Fubon Life

2023

Fubon Life Insurance

Sustainability Report

About This Report

Fubon Life Insurance Co., Ltd. (hereinafter referred to as Fubon Life or the Company in this report) has been consistently engaging in material issues pertinent to the environment (E), society (S), and corporate governance (G). Upholding the core corporate value of "Be Positive, Enrich Life," Fubon Life integrates ESG into its business strategy, demonstrating the protective function of insurance, social responsibility, and its commitment to sustainability. Deeply rooted in sustainable management, the Company discloses its sustainability strategies and substantive implementation results through this report, thereby communicating with stakeholders and continuously refining its sustainable development initiatives.

Period Covered and Scope

This report covers the period from January 1 to December 31, 2023. Some performance data from the past three years are included to present comprehensive information and project progress.

As a subsidiary of Fubon Financial Holding Co., Ltd. (hereinafter referred to as Fubon Financial Holdings in this report), Fubon Life independently assesses and compiles non-financial performance data according to guidelines of the Global Reporting Initiative Universal Standards 2021 (hereinafter referred to as GRI 2021). The disclosed information in this report focuses on Fubon Life's operational activities in Taiwan, including 14 branch offices and 348 service locations, and information regarding the environment and employees of three overseas subsidiaries. Any inconsistencies in scope will be specifically indicated in the report.

Reporting Guidelines

This report is prepared in accordance with the latest GRI 2021 guidelines published by the Global Sustainability Standards Board (GSSB). It adheres to its core indicators, disclosing Fubon Life's sustainability performance in economic, environmental, and social aspects including human rights.

For consistent alignment with the sustainability frameworks of international professional institutions, the Company also follows the Sustainability Accounting Standards Board (SASB) standards for the insurance industry and the recommendations of the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD). The ESG-related information disclosure in this report corresponds to the four indicators of the United Nations Principles for Sustainable Insurance (PSI). Moreover, to further enhance information transparency, the Company adopts the core metrics and disclosure items from the Stakeholder Capitalism Metrics announced by the World Economic Forum (WEF) and the IFRS Sustainability Disclosure Standards S1- General Requirements for Disclosure of Sustainability-related Financial Information and S2- Climate-related Disclosures. Through this comprehensive response to the expectations of internal and external stakeholders regarding the Company's performance, the sustainability mindset is deeply embedded within its corporate operations. Please refer to the appendices of this report for the indexes of the aforementioned standards and indicators.

Report Verification

Fubon Life engaged KPMG, an accounting firm, to provide limited assurance on this report prepared in accordance with GRI 2021. The limited assurance report prepared in compliance with the guidelines for assurance engagements other than audits or reviews of historical financial information described in TWSAE3000 standards issued by Accounting Research and Development Foundation in Taiwan (stipulated in accordance with ISAE3000 standards) is provided in the appendices of this report.

Data	Compliance Standard	Verification Agency
Sustainability	TWSAE3000 standards issued by Accounting Research and Development Foundation in Taiwan (stipulated in accordance with ISAE3000 standards)	KPMG
Finance	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards	KPMG
Environment	ISO 14064-1 Organization Greenhouse Gas Inventory ISO 14001 Environmental Management System ISO 50001 Energy Management System ISO 45001 Occupational Health and Safety Management Systems ISO 14067 Carbon Footprint Verification for Insurance Policies ISO 20121 Event Sustainability Management System	British Standards Institution (BSI)
Corporate Governance	ISO 27001 Information Security Management System BS 10012 : 2017 Personal Information Management System	British Standards Institution (BSI)
Corporate Governance	ISO 22301 : 2019 Business Continuity Management System	SGS Taiwan

Publication

Fubon Life publishes the Sustainability Report on a yearly basis. The last report was published in June 2023. Past sustainability reports in Chinese and English versions are disclosed in the "Corporate Sustainability" section on Fubon Life's official website.

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Chairman's Message

The Global Risks Report 2024 published by the World Economic Forum (WEF) prudently reminds governments and corporations to focus on climate change, disinformation, and social turmoil, among other issues. In the face of multiple challenges, we can identify and seize development opportunities through reflection and transformation. With that, "sustainability" is a shared goal around the globe.

Challenges and opportunities can coexist. Saadia Zahidi, Managing Director of the WEF, mentioned in the foreword to the report that while global risks bring uncertainty, they also present hope – an opportunity to rebuild a society with trust, optimism, and resilience. Just as Fubon Life has been exerting a positive influence over the years, it has squarely faced various risks and adopted corresponding management approaches, striving to achieve a sustainable future for the planet and humanity.

As the only member of the WEF from the financial sector in Taiwan, our parent company Fubon Financial Holdings strives to strike a balance between profit and sustainability. In line with this development goal, Fubon Life is committed to becoming a paragon of "financial stability and sustainable management," promoting rigorous, effective, and flexible ESG initiatives through four major sustainability strategies: decarbonization, digitalization, empowerment, and impact. Recognized as "Taiwan's Best Insurance Company" by World Finance magazine for the twelfth time, we are advancing towards sustainable transformation as we become a significant pillar of the economy and society.

Risk management is key to sustainable corporate operations. Fubon Life adopts the international best practice of a three-line defense system for risk management in the establishment of a comprehensive corporate risk management framework. This includes risk appetite and limits, risk management mechanisms, and the documentation of risk management, taking into account the unique risk characteristics, scale, and complexity based on our businesses. Utilizing quantitative and qualitative risk assessment techniques, we identify, measure, monitor, and report potential risks within the Company and effectively implement enterprise risk management (ERM).

Aligning with International Trends to Implement Climate Risk Management

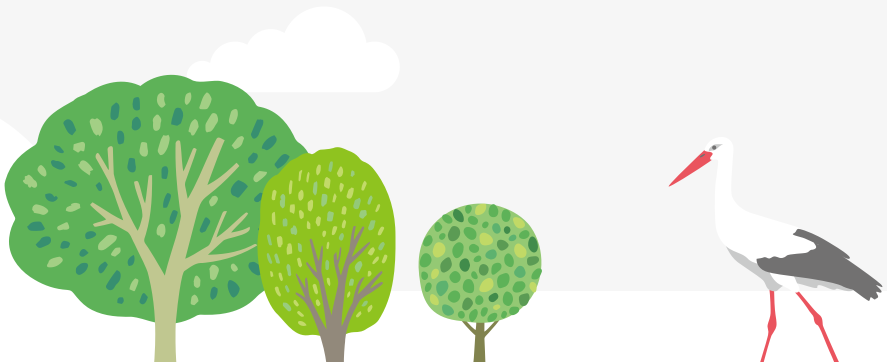
The Copernicus Climate Change Service (C3S) of the European Union has confirmed that 2023 was the hottest year on record, with the global average temperature reaching 1.48 degrees Celsius above the pre-industrial baseline, inching closer to the 1.5 degrees Celsius target set by the Paris Agreement. The unbridled greenhouse gas emissions have led to more intense heatwaves that last longer and occur more frequently, and have exacerbated other extreme weather events such as storms and floods, posing a significant threat to human life and property.

Fubon Life has been conducting a comprehensive review of potential climate change impacts on its operations and business to achieve an early warning effect. The Company has strengthened its self-management mechanism through greenhouse gas inventory certification. In 2024, we will progressively introduce green electricity, expand the coverage of renewable energy sources across all operational sites, and gradually work towards net-zero carbon emissions by 2050. Fubon Life also leverages the power of financial capital. Over the past three years (2021-2023), the balance of its green financial investments has increased annually, setting a new record of nearly NT$1.9 trillion in 2023. Moreover, a target of over NT$2 trillion is set for 2030 as the Company continues to develop and refine access and divestment standards for industries with high carbon emissions, leading the way for various industries to commit to sustainable development.

Committed to Providing Local Financial Services to Safeguard Customer Property

Insurance plays an indispensable role in personal financial planning. It helps manage and transfer major risks in life, thus ensuring the financial security of individuals and businesses. However, with the robust development of technology and the ubiquity of digital communication, financial fraud has become a stark social problem. According to the statistics from the Taiwan Criminal Investigation Bureau, the monetary amount involved in fraud has increased annually since 2020, reaching a record high of NT$8.878 billion in 2023. This signifies a substantial threat to the financial safety of the Taiwanese people.

Committed to safeguarding society and exercising corporate strength, Fubon Life employs a two-pronged approach: "empowerment to recognize fraud" and "action to prevent fraud," to combat financial fraud in collaboration with partners in various sectors. Priority is given to promoting financial literacy education, not only taking root in schools but also extending into communities to convey correct financial knowledge and improve the public's ability to recognize fraud. Simultaneously, when policyholders apply for policy loans, counter-service personnel caringly provide support to understand the purposes of the loans. In addition, a "Fraud Prevention" section has been set up on the official website to proactively disclose outbound calling numbers used by the Company and numbers for SMS notifications. This is among the multiple concrete measures implemented to build a defense against financial exploitation.



Driving Shared Prosperity in Taiwan towards Equality, Stability, and Harmony

Social turmoil is a key issue highlighted by the WEF as it undermines the cohesion and solidarity of society, which has a considerable impact on Taiwan with its diverse ethnic composition. Data from the National Immigration Agency under the Ministry of the Interior indicates that the population of new immigrants in Taiwan will surpass 600,000. They come from various cultural backgrounds, religious beliefs, and races, and speak different languages. As a nationally recognized brand, Fubon Life leverages the stabilizing power of insurance to fully deliver on its corporate social responsibility. Influencing society from within the workplace, we are dedicated to creating an environment of respect and harmony.

Meanwhile, based on the United Nations Sustainable Development Goals (SDGs), Fubon Life promotes the Good I.D.E.A. Principles for fair customer treatment, which encompass inclusion, diversity, equity, and action, the commitment to core values such as inclusive finance, friendly financial practices, and fairness. Simultaneously, we enhance the effectiveness of ESG implementation and cultivate a corporate culture that maintains the fair and reasonable rights and interests of all customers in response to reasonable social expectations.

Sustainable Financial Strategies and Action Plans towards Steadfast Implementation

Sustainability is not merely a goal but a value and a guide for action. In line with Fubon Financial Holdings' sustainable strategies and the Green Finance Action Plan 3.0 published by the Financial Supervisory Commission (FSC), Fubon Life endeavors to progress through combined efforts in both financial and non-financial domains. Our ESG achievements have been recognized by the FSC, with honors including the "Top 20% in Sustainable Finance Evaluation for the Insurance Industry" and "Top 25% in Treating Customers Fairly Principles Evaluation for the Insurance Industry" in 2023, along with numerous domestic and international sustainability awards.

In actively attaining results in sustainability initiatives, in 2023 Fubon Life revised the performance evaluation criteria for its board of directors, adding metrics such as the board's commitment and concrete actions towards sustainable development, ethical management, and adherence to treating customers fairly principles, which account for 12.5% of the assessment. A performance evaluation mechanism for the Sustainability Development Committee was also in place, incorporating the committee's oversight of the Company's ESG and implementation of the treating customers fairly principles into its performance evaluation, thereby enhancing operational resilience and strengthening risk management through sustainable governance.

In partnership with the supply chain, we introduced the green building label to real estate investments to achieve decarbonization, with recognition from the Ministry of Economic Affairs and the Ministry of Environment. We have leveraged digital enhancements to increase service efficiency. The transformation to electronic and mobile platforms simplifies application procedures and reduces processing time and costs. Moreover, a healthy workplace has been established to empower employees by safeguarding their well-being. We have been a friendly neighbor through community-centric initiatives launched by local business units to advocate for the elderly with dementia and other vulnerable groups in collaboration with partners in the industry, government, and academia. We also promote sports to foster a vibrant society, exerting impact far and wide through diverse actions.

Driven by the notion of giving back to society, Fubon Life, while pursuing profitability, is also committed to the Run For GreenTM initiative for corporate sustainable development. Upholding the brand spirit - Enrich Lives with Positive Impact, the Company strives for balanced progress in the economic, environmental, and social realms. Our sustainability ethos, which is human-oriented with priorities given to environmental protection and society, is reflected not only in our business endeavors but also in our corporate culture. Aspiring to continuously gather positive forces from all sectors, Fubon Life seeks to realize greater sustainable visions, striving towards the goal of becoming a premier financial institution in Asia.

Chairman of Fubon Life

President's Message

In 2023, global temperatures reached an unprecedented high, with climate change continuing to affect health and safety in various ways. To encourage immediate collaborative action on global warming, the 28th United Nations Climate Change Conference (COP28) gathered representatives from 123 countries to sign the COP28 UAE Declaration on Climate and Health. For the first time, it explicitly recognized climate crisis as a health crisis. The declaration also presented a consensus on energy transition and climate finance, setting a definitive goal of shifting away from fossil fuels and emphasizing the promotion of health and well-being through public health strategies to accelerate progress towards net-zero emissions by 2050.

As nations worldwide reflect on the profound lesson humanity has learned from the COVID-19 pandemic and extreme climate events, cherishing nature and learning to coexist harmoniously has become a priority. In Taiwan, environmental pollution issues have received significant attention and investment from the government in recent years. However, to expedite improvement progress, it calls more substantial civilian action driven by businesses. For Fubon Life, this means taking on the sustainable responsibility of protecting public health through proactive risk management.

To this end, Fubon Life focuses on sustainable operations to address climate and health issues and adheres to ethical management as the foundation of corporate governance. Through four concrete practices: green operations, environmental charity, senior care, and sports promotion, the Company proactively responds to ESG and climate-related risks and opportunities, supports the carbon reduction transformation of industries to build a sustainable financial ecosystem, and actively gives back to society through public welfare initiatives. We support various environmentally friendly and health-promoting initiatives, demonstrating our commitment to enhancing corporate climate resilience and fulfillling corporate social responsibility.

Ethical Management as Corporate Culture with Dedicated Implementation Units

Based on the operational principles of integrity, transparency, and accountability, Fubon Life is dedicated to cultivating a corporate culture of ethical management. By stipulating and adhering to the Fubon Life Ethical Management Best Practice Principles, we continue to advance corporate governance through dedicated units. In 2023, in addition to strengthening employee education, information updates, and supervisory audits, Fubon Life also completed the establishment of a risk assessment mechanism for dishonest behaviors. Coupled with a robust regulatory compliance management and implementation system, our risk management efficacy has been further enhanced, favorably impacting the Company's overall management and development of sustainability initiatives.

Forward-Looking Green Operational Practices Achieved Top Rankings in Sustainability Ratings

Treating nature with respect and protecting the Earth is a universal lesson for humanity. On sustainable development, Fubon Life is committed to aligning with international sustainability standards. We set out to achieve environmentally friendly goals through our services, including convenient digital services such as mobile insurance, electronic policies, and video insurance application services. In 2023, these initiatives facilitated the reduction of more than 330,000 applications in paper, estimated to reduce carbon emissions by approximately 50,000 kilograms. Additionally, through the Sustainability Development Committee under the Board of Directors, sustainable policies are promoted top-down, linking board and senior management performance assessment indicators to ESG. This effort resulted in Fubon Life being recognized by the Financial Supervisory Commission in the top 20% of the sustainable finance evaluation for 2023, highlighting our foresight in responding to global sustainability trends.

Aspiring to be a leader in responsible investment, Fubon Life has formulated investment policies that are inclusive and vigilant of sustainable risks, promoting long-term thematic ESG and green financial investments with growth targets in place. While securing stable profits, the Company is dedicated to assisting investee companies towards sustainable development, creating a win-win situation. Our achievements stood out in TWSE's Best List of Institutional Investors for the Disclosure of Stewardship Information as we made the list for two consecutive years.

In an effort to expand our green impact, we actively promote workplace energy-saving and carbon-reduction operational strategies and renewable energy generation. In 2023, a carbon emission reduction of 17.04% was achieved, and the Company's green procurement totaled NT$150 million. By developing green suppliers, supporting small farmers and social enterprises, and backing local procurement, we integrate sustainable thinking and professional training among both office and field staff. The convergence of internal and external efforts amplifies our green value chain continuously.

Environmental Charity with A Focus on Sustainability in Water Resources Impacts Environmental Protection Actions

The sustainability of water resources is vital to humanity's health and well-being. Fubon Life consistently commits to philanthropic actions aimed at caring for the water quality and ecology of rivers and seas. In 2023, for the third consecutive year, Fubon Life supported river waste screening investigations. We have completed the research on Wu River in Taichung and Toucian River in Hsinchu and revisited Tamsui River, as well as initiated an investigation of Houjin River in Kaohsiung. Through ongoing efforts to analyze trash data in key watersheds in Taiwan, we realize public-private collaboration to accelerate the cleanup of hotspots and optimize river management. Along with annual forums as a platform for exchange, we facilitate dialogue among leaders from the industry, government, academia, students, and local residents. This initiative's results were recognized with the Gold Quality Award for Excellence in Public Welfare Project Planning at the Taiwan Insurance Excellence Awards hosted by the Taiwan Insurance Institute.

In addition to striving to clean rivers and prevent garbage from entering the beautiful ocean, Fubon Life addresses marine debris by engaging employees in beach cleanups on beaches adopted by the Comapny. We also connect insurance operations to promote the Work for Green mechanism, which has contributed to over 20,000 trees planted in water source areas to date. These initiatives are all implemented in hopes of inspiring and influencing more people to join in on environmental actions.

Senior Care for Dementia to Create A Friendly and Barrier-Free Environment for Elders

In light of the impending super-aged society, promoting dementia awareness has been a significant area of focus for Fubon Life. In 2023, we sponsored the International Dementia Friendly Forum, which gathered not only local experts to exchange care strategies but also invited Dr. Jennifer Bute, who herself has been diagnosed with dementia, to share her experience remotely via videoconferencing. Fubon Life also advocates for fraud prevention to help families affected by dementia secure their finances. Additionally, to popularize basic insurance protection for elders, we have furthered their coverage needs through micro-life insurance policies. Our efforts and contributions to stabilizing society were recognized in 2023 by the Financial Supervisory Commission with the Outstanding Performance Award for Micro Long-Term Care Insurance.

Furthermore, in line with the treating customers fairly principles, Fubon Life continues to optimize friendly services for the elderly and vulnerable, striving to create a barrier-free service experience. This includes promoting documents with enlarged fonts and highlighted key points, sign language translation services, and more. We have also taken responsibility in the financial sector to expand fraud prevention knowledge. Starting in 2023, we partnered with the Taiwan Financial Literacy and Education Association to expand financial, insurance, and anti-fraud education in high schools, introducing themed courses to bolster fraud detection and response capabilities among young students. In our service processes, we have strengthened elderly consultation responses and distributed anti-fraud videos and various educational materials. Through a multi-pronged approach, we help customers of all ages stay clear of fraud risks.

Stay Young through Sports with Action Plans

Advocating for Equality in Sports

Through a long-term commitment to supporting sports events, Fubon Life has been promoting a culture of health and fitness for all, as well as equality in sports in Taiwan, echoing the spirit of fair customer treatment. The 2023 Fubon Marathon in Kaohsiung remained inclusive of competitive wheelchair, athletic wheelchair, and visually impaired categories, with the latter seeing men's and women's divisions competing separately for the first time. By providing pacing services and increased prize money, we aim to create the most friendly environment for road runners in Taiwan. Moreover, we invited players from the Chinese Taipei wheelchair basketball team to the Fubon Life UBA University Basketball League finals at Taipei Arena for an exhibition match. Our long-term collaborations with the Fubon Guardians also continue to promote scholarship programs. These are the diverse actions Fubon Life has implemented to ensure the rights and equality of people with disabilities and underprivileged groups.

Only by restoring ecological balance can we ensure health for humanity. Fubon Life will continue to uphold the positive spirit of Stay Young, taking on public trust through financial and insurance services. Moreover, as a leader in Taiwan's sustainable business practices, we are committed to securing a clean and beautiful Earth for future generations.

President of Fubon Life

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Evolution

Fubon Life considers sustainable management at the core of its corporate social responsibility. In 2023, consecutive rate hikes by the Federal Reserve, the appreciation of the U.S. dollar, and inflation have slowed global economic growth. Nonetheless, the Company continues to deliver stable performance through strengthening corporate governance and promoting various innovative services. Not only has our business maintained a leading position in the market, but our total assets and profits have also continued to achieve excellent results.

In advancing our sustainable development endeavors, we have been consistently focused on ESG issues, responding to the concerns and needs of internal and external stakeholders regarding ESG issues through various communication channels. Furthermore, leveraging the unique characteristics of the life insurance industry, the Company integrates ESG into its core business. In addition to offering a diverse range of financial products and services, we continue to cultivate locally through community care, and demonstrate social impact, thereby deepening the sustainability of life insurance.

1 Chapter

1.1 Business Performance and Layout

Founded in 1987, Fubon Life is a wholly-owned subsidiary of Fubon Financial Holdings with its headquarters located in Taipei City, Taiwan. In 2023, it had 14 branch offices, 348 sales offices, and a total of 37,752 employees, including both field and office personnel. The Company offers a comprehensive range of financial insurance products and services, including life insurance, accident insurance, health insurance, annuity insurance, and investment-linked insurance, operating steadily in various business areas with impressive business performance.

Adhering to Fubon Financial Holdings' core value of "Positive Energy," Fubon Life continues to deepen its efforts in various aspects of sustainable management and fulfills its corporate social responsibilities through its core functions. Furthermore, the Company leverages its successful experience in Taiwan to actively expand into overseas markets, aiming to become the premier life insurance brand in the Asian market.

In 2023, the Company increased capital investment in its subsidiaries, Fubon Life Insurance (Hong Kong) and Fubon Hyundai Life Insurance, and raised its stake in Fubon Hyundai Life Insurance to 82.95%. The significant milestones in our development history are as follows.

1.1.1 Overall Analysis of the Environment

The Economy and Capital Market Face a Slowdown, Leading to Constrained Advancement in the Business Performance of the Life Insurance Marke

In 2023, the life insurance market was affected not only by the consecutive interest rate hikes by the Federal Reserve, the appreciation of the U.S. dollar, and inflation but also by the strict supervisory measures from competent authorities. These included the stable mechanism for declared interest rates on variable products and new regulations for investment-linked products, all of which constrained the overall performance of the life insurance market. In Taiwan, the life insurance sector saw a decline in the initial annual premiums and total premium income by 13% and 6% respectively, compared to the same period last year.

In response to the trend towards an aged society and the alignment of the life insurance industry with the International Financial Reporting Standard 17 (IFRS 17) for insurance contracts and the new generation solvency regime (TW-ICS) by 2026, our business focus has shifted back to insurance protection, leading to a transformation in product sales. While short-term premium income growth faces challenges, these changes are expected to contribute to the sustainable development of the insurance business in the long run.

Along with digital technology advancements, insurers are also capitalizing on trends and continuously enhancing the application of insurtech. In collaboration with the government and the Life Insurance Association, emerging technologies such as blockchain, artificial intelligence, and big data are actively integrated with insurance operations, leading to the launch of innovative and diversified products and services and optimized customer experience in digital insurance services.

1987
Fubon Life was founded in 1987. (note)

2003
Fubon Life Beijing Representative Office was established.

2009
- In October 2008, Fubon Financial Holdings announced its acquisition of ING Life Taiwan.
- On June 1, 2009, Fubon and ING Life merged.

2011
- In March 2011, Fubon Life Vietnam was inaugurated.

2015
- In August 2015, the offshore insurance branch (OIU) was inaugurated.
- In December 2015, Fubon Life acquired a 48% stake in Hyundai Life Insurance (Korea).

2016
In April 2016, Fubon Life Hong Kong commenced operations.

2018
In September 2018, Fubon Life increased its stake in Hyundai Life Insurance to 62% and renamed the company Fubon Hyundai Life Insurance.

2020
In May 2020, Fubon Life Hong Kong established ZA Life with ZhongAn Technologies in a joint venture to launch pure online life insurance businesses.

2021
In June 2021, Fubon Life further increased its stake in Fubon Hyundai Life Insurance to 77%.

2023
In August 2023, Fubon Life further increased its stake in Fubon Hyundai Life Insurance to 82.95%.

Note: ING Life Taiwan Branch was established in 1987 and later became a subsidiary in 2006. The original Fubon Life was founded in 1993, and it officially merged with ING Life in 2009.

1.1.2 Business Strategy

Key Business Strategies and Actions

Consistently develop self-owned distribution channels and strengthen partnerships with external channels.

- Streamline business organizations, focus on increasing productivity and retention rates, and strengthen the constitution of sales offices.
- Segment the management of external partnership channels, enhance sales training and support, and boost service efficiency.

Strengthen digital competitiveness, enhance channel business efficiency and customer service quality.

- Integrate administrative operation platforms, strengthen the digitalization of operational processes, and enhance business and service efficiency.
- Develop intelligent operations, optimize mobile insurance applications and approval processes, and improve convenience and digital service experience.
- Build a Fubon ecosystem and utilize group resources to expand clientele through data analysis and optimization of digital customer experience.

Adhere to a comprehensive product strategy to adapt to changes in the operating environment.

- Adjust flexibly to market trends and launch competitive rate-variable and investment-linked products.
- Enhance the promotion of high-protection and high-asset inheritance products to ensure smooth alignment with IFRS 17 and TW-ICS standards, and timely introduce dividend-paying products.

Continue to advance ESG initiatives to achieve corporate sustainability.

- Adhere to Fubon Financial Holdings' four sustainability strategies: decarbonization, digitalization, empowerment, and connection, and continue to promote innovative ESG projects.
- Optimize risk monitoring and management mechanisms, strengthen corporate governance actions, and embody Fubon Life's corporate culture and the spirit of sustainable governance.

1.1.3 Operational Performance

Adhering to a Comprehensive Product Strategy with Digital Technology Applications to Enhance Distribution Channel Competitiveness and Customer Service and Achieve Business Sustainability

Adhering to a flexible product strategy and diversified channel management, Fubon Life offers a variety of products such as annuities, life insurance, and long-term care insurance, and devises unique spill-over policies to enhance national insurance coverage. Moreover, in response to changes in the operating environment, the Company strengthens the sales of protection-type products such as regular premium payment plans and introduces foreign currency and diversified installment dividend products. By grasping the blue ocean opportunities in dividend policies, Fubon Life has continued to create exceptional performance outcomes. In terms of channel management, a focus has been placed on utilizing digital sales support tools to help agents and distribution channels identify business opportunities, manage clients, and enhance productivity. Training and support for external distribution channels have also been strengthened to enhance service efficiency and competitiveness.

On the customer service front, the Company consistently integrates insurance technology applications, actively optimizing insurance service processes while launching various digital services. For instance, we pioneered in launching the online issuance service for new contracts. After completing mobile insurance verification and payment, customers who have selected to receive electronic policies can have their policies issued within 2 hours. The entire process is fully automated and paperless. We also adopted intelligent technology to launch the "Text-Based Smart Customer Service Robot," offering 24-hour online service through multiple channels such as the Company's official website and the Fubon Life app to reduce customer wait time on calling. Meanwhile, the database is consistently optimized for precise and quick problem resolution. Additionally, in October 2023, Fubon launched the Fubon Wellness More ecosystem, utilizing group resources (momo coins) to expand clientele. Through various interactive tasks, customer engagement frequency is increased as digital footprints are collected for surveying future scenarios for business opportunities and digital customer experience optimization. As the Company tirelessly refines its ESG-related actions and ensures regulatory compliance in operations, in addition to regularly conducting regulatory compliance and risk control self-assessments to strengthen management mechanisms, our risk management mechanisms for insurance solicitors are consistently improved as well. Furthermore, cybersecurity protection devices are introduced to implement treating customers fairly principles and sustainable corporate management.

Outstanding Business Performance Based on Solid Financial Foundation

With various action plans implemented, Fubon Life delivered stable performance outcomes in 2023. In terms of business performance, both initial and renewal premium incomes maintained the second rank in the market, securing a leading position; the total number of effective policies reached approximately 22.876 million, with approximately 1.666 million reinsurance policies. Financially, the Company achieved a net worth ratio of 9.80 and a risk-based capital (RBC) ratio of 336% in 2023. The net profit after tax is NT$36.09 billion. No cash dividends were distributed in 2023 as all profits were allocated to retained earnings. With a robust financial foundation, flexible capital utilization, and investment strategies, Fubon Life continues to achieve excellent performance in total assets and profits.

	2021	2022	2023
Sum of assets (million NTD)	5,157,804	5,040,875	5,312,703
Sum of equity interests (million NTD)	599,148	270,918	492,038
Net profit after tax (million NTD)	102,271	65,537	36,091
Earnings per share after tax (NTD)	9.23	5.91	3.26
Net value of each share (NTD)	54.06	24.44	44.40
Return on assets (ROA)	2.09	1.32	0.73
Return on equity (ROE)	18.87	15.06	9.46

Note 1: The disclosed figures are consistent with that of Fubon Life's individual financial report for the year 2023.
Note 2: Government subsidies are detailed in Appendix 1. GRI Standards Index Table.

Distributed Economic Value (Unit: million NTD)	2021	2022	2023
Employee compensation and benefits	20,036	17,898	20,378
Dividends issued to shareholders	7,441	15,578	-
Tax payment	7,805	13,504	4,068
Expenses for association membership	18	13	14
Political donation	-	-	-

1.1.4 Tax Management

Strengthening Tax Governance to Deliver Corporate Social Responsibility

The Company has internal regulations in place for various business operations while ensuring compliance with external legislation in conducting tax operations and risk management. In accordance with the tax governance policy of Fubon Financial Holdings, adherence to tax laws and control of various tax risks are strengthened, aiming to fulfill our corporate social responsibility commitments.

- In light of the complexity of domestic and international investments and operations, all significant decision-making takes into account the tax regulations and related impacts faced. Tax planning complies with the respective tax laws and reporting requirements of each country while also considering the values of business operations, risk management, and corporate sustainability.
- To ensure proper handling of all tax operations in compliance with legal standards, we continue to invest in personnel training and tax expertise enhancement. For uncertain tax risks or complex tax issues, professional advisors are engaged to obtain tax opinions as needed in a timely manner. We also engage in appropriate and necessary communications with the tax authorities to reduce the uncertainty of tax risks.
- Fubon Life fulfills its social responsibility as a taxpayer by meeting tax obligations. All necessary tax information is disclosed in accordance with regulations. Tax declarations are filed and paid on time, and responses to inquiries from tax authorities are provided within the required time frame.

Income tax-related information from 2021 to 2023 is as follows

Unit: million NTD

	2021	2022	2023
Net profit before tax	112,520	73,637	38,179
Income tax expenses	10,250	8,099	2,088
Income tax paid	6,482	12,085	2,433

Note 1: The disclosed figures are consistent with that of Fubon Life's individual financial report for the year 2023.
Note 2: The Company is required to declare and pay corporate income tax for the profits of the previous year after the annual financial statement is finalized (before the end of May of the following year). Therefore, the income tax paid in 2023, as listed in the table, is the tax amount corresponding to the income earned in 2022.

1.2 Sustainability Strategy

Fubon Life values sustainability and aspires to become a benchmark enterprise in sustainable finance. We actively participate in, sign, or follow domestic and international initiatives and evaluations related to sustainable development, such as SDGs, GRI, TCFD, SASB, PRI, PSI, CA100+, Moody's, S&P, Fitch, GRESB and Taiwan Ratings. We also align with global sustainability trends and collaborate with Fubon Financial Holdings to partake in various international initiatives and ratings such as DJSI, SBTi, RE100, CDP, WEF, MSCI, AIGCC, PCAF, Geneva Association, and Sustainalytics, enhancing Taiwan's presence in sustainable development globally. Additionally, in response to the 28th UN Climate Change Conference (COP28) Net Zero Initiative, Fubon Financial Holdings donated NT$10 million in 2023 in partnership with Taiwan Mobile to support Academia Sinica's Net Zero Technology R&D Program, encouraging the development of three primary net zero technologies, carbon-free hydrogen, geothermal, and marine energy. This initiative demonstrates Fubon group's dedication to accelerating the realization of Taiwan's net zero goal. In line with COP28's call for the world to accelerate carbon reduction and make climate finance more accessible and affordable, Fubon Financial Holdings, as the first financial institution in Taiwan actively committed to restricting investments in high carbon-emitting industries, passed the SBTi science-based target validation in 2022 and pledged a 42% reduction by 2030, aiming for net zero emissions by 2050 at the latest. Moreover, it has set a target to cover over 50% of its investment and financing positions with carbon reduction goals, the highest coverage rate among financial entities in Asia. Meanwhile, multiple sustainable goals have been set, including a green finance target of NT$2.8 trillion by 2025, working together with its subsidiaries to actively drive the sustainable transformation of the value chain in support of the government's net zero vision.

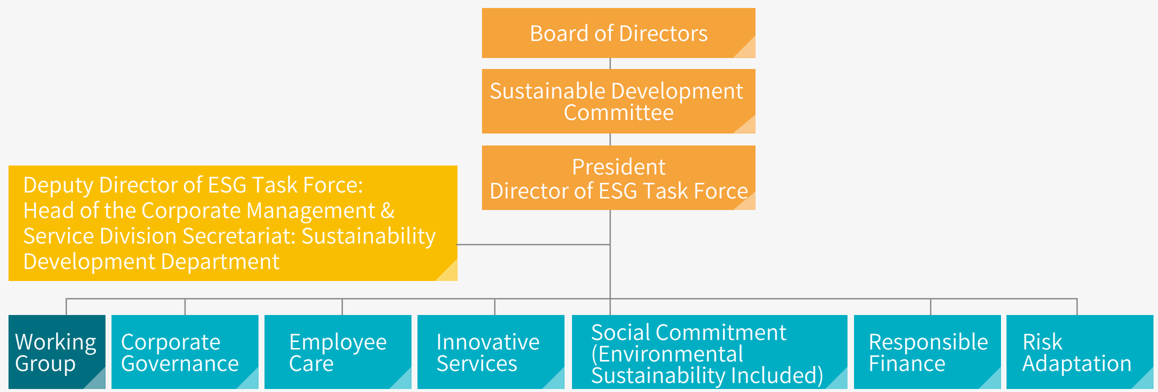
1.2.1 Sustainability Organizational Structure

A Dedicated ESG Organization Established to Consistently Enahnce Sustainability Actions

In adherence with Fubon Financial Holdings' "ESG Visioning Project," Fubon Life has been developing and promoting ESG-related projects through the Sustainability Execution Task Force (hereinafter referred to as the ESG Task Force) since 2016. To fulfill responsibilities for sustainable development and respond to sustainability trends, on February 1, 2023, the "Sustainability Development Department" was established to act as the secretariat for the ESG Task Force. Under the ESG Task Force, there are six working groups in charge of corporate governance, employee care, innovative services, social commitment (environmental sustainability included), responsible finance, and risk adaptation. These groups regularly review material topics, compile and disclose corporate sustainability information, and, during annual performance evaluations, track the progress of ESG projects across units to ensure the implementation of ESG strategies and goals.

To strengthen corporate sustainability governance, the President serves as the executive overseeing the ESG Task Force. The ESG Task Force reports the ESG project plans and implementation outcomes biannually to the Board of Directors and the Sustainability Committee established in June 2023, allowing the board and the committee to review the Company's performance in sustainability and corporate social responsibility. Additionally, in response to the impacts of climate change and international focus on sustainability issues, the ESG Task Force further conducts regular tracking of projects such as "Greenhouse Gas Inventories" and "Fair Customer Treatment," with quarterly reports submitted to the Board of Directors for seasonal oversight and management. For more information about the composition and operation of the Board of Directors and the sustainability-related functional committees under the board, please refer to CH2.1.1 Operation of the Board of Directors and Functional Committees.

ESG Task Force Organization Structure and Responsibilities



1.2.2 Sustainability Outcomes

Adhering to Four Major Sustainability Strategies in Implementing the Sustainability Vision Blueprint

In 2021, Fubon Financial Holdings launched the Run For Green™ ESG initiative, outlining four sustainability strategies: Decarbonization, Digitalization, Empowerment, and Connection. Long-term goals for 2030 were set in 2023, demonstrating a commitment to sustainable practices. For Fubon Life, we adhere to the sustainability strategies of Fubon Financial Holdings deeply rooted in a culture of sustainability. The United Nations Sustainable Development Goals (SDGs) and Taiwan's sustainability policy objectives are also integrated into our development strategies and core business decision-making to promote ESG action plans.

Decarbonization strategy

Strengthen green finance investments with a focus on decarbonization to help investee companies improve ESG performance and undergo sustainable transformation while increasing investments in thematic targets such as green energy, low carbon, and the six core strategic industries; set environmental sustainability goals, promote operational carbon reduction and energy-saving environmental protection plans to achieve low-carbon operations.

Digitalization strategy

Enhance intelligent technology and digital capabilities in business, continuously explore data-driven opportunities, foster deeper customer relationships, and create a safe, innovative, and convenient digital financial service experience for customers; invest in digital talent training, strengthen internal digital transformation, and enhance corporate competitiveness.

Empowerment strategy

Adhere to a people-centered approach, dedicated to safeguarding basic human rights; offer competitive compensation and benefits to enhance employee satisfaction; foster a diverse, respectful, communicative, and harmonious environment, promote talent development, attraction and retention plans, and create a healthy and safe workplace environment with various health promotion activities to ensure comprehensive protection of employee health.

Connection strategy

Utilize core competencies, integrate cross-sector resources, and continuously promote friendly community relations, social care, health promotion, sports sponsorship, environmental sustainability, and financial and insurance education activities, exerting positive social impact and embodying the corporate commitment to sustainability.

Setting Sustainable Development Goals to Fulfill Sustainability Commitments

Short, medium, and long-term goals are formulated for issues of concern under sustainable governance and the four primary sustainability strategies: decarbonization, digitalization, empowerment, and connection.

Sustainability Strategy	Content	Issues of Concern	Short-term Goal (2024)	Medium and Long-term Goal (2025-2050)
Sustainable governance	■ Strengthen corporate governance. ■ Promote ethical management. ■ Build an environment free of information security concerns. ■ Solidify business continuity management.	Corporate governance	■ Strengthen training for directors and enhance corporate sustainable value. ■ Optimize annual performance evaluation for the board and functional committees. ■ Make rolling adjustments to the point-adding mechanism for the board operation evaluation of subsidiaries' board of directors.	Take into account the impact of environmental changes on the Company's overall business operations and propose countermeasures in a timely manner to further implement effective corporate governance.
		Regulatory compliance	■ Continue the promotion of ethical management measures, strengthen ethical management awareness among employees, and embody the Company's ethical management culture. ■ Plan to require subsidiaries to establish ethical management-related policies and regulations in accordance with local laws or Fubon Life's regulations.	Continuously monitor the development of ethical management-related regulations within Fubon Financial Holdings and internationally, evaluate, optimize, and make adjustments to ethical management practices and promote related measures.
		Information security	■ Participate in the joint defense for information security consisting of the competent authority, Life Insurance Association, and Fubon Financial Holdings. ■ Establish response mechanisms and drills in response to new types of cyberattack. ■ Promote the online deployment of zero trust. ■ Strengthen supplier information security management.	Consistently enhance overall information security resilience to create a digital environment that balances service efficiency and security.
		Business continuity management	■ Continuously monitor the development and updates of international standards for business continuity management. ■ Strengthen cross-departmental collaboration within the Company. ■ Evaluate the automation of management systems. ■ Implement safety drills for personnel. ■ Consolidate resources to ensure business continuity.	Align the business continuity system with the latest international standards and remain verified with ISO 22301 to solidify organizational resilience.

Sustainability Strategy	Content	Issues of Concern	Short-term Goal (2024)	Medium and Long-term Goal (2025-2050)
Decarbonization strategy	■ Strengthen green finance investments and assist investee companies in enhancing their ESG performance and undergoing sustainable transformations. ■ Increase investments in thematic targets such as green energy, low carbon, and the six core strategic industries. ■ Set environmental sustainability goals, promote carbon reduction and energy-saving environmental protection plans to achieve low-carbon operations.	Responsible investment	■ Set science-based carbon reduction targets for 26% of the Company's investment positions ■ Reach a green finance investment target of NT$1.85 trillion.	■ 40% of investee companies must have set their own science-based targets (SBT) by 2027. ■ The green finance investment target for 2030 is NT$2.02 trillion.
		Environmental sustainability	■ Reduce total Scope 1 and Scope 2 greenhouse gas emissions by 3,070 tCO_2e compared to the baseline year. ■ Adopt renewable energy, with plans to convert to supplying green electricity in the second quarter, in alignment with Fubon Financial Holdings' schedule.	■ Reduce operational carbon emissions by approximately 42% from 2020 levels by 2030. ■ Achieve 100% usage of green electricity by 2024. ■ Reach net zero emissions by 2050 through purchasing green electricity, carbon offsetting, and other methods.
Digital strategy	■ Enhance remote online services to ensure uninterrupted service, continue to explore data-driven business opportunities, and foster deeper customer relationships. ■ Invest in digital talent training, strengthen internal digital transformation, and enhance corporate competitiveness.	Digital financial services	■ Enhance the intelligent service experience. ■ Consistently improve the robotic process automation (RPA). ■ Achieve a 9% year-over-year growth in electronic notification applications. ■ Achieve a 23% application rate for electronic policies/digitalized insurance contract terms.	■ Target a 4% year-over-year growth in electronic notification applications by 2030. ■ Target a 30% application rate for electronic policies/digitalized insurance contract terms by 2030.
Empowerment strategy	■ Strive to safeguard basic human rights. ■ Foster a diverse, respectful, communicative, and harmonious environment. ■ Continue to promote talent development programs. ■ Create a healthy and safe workplace environment. ■ Continue to launch health promotion initiatives.	Human rights policy revision	■ Refer to the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and Corporate Social Responsibility assessments to revise human rights policies.	Employment engagement survey:Engagement exceeds 77 points.Participation rate exceeds 80%.
		Talent development and retention	■ Carry out the industry-academia internship program, "Campus Talent Cultivation" and Management Associate Development Recruitment Plan. ■ Organize international talent recruitment and cultivation. ■ Encourage the employment of people with disabilities and indigenous people. ■ Normalize job rotation, diversify development, and vitalize organizational structure. ■ Reach a 100% coverage rate for department manager succession planning.	Consistently attract and cultivate high-quality internal and external talent through a tiered talent cultivation and development system and ensure the depth of the talent pool for managerial positions at all levels.
		Friendly workplace	■ Actively implement various protection plans of the Occupational Safety and Health Act. ■ Regularly hold labor-management meetings with the union to negotiate the collective agreement. ■ Health promotion activities engage over 4,350 participants.	Continue to promote various programs to enhance workplace health and safety, prioritize employee health, and strive to create a friendly workplace.
Connection strategy	■ Utilize core competencies, integrate cross-sector resources, and continue to cultivate locally	Social commitment	■ Continue to advocate for river conservation in partnership with the Society of Wilderness through the "River Waste Screening Investigation" plan, which has been operating for at least five consecutive years, with a goal of completing the investigation (including review) of six rivers by 2024. ■ Promote financial literacy education for young people, we cooperated with the Taiwan Financial Literacy Education Promotion Association to offer a total of about 100 campus lectures and courses in more than 20 high schools in Taipei and New Taipei City, with a total of about 3,000 teachers and students participating. ■ Continue to support domestic sports development, sponsoring events such as the UBA University Basketball League and the Kaohsiung Fubon Marathon, while integrating important issues like sports equality, ESG, and anti-financial fraud. ■ Continue to support the Formosa Cancer Foundation's "Barrier-Free Medical Access for the Elderly in Remote Areas" initiative, providing transportation subsidies for 200 cancer patients from remote areas.	Continue to promote initiatives on environmental sustainability, health promotion, and support for the elderly and vulnerable, extending care throughout Taiwan and fully leveraging corporate positive influence to fulfill sustainable commitments.

Building a Sustainable Ecosystem Deeply Rooted in Sustainable Development

The key implementation results of our initiatives related to environmental sustainability, social care, and sustainable governance in 2023 are as follows. Please refer to the corresponding chapters for performance details.

	E Environmental Sustainability	S Social Care	G Sustainable Governance
ESG Aspect	Strive to fulfill the six environmental sustainability commitments: sustainable operations, climate adaptation, green procurement, green finance, environmental friendliness, and corporate philanthropy, aiming to establish a green finance brand.	Consistently enhance protection for vulnerable groups and improve employee care and benefits through the promotion of diverse activities for friendly neighborhood services, caring services for individuals with dementia and vulnerable groups, and health and vitality enhancement as we fulfill corporate social responsibility.	Strengthen corporate ESG information disclosure, enhance the completeness and communication of sustainability value reporting, implement sustainable corporate governance, and demonstrate corporate value.
Key Implementation Results	■ The balance of green finance investments was NT$1,899.2 billion, a 12% growth from the baseline year of 2020. ■ The annual green procurement reached approximately NT$150 million. ■ In promoting renewable energy through installing solar panels, a total of 124,945 kWh of electricity was generated. ■ In promoting river conservation and the Work For Green project, which involves planting trees to protect important water sources and preserve green ecological spaces, a total of over 20,000 trees were planted.	■ The consistently promoted project for dementia care reached over 12 million participants with Dr. Jennifer Bute, who has been diagnosed with dementia, sharing her experience via videoconferencing ■ In caring for elderly cancer patients in remote areas, the barrier-free medical access project has helped over 2,171 cancer patients since it was launched in 2017.	■ Recognized as Top 20% among insurance companies in the First Sustainable Finance Evaluation by FSC. ■ Recognized as Top 25% in the Treating Customers Fairly Principles Evaluation by FSC. ■ Featured in the Best List of Institutional Investors for the Disclosure of Stewardship Information in 2023. ■ Established the Sustainable Development Committee.
Honors/ Recognition	■ Received the first prize in the Ministry of Economic Affairs' "Buying Power Social Innovation Products and Services Procurement Incentive Mechanism" Award for six consecutive years. ■ Received the "Excellent Unit in Green Purchasing" certification from the Environmental Protection Administration for six consecutive years. ■ Obtained ISO-14064-1 Greenhouse Gas Inventory certification for eight consecutive years. ■ Obtained ISO-50001 Energy Management System certification for six consecutive years. ■ Obtained ISO-14001 Environmental Management System certification for five consecutive years. ■ Obtained ISO-14067 Carbon Footprint certification for insurance policies. ■ Obtained ISO-20121 Event Sustainability Management certification.	■ Winner of the Faith, Hope Love Awards of Insurance "Best Life Insurance Company of the Year" for four consecutive years. ■ Winner of the "Insurance Quality Award" for eight consecutive years with four distinctions: ● Highest brand awareness ● Best sales representatives ● Best claims service ● Most recommended ■ Received the Sports Administration's "Sports Promoter Award – Gold Award in the Sponsorship Category" for seven consecutive years.	■ 2023 Taiwan Corporate Sustainability Awards ● Corporate Comprehensive Performance Award - Top 100 Sustainable Benchmark Corporates in Taiwan. ● Corporate Sustainability Report Award - Platinum Report Award, the highest honor. ● Information Security Leadership Award. ● Creative Communication Leadership Award. ● Social Inclusion Award. ■ Asia Responsible Enterprise Awards ● Sustainability Report Award ● Social Empowerment Award ■ Taiwan Sustainable Investment Exemplary Institution Award - Model Institution in Institutional Influence in the Insurance Category. ■ 10th Taiwan Insurance Excellence Awards ● Gold Award for Risk Management Project Planning ● Gold Award for Public Welfare Project Planning ● Silver Award for Information Security Promotion ● Silver Award for Product Innovation Project Planning ■ 2023 SGS IT Awards - Excellence Award for Business Continuity Management

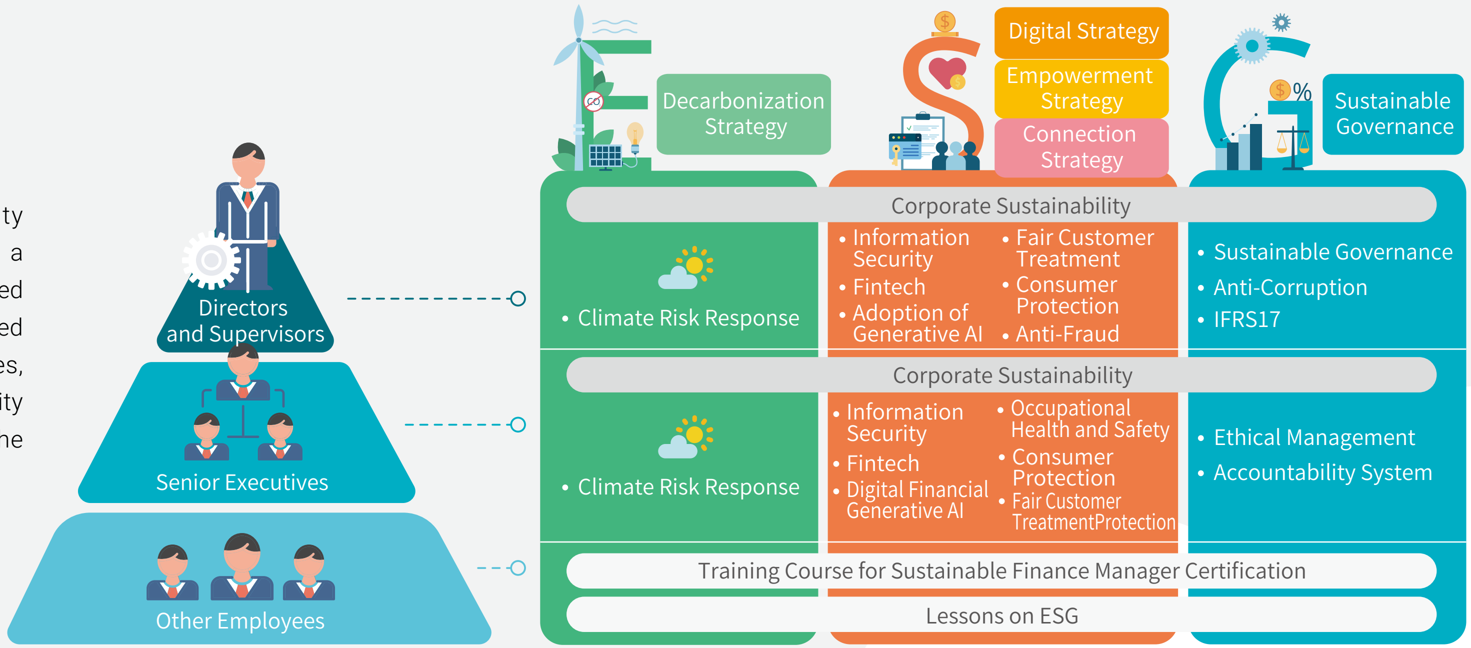
Fubon Life organizes various exchange activities to establish positive partnerships with stakeholders and exert influence to help stakeholders understand the United Nations Sustainable Development Goals (SDGs) and Taiwan's sustainability policies, promoting shared goals for a sustainable society and shaping a sustainable financial ecosystem.

SDGs/Taiwan's Sustainability Policy	Campaign/Event	Participants	Number of Sessions	Number of Participants	Detail
SDG14 Conserve the oceans, seas, and marine resources / Goal 14 Conserve and sustainably use the marine ecosystems	River Waste Screening Investigation Project incorporated with USR river/beach cleanups and community environmental education activities	Employees, general public	45	Over 2,200 ppl	Continued support for the River Waste Screening Project, conducted a reinvestigation on Tamsui River and an investigation on Houjin River in Kaohsiung, mobilizing local staff and citizens to volunteer; integrated the data from investigation results into the promotion of river conservation awareness, collaborating with six schools under the USR projects on organizing sustainable care and environmental education courses; organized five river/beach cleanups, investing manpower to address water resources pollution.
	ISO 20121 and Beach Adoption	Employees, general public	2	160 ppl	Joined the Beach Adoption Program of the Ministry of Environment, obtained the certification for ISO 20121 Event Sustainability Management through beach cleanups, and received a letter of appreciation from the New Taipei City Environmental Protection Department for adopting a beach.
SDG12 Responsible consumption and production / Goal 12 Facilitating green economy	Environmental Sustainability and Green Procurement Exchange Meeting	Suppliers	1	130 suppliers	Held suppliers exchange meetings for three consecutive years, with nearly 300 suppliers committed to a shared goal of building a green industry chain.
	ESG Environmental Sustainability and Green Procurement Briefing Session	Employees	1	74 ppl	Promoted the concept of a green workplace and advocated policies such as green procurement, friendly workplace, paperless services, and environmental charity.
	Green Earth Environmental Points Campaign	Employees, general public	1	1,125 new account holders	Participated in the Environmental Protection Administration's "Environmental Points Collection System" campaign for six consecutive years, with a total of 6,337 accumulated new account holders.
SDG13 Climate action/ Goal 13 Take comprehensive mitigation and adaptation actions to combat climate change and its impacts	"Environmental Protection Relies on You and Me" Waste Reduction Quiz Competition with Prizes	Employees	1	3,846 ppl	Increase awareness of waste reduction, reminding employees of the importance of waste classification and waste reduction at the source. All measurement sites across Taiwan have achieved the 3% reduction target.
	Waste Recycling and Reuse DIY Activity	Employees	1	20 ppl	Repurposed recycled waste (plastic #6) into useful daily items to promote waste reduction at the source.
	Sustainable Green Experience	Employees, general public	2	60 ppl	Collaborated with the social enterprise, Taiwan Environmental Information Association on a field visit to Aliban Ecological Farm in Shimen, highlighting the significance of environmental protection through habitat conservation volunteer actions and environmental education.
	Environmental Education for Employees	Employees	2	40 ppl	Organized visits to TAIPOWER D/S ONE and the First Bank Green Finance Education Center, linking finance, energy and electricity issues through gaming experiences such as the green finance monopoly and energy fitness center.
SDG3 Good health and well-being/ Goal 3 Ensure healthy lives and promote well-being for all at all ages	Community Health Screening	Employees, general public	12	1,370 ppl	Integrated existing health check resources for employees to provide communities with pro-bono basic health screening services and raise the public's awareness of health management.
	United Daily News Anti-Fraud Campaign	General public	1	Over 300 ppl	Hosted a forum to advocate for dementia-friendly initiatives and raise awareness about dementia in collaboration with the media, integrating an anti-fraud campaign to actively share with the elderly, individuals with dementia and their families the common patterns of financial fraud and precautions.
	USR Projects x Elderly Care	Employees, general public	56	Nearly 2,300 ppl	Partnered with two schools under the USR projects to organize activities promoting senior health, education on economic security and trust services for the elderly, and meal services for elders living alone.

SDGs/Taiwan's Sustainability Policy	Campaign/Event	Participants	Number of Sessions	Number of Participants	Detail
SDG4 Quality education / Goal4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Life Insurance Industry New Trends in Anti-Fraud Campaign (for district division and business support personnel)	Employees	1	78 ppl	Successfully promoted new trends in anti-fraud among employees throughout the northern, central and southern divisions and business support personnel with active participation.
	Life Insurance Industry New Trends in Anti-Fraud Campaign (for supervisors)	Employees	1	67 ppl	Educated TCF supervisors across all units about Executive Yuan's anti-fraud action plan and the Fraud Prevention MOU between the life insurance industry and the Criminal Investigation Bureau, presenting real-life cases of insurance policy fraud to enhance the anti-fraud knowledge and skills of supervisors responsible for ensuring fair customer treatment.
	Insurance Fraud and Prevention Strategy - Recognizing and Preventing Fraud Campaign	Employees	1	47 ppl	Held a series of legal literacy promotion campaigns to enhance understanding and prevention of insurance fraud among office staff, echoing the government's anti-fraud strategy and actions.
	Regulatory Compliance Courses and TCF Promotion	Employees	1	34,748 ppl	Topics promoted include the Personal Data Protection Act, business quality, regulatory compliance, risk and safety awareness, treating customers fairly (TCF) principles, mutual funds, exchange rate risk and foreign exchange regulations, as well as new topics introduced in 2023, integrity behavior risk education and business continuity, to ensure regulatory compliance and build a corporate culture of risk management.

Formulating A Talent Cultivation Policy and Program Focused on Sustainable Development

In response to international sustainability trends and domestic legal requirements, a talent cultivation program has been formulated with sustainability-related courses conducted for directors, supervisors, senior executives, and employees. It is to instill a sustainability mindset from the top down to enhance the Company's competitiveness.



Board Members

Course Title	Course Content	Frequency	Expected Outcome	Implementation Result in 2023
Seminar for Directors, Supervisors (including independent ones), and Corporate Governance Executives: Discussing Board Functions in Relation to Fair Customer Treatment and Anti-Money Laundering	1.Supervision strategy in response to fair customer treatment 2.Life insurance industry's business strategy in response to an aged society 3.Regulatory compliance technology for anti-money laundering	Occasional	Connect board operation with fair customer treatment and anti-money laundering operations, aimed at developing a comprehensive top-down corporate governance system from the board's perspective.	Training was completed.
Corporate Management and Crisis Management	1.Risk management promotion and supervision 2.Risks and corporate business management methods	Occasional	Advocate for the importance of risk management in business operations by sharing recent risk-related issues linked to corporate management methods.	Training was completed.
ChatGPT Lecture - Generative AI War Room: Anticipate Trends and Plan New Business Opportunities	1.Development trends in generative AI 2.The adoption and evaluation of generative AI.	Occasional	Evaluate the possibilities of adopting generative AI technologies into corporate practices by analyzing development trends in generative AI.	Training was completed.
Director Roles and Compliance Responses to the Challenges of Management Rights under Corporate Governance 3.0	1.Response measures to management rights risks and director roles and responsibilities under corporate governance 2.The Company's key responses to regulatory compliance 3.Analysis of legal risks and responsibilities in the day-to-day operations of the Company's directors	Occasional	Understand the Company's responses to management rights risks and director roles and responsibilities and guide the establishment of a corporate culture of regulatory compliance.	Training was completed.
Corporate Governance and Securities Laws and Regulations	1.Basic legal framework for corporate governance practices in listed companies in Taiwan 2.Introduction of the latest significant amendments of the Company Act and Securities and Exchange Act	Occasional	Understand the latest amendments of the Company Act and Securities and Exchange Act and guide the establishment of a comprehensive corporate governance and internal control mechanism.	Training was completed.
Corporate Governance - Preventing Tax-Related Money Laundering Risks—Eight Money Laundering Patterns in Taiwan	1.Patterns of anti-money laundering measures for tax-related matters in domestic financial services 2.Common corporate tax-related money laundering models 3.Key points on tax evasion fraud investigated and referred to judicial units by the National Taxation Bureau 4.Categories for banks responding to tax-related money laundering risks 5.Cases of common corporate tax-related money laundering models	Occasional	Recognize different patterns of money laundering both domestically and internationally, strengthen understanding of anti-money laundering measures and internal control systems to mitigate similar risks within the Company.	Training was completed.
Corporate Governance Seminar for Directors, Supervisors (including independent ones) and Corporate Governance Executives – Corporate Sustainability and Corporate Governance Trends	1.Advancing from CSR to ESG 2.ESG sustainable development trends 3.Corporate governance and fair customer treatment 4.The Impact of ESG on equity valuation, risks and performance	Occasional	Assist directors in understanding the core concepts of sustainable development and corporate governance-related issues, with case studies on how to support ESG and adapt to trends for long-term operations and sustainable corporate development.	Training was completed.

Course Title	Course Content	Frequency	Expected Outcome	Implementation Result in 2023
Information Security Governance Strategies of Listed Companies for Corporate ESG Sustainability	1.The impact of information security on corporate sustainability 2.Information security regulatory requirements in international capital markets 3.Analysis of information security management requirements for listed companies in Taiwan 4.Development strategies for information security management in listed companies	Occasional	Understand the different needs and strategies of corporate governance from the perspective of information security governance, and also gain a deeper understanding of domestic and international information security regulations, enabling managers to allocate resources globally accordingly.	Training was completed.
1MDB Fubon Anti-Money Laundering Forum—International Perspective: The World's Largest Financial Corruption Scandal—1MDB	1.Overview of the 1MDB incident 2.Introduction to key figures 3.Process of the scandal 4.Flow of the illicit funds	Occasional	Analyze the patterns of money laundering through the 1MDB incident, enabling managers to avoid previous pitfalls in anti-money laundering efforts and understand the importance of anti-corruption.	Training was completed.
Key New Issues in the Treating Customers Fairly Principles - Sustainable Development of Digital Finance and Consumer Protection	1.Development of digital financial technology and financial inclusion 2.Development of digital financial technology and customer protection	Occasional	Strengthen the board's understanding of financial inclusion and promote the development of the Company's digital financial technology.	Training was completed.
Corporate Governance Seminar - Discussing the Principles of Friendly Service and Financial Exploitation from the Perspective of TCF Principles	Discussion on the principles of friendly service and financial exploitation from the perspective of the TCF principles.	Occasional	Strengthen the board's supervision function in implementing the TCF principles within the Company.	Training was completed.
Industry Change, Opportunities, and Challenges in Light of Generative AI	1.Trends in generative AI and its impact on the industry 2.Potential application of generative AI for Fubon Group 3.Strategies and challenges for corporates adopting generative AI	Occasional	Monitor international regulations and AI standards to assess the Company's alignment status, and leverage AI digital technology to utilize unique industry data and enhance the Company's competitiveness.	Training was completed.
Corporate Governance Seminar - Experience Sharing in the Application of AI and New Technologies in Financial Security	1.Changes in domestic crime trends 2.Experience sharing on the use of financial technology by financial institutions	Occasional	By drawing on the diverse technological application experiences of both public and private sectors, directors can continue to guide the Company in making forward-looking investments, expanding domestic and international public-private sector cooperation networks, and cultivating high-quality financial security talent, gradually implementing Fubon Group's "Financial Security Digital Transformation Blueprint" aimed at fulfilling the social responsibilities of financial institutions in ESG aspects as the Company is committed to continuous investment and the publication of concrete results in the future.	Training was completed.
19th International Corporate Governance Summit 2023 — Creating New Governance Landscapes to Enhance Corporate Value	1.Major trends of transformation with dual focuses on sustainability and digitalization 2.Implementation of shareholder activism	Occasional	Learn about advanced corporate governance practices and trends, meticulously establish key strategies for optimizing the corporate governance ecosystem in Taiwan, and provide direction and suggestions for the future reform of related policies and legal frameworks, such as the Securities and Exchange Act and the Company Act.	Training was completed.
Corporate Governance Seminar — Requirements for the Board of Directors by the Anti-Money Laundering and Counter-Terrorist Financing Regulations	Requirements for the Board of Directors according to the Anti-Money Laundering and Counter-Terrorist Financing Regulations	Occasional	Deepen compliance awareness of anti-money laundering and counter-terrorist financing regulations, providing strategic guidance within the Board of Directors.	Training was completed.

Senior Executives

Issue	Course Theme	Frequency	Expected Outcome	Implementation Result in 2023
Training related to sustainable development	Sustainable development-related courses are organized to train senior executives. Themes include: Environmental aspect (E) • Climate change risk response Social aspect (S) • Occupational health and safety • Fair customer treatment and strengthening protection for specific groups • Financial Consumer Protection Act implementation • Information disclosure and external communication, information security protection mechanism Governance aspect (G) • Accountability and ethical management principles	Annual	Every senior manager must possess a sustainability mindset and stay informed about sustainability issues and trends to assist the organization in developing ESG operations.	Training was completed.

Other Staff Members

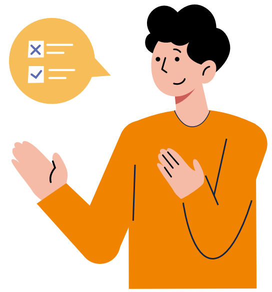
Issue	Course Theme	Frequency	Expected Outcome	Implementation Result in 2023
Lessons on ESG	A total of five lessons: 1.Our Distance to Sustainability 2.SDGs Sustainability Trends and SDGs 3.Creating Impactful Sustainable Projects 4.New Fubon ESG Visioning Project 5.Sustainability X Business = Risk Reduction + Business Opportunities	Starting in 2022, new employees onboard are required to complete the online Lessons on ESG.	Every Fubon employee is required to be equipped with basic knowledge of sustainability and an understanding of the Fubon ESG Visioning Project.	A total of 2,148 people completed the five online lessons.
Training for sustainable development-related certification	■ We commissioned the Taiwan Institute for Sustainable Energy to organize a training course consisting of 15 classes, totaling 40 hours. Upon passing the certification exam, participants will obtain the Sustainable Finance Manager certificate. Themes include ESG practices such as the introduction of sustainable finance, sustainable investment, climate finance, and sustainable value chain management. ■ A number of employees were selected to participate in the course for ESG Investment Management Analysts organized by the Academy of Sustainable Finance and Impact Investing. The course consists of 13 classes, totaling 40 hours. Upon passing the certification exam, participants will obtain the ESG Investment Management Analyst certificate. ■ Sustainability-related certifications are included in the certification reward program to encourage employees to obtain professional certifications, thereby enhancing their expertise in ESG investment and risk management.	NA	Cultivate ESG seed personnel, enhance ESG expertise, implement ESG actions across various business operations, thereby achieving Fubon's sustainability goals.	A total of 18 individuals obtained certifications related to sustainable development. For more information on the acquisition of sustainability-related certifications, please refer to CH3.3.1. on Talent Acquisition and Cultivation.
Training related to sustainable development	Training courses related to sustainable development are organized to train all employees. (Courses include the social and governance aspects covered in the training for senior executives.)	Annual	Every Fubon employee must stay informed about sustainability issues and trends to help the organization develop its ESG operations.	Training was completed.

To enhance training and talent cultivation in sustainable finance as the Company deeply embeds the concepts and culture of sustainable finance, we have allocated a budget of approximately NT$13.673 million to implement the following projects. These initiatives aim to assist employees in transitioning their skills, thereby enhancing communication on green and sustainable issues within society.

Classification	Project	Description
Office Staff	Campus Talent Cultivation Program	Fubon Life utilizes its core expertise to actively promote financial and insurance knowledge in schools and cultivate insurance professionals, fulfilling corporate social responsibility.
	Sustainability Cup — Fubon Life's Sustainability Star	To encourage employees to deepen their understanding of the Company's sustainability strategy and promote its achievements, online courses and Q&A sessions are held, offering bonuses to departments and staff members who perform exceptionally well.
	Sustainability E-Newsletter	An e-newsletter is published quarterly to provide employees with the latest domestic and international knowledge on sustainability, as well as updates on the Company's latest sustainability initiatives and achievements.
	Financial Holding Overall Planning and Management Course	Training courses tailored to the management skills needed at each level are provided to managerial staff to enhance leadership and management abilities, improve management and operational efficiency, and cultivate sustainable business talent.
	Fair Customer Treatment Education	To foster a top-down culture of fair customer treatment and consistently convey important issues and information, educational and promotional activities are organized to enhance awareness of fair customer treatment among all staff.
	Environmental Protection Sustainability Lecture	Concepts of ecological conservation and environmental protection are highlighted under "Environmental Protection Volunteer Holidays" and "Marine Conservation," encouraging colleagues to take practical actions to protect the Earth.
Field Staff	Friendly Neighborhood Service Project	Through various cross-industry collaborations, we assist and encourage business units to deepen local operations and promote mutual exchanges to expand the positive influence of friendly neighborhood initiatives.
	Annual Environmental Sustainability Educational Event	To fulfill corporate social responsibility, environmental education events are held in partnership with the Ministry of Environment and non-profit environmental organizations to amplify impact, actively communicating with staff members and the public.
	Advanced Training Camp for Sales Office Managers — March Edition	To consistently strengthen the leadership and management skills of sales office managers and develop them into supervisors with positive influence, advanced training camps are organized. Course topics include ESG promotion, fair customer treatment, and long-term care issues, highlighting the social responsibility and value of insurance.
	SROI Local Service Project	The benefits of community service projects conducted by sales offices are monetized, using the "average social return on investment (SROI) generated per sales personnel involved in community activities" combined with performance metrics to encourage sales offices to balance insurance operations with local community engagement.

1.3 Stakeholder Communication

In maintaining alignment with international sustainability trends with a focus on sustainable management issues in the life insurance industry, Fubon Life refers to stakeholder categories identified by domestic and international peers and incorporates opinions from various departments within the Company to enhance the stakeholder identification process.



Stakeholder	Communication Channel	Communication Frequency	Issues of Concern	Corresponding Chapter for Communication Results in 2023
Government/ Competent Authorities	■ Investigation report/Operating data required by competent authorities ■ Meeting/Seminar ■ Earnings announcement ■ Annual report/CPA-audited financial statements	■ Occasional/ Occasional ■ Occasional/ Occasional ■ Monthly ■ Annually/ Quarterly	Regulatory compliance Corporate governance and code of conduct Information security and personal data protection	1.1.3. Operational Performance 2.2.1. Ethical Management Policy and System 2.2.2. Internal Implementation of Ethical Management Measures and Mechanisms 2.3.1. Regulatory Compliance Practices 2.3.2. Disciplinary Actions and Remedial Measures 4.6.1. Information Security Management 4.6.2. Customer Privacy Management
Investor (Parent Company)/ Rating Agencies	■ Fubon Life shareholders' meeting (board of director as proxy) ■ Fubon Financial Holdings investors conference ■ Financial Holdings shareholders' meeting ■ Sustainability report ■ Institutional investor stewardship report	■ Annual (or more frequently) ■ Quarterly ■ Annual (or more frequently) ■ Annual (or more frequently) ■ Annual (or more frequently)	All material topics are of equal level of concern.	

Stakeholder	Communication Channel	Communication Frequency	Issues of Concern	Corresponding Chapter for Communication Results in 2023
Employees	■ Employee complaint channel ■ Employee online platform ■ Employee satisfaction survey ■ Employee care website ■ Labor-management meeting ■ Occupational safety and health committee meeting ■ ESG environmental sustainability mailbox	■ Permanent ■ Permanent ■ Biennial ■ Permanent ■ Every two months ■ Quarterly ■ Permanent	Regulatory compliance Information security and personal data protection Competitive compensation and benefits	3.1.1. Promoting Human Rights Issues in the Workplace 3.1.2. Implementing A Culture of Diversity and Equality 3.2.2. Employee Composition, Compensation, and Retirement System 3.2.3. Employee Benefits Policy and Utilization 3.3.1. Talent Acquisition and Cultivation 3.4.1. Genuine Employee Care and Protection 3.4.2. Building An Excellent Working Environment 3.4.3. Comprehensive Employee Health Management
Customers	■ 080 customer hotline ■ Customer satisfaction survey ■ Customer complaint channel ■ Fubon Life APP ■ Official website ■ Policyholder events	■ Permanent ■ Annual ■ Permanent ■ Permanent ■ Permanent ■ Quarterly	Corporate governance and code of conduct Information security and personal data protection Stakeholder financial rewards	4.2.1. Enhancing Service Quality with A Customer-Centric Mindset 4.2.2. Valuing Customer Feedback and Attending to Policyholder Needs 4.3.2. Sustainable Product Design to Promote Shared Prosperity in Society 4.3.3. Integrating ESG Issues into Marketing 4.4.1. Inclusive Financial Products and Promotion 4.4.2. Providing the Disadvantaged with A Friendly Financial Environment and Services
Suppliers	■ Green procurement and supplier exchange meeting ■ Supplier education and training ■ Supplier evaluation ■ Fubon Financial Holdings supplier meeting ■ "Supplier Standard of Conduct Pledge" signing	■ Annual ■ Annual ■ Annual ■ Annual ■ Occasional	Regulatory compliance Sustainable supply chain management	6.4.1. Supply Chain Management Policy

Stakeholder	Communication Channel	Communication Frequency	Issues of Concern	Corresponding Chapter for Communication Results in 2023
Partner Channels	■ Product orientation ■ Education and training ■ Bancassurance service station (LINE@)	■ Occasional ■ Occasional ■ Permanent	Sustainable supply chain management Corporate governance and code of conduct	4.3.2. Sustainable Product Design to Promote Shared Prosperity in Society 4.3.3. Integrating ESG Issues into Marketing
General Public	■ Press release ■ Official website ■ Print advertisement ■ Annual advertising ■ Social media	■ Occasional ■ Permanent ■ Occasional ■ Occasional ■ Occasional	Social participation and emergency disaster relief Responsible investment Risk management	5.5.1. Integrating Internal and External Resources to Promote Social Care 5.1.2. Establishing Catastrophic Event Support Mechanisms for Emergency Relief and Humanitarian Care 5.2.1. Promoting Insurance Awareness as a Stabilizing Force in Society
NGO	■ Press Release ■ Official website ■ Print advertisement ■ Annual advertising campaign ■ Social media ■ Partnership meeting	■ Occasional ■ Permanent ■ Occasional ■ Occasional ■ Occasional ■ Occasional	Regulatory compliance Corporate governance and code of conduct	5.1.1 Integrating Internal and External Resources to Promote Social Care 5.1.2. Establishing Catastrophic Event Support Mechanisms for Emergency Relief and Humanitarian Care

Fubon Life has established effective communication channels with stakeholders, engaging in periodic exchanges on ESG-related issues with competent authorities, industry associations, customers, and partners. In addition to maintaining interactions with stakeholders in various forms within regular business operations, the Company has a spokesperson and deputy spokesperson system in compliance with legal requirements, providing a two-way communication channel to ensure the transparency and openness of corporate information and help stakeholders access information. Moreover, a dedicated "Corporate Sustainability" section is in place on Fubon Life's official website, which showcases the Company's long-term commitment and efforts in three main aspects:
environmental sustainability, social responsibility, and sustainable governance.

1.4 Material Topics Identification

Fubon Life refers to the GRI 3: Material Topics 2021 to examine material topics, focusing on the potential positive and negative impacts of each issue in the economic, environmental, and social aspects. Through distributing surveys for internal evaluation, we have confirmed the material topics for 2023, which include 11 key topics and 15 other topics. The promotion efforts and results pertinent to these material topics disclosed in this report, which have been reviewed and approved by the Board of Directors and the Sustainable Development Committee, are to help stakeholders understand the comprehensive results of the Company's sustainability endeavors.

1.4.1 Material Topics Identification Procedures

Identify and redefine impacts

Review the Company's operational activities, business partnerships, sustainability context, and stakeholders to identify the sustainability issues involved in the Company's operations.

26 sustainability issues (including 14 positive impacts and 12 negative impacts)

Assess

Consider the frequency of past impacts, the likelihood of future occurrences, and the extent of operational impacts of each sustainability issue on the organization. Based on the level of concern and operational impact of these issues, prioritize and determine the issues of materiality.

A total of 34 questionnaires were collected from 34 departments.

Adjust and confirm

Through statistical analysis of survey data and incorporating a negative impact adjustment factor, consider the severity and likelihood of impacts on the economy, environment, and people (including human rights) to confirm the material topics for the Company in 2023.

Note: Upon review, all penalty situations have been reflected in the likelihood scores in department evaluations, therefore, adjustment of the negative factor is unnecessary.

11 key topics
15 other topics

Report to the Board of Directors

After the ESG Task Force reports the topics to the Board of Directors and Sustainable Development Committee, they are included in this report.

1.4.2 Material Topics

Materiality Results

After considering the impact scale and likelihood of occurrence of each sustainability issue, the quantified data is consolidated into a materiality ranking (impact level x likelihood of occurrence).

- Key topics: These are high in stakeholder concern, significant for operations, and have a significant ESG impact.
- Other topics: These are basic management issues in day-to-day operations

Potential Financial Impact of Key Topics

Issue	Impact Aspect	Impact Type	Level of Financial
Violation of laws and regulations	Economy, people	Negative	●○○○○○
Violation of laws and regulations	Economy	Negative	●●○○○○
Implementing impact investing	Economy, environment, people	Positive	●●●●●●
Stakeholder financial rewards	Economy	Positive	●●●●●●
Fair customer treatment and customer relationship maintenance	People	Positive	●●●●●●
Business continuity and financial resilience	Economy, people	Positive	●●●●○○
Climate and business opportunities	Economy, environment	Positive	●●●●○○
Achieving financial inclusion	Economy, people	Positive	●●●●●●
Sustainable supply chain management	Economy, environment, people	Positive	●●●●○○
Promoting workplace health	People	Positive	●●○○○○
Developing fintech and innovation	Economy, environment, people	Positive	●●●●○○

Level of Financial Impact	
<1	●○○○○○
1-10(10 not included)	●●○○○○
10-100(100 not included)	●●●○○○
100-1,000(1,000 not included)	●●●●○○
1,000-10,000(10,000 not included)	●●●●●○
≥10,000	●●●●●●

Currency Value (million NTD)

Material Topics and Response/Remedial Measures

Materiality	Issue	Impact Type	Corresponding Chapter for Response and Remedial Measures
Key Topics	Violation of laws and regulations	Negative	2.3 Regulatory Compliance
	Corporate governance misconduct	Negative	2.1 Board Governance 2.2. Ethical Management 2.4. Corporate Risk Management and Underwriting
	Implementing impact investing	Positive	6.2 Strengthening Responsible Investment
	Stakeholder financial rewards	Positive	1.1 Business Performance and Layout
	Fair customer treatment and customer relationship maintenance	Positive	4.1 Treating Customers Fairly 4.2 Customer Relationship Maintenance
	Business continuity and financial resilience	Positive	2.4. Corporate Risk Management and Underwriting
	Climate and business opportunities	Positive	6.1. Climate Change Response
	Achieving financial inclusion	Positive	4.4 Financial Inclusion
	Sustainable supply chain management	Positive	6.4 Sustainable Supply Chain
	Promoting workplace health	Positive	3.4 Occupational Health and Safety
	Developing fintech and innovation	Positive	4.5 Digital Technology and Innovation
Other Topics	Violation of workplace human rights	Negative	3.1 Workplace Diversity, Inclusion and Human Rights
	Corporate and customer data leakage	Negative	4.6 Information Security and Privacy
	Risk management misconduct	Negative	2.4. Corporate Risk Management and Underwriting
	Climate risk impact	Negative	6.1. Climate Change Response
	Customer complaints and disputes	Negative	4.2 Customer Relationship Maintenance
	Negative environmental impact	Negative	6.3 Low-Carbon Operation
	Negative impact resulting from social changes	Negative	5.2 Social Change Response
	Negative impact on the environment and society resulting from investment	Negative	6.2 Strengthening Responsible Investment
	Supply chain management misconduct	Negative	6.4 Sustainable Supply Chain
	Occupational hazards and employee health damages	Negative	3.4 Occupational Health and Safety
	Social participation and emergency disaster relief	Positive	5.1 Social Participation and Emergency Disaster Relief
	Human rights protection and workplace diversity and inclusion	Positive	3.1 Workplace Diversity, Inclusion and Human Rights
	Promoting ESG products and services	Positive	4.3 ESG Product Services and Promotion
	Diverse talent recruitment and cultivation	Positive	3.3 Talent Development and Cultivation
	Competitive compensation and benefits	Positive	3.2 Employee Compensation and Benefits

2

Chapter

Norm and Governance

In further investing in sustainable operations, Fubon Life focuses on four primary aspects: board governance, ethical management, regulatory compliance, and risk management. Measures implemented to ensure corporate governance and enhance sustainable value include establishing dedicated units to enhance regulations and employee training, strengthening the functions of the Board of Directors and independent directors, conducting regular evaluations, and avoiding conflicts of interest. "Integrity" is fundamental to corporate governance and sustainable operation, and the Company adheres to the principles of integrity, transparency, and accountability, fostering a corporate culture of ethical management and sound development. Additionally, units dedicated to regulatory compliance are in place, consistently improving compliance efforts to reduce the risk of legal violations. A well-functioning risk management organization was also established to foster a risk management culture, develop effective risk management systems, and ensure the best interests of customers and shareholders while maximizing risk management effectiveness.

2.1 Board Governance

2.1.1 Operation of the Board and Functional Committees

Operation of the Board of Directors

The Board of Directors is the highest governing body of Fubon Life, which currently consists of 9 members. The Board of Directors convenes meetings at least once per quarter. A total of 10 meetings were held in 2023. The overall attendance rate of directors was 96.7% with at least two independent directors present at each meeting. The operational status of each functional committee under the Board of Directors in 2023 is detailed in the table below. For more detailed information, please refer to page 46-96 in Fubon Life's Annual Report.

Functional Committee	Composition and Meeting Frequency	Composition and Meeting Frequency	Percentage of Independent Directors	Primary Duties	Operational Status
Sustainable Development Committee	■ Members should include at least 3 directors and the President. ■ Over 1/2 of the members should be independent directors. ■ At least 1 member should have expertise required by this committee. ■ Meetings should be convened at least twice a year. ■ The Sustainable Development Seminar is held occasionally.	Independent Director Lin Chun	60% (3/5)	■ Supervise the annual implementation plan and effectiveness of the ESG Task Force. ■ Supervise the implementation of the treating customers fairly principles and review assessment results ■ Deliberate on cases of executive accountability. ■ Handle other matters assigned to the committee according to the Company's regulations or board resolutions.	2 meetings were held, with a 100% average attendance rate. *Note: The Sustainable Development Committee was established on June 9, 2023.
Audit Committee	■ The committee consists of all independent directors of the Company. ■ Members should be no less than 3 people. ■ At least one member should have expertise in financial insurance, accounting or finance. ■ Meetings should be convened at least once a year.	Independent Director Wang Ming-Yang	100% (4/4)	■ Ensure the adequacy of the Company's financial statements. ■ Select and appoint (terminate) certified public accountants, evaluate their independence and performance. ■ Ensure effective implementation of internal control. ■ Ensure the Company's compliance with relevant laws and regulations. ■ Manage existing or potential risks faced by the Company.	10 meetings were held, with a 97.5% average attendance rate.
Risk Management Committee	■ The committee consists of independent directors, the President, heads of the Finance and Actuarial Division, the Policy Operations Division, and the Chief Risk Officer. ■ At least one member should be an independent director with expertise in financial insurance, accounting, or finance. ■ Meetings are convened at least once per quarter.	Independent Director Wang Ming-Yang	50% (4/8)	■ Formulate and amend risk management policies and frameworks, establish qualitative or quantitative management standards. ■ Regularly report to the board and provide timely feedback to the board on risk management implementation. ■ Adjust risk categories, risk limits, allocation and assumption methods based on changes in the operating environment. ■ Coordinate the interaction and communication of risk management functions across departments.	4 meetings were held, with a 95% average attendance rate.

Fubon Life regularly communicates with stakeholders through various dedicated units and reports to the Board. In 2023, in addition to annual program performance reports and key project reports on the three ESG aspects, the Company further divided various issues into governance aspects (lifting the ban on director competition, directors, supervisors, and significant officers' liability insurance, and board and functional committee performance evaluations), environmental aspects (greenhouse gas inventory reports, green energy industry investment projects), and social aspects (foundation donations, sports team sponsorship projects), all of which were reported to the Board of Directors. Furthermore, to implement the board's emphasis on the treating customers fairly (TCF) principles, the Company has established a top-down corporate culture of fair customer treatment, with the board actively supervising and promoting the implementation of the TCF principles. Board members participate in courses on the TCF principles, while the responsible units reported to the board five times in 2023 on the specific TCF outcomes, the annual evaluation results of the TCF principles, and the subsequent planning and revision of relevant regulations. Among them, the Company incorporated protection measures for vulnerable groups, such as the Friendly Financial Service Guidelines, into the 13th article on friendly service principles in the Company's TCF strategy, which was approved by the board on August 12, 2022.

Furthermore, the Company has clear procedures for conflicts of interest avoidance. According to Fubon Life's "Board of Directors Meeting Rules," directors who have an interest in matters discussed at the meeting, either personally or on behalf of their represented legal entities, must disclose the important details of their interests at the meeting. If there is a risk of harm to the Company's interests, they are not allowed to participate in the discussion or vote, and they must recuse themselves during the deliberation and voting process. They are also not permitted to represent other directors in exercising their voting rights. These are the mechanisms to prevent conflicts of interest in cases where directors are involved, and the Company's decision-making units strictly adhere to the aforementioned rules. Whether it is in the meeting agendas distributed to directors before the board meeting, during the board meeting, or in the minutes of the meeting afterward, all directors involved in conflicts of interest are clearly identified, and the important details of their interests are fully disclosed to prevent conflicts of interest and ensure the independence of the decision-making process. Regarding board resolutions to remove restrictions on directors' competition prohibitions on behalf of the shareholders' meeting, all decisions are disclosed on the Market Observation Post System (MOPS) for public viewing. Additionally, all related-party transactions approved by the Board of Directors and Audit Committee in each fiscal year are disclosed in Fubon Life's Annual Report. For further details, please refer to page 47, 63 in the 2023 Annual Report.

2.1.2 Diverse and Professional Composition of the Board

Board Independence and Diversity

Name	Independent Director	Gender	Tenure (year)	Diversified Core Areas of Expertise								Industry Experience [4]	Corresponding ESG Capabilities
				Finance	Law	Business	Investment and M&A	FinTech	Risk Management	Operations Management	E-Commerce/ Marketing		
Howard Lin [1]		Male	12.5	●		●	●		●	●		Finance	E、S、G
Chris Tsai		Male	1.1	●		●	●	●	●	●	●	Finance	E、S、G
Daniel Tsai		Male	0.5		●	●	●	●	●	●		Finance	E、S、G
Chen Shr-Iue [2]		Male	0.9	●		●			●	●	●	Finance	E、S、G
Lin Chien-Huang [3]		Male	0.5							●		Medical care, consumer services (education)	E、S、G
Wang Ming-Yang [3]	●	Male	3.5	●		●	●		●	●		Finance, real estate	E、S、G
Lin Chun [3]	●	Male	6.5	●		●	●	●		●		Finance, information technology	E、S、G
Lin Yu-Chi [3]	●	Male	0.5	●		●	●				●	Medical care	E、S、G
Chen Chien-Hung [3]	●	Male	0.5		●	●			●	●		Consumer services (law)	S、G

Note 1: Chairman Howard Lin does not hold an executive position in Fubon Life.

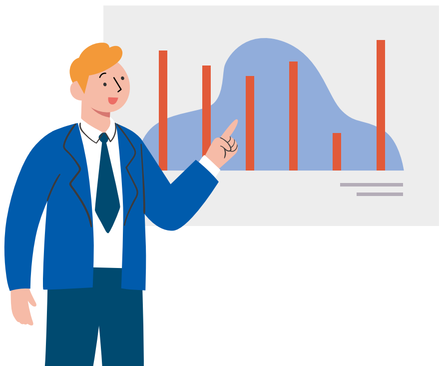
Note 2: Fubon Life's President. He does not have a spouse or first-degree relative relationship with the Company's Chairman.

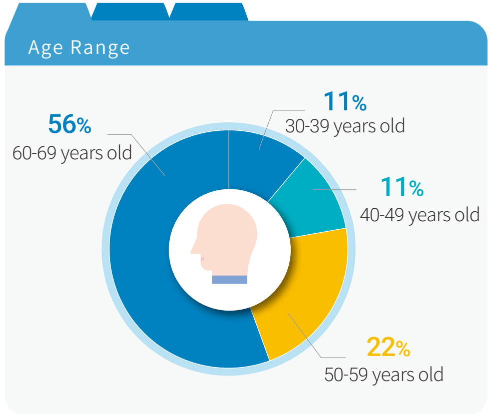
Note 3: The Dow Jones Sustainability Index (DJSI) evaluation questionnaire is referenced for determining director independence. At least four out of the following nine criteria must be met. Among the first three criteria, at least two must be met.

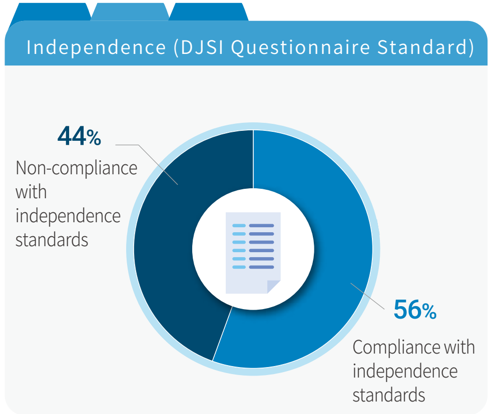
(1) Within the past year, the director has not held a senior executive position in the Company.
(2) Neither the director nor their family members received compensation exceeding US$60,000 from the Company or any of its subsidiaries during the current year, except where permitted by the US SEC 4200.
(3) The director's family members have not held senior executive positions in the Company or any of its subsidiaries during the current year.
(4) The director is not a consultant for the Company or its management team and has no conflicts of interest with the Company's consultants.
(5) The director has no conflicts of interest with the Company's primary customers or suppliers.
(6) The director has no service contracts with other companies or their management.
(7) The director has no conflicts of interest with non-profit organizations that primarily receive donations from the Company.
(8) Within the past year, the director has not served as an external auditor or partner for any other company.
(9) The director has no conflicts of interest with the independent operation of the Board of Directors.

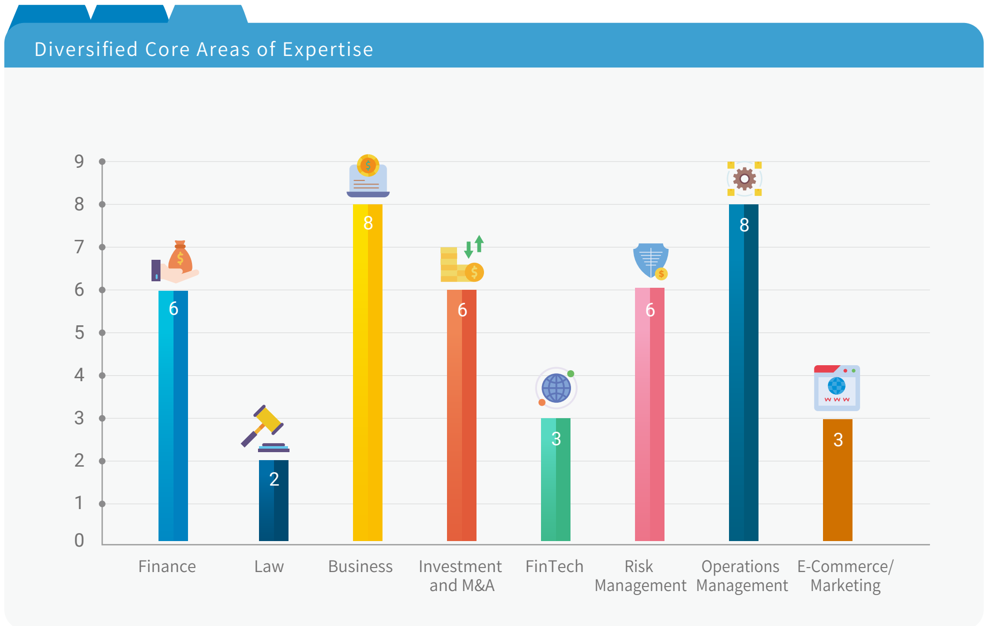
Note 4: Global Industry Classification Standard (GICS) classification is adopted.

Fubon Life's "Corporate Governance Guidelines" stipulate that the composition of the Board of Directors should be diversified, taking into account its operations, business models, and development needs to formulate appropriate policies and specific management goals, including but not limited to the following: 1. Basic criteria and values such as gender, age, nationality, and culture. It is advisable that female directors account for one-third of the total number of seats. 2. Expertise in two primary dimensions - professional backgrounds and skills (e.g., law, accounting, industry, finance, marketing, or technology), and industry experience. To ensure the diversity of the board and its ability to review and discuss ESG issues, Fubon Financial Holdings, our parent company prioritizes the professional background in the appointment of board members. Currently, Fubon Life's Board of Directors encompasses members with backgrounds spanning finance, legal affairs, business, financial technology, risk management, and other areas. In terms of age distribution, there is one person aged 30-39, one aged 40-49, two aged 50-59, and five aged 60-69. Moreover, to maintain board independence, the Company has four independent directors and five directors who meet the independence criterion. Independent directors and directors meeting the independence criterion account for 44.4% and 55.6% of the total number of directors, respectively. In addition to ensuring that more than half of the directors meet the independence criterion, measures are taken to ensure that independent directors can objectively exercise their powers and avoid diminishing their independence due to long tenure. Therefore, the tenure of independent directors in the Company has not exceeded nine years (i.e., the maximum number of terms served consecutively is no more than three). As of December 31, 2023, the average tenure of all directors is 2.9 years. For further details on the board's remuneration, please refer to page 38-39 in Fubon Life's 2023 Annual Report and official website (https://reurl.cc/QeyEE9).









Conducting Board Evaluation Regularly and Offering Training Courses for Directors

Fubon Life conducts annual self-assessment and peer evaluation for the Board of Directors in accordance with the "Operating Procedures for Appointing or Recommending Directors and Supervisors of Fubon Financial Holdings and Its Subsidiaries for Investee Companies" issued by our parent company and Fubon Life's "Corporate Governance Principles" approved by the Board. The evaluation results are reported to the Board of Directors. The overall performance of the functional committees under the Board, such as the Audit Committee and Risk Management Committee, and their members are also assessed, and results are reported to the Board of Directors annually to provide insights into the performance of the board and the functional committees. Furthermore, to highlight the alignment with sustainability issues and the implementation of the TCF principles, in 2023, the Company added "the Board's commitment and concert actions towards sustainable development, ethical management and adherence to the treating customers fairly principles" as an indicator in the evaluation. The average self-assessment and peer evaluation scores of all directors in this indicator were 97.2 and 96.9, respectively. The average scores of the board's self-assessment, peer evaluation, and performance evaluations of each functional committee for the year 2023 all exceeded 90 points. According to the rating criteria specified in the appendix of the "Insurance Industry Corporate Governance Best Practice Principles," a rating of "Excellent" is given to those with an average total score of 90 or above. Moreover, in response to international trends, the Company plans to engage an external professional and impartial organization to conduct a performance evaluation of the Board of Directors in the fourth quarter of 2024, and such evaluations are to be conducted every three years. For detailed information on the board performance evaluations, please refer to page 54 in Fubon Life's 2023 Annual Report.

The members of the Company's Board of Directors actively participate in a diverse range of training courses organized by external institutions such as the Taiwan Insurance Institute, Taiwan Independent Director Association, and Taiwan Corporate Governance Association. These courses cover various topics, including "Corporate Sustainable Development and Governance Trends," "Key New Issues in the Treating Customers Fairly Principles - Sustainable Development of Digital Finance and Consumer Protection," "Director Roles and Compliance Responses to the Challenges of Management Rights under Corporate Governance 3.0," and "Corporate Governance Seminar - Discussion on the Principles of Friendly Service and Financial Exploitation from the Perspective of the Treating Customers Fairly Principles." We also commissioned the accounting firm Deloitte & Touche to hold a 2-hour thematic course titled "Information Security Governance Strategies of Listed Companies for Corporate ESG Sustainability." All board members participated in this course to gain comprehensive insights into information security issues. In 2023, the total hours of training for all board members exceeded 120 hours (with an average of over 12 hours per member). Additionally, the Company compiles a risk management column and self-study materials on fair customer treatment (including financial friendliness), providing continuous education and training to board members to effectively establish a top-down culture of risk management and ensure the ongoing implementation of the TCF principles. For more detailed information on sustainability-related training courses for board members, please refer to CH1.2.2. Sustainability Outcomes.

2.1.3 Sustainability Performance Evaluation and Its Linkage with Compensation

Regarding the compensation of the Board of Directors and senior management, Fubon Life's "Guidelines for Directors' Remuneration" stipulate the range of remuneration, which is discussed and resolved by the Audit Committee and then submitted to the Board of Directors for approval on behalf of the shareholders' meeting. In 2023, the Company revised the Board of Directors' performance evaluation form, adding "the board's commitment and concert actions towards sustainable development, ethical management and adherence to the treating customers fairly principles" as an evaluation indicator, which accounts for 12.5%. In addition, we have established a performance evaluation mechanism for the Sustainable Development Committee, which incorporates the supervision of ESG and TCF implementation by committee members into the evaluation items of the Sustainable Development Committee, effective from the 2023 Board of Directors' performance evaluation process. The remuneration of Fubon Life's Chairman and Vice Chairman of the Board of Directors is deliberated by the Compensation and Nomination Committee and the board of our sole corporate shareholder, Fubon Financial Holding Co., Ltd., and is then approved by Fubon Life's Board of Directors on behalf of the shareholders' meeting in accordance with the law. The independent directors of Fubon Life's board participate in the process of determining the remuneration of the Chairman and senior executives. They provide objective and fair opinions on policies, systems, standards, and structures of remuneration.

The "Performance Evaluation and Remuneration Payment Guidelines for Executives" clearly state that executives receive bonuses based on the overall performance of the Company. The guidelines also include the "Bonus Deferral Guidelines" that consider the overall assessment of remuneration for the Chairman, Vice Chairman, and executives, taking into account the Company's long-term overall profitability, shareholder interests, and future risks. The Board of Directors regularly reviews the compensation of the management team to uphold the core values of the Company and safeguard shareholder rights. Office employees undergo an annual promotion and salary adjustment process in accordance with the Company's "Promotion and Salary Adjustment Management Regulations." The implementation of any promotion or salary adjustment requires approval by the Chairman.

2.2 Ethical Management

2.2.1 Ethical Management Policy and System

The core values of Fubon Financial Holdings and its subsidiaries are “integrity, sincerity, professionalism, and innovation." Integrity is of utmost importance as it serves as the foundation for corporate governance and sustainable business practices. Fubon Life adheres to the principles of integrity, transparency, and accountability in its operations, aiming to foster a culture of integrity and sound development. By establishing robust business practices and risk management mechanisms, the Company strives to create a sustainable operating environment and promote sustainable development. In line with the "Fubon Financial Holdings Ethical Corporate Management Best Practice Principles," Fubon Life has formulated the "Fubon Life Ethical Management Best Practice Principles," which has been approved by the Board of Directors and disclosed on the Company's intranet and compliance website for both office and field staff.

Establishment of A Dedicated Corporate Governance Unit

The Company has established a dedicated unit for corporate governance, the Corporate Governance Division. It consists of 13 corporate governance personnel under one corporate governance supervisor. The supervisor holds qualifications as a lawyer in Taiwan and the United States and has over 15 years of experience in legal affairs and compliance management in the financial and insurance industry. In addition to handling board and audit committee affairs, the Corporate Governance Division provides the directors with relevant laws and regulations, industry disciplinary cases, risk management columns, and the execution of the treating customers fairly principles from time to time. This aims to enhance the effectiveness of the board's decision-making and other corporate governance-related tasks. The Company's corporate governance measures also include qualifications screening for director nominations, appointments, and changes to assist directors in fulfilling their duties compliantly and exercising their supervisory functions.

Completing Various Corporate Governance Regulations

The Company adheres to the "Fubon Life Ethical Management Best Practice Principles" as the governing direction for promoting and implementing ethical business practices. It also complies with relevant regulations such as the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, and regulations specific to public listed companies and the insurance industry. These regulations serve as the premise and foundation for implementing ethical business practices. Furthermore, the Company has various corporate governance management regulations in place, and revisions are made in response to updates in laws and changes in industry practices to ensure the standardization and consistency of corporate governance and management.

Eradicating Unethical Behavior and Ensuring Effective Supervision

In accordance with provisions in the "Fubon Life Ethical Management Best Practice Principles" and "Fubon Life Ethical Management Operational Procedures and Guidelines," directors, executives, and employees are explicitly required to comply with the principles of honesty and integrity and refrain from engaging in unethical behaviors, including giving and receiving bribery, providing illegal political donations, improper charitable donations or sponsorships, offering unreasonable gifts, entertainment or other undue benefits, intellectual property infringement, unfair competition, and providing products or services that cause damage to customers or stakeholders. Preventive plans and measures are also in place. The "Employee Work Rules" and "Work and Workplace Discipline Management Regulations" also explicitly state employee obligations to protect trade secrets and uphold the principles of honesty and integrity. In addition, the Company revised the "Compulsory Withholding Personnel Management Guidelines" to include situations where employees engage in extravagant lifestyles inconsistent with their income, categorizing them as abnormal behaviors. This facilitates supervisors in implementing employee care initiatives as a reference.

As for the protection of business secrets in terms of information management, the Company adheres to the "Firewall Management Regulations" as it strengthens the confidentiality of customer information through information firewalls. Regulations for employees of Fubon Life and its subsidiaries regarding customer personal data, transaction data, and other related information are specified.

2.2.2 Internal Implementation of Ethical Management Measures and Mechanisms

Ethical Management Implementation Measures

According to Article 66, Paragraph 1 of the "Insurance Industry Corporate Governance Best Principles" and the "Implementation of the Principle of Ethical Management" of the Treating Customers Fairly Principles for financial service providers, insurance companies should formulate ethical management measures for compliance to ensure ethical management and prevent unethical behavior.

- Ethical management projects are implemented to strengthen the ethical management framework, establish mechanisms for assessing the risk of unethical behavior, and implement accountability systems. Phased goals have been achieved, and further measures will be refined within this framework to enhance the awareness of ethical management among all staff and foster a corporate culture of ethical management.
- In compliance with Article 26 of Fubon Life's "Ethical Management Best Practice Principles," the "Ethical Management Operational Procedures and Guidelines" were formulated and announced in March 2023 to supplement the attention points for compliance with the principles and enhance the Company's ethical management framework.
- In compliance with Article 8 of Fubon Life's "Ethical Management Best Practice Principles," all directors and senior management (department heads and above) have signed a declaration of commitment to ethical management, demonstrating the Company's commitment to ethical management.
- The Company encourages all departments to promote the Ethical Management Best Practice Principles. Those who meet the criteria can receive bonus points in compliance audits. All 88 departments of the Company completed the advocacy and met the compliance audit bonus criteria ahead of schedule with a 100% completion rate.
- In March 2023, we conducted education and training on the Ethical Management Best Practice Principles for Unit Compliance Officers (UCO) to further implement the principles of ethical management by strengthening the integrity mindset of each UCO.
- Fubon Life has disclosed the content of its "Ethical Management Best Practice Principles" on its official website to enhance the disclosure of information related to ethical management. In addition, in accordance with provisions in Article 8 of the "Regulations Governing Public Disclosure of Information by Life Insurance Enterprises," we have disclosed the relevant information on the Company's ethical management for public access on the insurance industry information disclosure platforms by the end of March 2023.
- In compliance with Article 17 of Fubon Life's "Ethical Management Best Practice Principles," the Company has reported to the Board of Directors on the implementation of its ethical management in 2022 in April 2023, and will regularly report to the Board of Directors annually.
- Ethical management-related items are added to the compliance manuals and self-assessment work papers of each department of the Company to implement self-assessment operations related to ethical management in each unit.
- To strengthen compliance with ethical management in overseas subsidiaries, we have provided the English translations of the "Fubon Life Insurance Co., Ltd. Ethical Management Best Practice Principles" and the "Fubon Life Insurance Co., Ltd. Ethical Management Operational Procedures and Guidelines" to each subsidiary. We supervise and assist each subsidiary in establishing ethical management norms. For example, the board of directors of our subsidiary in Vietnam passed the "Fubon Life Insurance Vietnam Co., Ltd. Ethical Management Best Practice Principles" at the end of 2023. For subsidiaries in Hong Kong and South Korea that already have similar regulations, we continue to supervise the assessment of their differences and make adjustments as necessary.

Accountability System

To comply with the regulatory standards set by the competent authorities to enhance the ethical management of senior management in the financial industry, the Company has formulated the "Fubon Life Insurance Co., Ltd. Responsible Management Guidelines for Executives" and established a manager responsibility map to strengthen ethical management. Under the accountability mechanism, it specifies the supervisory management responsibilities that executives should undertake. There were no accountability cases initiated in 2023.

Providing An Internal and External Whistleblowing Channel and Implementing Whistleblowing and Communication Mechanism

To establish a robust corporate governance mechanism in compliance with the "Insurance Industry Corporate Governance Best Practice Principles" and Fubon Life's corporate governance guidelines, the Company has dedicated an audit committee mailbox (auditcommittee.life@fubon.com) on our official website. Managed by the Corporate Governance Division, it serves as a channel for internal and external parties to file complaints. Furthermore, in accordance with the "Fubon Life Ethical Management Best Practice Principles" and the "Fubon Life Whistleblower System," both internal and external individuals may submit complaints to the Company through the channels disclosed on the Fubon Life intranet or official website, including written letters, emails, and hotline. In 2023, the Company received 29 reported cases, all of which were handled and resolved or continuously monitored until closure in accordance with the established procedures.
In 2023, we revised the "Fubon Life Whistleblowing System," which included amendments regarding the references for unethical behavior, provisions for initiating accountability procedures following the establishment of the accountability mechanism for executives, and additional provisions for the protection of relevant personnel assisting in the investigation of reported cases.

External Declaration and Commitments

The Company's commitment to ethical management policies is explicitly expressed in Fubon Group's management regulations, public documents, and Fubon Life's website. We also make timely declarations of our ethical management principles and standards at the investors conference and other external events. The senior management regularly emphasizes the importance of integrity and requires directors and senior executives to issue statements affirming their adherence to the ethical management policy. Compliance with the ethical management policy is also required in employment conditions and is fully implemented in internal management and external business activities.

Prevention and Management of Unethical Behaviors

In line with our commitment to ethical management, the Company completed the establishment of a mechanism for unethical behavior assessment in 2023, which has been integrated into our operational risk management system. The "Fubon Life Dishonest Behavior Risk Assessment Regulations" were also established to periodically evaluate the risk of unethical behavior in our business operations and review the adequacy and effectiveness of risk management measures related to ethical management, aiming to enhance the performance of risk management in ethical management.
The aforementioned mechanism for assessing the risk of unethical behavior includes risk identification, overall risk assessment, risk monitoring, and improvement in unethical behavior risks.

Risk identification of unethical behavior

- The Company identifies potential unethical behaviors by interviewing various units within the Company and referencing the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the "Insurance Industry Corporate Governance Best Practice Principles." Ten major risk types of unethical behavior have been established as assessment factors.

Overall risk assessment of unethical behavior

- In the process of establishing a risk assessment mechanism for unethical behavior, the Company completed an overall risk assessment of unethical behavior in early 2023. The assessment results did not exceed the residual risk tolerance targets.
- In accordance with the "Fubon Life Dishonest Behavior Risk Assessment Regulations," the Company conducts a comprehensive assessment of unethical behavior risks every three years and will continue to do so in the future.

Risk monitoring of unethical behavior

- The Company has established key risk indicators (KRI) for unethical behavior risks across all units and determined risk triggers (RT) for dedicated units. By monitoring KRI and RT monthly, the Company implements mechanisms for the prevention of and response to unethical behavior risk events, aiming to reduce the overall risk of unethical behavior.
- Unlike most peers, we have three insurance subsidiaries overseas. Therefore, in May 2023, the Company mandated all subsidiaries to establish their KRIs and RTs for unethical behavior risks, which all subsidiaries have complied, to enhance the monitoring of unethical behavior risks in subsidiaries.

Improvement in unethical behavior risks

- If abnormal circumstances arise in the aforementioned monitoring of unethical behavior risks, or if the overall residual risk of unethical behavior in the Company exceeds the risk tolerance targets, the Company's relevant units will propose risk mitigation plans to improve the risk situation.
- The Company's unethical behavior risk assessment mechanism has been integrated into the existing operational risk system. Each year, the appropriateness of the prevention and response indicators is reviewed, and the monitoring indicators for the following year are adjusted to enhance the control of the overall residual risk of unethical behavior in the Company.

Disciplinary and grievance system for unethical behavior

- In case of internal personnel engaging in unethical behavior, it will be addressed according to the disciplinary and grievance system for violations of ethical management regulations. In addition to regular analysis and evaluation of the appropriateness and effectiveness of preventive measures through the unethical behavior risk assessment mechanism, the Company's directors, executives, and employees are required to exercise the due diligence of a good manager. They should urge the Company to prevent unethical behavior and continually review the effectiveness and ongoing improvements to ensure the implementation of the ethical management policy. Furthermore, the Company stays informed about the development of ethical management regulations both domestically and internationally, encouraging directors, executives, and employees to make suggestions for reviewing and improving the Company's ethical management policies and measures, thereby enhancing the effectiveness of ethical management.

Over the past three years, Fubon Life has upheld integrity in its operations, with no incidents of corruption penalties. The "Fubon Life Ethical Management Best Practice Principles" prescribe preventive measures against unethical behavior, such as signing contracts with agents, suppliers, customers, or other business transaction parties, which include clauses for adhering to ethical management policies and provisions allowing for the termination or rescission of contracts if a party is involved in unethical behavior. Additionally, if there is sufficient evidence that a product or service may jeopardize the rights and interests of customers or other stakeholders, the sales of the product or service provided should be ceased immediately in principle.

Devising Internal Audit Plans and Enhancing Ethical Management Level

In accordance with provisions of the "Fubon Life Ethical Management Best Practice Principles," effective accounting systems and internal control systems are in place for business activities with a higher risk of unethical behavior. There should be no off-book or secret accounts, and these systems should be reviewed regularly to ensure consistent effectiveness. The internal audit unit develops relevant audit plans based on unethical behavior risk assessments and conducts audits to verify compliance with preventive measures. Audit results are reported to senior management and the dedicated unit responsible for ethical management, and audit reports are submitted to the Board of Directors.

Strengthening Ethical Management and Anti-Corruption Education and Training

By providing education, training, and advocacy, the Company ensures that relevant individuals fully understand the commitment, policies, preventive measures, and consequences of violations related to ethical management. The Company has been consistently implementing education and training on ethical management, including anti-corruption measures, as follows:

- Based on Fubon Life's "Ethical Management Best Practice Principles" and "Ethical Management Operational Procedures and Guidelines," the Company has developed educational materials and organized training sessions for directors, senior management, and general staff. All directors, senior management, and general office staff have completed the courses on ethical management and anti-corruption. As for field staff training, the completion rate is 99.3%. Moreover, the Company has sent the presentation on the "Ethical Management and Behavioral Guidelines" produced by Fubon Financial Holdings via email to all directors, ensuring that all directors are informed about the ethical management policies while reinforcing the Company's commitment to ethical management in line with Fubon Group's corporate culture rooted in integrity.
- Fubon Life consistently requires all employees, including new hires, to receive annual regulatory compliance education, which covers an introduction to the whistleblowing system. All office staff have completed training, and the training completion rate among field staff reached 99.5%.

Anti-Corruption Education and Training	2023- Life Insurance Mandatory Training on Regulatory Compliance (Anti-Corruption Included)	2023- Life Insurance Mandatory Training on Ethical Management Implementation and Risks (Anti-Corruption Included)
Course Content	1. Fubon Life's whistleblowing system 2. Whistleblowing channels and procedures 3. Whistleblower protection and reward measures	1. Behavioral risk overview 2. News and penalty cases of insurance company behavioral risks 3. Regulatory trends in unethical behavior 4. Fubon Life Ethical Management Best Practice Principles and Ethical Management Operational Procedures and Guidelines
Training Hours	2 hours and 40 minutes	1 hour
Coverage	100% completion rate among 4,000 office employees. 99.5% completion rate among 42,333 field employees.	100% completion rate among 4,025 office employees under level of directors, including the President. 99.3% completion rate among 36,762 field employees.

Adopting Ethical Management in Business Practices

In adherence to ethical management principles, Fubon Life conducts its business activities in a fair and transparent manner. Before engaging in business transactions, the legality and potential involvement in unethical behavior of agents, suppliers, customers, or other business counterparts should be carefully considered. Transactions with individuals or entities involved in unethical behavior should be avoided. Contracts with the aforementioned parties should include provisions stating compliance with the ethical management policy, and in the event that the counterparty is found to engage in unethical behavior, the contract may be terminated or rescinded at any time.

2.3 Regulatory Compliance

2.3.1 Regulatory Compliance Practices

Fubon Life has a compliance unit responsible for the planning, management, and implementation of compliance systems. Each year, in accordance with the annual compliance plan approved by the Board of Directors, various compliance practices are carried out. The Head Compliance Officer reports to the Board of Directors on a semi-annual basis to maintain an effective and appropriate compliance mechanism. Feedback on compliance practices is obtained through regular communication, consultation, and opinion-seeking with various departments. Regular or occasional reviews are conducted to understand the regulatory attitudes and trends through analysis of penalty cases and identify areas for improvement. This enables the Company to consistently enhance compliance efforts and mitigate non-compliance risks.

Regulatory Compliance Practices

1. Regulatory compliance risk assessment
2. Review of penalty cases in the industry
3. Management of regulatory changes
4. Maintenance of regulatory compliance manu
5. Self-assessment of regulatory compliance
6. Education, training, and advocacy on regulatory compliance
7. Management of product advertisements and public information
8. Monitoring of regulatory compliance risks
9. Evaluation of regulatory compliance performance
10. Management of Fubon Life's non-compliance cases
11. FATCA compliance practices and oversight of regulatory compliance activities of subsidiaries

Identifying and Monitoring Regulatory Compliance Risks – Regulatory Compliance Self-Assessment and Risk Assessment

Fubon Life's regulatory compliance unit has devised a self-assessment for regulatory compliance. Each unit conducts a self-assessment of its compliance with the applicable regulations every six months. If any deficiencies are identified, they should be addressed, and the self-assessment and improvement measures should be submitted to the regulatory compliance unit for review. Furthermore, a comprehensive regulatory compliance risk management and oversight framework has been implemented. Regular and occasional evaluations are conducted on key operational activities, products and services, use of funds or business projects, and significant customer complaints that may involve potential violations of laws and regulations. Weaknesses exceeding risk thresholds are addressed by requesting and supervising improvement plans and timelines to identify, prevent, and track instances of non-compliance with regulations.

Remaining Informed about Regulatory Trends – Review of Penalty Cases in the Industry

Fubon Life implements a review process for penalty cases in the industry. Penalty cases in the life insurance industry are collected as references for units responsible for internal control areas related to the facts stated in the penalty cases, and they are required to conduct self-assessments of their internal control measures. This aims to identify any operational weaknesses within the functions that are similar or related to the penalty cases, allowing for timely corrections and effective compliance with laws and regulations, thereby reducing the Company's compliance risks. Additionally, the regulatory compliance unit conducts random inspections on areas with a higher potential risk of penalties for the Company to assess the implementation status of relevant operations. In 2023, the responsible units corresponding to the scenarios in 17 peer penalty cases were all identified, and 37 inspection notifications and 26 reports were issued for 10 of those penalty cases.

RegTech – Regulatory Compliance Risk Management Platform Optimization and the Launch of Compliance+ Intelligent Compliance Platform

To optimize the overall workflow of the regulatory compliance risk assessment process, Fubon Life launched the "Regulatory Compliance Risk Management Platform" in the fourth quarter of 2020, along with phased optimization projects for the platform over the past three years. In 2023, we simplified the review process, introduced system administrator authority, and enhanced the backend regulatory import functionality to meet practical operational needs and improve efficiency. Going forward, we will continue to collect user feedback and assess potential enhancements to improve the platform's performance and efficiency.

The Company's regulatory compliance unit follows a real-time management mechanism for regulatory changes. Upon learning of any new or amended regulations pertinent to the Company's business, the "Regulatory Compliance Network" promptly sends out a regulatory change checklist, urging responsible units to confirm and take necessary actions. In addition, as the current "Regulatory Compliance Network" is in its early stage of development, to continuously enhance its functionality, the regulatory compliance unit collaborates with Fubon Financial Holdings' Innovative Technology Department to drive transformation through technology. This includes establishing the "Compliance+ Intelligent Regulatory Compliance Platform" project. In addition to the newly introduced regulatory change management platform, in 2023, we completed the construction of an external regulatory database and developed an AI-based engine system for internal and external regulations comparison, which replaces the manual collection of external regulations and manual interpretation of regulatory changes for business units, thereby increasing the efficiency and accuracy of regulatory change management. We will also continue to develop the regulatory change task system and test the developed modules.

Consumer Protection Compliance – Product Advertisement Review Operations

Fubon Life's regulatory compliance unit established the "Fubon Life Advertising Production and Utilization Management Policy" To ensure compliance with the Fair Trade Act, Consumer Protection Act, Financial Consumer Protection Act and Financial Industry Advertising Regulations, Insurance Act, official letters issued by competent authorities, and self-regulatory guidelines. Departments responsible for advertising production are required to follow the corresponding review procedures for the nature of the advertisement before release or use. The regulatory compliance unit conducts regular or random inspections and implements monitoring projects to verify the compliance of advertising production, dissemination, and utilization with relevant regulations.

Strengthening Compliance Monitoring – Implementation of Regulatory Compliance Monitoring Operations

On August 16, 2021, a new compliance monitoring and audit unit was established under the regulatory compliance unit to enhance the scope and depth of compliance monitoring and audit operations. It is responsible for conducting investigations on reported cases, verifying operational abnormalities reported by various units, conducting random inspections of relevant compliance operations in each unit and major project audits (monitoring), and executing and managing other regulatory compliance matters. In 2023, the unit conducted project inspections for 9 important regulatory compliance practices, monitored 23 cases involving violations of laws and regulations from the previous year, and completed operational process reviews for 25 departments.

2.3.2 Disciplinary Actions and Remedial Measures

The Company had 7 regulatory violations (overseas subsidiaries not included) in 2023, all of which had been addressed with corrective measures.

Type	Number of violations	Description
Environment	0	—
Society	4	These four cases were violations of occupational health and safety regulations and the Building Act
Products and services	0	—
Other violations or fines	3	These three cases were unrelated to anti-competitive practices, anti-corruption, or personal data breaches.

For a penalty imposed by the competent authority, the Company determines whether it is a significant violation of laws and regulations according to the "Fubon Life Management Measures for Violations of Laws and Regulations or Downgrading Incidents" based on the following criteria.

1. A significant penalty case of the Company announced by the Financial Supervisory Commission (FSC) on its official website in accordance with regulations.
2. A significant violation of laws and regulations specified by the competent authority and is required to be reported to the Board of Directors.
3. An event that results in a fine of NT$1 million or more by a domestic competent authority, audit authority, or other agency other than the FSC.
4. Dismissal or termination of duties of a director, vice president, or an employee above the job grade of the preceding positions.
5. An event that results in a fine of NT$3 million or more by an overseas competent authority; or any form of negotiation, reconciliation, or compensation with the competent authority resulting from the violation of laws and regulations that reaches the equivalent monetary value of NT$3 million or more.
6. A deficiency already subjected to a penalty by the competent authority that once again violates the same provision in law and is subjected to a penalty by the competent authority once again within one year of the issuance of the last penalty notice.

Monetary Penalties

In 2023, the Company had a total of 7 penalty cases, none of which were classified as significant violations. Four cases involved monetary penalties, accounting for approximately 57% of the total cases. The remaining 3 cases involved non-monetary penalties, accounting for approximately 43%.

For each penalty case, the regulatory compliance unit implemented management measures to address compliance deficiencies or malpractices, conducted root cause analysis, assessed potential impacts, and reviewed and tracked improvement implementation. All penalty cases that occurred in 2023 have been rectified with corrective measures, including adjusting, reinforcing, or optimizing forms, mechanisms, or operational processes, enhancing internal audit frequencies and awareness, and participating in penalty case workshops or professional training courses related to the penalized operations. Furthermore, the Regulatory Compliance Department has conducted assessments of the penalized units in accordance with the Company's "Regulatory Compliance Operation Assessment Guidelines."

Whether It Is A Significant Violation	Type	Violation Subject to Penalty	Amount of Fine	Corrective Measures
No	Society	Failure to declare basic construction (advertisement tower) for inspection as required by the Building Act.	A fine of NT$9,000 was imposed by Hsinchu County Government on April 18, 2023.	Internal awareness has been raised. For subsequent related constructions, regardless of the location, contractors are required to declare for inspection according to the basic construction specifications.
No	Society	Failure to construct according to the approved construction schedule	A fine of NT$30,000 was imposed by the Public Welfare Department of Taipei City Government on September 5, 2023.	Contractors have been instructed to perform road milling and paving operations within the stipulated times and to properly schedule the work period.
No	Other violations or fines	Unauthorized capital increase in the insurance industry in China	A fine of NT$160,000 was imposed by the Department of Investment Review, Ministry of Economic Affairs on May 2, 2023.	Adjustments have been made to internal operation schedules to expedite reporting procedures to meet the expectations of the Department of Investment Review.
No	Other violations or fines	Failure to respond to a court inquiry about debtor's assets, income, and business conditions	A fine of NT$5,000 was imposed by the New Taipei District Court on October 17, 2023.	Comprehensive improvements have been made to the enforcement system, including the addition of process control points and the enhancement of case alert functions.

Total Penalty Cases

2022 A total of 4 cases

2023 A total of 4 cases

Total Amount of Fines

2022 A total of NT$2.45 million

2023 A total of NT$204 thousand

Increase/Decrease Rate Compared with Fines Incurred from General Violations in 2022

2022 Total amount of fines incurred from general violations : NT$2.45 million

2023 Total amount of fines incurred from general violations : NT$ 204 thousand

Increase/decrease rate : -91.7%

Increase/Decrease Rate Compared with Fines Incurred from Significant Violations in 20222

2022 Total amount of fines incurred from significant violations : NT$ 0

2023 Total amount of fines incurred from significant violations : NT$ 0

Increase/decrease rate : 0%

Increase/Decrease Rate Compared with Penalties Incurred from Significant Violations in 2022

2022 Significant violations : 0 cases

2023 Significant violations : 0 cases

Increase/decrease rate: 0%

Non-Monetary Penalty Cases

Whether It Is A Significant Violation	Type	Violation	Penalty	Corrective Measures
No	Society	Fubon Life employees only watched the video on preventing unlawful harassment in the workplace without receiving in-person instruction.	The Taipei City Labor Inspection Office issued a correction order with a deadline for improvement on June 26, 2023.	The Company conducted 16 training sessions from July 11 to July 24, 2023, and compiled the training data to respond to the Labor Inspection Office, completing the required improvements.
No	Society	Failure to establish a workplace unlawful harassment prevention plan in accordance with the guidelines announced by the central government	The Taipei City Labor Inspection Office issued a correction order with a deadline for improvement on June 26, 2023.	The Labor Inspection Office approved the Company's revised workplace unlawful harassment prevention plan on July 3, 2023.
No	Other violations or fines	Fubon Life lacked an audit mechanism for the necessity and reasonableness of permissions required by its mobile applications and failed to retain relevant consultation records in writing for inspection.	The Life Insurance Association issued a correction advice on December 4, 2023.	The Company has revised relevant operational procedures, requiring a review of the permissions needed by the application before each system launch to ensure that they are proportionate to the services provided and to retain supporting documentation.

Increase/Decrease Rate Compared with Significant Penalties in 22022

2022 Significant non-monetary penalties : 0 cases

2023 Significant non-monetary penalties : 0 cases

Increase/decrease rate : 0%

2.4 Corporate Risk Management and Underwriting

The purpose of Fubon Life's risk management operations is to establish a well-functioning risk management organization, foster a risk management culture, implement effective risk management systems, and ensure the best interests of customers and shareholders, as well as the effectiveness of risk management.

In accordance with internal regulations, the Company regularly executes management mechanisms such as risk alerts, breach handling, exception management and reporting, and significant event reporting. In addition to conducting routine monitoring operations, risk mitigation measures, and reporting procedures, the Company's risk management unit regularly reports the risk management status and monitoring results to the Risk Management Committee and Board of Directors. For details on response and remedial measures related to risk control and management, please refer to CH2.4.3 Risk Assessment and Management.

Furthermore, Fubon Life upholds the principles of integrity and fairness in underwriting procedures. We thoroughly understand the suitability of customers and products to safeguard customer rights and perform rigorous risk screening in underwriting to ensure the safety of the Company's operations. For details on climate risk, please refer to CH6.1 Climate Risk Response.

2.4.1 Risk Management Organizational Structure

Board of Directors

Approve risk management-related policies and regulations, examine risk management reports and relevant information.

Chairman

President

Chief Risk Officer

Risk Management Division

- Maintain and strengthen risk management tasks within the division.
- Comply with the requirements of relevant domestic and international entities.
- Execute administrative tasks of the Risk Management Committee.
- Supervise risk management tasks of the departments under its jurisdiction.

Subsidiaries

Establish well-functioning risk management organization and effective risk management systems while ensuring the performance of such deployment.

Audit Committee

Oversee the Company's financial statements, internal control, regulatory compliance, and risk management.

Risk Management Committee

Formulate risk management policies and framework, risk measurement quantitative or qualitative standards, adjust risk categories, risk limits allocation and assumption methods based on changes in the operating environment, propose the risk management report to the Board of Directors quarterly.

Asset Liability Management Committee

Supervise the Company's asset liability management.

Operational Risk Management Committee

Strengthen each department's operational risk management operations, establish a comprehensive operational risk management framework.

2.4.2 Risk Management Policy and Guidelines

In accordance with the "Fubon Life Risk Management Policy," the Company adopts a three-line defense system based on international best practices to establish a risk management framework that includes risk appetite and limits, risk management mechanisms, and risk management documentation. The objective is to identify, measure, monitor, and report on potential risks using both quantitative and qualitative risk control techniques, taking into account the nature, scale, and complexity of the Company's businesses, and to effectively implement enterprise risk management (ERM).

Within the ERM framework, the Company conducts its own risk and solvency assessment (ORSA), which involves self-assessment and measurement of risk management practices and solvency. It is linked to the Company's operational objectives, investment business plans, risk management, and capital management.

The annual ORSA report includes the results of stress testing. Risk exposure positions in the stress test are based on assets in the future three-year (year-end), and risk factors are identified through risk identification processes. Suitable test scenarios are designed accordingly, and liquidity risks are assessed as well. The results and improvement measures are reported to the Board of Directors to assess the impact of various risk factors on the Company's financial strength and the effectiveness of strategies to address different extreme scenarios.

Fubon Life's Chairman approved the Climate Change Management Regulations in 2021, which include climate governance and a responsibility framework. Following the regulations and relevant guidelines from Fubon Financial Holdings, climate change risks and opportunities are regularly assessed. Climate change risk assessments have been conducted periodically since 2018 based on the TCFD climate risk assessment methodology to evaluate the vulnerability and impact levels of different risk factors and develop corresponding mitigation measures. In climate change response, the Company actively participates in relevant education and training, meetings, enhances external disclosure, and participates in Fubon Financial Holdings' TCFD enhancement project. Other climate change management measures are implemented as well, such as climate change risk exposure analysis, stress tests, analysis of flood potential at service locations, and sensitivity analysis of investment positions.

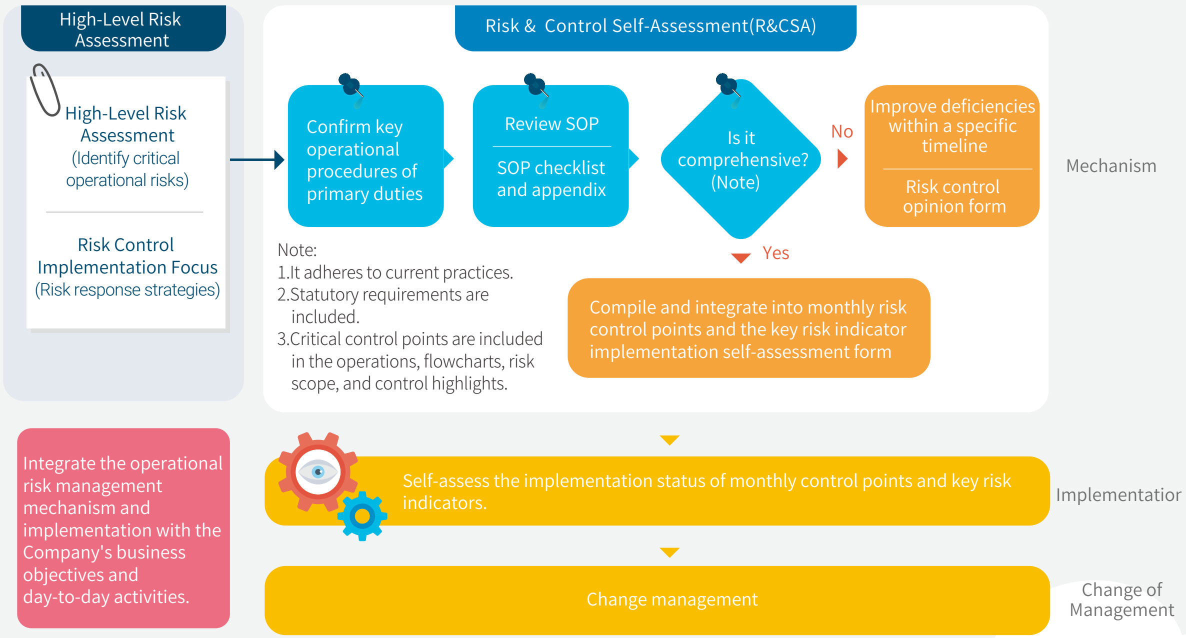
In liquidity risk management, risk indicators for fund liquidity risk and market liquidity risk are set to control the impact of fund inflows and outflows on liquidity and ensure the liquidity of assets. An emergency funding contingency plan is also in place, where responsible units coordinate fund management through an emergency notification mechanism to address significant liquidity risks in accordance with Fubon Life's Regulations for Significant Asset and Liability Risk and Liquidity Risk Event Reporting. Moreover, the Company adopts cash flow forecasting models to continuously assess and monitor future cash flow changes and evaluate whether the liquidity sources are sufficient to meet needs. If significant cash outflows are anticipated in the future, the Company will adjust its asset portfolio or allocate funds accordingly.

Fubon Life's statutory capital adequacy ratio meets the set risk appetite level. The Company adopts the ORSA assessment process for the statutory capital adequacy ratio, self-assessed capital requirements and results and evaluates measures such as increasing retaining earnings to strengthen risk and capital management, as well as ensuring appropriate management mechanisms within the Company.

2.4.3 Risk Assessment and Management

High-Level Risk Assessment

Fubon Life initiates a high-level risk assessment (HLRA) every year to identify and evaluate significant operational risks that the Company may face. The HLRA process involves collecting, analyzing, and consolidating information on internal and external operational risk changes and also incorporates guidance from senior executives on risk management priorities. It helps establish risk control priorities and response measures and provides key prompts for the annual risk and control self-assessment (R&CSA).



Evaluation Mechanism for Operational Risk Management and Effectiveness

Various self-assessments under the scope of R&CSA are scheduled to ensure the effective implementation of internal control mechanisms and generate qualitative/quantitative risk management data integrated into the risk management database for analysis. Statistical reports for risk monitoring and risk management decision-making are generated accordingly.

From the SOP, qualitative risk triggers (RT) and key risk indicators (KRI) are identified as risk monitoring points and are linked to control measures in the risk management mechanism. Monthly assessments are conducted to evaluate implementation effectiveness, and based on the results, risk mitigation actions such as risk avoidance, transfer, mitigation, or acceptance are determined to maintain the Company's risk exposure at an acceptable level and minimize the likelihood of unidentified risks.

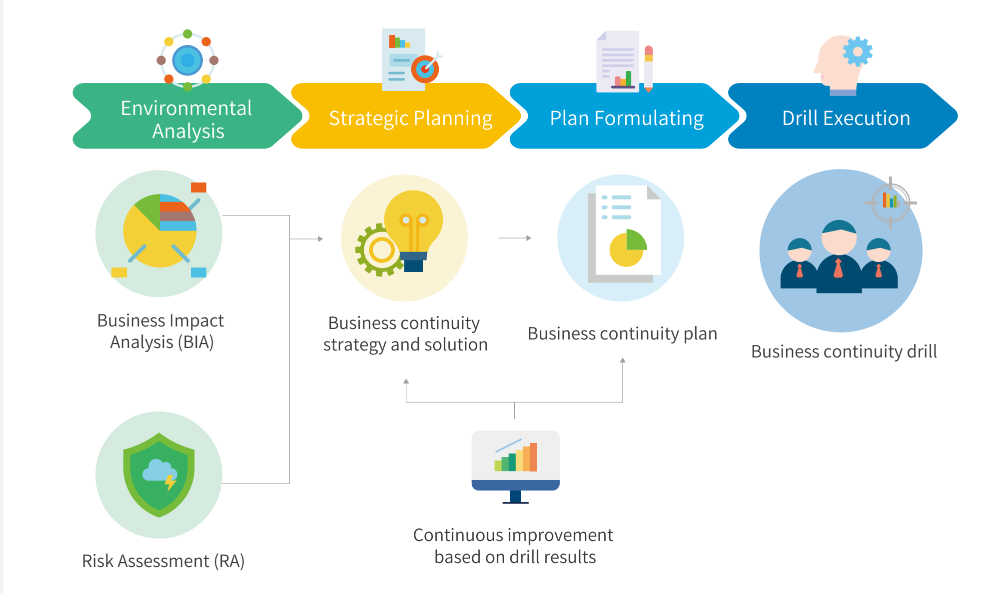
Business Continuity Management System (BCMS)

To effectively address the risks of operational disruptions, Fubon Life established a business continuity management system (BCMS) in 2021 to strengthen organizational resilience. In addition to meeting legal requirements, to further align with international standards, we obtained the ISO 22301:2019 BCMS certification in 2022 and passed the renewal review in 2023, ensuring that the business continuity mechanisms operate effectively to protect the interests of customers and stakeholders.

To facilitate and implement various business continuity management tasks, the Company has allocated dedicated organizations and task forces to manage daily operations and respond quickly to emergency situations. Through business impact analysis, we identify critical business functions that need priority protection and assess potential internal and external high-risk threats that could disrupt operations. This analysis helps in planning appropriate business continuity strategies and solutions, as well as developing emergency response and business continuity plans.

In addition to conducting training to enhance staff awareness of business continuity management, we also test the effectiveness of relevant plans and procedures through various drills. To improve business continuity management capacity, the Company regularly organizes off-site backup drills that involve practical business tasks to identify potential issues and risks during drill procedures, thereby refining operational processes. In 2023, 50 department-level units and 200 personnel from our IT, cybersecurity, and business departments participated in off-site backup drills to verify the effectiveness of backup mechanisms and strengthen our staff's response capabilities to emergencies, thus enhancing organizational resilience.

Business continuity management system operational mechanism



In November 2023, Fubon Life received the "2023 SGS IT Awards Excellence in Business Continuity Management" as the only insurance company to receive this award. The organizer highly commended the firm commitment of our senior management to business continuity management and the effective implementation of its practices by all responsible units. The recognition also highlights our consistent efforts in enhancing our business continuity management system.


Tabletop drill emergency response

As Fubon Life has demonstrated its commitment to maintaining personnel safety and protecting customer rights in our "Business Continuity Management Policy," we will continue to refine and enhance our BCMS and personnel training in accordance with the ISO 22301 international standards and best practices. The goal is to respond swiftly to risk events, minimize corporate damage, maintain and restore the operational capabilities of critical business functions, demonstrate organizational resilience, and achieve business sustainability.

Fubon Life received the SGS Business Continuity Management Excellence Award.

Significant Risk Management

	Improper risk control and management	Climate risk impact
Issue	Economy/people	Economy/environment/people
Possible Impact on Fubon Life	Improper management of external emerging and market risks, as well as internal credit, operational, liquidity, and other risks, can lead to situations where business activities exceed the Company's risk appetite or result in idle capital. This may cause significant compliance violations or operational losses, and affect the interests of customers, shareholders, and other stakeholders.	Failures to effectively manage climate risks have exacerbated the impacts of climate change. This includes failures in implementing investment climate risk management, leading to capital flows into high-carbon industries, or failures in operational carbon reduction actions resulting in increased greenhouse gas emissions. Consequently, this leads to climate-related disasters affecting the economy, environment, and society.
Responsible Unit	Risk Management Division Operational Risk Management Department	Risk Management Division Investment Planning Department Corporate Secretary & General Affairs Department Occupational Safety Management Department Sustainability Development Department
Countermeasures	In monitoring and responding to asset risks, the Company implements management mechanisms such as risk alerts, breach handling, exception management reporting, and significant event notifications, in accordance with relevant internal regulations. In addition to these mechanisms, the risk management unit regularly reports on risk management status and monitoring results to the Risk Management Committee and the Board of Directors. For operational risks, a combination of risk mitigation, avoidance, transfer, and acceptance can be employed as response measures. The Company conducts the risk and control self-assessment (R&CSA) monthly, as well as occasional specific risk and control self-assessments and the management of changes to enable dynamic responses to changes and continuous improvement in risk management.	Refer to CH6.1 Climate Change Response for more details.

Emerging Risk Management

In light of the rapid development of emerging technologies, which may have significant impacts on the Company's operations, Fubon Life follows the guidelines outlined in the "Fubon Financial Holdings and Subsidiaries Emerging Risk Management Guidelines" and "Fubon Life Emerging Risk Management Regulations" to enhance focus and management of related risks. Thematic risk assessments are launched, and emerging risk identification procedures are conducted regularly to develop corresponding measures.

The management of emerging risks at Fubon Life is based on the Global Risks Report published by the World Economic Forum (WEF). Each unit annually reviews and assesses risk factors associated with emerging risks, including business relevance, vulnerability (readiness/adaptability), and impact (direct/indirect financial impact). Risks are prioritized based on impact levels, and mitigation measures for significant emerging risks are devised accordingly.

The three significant emerging risks identified in 2023 and corresponding mitigation measures are as follows.

	Emerging Risk	Mitigation Measures
Top 1	Geopolitical Risk - Geo-economic confrontations	1. Regularly perform risk management mechanisms for market, credit risk, and asset-liability, adjust related policies and systems, and increase responsive manpower when events occur. 2. Establish various risk warning indicators and risk limit monitoring, routinely perform risk valuation, stress tests, and national risk assessments, observe whether the impact of risk factors is expanding, and adjust investment positions timely.
Top 2	Economic Risk - Prolonged economic recession	1. Establish various risk warning indicators and risk limit monitoring, routinely perform risk valuation, stress tests, and national risk assessments, observe whether the impact of risk factors is expanding, and adjust investment positions timely. 2. Adapt product promotion strategies to market conditions, offer customers conservative and stable asset appreciation products, enhance training, and provide business cycle-related promotional tools for customers and frontline staff.
Top 3	Social Risk - Communicable diseases	1. Continuously monitor the development of communicable diseases internationally, closely monitor financial market changes, and implement risk control and emergency response mechanisms. 2. Strengthen overall economic research and bond portfolio management, observe whether the impact of risk factors is expanding, and adjust investment positions opportunistically.

A comprehensive assessment was conducted on emerging risks, and the results were reported to the management level as a strategic reference for business. By continuously monitoring emerging risks and tracking the implementation of risk mitigation measures, Fubon Life effectively implements emerging risk management.

2.4.4 Underwriting Risk Management

Establishment of Reliable and Safe Underwriting Risk Management Mechanisms to Fulfill the Duty of Care

Fubon Life evaluates the risk levels of insurance policies in four aspects and categorizes them accordingly. Based on the type and level of risk associated with the insurance products, corresponding underwriting strategies are implemented to prevent unacceptable insuring risks, which allows the Company to expand its underwriting capacity in a suitable and secure manner. Additionally, the Company actively cultivates underwriting talents and utilizes financial technology to enhance mobile underwriting functions, including the easy underwriting review process, further contributing to the improved effectiveness of the underwriting processes.

Medical Risk: The customer's physical condition, history of past illnesses, or ongoing medical treatments can be assessed through the health information provided in the insurance application or medical examination reports. These details are then compared to the risk classification guidelines outlined in the Company's medical underwriting manual, and risks are categorized accordingly.

Financial Risk: The customer's financial status and the Company's or other insurers' records of insurance coverage (including the sum insured and premiums) can be obtained from the salesperson's report and financial declaration. The customer's economic needs, ability to sustain premium payments, and suitability for insurance coverage are assessed accordingly.

Personal Risk: Different insurance premium rates are determined based on the customer's gender and age. For example, in the case of accident insurance, different premium rate standards may apply based on the occupational risk

Other Risks: Abnormal signs that indicate improper sales practices or suspicious activities such as money laundering or terrorist financing. Abnormal patterns pertinent to new policy applications are outlined, and the system is configured to generate warning messages for cases that exhibit such abnormal patterns or involve high-risk customers and conduct enhanced reviews to reinforce the verification of identity and the source of premiums.

To strengthen risk management and ensure regulatory compliance, the Company has established the "Fubon Life Underwriting System and Procedures" based on the Regulations Governing Business, Solicitation, Policy Underwriting, and Claims Adjusting of Insurance Enterprises, serving as a guideline for underwriters. Regular reviews of underwriting standards are conducted as well. Underwriters evaluate and classify the information provided by customers in the application forms and supporting documents according to the Company's underwriting rules and medical review criteria, and appropriate underwriting conditions are provided based on the characteristics of the insurance products. Underwriters also carefully consider factors such as the applicant's age, expressed intentions, physical condition, and financial status to ensure the suitability of the insurance coverage.

Comprehensive Risk Assessment

Underwriters follow specific underwriting procedures to ensure proper management of underwriting risks.

Underwriting Authorization
- Varying authorized underwriting limits are determined based on the underwriters' experience in underwriting.
- Insurance cases that exceed the authorized underwriting limits should be transferred to personnel with appropriate authorization levels, as outlined in the delegation of authority table, for further underwriting approval.

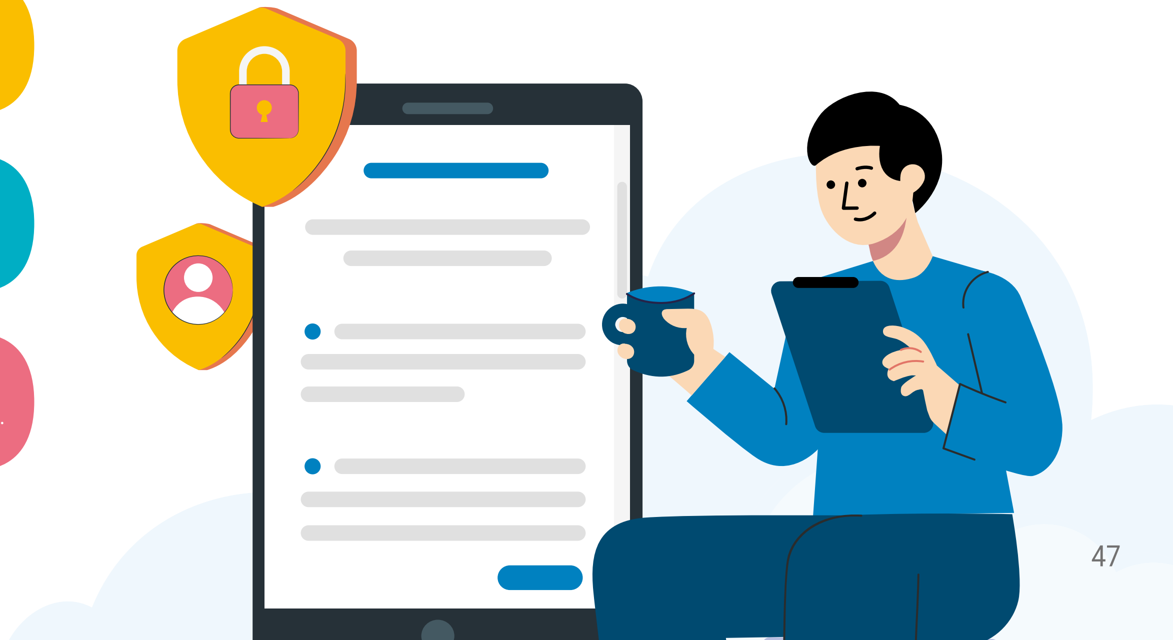
Regulatory Compliance
- A monitoring and management mechanism will be established in response to regulatory changes to ensure that adjustments in operational units are completed within the statuary timeline.

Audit Operation
- Operational units conduct self-audits on a monthly basis.
- The Regulatory Compliance Department and Audit Office conduct underwriting audits regularly or occasionally.

Underwriting Risk Management
- The Underwriting Department reports the implementation status of underwriting risk control and management on a quarterly basis. The report includes a risk overview and the impact of recent regulatory changes on underwriting operations.

Fubon Life provides regular group training and professional courses to enhance the expertise of underwriting professionals, ensuring that all staff members have sufficient knowledge of underwriting and stay vigilant for abnormal patterns in customer applications when conducting underwriting reviews. This further ensures reasonable risk assessments that meet legal requirements and reduce the occurrence of complaints resulting from erroneous judgments.

Underwriting-related Training	Description	Total Training Hours	Completion Rate among Underwriting Staff	Coverage among Underwriting Staff
Group Training	Course materials include announcements issued by competent authorities, the Company and each department, as well as laws and regulations, issues, special cases concerning underwriting reviews.	5,730	100%	100%
Underwriting Professional Training	Based on the required professional competencies of the underwriting staff, different training courses are organized, covering the Insurance Act and relevant regulations, product introduction and underwriting rules, underwriting operation systems, risk screening, and other topics.	840	100%	100%



3 Chapter

Reliability

Fubon Life is committed to talent development and cultivation in four primary directions: "Workplace Diversity, Inclusion and Human Rights," "Employee Compensation and Benefits," "Talent Development and Cultivation," and "Occupational Health and Safety." In addition to providing rich and diverse learning resources and career development opportunities to encourage personal advancement among employees, the Company also prioritizes the protection of labor rights and actively adheres to various international human rights conventions. In terms of employee compensation and benefits, we regularly participate in market salary surveys to ensure that our compensation remains competitive based on market salary levels, economic trends, and individual performance adjustments. Moreover, we provide employees with comprehensive services and organize employee care action plans, aspiring to be a happy enterprise where employees can enjoy good health and work-life balance, learn with pleasure, and contribute to society.

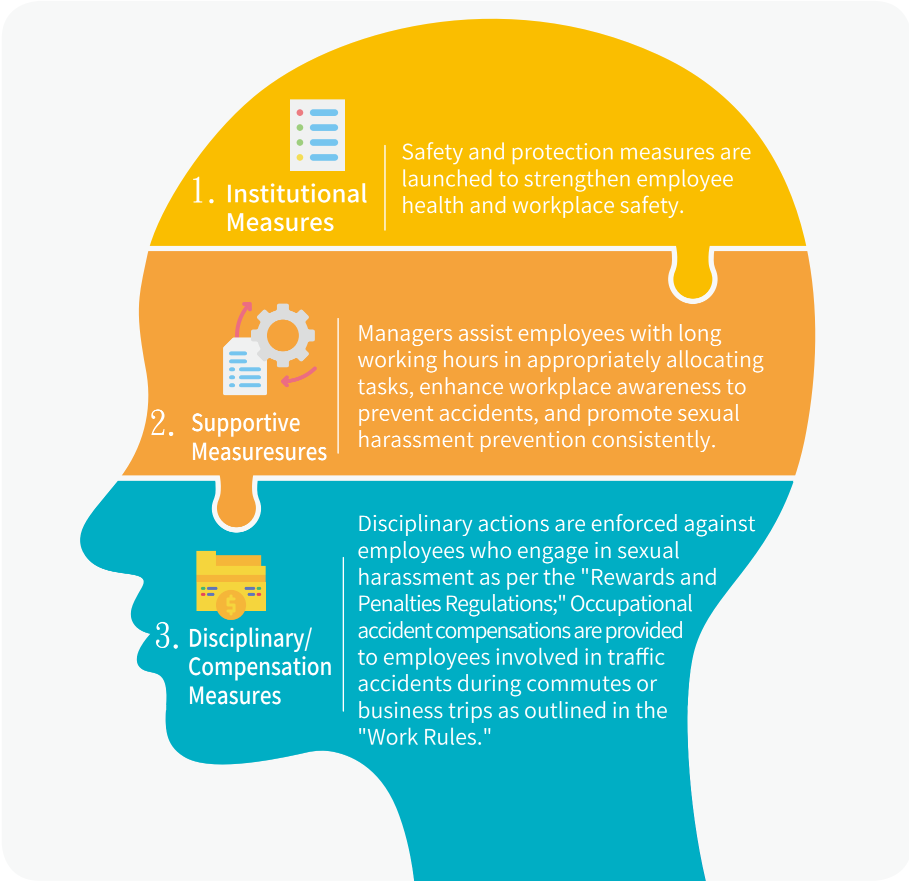
3.1 Workplace Diversity, Inclusion and Human Rights

Fubon Life is committed to upholding basic human rights, eliminating any acts that violate or infringe upon human rights, and ensuring that all individuals are treated fairly and with dignity. We refer to the UN Guiding Principles on Business and Human Rights and the Core Labor Standards of the International Labour Organization (ILO) in revising our human rights policy, which has been approved by the Board of Directors and implemented through relevant measures. We have established an environment that ensures human rights based on protection, respect, and compensation, echoing and adhering to international instruments such as the United Nations Universal Declaration of Human Rights, Global Compact, International Labour Conventions, Principles for Responsible Investment, Equator Principles, and local laws. We approach all employees, partners (including customers), suppliers and their employees with fairness and mutual respect, striving to create a diverse, fair, and inclusive work environment. In the event of any human rights-related incidents that are substantiated through investigation, the Company will handle them in accordance with internal regulations and intensify advocacy efforts to prevent recurrence. For detailed information about our human rights policy, please refer to Fubon Life's official website.

3.1.1Promoting Human Rights Issues in the Workplace

Fubon Life has established "Employee Complaint and Handling Guidelines" and "Guidelines for Investigating Sexual Harassment Complaints and Disciplining Offenders" to address workplace human rights issues. Employees can file complaints through various channels, including the hotline, fax, email, and the labor union. All complaints and feedback are handled by designated personnel bound by strict confidentiality obligations regarding individual cases. Currently, all complaint channels function normally. The Company also implements the "Plan to Prevent Unlawful Violations in the Workplace," which includes identifying and assessing risks, as well as providing occupational safety education and training in each department. A handling team, consisting of representatives from the HR department, legal department, labor union, and occupational safety personnel, is responsible for addressing complaints of unlawful violations. Complaints are thoroughly investigated within a specified timeframe, following a fair, reasonable, and legal process to establish facts. A committee conducts impartial reviews to ensure comprehensive handling of the complaints. No cases of unlawful violation were substantiated in 2023.

Following the human rights due diligence investigation directed by Fubon Financial Holdings, Fubon Life has established a human rights due diligence process based on the reporting framework of the "United Nations Guiding Principles on Business and Human Rights." This process is designed to manage human rights risks effectively, including the identification of human rights issues and individuals susceptible to these issues, regular risk assessments, the formulation of mitigation and compensation measures, and public disclosure and publicly available grievance mechanisms. Consistent efforts are made to implement mitigation plans across all operational locations as follows.



The Company continues to promote workplace diversity and human rights education and advocacy. The following table shows the statistics of the number of office and field personnel who received training on human rights issues from 2021 to 2023, as well as training hours. There were no reported cases of discrimination during this period.

Office Staff

Training on Human Rights Issues	2021			2022			2023		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Training hours	646	1,870	2,516	10,348	26,794	37,142	7,445	18,863	26,308
Number of employees trained	749	2,039	2,788	1,167	2,648	3,815	1,221	2,775	3,996
Total number of employees	1,171	2,651	3,822	1,234	2,758	3,992	1,239	2,781	4,020
Percentage of trained employees	64.0%	76.9%	72.9%	94.6%	96.0%	95.6%	98.5%	99.8%	99.4%

Field Staff

Training on Human Rights Issues	2021			2022			2023		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Training hours	66,385	108,280	174,665	84,966	141,323	226,289	82,030	140,722	222,752
Number of employees trained	13,277	21,656	34,933	12,138	20,189	32,327	12,210	20,341	32,551
Total number of employees	13,277	21,656	34,933	12,138	20,189	32,327	13,634	20,701	34,335
Percentage of trained employees	100%	100%	100%	100%	100%	100%	89.6%	98.3%	94.8%

Note:
1. Office staff
   (1) Office staff refers to all the employees who were in service as of December 31, 2023.
   (2) The human rights training courses for office staff include:
      i. Occupational safety and health education
      ii. Courses on treating customers fairly principles
      iii. Courses on sexual harassment prevention and control
      iv. Courses on financial inclusion, the Convention on the Rights of Persons with Disabilities, and elderly-friendly initiatives
2. Field staff
   (1) Field staff refers to the registered agents in sales channels, who are part-time workers, including contracted personnel.
   (2) The human rights training courses and hours for field staff:
      i. Occupational safety and health in-service education and training (1 hour)
      ii. Friendly financial services (including the Insurance Industry Friendly Financial Service Guidelines & Practical Q&A, United Nations Convention on the Rights of Persons with Disabilities, procedures for soliciting persons with disabilities, and mechanisms for insurance agents to assist persons with disabilities in obtaining insurance) (1 hour)
      iii. Treating customers fairly principles (3 hours)
      iv. Courses on safeguarding the insurance rights and benefits of elderly customers (2 hours) (This training has been mandatory since 2022. Therefore, the training hours were 5 hours for 2020 and 2021 and 7 hours for 2022 and 2023. Solicitors who have not completed training in the current year may attend makeup training the following year. For solicitors who still fail to complete training, their solicitor registration shall be revoked by the employing company in accordance with Article 13 of the Regulations Governing the Supervision of Insurance Solicitors.)

(3) The total number of employees refers to the number of employees who should receive the training, which is the number of employees in service at the time of each annual training.
(4) The total number of employees trained refers to the number of employees who have completed the training, including agents who have left the company after training.
(5) The percentage of trained employees is calculated as the number of employees who have completed the training divided by the number of employees who should receive the training. Those who have not completed the training can make it up the following year, hence the number and percentage of trained employees from the previous year may vary.

Implementing Labor-Management harmonious Communication for the Collective Agreement

Fubon Life and Fubon Life Labor Union signed collective agreement on May 8, 2024. The agreement contains 24 articles in total, including a number of labor conditions and employee benefits that are better than the law, and implements its commitment to caring for employees.

3.1.2 Implementing A Culture of Diversity and Equality

Workplace Gender Equality Implementation Certified by Competent Authority

Fubon Life actively promotes various gender equality measures in the workplace and provides support for employees to achieve work-life balance through childbirth and childcare subsidies. In November 2023, we received the gender equality certification from the Taipei City Government. Going forward, we will continue to promote human rights in the workplace, provide diverse and fair talent retention and human resource development plans, and encourage employees to advance sustainably with the Company.

Striving for equitable Pay

In order to attract outstanding talents and motivate high-performing employees, Fubon Life adjust salaries of internal staff every year based on performance and market standards. There will be no differential treatment based on gender, to continue to maintain salary competitiveness.

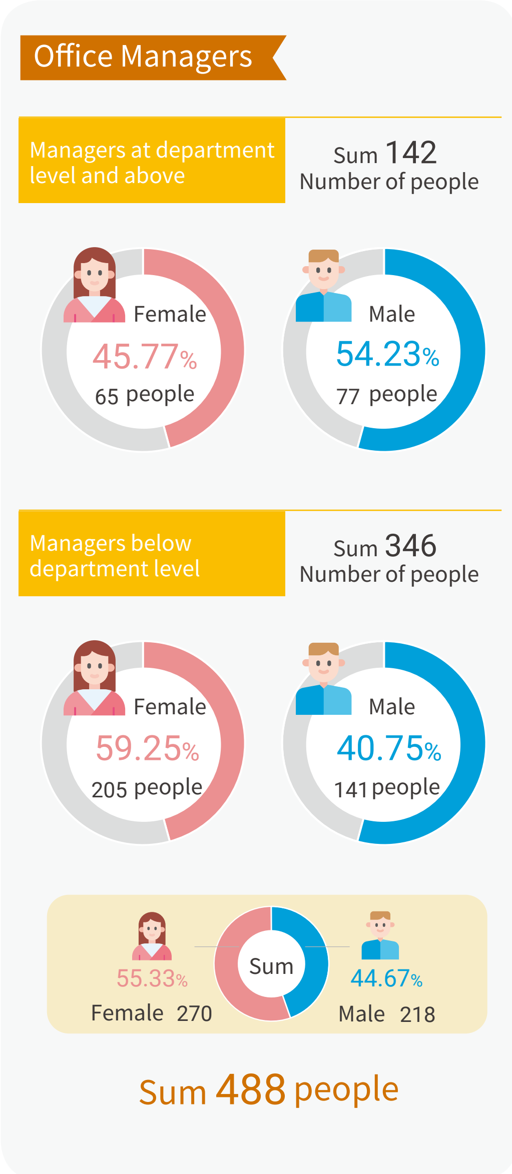
The comparison of salary by gender for office and field staff from 2021 to 2023 is shown in the table as follows.

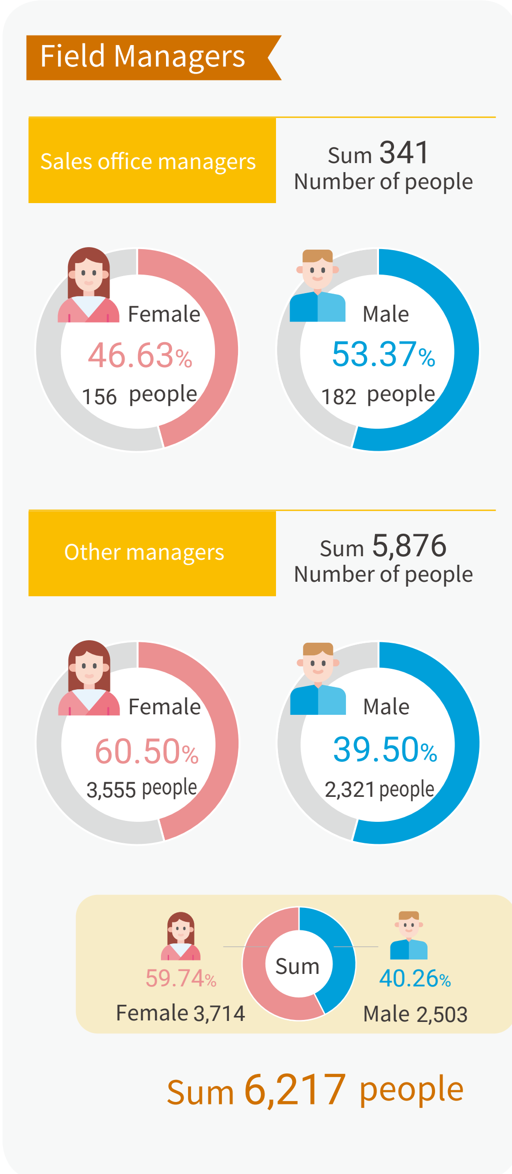
Base Salary	2021	2022	2023
	Female to Male	Female to Male	Female to Male
Vice president and higher executives	101：100	105：100	100：100
Managers below the level of vice president (department and section managers)	99：100	100：100	99：100
Non-managerial staff	84：100	84：100	85：100

Annual Salary	2021	2022	2023
	Female to Male	Female to Male	Female to Male
Vice president and higher executives	93：100	91：100	85：100
Managers below the level of vice president (department and section managers)	98：100	100：100	99：100
Non-managerial staff	83：100	83：100	84：100

Gender Equality in the Management Level

The gender ratio among Fubon Life's managerial personnel is balanced. Among office managers including the President, division and department managers, the percentage of female division managers under the President is 53.3%, while the percentage of female managers at the department level and above is 45.8%. Among managers below the department level, the percentage of females is 59.3%. Among field staff, the percentage of female managers in sales offices is 46.6%, and in other departments, it is 60.5%. Overall, the gender ratio of managerial positions at all levels has reached one-third.

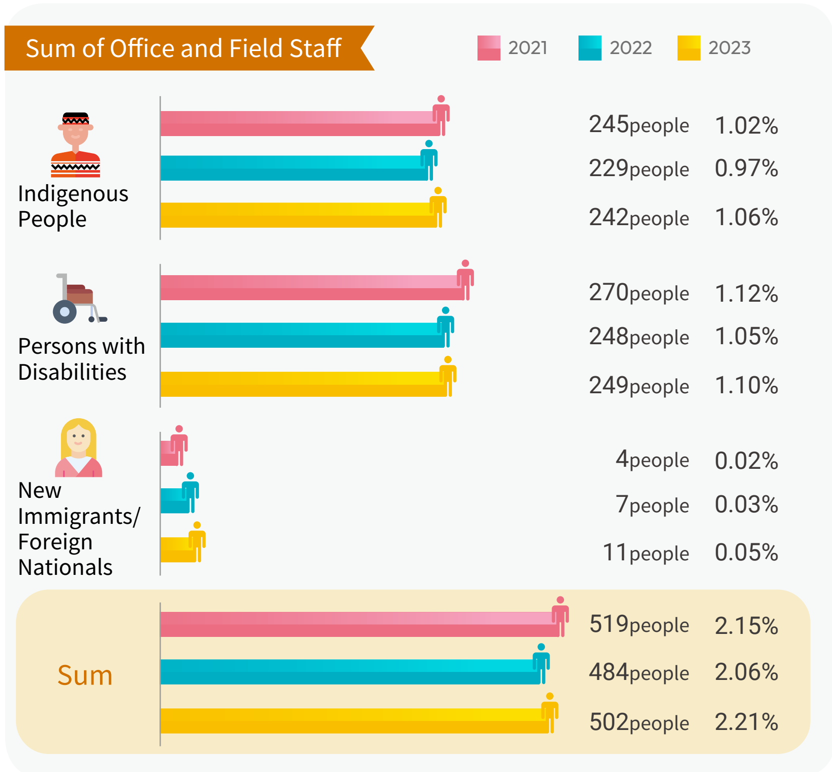




Encouraging the Employment of Indigenous People and Persons with Disabilities, Building A Friendly Work Environment

Fubon Life encourages the employment of indigenous people and persons with disabilities. In 2023, the average monthly employment of individuals with disabilities by the Company exceeded the statutory quota. As of the end of 2023, approximately 1.1 persons with disabilities capable of employment were employed per hundred employees. To create a friendly environment, the Company has also announced the "Incentive Program for National Sign Language Interpretation Certificate (Level C and Level B)." The incentive amount is NT$10,000 for Level C and NT$20,000 for Level B, along with commendations, to encourage employees to enhance their diverse professional skills and improve their interaction and communication abilities with individuals with disabilities.

The company-wide employment statistics from 2021 to 2023 are as follows.



3.2 Employee Compensation and Benefits

Fubon Life's employees and senior executives are primarily local Taiwanese, and the Company strictly complies with relevant labor laws in the employment of foreign workers. We have never employed child labor. To attract and retain talent, the Company participates in salary market surveys annually to ensure competitive compensation and adjust salaries based on market standards. We strive to maintain a compensation system and various benefits that are externally competitive, internally fair, and linked to performance, ensuring equitable pay and multiple welfare options.

3.2.1 Employee Performance Evaluation System

Linking Executive Remuneration Structure to Performance Review to Inspire the Implementation of Corporate Core Values and Ensure Shareholder Rights

The annual performance objectives for the CEO and senior executives of the Company include financial indicators such as revenue and profitability. Internal controls and regulatory compliance are incorporated into key evaluation criteria as well. Emphasis is placed on achieving operational objectives effectively through rigorous internal control procedures based on integrity and regulatory compliance. Moreover, to implement environmental sustainability and ensure business viability, the effectiveness of CEO and senior executive oversight in the four ESG strategies - Decarbonization, Digitalization, Empowerment, and Connection, is integrated into performance objectives with a minimum weight of 5%.

Linking Employee Performance Targets with ESG Strategies to Build Consensus among All Staff on Corporate ESG Visions

All full-time employees of Fubon Life undergo regular annual performance reviews. The annual performance evaluation includes indicators linked to the implementation of financial consumer protection and fair customer treatment and is effectively tied to performance bonuses. In addition to the section for individual goals on the annual performance evaluation form, "positivity" (i.e., the planning, promotion, or implementation of relevant action plans related to job responsibilities under the four strategies of decarbonization, digitalization, empowerment and connection based on Fubon Financial Holdings' Sustainable Operation (ESG) Visioning blueprint) is included as one of the mandatory evaluation criteria in the workplace behavior section, with a weight not less than 10% of that section (individual goals account for 70% of the performance evaluation, and workplace behavior accounts for 30%). Through the performance management mechanism, consensus among all employees on the ESG strategy vision blueprint is established from top to bottom, guiding employees to implement ESG initiatives in their daily work. The evaluation results will be effectively linked to employees' bonuses in accordance with the "Performance Evaluation Regulation," aiming to encourage employees to continue their collaborative efforts and growth in line with the Company's policies.

3.2.2 Employee Composition, Compensation, and Retirement System

Fubon Life is committed to maintaining a stable internal talent pool while also attracting potential talents externally. 99% of the office staff are employed under full-time non-fixed term contracts, while part-time employees and employees under fixed-term contracts account for approximately 1%. The Company also continues to provide internship opportunities through industry-academic collaboration programs, which offer learning opportunities to interns as they explore their career paths, thereby increasing their success rate in transitioning from graduation to employment.

Office Staff

Statistics by Gender	Male	Percentage	Female	Percentage
Full-time employees	1,226	30.50%	2,762	68.71%
Part-time employees	13	0.32%	19	0.47%
Sum	1,239	30.82%	2,781	69.18%
Employees under non-fixed term contracts	1,221	30.37%	2,742	68.21%
Employees under fixed-term contracts	18	0.45%	39	0.97%
Sum	1,239	30.82%	2,781	69.18%

Field Staff (under Non-fixed Term Contract)

Statistics by Gender	Male	Percentage	Female	Percentage
Full-time employees	25	0.13%	21	0.11%
Part-time employees	6,945	37.13%	11,715	62.63%
Sum	6,970	37.26%	11,736	62.74%

Note 1.Full-time employees (Fubon Life's office staff under non-fixed term contracts): According to Article 30, paragraph 1 of the Taiwan Labor Standards Act, full-time employees work the normal working hours of 40 hours per week and 8 hours per day.

Note 2.Part-time employees: Part-time employees are those whose working hours do not meet the conditions of full-time employees (40 hours per week and 8 hours per day). Part-time employees have the same statutory rights as full-time employees, but their basic wages or vacation entitlements may be reduced proportionally based on their working hours. Most of the Company's field staff are part-time employees under non-fixed term contracts.

Note 3.Employees under fixed-term contracts (including interns): They are hired under fixed-term contracts only under special circumstances for temporary, short-term, seasonal, or specific projects. When the contract expires, they are required to leave the job unless the employer agrees to renew the contract. They are not entitled to severance pay. The employer is required to contribute to their retirement funds.

Office Staff

All Staff Statistics		2021		2022		2023	
		Male	Female	Male	Female	Male	Female
Age	Under 30	139	408	171	453	161	447
	Percentage	11.87%	15.39%	13.86%	16.42%	12.99%	16.07%
	30-50	725	1,707	728	1,685	717	1,616
	Percentage	61.91%	64.39%	59.00%	61.09%	57.87%	58.11%
	Over 50	307	536	335	620	361	718
	Percentage	26.22%	20.22%	27.15%	22.48%	29.14%	25.82%
	Sum	1,171	2,651	1,234	2,758	1,239	2,781

Field Staff

All Staff Statistics		2021		2022		2023	
		Male	Female	Male	Female	Male	Female
Age	Under 30	2,733	2,439	2,306	2,248	2,525	2,391
	Percentage	35.65%	19.36%	32.01%	18.16%	36.23%	20.37%
	30-50	3,868	6,735	3,825	6,644	3,478	6,209
	Percentage	50.46%	53.45%	53.09%	53.66%	49.90%	52.91%
	Over 50	1,065	3,427	1,074	3,489	967	3,136
	Percentage	13.89%	27.20%	14.91%	28.18%	13.87%	26.72%
	Sum	7,666	12,601	7,205	12,381	6,970	11,736

Newly hired office staff in 2023 accounted for 9.6% of the Company's staff. The average percentage of new hires for the past 3 years is approximately 9.5%. The turnover rate for office staff was 8.7%, and a stable trend over the past three years in turnover rate was observed. The statistics for the number of new hires and turnover from 2021 to 2023 are presented in the table as follows.

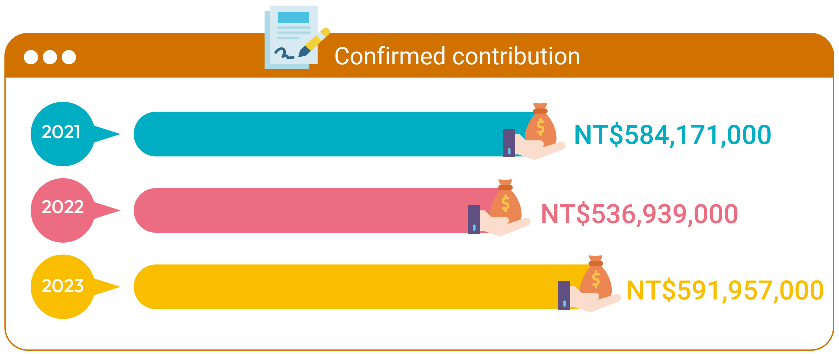
Office Staff		2021		2022		2023	
		Male	Female	Male	Female	Male	Female
New Hires Statistics							
Age	Under 30	52	126	76	156	57	131
	30-50	77	94	86	137	79	108
	Over 50	7	7	4	5	3	3
	Sum	136	227	166	298	139	242
Diversity	Indigenous people	0	0	0	4	0	3
	Persons with disabilities	1	1	0	3	2	0
	New immigrants/foreign nationals	1	0	2	1	0	2
	Sum	2	1	2	8	2	5
Employee Turnover Statistics							
Age	Under 30	28	62	34	79	36	74
	30-50	62	91	54	104	77	114
	Over 50	15	34	29	34	21	24
	Sum	105	187	117	217	134	212
Diversity	Indigenous people	0	0	0	2	0	0
	Persons with disabilities	0	2	0	2	0	0
	New immigrants/foreign nationals	1	1	0	0	0	0
	Sum	1	3	0	4	0	0

Field Staff		2021		2022		2023	
		Male	Female	Male	Female	Male	Female
New Hires Statistics							
Age	Under 30	1,123	865	1,196	1,163	1,687	1,493
	30-50	404	745	650	1,217	853	1,567
	Over 50	61	183	112	351	113	396
	Sum	1,588	1,793	1,958	2,731	2,653	3,456
Diversity	Indigenous people	12	36	10	43	10	43
	Persons with disabilities	6	4	10	9	8	6
	New immigrants/foreign nationals	0	1	0	0	0	4
	Sum	18	41	20	52	18	53
Employee Turnover Statistics							
Age	Under 30	1,247	941	1,249	963	1,421	1,297
	30-50	785	1,265	891	1,252	1,146	1,902
	Over 50	188	553	203	676	210	736
	Sum	2,220	2,759	2,343	2,891	2,777	3,935
Diversity	Indigenous people	35	47	18	53	18	53
	Persons with disabilities	12	15	13	15	17	10
	New immigrants/foreign nationals	1	0	0	0	0	1
	Sum	48	62	31	68	35	64

Offering Competitive Compensation and Rewards with the Average Salary for Inexperienced Employees Exceeding Minimum Wage in Taiwan by 43%

To attract and retain talent, the Company regularly participates in market surveys to maintain a competitive compensation system. According to the surveys, the average salary for inexperienced employees in the Company exceeds 43% of the minimum wage in Taiwan. Additionally, Fubon Financial Holdings has been consistently named as a constituent of the Taiwan Stock Exchange's "Taiwan Top Salary 100 Index." Furthermore, the compensation for all employees consists of fixed salary and variable pay (including performance bonuses), which mainly reference industry standards while considering individual performance and the Company's business performance.

The Company has established an employee retirement system in accordance with the Labor Standards Act and the Labor Pension Act. We also engaged a professional consulting firm to assess the pension scheme, ensuring that adequate provisions are made for retirement benefits. The confirmed contributions for the Company's entire staff from 2021 to 2023 are as follows.



3.2.3 Employee Benefits Policy and Utilization

Employee Benefits Cover A Variety of Aspects Including Economy and Health

Benefit Allowances
- Employee festival bonuses
- Employee stock trust (participation rate reached 92.5% in 2023)
- Maternity allowance
- Childcare allowance
- Marriage allowance
- Funeral allowance
- Senior employee rewards
- Group insurance discounts with no limit on the number of children
- General disaster death relief

Insurance and Health
- Group insurance
- Employee health check
- Happiness Cafeteria
- Sports center
- Lactation room (22 rooms across Taiwan)
- Massage station
- Health lectures
- Fubon Group Family Sports Day

Flexible Working Hours and Leaves
- Annual leave
- Volunteer leave
- 10-week maternity leave (exceeding statutory requirement)
- 8-day prenatal leave, paternity check-up leave, and paternity leave (exceeding statutory requirement)

Professional Consultation
- Psychological counseling (8 sessions annually)
- Legal counseling (1 session annually)

Entertainment Subsidies
- Employee discounts at affiliated
- Discounts at designated stores
- Fubon Group employee preferential loan
- Movie screening
- Fubon Group basketball games
- Year-end banquet

Family-Friendly Workplace Plan

In light of the continuous decline in Taiwan's birth rate in recent years, Fubon Life provides employees with benefits exceeding statutory requirements to alleviate the pressure on employees regarding childbirth and childcare, as well as fulfill our social responsibility. Benefits provided to our employees include 8 days of prenatal leave, paternity check-up leave, and paternity leave, 10 weeks of paid maternity leave, a subsidy of NT$100,000 for each newborn, and an annual childcare subsidy of NT$15,000 per child under the age of 6. Same-sex partners who register their marriage in accordance with the Act for Implementation of J.Y. Interpretation No. 748 are also eligible. In 2023, the Company disbursed over NT$78 million in childbirth and childcare allowances, benefiting more than 2,700 Fubon babies.

Statistics on Benefits and Subsidies in 2023 (Office and Field Staff Included)

Benefits	Childbirth Subsidy	Childcare Subsidy	Reward for Senior Employees
Number of Subsidy Cases	447 cases	2,259 cases	1,234 cases
Subsidy Amount	NT$ 4,444.0 million	NT$ 3,388.5 million	NT$ 2,092 million

Statistics on Office Staff Taking Unpaid Parental Leave from 2021 to 2023

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Number of people eligible for unpaid parental leave (A)	74	104	67	108	85	103
Number of applications received for unpaid parental leave (B)	2	48	6	45	3	54
Application rate (B/A)	2.70%	46.15%	8.96%	41.67%	3.52%	52.4%
Number of people who should return to work from parental leave (C)	4	33	5	33	3	37
Number of people who applied to return to work (D)	3	30	4	31	3	32
Return-to-work rate (D/C)	75.00%	90.91%	80.00%	93.94%	100%	86.49%
Number of people who returned to work in the previous year (E)	4	17	3	30	4	34
Number of people who remained at work for over a year since their return in the previous year	1	14	3	25	3	23
Retention rate (F/E)	25.00%	82.35%	100%	83.33%	75.00%	67.65%

Statistics on Field Staff Taking Unpaid Parental Leave from 2021 to 2023

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Number of people eligible for unpaid parental leave (A)	487	904	420	716	362	729
Number of applications received for unpaid parental leave (B)	80	297	134	326	83	280
Application rate (B/A)	16.43%	32.85%	31.90%	45.53%	22.93%	38.41%
Number of people who should return to work from parental leave (C)	53	231	99	283	92	270
Number of people who applied to return to work (D)	42	200	86	236	82	228
Return-to-work rate (D/C)	79.25%	86.58%	86.87%	83.39%	89.13%	84.44%
Number of people who returned to work in the previous year (E)	52	196	53	231	99	283
Number of people who remained at work for over a year since their return in the previous year	41	125	38	164	83	242
Retention rate (F/E)	78.85%	63.78%	71.70%	71.00%	83.84%	85.51%

3.3 Talent Development and Cultivation

Upholding the philosophy of "Be Positive, Enrich Life," Fubon Life remains committed to doing the "right things" in business expansion, personnel education, customer service, and regulatory compliance. As we fulfill our promises to each and every customer, we are also striving to build a happy workplace where employees can enhance and demonstrate their expertise. The Company focuses on practical directions such as "diverse talent acquisition and cultivation," "advancing employee digital capabilities," and "advancing universal education in finance and insurance to enhance financial and insurance literacy" as it strives to become a role model and leader in the insurance industry.

3.3.1 Talent Acquisition and Cultivation

Fubon Life's training plan for office staff is built on a dual-track "Employee Training and Development System." Under the four training systems focused on professional, managerial, strategic, and self-development capabilities, employees in "managerial" and "professional" positions receive progressive and comprehensive training and development. Additionally, through the "Campus Talent Cultivation Plan," we proactively recruit outstanding students to join Fubon. Meanwhile, the "Management Associate Development Program" and the "Junior Management Associate Training and Certification Program" cover the acquisition and development of elite talents both internally and externally.

Training for field staff is structured around the "Four Circles of Training," comprising "Standardized Training," "Modular Training," "Linkage Training," and "Developmental Training" for consistent enhancement of the insurance expertise and skills of our sales personnel. In accordance with corporate management and organizational development strategies, the "Four Circles of Training" considers the competency analysis and training needs of sales personnel at various levels, providing comprehensive customer services, tailored professional training, business linkage training, specialized topic enhancement, and mid-to-senior management development courses. This approach enhances the professional capabilities of sales personnel at varying stages in providing comprehensive customer services. In the post-pandemic era of talent training, the solid foundation and systematic operations accumulated in the past have enabled Fubon Life to respond agilely, ensuring consistent talent development.

The training for office and field personnel involves both physical and digital courses. Based on the professional specialization in insurance services, training is provided in job expertise, management, regulatory compliance, and digital information. In recent years, to strengthen the understanding and expertise of sustainable financial management among employees for business sustainability, the Company has formulated diverse sustainability development talent training courses, offering more relevant training. The overall training results are as follows.

Office Staff

Specifics		Total Hours of Training	Total Number of Employees	Average Hours of Training
Gender	Male	50,260	1,239	40.56
	Female	108,405	2,781	38.98
Age	Under 30	23,733	608	39.03
	30 ~ 50	92,173	2,333	39.51
	Over 50	42,759	1,079	39.63
Job Position	Mid-level and senior executives	10,975	142	77.29
	Junior supervisors	13,806	346	39.90
	General employees	133,884	3,532	37.91
Training Topics	ESG underwriting and investment	73,326	4,322	16.97
	Job expertise	33,948	4,024	8.44
	Organizational development and management	5,322	488	10.91
	Regulatory compliance	39,673	4,328	9.17
	Digital information	5,872	273	21.51
	Others	524	428	1.22
Training Costs (NTD)		25,709,121		

Field Staff

Specifics		Total Hours of Training	Total Number of Employees	Average Hours of Training
Gender	Male	611,611	6,970	87.75
	Female	981,125	11,736	83.60
Age	Under 30	449,681	4,916	91.47
	30 ~ 50	820,284	9,687	84.68
	Over 50	322,771	4,103	78.67
Job Position	Mid-level and senior executives	—	341	—
	Junior supervisors	311,128	5,876	52.95
	General employees	1,281,608	12,489	102.62
Training Topics	ESG underwriting and investment	—	—	—
	Job expertise	757,170	26,705	28.35
	Organizational development and management	47,316	5,652	8.37
	Regulatory compliance	788,250	31,530	25.00
	Digital information	—	—	—
	Others	—	—	—
Training Costs (NTD)		48,012,694		

Note: Office staff includes full-time workers and part-time workers; field staff refers to those in the sales channels, including dedicated and part-time field personnel. The total hours of training courses for field staff are the total training hours for sales channels.

Details of the sustainable development courses and implementation are as follows.

Office Staff

			Total Hours of Training	Total Number of People Trained	Average Hours of Training
Training Courses on Sustainability	E	Responsible investment and ESG advancement	570	14	40.71
	E	Climate change risk response, net zero emissions trends and carbon inventory-related regulatory standards, green supply chain management, and more.	607	569	1.07
	S	Fair customer treatment and strengthening protection for specific groups, Financial Consumer Protection Act implementation, and more.	25,793	4,220	6.11
	S	Occupational safety and employee benefits	20,956	4,216	4.97
	S	Information security protection mechanism	16,519	4,191	3.94
	G	Enhancing corporate sustainable value	756	527	1.43
	G	Ethical management principles	8,126	4,148	1.96
Training Costs (NTD)			1,430,638		

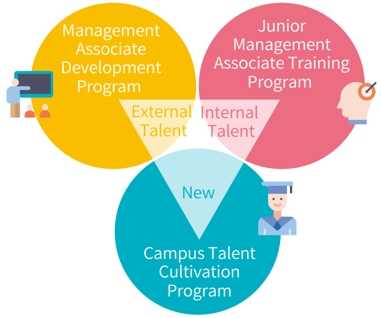
Note: Most of the courses on sustainable development are organized by the Company independently, with training expenses totaling approximately NT$ 1.43 million. Training provided by professional organizations for underwriters and investment-related personnel incurs costs of around NT$ 395,000 (including rewards for certifications).

In addition to conducting sustainable development training courses, the Company further introduced a number of sustainability and risk management-related certifications in 2023, including Sustainable Finance Manager, Corporate Sustainability Manager, ESG Investment Management Analyst, and International Financial Risk Manager (FRM).

Certification	Number of Certificates Obtained
Sustainability and Climate Risk (SCR) Management Certificate	3
Corporate Sustainability Manager Certificate	1
Sustainable Finance Manager Certificate	11
ESG Investment Management Analyst Certificate	1
Financial Risk Manager (FRM) Certificate	2

Talent Cultivation Program

In reserving and nurturing talent, the Company actively taps into internal and external talent sources for talent acquisition and development to ensure the depth of the talent pool.



Campus Talent Cultivation Program

Fubon Life is actively engaged in promoting financial insurance knowledge and cultivating insurance professionals on campuses. We offer students experience in insurance practices to enhance their competitiveness in the future as they enter the job market. The "Campus Talent Cultivation Program" has trained 2,000 students in over 60 schools in Taiwan and overseas since its launch in 2016. Four key accelerators - "Education," "Inheritance," "Practice," and "Inspiration" are incorporated into the program. Simultaneously, the Company aligns itself with the digitally native younger generation by leveraging its experience in digital technology and various digital tools to engage students in team tasks and enhance their workplace skills through online platforms. During internships, students get acquainted with the insurance industry and understand essential concepts of life preparedness and risk management. They also gain exposure to real corporate practices, which bridges them with their career plans in preparation for their lives ahead of them. Over the years, student satisfaction with the program has consistently rated above 4.5 out of 5, and nearly one-third of interns participating in the program have transitioned to full-time positions.

Four Accelerators

Education
Break free from stereotypes about insurance, give yourself a chance to learn about insurance industry!

Inheritance
Every intern is assigned a dedicated mentor to pass on their wisdom, share experiences and provide guidance, keeping you accompanied along the learning journey in the workplace.

Practice
Learning through hands-on practice is the key. Seize every internship opportunity, and you will be one step closer to attaining success!

Inspiration
The insurance industry is warm and giving. You will experience the warmth of insurance professionals through a variety of activities.

Campus Talent Cultivation Program Achievements in 2023

	Office Units	Field Units
Number of schools engaged in industry-academia collaboration	28	28
Number of school departments engaged in industry-academia collaboration	57	52
Number of student participants	135	284
Number of units/sales offices involved	31	68
Number of interns converted to full-time positions	32	112
Intern to full-time employee conversion rate	23.7%	39.4%

Management Associate Development Program

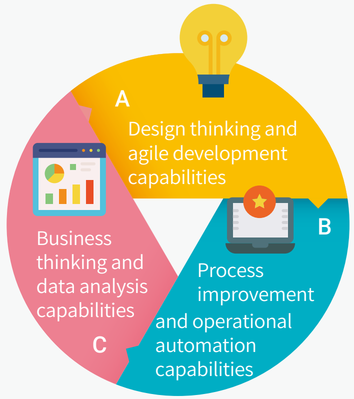
Fubon Life actively recruits talented individuals from different fields of expertise. Through the "Management Associate Development Program," participants undergo foundational training in the first year, followed by a one-year in-depth practical training in their targeted positions or departments. The mid-term goal is to become an expert in the insurance and financial field within 2.5 years. Opportunities for overseas assignments in subsidiaries are also provided to cultivate a global perspective among the elite associates.

Junior Management Associate Training Program

The "Junior Management Associate Training and Certification Program" is an important means for cultivating outstanding entry-level talents within the Company. This program follows the 70-20-10 learning rule and incorporates individual development plans (IDPs) to facilitate personal development. The supervisory and management capabilities of junior manager trainees are developed through project leading and managerial coaching. Since the comprehensive implementation of the program in 2016, it has trained over 180 potential talents. In 2023, nearly 20 internal talents were introduced to the entry-level talent pool based on the needs of various units. Incorporated with the external talents trained in the "Management Associate Development Program" the number of individuals promoted from the entry-level talent pool to managerial positions is close to 50. The programs serve as an important avenue for outstanding potential talents to expand their careers.

3.3.2 Advancing Employee Digital Capabilities

Fubon Life recognizes that digital transformation is not about replacing workers with technology but empowering employees with digital technologies, methods, and skills to adapt to future environmental changes. To this end, in 2015, the Company formulated a "Three-Year Transformation Plan for Employee Training and Career Transition," which sets the foundation for our annual employee digital transformation training programs. In response to the organizational demand for digital talent, special surplus reserves are allocated to fund the digital talent development plan. Moreover, a focus has been placed on core digital capabilities linked to insurance practices in the promotion of various financial technology transformation initiatives and enhancing employees' digital skills. In 2023, the Company remained focused on three core digital capabilities: design thinking and agile development, process improvement and operation automation, and business thinking and data analysis. Through practical workshops, each trainee can work on practical business-related cases to produce tangible improvement solutions or learning outcomes. This optimizes administrative operations and service processes, thereby enhancing organizational management and customer service efficiency.



A Our employees make adjustments to processes, platforms, environments, and business models (services/products) starting with a customer and user-centric approach (user stories/user personas) with the goal to create a better experience.

B Once the adjusted processes, platforms, and environments are confirmed, automation or digital technology will be introduced. Our employees begin learning basic programming languages (VBA/RPA/Python) and utilizing digital tools (AR/VR/voice recognition).

C With the implementation of automation and digital technology, our employees can gather operational and behavioral data from their work operations. They then use modeling and analysis techniques with a business mindset to provide feedback and support for the next round of adjustments to processes, platforms, environments, and business models (services/products).

The digital capabilities of our field staff are enhanced through the innovative "FBFLi Intelligent Business Management System," which uses advanced algorithms to help sales personnel improve their interactions with customers, thereby enhancing the customer experience. The system also quantifies various sales activities as references for supervisors in providing guidance. In addition, our four platforms in the cloud learning center - "Fubon New Vision," "Fubon eBook City," "Fubon Easy Learning Network," and "On-the-Job Training Learning Network" offer videos, audiobooks, and a variety of insurance-specific knowledge and compliance-related information, allowing employees to provide more comprehensive services to customers under secure conditions.

3.3.3 Advancing Universal Education in Finance and Insurance to Enhance Financial and Insurance Literacy

Fubon Life consistently supports the cultivation of outstanding management talents in Taiwan. We have been sponsoring the "Fubon Life Management Doctor and Master Thesis Awards" for 10 consecutive years. In addition to encouraging the "Best Practical Application Award," in 2022, the award set a precedent in connecting ESG with the industry and environmental trends by introducing the "Sustainable Development Thesis Award." With a staggering 175 submissions received in 2023, signaling a growth of over 30% compared to 2022, it's evident that ESG sustainability issues have become a key focus in management studies. This award has been operating for 32 years and has become a cross-generational benchmark in management studies, covering finance, accounting and risk management, information management and innovative applications, human resources management and organizational behavior, and operations and supply chain management. Each year, it attracts over a thousand faculty and students, engaging nearly half of the colleges and universities in Taiwan. By linking academic research with practical applications, it injects vitality into research, integrates academic and practical trends, and stimulates the attention to and advancement of research among scholars and students.

3.4 Occupational Health and Safety

Fubon Life has been consistently dedicated to employee care with the goal of "sustainable workplace health promotion and employee health and safety." To create a work environment with a diverse, equal, and positive culture that fosters adaptive development and work-life balance, the Company has devised various plans to promote workplace health and safety. With comprehensive and diverse health services, we aspire to be a happy enterprise where employees can enjoy good health and work-life balance, learn with pleasure, and contribute to society.

3.4.1 Genuine Employee Care and Protection

Establishment of A Dedicated Occupational Safety Unit with Labor Representatives Accounting for over 1/3 of the Committee Members

The Company has the Occupational Health and Safety Management Department dedicated to the implementation and promotion of various occupational health and safety programs. Safety and health work rules and occupational safety and health management regulations were stipulated in accordance with the "Occupational Safety and Health Act." Furthermore, through the Occupational Safety and Health Committee, the Company ensures the safety and physical and mental well-being of employees.

The "Occupational Safety and Health Committee" is led by the appointed chairperson designated by the President and consists of departmental senior executives, occupational safety and health officers, healthcare professionals engaged in employee health services, and labor representatives. The labor representatives are selected by the Fubon Life Labor Union. Regular meetings are held quarterly to discuss occupational safety and health risks. Relevant program goals are included in the annual performance evaluation of relevant personnel to facilitate the implementation of safety and protection measures, prevent occupational accidents, and ensure the safety and health of employees. Additionally, the implementation results of the safety and health management programs are recorded monthly and compiled into an annual closure report that proposes improvement suggestions for reviewed items. The programs are also incorporated into the annual implementation goals for a healthy and safe work environment.

Occupational Accident Analysis and Preventive Measures

Every year, based on the annual closure report, the Company conducts an analysis of types of occupational accidents and identifies the top three causes as follows: traffic accidents (80%), falls (18%), collisions (1%) and objects falling (1%). By understanding the primary reasons behind employee injuries, the Company develops prevention and control materials for the identified accidents. These materials are then reinforced through newsletters, activities, meetings, and other means of communication. Traffic safety and workplace hazards awareness is integrated into mandatory training programs for new and existing employees to enhance their safety consciousness and reduce accidents. Additionally, units are required to complete an activity safety assessment form before organizing official activities. This assessment evaluates the safety aspects of the activities to prevent hazards. In 2023, there was no case of occupational diseases among Fubon Life's employees.

Analysis Statistics on Occupational Accidents from 2021 to 2023

Office Staff	Gender	2021		2022		2023	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Occupational injuries	Male	7	0.60%	6	0.49%	12	0.97%
	Female	16	0.60%	15	0.54%	20	0.72%
Sum		23	0.60%	21	0.53%	32	0.80%
Occupational deaths	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
Sum		0	0	0	0	0	0
Total working hours	Male	2,332,632		2,424,264		2,433,608	
	Female	5,280,792		5,428,200		5,468,444	
Number of lost days	Male	434		19		183	
	Female	533		111		317	
Disabling injury frequency rate	Male	3.00		2.46		4.93	
	Female	3.02		2.75		3.65	
Disabling injury severity rate	Male	186		7		75	
	Female	100		20		57	

Field Staff	Gender	2021		2022		2023	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Occupational injuries	Male	27	0.35%	38	0.53%	34	0.49%
	Female	47	0.37%	72	0.58%	60	0.51%
Sum		74	0.37%	110	0.56%	94	0.50%
Occupational deaths	Male	0	0	0	0	0	0
	Female	2	0.02%	0	0	1	0.01%
Sum		2	0.01%	0	0	1	0.01%
Total working hours	Male	15,270,672		14,352,360		13,828,480	
	Female	25,101,192		24,662,952		23,284,224	
Number of lost days	Male	1,079		2,384		1,076	
	Female	14,005		3,162		8,149	
Disabling injury frequency rate	Male	1.76		2.65		2.45	
	Female	1.95		2.92		2.62	
Disabling injury severity rate	Male	70		166		77	
	Female	557		128		349	

Note 1. Disabling injury frequency rate (FR)= (Number of occupational injuries x 10 to the 6th power) ÷ total hours worked = (Injuries + deaths) x 10 to the 6th power ÷ ((Number of employees under non-fixed term contracts x total days worked x 8 hours) + (Number of employees under fixed-term contracts x total weeks worked in the year x hours worked per week)) (calculated to two decimal places without rounding)

Note 2. Disabling injury severity rate (SR) = (Number of days lost to occupational injuries x 10 to the 6th power) ÷ total hours worked (calculated to the non-rounded integer)

Note 3. The statistics in the table are calculated based on the number of casualties, days lost, disabling injury frequency or severity rates resulting from occupational accidents as defined by the Ministry of Labor’ s Occupational Safety and Health Administration.

Note 4. All data is disaggregated and calculated separately for males and females. For example, the disabling injury FR for males is calculated based on the total number of male employees, and the principle applies to the rest of the data.

Note 5. The occupational accidents listed in the table above include injuries sustained by employees in traffic accidents during their commutes to and from work

Note 6. In 2023, the Company had 0 severe occupational injuries (excluding fatalities) (employees unable to return to work for more than six months) among its field staff.

Note 7. Due to personal data protection restrictions (medical records are considered sensitive personal data), the Company does not collect occupational injury information on non-employees.

Note 8. Starting in 2022, the analysis and statistical table for occupational accidents includes data on employees under fixed-term contracts.

3.4.2 Building An Excellent Working Environment

In building a healthier, safer, and more friendly work environment, the Dun Nan Life Building of the headquarters obtained the ISO 45001 Occupational Health and Safety Management System certification for the second year consecutively in 2023. The adoption of the management system prevents and eliminates potential hazards in the workplace, enhances employees' awareness of occupational health and safety, and establishes a healthy and safe work environment for all staff members.

The Company's occupational safety-related measures are as follows.

Implementing Comprehensive Safety Programs

1. Program for preventing diseases caused by abnormal workload
Through surveys and data analysis, the program aims to understand employees' work and life burdens. The Company's medical staff proactively provides care and arranges interviews for high-risk employees, assisting them in identifying sources of stress and providing advice related to work, life, and health.

2. Maternal health protection program
This program focuses on employees during pregnancy and up to one year after childbirth, providing care, physician consultations, and identification of environmental hazards to ensure the safety and health of both employees and their infants. The Company organizes annual workshops for moms, inviting pediatricians and obstetricians to provide practical knowledge on breastfeeding and workplace life adjustment for new parents and employees who have returned to work after childbirth. In 2023, the satisfaction rating for the workshops reached 98 points.

3. Ergonomic hazard prevention program
The program offers adjustable office desks and chairs, conducts regular ergonomic hazard assessment surveys, arranges for physician consultation services, provides health education EDMs, and hires licensed massage therapists with visual impairment to offer employees reserved massage services free of charge at the stress-releasing massage stations at work to alleviate their fatigue and stress.

4. Program for preventing unlawful harassment in the workplace
A zero-tolerance policy for all forms of workplace violence is adopted to ensure that employees are protected from external unlawful harassment while performing their duties. To prevent unlawful incidents in the workplace and offer employees a healthy and friendly work environment, the Company organized lectures on workplace misconduct and case studies in psychiatry featuring renowned lawyers and psychiatrists from the National Taiwan University Hospital as speakers. A total of 163 managers attended the lectures.

5. Health protection program for middle-aged and elderly employees
The program prevents hazards that may arise from job duties for middle-aged and elderly employees. It also ensures a friendly work environment and provides health management measures to maintain the physical and mental well-being of employees.

6. Occupational safety and health program for night shifts
The program strengthens occupational safety and health during night shifts, ensuring the safety, physical and mental well-being of night shift employees, and reducing the risk of workplace violence.

Providing Health Checks that Exceed Statutory Requirements

Every two years, all employees receive a comprehensive health check. In 2023, all office employees received the check-up. Fubon Life provides over 30 health check items for employees to understand their health status and focus on improvement. Based on the health check results, subsequent activities, lectures, and medical consultation resources are organized to assist employees in effectively managing and mitigating health risks.

Year for health check	2021	2022	2023
Number of people examined	3,062 office employees	15,826 office employees	3,279 office employees

Regular Monitoring of Office Environment

Workplace monitoring is conducted twice a year for carbon dioxide levels, illumination, and anti-surreptitious filming and photography. Monitoring reports are publicly disclosed in compliance with occupational safety regulations. The continuous maintenance of indoor air quality in the office environment is also ensured.

Implementing Occupational Safety and Health Training

1. The "Occupational Safety and Protection Network" was established on the employee e-learning platform, where occupational safety and health-related videos and information are available.
2. Various occupational safety and health education training programs and measures are devised and implemented to enhance employees' awareness and prevention of workplace safety and health risks.
3. Fire and earthquake evacuation drills are conducted twice a year, and the records of these drills are uploaded to the Company's intranet.

Managers above the department level in a lecture on workplace misconduct and case studies in psychiatr

3.4.3 Comprehensive Employee Health Management

Designation of "Unit Health Officers" to Enhance the Effectiveness of Employee Health Promotion Initiatives

In 2017, Fubon Life took the lead in the industry by establishing the "Unit Health Officer (UHO) Management Measures". Personnel from various departments were appointed as UHOs to establish a top-down health support system, encouraging employees to participate in workplace health promotion activities. This system follows a cycle of "policy support → planning → execution → evaluation and improvement" to construct a workplace health promotion execution model that safeguards employee health.

On-site Medical Services to Meet Employee Needs for Healthcare Services

In addition to fully implementing various health and safety plans under the Occupational Safety and Health Act, the Company has contracted physicians and hired dedicated nursing staff to provide employees with health-related advice. In 2023, a total of 186 sessions of on-site medical services were provided, with 10,453 participants. We also maintain smooth communication with employees through a dedicated email inbox for health promotion.

Establishment of A Comprehensive Occupational Accident Report Mechanism and Enhancing Employee Health Self-Management and Awareness of Occupational Safety

Fubon Life has established a 24-hour mechanism for reporting occupational accidents to promptly understand the causes of occupational accidents and provide relevant assistance. If an accident occurs during working hours, employees should first contact their unit supervisor, who will assist in reporting the incident. If an accident occurs outside of working hours, employees can report the case through the Company's 24-hour employee service hotline. This 24-hour mechanism provides employees with access to health-related resources around the clock. After an accident, the Company investigates the cause and disseminates the information through monthly occupational safety newsletters to enhance safety awareness among all staff members. According to the Occupational Safety and Health Guidelines, if employees encounter an immediate danger while performing their duties, they have the right to stop working and evacuate to a safe place without endangering the safety of other workers and should report the incident to their immediate supervisor right away.

Advocacy on Notifiable Communicable Diseases to Improve Workplace Health and Safety

Workplace health advocacy

In response to the latest domestic trends, the Company periodically distributes health education EDMs and conducts health seminars on infectious disease prevention. This initiative aims to enhance employees' awareness of the risks associated with notifiable communicable diseases, thereby fostering a preventive mindset in their daily lives. Through workplace advocacy and measures in line with health authorities' policies, we aim to improve employees' health literacy and prevent workplace outbreaks of infectious diseases.

Government-funded influenza vaccination stations in the workplace

Every year during the flu season, Fubon Life organizes government-funded vaccination sessions in collaboration with the Health Service Center (Public Health Center) to maintain employee health and prevent flu outbreaks. A total of 6 sessions were held in 2023.

Health Promotion Activities

Health promotion courses

In response to the aging workforce, the Company launched a series of nationwide courses on the golden generation and stress management. Experts such as Chinese medicine practitioners, nutritionists and fitness coaches were invited to provide practical knowledge on healthcare and wellness practices. The satisfaction rate from employee feedback on these courses exceeds 95%. A total of 52 courses were held in 2023, with 1,785 participants (including attendees via videoconferencing).

Walking competition

Walking is an exercise certified by the World Health Organization as the "perfect exercise." It can prevent and improve cardiovascular diseases, diabetes, metabolic syndrome, and other chronic diseases, control weight, prevent osteoporosis, prevent falls, and relieve stress. To cultivate a healthy walking habit among employees, in 2023, Fubon Life continued to integrate the self-developed Fun Group app with the "Sustainable Health Action" walking competition. A total of 1,980 participants registered. The total steps recorded during the event reached approximately 590 million steps, equivalent to burning 30 million kilocalories.

Certifications and Awards for Workplace Safety and Health Promotion

In response to the government's workplace safety and health policies and to showcase the Company's commitment to employee care and creating a safe work environment, Fubon Life has submitted its annual achievements in workplace safety and health promotion activities for certification. After review by the Ministry of Labor, we obtained the certification for the "National Workplace Safety and Health Week Series Activities Implementation Plan" for two years consecutively.

The Company actively promotes workplace cancer prevention and was awarded the "Outstanding Recognition" in the "2023 Kaohsiung City Workplace Employee Health Service Promotion Program".

Healthy Workplace Certification: Dun Nan Life and Songshan Building have obtained the certificate for three consecutive terms. Chiayi Farmers Association and Kaohsiung Ethnic Building have obtained the certificate for two consecutive terms.

A total of 8 lactation rooms in workplaces in Taipei have been certified as excellent lactation rooms by the Taipei City government. The lactation room in Chiayi Farmers Association Building is certified as "Good".

The Company participated in the 5th "CHR Health Enterprise Citizen Award" organized by Health Magazine and stood out among 339 competitors, winning the Silver Award in the category of corporates with over 5,000 people as the only financial institution to win an award regardless of the number of employees or scale.

Intelligent Service

In ensuring fair customer treatment and financial inclusion, Fubon Life is advancing on various fronts. Starting from the customer's perspective, we design diverse financial products and services that cater to the needs of the vulnerable and elderly and the preferences of younger demographics, including marketing activities and sales protection mechanisms.

In response to the rapidly changing environment, the Company continues to integrate various digital technologies to promote a diverse range of online services. We strive to provide comprehensive insurance services tailored to customer needs, improving service quality and efficiency, and optimizing digital service processes in a consistent effort to advance comprehensive insurance services and pioneering innovative digital service experiences.

4 Chapter

4.1. Treating Customers Fairly

4.1.1 Top-Down Implementation of the Treating Customers Fairly Principles

In alignment with the Financial Supervisory Commission's promotion of the Treating Customers Fairly(TCF)principles, Fubon Life established its Treating Customers Fairly Policy in 2016. Actions implemented under this policy include the establishment of the Treating Customers Fairly Committee and enhanced fair treatment measures. On April 27, 2023, the fourth revision was completed, which included updates and additional attention to items in need of reinforcement, as well as exemplary provisions due to the introduction of the "Friendly Service Principles" and "Ethical Management Implementation Principles."

The organizational charter for the Treating Customers Fairly Committee was established on April 27, 2023 to ensure supervision and enhance the execution of treating customers fairly principles across departments. The Committee was transformed from a guiding framework to a reporting platform. Managers report on the planning and execution of related tasks within their jurisdiction during routine meetings and conduct comprehensive reviews. Significant matters should be included in the quarterly implementation report on TCF principles and regularly submitted to the Board of Directors.

No.	Date of Board Proposal	Topic
1	March 13, 2023	TCF principles implementation result in 2022 & supplementary response measures for the 2024 evaluation mechanism.
2	April 27, 2023	TCF principles self-assessment results, policy and strategy revisions, and the establishment of the committee charter in 2023.
3	October 25, 2023	TCF principles evaluation result analysis in 2023 and implementation status in the first half of 2023.
4	December 30, 2023	TCF principles promotion and evaluation planning for 2024.

Item	Operation of the Treating Customers Fairly Committee
Operational Concept	It is a bottom-up reporting platform.
Organizational Grouping	Products, sales, services, and support are grouped by function corresponding to the Company's structure.
Members	Managers above the department level involved in the TCF evaluation.
Meeting Frequency	Meetings are held regularly on a quarterly basis.
Reporting	Specific response measures and progress reports are submitted for the three aspects including competent authorities' supervision focus, fair customer treatment evaluation items, and directives from the committee chair.

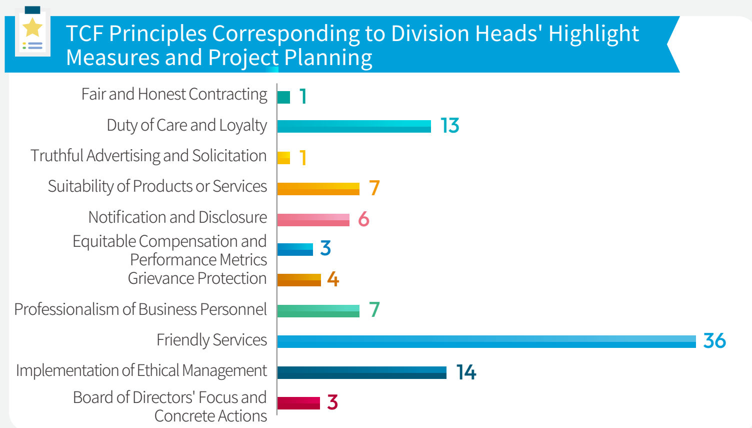
Linking Performance Evaluation with Treating Customers Fairly in A Joint Effort

Board of Directors Leading by Linking Performance with Treating Customers Fairly

- Reiterating the importance placed on fostering a corporate culture based on the treating customers fairly (TCF) principles, Fubon Life has explicitly included in the "Sustainable Development Committee Performance Evaluation Form" the directive for the Sustainable Development Committee to regularly supervise the implementation of the TCF principles within the Company and provide guidance based on the results of various assessments/evaluations, to be reviewed and improved upon by the Board of Directors. This directive serves as one of the performance evaluation criteria for the Sustainable Development Committee for the year 2023.

Incorporating Treating Customers Fairly into the Management's Key Work Plans and Departmental Accountability KPIs

- To ensure that division heads propose highlight measures and project planning for fair customer treatment, all responsible units have incorporated the "Implementation of TCF Principles" into their annual plans for 2023, with quarterly implementation tracking and management. Furthermore, investment units also focus on strengthening the implementation of ethical management principles by conducting annual audits. This not only highlights the Company's commitment to establishing a culture of fair customer treatment but also proactively meets the expectations for financial institutions in achieving sustainable operations.



Whole Company Effort in Response to Regulatory Expectations

Services Implemented in Response to Supervision Focus in 2023

Friendly Financial Services - Improving the digital gap for the elderly and persons with disabilities

No.	Innovative Friendly Service
1	The screening and keyword search features for the Discretionary Account Section were optimized to enhance user experience, which obtained the "Accessibility Certification Label 2.0" from the Ministry of Digital Affairs in May 2023.
2	The "Cooperative Health Insurance Section" was launched in September 2022. In response to the Financial Supervisory Commission's 2024 TCF evaluation mechanism, which emphasizes addressing the digital gap for the elderly and persons with disabilities, a font size enlargement feature was introduced in January 2023 to improve readability for elderly customers.
3	A Friendly Financial Services Section was introduced in the Fubon Life app, designed specifically for the elderly and visually impaired, featuring a unique UI with a mobile phone audio description function (a first in the life insurance industry).
4	A "Connect to Specialist" function for visually impaired and elderly customers was introduced on service platforms such as the Policyholder Section and the Fubon Life app.

Friendly Financial Services - Friendly services for indigenous peoples, new immigrants, and diverse groups

No.	Target	Innovative Friendly Service
1	Indigenous Peoples	Indigenous names can be registered with both Han Chinese characters and Romanized spelling, traditional names alongside Romanized spelling, and special characters from indigenous languages can be used as well.
2		We assist indigenous people in building an insurance safety net by providing basic protection to alleviate economic difficulties caused by accidents.
3		Indigenous employees are encouraged to use "Indigenous Festivals" leave when participating in traditional seasonal rituals.
4	New Immigrants	We regularly remind new immigrants to update their insurance policies after changing to a new uniform identification number.
5		Bilingual (Chinese/English) insurance loan agreements are provided.
6		We plan to make multilingual signs (Chinese, English, Vietnamese) at business entrances detailing counter floors, business hours, and services are to be completed in 2024.
7		A Vietnamese Section was established on the official website, providing financial information (balance sheets and comprehensive income statements).
8	Other Groups	There are seven customer service counters staffed with one English-speaking staff member in six special municipalities, and multilingual translation devices (supporting 10 languages) are available at ten customer service counters across Taiwan
9		We plan to provide "Important Notifications" in English via email in March and September each year (for those whose contact details and email addresses are on file).
10		In fulfilling corporate social responsibility, we encourage employees with moderate, severe or profound disabilities to join the workforce.
11		Employees are encouraged to enhance diverse professional skills such as sign language to provide better friendly services to individuals with disabilities.

KYC for Young Demographics

In response to the lowering of the legal adult age, the FSC anticipates a continuous expansion of young customer demographics. Therefore, the Know Your Customer (KYC) for young clients has been made a focal point for the assessment of "Suitability of Products or Services" and "Notification and Disclosure."

No.	Innovative Friendly Service
1	To effectively conduct KYC for young customer demographics, the system has been enhanced to check the rationality of the source of insurance premiums for students without income, taking into account the financial status and income of their primary providers to ensure the suitability of the products offered.
2	In collaboration with Yahoo TV, an "Insurance Education and Street Challenge Video" has been produced to promote insurance knowledge and risk concept education, helping the general public and young people to develop a correct understanding of insurance.
3	FSC encourages insurance companies to develop health management insurance products that have a spillover effect, aimed at enhancing public attention to health management and meeting policyholders' diverse insurance needs. Through the establishment of a "Spillover Policy Section" on the official website, we hope to help digitally savvy young customers understand the products, secure protection early, and promote health.

Effective Responses to Social Issues in 2023:

Financial Fraud Prevention :
As a leader in the life insurance industry, Fubon Life actively implements the "Action Plan 1.5" approved by the Executive Yuan in May 2023 by advancing in four key areas of fraud prevention: detection, prevention, blocking, and punishment. In collaboration with both public and private sectors on promoting various anti-fraud measures, we strive to achieve three reduction goals: reduce exposure, reduce credulity, and reduce damage. Starting in 2023, we began implementing these measures across the four aspects of financial fraud prevention aimed at meeting the competent authority's expectations for the three reductions and set a benchmark for the life insurance industry.

No.	Four Aspects Note	Fubon Life's Response Measures	
1	Fraud Detection (Education and Advocacy)	Employees, suppliers	1. Organize online courses and themed lectures for office staff. 2. Conduct fraud prevention advocacy during the TCF Supervisors' meetings. 3. Use the M+ Enterprise Instant Messaging to conduct anti-fraud campaigns among all office and sales staff. 4. Conduct information security advocacy at supplier meetings to establish the first line of defense against fraud.
		Policyholders, general public	1. At customer service counters: (1) Play anti-fraud videos occasionally (2) Distribute anti-fraud pamphlets for customers to read. 2. Insert anti-fraud warnings on the "Group Insurance Integration Service System" online platform. 3. Participate in or co-host forums to give lectures, such as the "Protecting Financial Safety of Persons with Dementia from Financial Exploitation" at the 2023 International Forum for Dementia Care.
2	Fraud Prevention (Information Disclosure)	1. Standardize the SMS URL format and representative number sent to policyholders for easy recognition starting in February 2024, covering 150 SMS contents. 2. Include SMS representative numbers and short URLs in advance payment notifications sent to policyholders and remind them to verify at the official website's "Scam Prevention Page." This is scheduled to be completed in the first half of 2024	
3	Fraud Blocking (Cash Flow Detection)	1. Establish relationships between people, events, and timing through sales staff behavior to conduct logical relational analysis and uncover hidden risks.13 suspect cases were identified between Q3 2023 and early 2024. Reminder letters were sent to customers and risk management measures were taken. No abnormal patterns have been observed so far. 2. Produce pamphlets with enlarged fonts for important rights notifications and enhance care for elderly customers concerning their financial usage. 3. For sales personnel with service quality issues, conduct phone calls to monitor high-risk policies they solicit or serve.	
4	Fraud Punishment (Accountability for Misconduct)	The evaluation method for business quality was revised in September 2023 particularly concerning actions that harm customer rights. Sales staff involved in misappropriating or embezzling collected insurance premiums or other insurance funds, resulting in loss of qualification to solicit insurance, will not be allowed reappointment in the future.	

Note: Please refer to the definitions provided in the Executive Yuan's New Generation Anti-Fraud Strategic Action Plan 1.5 at https://reurl.cc/77QjxQ

Proactive Measures for Enhancing the Complaint Handling Mechanism :

Fubon Life is committed to handling every complaint properly, which has resulted in the second ranking in the industry for the application rate for ombudsman service for three consecutive years starting in 2021. For more details on grievance handling, please refer to CH4.2.2. Valuing Customer Feedback and Attending to Policyholder Needs.

However, in light of the rising importance of financial consumer rights, although the Company ranks at the forefront in grievance handling within the industry, we have also noticed an increasing trend in the number of cases resolved by ombudsman decisions. To enhance our efforts and exceed the expectations of competent authorities as well as society, in 2023, we initiated the "ISO10002 Quality Management Certification for Customer Complaints" project. Through data analysis and model development, we aim to comprehensively improve our overall service.

No.	Innovative Service	Description
1	Established sales personnel abnormal operational risk model	Please refer to the first item in the previous table under Fraud Blocking (Cash Flow Detection).
2	Initiated case study on policy cancellation customer complaints	From the fair customer treatment analysis of policy cancellation customer complaints in the years following the establishment of the policy, it was found that some types of complaints had significant risk patterns among certain sales personnel, and different policyholder demographics were prone to certain types of complaints. The analysis results have been incorporated into the 2024 operational mechanism plan. Data models have been developed for sales personnel with relevant risk characteristics and the characteristics of the policyholder demographics they solicit, identifying targets that may have concerns about policy cancellations for observation. Additionally, the Company plans to send out "Important Customer Information Reminder Letters" in 2024 to policyholders.
3	Improved the operational management platform for complaint reporting and improvement	To simplify manual processes and improve the efficiency of reporting and service improvement operations, as well as to prevent the risk of omissions, we have planned to enhance the management platform for reporting and improving complaint cases. The requirements for the enhanced platform were finalized in 2023, and it is expected to be officially launched in the second half of 2024.
4	Plans to obtain ISO10002 Quality Management for Customer Complaints certification	To ensure that the establishment and implementation of the customer complaint management system comply with the TCF principles, the ISO 10002 Quality Management for Customer Complaints certification project was initiated in 2023. The certification is expected to be obtained in 2024.

Board of Directors Leads in Creating A Culture of Treating Customers Fairly

To understand regulatory policies and future trends, all directors of the 6th and 7th Boards of Directors attended board training courses held by Taiwan Insurance Institute on March 13, 2023, and August 16, 2023. The courses included "Board Functions in Relation to Fair Customer Treatment and Anti-Money Laundering" and "Corporate Sustainability and Corporate Governance Trends," and certificates of completion were issued. Moreover, the fair customer treatment unit compiled important supervisory policies, insurance industry evaluation explanations, and presentation materials of lectures by scholars from 2023 to produce materials for all board directors to review.

To ensure that fair customer treatment is implemented in day-to-day operation, the Company arranged for senior executives to attend a two-hour training on "Development Trends in Corporate Governance" and continued to organize special lectures to discuss key issues and future trends in fair customer treatment.

Fair Customer Treatment Lectures in 2023	Hours (3 hours x number of participants)
Fair Customer Treatment: Preventing Over-Selling of Financial Products to the Elderly	714 hours
Analysis of the TCF Principles based on Latest Developments in the UK and Taiwan	630 hours
How the Insurance Industry Can Strengthen Ethical Management	663 hours
Sum	2,007 hours

Achieving Fairness and Justice, Shaping A Positive Culture:Treating Customers Fairly Begins with Fraud Prevention

Echoing the competent authorities' determination to eliminate financial fraud, Fubon Life is committed to empowering "frontline personnel" to become the vanguard against fraud. In 2023, through four large-scale anti-fraud advocacy events, the Company's legal unit assigned professional lawyers to conduct training courses, advocacy meetings, and keynote presentations. These sessions were aimed at office staff, business support staff, fair customer treatment supervisors, and the general public, educating them on recognizing fraud patterns and preventive measures. Frontline financial personnel also learned about the linguistic delivery of care from the perspective of fraud blocking. For more details on anti-fraud advocacy activities, please refer to CH1.2.2 Sustainability Outcomes.

Incorporating Digital Finance to Convey Important Information on Treating Customers Fairly

Continuous journal publication：

- Important directives from regulatory authorities, supervisory highlights, and key policies and implementation priorities on fair customer treatment are communicated to all office staff and sales personnel every six months through Fubon Life's online learning center, the Fubon eBook platform.

Monthly updates via M+ Enterprise Instant Messaging：

- To promptly respond to societal expectations and competent authorities' key policies, timely and important messages regarding immediate issues and significant policies from competent authorities are communicated to all office staff and sales personnel through the M+ Enterprise Instant Messaging system.

Looking Ahead to 2024: Integrating Sustainability with Fubon Life's Good I.D.E.A.

In response to the competent authority's revision of the TCF principles which now encompass ten principles, we integrated the United Nations' Sustainable Development Goals (SDGs) with key areas of concern such as inclusive finance, financial friendliness, and fairness to formulate the "Fubon Life Good I.D.E.A." It is comprised of the initials of the key areas of implementing the TCF principles: "Inclusion," "Diversity," "Equity," and "Action," emblematic of the vision that every product or service we provide is considered a good idea by our customers and the general public.

Declaration	Description
1 Inclusion	Achieve financial inclusion, creating and maintaining a friendly and open environment where every customer feels respected and able to fully express their opinions.
2 Diversity	Respect diversity and embody the spirit of financial friendliness by providing products and services that cater to the unique characteristics and values of different ethnic groups and customer demographics.
3 Equity	Protect customer rights by ensuring that every customer enjoys equal rights and opportunities, free from unfair treatment or discrimination due to personal differences.
4 Action	Take concrete actions to actively achieve inclusion, diversity, and equity with a profound commitment to fair customer treatment throughout everyday operations.

Implementation Results of Treating Customers Fairly in 2023

Fubon Life was honored with several awards in 2023, including the "Outstanding Performance Award for the Treating Customers Fairly Principles Evaluation," the "Caring for People with Disabilities Award" in the Microinsurance Competition, and the "Excellence Award in Small Amount Whole Life Insurance Competition" by the Financial Supervisory Commission. In addition, we received top accolades in the "30th Life Insurance Company Evaluation Report" published by the Risk Management, Insurance & Finance Magazine, including "Highest Brand Awareness," "Best Sales Representatives," "Best Claims Services," and "Most Recommended." In the "22nd Top 1000 Enterprises' Insurance Purchasing Behavior and Satisfaction" survey, Fubon Life was recognized by major enterprises as the number one for "Professional Services" and "Most Recommended." Evidently, the Company's business operations and services have been highly praised and trusted among both the general public and enterprises.

4.2 Customer Relationship Maintenance

4.2.1 Enhancing Service Quality with A Customer-Centric Mindset

Fubon Life highly values customer satisfaction and relationship maintenance. In addition to promoting various high-quality online and offline services and fast and transparent communication channels, the Company uses objective data as service quality indicators. We regularly track various service performance metrics and address service gaps to enhance customer relationship maintenance. The continuous improvement in various satisfaction surveys in recent years and the stable performance of long-term policy renewal rates (refer to Appendix 4. SASB Index Table) are solid evidence of high-level customer approval of our services.

Strengthening Customer Care in Anti-Fraud Operations

Committed to creating a financial-friendly environment, Fubon Life established friendly service counters in 2023. Following the "Counter Service Operations" manual, customers with disabilities and those over 65 years old are provided with easily understandable communication language, along with documents featuring enlarged fonts and prominently highlighted key points. This setup facilitates elderly customers in both listening to explanations and reading the text, ensuring they understand their rights related to the matters they are handling. Meanwhile, the Company is attentive to the purposes of customers' funds. If any suspected fraud is detected, we further engage with the customer to inquire whether their family is aware of the situation. If any abnormalities are found, the matter is immediately reported to supervisors for understanding, intervention, or evaluation of whether to report to the police. Furthermore, anti-fraud pamphlets are placed in the customer seating area for them to read while waiting, aimed at enhancing their awareness of fraud prevention and reducing fraud risks.

When customers over 65 years old call the 080-customer service line to inquire about large-sum policy cancellations, policy loans, or redemptions of investment-linked policy funds, customer service personnel proactively inquire about the customer's motives and purposes and kindly remind them to be vigilant against fraud to avoid financial losses. This response principle is included in the department's "Consultation Service Operations" manual for customer service personnel to abide by.

Moreover, we conduct elderly care call inquiries to safeguard elderly customers from undue influence. For elderly customers who take out new policies or apply for policy changes or policy loans, inquiries are made during the call to ensure they understand their rights and intentions clearly, thereby reducing the possibility of persuasion. These calls are regularly inspected in accordance with the "Self-Assessment Operations" manual to ensure compliance with the "Call Operations Procedures."

Furthermore, to reassure customers about answering calls and reading messages from the Company, we have added a " Fraud Prevention Section " to our official website, where Fubon Life's outbound call representative numbers and SMS notification numbers are disclosed.

• Friendly service counters and anti-fraud pamphlets •

Fully Disclosing Product Information to Customers and Confirming Suitability for Insurance

For the review process before the launch of a product, the Company has designed relevant checklists, such as the self-checklist for the preparation of insurance product brochures, the checklist for product review considerations, and the relevant legal self-checklist. The internal self-checks ensure that the terms and insurance product brochures comply with legal requirements, which enable customers to fully understand important details and risks associated with the contract and help them confirm the suitability of their insurance purchase. Additionally, periodic sampling calls are conducted to ensure proper implementation of the Know Your Customer (KYC) process.

Before providing products and services to young customers, solicitors are fully informed of their information (including financial status) and explain financial products, contract contents, and potential risks to them. For minors purchasing insurance, the financial status of their parents is also assessed for the verification of coverage amount. As for minors purchasing investment-linked policies, stricter regulations are in place regarding the age of the insured and selectable investment targets to prevent potential risks.

All product information is disclosed on the Company's website in accordance with laws and regulations (refer to CH4.3. ESG Product Services and Promotion for details). During policy issuance, various documents and assessment interviews, such as the "Sales Personnel Report," the " Customer Suitability Assessment Form for Non-Investment Type Life Insurance Paid in Foreign Currency, " and recordings and post-call interviews for customers over 65 purchasing investment-linked insurance, are used to confirm that customers clearly understand the product they are purchasing and their willingness to buy it as the Company fulfills its duty to inform.

Furthermore, relevant training is promoted at sales channels, such as the " Life Insurance Product Class " and " Sales Class for Beginners " for new employees, which cover important considerations for insuring the elderly and individuals with disabilities. On the "Fubon New Vision" online learning platform, various promotional videos on business quality are available. Each year, sales personnel are required to complete the " 6-Hour External Common Compliance Digital Course " and the " Elderly Customer Insurance Rights Protection Course. " This ensures that sales personnel are equipped with the professional skills and sales quality to treat elderly customers fairly and assist them in purchasing suitable products.

Fubon Life's product promotional materials disclose relevant information based on the following regulations. External product marketing materials, the product section on the official website, as well as presentation files for internal marketing training are reviewed through the " Checklist for Product Promotional Materials and Treating Customers Friendly Principles " mechanism before product launch to ensure compliance with the TCF principles and related regulations. Through a step-by-step product launch process and compliance checks of the multiple regulations as follows, we ensure that customers are provided with complete and accurate product information.

- Insurance Act and related subsidiary legislation on matters to be noted in the review of life insurance products, and matters to be noted in the sale of investment-linked insurance products.
- Self-regulatory guidelines for insurance solicitation and advertising, self-regulatory guidelines for the sale of investment-linked insurance products, and compliance matters for the disclosure of investment-linked insurance information.
- Fair Trade Act, Financial Consumer Protection Act, Treating Customers Fairly Principles for Financial Service Providers, and Personal Data Protection Act.
- Various administrative directives and important regulations.

Step-by-Step Product Launch Process

Product Launch Process		Responsible Unit
Design the most accurate and comprehensive products with reasonable premiums	Draft terms, set calculations, formulate rules, and build systems before product launch	Finance Planning Dept., Administration Dept., Premium Accounting Dept., Product Pricing Dept., Legal Affairs Dept., Information Management Dept.
Ensure that all preparations for the products are carried out as scheduled	Coordinate product content integration, product evaluation and convene management team meetings	Product Development Dept.
Create clear and straightforward marketing materials and conduct initial internal cross-departmental checks	Ensure compliance with legal requirements on disclosure and promotional content and proceed with the production of marketing materials	Product Marketing Dept.
Ensure fair and accurate disclosure of all product information and undergo a second cross-departmental review	Verify data and ouble-check Review marketing tools and confirm regulatory compliance	Product Pricing Dept., Regulatory Compliance Dept.
Complete marketing materials	Distribute to channels	Product Marketing Dept.
Provide feedback when necessary	Make adjustments based on recommendations and ensure accuracy before printing or further customization	Various marketing channels
Ensure that policyholders receive the most accurate and comprehensive information	Distribute to policyholders and disclose information	

Policy Guide in Plain Language, Bridging the Gap in Public Insurance Knowledge

In October 2023, the "Plain Language Policy Guide" section was launched on our official website. From the consumers' perspective, the terms of Fubon Life's "Fortune Whole Life Insurance" and "Precision Cancer Protection Term Insurance" are presented with lively and interesting illustrations and infographics, complemented by an easy-to-understand smart audio guide in plain language. This helps consumers quickly understand the policy terms.

Establishment of Prompt, Transparent, and Fine Communication Channels and Fair Claims Mechanisms

Fubon Life's Customer Rights Department is an independent department dedicated to the implementation of the TCF principles and effective enhancement of consumer protection. Multiple channels for complaints, including website messages, email, hotline, and written submissions are available. Based on the hierarchical responsibility chart approved by the Board of Directors, customer complaints are handled appropriately within 30 days of receipt, and responses are provided to the customers regarding the outcome of the resolution. Through a service improvement mechanism, the Company conducts reviews and evaluations of significant issues or issues related to the TCF principles, tracks improvement effectiveness on a regular basis, and manages and transfers knowledge through a knowledge database.

Fubon Life has established the "Complaint Case Service Improvement Guidelines" to effectively manage complaint cases, ensuring service improvements and compliance with the TCF principles. In cases where complaints involve issues such as inadequate product design, administrative errors, or service defects, the responsible units must review the cases and implement necessary improvements. The dedicated department reviews whether the improvement measures proposed by the responsible units comply with the TCF principles. If the review results indicate potential non-compliance, the case is submitted for service improvement deliberation. In 2023, there were no complaint cases that violated the TCF principles or financial consumer protection regulations. Additionally, there were no penalties related to violations of marketing communication regulations. For details on penalties related to product information or labeling regulations, please refer to CH2.3.2 Disciplinary Actions and Remedial Measures. Under the premise that customers thoroughly understand the claims process, we respond to their claims applications promptly, fairly, sensitively, and transparently, thereby concretely practicing the TCF principles in the protection covered in every policy, exceeding regulatory requirements and societal expectations.

Continuous Development of Diverse Claims Application Channels

Continue to develop diverse channels for claims application, such as the official website and Line, to enhance policyholders' autonomy in submitting claims and make the claims process faster, more transparent, and fairer.

Mobile Claims and Online Claims Services

In collaboration with the competent authority and the Life Insurance Association, we have integrated and launched the "Claims Alliance Chain" to enhance the convenience of customer claims applications. With this service, policyholders only need to submit their claims to the first insurance company and agree to share their personal information through the "Insurance Technology Application Sharing Platform." This allows other participating insurance companies to simultaneously process the application, enabling customers to submit a single application to multiple insurers. Additionally, customers can access the service of "Mobile/ Online Claims Application Digital Identity Verification" by using their MID+ ID card information or insurance passbook account for identity verification. This eliminates the need for physical consent forms and signatures on claims application documents. Customers can simply complete the identity verification process online through their mobile devices, enjoying the convenience and efficiency brought by insurance technology. By providing convenient claims application channels, we cater to different customer demographics, including the elderly and individuals with disabilities, who may have limited mobility. In 2023, approximately 72,000 claims applications were filed through the Claims Alliance Chain, and we continue to promote its use to ensure uninterrupted claims services and safeguard customer rights.

Medical Claims Service

Fubon Life collaborates with 10 major medical institutions in providing a medical document-sharing service through the "Insurance Technology Application Sharing Platform." This service eliminates the hassle of customers having to apply for medical documents and submitting diagnosis reports and receipts to the insurance company. In addition, the "Medical Claims Service" is linked with the "Claims Alliance Chain" transfer service. Customers can choose "Mobile/Online Claims Application Digital Identity Verification" and be exempted from dealing with physical consent forms and signing on claims application documents. The one-stop insurance claims service allows customers to complete the identity verification process online through their mobile devices. By providing convenient claims application channels, we cater to different customer demographics, including the elderly and customers with disabilities, who may have limited mobility. In 2023, a total of 389 cases were processed through the Medical Claims Service, and we continue to promote its usage to customers. In 2024, the service partnership will further include National Taiwan University Hospital, Chang Gung Memorial Hospital, and Taipei Veterans General Hospital as we continue to expand our partnership with medical institutions, extending services to the six municipalities and other counties and cities in Taiwan, benefiting customers, the insurance company, and the environment altogether.

Diagnosis Report and Receipt Transfer for Claims Applications (Collaboration Project with Taipei Medical University Hospital)

Fubon Life collaborates with Taipei Medical University Hospital to establish a partnership where the hospital electronically and securely transmits medical data to the Company for review. This eliminates the need for customers to collect paper-based medical documents, reducing customer inconvenience by saving time and effort with friendly services in line with the TCF principles.

Insurance Fraud Prevention Mechanism

In accordance with the competent authority's guidelines on insurance fraud risk management for the insurance industry, we have established the SOP for Handling Claims Customer Feedback and Major Cases and Insurance Fraud Risk Management. Suspected insurance fraud cases are reported to the Institution of Financial Law and Crime Prevention or law enforcement agencies for analysis and investigation. For policyholders aged 65 and above, reminder messages have been added to the review system to verify and identify the identity of the submitter, preventing the elderly from being defrauded by malicious individuals. Moreover, we continue to implement insurance fraud prevention measures to reduce incidents of fraudulent insurance claims, thereby protecting customer rights and adhering to the treating customers fairly principles.

Insurance Benefit Deduction for Medical Expenses

We currently work in partnership with 7 medical centers in Taiwan, where hospitalized customers can apply and confirm their eligibility to directly deduct their medical expenses using their insurance benefits upon discharge, without the need to submit additional documents such as diagnosis reports. Since the launch of the program, the total amount claimed in 2023 was NT$ 1.588 million. In the future, we will actively seek partnership with other hospitals to expand our service coverage and provide customers with better service quality. Through the insurance benefit deduction service, the eligible amount will be directly paid to the hospital, eliminating the inconvenience for customers to provide related proof documents. Furthermore, the friendly and convenient services we offer save customers from worrying about the impact of hospitalization expenses on their lives.

Various Application System Optimization to Improve Service Quality

2021: 105 million NTD
2022: 83 million NTD
2023: 359 million NTD

4.2.2 Valuing Customer Feedback and Attending to Policyholder Needs

Dispute Handling

- Financial consumer disputes: Regarding the handling of financial consumer disputes based on the individual assessment indicators of the TCF principles, we received a total of 102 ombudsman decisions in 2023, of which 3 cases were wholly or partially in favor of the applicant. These unfavorable cases have been reported to the responsible departments for discussion on a case-by-case basis. Based on the analysis of the sources, types, and outcomes of complaints, major customer complaints or complaint dispute cases are categorized and reported to the Board of Directors for review. This facilitates the Board of Directors examination of the effectiveness of consumer protection mechanisms, allowing the Board of Directors to gain a deeper understanding of the causes of disputes, specific solutions, or optimization measures.

Exceptional Customer Relationship Maintenance

- In 2023, Fubon Life was awarded "Highest Brand Awareness," "Best Sales Representatives," "Best Claims Services," and "Most Recommended" in the Insurance Quality Awards for eight consecutive years.
- In 2023, due to the pandemic, there was an increase in the number of sales and claims applications accepted, as well as the overall complaint cases accepted and complaint rate as a result. The number of complaint cases accepted has seen a 4.66% increase, while the complaint rate increase was 3.31%.

Year	Number of cases accepted	Number of cases concerning active contracts	Complaint rate (‱)	Increase in the number of cases accepted	Increase in complaint rate
2021	367	26,295,018	0.1395702	-4.43%	-8.04%
2022	493	26,900,053	0.1832710	+34.3%	+31.3%
2023	516	27,252,240	0.18934223	+4.66%	+3.31%

Complaint type

Claims 268
Administrative and other processes 186
Solicitation 62

- In 2023, the number of claims complaints accepted and the overall claims complaint rate remained similar to the levels in 2022. Among them, there were a total of 87 ombudsman cases for claims applications, with an ombudsman rate of0.03 ‱。

Year	Number of claims applications	Number of cases concerning active contracts	Claims complaint rate (‱)	Increase in the number of cases accepted	Increase in complaint rate
2021	193	26,295,018	0.073	3.21%	-0.69%
2022	264	26,900,053	0.098	36.8%	+34.2%
2023	268	27,252,240	0.098	1.5%	0%

- Fubon Life ranked second among 21 life insurance companies in the application rate for ombudsman services.

Insurer under dispute	Application rate for ombudsman services (‱)
2 Fubon Life	0.05100498
Shin Kong Life	0.05801292
KGI Life	0.06238384
Nan Shan Life	0.07042854
Cathay Life Insurance	0.07517765
Taiwan Life	0.12699144
Industry average	0.10253944

Annual Customer Satisfaction Survey

Fubon Life conducts a customer satisfaction survey on a yearly basis to examine customer service quality, and the findings are compiled and reported to the Board of Directors and the Chairman. In 2023, a comprehensive customer satisfaction survey (survey period: March 22 to April 16, 2023) was conducted, targeting customers who had business transactions or had contact with our service personnel in the past year. The survey gathered their overall feedback and opinions on specific service aspects, providing us with a more authentic voice of the customers regarding our service offerings.

Based on the survey result analysis, the overall life insurance satisfaction score for 2023 was 76, and the net promoter score (NPS) was 19.3, indicating a positive customer recommendation across various service channels, including agents, online insurance applications, service counters, 080-customer service hotline, and online policy loans for their service attitude and problem-solving abilities. Moving forward, we will continue to conduct regular customer satisfaction surveys and track the satisfaction data for each service category to improve customer service consistently.

Continuous Enhancement of Counter and Consultation Services

Fubon Life is committed to meeting customer needs through consistent enhancement of the expertise and service capabilities of our personnel. For customer service counter staff, monthly evaluations are conducted based on surveillance footage of their service etiquette. The "service quality pass rate" is required to be above 92%. In response to customer feedback indicating dissatisfaction in the customer consultation satisfaction survey, supervisors follow up with customers and provide guidance to our staff members, striving to deliver warm, impactful, and attentive service.

- Mystery Shopper Assessment：
  To enhance the service quality of our counter staff and improve customer satisfaction, we engage a professional consulting firm to conduct annual "mystery shopper assessments." In 2023, the average satisfaction score was 97.54, which is an increase of 1.5 points compared to 2022.
- Survey on Overseas Emergency Assistance Services：
  We completed 79 cases of overseas emergency assistance, with a satisfaction rate of 100% (target set at 95%).
- Customer Consultation Service Satisfaction：
  A total of 20,624 customer satisfaction surveys were completed, with a "satisfied or above" rate of 98.2% (target set at 92%).

4.3 ESG Product Services and Promotion

4.3.1 Goals and Vision

Fubon Life upholds the principle of putting people first in life insurance and integrates ESG considerations into our core business. We strive to promote multifaceted financial products and services as we actively engage with our customers and the general public through channels such as our official website and social media platforms to jointly safeguard health and promote environmental sustainability.

4.3.2 Sustainable Product Design to Promote Shared Prosperity in Society

Fubon Life's product strategy adheres to the Principles for Sustainable Insurance (PSI) and incorporates ESG issues into consideration. By identifying factors related to social change risks, such as the aging population and challenges faced by the younger generation with low wages, we continuously design a variety of financially inclusive insurance products to address various social and environmental change issues.

Combining the Spillover Mechanism in Launching Cancer Insurance for Precision Treatment

In response to the threats posed by the "high incidence, advanced treatments, and high medical expenses" of cancer, we pioneered the introduction of products that include coverage for proton therapy, the "Fubon Life Precision Cancer Protection Term Insurance" specifically designed for the high-incidence age group for cancer (40-70 years old), and the "Fubon Life Prime Precision Cancer Protection Term Insurance" that targets the young and middle-aged group (25-39 years old). By incorporating precision medicine, these products aim to enhance the effectiveness of cancer treatment and include coverage for new and expensive cancer tests and treatments such as genetic testing for cancer, targeted therapy, and immunotherapy, which typically require out-of-pocket expenses, thus helping people upgrade their cancer protection. Moreover, the "Fubon Life Precision Cancer Protection Term Insurance" is incorporated with a "spillover mechanism" that encourages policyholders to take preventive measures and enjoy health management discounts on insurance premiums.

Launching Health-Promoting Products to Strengthen Awareness of Self-Health Management

Echoing government policies and attending to national health, Fubon Life actively implements risk management early on in the "damage prevention" phase and initiated a new business model of "health-promoting" insurance. Throughout 2023, we have introduced differentiated rate products that promote health, transforming the role of health insurance from passive damage coverage to proactive prevention.

Fubon Life and Taipei Fubon Bank Launched Taiwan's First Blood Donation Spillover Policy: Donate Blood to Help Others and Enjoy Premium Discount

Aside from typical self-benefiting spillover policies, in 2023, Fubon Life collaborated with Taipei Fubon Bank to launch Taiwan's first blood donation spillover policy, "Fubon Life Blood Donation Variable Rate Whole Life Insurance." It provides lifetime coverage, encourages blood donation to benefit both others and oneself, and offers health management premium discounts as a way to give back to policyholders, thus meeting diverse needs for risk protection and health management.

Product Development Motives

Environmental Challenges (E)	Over the past decade, Taiwan has had the highest blood donation rate globally, yet blood for clinical use is scarce. Particularly, the number of young blood donors has decreased by 50%. With an aging population and an increase in cancer diagnoses, the demand for blood is expected to rise. The Taiwan Blood Services Foundation estimates a severe imbalance in the supply and demand for clinical-use blood by 2030.
Health Promotion (S)	As health awareness among the public enhances, insurance is shifting from post-incident compensation to proactive prevention to encourage policyholders to manage their health proactively, thereby transforming the value of insurance.
Policy Adherence (G)	The Financial Supervisory Commission encourages the insurance industry to develop health management insurance products with spillover effects.

Marketing Plans and Outcomes

A press release was issued in conjunction with the product launch, and a dedicated promotion area was established on the bancassurance service station, LINE@. A total of 69 policyholders completed the tests and enjoyed spillover discounts.

Introduction of the First Heart-Specific Medical Device Policy to Build A Heart Protection Network for Policyholders

In 2023, we launched the "Fubon Life Heart Reliance Term Health Insurance Rider," a ten-year term insurance product specifically designed for the age group prone to heart disease (40-65 years old). This policy primarily provides subsidies for commonly used medical devices for heart diseases and surgeries, offering up to NT$1 million in coverage. As a rider, it is a cost-effective add-on specifically for heart protection, allowing policyholders to enjoy high coverage with low premiums, thereby supplementing heart medical device coverage and reducing medical burdens effortlessly. This product can be added to existing main policies and is recommended for middle-aged individuals focused on career advancements. On top of existing hospitalization pay-as-you-go insurance, daily allowance insurance, and cancer insurance, policyholders can add a one-time payment critical illness insurance main policy combined with the "Heart Reliance" rider for a more comprehensive protection plan that covers periods before, during, and after medical treatment. In addition, middle-aged individuals approaching retirement may consider pairing an affordable small whole life insurance policy with the "Heart Reliance" rider to protect their hearts not only for their health benefits but as a caring gesture for their families.

Introduction of Insurance Products for the Elderly and Young to Enhance Retirement Protection and Fill the Coverage Gap for Youth

- In 2023, we launched the "Fubon Life Joy and Fortune Elderly Cancer Prevention Term Insurance," targeting the middle-aged and elderly group (55-80 years old) to provide health protection during retirement. This product includes a one-time cancer insurance payment that can cover substantial immediate treatment costs and loss of income. Policyholders can enjoy premium discounts if they meet the step goals tracked by designated wearable devices or applications.
- To combat the three major retirement risks, medical risk, longevity risk, and inflation risk, we launched the "Fubon Life Premium Foreign Currency Variable Rate Annuity Insurance" and the "Fubon Life Premium Foreign Currency Variable Rate Whole Life Insurance" in 2023. Policyholders start receiving survival benefits upon reaching the agreed age, ensuring a stable cash flow for retirement while meeting the needs for foreign currency asset accumulation and retirement planning.
- We promote the concept of "four retirement accounts" for the elderly, launching insurance products for retirement planning focused on "pension, medical care, long-term care, and liability." On the other hand, we have been promoting policy revitalization since 2014, allowing policyholders to convert their existing whole life insurance policies into products that cater to the needs of the elderly, such as medical and long-term care insurance, without the need to reapply or pay additional premiums for elderly care.
- For young people, we launched the exclusive "Perfect Ten for the Youth Project," featuring a "modular policy" design. It offers a ten-year term insurance with guaranteed renewability, allowing young individuals to obtain comprehensive coverage at lower premiums.

ESG Fund Included in Investment-Type Policy Targets

In 2022, the Company revised the selection rules for ESG mutual funds within the "Selection Procedure for Investment-Linked Insurance Assets." The first control mechanism to prevent greenwashing is to check whether the fund is listed in the "Fund Information Observation Station - ESG Fund Section" jointly established by the Taiwan Depository Clearing Corporation, Securities Investment Trust and Consulting Association of the Republic of China, and the Chinese National Futures Association. Furthermore, the "Investment-Linked Product Decision Meeting" serves as the second control mechanism, where a decision committee consisting of executives from the product, actuarial, finance, and distribution departments jointly selects compliant ESG funds to link to investment-linked insurance policies. This investment decision process integrates sustainable development considerations, ensuring that ESG investment approaches not only allow investors to exert social responsibility influence but also achieve investment returns that are more resilient to financial market fluctuations, thereby promoting a positive cycle in the capital market. As of December 2023, Fubon Life has invested in 27 funds that are listed in the "ESG Fund Section" of the Fund Information Observation Station, with a total market value of approximately NT$12.143 billion.

Quantifiable Data on the Reduction of Social and Environmental Impact

Policy Type	Policy Title	Social & Environmental Impact	Impact Reduction
Walking spillover policy	■ Fubon Life GO Term Health Insurance for Critical Illness ■ Fubon Life e-Term Life Insurance ■ Fubon Life Walker Term Health Insurance ■ Fubon Life Joy and Fortune Elderly Cancer Prevention Term Insurance ■ Fubon Life Online Term Health Insurance	Customers who meet the daily average step count threshold are eligible for premium discounts or health management rewards. This incentivizes individuals to prioritize their health and encourages active self-management of health, reducing the risks of mortality and illness.	A total of 115 people achieved the step count target and enjoyed spillover discounts with a daily average step count of at least 8,000 steps.
Cancer check-up spillover policy	■ Fubon Life Fuyi Meili Foreign Currency Variable Interest Rate Whole Life Insurance ■ Fubon Life Hsinmei Yitsu Foreign Currency Variable Interest Rate Whole Life Insurance ■ Fubon Life Huafu Meiyi Foreign Currency Variable Interest Rate Whole Life Insurance ■ Fubon Life Fuyi Heritage Variable Interest Rate Whole Life Insurance ■ Fubon Life Yihsin Hsiangfu Variable Interest Rate Whole Life Insurance ■ Fukang Senior Variable Interest Rate Whole Life Insurance ■ Fubon Life Huafu Manyi Variable Interest Rate Whole Life Insurance ■ Fubon Life Increased Value Health and Critical Illness Whole Life Insurance ■ Fubon Life Precision Cancer Protection Term Insurance ■ Fubon Life Fortune Senior Variable Interest Rate Whole Life Insurance	Health check-up items provided include "Next-Generation Circulating Tumor Cell Testing" and "Tumor Marker Testing." Policyholders can enhance their health management through insurance products, thereby reducing the mortality rate after cancer diagnosis.	A total of 20,108 people completed the tests and enjoyed spillover discounts.
General health check-up spillover policy	■ Fubon Life New Medicine Premium Critical Illness Whole Life Health Insurance ■ Fubon Life Health (In-kind benefits type) Insurance	Through adequate and regular health check-ups, potential diseases or risk factors can be detected early, allowing for early intervention and treatment.	A total of 824 people completed health screenings.
Designated vaccination and check-up spillover policy	■ Fubon Life Medical Treasure Critical Injury/Illness Term Health Insurance (V1) ■ Fubon Life Youth Protection Critical Illness Term Health Insurance ■ Fubon Life Golden Protection Whole Life Health Insurance ■ Fubon Life Medical Assurance Critical Illness Insurance ■ Fubon Life Blood Donation Variable Rate Whole Life Insurance	Through adequate and regular health check-ups, potential diseases or risk factors can be detected early, allowing for early intervention and treatment. Moreover, receiving vaccinations reduces the risk of contracting diseases, developing severe symptoms, or mortality.	A total of 2,874 people completed check-ups or received vaccinations and enjoyed spillover discounts with this type of policy in 2023.
Blood sugar level spillover policy	■ Fubon Life Smart Sugar Term Health Insurance	Adequate and regular health check-ups can raise awareness among individuals with high blood sugar levels, those with risk factors for diabetes, or individuals already diagnosed with diabetes. This policy further encourages policyholders to engage in self-management practices to reduce the risk of developing diseases, severe complications, or mortality.	A total of 328 people completed check-ups and enjoyed spillover discounts.
Heart-exclusive medical device policy	■ Fubon Life Heart Reliance Term Health Insurance Rider	For middle-aged individuals, we offer insurance that provides subsidies for heart medical devices, including five types of devices such as coronary stent placement and pacemaker implantation. If no claims are made within the 10-year insurance period, there is a no-claim bonus of 30% of the total annual premiums paid.	Since the launch in December 2023, 4 valid contracts have been signed by the end of the year.
Investment-linked policy	■ Fubon Life Bonus Benefits Variable Annuity Insurance	In light of the global emphasis on sustainability issues, and to align with international standards, we have strengthened the linkage of investment-linked insurance policies with ESG funds and taken measures to prevent "greenwashing" funds.	As of December 2023, Fubon Life has invested in 27 funds listed in the "ESG Fund Section" of the Fund Information Observation Station, with a total market value of approximately NT$12.143 billion.

4.3.3 Integrating ESG Issues into Marketing

Diversified Product Marketing to Enhance Protection Awareness

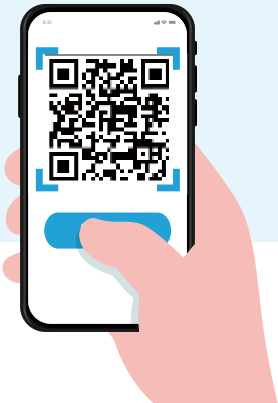
To promote retirement planning and encourage a healthy mindset among the public, Fubon Life established the Four Retirement Accounts Section on our official website. Through easy-to-understand infographics and engaging illustrations, we conveyed retirement security planning and the importance of health in a relatable and interesting manner. "Everyone's Perception of Cancer is Different" and "Cancer Treatment is Like Love" were two new themes launched in 2023 to raise public awareness about cancer protection and health. The exposure on various platforms including Facebook, LINE, and digital newsletters garnered a total of 17,000 views for the section in 2023.

To make healthcare coverage for the people in Taiwan more comprehensive, the National Health Insurance Administration (NHIA) initiated the "Cooperative Health Insurance Program" in 2022. As one of the first insurance companies to be invited to collaborate, Fubon Life established a dedicated section for "Cooperative Health Insurance Program" on our official website, providing information on upgraded coverage for precision cancer treatment, medical devices, pay-as-you-go, and critical illness protection. We also created an inquiry portal in the "National Health Insurance Mobile App/Health e-Wallet." Through internal promotion and external social media campaigns, the section has received nearly 29,000 views by the end of December 2023.

In response to FSC's encouragement for insurers to develop health management insurance products with spillover effects, aimed at increasing public attention to health management and enhancing insurance coverage, Fubon Life launched the "Spillover Policy Section" on our official website in February 2023. Themed "Lighting Up Health Promotion + Dual Vision of Insurance Protection," the section offers introductions to four major spillover mechanisms: Cancer Screening Pioneers, Walking for a Healthy Life, Designated Vaccinations, and Regular Easy Health Checks, along with corresponding insurance products. Additionally, it features health science reports to encourage customers to leverage spillover policies in planning their life and health insurance coverage. As of the end of December 2023, the section has accumulated approximately 13,000 views.

In light of the ever-changing financial market, the Company has launched multiple dividend policies as additional options for asset planning. In September 2023, the "Dividend Policy Section" was introduced on our official website to facilitate a quick understanding of the features of dividend policies and diverse product structures. Designed with the sports style inspired by the Fubon Guardians professional baseball team as the main theme along with the slogan "Share with All, Stay Ahead," the section includes a graphic nine-square problem selection menu to guide users quickly to their topics of interest. The products are categorized based on different customer needs into two main categories: asset inheritance and retirement cash flow. Additionally, an interactive calculator allows visitors to explore the planning results of dividend policies under different dividend scenarios and directs them to the customer service hotline for personalized services. Over the four months since the launch of the section from September 1 to December 31, 2023, the total accumulated views reached approximately 69,000.

Access easy-to-understand information on precision cancer treatment here!
Fubon Life Four Retirement Accounts Section



4.4 Financial Inclusion

In delivering inclusive financial services, Fubon Life has been consistently seeking timely advancement in various aspects. With the customer's perspective at heart, we design diverse financial products and services, including products for the protection of vulnerable and elderly groups, products, marketing activities and sales protection mechanisms catering to the young, financial-friendly services featuring digital innovation and bridging the digital divide. Our concrete actions demonstrate our commitment to customer service.

4.4.1 Inclusive Financial Products and Promotion

Active Promotion of Microinsurance to Achieve Financial Inclusion

Since 2014, in response to government policies such as the "Guidelines for Insurance Companies Conducting Microinsurance Business," Fubon Life actively promotes microinsurance products to fulfill our social responsibility towards vulnerable groups. We have been a leader in introducing micro life insurance policies that are affordable and easy to apply. These products provide basic protection for economically disadvantaged individuals in times of family crises, contributing to the stability of society

Over the years, Fubon Life has collaborated with the Fubon Charity Foundation to expand our services to microinsurance beneficiaries in Taichung City, New Taipei City, Kaohsiung City, Taitung County, and Hualien County. We have also maintained ongoing partnerships with charitable and disability organizations such as the World Vision, Catholic Good Shepherd Social Welfare Foundation, Chinese Christian Relief Association, and various branches of the ROC Foundation for Autistic Children and Adults in Taiwan. In 2023, the Company received the FSC microinsurance competition's "Care for the Disabled Award." In 2023, we further offered our services to more than 9,000 individuals from disadvantaged groups under the jurisdiction of the Hualien County Government. Since 2016, the cumulative donation amount has reached NT$56.1 million. In 2023 alone, we provided protection for a total of 63,183 disadvantaged individuals across Taiwan, with an insured amount reaching NT$18.84 billion.

Promotion of Micro Whole Life Insurance for Universal Protection

In response to the aging population and declining birth rate, Fubon Life introduced the Jinlai Bao Micro Whole Life Insurance with universalized basic insurance coverage for the elderly. In particular, this six-year premium payment policy allows individuals to apply for coverage up to the age of 84, while the micro whole life insurance provides lifelong protection in the event of the insured's death or total disability. An optional one-year term accident insurance rider is also available, which enhances coverage for death or disability caused by accidental injuries.

To make application easier for elderly individuals, micro whole life insurance products are designed to be simple and easy to understand. The premiums are also more affordable compared to other similar life insurance policies, making it accessible for individuals in Taiwan to obtain life insurance. Under strong promotional efforts in 2023, Fubon Life has seen a growth in the number of micro whole life insurance policies by 29,000 cases compared to 2022, contributing to the stability of society. Our efforts were recognized by the "Excellent Performance Award" for Micro Whole Life Insurance in 2023.

Promotion of the Online Insurance Platform (Fund Rich) to Universalize Life Insurance/ Health Insurance

Fubon Life has introduced online insurance products with low additional fees and low premiums, including critical illness insurance, term life insurance, and micro whole life insurance. People can have their insurance needs met through online platforms, and the low premium allows young individuals to plan for retirement protection in advance.

In addition to the aforementioned financial products, in December 2022, we launched three insurance products on our online insurance platform, Fund Rich. The products are the "One-Year Micro Life Insurance," "Fubon Life Online Micro Accident Insurance," and "Online Micro Accident Medical Insurance Rider." Through the Fund Rich platform, we aim to meet the needs of vulnerable groups for basic life insurance and accident insurance, making insurance more accessible and providing more diverse protection for people in Taiwan in the event of accidents. The number of microinsurance products launched through the Fund Rich platform in 2023 reached 20, with an accumulative premium income of NT$8,131.

4.4.2 Providing the Disadvantaged with A Friendly Financial Environment and Services

Encouraging Sales Personnel to Enhance Capabilities in Friendly Financial Services from Solicitation to After-Sales Services

To enhance the communication skills of frontline agents for policyholders with disabilities and encourage solicitors to assist disabled customers with insurance applications and after-sales services through a friendly and inclusive approach, Fubon Life's Agency Channel Division formulated the "National Sign Language Interpreter Certificate Incentive Program." It aims to improve solicitors' soft skills in providing fair and friendly service and ensure that every interaction leaves a heartfelt impression on customers with disabilities.

Moreover, we remind solicitors to always uphold a friendly service mindset by regularly communicating the importance of fair customer treatment. We also conduct annual in-service education and training on relevant topics and produced internal promotional videos, such as "Considerate and Barrier-Free Insurance Service." Through multiple channels, we set out to create a comprehensive environment of friendly financial services.

Financial Friendly Insurance Services

Customers with disabilities who need to visit a counter can make an appointment through family or friends by calling the 080 hotline or leaving a message online. Based on the customer's needs, we will arrange for dedicated personnel to guide and escort them at the building entrance in advance. Service bells or guidance personnel are available at the entrances of customer service buildings across Taiwan. In addition, various assistive devices are provided for the elderly and vulnerable, including reading glasses, LED magnifiers, wheelchairs, and blood pressure monitors.

Friendly service facilities

A fast-track service has been added to the customer service hotline for elderly customers, allowing those aged 65 and above to have priority access. This service ensures consultations are conducted at a moderate speed with repetitive confirmation and without interruptions and language barriers. It also actively assists customers with reviewing and updating policy information. With professional explanations from customer service personnel, the service is not only efficient but considerate, allowing elderly customers to fully understand their rights and the details of their transactions. Moreover, the Policyholder Section on the official website offers an English application interface, making it convenient for foreign customers to apply for membership with English instructions.

Sign Language Interpretation Service

In providing an inclusive and friendly financial service environment for customers with hearing or speech impairments, Fubon Life collaborates with the Taiwanese Association of Sign Language Interpreters to introduce "Sign Language Interpretation Services" at 10 customer service counters across Taiwan. Customers can express their need for sign language services at the customer service counter during business hours when conducting their transactions or inquiries. The counter staff will arrange for on-site videoconference interpretation services by certified professional sign language interpreters to assist customers with hearing or speech impairments. Customers can also make appointments in advance for on-site interpretation services by professional sign language interpreters at the customer service counter, ensuring precise communication between customers and the counter staff. Fubon Life has also issued press releases to promote this service among the general public.

Multilingual Real-Time Translation Services

To address the language barrier faced by new immigrants in their daily lives, and considering the growing number of customers who are new immigrants, Fubon Life has assigned personnel with English communication skills at customer service counters and also equipped all 10 customer service counters across Taiwan with multilingual real-time translation devices. These devices enable instant communication in the native language of the new immigrant policyholders, ensuring smooth and accurate communication, and enhancing the overall financial experience for new immigrants.

Multilingual real-time translation device

Service Accessibility

Insurance inspection plays a key role in risk management. Traditional inspections, which involve several steps from the interview appointment to the actual visit, often require a considerable wait time for policyholders, especially those in remote areas. Hence, Fubon Life actively developed the "videoconference insurance inspection service." The insurer will obtain the policyholder's consent and confirm their intention to apply for insurance and related information before conducting the videoconference interview, and the video footage is encrypted and securely stored to protect the policyholder's personal data. In 2022, the total number of insurance inspections was 40,414, of which 24,868 cases were conducted via videoconferencing, accounting for approximately 61%. The number grew by approximately 41% compared to the 17,589 cases in 2022. This allows policyholders to undergo inspections more efficiently regardless of distance.

While videoconference insurance inspection is convenient, customers are still required to download the M+ Enterprise Instant Messenger app beforehand. To accommodate elderly customers who may be less familiar with digital tools, Fubon Life introduced a new service in March 2022 that sends a video link via SMS. Customers can simply click the link to open the video webpage and enter the password provided in the SMS to initiate the videoconference inspection process. This intuitive and user-friendly approach greatly enhances the convenience for senior customers in completing the insurance inspection via videoconferencing. For customers with disabilities who find it inconvenient to accept the insurance inspection via videoconferencing, or other customers who are not familiar with digital devices, inspection personnel can still conduct in-person visits. This dual-track approach reduces the digital gap, providing more friendly insurance services to customers.

Self-Audit on Treating Customers Fairly Practices and Customer Complaint Improvement Procedures

- The Company conducts monthly self-audits to ensure compliance with the treating customers fairly principles. The audit data is compiled by the dedicated fair customer treatment unit and reported to the President in a quarterly implementation status report. The data are also reported to the Board of Directors regularly. For more details on fair customer treatment, please refer to CH4.1.1. Top-Down Implementation of the Treating Customers Fairly Principles.

- Self-audit items are also updated in response to new or revised regulations and relevant penalties imposed on other insurers. When the Life Insurance Association notifies updates to the guidelines and FAQ on financial-friendly services, relevant departments are notified to review and update the Friendly Financial Services section on the official website. For more details on regulatory compliance, please refer to CH2.3.1. Regulatory Compliance Practices.
- Upon receiving customer complaints, a service improvement mechanism is activated. The department in charge of handling customer complaints registers the case and transfers it to the relevant department for review of the current operating procedures and service content. Improvement measures and deadlines are formulated in response to any deficiencies, and the customer complaint department is notified of the improvement plan. The department then reviews whether the improvement measures align with the TCF principles and tracks the progress of the improvements. For more details on customer complaint handling, please refer to CH4.2.2. Valuing Customer Feedback and Attending to Policyholder Needs.

Establishing A Friendly Financial Environment and Services from Institutional and Behavioral Aspects

In 2022, Fubon Life submitted a revision of the strategy for treating customers fairly principles to the Board of Directors, adding Article 13, which includes guidelines for friendly financial services. On April 27, 2023, Article 13 was further amended to specify that financial products and services should consider the needs of elderly customers, customers with disabilities, and other specific groups, and appropriate friendly measures should be taken. Relevant departments have designated personnel responsible for the Friendly Financial Services Section on the official website and the Policyholder Section of the mobile app, as well as the necessary software and hardware services for customers at counters and consultations. Additionally, the provision of a friendly financial environment and services for disadvantaged groups has been included in the periodic self-assessment items of each department. The department dedicated to fair customer treatment prepares quarterly implementation reports for the President, consolidates the annual implementation status, reports it at high-level executive meetings, and submits it to the Board of Directors. The content includes measures to protect the financial consumer rights of disadvantaged and disabled individuals and provide appropriate friendly financial services. Actively echoing government policies, we continue to expand the scope of micro-insurance protection, and the Board of Directors has approved related micro-insurance proposals. Furthermore, the Audit Office conducts special audits on the sale of insurance products to elderly customers and the implementation of fair customer treatment to review the overall execution of financial consumer protection and fair customer treatment in friendly financial services. In addition, besides signing off on annual self-study materials such as "Understanding the UN Convention on the Rights of Persons with Disabilities," all staff members, the Chairman, Vice Chairman, President (also a director), and senior executives included, are required to undergo annual online training courses on friendly financial services to continuously enhance their professional knowledge.

Digital Financial Services Designed to Meet the Needs of Different Groups

Self-help inquiry platforms, including the Policyholder section and the Fubon Life app, provide a "Transfer to Representative" online call function for the visually impaired and customers aged 65 and above. Upon clicking the "Transfer to Representative" button, the voice assistance function will be activated and say "Double-click the Transfer to Representative button to dial the online hotline." It will then directly dial the customer consultation hotline, enhancing differentiated services for the digitally disadvantaged.

Medical Examinations and Telephone Interviews via Videoconferencing for Elderly Customers

For elderly customers who need to undergo insurance inspections, pre-underwriting interviews, or medical examinations when applying for insurance, these tasks typically need to be conducted separately. To provide more friendly insurance services, starting from September 1, 2023, Fubon Life introduced a consolidated videoconference insurance inspection service to help customers complete the above tasks in a single videoconference session. The customer's consent to combine these tasks is obtained before conducting the videoconference inspection. With the customer's agreement, the videoconference personnel will ask questions related to the inspection, substitutes for medical examinations, and pre-underwriting interviews during the videoconference session. Upon completion, the insurance inspection report and interview questions are submitted for underwriting review. This consolidated approach streamlines administrative processes, enhances the overall underwriting efficiency, and allows customers to receive insurance protection as quickly as possible. The videoconference process enhances convenience, enabling customers to complete the tasks from home while ensuring their rights are protected through complete video recordings of the sessions.

From September 1, 2023, to December 31, 2023, a total of 251 cases were handled using this videoconference insurance inspection service consolidated with pre-underwriting interviews and medical examinations. For this operation, the Company has established relevant management indicators, aiming to complete videoconference inspections at the customer's designated time with a compliance rate of ≥ 96%. During the aforementioned period, the achievement rate was 99%.

4.5 Digital Technology and Innovation

4.5.1 Promoting Considerate Customer Services

In accordance with the "Operational Principles for the Utilization of Emerging Technologies" in the "Self-Regulatory Standards for Information Security Protection in the Insurance Industry," as well as relevant laws and regulations and internal regulations, Fubon Life established the "Operational Guidelines for the Utilization of Emerging Technologies." This ensures a robust control mechanism to ensure the security of emerging technologies, effectively manage the potential risks associated with the use of these technologies, protect consumer rights, and deliver safe, convenient, and uninterrupted services.

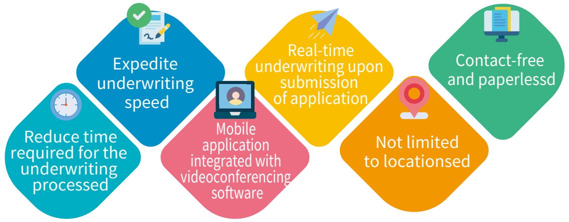
Fubon Life's operations are customer-centric. In addition to addressing the impact of social changes and providing corresponding services, we are also actively responding to the environmental impact of climate change by developing innovative services to optimize the customer experience. Through digitalization and mobile transformation, customer application processes are streamlined, application time and costs reduced, and overall efficiency is improved. Moreover, regular self-audits are conducted (e.g., the claims unit periodically reviews various cases to ensure compliance with audit processes and quality; the Claims Alliance Chain regularly checks the success rate of transfers to other receiving companies, achieving 100%, and the digital identity verification for successful claims applications achieves a 100% success rate; the security unit regularly reviews the mobile identity (MID) verification service to ensure operational quality, confirming a 100% rate of authenticity in internet service member registration through sample call verifications. Cases completed with MID in place of customer service calls for verification have resulted in zero cases of non-authentic applications after closing). Work reports are presented regularly on the achievement rates of electronic notifications, electronic policies, and electronic insurance contract applications. Additionally, in coordination with Fubon Financial Holdings, semi-annual reviews and tracking of the budget and cost execution and effectiveness of digital financial services are conducted, contributing to green value creation for society. For more details on our corporate carbon reduction achievements, please refer to CH6.3 Low-Carbon Operation.

E-Services throughout the Whole Life Cycle of Insurance Products

Insurance Application Services

Expansion of mobile insurance applications to enhance customer experience

Fubon Life's mobile insurance application offers real-time service functions. Once the application data is uploaded, customers can immediately accept videoconference insurance inspections and telephone interviews, which accelerate the underwriting process. In 2021, we integrated Microsoft Teams videoconferencing tools to launch the VIP Videoconference Insurance Platform, and in 2023, a total of 3,068 cases were accepted through the platform. This expansion of the mobile insurance application allows sales personnel to assist customers with insurance applications anytime and anywhere, ensuring uninterrupted insurance services. Moreover, the usage rate of mobile insurance applications is included in the Company's e-service indicators. The underwriting department regularly provides mobile insurance application usage rates to the sales channels to facilitate performance tracking and jointly enhance indicator tracking management.



2023 paper application forms

A total of 330,553 forms were reduced

emission reduction of approximately 50,070 kilograms.

Promotion of mobile payment methods

Fubon Life provides customers with mobile payment channels to pay premiums for new contracts and active contracts.

In 2023, a total of 4,781 new contracts involved the use of mobile payment, amounting to NT$135 million. For active contracts, a total of 64,970 payments were made, amounting to NT$403 million. In total, 69,751 payments were made through mobile channels, totaling NT$538 million.

In 2023, the number of paper authorization forms for new contracts was reduced by 5,469, contributing to an estimated carbon emission reduction of approximately 118 kilograms.

When using mobile insurance to pay the first installment of insurance premiums, it is recommended to use the following payment channels:

- Credit card: Online credit card / Apple Pay / LinePay
- Transfer: Instant online transfer / iPASS MONEY

Policyholders can immediately complete the payment online, which is not only fast and convenient, but also has the following three major benefits.

- Prompt: Instant payment, accelerate premium deposit
- Non-tracking: Pay online now, no need to track deduction results
- Censorship-free

Insurance Application Services

Promotion of "electronic payment authorization service"

Since the launch of the "Electronic Payment Authorization" function for new contracts in February 2022, Fubon Life has been building capacity for and promoting the use of electronic payment authorization. In December 2022 and March 2023, we introduced the "Online Banking Account and Password Verification" and "Electronic Payment Authorization through QR Code Verification" functions for active contracts. This allows our customers, whether for new contracts or active contracts, to apply for payment authorization using the "Electronic Payment Authorization" function. Once online verification is completed, the designated premium deduction account is immediately authorized, eliminating the need to fill out paper authorization forms and stamp seals. This process saves 2 to 3 days of mailing time for customers and 3 to 6 days for bank verification.

2023 A total of 31,089 premium authorizations were completed, reducing the use of 57,148 paper authorization forms, which contributes to an estimated carbon emission reduction of approximately 1,237 kilograms. It is a 150% increase in the reduction of carbon emissions compared to the 825 kilograms of carbon emissions reduced in 2022.

Provision of diversified policy formats

Fubon Life has an "Electronic Policy and Electronic Insurance Contract Terms Section" on its official website, where simulated files of electronic policies and insurance contract terms are provided. Through practicing online, customers can learn about diversified policy formats, thereby increasing their willingness to apply and use them. The "electronic insurance contract terms policy" combines the characteristics of both paper and electronic formats. The application documents signed by policyholders are presented in paper form, while the policy terms and product brochures are converted into QR codes. Policyholders can immediately access these documents by scanning the QR codes. It not only reduces the volume of the policy documents but also increases convenience. In 2023, a total of 59,636 electronic policies (accounting for 15% of new contracts for the year) and 35,327 electronic insurance contract terms policies were processed, totaling 23.9% of new contracts for the year. Compared to 2022, the total number of applications increased by 10.6%. Throughout 2023, a total of 94,963 policies were processed electronically, reducing 2,617,165 sheets of paper and an estimated 56,634 kilograms of carbon emissions, a 12.9% increase compared to the 50,176 kilograms of carbon emissions reduced in 2022.

Note : In 2022, a total of 45,464 electronic policies (accounting for 11.8% of new contracts for the year) and 40,418 electronic insurance contract terms policies were processed, totaling 22.2% of new policies for the year.

Electronic policy

Electronic insurance contract terms policy

Policy Services

Promotion of Mobile Policy Wizard

Through the Mobile Policy Wizard full authorization mechanism, policyholders can sign the "Mobile Policy Wizard Service Application and Consent Form (Full Authorization)" and subsequently complete identity verification using OTP for future policy administration requests. Once the form is uploaded to the Mobile Policy Wizard, changes can be processed without the need for a paper consent form. As of the end of 2023, 10,422 people have applied for the Mobile Policy Wizard full authorization service, with usage increasing by 28.26% compared to 2022.

Mobile identity (MID) verification security application

In 2021, Fubon Life was the first to replace customer service calls for verification and online membership applications with mobile identity (MID) verification. To maximize the real-time convenience and effectiveness of this service for policyholders, in 2023, we proposed a pilot application to expand the applicable conditions, along with the introduction of basic policy information verification and ID information verification to enhance identity verification. The pilot began on December 17, 2023. By the end of 2023, 1,156 cases had used the enhanced MID mechanism to replace risk control calls. Additionally, an average of over 2,000 policyholders per month completed identity verification through MID to become online service members and enjoy our online services.

Verification for changing mobile phone number based on MID number data

To ensure prompt and accurate communication with our customers and to prevent any potential impact on policy-related benefits due to customers not receiving our calls or important messages, we have implemented the "MID Number Data Verification" mechanism. It verifies whether the mobile phone information provided by customers for phone number changes or online insurance services is consistent with their personal records and checks for any abnormal situations. By strengthening customer data verification, we have completed over 87,041 verifications using this mechanism in 2023, effectively enhancing risk management and safeguarding customer rights and interests.

Policy Services

Customer contact information change via the 080 hotline

Customers can call the 24-hour customer service hotline to have their identity verified by customer service personnel and proceed with changing their policy contact information over the phone. A confirmation SMS link will be sent to the policyholder to verify pertinent rights and the content of the changes. Upon the customer's consent, the "MID Number Data Verification" mechanism will verify that the mobile phone number on file belongs to the customer. The contact information change will then be completed online. This eliminates the need for customers to wait for the change application form to be mailed to them and then mailed back to the company, saving approximately 2 working days.

Establishment of a handling platform for policyholder contact information unusual concentrations

Since September 2023, a new handling platform has been used for new contracts and policy contact information changes that encounter unusual concentrations. This platform includes automatic retrieval of application forms/change request forms for personnel review and automated processing tasks such as sending notification letters to policyholders for unrelated cases, reducing manual operations and paper usage.As of the end of 2023, the new platform had processed a total of 3,825 cases, reducing paper usage by 11,475 sheets, which contributes to an estimated carbon emission reduction of approximately 248 kilograms.

Endorsement changes by sending electronic documents

Since July 2023, customers who have not applied for electronic policies can also choose to have their policy endorsement changes sent as electronic documents. This option allows customers to receive the endorsement documents more promptly and reduces the risk of document leakage during mailing, while also decreasing paper usage. As of the end of 2023, a total of 86,683 endorsement documents had been sent electronically, reducing paper usage by 338,741 sheets and cutting carbon emissions by approximately 7,330 kilograms.

Provision of online loan repayment options

Policyholders can use the Company's official website or app at any time to calculate the repayment amount for policy loans. Considering the flexibility of fund utilization and the financial capacity of policyholders, we offer the financially friendly option to repay parts of the interest.

Policy Services

Promotion of electronic notification application

We continue to promote the application of electronic notifications through various channels such as the Fubon Financial Holdings Line@ account, M+ Enterprise Instant Messaging, News Fubon videos, and activities where policyholders receive shopping vouchers upon successful application. In 2023, an additional 130,044 insurance applicants applied for electronic notifications, saving 1,040,352 sheets of paper, which contributed to the reduction of carbon emissions of 22,512 kilograms.
As of the end of 2023, a total of 1,478,113 insurance applicants have applied, saving over 11,824,904 sheets of paper and reducing carbon emissions by 255,882 kilograms, which is a 9.6% increase compared to the 233,369 kilograms of carbon emissions reduced in 2022.

Intelligent text-based customer service chatbot

In April 2023, Fubon Life launched a smart customer service chatbot. Customers can interact with the text-based chatbot through the Company's official website, policyholder section, the Fubon Life app, and Fubon LINE official account. The chatbot answers frequently asked questions such as how to apply for a policyholder membership, how to check policy details, how to handle policy-related changes, how to check policy payment status, issues with credit cards and financial institution deductions or payment slips, how to apply for policy loans and repayments, how to check survival/maturity benefits, how to apply for claims and other inquiries. The AI-powered chatbot can quickly handle a large number of simple inquiries and redirect more specialized and complex questions to customer service representatives, allowing quick problem-solving, reducing wait times, and improving service quality. By the end of December, the chatbot had served over 208,000 inquiries. In 2024, we plan to launch a smarter customer service chatbot, enabling policyholders to directly inquire about personal policy details such as insurance coverage, change progress, premium amounts, and policy account values.

Claims Services

Promotion of mobile claims services

We continue to promote the use of mobile claims among our customers, replacing paper-based claim applications with online forms to reduce paper usage, providing customers with a more convenient and smooth claims experience. In 2023, approximately 65,000 users utilized the mobile claims services, and we will continue to optimize the system to provide more convenient and high-quality services to policyholders.

Automated claims review

The system automatically checks and calculates the claim amount for each claim application, speeding up the claims processing time and allowing customers to receive their claim payments more quickly, adhering to the important insurance principle of indemnity.
In 2023, a total of 9,885 cases were processed, which is a significant growth of 130% compared to 2022. Each case saved approximately 4 claim review forms, reducing paper usage by 39,540 sheets, which contributes to an estimated carbon emission reduction of approximately 856 kilograms.

In accordance with the "Operational Principles for the Utilization of Emerging Technologies" in the "Self-Regulatory Standards for Information Security Protection in the Insurance Industry," as well as relevant laws and regulations and internal regulations, Fubon Life established the "Operational Guidelines for the Utilization of Emerging Technologies." This ensures a robust control mechanism to ensure the security of emerging technologies, effectively manage the potential risks associated with the use of these technologies, protect consumer rights, and deliver safe, convenient, and uninterrupted services.

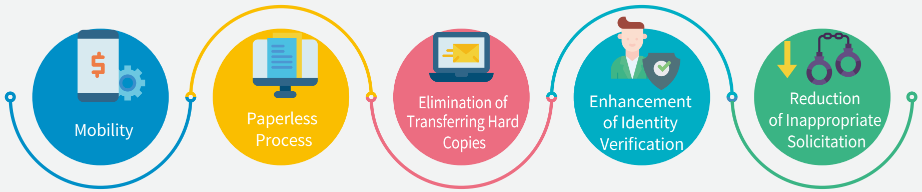
In response to the rapidly changing environment, the Company continues to integrate various digital technologies to promote a diverse range of online services. We aim to provide comprehensive insurance services tailored to customer needs, improving service quality and efficiency, and optimizing digital service processes in a consistent effort to advance comprehensive insurance services and pioneering innovative digital service experiences.

4.5.2 Enhancing Service Quality and Efficiency

Convenient Insurance Application Service via Videoconferencing

Fubon Life Video Insurance Platform

Our sales personnel within internal channels can use the mobile application system integrated with Microsoft Teams videoconferencing tools and mobile identity verification to assist customers in completing insurance applications through video calls. Since the introduction of videoconference insurance applications in July 2021, a total of 13,768 applications have been processed as of the end of 2023. Currently, the platform records a monthly user count of 460 customers for insurance applications featuring a "contactless," "paperless," and "remote" insurance experience. The goals of launching the videoconference insurance application service are as follows:



Online Signing of Mobile Insurance Application Service Agreement

The trial program of the Mobile Insurance Service Agreement online signing was approved in December 2022. Through the mobile application system, upon the completion of mobile identity verification and ID card authentication, customers can sign the mobile insurance service agreement online. As of the end of December 2023, approximately 27,000 customers have used the online signing service, replacing the need for physical consent forms, thereby reducing carbon emissions.

Claims Alliance Chain Services

The Claims Alliance Chain Services adopt digital signatures, timestamps, and third-party verification and access technologies to create a shared platform for technology applications. Through the one-time application based on information sharing, customers can complete insurance services from multiple insurance companies. This not only addresses a major pain point for policyholders but also significantly reduces labor costs while improving data accuracy and security.

The Alliance Chain is also integrated with Fubon Life's various mobile and identity verification services. Policyholders can choose identity verification instead of paper application forms and consent forms, making the process convenient and fast. Meanwhile, the Company continues to provide diverse online service channels for policyholders, not only improving service efficiency but also reducing travel time between sales representatives and customers. This digital and electronic operation method reduces carbon emissions, embodying the spirit of ESG sustainability. The Claims Alliance Chain was officially launched on January 1, 2021. In 2023, 27,088 customers applied for the first time through Fubon, with a total of 24,001 customers transferred to the system.

Verification for Changing Mobile Phone Number based on Mobile ID Number Data

This mechanism was implemented to ensure prompt and accurate communication with our customers and to prevent any potential impact on policy-related benefits due to customers not receiving our calls or important messages. Since October 2022, it has been verifying whether the mobile phone information provided by customers for phone number changes or online insurance services is consistent with their personal records and checks for any abnormal situations. In strengthening customer data verification, we have completed over 87,041 verifications using this mechanism in 2023, effectively enhancing risk management and safeguarding customer rights and interests.

Change of Customer Contact Information via Phone Calls based on Mobile ID Number Data

Starting from September 2022, customers can call the 24-hour customer service hotline to have their identity verified by customer service personnel and proceed with changing their policy contact information over the phone. A confirmation SMS link will be sent to the policyholder to verify relevant rights and the content of the changes. Upon the customer's consent, the "MID Number Data Verification" mechanism will verify that the mobile phone number on file belongs to the customer. The change of contact information can then be completed online. By 2023, a total of 50,150 changes were completed using the MID number data verification, ensuring accurate customer information.

Electronic Insurance Contract Terms Policy Storage

In implementing energy conservation and carbon reduction policies in response to the initiatives of the Life Insurance Association that promote electronic policy certification and storage mechanisms, on November 1, 2022, Fubon Life introduced new operations for "policy terms" and "electronic insurance contract terms." Storage is powered by blockchain technology with enhanced security that ensures data integrity. In case of disputes, policyholders can verify the relevant records through the insurance association. The electronic insurance contract terms are presented in QR code format. To prevent data damage or tampering, "signature" and "storage" procedures are conducted as well. These electronic insurance contract terms are also protected through the association's storage mechanism. In 2023, there were a total of 35,327 cases.

4.5.3 Strengthening Channel Sales Performance

Smart Business Management FBFLi (Facebook, Line, Instagram) System

Recommendation by Intelligent Algorithm to Facilitate Customer Relationships

Fubon Life launched the innovative "Smart Business Management FBFLi" system, which considers the social media usage habits of the younger generation. This system incorporates an intelligent algorithm mechanism that recommends customer lists based on the total number of customers and contact frequency for each salesperson. It recommends 15 customers for contacting per day, aiming to maintain stable customer relationships and strengthen personal networks. In September 2022, the pioneering system was granted a patent by the Intellectual Property Office of the Ministry of Economic Affairs. Furthermore, to enhance the interaction frequency between sales personnel and customers and improve customer loyalty, Fubon Life has pioneered digital content-sharing features that encompass digital content packages, surveys for prospecting and business development, and interactive games. These features demonstrate the value of insurance, enhance customer risk awareness, and reinforce insurance concepts. Since its launch in March 2021, an average of 10 pieces of digital content have been released per month. Sales personnel have shared these materials more than 316,000 times, reaching nearly 353,000 customers with over 517,000 clicks by the end of 2023.

Digital Trajectory of Integrated Data for Enhanced Service Efficiency

The "Smart Business Management FBFLi" system automates the integration of customer interaction records with sales processes such as "appointment scheduling," "confirmed deals," and "policy checkups," as well as incorporating underwriting, policy administration, and claims service information. The system also provides systematic customer segmentation and profiling, along with key points for conducting customer interviews, enabling personalized services for customers with different profiles. From 2021 to 2023, the system has recorded an average of 15,000 solicitors using it per month, resulting in a utilization rate of 79.1%.

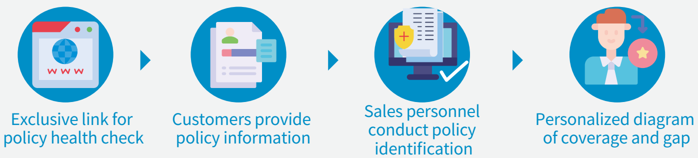
Real-Time Monitoring and Evaluation to Strengthen Supervision and Guidance

The "Smart Business Management FBFLi" system offers innovative self-management and team coaching features. Sales personnel can track their activity indicators and work towards set goals within the system. Managers, on the other hand, can use the coaching functionality to monitor their team's activity, track customer progress, and schedule arrangements. Through daily evaluations, managers can encourage team members to improve their sales performance, identify business opportunities, guide them towards advancing in the right direction, and guide customers in recognizing their potential needs for personal protection and family responsibilities. This system helps managers enhance team coaching, expand organizational development, and increase productivity.

Fubon Smart Insurance Review

Technology-Assisted Policy Health Check Services

Catering to the different needs and responsibilities of individuals at various life stages, Fubon Life dedicated NT$ 14.35 million to the development of the Fubon Smart Insurance Review platform, which was launched in August 2019. During the COVID-19 pandemic, we introduced "Remote Policy Health Check Services," which combine online invitations, policy document uploads, optical character recognition (OCR), and natural language processing (NLP) technologies. These technologies enable rapid analysis of policy information, allowing our solicitors to provide efficient and seamless policy health check services to customers, regardless of geographical limitations or pandemic-related restrictions.



Smart Customer Relationship Management System for Comprehensive Insurance Planning

Fubon Life developed the "Dynamic Retirement Monthly Income Simulation" feature to assist customers in assessing their potential monthly capital flow and identifying any gaps during retirement. This feature combines retirement planning recommendations and simulates the changes in monthly income after retirement, helping customers prepare for their retirement as early as possible. Recently, we responded to environmental trends and customer demands through coverage diagram enhancement, big data coverage values, and remote health check service upgrades. Building on the existing coverage diagram of the five primary protections, we introduced the diagram of "Eight Life Protections" that further covers life responsibilities and the stages before, during and after medical treatment. It offers customers protection based on big data analysis of similar customer segments and strengthens the security mechanisms and convenience of remote health check services. From the launch of the Fubon Smart Insurance Review to the end of 2023, it has seen a 92% utilization rate among sales personnel and has served over 1.47 million customers in completing policy health checks as we strive to enhance risk awareness among customers and help with comprehensive insurance planning.

4.5.4 Advancing Company Operational Environment and Efficiency

Introduction of RPA Digital Assistance

Since the introduction of robotic process automation (RPA) in 2021, routine manual tasks have been delegated to automation robots, achieving significant application outcomes. For example, the accounting unit uses RPA to replace manual financial statement reconciliation, which significantly reduces error rates. The compliance unit automates the periodic collection of negative news, reducing manual interpretation errors and saving time on list comparison. The legal affairs department uses RPA to filter emails that trigger specific rules, and the logistics unit delegates repetitive tasks like sending routine letters or posting announcements to RPA. This not only reduces errors caused by manual operations but also facilitates labor transformation and high-performance application, thereby increasing efficiency and providing higher-quality services.

In 2023, an amateur development model was introduced to promote the widespread use of digital tools. Over the past three years, we have been organizing 4 to 10 RPA development training courses and sharing sessions annually, having trained 188 developers and involving 60 departments in RPA research and application. Departments are guided to use custom-developed RPA processes for automating various routine tasks. By the end of 2023, 110 automated processes have been developed and implemented within 27 departments. Moreover, common processes applicable across departments have been established, standardizing and unifying the Company's AML inquiry operations. This not only enhances work efficiency but also reduces manual inquiry errors through automation. Our endeavors have seen significant outcomes.

Establishment of A Legal System Management Platform to Enhance Work Efficiency

The "Contract Review System" (Patent No.TWM627400U), the "Execution Order System" (Patent No.TWM619877U), and a litigation system were established to replace the previous email and paper-based operations. The paperless operation achieves carbon reduction goals and implements a sustainable management mechanism through online approvals and digital preservation. Through database and data analysis, we effectively address operational pain points and formulate corresponding operational guidelines, enhancing personnel professionalism and implementing the TCF principles.

Digital Innovation Projects and Outcomes in 2023

Project	Description	Outcomes	R&D Expenditure (Unit: NTD)	Manpower Invested
Robotic Process Automation	The introduction of robotic process automation (RPA) delegates routine manual tasks to automation robots, reducing errors caused by manual operations while also facilitating labor transformation and high-performance application, thereby increasing efficiency and providing higher-quality services.	The introduction of the amateur development model has trained 188 developers, having developed a total of over 100 automated processes, which are adopted by 27 departments. Common processes applicable across departments have been established to enhance work efficiency and reduce manual inquiry errors through automation.	Software expenses: 3,900,000 Education & training: 385,000 Consulting service: 375,000	4 people are delegated to project development per month, involving 60 departments in RPA application research and development throughout the year.
Intelligent Text-based Customer Service Chatbot	In April 2023, we launched a smart customer service chatbot. Customers can interact with the text-based chatbot through the Company's official website, Policyholder Section, Fubon Life app, and Fubon LINE official account. The chatbot answers frequently asked questions.	As of the end of December, the chatbot has served over 208,000 inquiries.	0[Note] Note: The project was developed independently by Fubon Life, so the R&D expenditure is zero.	3 people are delegated to project development per month.
Fubon Wellness More Ecosystem	In October 2023, the Fubon Wellness More ecosystem was inaugurated, utilizing group resources to expand clientele. Customer interactive scenarios are developed based on three primary aspects, financial protection, health promotion, and ESG implementation, encouraging customers to complete tasks for points to redeem momo coins, thereby solidifying customer relationships.	12,051 people signed up for membership as of the end of December. A total of 31 tasks were launched, garnering 270,000 participations.	0[Note] Note: The project was developed independently by Fubon Life, so the R&D expenditure is zero.	During the preparational phase, a total of 7 people were involved in the planning, development, establishment, and maintenance of the platform. 2 people are delegated per month to platform task operation, development, and promotion.

4.6 Information Security and Privacy

4.6.1 Information Security Management

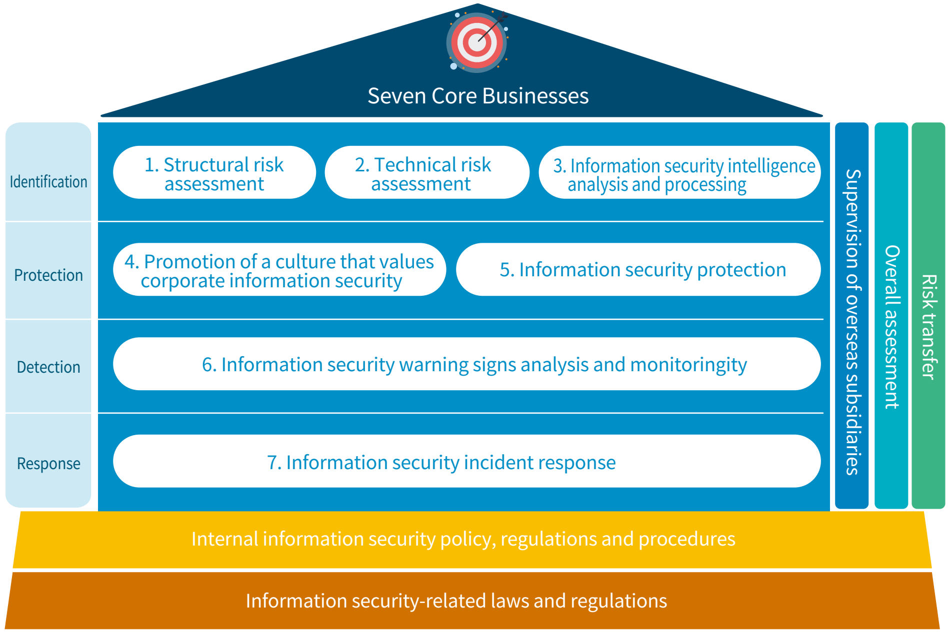
Fubon Life consistently enhances its overall information security resilience, strengthens employee awareness of information security, and establishes a comprehensive risk management mechanism, aiming to create an environment that balances service efficiency and security protection, reduces the potential impact of any information security incidents, and fulfills our commitment to customer privacy and personal data protection.

Establishment of A Dedicated Information Security Unit and Robust Information Security Governance Structure

To enhance information security risk governance, the designation of the Chief Information Security Officer (CISO) and the establishment of the Information Security Department were completed in November 2018, responsible for planning, monitoring, and executing information security management operations. In January 2022, the department was renamed the Information Security Division. It reports the Company's information security status to the President 12 times a year at the monthly operational risk management committee meetings, and provides quarterly information security overviews to the President. Additionally, the CISO issues an internal control system joint statement with the overall information security implementation status of the previous year and submits it to the Board of Directors annually. In 2023, the Company's investment in information security accounted for 4.84% of the total IT budget, and no major information security incidents occurred. We continue to engage the President of Ernst & Young Global Limited as our information security professional consultant to provide the Board of Directors with advisory services, thereby strengthening information security within corporate governance.

Information Security Management Framework and Core Tasks

- Annually, through various detection tools and exercises, known or unknown vulnerabilities are disclosed, remediated, or controlled through compensatory measures. In 2022, we conducted an information security governance maturity assessment, which rated our cybersecurity as "developing." After improvements, the 2023 assessment rated our cybersecurity maturity as "advanced."
- We continuously inspect system flaws or vulnerabilities by commissioning external experts to simulate hacker attacks and perform penetration tests and red team exercises.
- Mechanisms like external security risk ratings and phishing prevention were adopted to enhance overall information security.
- We consistently promote a corporate culture of information security through an information security supervisor system and conduct annual information security training for both internal and external staff to raise awareness. In 2023, information security training for directors and senior executives was held, with all 9 directors completing the courses and obtaining certification.
- In response to the changing internal information environment and evolving methods of external cyber attacks, we established the Security Information and Event Management (SIEM) Center, and around-the-clock security monitoring was adopted through a security operations center (SOC). Moreover, we joined the Financial Security Operations Center (F-SOC) in December 2023, completing a joint defense mechanism.
- Abnormal information security monitoring is consistently strengthened, and incident reporting and handling procedures are in place to enhance incident response capabilities.
- Information security incident drills are conducted regularly to prepare for incident response, aiming to minimize damage and reduce the likelihood of future occurrences.



Fubon Life's action plans for comprehensive information security protection are as follows.

Action Plan	Initiative	Outcome
Regulatory Adherence	■ Conduct information security assessments regularly in accordance with international standards, and government and association regulations. ■ Obtain ISO 27001 Certification for Information Security	■ Computer system information security assessment reports and app testing were completed, and the overall information security implementation status was reported to the Board of Directors to ensure compliance with laws and regulations. ■ ISO 27001 certification was obtained for comprehensive management and control of customer data access, processing, transmission, storage, and personnel and equipment security.

Action Plan	Initiative	Outcome
Information Security Mindset Enhancement	■ Conduct education and training programs to strengthen employee awareness of information security. ■ Train information security professionals through a specialized training mechanism, enhancing their incident response capabilities and obtaining relevant certifications. ■ Conduct social engineering drills. ■ Appoint information security supervisors in each department to promote awareness of information security ■ Conduct information security education and training for IT suppliers.	■ 40,981 office and field employees completed 3 hours of information security training. ■ Each dedicated information security personnel completed 15 hours of annual training. ■ The company obtained 62 international certifications for information security professionals. ■ The all-staff biannual social engineering drill was completed. All click personnel completed the training. ■ The following measures were completed: 1. Conducted a 2.5-hour information security promotion session for unit-level information security supervisors on a quarterly basis. 2. Published 4 information security promotion messages. 3. Delivered 4 information security promotion messages to field employees through the M+ Enterprise Instant Messaging/Intelligent Business Management FBFLi. ■ The information security education and training for suppliers participating in the Company's Supplier Meeting was completed to enhance their information security awareness.
Risk Management Enhancement	■ Conduct red and blue team exercises ■ External risk management platform ■ Purchase information security insurance	■ A comprehensive inventory and remedial measures were implemented for the Company's service system to address vulnerabilities discovered during the red and blue team exercises, thereby enhancing overall website security. ■ We scanned for external vulnerabilities (such as website security and the Company's information found on the dark web), analyzed the findings, and made improvements accordingly. ■ The purchase of "Information Security Protection Insurance" was completed to transfer risk, reduce incident losses, and safeguard the Company's reputation and customer rights.
In-depth Defense Consolidation	■ Review external intelligence and establish standard operating procedures. ■ Establish a Security Information and Event Management Center. ■ Implement around-the-clock monitoring via the Security Operations Center (SOC). ■ Regularly review the information security implementation status of subsidiaries and calibrate information security strategy directions.	■ Financial security information shared by external sources is regularly analyzed to stay abreast of intelligence and respond accordingly. ■ The Security Information and Event Management Center was established, where security analysts can compare threat intelligence with detected suspicious events on the security management platform and take appropriate actions to enhance incident response capabilities. ■ Around-the-clock monitoring via a SOC was adopted to strengthen intelligence sharing, security alerting, and incident analysis capabilities. We also joined the F-SOC, completing the joint defense mechanism. ■ With RPA applications, when publicly listed companies publish significant information security announcements on the Market Observation Post System, we can receive these messages and promptly grasp the intelligence. ■ Security reports of subsidiaries are regularly examined as the Company communicates with them and provides security recommendations.

4.6.2 Customer Privacy Management

Establishment of the Operational Risk Management Committee to Enhance Personal Data Protection and Management

Fubon Life is committed to securing policyholder data. In accordance with external regulations and international standards, the Company has established internal control systems, guidelines, and management mechanisms, and has implemented a personal data management system. Our Operational Risk Management Committee is the dedicated unit that provides top-down supervision and guidance on matters related to personal data protection. The committee assists in the establishment of a personal data protection system and framework, oversees relevant education and training, and develops an annual personal data protection management plan. A sustainable and effective framework for personal data management was established, internalizing personal data protection in the behavior of all employees. Personal data protection-related content is also included in internal audits and self-assessments to assess the implementation status of personal data protection measures.

In 2022, the Company handled 22 disputes involving customer data, among which 11 cases were filed by external agencies, such as the Insurance Bureau, county government consumer ombudsmen, and the Financial Ombudsmen Institution. The other 11 cases were accepted through the customer rights protection hotline and written correspondence from customers through other channels. The investigation results of the aforementioned cases revealed that there were three incidents involving service negligence by sales personnel, which included data leakage, theft, loss of customer data, and invasion of customer privacy. These incidents did not involve information security concerns nor did they reach the level of privacy infringement. The primary issue was the lack of adequate awareness of personal data protection among sales personnel, leading to negligence during the service process. All three incidents have been resolved with customer understanding, and we have enhanced education and training for our sales personnel.

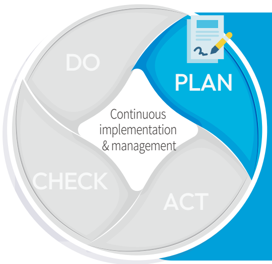
To properly handle significant data incidents, the Company has established a personal data notification and response procedure. Upon the occurrence of an incident, immediate notifications are sent within the Company and to the relevant regulatory authorities. An emergency response team for personal data incidents is formed, chaired by the President, who convenes emergency response meetings. The team includes representatives from the response center, information, compliance, legal, and other functional units, who assist the incident unit in taking response measures, investigating the cause of the incident, and controlling the damage. After the data incident is resolved, corrective and preventive measures are discussed and implemented.

If a personal data incident results in customer data leakage, the emergency response team will instruct the incident unit to carry out statutory notifications in accordance with relevant personal data protection laws. The notification will include details of the data breach, the Company's response measures, and a customer consultation hotline to inform policyholders of the situation and provide follow-up inquiries and assistance.

To protect customer privacy rights, we provide multiple complaint channels, such as the customer rights protection hotline (phone no.: 0809-000-120), a 24-hour policyholder service hotline (phone no.: 0809-000-550), a customer rights protection email (complaints.life@fubon.com), online messages through our official website, and written complaints. When complaints are received from policyholders and other stakeholders, they are handled through a process of complaint acceptance, allocation of designated personnel, case assessment, solution negotiation, and result notification, ensuring proper resolution within the legally required processing period. In 2023, there were no complaints related to information security disputes.

Fubon Life's action plans aimed at safeguarding customer data and privacy are as follows.

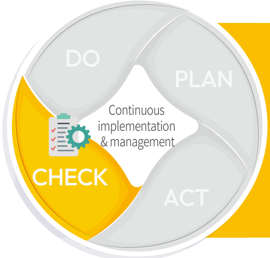
Action Plan	Initiative	Outcome
Policyholder Data Protection	Personal data protection management mechanism and result	The implementation results of R&CSA and personal data protection management self-assessment in 2023 are as follows :

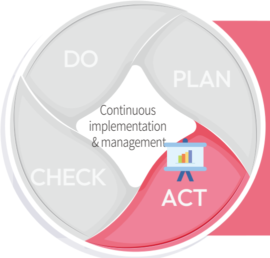


P-1. Formulate annual management plans	Approved on March 9, 2023
P-2. Conduct high-level risk assessment	36 top risks
P-3. Maintain operational risk management and personal information-related policy and regulations	Review, stipulation and revision have been completed
P-4. Review and revise the Risk and Control Library	Completed

D-1. Review internal regulations	Completed the review of a total of 1,488 internal regulations and SOPs
D-2. Personal information masking inventory	Completed a total of 1,604 application system interfaces, reports and statements
D-3. Personal information document inventory	Completed a total of 263 BIF/inventory lists
D-4. Personal information agent supervision	Completed trustee supervisory operations on 50 insurance agents and 368 non-insurance-agent units
D-5. Personal information self-audit	Completed self-audits on 90 units
D-6. Awareness education and training	Completed education and training for board members, office staff and field staff(contract staff included)
D-7. Personal information emergency drill	Completed integrative drills on personal data breach simulations

Action Plan	Initiative	Outcome
Policyholder Data Protection	Personal data protection management mechanism and result	C-1.~C-3 SOP initial review & second review, spot check, self-audit, onsite observation → A total of 334 corrections and feedback from second review C-4. Personal information certification → Renewal PIMS certificate with expanded verification scope obtained. A-1. Implementation result reporting → Reported to ORC on December 14, 2023; Reported to Fubon Financial Holdings Personal Information Supervisory Committee on February 19, 2027 A-2. Issue improvement and follow-up → Completed 104 improvement measures and continued with 12 follow-ups
	Awareness enhancement and training on personal data protection	See below





■ We have completed the annual personal data protection education and training to ensure that personnel who handle personal data in the course of their duties understand the legal requirements for personal data protection and fulfill the obligation to maintain the confidentiality of customer data.

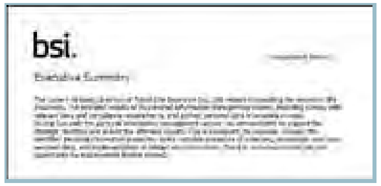
2023 completion rate **99.48%**

- Office staff (dispatched employees included) 4,482 people — Online courses/printed materials
- Field staff 36,503 people[Note] — Self-learning DVDs/ cloud-based/online courses

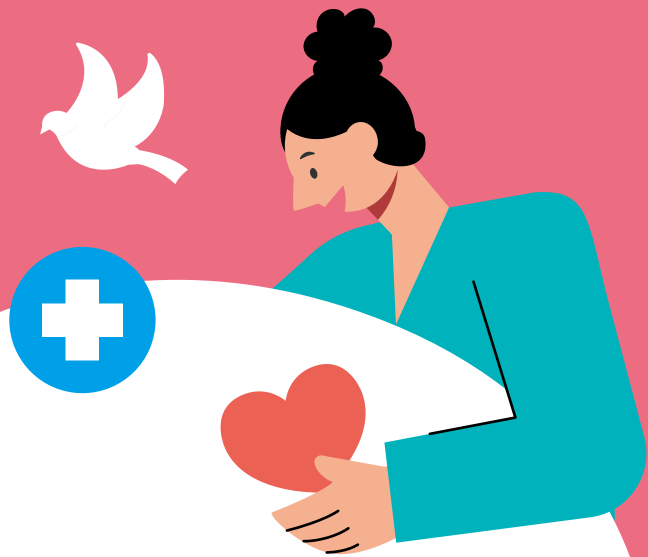
Personal data education and training conducted in 2023 :

- Legislative background and objectives of the Personal Data Protection Act
- Important provisions of the Personal Data Protection Act
- Legal responsibilities for violating the Personal Data Protection Act
- Personal data protection orders and penalty cases

Note : Field staff are being trained continuously by Training Planning Management Department, will be completed on December 31, 2024.

Action Plan	Initiative	Outcome
Policyholder Data Protection	Establishment of mechanisms for data subjects to exercise rights	■ We provide diverse measures and channels for privacy protection. Various measures are implemented to safeguard the privacy of customers when collecting, processing, and utilizing personal data. In the event that customers encounter privacy-related issues or concerns, they can rely on the convenient services provided by the Company and seek resolution. **A** Data subject exercising his/her personal data rights The right to : 1. Make an inquiry of, review and request a copy of his/her personal data 2. Supplement or correct his/her personal data 3. Demand the cessation of the collection, processing, or use of his/her personal data 4. Erase his/her personal data → **B** Fubon Life Confirmation of Acceptance 1. Accept the case and record relevant requests 2. Verified the applicant's identity → **C** Fubon Life handling response 1. Handle the applicant's requests 2. Update results of the handling to the applicant within the legal time frame → **D** Fubon Life case closure and documentation 1. Close the case of privacy rights application 2. Document the processing steps and file them
	Obtainment of international standards certification	■ In 2019, we obtained the BS10012:2017 certification for personal data management systems. ■ In November 2020, we received the Personal Data Protection Practice Award from the British Standards Institution (BSI). ■ In December 2021, we obtained a renewal certificate for "no major or minor non-conformities." ■ In November 2022, we passed the three-year re-certification of Personal Information Management System (PIMS) to ensure the validity of the certificate. ■ In 2023, in addition to the renewal of existing certifications, we also expanded the verification scope to include new pilot business operations, continuously completing the renewal and additional certification for "no major or minor non-conformities." This demonstrates Fubon Life's relentless efforts in personal data protection management. ■ Renewal certificate of Fubon Life with expanded verification scope obtained in 2023.   
General Data Protection Regulation (GDPR)	Applicability assessment for GDPR	■ Based on the current implementation status of the EU General Data Protection Regulation (GDPR), official clarifications from the EU, and the GDPR applicability assessment questionnaire provided by the Life Insurance Association in Taiwan, an evaluation was conducted to determine the scope of applicability and identify compliance improvement measures. The project was completed in 2019, and it has been reviewed annually during the R process from 2020 to 2023.

5 Chapter

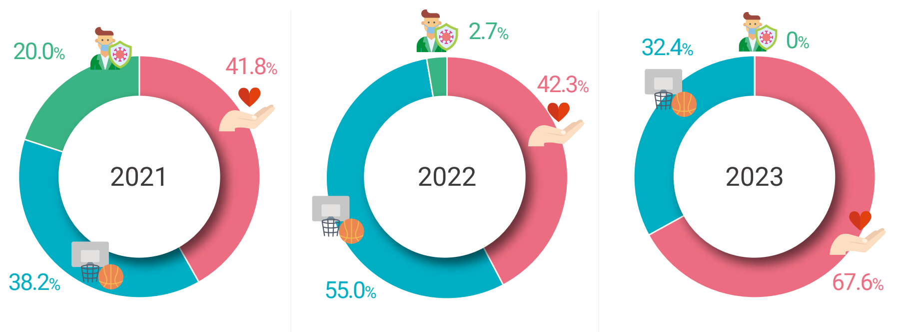


Connection

Fubon Life formulates various ESG action plans based on the United Nations Sustainable Development Goals (SDGs). Leveraging our core competencies and integrating cross-industry resources, we fulfill corporate social responsibility through three strategic aspects: "Environmental-Friendly Actions," "Health Promotion Initiatives," and "Humanitarian Justice and Care." We focus on issues such as environmental pollution, physical and mental health management, and resources and care for disadvantaged groups, promoting the well-being and health of the people in Taiwan. With a people-centered approach, we actively engage in social care, extending our services and care across Taiwan. It is our aspiration to achieve carbon reduction and health promotion simultaneously with balanced environmental and economic considerations, fully exerting our positive corporate power and the insurance industry's role in contributing to social stability as we fulfill our corporate sustainability promises and the core values of sustainability in the financial and insurance sectors.

5.1 Social Participation and Emergency Disaster Relief

In 2023, Fubon Life invested approximately NT$1 billion in public welfare initiatives, including NT$480 million in donations. Our endeavors covered various areas, including social relief, dementia and elderly care, support for vulnerable groups, sports sponsorship, academic development, art and cultural promotion, and environmental protection. Through these welfare projects, the Company fully leveraged its corporate influence. In the meantime, to ensure the proper implementation of these welfare activities, the Company not only fosters a corporate culture of "universal participation in public welfare" internally but also provides resources such as public welfare leave and volunteer training. Additionally, the "Fubon Life Donation Management Guidelines" are in place for all units to follow and fulfill corporate social responsibility.



Amount (NT$1,000)

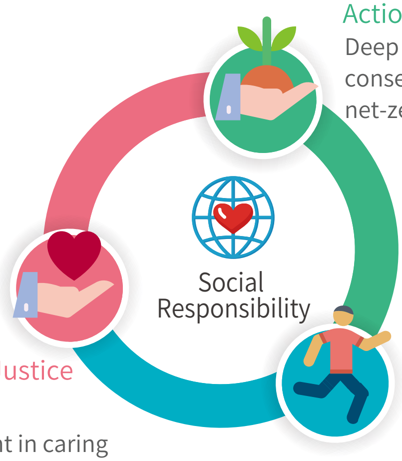
	2021	2022	2023
Social Welfare	226,712.693	179,424.723	678,390.933
Sports Sponsorship	207,676.600	233,077.250	326,096.700
Support for Epidemic Prevention	109,112.000	11,400.000	0
Sum	543,501.293	423,901.973	1,004,487.633

5.1.1 Integrating Internal and External Resources to Promote Social Care

Promoting Charitable Care Strategies to Fulfill Social Welfare Responsibilities

In 2023, Fubon Life fulfilled its corporate social responsibility by focusing on three strategic aspects: "Environmental-Friendly Actions," "Health Promotion Initiatives," and "Humanitarian Justice and Care." The Company has developed projects accordingly and established key performance indicators based on the nature of each project as it is committed to promoting harmonious coexistence between humans and nature, supporting a sports culture for health and medical care advances, and addressing disparities in social resource allocation to uphold the core values of sustainability in the financial and insurance industry.

The projects are listed below in order of importance.



Environmental-Friendly Actions
Deep engagement in river conservation, Promotion of the net-zero tree-planting program

Health Promotion Initiatives
Promotion of a nationwide sports culture, Dementia and elderly care

Humanitarian Justice and Care
Deep engagement in caring for vulnerable groups, Support for Fubon group's public welfare initiatives

Deep Engagement in "Environmental-Friendly Actions"

Deep Engagement in River Conservation

- The research conducted by the Society of Wilderness identifies river waste as a significant contributor to marine debris. In response to SDG 14 "Conserve and sustainably use the oceans, seas, and marine resources," as well as the promotion of domestic river conservation, Fubon Life has been actively engaging in raising awareness of river waste in collaboration with the Society of Wilderness since 2020 as the first company in Taiwan to respond to this initiative. Starting in 2021, we launched a five-year "River Waste Rapid Screening Investigation" plan. By 2023, we have completed investigations of Wu River in Taichung, Touqian River in Hsinchu, and a reinvestigation of Tamsui River, and initiated the investigation of Houjin River in Kaohsiung. Our continuous publication of key research data on the waste distribution hotspots, types, and quantities assists the central authority (River Management Office of the Water Resources Agency, Ministry of Economic Affairs) and local authorities (county and city environmental protection bureaus and water resource bureaus) in optimizing watershed management. This also facilitates inter-agency coordination and integration, enabling public-private collaboration to consolidate resources on cleaning up 6-20% of the waste hotspots in river segments, thereby accelerating the prevention of 80% of river waste from entering into the sea. Our efforts have contributed to the improvement of water quality and ecological sustainability, as well as other visions outlined in the "National Water Environment Improvement Plan." Additionally, to advocate for a sustainable future by starting with the protection of a single stream, in 2023, we collaborated with CommonWealth Magazine to host the "Voice for the Great River: Help Tamsui River Stay Young" forum at Tamkang University. The forum, based on the findings of the reinvestigation of Tamsui River, featured keynote speeches and panel discussions designed to facilitate dialogue and exchange between industry, government, academic leaders, students and residents. Nearly 60 people participated in the event. The highlights of the event were compiled into an electronic white paper, which is freely available to the public. Moreover, we launched the first interactive website featuring a Tamsui River waste map aimed at engaging the younger generation and local communities in the conservation of rivers.

Beach Adoption Cleanup Recognized with International Certification

- Since 2020, Fubon Life has been a supporter of the Ministry of Environment's beach adoption program. We have adopted approximately 600 meters of coastline at Zhouzi Bay (Xinghuadian) in Tamsui, New Taipei City for three consecutive years. In 2023, we further adopted about 400 meters of coastline at Shimen Kite Park Beach, totaling approximately 1,000 meters. Fubon Life through organized beach cleanup activities to lead employees and customers are encouraged to volunteer and learn about the issue of marine debris and shed light on the severity of the waste problem. Moreover, our efforts have been recognized with the ISO20121 Certification for Sustainable Event Management. Furthermore, we echoed the Life Insurance Association's "Insurance for the Earth" initiative, extending our initiative to Jinzun Fishing Harbor in Taitung through three beach cleanup activities, with a total of 200 employees and customers participating. The operation removed about 5400 kilograms of coastal garbage and continuously enhance the awareness of employees on environmental protection, sustainability and own health.




Promoting Net-Zero Tree-Planting Program

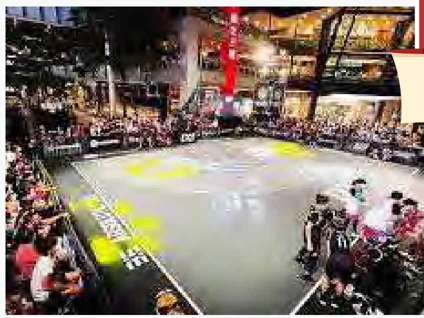
- Since 2022, the Company has been promoting the "Work for Green" mechanism, which links employee performance with green and sustainable goals. We collaborated with Tse-Xin Organic Agriculture Foundation to select tree-planting locations in an effort to restore natural ecosystems and protect important water resources. Afforestation has been carried out at Fushoushan Farm in Taichung, Taijiang National Park, Dapi Pumping Station in Yunlin, and Yijen Park in Chiayi, with an accumulation of over 20,000 trees planted.

Implementing Health Promotion Initiatives

Supporting Basketball in Taiwan

- Fubon Life has been the title sponsor of the "Fubon Life UBA (University Basketball Association) Tournament" for eight consecutive years. In the 2023 academic year, in a consistent effort to uphold the spirit of fair customer treatment and equality in sports, we held both the top-tier and second-tier teams of the open division and the general division finals at the Taipei Arena, as well as the wheelchair basketball demonstration game, providing a stage for more players and individuals with disabilities to realize their dreams. We also continued to support diverse broadcasting services, allowing viewership through television, MOD, and online platforms. Furthermore, through the five-time hosting of popularity voting events and continuous optimization of UBA member services, the events have attracted over 9 million online viewers and over 130,000 spectators attending in person during the season. Moreover, in fulfilling our corporate sustainability responsibility, we supported the UBA in promoting environmental protection by introducing a plastic bottle recycling reward area at the finals' venue, encouraging attending fans to participate in Earth-friendly initiatives.


- In addition, we have been the organizer of the "Fubon Life Braves Interdepartmental Championship" for nine consecutive years. It is the only cross-departmental, cross-regional, professional-level amateur basketball event in Taiwan, with the participation of over 290 different departmental teams from 109 schools. To further promote the exchange between professional basketball and campus basketball, we invite players from the Taipei Fubon Braves to participate in the welcome banquet for the top eight players. Additionally, the Taipei Fubon Braves invite the champion team to attend their home opening week games to experience the professional games, providing motivation for university players to continue pursuing their basketball dreams.
- With 3x3 basketball becoming an official event at the 2020 Tokyo Olympics, Fubon Life has supported the ABSOLUTE 3x3 League since 2022 to promote 3x3 basketball in Taiwan. In 2023, 25 teams participated, including 12 men's teams and 13 women's teams, with five training teams organized by the Chinese Taipei Basketball Association. The eight rounds of competition attracted more than 250,000 spectators. Additionally, the Chinese Taipei Asian Games team gained valuable experience through the league, leading the men's team to win gold at the 2023 Hangzhou Asian Games, setting a team record, and the women's team to achieve fourth place. This significantly increased the visibility of basketball in Taiwan and promoted public interest in the sport.

Organizing Nationwide Marathons

- Fubon Life has been actively promoting marathon events in Taiwan with continued support for the four major marathons: Taipei Marathon, Kaohsiung Fubon Marathon, Wanjinshi Marathon, and Tianzhong Marathon. In particular, we have been the title sponsor of the Kaohsiung Fubon Marathon for four consecutive years. In 2023, it attracted over 11,000 domestic and foreign participants. We also continued to optimize and upgrade the "Visually Impaired Group and Wheelchair Group" events, including gender-based prize categories and increasing the number of awards and prize amount for the first time, aimed at providing an equal competition environment for women and encouraging more athletes with disabilities to participate. In addition, priority start and companion running services are provided to ensure the safety and experience of disabled athletes. To facilitate local development through the event, in 2023, we introduced unique features such as the first night market-themed refreshment station, a fun dinosaur costume race, unique routes that include mountains, seas, rivers, ports, and military areas. This attracted runners from outside of Kaohsiung and nearly 270 international participants to enjoy Kaohsiung's cultural heritage and unique attractions. Moreover, we have continued to offer the "Bonus for Breaking National Records," encouraging outstanding local runners to strive for excellence. We also advocated for a variety of green race initiatives in alignment with ESG principles, including introducing running shirts made from recycled PET bottle yarn, implementing carbon-reduction measures for runner supplies, such as digitizing event manuals and finisher certificates, using paper bags, and avoiding excessive packaging, and using electric vehicles.


Promoting Health Information Universally

- Echoing SDG 3, "Ensure healthy lives and promote well-being for all at all ages," Fubon Life has been organizing walking events and supporting various sports competitions to promote a culture of healthy exercise among the people of Taiwan. In 2021, in response to the pandemic and the digital trend, we pioneered the use of the LINE platform to create an exclusive health promotion initiative, the "Fubon Life Health Zone" LINE official account. It encourages users to log their daily walking steps and maintain a regular exercise routine. Through engaging surveys, knowledge quizzes, and other interactive content, we continuously promote health-related information, epidemic prevention measures, environmental protection, and the benefits of an active lifestyle. Since its establishment, the account has gained nearly 860,000 followers, and the total participation data in 2023 exceeded 2 million counts.

Caring for People with Dementia and the Elderly

- Taiwan will become a super-aged society by 2025. To assist people in coping with the impact of an aging population and to fulfill SDG 3 "Ensure healthy lives and promote well-being for all at all ages," Fubon Life actively promotes the "Dementia and Elderly Care" project focusing on four main aspects: prevention, search, support, and knowledge dissemination. We continue our partnership with the Federation for the Welfare of the Elderly (FWE) to promote the "Search for Love" program with customized identification bracelets and launched the pioneering "Bracelet Delivery based on Medical Diagnosis" model in medical institutions. In 2023, we assisted approximately 1,787 patients, achieving a 100% success rate in locating individuals who were wearing the bracelets and went missing.

  The Company continues to invest in dementia education, leading Taiwan towards a dementia-friendly and inclusive society. In 2023, we partnered with the United Daily News to host the "International Dementia Friendly Forum," inviting Dr. Jennifer Bute, who has been diagnosed with dementia, to join remotely. The forum brought together dementia experts from various fields to share insights on how to prevent dementia, quickly respond after a diagnosis, and provide spiritual care for dementia patients and their caregivers. The forum further promoted awareness of common fraud cases targeting elderly dementia patients and preventative measures to protect dementia patients from financial exploitation, ensuring their financial security. We also continue to support the "2023 World Alzheimer's Month" organized by the Taiwan Alzheimer's Disease Association and co-hosted the "Wear Hope, Find You" carnival with the FWE. These events set out to educate young people on proper dementia awareness and the importance of preventing wandering and finding lost individuals.

Community Health Screening Tours to Safeguard Customer Health

- We integrate existing health checkup resources to provide simple health screening public welfare services, acting as "Health Ambassadors" to safeguard customer health. We also offer health education information and consultation services to raise awareness of health management among them. In 2023, we held a total of 12 sessions, serving 1,101 local residents.

Achieving Humanitarian Justice and Care

Collaborating with Universities on Local Environmental Sustainability and Elderly Care Initiatives

- In response to the Ministry of Education's university social responsibility (USR) programs, Fubon Life deeply engages in regional industry-academia collaborations and provides localized services that encourage the young generation to contribute their knowledge to community service and actively fulfill their civic responsibilities. In 2023, we focused on river conservation and elderly care and carried out a total of 102 community service activities in collaboration with colleges and universities. Nearly 1,600 Fubon Life volunteers and university students participated in our initiatives, including elderly health promotion, education on economic security and trusts for the elderly, meals for solitary seniors, river patrols, river and beach cleanups, plastic reduction workshops, and ecological observations, reaching over 4,000 individuals in society through community engagement.

Linking Sports Games in Support of Underprivileged Children

- In assisting students from economically disadvantaged and high-risk families in Taiwan, Fubon Life continues to collaborate with the Fubon Charity Foundation and Fubon Guardians baseball team on an innovative sports philanthropy project called "Making Friends with Love with the Guardians." During the baseball season, for every run scored by the Fubon Guardians at their home games in Xinzhuang, Fubon Life donates NT$7,200 in scholarships to underprivileged students in New Taipei City. In 2023, we donated approximately NT$1.46 million, benefiting 203 students. We strive to support more children in their learning and growth and inspire them to demonstrate resilient sportsmanship when facing challenges and setbacks in life.

Investing in Medical Transportation in Remote Areas

- The challenges faced by elderly cancer patients in remote areas due to limited medical resources, long travel distances, and high transportation costs result in a decrease in willingness to seek medical services. Fubon Life collaborated with Formosa Cancer Foundation on the "National Survey on Transportation Challenges for Cancer Patients." Starting in 2017, we pioneered the industry by launching the "Barrier-free Medical Transportation for Elderly Cancer Patients in Remote Areas" initiative, providing a transportation subsidy of NT$8,000 per person to cancer patients aged 60 and above residing in remote areas in southern and eastern Taiwan with a distance of over 10 kilometers to medical facilities. Launched to help economically disadvantaged elderly cancer patients in remote areas by addressing transportation challenges, the initiative has helped 2,171 cancer patients access medical care. Furthermore, we invited celebrity Esther Huang to serve as an ambassador for this cause, urging the public to pay attention to this issue and assist Formosa Cancer Foundation with small donations, which has amounted to over NT$8.85 million from 2017 to 2023. At the same time, the "Rural Cancer Patient Transportation Matching Platform" was launched, providing more practical and convenient transportation services for cancer patients in remote areas by matching them with local taxi services, helping cancer patients on their journey to health.

Supporting Fubon Group's Philanthropic Initiatives

- Fubon Life achieves social care through engaging in initiatives launched by the Fubon Charity Foundation, Fubon Art Foundation, and Fubon Art Museum Foundation. In 2023, we donated a total of NT$ 526,021,600 for initiatives as follows.

Unit	Primary Initiatives	Fubon Life's Donation (Unit: NT$1,000)
Fubon Charity Foundation	Fubon Charity Foundation has been dedicated to initiatives including the "Make Friends with Love" scholarship program, 921 and 206 support funds, the Fubon Volunteer Association, and other social relief charitable programs.	18,021.6
Fubon Art Foundation	Fubon Art Foundation promotes the application of cultural assets and the exhibition facility industry, dedicating itself to art education in Taiwan by organizing courses and workshops to cultivate artistic talent and enhance the aesthetic appeal of public spaces. "Jardin" at Folio Hotel Daan Taipei was established to execute the reception center's art planning and collaboration with artists on artwork installations. This effort promotes the internationalization of Taiwanese art, creates exchange platforms, establishes contemporary aesthetics and art historical positions, preserves cultural assets, and collects artworks.	28,000
Fubon Art Museum Foundation	Fubon Art Museum Foundation is committed to promoting art, enhancing cultural quality, and ensuring sustainable operations. It also supports the application of cultural assets and the exhibition facility industry. In 2023, at the A25 Park, Fubon Art Museum Foundation collaborated with Fubon Art Foundation to complete 17 outdoor art installations by various artists. The foundation plans and executes various art and cultural activities to promote the internationalization of art and create opportunities and platforms for exchange.	480,000
Sum		526,021.6

5.1.2 Establishing Catastrophic Event Support Mechanisms for Emergency Relief and Humanitarian Care

In achieving SDG 11 "Make cities and human settlements inclusive, safe, resilient, and sustainable," Fubon Life established the "Emergency Response Operation Directions for Major Incidents" and the "Major Disaster Support and Tracking Center." In the event of a major accident or disaster, leveraging the uninterrupted 24-hour service of our customer service center, we can promptly conduct a casualty check of policyholders, activate emergency response plans, implement policyholder care measures, and contact sales personnel to provide condolences and assist customers with claims processing. In 2023, a total of 8 accidents activated the checking by list and reporting to the insurance association, and another 5 incidents activated typhoon disaster response measures due to a typhoon hitting Taiwan.

5.2 Social Change Response

5.2.1 Promoting Insurance Awareness as A Stabilizing Force in Society

Fubon Life continues to focus on issues concerning social change, including population structure changes, the widening urban-rural gap, and the need to improve public awareness of insurance protection. By investing corporate resources and manpower, we help address important social issues and fulfill our social responsibility as a life insurance provider. In addition, we actively participate in external associations and collaborate with industry, government, and academia to jointly promote the sustainable development of the life insurance industry. (For details on the associations Fubon Life participates in, please refer to Appendix 6. Fubon Life Memberships of Associations.)

Enhancing Insurance Education Interaction to Raise Public Awareness of Insurance Protection

Fubon Life has been consistently promoting insurance education. In light of the changing industry environment and media consumption habits, we resort to innovative communication methods, presenting relatable and easy-to-understand insurance content to integrate the core spirit of insurance protection into daily life, thereby effectively strengthening public risk awareness.

In addition to the comprehensive promotion of insurance education through digital media platforms such as our official website, we have been releasing a series of street interview videos on insurance education. Through lively and engaging Q&A and professional explanations from our solicitors, we convey correct insurance concepts to the public. In response to the Civil Code amendment lowering the age of majority to 18, we have intensified efforts to raise risk awareness among young people by delving into universities such as National Taiwan University, Shih Hsin University, and Fu Jen Catholic University. By interviewing prominent campus figures, we understand students' needs and views on insurance. Since 2020, we have produced 30 street interview videos, garnering over 10 million impressions.

Additionally, to instill in-depth insurance knowledge among younger generations, we launched the "High School Basic Insurance Education" initiative in 2023. By developing educational materials catering to both teachers and students, we aim to expand the reach of insurance topics through teachers, reaching students and parents nationwide. This initiative has reached 500 high schools and 30,000 teachers across Taiwan. We further convey financial and insurance concepts to high school students of Taipei City through full-term courses, micro-courses, and winter/summer camps. The topics communicated cover "Understanding Risk and the Value of Insurance," "Basic Product Concepts," and "Treating Customers Fairly", sharing product and protection concepts in a step-by-step manner to enhance and popularize risk management and insurance education among teachers and students in schools.

Through street interviews, we understand the gaps in the public's knowledge of insurance. Along with professional explanations from Fubon's top-performing solicitors, we continue to promote insurance education for all.

Collaboration with the Media to Expand Corporate Influence and Raise National ESG Awareness

As governments and businesses worldwide prioritize sustainable development, working together with the public to promote social sustainability and diverse care is the only avenue to create a promising blueprint for a sustainable future. Fubon Life believes that enhancing the public's awareness of ESG is crucial for encouraging more sustainable actions. To strengthen the communication and reach of various ESG perspectives, we actively collaborate with major media outlets to disseminate relevant topics, including insurance protection, public welfare, environmental protection, talent cultivation, and career development. It is our aspiration to leverage corporate influence to drive the public to value sustainability and take action.

Implementing Local Service SROI Benefit Evaluation and Internal Rewards to Enhance Corporate Social Impact

In a consistent effort to encourage sales offices to deepen their engagement with local communities and expand corporate influence, in 2023, we commissioned an external consulting firm to conduct a social return on investment (SROI) evaluation. A reward mechanism has been formulated, using the "average SROI generated per sales personnel involved in public welfare activities" combined with performance as a measurement indicator. This encourages sales offices to balance their business performance with local community care. Offices demonstrating excellent social impact will receive commendations at the annual Outstanding Sales Representatives Conference.

The offices shortlisted for evaluation in 2023 launched a diverse range of public welfare projects within local communities, focusing on five main areas: financial education, support for vulnerable groups, elderly companionship, low-carbon initiatives, and pandemic protection. According to the calculations by the external consultant, the shortlisted offices' public welfare activities in a single year generated tens of millions in social value. This translates to each sales representative involved in public welfare activities creating an SROI benefit amount of NT$20,000 to NT$30,000. Among them, the three offices with outstanding SROI benefits and performance executed projects such as promoting financial education in collaboration with universities through general education courses and internships during winter and summer breaks, providing students with financial management, economic knowledge, and practical insurance information, thereby enhancing financial literacy and reducing financial risks. In supporting vulnerable groups, through activities such as accompanying disabled individuals on walks and tandem bike rides, sales personnel get a boost in their sense of philanthropic responsibility as individuals with disabilities and the participating public enjoy a sense of satisfaction. This demonstrates that charitable efforts bring substantive benefits.

By deeply engaging in local community care, we not only bring positive impacts to society but also demonstrate that the Company actively fulfills its corporate social responsibility while pursuing corporate profits, showcasing our commitment to sustainable development.


Fuzai Sales Office - Fubon Tandem Bike Ride Advancement Project


Fushuo Sales Office - Junfuda NGO Public Welfare Activity


Kaobing Sales Office - Financial Management Camp

6 Chapter

Harmony

Implementing environmental sustainability and fulfilling our sustainability commitments are the corporate missions of Fubon Life. We adhere to sustainability principles, integrating environmental sustainability into our operations and management. With the primary goal of achieving net-zero emissions by 2050, we strive to build a green financial brand, committed to realizing six major environmental sustainability promises: sustainable operations, climate adaptation, green procurement, green finance, environmental friendliness, and corporate philanthropy. Moreover, the Company actively promotes awareness of environmental sustainability among employees and the general public through internal and external activities and forums. By establishing inclusive investment policies that take into account sustainability risks, we ensure that considerations such as environmental protection, corporate integrity, and social responsibility are included in the decision-making process as we seek sustainable investment opportunities. As we leverage corporate influence, we encourage stakeholders to pay attention to, understand, and further engage in environmental issues, collectively safeguarding the environment and advancing towards a low-carbon future.

6.1 Climate Change Response

According to the 2024 Global Risks Report published by the World Economic Forum (WEF), the top four global risks over the next decade are all related to climate change and environmental issues. To address the potential impacts of climate change ahead of time, Fubon Life has carried out a comprehensive examination of the potential climate change risks in our operations and business activities, and we became a TCFD Supporter following Fubon Financial Holdings' signing in 2019.

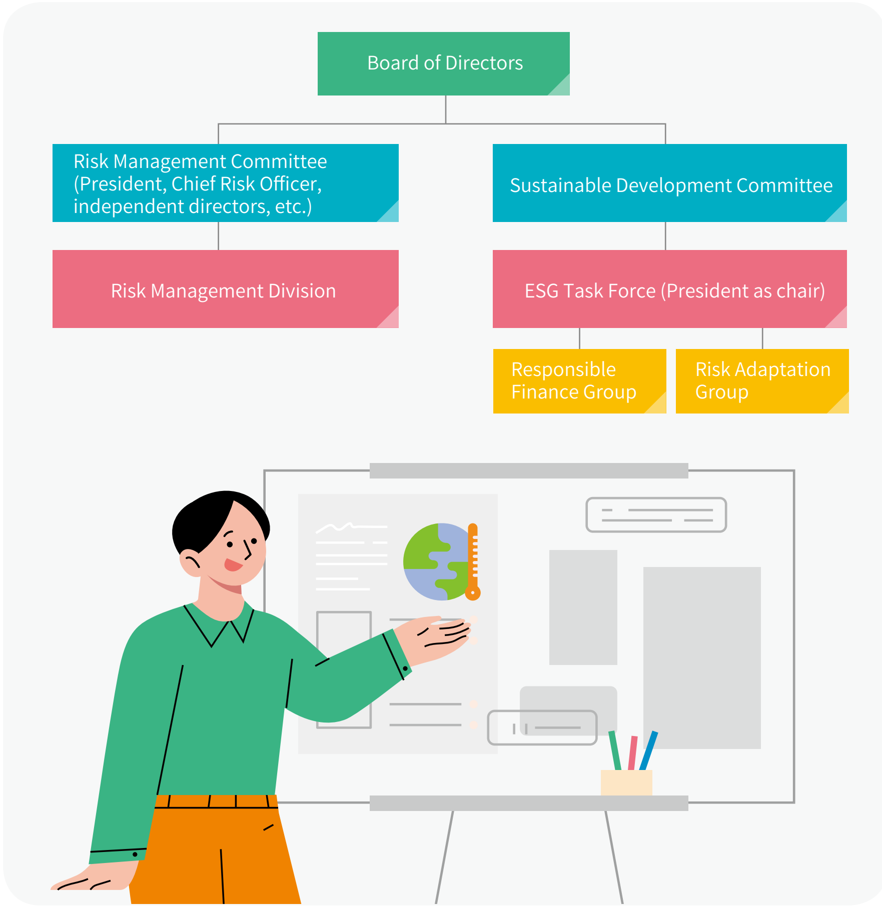
In addition, Fubon Life actively participates in the "TCFD Practical Manual Formulation Task Force" established by the Life Insurance Association in 2021 and the "Disclosure and Assurance (Verification) of Financial Carbon Emissions (Scope 3) for Domestic Insurance Industry - Investment and Financing Business Practical Manual and Disclosure and Assurance (Verification), Carbon Reduction Targets and Strategies Planning Task Force" established in 2023 to conduct research on climate-related financial disclosure recommendations. We also regularly participate in related discussions and provide feedback. The Company's preparations in response to climate change in the four TCFD aspects are outlined as follows.

6.1.1 Climate Governance

Governance and Responsibility Structure

With the approval of the Chairman, the Company established the "Climate Change Management Regulations" in 2021 to respond to the potential impacts of climate change. These regulations delineate the climate governance and responsibility structure. The Risk Management Committee regularly reviews the implementation of risk management, and the management reports cover climate change-related information.

Under Fubon Life's Board of Directors, the ESG Task Force, chaired by the President, reports to the Sustainable Development Committee. The ESG Task Force proposes an annual implementation plan and the execution results of the previous year and tracks the effectiveness of various plans every six months. The plans and reports are reviewed by the Sustainable Development Committee and reported to the Board of Directors to consistently improve ESG practices and strengthen corporate governance. The ESG Task Force oversees various working groups, with designated units responsible for specific tasks. The Responsible Finance Group drafts action plans following the six principles of responsible investment, conducts carbon inventory for investment positions, and integrates environmental and other ESG issues into ownership policies and practices. For details, please refer to CH6.2.4. ESG Action Plans. The Risk Adaptation Group is responsible for climate risk management and related matters. In addition to completing the relevant operations required by the competent authority for climate change risk management and expanding external disclosures, we actively participate in related internal and external education and training, meetings, and execute operations within the life insurance scope of Fubon Financial Holdings' TCFD improvement project.



Three-Line Defense Structure for Risk Management

To implement climate-related governance, the Company's three-line defense structure against climate risks and the responsibilities of each line of defense are as follows.

Education and Training Status

To ensure that senior management has received sufficient training on climate change-related issues, the Company provides education and training on climate change for managers at the department level and above. For more information on education and training, please refer to CH3.3.1, Talent Acquisition and Cultivation.

6.1.2 Climate Strategy

In response to climate change, Fubon Life adheres to the "Insurance Industry Risk Management Practice Guidelines," "Insurance Industry Climate-Related Risk Financial Disclosure Guidelines," "Fubon Financial Holdings and Subsidiaries Climate Change Management Guidelines," and "Fubon Life Climate Change Management Regulations," and refers to relevant information published by domestic and international institutions, including the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies," "National Climate Change Adaptation Action Plan," research reports from the United Nations Environment Programme (UNEP), and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board (FSB). These references help strengthen the Company's focus and management practices to address the significant impacts of climate change on our operations.

Risk Appetite

The Company has established climate change-related risk appetite statements, including commitments to managing current and future transitional and physical risks and achieving strategic goals of net-zero carbon emissions, as well as no longer providing new financing for companies engaged solely in coal mining and new investments in power plants where coal-fired power capacity exceeds 50% (unless the companies have proposed carbon reduction transition plans consistent with the goals of the Paris Agreement).

Responsible Investment Management

The "Sustainable Finance Policy of Fubon Financial Holding Co., Ltd. and Its Subsidiaries" serves as the top guiding principle for promoting and implementing responsible investment. In addition, in line with Fubon Financial Holdings' vision to assist customers in sustainable transformation among its four primary ESG visions, the Company focuses on "decarbonization" as the core strategy for responsible investment. This includes actively promoting green finance, guiding funds towards green purposes, and assisting industries in low-carbon transitions. Our action plans encompass setting qualitative and quantitative targets for green finance and continuously refining the admission/divestment standards for high carbon-emitting industries. Furthermore, since 2022, the Company has been conducting an annual carbon inventory of investment positions within Scope 3. We have also established science-based carbon reduction targets (SBT) accordingly, gradually achieving carbon reduction goals through tracking transformation actions of investment targets in accordance with Fubon's overall decarbonization pathway. For more details, please refer to CH6.2. Strengthening Responsible Investment.

Results of Climate Change Risk and Opportunity Identification

Fubon Life has been conducting regular climate change risk assessments since 2018. Our climate change risk management practices reference the TCFD climate risk materiality assessment methodology, dividing climate change risks into two categories: physical risks and transition risks, encompassing a total of fourteen risks. These risks are assessed in three dimensions: Potential Vulnerability, Potential Impact, and Likelihood. Each unit reviews the connection between risk factors and their business operations, thereby evaluating the vulnerability and impact of each risk factor. In 2023, four significant climate change risks were identified. Two are physical risks: "Increased severity of extreme weather events – flooding, heavy rainfall (affecting investment targets/real estate collateral/underwriting targets)" and "Changes in rainfall (water) patterns and extreme changes in climate patterns – drought," and two are transition risks: "Increased operational costs due to greenhouse gas emissions" and "Increased financial risk due to the depreciation of assets in industries with high carbon emissions." Corresponding risk response measures have been developed and reported to the Company's Risk Management Committee. The climate change risk assessment is incorporated into the Company's ESG sustainability strategy, and an annual work plan is formulated and reported to the Board of Directors to address the significant impact of climate change on our operations.

Category	Risk	Risk factor ranking	Area of impact	Corresponding existing risk	Potential financial impact	Response strategies and measures	Impact period	Potential vulnerability	Potential impact severity	Likelihood
Physical Risk	Increased severity of extreme weather events – flooding, heavy rainfall (affecting investment targets/real estate collateral/underwriting targets)	1	Capital expenditure and allocation	Market/credit risk	Due to extreme weather events, it is currently challenging to assess the actual financial impact on the number of assets, investment targets, and the value and losses of underwriting targets in high-risk investment areas.	In addition to regularly conducting disaster prevention education and training, enhancing facility safety maintenance inspections, planning disaster emergency response drills, arranging occupational safety promotions, and strengthening fire safety facilities in accordance with Fubon Life's "Emergency Response Measures for Various Disasters," purchasing relevant insurance products, participating in environmental protection activities, fulfilling sustainability commitments, and budgeting in advance to respond effectively are considered. We also regularly provide information to the Asset and Liability Management Committee and the monthly Investment and Risk Control meetings to review asset allocation and risk control. It is crucial to closely monitor the development of domestic and international macroeconomic conditions and various indicators, carefully select investment targets, and continuously observe the impact of global climate change on related investment targets.	Medium term	5	2	5
			Operating costs and revenue	Operational risk	Impacts on employee health, safety, and attendance due to extreme weather events could lead to property and equipment damage, resulting in financial losses and increased infrastructure costs to maintain normal operations. Hence, it is currently challenging to assess the actual financial impact.					
	Changes in rainfall (water) patterns and extreme changes in climate patterns – drought	2	Operating costs and revenue	Operational/ insurance risk	It may result in energy shortages, fluctuations in raw material prices, and labor shortages, leading to increased operational costs. Temperature changes may increase mortality and morbidity rates, causing business losses. It is currently challenging to assess the actual financial impact.		Medium term	3	3	5
				Market/credit/ operational risk	Due to changes in climate patterns, water and food shortages may occur, leading to an increase in the price of essential commodities. The impact of these physical risks may also cause losses or incur additional costs for investment targets.					
			Capital expenditure and allocation	Market/ liquidity risk	Costs and losses associated with adjusting investment targets based on the assessment of medium-term physical risks, as well as property losses for investment targets in high-risk areas.					
Transitional risk	Increased operational costs due to greenhouse gas emissions	1	Capital expenditure and allocation	Market risk	Increased manufacturing costs and affected competitiveness of investment targets may lead to reduced profitability of these investment targets. It is currently challenging to assess the actual financial impact.	Increase investments in companies with strong bargaining power, actively negotiate with suppliers, customers, and investors to guide and assist industries in transitioning to green practices. Internally, establish carbon-related policies and response measures, regularly monitor and measure carbon emissions, plan for the introduction of green electricity, and replace energy-efficient equipment to reduce the impact on operating costs.	Long term	3	2	4
			Operating costs and revenue	Operational risk	The introduction of government carbon pricing policies may lead to increased operating costs.					

Category	Risk	Risk factor ranking	Area of impact	Corresponding existing risk	Potential financial impact	Response strategies and measures	Impact period	Potential vulnerability	Potential impact severity	Likelihood
Transitional risk	Increased financial risk due to the depreciation of assets in industries with high carbon emissions	1	Capital expenditure and allocation	Market/credit risk	The likelihood of investment impairment in industries with high carbon emissions may significantly increase, potentially impacting asset gains and losses. However, the actual financial impact will depend on the specific investment targets, which is difficult to estimate.	To address asset impacts, the Company has undertaken diversified asset allocation, which naturally provides hedging effects. Relevant responsible units regularly provide information to the Asset and Liability Management Committee and the monthly Investment and Risk Control meetings for reviewing asset allocation and risk control. We regularly track a global list of companies that have set or committed to SBTs, reviewing the achievement of investment or financing agreement ratio targets to adjust the investment and financing portfolio accordingly. For example, reducing the proportion of related investments and reclassifying existing positions as held-to-maturity. Internally, environmental sustainability and energy-saving carbon reduction goals have been established, with active participation in international SBT initiatives. In 2022, the Company joined the RE100 international initiative.	Medium term	3	2	4
				Market risk	In response to medium and long-term climate change regulations and requirements from competent authorities, the Company will inevitably need to increase green finance investment amounts to achieve carbon reduction targets, potentially leading to higher costs.					

Note: 1. Potential vulnerability (1~5): Assessed based on the readiness and adaptability evaluated by each business unit. The higher the score, the less relevant management manpower, capabilities, or resources are available to address the risk.
2 .Potential impact (1~5): Assessed based on financial impact, indirect financial impact, brand image influence, and other dimensions. The higher the score, the greater the impact.
3. Likelihood (1~5): Assessed based on related reports and regulations from global, national, and regional levels. The higher the score, the more likely the risk has occurred or may occur in the near future.
4. Risk factor ranking: The ranking of risk factors based on the materiality assessment.
5. Impact period: Short term is within 2 years, medium term is 2 to 5 years, and long term is more than 5 years.

Category	Climate opportunity	Short, medium and long-term strategy for the opportunity	Strategy duration	Area of impac	Positive financial impact on the Company and implementation status
Resources	Adoption of more efficient mode of transport	Reduce excessive carbon emissions through short-term initiatives such as promoting green commuting, replacing taxi rides with walking or carpooling for business trips and meetings, and adopting paperless methods for internal communication.	Short term	Operating costs and revenue	In accordance with the Company's Green Procurement Guidelines, we may plan resource-saving measures such as combining transportation or procurement cases based on the needs of the procurement unit to improve resource efficiency. Regarding electronic transmission, there may be increased future system setup costs; however, this can reduce physical transportation costs in the long run.
Efficiency	Recycling and reuse	Increase resource efficiency through short-term departmental advocacy on reduction in paper use and resource recycling and reuse.	Short term	Operating costs and revenue	The reduction in departmental procurement costs for paper and toner contributes to cost-saving benefits. However, since this policy has been implemented for a long time, we are unable to estimate the exact amount saved.
Products and services	Business activity diversification	In the short and medium term, the Company can organize online financial lectures and customer orientation events and provide event and meeting materials in electronic format. This reduces the cost of physical events and eliminates participation limitations.	Short to medium term	Operating costs and revenue	Reduced procurement costs for paper and toner: Calculated based on average costs of paper used in a month. However, since this policy has been implemented for a long time, we are unable to estimate the exact amount saved. Increased system development costs. The reduced costs of manpower, rent for event venues and consumables for physical events contribute to cost-saving benefits for the Company. Increased costs for holding environmental sustainability business activities and related promotion campaigns.
		In the medium and long term, the Company plans to increase cross-selling channels and opportunities, expand online insurance products and continuously promote online insurance and services, enhance cross-device cloud services, and utilize AI technology to develop marketing and recruitment support tools, offering customers more choices.	Medium to long term		
Resilience	Participation in renewable energy projects and adoption of energy conservation measures	In the medium and long term, consider engaging in domestic renewable energy-related project investments and financing.	Medium to long term	Capital expenditure and allocation	Company aims to invest in government-incentivized long-term (>10 years) renewable energy projects that provide a stable source of income, with an estimated future annual return of 6% in stable cash income. Increasing the budget for purchasing renewable energy equipment or energy-saving equipment will reduce the cost of general electricity consumption (non-green electricity) in the future.
		In the short and medium term, increase the use of renewable energy (such as installing solar panels on building rooftops) and actively enhance the updating of energy-saving equipment.	Short to medium term		

Note: Impact period: Short term is within 2 years, medium term is 2 to 5 years, and long term is more than 5 years

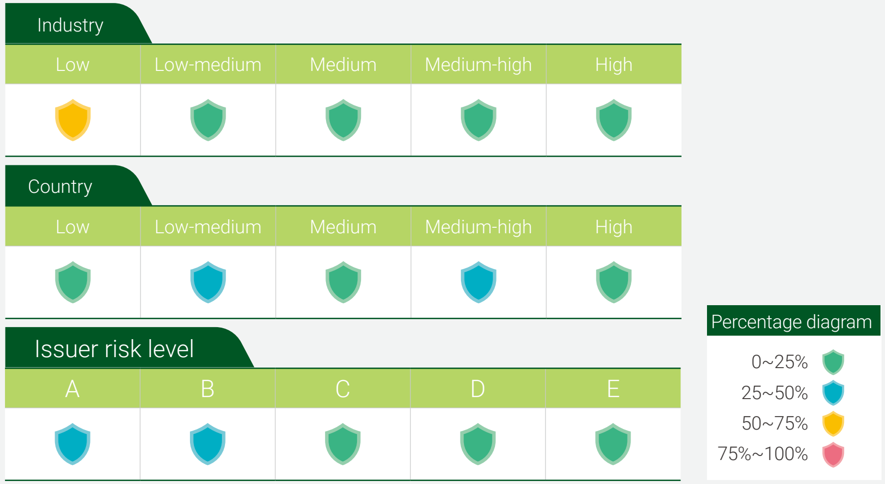
Climate Change Scenario Analysis

To understand the strategic resilience of the Company under different future scenarios and the potential investment impacts, the Company has established climate scenarios for 2030 and 2050 based on NGFS guidelines. Based on the asset positions at the end of 2023, we have conducted assessments of the impact on credit risk and market risk concerning transition risks. As Scenario 3 does not involve decarbonization measures, there are no transition risks. Therefore, the following disclosure only pertains to the assessment results of Scenario 1 and Scenario 2.

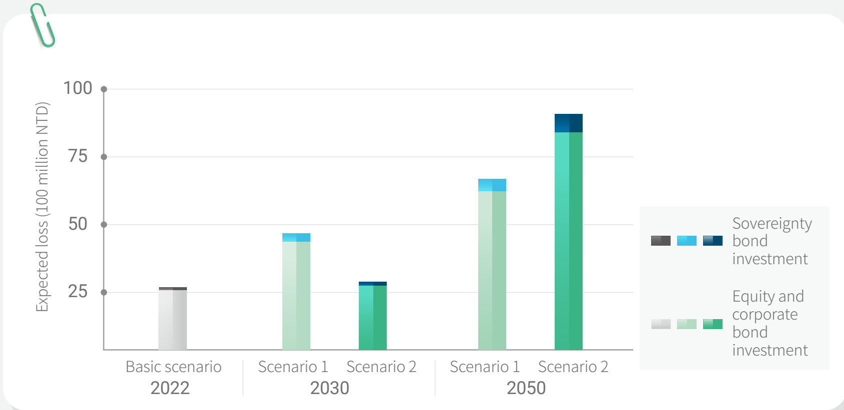
	Scenario 1	Scenario 2	Scenario 3
Scenario	Orderly Transition (Net Zero 2050)	Disorderly Transition (Delayed Transition)	No Policy (Current Policies)
Description	Assuming a planned and proactive approach to decarbonization starting from the present, with the goal of achieving net-zero carbon emissions by 2050 and limiting global warming to below 1.5°C.	Assuming no significant government actions on carbon reduction before 2030, and there is a radical implementation of carbon reduction measures only after 2030.	Assuming no carbon reduction measures by the government throughout the entire time.

Credit Risk Results

- The credit risk impact includes investment positions in overseas subsidiaries, covering equity, government bonds, and corporate bonds investments. According to the Company's assessment of the transition risk levels of countries, industries, and investment targets, the industry risk of the Company's positions is mainly concentrated in the "low" level. Whereas, the country risk is concentrated in the "low-medium" level, and the investment target transition risk is concentrated in the lowest risk level, A.



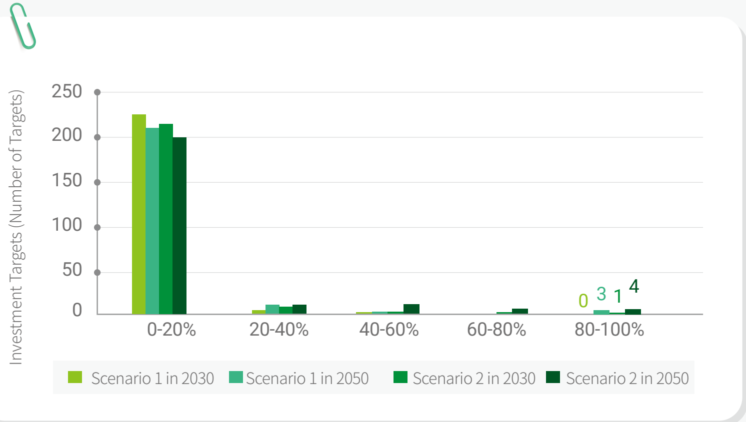
The impact results shown in the following diagram suggest that Scenario 2 in 2050 has the greatest impact



Market Risk Impact Results

- The calculation of market risk positions includes equity investments classified as FVOCI and FVPL.

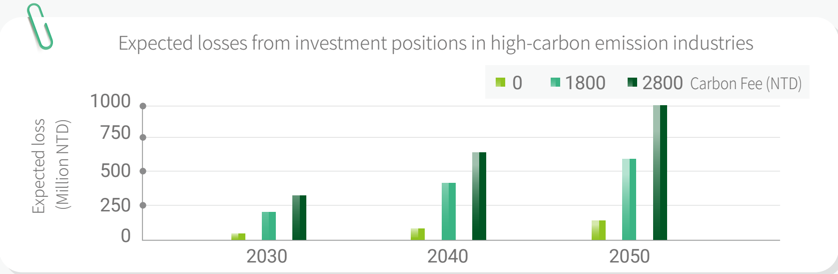
  The diagram shows the stock price loss rates of the Company's investment targets within the calculation scope under various scenarios. Most of the main investment targets have a stock price loss rate of less than 20%. In the most severe scenario, four companies have a stock price loss rate exceeding 80%, and these four companies mostly belong to high carbon-emitting industries.



The following diagram illustrates the average rate of stock price loss. Scenario 2 in 2050 has the greatest impact. The loss rate in each scenario is under 10%.

Carbon Fee Sensitivity Analysis

- To understand the impact of transition risks faced by the Company, a carbon fee sensitivity analysis was conducted using the financial assumptions and expected credit loss model based on the admission/withdrawal criteria for high carbon-emitting industries prescribed in the "Sustainable Finance Policy of Fubon Financial Holding Co., Ltd. and Its Subsidiaries." The analysis measures the expected credit losses of the Company's investment positions related to industries with high carbon emissions at the end of 2023 under different carbon fee scenarios (NT$1,800 and NT$2,800 per tCO2e) and at different times in the short, medium, and long term. For example, by 2050, the maximum expected loss for foreign investment positions is approximately NT$610 million at a carbon fee of NT$1,800 and approximately NT$980 million at a carbon fee of NT$2,800.



6.1.3 Climate Risk Management

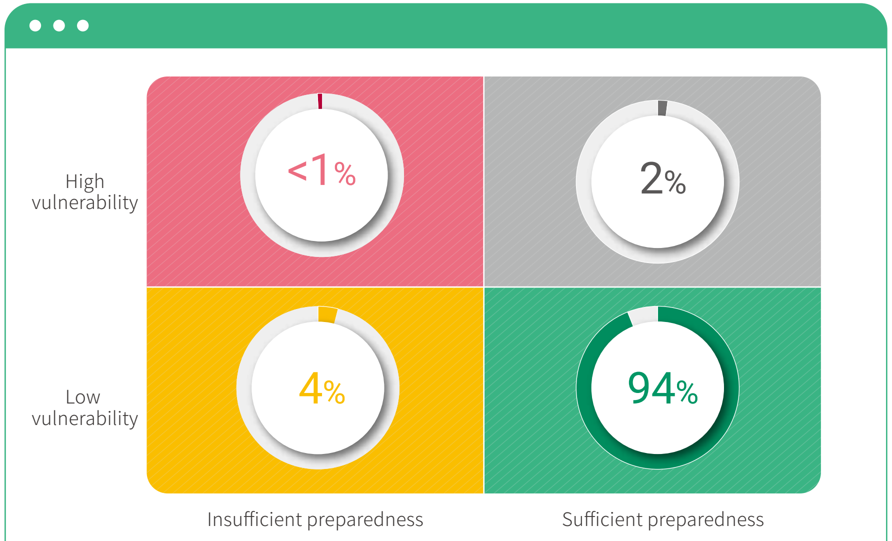
Fubon Life has established climate risk management regulations that incorporate climate change risks into its risk management policy. For businesses that are significantly affected by climate risks, various risk management actions have been implemented, including integrating ESG risk analysis into major risk assessments before investment, incorporating climate risks into country risk ratings, conducting audits of operational locations, analyzing physical risks for investment and financing positions, and conducting climate change scenario analyses for stability funds. These management actions cover the assessment and management of market risk, credit risk, and operational risk corresponding to climate change risks. Some of these management actions are this year advancement initiatives launched in collaboration with our parent company, Fubon Financial Holdings, aiming to enhance current climate risk management through comprehensive climate risk audits, broader impact analysis, and stress testing, thereby improving climate risk management capabilities.

Market Risk: Incorporating ESG Risk Analysis into Major Risk Assessments before Investment

Starting in 2023, we have included ESG risk analysis in the evaluation of certain major investment projects. This includes external ESG risk information on investment targets and internally calculated quantitative climate risk analysis results. Through these analyses, the Company aims to enhance the current information coverage of major investment risks.

Credit Risk: Integrating Climate Risk into Country Risk Ratings

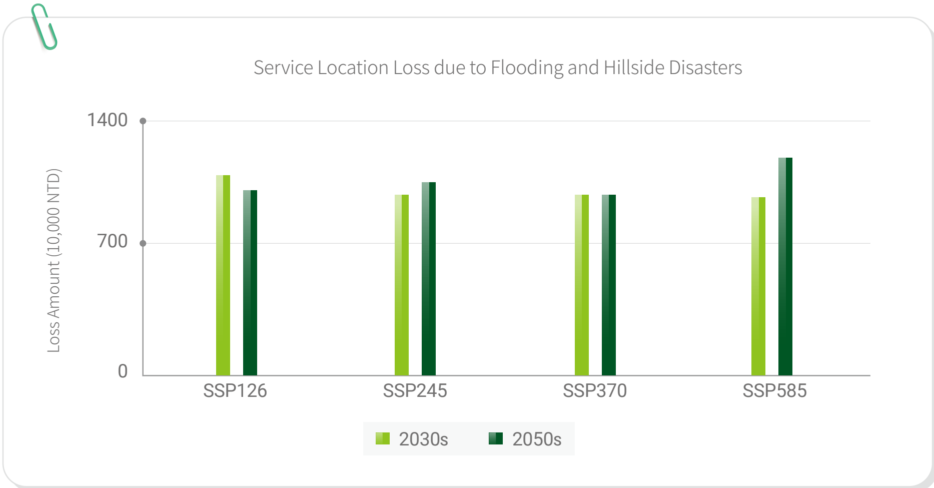
Following the TCFD disclosure guidelines and referencing international trends, we began developing a mechanism for country risk rating adjustments in 2023. In April 2024, risk ratings for countries with high climate risks were adjusted based on Fubon Financial Holdings' ratings. After reviewing the Company's investment positions, the proportion of investment positions in high climate-risk countries is less than 1%, and the climate risk management of investment positions is refined through rating adjustments.



Note : The aforementioned proportion is based on the investment positions as of the end of 2023, excluding countries without climate risk information. The exposure to high climate-risk countries pertains to those with high vulnerability and insufficient preparedness.

Operational Risk: Service Location Inspection

To understand the impact of physical risks on the Company, a risk assessment for flood-related equipment losses was conducted in 2023 for all service locations, including the headquarters, service centers, and sales channels. The assessment considered the IPCC climate scenarios (SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5) and evaluated potential losses during periods from 2021 to 2040 and from 2041 to 2060.
According to analysis results, under the most severe scenario, the expected total loss for all service locations is less than NT$13 million. In accordance with the "Emergency Response Regulations for Various Disasters," the Company has established an emergency response team to address and mitigate potential impacts.



Physical Risk Analysis of Investment/Financing Positions

The Company, in collaboration with Fubon Financial Holdings, commissions external consultants to conduct physical risk analysis for the Company's investment properties and personal mortgage business. Regular reviews of physical risk changes are conducted, and the analysis model is continuously refined. The Company has completed a physical risk assessment of domestic and foreign investment properties and personal mortgages based on positions as of the end of 2023.

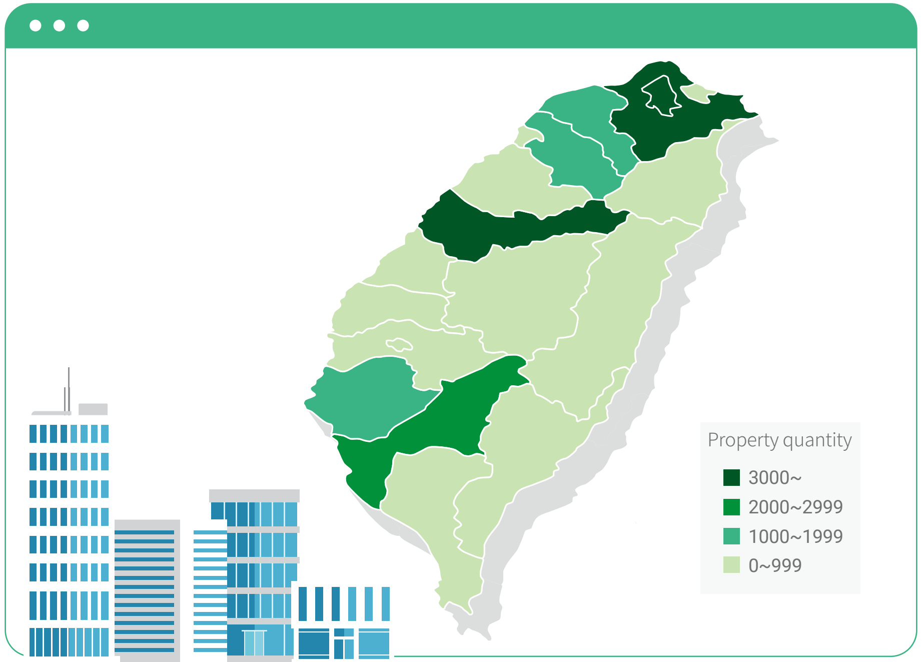
For foreign investment properties, the Company considered four IPCC climate scenarios (SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5) and the period from 2021 to 2100. The risk items evaluated include the impact of flooding events and changes in carbon emissions. The impact of flooding events on property value depreciation is assessed through the integration of domestic and international risk data, macroeconomic data, and a materiality assessment method formulated to calculate the property value depreciation rate. Final results are produced accordingly. The depreciation rate of the Company's overseas property values in the above scenarios is less than 5%. Changes in building carbon emissions, including building energy consumption, initial carbon emissions, and the carbon intensity of energy consumption for heating and cooling, are incorporated in the estimation of future carbon emissions. The carbon emission change rate of buildings under various climate scenarios in the 2050s (2041-2060) is decreased.

The analysis for domestic investment properties includes property value depreciation due to flooding and hillside disasters. The Company analyzed data based on the IPCC climate scenarios (SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5) for the period from 2021 to 2100. Within the time interval of 2081~2100 that under the most severe scenario, the maximum property value depreciation due to flooding is less than 10%, and for hillside disasters, the maximum value depreciation is under 20%.

The Company enhances the internal control mechanism for real estate investment and management based on its "Domestic Real Estate Investment and Management Procedures" and the "Major Event Reporting and Divestment Operation Management Regulations for Overseas and Mainland China Real Estate Investments." Appropriate verification standards and risk control mechanisms are set for the utilization efficiency of each investment property. Properties exceeding the standards are reviewed during the annual income report, and an improvement plan for utilization efficiency is proposed.

In the analysis of personal mortgage risks, the Company conducts physical risk stress tests that consider the impact of changes in macroeconomic factors on default rates and the depreciation of collateral values in different regions under the three NGFS scenarios: Orderly Transition, Disorderly Transition, and No Policy for the years 2030 and 2050. The expected credit loss and loss ratio are calculated accordingly. The average expected credit loss ratio under each scenario is less than 1%.

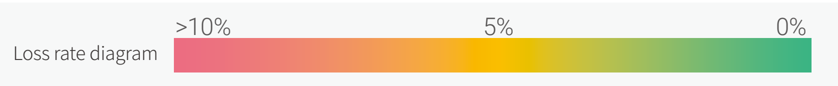
Distribution of investment properties and personal mortgages



Climate Change Scenario Analysis for Stability Funds

In carrying out the climate change scenario analysis and reporting required for stability funds, the Company has based its analysis on the special edition on climate change of the Global Insurance Market Report released by the International Association of Insurance Supervisors (IAIS) in 2021 and combined it with the Company's existing internal modules. In 2023, we assessed the financial impact of climate change on our asset positions under three different possible future climate scenarios. The primary sources of loss were identified in the following three industries: energy-intensive activities, fossil fuels, and utilities (electricity). The "Too Little, Too Late" scenario had the greatest impact on the Company's assets, followed by the Disorderly Transition scenario. Under the Orderly Transition scenario, asset value losses remained manageable, with limited impact on the Company's net worth. As the international community has been actively advancing climate change policies, the Company already has existing investment policies in place, actively controlling exposure to the aforementioned industries. The analysis results have been reported to the Company's Asset and Liability Management Committee, Risk Management Committee, and Board of Directors, allowing management and related units to understand the impact of various scenario risks on the Company and consider climate risks in strategic adjustments.

Asset type	Position ratio	Net Zero 2050 scenario	Delayed transition scenario	Too little, too late scenario
		Increase/ decrease rate	Increase/ decrease rate	Increase/ decrease rate
Equity securities	16%			
Corporate bonds, loans and mortgages	60%			
Government bonds	12%			
Property assets	12%			



Note:
1. The asset position ratios are calculated based on the positions as of the end of 2022 and are rounded.
2. Equity securities include only common stocks, preferred stocks, certificates of investment or shares, and depository receipts.
3. For property impact assessment, the Company's assessed value is prioritized. If no data is available, the book value net of depreciation is used.
4. The fair value as of the base date is adjusted according to the IAIS methodology.
   (1) For assets in the financial industry, the proportion of investments in climate-related industries is allocated to various industries.
   (2) For assets in the utilities (electricity) industry, a portion of the exposure is deducted based on the renewable energy usage ratio of the respective country.

6.1.4 Climate Indicators and Goals

To effectively manage climate risks and reduce the potential environmental impact on operations, the Company has set medium and long-term quantitative targets for green finance investments and operational carbon reduction. The progress towards these targets is tracked annually and regularly reported to the Chairman and the Board of Directors through the ESG Task Force. Quarterly reports on the progress of Scope 1 and Scope 2 greenhouse gas inventories are also submitted to the Board of Directors for review and management. We also set science-based carbon reduction targets, conduct inventories of Scope 3 emissions, and monitor the performance of coal-fired power plants and industries with high carbon emissions.

- Fubon Financial Holdings formally submitted its science-based carbon reduction targets to the Science-based Targets Initiative (SBTi) for review in 2022, and the targets were approved in September of the same year. Fubon Life will adhere to Fubon Group's overall carbon reduction pathway to achieve the SBTs for carbon reduction. For Scope 1 (direct emissions) and Scope 2 (indirect energy emissions) greenhouse gas emissions, we have set annual reduction targets with 2020 as the baseline year, aiming for a mid-term goal of 42.2% reduction by 2030, a long-term goal of 92.3% reduction by 2040, ultimately reaching net-zero carbon emissions by 2050. For Scope 3 investment targets, a collaborative approach is adopted, with a goal of having 40% of investee companies complete setting their SBTs by 2027.

- We have also set green finance investment targets, including investments in low-carbon assets, green bonds, and green energy technologies. As of the end of 2023, the achievement rate for green finance investments reached 102%, which is a 12% growth compared to the actual amount in the baseline year of 2020.

- According to the PCAF methodology, the Company completed the calculation of carbon emissions for Scope 3 investment and financing positions in 2023, covering equity investments, personal mortgages, commercial real estate, project investment and financing, and bond investments (including sovereign bonds). The calculation covers the investment and financing positions of Fubon Life and its subsidiaries. The total carbon emissions from investment and financing positions amounted to 11.96 million tCO_2e, an increase of 1% compared to 2022. The carbon footprint was 3.2 tons tCO_2e /million NTD, with a data quality score of1.8 and an inventory coverage rate of 81%.

Year of Report: 2023

Asset type	Scope 1 and Scope 2 absolute emissions (10,000 tCO_2e)	Financial carbon emission ratio of each asset type
Debt investment	581	48.6%
Sovereign debt	494	41.3%
Equity investment	85	7.1%
Project financing	29	2.4%
Personal mortgage	4	0.4%
Commercial real estate	3	0.2%
Vehicle loan	<1	<0.1%
Sum	1,196	100%

The main sources of financial carbon emissions from the Company's investment and financing sectors are electricity and gas supply, manufacturing, and mining and quarrying. The top three financial carbon-emitting industries account for over 80% of the total financial carbon emissions, while other industries account for less than 20%. We will continue to monitor our exposure to high carbon-emitting industries.

Note :
1. The calculation of investment and financing carbon emissions excludes equity investments/company bonds/sovereign debt investment funds, local sovereign and municipal-level debts, private equity funds, derivative financial products, stock/bond index funds (ETFs), cash/foreign exchange/derivative transactions held by central bank exposures, and loan securitization products of which linked targets cannot be obtained.
2. Considering the carbon emission disclosures and calculation capabilities of the invested targets, the current inventory results only include Scope 1 and Scope 2 carbon emissions of our investment and financing positions. The disclosure scope will be continuously improved and expanded in the future.
3. The inventory coverage ratio is the inventory balance of investment and financing positions/the total balance of investment and financing. The total balance of investment and financing is the sum of the investments in the consolidated balance sheet (including FVTPL, FVOCI, AC and equity method) including deduction margin and loan amount.
4. The commercial real estate category includes REITs. The calculation of absolute emissions for REITs includes Scope 3 emissions of the invested targets considering the asset characteristics.

For performance measurement, the Company sets performance targets for the CEO and senior executives based on Fubon Financial Holdings' ESG Visioning blueprint (including decarbonization strategies), linking their compensation structure to performance. Additionally, individual ESG performance targets for all employees are incorporated as a positive force to drive the Company's ESG strategic goals. For more details, please refer to CH3.2. Employee Compensation and Benefits.

Key indicators, goals and implementation status are shown in the following table.

Baseline year 2020

	Indicator: Green finance investment amount	Indicator: Operational carbon emission reduction (Scope 1+ Scope 2)
Implementation status in 2023	Increased by 12% than the baseline year (1,899.2 billion)	Decreased by 3,235.6
2030 target	Increase by 19% (2 trillion)	Decrease by 7,676

Note 1 : For other environmental sustainability data, please refer to CH6.3.1. Low-Carbon Operation.
Note 2 : For the targets and indicators related to the Company's investment and financing carbon emissions, please refer to Fubon Financial Holdings' 2023 TCFD Report.
Note 3 : The scope of green finance investments includes low-carbon investments, green bond investments, and green energy technology.

6.2 Strengthening Responsible Investment

Fubon Life's investment units follow the four ESG strategies of Fubon Financial Holdings: decarbonization, digitalization, empowerment, and connection, with a focus on "decarbonization" as our main strategic pillar. Through sustainable finance investments, we help investee companies improve their ESG performance and achieve sustainable transformation. The use of funds aligns with the liability characteristics and liquidity needs of each account, the symmetry of assets and liabilities, and also considers whether the investment target companies fulfill responsibilities related to environmental protection, corporate integrity, and social responsibility.

In addition, in implementing corporate sustainability practices and the United Nations Principles for Responsible Investment (PRI), which contribute to enhancing human health and well-being, ensuring access to sustainable and clean energy for all, improving infrastructure, and promoting inclusive and sustainable economic growth, the Company seeks to invest in biotechnology, green energy, infrastructure, six core strategic industries, companies with excellent ESG performance, and low-carbon ESG-themed targets. Furthermore, ESG is integrated into the investment process by establishing related policies and methods, considering key elements such as environmental protection, corporate integrity, and social responsibility during investments. An ESG evaluation mechanism is in place to promote sustainable development performance among investment targets and financial peers. Lastly, the Company fulfills its stewardship responsibilities post-investment by proactively understanding and strengthening communication with investee companies on ESG matters if any violations of ESG principles are identified.

In human rights protection, the Company adheres to the six principles of responsible investment in its fund management and established a list of countries with high ESG risks while also considering human rights protection in each country to avoid investing in sovereign bonds issued by high-risk countries. In the ESG negative screening, labor rights protection is also considered, and engagement with investee companies is initiated as necessary. If no improvement actions are taken, the Company may decrease investment or divest.

6.2.1 Management Mechanism and Implementation Results

Fubon Life adheres to the "Sustainable Finance Policy of Fubon Financial Holding Co., Ltd. and Its Subsidiaries" as the top guiding principle for promoting and implementing responsible investment. This policy clearly stipulates that PRI must be followed in fund management. The specific ESG assessment methods, based on the characteristics and practical feasibility of investment products, are defined in the operational regulations, guidelines, or standard operating procedures (SOP) for each asset class. Before and after investments, various ESG checklists and evaluation indicators are used to identify, assess, and measure the sustainable development risks of investment targets. The supervision methods of outsourced institutions and financial peers are included in the ESG action plan as well to promote the acceptance and implementation of PRI in the investment industry.

In accordance with external regulations such as the "Insurance Asset Management Self-Discipline Regulations," the Company properly evaluates the credit risk, market risk, and liquidity risk of investment targets before investment, including the credit risk of issuers and counterparties. Whether investment target companies fulfill responsibilities related to environmental protection, corporate integrity, and social responsibility is also evaluated and analyzed. After investment, the Company regularly assesses risk conditions, continuously monitors and manages, and reviews whether the investment target companies fulfill responsibilities related to environmental protection, corporate integrity, and social responsibility. In addition, The Company signed the "Stewardship Principles for Institutional Investors" in 2018 and continues to update its signatoryship and adhere to the principles.

Fubon Life's investment units report to the "Responsible Finance Group," which is responsible for planning and promoting responsible investment. Each investment unit assigns a total of 10 ESG personnel in charge of the coordination of ESG-related matters and participation in various ESG projects, continuously strengthening PRI implementation. Furthermore, to enhance ESG professional capabilities, ESG education and training are provided to reinforce the concepts and decision-making processes of ESG risk assessment. In 2023, investment-related departments sent representatives to participate in ESG Investment Management Analyst and Sustainable Finance Manager courses and obtained the Sustainable Finance Manager certifications. In the future, we will continue to participate in ESG-related courses organized by external entities, as well as by the Company and Fubon Financial Holdings' sustainability and HR departments.

In coordination with the "Sustainable Development Committee" established by the Corporate Governance Department in 2023, the "Responsible Finance Group" reports the implementation results of responsible investment-related projects and the important project plans of the year to the President every six months. These reports are subsequently submitted to the Sustainable Development Committee and the Board of Directors for tracking and managing the progress of ESG initiatives. Additionally, the Company's audit unit conducts inspections to ensure compliance with ESG-related laws and regulations.

All investment units of Fubon Life must implement responsible investment and stewardship policies in their daily work. This includes domestic and foreign fixed income and equity investment departments and the investment administration department, all of which invest manpower and resources to handle pre-investment analysis and post-investment review, exercise shareholder activism, engage with the issuers of investment targets, establish various dedicated management mechanisms according to product characteristics, and compile and disclose the results of responsible investment externally.

Implementation Results Achieved to Date Following the Six Principles for Responsible Investment (PRI)

Six PRI	Implementation Results
Incorporate ESG issues into investment analysis and decision-making processes	☑ ESG principles are incorporated into investment policies. ☑ All stocks in the asset pool comply with ESG-related regulations. ☑ Investment targets are evaluated based on ESG investment risk indicators prior to investment. ☑ Thematic investments are actively pursued, such as investments in drug development, alternative energy, ESG high-performance screening, infrastructure funds, green buildings, low-carbon targets, and six core strategic industries. ☑ High-risk country and company lists are established using external resources through evaluation processes. ☑ Reviews and updates of the negative list are conducted regularly. ☑ Annual reviews of domestic and foreign bond issuers of our investments are conducted in accordance with ESG checklists. ☑ Guidelines for ESG-sensitive industries are developed. ☑ SBTs for carbon reduction are executed and the admission/withdrawal criteria for high carbon-emitting industries are continuously reviewed in accordance with the "Sustainable Finance Policy of Fubon Financial Holding Co., Ltd. and Its Subsidiaries." ☑ Carbon inventories are conducted for investment positions. ☑ The ESG database of MSCI Inc. is referenced for pre-investment checks.
Incorporate ESG issues into ownership policies and practices	☑ Fubon Life has signed the "Stewardship Principles for Institutional Investors" compliance statement. ☑ Prohibited actions for personnel involved in domestic equity investment and monthly reporting requirements are established to avoid conflicts of interest between personal investment activities and the Company as we continue to adhere to stewardship and interest management principles. ☑ Shareholder activism is implemented in conducting careful evaluations of investee companies. As of December 2023, Fubon Life has achieved a 100% attendance rate for shareholder meetings. Fubon Life Compliance Statement
Seek appropriate disclosure on ESG issues by investee entities	☑ Corporate sustainability reports of domestic investee companies are collected and reviewed. ☑ Individual stocks that violate ESG and PSI are added to the negative list and prohibited from receiving new investments.
Promote acceptance and implementation of the PRI within the investment industry	☑ Foreign funds and ETFs invested by the Company are examined annually in accordance with ESG checklists to confirm that their issuers are PRI signatories. ☑ The ESG performance of domestic bond funds and ETFs invested by the Company is evaluated annually in accordance with ESG checklists to check the ESG practices of their issuers. ☑ Fully delegated institutions are requested to submit ESG implementation documents and comply with the negative list.
Work together to enhance effectiveness in implementing the PRI	☑ We participate in public construction meetings with relevant government departments. ☑ We participate in ESG forums held by external institutions and follow competent authorities' plans for sustainability issues. ☑ We elaborate on Fubon's responsible investment principles and practices to environmental protection groups. ☑ We joined the FAIRR Initiative, leveraging financial impact with a focus on material issues in the husbandry industry and potential ESG risks. ☑ We share experience in sustainable finance and responsible investment upon invitations of external institutions. ☑ Following Fubon Financial Holdings' actions, we join global sustainability initiatives and participate in relevant meetings, such as the Asia Investor Group on Climate Change (AIGCC), Partnership for Carbon Accounting Financials (PCAF), and Taskforce on Nature-related Financial Disclosures (TNFD). ☑ We participate in several corporate engagement groups jointly with members of the Climate Action 100+.
Report respectively on activities and progress towards implementing the PRI	☑ The implementation status of responsible investment is regularly reported to the ESG Task Force. ☑ Through annual sustainability reports and institutional investor stewardship reports, we convey the importance of responsible investment to the public.

6.2.2 ESG Investment Mechanism

In adherence with the PRI in its fund management, Fubon Life consistently strengthens and integrates various ESG action plans, and established an ESG investment mechanism. Through the ESG evaluation mechanism and thematic investments, the Company aims to promote sustainable development in investment targets and the financial industry.

In terms of the increasingly discussed issue of greenwashing, the Company distinguishes greenwashing practices and offers guidance to companies to improve their ESG performance through the following measures.

Incorporating ESG into the investment process to identify and avoid greenwashing companies

Through the responsible investment management mechanism, we examine the ESG performance of investee companies. The examination considers the long-term impact of ESG indicators on corporate operations and decision-making, rather than focusing solely on short-term ESG performance to avoid overlooking the negative impacts of investee companies on the environment, society, and corporate governance. For specific management mechanisms and highlight areas, please refer to CH6.2.4. ESG Action Plans.

Actively understanding the operations of investee companies

After investment, in addition to tracking publicly available information on the operating status of listed companies, the Company may visit the investee company's management or communication systems as appropriate to gain a more comprehensive understanding of their operations.

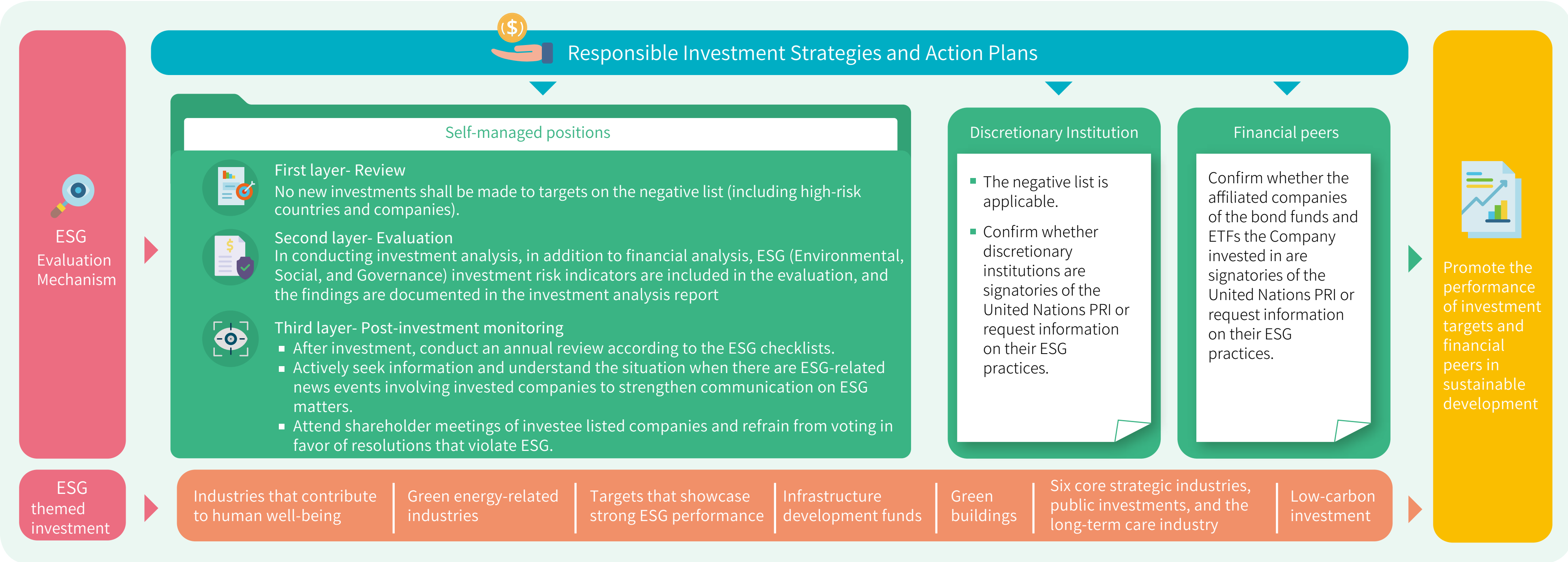
Monitoring measures in response to "Taiwan Sustainable Taxonomy"

We sent representatives to participate in the four Taiwan Sustainable Taxonomy communication seminars organized by the FSC-commissioned Chung-Hua Institution for Economic Research. Through communication with the financial industry and general industries, clear criteria and assessment methods for "sustainable enterprises" in Taiwan shall be established, providing financial institutions with consistent standards including review items and corporate information disclosure requirements to prevent greenwashing and protect investors and consumers.

The Company is attentive to the "Guidelines for the Recognition of Sustainable Economic Activities" announced by the competent authority. The guidelines recognize "sustainable economic activities" based on three evaluation methods, which must simultaneously meet the condition of "making a substantial contribution to any environmental objective without causing significant harm to other environmental objectives and social guarantees" to be identified as "sustainable economic activities." For the environmental objective of "climate change mitigation," the guidelines establish "technical screening criteria for substantial contributions." For other environmental objectives and social guarantees, such as "climate change adaptation, sustainability and conservation of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems," the principle is "no significant harm caused," meaning no major penalties from the competent authority in accordance with related regulations. As of now, the domestic "Guidelines for the Recognition of Sustainable Economic Activities" still encourage listed companies to voluntarily disclose their main economic activities in compliance with the guidelines and encourage financial institutions to reference these guidelines for investment and financing evaluations, actively engaging with enterprises.

Fubon Life has incorporated an ESG evaluation mechanism into its fund management. During the pre-investment evaluation and analysis, in addition to industry and financial analysis, the Company also assesses whether the investment target companies fulfill ESG responsibilities related to environmental protection, corporate integrity, and social responsibility (e.g., environmental pollution, human rights violations, and labor rights). ESG investment indicators are referenced as the basis for investment decisions. If any legal violations are confirmed through a final judgment, the company will be included in the negative list. We also monitor whether our investment target companies have been subject to major penalties by the competent authority for violating environmental objectives and domestic labor-related regulations.

Furthermore, the "technical screening criteria" are in place for deliberating "substantial contribution" to any environmental objective. The Company currently aligns with the overall carbon reduction pathway of Fubon Financial Holdings to achieve the SBTs and conducts carbon inventories of investment positions following the "TCFD Improvement Project" to track the greenhouse gas emissions of investee companies. We will continue to monitor the second phase of the "Guidelines for the Recognition of Sustainable Economic Activities," a project recently initiated by competent authorities. The Company has also launched an engagement project in coordination with Fubon Financial Holdings. Engagement actions related to the guidelines' themes are formulated within this project to provide clearer directions for industrial upgrades or transformations, thereby promoting a collective response to climate change and advancing sustainable financial development in Taiwan.



6.2.3 ESG Thematic Investment

Exerting Sustainable Impact through Thematic Investments

In response to the United Nations Sustainable Development Goals (SDGs), while strengthening its ESG investment evaluation mechanisms, Fubon Life also continues to seek investment opportunities in ESG-themed industries that contribute to human well-being, promote green energy, support infrastructure development, and showcase strong ESG performance. By doing so, the Company fulfills its social responsibility and demonstrates its commitment to responsible investment.

- Continue to invest in new drugs, biotechnology, medical care, and precision health-related industries in Taiwan to address the protection gap for the people, thereby enhancing human health and well-being.
- Continue to invest in green bonds, green energy, or alternative energy and other related industries approved by the Taipei Exchange, as well as low-carbon investments (e.g., wind power, solar power, transportation electrification, or zero-waste recycling industries) in response to the government's core strategic industries for the "2050 Net Zero Emissions Pathway," while ensuring that everyone has access to sustainable and clean energy.
- Continue to plan investments in energy-saving designs for real estate development projects and infrastructure funds to contribute to infrastructure improvement.
- Implement an ESG performance screening process to invest in Taiwanese companies with excellent ESG performance. Also, in line with government policies, invest in the six core strategic industries, public investment, and long-term care businesses to promote inclusive and sustainable economic growth.

Although the Company actively engages in ESG-themed investments, it remains vigilant of various potential risks as climate change risks and net-zero emissions operations become financial focal points internationally. These risks include the possibility that governments worldwide may implement measures such as taxes, subsidies, and stricter regulations to curb carbon emissions, which could affect the costs or revenues of investment targets. Additionally, the barriers to low-carbon technology and customer demands may reduce the demand for investment targets' products or increase the need for additional capital investments. These financial impacts on investment targets could propagate to the insurance industry's credit risk, market risk, and operational risk. To assess the investment risks in low-carbon transition, the Company regularly reviews and evaluates the potential risks climate change may pose to its business. This evaluation is based on potential vulnerability, impact severity, and likelihood, focusing on physical and transition risks from an investment perspective, and response strategies and measures are formulated accordingly. Moreover, in coordination with Fubon Financial Holdings' TCFD improvement project, the Company conducts carbon inventories of investment targets and climate change scenario analyses to understand the potential investment impacts under different future scenarios.

We will continue to adhere to Fubon Financial Holdings' guidelines in balancing and adjusting our investment portfolio for more effective resource allocation. We aspire to expand the sustainable investment effect through our core competencies, drive industrial innovation and transformation, and lead society towards a sustainable future for all.

The Company is committed to assisting investee companies in sustainable transformation through investments. In 2021, in line with the four ESG visions of Fubon Financial Holdings, we set quantitative targets for green finance investments by 2025, focusing on low-carbon investments, green bond investments, and green energy technology investments. As of the end of December 2023, the balance of green finance investments was NT$1,899.2 billion, a 12% growth compared to the baseline year of 2020. The target achievement rate for 2023 was 102%.

The actual investment conditions of various thematic investments are as follows.

Corresponding SDG	Visioning Strategy	Action Plan	Outcome in 2023
3 GOOD HEALTH AND WELL-BEING	Continue to invest in the pharmaceuticals and biotechnology industries to achieve the goal of improving human health and well-being.	Invest in drug development and biotechnology industries	Invested approximately NT$4.7 billion in equity related to biotechnology and medical care, and approximately NT$ 100.6 billion in debt.
7 AFFORDABLE AND CLEAN ENERGY	Continue to invest in green energy or alternative energy industries to ensure sustainable and clean energy for all (e.g., wind power, solar power, transportation electrification, or zero-waste recycling industries) in response to the government's core strategic industries for the "2050 Net Zero Emissions Pathway" .	Invest in alternative energy industry	Invested approximately NT$4.6 billion in equity related to solar power plants and other alternative energy sources.
		Invest in green bonds	Investment balance in 2023: NT$22.4 billion
		Low-carbon investment	Investment balance in 2023: NT$ 1,576.4 billion
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Continue to formulate energy-efficient designs and infrastructure funds for real estate development to contribute to infrastructure improvement .	Formulate energy-efficient designs for investment in real estate development projects	Various real estate projects have been developed as planned, with a total construction budget exceeding NT$ 86.3 billion.
		Seek investment targets in infrastructure	Invested approximately NT$57.7 billion in foreign infrastructure funds.
8 DECENT WORK AND ECONOMIC GROWTH	Invest in Taiwanese companies with excellent ESG performance, ESG-themed funds, the six core strategic industries, public investment, and long-term care businesses in line with government policies to promote inclusive and sustainable economic growth	Invest in Taiwanese companies with excellent ESG performance and ESG-themed funds	Investment balance in 2023: NT$380.3 billion
		Invest in the six core strategic industries, public investments, and long-term care businesses	Invested approximately NT$ 462.7 billion in the six core strategic industries, public investments, and long-term care businesses, including investments in green energy technology industries (information and digital industry, green energy and renewable energy industry) accounting for approximately NT$ 321.2 billion, and investments in precision health industries in Taiwan accounting for approximately NT$540 million.

Note 1 : Low-carbon investments are based on stock/bonds in the MSCI ACWI Low Carbon Target Index constituents.

Note 2 : Taiwanese companies with good ESG performance are domestic companies selected in the TWSE Corporate Governance 100 Index or the DJSI (Dow Jones Sustainability Index) constituent stocks.

Note 3 : In line with government policies, Fubon Life actively promotes investments in the six core strategic industries based on the "Five plus Two" innovative industries, AI, and 5G, which include: "Information and Digital Industries," "Outstanding Cybersecurity Industry," "Taiwan Precision Health Industries," "National Defense and Strategic Industries," "Green and Renewable Energy Industries," and "Strategic Stockpile Industries."

6.2.4 ESG Action Plans

Establishment of ESG Investment Evaluation Indicators to Manage Sustainability Risks in Investments

Fubon Life identifies, assesses, and measures sustainability risks through various ESG checklists and evaluation indicators before and after investments. Prior to investment, we evaluate and analyze the target company in social responsibility, environmental pollution, food safety issues, compliance with integrity principles, significant threats to public safety, risks to human life and property, human rights concerns, and serious labor disputes. These evaluations and analyses are included in the pre-investment assessment reports.
In 2023, the Company has 100% based its domestic and foreign debt and equity investments on ESG-related mechanisms and ESG negative screening mechanisms, with an investment balance of NT$4,103.3 billion, among which the investment balance based on the human rights-related negative screening mechanism is NT$2,732.7 billion.

Highlights in ESG Investments	Description			Investment position coverage (%)
Pre-investment checks	Establishment of ESG investment risk indicators	Based on indicators covering the three aspects of the environment, society, and corporate governance, assessments are conducted prior to investments and the assessment results are disclosed in the investment analysis report.		100% coverage for newly added investment positions
	Establishment of a negative list	1. The high-risk country and company list is reviewed prior to investment, and investment targets listed in the negative list are no allowed for investment unless managed through exceptions. 2. Countries that violate human rights, finance terrorism and have significant deficiencies in anti-money laundering measures are included in the ESG negative list. 3. Companies in the tobacco industry and controversial weapons industries listed in the MSCI ESG database or companies delisted from the United Nations Global Compact (UN Global Compact) are not considered for investment.		
	Establishment of an ESG asset pool of domestic equities	All stocks in the asset pool must comply with ESG-related regulations. Investments in targets not included in this pool are not allowed.		
	Establishment of monitoring indicators for industries with high ESG risks	Guidelines for industries with high ESG risks were established. Monitoring indicators for industries with high ESG risks, such as energy, chemicals, and mining, were added to monitor the potential weak points in these industries. They are also incorporated into the SOP for the PRI evaluation.		
	Establishment of the admission/withdrawal criteria for high-carbon emitting industries	After 2040, no new investments will be made in companies involved in fuel coal mining/transportation, fuel coal power generation, or unconventional oil and gas industries that have not proposed carbon reduction transition plans consistent with the goals of the Paris Agreement.		
Post-investment checks	ESG checklist for bond investments	Company investment in foreign bonds.	Indicators include environmental, social, and corporate governance factors, and checks are conducted annually.	100% coverage for existing investment positions
		ETF Company investment in foreign bond funds and ETFs.	Checks are conducted annually to confirm if the bond/ETF issuers are PRI signatories.	
		Company investment in domestic bonds.	Indicators include environmental, social, and corporate governance factors, and checks are conducted annually.	
		ETF Company investment in domestic bond funds and ETFs.	Checks are conducted annually to verify the ESG practices of the issuers.	
	Shareholder activism and engagement	In accordance with Principle 3 and Principle 4 of Fubon Life's "Institutional Investor Stewardship Principles," we actively implement stewardship practices by continuously monitoring the investee companies and engaging in dialogue and interaction with them. For detailed information, please refer to our Stewardship Report.		

EHighlights in ESG Investments	Description		Investment position coverage (%)
Monitoring of discretionary investment institutions	Verification of foreign discretionary investment institutions' ESG practices	Verifications are conducted to check that discretionary investment institutions are PRI signatories, or requests are made for reports of their ESG practices.	100% coverage for newly added positions through discretionary investment institutions
	Negative list	Domestic discretionary investment institutions must comply with the negative list.	
External resources	Adoption of ESG-related information from external resources or rating agencies to identify high-risk countries or companies	The management and control procedures for investments in high-risk countries and companies were established based on information from external resources.	100% coverage for newly added investment positions

Assisting Investment Targets in Sustainable Transformation

The Company has set quantitative targets for green finance, continuously investing in green bonds, green energy technology industries, and low-carbon investments to aid investee companies in their sustainable transformation. After making investments, the Company continues to monitor investee companies' practices in the environmental, social, and governance aspects and identifies key issues in ESG aspects as indicators for the supervision and evaluation of investee companies. If an investee company violates the Company's ESG key issues (covering environmental, social, and governance aspects as detailed in the Stewardship Report), the Company will proactively engage with the investee company. The engagement efforts also aim to raise societal awareness of sustainable financial development and climate risk in the insurance industry, establishing cooperative engagement actions with investment targets and industry partners. The goal is to actively fulfill the stewardship responsibilities of asset owners while enhancing social risk awareness. For the engagement procedures and cases, please refer to Fubon Life's Stewardship Report.

The Company's investment units participate in meetings of international sustainable initiative organizations Fubon Financial Holdings and Fubon Life are members of, including the Partnership for Carbon Accounting Financials (PCAF) and the Asia Investor Group on Climate Change (AIGCC). Additionally, as a supporter of Climate Action 100+, the Company participates in the engagement group meetings of "Company H," collaborating with different financial institutions to engage with Company H on climate-related issues. Discussions include greenhouse gas emission targets, decarbonization roadmaps, supply chain management, and renewable energy use. In 2023, Company H's SBTs for carbon reduction were approved by the SBTi. Besides participating in Company H's engagement group, the Company also joined engagement groups of two other foreign companies in 2023. Leveraging the financial market's influence, we aspire to support investee companies' low-carbon transformation through engagement, thus playing the role of a responsible investment leader and promoting responsible investment practices.

Stewardship Report

Setting Net Zero Transition Goals for Investment Portfolios

To strengthen compliance with the PRI and promote the sustainable transformation of investment targets, the Company will gradually achieve carbon reduction goals based on the SBTs approved by the SBTi in 2022 as it guides the flow of funds towards low-carbon pathways in the financial industry. The engagement method is adopted in the target setting for investment positions, aiming for 40% of investee companies to commit to or complete setting their own SBTs by 2027. Subsequent tracking of the SBT setting for investment positions will be managed as follows: increasing holdings of targets that have set/committed to SBTs, requiring existing investee companies to set SBTs, ensuring new investment targets have plans to set SBTs, or adjusting investment amounts or divesting from companies unwilling to set SBTs. Through these methods, by the end of 2023, 33.0% of our investee companies have committed to or completed setting their respective SBTs, with 22.9% having completed settings, which is an increase of 4.8% from the end of 2022.

In response to the international net-zero trend and Taiwan's 2050 net-zero emission target, in addition to setting SBTs, Fubon Life also follows Fubon Financial Holdings' "TCFD Improvement Project" to conduct carbon inventories of investment positions based on the "Global GHG Accounting and Reporting Standard for the Financial Industry" issued by PCAF. We first reference the financial asset categories listed by PCAF and collect data on industry categories, business activities, scale, revenue data, and greenhouse gas emissions of the investment targets within the covered period and organizational emission boundaries to calculate the greenhouse gas emissions attributable to the Company's investment portfolio, followed by climate risk scenario analysis.

Furthermore, the Company has established monitoring indicators for industries with high ESG risks to strengthen the responsible investment mechanism. In line with Fubon Financial Holdings' four ESG visions with a focus on decarbonization as the strategic pillar, Fubon Life has set quantitative green finance targets and qualitative targets, i.e., no longer adding new investments in power plants with fuel coal power generation capacity exceeding 50% (companies that have not proposed carbon reduction transition plans consistent with the Paris Agreement goals). Under a consistent effort to review the list of high carbon-emitting industries, the Company added admission/withdrawal standards for the fuel coal mining/transportation, fuel coal power generation, and unconventional oil and gas industries in 2023, aiming to reduce the risks posed by investee companies in climate, net-zero, or other sustainable activities to the Company.

In line with the PRI, Fubon Life implements the ESG action plans described above in various asset types (by product category) as outlined in the following table, through the establishment or revision of policies, regulations, or standard operating procedures.

Asset Types Managed		Responsible Investment Management Action Plans
Listed Equity	—	Specific ESG assessment procedures are incorporated into operational rules, guidelines, or standard operating procedures for different asset types based on the characteristics and feasibility of each investment product.
Fixed Income	—	
Private Equity	Private funds	
Infrastructure	Infrastructure funds	
Derivatives & Alternatives	Covers alternative investments such as hedge funds	
Property	Investment property	Green building designs are incorporated into property development contracts. Companies with outstanding social responsibility records are prioritized when outsourcing a project or appointing an engineering consultant.

6.3 Low-Carbon Operation

Fubon Life follows Fubon Financial Holdings' "ESG Visioning Project" in setting energy-saving and carbon reduction targets and regularly tracks and manages them. The Climate Change Management Regulations and the "Environmental Sustainability Commitment" (visit the Company's website for details on "Environmental Sustainability Commitment") are issued and implemented to achieve low-carbon operations.

On the journey towards environmental sustainability, the Company actively communicates with internal and external stakeholders through activities, forums, or conferences, echoing the United Nations SDG 7 "Affordable and Clean Energy," SDG 13 "Climate Action," and SDG 17 "Partnerships for the Goals." The Company's exceptional performance in recent years has been repeatedly recognized externally. The highlights of our environmental sustainability efforts in 2023 are shown in the table below.

Awards

- Received the "Excellent Unit in Green Purchasing" certification from the Ministry of Environment for six consecutive years.
- Received the first prize in the Ministry of Economic Affairs' "Buying Power Social Innovation Products and Services Procurement Incentive Mechanism" for six consecutive years.

Certifications for Excellent Performance

- Obtained ISO-14064-1 Greenhouse Gas Inventory certification for eight consecutive years.
- Obtained ISO-50001 Energy Management System certification for six consecutive years.
- Obtained ISO-14001 Environmental Management System certification for five consecutive years.
- Obtained ISO-14067 Carbon Footprint certification for insurance policies.

6.3.1 Formulating Carbon Reduction and Nature Strategies for Progressive Environmental Sustainability Programs

Fubon Life actively cooperates with Fubon Financial Holdings' participation in the international Carbon Disclosure Project (CDP) climate change evaluation. We adopt SBTi in our consistent effort to promote carbon reduction plans and formulate management measures through obtaining ISO international certifications and management systems.

Additionally, the Company implements decarbonization plans internally and externally, such as promoting environmental education, organizing internal and external environmental protection activities, and adopting energy-efficient equipment. By integrating the concept of environmental sustainability into daily operations and various service aspects, the Company extends its influence to society and fulfills its corporate social responsibility.

Establishment of "Environmental Sustainability Goals" to Achieve Low-Carbon Operations

Echoing the government's goal of "Net Zero Emissions by 2050" and effectively managing climate risks, the Company comprehensively considers the potential environmental impacts of its operations. Following international standard regulations, the Company regularly measures and records the consumption of energy resources closely related to its operations.

The Company has set environmental sustainability goals for the target year 2025, including reducing carbon emissions, electricity usage, water usage, printing paper usage, and waste per capita. These goals are regularly tracked and managed, with the achievement rates incorporated into the performance measurement as indicators for relevant departments. In addition to adopting energy-saving and water-saving equipment, promoting environmental education, and encouraging behavioral changes, the Company has also implemented an internal carbon pricing mechanism for equipment procurement. For energy-saving equipment items with a procurement amount of NT$300,000 or more, carbon pricing is calculated, and the carbon reduction benefits are evaluated based on the "Average Carbon Price Table" for similar energy-saving equipment. In 2023, the average carbon price ranged from -NT$3,000 to NT$51,200 per ton as we manage internal carbon risks effectively.

Management Table for Environmental Sustainability Goals

	Management Indicator	Unit	Baseline year	Target for 2023	Actual Reduction in 2023	Target for 2024	Target for 2025
1	Carbon emission reduction in business operations (Scope 1 + Scope 2)	Ton CO_2e	2020	Reduced by 2,302	Reduced by 3,235.6	Reduced by 3,070	Reduced by 3,838
2	Reduction in electricity consumption	kWh	2020	Reduced by 13.6%	Reduced by 15.6%	Reduced by 18.1%	Reduced by 22.7%
3	Reduction in water consumption	m³	2020	Reduced by 4.5%	Reduced by 21.9%	Reduced by 6%	Reduced by 7.5%
4	Reduction in paper use for photocopying	pack	2019	Reduced by 12.0%	Reduced by 29.1%	Reduced by 16%	Reduced by 20%
5	Reduction in waste generated per capita	kg	2021	Reduced by 3.0%	Reduced by 12.84%	Reduced by 4%	Reduced by 5%

Committed to Reducing Energy and Resource Consumption by Actively Adopting Green Buildings

As a financial service provider, Fubon Life's main energy and resource consumption and environmental impact occur in buildings and office environments, with no operational sites located in protected areas or key biodiversity areas (KBA). To fulfill our responsibility as a global citizen and adhere to environmental and ecological commitments, the Company actively pursues green building certifications. Currently, nine of our self-owned buildings have obtained green building certifications. Green building indicators are also incorporated into the construction principles of new buildings, along with the adoption of energy-saving and carbon-reduction designs to minimize the impact on the natural environment.

Building	Year of Certification	Rating
Fubon Beitou Chuanyuan Building	2023	Gold level
Fubon Life Building * (A25)	2023	Gold level
Fubon Life new construction project on first subsection, Changchun Section (Liaoning Building)	2021	Gold level
Fubon Life new construction project on Chenggong Section, Linsen S. Rd., Zhongzheng Dist. *(Taipei Linsen S. Rd. Hotel)	2020	Gold level
Fubon Life new construction project on Land no. 354, second subsection, Linyi Section, Zhongzheng District (Tongshan Building)	2019	Bronze level
Fubon Life new construction project of Taichung Wensin Building* (Taichung Wensin Building)	2018	Bronze level
Fubon Life new construction project on Daan Road (Daan Road Hotel)	2015	Qualified
New construction project of Fubon Dunnan Building* (Dunnan Building)	2015	Diamond level
Fubon Life Xinyi A10 Commercial/Hotel Building (Xinyi A10 Commercial Building)	2013	Diamond level

Note 1: Information regarding the green building certifications is from the Taiwan Architecture Building Center.
Note 2: Construction projects marked * indicate the adoption of sidewalks (green spaces).

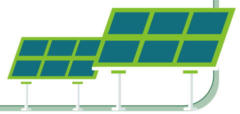
Fubon Life Building (A25) obtained the Gold-level Green Building Label and the US LEED-Core Shell v4 Core and Shell Certification Gold level in 2023. The building underwent integrated considerations during the design and construction stages, including sustainable site development, water conservation, energy efficiency, material and resource selection, and indoor environmental quality. Additionally, the Company adopted and beautified nearby institutional land, opening it up for public recreation.

Fubon Beitou Chuanyuan Building obtained the Gold-level Green Building Labe in 2023, achieving energy efficiency in its shell, air conditioning, and lighting through design elements such as the exterior wall grille system. It also emphasizes outdoor greening and water retention. Additionally, in partnership with the government and operation management units, the building plans to provide public welfare spaces and offer outdoor foot baths for public use.

Fubon Life's new construction project on the first subsection of Changchun Section obtained the Gold-level Green Building Certification in 2021. The building's exterior design features metal decorative panels and the use of Low-E glass, which effectively shields heat and reduces energy consumption. Large open spaces are reserved in the surrounding area of the construction site, creating a highly accessible and friendly environment with abundant greenery.

Fubon Life's New Construction Project on the Chenggong Section of Zhongzheng District, Linsen S. Road, obtained the Gold-level Green Building Certification in 2020. The project includes the adoption of the adjacent pedestrian walkway (green spaces) to create a green and recreational area for the neighborhood.

Solar panels and wind power generation equipment were installed at Fubon Dunnan Building in support of renewable energy development.



Fubon Life's sustainable strategy for new construction projects is based on the four main pillars of Fubon Group's ESG strategy: decarbonization, digitalization, empowerment, and connection. The strategy takes into consideration the feasibility and applicability of actual implementation and incorporates suitable execution strategies based on the specific characteristics of each project. The general framework is as follows.

Decarbonization

- Adopt green building designs and requirements in all projects and aim to obtain silver-level certification or above from Taiwan's Green Building Certification for projects launched after 2022.
- Optimize landscape greening by selecting native plant species that attract birds and butterflies, creating natural recreational spaces for biodiversity. Native species reduce maintenance needs and water consumption.
- Prioritize water conservation before exploring additional water sources by adopting equipment with water-saving certifications and maximizing the use of recycled water sources such as rainwater for irrigation purposes.
- Utilize renewable energy systems such as solar panels paired with energy-saving electromechanical designs to reduce electricity consumption and greenhouse gas emissions in operations.
- Give preference to certified green building materials that balance environmental protection and health and local economic and industrial development.
- Consider the life cycle and embodied carbon of the overall building, equipment, and materials during the planning and design phase, including material production, procurement, installation, as well as subsequent maintenance, renovation, dismantling, and final treatment.
- Plan waste recycling spaces and pathways to increase resource recycling rates and reduce pollution from waste disposal.
- Plan and integrate supporting measures for walking, cycling, and public transport based on site locations in conjunction with existing infrastructure in the surrounding area to reduce environmental impacts caused by gasoline-powered vehicles.
- Implement pollution control measures within the construction sites during construction to minimize pollution and impacts on the surrounding environment (e.g., air, water, soil, noise, waste).

Digitalization

- Explore and understand market trends and demands and allocate reserved spaces for digital infrastructure expansion based on project characteristics to ensure the flexibility to accommodate future needs for different spatial characteristics and service requirements and enhance the feasibility of service digitization.

Empowerment

- Consider indoor environmental quality in the design, including factors such as ventilation, natural lighting, lighting design, acoustics, and thermal comfort to ensure flexibility in enhancing indoor environmental comfort and health for future occupants.
- Respect the diverse needs and requirements of different groups with a focus on caring for employees or users, and barrier-free facilities are considered a basic requirement.
- Prioritize health promotion in the architectural design as required, such as incorporating more natural and open spaces to encourage leisure activities.

Connection

- Consider site selection, planning, and construction with biodiversity and natural habitat in mind, with priority given to choosing existing developed areas to avoid developing on natural spaces, minimizing disruptions during the construction, and respecting the harmony in nature.
- Enhance building safety based on the conditions of the project site during the planning phase, with a focus on structural safety.
- Design buildings with enhanced resilience to address the impacts of climate change and extreme weather events, reducing losses from floods, droughts, earthquakes, water and power shortages, and other disasters.

Responding to National Sustainability Policies and International Initiatives by Actively Adopting Renewable Energy to Achieve Net Zero Carbon Emissions

In response to national sustainability policies and international initiatives such as SBTi and RE100, Fubon Life actively installs solar power generation facilities. Solar power generation equipment has been installed on the rooftops of the Jianbei Building, Dunnan Building, Standard Chartered Bank Building in Taipei, and Taichung Wenxin Building. In 2023, the Company's total power generation reached 124,945 kWh, an increase of approximately 31,457 kWh compared to 2022, marking a 33.7% growth. We have planned and deployed net-zero carbon emission targets ahead of schedule in 2020 in line with Fubon Financial Holdings' policies. Moreover, the Company follows the carbon reduction and gray electricity reduction target pathways to reduce its own operational gray electricity usage gradually. The evaluation process for green electricity procurement was initiated in 2023, with plans to introduce green electricity in 2024 as the Company aims to continuously expand the renewable energy coverage of its operational sites and achieve the 2050 net-zero carbon emission target.

Implementing Office Energy Conservation and Carbon Reduction through Voluntary Green Office Practices

In the face of global climate change, Fubon Life actively promotes the replacement of energy-consuming equipment and environmental greening. Since 2016, the Company has implemented a voluntary energy-saving plan, which includes setting office air conditioning to 26 degrees, using high-efficiency lighting, installing energy-saving control devices, controlling the number of elevators during off-peak hours, setting office machines and computer equipment to auto-hibernation mode, and prioritizing green building materials in office spaces. These energy-saving measures effectively reduce energy consumption and create a friendly workplace.
In addition, we serve as a "corporate energy-saving practitioner" in the summer energy-saving campaign organized by the Bureau of Energy under the Ministry of Economic Affairs. During the summer, air conditioning temperatures are set to 26-28°C . We also join the Earth Hour campaign by extending the practice of turning off lights for one hour at noon in non-operational branches across Taiwan.

Fubon Life Environmental Impact

Action Plan	Highlight Accomplishment
Replacing the main conditioning unit in Building 210 with a variable frequency chiller	In 2023, the main air conditioning unit on the third floor of Building 210 was replaced with a variable frequency chiller, saving approximately 19,536 kWh of electricity annually in estimation.
Replacing the fixtures in Tainan Building with dual-flush fixtures (40 toilets)	40 single-flush wall-mounted toilets in the Tainan Building were replaced with dual-flush fixtures, saving approximately 794 cubic meters of water annually in estimation.

Adopting Green Mobile Services to Promote Sustainable Lifestyles with Policyholders

In 2023, Fubon Life continued to use InsurTech to promote various green action services, which eliminate distance limitations, maintain safety during the pandemic, accelerate case processing, and significantly reduce paper usage and transportation-related carbon emissions, thereby achieving environmental sustainability (see the table below for details). For more details and the effectiveness of customer-oriented green action plans, please refer to CH4.5.1. Promoting Considerate Customer Services.

Service Type	Action Plan	Highlight Accomplishment
Insurance Application	Online insurance application	In 2023, there were 103,378 online insurance applications, with electronic policies accounting for 97%. For travel insurance, 97% of policies were issued electronically.
Policy Service	Mobile Policy Wizard and online transactions	In 2023, 485,255 transactions were conducted through the Mobile Policy Wizard and online transactions, accounting for 33.9% of the total transactions. It reduced the use of 3,396,785 sheets of paper in application forms, contributing to an estimated reduction in carbon emissions by approximately 73,504 kg. It is a 11.6% improvement compared to the reduction of 65,884 kg in 2022.
	Establishment of the operational platform for premium authorization review, replacing paper applications with image-based review	In 2023, the review platform reduced the use of approximately 901,863 sheets of paper and contributed to a carbon emission reduction of 19,516 kg.
	Establishment of the operational platform for customer payment	In 2023, the payment platform reduced the use of approximately 194,000 sheets of paper and contributed to a carbon emission reduction of 4,203 kg.
	Loan operations incorporated into the security platform	Since its launch in 2023, the platform has reduced the use of approximately 83,000 sheets of paper and contributed to a carbon emission reduction of 1,803 kg.
Claims Service	Promotion of the Claims Alliance Chain and Medical Claims Service	The "Claims Alliance Chain" and "Medical Claims Service" were launched in collaboration with the "Insurance Technology Application Sharing Platform" developed by the competent authority and the Life Insurance Association. Through the former service, personal data for claim applications can be notified to other insurance companies simultaneously. The latter service allows customers to apply for claims by providing their medical information through partner medical institutions, offering policyholders one-stop insurance claims service. In 2023, a total of 51,000 cases utilized these services. Two sheets of paper were saved per case, resulting in a reduction of 103,000 sheets of claim application forms and an estimated carbon emission reduction of approximately 2,228 kg. It is a 69.4% improvement compared to the reduction of 1,315 kg achieved in 2022.
	Platform integration for medical claims review	The platform launched in June 2023 integrated medical insurance review and re-examination functions in the claims system. The opinion and information forms for review and re-examination are displayed digitally and processed through the system, eliminating the need for paper-based reviews. From July to December 2023, a total of 417,539 medical claims were processed. Four sheets of paper were saved per case on average, resulting in a reduction of 1,670,156 sheets of paper and carbon emissions of approximately 36,141 kg.

Connecting Core Businesses with Environmental Education to Expand Impact

Based on the nature of insurance for the well-being of human health, Fubon Life integrates green initiatives into our core business and collaborates with suppliers on promoting green procurement to expand our corporate sustainability impact. Meanwhile, we continue to organize environmental protection education activities to help the public develop an awareness of environmental protection and health risk management, thereby inspiring them to reflect on the relationship between the natural environment and human survival needs.

In fully leveraging the value of green finance in life insurance and echoing Fubon Financial Holding's "Run For GreenTM" tree-planting event, Fubon Life formulated a project at the end of 2021 that integrates our business operations with green initiatives by linking the long-term sales competition at sales channels with green initiatives. We incentivize our employees to achieve their performance targets by rewarding them with tree-planting opportunities and encouraging them to "Work for Green". In 2022, we partnered with Tse-Xin Organic Agriculture Foundation and launched tree planting activities in Fushoushan in Taichung, Taijiang National Park in Tainan, Dapi Pumping Station in Yunlin, and Yijen Park in Chiayi. In 2023, approximately 2.1 hectares of land in Fushoushan was planted with 5,250 trees, including red cypress, hinoki cypress, and Taiwan spruce. Moreover, for greening and beautification, we planted Lagerstroemia subcostata, water willow, beadtree, Gardenia jasminoides Ellis, Euonymus japonicus, and Crateva formosensis in other locations. In particular, 1,997 of these were planted in Dapi Pumping Station in Yunlin and 3,595 in Yijen Park in Chiayi. A total of 20,000 trees have been planted since 2022, reducing approximately 240 t-CO_2e annually in estimation.

In addition to integrating green initiatives into our core business, the Company actively engages suppliers in discussions on environmental sustainability. In 2023, we held the "ESG Environmental Sustainability and Green Procurement Supplier Exchange Meeting" to assist suppliers in understanding the Ministry of Economic Affairs Buying Power Social Enterprise Incentive Mechanism and various environmental certifications, striving to work together with our suppliers towards a more sustainable future. For more information on green procurement and supplier exchange meetings, please refer to CH 6.4. Supply Chain Management.

To fulfill its corporate social responsibility and exert a positive influence, Fubon Life actively communicates with the public through environmental education activities. In 2023, the Company continued its collaboration with the Ministry of Environment of the Executive Yuan and partnered with non-profit environmental organizations to expand its impact, promoting ESG sustainability education and annual series activities.

In a consistent effort to echo the environmental policies and actions of the Ministry of Environment, in 2023, the Company teamed up with the non-profit, the Taiwan Environmental Information Association, to organize the "Sustainable Green Experience" environmental protection volunteer service. This initiative led employees and members of the public to "Shimen Albe Farm," where they participated in ecological volunteer experiences, immersing in the deep rewards and emotions of contributing to the natural environment. This also meets the United Nations Sustainable Development Goals SDG 13 "Climate Action" and SDG 15 "Life on Land."

Furthermore, the Company has been an active practitioner in the Environmental Protection Administration's "Environmental Points Collection System" and the "Green Points" campaign for six consecutive years. It encouraged our employees and the public to cultivate the habit of green consumption and actualize the value of environmental protection actions, making "green living and environmentally-friendly choices" in their daily lives. During the campaign, 1,125 new participants joined the "Fubon Life Corporate Account," bringing the total number of participants to 6,337 over the course of six years. Currently, the number of participants ranks first in the financial and insurance industry, enabling Fubon Life to effectively exert corporate influence and collectively strive to practice circular living and mitigate environmental impacts.

6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards

With 2025 as the target year, Fubon Life has formulated environmental sustainability goals spanning over five years. These goals are integrated into the management of our daily operations, including the reduction in carbon footprint, electricity and water consumption, photocopying paper usage, and waste generated per capita. The implementation progress of these goals is reviewed on an annual basis.

Carbon Management

Fubon Life has adopted the ISO 14064-1 Greenhouse Gas Inventory Certification, ISO 50001 Energy Management System, and ISO 14001 Environmental Management System, with a coverage rate of 100%. Following the Plan-Do-Check-Act (PDCA) management cycle, we have strengthened our voluntary management mechanism in striving towards the Company's energy conservation and carbon reduction goals consistently.

The Company's greenhouse gas emissions for the past three years are as follows. In 2023, the total emissions in Scope 1 and Scope 2 decreased by 17.04% compared to the baseline year of 2020. Energy conservation and carbon reduction measures were also implemented in 2023, such as adopting energy-saving lights and replacing old air-conditioning systems to enhance energy efficiency. With the vision of achieving net-zero carbon emissions by 2050, we strive to reach our reduction targets year by year.

Table of Greenhouse Gas Emission Statistics

Item	Scope/Calculation Method	Unit	2021	2022	2023
Greenhouse gas emissions	Scope 1	ton-CO_2e	2,423.16	2,116.48	2,102.56
	Scope 2	ton-CO_2e	15,044.68	14,712.48	13,654.89
	Scope 1 + Scope 2	ton-CO_2e	17,467.84	16,828.96	15,757.45
	Scope 3	ton-CO_2e	22,930.13	18,699.9	17,984.27
Carbon emissions per unit of revenue	(Scope 1 + Scope 2)/per revenue of 1 million		0.0267	0.0344	0.0326
Carbon emissions per unit area	(Scope 1 + Scope 2)/per square meter of registered area		0.0700	0.0699	0.0617

Note 1: The inventory conducted from 2020 to 2023 covers all service locations of Fubon Life in Taiwan. In 2022, the scope of the inventory expanded to include the Fubon Life overseas office - Beijing Representative Office.

Note 2: The operational control approach was adopted for the inventory in accordance with ISO 14064-1:2018, the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard, and the Guidelines for Greenhouse Gas Emission Inventory.

Note 3: Scope 3 emissions are evaluated based on the significance methodology for indirect greenhouse gas emission sources. The significant emission categories disclosed are Category 3 - Emissions from employee commuting and business travel and Category 4 - Emissions from the procurement of goods and the treatment of solid and liquid waste.

Note 4: The Global Warming Potential (GWP) values are based on the Intergovernmental Panel on Climate Change Assessment Report 6 (IPCC-AR6) released in 2021. The greenhouse gas emission factors are adopted from the Greenhouse Gas Emission Factor Management Table Version 6.0.4 issued by the Climate Change Administration, Ministry of Environment, the 2022 Electricity Carbon Emission Factors issued by the Energy Administration, Ministry of Economic Affairs, and the Carbon Footprint Information Platform.

Waste Management

In striving towards zero waste in resource circulation, Fubon Life aims at "minimizing waste and maximizing resource recycling." We introduced additional goals on waste reduction targets in 2021 as a basis for enhancing environmental sustainability efforts.

In 2023, the Company executed six waves of environmental education EDMs throughout the year. In the second half of the year, the Company hosted the waste reduction prize quiz, "We are the Environmental Guardians." 3,846 participants signed up for the contest as the Company continues to create a healthy and high-quality workplace contributing to the planet. In promoting waste recycling and reuse, a waste recycling workshop was held, teaching employees how to repurpose surrounding waste materials such as No. 6 plastics into practical items, aiming to promote waste reduction at the source.

In 2023, the Company promoted waste reduction education and activities to advance waste reduction management. Through education, activities, and advocacy campaigns, employees are encouraged to practice waste sorting, recycling, and source reduction. The annual waste reduction target of a 3% decrease has been achieved.

Table of Waste Management Statistics

Item	Unit	2021	2022	2023
Total weight of hazardous and non-hazardous waste				
Total general business waste recycled	kg	434,074	449,128	373,772
Total general business waste incinerated	kg	495,246	425,746	401,794

Table of Recycled Waste Calculation

Item	Statistics	Unit	2021	2022	2023
Total general business waste incinerated	(A)	kg	358,054	369,298	297,572
Total general business waste recycled (disposal of recycled paper)	(B)	kg	76,020	79,830	76,200
Total general business waste recycled	Subtotal (A+B)	kg	434,074	449,128	373,772

Water Resources Management

In light of the impact of global climate change on the environment and the increased frequency of natural disasters, businesses are facing operational crises due to water scarcity. To mitigate the operational risks resulting from water scarcity, Fubon Life has highlighted water resources management as an important agenda in the Company's environmental sustainability policy. Furthermore, according to the WRI Aqueduct water risk mapping tool, Taiwan as a whole has a low risk level in terms of water pressure and shortages. Since Fubon Life is located in Taiwan, which is not an area of water stress, disclosing water consumption and abstraction is not necessary.

To effectively manage water resources, the Company has introduced water-saving devices such as modern faucets, water-efficient toilets, and automated flushing sensors in our existing office buildings in a phased approach. Daily water usage is monitored regularly, and improvement plans are devised to address abnormalities. We also continue to promote the ESG project - Office Water Conservation Program.In 2023, we plan to replace the toilets in the Tainan Building with dual-flush water-saving accessories, which is expected to save approximately 794 m3 of water annually. Additionally, we have implemented rainwater recycling systems in our new buildings for landscape irrigation and utilize water-efficient devices to reduce the consumption of tap water. The following table provides the water resource management statistics of the Company in the past three years. Additionally, we have implemented rainwater recycling systems in our new buildings for landscape irrigation and utilize water-efficient devices to reduce the consumption of tap water.

The following table provides Fubon Life's water resources management statistics in the past three years.

Table of Water Resources Management Statistics

Item	Unit	2021	2022	2023
Total water consumption of Fubon Life buildings owned by Fubon Financial Holdings	million liters	42.81	39.89	38.47
Total water consumption of Fubon Life branch offices	million liters	119.98	113.85	117.9
Water consumption per capita	million liters/person	0.0062	0.0064	0.0069
Water consumption per unit of net income	million liters/ net income of 1 million NTD	0.0015	0.0023	0.0042

Note : The total water consumption of the following six Fubon Life buildings owned by Fubon Financial Holdings was assessed starting in 2020: Fubon Life Building, Fuan Building, Property Building, No.210 Building, Neihu Building, and Songshan Building.

Management of Paper Reduction in Photocopying

We continue to promote paper reduction in offices. In 2023, the overall paper consumption was 57,315 packs. It decreased by 29.1% compared to the 80,855 packs used in the baseline year of 2019, contributing to an estimated carbon reduction exceeding 78 t-CO_2e. The Company introduced multifunction devices with card-based printing functions to reduce printing errors and paper waste in 2022. Meanwhile, paper consumption is effectively reduced through the analysis and control of usage reports.

6.4 Sustainable Supply Chain

6.4.1 Supply Chain Management Policy

Establishment of the Supplier Classification Management Mechanism

To strengthen procurement quality, enhance management of the efficiency and satisfaction of supplier selection operations, and provide a supplier management framework for operational compliance, Fubon Life established and adheres to the "Supplier Selection and Management Procedures," which includes principles for the introduction of new suppliers, procurement scale classification, supplier evaluation and grading, guidelines for inviting bids, satisfaction surveys, suspension penalties, and dynamic evaluations.

The Company has a total of 4,348 suppliers, which are classified into 16 categories: office equipment, workplace equipment maintenance, computer room systems, construction and renovation, miscellaneous equipment, manpower services, office repairs, computer peripherals and hardware, project services (such as consulting/public relations), incentive travel, program production, gifts, cleaning and maintenance, printing, general affairs, and outsourced operations.

Grading Suppliers Based on Performance to Urge Quality Enhancement

- In accordance with the "Supplier Selection and Management Procedures," the Company conducts annual satisfaction evaluations for suppliers in each procurement category that reach an annual transaction amount of NT$300,000 or more. The evaluation period is one year and performance is compared with that of the previous year's evaluation period to determine grades. There are five grades. A is for excellent suppliers with a score of 90 or above, B is for good suppliers with a score of 80 or above, C is for average or new suppliers with a score of 70 or above, D is for underperforming suppliers with a score of 60 or above (suspended for a year), and E is for permanently suspended suppliers with a score below 60.
- Good or excellent suppliers: Suppliers with a satisfaction score of 80 or above can be promoted to the good supplier level, and those with a score of 90 or above can be promoted to the excellent supplier level. They have the opportunity to participate in medium to large-scale projects.
- Suppliers with records of deficiencies: Suppliers will be downgraded based on a deduction mechanism.
- Underperforming suppliers: Suppliers with a score less than 70 will be suspended for one year. After reinstatement, their grades will be recalculated as average suppliers.

Suppliers with severe flaws categorized as significant deficiencies will be permanently suspended. Through the annual evaluation process, we are able to identify the best suppliers and effectively manage service quality. Hence, the current evaluation and selection management model is considered fair, comprehensive, and appropriate for practical needs.

Demanding Supplier Commitment to Corporate Social Responsibilities for Societal Prosperity

Fubon Life expects all suppliers to take corporate social responsibility seriously and fulfill their obligations. Since 2016, we have been requiring suppliers to adhere to our "Supplier Sustainability Development Guidelines," which also serve as a standard for selecting new suppliers. The guidelines cover five main areas: labor rights and human rights, occupational health and safety, environmental protection, prohibition of unethical behaviors, and sustainable procurement. It is a demonstration of Fubon Life's commitment to supplier social responsibility.

From 2018 to 2023, we added a total of 653 new domestic suppliers, all of which were screened following the previously outlined criteria. All of these new domestic suppliers were required to sign the "Supplier Standard of Conduct Pledge" and commit to the guidelines mentioned above with an emphasis on the importance of environmental protection and sustainability. The signing rate reached 100%. Furthermore, to avoid potential negative social impacts in the supply chain, for all procurement transactions, we check in the anti-money laundering system to find out whether the supplier's transaction counterpart is listed on the sanction list of entities involved in money laundering, terrorism financing, and weapons proliferation as defined in Taiwan's "Counter-Terrorism Financing Act" or negative news. This helps the Company assess the suitability of engaging in substantial transactions and reduces transaction risks. If a supplier is involved in a significant event that jeopardizes labor rights or causes environmental pollution, and after evaluation, it is determined that continued engagement is necessary, the reasons for the deliberation should be documented and approved by the higher-level authority within the decision-making hierarchy, without violating any legal regulations. Additionally, the Company's contact information and liaison points can be found in the electronic procurement system for suppliers to reach out to.

6.4.2 Green Procurement

Establishment of A Dedicated Green Procurement Team to Connect the Sustainable Supply Chain

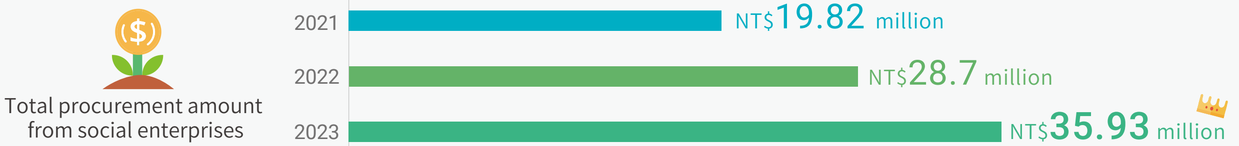
To enhance sustainable supply chain management, the Company established the "Green Procurement Team" in 2017 responsible for formulating action plans in four main aspects: education and training on green consumption, development and management of green suppliers, formulation and proposal of green product specifications, and green enterprise certification. We support environmentally friendly smallholders and social enterprises to drive the culture of green consumption in a consistent effort to promote green procurement. Proactive efforts are made to obtain green procurement certifications and awards, yielding remarkable implementation results. In 2023, we received the "Excellent Unit in Green Purchasing" certification from the Ministry of Environment under Executive Yuan for the sixth consecutive year, with green procurement amounting to nearly NT$659 million.

Green Procurement-related Initiatives over the Years

Year	2018-2020	2021	2022	2023
Implementation	1. Completed three sessions of green consumption education and training lectures. 2. Promoted knowledge of green procurement and green consumption, and Company policies, with a satisfaction rate of 100%. 3. Completed the formulation of guidelines for green procurement operations. 4. Regularly produced a green procurement product handbook announced on the Company's intranet and promoted through internal environmental sustainability e-newsletter. 5. Proposed green procurement products after assessing the needs of the requisitioning units. 6. Facilitated collaboration between social enterprise suppliers and organic smallholders for gift proposals.	1. Organized the ESG Environmental Sustainability and Green Procurement "Orientation" and "Supplier Exchange Meeting" to promote green procurement achievements and share successful case studies internally. 2. Compiled a green procurement product handbook to encourage units to implement green procurement when making requisitions 3. Promoted the "Buying Power Social Innovation Product and Service Procurement Incentive Mechanism" to suppliers and guided suppliers to apply as social enterprise suppliers.	1. Organized the "ESG Environmental Sustainability and Green Procurement Exchange Meeting" inviting corporate suppliers to promote green sustainability and fair customer treatment, collectively advancing the practical application of green procurement. Meanwhile, continued to promote the concept of a green workplace internally, advocating for green procurement, eco-friendly workplace practices, paperless services, and environmental initiatives for public welfare policies. 2. Expanded the category list of the green procurement product handbook, encouraging all units to implement green procurement when making requisitions. 3. Continued promoting the "Buying Power Social Innovation Product and Service Procurement Incentive Mechanism" to suppliers and guided suppliers to apply as social enterprise suppliers.	1. Organized the ESG Environmental Sustainability and Green Procurement "Orientation" and "Supplier Exchange Meeting" to guide the industry, investors, and consumers to value green sustainability, create low-carbon sustainable business opportunities, and promote the latest international trends on fair customer treatment and information security. Meanwhile, continued to promote policies regarding environmental sustainability, green procurement, environmental protection certifications, and waste reduction. 2. Continued expanding the category list of the green procurement product handbook to implement green procurement. 3. Continued promoting the "Buying Power Social Innovation Product and Service Procurement Incentive Mechanism" to suppliers and guided suppliers to apply as social enterprise suppliers.
Total amount of green procurement (green construction materials included)	2018：NT$77.01 million 2019：NT$112 million 2020：NT$73.05 million	NT$ 96.83 million	NT$ 69.53 million	NT$150 million

Supporting Smallholders and Social Enterprises

- As an active practitioner of the "Buying Power Social Innovation Product and Service Procurement Incentive Mechanism" of the Ministry of Economic Affairs, Fubon Life has introduced 62 social enterprises as suppliers and offered guidance to 42 existing suppliers in becoming social enterprises as of 2023.
- As of 2023, the Company has been awarded the first prize for the "Buying Power Social Innovation Product and Service Procurement Incentive Mechanism" by the Ministry of Economic Affairs for six consecutive years, with a cumulative procurement amount from social enterprises reaching NT$114 million.



Supporting Local Procurement

Fubon Life prioritizes purchasing from local suppliers in Taiwan across all business locations to facilitate the local economy and establish long-term sustainable partnerships. Since 2018, for six consecutive years, the amount of local procurement has accounted for over 90% of our overall procurement expenditure.

Holding the Supplier Exchange Meeting to Promote Sustainable Business Philosophy and Exert Financial Influence

To further promote supplier sustainability management and fulfill our commitment and responsibility to corporate sustainability, Fubon Life has been strengthening the performance of CSR initiatives among our suppliers. For five consecutive years since 2019, we have invited a total of 235 suppliers to participate in Fubon Financial Holdings' supplier sustainability management evaluation. The purpose of this evaluation is to understand the implementation status of sustainability practices by each supplier through CSR review and enhance their alignment with international standards. We also share the concept and practices of carbon management with our suppliers, raise awareness of climate change's impact on the planet, and establish a supplier sustainability management relationship to promote sustainable procurement policies. We aspire to enhance the overall industry value chain from the bottom up, leverage our corporate leadership, and collaborate with suppliers in a mutually beneficial symbiotic model to fulfill corporate social responsibility.

In 2023, we held the third "ESG Environmental Sustainability and Green Procurement Exchange Meeting," with nearly 300 corporate suppliers participating in a joint effort to pursue net-zero carbon emissions and sustainable development goals. Net zero transition issues and strategies were discussed at the meeting, enhancing suppliers' understanding of how to seize business opportunities in the transition to a low-carbon economy and expand local operations with an international perspective. With the provision of specialized services in alignment with ESG trends, we strive towards a new future of net-zero emissions as we build a sustainable ecosystem for shared prosperity. Moreover, we have actively assisted over 40 companies in becoming outstanding suppliers recognized by the Ministry of Economic Affairs' "Buying Power Social Innovation Products and Services Procurement Incentive Mechanism." We also received positive feedback from suppliers who expressed gratitude for our guidance. By joining social enterprise organizations, these suppliers significantly enhanced their visibility and boosted revenue, allowing them to contribute to society, inject more vitality and opportunities, and continuously pursue a sustainable environment for the common good. Fubon Life will continue to exert corporate influence, guiding partnering suppliers to participate in environmental protection certification projects such as the Ministry of Economic Affairs' "Buying Power Social Innovation Products and Services Procurement Incentive Mechanism" as we strive to build a green value chain.

Appendix

Appendix 1. GRI Standards Index Table

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	2-2 Entities included in the organization's sustainability reporting	About This Report	P. 1	
	2-3 Reporting period, frequency and contact point	About This Report	P. 1	
	2-4 Restatements of information		—	There is no restatement of information in the year covered.
	2-5 External assurance	About This Report	P. 1	
	2-6 Activities, value chain and other business relationships	1.1 Business Performance and Layout 1.2.1 Sustainability Organizational Structure	P. 11 P. 14	
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	2-9 Governance structure and composition	2.1.1 Operation of the Board and Functional Committees 2.1.2 Diverse and Professional Composition of the Board	P. 29 P. 30	
	2-10 Nomination and selection of the highest governance body	2.1.1 Operation of the Board and Functional Committees 2.1.2 Diverse and Professional Composition of the Board	P. 29 P. 30	
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	2-12 Role of the highest governance body in overseeing the management of impacts	2.1.1 Operation of the Board and Functional Committees 2.1.2 Diverse and Professional Composition of the Board	P. 29 P. 30	
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	2-14 Role of the highest governance body in sustainability reporting	1.2.1 Sustainability Organizational Structure 1.4 Material Topics Identification	P. 14 P. 25	
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	2-18 Evaluation of the performance of the highest governance body	2.1.3 Sustainability Performance Evaluation and Its Linkage with Compensation	P. 32	
	2-19 Remuneration policies	2.1.3 Sustainability Performance Evaluation and Its Linkage with Compensation 3.2.1 Employee Performance Evaluation System	P. 32 P. 52	
	2-20 Process to determine remuneration	2.1.3 Sustainability Performance Evaluation and Its Linkage with Compensation 3.2.1 Employee Performance Evaluation System	P. 32 P. 52	
	2-21 Annual total compensation ratio	3.2.1 Employee Performance Evaluation System	P. 52	Considering the sensitivity of the information, it is not disclosed.
	2-22 Statement on sustainable development strategy	Chairman's Message President's Message 1.2 Sustainability Strategy	P. 3 P. 6 P.14	
	2-23 Policy commitments	2.2.1 Ethical Management Policy and System 3.1 Workplace Diversity, Inclusion and Human Rights 6.2 Strengthening Responsible Investment 6.4.1 Supply Chain Management Policy	P. 33 P. 49 P. 118 P. 131	
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	2-28 Membership associations	Appendix 6. Fubon Life Memberships of Associations	P. 144	
	2-29 Approach to stakeholder engagement	1.3 Stakeholder Communication	P. 23	
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GRI Standards	Disclosures	Extend of Reporting	Page	Explanatory Notes
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Stakeholder Financial Rewards				
Approach to management		1.1 Business Performance and Layout 1.1.2 Business Strategy	P. 11 P. 12	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.1.3 Operational Performance	P. 12	
	201-4 Financial assistance received from government		—	In 2023, the Company applied for a subsidy of NT$4.17 million for preferential housing loan interest from the government, without using shareholder investment offsets obtained through venture capital activities.
GRI 207: Tax 2019	207-1 Approach to tax	1.1.4 Tax Management	P. 13	
Treating Customers Fairly and Customer Relationship Maintenance				
Approach to management		4.1.1 Top-Down Implementation of the Treating Customers Fairly Principles	P. 66	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	4.2.1 Enhancing Service Quality with A Customer-Centric Mindset 4.3.2 Sustainable Product Design to Promote Shared Prosperity in Society 4.4.1 Inclusive Financial Products and Promotion	P. 70 P.75 P. 80	
	417-2 Incidents of non-compliance concerning product and service information and labeling	2.3.2 Disciplinary Actions and Remedial Measures	P. 39	
	417-3 Incidents of non-compliance concerning marketing communications	2.3.2 Disciplinary Actions and Remedial Measures 4.3.3 Integrating ESG Issues into Marketing	P. 39 P. 79	
Business Continuity and Financial Resilience				
Approach to management		2.4.3 Risk Assessment and Management	P. 43	

GRI Standards	Disclosures	Extend of Reporting	Page	Explanatory Notes
Climate and Business Opportunities				
Approach to management		6.1.1 Climate Governance 6.1.2 Climate Strategy	P. 108 P. 109	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	6.1.3 Climate Risk Management 6.1.4 Climate Indicators and Goals	P. 113 P. 116	
Achieving Financial Inclusion				
Approach to management		4.4 Financial Inclusion	P. 80	
GRI 203: Indirect Economic Impact 2016	203-1 Infrastructure investments and services supported	4.4.2 Providing the Disadvantaged with A Friendly Financial Environment and Services	P. 81	
	203-2 Significant indirect economic impacts	4.4.1 Inclusive Financial Products and Promotion	P. 80	
Sustainable Supply Chain Management				
Approach to management		6.4.1 Supply Chain Management Policy	P. 131	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	6.4.2 Green Procurement	P. 132	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	6.4.1 Supply Chain Management Policy	P. 131	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6.4.1 Supply Chain Management Policy	P. 131	
Promoting Workplace Health				
Approach to management		3.4 Occupational Health and Safety	P. 60	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.4.1 Genuine Employee Care and Protection 3.4.2 Building An Excellent Working Environment	P. 60 P. 62	
	403-2 Hazard identification, risk assessment, and incident investigation	3.4.1 Genuine Employee Care and Protection 3.4.2 Building An Excellent Working Environment	P. 60 P. 62	
	403-3 Occupational health services	3.4.3 Comprehensive Employee Health Management	P. 63	
	403-4 Worker participation, consultation, and communication on occupational health and safety	3.4.1 Genuine Employee Care and Protection 3.4.2 Building An Excellent Working Environment	P. 60 P. 62	
	403-5 Worker training on occupational health and safety	3.4.2 Building An Excellent Working Environment	P. 62	
	403-6 Promotion of worker health	3.4.3 Comprehensive Employee Health Management	P. 63	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4.1 Genuine Employee Care and Protection 3.4.2 Building An Excellent Working Environment 3.4.3 Comprehensive Employee Health Management	P. 60 P. 62 P. 63	

GRI Standards	Disclosures	Extend of Reporting	Page	Explanatory Notes
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	3.4.1 Genuine Employee Care and Protection 3.4.2 Building An Excellent Working Environment 3.4.3 Comprehensive Employee Health Management	P. 60 P. 62 P. 63	
	403-9 Work-related injuries	3.4.1 Genuine Employee Care and Protection 3.4.2 Building An Excellent Working Environment	P. 60 P. 62	
	403-10 Work-related ill health	3.4.1 Genuine Employee Care and Protection 3.4.2 Building An Excellent Working Environment	P. 60 P. 62	
Developing Fintech and Innovation				
Approach to management		4.5 Digital Technology and Innovation	P. 84	
Violation of Laws and Regulations				
Approach to management		2.3.1 Regulatory Compliance Practices	P. 38	
GRI 2016: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3.2 Disciplinary Actions and Remedial Measures	P. 39	
Corporate Governance Misconduct				
Approach to management		2.1 Board Governance 2.2.1 Ethical Management Policy and System	P. 29 P. 33	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	2.2.2 Internal Implementation of Ethical Management Measures and Mechanisms	P. 34	
	205-3 Confirmed incidents of corruption and actions taken	2.2.2 Internal Implementation of Ethical Management Measures and Mechanisms	P. 34	
Other topics: Topics identified as general and corresponding GRI standards				
Promoting ESG Products and Services				
Approach to management		4.3.1 Goals and Vision 4.3.2 Sustainable Product Design to Promote Shared Prosperity in Society	P. 75 P. 75	
Diverse Talent Recruitment and Cultivation				
Approach to management		3.3 Talent Development and Cultivation	P. 56	
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	3.1.2 Implementing A Culture of Diversity and Equality	P. 50	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.2.2 Employee Composition, Compensation, and Retirement System	P. 53	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1.2 Diverse and Professional Composition of the Board 3.2.2 Employee Composition, Compensation, and Retirement System	P. 30 P. 53	
	405-2 Ratio of basic salary and remuneration of women to men	3.1.2 Implementing A Culture of Diversity and Equality	P. 50	

GRI Standards	Disclosures	Extend of Reporting	Page	Explanatory Notes
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	3.1.1 Promoting Human Rights Issues in the Workplace	P. 49	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3.3.1 Talent Acquisition and Cultivation	P. 57	
	404-3 Percentage of employees receiving regular performance and career development reviews	3.2.1 Employee Performance Evaluation System	P. 52	
Competitive Compensation and Benefits				
Approach to management		3.2.1 Employee Performance Evaluation System	P. 52	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	3.2.2 Employee Composition, Compensation, and Retirement System	P. 53	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	3.2.2 Employee Composition, Compensation, and Retirement System	P. 53	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2.3 Employee Benefits Policy and Utilization	P. 55	
	401-3 Parental leave	3.2.3 Employee Benefits Policy and Utilization	P. 55	
Negative Environmental Impact				
Approach to management		6.3 Low-Carbon Operation	P. 125	
GRI 302: Energy 2016	302-4 Reduction of energy consumption	6.3.1 Formulating Carbon Reduction and Nature Strategies for Progressive Environmental Sustainability Programs	P. 126	
GRI 303: Water and Effluents 2018	303-5 Water consumption	6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 129	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 129	
	305-2 Energy indirect (Scope 2) GHG emissions	6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 129	
	305-3 Other indirect (Scope 3) GHG emissions	6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 129	
	305-4 GHG emissions intensity	6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 129	

GRI Standards	Disclosures	Extend of Reporting	Page	Explanatory Notes
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 129	
Negative Impact Resulting from Social Changes				
Approach to management		5.2.1 Promoting Insurance Awareness as A Stabilizing Force in Society	P. 105	
GRI 203: Indirect Economic Impact 2016	203-1 Infrastructure investments and services supported	5.1.1 Integrating Internal and External Resources to Promote Social Care	P. 98	
Human Rights Protection, Workplace Diversity and Inclusion, Violation of Workplace Human Rights				
Approach to management		3.2 Employee Compensation and Benefits	P. 52	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	3.2 Employee Compensation and Benefits 6.4.1 Supply Chain Management Policy	P. 52 P. 131	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.4.1 Supply Chain Management Policy	P. 131	
Risk Management Misconduct				
Approach to management		2.4 Corporate Risk Management and Underwriting	P. 41	
Corporate and Customer Data Leakage				
Approach to management		4.6.1 Information Security Management	P. 91	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.6.2 Customer Privacy Management	P. 93	

Appendix 2. WEF Indicators Index Table

Sustainable Governance			
Metric	**Core Guidelines and Disclosures**	**Extend of Reporting**	**Page**
Setting purpose	Setting purpose: Corporate purpose should create value for all stakeholders, including shareholders.	1.1 Business Performance and Layout 2.2.1 Ethical Management Policy and System 2.2.2 Internal Implementation of Ethical Management Measures and Mechanisms	P. 11 P. 33 P. 34
Governance body composition	Governance body composition: Include the highest governance body and committees based on their corresponding ESG-related competencies, tenure, independence, commitments, and gender.	1.2.1 Sustainability Organizational Structure 2.1.1 Operation of the Board and Functional Committees 2.1.2 Diverse and Professional Composition of the Board	P. 14 P. 29 P. 30
Material issues impacting stakeholders	Material issues impacting stakeholders: Topics that are significant to key stakeholders and the Company, how the topics were identified, and how stakeholders are engaged in communications.	1.3 Stakeholder Communication 1.4.1 Material Topics Identification Procedures 1.4.2 Material Topics	P. 23 P. 25 P. 26

Sustainable Governance			
Metric	**Core Guidelines and Disclosures**	**Extend of Reporting**	**Page**
Anti-corruption	Anti-corruption: Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. (a) Total number and nature of incidents of corruption confirmed during the current year but related to previous years; (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. Measures related to stakeholder communication to improve the company's operating environment and culture aimed at combatting corruption.	2.2.2 Internal Implementation of Ethical Management Measures and Mechanisms	P. 34
Protected ethics advice and reporting mechanisms	A protected ethics advice and reporting mechanism should include internal and external mechanisms for 1. Seeking advice about ethical and lawful behavior and organizational integrity; 2. Reporting concerns about unethical or lawful behavior and organizational integrity	1.3 Stakeholder Communication 2.2.2 Internal Implementation of Ethical Management Measures and Mechanisms	P. 23 P. 34
Integrating risk and opportunity into business process	Integrating risk and opportunity into business process: Clearly identify the principal material risks and opportunities facing the company, respond to changes over time, and integrate material economic, environmental, and social issues such as climate change and information/data management	1.4.1 Material Topics Identification Procedures 2.4.2. Risk Management Policy and Guidelines 2.4.3 Risk Assessment and Management 2.4.4. Underwriting Risk Management 6.1.3. Climate Risk Management	P. 25 P. 42 P. 43 P. 46 P. 113
Planet			
Metric	**Core Guidelines and Disclosures**	**Extend of Reporting**	**Page**
Greenhouse gas (GHG) emissions	Greenhouse gas (GHG) emissions: For all relevant greenhouse gases, report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions, and estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 129
TCFD implementation	TCFD implementation: Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether the company has set or committed to set, GHG emissions targets that are in line with the goal to limit global warming to below 2 ° C above pre-industrial levels and pursue efforts to limit warming to 1.5° C – and to achieve net-zero emissions before 2050.	6.1.1 Climate Governance 6.1.2 Climate Strategy 6.1.3 Climate Risk Management 6.1.4 Climate Indicators and Goals	P. 108 P. 109 P. 113 P. 116
Land use and ecological sensitivity	Land use and ecological sensitivity: Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	6.3.1 Formulating Carbon Reduction and Nature Strategies for Progressive Environmental Sustainability Programs	P. 126

Planet			
Metric	**Core Guidelines and Disclosures**	**Extend of Reporting**	**Page**
Water consumption and withdrawal in water-stressed areas	Water consumption and withdrawal in water-stressed areas: Report for operations where material, mega liters of water withdrawn, mega liters of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream).	6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 129

People			
Metric	**Core Guidelines and Disclosures**	**Extend of Reporting**	**Page**
Diversity and inclusion	Diversity and inclusion (%): Percentage of employees per employee category, per age group, gender and other indicators of diversity (e.g. ethnicity).	3.1.2 Implementing A Culture of Diversity and Equality 3.2.2 Employee Composition, Compensation, and Retirement System	P. 50 P. 53
Pay equality	Pay equality (%): Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality, e.g., women to men; minor to major ethnic groups; and other relevant equality areas.	3.1.2 Implementing A Culture of Diversity and Equality	P. 50
Wage level	Wage level (%): 1. Ratios of standard entry level wage by gender compared to local minimum wage; 2. Ratio of CEO's total annual compensation to the median total annual compensation of all employees (excluding the CEO).	3.2.2 Employee Composition, Compensation, and Retirement System Considering the sensitivity of the information, it is not disclosed.	P. 53
Risk for incidents of child, forced or compulsory labor	Risk for incidents of child, forced or compulsory labor: An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. a) type of operation (such as manufacturing plant) and type of supplier; b) countries or geographic areas with operations and suppliers considered at risk.	3.1 Workplace Diversity, Inclusion and Human Rights 6.4.1 Supply Chain Management Policy	P. 49 P. 131
Health and safety	Health and safety (%): 1. The number and rate of fatalities as a result of work-related injury, recordable work-related injuries, main types of work-related injury, and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers.	3.4.1 Genuine Employee Care and Protection	P. 60
Training provided (number of sessions and expenditure)	Training provided (number of sessions and expenditure): Average hours of training per person that employees have undertaken during the reporting period, by gender and employee category (total number of training sessions provided to employees divided by the number of employees). Average training and development expenditure per full-time employee.	3.3.1 Talent Acquisition and Cultivation	P. 57

Prosperity			
Metric	**Core Guidelines and Disclosures**	**Extend of Reporting**	**Page**
Absolute number and rate of employment	Absolute number and rate of employment: Total number and rate of new employee hires and employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	3.2.2 Employee Composition, Compensation, and Retirement System	P. 53
Economic contribution	Economic contribution: 1. Direct economic value generated and distributed (EVG), covering the basic components for the organization's global operations, ideally split out by: revenue, operating costs, employee wages and benefits, payments to providers of capital (bond/bank fund/carbon credit revenue/foundation donation, etc.), payments to government, and community investment; 2. Total monetary value of financial assistance received by the organization from any government during the reporting period.	1.1.3 Operational Performance	P. 12
Financial investment contribution	Financial investment contribution: Total capital expenditures (CapEx) – Depreciation to describe the company's investment strategy. Share buybacks + Dividend payments to describe the company's strategy for returns of capital to shareholders.	1.1.3 Operational Performance	P. 12
Total R&D expenses ($)	Total R expenses ($): Total costs related to research and development.	4.2.1 Enhancing Service Quality with A Customer-Centric Mindset 4.5.4. Advancing Company Operational Environment and Efficiency	P. 70 P. 90
Total tax paid	Total tax paid: The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.	1.1.4 Tax Management	P. 13

Appendix 3. PSI Index Table

Principle 1: Embed ESG issues into corporate decision-making			
Aspect	**Details**	**Extend of Reporting**	**Page**
Company strategy	Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations	1.2 Sustainability Strategy 1.4 Material Topics Identification	P. 14 P. 25
	Dialogue with company owners on the relevance of ESG issues to company strategy	1.2 Sustainability Strategy 1.3 Stakeholder Communication	P. 14 P. 23
	Integrate ESG issues into recruitment, training and employee engagement programs	3.3.1 Talent Acquisition and Cultivation	P. 57

Principle 1: Embed ESG issues into corporate decision-making			
Aspect	Details	Extend of Reporting	Page
Risk management and underwriting	Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company' s transactions	2.4.2 Risk Management Policy and Guidelines 2.4.3 Risk Assessment and Management 2.4.4 Underwriting Risk Management	P. 42 P. 43 P. 46
	Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics	2.4.2 Risk Management Policy and Guidelines 2.4.3 Risk Assessment and Management 2.4.4 Underwriting Risk Management	P. 42 P. 43 P. 46
Product and service development	Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management	4.3.2 Sustainable Product Design to Promote Shared Prosperity in Society	P. 75
	Develop or support literacy programs on risk, insurance and ESG issues	3.3.3 Advancing Universal Education in Finance and Insurance to Enhance Financial and Insurance Literacy 4.3.2 Sustainable Product Design to Promote Shared Prosperity in Society 5.1.1 Integrating Internal and External Resources to Promote Social Care	P. 60 P. 75 P. 98
Claims management	Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood	4.2.1 Enhancing Service Quality with A Customer-Centric Mindset 4.2.2 Valuing Customer Feedback and Attending to Policyholder Needs	P. 70 P. 74
	Integrate ESG issues into repairs, replacements and other claims services	4.2 Customer Relationship Maintenance 4.5.2 Enhancing Service Quality and Efficiency	P. 70 P. 87
Sales and marketing	Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns	3.3.1 Talent Acquisition and Cultivation 4.3.3 Integrating ESG Issues into Marketin	P. 57 P. 79
	Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood	4.2.1 Enhancing Service Quality with A Customer-Centric Mindset 4.2.2 Valuing Customer Feedback and Attending to Policyholder Needs	P. 70 P. 74
Investment management	Integrate ESG issues into investment decision-making and ownership practices by implementing the Principles for Responsible Investment (PRI)	6.2.1 Management Mechanism and Implementation Results 6.2.4 ESG Action Plans	P. 118 P. 123

Principle 2: Enhance customer and business partners' awareness of ESG issues, manage risk and develop solutions			
Aspect	Details	Extend of Reporting	Page
Clients and suppliers	Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues	4.3.3 Integrating ESG Issues into Marketing 5.2.1 Promoting Insurance Awareness as A Stabilizing Force in Society 6.4.1 Supply Chain Management Policy 6.4.2 Green Procurement	P. 79 P. 105 P. 131 P. 132
	Provide clients and suppliers with information and tools that may help them manage ESG issues	4.3.3 Integrating ESG Issues into Marketing 5.2.1 Promoting Insurance Awareness as A Stabilizing Force in Society 6.4.1 Supply Chain Management Policy	P. 79 P. 105 P. 131
	Integrate ESG issues into tender and selection processes for suppliers	6.4.1 Supply Chain Management Policy	P. 131
	Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework	6.4.1 Supply Chain Management Policy	P. 131

Principle 2: Enhance customer and business partners' awareness of ESG issues, manage risk and develop solutions			
Aspect	Details	Extend of Reporting	Page
Insurers, reinsurers and intermediaries	Promote the adoption of the Principles	1.3 Stakeholder Communication 4.3.2 Sustainable Product Design to Promote Shared Prosperity in Society 4.3.3 Integrating ESG Issues into Marketing	P. 23 P. 75 P. 79
	Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry	3.3.1 Talent Acquisition and Cultivation	P. 57

Principle 3: Partner with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues			
Aspect	Details	Extend of Reporting	Page
Governments, regulators and other policymakers	Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues	1.2.2 Sustainability Outcomes 6.2.1 Management Mechanism and Implementation Results	P. 15 P. 118
	Dialogue with governments and insurance regulators to develop integrated risk management approaches and risk transfer solutions	1.3 Stakeholder Communication 2.4.2 Risk Management Policy and Guidelines 2.4.3 Risk Assessment and Management	P. 23 P. 42 P. 43
Other key stakeholders	Dialogue with intergovernmental and non-governmental organizations to support sustainable development by providing risk management and risk transfer expertise	1.3 Stakeholder Communication 2.4.2 Risk Management Policy and Guidelines 2.4.3 Risk Assessment and Management 6.2.1 Management Mechanism and Implementation Results	P. 23 P. 42 P. 43 P. 118
	Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies	5.1.1 Integrating Internal and External Resources to Promote Social Care	P. 98
	Dialogue with academia and the scientific community to foster research and educational programs on ESG issues in the context of the insurance business	5.1.1 Integrating Internal and External Resources to Promote Social Care	P. 98
	Dialogue with media to promote public awareness of ESG issues and good risk management	3.3.3 Advancing Universal Education in Finance and Insurance to Enhance Financial and Insurance Literacy 4.3.3 Integrating ESG Issues into Marketing	P. 60 P. 79

Appendix 4. SASB Index Table

Aspect	Code	Metric	Corresponding Information
Activity metric	FN-IN-000.A	Number of effective policies by segment: property and casualty, life, and reinsurance	• Fubon Life's number of effective life insurance policies in 2023 is 22.876 million; the number of reinsurance policies is 1.666 million. • Fubon Life does not offer property insurance.

Aspect	Code	Metric	Corresponding Information
Transparent information & fair customer treatment	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with the marketing and communication of insurance product-related information to new and returning customers (litigation expenditures resulting from product sales)	• Customers filed 1,930 complaints in 2023, of which 571 (29.6%) involved solicitation-related issues; none of these complaints were about financial losses that triggered litigation.
	FN-IN-270a.2	Complaint rate	• Fubon Life 2023 Sustainability Report - 4.2.2 Valuing Customer Feedback and Attending to Policyholder Needs
	FN-IN-270a.3	Customer retention rate	• For the retention rate of long-term life insurance contracts, please refer to the following: 1. Fubon Life 2023 Sustainability Report - 4.2.1. Enhancing Service Quality with A Customer-Centric Mindset 2. Insurance Market Observation Post System- Fubon Life Insurance Co. Ltd. - Financial/Business Indicators: https://ins-info.ib.gov.tw/customer/Info2-12.aspx?UID=27935073
	FN-IN-270a.4	Description of approach to informing customers about products	• Fubon Life 2023 Sustainability Report - 4.2.1 Enhancing Service Quality with A Customer-Centric Mindset • Fubon Life 2023 Sustainability Report - 4.3.3 Integrating ESG Issues into Marketing
Incorporation of ESG factors in investment management	FN-IN-410a.2.	Description of approach to incorporation of ESG factors in investment management processes and strategies	• Fubon Life 2023 Sustainability Report - 6.2.2 ESG Investment Mechanism
Policies designed to incentivize responsible behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low-carbon technology	This metric is applicable in the scope of property insurance and rather inapplicable to life insurance.
	FN-IN-410b.2	Description of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	• Fubon Life 2023 Sustainability Report - 4.3.3 Integrating ESG Issues into Marketing Item: 2023 Number of policies with incentivizing terms: No. of effective policies as of the end of 2023: 123,226 Premium income from related products: Total premium income received in 2023: 6,053,880 thousand NTD Note: Products include the following. · Walking spillover policies: Walker Term Health Insurance (SWF), e-Term Life Insurance (ETA/ETA1), GO Term Health Insurance for Critical Illness (SWN/SWN1), Fubon Life Joy and Fortune Elderly Cancer Prevention Term Insurance (CLQ), Fubon Life Online Term Health Insurance (EHA) · Cancer check-up spillover policies: Fuyi Meili Foreign Currency Variable Interest Rate Whole Life Insurance (FAB), Hsinmei Foreign Currency Variable Interest Rate Whole Life Insurance (FAH), Yihsin Hsiangfu Variable Interest Rate Whole Life Insurance (IBH), Fuyi Heritage Variable Interest Rate Whole Life Insurance (IBA), Increased Value Health and Critical Illness Life Insurance (SWQ), Hsinman Yitsu Foreign Currency Variable Interest Rate Whole Life Insurance (FAA), Fukang Senior Variable Interest Rate Whole Life Insurance (IBL), Precision Protection Term Cancer Insurance (CLO), Huafu Manyi Variable Interest Rate Whole Life Insurance (IBQ), Huafu Meiyi Foreign Currency Variable Interest Rate Whole Life Insurance (FAS), Fubon Life Fortune Senior Variable Interest Rate Whole Life Insurance (IBS) · General health check-up spillover policies: Health (In-kind benefits type) Insurance (XEX), (NEW) Catastrophic illness Endowment Insurance (SWV/SWV1) · Designated vaccination and check-up spillover policies: Medical Treasure Major Injury/Illness Term Health Insurance/V1(SWUA/B/C/D), (NEW) Golden Protection Whole Life Health Insurance (SID/SUID1), Term Health Insurance for Critical Illness for the Youth (SWXA/B), Catastrophic illness Endowment Insurance (SWY), Fubon Life Blood Donation Variable Rate Whole Life Insurance (IBV) · Blood sugar level spillover policies: Smart Term Health Insurance (SWI)

Aspect	Code	Metric	Corresponding Information
Physical risk exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	This metric is applicable in the scope of property insurance and rather inapplicable to life insurance.
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net reinsurance amount included, without the sum of reinsurance amount)	This metric is applicable in the scope of property insurance and rather inapplicable to life insurance.
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	• Fubon Life 2023 Sustainability Report - 6.1.3 Climate Risk Management
Systemic risk management	FN-IN-550a.1.	Exposure to derivative instruments by category includes: (1) potential exposure to non-centrally cleared derivatives; (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) potential exposure to centrally cleared derivatives.	• Fubon Life currently only has the potential exposure to non-centrally cleared derivatives without potential exposure to centrally cleared derivatives and acceptable collateral posted with the central clearinghouse. • Fubon Life parent company-only financial statements and Independent Auditors' Report for 2022 and 2023 (2) Financial assets and liabilities measured at fair value through profit or loss (p.32) (4) Financial assets and liabilities for hedging (p.35) https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=5865&year=112&seamon=&mtype=A&
	FN-IN-550a.2	Total fair value of securities lending collateral assets	In 2023, as a lender, Fubon Life disclosed a book value and fair value of stock loans amounting to 500,600 thousand NTD in its financial statements.
	FN-IN-550a.3.	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	• Fubon Life parent company-only financial statements and Independent Auditors' Report for 2022 and 2023 (2) Liquidity risks (p.86) and (3) Liquidity risk analysis (p.106) https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=5865&year=112&seamon=&mtype=A& • Fubon Life 2023 Sustainability Report - 2.4.3 Risk Assessment and Management
Financial carbon emissions	FN-IN-410c.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	• Fubon Life 2023 Sustainability Report - 6.1.4 Climate Indicators and Goals
	FN-IN-410c.2	Gross exposure for each industry by asset class	• Fubon Life 2023 Sustainability Report - 6.1.3 Climate Risk Management
	FN-IN-410c.3	Percentage of gross exposure included in the financed emissions calculation	• Fubon Life 2023 Sustainability Report - 6.1.4 Climate Indicators and Goals
	FN-IN-410c.4	Description of methodology used to calculate financed emissions	• Fubon Life 2023 Sustainability Report - 6.1.4 Climate Indicators and Goals

Appendix 5-1. International Financial Reporting Standards S1

Pillars	Disclosures	Description		Chapter in This Report	Page
Governance	Governance	Enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities	Shall disclose information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities	1.2.1 Sustainability Organizational Structure 1.2.2 Sustainability Outcomes 1.4.2 Material Topics 2.1.3 Sustainability Performance Evaluation and Its Linkage with Compensation 6.1.2 Climate Strategy	P. 14 P. 15 P. 26 P. 32 P. 109
			Shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities	1.4 Material Topics Identification 2.1.1 Operation of the Board and Functional Committees	P. 25 P. 29
Strategy	Sustainability-related risks and opportunities	Enables users of general purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	An entity shall disclose information that enables users of general purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	1.1.1 Overall Analysis of the Environment 1.4 Material Topics Identification	P. 11 P. 25
	Business model and value chain	Enables users of general purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	1.1.2 Business Strategy 1.4 Material Topics Identification	P. 12 P. 25
	Strategy and decision-making	Enable users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making.	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making.	1.1.2 Business Strategy 1.4 Material Topics Identification	P. 12 P. 25
	Financial position, financial performance and cash flows	Enable users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period and the anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning.	An entity shall disclose quantitative and qualitative information (in providing quantitative information, an entity may disclose a single amount or a range) about: **Current financial effects** How sustainability-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period for users of general purpose financial reports to understand. **Anticipated financial effects** The anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related risks and opportunities are included in the entity's financial planning.	1.1.3 Operational Performance 1.4.2 Material Topics	P. 15 P. 26
			An entity need not provide quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity if the entity determines that: (a) those effects are not separately identifiable; or (b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful. (In addition, an entity need not provide quantitative information about the anticipated financial effects of a sustainability-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.)	1.4.2 Material Topics	P. 26

Pillars	Disclosures	Description		Chapter in This Report	Page
Strategy	Resilience	Enable users of general purpose financial reports to understand an entity's resilience of its strategy and business model in relation to its sustainability-related risks.	An entity shall disclose information that enables users of general purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	1.1.2 Business Strategy 1.4.2 Material Topics 2.4.2 Risk Management Policy and Guidelines	P. 12 P. 26 P. 42
			Other IFRS Sustainability Disclosure Standards may specify the type of information an entity is required to disclose about its resilience to specific sustainability-related risks and how to prepare those disclosures, including whether a scenario analysis is required.	1.4.2 Material Topics 2.4.2 Risk Management Policy and Guidelines 6.1.2 Climate Strategy 6.1.3 Climate Risk Management	P. 26 P. 42 P. 109 P. 113
Risk management	Risk management	Enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritize and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and to assess the entity's overall risk profile and its overall risk management process.	The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks	1.4.2 Material Topics 2.4.2 Risk Management Policy and Guidelines 6.1.3 Climate Risk Management	P. 26 P. 42 P. 113
			The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities	1.4.1 Material Topics Identification Procedures 2.4.2 Risk Management Policy and Guidelines 6.1.3 Climate Risk Managemen	P. 25 P. 42 P. 113
			The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process	1.4.1 Material Topics Identification Procedures 1.4.2 Material Topics 2.4.2. Risk Management Policy and Guidelines	P. 25 P. 26 P. 42
Metrics and targets	Metrics and targets	Enable users of general purpose financial reports to understand an entity's performance in relation to its sustainability-related risks and opportunities, including progress towards any targets it has set, and any targets it is required to meet by law or regulation	An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects.	About This Report 1.2.2 Sustainability Outcomes 6.1.4 Climate Indicators and Goals	P. 1 P. 15 P. 116
			An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals and any targets it is required to meet by law or regulation.	1.2.2 Sustainability Outcomes 6.1.4 Climate Indicators and Goals 6.3.1 Formulating Carbon Reduction and Nature Strategies for Progressive Environmental Sustainability Programs	P. 15 P. 116 P. 126

Appendix 5-2. International Financial Reporting Standards S2

Pillars	Disclosures	Description	Chapter in This Report	Page
Governance	Governance	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	6.1.1 Climate Governance	P. 108
		Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	6.1.1 Climate Governance	P. 108
Strategy	Climate-related risks and opportunities	An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	6.1.2 Climate Strategy	P. 109
	Business model and value chain	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	6.1.2 Climate Strategy	P. 109
	Strategy and decision-making	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making.	6.1.2 Climate Strategy 6.1.4 Climate Indicators and Goals	P. 109 P. 116
	Financial position, financial performance and cash flows	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	6.1.2 Climate Strategy	P. 109
		An entity shall disclose information that enables users of general purpose financial reports to understand the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	6.1.2 Climate Strategy	P. 109
		If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity, the entity shall: — explain why it has not provided quantitative information; — provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and — provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	6.1.2 Climate Strategy	P. 109
	Climate resilience	An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range.	6.1.2 Climate Strategy 6.1.3 Climate Risk Management	P. 109 P. 113
Risk management	Risk management	The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks	6.1.3 Climate Risk Management	P. 113
		The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	6.1.2 Climate Strategy 6.1.3 Climate Risk Management	P. 109 P. 113
		The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	6.1.3 Climate Risk Management	P. 113

Pillars	Disclosures	Description	Chapter in This Report	Page
Metrics and targets	Climate-related metrics	Scope 1, Scope 2, and Scope 3 greenhouse gas emissions	6.1.4 Climate Indicators and Goals 6.3.2 Establishment of Systematic Environmental Sustainability Management Mechanisms based on International Standards	P. 116 P. 129
		Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks	6.1.2 Climate Strategy	P. 109
		Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks	6.1.3 Climate Risk Management	P. 113
		Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities	The identification of climate opportunities and qualitative assessment of financial effects have been conducted, while quantitative analysis is yet to be conducted.	—
		Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	6.1.3 Climate Risk Management 6.2.2 ESG Investment Mechanism 6.2.3 ESG Thematic Investment	P. 113 P. 120 P. 121
		Internal carbon prices—the entity shall disclose	6.3.1 Formulating Carbon Reduction and Nature Strategies for Progressive Environmental Sustainability Programs (only provided current internal carbon pricing mechanism for internal equipment procurement)	P. 126
		Remuneration—the entity shall disclose	3.2.1 Employee Performance Evaluation System 6.1.4 Climate Indicators and Goals	P. 52 P. 116
	Climate-related targets	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets.	6.1.4 Climate Indicators and Goals	P. 116
		An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	6.1.4 Climate Indicators and Goals	P. 116
		An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	6.1.4 Climate Indicators and Goals	P. 116

Appendix 5-3. IFRS S2 - Implementation Guidelines for the Insurance Industry

Topic	Code	Metric	Extend of Reporting	Page
Incorporation of environmental, social, and governance factors in investment management	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	6.2.2 ESG Investment Mechanism	P. 120
Policies designed to incentivize responsible behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	This metric is applicable in the scope of property insurance and rather inapplicable to life insurance.	—
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	4.3.2 Sustainable Product Design to Promote Shared Prosperity in Society	P. 75
Physical risk exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	This metric is applicable in the scope of property insurance and rather inapplicable to life insurance.	—
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	This metric is applicable in the scope of property insurance and rather inapplicable to life insurance.	—
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	This metric is applicable in the scope of property insurance and rather inapplicable to life insurance.	—
Activity metrics	FNIN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	• Fubon Life's number of effective life insurance policies in 2023 is 22.876 million; the number of reinsurance policies is 1.666 million. • Fubon Life does not offer property insurance.	—

Appendix 6. Fubon Life Memberships of Associations

Industry Association	The Life Insurance Association of the Republic of China
Academic Society	Actuarial Institute of Chinese Taipei
	Financial Governance and Legal Compliance Institute of the Republic of China
	Life Insurance Management Institute of the Republic of China
	Society of Actuaries (SOA)
	Life Office Management Association (LOMA)
Association	Chinese Human Resource Management Association
	Institute of Internal Auditors - Taiwan
	Taiwan Corporate Governance Association
	Chinese Personnel Executive Association
Others	Taiwan Financial Services Roundtable
	Chinese National Association of Industry and Commerce
	Risk and Insurance Research Center, National Chengchi University

Appendix 7: Information Regarding the Environment and Employees of Overseas Subsidiaries

Overseas Subsidiaries' Statistics on Greenhouse Gas Emission for the Year 2023

Scope/Calculation Method		Unit	Korea	Vietnam	Sum of Overseas Subsidiaries
Greenhouse gas emissions	Scope 1	ton-CO_2e	-	14.00	14.00
	Scope 2	ton-CO_2e	68.40	98.38	166.78
	Scope 1 + Scope 2	ton-CO_2e	68.40	112.38	180.78
	Scope 3 - Employee commuting	ton-CO_2e	-	42.00	42.00
	Scope 3-Fuel and Energy related activities	ton-CO_2e	-	42.00	42.00
2023 Annual Revenue	Million dollar	NTD	5,911.90	446.00	6,357.90
Total office area	Square meter		7,223.14	2,245.42	9,468.56
Carbon emissions per unit of revenue	(Scope 1+ Scope 2)/ per revenue of 1 million		0.01	0.25	0.03
Carbon emissions per unit of area	(Scope 1+ Scope 2)/ per square meter of registered area		0.01	0.05	0.02

1. Korea:
   - The inventory conducted covers the headquarter and seven branches of Fubon Hyundai Life.
   - Scope 2 emissions are calculated by prorating the rent management fee and dividing it by the average electricity bill in South Korea, using a coefficient of 0.465 kg CO2e/kWh.
2. Vietnam:
   - The inventory conducted covers all service locations of Fubon Life Insurance (Vietnam).
   - The inventory method adopts the operational control approach and was conducted in accordance with ISO 14064-1:2018. The Greenhouse Gas index follows the Vietnam energy conversion coefficient in the guidelines issued by the Ministry of Trade of Vietnam on April 19th, 2011.
   - Scope 2 emissions are calculated based on electricity consumption by a coefficient of 0.7221 kg CO2e/KWh.
   - Scope 3 emissions from employee commuting are estimated by the number of employee commuting vehicles * vehicle emission coefficient * the number of commuting days.
3. Data from Fubon Life Insurance (Hong Kong) Co., Ltd. are not statistically disclosed.
4. Currency conversion adopts the exchange rate of the Bank of Taiwan on 2023/12/29, HKD exchange rate is 3.875; KRW exchange rate is 0.02391; VND exchange rate is 0.00125

Overseas Subsidiaries' Statistics on Water Management for the Year 2023

Item	Unit	Hong Kong	Korea	Vietnam	Sum of Overseas Subsidiaries
Total water consumption	Million liters	0.45	5.45	4.60	10.50
Total employee	person	90	426	133	649
2023 Net income	Million dollar (NTD)	310.00	-429.42	447.63	328.21
Water consumption per person	Million liters/person	0.005	0.01	0.03	0.02
Water consumption per unit of net income	Million liters/ net income of 1 million (NTD)	0.001	-0.01	0.01	0.03

1. Hong Kong:
   - The statistics cover all service locations of Fubon Life Insurance (Hong Kong).
2. Korea:
   - The statistcs cover the headquarter and seven branches of Fubon Hyundai Life.
3. Vietnam:
   - The statistics cover all service locations of Fubon Life Insurance (Vietnam).
4. Currency conversion adopts the exchange rate of the Bank of Taiwan on 2023/12/29, HKD exchange rate is 3.875; KRW exchange rate is 0.02391; VND exchange rate is 0.00125

Overseas Subsidiaries' Statistics on Waste Management for the Year 2023

	Unit	Hong Kong	Vietnam	Sum of Overseas Subsidiaries
Total general business waste recycled	Kg	—	264	264
Total general business waste buried	Kg	2,976	346,000	348,976

1. Hong Kong:
   - The statistics cover all service locations of Fubon Life Insurance (Hong Kong).
   - No recycling bins in the office building.
2. Vietnam:
   - The statistics cover all service locations of Fubon Life Insurance (Vietnam).
3. Data from Fubon Hyundai Life are not statistically disclosed.

Overseas Subsidiaries' Statistics on Paper Reduction Management for the Year 2023					
Country	Service	People served ; Service used	Paper used/per person ; Paper used/each service	Paper saved(sheet)	Carbon reduction ($kgCO_2e$)
Hong Kong	Replace IT system maintenance request from paper to electronic form	98	50	4,900	37.24
	Replace marketing approval form from paper to electronic form	4	695	2,780	21.13
Korea	Development of a digital system for sending TM’s new contract documents	19,803	212	4,198,236	31,906.59
	Establishment of a digital customer channel	11,358	1.31	14,878.98	113.08
	Adoption of an electronic registration system	10,244	2.65	27,146.60	206.31
	Implementation of an e-slip for accounting	25,526	2.90	74,025.40	562.59
	Establishment of a process for utilizing government electronic certificates	504	3.80	1,915.20	14.56
Vietnam	Implementation of digital customer service initiatives, including customer portal, online payment portal system, e-invoice system and e-bao system.	4,046	13.03	52,719.38	400.67
	Digitalization of sales services, including agent portal, e-learning system, agency channel sales force management system, and full-time agent channel sales force management system.	4,046	6.42	25,975.32	197.41
	Other Adoption of electronic systems, including public website systems, GL financial-related systems, intraweb systems, attendance management systems, e-learning systems, R3S actuarial professional systems, and Yibao systems.	4,046	5.82	23,547.72	178.96
Sum of Overseas Subsidiaries				4,426,124.60	33,638.55

Note. The Carbon emission of each A4 paper is calculated using a coefficient of 0.0076 kg CO_2e/ per sheet.

Overseas Subsidiaries' Statistics on Implementation of Green Procurement for the Year 2023					
		Hong Kong	Korea	Vietnam	Sum of Overseas Subsidiaries
Implementation Content		1. Purchased PEFC certified office paper. 2. Advocated reuse, recycle, and green procurement for their products by the MFP supplier (as per Canon's CSR report from the website). 3. Installed office lighting using LED. 4. Installed lighting control systems to improve energy efficiency.	1. Procured eco-friendly certification or energy efficiency grade 1 products. 2. Used a Hybrid Low Carbon Vehicle.	Opted to procure materials and goods from suppliers within the nearby manufacturing plant area.	
Total amount of green procurement (including green construction materials)	Million dollar (NTD)	1.00	1.71	2.50	5.21

Note. Currency conversion adopts the exchange rate of the Bank of Taiwan on 2023/12/29, HKD exchange rate is 3.875; KRW exchange rate is 0.02391; VND exchange rate is 0.00125.

Overseas Subsidiaries' Statistics on Gender Equality at the Management Level for the Year 2023																				
	Hong Kong					Korea					Vietnam					Sum of Overseas Subsidiaries				
Office Managers	Female		Male		Sum	Female		Male		Sum	Female		Male		Sum	Female		Male		Sum
	Number of people	Percentage	Number of people	Percentage	Number of people	Number of people	Percentage	Number of people	Percentage	Number of people	Number of people	Percentage	Number of people	Percentage	Number of people	Number of people	Percentage	Number of people	Percentage	Number of people
Managers at and above department level	8	57.14%	6	42.86%	14	6	23.08%	20	76.92%	26	9	56.25%	7	43.75%	16	23	41.07%	33	58.93%	56
Managers below department level	4	44.44%	5	55.56%	9	12	27.91%	31	72.09%	43	2	66.67%	1	33.33%	3	18	32.73%	37	67.27%	55
Sum	12	52.17%	11	47.83%	23	18	26.09%	51	73.91%	69	11	57.89%	8	42.11%	19	41	36.94%	70	63.06%	111
Field Managers	Female		Male		Sum	Female		Male		Sum	Female		Male		Sum	Female		Male		Sum
	Number of people	Percentage	Number of people	Percentage	Number of people	Number of people	Percentage	Number of people	Percentage	Number of people	Number of people	Percentage	Number of people	Percentage	Number of people	Number of people	Percentage	Number of people	Percentage	Number of people
Service office managers	0	0.00%	2	100.00%	2	3	18.75%	13	81.25%	16	14	40.00%	21	60.00%	35	17	32.08%	36	67.92%	53
Other managers	0	0.00%	0	0.00%	0	27	49.09%	28	50.91%	55	25	41.67%	35	58.33%	60	52	45.22%	63	54.78%	115
Sum	0	0.00%	2	100.00%	2	30	42.25%	41	57.75%	71	39	41.05%	56	58.95%	95	69	41.07%	99	58.93%	168

Overseas Subsidiaries' Salary Ratio of Female to Male employees for the Year 2023			
Office staff - Base salary	Hong Kong	Korea	Vietnam
Vice president and higher executive	148:100	85 : 100	100:0
Managers below the level of vice president (Department and section managers)	75:100	97 : 100	66:100
Non-managerial office staff	163:100	79 : 100	125:100

Overseas Subsidiaries' Salary Ratio of Female to Male employees for the Year 2023			
Office staff -Annual salary	Hong Kong	Korea	Vietnam
Vice president and higher executive	148:100	76 : 100	100:0
Managers below the level of vice president (Department and section managers)	82:100	99 : 100	56:100
Non-managerial office staff	159:100	78 : 100	157:100

Overseas Subsidiaries' Salary Ratio of Female to Male employees for the Year 2023			
Field staff	Hong Kong	Korea	Vietnam
Managerial staff	0:100	80:100	122:100
Non-managerial staff	40:100	108:100	180:100

Overseas Subsidiaries' Statistics of Employees by Gender and by Region for the Year 2023																
	Hong Kong				Korea				Vietnam				Sum of Overseas Subsidiaries			
Office Staff	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
Full-time employees	36	40.00%	53	58.89%	194	45.54%	228	53.52%	42	31.58%	91	68.42%	275	42.11%	373	57.12%
Part-time employees	0	0.00%	1	1.11%	0	0.00%	4	0.94%	0	0.00%	0	0.00%	0	0.00%	5	0.77%
Sum	36	40.00%	54	60.00%	194	45.54%	232	54.46%	42	31.58%	91	68.42%	275	42.11%	378	57.89%
Non-periodic contract employees	36	40.00%	53	58.89%	171	40.14%	198	46.48%	15	11.28%	50	37.59%	225	34.46%	302	46.25%
Fixed-term contract employees	0	0.00%	1	1.11%	23	5.40%	34	7.98%	27	20.30%	41	30.83%	50	7.66%	76	11.64%
Sum	36	40.00%	54	60.00%	194	45.54%	232	54.46%	42	31.58%	91	68.42%	275	42.11%	378	57.89%
Field Staff	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
Full-time employees	5	71.43%	2	28.57%	3	0.73%	1	0.24%	215	7.91%	506	18.62%	223	30.46%	509	69.54%
Part-time employees	0	0.00%	0	0.00%	183	44.31%	226	54.72%	829	30.51%	1,167	42.95%	1,012	42.08%	1,393	57.92%
Sum	5	71.43%	2	28.57%	186	45.04%	227	54.96%	1,044	38.42%	1,673	61.58%	1,235	39.37%	1,902	60.63%

Overseas Subsidiaries' Statistics of Employees by Age for the Year 2023													
		Hong Kong			Korea			Vietnam			Sum of Overseas Subsidiaries		
Office Staff		Male	Female	Sum	Male	Female	Sum	Male	Female	Sum	Male	Female	Sum
Age	Under 30	4	3	7	8	38	46	8	32	40	20	73	93
	Percentage	4.44%	3.33%	7.78%	1.88%	8.92%	10.80%	6.02%	24.06%	30.08%	3.08%	11.25%	14.33%
	30-50	24	36	60	138	177	315	28	54	82	190	267	457
	Percentage	26.67%	40.00%	66.67%	32.39%	41.55%	73.94%	21.05%	40.60%	61.65%	29.28%	41.14%	70.42%
	Over 50	8	15	23	48	17	65	6	5	11	62	37	99
	Percentage	8.89%	16.67%	25.56%	11.27%	3.99%	15.26%	4.51%	3.76%	8.27%	9.55%	5.70%	15.25%
	Sum	36	54	90	194	232	426	42	91	133	272	377	649
Field Staff		Male	Female	Sum	Male	Female	Sum	Male	Female	Sum	Male	Female	Sum
Age	Under 30	0	0	0	20	14	34	304	648	952	324	662	986
	Percentage	0.00%	0.00%	0.00%	4.84%	3.39%	8.23%	11.19%	23.85%	35.04%	10.33%	21.10%	31.43%
	30-50	5	2	7	132	126	258	539	800	1,339	676	928	1,604
	Percentage	71.43%	28.57%	100.00%	31.96%	30.51%	62.47%	19.84%	29.44%	49.28%	21.55%	29.58%	51.13%
	Over 50	0	0	0	34	87	121	201	225	426	235	312	547
	Percentage	0.00%	0.00%	0.00%	8.23%	21.07%	29.30%	7.40%	8.28%	15.68%	7.49%	9.95%	17.44%
	Sum	5	2	7	186	227	413	1,044	1,673	2,717	1,235	1,902	3,137

Overseas Subsidiaries' Statistics on New Hires and Turnover- Office Staff for the Year 2023

Office Staff - New Hires Statistics		Hong Kong		Korea		Vietnam		Sum of Overseas Subsidiaries	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	Under 30	3	2	3	15	2	10	8	27
	30-50	1	8	30	20	12	8	43	36
	Over 50	0	1	1	2	1	1	2	4
	Sum	4	11	34	37	15	19	53	67
Diversity	People with disabilities	0	0	0	0	0	0	0	0
Diversity by country	China	4	11	0	0	0	0	4	11
	Taiwan	0	0	0	0	0	0	0	0
	Vietnam	0	0	0	0	15	19	15	19
	Korea	0	0	34	37	0	0	34	37
	Sum	4	11	34	37	15	19	53	67

Office Staff - Turnover Statistics		Hong Kong		Korea		Vietnam		Sum of Overseas Subsidiaries	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	Under 30	4	3	2	14	1	6	7	23
	30-50	3	6	18	24	9	15	30	45
	Over 50	3	1	6	7	2	0	11	8
	Sum	10	10	26	45	12	21	48	76
Diversity	People with disabilities	0	0	1	0	0	0	1	0
Diversity by country	China	9	9	0	0	0	0	9	9
	Taiwan	1	1	0	0	1	0	2	1
	Vietnam	0	0	0	0	11	21	11	21
	Korea	0	0	26	45	0	0	26	45
	Sum	10	10	26	45	12	21	48	76

Overseas Subsidiaries' Statistics on New Hires and Turnover- Field Staff for the Year 2023

Field Staff - New Hires Statistics		Hong Kong		Korea		Vietnam		Sum of Overseas Subsidiaries	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	Under 30	0	0	21	16	127	216	148	232
	30-50	1	0	58	90	198	292	257	382
	Over 50	0	0	14	33	57	66	71	99
	Sum	1	0	93	139	382	574	476	713
Diversity	People with disabilities	0	0	0	0	0	0	0	0
Diversity by country	China	1	0	0	0	0	0	1	0
	Taiwan	0	0	0	0	0	0	0	0
	Vietnam	0	0	0	0	382	574	382	574
	Korea	0	0	93	138	0	0	93	138
	Other (Canada)	0	0	0	1	0	0	0	1
	Sum	1	0	93	139	382	574	476	713

Field Staff - Turnover Statistics		Hong Kong		Korea		Vietnam		Sum of Overseas Subsidiaries	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	Under 30	0	0	23	10	59	117	82	127
	30-50	1	2	73	85	121	205	195	292
	Over 50	0	0	16	68	53	120	69	188
	Sum	1	2	112	163	233	442	346	607
Diversity	People with disabilities	0	0	0	0	0	0	0	0
Diversity by country	China	1	2	0	0	0	0	1	2
	Taiwan	0	0	0	0	0	0	0	0
	Vietnam	0	0	0	0	233	442	233	442
	Korea	0	0	112	162	0	0	112	162
	Other (Canada)	0	0	0	1	0	0	0	1
	Sum	1	2	112	163	233	442	346	607

Overseas Subsidiaries' Statistics on Employees Taking Unpaid Parental Leave- Office Staff for Year 2023

Statistics on Employees Taking Unpaid parental leave	Korea		Vietnam		Sum of Overseas Subsidiaries	
	Male	Female	Male	Female	Male	Female
Number of people eligible for job-protected unpaid parental leave (A)	68	56	0	4	68	60
Number of people who applied for unpaid parental leave (B)	2	23	0	4	2	27
Application rate (B/A)	2.94%	41.07%	0.00%	100.00%	2.94%	45.00%
Number of people who should return to work (C)	0	14	0	1	0	15
Number of people who applied to return to work (D)	0	13	0	1	0	14

Overseas Subsidiaries' Statistics on Employees Taking Unpaid Parental Leave- Office Staff for Year 2023

Statistics on Employees Taking Unpaid parental leave	Korea		Vietnam		Sum of Overseas Subsidiaries	
	Male	Female	Male	Female	Male	Female
Return-to-work rate (D/C)	0.00%	92.86%	0.00%	100.00%	0.00%	93.33%
Number of people who returned to work in the previous year (E)	3	11	0	1	3	12
Number of people who remained at work for over a year in the previous year who had returned from parental leave (F)	2	8	0	1	2	9
Retention rate (F/E)	66.67%	72.73%	0.00%	100.00%	66.67%	75.00%

Note 1. No staff took unpaid parental leave in Fubon Life Insurance (Hong Kong) Co., Ltd in 2023.
Note 2. No Field staff who were eligible for or applied for unpaid parental leave.

Overseas Subsidiaries' Statistics on Employees Training Results for Year 2023																	
Training Results		Hong Kong				Korea				Vietnam				Sum of Overseas Subsidiaries			
Office Staff		Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours	Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours	Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours	Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours
Method	Physical course	20	46	66	889	556	418	974	18,124	72	272	344	5,964	639	715	1,354	24,977
	Digital course	173	291	464		1,294	1,575	2,869		312	648	960		1,666	2,291	3,957	
Field Staff		Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours	Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours	Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours	Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours
Method	Physical course	0	0	0	78	1,041	1,583	2,624	94,481	59	174	233	71,928	1,100	1,757	2,857	166,487
	Digital course	28	15	43		653	1,354	2,007		1,031	1,763	2,794		1,712	3,132	4,844	

Overseas Subsidiaries' Statistics on Employees Training Results for Year 2023

Training Results		Hong Kong			
Office Staff		Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours
Training Topics	Employee Wellness	8	38	46	46
	Governance	130	210	340	316
	Information Security	38	56	94	141
	Job Expertise	14	25	39	332
	Organizational development and management	3	8	11	55
	Others	0	0	0	0
Training Costs	Million dollar (NTD)				0.32
Field Staff		Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours
Training Topics	Employee Wellness	0	0	0	0
	Governance	17	9	26	21
	Information Security	5	3	8	12
	Job Expertise	0	0	0	0
	Organizational development and management	6	3	9	45
	Others	0	0	0	0
Training Costs	Million dollar (NTD)				0.01

Training Results		Korea			
Office Staff		Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours
Training Topics	Employee Wellness	64	50	114	207
	Governance	98	109	207	2,916
	Information Security	182	104	286	1,218
	Job Expertise	1,311	1,562	2,873	13,014
	Organizational development and management	0	0	0	0
	Others	195	168	363	769
Training Costs	Million dollar (NTD)	0	0	0	0 3.25
Field Staff		Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours
Training Topics	Employee Wellness	0	0	0	0
	Governance	1,135	1,763	2,898	88,919
	Information Security	0	0	0	0
	Job Expertise	559	1,174	1,733	5,562
	Organizational development and management	0	0	0	0
	Others	0	0	0	0
Training Costs	Million dollar (NTD)				2.27

Training Results		Vietnam			
Office Staff		Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours
Training Topics	Employee Wellness	0	0	0	0
	Governance	1	3	4	1,180
	Information Security	0	0	0	0
	Job Expertise	198	458	656	873
	Organizational development and management	0	0	0	0
	Others	185	459	644	3,912
Training Costs	Million dollar (NTD)				0.34
Field Staff		Male (Number of people)	Female (Number of people)	Sum (Number of people)	Training hours
Training Topics	Employee Wellness	0	0	0	0
	Governance	1,090	1,937	3,027	71,928
	Information Security	0	0	0	0
	Job Expertise	0	0	0	0
	Organizational development and management	0	0	0	0
	Others	0	0	0	0
Training Costs	Million dollar (NTD)				0.05

Note 1. Training Costs include course fees, tuition fees, food expenses, training materials, location rental fees, and accommodation； tuition fees of internal educators are calculated rationally based on training hours and their salary.
Note 2. Currency conversion adopts the exchange rate of the Bank of Taiwan on 2023/12/29, HKD exchange rate is 3.875; KRW exchange rate is 0.02391; VND exchange rate is 0.00125.

Overseas Subsidiaries' Statistics on Employees Human Rights Training Results for Year 2023												
Training hours on human rights issues in 2023	Hong Kong			Korea			Vietnam			Sum of Overseas Subsidiaries		
Office Staff	Male	Female	Sum	Male	Female	Sum	Male	Female	Sum	Male	Female	Sum
Training hours	0	1	1	553	668	1,221	58	254	312	629	929	1,558
Total number of employees who received training	0	1	1	188	226	414	15	64	78	206	292	497
Total number of employees	36	54	90	194	232	426	42	91	133	275	378	653
Percentage of employees who received training	0.00%	1.85%	1.11%	96.91%	97.41%	97.18%	34.52%	69.78%	58.65%	74.73%	77.12%	76.11%
Field Staff	Male	Female	Sum	Male	Female	Sum	Male	Female	Sum	Male	Female	Sum
Training hours	0	0	0	9	3	12	26,040	45,888	71,928	26,049	45,891	71,940
Total number of employees who received training	0	0	0	3	1	4	1,090	1,397	2,487	1,093	1,398	2,491
Total number of employees	5	2	7	186	227	413	1,044	1,673	2,717	1,235	1,902	3,137
Percentage of employees who received training	0.00%	0.00%	0.00%	1.61%	0.44%	0.97%	104.41%	83.50%	91.53%	88.50%	73.50%	79.41%

Overseas Subsidiaries' Statistics on Campus Talent Cultivation Program for Year 2023								
	Hong Kong		Korea		Vietnam		Sum of Overseas Subsidiaries	
Campus Talent Cultivation	Office Staff	Field Staff	Office Staff	Field Staff	Office Staff	Field Staff	Office Staff	Field Staff
Number of schools engaged in industry academia collaboration	2	0	0	0	0	0	2	0
Number of departments engaged in industry academia collaboration	2	0	0	0	0	0	2	0
Number of student participants	7	0	0	0	0	0	7	0
Number of units/service offices involved	1	0	0	0	0	0	1	0
Number of interns planning to convert to official staff	2	0	0	0	0	0	2	0
Ratio of interns converted to official staff	28.57%	0.00%	0.00%	0.00%	0.00%	0.00%	28.57%	0.00%

Appendix 8. Accountant's Limited Assurance Report

安侯建業聯合會計師事務所
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Independent Limited Assurance Report

To Fubon Life Insurance Co., Ltd.:

We were engaged by Fubon Life Insurance Co., Ltd. ("Fubon Life Insurance") to provide limited assurance over the selected information ("the Subject Matter Information") on the 2023 Sustainability Report of Fubon Life Insurance ("the Report") for the year ended December 31, 2023.

Applicable Criteria of the Subject Matter Information

Fubon Life Insurance shall prepare the Subject Matter Information in accordance with applicable criteria required by Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board and the Sustainability Accounting Standards for Insurance issued by Sustainability Accounting Standards Board ("SASB") as set forth in Appendix I.

Management's Responsibilities

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

Our Responsibilities

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

Independence and Standards on Quality Management

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

Summary of Work Performed

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

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

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

Inherent limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Fubon Life Insurance. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

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

Other Matters

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

The engagement partner on the assurance resulting in this independent auditors' report is LEE, FENG HUI.

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Taipei, Taiwan (Republic of China)
Jun 6, 2024

Notes to readers

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

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Appendix I：Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1	2.2.2. Internal Implementation of Ethical Management Measures and Mechanisms	■ Over the past three years, Fubon Life has upheld integrity in its operations, with no incidents of corruption penalties. The "Fubon Life Ethical Management Best Practice Principles" prescribe preventive measures against unethical behavior, such as signing contracts with agents, suppliers, customers, or other business transaction parties, which include clauses for adhering to ethical management policies and provisions allowing for the termination or rescission of contracts if a party is involved in unethical behavior. Additionally, if there is sufficient evidence that a product or service may jeopardize the rights and interests of customers or other stakeholders, the sales of the product or service provided should be ceased immediately in principle.	GRI Standards 205-3 Confirmed incidents of corruption and actions taken
2	2.3.2. Disciplinary Actions and Remedial Measures	■ The Company had 7 regulatory violations (overseas subsidiaries not included) in 2023, all of which had been addressed with corrective measures. (Not anti-competitive)	GRI Standards 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
3	3.3.1. Talent Acquisition and Cultivation	■ Office Staff (Average Hours of Training) ➢ Gender ・Male: 40.56；Female: 38.98 ➢ Age ・Under 30: 39.03; 30-50: 39.51; Over 50: 39.63 ➢ Job Position ・Mid-level and senior executives: 77.29; Junior supervisors: 39.90; General Employees: 37.91 ■ Field Staff (Average Hours of Training) ➢ Gender ・Male: 87.75; Female: 83.60 ➢ Age ・Under 30: 91.47; 30-50: 84.68; Over 50: 78.67 ➢ Job Position ・Mid-level and senior executives: - ; Junior supervisors: 52.95; General Employees: 102.62	GRI Standards 404-1 Average hours of training per year per employee
4	4.2.1. Enhancing Service Quality with A Customer-Centric Mindset	■ Strengthening Customer Care in Anti-Fraud Operations ➢ Committed to creating a financial-friendly environment, Fubon Life established friendly service counters in 2023. Following the "Counter Service Operations" manual, customers with disabilities and those over 65 years old are provided with easily understandable communication language, along with documents featuring enlarged fonts and prominently highlighted key points. This setup facilitates elderly customers in both listening to explanations and reading the text,	SASB FN-IN-270a.4 Description of approach to informing customers about

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		ensuring they understand their rights related to the matters they are handling. Meanwhile, the Company is attentive to the purposes of customers' funds. If any suspected fraud is detected, we further engage with the customer to inquire whether their family is aware of the situation. If any abnormalities are found, the matter is immediately reported to supervisors for understanding, intervention, or evaluation of whether to report to the police. Furthermore, anti-fraud pamphlets are placed in the customer seating area for them to read while waiting, aimed at enhancing their awareness of fraud prevention and reducing fraud risks. ➢ When customers over 65 years old call the 080-customer service line to inquire about large-sum policy cancellations, policy loans, or redemptions of investment-linked policy funds, customer service personnel proactively inquire about the customer's motives and purposes and kindly remind them to be vigilant against fraud to avoid financial losses. This response principle is included in the department's "Consultation Service Operations" manual for customer service personnel to abide by. ➢ Moreover, we conduct elderly care call inquiries to prevent elderly customers from being persuaded into action. For elderly customers who take out new policies or apply for policy changes or policy loans, inquiries are made during the call to ensure they understand their rights and intentions clearly, thereby reducing the possibility of persuasion. These calls are regularly inspected in accordance with the "Self-Assessment Operations" manual to ensure compliance with the "Call Operations Procedures." ➢ Furthermore, to reassure customers about signing calls and reading messages from the Company, we have added a "Fraud Prevention Section" to our official website, where Fubon Life's outbound call representative numbers and SMS notification numbers are disclosed. ■ Fully Disclosing Product Information to Customers and Confirming Suitability for Insurance ➢ For the review process before the launch of a product, the Company has designed relevant checklists, such as the self-checklist for the preparation of insurance product brochures, the checklist for product review considerations, and the relevant legal self-checklist. The internal self-checks ensure that the terms and insurance product brochures comply with legal requirements, which enable customers to fully understand important details and risks associated with the contract and help them confirm the suitability of their insurance purchase. Additionally, periodic sampling calls are conducted to ensure proper implementation of the Know Your Customer (KYC) process. ➢ Before providing products and services to young customers, solicitors are fully informed of their information (including financial status) and explain financial products, contract contents, and potential risks to them. For minors purchasing insurance, the financial status of their	products

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		parents is also assessed for the verification of coverage amount. As for minors purchasing investment-linked policies, stricter regulations are in place regarding the age of the insured and selectable investment targets to prevent potential risks. ➢ All product information is disclosed on the Company's website in accordance with laws and regulations (refer to CH4.3. ESG Product Services and Promotion for details). During policy insurance, various documents and assessment interviews, such as the "Sales Personnel Report," the "Customer Suitability Assessment Form for Non-Investment Type Life Insurance Paid in Foreign Currency," and recordings and post-call interviews for customers over 65 purchasing investment-linked policies, are used to confirm that customers clearly understand the product they are purchasing and their willingness to buy it as the Company fulfills its duty to inform. ➢ Furthermore, relevant training is promoted at sales channels, such as the "Life Insurance Product Class" and "Sales Class for Beginners" for new employees, which cover important considerations for insuring the elderly and individuals with disabilities. On the "Fubon New Vision" online learning platform, various promotional videos on business quality are available. Each year, sales personnel are required to complete the "6-Hour External Common Compliance Digital Course" and the "Elderly Customer Insurance Rights Protection Course." This ensures that sales personnel are equipped with the professional skills and sales quality to treat elderly customers fairly and assist them in purchasing suitable products. ➢ Fubon Life's product promotional materials disclose relevant information based on the following regulations. External product marketing materials, the product section on the official website, as well as presentation files for internal marketing training, are reviewed through the "Checklist for Product Promotional Materials and Treating Customers Friendly Principles" mechanism before product launch to ensure compliance with the TCF principles and related regulations. Through a step-by-step product launch process and compliance checks of the multiple regulations as follows, we ensure that customers are provided with complete and accurate product information. ・Insurance Act and related subsidiary legislation on matters to be noted in the review of life insurance products, and matters to be noted in the sale of investment-linked insurance products. ・Self-regulatory guidelines for insurance solicitation and advertising, self-regulatory guidelines for the sale of investment-linked insurance products, and compliance matters for the disclosure of investment-linked insurance information. ・Fair Trade Act, Financial Consumer Protection Act, Treating Customers Fairly Principles for Financial Service Providers, and Personal Data Protection Act. ・Various administrative directives and important regulations. ■ Policy Guide in Plain Language, Bridging the Gap in Public Insurance	

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		Knowledge ➢ In October 2023, the "Plain Language Policy Guide" section was launched on our official website. From the consumers' perspective, the terms of Fubon Life's "Fortune Whole Life Insurance" and "Precision Cancer Protection Term Insurance" are presented with lively and interesting illustrations and infographics, complemented by an easy-to-understand smart audio guide in plain language. This helps consumers quickly understand the policy terms.	
	4.3.3. Integrating ESG Issues into Marketing	■ Diversified Product Marketing to Enhance Protection Awareness ➢ To promote retirement planning and encourage a healthy mindset among the public, Fubon Life established the Four Retirement Accounts Section on our official website. Through easy-to-understand infographics and engaging illustrations, we conveyed retirement security planning and the importance of health in a relatable and interesting manner. "Everyone's Perception of Cancer is Different" and "Cancer Treatment is Like Love" were two new themes launched in 2023 to raise public awareness about cancer protection and health. The exposure on various platforms including Facebook, LINE, and digital newsletters garnered a total of 17,000 views for the section in 2023. ➢ To make healthcare coverage for the people in Taiwan more comprehensive, the National Health Insurance Administration (NHIA) initiated the "Cooperative Health Insurance Program" in 2022. As one of the first insurance companies to be invited to collaborate, Fubon Life established a dedicated section for "Cooperative Health Insurance Program" on our official website, providing information on upgraded coverage for precision cancer treatment, medical devices, pay-as-you-go, and critical illness protection. We also created an inquiry portal in the "National Health Insurance Mobile App/Health e-Wallet." Through internal promotion and external social media campaigns, the section has received nearly 29,000 views by the end of December 2023. ➢ In response to FSC's encouragement for insurers to develop health management insurance products with spillover effects, aimed at increasing public attention to health management and enhancing insurance coverage, Fubon Life launched the "Spillover Policy Section" on our official website in February 2023. Themed "Lighting Up Health Promotion + Dual Vision of Insurance Protection," the section offers introductions to four major spillover mechanisms: Cancer Screening Pioneers, Walking for a Healthy Life, Designated Vaccinations, and Regular Easy Health Checks, along with corresponding insurance products. Additionally, it features health science reports to encourage customers to leverage spillover policies in planning their life and health insurance coverage. As of the end of December 2023, the section has accumulated approximately 13,000 views. ➢ In light of the ever-changing financial market, the Company has launched multiple dividend policies as additional options for asset	

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		planning. In September 2023, the "Dividend Policy Section" was introduced on our official website to facilitate a quick understanding of the features of dividend policies and diverse product structures. Designed with the sports style inspired by the Fubon Guardians professional baseball team as the main theme along with the slogan "Share with All, Stay Ahead," the section includes a graphic nine-square problem selection menu to guide users quickly to their topics of interest. The products are categorized based on different customer needs into two main categories: asset inheritance and retirement cash flow. Additionally, an interactive calculator allows visitors to explore the planning results of dividend policies under different dividend scenarios and directs them to the customer service hotline for personalized services. Over the four months since the launch of the section from September 1 to December 31, 2023, the total accumulated views reached approximately 69,000.	
5	4.4.1. Inclusive Financial Products and Promotion	■ Active Promotion of Microinsurance to Achieve Financial Inclusion ➢ Since 2014, in response to government policies such as the "Guidelines for Insurance Companies Conducting Microinsurance Business," Fubon Life actively promotes microinsurance products to fulfill our social responsibility towards vulnerable groups. We have been a leader in introducing micro life insurance policies that are affordable and easy to apply. These products provide basic protection for economically disadvantaged individuals in times of family crises, contributing to the stability of society. ➢ Over the years, Fubon Life has collaborated with the Fubon Charity Foundation to expand our services to microinsurance beneficiaries in Taichung City, New Taipei City, Kaohsiung City, Taitung County, and Hualien County. We have also maintained ongoing partnerships with charitable and disability organizations such as the World Vision, Catholic Good Shepherd Social Welfare Foundation, Chinese Christian Relief Association, and various branches of the ROC Foundation for Autistic Children and Adults in Taiwan. In 2023, the Company received the FSC microinsurance competition's "Care for the Disabled Award." In 2023, we further offered our services to more than 9,000 individuals from disadvantaged groups under the jurisdiction of the Hualien County Government. Since 2016, the cumulative donation amount has reached NT$56.1 million. In 2023 alone, we provided protection for a total of 63,183 disadvantaged individuals across Taiwan, with an insured amount reaching NT$18.84 billion. ■ Promotion of Micro Whole Life Insurance for Universal Protection ➢ In response to the aging population and declining birth rate, Fubon Life introduced the Jinlai Bao Micro Whole Life Insurance with universalized basic insurance coverage for the elderly. In particular, this six-year premium payment policy allows individuals to apply for coverage up to the age of 84, while the micro whole life insurance provides lifelong protection in the event of the insured's death or total disability. An optional one-year term accident insurance rider is also available, which enhances coverage for death or disability caused by accidental injuries.	GRI Standards 203-2 Significant indirect economic impacts

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		➢ To make application easier for elderly individuals, micro whole life insurance products are designed to be simple and easy to understand. The premiums are also more affordable compared to other similar life insurance policies, making it accessible for individuals in Taiwan to obtain life insurance. Under strong promotional efforts in 2023, Fubon Life has seen a growth in the number of micro whole life insurance policies by 29,000 cases compared to 2022, contributing to the stability of society. Our efforts were recognized by the "Excellent Performance Award" for Micro Whole Life Insurance in 2023. ■ Promotion of the Online Insurance Platform (Fund Rich) to Universalize Life Insurance/ Health Insurance ➢ Fubon Life has introduced online insurance products with low additional fees and low premiums, including critical illness insurance, term life insurance, and micro whole life insurance. People can have their insurance needs met through online platforms, and the low premium allows young individuals to plan for retirement protection in advance. ➢ In addition to the aforementioned financial products, in December 2022, we launched three insurance products on our online insurance platform, Fund Rich. The products are the "One-Year Micro Life Insurance," "Fubon Life Online Micro Accident Insurance," and "Online Micro Accident Medical Insurance Rider." Through the Fund Rich platform, we aim to meet the needs of vulnerable groups for basic life insurance and accident insurance, making insurance more accessible and providing more diverse protection for people in Taiwan in the event of accidents. The number of microinsurance products launched through the Fund Rich platform in 2023 reached 20, with an accumulative premium income of NT$8,131.	
6	6.1.2. Climate Strategy	■ Results of Climate Change Risk and Opportunity Identification ➢ Fubon Life has been conducting regular climate change risk assessments since 2018. Our climate change risk management practices reference the TCFD climate risk materiality assessment methodology, dividing climate change risks into two categories: physical risks and transition risks, encompassing a total of fourteen risks. These risks are assessed in three dimensions: Potential Vulnerability, Potential Impact, and Likelihood. Each unit reviews the connection between risk factors and their business operations, thereby evaluating the vulnerability and impact of each risk factor. In 2023, four significant climate change risks were identified. Two are physical risks: "Increased severity of extreme weather events – flooding, heavy rainfall (affecting investment targets/real estate collateral/underwriting targets)" and "Changes in rainfall (water) patterns and extreme changes in climate patterns – drought," and two are transition risks: "Increased operational costs due to greenhouse gas emissions" and "Increased financial risk due to the depreciation of assets in industries with high carbon emissions." Corresponding risk response measures have been developed and reported to the Company's Risk Management Committee. The climate change risk assessment is incorporated into the Company's ESG sustainability strategy, and an annual work plan is formulated and reported to the Board of Directors to address the significant impact of climate change on our operations.	GRI Standards 201-2 Financial implications and other risks and opportunities due to climate change

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		■ Risk Category ■ Physical Risk 1. Risk: Increased severity of extreme weather events – flooding, heavy rainfall (affecting investment targets/real estate collateral/underwriting targets) ➢ Risk factor ranking: 1 ➢ Potential vulnerability: 5 ➢ Potential impact severity: 2 ➢ Likelihood: 5 (1) Area of impact: Capital expenditure and allocation ➢ Corresponding existing risk: Market/credit risk ➢ Potential financial impact: Due to extreme weather events, it is currently challenging to assess the actual financial impact on the number of assets, investment targets, and the value and losses of underwriting targets in high-risk investment areas. ・Impact period: Medium term (2) Area of impact: Operating costs and revenue ➢ Corresponding existing risk: Operational risk ➢ Potential financial impact: Impacts on employee health, safety, and attendance due to extreme weather events could lead to property and equipment damage, resulting in financial losses and increased infrastructure costs to maintain normal operations. Hence, it is currently challenging to assess the actual financial impact. ・Impact period: Medium term 2. Risk: Changes in rainfall (water) patterns and extreme changes in climate patterns – drought ➢ Risk factor ranking: 2 ➢ Potential vulnerability: 3 ➢ Potential impact severity: 3 ➢ Likelihood: 5 (1) Area of impact: Operating costs and revenue ➢ Corresponding existing risk: Operational/insurance risk; Market/credit/operational risk ➢ Potential financial impact: It may result in energy shortages, fluctuations in raw material prices, and labor shortages, leading to increased operational costs. Temperature changes may increase mortality and morbidity rates, causing business losses. It is currently challenging to assess the actual financial impact; Due to changes in climate patterns, water and food shortages may occur, leading to an increase in the price of essential commodities. The impact of these physical risks may also cause losses or incur additional costs for investment targets. ・Impact period: Medium term (2) Area of impact: Capital expenditure and allocation ➢ Corresponding existing risk: Market/liquidity risk ➢ Potential financial impact: Costs and losses associated with adjusting investment targets based on the assessment of medium-term physical risks, as well as property losses for investment targets in high-risk areas. ・Impact period: Medium term ➢ Response strategies and measures: In addition to regularly conducting	

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		disaster prevention education and training, enhancing facility safety maintenance inspections, planning disaster emergency response drills, arranging occupational safety promotions, and strengthening fire safety facilities in accordance with Fubon Life's "Emergency Response Measures for Various Disasters," purchasing relevant insurance products, participating in environmental protection activities, fulfilling sustainability commitments, and budgeting in advance to respond effectively are considered. We also regularly provide information to the Asset and Liability Management Committee and the monthly Investment and Risk Control meetings to review asset allocation and risk control. It is crucial to closely monitor the development of domestic and international macroeconomic conditions and various indicators, carefully select investment targets, and continuously observe the impact of global climate change on related investment targets. ■ Transitional risk 1. Risk: Increased operational costs due to greenhouse gas emissions ➢ Risk factor ranking: 1 ➢ Potential vulnerability: 3 ➢ Potential impact severity: 2 ➢ Likelihood: 4 (1) Area of impact: Capital expenditure and allocation ➢ Corresponding existing risk: Market risk ➢ Potential financial impact: Increased manufacturing costs and affected competitiveness of investment targets may lead to reduced profitability of these investment targets. It is currently challenging to assess the actual financial impact. ・Impact period: Long term (2) Area of impact: Operating costs and revenue ➢ Corresponding existing risk: Operational risk ➢ Potential financial impact: The introduction of government carbon pricing policies may lead to increased operating costs. ・Impact period: Long term ➢ Response strategies and measures: Increase investments in companies with strong bargaining power, actively negotiate with suppliers, customers, and investors to guide and assist industries in transitioning to green practices. Internally, establish carbon-related policies and response measures, regularly monitor and measure carbon emissions, plan for the introduction of green electricity, and replace energy-efficient equipment to reduce the impact on operating costs. 2. Risk: Increased financial risk due to the depreciation of assets in industries with high carbon emissions ➢ Risk factor ranking: 1 ➢ Potential vulnerability: 3 ➢ Potential impact severity: 2 ➢ Likelihood: 4 (1) Area of impact: Capital expenditure and allocation ➢ Corresponding existing risk: Market/credit risk ➢ Potential financial impact: The likelihood of investment impairment in industries with high carbon emissions may significantly increase, potentially impacting asset gains and losses. However, the actual	

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		financial impact will depend on the specific investment targets, which is difficult to estimate. ・Impact period: Medium term (2) Area of impact: Capital expenditure and allocation ➢ Corresponding existing risk: Market risk ➢ Potential financial impact: In response to medium and long-term climate change regulations and requirements from competent authorities, the Company will inevitably need to increase green finance investment amounts to achieve carbon reduction targets, which potentially leading to higher costs. ・Impact period: Medium term ➢ Response strategies and measures: To address asset impacts, the Company has undertaken diversified asset allocation, which naturally provides hedging effects. Relevant responsible units regularly provide information to the Asset and Liability Management Committee and the monthly Investment and Risk Control meetings for reviewing asset allocation and risk control. We regularly track a global list of companies that have set or committed to SBTs, reviewing the achievement of investment or financing agreement ratio targets to adjust the investment and financing portfolio accordingly. For example, reducing the proportion of related investments and reclassifying existing positions as held-to-maturity. Internally, environmental sustainability and energy-saving carbon reduction goals have been established, with active participation in international SBT initiatives. In 2022, the Company joined the RE100 international initiative. ■ Notes: 1. Potential vulnerability (1~5): Assessed based on the readiness and adaptability evaluated by each business unit. The higher the score, the less relevant management manpower, capabilities, or resources are available to address the risk. 2. Potential impact (1~5): Assessed based on financial impact, indirect financial impact, brand image influence, and other dimensions. The higher the score, the greater the impact. 3. Likelihood (1~5): Assessed based on related reports and regulations from global, national, and regional levels. The higher the score, the more likely the risk has occurred or may occur in the near future. 4. Risk factor ranking: The ranking of risk factors based on the materiality assessment. 5. Impact period: Short term is within 2 years, medium term is 2 to 5 years, and long term is more than 5 years. ■ Opportunity ■ Category: Resources ➢ Climate opportunity: Adoption of more efficient mode of transport ・Short, medium and long-term strategy for the opportunity: Reduce excessive carbon emissions through short-term initiatives such as promoting green commuting, replacing taxi rides with walking or carpooling for business trips and meetings, and adopting paperless methods for internal communication. ・Strategy duration: Short term ・Area of impact: Operational cost and income	

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		➢ Positive financial impact on the Company and implementation status: 1. In accordance with the Company's Green Procurement Guidelines, we may plan resource-saving measures such as combining transportation or procurement cases based on the needs of the procurement unit to improve resource efficiency. 2. Regarding electronic transmission, there may be increased future system setup costs; however, this can reduce physical transportation costs in the long run. ■ Category: Efficiency ➢ Climate opportunity: Recycling and reuse ・Short, medium and long-term strategy for the opportunity: Increase resource efficiency through short-term departmental advocacy on reduction in paper use and resource recycling and reuse. ・Strategy duration: Short term ・Area of impact: Operational cost and income ➢ Positive financial impact on the Company and implementation status: The reduction in departmental procurement costs for paper and toner contributes to cost-saving benefits. However, since this policy has been implemented for a long time, we are unable to estimate the exact amount saved. ■ Category: Products and services ➢ Climate opportunity: Business activity diversification ・Short, medium and long-term strategy for the opportunity: In the short and medium term, the Company can organize online financial lectures and customer orientation events and provide event and meeting materials in electronic format. This reduces the cost of physical events and eliminates participation limitations. ・Strategy duration: Short to medium term ・Area of impact: Operational cost and income ・Short, medium and long-term strategy for the opportunity: In the medium and long term, the Company plans to increase cross-selling channels and opportunities, expand online insurance products and continuously promote online insurance and services, enhance cross-device cloud services, and utilize AI technology to develop marketing and recruitment support tools, offering customers more choices. ・Strategy duration: Medium to long term ・Area of impact: Operational cost and income ➢ Positive financial impact on the Company and implementation status: Calculated based on average costs of paper used in a month. However, since this policy has been implemented for a long time, we are unable to estimate the exact amount saved. Increased system development costs. The reduced costs of manpower, rent for event venues and consumables for physical events contribute to cost-saving benefits for the Company. Increased costs for holding environmental sustainability business activities and related promotion campaigns. ■ Category: Resilience ➢ Climate opportunity: Participation in renewable energy projects and adoption of energy conservation measures ・Short, medium and long-term strategy for the opportunity: In the	

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		medium and long term, consider engaging in domestic renewable energy-related project investments and financing. ・Strategy duration: Medium to long term ・Area of impact: Capital expenditure and allocation ・Short, medium and long-term strategy for the opportunity: In the short and medium term, increase the use of renewable energy (such as installing solar panels on building rooftops) and actively enhance the updating of energy-saving equipment. ・Strategy duration: Short to medium term ・Area of impact: Capital expenditure and allocation ➢ Positive financial impact on the Company and implementation status: The Company aims to invest in government-incentivized long-term (>10 years) renewable energy projects that provide a stable source of income, with an estimated future annual return of 6% in stable cash income. Increasing the budget for purchasing renewable energy equipment or energy-saving equipment will reduce the cost of general electricity consumption (non-green electricity) in the future. ■ Notes: Impact period: Short term is within 2 years, medium term is 2 to 5 years, and long term is more than 5 years.	
7	6.2.1 Management Mechanism and Implementation Results	■ Fubon Life adheres to the "Sustainable Finance Policy of Fubon Financial Holding Co., Ltd. and Its Subsidiaries" as the top guiding principle for promoting and implementing responsible investment. This policy clearly stipulates that PRI must be followed in fund management. The specific ESG assessment methods, based on the characteristics and practical feasibility of investment products, are defined in the operational regulations, guidelines, or standard operating procedures (SOP) for each asset class. Before and after investments, various ESG checklists and evaluation indicators are used to identify, assess, and measure the sustainable development risks of investment targets. The supervision methods of outsourced institutions and financial peers are included in the ESG action plan as well to promote the acceptance and implementation of PRI in the investment industry. In accordance with external regulations such as the "Insurance Asset Management Self-Discipline Regulations," the Company properly evaluates the credit risk, market risk, and liquidity risk of investment targets before investment, including the credit risk of issuers and counterparties. Whether investment target companies fulfill responsibilities related to environmental protection, corporate integrity, and social responsibility is also evaluated and analyzed. After investment, the Company regularly assesses risk conditions, continuously monitors and manages, and reviews whether the investment target companies fulfill responsibilities related to environmental protection, corporate integrity, and social responsibility. In addition, the Company signed the "Stewardship Principles for Institutional Investors" in 2018 and continues to update its signatory ship and adhere to the principles. Fubon Life's investment units report to the "Responsible Finance Group," which is responsible for planning and promoting responsible investment. Each investment unit assigns a total of 10 ESG personnel in charge of the coordination of ESG-related matters and participation in various ESG projects, continuously strengthening PRI implementation. Furthermore, to	SASB FN-IN-410a.2 Incorporation of Environmental, Social and Governance Factors in Investment Management

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		enhance ESG professional capabilities, ESG education and training are provided to reinforce the concepts and decision-making processes of ESG risk assessment. In 2023, investment-related departments sent representatives to participate in ESG Investment Management Analyst and Sustainable Finance Manager courses and obtained the Sustainable Finance Manager certifications. In the future, we will continue to participate in ESG-related courses organized by external entities, as well as by the Company and Fubon Financial Holdings' sustainability and HR departments. In coordination with the "Sustainable Development Committee" established by the Corporate Governance Department in 2023, the "Responsible Finance Group" reports the implementation results of responsible investment-related projects and the important project plans of the year to the President every six months. These reports are subsequently submitted to the Sustainable Development Committee and the Board of Directors for tracking and managing the progress of ESG initiatives. Additionally, the Company's audit unit conducts inspections to ensure compliance with ESG-related laws and regulations. All investment units of Fubon Life must implement responsible investment and stewardship policies in their daily work. This includes domestic and foreign fixed income and equity investment departments and the investment administration department, all of which invest manpower and resources to handle pre-investment analysis and post-investment review, exercise shareholder activism, engage with the issuers of investment targets, establish various dedicated management mechanisms according to product characteristics, and compile and disclose the results of responsible investment externally. ■ Implementation Results Achieved to Date Following the Six Principles for Responsible Investment (PRI) ➢ Incorporate ESG issues into investment analysis and decision-making processes ・ESG principles are incorporated into investment policies. ・All stocks in the asset pool comply with ESG-related regulations. ・Investment targets are evaluated based on ESG investment risk indicators prior to investment. ・Thematic investments are actively pursued, such as investments in drug development, alternative energy, ESG high-performance screening, infrastructure funds, green buildings, low-carbon targets, and six core strategic industries. ・High-risk country and company lists are established using external resources through evaluation processes. ・Reviews and updates of the negative list are conducted regularly. ・Annual reviews of domestic and foreign bond issuers of our investments are conducted in accordance with ESG checklists. ・Guidelines for ESG-sensitive industries are developed. ・SBTs for carbon reduction are executed and the admission/withdrawal criteria for high carbon-emitting industries are continuously reviewed in accordance with the "Sustainable Finance Policy of Fubon Financial Holding Co., Ltd. and Its Subsidiaries." ・Carbon inventories are conducted for investment positions.	

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		・The ESG database of MSCI Inc. is referenced for pre-investment checks. ➢ Incorporate ESG issues into ownership policies and practices ・Fubon Life has signed the "Stewardship Principles for Institutional Investors" compliance statement. ・Prohibited actions for personnel involved in domestic equity investment and monthly reporting requirements are established to avoid conflicts of interest between personal investment activities and the Company as we continue to adhere to stewardship and interest management principles. ・Shareholder activism is implemented in conducting careful evaluations of investee companies. As of December 2023, Fubon Life has achieved a 100% attendance rate for shareholder meetings. ➢ Seek appropriate disclosure on ESG issues by investee entities ・Corporate sustainability reports of domestic investee companies are collected and reviewed. ・Individual stocks that violate ESG and PSI are added to the negative list and prohibited from receiving new investments. ➢ Promote acceptance and implementation of the PRI within the investment industry ・Foreign funds and ETFs invested by the Company are examined annually in accordance with ESG checklists to confirm that their issuers are PRI signatories. ・The ESG performance of domestic bond funds and ETFs invested by the Company is evaluated annually in accordance with ESG checklists to check the ESG practices of their issuers. ・Fully delegated institutions are requested to submit ESG implementation documents and comply with the negative list. ➢ Work together to enhance effectiveness in implementing the PRI ・We participate in public construction meetings with relevant government departments. ・We participate in ESG forums held by external institutions and follow competent authorities' plans for sustainability issues. ・We elaborate on Fubon's responsible investment principles and practices to environmental protection groups. ・We joined the FAIRR Initiative, leveraging financial impact with a focus on material issues in the husbandry industry and potential ESG risks. ・We share experience in sustainable finance and responsible investment upon invitations of external institutions. ・Following Fubon Financial Holdings' actions, we join global sustainability initiatives and participate in relevant meetings, such as the Asia Investor Group on Climate Change (AIGCC), Partnership for Carbon Accounting Financials (PCAF), and Taskforce on Nature-related Financial Disclosures (TNFD). ・We participate in several corporate engagement groups jointly with members of the Climate Action 100+. ➢ Report respectively on activities and progress towards implementing the PRI ・The implementation status of responsible investment is regularly	

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		reported to the ESG Task Force. ・Through annual sustainability reports and institutional investor stewardship reports, we convey the importance of responsible investment to the public.	
	6.2.4. ESG Action Plans	■ Fubon Life identifies, assesses, and measures sustainability risks through various ESG checklists and evaluation indicators before and after investments. Prior to investment, we evaluate and analyze the target company in social responsibility, environmental pollution, food safety issues, compliance with integrity principles, significant threats to public safety, risks to human life and property, human rights concerns, and serious labor disputes. These evaluations and analyses are included in the pre-investment assessment reports. In 2023, the Company has 100% based its domestic and foreign debt and equity investments on ESG-related mechanisms and ESG negative screening mechanisms, with an investment balance of NT$4,103.3 billion, among which the investment balance based on the human rights-related negative screening mechanism is NT$2,732.7 billion. ■ Highlights in ESG Investments ➢ Pre-investment checks ・Establishment of ESG investment risk indicators: Based on indicators covering the three aspects of the environment, society, and corporate governance, assessments are conducted prior to investments and the assessment results are disclosed in the investment analysis report. ・Establishment of a negative list (1) The high-risk country and company list is reviewed prior to investment, and investment targets listed in the negative list are no allowed for investment unless managed through exceptions. (2) Countries that violate human rights, finance terrorism and have significant deficiencies in anti-money laundering measures are included in the ESG negative list. (3) Companies in the tobacco industry and controversial weapons industries listed in the MSCI ESG database or companies delisted from the United Nations Global Compact (UN Global Compact) are not considered for investment. ・Establishment of an ESG asset pool of domestic equities: All stocks in the asset pool must comply with ESG-related regulations. Investments in targets not included in this pool are not allowed. ・Establishment of monitoring indicators for industries with high ESG risks: Guidelines for industries with high ESG risks were established. Monitoring indicators for industries with high ESG risks, such as energy, chemicals, and mining, were added to monitor the potential weak points in these industries. They are also incorporated into the SOP for the PRI evaluation. ・Establishment of the admission/withdrawal criteria for high-carbon emitting industries: After 2040, no new investments will be made in companies involved in fuel coal mining/transportation, fuel coal	

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		power generation, or unconventional oil and gas industries that have not proposed carbon reduction transition plans consistent with the goals of the Paris Agreement. ・Investment position coverage (%): 100% coverage for newly added investment positions ➢ Post-investment checks ・ESG checklist for bond investments ✓ Company investment in foreign bonds: Indicators include environmental, social, and corporate governance factors, and checks are conducted annually. ✓ ETF Company investment in foreign bond funds and ETFs: Checks are conducted annually to confirm if the bond/ETF issuers are PRI signatories. ✓ Company investment in domestic bonds: Indicators include environmental, social, and corporate governance factors, and checks are conducted annually. ✓ ETF Company investment in domestic bond funds and ETFs: Checks are conducted annually to verify the ESG practices of the issuers. ・Shareholder activism and engagement: In accordance with Principle 3 and Principle 4 of Fubon Life's "Institutional Investor Stewardship Principles," we actively implement stewardship practices by continuously monitoring the investee companies and engaging in dialogue and interaction with them. For detailed information, please refer to our Stewardship Report. ・Investment position coverage (%): 100% coverage for existing investment positions ➢ Monitoring of discretionary investment institutions: ・Verification of foreign discretionary investment institutions' ESG practices: Verifications are conducted to check that discretionary investment institutions are PRI signatories, or requests are made for reports of their ESG practices. ・Negative list: Domestic discretionary investment institutions must comply with the negative list. ・Investment position coverage (%): 100% coverage for newly added positions through discretionary investment institutions ➢ External resources: ・Adoption of ESG-related information from external resources or rating agencies to identify high-risk countries or companies: The management and control procedures for investments in high-risk countries and companies were established based on information from external resources. ・Investment position coverage (%): 100% coverage for newly added investment positions ■ After making investments, the Company continues to monitor investee companies' practices in the environmental, social, and governance aspects and identifies key issues in ESG aspects as indicators for the supervision and evaluation of investee companies. If an investee company violates the Company's ESG key issues (covering environmental, social, and governance aspects as detailed in the Stewardship Report), the Company	

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		will proactively engage with the investee company. The engagement efforts also aim to raise societal awareness of sustainable financial development and climate risk in the insurance industry, establishing cooperative engagement actions with investment targets and industry partners. The goal is to actively fulfill the stewardship responsibilities of asset owners while enhancing social risk awareness. ■ In line with the PRI, Fubon Life implements the ESG action plans described above in various asset types (by product category) as outlined in the following table, through the establishment or revision of policies, regulations, or standard operating procedures. ➢ Specific ESG assessment procedures are incorporated into operational rules, guidelines, or standard operating procedures for different asset types based on the characteristics and feasibility of each investment product.: ・Listed Equity ・Fixed Income ・Private Equity (Private funds) ・Infrastructure(Infrastructure funds) ・Derivatives & Alternatives(Covers alternative investments such as hedge funds) ➢ Green building designs are incorporated into property development contracts. Companies with outstanding social responsibility records are prioritized when outsourcing a project or appointing an engineering consultant. ・Property(Investment property)	

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Fubon Life

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