevention. We hope that the public can enhance their understanding, caring and support for people with Alzheimer's disease, through actual actions and positive influence.



Health is Visible

Friendly Service Counters

China Life as compiled the "Guidelines for Friendly Service Counters" and held training for all counter staff. All the employees at the customer service center have finished the "CRPD Understanding the Traits and Needs of Persons with Disabilities" online course and passed relevant tests, to ensure that the elderly and physically-challenged persons are provided with basic, equal, reasonable and convenient services.

On-site Service

China Life continues to provide caring measures to the underprivileged, such as the visually impaired, the deaf and mute, the mentally and physically challenged, persons with disabilities, and the elderly aged 65 years old or above, including on-site assistance in claim application, as well as customer service-related applications such as on-site document acceptance and delivery. When applying for claims, the customer can choose money transfer or choose to have the claim check delivered to his/her home by dedicated service staff.

Cooperate with DuoFu Care & Service to Build an All-Round Accessibility Services

China Life plays a leading role in the industry and cooperates with "Duofu Care & Service" (which specializes in domestic accessible transportation service) and Duofu Travel Agency "Duo Fu Holidays" (which specializes in accessible traveling) to provide safe and accessible traveling for the insured. Also, China Life works with Duofu to organize "fitness traveling" activities for the elderly insured persons,

who are escorted by doctors and occupational therapists specializing in sports reablement for the elderly during the travels. By combining traveling, work outs and professional rehabilitation caring the health and life quality of the elderly can be improved.



China Life & DuoFu Accessible Ride Services
To provide China Life customers with reservation discounts for DuoFu accessible ride services.



China Life & DuoFu Holiday Services
To provide China Life customers with reservation discounts for DuoFu holiday services

"Financially-Friendly Services Section" Accessible Web

China Life built a corporate website which supports multiple browsers and complies with web accessibility specifications, with vital information disclosed through the "[Financially-Friendly Services Section](#)" through a simple and easy-to-use interface. The interface allows those who are visually-impaired and those who have difficulty in using the mouse to experience a smooth operating process, so that they can obtain comprehensive product protection information through their mobile phones or computers.



Financially-Friendly Services Section

"Taiwanese + Sign Language Interpretation Window" Insurance Academy Animated Videos

Playing the leading role in the industry, China Life has launched 3 "[Taiwanese + Sign Language Interpretation Window](#)" animated videos. The video features China Life's mascot assisting the elderly and the hearing-impaired and helping them gain better understanding of insurance products and their rights prior to insurance enrollment. Moreover, the customer service center will continue the 2021 Treating Customers Fairly Principles, providing virtual sign language services for the insured persons with hearing impairments and speech disorders in accordance with the Company's plans.



Taiwanese + Sign Language Interpretation Window



"Academy for the Elderly" Financial Website

Extending the concept of "Finance Academy" in remote areas, the design takes "Financial Security for the Elderly" as the theme, and the on-line financial website "[Academy for the Elderly](#)" was set up on the official website, allowing the elderly to be able to learn basic finance knowledge as well as the concept of capital guarantee



Academy for the Elderly

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Emergency Disaster Relief Services

Rapid Claims

China Life has launched rapid claim services for its service counters. For the insured that meet relevant conditions, their claim settlement can be reviewed in as fast as 30 minutes, and the claim settlement will be transferred the very same day. Efficiency has improved fourfold, which highlights the value of life insurance in emergency situations. In 2021, a total of 22 banks have joined China Life's Enhanced Automated Clearing House (eACH).

Rapid
Claim Settlement
30 min Review
30 sec Payment
Transfer

Emergency Aid

During emergencies or major disasters, China Life has taken the initiative to issue benefits first, allowing relevant documents to be submitted afterwards. Furthermore, the deceased and injured are given condolence payments of NT\$ 100,000 and NT\$ 20,000, respectively. In 2021, China Life issued 12 condolences payments totaling NT\$1.2 million, and 2 injury payments totaling NT\$40,000 for victims of the Hualien train derailment, the Cheng Chung Cheng Building fire, as well as the drowning accident in Hubao lake.

Diverse Service Channels

Promotion of Electronic Authorization Services

To replace the complicated paper seal and signature approval procedures, China Life engages in cooperation with KGI Bank in providing electronic authorization services since August 2021. As of December 2021, a total of 451 insurance policies have applied for authorization, of which 161 were successful. The verification period has been effectively shortened from the original 9 working days to 2 working day. Electronic authorization cooperation with many other banks are planned, allowing customers to monitor their authorization activity.

Financially-Friendly Service Line

In 2021, a dedicated "Financially-Friendly Service Line" was built for the elderly and underprivileged to simplify the input process of the interactive voice response IVR. By directly pressing "5" without entering an ID number, anyone can be rapidly transferred to a dedicated customer service person. Since the service was launched in June 2021, a total of 5,430 calls have used the dedicated line IVR service, of which up to 76% processed by dedicated customer service staff.

Paying off Outstanding Payments Plan

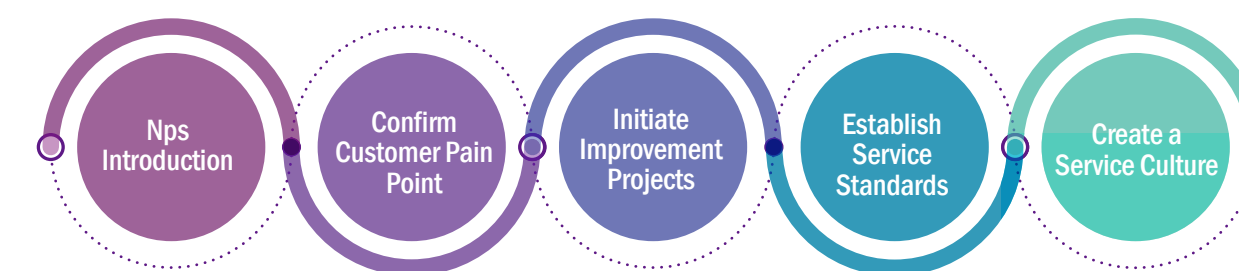
China Life has taken the initiative to contact the insured and conducted telephone interviews for the payment of outstanding premiums to ensure the rights and interests of the payment recipients. In 2021, China Life conducted 2,279 successful outstanding payments telephone interviews, and the amount of the benefit payment reached NT\$50.89 million.

Listening to Feedback from Policyholders

Introduction of Customers' Net Promoter Score (NPS)

By introducing the Net Promoter Score (NPS) system to evaluate China Life's service experience, two service touch points, "New Contract" and "Claims" have been launched in 2021 with an respectable >70 points average score achieved. In addition, China Life analyzes customer feedback to conclude customer pain points to further promote improvement projects. Different touch points will be introduced to comprehensively optimize customer experience in 2022.

▼ Implement NPS to Optimize Customer Experience



Counter Service

The counter staff conducts satisfaction surveys on policyholders visiting the service counter. It is divided into "General Service Counter" and "Friendly Service Counter" and rated between 1 and 5 points (5 points being the best score) to understand the policy holders' satisfaction with counter service. The results will be used as basis for service improvement, so that China Life can maintain satisfaction score of 4 and above.



Telephone Service

To increase survey satisfaction rate and to collect the opinions of policyholders more effectively, China Life implemented a customer satisfaction survey system in first quarter of 2021. The system allows the Company to grasp the attitude of customer service staff on the phone and whether the Company's staff have assisted in handling policyholders' problems, effectively understanding the overall performance of the customer service staff.

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Service Ambassador Selection, from the Heart to Feel "Every Service is so Touching "

To encourage the front-line customer service staff to show their passion and set up a service model, the Service Ambassador Selection competition has been held for three consecutive years. In 2021, there were a total of 26 service ambassadors, and a total of 11 TOP 5 service ambassadors were selected for public recognition, demonstrating the company's emphasis on service ambassadors.

Customer Complaints, Handling Process, and Performance

China Life provides multiple complaint channels and comprehensive customer complaint handling procedures. We hold inter-departmental complaint case discussion meetings on a weekly basis, which is hosted by Vice President-level or above supervisor. Relevant units are convened to jointly review and establish solutions for handling service disputes cases of all kinds.

A "Complaint Committee" has been established, in which the President serves as the chief commissioner, while senior executive in sales, merchandise, legal affairs, after-sales service, and healthcare serve as commissioners. Compliant Committee meetings are held regularly, and the Customer Complaint Department will give feedback on complaint-related issues, relevant complaint cases, and overall information, and listen to committee members' suggestions for relevant units to evaluate and keep

track of work improvement. In 2021, all the relevant departments reached the preset improvement goals regarding "compliant rate of compliant/deliberation cases," "number of compliant/deliberation cases," "Timeliness of compliant case handling."

▼ Customer Complaint Handling Procedure



In the 2021 Life Insurance Company Complaint Rate Statistics released by the Financial Ombudsman Institution, China Life's complaint rate was 0.15%, still maintaining the outstanding achievement with excellent score of being 7th place among 22 life insurance companies, a decrease by 0.07% compared with that of 2020. The number and the ratio of cases which applied for review have also plummeted significantly compared with the past 9 years, and the rate of properly handled cases remains 90% or more. Among the 99 cases applied for review in 2021, there are a total of 65 claims and complaints, and a total of 34 non-claims, with 94.94% of the cases have been properly handled.

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Diverse Recruitment

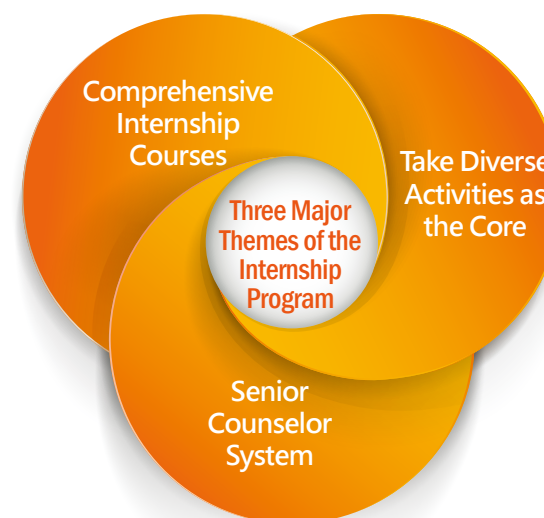
In response to the international development trends in digital transformation, green sustainability, and customer experience, China Life enhances its talents with "sustainable finance" understanding, recruiting talents in corporate sustainability planning, smart operation project planning and customer experience design based on knowledge expertise according to the demands of its insurance operations. In addition, the Company introduced technical tools such as competency division, structured interview, personality assessment, AI and big data analysis through the Job Profile Project, to promote talent recruitment plans. China Life expects talent recruitment indicators and dedicated recruitment normal models to be set up through data information analysis, to screen out and select talents who are innovative, customer-centric, trustworthy, and talents that have entrepreneurship spirit.

Recruitment Program During the Pandemic

In response to the ever-changing pandemic, after the work-from-home plan and the off-site backup plan have been fully implemented in 2021, recruitment activity has been conducted through multiple channels ^①, and virtual interviews are performed as well. Employees in charge of recruiting also arranged to attend "virtual interview skills" training courses to enhance the efficacy and accuracy of recruitment. "On-line Reporting System for Newcomers" service, which is applicable throughout Taiwan, has been launched, and it has been used by more than 100 persons ^②, allowing China Life to meet talent requirements while also ensuring that annual operation plans are conducted as scheduled, without compromising employees' health and safety.

Internship Program

In maintaining a balance between pandemic prevention and uninterrupted cultivation of young students, China Life conducted an internship program mainly based on businesses operations ^③ that can be conducted on a work-from-home basis for the summer of 2021. Through the 1.5-month internship, we assist students in adapting earlier to the pandemic work mode, so that interns can enhance their competitiveness in the workplace in the future. During recent 5 years, 65 internship certificates have been issued to outstanding internship students, a total of 7 interns were hired in 2021.



^① Including Webex, LINE, Google Meeting, Zoom.

^② Including interns.

^③ The field of internship includes business development, actuarial science, investment, law, information, risk management, customer service, etc. The content of work includes project operations in regard to data analysis and modeling, as well as projects such as statement management operation, research and analysis of investment product, business transformation and enhancement of the efficiency of customer service process.

Industrial-Academic Cooperation Program

To establish the Industry-Academia Cooperation mechanisms and expand the recruitment channels, so as to respond to the demand for talents of corporations and reserve future insurance talents, China Life has signed an industry-academia cooperation program with the Department of Risk Management and Insurance of Feng Chia University for six consecutive years, to deepen the links between enterprises and students, which not only promotes our corporate brand values but also bridges the gap between what students learned in school and the skills that are needed in the workplace, giving students a head start on their professional career and allowing enterprises to continuously cultivate and reserve future insurance talents continuously.

In 2021, China Life hired 2 students from Industry-Academia Cooperation Program to work in the Policyholder Service Section in Taichung Customer Service Center and Telephone Service Section in Telephone Service Center. The supervisors gave guidance in regard to insurance service, customer service on the phone, corporate culture, service competency, and professional expertise. In addition, China Life cooperated with the school to complete monthly internship reports, internship achievement reflection and corporate performance evaluation feedback of students as scheduled. Despite the COVID-19 pandemic, the learning for these interns was continuous as they could work from home much like our office staff.



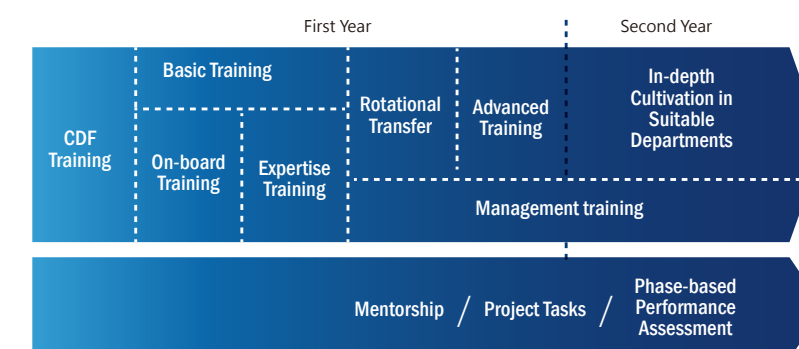
Experience sharing by these interns:

Internship at China Life provided a safe workplace as well as good remuneration and benefits. Supervisors and colleagues did not hesitate to give me guidance. In addition to enhancing professional knowledge, I also gained understanding of how to get along with people, how to communicate effectively, and how to coordinate with others.

Management Associate (MA) Cultivation Program

The management associate program has been held for six consecutive years, recruiting elites with backgrounds in insurance, finance, data science, law and machinery, etc. In response to the increasingly important digital technology for the life insurance industry in recent years, China Life continues to recruit talents of all fields to create premium customer experience and heartwarming services, to integrate diverse innovative service thinking from different professionals.

30 new recruits in total
employee Retention Rate: 93.3%
5 individuals hold managerial positions



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Talent Development

China Life continues promoting talent cultivation and digital transformation , developing a talent cultivation map, strengthening and constructing overall digital competencies, shaping a learning organization and digital innovation culture, nurturing FinTech talent capital, and expanding training programs, to achieve the development prospects of "Become Employer of Choice."

Office Staff Development

Based on four major talent development themes - "digital innovation," "digital transformation," "diverse competencies," and "customer experience," China Life has designed diverse talent development projects for office staff, to provide knowledge expertise sharing in diverse fields such as Fin-Tech, data analysis, sustainable development and customer experience for cultivation of employees' the core competency.



▼ Cultivation Of Employees' Core Competency Based on the Four Major Talent Development Themes

Digital Innovation

A series of future finance and innovation courses

China Life has established an open mind and innovative thinking ability, through actual financial innovation cases at home and abroad.

Input

A total of 79 senior executives and 2,267 employees have participated in these courses, with total training hours reaching 5,150 hour.

Effectiveness / Output

Different approaches to future operation and transformation strategies.

Data value-added workshop and sales application competition

Data value-added workshops and business application competitions for providing a series of lectures on specific subjects, courses, and workshops.

Input

There were 43 employees led by 11 senior executives to participate in the competition, with total training hours reaching 1,558 hour.

Effectiveness / Output

China Life has designed and introduced business scenario application solutions, to practically solve business pain points through precise analyses and insights and cultivate analytical talents that can immediately put analysis into practice.

Technical training for Robotic Process Automation (RPA)

China Life invited well-known institutions in the industry to provide private training sessions in assisting development and maintenance personnel to train RPA skills based on existing needs.

Input

TPractical training courses were conducted for 56 hours. A total of 18 RPA developers participated in the training.

Effectiveness / Output

Through the RPA automated operation processes, China Life has improved work efficiency, optimized operational quality, and reduced manual operation risks.

Customer Experience

Net Promoter Score (NPS) customer experience management lectures

China Life invited the largest digital strategy advisory team from Japan to share "NPS customer experience management."

Input

A total of 96 mid- and senior-level supervisors attended the lectures, and internal lecturers were trained to conduct 15 lectures for sales personnel; with a total of 740 employees participated in the lectures.

Effectiveness / Output

Enhance customer experience optimization approach, so as to achieve win-win situation for both the Company and customers.

Design Thinking Workshop

Design thinking workshop revolving around the themes - "financial innovation" and "improving customer experience."

Input

One workshop, 3 panel discussions and 3 assignment submissions have been held within 3 months, with total training hours reaching 379 hours.

Effectiveness / Output

China Life formulated 6 practical innovative proposals that can enhance customer experience, e.g. Counter service on-line reservation system, customer APP membership process optimization, and health management, i- Magic Mirror-policy planning project, smart claim service system, smart knowledge, e-convenience, etc.

Agile workshop

Agile coaching teams have been introduced. An agile project office has been established, to advocate agile culture.

Input

China Life held 2 agile workshops and 6 training courses, in which 50 supervisors of mid- and senior-levels had participated, with a total of 260 participants, and total training hours reaching 465.5.

Effectiveness / Output

A total of 4 persons have been trained to become international Agile Certified Practitioners. In addition, internal agile coaches have been trained to promote "agile spirit" to all departments.

Digital Transformation

China Life Champion management cultivation

McKinsey and Gartner were invited to share new knowledge trends, so that the best corporate practices can be imparted, while also expanding international perspectives to lay the foundation for accelerating digital transformation development.

Input

A total of 33 workshops were held, with 1,622 participants and total training hours reaching 2,703.

Effectiveness / Output

Create sustainable leadership, improve the ability to develop sustainable financial solutions, thereby accelerating and facilitating the effectiveness of organizational transformation.

Diverse Competencies

English training program

China Life organized one-on-one and one-to-multiple party on-line English-speaking courses, to improve mid- and senior-level supervisors' speech abilities in commercial business.

Input

China Life offers full subsidies and incentive plans for these courses, with the total amount reaching NT\$495,000.

Effectiveness / Output

The attendance rate of these courses was over 95%, and after the training, about 40% of supervisors' English have significantly improved their speaking abilities.

HaHow digital autonomous learning program

China Life provides more than 200 courses categorized into 11 types, which has been applied to the required courses of various departments as well as the learning plans of new on-board members; integrating learning themes with organizational development.

Input

Six major theme courses are recommended every month, and close to 100 popular courses have been recommended, to create a diverse and continuous learning environment that offers rich content. Autonomous learning development has reached nearly 20,000 visitors, with the total hours reaching 28,316.

Effectiveness / Output

The platform utilization rate was over 95%.

Digital-learning platform

The "Staff Learning Website" provides on-line learning channels for office staff, while different mandatory training as well as knowledge/documents worth learning regarding the knowledge and skills worthy of learning have been uploaded on the platform for sharing with each other.

Input

A total of 143 classes were set up in 2021, with a total of 48,422 persons finishing the training.

Effectiveness / Output

To meet the requirements for mandatory study hours, China Life can assign employees to study in these courses and monitor their study progress and achievement rate.

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Incentive Measures for Professional Certificates

The Company has formulated "Office Staff Professional Examination Incentive Measures" and "Office Staff Actuarial Examination Incentive Measures," providing employees with examination leave and study leave as well as subsidies for examination fees, incentives, etc., to encourage employees to continuously pursue improvement while also obtaining professional certificates. In 2021, the average number of certificates held by office staff was 2.59. This number has seen annual increases for the past five years.

▼ Professional Certificates Obtained by Office Staff in the Past 5 years (Accumulated ④)

	2021	2020	2019	2018	2017
Actuarial examination subjects	348	301	254	214	170
Professional certificates in investment, risk control, audit and anti-money laundering	348	196	132	63	12
Professional certificates for underwriting and claims	128	119	101	87	74
FLMI examination subjects	5,692	5,197	4,758	4,200	3,687
Total	6,516	5,813	5,245	4,564	3,943
Average number of certificates per person	2.59	2.41	2.35	2.14	1.97

④ The number of people who passed the underwriting and claims examinations was 25 in 2019, but it was mistakenly registered as 14, so the other 11 was included in the accumulative number

Development of sales agents

China Life has developed complete and comprehensive new sales talent training system through close cooperation between the Agency Training Department, the Training Center of the Life Insurance Agency Department and agency offices. From developing key skills to integrating professional competitiveness, China Life provides complete and solid education and training systems to allow sales agents to undergo systematic training in seeking career development, step by step working toward their dreams. Through the comprehensive training system, the Company can meet the increasing demand for business channel talent, adjust organization development trends, and launch multiple measures and programs.

i-Study

China Life has organized relevant courses in regard to six major sales agent topics. These courses include content in marketing, laws, management, digital tools, competency trainings, professional certificates. A total of 413 courses have been set up. In addition to mandatory courses related to laws and regulations, the company also provide comprehensive training courses in regard to promotional projects such as new product knowledge, digital tools and the competencies required for sales agents to promote their sales performance. The instructor training course is divided into six classes, and 2,080 participants have attended related courses so far. Currently, the total number of people taking the courses on the digital platforms throughout the year has reached 665,561.

Transformation Course

The Company has introduced the major three transformation courses - counseling, practical advancement and leadership.

Counseling

- Introduced brand-new counseling scenes through having open talks, joint visits, case counseling, introducing standard methods and processes, as well as illustrative examples.
- Provide trainings about non-technical skills such as empathy, to help supervisors and subordinates establish healthy relationships.

Practical Advancement

- Integrated practical experience into the core key points of customers and potential recruits
- Classroom practice are incorporated
- Essential sales abilities have been enhanced through circular applications

Leadership

- The McKinsey Way approach has been imparted through comprehensible learning media
- Stimulate critical thinking and internalize knowledge through guided teaching
- Work level has been incorporated, to upgrade the operation efficacy of both individuals and teams

RFA Retirement Financial Planning Consultant Course

China Life is dedicated to complying with the Treating Customers Fairly Principles and has continuously enhanced the professional competency of sales agents. The Company has introduced Retirement Financial Advisor (RFA) planning courses, to train all-round professional retirement financial advisors who can assist the elderly, senior citizens and ordinary consumers in making the best asset allocation and financial planning through diverse retirement financial instruments. In 2021, a total of 322 sales agents participated in the RFA courses, with 227 persons signing up for the certificate examinations and the registration rate reaching 70%. The number of people who have passed the examination and obtained the certificates is 163, with the passing rate reaching 72% and the total rate of the members who obtain certificates reaching 51%.



Digital Marketing Tools Trainings for Policy Review

To expand the promotion and application of digital tools and fully exert emerging technologies in regard to the value of business development, China Life held 12 professional lecturer training session for digital seeds in 2021. The Company wishes for sales agents to enhance their abilities to take both professionalism and product suitability principles into consideration.

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Smart Instructor for AI Recruitment

China Life developed the industry's first "AI smart recruitment" tool, to use digital transformation assistants (i-Agents), integrating "product sales and marketing," "talent recruitment," "after-sales service" and "performance tracking," for collecting further data to conduct analyses, apply channel development, significantly improve the conversion rate and business development time of staff, so that the Company can strengthen the quality of salespersons in organizational development and new businesses.

In 2021, a total of 6 testing workshops were held to explore the interfaces, layouts and contents in-depth. In addition, practical testing was made available, which was highly praised. It is quite convenient and practical in terms of both recruitment assistance and supervisor cultivation.



Cultivation Program for Promoting Sales Head to Sales Assistant Manager

In response to the Company's i_AG1.0 transformation project, which extends to the i_AG2.0 organizational development, China Life has organized various key measures that focus on "promotion" and "talent cultivation," to launch a cultivation program that assists with the promotion of sales heads into sales assistant managers. The program features key competency courses and recruitment implementation plans. Feedback from direct supervisors are provided after courses have been completed, helping with cultivation of professional marketing abilities and strengthening organizational development. During the three-year cultivation program, a total of 1030 sales heads participated in the project trainings in 2021, among which 85 individuals have been successfully promoted to sales assistant managers. During the past three years, the promotion rate has increased by about 30% each year.

▼ Statistics of Educational Trainings for Office Staff and Sales Agents in 2021

Office Staff				Total
Total Hours of Educational Training	Supervisors	14,520	17,375	31,895
	Non-supervisors	35,014	65,576	100,590
	Subtotal	49,534	82,951	132,485
Total Number	Supervisors	243	243	486
	Non-supervisors	706	1,319	2,025
	Subtotal	949	1,562	2,511
Educational Training Hours per Capita	Supervisors	60	72	66
	Non-supervisors	50	50	50

Sales Agents				Total
Total Hours of Educational Training	Supervisors	86,063	185,231	271,294
	Non-supervisors	126,961	207,529	334,490
	Subtotal	213,024	392,760	605,784
Total Number	Supervisors	1,366	2,811	4,177
	Non-supervisors	4,040	7,264	11,304
	Subtotal	5,406	10,075	15,481
Educational Training Hours per Capita	Supervisors	63	66	65
	Non-supervisors	31	29	30

⑤ The male managers to female managers ratio is 1:1.4, so the number of average training hours per capita of female office supervisors is more than that of male managers.



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Human Resource Management

Partners Growing Together

We provide diverse and equal employment opportunities and enact the policies for protecting employees' human rights. We put emphasis on equality and diversity, and treat all employees based on their competencies. As of 2021, the total number of employees is 17,133, including 2,511 office staff members and 14,622 sales agents.

Office Staff

Product development, underwriting and claim settlement, customer service, and logistical support and management of all kinds

Sales Agents

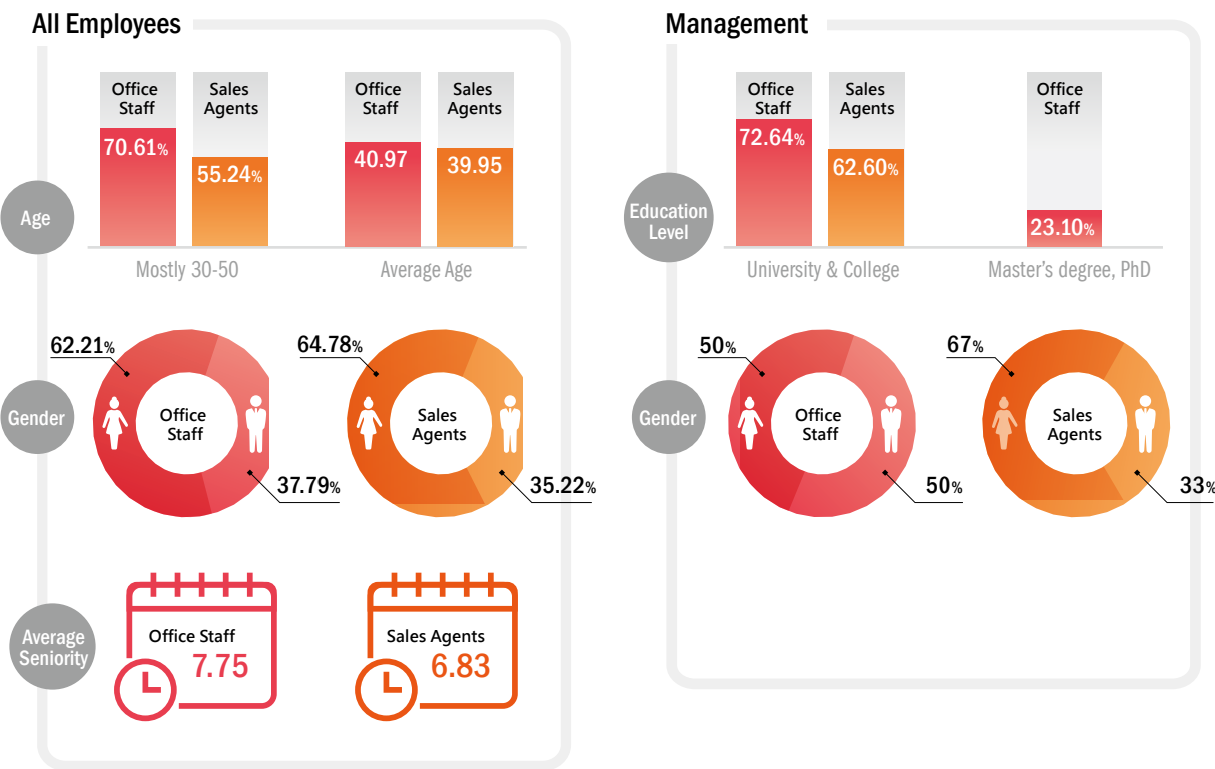
The front-line service personnel who contact the insured persons and the public

▼ 2021 Employee Structure-Allocation of Different Types of Duties

Office Staff		Sales Agents		Total	
Temporary Employees	3	10	13		
Full-Time Employees	946	1,552	2,498		
Total	949	1,562	2,511		

Sales Agents		Total	
Salespersons ⑥	3,778	6,654	10,432
Sales Managers	1,372	2,818	4,190
Total	5,150	9,472	14,622

⑥ The contracts signed by the salespersons are the ones for work contracting. Such salespersons do not have subordinate relationship with China Life, therefore the Labor Standards Act is not applicable.



▼ 2021 Employees Structure-Distribution of Office Staff by Age, Level, and Education Background

Age	Office Staff		Sales Agents		Total	
	Count	Percentage	Count	Percentage	Count	Percentage
30 (including) or below	156	15.6%	1,549	10.6%	3,428	11.7%
30-50	593	59.3%	2,748	18.8%	8,077	27.1%
Above 50 (excluding)	200	20.0%	853	5.8%	3,117	10.2%

Duty	Office Staff		Sales Agents		Total	
	Count	Percentage	Count	Percentage	Count	Percentage
Department Supervisors (including) or above	66	6.6%	39	0.3%	105	0.4%
Supervisor	177	17.7%	204	1.4%	381	1.3%
General employees	706	70.6%	1,319	9.3%	2,025	6.3%

Educational Background Distribution	Office Staff		Sales Agents		Total	
	Count	Percentage	Count	Percentage	Count	Percentage
High School (Vocational) and Below	35	3.5%	72	0.5%	107	0.4%
Bachelor's Degree / (Associate Bachelor's Degree)	586	58.6%	1,238	8.5%	1,824	6.0%
Master's Degree	323	32.3%	252	1.7%	575	1.9%
PhD	5	0.5%	0	0.0%	5	0.0%

Turnover of Employees

The number of office staff has continuously increased in recent years. In 2021, there were 416 newcomers, who accounted for 16.6% of all office staff, 228 of which were female accounting for 54.8% of newcomers. The number of employees leaving the company is 312, accounting for 12.49% of all office staff, and the rate of those leaving the company by resignation is 12.21%. Compared with the average turnover rate for the recent five years (13.4%), a stable decreasing trend can be seen. To create a workplace that facilitates long-term talent retention, we provide incentive remuneration and welfare, and actively optimize our work processes to retain outstanding talents, with the retention rate of excellent performance appraisal being 98.12%. All of these indicate that China Life offers a stable and sound workplace. In the future, China Life will continue tracking the turnover condition of employees, as well as review and encourage employees, so as to create an even better working environment.

▼ Statistics of Newcomers by Gender and Age in 2021

	30 (including) or below		30-50		Above 50 (excluding)		Total	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Office Staff	64	2.55%	118	4.70%	6	0.24%	416	16.57% ⑦
	77	3.07%	147	5.85%	4	0.16%		
Sales Agents ⑥	446	3.05%	583	3.99%	113	0.77%	2,929	20.03% ⑦
	554	3.79%	1,008	6.89%	225	1.54%		





⑥ The statistics of new-coming sales agents include the salespersons signing the contracts of work contracting.

⑦ The denominator of the office staff percentage is the total number of China Life office staff, a total of 2,511. The denominator of the sales agents' percentage is the total number of China Life sales agents, a total of 14,622.

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▼ Employee Turnover by Gender and Age in 2021

	30 (including) or below		30-50		Above 50 (excluding)		Total	
Office Staff ⑧		31 1.24%	63 2.52%	10 0.40%	312 / 12.49% ⑩			
		60 2.40%	137 5.48%	11 0.44%				
Sales Agents ⑨		183 1.25%	170 1.16%	45 0.31%	937 / 6.41% ⑩			
		178 1.22%	259 1.77%	102 0.70%				

⑧ Employees with fixed-term contracts are not included in the statistics of office staff turnover.
⑨ Salespersons with work contracting are included in the statistics of sales agent turnover.
⑩ The denominator of the office staff's percentage is the total number of China Life office staff, excluding the employees with fixed-term contracts, a total of 2,498. The denominator of the sales agents' percentage is the total number of China Life sales agents, a total of 14,622.

▼ Resignation by Gender and Age in 2021

		30 (including) or below		30-50		Above 50 (excluding)		Total	
Office Staff		31	1.24%	61	2.44%	9	0.36%	305 / 12.21% 	
		59	2.36%	135	5.40%	10	0.40%		

⑪ The denominator of the office staff's percentage is the total number of office staff of China Life, excluding the employees with fixed-term contracts, a total of 2,498.

Diverse Employees and an Inclusive Workplace

In response to the UN's Sustainable Development Goals, China Life has put workplace gender equality into practice for a long time. The Company stands out among nearly 6,000 enterprises in 84 countries and regions worldwide, and has been selected for the Bloomberg Gender Equality Index (GEI). Every year, Bloomberg Gender Equality Index evaluates and selects listed companies around the world which perform outstandingly in terms of gender equality, and this index is provided to investors as one of the ESG reference indicators. China Life achieved outstanding results despite being the Company's first time participating. We have been selected for three consecutive years in 2020, 2021 and 2022, respectively. China Life creates a gender-equal workplace through actual actions, and our achievements have been recognized internationally.



In addition, China Life continues hiring the physically and mentally challenged as well as minority groups, providing them with the same opportunities as full-time employees. In addition to taking the initiative to prioritize the physically and mentally challenged for certain positions, when it comes to physical facilities in the workplace, China Life also provides a barrier-free environment. The employees with disabilities are also encouraged to make improvements in their professional fields, and sign up for examinations in acquiring professional certificates required to enhance their competitiveness in the workplace. During the past three years, the numbers of physically challenged employees are respectively: 60 in 2019, 65 in 2000, and 70 in 2021, among which 19% are employees have been with the Company for 1-5 years, while 81% have been employed for over 6 years, not to mention there are physically challenged employees who have been in office for more than 13 or 14 years. Embracing the principle "the right person shall be in the right place," we also actively provide certain job vacancies that prioritizes the employment of indigenous individuals even if it exceeds stipulated quota. As of the end of 2021, China Life has 54 colleagues.

Putting Human Rights Protection Into Practice

To implement equality and diversity policies and create a harmonious workplace environment, China Life recognizes and supports a variety of international human rights conventions such as the "Universal Declaration of Human Rights (UDHR)" of the United Nations, the "United Nations Global Compact(UNG)" and the "International Labor Organization Convention," and we have enacted human rights policies by referring to the principles such as international human rights conventions , including diverse, inclusive and equal opportunities, humane treatment, reasonable working hours, remuneration and welfare in compliance with the laws, a healthy and safe workplace, complaint system, labor-management meetings, privacy protection. In addition, all office staff and sales agents must complete the "human rights policy advocacy" courses to put the concept of human rights protection into practice. In 2021, a total of 2 classes were held, with 2,509 participants achieving a 100% completion rate.

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Procedures For Sexual Harassment Prevention

Sexual harassment incidents shall be handled in accordance with the "Sexual Harassment Prevention and Control Measures," and the members of the "Sexual Harassment Prevention and Complaint Committee" shall be reviewed regularly. Should any sexual harassment happen, the complaint case can be filed through the dedicated line, fax and e-mail of the office staff and sales agents, respectively. An investigation group shall be established within 7 days calculated from the day when the complaint case is accepted for handling, and the investigation process shall be kept confidential, while all the parties concerned shall be provided with opportunities to fully propose their opinions and defenses. The investigation results and reports shall be completed and resolved within 2 months after the case is accepted for handling, while the opportunity to appeal shall be provided. As of 2021, no complaints of sexual harassment cases have occurred among both office staff and sales agents.

Employee Care

Welfare Items

China Life provides diverse employee welfare for full-time office staff, creating a healthy and safe working environment. This includes paid leaves, volunteer holidays, subsidies for children's education, health checkups, etc., which are all superior to those stipulated in relevant laws and regulations. China Life embodies its spirit of taking care of employees through a variety of employee welfare. To encourage employees to participate in public welfare activities and give back to the society, the Company has increased the number of the volunteer holidays from one day to two days starting from 2021. In addition to the cash gifts provided on Dragon Boat Festival, Moon Festival, Chinese New Year and employees' birthdays, each department or office is authorized to organize its own year-end gatherings or singles mixer activities due to pandemic concerns. For 2021, a total of NT\$ 65,758,000 had been given in cash gifts. To encourage employees' children to study harder, China Life provides scholarships for employees' children, with a total annual subsidy reaching NT\$ 4,144,600. To encourage childbirth rates and promote employee welfare, we provide maternity allowance of NT\$ 20,000 per child with the application amount throughout the year being NT\$ 1,240,000. In looking after the health of employees, China Life offers health checkups, with the total subsidy amount throughout the year being NT\$ 6,693,820. To improve the welfare of employees, we provide subsidies for employees' marriage, death, hospitalization, occupational injury, as well as the subsidies for the death and hospitalization of employees' family members. The application amount throughout the year reached NT\$ 1,812,094.

A variety of employee welfare has been provided in response to the pandemic, including purchasing pandemic prevention kits 12 and sending them to the registered address of each office staff. China Life also provides "Communicable Disease Inpatient Medical and Health Insurance" at the Company's expense. The coverage includes providing NT\$ 2,000 per day during hospitalization, "Communicable Disease Inpatient Medical Insurance Benefits," "Communicable Disease Discharge Pension Insurance" and "Communicable Disease Care Insurance."

12 Rapid test kits and masks are also included.

Parental Leave Without Pay

In consideration of employees who sacrifice their career development in taking care of children, China Life offers parental leave. In 2021, a total of 90 employees applied for parental leave without pay, among which female employees were the majority, accounting for about 73%. The proportion of male employees who applied for parental leave without pay has also been increasing. In recent years, the retention rate of staff who apply for parental leave without pay is higher. In 2021, the reinstatement rate of office staff reached 82%, and the retention rate reached 92%; the reinstatement rate of sales agents reached 92%, and their retention rate reached 98%. These indicate that China Life continues promoting work-life balance, and we are thoughtful for employees' needs in terms of looking after children. The reinstatement rate and retention rate remains higher than standard.

▼ Statistics of Parental Leave			Office Staff			Sales Agents		
					Total			Total
2021	The total number of employees applying for parental leave without pay		1	25	26	23	41	64
	The number of employees who actually reinstated in their jobs		0	21	21	15	58	73
	The number of employees who should reinstated their job		1	25	26	18	61	79
2020	The number of employees who worked continuously for one year after their reinstatements upon finishing their parental leave without pay		0	11	11	13	37	50
	The number of employees who actually reinstated in their jobs		0	12	12	13	38	51
	Reinstatement rate 13		0	84%	81%	83%	95%	92%
			0	92%	92%	100%	97%	98%
			Retention rate 14					

13 Reinstatement rate = (the number of employees who actually reinstated their jobs in 2021 / the number of employees who should reinstate their jobs in 2021) x 100%.
14 Retention rate = (the total number of employees who are still in office 12 months after their reinstatement in 2020 / the number of employees who actually reinstated their jobs in 2020) x 100%.

Retirement Welfare

China Life places emphasis on the retirement life of every employee. The "Employee Retirement Measures" has been formulated, and the "Labor Retirement Reserve Fund Supervisory Committee" has been established. For employees to whom the old labor retirement system is applicable, the retirement reserve fund shall be allocated according to a certain percentage of their total remuneration every month and be deposited in their personal pension account in the Bank of Taiwan. By the end of each year, the balance of the personal pension account shall be reviewed to see whether it is sufficient to meet the needs for the retirement of employees who meet the retirement conditions the following year. The discrepancy shall be made up before the end of March of the next year if there are any deficiencies. As for employees who chose the new system, they shall allocate 6% of their remuneration on a monthly basis and deposit it in their personal pension account managed by the Bureau of Labor Insurance. To show gratitude to the Company's retirees for their hard work over the years, and let employees feel valued by the Company, China Life has provided each retired employee with a glass trophy since May 2018. They also have a free-of-charge access to health checkups when they retire. A total of 11 employees retired in 2021.

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A Series of Heart Culture Activities

To deepen the corporate culture of "being grateful and altruistic," a series of "Heart Culture" activities have been promoted digitally, allowing employees to enhance positive thinking and workplace recognition through sharing and interaction, thereby creating a good cycle in the workplace. Through creating resonant scenes and digital interactive tools, China Life has achieved satisfaction rate of over 90%.

Heart Gathering Activities

We invite office staff to share inspiring sentences and articles in exchanging positive energy and enhancing the team's morale and synergy. A total of 2,186 articles have been gathered and browsed 84,812 times within two weeks.



Uninterrupted Caring During the Pandemic, Spreading Warmth and Love

The continuous extension of work-from-home duration due to the level 3 alert shall be implemented with flexibility. The corporate care information has been designed, and the letters of gratitude and encouragement are sent by high-level supervisors to employees. In addition, pandemic prevention information and relevant reports of respectable pandemic prevention articles are sent; so China Life's team can overcome predicaments, create happiness, perceive altruistic energy, and provide warmth to every corner of society.

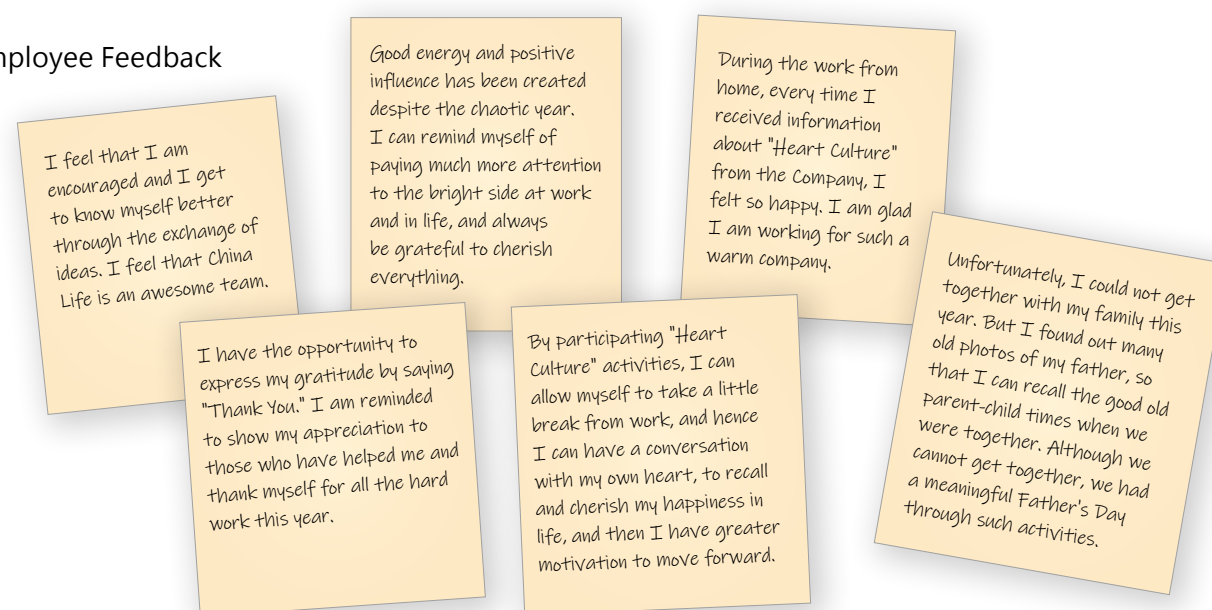


Warm Interactive Games to Enhance Team Synergy

During the pandemic, a series of game activities were released to conduct real-time and "two-way" interactions with employees through digital communication and the "action first" mode, creating emotional topics between employees and the Company, to strengthen collaboration and cooperation of employees.

On Dragon Boat Festival and Father's Day when people cannot go back to their hometowns during the pandemic period, we organized on-line activities of "Staying at home to fight against the pandemic." Employees were invited to upload photos of "creative celebration for the Dragon Boat Festival at home" and "using technology to find dad's most handsome moment," to facilitate quality time with their families.

▼ Employee Feedback



Remuneration Structure

China Life insists on its remuneration principle of "being competitive externally and fair internally." The remuneration standard for both office staff and sales agents not only meet the minimum wage standard stipulated by the competent authority but is also calculated by taking into account personal work experience, educational background, job responsibilities, and performance. Employees will not be discriminated because of gender. China Life ensures that gender equality is put into practice.

▼ Range Of Newcomer's Remuneration

▼ Range Of Newcomer's Remuneration		2021	2020	2019	
Office Staff	Primary-level operation employees	Remuneration range	Minimum set at NT\$ 24,000, adjusted according to experience and educational background	Minimum set at NT\$ 23,800, adjusted according to experience and educational background	Minimum set at NT\$ 23,100, adjusted according to experience and educational background
		Ratio to the minimum wage stipulated by the competent authority	1.00 : 1	1.00 : 1	1.00 : 1
	Professional administrators with bachelor's degrees	Remuneration range	Minimum set at NT\$ 28,000, adjusted according to experience and educational background	Minimum set at NT\$ 28,000, adjusted according to experience and educational background	Minimum set at NT\$ 28,000, adjusted according to experience and educational background
		Ratio to the minimum wage stipulated by the competent authority	1.17 : 1	1.18 : 1	1.21 : 1
Sales Agents	Primary-level sales managers	Remuneration range	Paid according to the work income items of the labor contract stipulated in the contract, and the monthly minimum wage shall not be lower than the minimum wage per working hour formulated by the competent authority.		
		Ratio to the minimum wage stipulated by the competent authority	1.00 : 1	1.00 : 1	1.00 : 1

▼ Remuneration Ratio of All Positions and Gender

	2021		2020	
	The ratio of minimum wage	The ratio of annual remuneration	The ratio of minimum wage	The ratio of annual remuneration
Department managers (including) or above	0.81 : 1	1.05 : 1	0.97 : 1	1.31 : 1
Division managers	0.92 : 1	0.98 : 1	0.90 : 1	0.92 : 1
General employees	0.87 : 1	0.89 : 1	0.88 : 1	0.89 : 1

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▼ The Average Remuneration, Median, and the Discrepancy from the Previous Year of Full-Time Non-Managerial Employees

	2021	2020	Discrepancy
The total remuneration of full-time non-managerial employees (Unit: NT\$) 15	2,928,916,906	2,436,118,877	492,798,029
The number of full-time non-managerial employees (Unit: person) 16	2,325	2,225	100
The average remuneration of full-time non-managerial employees (Unit: NT\$)	1,259,749	1,094,885	164,864
The median remuneration of full-time non-managerial employees (Unit: NT\$)	1,056,745	933,990	122,755

15 Full-time employees refer to those whose working hours reach the normal working hours or statutory working hours stipulated by China Life (generally speaking, they refer to those whose average working hours per week are over 35 hours); the number of those who have been employed and paid for less than 6 months and their relevant remuneration amount are excluded.

16 As the "total remuneration of employees" of the "average remuneration" is affected by the increase and decrease of the number of paid employees every month, the "number of full-time employees" is calculated based on the statistical concept of "weighted average" according to relevant regulations.

▼ The Number of Non-Managerial Employees, the Average Annual Employee Welfare Expenses, and the Discrepancy from the Previous Year

		2021	2020
The number of non-managerial employees		2,479 17	2,385
The average welfare expenses of non-managerial employees and the discrepancy from the previous year	The average welfare expense per person	1,369,598	1,223,924
	The growth rate of average welfare expense per person	11.90%	4.27%

17 The number of non-managerial employees shall be calculated in accordance with the disclosure specifications of the TWSE.

Smooth Communication Approach

To strengthen employee-employer relationship and protect labor rights, China Life has set up labor-management meetings on a quarterly basis, to conduct positive two-way communication in regard to the issues valued by both employees and management. In 2021, four labor-management meetings were held, to report and conduct comprehensive communication and discussions about labor working status, business status and labor-related matters.

In addition, an internal complaint channel has been set up for office staff. Its confidentiality and complaint process are handled in accordance with the labor complaint template published by the labor competent authority. If employees encounter any problems at work, they can file a complaint to the supervisors of any management level or to human resources through the Company's dedicated complaint channel. The personnel or institutions in charge of accepting such complaints shall keep the content of the complaints confidential. In 2021, no complaints have been filed by any office staff or sales agent.

Organization Assessment Questionnaire Survey (OAQ Survey)

Through a third-party professional organization, China Life has conducted employee questionnaire surveys, to understand how to improve the Company and gradually formulate a consensus by listening to the opinions and feedback of employees, which is then used as pivotal reference for formulating the business strategies up to the year 2025. Employees will play an even more important role in the company's future operations.

Each of the questionnaire surveys contains 105 multiple-choice questions and 3 open-ended questions, focusing on 13 driving factors to improve performance: Customer priority, energetic leadership, clear goals, responsibility, streamlined processes, winning ability, innovative thinking, courage to face challenges, teamwork, advanced deployment, continuous improvement, adjustment to change, and strong resilience.

The nearly 100% return rate in 2021 reflects the passion of employees for their work, and the survey scores have increased significantly (60% to 67%), showing that China Life not only values its 2020 commitments but also put them into practice. Based on the survey results in 2021, China Life has formulated effective action plans which can be promoted rapidly in regard to key issues, and is moving towards its goal of becoming "Employer of Choice."

i-response Mailbox

In 2021, the "i-response mailbox" was established and launched, so that the employees have a channel to express their opinions. The Company set different topics to collect employees' creative ideas in optimizing both business operations and customer experience.

A total of 1,096 employee proposals were collected in 2021, and the department participation rate reached 96%. Through sorting out, clarifying and choosing the proposals put forward by employees as of the end of 2021, we have carried out 26 proposals. In the future, the Company will continue to assess excellent proposals in pursuit of optimization and development.

Workplace Safety

Three internal organizations, namely "Occupational Safety and Health Committee," "Occupational Safety and Health Management Unit" and "Workplace Violence Prevention and Disposal Group" have been established, which are composed of occupational safety and health operation supervisors of different management levels, occupational safety and health administrators, doctors, nursing staff and first-aiders, to identify, plan, supervise, implement, evaluate and improve various kinds of safety and health affairs.

Occupational Safety and Health Committee

There is one chief commissioner and seven members in the Occupational Safety and Health Committee, including four representatives from the labor side, which account for 50% of the total number of members. In 2021, four Occupational Safety and Health Committee meetings were convened, to review and put forward suggestions about the Company's various safety and health policies and proposals, while the annual "Occupational Safety and Health Management Plan" was adopted to put

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the safety and health management of employees into practice. China Life has set up an Occupational Safety and Health Management Unit for the formulation, planning, supervision and promotion of safety and health management affairs, while at the same time providing guidance to relevant departments about how to implement them.



Safety and Health Education and Training

All newcomers shall undergo a three-hour general educational trainings on safety and health. The completion rate reached 100% in 2021. To strengthen incumbent employees' safety and health awareness, the Company held on-line, one-hour, on-the-job educational training on general safety and health in 2021. A total of 2,509 employees completed the training. The theme of the course was "Prevention Plan for Illegal Violations in the Performance of Duties" to enable employees to recognize "workplace violence" as well as learn how to protect themselves and avoid illegal infringements, such as physical violence, psychological violence, verbal violence, sexual harassment, etc. in the workplace.



When it comes to workplace safety and environmental monitoring, China Life regularly declarations the maintenance of fire-fighting safety equipment in the workplace as well as the public safety inspection of buildings. The Company also continuously carries out self-inspections of safety and health regarding workplace equipment and environmental monitoring ¹⁸. Working environment monitoring is conducted every six months. On the other hand, in response to accidents such as earthquakes, fire and first-aid rescue, the Company has established a Fire-fighting team, to actively cooperate with and participate in the joint fire-fighting lectures or emergency evacuation drills held by the building management unit.

Occupational Safety Performance in 2021 ¹⁹

Item			Total
Occupational Injury Rate (IR) ²⁰	0.00016%	0.00032%	0.00048%
Absence Rate (AR) ²¹	0.03910%	0.25517%	0.29427%
Lost Day Rate (LDR) ²²	0.00128%	0.00305%	0.00433%

¹⁹ The data in this table is only based on office staff statistics. There were no deaths, serious occupational injuries and occupational diseases of employees or non-employees during duty performance in 2021.

²⁰ In 2021, the traffic accidents happening on the way to work or get off work or on field work accounted for the majority of work-related injury category. Occupational Injury Rate = the total number of occupational accidents / (the total working days x the total number of employees) x100%.

²¹ Absence Rate = (days of occupational injury leave + sick leave + menstruation leave) / (the total working days x the total number of employees) x100%.

²² Lost Day Rate = days of occupational injury leave / (the total working days x the total number of employees) x 100%.

On-Site Services Provided by Medical Workers

To provide a comfortable, safe and healthy working environment, China Life not only continuously provides free access to sphygmomanometers at main service counters throughout Taiwan, but also sets up Automatic External Defibrillator (AED) first-aid appliances at the headquarters, Taozhu Branch, Taichung Branch, Chiayi Branch, Tainan Branch and Kaohsiung Branch. The Company also continuously renews its "AED Safe Location Certification." Since 2021, the Company has 145 certified first-aid personnel ²³ to handle first-aid matters and provides first-aid treatment and equipment at all workplaces.

Furthermore, the Company has hired seven qualified nurses to address health promotion and health guidance for employees, prevention and treatment of work-related injuries and diseases, as well as to provide emergency first-aid treatment and raise awareness on the prevention of infectious diseases and health promotion via internal emails. Since 2021, we have continued to hire certified physicians from Chang Gung Memorial Hospital Linkou Branch, Tungs' Taichung Metro Harbor Hospital, Tainan Municipal Hospital and Chang Gung Memorial Hospital Kaohsiung Branch ²⁴. China Life held a total of 26 on-site health services performed by medical workers. To expand the health management of service employees, the health management consultant nurses perform on-site health services twice a month at five different workplaces ²⁵ for 100 ~ 299 people, with a total of 120 sessions as of date. The doctors from the consulting company also conducted the on-site medical and health services once every 6 months, with 10 sessions in total.

Indoor air quality management

In recent years, the impact of indoor air quality on health has gradually gained much attention. Even though indoor workplace environment in the insurance industry is not subject to the regulations of the "Indoor Air Quality Act" China Life has sent a total of 10 employees to participate in external training between 2018 and 2021, and these personnel have obtained the indoor air quality maintenance and management specialist qualifications. This ensures the effective management of indoor air quality maintenance in the workplace, and facilitates a healthy working environment for employees.

¹⁸ The monitoring items include carbon dioxide concentration and workplace illumination.

²³ Except 8 newly added emergency personnel, 74 employees participated in external retraining courses, so that the existing emergency personnel can be equipped with the newest concepts and skills.

²⁴ Such service is held once every two months at Dunbei building in Taipei, and once every quarter in other areas within Taipei (Jhuoyue Building, Taiping Building), Taichung (Art Royal Building), Tainan (Golden Triangle Building) and Kaohsiung (Mingcheng Building).

²⁵ Including five workplaces in Taipei (Guochang Building, Asia Plaza Building, and Guancian Building), Taozhu (the building of Taozhu Branch) and Tainan (Minsheng Road, Tainan).

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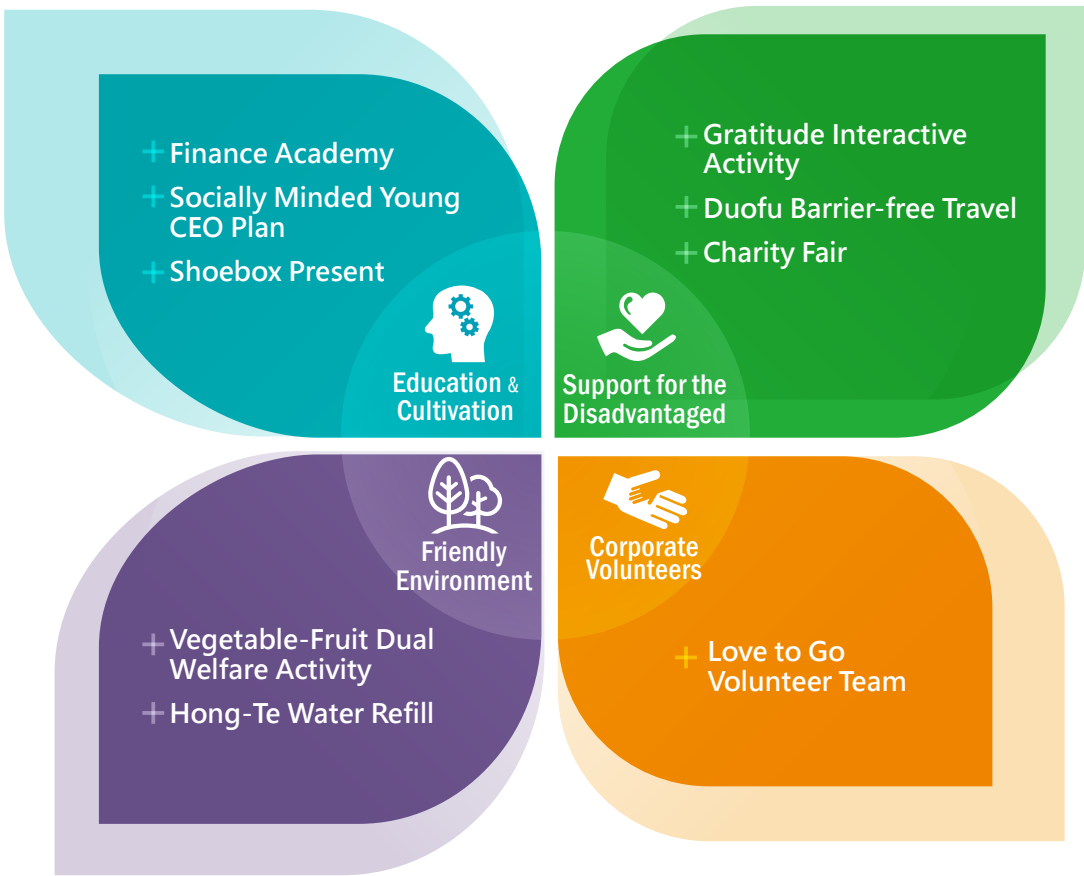
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Social Participation

The COVID-19 pandemic was severe in 2021. China Life integrated the business group's resources and worked hand-in-hand with its employees in combating the pandemic. "Employees" are essential stakeholders in China Life's sustainable operations. Only after employees are able to be considerate of others and feel love in their line of work can they cooperate with each other and gather corporate strength, thereby benefitting core values and influence, and facilitating social inclusion. Therefore, since 2021, the Company used multimedia platforms and digital tools to strengthen communication with employees as well as deepen the Company's corporate culture of love and caring. China Life leads its employees in maintaining a positive willingness to help others in a year full of uncertainty as well working toward a sustainable, prosperous future.

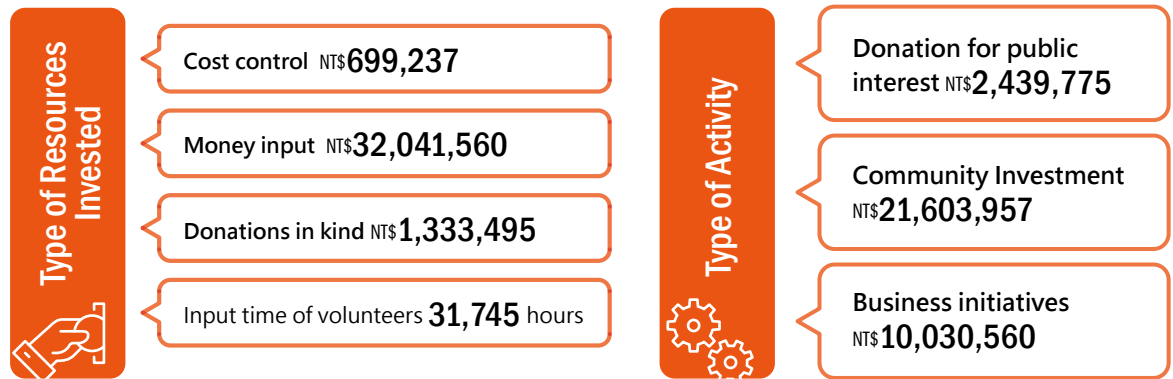
China Life continues to adopt four major themes, namely "Education and Cultivation," "Support for the Disadvantaged," "Friendly Environment" and "Corporate Volunteers" in pursuing sustainability, and responding to society's needs from different perspectives, so as to minimize the impact caused by the pandemic, and promote the sustainability and the spirit of "prosperity for all." China Life has established a value chain that connects public welfare organizations, social enterprises, and NGOs in expanding social inclusion, in addition to promoting a positive sustainability cycle through innovation and actual actions.



B4SI Social Participation - Output and Effectiveness Measurement

Insisting on the "Love and Care" corporate spirit, the Chairman and President, together with nearly 15,000 office staff and sales agents, continue to work in cooperation with social welfare organizations, schools and institutions to create a shared value for the society, policyholders, and the Company's employees.

In 2021, China Life cooperated with a total of 137 public welfare organizations, participated in 1,031 charity events, and helped 116,941 individuals. Through participation in charity activities, the public can cultivate appreciation for charity work while acquiring a better understanding of China Life's corporate philosophy and services. In addition, employees who participated in these activities can integrate public welfare into their daily lives and take the initiative to seek volunteer service opportunities from social welfare institutions and donate/order goods to financially support public welfare institutions. China Life hopes to meet the needs of the recipients by providing resources such as donations and supplies, while providing those in need with a platform to interact with others, while at the same time helping them enhance their self-confidence, value and social skills.



Anti-Pandemic and Public Welfare Actions

Take the Lead in Cooperating with Taipei City Government to Provide Protection for Pandemic Prevention Workers

In response to the pandemic, the Taipei City Government recruited "front-line pandemic prevention workers for level 3 epidemic alert" to provide assistance and services. To show gratitude to medical workers for their bravery and selfless dedication, China Life has spontaneously cooperated with Taipei City Government to optimize corporate sustainable development, providing pandemic prevention workers with protection such as group accident insurance, pandemic prevention insurance, as well as additional benefits such as consolation money for confirmed hospitalization/death cases of up to NT\$1 million, helping them feel reassured in dedicating their time and effort into pandemic prevention services, working hand-in-hand to combat the pandemic.



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Exclusive donation for the construction of an on-line mental health platform

During the level 3 epidemic alert period, people worked or studied on-line for a significant period of time. Many formed anxiety and sleeping issues due to the pandemic. According to the survey conducted by the Ministry of Health and Welfare in 2018, 8.9% of people in Taiwan (approx. 2 million people) have symptoms of depression. However, getting professional assistance proved difficult during the pandemic. What's worse, counseling hot lines have been suspended due to the pandemic, meaning a lack of resources to meet the needs of the public.



In attending to the mental health of the public, China Life took the initiative in donating to the public interest mental health network support program "Heart Home Delivery - Heart Life" from the Taiwan Counseling Psychologist Union (TCPU), to remind the public of the need to address long-term mental stress and the importance of prevention, as well as the immunity enhancements to maintain a positive attitude in facing the developments of the pandemic.

In the duration of the on-line mental health platform service, more than 400 counseling psychologists participated in the project, to provide one-on-one online consultation for 2,375 individuals, as well as hold 43 online mental health lectures and 41 thematic group discussions. Furthermore, the videos of the lectures have attracted more than 30,000 visitors. People can seek help from counseling psychologists or give feedback to relieve their mental stress without having to go out.

Education and Cultivation

Socially Minded Young CEO Plan

China Life is dedicated to externally promoting its corporate spirit "Love and Care" and joins hands with undergraduates across the nation in participating in welfare services, so as to cultivate caring for the society and service learning. The Company sponsors young students in launching services related to "Friendly Environment," "Education and Cultivation," "Support for the Disadvantaged" and "Financial Insurance Concept Promotion;" in hopes that together, the Company can exert more positive and energy into every corner of society. Since 2021, the Company has sponsored a total of three service-oriented clubs in colleges and universities, with services provided for close to 300 underprivileged children and residents living in remote areas. Through interactive games, China Life encourages children in remote regions to keep track of their spending, establish a savings and basic wealth management habit, while also teaching them to distinguish between "Want" and "Need."

Friendly Environment

Vegetable-Fruit Dual Welfare Activity

Due to the ongoing pandemic, donations for social welfare groups decreased significantly in 2021. Smallholding farmers suffered a plunge in the number of orders. With the corporate spirit of "Love and Care," China Life purchased fruits and vegetables from environmentally friendly smallholding farmers and donated them to social welfare institutions that focus on underprivileged children and the elderly. The Company donated 4,433 supply shares 9 social welfare institutions, reaching out to over 4,000 individuals. Through pre-ordering contracts, smallholding farmers receive financial support and those helped by social welfare institutions can maintain their nutrition intake and immunity during the pandemic. Through corporate resources, the Company has achieved a win-win situation and formulated a sustainable cycle.



Hong-Te Water Refill (Free water refill spots)

Since 2021, China Life launched the "Hong-Te Water Refill" action in achieving sustainable environmental protection and social innovation, becoming the only insurance company out of 100+ initiative corporates dedicated to circular carbon reduction. In addressing health, environmental protection, and social issues, China Life set up "Water Refill" spots in sightseeing areas and bicycle routes ²⁵ around Taipei, New Taipei City, Hualien County and Taitung County. The Company shares the locations of these spots through a drinking water sharing map on the "Water Refill" APP, allowing locals and tourists around to enjoy free and clean drinking water. China Life promotes the concept "more water makes you healthier" and reduces carbon emission by reducing the use of plastic water bottles, fully leveraging the China Life's influence as a life insurance company. In Q1 of 2022, China Life reduced a total of 3,803 waste plastic bottles, with a total carbon reduction reaching 353.68 kg, and the carbon absorption capacity equivalent to 29.47 trees/year.



Support for the Disadvantaged

Charity Fairs in 2021

Fund raising has proven difficult for public welfare organizations during the pandemic. China Life has held charity fairs which act as a sales platform for environmentally-friendly smallholding farmers and social welfare groups. The Company takes actions in achieving common good for smallholding farmers and underprivileged groups. By distributing coupons, China Life encourages employees to participate in social welfare activities and cultivate support for underprivileged groups as well as contribute to environmental protection. In 2021, total sales amount reached NT\$1.4 million. Compared with that of 2020, the total sales amount increased by nearly 22% .

²⁵ China Life has set up water refill spots at Tanshui shopping district - Cultural and Tourism Association, Dadaocheng shopping district - chengletong, Sanxia old street - HIDEKAWA Domestic Soybean Products, Hualien City-Li Shuan International Hotel, Taimali, Taitung County, Indigenous people Family Service Center.

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Gratitude Interactive Activities

Gratitude Interactive Activities took form in interactive games. Through virtual on-line "thank-you gold coins," employees are encouraged to express their appreciation of others and create a cooperative atmosphere. In 2021, over 70,000 "thank-you letters" were sent out, with employee participation rate reaching 70%. In addition, China Life adopted a dual-welfare approach and converted employees' words of gratitude into welfare funds. Towards year's end, the Company bought 1,500 gift boxes from the Down Syndrome Association Taiwan and donated them to elderly that are dependent on the benefits and care provided by the Huashan Welfare Social Foundation, spreading warmth and blessings from China Life's employees.

Shoebox Present

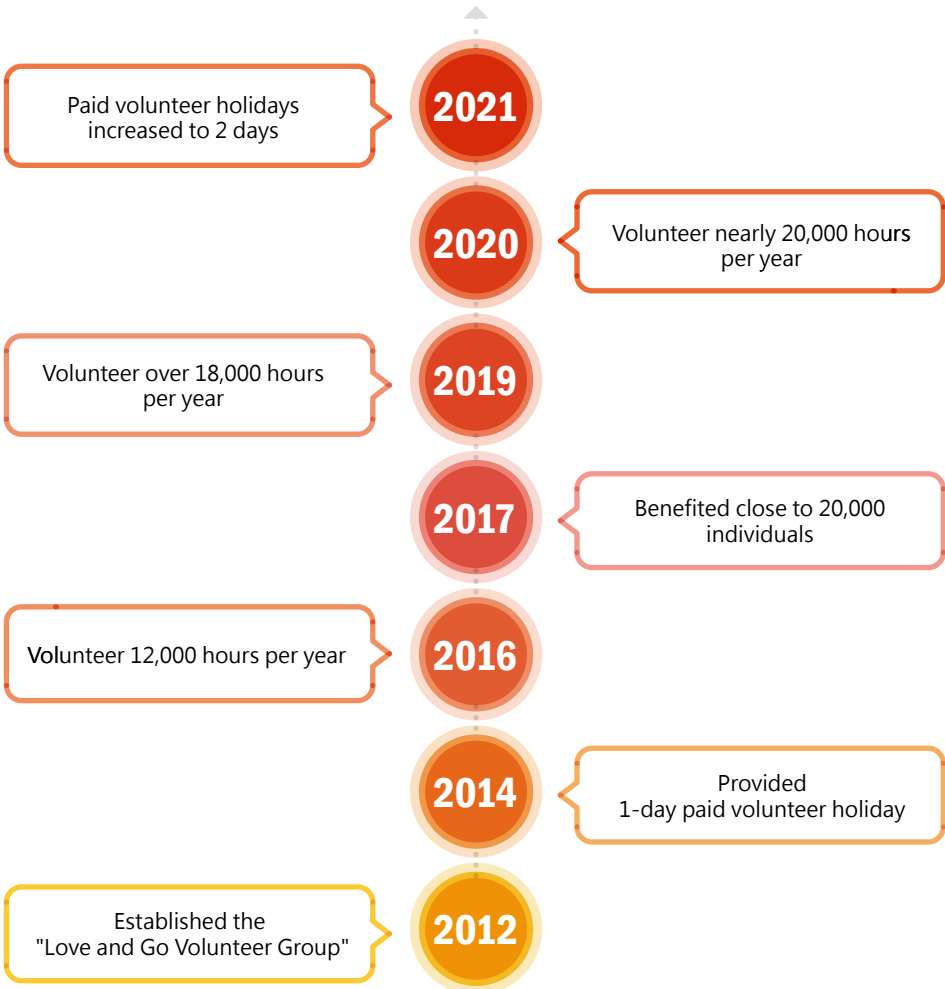
A simple Christmas gift embodies a child's dreams and the caring love from China Life's employees! The year 2021 was the first time China Life responded to the warm actions of China Development Financial Holding Corporation. From senior executives to junior employees, China Life filled shoe boxes with gifts and then hand-wrapped them before sending them to remote elementary schools in Nantou and Pingtung. The 200 gifts represent China Life's sincerest blessing, bestowing warmth and hope to children in remote regions, a Christmas dream come true.



Corporate volunteers

Love and Go Volunteer Group

Since 2012, China Life has promoted "Love and Go Volunteer Group" to encourage employees to volunteer in social services and contribute to public welfare. The Company hopes that employees can give back to the society, and employ their empathy cultivated from these services to the workplace and their personal lives. In response to the impact of the pandemic, many physical volunteer activities were suspended, which heavily impacted social welfare institutions. China Life collaborates with social welfare institutions to develop an innovative platform for on-line volunteer work. Functions include scanning books using mobile phones and providing on-line books for the visually-impaired, telling stories via video calls to accompany underprivileged children or those who from remote regions. This application also prevents face-to-face contact during the pandemic. In addition to regular disclosure of volunteer service information, service items regarding animal protection and environmental protection can also be chosen, and employees are encouraged to combine their interests with volunteer services. Throughout the year, the number of volunteer services hours carried out by office staff members and sales agents reached 30,000.



On-line Volunteer Activities

The pandemic became increasingly severe halfway through the year. China Life took the initiative to make a rapid response. The Company worked with Genesis Social Welfare Foundation, Eden Social Welfare Foundation and Taipei Parents' Association For Visually Impaired to develop and promote on-line volunteer activities for the visually impaired, such as scanning and uploading books via mobile phones, providing reading materials for the visually impaired, while also preventing face-to-face infection risk in the process. China Life's rapid response during the work-from-home period is a true display of its entrepreneurial spirit and the determination to take social welfare action despite the ongoing pandemic. The Company has alleviated the burden for social welfare institutions caused by shortage of volunteers.



In the future, China Life will continue working with social interest institutions to develop volunteer activities that can be conducted both on-line and at home, and adopt a more flexible approach when working with social welfare organizations during the pandemic, spreading love and care to all corners of society.

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5 Environmental Sustainability



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Climate Risks and Strategies

"The Global Risks Report" released by the World Economic Forum (WEF) has repeatedly listed climate change as one of the world's biggest crises. As a life insurance company, China Life aims to maintain its own climate resilience, and voluntarily respond to the Glasgow Financial Alliance for Net Zero (GFANZ) and join global enterprises in committing to net zero emission. In addition to its own low-carbon operations as well as the development of low-carbon products and services, China Life will leverage its role as an investor and exert its financial influence to stimulate investment targets in improving climate risk management while also supporting industry transformation of the society through sustainable financial strategy-making and related actions, so as to become an driver for economic growth and alleviating environmental burden.

In response to climate emergency uncertainties, China Life considers climate change as a major issue and voluntarily became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019, hoping to contribute to the mitigation of climate change through its core competency as a financial and insurance company. In order to continuously strengthen the Company's ability to adapt to climate change, China Life has implemented the TCFD framework and addressed climate change through four main aspects - "Governance," "Strategy," "Risk management," and "Indicators and Targets." The Company also incorporated industry-specific guidelines regarding "insurance" and "asset owners" so as to systematically identify the risks and opportunities of climate change, and disclose the impact of climate change on the Company's operations and value chains. The maturity level of China Life's climate governance framework was awarded the highest level rating - "Excellence" through the "TCFD Conformity Check" conducted by the British Standards Institution (BSI). China Life's Climate-related Financial Disclosure Report was released in 2021.

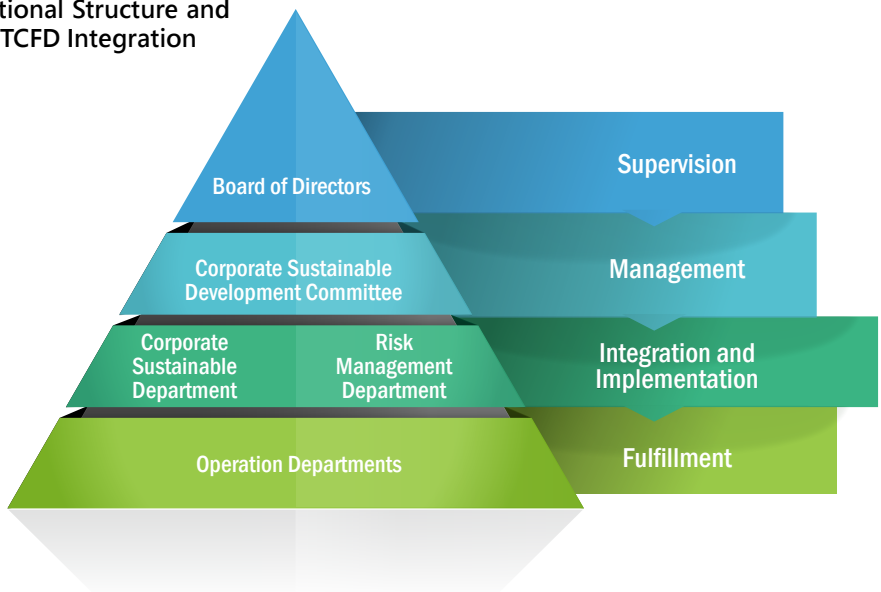


2021 Climate-related Financial Disclosure Report

Governance

Recognizing the impact of climate change and the importance of building the Company's contingency abilities, the Company has promoted top-down approaches that monitor and manage climate change based on the framework suggested by TCFD. Through the Board of Directors, Corporate Sustainability Development Committee, competent authorities, and operating units, China Life has effectively incorporated climate change issues into its organization operations.

▼ China Life's Organizational Structure and Responsibilities after TCFD Integration



Strategies and Risk Management

When identifying climate change risks and opportunities, China Life conducted simulations for the RCP 2.6 and RCP 8.5 scenarios of the Intergovernmental Panel on Climate Change (IPCC) for physical risks, simulations for the 1.5DS and 6DS climate scenarios of the International Energy Agency (IEA) for transitional risks, simulations for the RCP 2.6/ 1.5DS scenarios with active implementation of carbon emission reduction and development of sustainable energy system, as well as simulations for RCP 8.5/ 6DS scenarios with relatively limited technological development driven by existing policies. Through scenario analysis and evaluation of possible climate-related impact on the Company's businesses, strategies, finance, and investments, the Company identifies potential risks and opportunities, formulates and positively promotes and implements well-organized coping strategies and action plans, and timely inspects related outcomes, so as to ensure that climate-related risks can be effectively controlled or reduced, while striving to grasp related opportunities.

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

Evaluation Results on Climate Risks

Climate Physical Risks

Physical risks that China Life might face include the impact on operations or supply chains caused by extreme weather which might worsen the severity of disasters such as typhoons and floods. The occurrence of disasters might interrupt the operations of offices or facilities room due to the interruption of public facilities such as water, electricity, or communications. In order to mitigate the impact of physical risks, China Life has deployed and business continuity management (BCM) ahead of time. After conducting assessment, the potential flood risk of the computer facilities located in the Taipei basin is relatively low because the computer facilities is located on the 6th floor and the building is situated on a higher terrain. Moreover, China Life has established a backup center located in Linkou to ensure that when the main operation center fails, critical system operation can be maintained through the backup center. In addition, China Life has formulated a BCM plan to cope with possible operational interruptions caused by natural disasters such as typhoons, which can effectively reduce the time required for system recovery.

Climate Transition Risks

The adjustment of operating patterns driven by global environment protection trends may cause transition risks for China Life. The operations of China Life are mainly based in Taiwan and the competent authority has formulated or plan to formulate relevant regulations such as the "Climate Change Adaptation Act," "Renewable Energy Development Act," and "The Electricity Act," requiring high-carbon emission enterprises to conduct carbon assessment and plan carbon reduction actions for industrial sectors. In addition, regulations also require consumers of large electricity consumption to seek re-

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newable sources for more than 10% of its energy needs. Subsequently, the government may also introduce law systems that incorporate carbon pricing and carbon taxes, forcing regulatory changes and market adjustments. This may also cause operational pressure for high-carbon emission enterprises, thus indirectly impacting the profitability of the China Life's Investment Department. In the future, China Life will continue paying attention to the overall market changes and adopt sustainable investment strategies, so as to address challenges brought on by transition risks to the investment market.

Evaluation results on climate opportunities

Low-Carbon Digital Financial Services

China Life provides e-Policy services and implements paperless operations in accordance with its environment protection and carbon reduction policies, working hand-in-hand with policyholders in protecting our planet. When enrolling in a new life insurance contract, the policyholders may request digital application. After verification by an independent third-party institution, insurance policies can be stored on easily accessible devices, allowing policyholders to instantly access their insurance policies for review without compromising their rights and interests, avoiding issues with losing insurance policy papers. In addition, China Life continues promoting mobile enrollment and mobile notification services, allowing the policyholders to complete insurance enrollment and handle other relevant matters through their mobile devices. Not only does this offer convenient insurance enrollment, it also significantly reduces paper use and enhances underwriting efficiency. Relevant low-carbon digital financial services are to be promoted through China Life's own distribution channels as well as other cooperative channels, so as to increase the effectiveness of low-carbon and paperless services.

Efficiency Enhancement of Operational Resources

In order to enhance the energy efficiency of daily office operations, a plan for the ISO 50001 energy management system has also been introduced in addition to the annual electricity consumption assessment of electrical equipment, thereby achieving energy saving results and forming the basis for high energy efficiency. Furthermore, China Life adopts two approaches - "enhancing energy efficiency" and "reducing energy consumption" in evaluating whether to purchase office equipment that is even more energy-efficient, so as to continuously promote energy saving and carbon reduction. Moreover, the Company relocated to a green building, with hopes of reducing overall energy consumption of its direct operating activities, thereby enhance building energy efficiency and reduce indirect costs.

Implementation of Responsible and Sustainable Investments

Due to global climate change, low carbon and green energy related industries have received an increase in attention, and renewable energy industries related to energy transition will also bring about investment opportunities. China Life has formulated the "Responsible Investment Policy" which not only evaluates whether investment targets meet



ESG sustainability factors, but also assesses whether enterprises with climate-related risks have formulated business plans for future transformation, cultivating future investment opportunities. Moreover, in order to mitigate and adapt to climate change, emerging financial products such as sustainable development bonds have also been developed, with infrastructure investments seen in related industries. Therefore, China Life will continue to evaluate and increase the investments in green bonds as well as the infrastructure funds related to the green energy industry, so as to increase profit sources and long-term stable returns.

Indicators and Targets

In order to effectively implement climate change management measures, the meeting of Corporate Sustainability Development Committee is convened periodically every year to track and review the progress of the ESG goals of the current year, so as to ensure proper implementation of various sustainability solutions. Meanwhile, ESG goals for the next year will set in advance, with ESG goals incorporating climate change management goals such as greenhouse gas management, electricity and energy management, paper management and service digitization, waste management and green procurement management ^①. Among them, the short-, medium- and long-term targets related to greenhouse gas emissions will be subsequently planned in accordance with the CDF's 2045 net-zero carbon emission target. In addition, China Life continues promoting mobile enrollment and mobile notification services, allowing policyholders to complete mobile enrollment and other subsequent matters through the convenience of their mobile devices. In addition, the mobile insuring and mobile notification services can significantly reduce the amount of paper used as well as save time and effort spent on communication, thus enhancing underwriting efficiency. Low-carbon digital financial services are to be promoted through China Life's own channels as well as other cooperative channels, so as to increase the effectiveness of low-carbon and paperless services. The utilization rate of mobile enrollment through China Life's own channels has reached 97 %, and the number of cooperative channels using mobile enrollment has reached 42.

^① Please refer to p.29 of CH1 "Sustainability Strategies" for details.

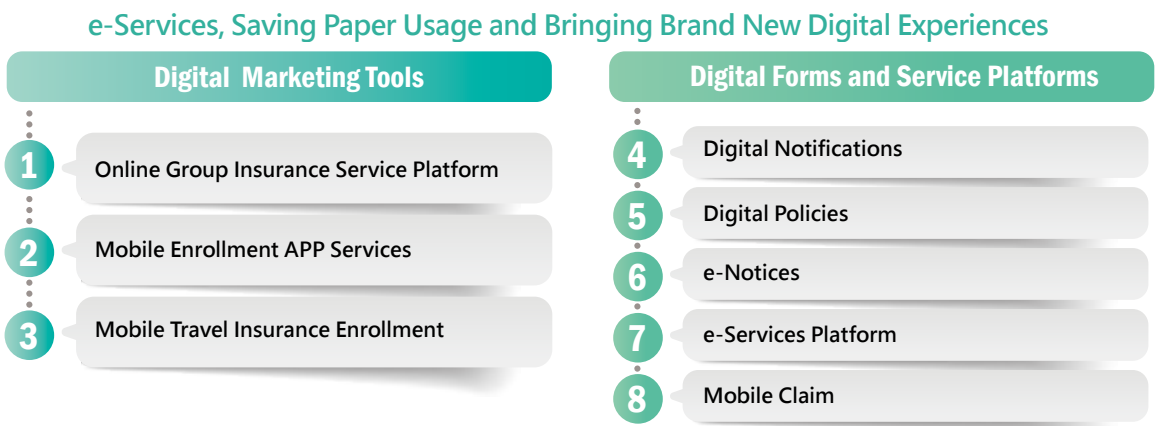
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Green Operations

e-Services

The gradual rise in environmental protection awareness has changed the way financial products and services are provided to customers while consumer behavior has also undergone transformation. China life continues to improve operation processes, simplify manual processing procedures, and provide the insured persons with environmentally friendly and convenient green services at all stages of the policy life cycle. China Life hopes to reduce the amount of paper printing by implementing digital marketing tools, e-forms and e-platform services, ensuring that the greenhouse gases generated by delivery of paper mail can be reduced, working hand-in hand with policyholders to protect the planet.



Digital Marketing Tools

1 Online Group Insurance Service Platform

The online group insurance service platform offers prevents the use of paper through digitalized services and procedures. Through online application services, the insured units can add/remove individuals to/from their group insurance plan, while the insured can also inquire about the contents of their insurance policies. In 2021, an additional 1,242 group insurances applied for the online group network service system, which signified a growth rate of about 65% in comparison with the previous year, while the online service application rate reached 85.76% accumulatively. In 2021, the Company planned to raise the service usage rate by the insured units in terms of adding/deleting insured individuals.

2 Mobile Enrollment APP Services

The remote enrollment APP services have been launched to reduce the number of papers used during underwriting. Through the mobile insuring APP, data verification can be conducted online to reduce application-filling errors and notification rates, enhance the accuracy of the contents filled in the proposal of insurance, and reduce the paper usage, thus saving costs in terms of document printing, delivery, scanning, filing, storage, etc., and achieving the benefits of energy saving and carbon reduction.

3 Mobile Travel Insurance Enrollment

Online insurance enrollment, signature, and payment deduction are carried out through electronic devices (iPad), and then transferred to the travel insurance platform for review and underwriting. This simplifies administrative processes, enhancing efficiency in terms of preliminary review while also reducing paper use. The ratio of enrollment for travel insurance through remote insurance application has increased over the years. Subsequently, the operations of mobile devices, such as adding face recognition control, further improving remote travel insurance enrollment safety.

In 2021, 20 new cooperative channels were added, and a total of 42 banks and insurance brokerage companies officially also added mobile enrollment as option for China Life insurance application, signifying that the number of cooperative channels has doubled. In 2021, about 179,000 insurance policies were accepted through remote enrollment, and 1.078 million sheets of paper been saved. China Life will continue to commit to the promotion of "energy saving and carbon reduction," and provide more timely, prompt, and convenient digital services to customers.



Digital Forms and Service Platforms

4 Digital Notifications

In line with remote enrollment, phase-based development of the new e-contract operation began in 2019, so that salespersons and the insured persons can directly reply to notifications online through mobile devices, enhancing the efficiency of notification processing. In 2019, the first phase of the e-based illness questionnaire was completed, and in March 2020, the entire e-based operation process was completed. Functions thereof were successively optimized in response to usage feedback. In 2021, case response rate by mobile notification accounted for about 33%, saving 3 to 5 days of operating time per case on the average.

5 Digital Policies

The insured persons can apply for a copy of digital policies when applying for a new insurance contract. After verification by an impartial third-party institution, insurance policies can be stored on easily accessible devices where the insured persons can quickly access the policy for instant review without having their rights and interests. This also reduces the loss of paper written policies. In 2021, a total of 67,831 digital policies were issued.

6 e-Notices

E-mails are used in replacement of paper policies, notification letters, and receipts in reducing printing and mailing. Digital files will be stored on the corporate website for instant download

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and in response to any inquiries policyholders may have. Accumulatively, a total of 4,868,409 e-newsletters were sent in 2021, enabling the insured persons to obtain information in an efficient and environmentally-friendly manner. Meanwhile, the Company continues to promote paperless administrative processes, including e-notices and e-services, thus saving nearly 3,992,616 sheets of paper, an increase of 8.38% saving in comparison with 2020.

7 e-Services Platform

An e-Services platform is provided around the clock without distance from the customers, where the policyholders can timely and promptly inquire policy content and handle policy change services, thus effectively alleviating the inconvenience of having to fill out paper forms, and reducing the greenhouse gases generated by their delivery.

8 Mobile Claims

In order to provide more convenient, prompt and quality claim services, China Life's mobile claim service was launched in May 2021, to provide service personnel and policyholders with prompt claiming applications and reduce greenhouse gas emissions generated from paper printing and mailing. In 2021, a total of 17,297 sheets of paper were saved. On the other hand, case reviewers can expedite the case processing through the preliminary examination on the platform, so that the policyholders can feel at ease and peace of mind.

Environment Management


In order to implement strategies of environmental and energy resource management, China Life successively conducts greenhouse gas examinations and introduces environment and energy management systems to improve the environment-related resource management in a systematic manner and promote specific management approaches. China Life established the "Environmental Protection Committee" in 2014, with 9 members of various functional chiefs responsible for formulating and revising the articles of the committee, the measures and norms related to environmental protection policies, while supervising the results of executing measures such as energy conservation and carbon reduction, waste management, environmental health and protection, etc. Two meetings were convened in 2021 to review the execution of environment protection measures in 2020 and 2021, continuously focusing on three major approaches for promoting environmental sustainability, namely green procurement, climate change countermeasures, and environmental management & energy conservation and carbon reduction.


In order to continuously strengthen environmental management, the head office located on the Dunhua North Road has introduced the ISO 14001 Environmental Management System in understanding, policies and objectives of environmental protection. In addition, in response to the merger with China Development Financial Holding CO., LTD. toward the end of 2021, all departments of China Life's head office gradually moved into the new HQ building. The Company also started to plan the introduction of the ISO 50001 Energy Management System on those floors with stationed departments, to improve the on/off management of the energy control mechanisms and equipment operations, as well as the promotion of energy saving & carbon reduction management and the efficient use of energy. The third-party verification is expected to be completed in 2022.


② Committee members include one Chairperson, one Vice Chairperson, and seven members, where one of the members also serves as the Executive Secretary and is responsible for contact matters for the general management of committee affairs and meeting.


New Headquarters Building – Green Building Gold Level Certification

In 2021, the head office was relocated to the Headquarters Building with the green building gold level certification, where the concepts of environmental friendliness, energy saving and carbon reduction have been incorporated into the base planning and interior equipment design, while the elements such as greening, water conservation and energy management have been fully implemented as follows:

 **Amount of greening in the base** : Including greening with multiple layers of planting in partial areas; shaping the ecological urban environment; providing the possibility of biodiversity; and alleviating the urban heat island effect and the global warming crisis -- which is expected to reduce carbon dioxide emission equivalent of 3,029,421.28 kilograms.

 **Water conservation project in the base** : Including setting up green space and garden soil to intercept and retain water; and connecting with rainwater storage tanks in line with hidden infiltration wells and side infiltration gutters, to prevent torrential rain from being discharged into public sewers during heavy rainstorms - so as to mitigate urban flood peaks.

 **Daily energy-saving project** : Including optimizing the energy-saving design on the exterior of the building; automatically adjusting the sunlight angle with the sun-chasing system; reducing the solar thermal transmittance; saving the power consumption of air conditioning; automatically opening the shutters to introduce sunlight during sunlight-off; controlling peripheral lighting and energy consumption according to daylight; installing high-efficiency LED lighting fixtures and electronic ballasts in public spaces such as offices, lobby, staircases and halls, and basement parking lots - so as to reduce lighting energy consumption.

 **Air-conditioning energy-saving technologies** : Including the ice water machines under automatic control embedded with multiple logic strategies; variable-frequency continuous variable-speed control for the air supply and energy saving; variable-frequency variable-speed control for the water supply system; wet bulb temperature approach control for the water cooling tower, the energy management system connected to and monitoring by the central system - so as to integrate the energy recording and control functions of various equipment, keep balance and adjust the air conditioning system, and ensure operating performance.

Propaganda of Environmental Protection

According to the "Norms for Environmental Protection and Energy Saving Management", the actions for greenhouse gas reduction have been performed in the workplace. In 2021, a four-week eDM education and communication activity titled "Green Procurement" was carried out to internalize the ESG concept into the daily operations of the Company. Through green procurement, China Life can shape its corporate culture revolving around sustainable environmental protection.

In 2021, in addition to active participation in various environmental protection issues and wide publicity of the concept of energy saving and environmental protection, in line with the aforementioned environmental protection issues, a total of 76 articles were also posted on the China Life's [official Facebook](#) and [Instagram](#) pages, including the responses to the Earth Day, World Environment Day, Earth Hour, and to the issues such as plastic reduction, paper saving, green procurement, etc. Accumulatively, these posts attracted 2.18 million views and more than 57,000 likes, comments, and shares.



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Greenhouse Gas Management

Since 2015, the head office and main branches ③ have been conducting greenhouse gas examinations. In 2020, the scope of annual greenhouse gas examination was expanded, and all branches ④ were included in greenhouse gas examination. In 2021, in line with the relocation of the head office and Taozhu Branch to the new buildings, the total carbon dioxide emission (CO₂e) equivalent of 5,159.176 tons/year ⑤ was produced, and in April 2022, the Company received the BSI certificate ISO14064-1:2018 Greenhouse Gas Part 1. In addition to expanding the scope of the greenhouse gas examination, the categories of the examination have also increased year by year since 2018, including gasoline, diesel, electricity, waste, employee travel, transportation of photocopying paper, maintenance of leased photocopiers, post office parcels, and post office conditional receipts, etc. The examination results will be continuously monitored, and the relevant information will be used as a reference for China Life's greenhouse gas reduction plan.

▼ Greenhouse Gas Emission ⑥

Categorization	Direct Emissions			Indirect Emissions		Total	
	Category 1			Category 2	Categories 3, 4, 5 and 6		
	Fixed Emission Sources	Mobile Emission Sources	Dissipated Emission Sources				
2021	Emission Equivalent (CO ₂ e in tons/ year)	0.000	25.264	247.493	4,021.457	864.961	5,159.176
		272.757					
	Category Proportion(%)	0%	9.26	90.74	77.95	16.77%	100.00%
		5.28%					
2020	Emission Equivalent (CO ₂ e in tons/ year)	1.046	29.6831	185.067	3,177.706	811.762	4,205.264
		215.796					
	Category Proportion(%)	0.48%	13.76%	85.76%	75.57%	19.30%	100.00%
		5.13%					

⑥ Since the two buildings, i.e., Headquarters Building (for head office) and Zhongmao Asia Pacific Building (for Taozhu Branch), were newly added in 2021, the year 2021 was taken as the base year. The coefficient value of the greenhouse gas emission was based on the Coefficient Management Table for the Greenhouse Gas Emission (Version 6.0.4) of Environmental Protection Administration (EPA).

Energy usage management

With 2016 as the base year, a long-term goal of an average power saving rate of more than 1% in all workplaces in Taiwan and an average power saving rate of 5% in five years has been set. In 2021, the existing office buildings underwent periodic maintenance and repair of equipment, while aged energy-consuming equipment were assessed, such as air-conditioning systems, to reduce excess energy consumption. Meanwhile, energy-saving solutions have been communicated to employees, such as reducing indoor lighting during business hours and closing doors and lights during lunch breaks and after work, so that employees can cultivate good green work habits. Additionally, the space uti-

③ Main branches include: Branch offices in Taozhu, Taichung, Chiayi, Tainan and Kaohsiung, etc.
④ All branches include: Branch offices in Taozhu, Taichung, Chiayi, Tainan, Kaohsiung, Pingtung, Huadong, and Penghu, etc.
⑤ The scope of the examination in 2021 covers 100% of the office workplace. In addition to the existing scope of the examination in 2020, the new Headquarters Building (for head office) and Zhongmao Asia Pacific Building (of Taozhu Branch) have been newly added.

lization and the utilization effect of field units have also been reviewed. In 2021, an expenditure of NT\$23,589,142 was invested in the upgrade of the aged energy-consuming air conditioners and facilities in real estate under the possession of the Company. With regards to the non-renewable energy consumption, under the same categories as those in the base year of 2016, the total electricity consumptions in 2017, 2018, 2019, 2020 and 2021, had respectively reduced 183,764 kWh, 246,650 kWh, 910,709 kWh, 1,002,721 kWh, and 1,786,137 kWh in comparison with 2016, which is equivalent to a reduction of carbon dioxide emissions respectively by 93,536 tons, 125,545 tons, 463,551 tons, 510,385 tons, and 896,641 tons. ⑦

▼ Power Consumption in the Past Five Years ⑧

	2021	2020	2019	2018	2017
Non-Renewable Energy Electricity Consumption (kWh)	13,163,506	12,220,468	12,261,969	12,929,329	12,838,021
Renewable Energy Electricity Consumption (kWh)	48,452	0	0	0	0
Power Consumption (Giga-joules) ⑨	47,563.1	43,993.7	44,143.1	46,545.6	46,216.9
Turnover (TWD in million)	300,244	323,248	339,115	338,495	255,328
Energy intensity (kWh/ TWD 1 million) ⑩	44.00	37.81	36.16	38.20	50.28

⑧ The electricity consumption in 2016 was 12,827,266 kWh. China Life's energy consumption mainly relies on electricity, which is non-renewable energy. In 2021, the examination covered all offices and field workplaces, with a coverage rate of 100%. In 2021, the head office and Taozhu Branch were respectively relocated to new buildings.

⑨ The calculation was based on the conversion factor where 1 kilowatt-hour (kWh) is equal to 0.0036 Giga-joules (GJ).

⑩ Due to the addition of the Headquarters Building and the Taozhu Branch building in 2021, the energy intensity in 2021 has increased in comparison with 2020.

Renewable Energy Certificates

The self-sufficiency model is fully adopted by the solar photovoltaic (PV) panels installed in the new Headquarters Building. The power generation is expected to be 47,552 kWh per year, and the solar PV panels have been put to commercial use since June 2020. In 2021, the green power generation was 48,452 kWh, which had also passed the certification by National Renewable Energy Certification Center (T-REC). As of 2021, a total of 8 renewable energy certificates have been issued to the Company.

⑦ The calculation assumes that 1,000 kilowatt-hours (kWh) of electricity consumption will generate 0.502 tons of carbon dioxide.

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Water Resource Management

Water consumption of the Company is mainly related to air-conditioning and people's daily living. Through the successive replacement of aged air-conditioning equipment and the use of water-saving equipment with water-saving labels, the Company is committed to enhancing resource utilization and continuing to promote measures such as water saving among colleagues. In 2021, the water consumption at the head office and all branches amounted to 44,086 (kL) ^⑪.

▼ Use of the Water Resources in the Past Three Years ^⑪

	2021	2020	2019
Water consumption (kL)	44,086	42,078	40,209
Turnover (TWD in million)	300,244	323,248	339,115
Water Intensity (kL/ TWD 1 million)	0.15	0.13	0.12

^⑪ Water consumption (kL) China Life mainly uses water for air-conditioning and people's daily living. Since 2021, in addition to the previously existing workplaces, Headquarters Building has been added into the calculation of total water consumption.

Waste Management

Waste management operations have been regularly carried out by the head office and all branches. Through resource recovery, the policy of resource reuse has been implemented. In 2020 and 2021, the total weight of the waste from the nine major workplaces of the Company amounted to 181,235 kilograms and 159,499 kilograms respectively. In 2021, the new item of the total weight of the waste from the new Headquarters Building amounted to 5,597 kilograms. In 2021, the average waste recovery rate of the 10 workplaces was 51.06%.

^⑪ In 2021, the water consumption at the new Headquarters Building of the head office was 10,271 kiloliter-hours (kL).

Sustainable Supply Chain

China Life's suppliers mainly consisted of three categories: "office supplies and equipment," "labor services," and "construction and maintenance work." Committed to the practice of suppliers' sustainable development, China Life specially formulated the "Suppliers' Corporate Social Responsibility Measures" in compliance to laws and regulations related to labors' and human rights, labors' health and safety, environmental protection, integrity management and ethical norms, etc., along with its suppliers, so as to promote the balance and sustainable development of economy, society and environmental ecology.

The suppliers have been selected in accordance with China Life's Procurement Standards in a fair, impartial, and open manner, with reference to suppliers' excellent ESG performance. Through procedures such as open bidding, contract signing, progress discussion, Inspection and acceptance, and the management of contractual terms. The Company actively controls the quality of the products supplied as well as delivery dates and prices associated with the suppliers. All selected vendors are required to sign the "Supplier's Commitment Letter on Corporate Social Responsibility." If relevant laws and regulations such as labor safety and health matters are involved, they should handle such matters in accordance with the "China Life's Measures for Contractors' Safety, Health and Environmental Management."



Sustainable Supplier Management

Key supplier evaluations are conducted every year, and the "Self-evaluation and Supplier Evaluation Form for Corporate Social Responsibility" has been formulated in accordance with the internal "Suppliers' Corporate Social Responsibility Measures," to review suppliers' implementation status on related policies such as "Labor rights and interests, and human rights," "Labor health and safety," "environmental protection," "corporate social responsibility," so as to promote the balance and sustainable development of the environment, society, and corporate governance ecology.

In 2021, the "Self-evaluation and Supplier Evaluation of Corporate Social Responsibility" was conducted on eight key suppliers. Since 2021, the topic of net zero carbon emissions has been added into the content of self-evaluation. In terms of suppliers' self-evaluation and China Life's evaluation on the suppliers, the top three suppliers with the highest scores will be selected and commended as the annual excellent suppliers. The evaluation scores of the eight suppliers were all above 80 points, and the suppliers all took relevant actions on the CSR evaluation items as revealed in their self-evaluations.

In 2021,
the "Supplier's Commitment Letter
on Corporate Social Responsibility"
was signed by 84 suppliers

A total of **221** procurement cases were
concluded with contracts signed, including
"Corporate Social Responsibility
and Integrity Management Clauses"

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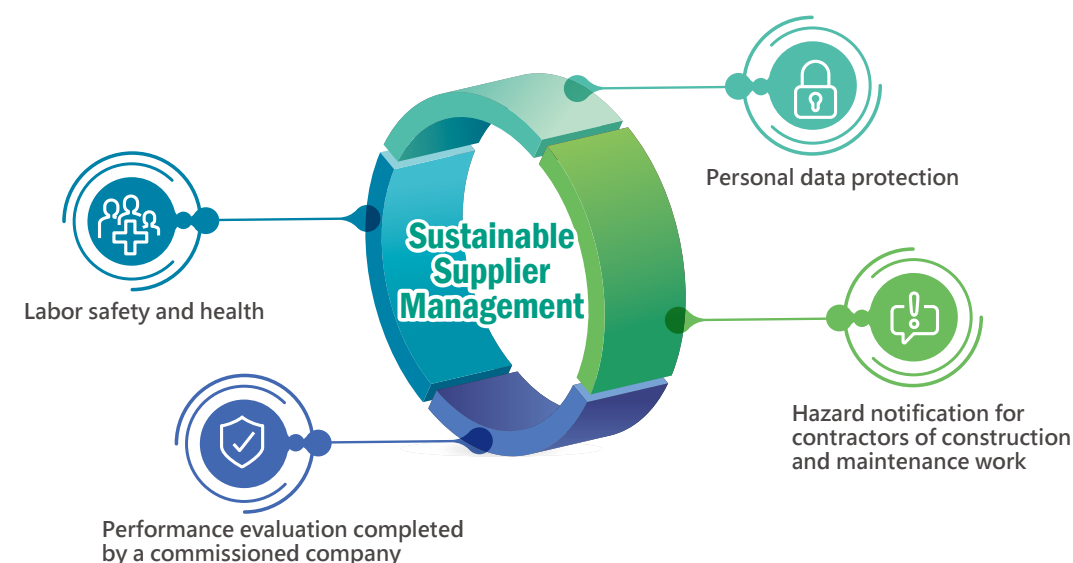
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Performance Evaluation Completed by a Commissioned Company

In order to effectively grasp the service qualifications, quality, processing time, and degree of cooperation of the commissioned company, the Company conducted internal audits, internal control, and supervision and inspections, and satisfaction surveys at least once a year. The evaluation results will be included as the basis for selection of the commissioned vendors and the renewal of the contract. The outsourcing process training was conducted in May 2021, and the performance evaluation of each outsourcing company was completed in August 2021. Among them, the average score of 17 outsourcing vendors was 90.7 points (the full score is 100 points). China Life renews the contracts with vendors that passed the evaluation with excellent evaluation results.

Hazard Notification for the Contractors of Construction and Maintenance Work

The "Measures for Contractors' Safety, Health and Environmental Management" has been formulated, to strengthen the contractors' management in terms of safety, health and work environment and enhance the safety of various operations. So far, the contractors for the construction and maintenance work have no occupational accidents occurred in the construction and maintenance work.

Through the annual routine re-evaluation, there were a total of **56 qualified vendors** in 2021, including 13 newly-qualified vendors

For the construction and maintenance work, vendors are selected in a fair, impartial, and open manner. First, the vendors listed in the Company's "Database of the Annual Qualified Vendors" will be given priority to participate in the quotations for the construction projects. Facility Service Dept. will update at least 10% of the annual qualified vendors every year, so as to ensure the quality of the construction work and the competitiveness of the contract price.

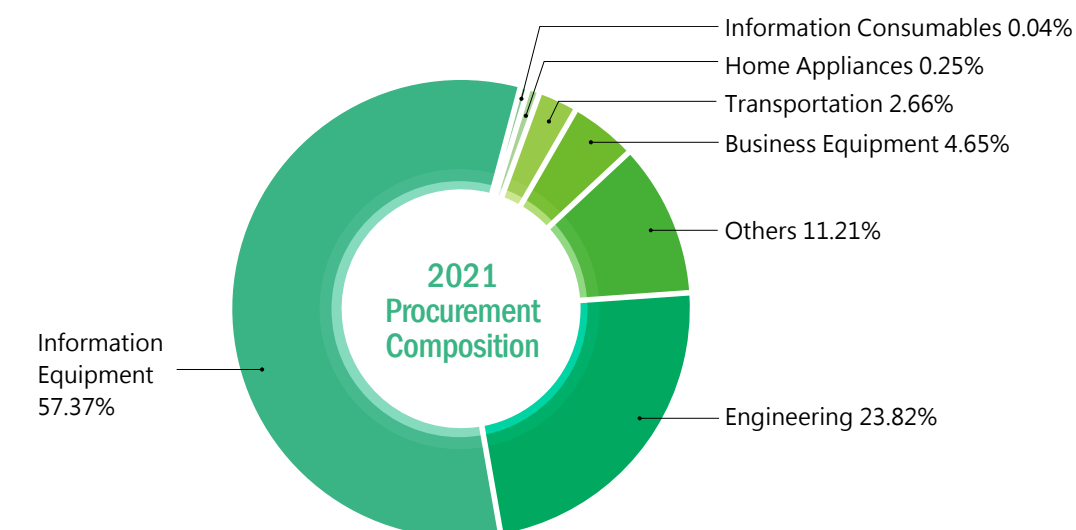
Personal Data Protection

In order to respect the rights and interests of the parties concerned and ensure that the collection, processing or utilization of personal data involved in procurement cases will be conducted in an honest and trustworthy manner, the commissioned suppliers shall sign the "Supplier Personal Information Protection Capability Evaluation Form" for any case "involving personal data collection, processing and utilization," to ensure that the suppliers have the capability to protect personal data.

In 2021, a total of 47 companies signed the **"Supplier Personal Information Protection Capability Evaluation Form,"** covering **100%** of all the suppliers

Green Procurement

China Life supports local/localized suppliers through the concept of sustainable operation, and the percentage of local procurements reached 99.63%, which will continue to increase in the future. In terms of supplier selection, the Company will give priority to select suppliers with excellent ESG performance, and will prioritize the procurement of products with energy-saving and environmental protection labels and Forest Stewardship Council (FSC) certification on environmental protection, so as to reduce the impact on the environment and facilitate environmental sustainability. In 2021, the results of actual implementation of green procurement were NT\$101.73 million, including information technology and photocopying paper, etc. The Company has been awarded with the Certificate of Appreciation for "Promoting Non-Governmental Organizations and Enterprises to Implement Green Procurement Plan" for six consecutive years by Environmental Protection Bureau (EPB) of Taipei City Government.



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Appendix

Management Policy with Major Topics

1 Sustainability Strategies

Major Topics	Custom topics - Sustainability Strategies
Commitments	Implementing the mission of sustainable management with "embracing innovation and talents, and providing sustainable financial solutions for customers, employees and the society," and holding "the most recommended and trusted life insurance company" as the vision of our corporate sustainable development.
Policy/Management Approaches	<ul style="list-style-type: none">Establishing a top-down management structure for sustainable development, which has been planned and managed by the Corporate Committee under the supervision of the Board of Directors; and assisting the Operation Department in implementing the sustainable plan with the resource integrated by Corporate Sustainable Development DepartmentFormulating sustainable development policies, visions, codes, and norms, and publishing them on the corporate website.
Communication/Complaint Mechanism	<ul style="list-style-type: none">Physical communication channels: including official documents (letters), telephone, or meetings.On-line communication channels: including the Stakeholders section on the Company's official website, and email.Periodically conducting sustainability questionnaire surveys.
Evaluation Mechanism	<ul style="list-style-type: none">Incorporating ESG items into annual work objectives and performance evaluations, and linking to departmental and supervisory evaluation mechanisms.Reporting to the Corporate Committee and the Board of Directors in accordance with the sustainable development management structure.Participating in external sustainability assessment or certification.

2 Corporate Governance

Major Topics	<ul style="list-style-type: none">GRI 307 - Environmental ComplianceGRI 419 –Socioeconomic ComplianceGRI 205 – Anti-corruptionCustom topic - Risk managementGRI 201 –Economic performanceGRI 418 –Customer privacyCustom topic - Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)
Commitments	<ul style="list-style-type: none">All Directors, office staff and sales agents periodically sign the "Integrity Operation Statement" to implement their commitment to the integrity operation policy.Adjusting internal risk management operations to monitor major and emerging risks.Implementing the balanced development strategies for six major channels and developing various types of products to meet the needs of different groups.Adhering to the concept of maintaining information security and personal data protection, continuously enhancing the management capability of personal data protection and the level of information security monitoring and protection, so as to establish information security and personal data operation procedures of standardization and documentation.Prudently evaluating and reviewing the implementation of the internal control system for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), and issuing the Internal Control System Statement.

Policy/Management Approaches

- Establishing "Compliance Risk Assessment and Monitoring Framework," "Law Amendment Management System," and "Management Operation Mechanism for Ruling Penalty Cases in the Insurance Industry," to rapidly respond and effectively control legal compliance risks.
- Formulating the "Integrity Management Code" and related internal regulations, to implement the integrity management policy.
- According to the "Code of Practice for Risk Management in the Insurance Industry" and related laws and regulations, we uphold the risk management policy as the highest guiding principle for the Company's risk management mechanism.
- Added the "Operation Continuity Management Policy" and related policy statements in 2021, so as to ensure personnel safety, and customer rights and interests, to protect the Company's business reputation and assets and continuously provide uninterrupted services for the insured persons.
- Formulating administrative measures or mechanisms for various types of risks and planning to incorporate climate change risks as major risks for 2022.
- Formulating a "Personal Data Management Policy", to effectively implement the requirements for personal data security management.
- Continuously maintaining "ISO 27001 2013 Information Security Certification, and BS 10012: 2017 Personal Information Management System (PIMS) Certification.
- Formulating "Policy for AML/CFT Evaluation" and related internal regulations to actively implement Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)

Communication/Complaint Mechanism

- Reporting channels: including reports in-person, in writing, by telephone and via [e-mail](#), etc.; complete handling procedures and whistle-blower protection measures have been formulated, and anonymous reports were allowed.
- Physical communication channels: shareholders' meeting, corporate investor conference, etc.
- Online communication channels: including the [financial information section on the Company's official website](#), on-line corporate investor conference, on-line roadshows, and emails.
- Risk management audits and meetings by internal and external stakeholders: competent authority checks and meetings, financial control audits, China Life audits, etc.

Evaluation Mechanism

- Conducting self-evaluation of law compliance semi-annually.
- Convening meetings of Integrity Management Committee annually to report the implementation situations of integrity operations.
- Convening meetings of Risk Management Committee quarterly, to present the reports related to risk management.
- Convening meetings of Information Security Committee twice a year and reviewing the Policies and Measures for Information Security Management System annually.
- Conducting internal audits of information security semi-annually and measuring information security indicators monthly.
- Reporting to the Audit Committee and the Board of Directors on the matters related to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) semi-annually.
- Convening meetings of Personal Data Protection Management Committee semi-annually, to report issues such as the implementation of personal data protection, technological development, supervision and review of management system, personal data incident management, etc. so as to periodically review the effectiveness of the personal data protection management system.
- Commissioning an accountant to conduct special audits on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT). The accountant will provide an Assurance Statement Report with un-qualified opinions, if there is no major or significant deficiencies.

3 Sustainable Finance

Major Topics	GRI G4 - Product Portfolio, GRI 417 - Marketing and Labeling, GRI G4 - Product Portfolio
Commitments	<ul style="list-style-type: none">Promoting responsible investments and green services, facilitating sustainable development, so as to safeguard the environment and society.Adhering to the three major cores of big data value-added services, artificial intelligence (AI) technology empowerment, and ecosystem alliance; promoting digital transformation and committing to paperless digital processes and low-carbon transformation.Implementing the concept of "fairness and empathy, treating guests as ourselves," committing to consumer-demand-oriented products and the products exclusive for underprivileged groups, and providing dedicated service lines and questionnaire feedback mechanisms for the disabled and the elderly, so as to implement the spirit of "treating customers fairly."Continuously developing comprehensive protective products in medical care, retirement, nursing, etc., and promoting products on the on-line insurance platform.

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Policy/Management Approaches

- Autonomously responding to international standards such as the United Nations Principles for Sustainable Insurance (PSI) and Principles for Responsible Investments (PRI); formulating "Responsible Investment Policy," considering ESG factors in screening targets, and performing due diligence governance
- Autonomously entering into Statement of "Stewardship Principles for Institutional Investors" formulated by the Taiwan Stock Exchange (TWSE), to express the commitment to due diligence governance and investment.
- Continuously introducing big data analyses and artificial intelligence (AI) technologies, to manage digital financial applications for internal operations and external services.
- In accordance with the "Principle for Financial Service Industries to Treat Clients Fairly" and the "Guidance for firms on the fair treatment of vulnerable customers" enacted by the UK Financial Conduct Authority (FCA), we have formulated "Policy and Strategy for the Principle for Fair Treatment of Customers" and related internal regulations, to implement the protection of the rights and interests of the disadvantaged consumers.
- Introducing the "Net Promoter Score (NPS)" to summarize customers' pain points to further promote improvement plans.
- Completing the deployment of the "Customer Satisfaction Survey System" in 2021 to collect and get to know customers' feelings and opinions more effectively.
- Developing multi-protection insurance products and setting up a "Retirement Well Preparation Platform," an on-line insurance application platform, for promoting the protection-oriented insurance products on the Internet.

Communication/Complaint Mechanism

- Internal feedback channel: "i-response mailbox."
- Customer service channels: including counter services in all local customer service centers, free customer service hot-lines, message areas in consultation section on the corporate official website, written mail, fax, [email service mailbox](#), etc.
- External complaint channels: including competent authorities, Financial Ombudsman Institution (FOI), consumer protection officials of local county and city governments, etc.

Evaluation Mechanism

- Incorporating ESG evaluation items into the investment decision study reports of individual stocks; priority selection of enterprises that focus on sustainable value; and periodically evaluating the ESG performance of investment targets.
- 5+2 industry investment amount and green energy investment amount.
- 100% participation in the shareholders' meeting of the invested companies.
- Through departmental principle of treating customers fairly, conducting "Compliance Self-Inspection" and "Compliance Self-Evaluation" semi-annually for management evaluation.
- Telephone Service Centers conducting year-round customer satisfaction surveys.
- Setting up an "Appeals Board" and periodically convening inter-departmental meetings for discussions of appeal cases to jointly review and evaluate appeal-related issues.
- The handling schedule of the accepted appeal cases, the case response rate with handling results, and the case review rate with proper handling.
- Number of members enrolling in insurance policies on-line as well as generated premium.

GRI Standards Disclosure Comparison Table

Chapters and Sections of the Report(including omitted descriptions)			Page No.
General Disclosure			
Organizational profile (2016)			
102-1	Name of organization	About the Report Getting to know China Life	04-05 06
102-2	Activities, brands, products, and services	Getting to know China Life [CH3] Inclusive Finance All products of the year have been released to the market after being reviewed by the competent authority	06 85-88
102-3	Location of headquarters	Getting to know China Life	06
102-4	Location of operations	About the Report Getting to know China Life	04-05 06
102-5	Ownership and legal form	Getting to know China Life	06
102-6	Markets served	Getting to know China Life	06
102-7	Scale of the organization	Getting to know China Life	06
102-8	Information on employees and other workers	[CH4] Human Resource Management	107-109
102-9	Supply chain	[CH5] Sustainable Supply Chain	138-140
102-10	Significant changes to the organization and its supply chain	No major changes	-
102-11	Precautionary Principle or approach	[CH2] Risk Management	58-60
102-12	External initiatives	[CH5] Climate Risks and Strategies	127-130
102-13	Membership of associations	[CH2] Integrity and Governance	57
Strategy (2016)			
102-14	Statement from senior decision-maker	A Message from Management	03
Ethics and integrity (2016)			
102-16	Values, principles, standards, and norms of Behavior	[CH2] Integrity and Governance	49
Governance (2016)			
102-18	Governance structure	[CH1] Sustainable Governance of Organizational Culture [CH2] Integrity Governance	21 50-51
Stakeholder engagement (2016)			
102-40	List of stakeholder groups	[CH1] Engagement with Stakeholders	31-38
102-41	Collective bargaining agreements	China Life has not entered into any group agreement	-
1021-	Identifying and selecting stakeholders	[CH1] Engagement with Stakeholders	31
102-43	Approach to stakeholder engagement	[CH1] Engagement with Stakeholders	31-38
102-44	Key topics and concerns raised	[CH1] Engagement with Stakeholders	31-38
Reporting practice (2016)			
102-45	Entities included in the consolidated financial Statements	China Life is the only entity included in the Consolidated Financial Statements	-

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102-46	Defining report content and topic boundaries	[CH1] Material Topic Analysis	39-42
102-47	List of material topics	[CH1] Material Topic Analysis	39-42
102-48	Restatements of information	[CH4] Information re-compilation in the talent development stage: In 2019, the number of persons who passed the professional license for underwriting and claim settlement was 25, but it was mistakenly recorded as 14, and the omitted 11 persons had been listed in the accumulative number of the licensed persons in 2020.	103
102-49	Changes in reporting	[CH1] Material Topic Analysis	39
102-50	Reporting period	About the Report	04
102-51	Date of most recent report	About the Report	04
102-52	Reporting cycle	About the Report	04
102-53	Contact point for questions regarding the Report	About the Report	05
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	05
102-55	GRI content index	Appendix	144-147
102-56	External assurance	About the Report Appendix	04-05 155-156
Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	[CH1] Material Topic Analysis	39-42
103-2	The management approach and its components	Appendix	141-143
103-3	Evaluation of the management approach	Appendix	141-143
Economic Aspect			
GRI 201: Economic performance (2016)			
201-1	Direct economic values generated and distributed	[CH2] Business Performance	45-48
201-3	Defined benefit plan obligations and other retirement plans	[CH4] Human Resource Management	111-116
GRI 202: Market Presence (2016)			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	[CH4] Human Resource Management	114-115
GRI 204: Procurement practice (2016)			
204-1	Proportion of spending on local suppliers	[CH5] Sustainable Supply Chain	140
GRI 205: Anti-corruption (2016)			
205-2	Communication and training about anti-corruption policies and procedures	[CH2] Risk Management	61-63
205-3	Confirmed incidents of corruption and actions Taken	China Life had no corruption- related incidents for the fiscal year.	-

Chapters and Sections of the Report(including omitted descriptions)			Page No.
Environmental Aspect			
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	[CH5] Green Operation	135-136
302-3	Energy intensity	[CH5] Green Operation	135-136
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	[CH5] Green Operation	135
305-2	Energy indirect (Scope 2) GHG emissions	[CH5] Green Operation	135
GRI 307: Environmental Compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	China Life had no environment-related violations in the year	-
Social Aspect			
GRI 401: Employment (2016)			
401-1	Newly-hired employees and resigned employees	[CH4] Human Resource Management	108-109
401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	[CH4] Human Resource Management	111-112
GRI 404: Training and education (2016)			
404-1	Average hours of trainings per employee	[CH4] Talent Development	106
404-3	Percentage of employees receiving regular performance and career development reviews	[CH2] Integrity and Governance	55-56
GRI 405: Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	[CH2] Integrity and Governance [CH4] Human Resource Management	51-54 109-110
405-2	Ratio of basic salary and remuneration of women to men	[CH4] Human Resource Management	114
GRI 406 : Non-Discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	[CH4] Human Resource Management China Life had no discrimination or sexual harassment-related incidents for the fiscal year	110-111
GRI 415: Public policies (2016)			
415-1	Political contributions	China Life had not made any form of political contributions	-
GRI 417: Marketing and labeling (2016)			
417-2	Incidents of non-compliance concerning product and service information and labeling	[CH2] Legal Compliance	68-70
417-3	Incidents of non-compliance concerning marketing communications	[CH2] Legal Compliance	68-70
GRI 418: Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	[CH2] Information Security	66-67

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GRI 419: Socioeconomic Compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	[CH2] Legal Compliance	68-70
GRI G4 Financial Services Sector Supplement: Product Portfolio			
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	[CH2] Business Performance	45-47
		[CH3] Responsible Investments	75-78
		[CH3] Inclusive Finance	85-88
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	[CH3] Responsible Investment	75-78
Self-Designated Topics			
Sustainable Development Strategies		[CH1] Sustainable Strategies	29
Risk management		[CH2] Risk Management	58-60
Anti-Money Laundering and Counter-Terrorist Financing		[CH2]Anti-Money Laundering	61-63

Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Chapter and Section	Corresponding Chapters and Sections/ Descriptions
Chapter 1 General Principles	[CH1] Sustainable Governance of Organizational Culture
Chapter 2 Exercising Corporate Governance	[CH2] Integrity and Governance
Chapter 3 Fostering Sustainable Environments	[CH5] Climate Risks and Strategies [CH5] Green operation
Chapter 4 Preserving Public Welfare	[CH4] Human resource management [CH4] Social participation
Chapter 5 Enhancing Disclosure of Sustainable Development Information	[CH2] Integrity and Governance
Chapter 6 Supplementary provisions	[CH1] Sustainable Governance of Organizational Culture

SASB Disclosure Comparison Table

Topic: Transparent Information & Fair Advice for Customers			Page No.
Indicator Code	FN-IN-270a.1		-
Indicator Nature	Quantitative		
Disclosure Indicator	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers.		
Indicator Descriptions/Corresponding Chapters	As for the litigation cases concluded in 2021 (including judgment finalization and settlement cases), there were no losses caused by litigations arising from the marketing and communication of insurance products to and with customers.		
Indicator Code	FN-IN-270a.2		95-96
Indicator Nature	Quantitative		
Disclosure Indicator	Complaints-to-claims ratio.		
Indicator Descriptions/Corresponding Chapters	<p>[CH3] Treating Customers Fairly</p> <p>In the 2021 complaint rate statistics published for life insurance companies by the Financial Ombudsman Institution (FOI), the complaint rate for China Life was 0.15 ‰, which decreased by 0.07% in comparison with 2020, an excellent performance ranking the 7th place among the 22 life insurance companies. The number and proportion of cases that applied for review also dropped significantly in comparison with those during the past 9 years. The proper handling rate via deliberation still remained above 90%. Among the 99 cases applying for reviews in 2021, there were a total of 65 cases of appeals for claims, and a total of 34 non-appeals for claims, and 94.94% of these cases had been handled properly.</p>		
Indicator Code	FN-IN-270a.3		-
Indicator Nature	Quantitative		
Disclosure Indicator	Customer retention rate.		
Indicator Descriptions/Corresponding Chapters	<p>Various financial business Indicators of China Life Insurance Co., LTD. published on the Market Observation Post System (MOPS) for the insurance industry.</p> <p>The insurance policy continuation rate was calculated based on the "Life Insurance Industry's Plan for Enhancing the Insurance Service Solicitation Quality" of the Financial Supervisory Commission (FSC), where China Life's 13-month policy continuation rate reached 98.42%, and the 25-month policy continuation rate reached 97.71%.</p>		
			Various financial business Indicators
Indicator Code	FN-IN-270a.4		09-12
Indicator Nature	Discussion and Analysis		
Disclosure Indicator	Description of approach to informing customers about products.		
Indicator Descriptions/Corresponding Chapters	Incorporation of Principles for Sustainable Insurance (PSI).		
Topic: Incorporation of Environmental, Social, and Governance Factors in Investment Management			
Indicator Code	FN-IN-410a.1		47-48
Indicator Nature	Quantitative		
Disclosure Indicator	Total invested assets, by industry and asset class.		
Indicator Descriptions/Corresponding Chapters	[CH2] Business Performance		



Various financial business Indicators

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Indicator Code	FN-IN-410a.2	73-78
Indicator Nature	Discussion and Analysis	
Disclosure Indicator	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies.	
Indicator Descriptions/Corresponding Chapters	[CH3] Responsible Investment	
Topic: Policies Designed to Incentivize Responsible Behavior		
Indicator Code	FN-IN-410b.1	-
Indicator Nature	Quantitative	
Disclosure Indicator	Net premiums written related to energy efficiency and low carbon technology.	
Indicator Descriptions/Corresponding Chapters	Not applicable to the life insurance industry.	
Indicator Code	FN-IN-410b.2	85-88
Indicator Nature	Discussion and Analysis Qualitative	
Disclosure Indicator	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors.	
Indicator Descriptions/Corresponding Chapters	[CH3] Inclusive Finance	
Topic: Environmental Risk Exposure		
Indicator Code	FN-IN-450a.1	48
Indicator Nature	Quantitative	
Disclosure Indicator	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophe.	
Indicator Descriptions/Corresponding Chapters	[CH2] Business Performance	
Indicator Code	FN-IN-450a.2	-
Indicator Nature	Quantitative	
Disclosure Indicator	Total amount of monetary losses attributable to insurance payouts from ① modeled natural catastrophes and ② non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance.)	
Indicator Descriptions/Corresponding Chapters	No major natural disasters in 2021; therefore, there are no relevant statistics.	
Indicator Code	FN-IN-450a.3	58-60
Indicator Nature	Discussion and Analysis Qualitative	
Disclosure Indicator	Description of approach to incorporation of environmental risks into ① the underwriting process for individual contracts and ② the management of firm-level risks and capital adequacy.	
Indicator Descriptions/Corresponding Chapters	In terms of incorporating environmental risks into ① Individual underwriting process: The insurance business of the Company belongs to personal life insurance, so it is not applicable. In terms of the methods for incorporating environmental risks into ② the management of firm-level risks and capital adequacy : [CH2] Risk Management Environment risks such as climate change has been included in the Company's 2022 ESG goals, with climate risks to be included in the company's future risk management procedures.	

		Page No.
Topic: Systematic Risk Management		
Indicator Code	FN-IN-550a.1	-
Indicator Nature	Quantitative	
Disclosure Indicator	Exposure to derivative instruments by category: ① Total potential exposure to non-centrally cleared derivatives. ② Total fair value of acceptable collateral posted with the Central Clearinghouse. ③ Total potential exposure to centrally cleared derivatives.	
Indicator Descriptions/Corresponding Chapters	Please refer to 2021 Financial Report for the potential total risk exposure level of the non-centrally-cleared derivative financial products. There was no holding of acceptable collaterals issued for central clearance or centrally-cleared derivative financial products as published. Please refer to p.39 and p.52 of the 2021 and 2020 Individual Financial Reports and the Accountant's Audit Report of China Life Insurance Co., LTD. ① Total potential exposure to non-centrally cleared derivatives: As of December 31, 2021, the amount of non-centrally-cleared derivative financial products held by China Life was as follows: (1) Derivative financial assets, with an account amount of NT\$4,275,043,000; (2) Derivative financial liabilities, with an account amount of NT\$981,018,000. ② Total fair value of acceptable collateral posted with the Central Clearinghouse : NT\$0. ③ Total potential exposure to centrally cleared derivatives: NT\$0.	
Indicator Code	FN-IN-550a.2	48
Indicator Nature	Quantitative	
Disclosure Indicator	Total fair value of securities lending collateral assets.	
Indicator Descriptions/Corresponding Chapters	[CH2] Business Performance Total fair value of securities lending collateral asset in 2021 was NT\$0.	
Indicator Code	FN-IN-550a.3	-
Indicator Nature	Discussion and Analysis	
Disclosure Indicator	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities.	
Indicator Descriptions/Corresponding Chapters	lease refer to P.103 and P.100 of China Life's 2021 and 2020 Individual Financial Reports and the Accountant's Audit Report.	
Topic: Operating Activities		
Indicator Code	FN-IN-000.A	-
Indicator Nature	Quantitative	
Disclosure Indicator	Number of policies in force, by segment: ① property and casualty, ② life, ③ assumed reinsurance.	
Indicator Descriptions/Corresponding Chapters	Number of active insurance policies: ① property and casualty: 0 case. ② Life insurance: 21,792,338 cases. ③ Assumed reinsurance: 0 case.	

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Taiwan's Sustainable Development Goals

No.	Specific Goals	Corresponding Chapters and Sections
1.4	Enhancing the protection and equal rights for all, especially the underprivileged, in terms of entrepreneurship, employment, loans, financing, housing, land ownership, etc.	[CH3] Treating Customers Fairly
1.5	Reducing losses caused by various disasters and make extra effort in protecting underprivileged groups and low-income groups	[CH3] Inclusive Finance
4.5	Making sure that the accesses to education and vocational trainings at all levels for underprivileged groups, including physically/mentally disabled persons, indigenous people and disadvantaged children	[CH4] Social Participation
5.5	Encouraging administrative authorities at all levels to promote females to serve as supervisors or chiefs; to encourage political parties to cultivate females cadres and involve them in politics; to increase the proportions of female police officers and female managers in listed companies; to coach and encourage females to serve as corporate representatives	[CH2] Integrity and Governance [CH4] Human Resource Management
7.2	Enhancing the installed capacity of renewable energy	[CH5] Green Operation
8.1	Maintaining the moderate growth of economy with the core values of innovation, employment and distribution	[CH3] Inclusive Finance
8.5	Enhancing labor productivity	[CH4] Diverse Recruitment [CH4] Talent Development
8.6	Implementing Knowledge-action Integration and training measures, to strengthen the employability of the youth	[CH4] Diverse Recruitment [CH4] Talent Development
8.7	Promoting the working environment safety and protecting the rights and interests of female workers in participating in trade unions	[CH4] Human Resource Management
8.9	Encouraging Financial Technology (FinTech) innovation, to provide convenient and diverse financial services	[CH3] Digital Finance
8.13	Developing green energy technologies, enhancing energy independence and energy diversity, and encouraging the development of renewable energy	[CH3] Responsible Investment [CH5] Green Operation
10.2	Continuously promoting indigenous people employment programs, increasing employment opportunities for indigenous people to increase their economic income; improving the employment situations for physically/mentally disabled persons and enhancing their economic status	[CH4] Human Resource Management
10.3	Strengthening publicity and education on laws and regulations related to gender equality and elimination of employment discrimination; building and improving the system of gender-based violence prevention and children/youth protection to raise public awareness of discrimination or violence	[CH4] Human Resource Management
11.5	Reducing the losses caused by various disasters and taking special care for protecting underprivileged groups and low-income groups	[CH3] Inclusive Finance
11.9	Strengthening the social safety net, ensuring social stability, strengthening public security maintenance, and curbing violent crimes	[CH2] Risk Management
11.12	Improving the effectiveness of energy saving and carbon reduction in buildings	[CH5] Green Operation
12.6	Encouraging enterprises to take sustainable development measures and disclose sustainable development information, while ensuring the accuracy and quality of the information	[CH1] Sustainable Governance of Organizational Culture

No.	Specific Goals	Corresponding Chapters and Sections
12.7	Promoting the increase of green procurements both in public and private sectors	[CH5] Sustainable supply chain
13.1	Enhancing adaptation to climate change, with stronger resilience and lower vulnerability	[CH5] Climate risks and strategies
13.3	Improving sustainable education on climate change, and public literacy	[CH4] Social participation [CH5] Climate risks and strategies
16.1	Strengthening the social safety net, ensuring social stability, strengthening public security maintenance, and curbing violent crimes	[CH2] Risk management

The UN Global Compact Comparative Table

Classification	Main issues	Corresponding Chapters and Sections
Human Rights	Businesses should support and respect internationally recognized human rights	[CH4] Human Resource Management
	Make sure that they are not complicit in human rights abuses	[CH5] Sustainable supply chain
Labor Standards	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	[CH4] Human Resource Management
	The elimination of all forms of forced and compulsory labor	[CH4] Human Resource Management
	The effective abolition of child labor	[CH4] Human Resource Management
	The elimination of discrimination in respect of employment and occupation	[CH4] Human Resource Management
Environment	Businesses should support a precautionary approach to environmental challenges	[CH2] Risk Management [CH5] Climate Risks and strategies [CH5] Green Operation
	Undertake initiatives to promote greater environmental responsibility Practices	[CH5] Climate Risks and strategies [CH5] Green Operation
	Encourage the development and diffusion of ecofriendly technologies	[CH5] Climate Risks and Strategies [CH5] Green Operation
Anti-Corruption	Businesses should work against all forms of corruption, including extortion and bribery	[CH2] Integrity and Governance

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Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Classification	Main Issues	Corresponding Chapters/ Descriptions
Organizational governance	Make decisions and implement a systematic corporate social responsibility philosophy when carrying out an objective	[CH1] Sustainable Governance of Organizational Culture
Human rights	Conduct due diligence to avoid human rights risks	[CH4] Human Resource Management
	Human right risks situations	[CH4] Human Resource Management
	Avoidance of complicity – including direct, beneficial or Silent	[CH2] Integrity and Governance
	Resolving grievances	[CH4] Human Resource Management
	Discrimination and vulnerable groups	[CH4] Human Resource Management
	Civil and political rights	[CH4] Human Resource Management
	Economic, social and cultural rights	[CH4] Human Resource Management
	Fundamental principles and rights at work	[CH4] Human Resource Management
Labor practice	Employment and employment relationships	[CH4] Human Resource Management
	Conditions of work and social protection	[CH4] Human Resource Management
	Social dialogue	[CH4] Social Participation
	Health and safety at work	[CH4] Human Resource Management
	Human development and training in the workplace	[CH4] Talent Development
Environment	Prevention of pollution	[CH5] Green Operation
	Sustainable resource use	[CH5] Green Operation
	Climate change mitigation and adaptation	[CH5] Climate Risks and Strategies
	Protection of the environment, biodiversity and restoration of natural habitats	[CH5] Green Operation

Classification	Main Issues	Corresponding Chapters/ Descriptions
Fair operating practices	Anti-corruption	[CH2] Integrity and Governance
	Responsible political involvement	[CH2] Integrity and Governance
	Fair competition	[CH2] Integrity and Governance
	Promote social responsibility in the value chain	[CH5] Sustainable Supply Chain
	Respect for property rights	* Less relevance to the life insurance industry
Consumer issues	Fair marketing, factual and unbiased information, and fair contractual practices	[CH3] Treating Customers Fairly
	Protecting consumers' health and safety	[CH3] Inclusive Finance
	Sustainable consumption	[CH5] Sustainable Supply Chain
	Consumer service, support, and complaints and dispute Resolution	[CH3] Treating Customers Fairly
	Consumer data protection and privacy	[CH2] Risk Management
	Access to essential services	[CH3] Treating Customers Fairly
	Education and awareness	[CH4] Social Participation
Community Participation and Development	Community involvement	[CH4] Social Participation
	Employment creation and skills development	[CH4] Diverse Recruitment
	Technology development and access	* Less relevance to the life insurance industry
	Wealth and income creation	[CH4] Social Participation
	Education and culture	[CH4] Social Participation
	Health Care	[CH4] Social Participation
	Social investment	[CH4] Social Participation



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INDEPENDENT ASSURANCE OPINION STATEMENT

China Life Insurance Co., Ltd. 2021 Sustainability Report

The British Standards Institution is independent of 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 sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by China Life. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to China Life only.

Scope

- The scope of engagement agreed upon with China Life includes the followings:
1. The assurance scope is consistent with the description of China Life Insurance Co., Ltd. 2021 Sustainability Report
 2. The evaluation of the nature and extent of the China Life's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.
 3. The verification of disclosure to be reliable with the applicable SASB industry standard(s) in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.
- This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the China Life Insurance Co., Ltd. 2021 Sustainability Report provides a fair view of the China Life sustainability programmes and performances during 2021. The sustainability report subject to assurance is materially correct without voluntary omissions 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 performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate China Life's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that China Life's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option and SASB Standard(s) 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 China Life's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholders to conduct interview
 - interview with 30 staffs involved in sustainability management, report preparation and provision of report information were carried out
 - review of key organizational developments
 - review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
 - review of the findings of internal audits
 - the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
 - review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits
 - the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
 - 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)
 - an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards and SASB Standard(s) is set out below:

Inclusivity

In this report, it reflects 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 the information of Environment, Social and Governance (ESG) 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 and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The 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 the 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 an organization. In our professional opinion the report covers the China Life's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, China Life and BSI have agreed upon to include in the scope. In our view, the data and information contained within China Life Insurance Co., Ltd. 2021 Sustainability Report are reliable based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

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 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 sustainability topics.

SASB Standards

China Life provided us with their self-declaration of in accordance with SASB Standard (Insurance Sustainability Accounting Standard). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard (Insurance Sustainability Accounting Standard) are reported, partially reported or omitted. In our professional opinion the sustainability disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard contained within China Life Insurance Co., Ltd. 2021 Sustainability Report are reliable.

Assurance level

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

Responsibility

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

Competency and Independence

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

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



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2022-05-28

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