

# 2023

## Nan Shan Life Sustainability Report



# About this Report

Nan Shan Life Insurance Co., Ltd. (hereinafter referred to as Nan Shan Life) has been a key player in Taiwan's insurance industry. In addition to providing comprehensive and innovative products and services to create long-term value for policyholders, employees, agents and shareholders, we are committed to promoting corporate sustainability, and actively participate in community promotion and social service activities.

Nan Shan Life has been issuing annual Corporate Social Responsibility (CSR) reports since 2014, and renamed it to Corporate Sustainability report in 2020. To date, Nan Shan Life has already issued 11 reports, by which we hope to demonstrate our efforts and achievements in business activities, economy, society and environment to the general public and stakeholders who have an interest in Nan Shan Life.

Annual corporate sustainability reports of Nan Shan Life are available in electronic format on the official website of Nan Shan Life.



Nan Shan Life  
ESG Website

## Reporting Period and Coverage

The disclosure period of this report was Nan Shan Life's 2023 fiscal year (from January to December 31, 2023). To fully express the issues and demonstrate the related performance, this report also included the contents and results of some projects dating back to 2022, as well as information and data from the first quarter of 2024.

Except for the financial information covered by the consolidated financial statements, the boundary of disclosure of other information was primarily based on Nan Shan Life Information on the human resources structure and certain products and services also included that of subsidiary Nan Shan General Insurance Co., Ltd (hereinafter referred to as Nan Shan General). The social service information and data included Nan Shan Life Charity Foundation. In the 2023 financial year, Nan Shan Life's revenue accounted for 99% of the consolidated net income, and based on the total number of employees, it accounted for 84%. Any inconsistencies in the scope will be specified in the report.

## Compliance/Reference Guidelines

The sustainability report of Nan Shan Life for this year was prepared in accordance with the following standards :

- Global Reporting Initiative's (GRI) 2021 revised universal, industry-specific, and significant topic standards.
- Sustainable Accounting Indicators for the Insurance Industry (2023-12) from the Sustainability Accounting Standards Board (SASB).
- The International Integrated Reporting Framework (IR) published by the International Integrated Reporting Council (IIRC).
- Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Sustainability Disclosure Indicators - Financial Insurance Industry and Climate-related Information for Listed and OTC Companies.
- Financial Supervisory Commission (hereinafter referred as FSC)'s Guidelines for Financial Disclosure of Climate-related Risks in the Insurance Industry.

## Internal Management

The responsible unit for this report was the Corporate Sustainability Committee. The content was provided, compiled and consiled by all departments, Nan Shan Life Charity Foundation and the subsidiary Nan Shan General. To ensure accuracy and meet the expectations of stakeholders, the report has been approved by the President and submitted to the Board of Directors.

## Third-party Verification

This report has been limitedly assured by KPMG in accordance with Taiwan's Auditing Standards Bulletin No. 1 (based on International Standard on Assurance Engagements 3000), and SGS-Taiwan in accordance with AA 1000 (2018) standard for Type II moderate assurance verification, so as to ensure compliance with the above guidelines and standards (Refer to Appendix 8 and 9 to the Independent Limited Assurance Report by Certified Public Accountant and Independent Assurance Statement).

## Date of Release

Previous report release date : June 2023; next expected release date : June 2025

Release cycle : Annual

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Nan Shan Life  
Company Website



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# Letter from the Chairman

# H E A R T

*In 2023, Nan Shan Life celebrated its 60th anniversary. Facing the global challenges of polycrises, including aging population with low birth-rate, intensified risks in climate changes and health, political and economic instability, we at Nan Shan Life strive to uphold our values of people-oriented whole-heartily with the core philosophy of “the insurance business is a social service in essence” and continue to focus on the H.E.A.R.T. sustainability strategic themes: Health for health promotion, Earth for earth protection, Action for Good, Reliability, and Talent for talent empowerment to promote sustainable development and to create a sustainable future.*

*During the 28th session of the Conference of the Parties (COP28) of the United Nations in 2023, Nan Shan Life became the first insurer in Taiwan to participate in the World Climate Summit (WCS) and shared with the world Taiwan’s experience in financial and insurance sustainability, emphasizing that Nan Shan Life will continue to be devoted itself to strengthening people’s resilience against climate risks in the tendency of “health” becoming one of the major global climate change issues.*

*Our efforts in Environmental, Social and Governance (ESG) received positive feedback. In 2023, Nan Shan Life was recognized by Taiwan’s competent authority Financial Supervisory Commission (FSC) as one of the best insurers in the first Sustainable Finance Assessment. With stable and professional business operating strengths, we ranked second in the industry in respect of net income, ranked in the top three in premiums from new policies in the industry, ranked second in premiums from traditional insurance policies, and ranked first in the number of new contracts for spillover-effect insurance policies, ranked first in the market share of long-term care insurance. We will continue to make impactful changes and create a new era of sustainability in the industry.*

*The 2023 Nan Shan Life Sustainability Report is 11th report we have issued. In this report, we actively respond to the United Nation’s Sustainable Development Goals (SDGs) by integrating domestic and international trends and standards, while following our H.E.A.R.T. strategic themes for corporate sustainability. Through an open, transparent, and balanced information disclosure, we demonstrate our investments and achievements in ESG to stakeholders.*

## Health – A Pioneer in Promoting Sustainable Health and Creating New Value in Insurance

Nan Shan Life has been devoted itself to promoting products and services that combine insurance protection and health promotion to meet customers' holistic health needs in terms of Wellness and Healthcare. By the end of 2023, approximately 60 high-quality new startups and enterprises have joined the "Health Protection Circle" ecosystem and provided more than 7

themed services to meet the needs of sports groups, pregnant women, the senior, cancer care, three highs and sub-health and health checkups. The number of spillover-effect policyholders reaching 240,000. We continue to generate new insurance value for customers.

## Earth – Promoting Low Carbon Transformation and Sustainable Finance

We respond to the 2050 net-zero emission target and committed the Science Based Target initiative (SBTi). We aim to reduce carbon emissions in Scopes 1 and 2 by 42% by 2030 based on those of 2022. We will continue to invest in the development and use of renewable energy. In 2023, we obtained ISO20400:2017 certification for sustainable procurement guideline, and worked with supply chain partners to reduce carbon emissions. Besides, we held the "Nan Shan Ocean Protection Action" for the 12th consecutive years, continuously advocating environmental protection issues through environmental education, traceability management and other activities.

## Action for Good – Eliminating Medical Care and Health Inequalities in Taiwan

Holding the philosophy of "the insurance business is a social service in essence", we carried out public services and social participation focusing on "inclusive finance", "community medical care" and "local care". In 2023, we held over 150 local care activities, and held 10 activities for the "Care for Remote Indigenous Villages Program" together with Nan Shan Life Charity Foundation and local medical institutions in Taiwan, aiming to bridging the information and resource gap in finance, health and medical care.

## Reliability – Corporate Governance and Holistic and Friendly Services

Nan Shan Life upholds the importance of corporate governance. In 2023, we published the "Sustainable Development Declaration", "Sustainable Development Practice Policy" and "Human Rights Policy" to practice corporate social responsibility, exert influence, and promote economic, environmental and social progress. We actively respond to the government to implement the principle of treating customers fairly, and strengthen customer rights protection. Both Nan Shan Life and its subsidiary Nan Shan General were recognized as the top 25% of outstanding insurance companies in treating customers fairly for the consecutive 2nd year by the FSC.

## Talent – Improving Health, Competitiveness and Sustainable Capabilities of Employees

Talent is the basis of company sustainability. In 2023, we held the "#NS OPEN" basketball, badminton and softball competitions to promote health programs and create an inclusive working environment. We respect and value the diversity and differences of each employee. Moving towards the next new era, we launch two major transformation and development cores of "service empowerment" and "digital empowerment" to accelerate the application and introduction of insurance technology, improve the overall service quality, and provide more intelligent and humanized digital service, so as to strengthen digital competitiveness and achieve the transformation of insurance value.

We believe that insurance is a mutually beneficial industry, and the spirit of sustainability has been rooted in the DNA of Nan Shan Life. 2024 marks the beginning of Nan Shan Life's journey towards the next 60 years. To respond to the trust of over 6.65 million policyholders and over a quarter of Taiwan families, Nan Shan Life will uphold the basic values of "Integrity and service first", "Original intention of altruism", "Thoughtful professionalism" and "Pioneering courage", and focus on H.E.A.R.T. sustainability strategic themes to strive for a more sustainable and responsible future with all stakeholders.

Sincerely,

尹崇堯

Chung-Yao Yin  
Convenor, Corporate Sustainability Committee  
Chairman, Nan Shan Life Insurance Co., Ltd  
June 2024

# 2023

## Key Sustainability Achievements



- Responded to **2050 net-zero emission**, signed the Science Based Target initiative (**SBTi**), and completed carbon reduction targets setting
- Targeted to **reduced carbon emissions** in Scopes 1 and 2 by **42%** by **2030** based those on 2022
- Fully introduced the three major environmental sustainability management systems of **ISO 14064-1**, **ISO 14001** and **ISO 50001**
- Invested more than **NT\$50 million** in the construction of a solar power generation system in Xinshi Area, Tainan, which is expected to generate power in 2024
- Promoted electronic policies and services, expanded the use of renewable energy and developed other energy-saving and emission reduction projects, and reduced carbon emissions by over **900 tCO<sub>2</sub>e**
- Achieved the usage rate of **70%** of electronic policies in Nan Shan General
- Obtained Conformity Statement for **ISO 20400** sustainable procurement guideline
- Held **Ocean Protection Action** for the **12th** consecutive year, involving over **10,000** person-time







- **75.2 hours** of training per person for employees
- A key talent retention rate of **99%**
- Over **120,000** person-time of employees and agents participated in volunteer services
- Nan Shan Charity Foundation's medical care program and microinsurance policies benefited over **360,000** person-time
- Nan Shan General launched the first microinsurance policy in Taiwan, benefiting approximately **80,000** people in **5** counties and cities in Taiwan
- Held **10** "Care for Remote Indigenous Villages Program" activities in **10** remote villages in Taiwan
- **58** cooperative partners joined the Health Protection Circle to provide **7** thematic services and over **120,000** person-time policyholders received warm care services
- Remained **No.1** in industry for the number of new contracts for spillover-effect insurance policies and the market share of long-term care insurance



- Operating revenue reached **NT\$467.6 billion** with a consolidated net income of approximately **NT\$22.1 billion** and consolidated total assets exceeded **NT\$5.39 trillion**
- Achieved an average score of **98** points in annual self-assessment by the Board of Directors, an average score of **99** points in overall assessment, and the assessment level of excellent
- Completed and passed the renewal certification of **ISO 22301** Business Continuity Management System and obtained the international certification of **ISO 27001** Information Security Management System
- Nan Shan Life and Nan Shan General passed the validation of **ISO 10002** for Insurance Customer Relationship and Complaint Management System
- Achieved an average customer satisfaction rate of **99.6%** in customer service counter/policy service, claims service and policy issuance
- **100%** inclusion in ESG assessment before tracking and inspecting existing stock and bond investment positions, adding new stock investment targets, and increasing bond investment limits
- **100%** attendance rate and **100%** voting rate at shareholder meetings held by invested companies in Taiwan

# 01 About Nan Shan Life



- 1.1 Insurance Business as a Social Service
- 1.2 Operational Overview
- 1.3 Honors and Recognitions



Nan Shan Life has been operating in Taiwan with conscientiousness and earnestness for 60 years, and has established a network of services across Taiwan. With more than 4,000 diligent employees and over 30,000 agents with entrepreneurial spirit, the Company has been able to provide superior-quality insurance protection and insurance planning services to more than 6.65 million policyholders.

## Major Achievements

- ✓ In 2023, the Company's premium income generated from new policies and the total premium income were listed among the top three in the industry. Meanwhile, the Company's net income reached NT\$ 22.1 billion, the second highest in the industry.
- ✓ Consolidated revenue reached NT\$467.6 billion. Consolidated total assets was approximately NT\$5.39 trillion. Consolidated net worth was NT\$ 343.9 billion.
- ✓ Received several Taiwan and international awards and recognitions including : Listed among the top 20% insurance companies in the first "Sustainable Finance Assessment" and among the top 25% enterprises in the Assessment of the implementation of Treating Customers Fairly Principles (TCF Principles) by the Financial Supervisory Commission (FSC). Received 6 awards in the "2023 Insurance Competition" organized by the FSC. Received 4 awards in the "The Best Insurer survey" for its outstanding performance. Received 7 honors in the "National Brand Yushan Award".

Founded in July 1963, Nan Shan Life is one of the longest-established insurance companies in Taiwan, known for its professional operations and financial stability. In terms of agent quality, education and training, technology application, product innovation and customer services, we are leading the industry and deeply recognized by the general public.

In 2023, Nan Shan Life celebrated its 60th anniversary. We firmly uphold our commitment to sustainability for policyholders and the society. Faced with the changes in the social environment, we have launched two major transformation and development cores, namely "service empowerment" and "digital empowerment". By integrating "service empowerment" with products and the "Health Protection Circle" partner resources, we provide customers with comprehensive value-added services; while through "digital empowerment", we strengthen data analysis and integrate insurance technology to provide more suitable products and digital services for different groups.

Major Development

1963

Establishment, registration and opening.

1970

Company restructuring and being taken over by AIG.

1987

Completion of the first self-owned building in Hualien.

2011

Ruen Chen Investment Holding Co., Ltd. became the largest shareholder and brought with its local management.

2012

Approval by the competent authority to become a public company.

2016

Approval by the competent authority to acquire 100% equity of AIG Taiwan, which became a wholly-owned subsidiary of Nan Shan Life and was renamed Nan Shan General.

2017

Approval by the Board of Directors to take over all assets, liabilities and operations of Chaoyang Life Insurance except for the retained assets and liabilities, to assist the government in improving the development of the insurance market.

1.1 Insurance Business as a Social Service

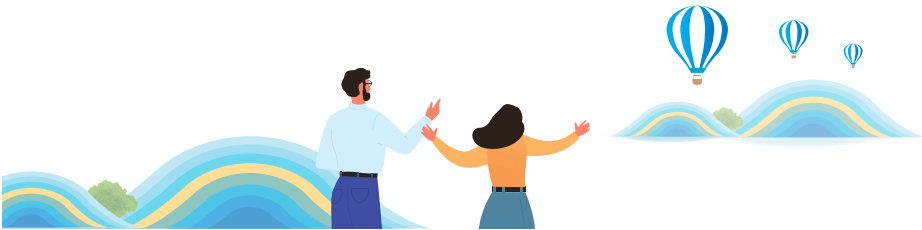
When facing risks in life, a policy will calm your heart and protect your rights. In the past 60 years, Nan Shan Life has been holding the philosophy of "the insurance business is a social service in essence", and adhering to the commitment of "Nan Shan as the source of excellent insurance and the backer of good health". It has become the most reliable life insurance company for policyholders, employees and agents, and a stable benchmark company in the hearts of Taiwanese people.

Our Vision

Warm Taiwan with Nan Shan's vitality

Our Commitment

Nan Shan as the source of excellent insurance and the backer of good health.





Integrity and service first

Insurance is the greatest form of entrustment. We never cease to consider the nature of commitment through customers' perspectives.

Original intention of altruism

Putting people first with compassion. We consolidate resources and expand our influence to help others overcome their fears and achieve success.

Thoughtful professionalism

We treat people like ourselves, focus on every detail, and work together to make the impossible possible, while creating happiness and inspiration.

Pioneering courage

We refuses to settle. We continuously set new milestones, becoming industry pioneers, and building a healthy and stable society.

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

In the past 60 years, Nan Shan Life had been deeply rooted in Taiwan, "making earnest commitment and taking protective actions". It has made sustainability the company DNA and created a culture of kindness. In 2021, we established the sustainability strategies H.E.A.R.T. based on our sustainable operation, and formulated action plans for implementation and promotion. Regarding the description and implementation of Nan Shan Life's sustainability strategies, please refer to Chapter 2.1 H.E.A.R.T. Sustainability Strategies.

H

Health

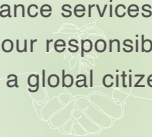
Elevate the level of empowerment provided by our insurance products and services, and become guardians of public health.



E

Earth

Implement low-carbon and green energy, enhance various energy-saving and carbon reduction measures, including digitization and mobile insurance services, and fulfill our responsibilities as a global citizen.



A

Action for Good

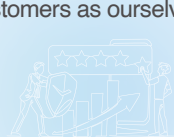
Develop inclusive finance, community medical care, and local care as the three pillars for social engagement, and implement public welfare and commitments.



R

Reliability

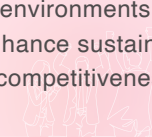
Strengthen corporate governance and integrity as the cornerstone of sustainable development, uphold TCF, and develop a business core that "treat our customers as ourselves."



T

Talent

Establish comprehensive career and business development mechanisms and continuously create friendly, happy, and growth-oriented work environments to enhance sustainable competitiveness.

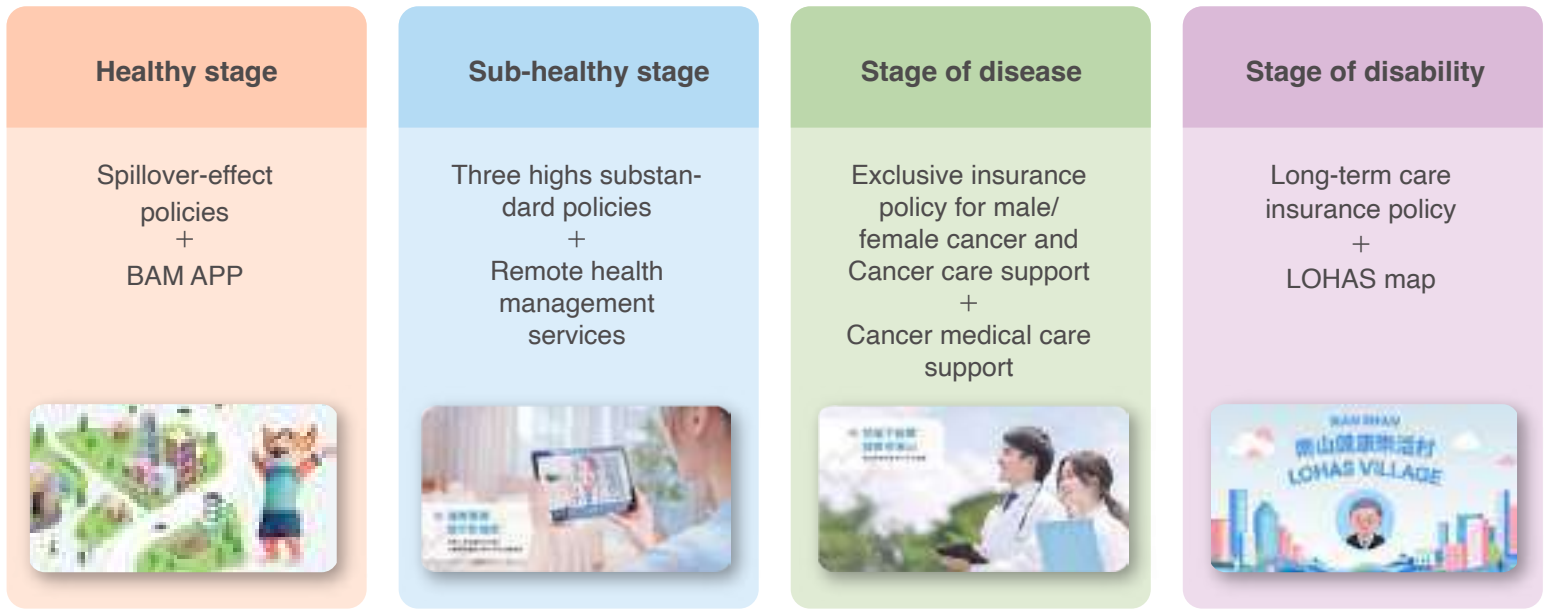


## A Practitioner of Social Service

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

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

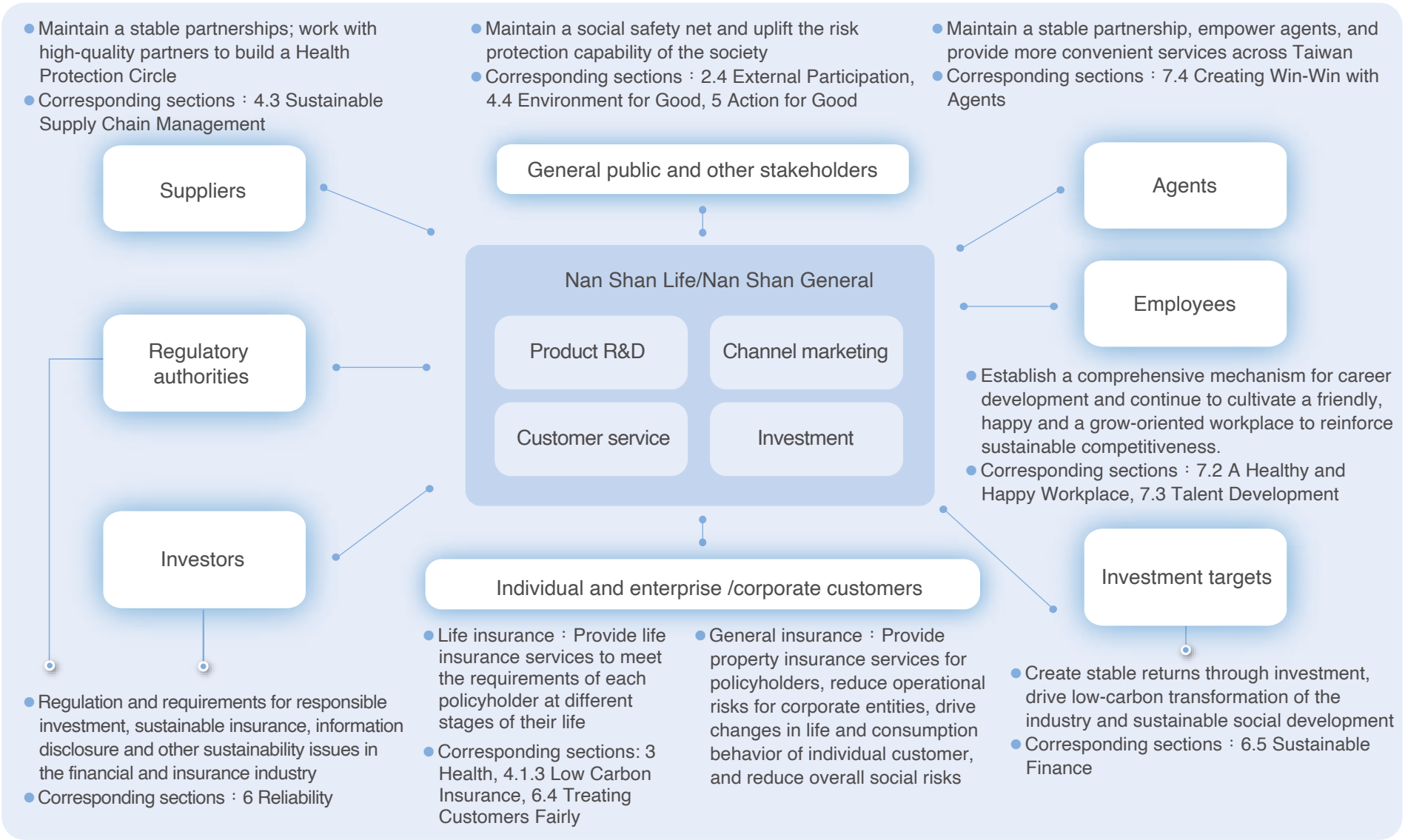
### The most caring health services for each period



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

Nan Shan actively aligns with the international sustainable finance initiative from the core business of insurance, and responds to the Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI). We internalized ESG risks and opportunities into company operations and decision-making to leverage the positive impact of sustainable finance through the provision of insurance products/services and investment activities.

Nan Shan Value Chain





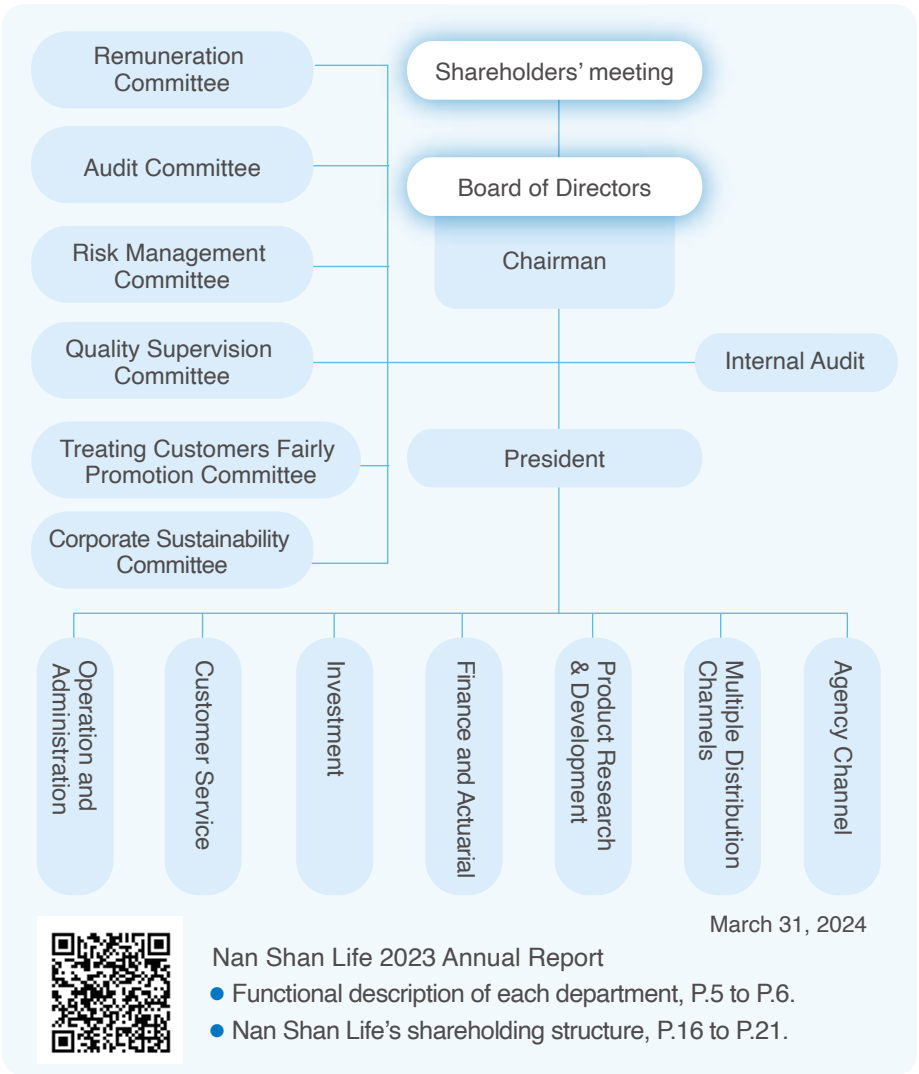
## 1.2 Operational Overview

Nan Shan Life’s service network touches every corner of Taiwan with 25 branches and 299 agency offices. Nan Shan Life delivers high quality products and services in Taiwan through more than 4,000 employees and 30,000 agents to provide insurance protection and planning services to over 6.65 million policyholders.



## Organizational Structure

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



## 2023 Operation Results

With a robust management team and the dedication of our employees and agents, Nan Shan Life maintained its steadfast commitment to sound business principles in 2023. Through flexible operations of investments that respond to market conditions, Nan Shan Life achieved excellent financial performance. Nan Shan Life's new policy premium income, total premium income, and net income consistently ranked among the top three in the industry. Nan Shan Life consolidated operating revenue reached NT\$467.6 billion, with consolidated assets totaling approximately NT\$5.39 trillion, a consolidated net worth of NT\$343.9 billion, and a consolidated net income of approximately NT\$22.1 billion, a net worth ratio of 6.66%. Nan Shan Life issued over 11.75 million in force policies and Nan Shan General issued over 2.06 million in force policies. Looking ahead to the future, Nan Shan Life will continue to strengthen our corporate resilience and promote corporate sustainability, aiming to create social welfare and economic value for all related parties and society at large.

Unit : NT\$, person

|                                      |  | 2021  | 2022  | 2023  |
|--------------------------------------|--|-------|-------|-------|
| Economic value generated             | Operating revenues (billion)                   | 571.4 | 478.8 | 467.6 |
|                                      | Premium Income (billion)                       | 366.3 | 302.1 | 278.3 |
| Economic value distributed           | Payment to the government by country (billion) | 1.73  | 8.0   | 3.4   |
|                                      | Salary and welfare expenses (billion)          | 8.0   | 7.8   | 7.9   |
|                                      | Operating costs (billion)                      | 483.0 | 417.3 | 420.7 |
|                                      | Dividends (billion)                            | —     | 6.15  | —     |
|                                      | Total community investment (billion)           | 0.12  | 0.18  | 0.20  |
| Economic value retained              | Net income (billion)                           | 59.7  | 31.6  | 22.1  |
| Total assets and number of employees | Total assets (trillion)                        | 5.29  | 5.28  | 5.39  |
|                                      | Total number of employees (person)             | 4,092 | 4,092 | 4,190 |

\*The figures mentioned were on consolidated basis.

\*\*The total amount of community investment by Nan Shan Life accounted for 0.02% (2021), 0.04% (2022) and 0.04% (2023) of the company's revenue.

\*\*\*As for the payment to the government and due to the practical expediency of COVID-19-related rent concessions, Nan Shan Life Insurance recognised the gain from the rental deductions amounting to NT\$0 and NT\$123 millions for the years 2023 and 2022, respectively.

\*\*\*\*Nan Shan Life and Nan Shan General do not offer reinsurance service.

1.3 Honors and Recognitions

International Recognitions

- Best Life Insurance Company, Taiwan by Global Banking & Finance Review for 10 consecutive years.
- Best Life Insurance Company, Taiwan by International Finance Magazine for 7 times.
- Best Life Insurance Company of the Year by Insurance Asia Magazine for 5 consecutive years.
- Product and Customer Service Gold Award of the International Business Awards in the Stevie Awards.
- Best Insurance Brand, Taiwan 2023 by Global Brands Magazine for both Nan Shan Life and its subsidiary Nan Shan General.

Brand Reputation and Insurance Profession

- 4 major awards of the 10th Taiwan Insurance Excellent Performance Award, including Gold in the Microinsurance Promotion, Silver in the Customer Service, Public Care and the Product Innovation Project Planning. 2 awards for the subsidiary Nan Shan General, including the Promotion of Compulsory Automobile Liability Insurance - Gold Award, and the Product Innovation Project Planning - Silver Award.
- CommonWealth Magazine 2,000 Major Companies, and ranked 1st in non-financial holdings insurance companies in Taiwan.
- 7 awards of the National Brand Yushan Award, including "Best Corporate-First Place", "Best Product-First Place", "Best Product Award", as well as "Best Popularity Brand". The subsidiary, Nan Shan General, won 3 awards of the National Brand Yushan Awards, including "Best Product-First Place", "Best Product Award" and "Best Popularity Brand".
- 6 awards in insurance competitions awarded by the Insurance Bureau of the FSC for promoting micro and small-scale whole life insurance, and the 1st place in microinsurance competition.
- Top 25% in the Assessment of the Implementation of TCF Principles by the FSC, for both Nan Shan Life and its subsidiary Nan Shan General.
- Faith, Hope & Love Award - Distinguished Profession Award for Life Insurance Company, and Distinguished Policy Designer Award in the Life Insurance Company.
- Digital Financial Service Awards by Commercial Times - Information Security - Excellence Award.
- 4 major distinguished awards by Risk Management, Insurance & Finance Magazine - The Best insurer survey Awards, including Insurance Company with the Best Agents, Best Claims Service, Best Insurance Company, and "The Most Renowned Insurance Company", 4 awards for the subsidiary Nan Shan General, including the "Best Image", "Best Profession", "Best After-sales Service" and "Most Recommended".
- Wealth Magazine - "Best Life Insurance Customer Recommendation Excellence Award" at the Taiwan Financial Awards; and the Best Property Insurance Customer Recommended Gold Award for the subsidiary Nan Shan General.
- Golden Peak Award - Top 10 Outstanding Enterprises and Top 10 Outstanding Products for the subsidiary Nan Shan General.

Sustainability Practice

- Top 20% of the insurance industry in the 1st Sustainable Finance Assessment by the FSC.
- Corporate Sustainability Report - Finance and Insurance - Gold, winning the Taiwan Corporate Sustainability Award (TCSA) reporting recognition for 10 consecutive years.
- Faith, Hope & Love Award - Distinguished Contribution Award in Social Responsibility and Distinguished Award in Insurance Education.
- Asia Responsible Enterprise Awards - Investment in People and Corporate Sustainability Reporting by Enterprise Asia.





# 02 Sustainable Value Creation



- 2.1 H.E.A.R.T. Sustainability Strategic Themes
- 2.2 Stakeholder Identification and Communication
- 2.3 Materiality Analysis
- 2.4 External Participation











## Major Achievements

- ✓ Nan Shan Life actively responds to the eleven sustainable development goals (SDGs) proposed by the United Nations, which are closely associated with the Company’s core business: SDG 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, and 15. To integrate its resources for comprehensive effect and to exert greater social influence with its core competencies, Nan Shan Life adopts the “H.E.A.R.T.” (Health, Earth, Action for Good, Reliability, Talent) as its main strategic themes for sustainability.
- ✓ In 2023, Nan Shan Life referred to “GRI 3: Material Topics 2021” in determining the guidelines of its material topics to carry out materiality analysis based on the assessment on Nan Shan Life’s economic, environmental, community and social impacts. In 2023, the Company identified 5 critical topics, 7 material topics, and 3 basic topics. This information provides a reference for the Company’s key works on sustainability implementation and the content disclosed in this year’s sustainability report.

## 2.1 H.E.A.R.T. Sustainability Strategic Themes

Nan Shan Life upholds the philosophy of "the insurance business is a social service in essence" and has been committed to fulfilling its core functions in insurance, promoting sustainable development, and responding to the 11 SDGs related to the core business, including SDG 3, 4, 5, 7, 8, 9, 10, 11, 13, 14 and 15. We integrate company resources to achieve comprehensive efficiency and core functions, and maximize social influence. We adopt H.E.A.R.T. (Health, Earth, Action for Good, Reliability, and Talent) sustainability strategic themes, set action plans and goals, and reported the implementation results to the Corporate Sustainability Committee. We will move towards our vision of "making earnest commitment and taking protective actions".

| Strategic Themes | SDGs   | Actions   | Short-term Goals (2022~2023)   | 2023 Performance   | Status              | Topic   |
|------------------|--|---|--|--|---------------------|---|
| Health           | <br> | To build a health care platform                     | <ul style="list-style-type: none"><li>More than 40 high-quality and health protection circle partners.</li><li>Introduction of services related to young families, health and leisure activities, cancer, long-term care, and hospital access.</li></ul>           | <ul style="list-style-type: none"><li>58 health protection circle partners.</li><li>More than 7 themed services have been launched based on the requirements of different customer groups, including the sports groups, pregnant women, the senior, cancer care, three highs and sub health, and health checkups.</li></ul>  | Completed           | <ul style="list-style-type: none"><li>Sustainable products and services</li></ul>                                 |
|                  |  | To promote health protection circle products        | <ul style="list-style-type: none"><li>Sales of 480,000 spillover-effect insurance policies.</li><li>Premium income of NT\$3.6 billion from spillover- effect insurance policies.</li><li>380,000 spillover-effect insurance policyholders.</li></ul>               | <ul style="list-style-type: none"><li>Sales of 600,000 spillover-effect insurance policies.</li><li>Premium income of NT\$6.12 billion from spillover-effect insurance policies.</li><li>Approximately 240,000 spillover-effect insurance policyholders.</li><li>A total of about 10,300 insureds covered by women's exclusive medical/protection products; a total of about 6,000 insureds covered by the women's exclusive spillover-effect cancer insurance products.</li></ul> | Partially completed | <ul style="list-style-type: none"><li>Sustainable products and services</li><li>Operational performance</li></ul> |
|                  |  | To promote and develop the Health Protection Circle | <ul style="list-style-type: none"><li>Online health knowledge reaching 150,000 people.</li><li>Offline health knowledge reaching 400,000 people.</li></ul>   | <p>[Online]</p> <ul style="list-style-type: none"><li>The publication FUN Health has reached 30,322 people.</li><li>NS Small Class has reached 478,035 people.</li></ul> <p>[Offline]</p> <ul style="list-style-type: none"><li>Totaling 490,000 person-time are covered by services, medical special issues, long-term care special issues, cancer and critical illness special issues.</li><li>1.17 million of visits to the Health Protection Circle Platform.</li></ul>        | Completed           | <ul style="list-style-type: none"><li>Sustainable products and services</li></ul>                                 |
|                  |  | To expand exclusive customer care services          | <ul style="list-style-type: none"><li>Launch of 3 exclusive customer care services or more.</li><li>5,000 person-time or more covered by exclusive care services.</li><li>Trial operation of the Customer Experience Center of Health Protection Circle.</li></ul> | <ul style="list-style-type: none"><li>6 exclusive customer care services launched (3 in 2022; 3 in 2023).</li><li>More than 20,000 person-time are covered by exclusive care services.</li><li>Operation of Taipei Customer Service Counter, the Customer Experience Center of Health Protection Circle in 2022, and renovation in 2023 to integrate with the concept of health protection in Nan Shan's 60th anniversary.</li></ul>   | Completed           | <ul style="list-style-type: none"><li>Customer relationship and service quality management</li></ul>              |

| Strategic Themes | SDGs  | Actions   | Short-term Goals (2022~2023)  | 2023 Performance   | Status              | Topic  |
|------------------|---|---|---|--|---------------------|--|
| Health           | <br>  | Damage prevention   | Corporate customers <ul style="list-style-type: none"><li>150 sessions for damage prevention of common risks (including prevention reminders or service proposals for fires, explosions and natural disasters).</li><li>Provision of basic infrared (IR) thermal imaging detection services and 70 basic damage prevention consultations.</li></ul> | Throughout the year, Nan Shan General provided 98 service sessions to corporate customers: <ul style="list-style-type: none"><li>Damage prevention advocacy for common risks and 23 damage prevention proposals.</li><li>75 sessions of infrared security detection services, assisting customers in identifying 159 risks that require tracking or immediate improvement, effectively reducing customer operational risks.</li></ul>  | Partially completed | <ul style="list-style-type: none"><li>Customer relationship and service quality management</li><li>Sustainable products and services</li></ul> |
| Earth            | <br><br><br> | Low carbon transformation and alleviating and adjusting to climate change                                     | Individual customers <ul style="list-style-type: none"><li>Service for 1,200 property insurance policyholders with additional green clauses.</li><li>Launch of additional clauses for green energy and environmentally friendly vehicles in car insurance products.</li></ul>   | <ul style="list-style-type: none"><li>Served a total of 1,212 policyholders of property insurance with additional green clauses, including 1,099 policyholders insured in 2023.</li><li>Launched the "Comprehensive Insurance for Charging Pile" in June to respond to the increasing number of electric vehicles.</li></ul>   | Partially completed | <ul style="list-style-type: none"><li>Sustainable products and services</li><li>Climate strategy</li><li>Green operation</li></ul>             |
|                  |   | Gas inventory, target setting and management  | <ul style="list-style-type: none"><li>To complete Scope 1 and 2 inventory and certification for all business locations under control.</li></ul>   | <ul style="list-style-type: none"><li>Completed Nan Shan Life's greenhouse gas inventory in 2023.</li><li>Expected to complete greenhouse gas verification by 2024.</li></ul>  | Partially completed | <ul style="list-style-type: none"><li>Climate strategy</li><li>Green operation</li></ul>   |
|                  |   | Increase of the proportion of use of renewable energy and green electricity in the consumption of electricity | <ul style="list-style-type: none"><li>To evaluate the installation of solar energy devices in self-owned buildings.</li></ul>   | <ul style="list-style-type: none"><li>The installation of solar panels in Tainan New City Park is underway, and expected to be ready for green power supply (for self-use) in the third quarter of 2024.</li></ul>   | Completed           | <ul style="list-style-type: none"><li>Climate strategy</li><li>Green operation</li></ul>   |
|                  |   | Continuous promotion of environmental protection  | <ul style="list-style-type: none"><li>To organize a Taiwan beach cleanup activity to promote environmental education and plastic reduction actions.</li><li>The participation of 10,000 person-time in the Taiwan beach cleanup activity.</li></ul>   | <ul style="list-style-type: none"><li>Selected 96% recycled marine waste bottles to make tops for beach cleanup in Nan Shan Life's 60th anniversary.</li><li>Over 4,600 person-time participated in 7 beach cleanups across Taiwan.</li><li>Held three environmental education lectures, attracting nearly 300 participants.</li><li>Created recycling marine debris art walls in Keelung, Taichung, Hualien and other regions, attracting 3,000 participants.</li><li>Taipei Customer Service Center Marine Conservation Picture Book Zone received about 100 visits.</li><li>Produced ocean protection film with the media, which received 59,000 views.</li></ul> | Completed           | <ul style="list-style-type: none"><li>Climate strategy</li></ul>   |

| Strategic Themes | SDGs  | Actions  | Short-term Goals (2022~2023)  | 2023 Performance   | Status              | Topic   |
|------------------|---|--|---|--|---------------------|---|
| Action for good  | <div>4 QUALITY EDUCATION</div> <div>10 REDUCED INEQUALITIES</div> | Continuous promotion of social welfare benefit actions with Nan Shan characteristics | <ul style="list-style-type: none"> <li>To hold 35 social welfare activities to meet local needs.</li> <li>To hold innovative activities to expand social influence, benefiting 10,000 people in the year.</li> <li>Over 30,000 hours of volunteer services in the year.</li> </ul>  | <ul style="list-style-type: none"> <li>As of December, organized more than 100 social welfare activities such as caring for the vulnerable, donating blood, promoting sports and nutrition across Taiwan, serving over 140,000 people.</li> <li>Over 50,000 hours of volunteer services of employees and agents.</li> </ul>  | Completed           | <ul style="list-style-type: none"> <li>Social participation</li> </ul>  |
|                  |   | To promote community medical care  | <ul style="list-style-type: none"> <li>To assist disadvantaged groups in seeking medical treatment: to expand service scope, increase number of cooperative hospitals to 210, donate NT\$33 million annually to the medical subsidy fund, and assist 2,700 disadvantaged individuals in seeking medical care.</li> <li>To invest in community medical care services: to have 5,500 volunteers participate in long-term hospital services and community health promotion activities every year, serve over 160,000 patients/ community residents.</li> <li>To support community medical care service programs, invest NT\$4.6 million annually to improve the quality of community medical care software, hardware and medical services.</li> <li>To support hospital social workers and leverage their helping force: to continue the Nan Shan Medical Social Work Award, and assist the Medical Social Work Association in promoting physical and mental health care and insurance plans for approximately 2,000 medical social workers annually.</li> </ul> | <ul style="list-style-type: none"> <li>Assisted vulnerable patients in seeking medical treatment: collaborated with 210 hospitals and donated over NT\$27 million in 2023, helping over 2,200 vulnerable patients seek medical care.</li> <li>Invested in community medical care services: invested in long-term services and community health promotion activities, attracted approximately 5,800 volunteers to participate in the activities, serving approximately 140,000 person-time.</li> <li>Supported community medical care service programs and invested over NT\$4 million, serving approximately 90,000 person-time.</li> <li>Worked with remote medical teams from cooperative hospitals to reach 10 remote indigenous villages to improve medical and health care. Invested over NT\$2.2 million and approximately 200 volunteers, serving approximately 3,000 person-time.</li> <li>Supported hospital social workers and leverage their helping force: continued the Nan Shan Medical Social Work Award, and assisted the Medical Social Work Association in promoting physical and mental health care and insurance programs for medical social workers. Invested approximately NT\$6.25 million in 2023, serving approximately 2,000 medical social workers annually.</li> </ul> | Partially completed | <ul style="list-style-type: none"> <li>Social participation</li> </ul>  |
|                  |   | Continuous promotion of microinsurance   | <ul style="list-style-type: none"> <li>To donate NT\$22 million of insurance premiums annually to help 110,000 vulnerable individuals purchase microinsurance.</li> </ul>   | <ul style="list-style-type: none"> <li>Donated approximately NT\$23 million to assist approximately 115,000 vulnerable individuals in purchasing microinsurance.</li> </ul>  | Completed           | <ul style="list-style-type: none"> <li>Sustainable products and services</li> <li>Social participation</li> </ul> |





| Strategic Themes | SDGs   | Actions  | Short-term Goals (2022~2023)   | 2023 Performance   | Status              | Topic  |
|------------------|--|--|--|--|---------------------|--|
| Reliability      | <div>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> | Continuous promotion of legal compliance education   | <ul style="list-style-type: none"> <li>To implement education and training, hold annual integrity management promotion events.</li> </ul>  | <ul style="list-style-type: none"> <li>Provided legal compliance courses for employees and agents for a total of 53,116 person-times for employees and 76,704 person-times for agents.</li> </ul>  | Completed           | <ul style="list-style-type: none"> <li>Corporate governance and integrity management</li> </ul>  |
|                  |  | To construct a TCFD management framework that meets the expectations of institutional investors and regulatory authorities | <ul style="list-style-type: none"> <li>To complete climate risk identification and significance ranking, and institutionalize climate risk identification.</li> <li>To draw a climate change map for identification of critical risks.</li> </ul>  | <ul style="list-style-type: none"> <li>Completed</li> </ul>  | Completed           | <ul style="list-style-type: none"> <li>Risk management</li> <li>Climate strategy</li> </ul>  |
|                  |  | To detect potential emerging risks and integrate them into the risk management mechanism                                   | <ul style="list-style-type: none"> <li>To establish a management mechanism for detection of potential emerging risks.</li> <li>To complete identification and impact assessment of emerging risks, study and develop relevant mitigation measures.</li> </ul>  | <ul style="list-style-type: none"> <li>Completed</li> </ul>  | Completed           | <ul style="list-style-type: none"> <li>Risk management</li> </ul>  |
|                  |  | To construct an effective ESG evaluation and stewardship principles mechanism for investment targets                       | <ul style="list-style-type: none"> <li>To evaluate shareholders meeting proposal.</li> <li>To actively engage at least 12 domestic investment targets and propose suggestions concerning ESG improvements for the targets.</li> <li>ESG related courses or lectures with a participation time of 10 hours per person (the implementation unit of the responsible investment team).</li> </ul>                        | <ul style="list-style-type: none"> <li>Case by case evaluation and analysis, and 100% attendance.</li> <li>Addition of 13 new engagements and completion of tracking 6 engagement proposals in 2022.</li> <li>Participation in courses and lectures for a total of 10 hours per person (the implementation unit of the responsible investment team).</li> </ul>  | Completed           | <ul style="list-style-type: none"> <li>Responsible investment</li> </ul>   |
|                  |  | To implement the principle of treating customers fairly  | <ul style="list-style-type: none"> <li>For the elderly and disabled population:               <ol style="list-style-type: none"> <li>100% completion rate of underwriting within 1 day.</li> <li>Direct transfer of calls from policyholders to 0800 to a dedicated service staff for priority service, with an answering rate of ≥98%.</li> </ol> </li> <li>To train 50 sign language service personnel.</li> </ul> | <ul style="list-style-type: none"> <li>For the elderly and disabled population:               <ol style="list-style-type: none"> <li>Priority were given to underwriting and processing of cases involving elderly and disabled populations from March 2023, with a 100% completion rate of underwriting within one day.</li> <li>Direct forwarding of calls from policyholders to 0800 to a dedicated service staff for priority service, with an answering rate of 98% in 2023.</li> </ol> </li> </ul> | Partially completed | <ul style="list-style-type: none"> <li>Customer relationship and service quality management</li> <li>Digital finance and innovation</li> </ul> |

| Strategic Themes | SDGs   | Actions   | Short-term Goals (2022~2023)   | 2023 Performance   | Status    | Topic   |
|------------------|--|---|--|--|-----------|---|
| Reliability      | <div>9</div> <div>INDUSTRY INNOVATION AND INFRASTRUCTURE</div> <div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> |   | <ul style="list-style-type: none"> <li>To train 40 bilingual talents for branches.</li> <li>To complete the launch of intelligent customer service.</li> <li>To expand the application of claims alliance chain to different types of cases.</li> <li>To plan action/online claims application digital identity verification function, and increase the usage rate of Mobile Claim Pass to reduce the usage of paper files, with Mobile Claim use rate increasing by 10%.</li> </ul>   | <ul style="list-style-type: none"> <li>Trained 90 sign language service personnel by the end of 2023.</li> <li>Trained 50 bilingual talents for branches.</li> <li>The first phase of intelligent customer service project was completed in December 2023. After arranging for agents to conduct beta testing and optimizing based on feedback, all channels were fully exposed in April 2024.</li> <li>In addition to the original medical cases, claims alliance chain were expanded to include "major/specific injury", "disability", "total disability" and "first-time cancer" cases.</li> <li>Introduced MID to Claims Alliance Chain 2.0 and Mobile Claim, which increased the use rate of Mobile Claim from 5% to 8%.</li> </ul> |           |   |
|                  |  | To strengthen information security management and personal information protection | <ul style="list-style-type: none"> <li>To develop a framework to strengthen information security governance and management, and recruit professional information security talents based on the information security talent career map of the Financial Supervisory Commission.</li> <li>To regularly conduct information security training, and set and track completion/achievement rates (such as: a pass rate of post training tests ≥90%).</li> <li>To conduct annual information security risk penetration tests.</li> <li>To pass the Personal Information Management System (PIMS) annual audit and maintain valids.</li> <li>To remediate the findings from the verification results to ensure no repeated occurrence in future personal information protection operations.</li> </ul> | <ul style="list-style-type: none"> <li>Added 1 information security professional personnel.</li> <li>About 4,000 employees participated in information security training, with an average of 3 training hours per person and a pass rate of 99.7%.</li> <li>Completed one information security penetration test.</li> <li>Expanded PIMS verification scope and maintained BS 10012:2017 certificate valid in February 2023.</li> <li>Included PIMS findings as examples in the "Basic Training on Personal Information Protection" and "Personal Information Check and Risk Assessment Training" to promote personal information protection awareness to all employees.</li> </ul>   | Completed | <ul style="list-style-type: none"> <li>Information security and privacy protection</li> </ul> |
| Talent           |  | To implement equality and human rights protection                                 | <ul style="list-style-type: none"> <li>At least one anti-discrimination/sexual harassment activity per year, with a completion rate of 97%.</li> <li>A completion rate of 98% for training on the Employee Code of Conduct.</li> </ul>   | <ul style="list-style-type: none"> <li>Organized mandatory courses on the "Code of Conduct for Employees" and "Prevention and Control of Sexual Harassment in the Workplace" in May for all employees, with a completion rate of 100%.</li> </ul>  | Completed | <ul style="list-style-type: none"> <li>Human rights commitments and protection</li> </ul>     |



| Strategic Themes | SDGs  | Actions   | Short-term Goals (2022~2023)  | 2023 Performance  | Status              | Topic   |
|------------------|---|---|---|---|---------------------|---|
| Talent           | <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> | To promote the physical and mental health of all employees and agents | <ul style="list-style-type: none"> <li>Better than legal requirements, to conduct health checkups once a year and evaluate health checkup items in a timely manner.</li> <li>To continue to expand employee health activities, with a participation rate of ≥ 70%.</li> <li>To continue to obtain the sports enterprise endorsement label.</li> </ul> | <ul style="list-style-type: none"> <li>Organized one health checkup, adjusted one intraocular pressure test for general employees, added prostate ultrasound for male employees at the manager/assistant vice president level, and added pelvic ultrasound for female employees.</li> <li>Organized One Hour competition every two weeks.</li> <li>Added 2 new clubs (volleyball club, Korean MV dance club) and 12 regional branches.</li> <li>Obtained the sports enterprise endorsement label in 2021 with a validity of three years, and the next application will be in 2024.</li> </ul> | Completed           | <ul style="list-style-type: none"> <li>Employee rights and benefits</li> </ul>      |
|                  |   | To improve employee satisfaction                                      | <ul style="list-style-type: none"> <li>Employee satisfaction from new employee discussion ≥ 80%.</li> <li>Employee retention rate ≥ 85%.</li> </ul>   | <ul style="list-style-type: none"> <li>Satisfaction rate from new employee discussion : 96.1%.</li> <li>Retention rate of employees : 89.6%.</li> </ul>   | Completed           | <ul style="list-style-type: none"> <li>Employee rights and benefits</li> </ul>      |
|                  |   | Measures to promote workplace diversification                         | <ul style="list-style-type: none"> <li>Continuous provision of childcare services and childbirth subsidies.</li> <li>Establishment of a training program for female supervisors.</li> </ul>   | <ul style="list-style-type: none"> <li>A total amount of maternity allowance of NT\$1,570,000 was disbursed in 2023, and caring parking spaces and nursing rooms were provided.</li> </ul>  | Partially completed | <ul style="list-style-type: none"> <li>Employee rights and benefits</li> </ul>      |
|                  |   | To develop diversified talent recruitment channels                    | <ul style="list-style-type: none"> <li>To increase the proportion of recommended talents by internal employees by 2% annually.</li> <li>To collaborate with colleges and universities across Taiwan to provide industry-university cooperation and internship programs, with 1-2 new colleges and universities included annually.</li> </ul>          | <ul style="list-style-type: none"> <li>59 internal employees were recommended, an increase of 51.3% compared to last year.</li> <li>Compared to last year, 6 new cooperative colleges and universities were included in the industry-university cooperation/internship program.</li> </ul>  | Completed           | <ul style="list-style-type: none"> <li>Talent attraction and development</li> </ul> |
|                  |   | To strengthen talent cultivation                                      | <ul style="list-style-type: none"> <li>65 hours of training per employee at average.</li> <li>To cultivate at least 35 new digital professionals annually to respond to the future digital work.</li> </ul>   | <ul style="list-style-type: none"> <li>75.2 hours of training per person for employees at average.</li> <li>72 digital talents (Python, RPA).</li> <li>Nan Shan E-College held one digital themed course per month, with a total of 14,592 trainees completing the course.</li> </ul>   | Completed           | <ul style="list-style-type: none"> <li>Talent attraction and development</li> </ul> |
|                  |   | To promote talent retention mechanisms                                | <ul style="list-style-type: none"> <li>Critical talent retention rate ≥ 80%</li> <li>Supervisor retention rate ≥ 80%</li> </ul>   | <ul style="list-style-type: none"> <li>Critical talent retention rate of 99%.</li> <li>Supervisor retention rate of 92.8%.</li> </ul>   | Completed           | <ul style="list-style-type: none"> <li>Talent attraction and development</li> </ul> |



2.1.1 Sustainable Value Management

Nan Shan Life follows the "The Integrated Reporting Framework" and conducts detailed discussions in the executive teams of the Corporate Sustainability Committee on the calculation of the capital investment and sustainable value created. To ensure the continuity of performance, the output indicator of capital presents the performance data of three consecutive years to demonstrate the capital value curve to stakeholders.

| Capital Type  | Description of Necessity of Capital Investment  | Capital Investment (NT\$ billion) | Sustainable Strategic themes | Strategy/Critical Goals   |   | Capital Output   | Critical Capital Output Data (Year) |       |       |
|---|---|-----------------------------------|------------------------------|---|---|--|-------------------------------------|-------|-------|
|   |   |                                   |                              | Short-term  | Medium- and Long-term   |  | 2021                                | 2022  | 2023  |
| <br>Financial Capital      | <ul style="list-style-type: none"><li>Controlling the financial operational risks and opportunities and ensuring the sustainable operation of the company to safeguard the assets of policyholders, and create maximum benefits for shareholders.</li></ul> | 22.56                             | Reliability                  | <ul style="list-style-type: none"><li>Continuous and stable premium income and sustainable investment to safeguard the assets of policyholders and create benefits for shareholders, and then further cultivate the driving force for corporate sustainability.</li></ul> | <ul style="list-style-type: none"><li>Enhancing the corporate strength and profitability to create value for policyholders, employees, agents, the society and shareholders to become the best insurance company.</li></ul> | Operating revenues (NT\$ billion)  | 571.4                               | 478.8 | 467.6 |
|   |   |                                   |                              |   |   | Total assets (NT\$ trillion)   | 5.29                                | 5.28  | 5.39  |
| <br>Manufactured Capital | <ul style="list-style-type: none"><li>To maintain information system security and reduce the risk of operational interruption caused by damage.</li></ul>   | 0.09                              | Reliability                  | <ul style="list-style-type: none"><li>Continuous information system security and protection to reduce the risk of operational interruption.</li></ul>   | <ul style="list-style-type: none"><li>Improving information tools and systems, and enhancing operational productivity.</li></ul>  | Average education and training hours related to information security for employees (hours)               | 3.48*                               | 3     | 3     |
|   |   |                                   |                              |   |   | The ratio (percentage) of annual investment in information security to total information budget expenses | 4%                                  | 6%    | 9%    |



| Capital Type  | Description of Necessity of Capital Investment   | Capital Investment (NT\$ billion) | Sustainable Strategic themes | Strategy/Critical Goals  |   | Capital Output  | Critical Capital Output Data (Year) |         |           |
|---|--|-----------------------------------|------------------------------|--|---|---|-------------------------------------|---------|-----------|
|   |  |                                   |                              | Short-term   | Medium- and Long-term   |   | 2021                                | 2022    | 2023      |
| <br>Intellectual Capital | <ul style="list-style-type: none"><li>To strengthen the mechanism and tools for policyholder services, grasp social issues, ensure that professionalism and services meet the requirements of policyholders, and constantly strengthen market competitiveness.</li></ul> | 0.08                              | Health                       | <ul style="list-style-type: none"><li>At least 40 high-quality and selected health protection circle partners.</li><li>Introducing services for young families, health activities, cancer, long-term care, and hospital access.</li></ul>  | <ul style="list-style-type: none"><li>At least 60 high-quality and selected health protection circle partners.</li><li>Introducing 2 new themed services, which must include ESG partners.</li></ul>  | High quality and selected health protection circle partners (number of companies) | 28**                                | 43      | 58        |
|   |  |                                   |                              |  |   | Policyholders received heart- warming care services (person-time)                 | —                                   | 10,550  | 12,064    |
|   |  |                                   |                              |  |   | Visits to the Health Protection Circle Platform                                   | —                                   | 210,000 | 1,170,000 |
|   | <ul style="list-style-type: none"><li>To protect and create intellectual property rights with future competitive edges by obtaining patents and trademark registration from the intellectual property regulatory authority.</li></ul>                                    | 0.001                             | Reliability                  | <ul style="list-style-type: none"><li>Continuously acquiring, protecting, maintaining and utilizing intellectual property.</li></ul>   | <ul style="list-style-type: none"><li>Utilizing retrieval mechanisms and conducting training to manage and protect self-owned intellectual property, while respecting the intellectual property of others.</li></ul>  | Patent registration (Taiwan/item)***  | 15                                  | 9       | 2         |
| <br>Human Capital      | <ul style="list-style-type: none"><li>To provide comprehensive benefits to ensure balanced physical and mental development of employees.</li><li>To strengthen professional skills and diverse development abilities of employees.</li></ul>                             | 7.9                               | Talent                       | <ul style="list-style-type: none"><li>Continuously reviewing and improving salary competitiveness, and strengthening salary and benefit schemes.</li><li>Strengthening internal and external training mechanisms, improving training and development systems, and enhancing functional competitiveness of employees.</li></ul> | <ul style="list-style-type: none"><li>Timely adjusting the salary and benefits mechanism, maintaining strategic flexibility, and ensuring a competitive advantage in talent.</li><li>Assisting employees in transformation and upgrading, learning to use smart tools, and cultivating all-round talents.</li></ul> | Total salary and benefits expenses for employees (NT\$ billion)                   | 8.0                                 | 7.8     | 7.9       |
|   |  |                                   |                              |  |   | Average training hours for employees (hours)                                      | 66.6                                | 77.2    | 75.2      |
|   |  |                                   |                              |  |   | Total number of people using the fitness center within one year                   | 3,009                               | 2,574   | 4,314     |
|   |  |                                   |                              |  |   | Employee health checkup rate (%)  | (Postponed due to COVID-19)         | 90      | 92        |

| Capital Type   | Description of Necessity of Capital Investment   | Capital Investment (NT\$ billion) | Sustainable Strategic themes | Strategy/Critical Goals  |  | Capital Output   | Critical Capital Output Data (Year) |         |            |
|--|--|-----------------------------------|------------------------------|--|--|--|-------------------------------------|---------|------------|
|  |  |                                   |                              | Short-term   | Medium- and Long-term  |  | 2021                                | 2022    | 2023       |
| <br>Social and Relationship Capital | <ul style="list-style-type: none"><li>● To deeply involve in social welfare and charity issues, promote a virtuous cycle in society, and enhance people's sense of happiness.</li><li>● To promote and participate in social welfare activities, and consolidate the centripetal force of employees.</li></ul>                               | 0.20                              | Action for Good              | <ul style="list-style-type: none"><li>● Constructing the Nan Shan Life Charity Foundation platform, and enhancing social cohesion.</li><li>● Establishing a volunteer organization.</li><li>● Providing a high-quality entrepreneurial platform for agents.</li><li>● Providing high-quality services for policyholders.</li></ul> | <ul style="list-style-type: none"><li>● Building a social welfare service platform, integrating company resources, and expanding the influence of social welfare service activities.</li><li>● Fulfilling the commitment to long-term care by providing volunteer services.</li><li>● Systematically providing comprehensive training for insurance talents.</li><li>● Continuously improving policyholder experience and services to meet the requirements of an aging society.</li></ul> | Total expenditures of the foundation (NT\$'000)                                  | 54,885                              | 78,856  | 77,427     |
|  |  |                                   |                              |  |  | Total No. of beneficiaries   | 142,228                             | 350,269 | 364,886    |
|  |  |                                   |                              |  |  | Total person-times participated in volunteer service                             | 8,327                               | 9,532   | 12,985     |
|  |  |                                   |                              |  |  | Hospitals collaborating with Nan Shan Life Charity Foundation (No. of hospitals) | 204                                 | 210     | 210        |
|  |  |                                   |                              |  |  | No. of disadvantaged individuals receiving medical subsidies                     | 2,201                               | 2,184   | 2,213      |
|  |  |                                   |                              |  |  | No. of beneficiaries obtaining microinsurance                                    | 62,297                              | 112,811 | 195,110*** |
|  |  |                                   |                              |  |  | Average training hours for agents (hours)  | 30                                  | 32      | 30         |
| <br>Nature Capital                | <ul style="list-style-type: none"><li>● To import and execute systematic environmental management programs to help improve the efficiency of environmental management in business locations.</li><li>● To reduce the energy and resource consumption of large buildings to help improve energy efficiency and working environment.</li></ul> | 0.15 ****                         | Earth                        | <ul style="list-style-type: none"><li>● Establishing environmental management procedures, strengthening sustainable management of the working environment, and enhancing the environmental awareness of employees and agents.</li></ul>  | <ul style="list-style-type: none"><li>● Becoming an environmentally friendly company, promoting software and hardware energy-saving and carbon reduction measures and environmental sustainability actions, and advocating for environmental protection to help promote environmental sustainability.</li></ul>  | Electronic documents and electronic policy paper savings (1,000 sheets)          | 31,800                              | 35,190  | 45,910     |
|  |  |                                   |                              |  |  | Green procurement amount (NT\$ millions)   | 32.6                                | 25.6    | 148****    |
|  |  |                                   |                              |  |  | Reduction of household wastes (kg)   | 358,219                             | 299,109 | 269,329.5  |
|  |  |                                   |                              |  |  | Proportion of reduced mail deliveries (compared to 2011) (%)                     | 6.479                               | 7.211   | 11.685     |

\* In 2021, to meet the requirements for remote work, education and training related to remote work were provided to employees who had not taken the course.

\*\* The calculation basis was updated in 2021, and partners of the Health Protection Circle Platform was increased from 12 to 28.

\*\*\* Including the data of the subsidiary Nan Shan General.

\*\*\*\* In 2023, the scope of statistics was expanded to include the information equipment with the Energy Star Label.

## 2.2 Stakeholder Identification and Communication

Nan Shan Life communicates and engages in dialogue with stakeholders. In order to gain a deeper understanding of the issues of concern to internal and external stakeholders, so as to make timely and appropriate responses and actions, we follow the five principles of AA 1000 SES Stakeholder Engagement Standard (SES) (V.2018) to identify 8 critical stakeholders of Nan Shan Life.

We continue to understand and respond to the demands and expectations of stakeholders through diverse communication channels, such as customer opinion surveys and visits, and evaluate the satisfaction of the outside world with our information disclosure, which would be served as the basis for Nan Shan Life's sustainable development, execution, evaluation and improvement of operations.

| Category      | Communication Strategy   | Topic   | Communication Channel   | 2023 Performance  |
|---------------|--|---|---|---|
| Investors     | To achieve engagements with investors, and disclose the development strategy and material operational changes of Nan Shan Life to maintain investor confidence.        | <ol style="list-style-type: none"> <li>Operational performance</li> <li>Corporate governance and integrity management</li> <li>Risk management</li> <li>Other : Sustainability practice, stock value, transparency of information disclosure.</li> </ol>  | <ul style="list-style-type: none"> <li>Shareholders' meeting</li> <li>Questionnaire response</li> <li>Regular face-to-face communication</li> <li>Disclosure of relevant information through corporate website/shareholder services, investor relations and financial information, etc.</li> <li>Annual report in shareholders' meeting.</li> </ul>   | <ul style="list-style-type: none"> <li>One annual general meeting was held</li> </ul>   |
| Policyholders | To implement the principle of treating customers fairly and provide diverse financial products and services.   | <ol style="list-style-type: none"> <li>Customer relationship and service quality management</li> <li>Infringement of customer rights and interests</li> <li>Digital finance and innovation</li> <li>Sustainable products and services</li> <li>Corporate governance and integrity management</li> </ol> | <ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Organizing marketing activities</li> <li>Issuing insurance publications</li> </ul>   | <ul style="list-style-type: none"> <li>99% satisfaction rate of special line for the elderly</li> <li>99.9% satisfaction rate of customer counter service</li> <li>99.3% satisfaction rate with claims service</li> <li>Six bimonthly publications of Nan Shan FUN</li> </ul> |
| Employees     | To establish a diverse communication platform for employee feedback, and suggestions or complaints, to enhance employee centripetal force and sense of identification. | <ol style="list-style-type: none"> <li>Employee diversity and equal opportunities</li> <li>Employee rights and benefits</li> <li>Negative impacts on human rights</li> </ol>  | <ul style="list-style-type: none"> <li>Internal publications and activities</li> <li>Education and training</li> <li>Internal website communication</li> <li>Knowledge base for sharing functional business information</li> <li>Feedback section</li> <li>Complaint/Care line</li> <li>Real time announcement of important information</li> <li>Health promotion activities</li> <li>Volunteer activities for social welfare services</li> <li>Nan Shan E-College - Digital learning platform</li> </ul> | <ul style="list-style-type: none"> <li>100% answering of 23 questions from employees</li> <li>75.2 hours of employee training per person</li> <li>12 lectures by renowned doctors, with 1,942 people participated.</li> </ul>   |

| Category                              | Communication Strategy   | Topic   | Communication Channel  | 2023 Performance  |
|---------------------------------------|--|---|--|---|
| Agents                                | To provide systematic and precise training on the knowledge, attitude and skills required by agents for recruitment based on their stage and requirements of career development. | <ol style="list-style-type: none"><li>1. Talent attraction and development</li><li>2. Negative impacts on human rights</li></ol>  | <ul style="list-style-type: none"><li>● Publications</li><li>● Business-related courses and interactive meetings</li><li>● Nan Shan News video program</li><li>● Publishing Nan Shan Monthly</li><li>● Internal website for agents</li><li>● Agent education and training</li><li>● Nan Shan E-College digital learning platform and APP</li><li>● Nan Shan people center/ E-counter</li></ul> | <ul style="list-style-type: none"><li>● 30 hours of agent training per person</li><li>● In 2023, agents provided consultation or suggestion for a total of 109,242 cases through the E-counter, of which 89% were responded within 3 days.</li></ul>  |
| Government and regulatory authorities | To follow the policies and regulations of the competent authorities, and implement two-way communication.  | <ol style="list-style-type: none"><li>1. Corporate governance and integrity management</li><li>2. Social participation</li><li>3. Stewardship Principles for Institutional Investors and responsible investment</li><li>4. Other : participation in public policies</li></ol> | <ul style="list-style-type: none"><li>● Attending meetings, courses and seminars irregularly.</li><li>● Sponsoring Taiwan Insurance Institute to hold seminars</li></ul>   | <ul style="list-style-type: none"><li>● Sponsored Taiwan Insurance Institute for 2 seminars</li></ul>   |
| Local communities and NGOs            | To integrate resources, connect community agents and NGOs to jointly solve social problems.  | <ol style="list-style-type: none"><li>1. Social participation</li><li>2. Other : Company image</li></ol>  | <ul style="list-style-type: none"><li>● Social welfare sponsorship</li><li>● Medical care activities</li><li>● Community participation activities</li></ul>  | <ul style="list-style-type: none"><li>● Donated over NT\$27.35 million to 210 hospitals</li><li>● Invested NT\$2.27 million to support long-term volunteer services and supplementary medical care plans for 39 hospitals</li><li>● Invested approximately NT\$1.27 million to hold 63 dementia friendly community health care activities</li><li>● Invested over NT\$2.2 million to launch the "Nan Shan Care for Remote Indigenous Villages Program", partnering with medical teams from 10 cooperative hospitals and local volunteers to reach 10 remote tribes in Taiwan, through which to support the implementation of free clinics, health checkups and health promotion activities, assist in improving medical resources and inconvenience, and advocate for financial fraud and disaster prevention, enhance the risk awareness of local residents, and practice the principal of treating customers fairly and ESG concepts</li><li>● Provided over NT\$7.8 million for scholarships and activity funds for outstanding university/graduate students</li><li>● Invested approximately NT\$4 million to hold 7 beach cleanups, attracting over 4,600 person-time to participate in.</li></ul> |

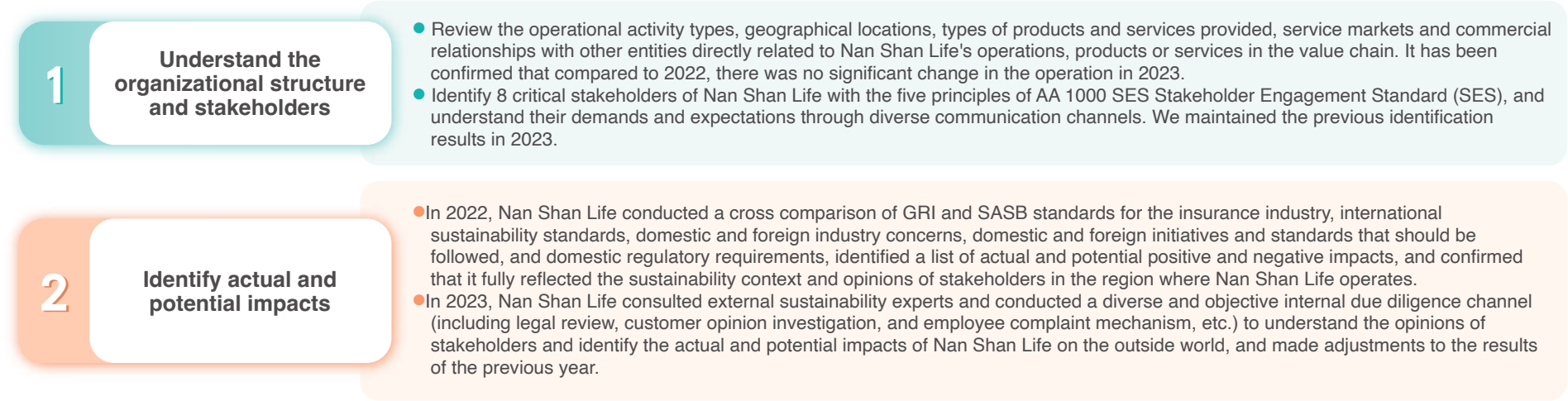


| Category | Communication Strategy   | Topic   | Communication Channel   | 2023 Performance  |
|----------|--|---|---|---|
| Media    | To interact with the media to express Nan Shan Life's stance on material issues and sustainable development, and establish a positive brand image. | <div>1. Corporate governance and integrity management</div> <div>2. Infringement of customer rights and interests</div> <div>3. Other : dynamic development of industry management, corporate image and information transparency.</div> | <div>● Press conference</div> <div>● Press release</div> <div>● Joining CommonWealth Sustainability</div> <div>● Collaborating with the media ESG sustainability platform to establish a dedicated area</div> | <div>● Hosted 19 media events and face-to-face dinners</div> <div>● ESG related news releases, media interviews and topic planning, with a total of 468 reports (including reprints).</div> <div>● Produced ESG videos, which attracted a click rate of over 183,000 times.</div> |
| Supplier | <div>● To require suppliers to sign a Supplier/Contractor Commitment Letter</div> <div>● To hold supplier conferences</div>                        | <div>1. Impacts on operating environment</div> <div>2. Negative impacts on human rights</div> <div>3. Other : price competitiveness</div>   | <div>● Tender meetings</div> <div>● Management measures</div>   | <div>● Had the Supplier/Contractor Commitment Letter signed in batches</div> <div>● Held a supplier conference in September 2023</div>  |

● 2.3 Materiality Analysis

Every year, Nan Shan Life examines and identifies material sustainability issues in relation to the insurance industry. We referred to the guidelines in GRI 3: Material Topics 2021 to determine material topics and conduct materiality analysis from the external economic, environmental, demographic and social impacts. The material topics identified by Nan Shan Life in 2023 include 5 critical topics, 7 material topics and 3 basic topics, which serve as the focus of sustainability work and the basis for disclosure in this year's report.

| Identification Process for Material Topics



3

Evaluate and prioritize the materiality of impacts

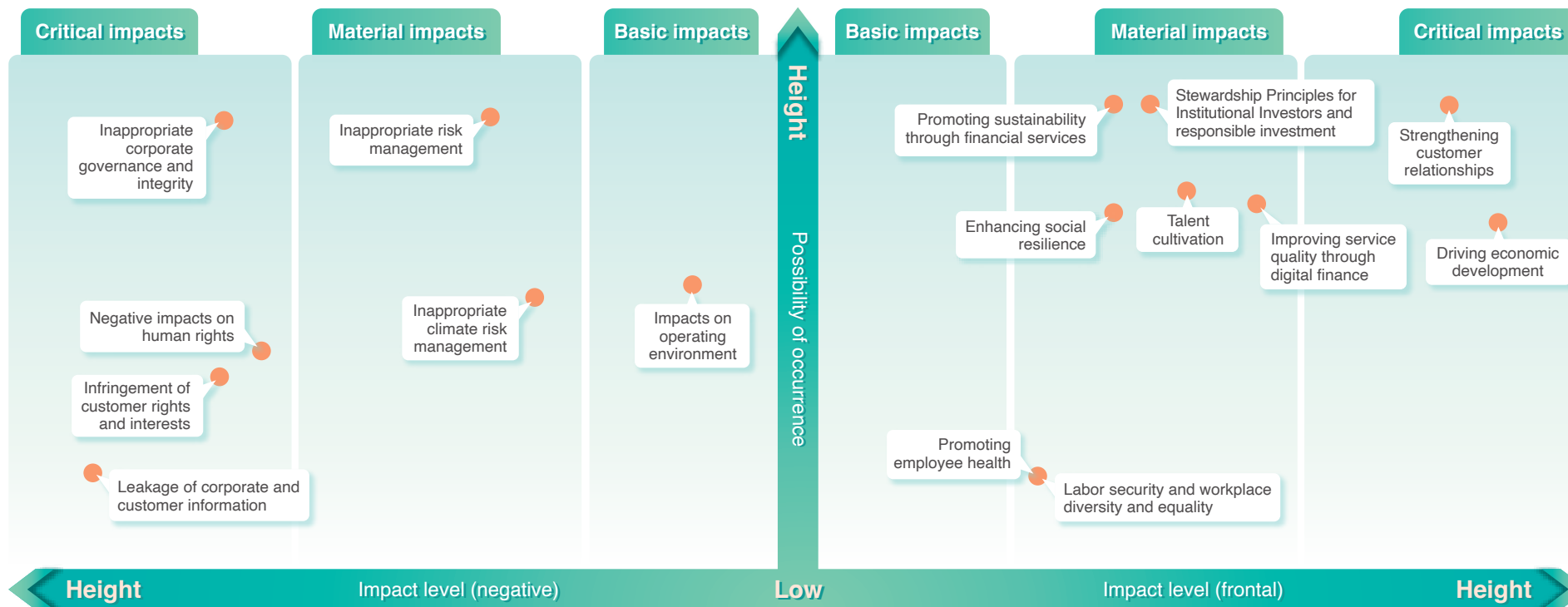
- Evaluate the identified impacts based on their degree of impacts and possibility of occurrence with reference to the results of due diligence.
- Evaluate the value chain links (such as whether multiple value chains are involved) and the significance of the impacts generated by the issue in terms of impact degree, consider whether the impacts will lead to irreparable disaster or involve human rights issues, and prioritize the impacts when it meets the criteria.
- In terms of the possibility of occurrence, collect stakeholder information and objective evaluation values of the indicator (such as penalty amount, customer satisfaction, etc.) through due diligence channels (including legal review, customer opinion survey, employee complaint mechanism, etc.) for evaluation.

4

Confirm the material topics

- The representatives of the Corporate Sustainability Executive Team jointly reviewed and examined the reasonableness of the material topics matrix for 2023 and presented it to the Board of Directors.

2023 Nan Shan Life Material Topics Matrix



List of Material Topics of Nan Shan Life for 2023

| Category        | Topics   | Impacts  |   | Description of Impacts   | Critical Due Diligence Indicators*   |
|-----------------|--|----------|---|--|--|
| Critical Topics | Customer relationship and service quality management | Positive | Strengthening customer relationships                        | Implement the principle of treating customer fairly, optimize work processes and customer experience, and maintaining good customer relationships. Focus on the rights and interests of vulnerable groups such as the elderly, physically and mentally disabled, and new residents. Launch services upon the occurrence of any major social accident, and provide the most timely care services for policyholders and victims affected by disasters. | The implementation of treating customers fairly (such as the number of courses and trainees completed the courses; the evaluation results), and the promotion of measures beneficial to policyholders (such as the introduction of ISO 10002 verification of customer complaint handling management system, services for the elderly/disabled population). |
|                 |  | Negative | Infringing customer rights and interests                    | Infringe customer rights due to opaque communication or improper marketing and promotion, which leads to the loss of trust in the insurance industry and the willingness to purchase insurance products in the future, resulting in negative impact on the overall development of the industry.  | The number and amount of penalties for infringement of customer rights due to opaque communication or improper marketing promotion, the complaint rate, evaluation rate and the claim satisfaction survey published by the Financial Ombudsman Institution.  |
|                 | Operational performance                              | Positive | Driving economic development                                | Stable operation and continues growth of Nan Shan Life, driving social and economic development and increasing recruitment opportunities and income for agents.  | First year premium income, shareholder equity and operating indicators   |
|                 | Corporate governance and integrity management        | Negative | Inappropriate corporate governance and integrity management | Damage to the rights and interests of shareholders, policyholders, employees or other stakeholders due to violations of laws and regulations, dishonest behavior or other corporate governance issues.   | The number and amount of penalties for inappropriate corporate governance or integrity management, and the number of reported cases; any material deficiencies in the shareholder meeting/board of directors/audit committee, and the operation of functional committees.  |
|                 | Human rights commitment and protection               | Negative | Negative impact on human rights                             | The lack of policies or management actions on issues such as equality and diversity, working conditions, work-related injuries and disasters, gatherings and associations, discrimination and harassment, resulting in human rights violations.  | The amount and frequency of penalties, employee complaints and cases of sexual harassment complaints, the results of workplace risk assessment, and the effectiveness of communication courses.  |
|                 | Information security and privacy protection          | Negative | Enterprise and customer information leakage                 | Inappropriate information security and privacy protection mechanisms will cause the leakage of sensitive customers or businesses information, resulting in financial losses, affecting the stability and security of financial services, reducing public trust in Nan Shan Life and even the overall industry, as well as transactions.  | The number and amount of penalties imposed due to lack of information security or privacy protection, and the number of material personal information accidents.   |

| Category        | Topics                            | Impacts  |   | Description of Impacts  | Critical Due Diligence Indicators*   |
|-----------------|-----------------------------------|----------|---|---|--|
| Material Topics | Digital finance and innovation    | Positive | Improving service quality through digital finance                         | Promote digital transformation and financial technology, provide more efficient and accurate services, and innovative insurance products and services to customers to drive the overall development of the insurance industry. Accelerate paperless and reduce environmental impact through the development of digital tools.   | Use rate of Mobile Insurance, Mobile Claims, Electronic Receipt and the launch of mobile digital tools.  |
|                 | Talent attraction and development | Positive | Talent cultivation  | Establish a fair and comprehensive talent development and cultivation system, including training and performance evaluation, etc., and enhance the professionalism of agents and optimize the overall industrial ecosystem by implementing a training system.   | The number of participants in talent training programs and average training hours; the number of courses and trainees completed the courses at Nan Shan E-College. |
|                 | Responsible investment            | Positive | Institutional Investors Stewardship Principles and responsible investment | The unsuitable-for-investment list policy is in place to rule out investment targets that are not compliant with the principles of sustainability and invest only in those targets that create environmental and social benefits. Implement the stewardship by proactive communication with the invested companies to drive economic activities toward sustainability and low-carbon transition . In addition, analyze proposals raised in shareholder meetings of invested companies and provide suggestions through the active engagement to protect shareholders' interests. | Implementation status of the Institutional Investors Stewardship Principles, attendance and voting rate of domestic shareholder meetings, ESG coverage ratio.      |
|                 | Sustainable products and services | Positive | Promoting sustainability through financial services                       | Provide products and services with positive impacts or reducing negative impacts on ESG issues, including spillover-effect insurance policy, health protection circle, microinsurance, low-carbon equipment insurance, and other insurance solutions which are beneficial to the environment and society.   | Microinsurance, low-carbon products, number of spillover-effect insurance policy, and number of health care services for specific ethnic groups.                   |
|                 | Social participation              | Positive | Enhancing social resilience   | Participate in social welfare services and charity projects, community medical care and local care activities, emergency assistance, and social risk prevention initiatives to enhance overall social resilience and economic development.  | The number of microinsurance for injury, volunteer services and beneficiaries, claims and heart-warming care services, and social welfare activities.              |
|                 | Risk management                   | Negative | Improper risk management  | Failure to properly monitor and manage traditional risks (including financial and operation risks, etc.) and emerging risks (including social, technological and geopolitical risks, etc.), resulting in negative impacts on the economy, environment and people.   | Implementation of monitoring and management of traditional and emerging risks, and operation of the Risk Management Committee.                                     |



| Category     | Topics                                     | Impacts  |   | Description of Impacts  | Critical Due Diligence Indicators*  |
|--------------|--|----------|---|---|---|
|              | Climate strategy                           | Negative | Inappropriate climate risk management               | Failure to implement the climate risk management in value chain links like operations, products, procurement and investment. The negative impact on the economy, environment, and people caused by intensified climate changes. | Identification and action plan of climate related risks and opportunities are submitted to the Risk Management Committee, Corporate Sustainability Committee and the Board of Directors for supervision of management and implementation.   |
| Basic Topics | Employee rights and benefit                | Positive | Promoting employee health                           | Pay attention to employee health and workplace safety, and provide salaries and benefits higher than the market (regular health checkups, employee travel, and group insurance).  | Health checkup rate of employees, number of safety and health education and training, on-site services (maternal protection for female workers, health guidance, care or physician interviews for employees with abnormal workload), workplace safety and health and labor penalties. |
|              | Employee diversity and equal opportunities | Positive | Labor security and workplace diversity and equality | Establish a diversified and inclusive workplace environment that prohibits discrimination in employee hiring, training, benefits and promotions.  | Gender ratio of salary, training, employment, promotion and other indicator.  |
|              | Green operations                           | Negative | Impact on operating environment                     | The use and consumption of energy resources due to operational needs, resulting in greenhouse gas emissions and environmental impacts such as waste.  | Operating electricity consumption and greenhouse gas emissions.   |

\* Collect opinions from stakeholders and objectively evaluate the impact significance of the indicator through multiple due diligence channels.

Compared with the material topics in 2022, the major change in 2023 is to merge "infringement of customer rights" and "customer relationship and service quality management" into one topic, and "human rights commitment and protection (negative impact on human rights)" was elevated from a material topic to a critical topic. "Infringement of customer rights" and "customer relationship and service quality management" are merged following the guidelines for material topics determined by GRI, and the related impacts are consolidated into one topic. The reason why "human rights commitment and protection" was elevated as a critical topic is the consideration that the amount of penalties related to violations of labor laws during 2022 to 2023 has increased compared to the past, and is higher than the adjustments made by peers. Nan Shan Life upholds the principle of fulfilling corporate social responsibilities and actively manages related disputes and negative external conflicts. In 2023, the Board of Directors passed a resolution to release the "Nan Shan Life Human Rights Policy", promising to continuously improve the protection of human rights in operational activities.

Impact Limits of Material Topics

| Importance      | Nan Shan Life Critical and Material Topics           | GRI Material Topics  | Impacted Area |             |        | Stakeholders Involved in Impact Management |        |           |               |                    |                   | Corresponding Chapters   |
|-----------------|--|--|---------------|-------------|--------|--|--------|-----------|---------------|--------------------|-------------------|--|
|                 |  |  | Economy       | Environment | People | Nana Shan                                  | Agents | Suppliers | Policyholders | Investment targets | Local communities |  |
| Critical topics | Customer relationship and service quality management | N/A (self-defined material topic)<br>417 : Marketing and labeling  | ●             |             | ●      | ●  | ●      |           |               |                    |                   | 6.4 Treating Customers Fairly<br>6.4.2 Transparent Marketing Promotion   |
|                 | Operational performance                              | 201 : Economic performance   | ●             |             | ●      | ●  | ●      |           |               |                    |                   | 1.2 Operational Overview   |
|                 | Corporate governance and integrity management        | 205 : Anti-corruption<br>405 : Employee diversity and equal opportunities<br>419 : Compliance with social and economic regulations   | ●             |             | ●      | ●  | ●      | ●         |               |                    |                   | 6.1 Sustainable Governance   |
|                 | Human rights commitment and protection               | 402 : Labor/capital relations<br>403 : Occupational Safety and Health<br>406 : No discrimination<br>409 : Forced or compulsory labor |               |             | ●      | ●  | ●      | ●         | ●             | ●                  |                   | 7.2.2 A Diverse and Compatible Culture<br>7.2.3 Care for Employee Health and Safety<br>7.4.1 Structure of Agents |
|                 | Information security and privacy protection          | 418 : Customer privacy   | ●             |             | ●      | ●  | ●      |           |               |                    |                   | 6.3 Information Security and Privacy Protection  |
| Material Topics | Digital finance and innovation                       | N/A (self-defined material topic)  | ●             | ●           | ●      | ●  | ●      |           |               |                    |                   | 6.4.3 Innovative Financial Technology  |
|                 | Talent attraction and development                    | 401 : Employee-employer relations<br>404 : Training and Education  |               |             | ●      | ●  | ●      |           |               |                    |                   | 7.3 Talent Development   |

| Importance      | Nan Shan Life Critical and Material Topics | GRI Material Topics  | Impacted Area |             |        | Stakeholders Involved in Impact Management |        |           |               |                    |                   | Corresponding Chapters   |
|-----------------|--|--|---------------|-------------|--------|--|--------|-----------|---------------|--------------------|-------------------|--|
|                 |  |  | Economy       | Environment | People | Nana Shan                                  | Agents | Suppliers | Policyholders | Investment targets | Local communities |  |
| Material Topics | Responsible investment                     | N/A (self-defined material topic)  | ●             | ●           | ●      | ●  |        |           |               | ●                  |                   | 6.5 Sustainable Finance  |
|                 | Sustainable products and services          | 203 : Indirect economic impact   | ●             | ●           | ●      | ●  | ●      |           |               |                    |                   | 3.1 Becoming Healthy with Nan Shan<br>3.2 Excellent Insurance with Nan Shan                                      |
|                 | Social participation                       | 203 : Indirect economic impact   | ●             |             | ●      | ●  | ●      |           | ●             |                    | ●                 | 5.1 Nan Shan Charity Strategies  |
|                 | Risk management                            | N/A (self-defined material topic)  | ●             | ●           | ●      | ●  |        |           |               |                    |                   | 6.2 Risk Management  |
|                 | Climate strategy                           | 201 : Economic performance   | ●             | ●           |        | ●  | ●      | ●         | ●             | ●                  |                   | 4.1 Alleviating and Adjusting to Climate Change  |
| Basic topics    | Employee rights and benefit                | 201 : Economic performance<br>202 : Market position<br>401 : Employee-employer relations |               |             | ●      |  |        |           |               |                    |                   | 7.2 A Healthy and Happy Workplace  |
|                 | Employee diversity and equal opportunities | 405: Employee diversity and equal opportunities  |               |             | ●      |  |        |           |               |                    |                   | 7.1 Talent Structure   |
|                 | Green operations                           | 302: Energy<br>305: Emissions  |               | ●           |        | ●  | ●      | ●         |               |                    |                   | 4.1.2 Low Carbon Operation<br>4.2 Water Resource and Waste Management<br>4.3 Sustainable Supply Chain Management |

\* Nan Shan Life has formulated management policies for material topics. For details, please refer to the corresponding sections.

## 2.4 External Participation

By maintaining positive interactions with influential insurance associations, other associations, government authorities, and academic institutions, Nan Shan Life hopes to enhance the levels of competitiveness and sustainable development in the financial insurance industry. In 2023, Nan Shan Life has invested over NT\$3.25 million in sustainable organizations and external associations and over NT\$32.36 million in long-term sponsorship for relevant organizations. In this way, Nan Shan Life contributes to charity and social welfare issues through real actions and supports.

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

In 2023, Nan Shan Life was recognized as Taiwan's first insurance company that attended the World Climate Summit (WCS). During the 28th Conference of the Parties (COP28) of the United Nations Framework Convention on Climate Change (UNFCCC) held in Dubai, United Arab Emirates in December, the Chairman Chung-Yao Yin shared Taiwan's experience in financial insurance sustainability with the world through transoceanic video links, emphasizing that the insurance industry is a highly influential industry. Nan Shan Life would continue to drive changes through responsible investment and social influence, and assist people in improving their resilience to adapt to climate changes.





Participation in Sustainable Organizations

| Name  | Position                            | Influence on the Organization   |
|---|-------------------------------------|---|
| Taiwan Business Council for Sustainable Development | 1. Supervisor<br>2. Ordinary member | <ul style="list-style-type: none"><li>● Participate in meetings</li><li>● Sponsor the sustainable finance platform and provide enhanced training programs to relevant personnel</li></ul> |
| CSRone  | Member                              | Sponsor the sustainability report analysis and presentation   |
| Unity Sustainability Services                       | Member                              | Enhance peer interactions   |
| CommonWealth Sustainability                         | Founding Member                     | Participate in workshops and forums   |
| ESG Global View Circle                              | Member                              | Link more colleges and universities through the platform to implement sustainability  |
| Taiwan Net Zero Emissions Association               | Member                              | Through the influence of the association, jointly practice the goal of net zero transformation  |

Participation and Investment in Public Affairs

| Category   | Investment Amount (NT\$) |
|--|--------------------------|
| Lobbying and interest representation                           | 0                        |
| Political campaigns/parties/candidates                         | 0                        |
| Industry/trade associations                                    | 3,250,880                |
| Other(e.g. spending related to ballot measures or referendums) | 0                        |
| Total  | 3,250,880                |
| Data coverage*   | 100%                     |

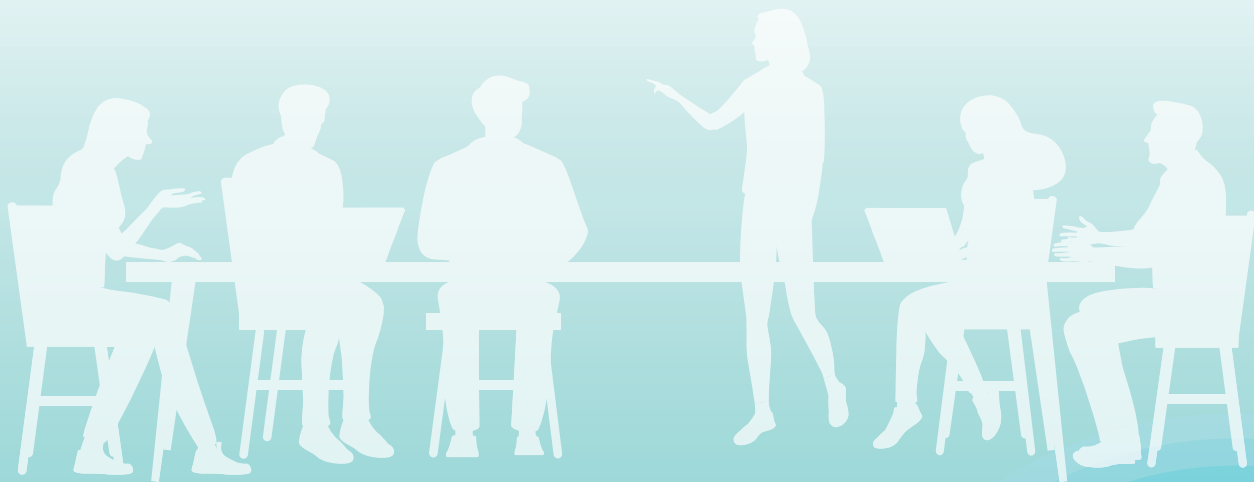
Amounts Invested in Top Three Public Affairs and Policies

| Organization Name  | Type                       | Investment Amount (NT\$) |
|--|----------------------------|--------------------------|
| The Life Insurance Association of the Republic of China                                | Industry/Trade association | 1,524,000                |
| Institute of Financial Law and Crime Prevention  | Industry/Trade association | 480,000                  |
| Industrial Technology Research Institute - Healthy LOHAS and Smart Healthcare Alliance | Industry/Trade association | 300,000                  |

\* The statistical scope covers the amount invested (by corporate entity) in public affairs and policy participation, which leads to a data coverage rate of 100%.

Initiatives and Modes of Participation

| Initiative                          | Mode of Participation  | Investment Amount (NT\$) |
|-------------------------------------|--|--------------------------|
| Industrial and economic development | As a member of the Life Insurance Association of the Republic of China and Taiwan Financial Services Roundtable, Nan Shan Life actively participates in conferences, appoints senior assistant vice president or above to serve as the convener of the research group, and participates in and assists in providing policy advice to achieve goals such as the development of the financial services industry, the growth of the real industry, financial risk control, and policy and regulatory improvement. | 1,774,000                |
| Corporate sustainable development   | As a member of Taiwan Business Council for Sustainable Development, Taiwan Institute for Sustainable Energy, and CommonWealth Sustainability, Nan Shan Life actively participates in ESG forums and seminars, communicates with sustainable scholars, experts or enterprises from all walks of life, and timely shares practical experience in Nan Shan to promote the sustainable development of Taiwanese enterprises.   | 460,000                  |



# 03 ealth

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



## Major Achievements

- ✓ In 2023, the number of cooperative partners of the “Health Protection Circle” reached 58. The Company launched 7 thematic services to satisfy the needs of different customer groups, including the sports groups, pregnant women, the senior, cancer care, three highs and sub health, and health checkups.
- ✓ The Company was ranked first place for the number of new contracts for spillover-effect insurance policies in the industry for five consecutive years. In 2023, the Company launched the industry's first dental insurance policy combined with the health management reward mechanism, "Nan Shan Life Yi Qi Jian Chi Teeth Function Keep Insurance", and launched the whole life insurance product with health management reward mechanism of cancer screening tests "Circulating Tumor Cell (CTC) Tests" and "Tumor Marker Tests".
- ✓ The Company's newly developed product "Nan Shan Life Ma Mi Bao Mommy Care (MOMMY CARE)" provides the industry's first insurance benefit Infertility Specific IVF Benefit.
- ✓ Since 2015, the Company's long-term care insurance has held the highest market share for nine consecutive years. Nan Shan Life is a leading brand in Taiwan's insurance market.



## 3.1 Becoming Healthy with Nan Shan

As Taiwan will soon become a super-aged society in 2026 with increasing medical demands from chronic illness management, Nan Shan Life applies InsurTech to developing innovative insurance products with health promotion reward mechanisms. The Company also collaborates with many healthcare service providers to build a "Health Protection Circle" that is dedicated to facilitating customers' wellness and healthcare. By integrating the concept of insurance with comprehensive, diverse healthcare services, Nan Shan Life creates a new service-empowerment insurance that encourages the insureds to embrace healthy living. It elevates our customers' wellness and protection for health and provides benefits to the general public.

### 3.1.1 Health Protection Circle

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

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

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

#### Four major services to achieve holistic health protection

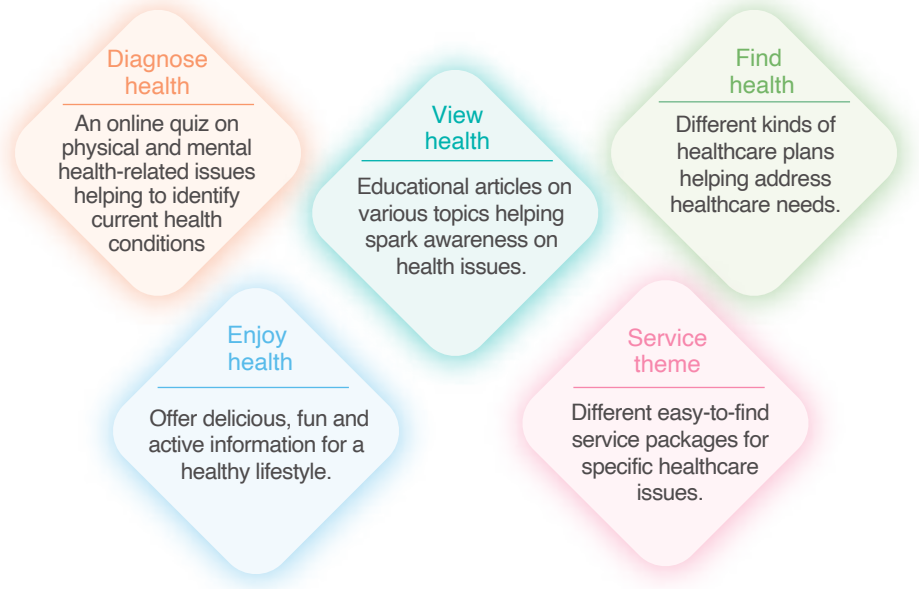
- **Exercise and fitness:** Developing exercise related services to provide accurate exercise knowledge and techniques to assist our customers in developing a habit of exercise so they may stay healthy and boost their immune systems.
- **Diet and nutrition:** Integrating educational information on health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



### Health Protection Platform

Nan Shan Life officially launched the Health Protection Circle Platform in July 2022. Rich contents are presented in an easy-to-understand way, offering a onestop shop search engine for all types of health information meeting different health requirements. The platform received up to 210,000 visits by the end of 2022, achieving excellent results for just half a year after launch. In 2023, it received over 1.17 million visits, achieving a significant growth.

#### Five major functions of the platform



### Warm Care Services

We actively take the initiative to understand our customers' needs. Eligible policyholders who have made large claims due to cancer, dread disease, disability, etc. can apply free of charge for the health promotions or medical care services from collaborative partners of the Health Protection Circle, such as Second Opinion Consultations, HOPE care packages for cancer patients, Nestle Health Science nutritious care packages, FarHugs remote psychotherapy, AMH ovarian function health check and Nestle 1000 Day Nutrition Program. The service has already served over 12,000 policyholders by the end of 2023.

### BAM App and Spillover-Effect Insurance Policies Promotion

#### Project Context and Contents

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



#### Nan Shan's Inputs

In 2023, BAM APP underwent an overhaul. A game interface design was introduced to enhance fun experience, and health tasks such as exercise walking, breathing exercises, sleep tracking, food and health education and learning, social interaction and health risk warning were included. A series of digital tools were upgraded to create a better digital health management experience. The total investment for BAM app's operating expenses exceeded NT\$25 million in 2023.

#### Benefits

Over 110,000 users had downloaded the BAM app by the end of 2023, totaling over 116.5 billion steps. The app offers rewards to users and has already issued nearly 350 million reward points, which was equivalent to in-store cash value of NT\$35 million.

#### Awards and Recognitions

- 2023 Business Times Digital Finance Award - Digital Information Security Award - High Quality Award
- The Asia-Pacific Stevie Awards - Product and Service Innovation - Bronze Medal
- 2023 ChinaTimes News Financial Products and Services Awards - Insurance Group - Innovation - Innovation Platform Award
- International Finance Insurance Awards: Most Innovative Insurance Mobile Application – Taiwan 2022
- 2022 Garmin Health Awards : The Most Innovative Solution-Insurance - 1st Prize
- Fintech Taipei Award - Business Model Innovation: Finalist
- 2021 Faith, Hope, & Love Insurance Award - Best Integrated Communication Award - Excellence Award
- 2021 Garmin Health Awards-The Most Innovative Solutions(In Insurance) – TOP3

## Mommy Care, Accompanying Through the Gestation Process

### Project Context and Contents

Late marriage and delayed childbirth are common in modern society. The Health Protection Circle provides a series of complete fertility services to accompany women to face challenges in the future.

- **The first key to happiness (dream chasing period)**  
For women who have not yet planned to conceive, the Health Protection Circle provides regular ovarian health testing in Huayu Fertility Center, and assist women in deciding whether to freeze eggs or embryos during the golden period of pregnancy between the ages of 25 and 35.
- **The second key to happiness (preparation and pregnancy period)**  
The Health Protection Circle assists women in preparing and passing pregnancy safely by providing exercise recording services with the BAM App, nutritional diets such as the Laurel Nutrition Laboratory or Care4cook, and umbilical cord blood storage and genetic testing.
- **The third key to happiness (postpartum and childcare period)**  
The Health Protection Circle will be the best helper for postpartum women in childcare, and provide mothers with high-quality choices during postpartum confinement such as Everydayhealth platform that helps women recover quickly after childbirth, as well as maternal and child product shopping stores such as Les enphants and Malldj where all the necessary parenting products are available.



### Nan Shan's Inputs

#### [Service interface] Providing heart-warming care services

- AMH ovarian function health check: assisting women in mastering the egg situation.
- Nestle 1000 Day Nutrition Program: nutritional supplementation from pregnancy to lactation.

#### [Product interface] Launching a new product Nan Shan Life Ma Mi Bao Mommy Care

- The first "Infertility Specific IVF Benefit " payment in the industry.
- Providing Women Care Benefit to encourage childbirth insurance.

### Benefits

1,055 policyholders used the heart-warming care services in 2023  
The Mommy Care web page was launched in May 2023, receiving approximately 12,000 visits by the end of the year.

## Help Exercising Right, Assisting in Avoiding Injuries

### Project Context and Contents

As more and more people are fond of engaging in outdoor exercises, the prevention of exercise injuries has become increasingly important! The Health Protection Circle launched a "Help Exercising Right" themed service to meet the requirements for exercise knowledge and provide related services for before/during/after exercise and post injury care.

- **Exercise knowledge:**  
What are the common exercise injuries? Who is the high-risk individual for exercise injuries? Experts teach you how to crack bad habits from the top ten common exercises injury myths. Nan Shan Life introduced the popular "Ultra Slow" aerobic exercise from Japan to create a basic training for slow running, which is also suitable for those without exercise habits.
- **Related services:**  
The Health Protection Circle provides four major assistance services, including the selection of right equipment, professional fitness guidance, supplement nutrition, and exercises medicine or AI physical therapy to meet the needs in different stages of exercise and get energized together.

### Nan Shan's Inputs

#### [Activity interface] NS RUN Health

- To respond to the 60th anniversary and continue the Nan Shan Health Strategy, Nan Shan Life held four RUN Health running events across Taiwan to promote healthy living and exercise.
  - Invited professional runners winning the Chang Ming Awards to teach, guide and accompany customers in running, and share and exchange correct running postures and methods to encourage health protection and develop a good and correct exercise habit.
- #### [Product interface] Launching the innovative sports insurance product "Nan Shan Life Qing Chun Dong Qi Lai Sport Protection Advanced Insurance (SPA)"
- Targeting those who enjoy running, cycling, mountaineering, camping and even participating in marathons or triathlon competitions, and planning the most needed protection items by sports players.
  - The only sports insurance product in the industry covering specific soft tissue injury surgeries caused by accidents in the fixed indemnity benefit design, and also including accidental fractures, joint dislocation surgeries, visceral or brain injury surgeries and death benefits, providing more comprehensive protection for sports accidents.

### Benefits

- After its launch in September 2023, the "Help Exercising Right" themed web page had received approximately 3,400 visits by the end of the year.
- Running training activities
  1. In 2023, Nan Shan Life held a total of 4 events in northern, central and southern Taiwan, with a total participation of 1,583 agents and policyholders, who brought their families and friends to the event. By holding the activities, Nan Shan Life shapes the image of health brand and promotes the concept of help exercising right.
  2. Created topics to attract young people to participate in activities and expanded Nan Shan's mind share in young groups.
  3. Combined the promotion of sports insurance to increase product exposure and demonstrate benefits.

## White Paper on Super Aged Society, Facing the Challenges of Super Aged Society

### Project Context and Contents

Taiwan will become a super aged society in 2026, with a continuous increase in life expectancy and various social issues arising from population aging that will impact all generations. In a super aged society, no one is an outsider!  
Nan Shan Life foresees Taiwan's medical and long-term care needs, and published a research survey in the field of long-term care for the third consecutive year. In September 2023, it released the latest White Paper on Super Aged Society, hoping to help every of us face aging with health.

### Nan Shan's Inputs

- Through large-scale household survey activities, we aim to gain insights into the three major pain points of different generations facing the health, lifestyle and finance of the elderly.
- Through sorting out policies and industry trends in different countries, and taking advantage of benchmark enterprises at home and abroad jointly with the Industrial Technology Research Institute, we aim to jointly propose initiatives and suggestions for "cross-generational benefit", focusing on the four major areas of "living together, creating together, learning together, and enjoying together" to promote inter-generational interactions.
- Through the launch of LOHAS Map, we include disease care, life support and health activities, establish 12 service zones and provide over 40 service solutions.
- Through the visit of our work team to the relevant fields of long-term care in Japan, we draw on the experience of a long-lived country, and absorb professional knowledge such as preventing dementia from a healthy period, improving long-term care efficiency through care technology, participating in the elderly community, and integrating spillover-effect policies with health services.
- We exclusively introduced the Brain Age Testing device developed by the Research Institute of Brain Activation, and provide customers with a free experience.

### Benefits

- The LOHAS Map helps the public face elderly life with ease, enhance health awareness, maintain social participation and assist in alleviating the pressure of caregivers.
- Create a more complete Health Protection Circle by drawing on international experience, and introducing advanced foreign technologies into service design.
- More than 1,300 people have experienced the Brain Age Testing for dementia prevention.
- The two major themed web pages, How to Face a 100 Year Old Life and LOHAS Map, were launched in September, receiving approximately 480,000 visits by the end of the year.

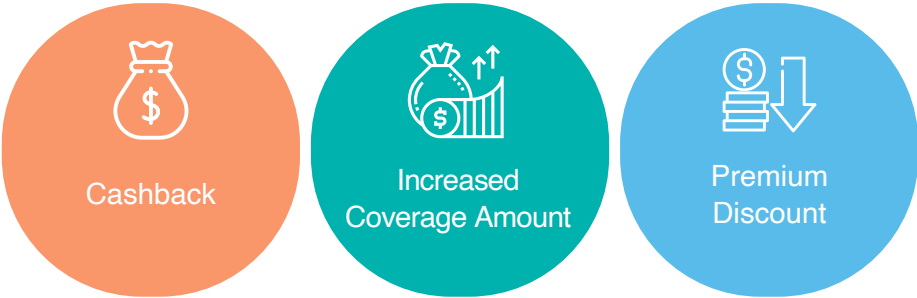
## 3.1.2 Insurance Products with Health Spillover Effects

Nan Shan Life strives to develop comprehensive insurance protection. While promoting healthy behaviors and concepts, we emphasize a change from the concept of paying insurance claims after incidents to the spirit of incidents prevention. By integrating our innovative digital insurance technology, we proactively develop innovative health insurance products with spillover effects, and further analyze big data, identify customer attributes and protection gaps to develop different insurance products that meet the needs of different customer groups.

Nan Shan Life's spillover-effect health insurance products cover insurance aspects such as hospitalization indemnity, hospital and surgical reimbursement, surgery, dread disease, specific illness, cancer, long-term care, sub-optimal health and dental coverage added in 2023. It features reward mechanisms to promote policyholders' health management. In addition to enjoying protections, the health of policyholders will be improved. In 2023, Nan Shan Life introduced whole life insurance products with cancer detection mechanisms covering "Circulating Tumor Cell (CTC) Tests" and "Tumor Marker Tests", encouraging policyholders to arrange cancer screening. Our idea was endorsed by policyholder, and over 600,000 new contracts for spillover-effect insurance policies were sold in 2023. For five consecutive years, Nan Shan Life won the first place in the number of new contracts for spillover-effect insurance policies.

| Year | Number of Spillover-effect Health Insurance Products (on sale) | Number of New Contracts of Spillover-effect Insurance Policies (thousand) | Market Share (%) |
|------|--|---|------------------|
| 2021 | 26   | 335   | 50.1             |
| 2022 | 38   | 671   | 54.6             |
| 2023 | 42   | 600   | 53.1             |

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



According to Nan Shan Life's internal statistics, cashback option is the most popular reward, contributing to over 60% of spillover-effect insurance policy sales in 2023. We added online spillover-effect insurance rewards application services in 2022, making it more convenient for policyholders to apply rewards using the Nan Shan App. Customers can upload a copy of their health check report, vaccination certificate, or cancer screening certificate to apply for cashback online quickly and conveniently.



In 2023, Nan Shan Life Continued to Innovate and Launched Various Insurance Products with Health Management Reward Mechanisms

| Launched a series of cancer insurance products with health management reward mechanisms* |  |   |
|--|--|---|
| New Products**   | Exclusive cancer insurance product for the elderly   | New cancer treatments supplementary package                             |
|  | ● Nan Shan Life Chang Qing Man Yi Senior Health Promotion Term Cancer (SC)   | ● Nan Shan Life 1-Year Cancer Particle Therapy Additional Clause (1CPT) |
| Benefits   | <ul style="list-style-type: none"><li>● We continue to promote innovative insurance products. Combined with the health management reward mechanism, we encourage people to self-manage their health. We also remind them to live healthy lifestyles to become healthier.</li><li>● Adding the new test and treatment supplement packages to the traditional cancer treatment insurance policies, the dual protection can meet the demand for diverse treatments.</li><li>● Targeting the elderly population who are prone to cancer, we launched the term cancer insurance product exclusively for the elderly, known as "Chang Qing Man Yi", to fill the gap in cancer protection for the elderly population. The product provides initial or mild cancer and severe cancer protection for the first time, designed to be simple and easy to understand. The full payment of insurance benefits enables policyholders to flexibly use insurance benefits, and the dual health management reward mechanisms encourages policyholders to practice regular cancer screening to improve their health management. The product helps policyholders maintain a healthy physical condition, and make insurance coverage a new choice for policyholders to prevent and detect cancer in an early time.</li><li>● To in line with the innovation of cancer treatment, Nan Shan Life provided post cancer genetic testing and new cancer treatment coverage, and launched a supplementary package "Cancer Particle Therapy" expanding another new cancer precision radiotherapy coverage in 2023 to provide policyholders with more diverse and comprehensive choices. The insurance benefits of the new cancer treatment supplementary package are paid in one lump sum, which reduces the self-funded burden, and the appropriate premium enables policyholders to upgrade their insurance easily.</li><li>● We connected value-added services in the Health Protection Circle to create a complete golden triangle covering the "healthy period - treatment period - recovery period" for cancer protection and care.</li></ul> |   |
| Result   | <p>In 2023, Nan Shan Life was granted the following awards for the Nan Shan Life 1-Year Cancer Robotic Arm Surgery Additional Clause (1RAS)</p> <ul style="list-style-type: none"><li>● The 25th Faith, Hope &amp; Love Awards of Insurance - Best Product Innovation Award.</li><li>● The 20th National Brand Yushan Award - Best Product - First Prize.</li><li>● The 20th National Brand Yushan Award - Best Product - Yushan Prize.</li></ul>  |   |

\* The number of new contracts in 2023 was approximately over 118,300.  
\*\* The number of new contracts for new products in 2023 was approximately over 9,000.



Launched diversified and innovative products (with health management reward mechanisms) targeting different groups

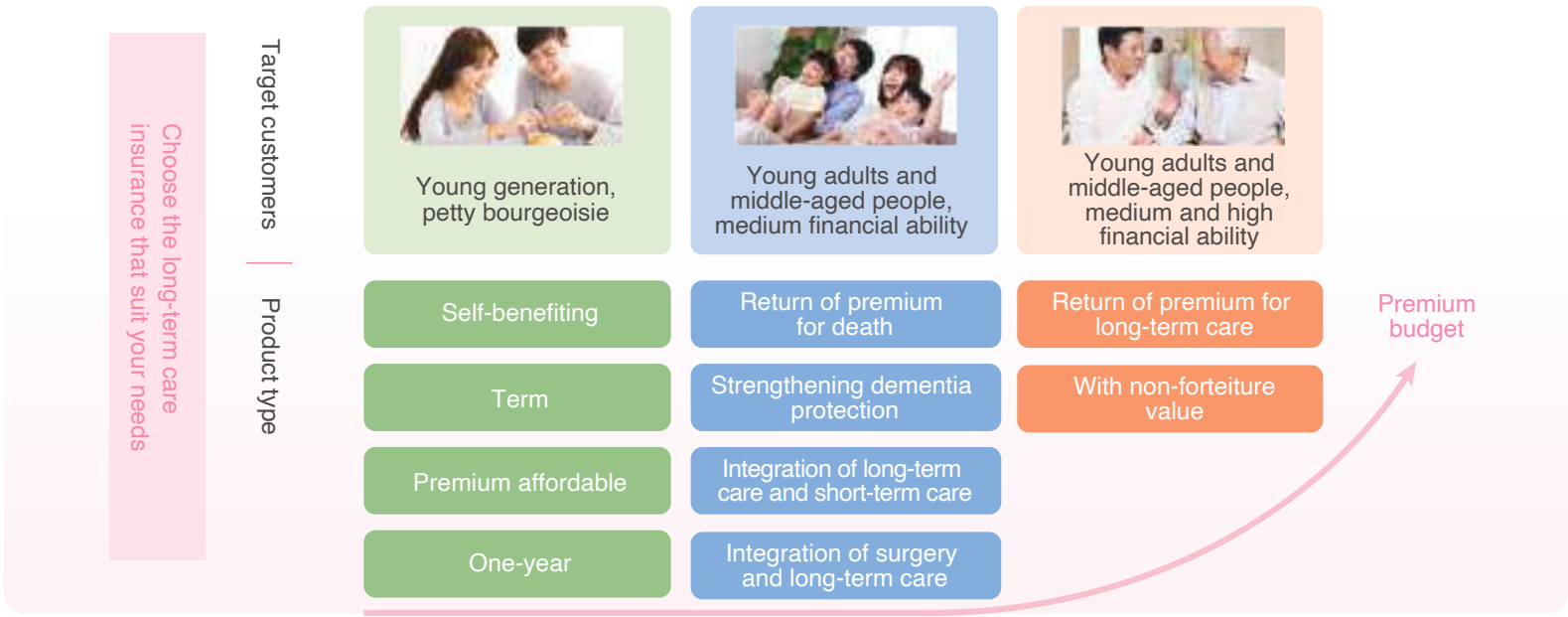
|               |  |
|---------------|--|
| New Products* | <ul style="list-style-type: none"><li>Nan Shan Life Ma Mi Bao Mommy Care (MOMMY CARE)</li><li>Nan Shan Life Yi Qi Jian Chi Teeth Function Keep Insurance (TKI)</li><li>Nan Shan Life Qing Chun Dong Qi Lai Sport Protection Advanced Insurance (SPA)</li></ul>   |
| Benefits      | <div><ul style="list-style-type: none"><li>We developed innovative products for different population groups according to their needs, accompanied with health management reward mechanisms and Health Protection Circle services for personalized protection.</li><li>We launched a new product Nan Shan Life Ma Mi Bao Mommy Care (MOMMY CARE) to cover specific infertility in vitro fertilization, care for women and 50 major congenital defects to ensure the safety of infants, while provide comprehensive protection for mothers, including 9 specific pregnancy complications, 2 women prone diseases, and 24 specific surgeries. In addition, Nan Shan's Health Protection Circle provides women with complete fertility services covering the "dream chasing period", "preparation and pregnancy period" and "postpartum and childcare period".</li><li>To protect the dental health of the public, Nan Shan Life launched a dental insurance policy Nan Shan Life Yi Qi Jian Chi Teeth Function Keep Insurance (TKI) with the health management reward mechanism. It covers dental reconstruction protection for policyholders due to caries, periodontal disease or injury. To encourage regular dental cleaning and teeth check to prevent the continuous deterioration of oral diseases, and maintain gum and dental health, policyholders enjoy the "Dental Health Reward" as long as they provide medical receipts for receiving dental calculus removal (cleaning) in the current year.</li><li>Tailored for young customers, we created an innovative sports insurance Nan Shan Life Qing Chun Dong Qi Lai Sport Protection Advanced Insurance (SPA) to provide precise planning for the most needed items for sports enthusiasts who are passionate about running, hiking, playing balls, cycling, mountaineering, camping and triathlon competition. This product covers accidental fractures, joint dislocation surgeries, visceral or brain injury surgeries, and it is the only product covers specific soft tissue injury surgeries in the industry. In addition, it provides general accident death benefits, and further strengthens the protection for mountaineering accident deaths. In case the policyholder dies in an accident during holidays, or due to participating in mountaineering activities or specific accidents such as heatstroke, mountain sickness or hypothermia, he/she is entitled to 1.2 times of sum assured for the benefit, which will be paid to his/her family.</li></ul></div> <div></div> |
| Result        | <ul style="list-style-type: none"><li>One of the benefits of Nan Shan Life Ma Mi Bao Mommy Care (MOMMY CARE), Infertility Specific IVF Benefit, is the first coverage item in the industry.</li><li>Nan Shan Life Yi Qi Jian Chi Teeth Function Keep Insurance is the first dental insurance policy with the health management reward mechanism in the industry.</li></ul>   |

\* The number of new contracts for new products in 2023 was approximately over 16,800.

## Nan Shan Life Continued the Active Promotion of the Long-Term Care Insurance

|          |  |
|----------|--|
| Benefits | <ul style="list-style-type: none"><li>• A total of 10 long-term care insurance products are currently provided to meet the long-term care needs of different customer groups:<ol style="list-style-type: none"><li>1.Nan Shan Life provides different coverage periods such as one-year, fixed-term and whole-life, which can be combined to increase the coverage during periods of significant economic responsibility.</li><li>2.To enhance prevention awareness, Nan Shan Life provides products that cover mild, moderate to severe dementia to meet the needs of patients in different disease courses.</li><li>3.In addition to basic long-term care insurance, policyholders may also choose to combine death, medical insurance, enhanced dementia protection or products with life insurance functions to fill the coverage gap.</li><li>4.From affordable premiums to comprehensive coverage, policyholders may choose suitable products based on their own budget considerations.</li></ol></li><li>• We provide self-funded gap protection to supplement the government's long-term care 2.0, and combine it with health management reward mechanisms to encourage independent health management, reduce the burden of long-term care, and lower the cost of long-term care in the society.</li><li>• Through the long-term care service map of Health Protection Circle, we provide more comprehensive long-term care services together with our partners.</li><li>• In the past decade, we have provided approximately NT\$1.2 billion for claims to alleviate both the economic burden of families requiring long-term care and the social cost of long-term care.</li></ul> |
| Result   | <ul style="list-style-type: none"><li>• Since 2015, Nan Shan Life Long-term Care insurance has occupied the highest market share for 9 consecutive years.</li><li>• In 2023, long-term care new business premium in the industry were approximately NT\$3.4 billion. The market share of Nan Shan Life was approximately 42%*), which was the top in the market. Nan Shan Life is the leading brand in Taiwan's insurance market.</li></ul>  |

\* Source : The Life Insurance Association of the Republic of China.



### 3.2 Excellent Insurance with Nan Shan

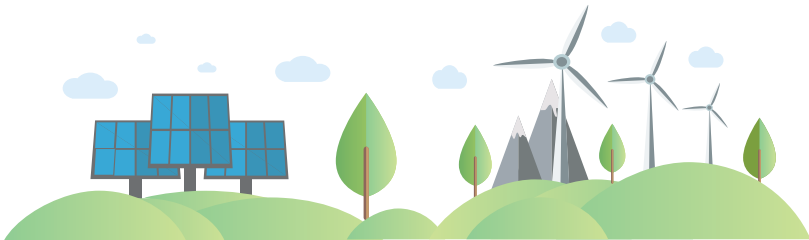
Nan Shan General continues to promote environmental and socially beneficial insurance products, offering comprehensive protection for individuals, households, and organizations.

#### Development Strategy >>

Nan Shan General launched a series of environmental and social benefiting insurance products, providing protections for both individuals and businesses. For Example, in 2023, it was approved by the FSC to launch the Nan Shan General Microinsurance - Fire Inconvenience Expense Insurance, which is the first microinsurance in the property insurance industry. It allows low-income and middle-income policyholders to have the opportunity to expand their insurance from life to property without premiums burden. In response to the increasing awareness of environmental protection and carbon reduction, Nan Shan General encourages the public to adopt electric transportation vehicles, including electric vehicles and electric motorcycles. As the growth of electric vehicle market, the insurance demand for related equipment increases. Nan Shan General launched comprehensive insurance such as the Charging Pile Insurance to meet hedging needs of electric vehicle owners for important supplementary energy sources, and promoted the first Electric Motorcycle Mileage Billing Insurance in Taiwan, enabling the electric vehicle owners to directly purchase insurance on the electric motorcycle partner's APP without additional onboard devices.

Moreover, Nan Shan General provided Extra Amounts Typhoon and Flood Insurance Riders, which cover protection against natural disasters in traditional residential fire insurance policies, and additional clauses for upgrading residential green energy in response to environmental and energy-saving concepts. When the policyholder chooses to repair or rebuild the insured property with green building materials and equipment after an insured accident, the claim amount can be increased.

As for corporate customers, Nan Shan General provides electronic equipment insurance for solar energy operators, and also participates in co-insurance for large offshore wind power plants. Meanwhile, we provide customized services for risk management, including safety testing consulting, risk assessment and damage investigation, to enhance the operational safety of our customers.



#### Driving Performance

| Sustainable insurance product categories         | Policies Sold in 2023 | Premium Income (NT\$) |
|--|-----------------------|-----------------------|
| Fire Inconvenience Expenses Insurance            | 79,495                | 793,346               |
| Charging Pile Insurance                          | 28                    | 25,216                |
| Electric Motorcycle Mileage Billing Insurance    | 1,320                 | 682,138               |
| Extra Amounts Typhoon and Flood Insurance Riders | 52                    | 268,734               |
| Residential Green Energy Upgrade Clause          | 1,099                 | 219,259               |
| Total  | 81,994                | 1,988,693             |

#### A socially beneficial insurance scheme

To extend social care and assistance to vulnerable groups, and respond to the inclusive financial policy promoted by the FSC, Nan Shan General has launched the first microinsurance in Taiwan property insurance industry - the Fire Inconvenience Expenses Insurance. Nan Shan Life Charity Foundation will donate premiums to low-income and middle-income policyholders in Taiwan with their residences damaged by a fire accident, with a fixed amount of NT\$8,000 per person, to guarantee basic food and temporary accommodation of policyholders.

From August to December 2023, we have successively signed contracts and cooperated with five counties and cities, including Pingtung, Hsinchu, Penghu, Keelung and Nantou to provide the protection to approximately 80,000 people, fulfilling the mission of emergency assistance of the insurance industry.

#### An environmentally friendly insurance scheme

Nan Shan General has launched the Residential Green Energy Upgrade Clause to encourage policyholders to take green actions by providing incentives such as preferential premiums, so as to create a sustainable environment and implement low-carbon living together with customers.

This product mainly applies to policyholders of Nan Shan General Residential Fire and Earthquake Basic Insurance, Nan Shan General Comprehensive Residential Insurance, and Nan Shan General Comprehensive Household Insurance. Policyholders are covered by the Residential Green Energy Upgrade Clause after paying the insurance premium. In the event of an insurance accident that causes damage to the insured subject, the policyholder may choose to repair or rebuild the insured subject with green building materials and equipment, and the claim amount can be increased to 150% of the total claim amount calculated based on the main insurance contract.

### Encouraging green consumption behavior

Nan Shan Life expects to provide customers with protection while achieving environmental protection, and therefore included specially designed protection in specific products (interest-sensitive\* life insurance or accident insurance). In the event of death of the policyholder in an accident while taking public transportation, Nan Shan Life will provide "double compensation" protection, and by this product to encourage policyholders to make more use of public transportation, and to walk, exercise or take public transportation, which will reduce carbon emissions, alleviate air pollution, benefit physical and mental health, and contribute to Taiwan's net zero emissions by 2050.

In addition, Nan Shan Life is committed to promoting the BAM App\*\* to promote health awareness and encourage policyholders to develop the habit of walking and exercising for health, and achieving the goals of reduction of air pollution and carbon emissions. Assuming that users reduce carbon emissions by 1.42 kilograms by walking 10,000 steps instead of using cars or motorcycles\*\*\*, the steps taken by BAM APP users by the end of 2023 is close to 116.459 billion, which is equivalent to assisting in reducing carbon emissions by 16,537 metric tons.

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

\*\* BAM App was developed by ReMark, a subsidiary of SCOR, and Nan Shan Life has established a cooperative relationship with it based on promoting health management and other concepts.

\*\*\* The conversion is based on the press release of the Ministry of Health and Welfare titling Smart Eating, Happy Exercising, Eating 1 More Bite of Rice, Walking 1 More Mile, Eating Half a Kilogram Less Meat, Reducing Weight and Carbon Emissions and Saving the Earth.

### Assisting in adjusting to climate change

In addition, due to the abnormal climate caused by global warming, natural disasters such as earthquakes, typhoons, floods and debris flows occurred frequently in recent years. In response to the impact of climate change, Nan Shan Life has specially designed to include natural disaster related benefits in its accident insurance products. In the event of death or disability of the policyholder due to earthquakes, typhoons, floods or debris flows, it will provide "double compensation" to fight against the impact of natural disasters on humanity.

### Nan Shan General Business Continuity Management Customer Service

#### Context and Contents

To provide loss prevention service for companies that allow them to continue operations, Nan Shan General provides large-scale corporate customers with loss prevention services to reinforce the operational safety of the customers, and assist customers in effectively managing operational risks.

#### Nan Shan's Inputs

Nan Shan General provides large-scale corporate customers with loss prevention services including on-site risk audits, risk identification workshops, safety workshops (such as company fire safety/fire survival/earthquake safety), or infrared thermal imaging inspection services for electrical equipment.

#### Benefits

- In 2023, Nan Shan General provided 98 sessions of company services:
- Provided prevention advocacy for common risks and 23 loss prevention proposals.
  - Provided 75 infrared thermal imaging inspection services, thereby assisting customers in identifying 159 risks that need to be tracked or immediately improved, and effectively reducing customer operational risks.



# 04 Earth



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



## Major Achievements

- ✓ In 2023, the Company signed the SBTi commitment, and submitted the established carbon reduction target for approval at the end of the same year, which aimed to reduce Scope 1 and Scope 2 carbon emissions by 42% by 2030 cumulatively.
- ✓ The Company invested more than NT \$43.35 million to promote energy efficiency and carbon reduction in its operations, including expanding the use of renewable energy and promoting paperless insurance policy services, which would be equivalent to a reduction in carbon emissions of more than 900 metric tons of CO2e.
- ✓ The Company obtained the ISO20400:2017 Sustainable Procurement Guidance Certificate and issued the “Nan Shan Life Sustainable Procurement Declaration”, inviting suppliers to sign the “Supplier/Contractor Commitment” and joining hands with them to build a sustainable supply chain.
- ✓ It marked the 12th year of the launch of Nan Shan’s “Ocean Protection Action”. During the year, the Company worked with business partners to promote environmental education and plastic reduction, and expanded its focus to marine debris issues. The Company held 7 beach cleaning activities in Taiwan, with 10,000 participants.

## ● 4.1 Alleviating and Adjusting to Climate Change

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

According to the Global Risks Report 2024 released by the World Economic Forum, the top four global risks in the next 10 years are all environmental-related, with extreme weather events ranking first, followed by significant change in the earth system, loss of biodiversity and ecosystem collapse, and natural resource scarcity. Climate related threats have become the global major risks, and how to respond to the impacts of climate change is an important global issue.

In recent years, governments around the world actively formulated regulations and improved their response to climate change. As one of the influential financial institutions, Nan Shan Life has been dedicated to keeping up with global sustainability trends and proactively responding to the potential business impacts of climate change. Nan Shan Life and Nan Shan General, based on the Green Finance Action Plan 3.0 and Taiwan 2050 Net Zero Emission Path Blueprint issued by the Taiwan government, implement the governance and strategies adopted by the Company in addressing climate-related issues, and identify and respond to material climate related risks and opportunities in business operation to continuously increase the Company's climate resilience. In response to the global trend of net zero carbon emissions, Nan Shan Life signed a Science Based Target (SBT) letter in early 2023, completed the carbon reduction targets for scopes one, two and three, and submitted them for review by the end of the same year. In the future, Nan Shan Life will be dedicating to reducing carbon emissions in operations, and continue to monitor the exposure of high carbon emitting industries in our investments and investment portfolio carbon emissions. We will also consider continuously evaluating green finance and sustainable thematic investments to achieve SBT, and contribute to the transformation of global low-carbon economy. Furthermore, Nan Shan will continue to provide education and training courses for TCFD Task Force, and invite external consultants to provide education and training on climate-related issues for board members and the senior management.

### Climate Governance

#### Supervision by the Board of Directors

The Board of Directors is the highest supervisory authority for climate change issues at Nan Shan Life. The Board of Directors is not only responsible for approving and reviewing climate-related strategies, but also supervises climate change actions and performance-related indexes. The Board of Directors evaluates climate-related risks and opportunities in relation to the Company's strategies and adaptation plans by incorporating them into the operation and investment management structure. To ensure that directors have a proper understanding of climate-related risks and opportunities, board members were arranged to participate in climate-related education and training to understand international development trends in climate governance. In 2023, our directors completed a total of 3 hours of climate-related training courses.

To effectively manage the potential impacts of physical and transition risks in the future, the Company develops a climate risk appetite statement in line with Taiwan's 2050 net zero emissions pathway announced by the government. Besides, based on the SBT commitment, the Company will continue to assess the exposure of the Company's assets and liabilities to physical and transition risks in order to continuously refine its climate risk management capabilities. Furthermore, the Company will take into account the industry's linkage system for climate performance to implement climate governance and sustainable culture.

#### Senior Management

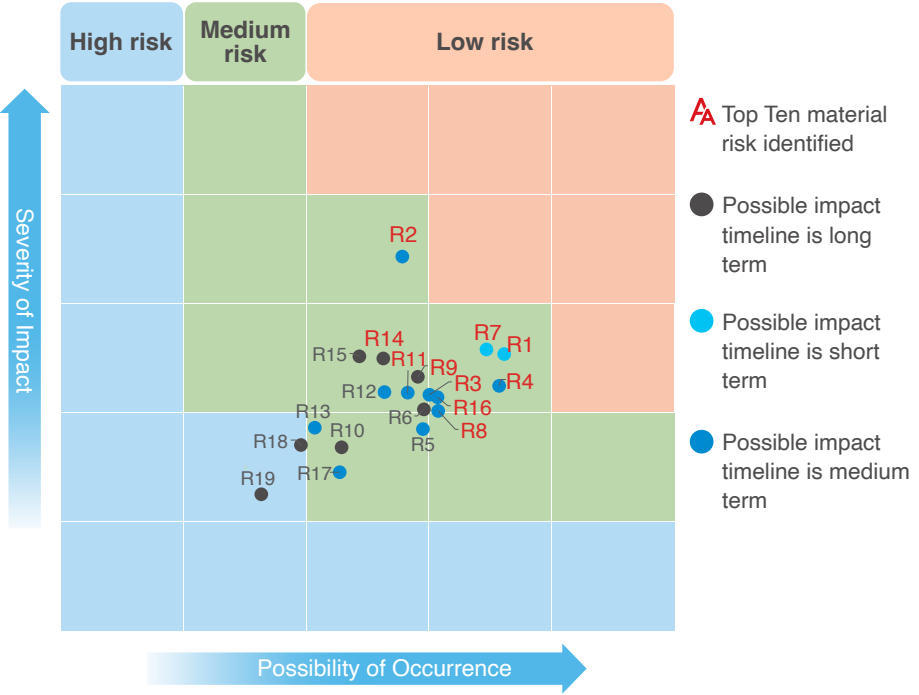
The President supervises and assigns the Climate-Related Financial Disclosure Task Force (TCFD Task Force) and the working team under Corporate Sustainability Committee (the Corporate Sustainability Executive Team) to be responsible for planning and executing annual management of climate-related risks and opportunities, identifying potential risks and opportunities related to climate change each year, discussing and evaluating the impact of different businesses on climate-related risks, developing relevant response measures, and reporting annual execution results to the President, Risk Management Committee and Board of Directors at least once a year.

To build the climate related risk management capabilities of senior executives, TCFD Task Force and departmental risk management supervisors, we organized one senior executive climate risk governance and financial industry carbon management training in 2023, with a completion rate of 100%, and one climate risk management training for risk management supervisors, with a completion rate of 100%.

### Climate Strategies

#### Climate-Related Risks Identification Results

By referring to the analysis reports released by domestic and foreign research and benchmark companies, and taking into account our own business characteristics, our TCFD Task Force identified and summarized 19 climate-related risks (including physical and transition risks) that the Company may face in the future, evaluated their possibility of occurrence, impact degree and possible timeline (short, medium and long term), and ranked them in terms of significance. In 2023, we identified ten climate-related risks with higher significance, including three physical risks and seven transition risks, and proposed relevant response measures.



### Risk factors considered

| Risk type       | Risk factor   |
|-----------------|---|
| Transition risk | Emerging and existing policies and regulations, technology, market and reputation |
| Physical risk   | Immediate risk, long-term risk  |

### Time scale considered

| Time scale  | Definition                                       |
|-------------|--|
| Short term  | Possible occurrence within 3 years (inclusive)   |
| Medium term | Possible occurrence in 3 to 10 years (inclusive) |
| Long term   | Possible occurrence after more than 10 years     |

### Value chain scope considered

| Value chain scope          | Coverage                                      |
|----------------------------|---|
| Upstream procurement       | All suppliers                                 |
| Self-operation             | All business locations and related operations |
| Downstream asset positions | All investment positions and policyholders    |

| Rank | Issue Label | Risk Type                               | Time line   | Risk Issue   | Risk Description  | Corresponding Inherent Risk | Impact Aspect                             | Potential Business or Financial Impact   | Response Measure/ Adaptation Action Plan   |
|------|-------------|---|-------------|--|---|-----------------------------|---|--|--|
| 1    | R2          | Transition risk: policy and legislation | Medium term | Policy requirements to increase the proportion of green buildings  | The Company needs to increase the proportion of green buildings in response to related regulations and tenant expectations. These changes will increase operating costs.                              | Operating risk              | Self operation - investment and financing | <ul style="list-style-type: none"> <li>● Increase investment costs to respond to tenants' preferences or regulatory requirements for green building targets.</li> <li>● Increase costs related to improving business locations.</li> </ul> | <ul style="list-style-type: none"> <li>● Continue to increase compliance with green building standards in the development process of future new construction projects:</li> <li>● The investment real estate projects in the development stage in 2023 is involved in the right of superficies of Nan Shan Life A21 and A26 projects, both located in Xinyi District, Taipei City. The initial positioning of the products is top-level commercial offices, so both projects are planned to obtain EEWB Gold Mark, LEED Gold and WELL Gold certifications. It is expected that A21 and A26 projects will obtain relevant certifications in 2029 and 2028 respectively. The projects in Shalun, Tamsui is also involved in right of superficies, which is mainly for self use and partial for investment. The project is divided into two areas for development: the cultural and creative area and the parking lot. It is expected to obtain the EEWB Copper Mark in 2026 and EEWB Silver Mark in 2027 respectively.</li> <li>● Replace LED lighting fixtures and other daily energy-saving indicators in existing buildings.</li> </ul> |
| 2    | R1          | Transition risk: policy and legislation | Short term  | Policy requirements to increase the proportion of renewable energy | The Company needs to increase the proportion of renewable energy in response to related regulations, customer and international initiative requirements. These changes will increase operating costs. | Operating risk              | Self operation                            | <ul style="list-style-type: none"> <li>● Policies require an increase in the proportion of renewable energy usage or an increase in renewable energy prices, resulting in an increase in operating costs for the Company.</li> </ul>       | <ul style="list-style-type: none"> <li>● In 2023, Nan Shan Life's self-owned buildings, Taichung Education and Training Center, and Tainan Xinshi Industrial Park will use solar power generation systems for self-use purpose. The capacity will reach 1,310.14KW, with an estimated annual power generation of about 1.5 million kilowatt hours, which will reduce carbon emissions by approximately 742.5mtCO<sub>2</sub>e.</li> <li>● According to the signed SBT, the reduction of carbon emissions in scopes one and two is 42% by 2030 (the base year is 2022), and the proportion of renewable energy use will be increased.</li> <li>● Continue to evaluate the feasibility and benefits of installing photovoltaic power generation equipment in self-owned buildings.</li> </ul>  |

| Rank | Issue Label | Risk Type                               | Time line   | Risk Issue  | Risk Description   | Corresponding Inherent Risk | Impact Aspect                       | Potential Business or Financial Impact   | Response Measure/ Adaptation Action Plan   |
|------|-------------|---|-------------|---|--|-----------------------------|-------------------------------------|--|--|
| 3    | R7          | Transition risk: technology             | Short term  | Current products and services at the risk of being replaced by low carbon alternatives may require additional company costs | The gradual low carbon transition may result in a smaller demand for current products and services. The Company may gradually adopt a green low-carbon approach to reduce carbon emissions from business operations. One example is the replacement of hardcopy insurance policies by electronic copies. This may increase the Company's Information Technology (IT) service costs (including system upgrade and storage expansion). | Operating risk              | Self-operation - insurance products | <ul style="list-style-type: none"> <li>The Company may gradually adopt a green low-carbon approach to reduce carbon emissions from business operations.</li> <li>Technological investment or construction costs during low-carbon transformation may increase operating costs of the Company.</li> </ul> | <ul style="list-style-type: none"> <li>Improve the sustainability /green policy service models of agents by promoting digital transformation and paperless sales service processes.</li> <li>Continue to develop low-carbon insurance services, promote and improve the use of electronic/mobile insurance services, reduce the costs of paper and related consumables, for example: <ul style="list-style-type: none"> <li>Increase the promotion of electronic policies</li> <li>Establish an online Group insurance platform for self-funded additional coverage and gradually replace the current paper-based application process.</li> </ul> </li> <li>Nan Shan General continued to promote electronic policies, and increased the proportion of electronic policies from 65% to 70% in 2023. It will continue to advocate for one-stop e-based and convenient insurance services such as optical character recognition (OCR), online insurance purchase, online payment and issuance of electronic policies, and guide agents to complete online insurance purchase and issuance of electronic policies.</li> </ul>                       |
| 4    | R4          | Transition risk: policy and legislation | Medium term | Increase in cost of greenhouse gas emissions  | With the tightening of carbon emission related policies or regulations, the cost of greenhouse gas emissions will increase, which will lead to an increase in the daily operating costs of the business locations.   | Operating risk              | Self operation                      | <ul style="list-style-type: none"> <li>Increase in operating costs of the Company.</li> </ul>  | <ul style="list-style-type: none"> <li>Nan Shan Life plans response measures (such as installing solar panels, expanding the use of renewable energy, promoting energy-saving measures, etc.) in accordance with the scientific foundation carbon reduction goals set in the signed SBTi. In 2023, the Company replaced energy-saving appliances such as LED lighting fixtures and air conditioning systems with low GHG refrigerants, and participated in Earth Hour to reduce the Company's carbon emissions generated by operational activities.</li> <li>Nan Shan General has taken measures to reduce carbon emissions generated by the Company's operational activity by switching the LED lighting in the elevator hall to the commuting mode, advocating energy-saving measures in the office (turning off lights during lunch breaks, turning off lights and air conditioning after work, and prohibiting high power consuming private appliances in the office), and gradually replacing old electrical equipment such as air conditioners and refrigerators that use non environmentally friendly refrigerants like R134a.</li> </ul> |



| Rank | Issue Label | Risk Type               | Time line   | Risk Issue   | Risk Description   | Corresponding Inherent Risk | Impact Aspect            | Potential Business or Financial Impact   | Response Measure/ Adaptation Action Plan  |
|------|-------------|-------------------------|-------------|--|--|-----------------------------|--------------------------|--|---|
| 5    | R9          | Transition risk: market | Long term   | Investment losses from inaccurate market and customer information  | Due to the Company's vast investment holdings by its business nature, the increase in the environmental sustainability awareness and real estate related risks in the future may directly affect the market value of the investment targets, resulting in the impairment and loss of the Company's investment values.  | Market risk<br>Credit risk  | Investment and financing | <ul style="list-style-type: none"> <li>The investment targets in the carbon intensive industry list are affected by transition risk. Due to the poor environmental performance indicators of these targets, it may lead to a decline in the market value of investment targets, thereby causing an impairment loss of the investment target value.</li> <li>The increasing awareness of environmental sustainability of investment real estate tenants and the impact of climate disasters may lead to a price reduction of real estate held by the Company or a decrease in rental income.</li> </ul> | <ul style="list-style-type: none"> <li>Regularly evaluate the impact on the Company's capital employment caused by its investments in the carbon intensive industry list.</li> <li>Regularly track the implementation of adaptation and response measures for high-risk real estate assets.</li> <li>Incorporate climate risk factors into the design of new buildings, and incorporate environmental sustainability into property operation management, provide real estate products in line with environmental sustainability.</li> </ul> |
| 6    | R16         | Physical risk: chronic  | Medium term | The power structure transformation against the increase in average temperature has led to an increase in the Company's operating costs | In recent years, extreme temperatures has increased, and the average temperature will continue to rise in the future. Due to the transformation of Taiwan's power structure, it is estimated that electricity prices will gradually increase in the future, and the government will continue to promote the transformation of renewable energy. It will be necessary to purchase green electricity or renewable energy certificates to reduce the group's carbon emissions, which will increase the Company's operating costs. | Operating risk              | Self operation           | <ul style="list-style-type: none"> <li>The rise in energy prices leads to an increase in operating costs of business locations.</li> </ul>   | <ul style="list-style-type: none"> <li>The Company has planned green electricity procurement and signed long-term contracts to reduce the risk of future price increases.</li> </ul>  |

| Rank | Issue Label | Risk Type                               | Time line   | Risk Issue  | Risk Description   | Corresponding Inherent Risk         | Impact Aspect                       | Potential Business or Financial Impact  | Response Measure/ Adaptation Action Plan   |
|------|-------------|---|-------------|---|--|-------------------------------------|-------------------------------------|---|--|
| 7    | R14         | Physical risk: chronic                  | Long term   | Insured targets suffer from losses due to rising sea levels                         | For the Company's insured subjects at high physical risk locations (e.g. by the sea or in low-lying areas), there is a higher probability for accidents and losses leading to an increase in claim costs.  | Insurance risk                      | Insurance product                   | <ul style="list-style-type: none"><li>● Increase insurance claim and risk probability.</li></ul>  | <ul style="list-style-type: none"><li>● Nan Shan General will make use of the disaster potential map for underwriting screening, and adjust reinsurance for risk transfer as needed.</li></ul>   |
| 8    | R3          | Transition risk: policy and legislation | Medium term | Transition-related legal risks may have financial impacts on the investment targets | As the net-zero carbon emission policies become more stringent around the world, the environmental performance indicators of the investment targets may become poorer (such as the carbon emissions of carbon intensive industries), which may affect the valuations of the investment targets, leading to the Company's investment losses and financial health deterioration. | Market risk<br>Credit risk          | Investment and financing            | <ul style="list-style-type: none"><li>● Affected by climate risk or the net zero carbon emission policy, investment targets in the carbon intensive industry list may suffer a loss in revenue, cash flow and asset value. The loss of the investment targets could result in a decline of their market values, which leads to impairment loss or deteriorated financial structure.</li></ul> | <ul style="list-style-type: none"><li>● Regularly evaluate the impact on the Company's capital employment caused by its investment in the carbon intensive industry list.</li></ul>  |
| 9    | R8          | Transition risk: market                 | Medium term | Customer behavior changes   | Under the trend of net zero transition, the general public develops an increasing awareness of sustainability-related issues. An insufficient promotion of sustainability/ green insurance and services by the Company will result in declining market shares, leading to a loss of business, customers, and revenue.  | Operating risk<br>Reputational risk | Self-operation - insurance products | <ul style="list-style-type: none"><li>● Decrease in business revenue.</li><li>● Decrease in market share.</li></ul>   | <ul style="list-style-type: none"><li>● Promote digital/mobile insurance and paperless services, and improve the sustainable/green policy services of agents to meet customer demands and respond to changes in customer preferences.</li><li>● Promote sustainable insurance products:<br/>(1) Active preventive products (such as spillover-effect insurance policy): Increase the proportion of spillover-effect insurance policy and improve the resistance of policyholders through proactive prevention to reduce disease. Nan Shan Life has designed products with health management reward mechanisms to encourage policyholders to engage in independent health management, and provide the "cash-back" for policy holders.</li></ul> |

| Rank | Issue Label | Risk Type                | Time line   | Risk Issue   | Risk Description   | Corresponding Inherent Risk      | Impact Aspect                        | Potential Business or Financial Impact  | Response Measure/ Adaptation Action Plan  |
|------|-------------|--------------------------|-------------|--|--|----------------------------------|--------------------------------------|---|---|
|      |             |                          |             |  |  |                                  |                                      |   | <p>(2) Enhance insurance products to adjust to climate change (such as medical and accident-related products against diseases caused by climate change).</p> <ul style="list-style-type: none"> <li>● Nan Shan Life established the “Health Protection Circle” and collaborates with health industry partners to build the wellness and healthcare services system that assist customers becoming healthier.</li> <li>● Recruit the Youth Army for Health Protection by selecting elite agents and providing them with solid education training and professional certification from Taipei Medical University. This will offer comprehensive healthcare services and information to policyholders.</li> <li>● Continue to focus on sustainability issues to seize market opportunities.</li> <li>● Start Compass Rewrite execution plan to comprehensively review the group insurance operation process, replace and optimize the group insurance and claims system, improve electronic operations and the image of Nan Shan Life group insurance valuing green insurance.</li> <li>● Nan Shan General launched an integrated Nan Shan General Charging Pile Insurance in 2023, and continue to promote damage prevention to assist customers in responding to climate change risks.</li> </ul> |
| 10   | R11         | Physical risk: immediate | Medium term | Increased insurance claims from insured targets suffering from climate-related damages | The Company's insured targets in high physical risk locations may be damaged by climate disasters, such as personnel or property damages from typhoons or heavy rainfalls. This increases both the frequency and cost of insurance claims. | Operating risk<br>Insurance risk | Insurance products<br>Self-operation | <ul style="list-style-type: none"> <li>● The acceptance of climate risk insurance leads to an increase in the frequency and magnitude of losses due to increased probability and intensity of heavy rainfall, resulting in an increase in claims costs.</li> <li>● Increase in insurance claim and risk probability.</li> </ul> | <ul style="list-style-type: none"> <li>● To avoid the impact of climate risks on the insured subject, which may lead to an increase in claims, Nan Shan General provides damage prevention services for large corporate customer. Engineers provide customized damage prevention and survey suggestions to improve equipment operation reliability and industrial safety, strengthen prevention and ensure the continuous operation of customers.</li> <li>● Nan Shan General makes use of the disaster potential map for underwriting screening, and adjust reinsurance for risk transfer as needed.</li> </ul>  |

### Climate-Related Opportunities Identification Results

After completing the questionnaire and discussing with relevant departments, Nan Shan identified and reported 10 climate opportunities to the Corporate Sustainability Committee for approval. These opportunities have been categorized into eight main issues to provide a direction for the Company to detail opportunities and develop future response measures. The Company will actively contribute to climate change adaptation, grasp market trends, and connect business opportunities.

| Opportunity Type      | Timeline   | Opportunity Issue                      | Opportunity Description  | Potential Financial Impact                                     | Action Plan   |
|-----------------------|------------|--|--|--|---|
| Products and services | Short term | New product development and innovation | In response to government policies and market trends, the Company offers active preventive products (e.g. spillover-effect insurance policy), and other products that enhance protection against environmental changes (e.g. medical/health/accidents) to enhance the health of policyholders and the resilience of corporate customer operations through the risk management mechanisms and other derived functions of insurance, so as to reduce climate change-related illnesses and claims.  | Increase in revenue due to growing product and service demands | <ul style="list-style-type: none"> <li>To respond to changes in consumer demand to against climate change, we have developed and launched new products, including preventive products (such as spillover-effect policies) and other products that enhance protection against climate change (such as medical and health/accidents caused by climate change).</li> <li>The Health Protection Circle collaborates with partners in the big health industry to continue to create "wellness" and "healthcare" value-added services throughout the entire health process for policyholders, assisting customers in promoting health.</li> <li>Provide damage prevention services to large corporate customers. Damage prevention engineers propose customized damage prevention and survey suggestions to improve equipment operation reliability and industrial safety, strengthen prevention and ensure continuous operation of the customers.</li> </ul> |
| Products and services | Short term | Increase green insurance products      | In response to the growing market demand for green products, the Company incorporates green concepts about low-carbon emission, environmental protection, and energy conservation into its products (e.g. renewable energy industry insurance). The objectives of environmental and health protection can be achieved by reducing climate change-related illnesses and claims. The development and sale of green insurance products may also generate more revenue under growing market demands. | Increase in revenue due to growing product and service demands | <ul style="list-style-type: none"> <li>Nan Shan General has launched green insurance products, including the Charging Pile Insurance, Electric Motorcycle Mileage Billing Insurance, Extra Amounts Typhoon and Flood Insurance Riders, and Residential Green Energy Upgrade Clause that encourage green renovation. The revenue from insurance premiums is rising continuously.</li> </ul>  |
| Products and services | Short term | Digital services                       | Gradually transform operations into low-carbon green operations, reduce carbon emissions and operating costs, by which to enhance the brand image, and drive the growth of business performance.   | Decrease in indirect (operating) costs                         | <ul style="list-style-type: none"> <li>Promote digital/paperless services and operational processes to obtain certification for insurance carbon footprint reduction labels.</li> <li>Nan Shan Life passed ISO14067 certification in 2022, and established a specific and complete process and scientific calculation basis by defining a reasonable carbon footprint inventory scope for "life insurance services".</li> </ul>   |

| Opportunity Type      | Timeline    | Opportunity Issue                        | Opportunity Description   | Potential Financial Impact             | Action Plan   |
|-----------------------|-------------|--|---|--|---|
|                       |             |  |   |  | <p>Nan Shan Life has obtained a carbon label use license from the Environmental Protection Administration, and adopted a low-carbon operation transformation to meet the requirement of reducing our carbon footprint by more than 3% within 5 years and obtain a carbon label use license by significantly reducing paper policies and adopting a human resource allocation model.</p> <ul style="list-style-type: none"> <li>The subsidiary Nan Shan General responded to the policy of the Financial Supervisory Commission to promote electronic policies, and achieved a use rate of approximating 70%. Furthermore, it conducted carbon footprint calculations for electronic policies, becoming the first property insurance company in Taiwan to pass the carbon footprint certification of electronic policies.</li> </ul> |
| Resource efficiency   | Short term  | Resource Efficiency Improvement          | The Company improves energy efficiency, reduces internal equipment water and electricity consumption, and reduces operating costs by replacing low energy efficiency equipment in its business locations.   | Decrease in indirect (operating) costs | <ul style="list-style-type: none"> <li>Reduce carbon emissions in scopes one and two by 42% by 2030 to achieve the signed SBT.</li> <li>Pass ISO 14046 water footprint standard certification.</li> </ul>   |
| Products and services | Medium term | Green Buildings                          | Use green building materials in new buildings (investment and self-owned) or business location construction. Install photovoltaic facilities or purchase new energy-saving equipment to increase energy efficiency at business locations, reducing operating costs while achieving eco-efficiency.  | Increase in fixed asset value          | <ul style="list-style-type: none"> <li>Use building equipment compliant with energy labels, and adopt green building materials in renovation projects.</li> <li>Reduce carbon emissions by developing self-generated solar energy and purchasing green electricity.</li> <li>The new buildings comply with green building standards and obtain certification for green building labels.</li> </ul>  |
| Market                | Short term  | Green finance and sustainable investment | <ul style="list-style-type: none"> <li>Through periodic evaluation of thematic investments, we assist in promoting the development of industries such as human health and well-being, green energy, low-carbon, green energy technology, new agriculture and circular economy, and driving the progress of the society towards the era of green economy.</li> <li>Evaluate the impact of the Company's investment portfolio holdings in carbon intensive industries on overall fund utilization.</li> </ul> | Diverse financial assets               | <ul style="list-style-type: none"> <li>Increase thematic investments: evaluate/invest in green/sustainable thematic investments.</li> <li>Expand SBT coverage.</li> </ul>   |



| Opportunity Type       | Timeline    | Opportunity Issue                | Opportunity Description  | Potential Financial Impact             | Action Plan  |
|------------------------|-------------|----------------------------------|--|--|--|
| Operational resilience | Short term  | Green procurement                | Purchase low environmental impact products such as energy-saving, power-saving, water-saving equipment with Eco Labels. This will reduce both the energy waste and operating costs.  | Decrease in indirect (operating) costs | <ul style="list-style-type: none"><li>● Passed ISO 20400 Sustainable Procurement Guidelines certification in 2023.</li><li>● Organized supplier conferences to communicate sustainable issues with manufacturers during the conferences.</li><li>● Gave priority to the procurement of products with environmental protection labels. The amount of green procurement in 2023 was NT\$148,352,874.</li></ul>   |
| Energy source          | Medium term | Renewable energy and green lease | <ul style="list-style-type: none"><li>● Invest in the use of renewable energy and build solar power generation systems in self-owned buildings for self use and sale of surplus electricity, so as to achieve emission reduction and reduce operating costs.</li><li>● Respond to the Ministry of Economic Affairs' Green Leasing Program 2.0 by helping lessee companies in commercial buildings or in similar congregate areas to obtain green power and renewable energy certificates through electricity transfer.</li></ul> | Decrease in indirect (operating) costs | <ul style="list-style-type: none"><li>● Conduct a benefit assessment of solar energy construction and plan to install solar energy installations in two self-owned buildings, with an expected annual electricity production of 1.165 million kilowatt hours.</li><li>● Plan and purchase green electricity in accordance with SBT carbon reduction goals to increase the usage rate of renewable energy.</li><li>● To respond to "Green Lease 2.0", Taipei Nan Shan Plaza introduced a renewable energy initiative to encourage tenants to use green electricity. It is estimated that the supply of green electricity in 2024 will be 2.47 million kilowatt hours, and that in 2025 will be 3.12 million kilowatt hours.</li></ul> |

### Scenario Analysis

Scenario Analysis is a neutral simulation and estimation tool that explores different climate scenarios and applies the analysis results to different management purposes. Nan Shan refers to climate scenarios to understand the impact of climate-related risks and opportunities: Representative Concentration Pathways (RCP) 2.6 and RCP 8.5 as simulated in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). For transition risks, the Company evaluated the impacts on investment portfolios by using two scenarios: Nationally Determined Contributions (NDCs) and Net Zero 2050 from the Central Banks and Supervisors Network for Greening the Financial System (NGFS). Prospective scenario analysis models are constructed to assess the financial impacts and strategy resilience of climate change.

### Physical Risk Analysis

Applying RCP 2.6 and RCP 8.5 as scenario parameters, Nan Shan analyzed the value at risk (VaR) and failure probability (FP) of physical risks on the Company's business locations and investment real estates between 2020 and 2100.

#### XDI Value at Risk

The impacts of physical risks are estimated through various VaRs that quantify surface water flooding, drought-induced surface displacement, river flooding, coastal flooding, forest wildfires, and strong winds. These VaRs are also used to evaluate the financial impacts of physical risks on building locations. Nan Shan adopts a climate risk model database to conduct physical risk assessment and analysis on its own business locations and investment properties, and presents climate sensitivity in five levels: low, medium low, medium, medium high and high. The climate risk level analysis results show that in the RCP2.6 and RCP8.5 scenarios, Nan Shan has no business locations in high-risk areas, one self-owned business location is located in medium to high-risk areas with surface sliding climate risk factors caused by river flooding and drought, and four investment properties are located in high-risk areas with climate risk factors such as surface flooding. According to the end of 2023, the average climate risk value in 2100 is 0.65% in the RCP2.6 scenario and 0.71% in the RCP8.5 scenario.

### Failure Probability

Failure probability refers to the likelihood of buildings experiencing interrupted operations due to climate disasters in specific areas. The analysis reveals that "extreme heat" is the greatest contributing factor to failure in both RCP2.6 and RCP8.5 scenarios. According to the end of 2023, the failure probability in 2100 is 31.34% in the RCP2.6 scenario and 97.3% in the RCP8.5 scenario.



### Transition Risk Analysis

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

### Scenario Analysis

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

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

Here is a summary of the scenario analysis on NDCs and Net Zero 2050 under the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) Phase III Global Change Analysis Model (GCAM) 5.3 model adopted by Nan Shan. By adding parameters like PriceCarbon and EmissionsCO2 to investment portfolios, a quantitative model is constructed to estimate the rating variations and financial impacts for investment targets. The scenario analysis results are incorporated into credit risk and market risk calculations for stress testing.

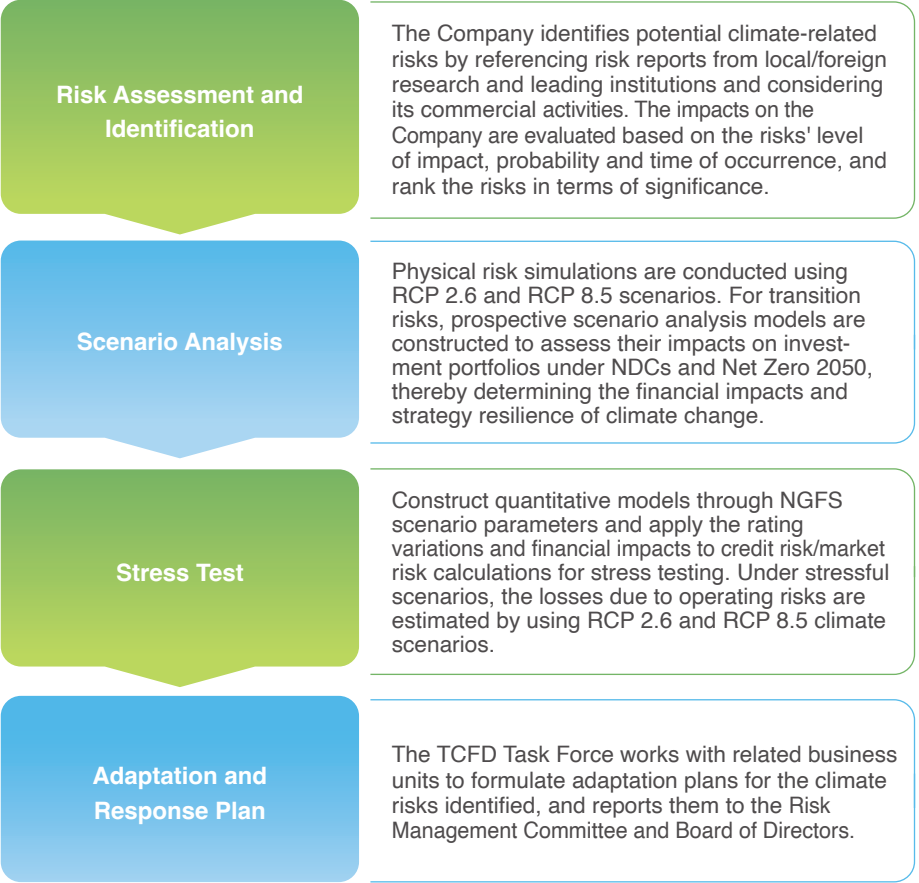
| NGFS Scenario                | NDCs (Hot house world)   | Net Zero 2050 (Orderly)  |
|------------------------------|--|--|
| Hypothetical Scenario        | This scenario consists of various countries' stated policies to control global temperature increase through GHG reduction. This is the most proactive scenario for GHG reduction whereby global temperature increase is controlled through strict climate policies and technological innovation. |  |
| Temperature Increase by 2100 | 2.6°C<br>(Scenario 2)  | 1.4°C<br>(Scenario 1)  |
| Scenario Parameters          | Price   Carbon<br>(US\$2010t/CO2)<br>Emissions   CO2<br>(t CO2/yr)   | Price   Carbon<br>(US\$2010t/CO2)<br>Emissions   CO2<br>(t CO2/yr) |
| Estimated Timeframe          | 2023 – 2050  | 2023 – 2050  |

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

Climate Risk Management

Climate-Related Risk Management Structure

Nan Shan follows the TCFD recommendations and Taiwan's Financial Disclosure Guidelines for Climate-related Risks in the Insurance Industry in establishing a climate-related risk management and control mechanism. In addition to regularly identifying climate-related risks, Nan Shan also evaluates the business and financial impacts of these risks to develop corresponding countermeasures. Furthermore, Nan Shan incorporates climate-related risks into the current risk management structure and divides rights and responsibilities according to the three lines of defense of internal control. By doing so, Nan Shan ensures all climate-related risks are well monitored.



The Board of Directors of Nan Shan Life approved its Climate Related Risk Management Policy, which defines the responsibilities of the Board of Directors and senior management, establishes monitoring and management mechanisms for climate-related risks and opportunities, and formulates a climate risk acceptance statement. The supplementary document Key Points for Climate-Related Risk Management outlines the responsibilities and reporting processes of the responsible departments under the governance framework for climate-related issues. Nan Shan Life has also adjusted its investment and real estate-related risk management processes to take climate risks into consideration to improve climate-related risk management.

Nan Shan Life has formulated business continuity plans for its own business locations based on physical risk analysis. In terms of investment real estate, procedures for domestic real estate investment operations are established, and relevant responses or adjustments are taken for investment targets developed on special geological or coastal plain land after evaluation.

### Carbon Emission Generated by Investment Portfolios

In order to contribute to the global effort in combating climate change and demonstrate our commitment to sustainable development as an investor, Nan Shan adopts Partnership for Carbon Accounting Financials (PCAF) methodologies to calculate the financed carbon emission generated by its investment portfolios. It serves as a tool for managing and accessing the climate-related risks for investment portfolios.

In 2023, Nan Shan produced 14,395 KtCO<sub>2</sub>e, and the coverage rate of verified assets to the total investment and financing amount was approximately 78.9%. According to the carbon emissions of different industries in the investment portfolio, a significant increase in carbon emissions was seen in oil and gas, steel and power industries compared to 2022. With the increase of domestic and foreign companies disclosing carbon emission data, data quality of investment portfolio has improved compared to 2022.

| Scope 3-Investment Asset Category  | Carbon Emission* (ktCO <sub>2</sub> e) |        | Economic Emission Intensity**** |      | Data Quality***** |      |
|--|--|--------|---------------------------------|------|-------------------|------|
|  | 2022                                   | 2023   | 2022                            | 2023 | 2022              | 2023 |
| Equity   | 590                                    | 665    | 2.16                            | 2.19 | 1.45              | 1.24 |
| Bond   | 3,107                                  | 3,246  | 1.30                            | 1.35 | 1.63              | 1.53 |
| Sovereign bond**   | —                                      | 10,478 | —                               | 9.14 | —                 | 2.00 |
| Commercial real estate investment***   | 91                                     | 6      | 0.08                            | 0.06 | 4.00              | 4.00 |
| Subtotal 1(Equity + Bonds)   | 3,697                                  | 3,911  | —                               | —    | —                 | —    |
| Subtotal 2<br>(Equity + Bonds + Sovereign bonds)                                     | 3,697                                  | 14,389 | —                               | —    | —                 | —    |
| Subtotal 3<br>(Equity + Bonds + sovereign bonds + Commercial real estate investment) | 3,787                                  | 14,395 | —                               | —    | —                 | —    |

\* The asset categories for the verification of Scope 3 investment portfolios in Nan Shan include equity, bonds (including corporate bonds and financial bonds) and commercial real estate investments; sovereign bonds have been included since 2023.

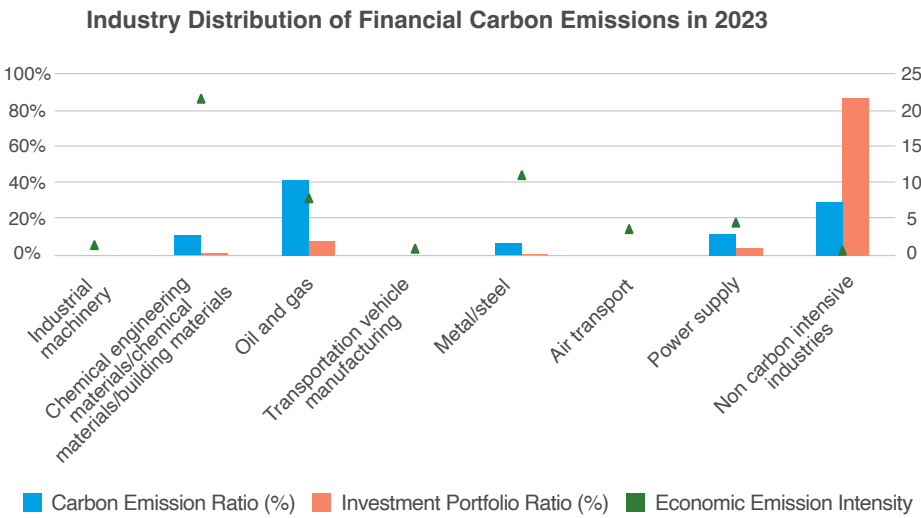
\*\* The "national carbon emissions" and "gross domestic product at purchasing power parity" data used for sovereign bond calculations are from the European Commission and the International Monetary Fund (IMF) respectively.

\*\*\* The scope of commercial real estate investment was adjusted to include only commercial real estate investments without operational control in 2023 in accordance with the second version of PCAF document.

\*\*\*\* Economic emission intensity: metric tons of CO<sub>2</sub>e/million NT\$ for investments; and metric tons of CO<sub>2</sub>e per square meter of floor area for commercial real estate investment.

\*\*\*\*\* Data quality: a score of 1 indicates the best data quality, while 5 indicates the worst.

### Industry Distribution of Carbon Emissions in Investment Portfolio



| Industry   | Carbon Emission Ratio (%) | Investment Portfolio Ratio (%) | Economic Emission Intensity |
|--|---------------------------|--------------------------------|-----------------------------|
| Industrial machinery   | 0.17                      | 0.2                            | 1.29                        |
| Chemical engineering materials/chemical materials/building materials | 10.87                     | 0.7                            | 21.62                       |
| Oil and gas  | 41.60                     | 7.6                            | 7.89                        |
| Transportation vehicle manufacturing                                 | 0.07                      | 0.1                            | 0.82                        |
| Metal/steel  | 6.78                      | 0.9                            | 11.03                       |
| Air transport  | 0.25                      | 0.1                            | 3.49                        |
| Power supply   | 11.46                     | 3.7                            | 4.52                        |
| Non carbon intensive industries                                      | 28.80                     | 86.7                           | 0.48                        |
| Total  | 100                       | 100                            | 1.45                        |

\* The calculation of industrial distribution includes equity and bond (including corporate bonds and financial bonds).

### Country Distribution of Carbon Emission in Investment Portfolio

| Country/Region | Carbon Emission Ratio | Economic Emission Intensity |
|----------------|-----------------------|-----------------------------|
| America        | 41.7%                 | 3.10                        |
| Asia-Pacific   | 31.4%                 | 6.67                        |
| Taiwan         | 13.6%                 | 4.02                        |
| Europe         | 8.8%                  | 1.80                        |
| Africa         | 3.6%                  | 18.26                       |
| Other          | 0.9%                  | 8.26                        |
| Total          | 100%                  | 3.74                        |

\* The calculation of country distribution includes equity, bond (including corporate bonds and financial bonds) and sovereign bonds.





## Climate Indexes and Objectives

To monitor climate risk management and respond to the government's Green Finance Action Plan 3.0, the Company actively introduces action plans such as ISO 14001 Environmental Management System, ISO 14064-1 GHG Verification, and ISO 50001 Energy Management System to its self-owned, self-use buildings. Through full-scale verification, the Company develops an effective understanding of its carbon emission and energy efficiency, and set climate management indexes and objectives as follows:

| Category          | Low-carbon Operation   |  | Low-carbon Economy  |
|-------------------|--|--|---|
| Index             | Green Procurement  | GHG Emission   | SBT Portfolio coverage targets  |
| Index Description | The proportion of green procurement amount for office and business equipment to the total procurement amount | Reduction of carbon emissions in Scope 1&2 of the Company's business locations                                   | Scope 3 investment portfolios of the Company (including listed equity and bonds, ETF, mutual funds and REITs) achieve SBT target ratios |
| Unit              | %  | tCO <sub>2</sub> e   | %   |
| Base Year         | 2023   | 2022   | 2022  |
| Base year value   | 3%   | 21,679 tCO <sub>2</sub> e  | 25.3%   |
| Objective         | 5% by 2030   | According to the signed SBT letter, the cumulative reduction of carbon emissions in Scope 1 and 2 is 42% by 2030 | According to the signed SBT letter, Scope 3 investment portfolios shall achieve SBT target ratio of 50.2% by 2028                       |

\* According to the SBTi methodology, Nan Shan adopted PC method (SBT Portfolio coverage targets) for objective setting. SBT carbon reduction objectives for Scope 1, 2, and 3 listed in the table are calculated by the Company based on the SBTi methodology but not yet reviewed. The final objectives will be subject to the official SBTi review results.

\*\* Regarding the green procurement index, as the green procurement amount in 2022 reached the original target for 2027, it is replaced by the proportion of green procurement amount for office and business equipment to the total procurement amount in order to strengthen target discrimination and facilitate tracking of climate risk management performance.

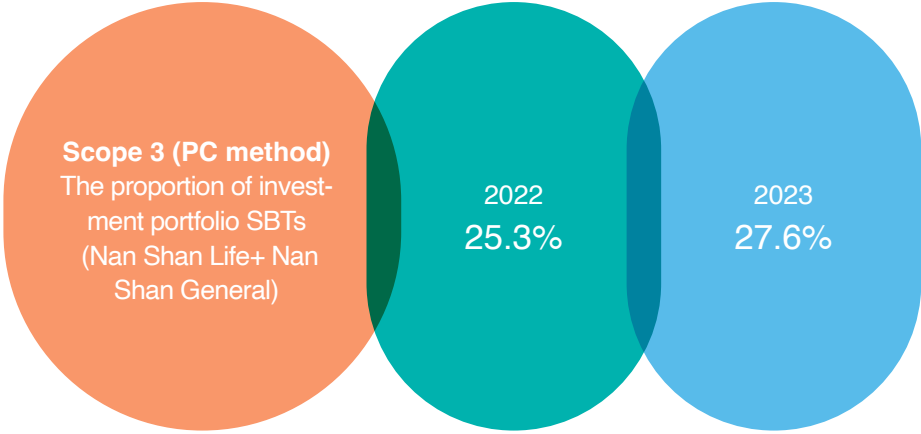
## Management of low-carbon operation index

| Index                          | 2022<br>(Nan Shan Life + Nan Shan General)* | 2022<br>(Nan Shan Life) | 2023<br>(Nan Shan Life)** |
|--------------------------------|---|-------------------------|---------------------------|
| Scope 1 (tCO <sub>2</sub> e)   | 1,797.223                                   | 1,766.859               | 2,196.530                 |
| Scope 2 (tCO <sub>2</sub> e)   | 19,882.080                                  | 18,757.860              | 18,740.407                |
| Scope 1+2 (tCO <sub>2</sub> e) | 21,679.303                                  | 20,524.719              | 20,936.937                |

\* Data of carbon emissions in 2022 were updated after verification.

\*\* In 2023, only the carbon emission data of Nan Shan Life was disclosed. The verification of Nan Shan General was not completed yet, and the data was not included.

## Management of low-carbon economic index



Nan Shan Life has signed the Science based Target (SBT) letter in 2023 and completed the submission for review of the carbon reduction objectives for Scope 1, 2 and 3 by the end of the same year. The Company has included the annual performance assessment of the indexes and objectives set for climate-related risks in TCFD promotion or implementation of relevant departments, and will continue to implement the promotion and implementation of action plans. (For low-carbon operations and low-carbon economy-related actions, please refer to 4.1.2 Low Carbon Operations, 4.1.3 Low Carbon Insurance, 6.5 Sustainable Finance, Engagement Principles and Investment Management Mechanisms for Climated-Related Risks).

### 4.1.2 Low Carbon Operations

#### Environmental Energy Policy

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

## GHG Emission Management

Nan Shan Life introduced ISO 14064-1, one of the three main standards for the GHG management system, in 2016, and subsequently referenced 2022 as the base year in reviewing the carbon emissions from its operations every year. This gives the Company a better understanding about the main source, state, and carbon reduction strategies for its carbon emissions. Externally purchased electricity is the major source of GHG emissions generated by the Company's operations. The Company achieved an inventory coverage rate of 100% in 2023 and will achieve a verification coverage rate of 100% in 2024.

### GHG Emissions in Category 1 and 2

| Item  | Unit                               | 2022       | 2023       |
|---|------------------------------------|------------|------------|
| Direct GHG emissions (Category 1)                       | tCO <sub>2</sub> e                 | 1,766.859  | 2,196.530  |
| Indirect GHG emissions from energy sources (Category 2) |                                    | 18,757.860 | 18,740.407 |
| Total emissions (Category 1 + Category 2)               |                                    | 20,524.719 | 20,936.937 |
| Inventory coverage                                      | %                                  | 100%       | 100%       |
| Location verification coverage rate                     | %                                  | 31%        | 100%       |
| Floor area  | Ping                               | 77,649.37  | 76,414.8   |
| GHG emission intensity                                  | tCO <sub>2</sub> e/Ping            | 0.264      | 0.274      |
|   | tCO <sub>2</sub> e/Million revenue | 0.043      | 0.045      |

\* The Company performed GHG inventory and disclosure according to the ISO 14064-1 : 2018. The Category 1 GHG corresponded to Scope 1 emission, Category 2 GHG corresponded to Scope 2 emission, Category 3~6 GHGs corresponded to Scope 3 emission.

\*\* The scope of inventory included all of Nan Shan Life's self-owned buildings, self-owned or leased floors, and agency offices. Nan Shan General was not included.

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

\*\*\*\* The Scope 2 GHG emission was for power usage, with an emission factor of 0.495 (2022) kg of CO<sub>2</sub>e/kWh.

\*\*\*\*\* Global warming potential (GWP) source: referring to the global warming potential from the IPCC (2021) Sixth Assessment Report.

### | Category 3~6 GHG Emission

| Category   | Unit  | Inventory Item  | 2021   | 2022   | 2023    |
|--|-------|-----------------|--------|--------|---------|
| Category 3 Indirect GHG emission from transportation | tCO2e | Business travel | 29.917 | 63.382 | 165.196 |

\* The Company performed GHG inventory and disclosure according to the ISO 14064-1 : 2018. The Category 1 GHG corresponded to Scope 1 emission, Category 2 GHG corresponded to Scope 2 emission, Category 3~6 GHGs corresponded to Scope 3 emission.  
\*\* Nan Shan General was not in 2023.

### Operational Energy Conservation and Carbon Reduction

To minimize the environmental impacts of its operation, Nan Shan Life actively carries out energy conservation and carbon reduction. It responds to green energy policies by setting up short-term, mid-term, and long-term goals for each environmental sustainability action plan. Some examples include office energy conservation, renewable energy system development, employees' energy efficient actions, paperless insurance policies and services. Nan Shan Life hopes to fulfill its commitment for environmental protection by reducing the amount of direct GHG emissions from its business operations. In 2023, Nan Shan Life invested nearly NT\$43.35 million in operational energy conservation and carbon reduction. The estimated amount of carbon reduction was approximately 900 tCO2e.

### | Energy Conservation and Emission Reduction Projects and Results in 2023

| Energy Conservation Project                            | Project Type                             | Amount of Investment (NT\$) | Electricity Conservation (kWh) | Carbon Reduction (tCO2e) | Annual savings (NT\$) | Investment Payback Period (year) |
|--|--|-----------------------------|--------------------------------|--------------------------|-----------------------|----------------------------------|
| Switch to energy-saving light bulbs (Nan Shan Life)    | Building energy efficiency               | 2,798,343                   | 235,679                        | 116.661                  | 732,963               | 3.82                             |
| Switch to energy-saving light bulbs (Nan Shan General) | Building energy efficiency               | 1,270,800                   | 25,655                         | 9.193                    | 57,761                | 22                               |
| Use self-generated renewable energy                    | Low-carbon energy generation             | Approximating 20,000,000    | 415,355                        | 205.601                  | 1,291,754             | 15                               |
| Participate in Earth Hour                              | Changes in company policies or behaviors | --                          | 3,854                          | 1.908                    | 11,986                | --                               |
| Video conference promotion                             | Changes in company policies or behaviors | 1,220,000                   | --                             | 22.677                   | --                    | --                               |
| Paperless conferences                                  | Changes in company policies or behaviors | 100,000                     | --                             | 8.091                    | 374,400               | 0.27                             |
| Energy-saving information facilities                   | Changes in company policies or behaviors | --                          | 14,106                         | 23.661                   | 49,371                | --                               |
| Paperless insurance policies and services              | Changes in company policies or behaviors | --                          | --                             | 431.051                  | 11,477,500            | --                               |
| Energy-saving repair of real estate                    | Building energy efficiency               | 17,970,000                  | 218,406                        | 100.248                  | --                    | --                               |
| Total  |  | 43,359,143                  | 913,055                        | 919.91                   | 13,995,735            | --                               |

\* The amount of energy conservation was calculated by: power consumption difference of old and new equipment (Watts) x number of work days in 2023 (248 days) x number of work hours (8 hours)/1,000

## Video Conference Promotion

### Nan Shan's Inputs

Expanded the video conferencing system. It does not only reduce the risks from employee gatherings, but also saves the commuting time and vehicle power consumption.

### Benefits

In 2023, the Company held a total of 15,357 video conferences, which reduced carbon emissions by approximately 22.677 tCO<sub>2</sub>e.

\*The reduction of carbon emission is estimated by the projected saving of the commuting vehicle power consumption caused by the number of attendees of online conferences (such as education training, online courses, seminars, etc.) in 2023.

## Paperless Conference

### Nan Shan's Inputs

Developed a "paperless conference system", which not only saved energy and papers, but also centralized the management of confidential documents. With the identity authentication and authority control mechanism, it reduced the risk of data leakage.

### Benefits

In 2023, the Company held a total of 502 paperless conferences, which reduced the number of paper printouts by approximately 1.444 million sheets and reduced carbon emission by about 8.091 tCO<sub>2</sub>e.

\* The Company held 30 more conferences in 2023 and showed a positive effect of promotion compared with 2022.

## Energy-Saving Information Facilities

### Project Context and Contents

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

- Continue to improve the isolation of cold and hot channels in the IT facility room, and fill the cabinets or corner gaps with gaskets to block the mixing of air.
- Reduce host computer server procurement: through the technology of host computer/operating system virtualization, a hardware host computer can be shared with multiple virtual application system hosts, or single operating system can be shared with more application systems via containerization. This can reduce the procurement of hardware computers, saving energy and space at the same time. Moreover, the replacement of old, energy-consuming information appliances can effectively reduce energy consumption and carbon emission, which can decrease the temperature in the IT facilities room.

### Benefits


1. In 2023, the power usage effectiveness (PUE) decreased from 1.86 to 1.85. The amount of energy conservation was 14,106 kWh, which reduced the amount of carbon emission by about 6.982 tCO<sub>2</sub>e.
2. The replacement of old servers through virtualization and containerization has reduced carbon emission by 16.679 tCO<sub>2</sub>e.

### Carbon Reduction Practice

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

| Measures  | Description   |
|---|---|
| Better health with more stairs  | Encourage employees to take the stairs in place of the elevators if it is within three floors. This enhances the company's collective effort in energy saving and carbon reduction for the planet and improve employees' health.                |
| Reducing elevators in service during off-peak times                             | Arrange appropriate number of elevators in service during peak and off-peak times to reduce electricity consumption.  |
| Promote and encourage employees to turn off lights whenever they are not needed | Announce to each department that lights must be kept off throughout the lunch break and that executive members must keep their office lights off whenever they are not in it.   |
| Turn off work-related machines before leaving the office                        | Remind employees to turn off their personal computers, work-related machines, and air purifiers before leaving the office.  |
| Adjust lighting modes in public areas such as stairwells and tea rooms          | The LED lighting in the stairwells of each floor of the headquarters has been switched to on/off mode, and induction type LED lighting fixtures were installed in the tea room to reduce power consumption.                                     |
| Reduce the consumption of paper towel   | The paper towels in public areas are replaced with environmentally friendly recycled paper, which is placed in a slot paper rack. Paper is replenished in a fixed frequency (once in both the morning and the afternoon) to reduce consumption. |

### “Earth Hour” to Reduce Carbon and to Love the Earth



Project Context and Contents

Nan Shan Life cares about global warming problems caused by climate change and has been responding to the "Earth Hour" activity to turn off the lights launched by the World Wide Fund for Nature (WWF) Since 2018.

Nan Shan's Inputs

During Earth Hour in 2023, we arranged to turn off the lights on the external walls for 25 buildings owned by Nan Shan Life, including Taipei Nan Shan Plaza, for an hour as our contribution to reducing GHG emissions. We hope to promote the concept of electricity and energy conservation through practical actions, and through the benefits of collective action to promote carbon reduction together with our employees and agents.

Benefits

According to calculations, by shutting off the lights for 1 hour at buildings owned by Nan Shan Life, we saved approximately 3,854kWh of electricity, which was approximately 1.908 tCO2e\*.

\* Emission factor for electricity consumption in Scope 2 is 0.495 (2022) kg-CO2e/kWh.



### Renewable Energy Use

In line with Taiwan's net zero roadmap and global low-carbon transition, Nan Shan Life invested over NT\$20 million in 2021 to develop green power systems. Rooftop solar power systems have been installed at Nan Shan ETC in Wuri, Taichung to generate power for self-consumption and sale back. The system installation and launch by Taiwan Power Company completed in May 2022, and the system started generating electricity. In August 2023, the Company changed ETC solar photovoltaic "balance bulk sales" to "self-use", with approximately 330,000 kWh available for ETC's own use, and the surplus electricity of about 250,000 kWh/year supplied to Nan Shan Building through the Taipower grid. Currently, Nan Shan Building is using green power from ETC. Additional 250 renewable energy certificates can be issued annually, and it is estimated that the green power used in ETC and Nan Shan Building will account for approximately 1.5% of the total electricity consumption.

Furthermore, the Company invested approximately NT\$50 million in the development of a green power system in 2023. A solar power generation system will be built on the roof of the office building in Tainan Xinshi Science Park for self-use. It is expected that Taiwan Power Company will launch the system in July 2024, and the total power generation capacity of the system is estimated to be 1.1 million kilowatt hours.





### Energy Consumption

| Energy Category                     |   | 2022     | 2023      |
|-------------------------------------|---|----------|-----------|
| Non-Renewable Energy                | Externally purchased electricity (unit : MWh) | 49,072   | 37,854    |
|                                     | Fuel (unit : L)                               | 22,303   | 22,516.48 |
| Renewable Energy (unit : MWh)       |   | 212,781  | 415.355   |
| Total (unit : GJ)                   |   | 0.132    | 0.137     |
| Energy Intensity (Joule/Per person) |   | 4.59     | 4.83      |
| Total (unit : MWh)                  |   | 36,729.8 | 38,058.3  |

\* Nan Shan General was not included.  
\*\* The amount of purchased electricity in 2020 and 2021 was calculated by dividing the current year's electricity usage by Taipower's average tariff.  
\*\*\* 1kWh equivalent to 0.0036 GJ

### Paperless Policy and Services

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

| Performance Results   | Description   |
|---|---|
| <div><p><b>Carbon Reduction Amount</b></p><p>Reduced 431.051 tCO2e</p></div> | <p><b>Results of the special project to establish e-administrative processes :</b></p> <ul style="list-style-type: none"><li>• The number of policyholders applying for the e-document service increases each year. As of the end of 2023, over 1.805 million policies had adopted the e-document format.</li><li>• Up to the end of 2023, the Company has sent out a total of 355,000 electronic life and travel insurance policies.</li></ul> <p><b>Reductions to carbon footprints of policies :</b></p> <ul style="list-style-type: none"><li>• Each policy involves sending seven documents each year. With an estimated 3 sheets of A4 paper for each mail (including the envelope), Nan Shan Life saved approximately 37.924 million pieces of A4 paper each year due to its policyholders changing to the use of e-documents.</li><li>• On average, every life and travel insurance policy takes up 40 and 10 sheets of paper respectively. The electronic delivery of these insurance policies was estimated to save 7.99 million sheets of A4 paper every year.</li></ul> |
| <div><p><b>Paper Saved</b></p><p>45.91 million pieces of paper</p></div>     |   |

\* Calculated based on the consumption of 3.8 kg-CO2e per pack of A4 paper (500 sheets) (Source: Product Carbon Footprint Information Network), the company reduced carbon emissions nearly by 348.917 tCO2e.

\*\* According to the IPCC calculation method, the delivery of one printed billing produces about 6.32 (±0.09) g-CO2e; Nan Shan Life has mailed 12.996 million documents per year, indicating that the implementation of e-document and electronic insurance policies has saved the company 82.134 tCO2e in the mailing process alone. Totally, the company reduces 431.051 tCO2e of carbon emissions each year.

Green Real Estate Management

The Company continues to increase compliance with green building standards in the development process of future new construction projects. The investment real estate projects in the development stage in 2023 are involved in the right of superficies of Nan Shan Life A21 and A26 projects, both located in Xinyi District, Taipei City. The initial positioning of the products is top-level commercial offices, so both projects are planned to obtain EEWB Gold Mark, LEED Gold and WELL Gold certifications. It is expected that A21 and A26 projects will obtain relevant certifications in 2029 and 2028 respectively. The projects in Shalun, Tamsui is also involved in right of superficies, which is mainly for self-use and partial for investment. The project is divided into two areas for development: the cultural and creative area and the parking lot. It is expected to obtain the EEWB Copper Mark in 2026 and EEWB Silver Mark in 2027 respectively. Furthermore, the Company invested over NT\$17.97 million in 2023 to carry out energy-saving renovation projects on existing buildings, saving over 210,000 kilowatt hours of electricity.

| Building Name                      | Engineering Content            | Energy Saving (kWh) | Carbon Reduction (t-CO2e) | Engineering Cost (NT\$) |
|------------------------------------|--------------------------------|---------------------|---------------------------|-------------------------|
| Duenhua South Road Office Building | Replace the air handling units | 186,016             | 85.381                    | 17,670,000              |
|                                    | Replace LED lighting fixtures  | 7,019               | 3.222                     | 61,000                  |
| HP Building                        | Replace LED lighting fixtures  | 17,696              | 8.122                     | 130,000                 |
| Nan Shan Building                  | Replace LED lighting fixtures  | 7,675               | 3.523                     | 113,000                 |

## Green Lease 2.0 of Taipei Nanshan Plaza

### Project Context and Contents

The electricity ownership number of Taipei Nan Shan Plaza belongs to Nan Shan Life. The green electricity transfer contract will change the composition and cost of the electricity bill for building, thereby affect the lease agreement between landlord and tenant. When different tenants sign separate purchase and sales contracts with different electricity sales companies, different procurement models will cause difficulties in the distribution of green electricity.

### Nan Shan's Inputs

By integrating the green electricity demand of different tenants, Nan Shan Life provided a powerful bargaining chip for electricity purchase, and solved the problem of physical transfer conditions, which significantly reduced the obstacles for tenants to purchase green electricity, and enabled tenants to use green electricity at more favorable prices and more flexible service

### Benefits

- Total conversion of renewable energy (green electricity) reached 225,300 kWh in 2023
- According to the settlement in 2023, it is expected to assist tenants in obtaining total T-REC certificates of 225
- Reduced carbon emissions of approximately 103.413 tCO<sub>2</sub>e in 2023  
(Calculated based on the electricity carbon emission coefficient of 0.495 kg-CO<sub>2</sub>e approved in 2022)



## 4.1.3 Low Carbon Insurance

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

### Product Carbon Footprint

Since 2018, Nan Shan Life has introduced the ISO 14067 Carbon Footprint Standard to the company and analyzed the carbon footprint of life insurance. After receiving the Carbon Footprint Label certificates from SGS-Taiwan and EPA (upgraded and restructured as the Ministry of Environment in August 2023), the Company became the world's first insurance service provider to attain a dual carbon footprint certification. According to the latest inventory results in 2022, Nan Shan Life's policy carbon footprint is 3.16 kg CO<sub>2</sub>e / per policy. In addition to obtaining the ISO 14067 certification in 2022, the Company also established a well-defined, comprehensive process for scientifically calculating the carbon footprint from life insurance services within the scope of verification. Not only receiving the EPA's carbon footprint label, the Company also adopted low-carbon transition by largely reduced paper output, promotion of the application of electronic documents and policies, and labor division, thereby met the criteria of a 3% carbon footprint reduction within 5 years, and obtained the Carbon Reduction Label in 2023.

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



Similarly, the subsidiary company Nan Shan General has also launched its carbon management operations in keeping up with the global trends for net zero carbon emission. After introducing the ISO 14067 Carbon Footprint Standard in 2021, it has completed the "carbon footprint calculation for non-life insurance services" to obtain the SGS Inventory Verification. In 2022, Nan Shan General calculated the carbon footprint from e-policies and became the first general insurance company in Taiwan to pass the carbon footprint verification for e-policies. After receiving the EPA Carbon Label, Nan Shan General became the first financial insurance service provider in Taiwan to be dually certified by the EPA's Carbon Label for property insurance and e-policy. According to the latest carbon footprint inventory results (property insurance services in 2021 and electronic policies in 2022), the carbon footprint of property insurance services is 1.3 kg CO<sub>2</sub>e / per policy and that of electronic policies is 0.95 kg CO<sub>2</sub>e / per policy.

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



In addition, Nan Shan General also responded to the Financial Supervisory Commission's e-policy promotion by rolling out "Electronic Compulsory Insurance Documents" and text message about the delivery of insurance policies to policyholders. It also communicates the benefits of using e-policy to policyholders, since the electronic documents can be stored easily and accessed at any time. Promoted by customer service employees and agents, Nan Shan General's e-policies reached a usage rate of 69.25% by the end of 2023. Both Nan Shan Life and Nan Shan General have taken the actions to practice low-carbon operations. The Company aspires to set an example in transforming the environmental sustainability awareness and creating a green lifestyle, making an effort to leave a better environment for future generations.

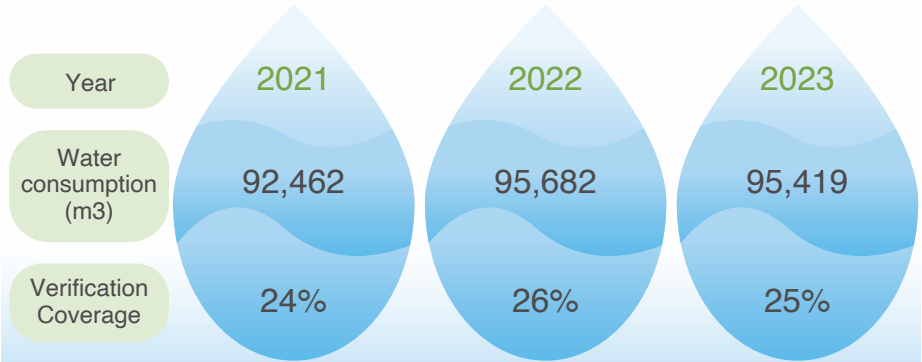
## 4.2 Water Resource and Waste Management

Nan Shan Life continues to promote various waste-reduction and water conservation measures, and encourage our employees to protect the environment with simple acts they can do themselves. We promote garbage separation and resource recycling in the office, using the 3R principles, namely reduce, reuse and recycle. In 2023, the water consumption in self-use buildings amounted to 95,419 kiloliters, a decrease of 0.27% comparing to 2022. The total weight of general business waste was 731,357kg, a decrease of 1.3% comparing to 2022. Nan Shan Life did not receive any fines or non-monetary penalties for violation of environmental regulations in 2023.

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

- Photocopying and fax paper: Make good use of e-files and mailboxes, public server storage, paperless presentations, and double-sided printing, and set up a reuse collection area for general document use. We also control the number of color printing sheets in daily operations of employees by black and white/double-sided printing, and promote paper reduction and reuse to reduce equipment energy and paper consumption.
- Recycling of iron and aluminum cans, PET bottles, plastics, waste batteries, and waste paper to reduce waste generation. In 2023, a total of 183,955kg of waste paper and 77,053.8kg of iron and aluminum cans, PET bottles, plastic and waste batteries were recycled.

### Statistics on Water Resource Consumption



\* The estimation of water consumption in 2022 incorporated 13 buildings and 17 floors owned by Nan Shan Life, and Nan Shan General. The calculation of water resource consumption in 2021 and 2023 included 13 buildings and 17 floors owned by Nan Shan Life, and Nan Shan General was not included.



### Statistics on Resource Handling, Recycling and Reuse

| Handling Method  | General Business Waste (Unit)                                      | 2021    | 2022     | 2023      |
|--|--|---------|----------|-----------|
| Incineration for power generation  | Daily waste (kg)   | 358,219 | 299,109  | 269,329.5 |
|  | Computer asset write-offs in Taiwan (pc)                           | 1,527   | 2,680    | 2,123     |
| Recycle or reuse (construction materials, light tubes, water, electricity or gas devices, trash and recycling) | Waste paper recycling from document files (kg)                     | 142,074 | 200,190  | 183,955   |
|  | Waste paper recycling from filing cabinet (kg)                     | 173,690 | 195,120  | 198,660   |
|  | Furniture and equipment reuse (pc/kg)                              | 181     | 140      | 236       |
|  | Recycling: iron and aluminum cans, PET bottles, plastic, etc. (kg) | 65,348  | 81,015.7 | 77,053.8  |
|  | Total (kg)   | 879,564 | 741,039  | 731,357   |



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

## 4.3 Sustainable Supply Chain Management

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

### Nan Shan Life's Declaration on Sustainable Procurement >>

The Company is committed to becoming a benchmark enterprise in implementing ESG and sustainable business strategies. To respond to climate change and environmental protection, we will strengthen our sustainable procurement practices by purchasing goods that are energy-saving, carbon and waste reducing, and recycling products to reduce impact on the environment and make greater contributions to environmental protection.

The Company introduced the ISO 20400 Sustainable Procurement Guidelines in 2023. We review and integrate critical sustainable factors in procurement practices, and implement sustainable procurement to achieve our corporate sustainable supply chain responsibility. By implementing sustainable procurement, the Company strengthens its competitiveness in the market, and becomes more influential. This is a communal journey, and we look forward to join hands with everyone to achieve a more sustainable and responsible future.





### Supplier Composition

Based on our procurement items, we divide our suppliers into six categories: technology procurement, printing procurement, event procurement, office supplies procurement, mechanical and electrical procurement, and building material and renovation procurement. Each year, we examine the suppliers' operation conditions, product qualities, and service qualities. There were a total of 4,297 qualified suppliers in 2023, among whom 1,138 were rated as "Excellent" and "Favorable" (only the active suppliers were evaluated during the assessment period).

| Supplier type             | Proportion of procurement amount (%) | Proportion of suppliers (%) |
|---------------------------|--------------------------------------|-----------------------------|
| Technology                | 51.04                                | 13.1                        |
| Printing                  | 4.3                                  | 3.5                         |
| Event                     | 24.43                                | 21.9                        |
| Office supplies           | 4.9                                  | 8.9                         |
| Mechanical and electrical | 2.86                                 | 13.3                        |
| Building and renovation   | 8.55                                 | 12.9                        |
| Regional procurement      | 3.92                                 | 26.4                        |
| Total                     | 100                                  | 100                         |

### Green and Local Procurement



\* In 2023, the scope of statistics was expanded to include information facilities with the Energy Star label.

### Supplier Management

Nan Shan Life has introduced sustainable procurement guidelines and standards, and identified and analyzed material sustainable issues of supplier sustainable risks to developed risk control methods. Through education and training, document revisions and other procedures, the Company gradually revised and formulated sustainable procurement policies to reduce the risks of procurement process, and achieved engagements with suppliers for the concept of sustainable procurement, including the signing of a sustainable commitment letter by the supplier. The following points are critical for implementing supplier management through strict review and management procedures:

- Before conducting business with suppliers, we must thoroughly understand their background, financial situation, and operational status. We must inspect their stakeholders, efforts in anti-terrorism and sanctions lists to ensure that they meet Nan Shan Life's legal compliance to prevent risk from commercial trades.
- According to the relevant company assessment regulations in the Nan Shan Life Procurement Application Operation Regulations, we have established a comprehensive assessment system. We must follow a review system that is fair, impartial, and open in reviewing suppliers and selecting outstanding partners for collaboration.
- Before adding new suppliers, we review their ESG implementation status, and we incorporate ESG into the assessment items of annual qualified suppliers.
- We invite suppliers to sign the Supplier/Contractor Commitment and to follow corporate social responsibility commitments related to integrity management, labor and human rights, and environmental sustainability. In the first quarter of 2023, the Company sent supplier commitment agreements to 491 suppliers who had business relationship with Nan Shan in 2022 for ethical management and communication. With 210 suppliers signing back, the ratio of communication was 42.77%.
- Before leasing a location, we evaluate whether that property has energy-saving equipment/devices or whether the equipment/devices are old. We prioritize leasing properties with energy-saving equipment and devices or properties where the landlords are willing to replace the old equipment/devices with new models that conserve energy.

## Green Procurement of Information Appliances

### Project Context and Contents

Through energy-saving equipment procurement and ESG supplier management, the Company facilitates the green procurement of information appliances.

### Nan Shan's Inputs

Since the production and operation of all information equipment would generate massive carbon footprints, the Company has designed three principles for green procurement:

- Electronic Product Environmental Assessment Tool (EPEAT) for green products: priority will be given to information appliances that have been certified to be made by an eco-friendly process
- Energy Star for energy efficiency: priority will be given to information appliances that have been certified to be energy-saving
- ESG suppliers: suppliers must comply with the ESG regulations. Currently all primary suppliers are ESG-certified as they continue to work toward zero carbon emissions.

### Benefits

In 2023, the total amount of "Green Procurement of Information Appliances" amounted to NT\$23.05 million.



## 4.4 Environment for Good

As a beautiful island surrounded by the sea, Taiwan is facing severe coastal erosion that has been reducing its physical land area. Nan Shan Life is the first corporation in Taiwan to focus on the coastline erosion. Since 2012, the Nan Shan Ocean Protection Action has been launched to protect the ecosystem on Taiwan's coastlines for 12 consecutive years. To solve the problem, the Company not only protects the coastline and sea through planned dune fencing, dune fixing, tree planting, beach cleaning and recycling marine debris art walls, but also invites environmental bureaus from city/county governments to participate in ocean protection activities with local middle or elementary schools, collaborative enterprises, employees, agents, relative and friends, policyholders, and the general public. In 2023, the Company invited more stakeholders to join the activity, and made special tops with waste PET bottle for the activity. The Company also brought recycling marine debris art walls to Taichung, Keelung and Hualien, the closest cities to the sea, where the walls quietly safeguard the sea with Nan Shan and tell the stories to every visitor, and play a role in environmental education to encourage more people to protect the ocean.



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Ocean Protection Action

Project Context and Contents

It has been 12 years since Nan Shan launched its Ocean Protection Action. Starting from protecting Taiwan's coastlines through dune fencing, dune fixing, tree planting and beach cleaning, the project has now expanded to focus on marine debris.



The theme for 2023 was "Protect the Only Earth Together". Nan Shan Life understands that environmental issues must continue to "expand externally". In addition to organizing beach cleanups and online marine environmental courses, the Company expanded the concept of recycling marine debris by making tops with waste PET bottles and introducing marine debris art walls to Taichung Port North Embankment, Keelung Wanghai Lane, and Chishingtan, Hualien. These art walls convey the concept of plastic reduction, raising an awareness of environmental sustainability, promoting ocean protection actions to communities, and calling for everyone to take action in local ecosystem protection.

Nan Shan's Inputs

In 2023, Nan Shan Life invested about NT\$4 million to invite stakeholders, E.SUN Bank, and Nan Shan General to continue to protect the Green Bay, and encouraged the senior management to lead employees, agents, policyholders and suppliers to participate in beach cleanup activities. A total of 7 beach cleanups were held in Wanli District, New Taipei City, Guanyin District, Taoyuan, Xianxi, Changhua, Anping District, Tainan, and Qijin, Kaohsiung, attracting over 4,600 participants in total.



Benefits

Nan Shan Life demonstrates its actions and commitments for environmental sustainability through environmental education, continued beach cleanups, recycling and reuse. It fulfills corporate social responsibility by drawing public attention to ocean protection.

1. Increased the number of beach cleanup participants to 4,600.
2. Collected a total of 5,600kg of marine debris.
3. Held 3 environmental education seminars with 300 participants on site. The online program has been promoted to nearly 10,000 people.
4. Added one physical environmental education and publicity base at the Taipei Customer Service Center to promote the environmental education, receiving visits of about 100 parents and children.
5. Added 3 recycling marine debris art walls to Taichung, Keelung and Hualien, attracting 3,000 visitors.
6. Produced 4,500 pieces of tops made of recycled marine wastes, using approximately 24 tons of marine waste raw materials.
7. Collaborated with the media to promote the films on ocean protection, reaching 59,000 views.

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Wetland Ecology and Habitat Conservation Action

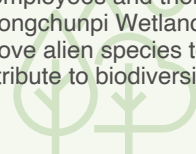
Project Context and Contents

Yongchunpi Wetland Park is the first urban wetland park in Xinyi District, Taipei City, being designed with functions such as ecological restoration, environmental education and flood control. However, due to the relocation of foreign plants, soil and wood, invasive species from Central and South America, such as snails, red fire ants, African giant snails and Mikania micrantha Kunth, grow and spread in the park, posing a threat to local biological species and invading their ecological space, which seriously affect the local ecological balance.



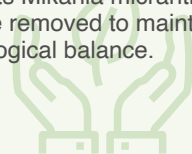
Nan Shan's Inputs

The Company gathered nearly 30 employees and their families in Yongchunpi Wetland Park to remove alien species to contribute to biodiversity.



Benefits

16 large packages of foreign plants Mikania micrantha Kunth were removed to maintain local ecological balance.





# 05 Action for Good



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



## Major Achievements

- ✓ In 2023, Nan Shan Life held more than 100 public welfare activities across Taiwan, serving more than 140,000 people. Nan Shan employees and agents provided more than 50,000 hours of volunteer service, with more than 12,000 participants.
- ✓ Under the Nan Shan Charity Fund Medical Care Project set up by Nan Shan Life Charity Foundation (hereafter referred to as "Nan Shan Charity Fund Medical Care Project"), Nan Shan Life collaborated with 210 hospitals and donated a total of NT\$27 million during the year, helping 2,200 underprivileged patients seek medical treatment with ease.
- ✓ The Company launched the "Nan Shan Life Care for Remote Indigenous Villages Program" activity, joining hands with the "remote area medical teams" from the 10 cooperative hospitals across Taiwan and the local Nan Shan volunteers to visit 10 indigenous villages, with the aim to improve the medical and health care inequalities in these areas.
- ✓ In 2023, Nan Shan Life Charity Foundation donated more than NT\$23 million of microinsurance premium, providing protection to 115,000 disadvantaged people for accidental insurance with a maximum insured amount of NT\$ 300, 000. Nan Shan General launched the first property microinsurance policy "fire inconvenience expenses insurance" in Taiwan, providing protection to nearly 80,000 people with low and low-to-middle income.

## ● 5.1 Nan Shan Life’s Charity Strategies

Nan Shan Life believes that “happiness is the greatest power to change lives”. The Company aims to continuously help more people in need and promote the cycle of social goodness to enhance the general happiness of the public.

With social care as its core value, Nan Shan Life leverages its core insurance capabilities to actively promote and participate in various public welfare activities. Through its service network throughout Taiwan, Nan Shan Life goes deep into the community to identify needs of residents and provide resources and assistance to them, so that more people can benefit from the caring actions and enjoy a more secured life.

### 5.1.1 Social participation strategies




To fulfill its commitment to public service and social participation, Nan Shan Life leverages its core insurance capabilities to develop the three major social participation concepts: “inclusive finance”, “community medical care”, and “local care”. provides comprehensive insurance protection services for the disadvantaged, invoking the spirit of fair treatment of all customers. Through the “Nan Shan Life Charity Foundation” as a platform, Nan Shan Life works together with various hospitals across Taiwan and provides medical care services by integrating corporate resources, employees, and agents to safeguard community health. In addition, the Company also collaborates proactively with external groups and organizations to promote actions for public welfare, implementing local care by utilizing its corporate resources and capabilities. The performance of the Company's social participation in 2023 was reported to the Corporate Sustainability Committee through its Community Participation Team. From 2024 onwards, the meeting will be held quarterly to report regularly to the committee on social participation action plans and implementation status.



### Establish volunteer service culture and practice the core value of public welfare services



To establish volunteer service as the core value and culture of the Company, and to realize its commitment of long-term and continuous care, Nan Shan Life provides a maximum of two days of paid volunteer leave per year for its employees, and since 2008, it has held the “loving volunteers recognition activity” to publicly praise and reward employees and agents who actively participate in volunteer activities, so as to cultivate a corporate culture of public service. In 2023, Nan Shan Life selected a total of 49 caring agency offices and 145 loving volunteers, and publicly praised them and issued honorary banners and certificates of honor to them in the districts concerned to thank the volunteers for their care and dedication. In addition, to guide agents in planning complete insurance coverage for customers while practicing the core values of public welfare service and engaging in volunteer services, Nan Shan Life has launched the “Nan Shan Life Public Welfare Services Award” since 2016. To be awarded, the agency offices must meet the award thresholds of “accident and health insurance activity rate”, “total volunteer service points” and “participation in more than 2 volunteer service activities”. The Company provides awards, trophies and honorary house plates, and publicly awards outstanding agency offices at the annual award ceremony. In 2023, the “Nan Shan Life Public Welfare Services Awards” were awarded to 20 agency offices, with a total of 4,971 volunteer service visits, representing an average of 249 volunteer service visits per office.

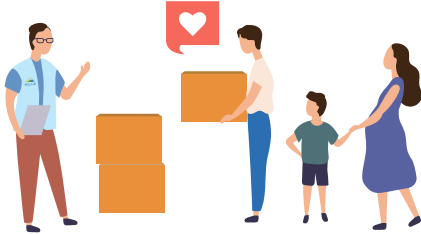



### | Nan Shan Life’s Three Major Social Participation Concepts

| Concept                | Corresponding SDGs   | Core Competence   | Strategic Focus  | Commercial, Environmental and Social Benefits  |
|------------------------|--|---|--|--|
| Inclusive Finance      | <br> | Leverage core insurance capabilities, promote inclusive financial services, and provide risk protection shield for vulnerable groups.   | <p><b>Optimize the value of insurance and provide comprehensive insurance protection:</b> Integrate the resources of Nan Shan Life Charity Foundation to build an accident risk protection shield for the vulnerable groups through cooperation with the county and city governments, the offices of village chiefs and social welfare organizations.</p> <ul style="list-style-type: none"><li>● Micro life insurance: The “group accident microinsurance” and the “collective accident microinsurance” provide basic accidental death and accidental disability protection for economically disadvantaged and physically and mentally disabled people.</li><li>● Micro property insurance: The introduction of the “fire inconvenience expenses insurance” enables low-income households and low- mid income households to receive a fixed amount of fire inconvenience expenses insurance payment in the event of a fire in their residential premises.</li></ul> | <ul style="list-style-type: none"><li>● Microinsurance:<ul style="list-style-type: none"><li>(1) In 2023, Nan Shan Life Charity Foundation donated more than NT\$23 million of microinsurance premium to 115,000 disadvantaged people, for accidental insurance with a maximum insured amount of NT\$ 300, 000, providing risk prevention shield to these disadvantaged families. In 2023, Nan Shan Life received Gold Award in the “Microinsurance Promotion Excellence Category” in the 10th Taiwan Insurance Excellence Award.</li><li>(2) In the “2023 Insurance Competition” organized by the FSC, the Company won the “Business Performance Excellence Award”, the “Disability Care Award”, the “Sprint Award” and the “First Place in the Insurance Company Group” in the microinsurance category. In the “Aging Insurance Competition”, Nan Shan Life received the “Elders Friendly Award”. Nan Shan Life won the most awards among the general and life insurance companies in Taiwan.</li><li>(3) In 2023, Nan Shan General helped nearly 80,000 low-income families and low-mid income families obtain microinsurance protection.</li></ul></li></ul> |
| Community Medical Care |   | The corporate volunteers’ group, formed by nearly 10,000 employees and agents, has joined hands with 210 hospitals, 40 social welfares institutions and environmental conservation groups to build a health care protection service network, which actively explores the medical care needs of local communities and provides on-site services. | <p><b>Promotion of community medical care services:</b> In 2013, Nan Shan Life officially unveiled the “Nan Shan Charity Fund Medical Care Project”. Since then, the Company has been proactively supporting disadvantaged people and serving the communities through collaborations with hospitals across Taiwan.</p> <ul style="list-style-type: none"><li>● Through collaborations with medical social workers, Nan Shan Life actively supported disadvantaged people in seeking medical services, helping them to get medical treatment with ease.</li><li>● Nan Shan Life promoted medical and health care services for hospital patients and people in the communities.</li><li>● Nan Shan Life strongly supported medical social workers in helping people in the communities, to promote the positive influence of the helping profession on the society.</li></ul>  | <ul style="list-style-type: none"><li>● Collaborated with 210 hospitals to form a medical and health care service network covering 22 counties/cities, to serve disadvantaged patients.</li><li>● From 2013 to 2023, a total of more than NT\$500 million was donated to cover the cost of medical treatment for more than 42,000 disadvantaged patients. In 2023, NT\$27.35 million was donated as medical treatment relief funds for disadvantaged people, helping 2,200 disadvantaged patients get medical treatment in collaboration with medical social workers.</li><li>● In 2023, Nan Shan Life sponsored the budgets/programs of the long-term volunteer service of 46 hospitals, and organized 63 community medical care events, with a total expenditure of NT\$3.50 million. More than 5,000 volunteers participated in these events, providing services to more than 220,000 people, with the hope of providing a friendly medical care environment and enhancing the quality of medical care services.</li></ul>  |

| Concept                | Corresponding SDGs  | Core Competence   | Strategic Focus   | Commercial, Environmental and Social Benefits  |
|------------------------|---|---|---|--|
| Community Medical Care |   |  <p>Nan Shan Charity Fund Medical Care Project</p>   |   | <ul style="list-style-type: none"> <li>Nan Shan Life launched the “Care for Remote Indigenous Villages Program” activity. The Company joined hands with 10 partner hospitals across Taiwan, medical teams in remote rural areas, and local Nan Shan volunteers to visit 10 local tribes in Taiwan. Through the support of the Medical Improvement Program for Indigenous Areas and the holding of activities such as free diagnosis, health examination and health promotion, the Company helped to improve the problem of insufficient medical resources and inconvenient medical treatment in the indigenous areas, hoping to enhance the public's health awareness and protect the health of the local indigenous people with practical actions. Meanwhile, Nan Shan Life promoted the awareness of financial fraud prevention and home disaster prevention to enhance the risk awareness of tribal people, and to practice the spirit of equal treatment and ESG concepts. The Company has allocated more than NT\$2.2 million in the activity, and more than 200 Nan Shan volunteers provided volunteer services, serving more than 3,000 people in the indigenous areas.</li> <li>A total of NT\$3.7 million has been allocated to organize the Nan Shan Medical Social Work Award for six consecutive years. Each year, six groups and six individual winners are selected to encourage the more than 2,000 medical social workers across Taiwan.</li> <li>Nan Shan Life has provided NT\$2.55 million to assist the Medical Social Work Association to promote various programs, including physical/mental medical care and insurance programs for medical social workers, and more than 2,000 medical social workers have benefited from these programs.</li> </ul> |
| Local Care             |  | <ul style="list-style-type: none"> <li>Created a public service platform for the integration of corporate resources, employees, agents, policyholders, and the public, to maximize the influence of public welfare services.</li> </ul> | <p><b>Nan Shan Life Delivers Warmth after Major Disasters:</b></p> <ul style="list-style-type: none"> <li>Health care during the pandemic: provided help to underprivileged people and support medical staff.</li> <li>Caring service for major disasters: Caring action taken after the explosion and fire incident at the plant of Launch Technologies Co., Ltd in Pingtung.</li> </ul> | <ul style="list-style-type: none"> <li>In response to the COVID-19 pandemic, Nan Shan Life launched the “Nan Shan Pandemic Caring Program” to provide a subsidy for patients with low income or low-mid income, who were confirmed to be infected with COVID-19 and were required to seek medical treatment at hospitals. Each of such patients would receive a subsidy of NT\$20,000. The Nan Shan Pandemic Caring Program was promoted from May 1, 2021 to December 31, 2022, and eligible patients might apply before March 31, 2023.</li> </ul>  |

| Concept    | Corresponding SDGs  | Core Competence | Strategic Focus   | Commercial, Environmental and Social Benefits  |
|------------|---|-----------------|---|--|
| Local Care |   |                 |   | <ul style="list-style-type: none"><li>As of the end of March 2023, the “Nan Shan Pandemic Caring Program” has provided a total of NT \$7.2 million in living assistance, which has benefited 360 people.</li><li>Caring action for the explosion and fire incident at the plant of Launch Technologies in Pingtung: On the evening of September 22, 2023, a fire and explosion occurred in the golf ball plant of Launch Technologies Co. Ltd in Pingtung, resulting in a major accident in which 10 people, including employees of “Launch Technologies” and the firefighters, were killed and more than 100 people had minor and serious injuries. Nan Shan Life launched its caring measures at the earliest time, integrating resources and manpower of Nan Shan Life and Nan Shan Life Charity Foundation. With the help of the Social Affairs Bureau of Pingtung County, the Company called on more than 70 volunteers to visit the injured in 15 hospitals in Kaohsiung and Pingtung and the family members of the dead. During the period, the volunteers visited a total of 112 people, and the total amount of care money given was NT \$2.48 million.</li></ul>   |
|            |  |                 | <p><b>Applying Local Resources to Serve the Needs of Local Communities:</b> Collaborate with local charity organizations to explore local needs.</p> <ul style="list-style-type: none"><li>Promote charitable and public welfare activities to serve the underprivileged.</li><li>Establish empowerment and revitalization programs for disadvantaged groups.</li></ul> | <ul style="list-style-type: none"><li>Nan Shan Life provided NT\$6.85 million in funding more than 50 caring events to support underprivileged families, people with mental or physical disabilities, the elderly and children, and blood-donation campaigns. A total of 700 volunteers participated in the events, serving more than 10,000 people.</li><li>Nan Shan Life continued to support the operation of the canteen for seniors at Chiayi Christian Hospital by donating rice.</li><li>The “Farming Empowerment Workshop for Youth with Mental Retardation” in Pingtung encouraged mentally retarded youth to grow vegetables and fruits, such as loofah, Fushan lettuce, scallions, Chaotian pepper, and more. Nan Shan volunteers helped to organize charity sale activities to enhance the sense of achievement of these mentally retarded young farmers by sales promotion, and encouraged their independence.</li><li>Supporting more caring programs: Nan Shan Life purchased about 10,000 face masks made by the First Workshop of the First Social Welfare Foundation, to help mentally and physically disabled people become self-sufficient. The masks were designed to assist in the promotion of organ donation, hospice care, and cancer screening services arranged by Saint Paul's Hospital and the National Cheng Kung University Hospital.</li></ul> |

| Concept    | Corresponding SDGs  | Core Competence | Strategic Focus   | Commercial, Environmental and Social Benefits   |
|------------|---|-----------------|---|---|
| Local Care |   |                 |   | <ul style="list-style-type: none"> <li>To alleviate the imbalance in the production and marketing of agricultural products and to help ordinary farmers maintain their livelihoods, Nan Shan Life Charity Foundation, through the coordination of the Ministry of Agriculture and other relevant units, purchased pineapples, mangoes, pomelos, and other fruits, with a total purchase amount of NT \$500,000. Nan Shan Life donated these fruits to medical social workers in hospitals across Taiwan and 100 units, including day care centers/stations for people with dementia, nursing homes, and recreation stations in indigenous villages and tribes throughout Taiwan, with the aim to care for first-line social workers, patients, and elders in indigenous villages. To help increase the work opportunities for the visually impaired, Nan Shan General, in cooperation with Eden Social Welfare Foundation, held a one-month “Relaxing and Fun Massage” activity in the workplace of the Company in 2023. The activity had about 60 sessions, during which visually impaired personnel provided massage services to the Company’s employees. This activity promoted multiculturalism and inclusiveness, making the participants aware that people, no matter what abilities they have, can make contributions to the society.</li> </ul> |
|            |  |                 | <p><b>Providing in-depth volunteer service to the local communities:</b></p> <p>In collaboration with 210 hospitals, 40 social welfare institutions, 12 local governments, environmental conservation groups, and schools, Nan Shan Life has established a service network across Taiwan to organize various public service and charity events to promote healthy LOHAS living, friendly medical care, care for those with dementia and disabilities, and assistance for the underprivileged.</p> | <ul style="list-style-type: none"> <li>In 2023, more than 12,000 people participated in volunteer programs sponsored by Nan Shan Life, and more than 360,000 people benefited from the Nan Shan Charity Fund Medical Care Project and microinsurance provided by Nan Shan Life.</li> </ul>  |

### 5.1.2 Social Participation Performance in 2023

In 2023, Nan Shan Life called about 12,000 people to participate in public welfare activities, supporting more than 250 public welfare organizations/hospitals. Nan Shan Charity Fund Medical Care Project and the Company’s microinsurance supported more than 360,000 disadvantaged people, such as low-mid income households, the elderly, and people with mental and physical disabilities.

#### Total Fund Input for Public Welfare Activities Held in the Year

Upholding the spirit of “Making Earnest Commitments and Taking Protective Actions”, Nan Shan Life has been leveraging the core capabilities of the insurance industry and actively cultivating local service networks, with the aim to safeguard the health and safety of the public. In 2023, Nan Shan Life’s total fund input for public welfare activities was approximately NT\$196 million.

## 5.2 Inclusive Finance

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

#### Committed to the delivery of friendly services ensuring fair and dignified experience for economically disadvantaged social groups

Following the business philosophy of “earnest attitude, professional service, and warm care”, Nan Shan Life actively practices the corporate culture of “thinking from the perspective of customers”, with the hope of becoming a “defender of customers’ happiness”. Nan Shan Life has been fully abiding by the “Principle of Fair Customer Treatment”, and, in line with its “Principle of Friendly Services”, Nan Shan Life actively develops friendly financial services that enable economically disadvantaged people to have a fair and respected service experience.

Nan Shan Life helps economically disadvantaged low income and low-mid income people and those with physical and mental disabilities to obtain microinsurance. With premium donations from the Nan Shan Life Charity Foundation, the Company collaborates with county and city governments, township offices, offices of villages, and various social welfare organizations, to offer small-amount premium insurance and group insurance to underprivileged families through insured units, thus to provide a risk protection shield for economically disadvantaged families and maximize the function of insurance to enhance social stability.

In 2023, Nan Shan Life Charity Foundation donated insurance premiums totaling NT\$23 million, providing accident insurance protection for more than 115,000 people, with an average of NT\$300,000 per person. From 2014 to December of 2023, Nan Shan Life Charity Foundation has donated more than NT\$90 million of insurance premiums to assist more than 400,000 economically disadvantaged community members and people with physical and mental disabilities. In the “2023 Insurance Competition” organized by the Insurance Bureau of the FSC, Nan Shan Life won five awards, and it was the life insurance company winning the most awards among all participating property and life insurance providers in the competition, and in particular, Nan Shan Life was the only company in the industry to receive all the four awards in the microinsurance category.

| Category  | Unit          | 2021   | 2022    | 2023    |
|---|---------------|--------|---------|---------|
| Cash donation   | NT\$ thousand | 73,860 | 110,280 | 125,040 |
| Corporate volunteers’ service hours   | Hour          | 39,396 | 38,128  | 51,940  |
| Time contribution (Monetary equivalent of employee volunteers’ service hours) | NT\$ thousand | 11,031 | 10,943  | 15,322  |
| Donation of physical articles and goods                                       | NT\$ thousand | 1,545  | 5,909   | 688     |
| Administrative expenses   | NT\$ thousand | 36,492 | 50,659  | 54,488  |

\* All the above public welfare activities were organized by Nan Shan Life, and the resources needed for the activities were provided by the company to its agents. Nan Shan Life also provides volunteer paid-leave for a maximum of 2 days every year for its employees.




\*\* The “Administrative cost” refers to the personnel and administrative costs incurred in organizing various public welfare activities, including the salaries of employees of Nan Shan Life Charity Foundation and Department of Branding Communication & Corporate Affairs.






To extend social care and assistance to disadvantaged groups, and in response to the inclusive finance policy actively promoted by the FSC, Nan Shan General, in liaison with Nan Shan Life Charity Foundation, launched the first property microinsurance policy “fire inconvenience expenses insurance” in Taiwan. The premium of this microinsurance policy is donated, so that low-income and low-mid income households in Taiwan can, without having to pay the insurance premium, receive a fixed amount of NT\$8,000 fire inconvenience expenses insurance payment per person if their residential premises are unfortunately hit by a fire accident, resulting in damage to the building itself or the properties in the premises, which can temporarily relieve the insured’s economic burden of basic food and temporary accommodation.

From August to December 2023, Nan Shan General successively signed cooperation agreements with five counties and cities, including Pingtung County, Hsinchu County, Penghu County, Keelung City and Nantou County, benefiting a total of about 80,000 people, and truly implementing the mission of emergency relief by the insurance industry.

Inclusive Finance Products and Services

| Products & Services  | Benefits   | Target Group   | 2023 Achievements   |
|--|--|--|---|
| <div>Microinsurance</div> <div></div> <div>[ Microinsurance Products Page ]</div>                           | Since the launch of the first accident microinsurance for individual policyholders in the industry, Nan Shan Life has continued to develop other types of microinsurance products, to include more people covered by insurance and to fulfill the social responsibility of inclusive finance.  | <ul style="list-style-type: none"><li>Elderly People</li><li>Economically disadvantaged groups</li><li>Individuals with health condition or impairments</li></ul>  | <ul style="list-style-type: none"><li>Nan Shan Life achieved outstanding performance in enhancing insurance protection for Taiwan people and in promoting its microinsurance business. For that, more products (4 products) were allowed to be applicable for use-and-file procedure instead of prior-approval procedures, for the purpose of encouraging the development of product innovation.</li><li>Gold Award in the “Microinsurance Promotion Excellence Category” in the 10th Taiwan Insurance Excellence Award</li><li>In the “2023 Microinsurance Competition”, Nan Shan Life received four awards, including “First Place in the Insurance Company Group”, “Sales Excellence Award”, “Disability Care Award”, and “Sprint Award”.</li><li>As of 2023, Nan Shan Life Charity Foundation has donated more than NT \$90 million in microinsurance premiums over the past year, helping more than 400,000 disadvantaged people get basic protection.</li></ul> |
| <div>Micro-whole-life Insurance</div> <div></div> <div>[ Micro-whole-life Insurance Products Page ]</div> | In response to the trend of aging population and declining birth rate, Nan Shan Life has launched a micro-whole-life insurance with relatively more affordable premiums. To facilitate the elderly to get insured, the contents of the insurance products are made simple and easy to understand. At the same time, the Company has lifted the upper limit for the amount and number of policies in line with the regulations, with a hope of meeting people’s basic needs for insurance protection. | <ul style="list-style-type: none"><li>Elderly People</li><li>Economically disadvantaged groups</li><li>Young People</li></ul> <div></div> | <ul style="list-style-type: none"><li>With the continuous promotion of micro-whole-life insurance:<ul style="list-style-type: none"><li>(1) By the end of 2023, Nan Shan Life issued more than 50,000 effective insurance policies for people aged 55 or above, effectively enhancing the basic insurance protection for the elderly generation.</li><li>(2) By the end of 2023, the total number of effective policies was nearly 140,000. Compared with the number of policies last year, which was about 120,000, there was an increase of nearly 15%, continuously expanding the micro-whole-life insurance protection.</li></ul></li><li>Received the “Elderly Friendly Award” in the contest of micro-whole-life insurance in 2023.</li></ul>   |

| Products & Services   | Benefits   | Target Group   | 2023 Achievements  |
|---|--|--|--|
| <p><b>Nan Shan Life Online Policy Application Center and FundRich Protection Insurance Product Platform:</b></p> <p>2023 new products for Online Policy Application Center:</p> <p>Nan Shan Life iLike Rich Interest Sensitive Deferred Annuity Regular Premium (Type A) (ECISA3RP)/</p> <p>Nan Shan Life E-Commerce iLike Xiang Ting Personal Accident Insurance (ECPA1)/</p> <p>Nan Shan Life E-Commerce iLike Yi Kao Hospitalization Indemnity Insurance (EHI)</p> | <ul style="list-style-type: none"><li>● Nan Shan Life Online Policy Application Center successively launched various types of products (including interest sensitive annuities, accident insurance and daily indemnity medical insurance), allowing the policyholders to apply for insurance online according to their own protection needs and to select the right product for themselves.</li><li>● In addition to the above products, the FundRich Protection Insurance Product Platform displays a full range of products, continuously providing simple and affordable insurance products to enhance basic insurance protection for all policyholders.</li><li>● In addition, online insurance applications and policy documents are stored electronically, which would reduce carbon emissions and resources used in the production of paper products. The cost savings is reflected on the premium, providing the public insurance protection at a lower rate of premium.</li></ul> | <ul style="list-style-type: none"><li>● Elderly People</li><li>● Economically disadvantaged groups</li><li>● Individuals with health condition or impairments</li><li>● Young People</li></ul> | <ul style="list-style-type: none"><li>● Nan Shan Life's premium income generated by new insurance policies of protection-type and elderly insurance products accounted for about 39%. The amount of the Company's premium income from new policies of protection-type and elderly insurance products was NT\$24.4 billion, accounting for about 14% of the premium income of new policies of protection-type and elderly insurance products in the industry, ranking first in the industry.</li></ul>  |
| <div><p>[ Online Policy Application Center ]</p><p>[ FundRich Protection Insurance Products Page ]</p></div>   |  | <ul style="list-style-type: none"><li>● Low income and low-mid income households in Taiwan.</li></ul>  | <div></div> <ul style="list-style-type: none"><li>● With the development of digital technology, Nan Shan Life's online insurance products have been expanded from travel insurance to annuity insurance, accident insurance and health insurance, so that people can freely choose the right type of protection for themselves.</li><li>● As one of the first wave insurance companies listed on the FundRich Protection Insurance Product Platform, Nan Shan Life has provided a comprehensive set of products on the platform so far (including term life insurance, micro-whole-life insurance, critical illness life insurance, and microinsurance).</li><li>● Nan Shan General has signed cooperation agreements with Pingtung County, Hsinchu County, Penghu County, Keelung City and Nantou County, benefiting a total of about 80,000 disadvantaged people.</li></ul> |
| <p>Nan Shan General – “fire inconvenience expenses insurance”</p>   | <p>Assisting disadvantaged groups and extending the coverage to property insurance.</p>  |  |  |

Adhering to the principle of “inclusive finance”, Nan Shan Life provides comprehensive insurance options and friendly and caring services for the elderly, people with physical and mental disabilities, and other vulnerable groups.

Gradually, Nan Shan Life has increased service facilities at its customer service counters across Taiwan, including the establishment of comprehensive service counter at the four main customer service centers in Taipei, Zhongli, Taichung, and Kaohsiung, to serve the disadvantaged groups in the society. At the comprehensive service counter, policyholders can conduct different types of transactions, such as policy loan/repayment, policy change, mortgage loan repayment, policy reinstatement, premium payment, purchase of travel insurance and request for claim, without having to go to other counters.

Nan Shan Life is the first in the industry to provide the services of “Scanning QR code to listen to an audio file” and “braille book” for people with disabilities. Customers can simply scan a QR Code using their mobile phone or tablets to listen to important information, so that visually impaired customers can understand their own rights and interests. Additional services, such as wheelchairs, video magnifiers, hearing aids, sockets for charging electric wheelchairs, crutch clips, posting of “Guide Dogs Welcome” signs, and installation of service bells, are provided. To provide a convenient, safe, and barrier-free business environment for the customers, various customer-friendly facilities are provided at service centers across Taiwan, including anti-skid flooring at the front door, bilingual signs, barrier-free bathrooms, barrier-free ramps, and handicap parking spaces. In addition, Nan Shan Life also provides an audio file service for policy loan agreement and important notes of policy termination application in Taiwanese/Hakka language, so that the policyholders can get the relevant information on the rights and benefits of their policies in their familiar languages.

Non-financial Care and Support for Disadvantaged Groups

| Project                                      | Project Content   | Type of Project                         | Target Group                            | Quantified Social Influence and Key Performance Indicators (KPI )   |
|--|---|---|---|---|
| Care for Remote Indigenous Villages Program  | Helped to improve the medical care condition and health inequalities in 10 indigenous tribes, and taught local people about disaster prevention and fraud prevention. See the Highlighted Projects in 5.4 for details.  | Financial or digital knowledge training | Indigenous people in remote rural areas | Provided knowledge of disaster prevention and fraud prevention for about 800 indigenous people  |
| Policyholder service hotline for the elderly | The service hotline system identifies the senior customer through the incoming call number, and directly transfers the call to the designated customer service personnel, which can save up to 50% of the waiting time for senior customers who call the service hotline.           | Technical support                       | Elderly groups                          | In 2023, Nan Shan Life provided services to 39,763 customers, and 99% of the customers gave a highly satisfactory rating for the call-in process and overall service. |
| Policy loan calculation table                | Explain the method of calculating principal, interest, and revolving principal, to help senior policyholders understand the risks of policy loan.   | Financial or digital knowledge training | Elderly groups                          | 8,366 persons.  |
| Friendly service hotline                     | The service hotline system automatically compares the calling customer’s data with the database, and transfers the call directly to dedicated personnel for priority service if the caller is identified as a policyholder with disability, which has a call answering rate of 98%. | Technical support                       | Physically and mentally disabled groups | In 2023, Nan Shan Life provided services to 2,873 persons.  |

| Project   | Project Content  | Type of Project   | Target Group                            | Quantified Social Influence and Key Performance Indicators (KPI )  |
|---|--|-------------------|---|--|
| Attentive insurance application service for those with disabilities   | <ul style="list-style-type: none"><li>Hearing-impaired policyholders are provided with the service of conversation by writing or typing text on a screen for communication.</li><li>Home visits are scheduled to provide underwriting consultation and survival analysis services.</li><li>Sign-language, video-call and translation services are provided, with professional sign-language interpreters interpreting real time online.</li></ul>  | Technical support | Physically and mentally disabled groups | In 2023, a total of 3,617 new insurance policies were issued for people with physical and mental disabilities.   |
| Friendly insurance application experience for expectant mothers   | Breaking through the conventional industry restriction on insurance for expectant mothers, Nan Shan Life now provides friendly insurance application experience for expectant mothers regardless of their age or gestational weeks. Additional antenatal care records or physical exams are no longer required.  | Technical support | Expectant mothers                       | Issued 1,302 new insurance policies for expectant mothers.   |
| Warm and caring reminders for sub-health customers  | For sub-health customers, Nan Shan Life provides information regarding physical examinations and reminds the customers that: Once the health of the customers improves, they may provide information on healthy status and ask for better terms for insurance.   | Technical support | Sub-health customers                    | Processed 27,000 policies for extra premium charge and policy postponement.  |
| Description of rights and interests of new immigrant policyholders in multiple languages/Letter reminding important matters/Description of important points in filling in insurance claim application form by new immigrant policyholders in multiple languages | <p>Implement the principle of fair customer treatment and provide friendly services to new immigrants, Nan Shan Life has:</p> <ul style="list-style-type: none"><li>Strengthened communication with new immigrants to bridge the information gap. Starting from April of 2022, the “Description of Important Rights and Interests of Policyholders” has been provided in eight languages. In March and December 2023, the QR Code in multiple languages was provided to enable new immigrants to read important items mentioned in “Premium Payment Notice (NT\$)” and “Notes” in the detailed list of policy information. These services enabled new immigrant policyholders to enjoy communication service in their mother-tongue, so that they can understand their rights and interest in their own language.</li><li>Newly provided the “Important points in filling in insurance claim application form” in eight languages (English / Japanese / Korean / Thai / Vietnamese / Indonesian / Burmese / Malaysian). So new resident customers can clearly understand the content and rights of insurance claim application with the language they are familiar with.</li></ul> | Technical support | New immigrants                          | <ul style="list-style-type: none"><li>From the launch of the service online in April 2022 to the end of 2023, the total pageview count was 7,030 times. From the launch of the reminder for important items in “Premium Payment Notice (NT\$)” in March 2023 to the end of 2023, the number of clicks on the QR Code was 1,953 times. From the launch of the “Notes” in the detailed list of policy information in December 2023 to the end of 2023, the number of clicks on the QR Code was 61 times.</li><li>From the launch of the service online in May 2023 to the end of 2023, the pageview count was 662 times.</li></ul> |





## 5.3 Community Medical Care

In 2013, Nan Shan Life Charity Foundation officially unveiled the “Nan Shan Charity Fund Medical Care Project”. Through collaboration with hospitals across Taiwan, the Company proactively provided the medical support needed by the disadvantaged people. The number of hospitals cooperating with Nan Shan Life under the project has increased gradually over the years, covering more communities and different groups of people. Working with community volunteers and social workers, Nan Shan Life provides the resources and support needed for education, medical care, and medical expenses. The Company also serves as a strong support to these caring and loving helpers, to enable the helping profession to continuously promote the spirit of social welfare.

As of the end of 2023, the total amount donated by Nan Shan Life Charity Foundation has reached NT\$560 million, mainly for the following purposes:

- Subsidies for the medical expenses of the disadvantaged groups: Over NT\$500 million was donated to subsidize the cost of medical care for the vulnerable groups.
- Medical care resource enhancements and improvements: More than NT\$52 million was donated to improve medical resources and subsidize the long-term volunteer service program (including the Care for Remote Indigenous Villages Program), which provided medical equipment to more than 200 hospitals and supported relevant community medical care programs.
- Support for community medical care services and activities: Nan Shan Life entered the community to organize “cancer prevention” and “dementia friendly” community health care activities, with a total expenditure of nearly NT\$10 million.



## Care for Remote Indigenous Villages Program

### Project Context and Contents

#### “Nan Shan Charity Fund Medical Care Project”

Nan Shan Life has long been supporting the medical treatment of disadvantaged groups and the health care of the community. The Company has cooperated with 210 hospitals across Taiwan to provide medical subsidies for disadvantaged patients with the aim to help them seek medical care with ease. Nan Shan Life’s volunteer partners across Taiwan also actively participate in various medical care services, take care of the needs of patients’ families, and help maintain the health of community members. 2023 marked the 10th year since the launch of the project. At the beginning, Nan Shan Life saw the need for medical treatment and health care in the indigenous villages. The Company then joined hands with the indigenous rural medical service team of the cooperative hospitals, and launched the “Care for Remote Indigenous Villages Program” project to extend the care of Nan Shan Life to the rural tribes. The project aims to help solve the problem of health inequalities in the rural tribes, and to improve the condition of insufficient local medical resources and inconvenient medical treatment, to protect the health of the indigenous villages.

- Improved the accessibility of medical care
    1. Sponsored indigenous people’s transportation for seeking medical treatment, so that indigenous people can get medical treatment with ease.
    2. Sponsored the home visits and the maintenance of the medical service stations
    3. Sponsored the free clinical treatment and health check-up
  - Reduced health inequalities
    1. Helped organize health promotion activities to reduce sarcopenia and chronic diseases
    2. Assisted in conducting health check-ups, and early detection and treatment of diseases.
    3. Bridged the gap in health awareness through publicity activities
- In addition, Nan Shan Life joined hands with Nan Shan General to introduce the knowledge and skills of “home safety” and “fraud prevention” to local indigenous people. Lively and interesting breakthrough games were organized to let indigenous people enjoy a healthier and safer life.

### Nan Shan Life’s Inputs

- So far, Nan Shan Life has input NT\$2.22 million for the project.
- So far, 208 volunteers have participated in the project.



### Benefits

- Visited a total of 10 indigenous tribes in different regions including Wulai District in New Taipei City, Xiulin Township in Hualien County and Alishan Township in Chiayi County. Assisted in organizing 10 events including free clinical treatment, health check-up, health promotion, and fraud prevention/disaster prevention publicity activities. Provided services to 800 indigenous people and enhanced their health knowledge and risk awareness.
- Donated NT\$1.06 million to support IDS medical teams in 10 cooperative hospitals to improve medical inequities in indigenous villages, serving about 2,250 people.

## The Golden 60 Happiness Guide, Building a Dementia-friendly Future in Taiwan

### Project Context and Contents

Nan Shan Life has been committed to long-term care and dementia prevention. Adhering to the “original intention of altruism”, in 2023, Nan Shan Life and Taiwan Catholic Foundation of Alzheimer's Disease and Related Dementia jointly published the “Golden 60 Happiness Guide” in September, the World Alzheimer's Month. Also Nan Shan Life promoted the “dementia friendly” certification. To date, more than 28,000 agents and employees had completed the courses for the certification of “Dementia Friend”. 109 agency offices of Nan Shan Life across Taiwan have become “dementia friendly organizations”. The Company has long been concerned about issues related to dementia, and has cooperated with hospitals across Taiwan to provide comprehensive dementia care services, and to join hands to protect the dementia-friendly future in Taiwan.

- Improved the cognitive capacity of dementia
- Provided companionship services for people with dementia
- Provided dementia family/caregiver care

### Nan Shan Life's Inputs

1. A total input of about NT \$10.36 million.
2. More than 4,000 people participated in the project.
3. Nan Shan Life's 109 agency offices across Taiwan have become dementia-friendly organizations.

### Benefits

- **Built friendly network** : Through Nan Shan Life's communication channels throughout Taiwan and its networks covering the communities, up to 30,000 employees and agents worked together to expand the influence of the project internally and externally. Through local mobilization and online and offline communication, 28,085 people obtained personal certification and 109 agency offices obtained certification within six months.
- **Provided local health care** : In 2023, Nan Shan Life held a total of 192 community health care events including dementia publicity activities, and remote rural area and community health care activities. About 1,500 Nan Shan volunteers participated in these activities, serving more than 10,000 people. The Company's dementia-friendly and elderly care activities were very successful, with 97% of participants very satisfied.
- **Mass promotion** : Promoted the empowerment of patients with mild dementia and encouraged older people to live healthier lives : Nan Shan Life has advised older people to take immediate action on health promotion, because maintaining a healthy and independent life is the best way to prevent aging. In September, the World Alzheimer's Month, Nan Shan Life launched dementia prevention advertising and media exposures, with a total of more than 2.33 million exposures.




5.4 Local Care

Nan Shan Life delivers warmth after major disasters

Caring action for the explosion and fire incident at the plant of Launch Technologies in Pingtung: On the evening of September 22, 2023, a fire and explosion occurred in the golf ball plant of Launch Technologies Co. Ltd in Pingtung, resulting in a major accident in which 10 people, including employees of “Launch Technologies” and the firefighters, were killed and more than 100 people had minor and serious injuries. Nan Shan Life launched its caring measures at the earliest time, integrating resources and manpower of Nan Shan Life and Nan Shan Life Charity Foundation. With the help of the Social Affairs Bureau of Pingtung County, the Company called on more than 70 volunteers to visit the injured in 15 hospitals in Pingtung and Kaohsiung and the family members of the dead, to send Nan Shan Life’s warm care and emergency relief resources and to deliver the timeliest condolences and substantive help. During the period, the volunteers visited a total of 112 people, and the total amount of care money given was NT \$2.48 million.



| Program Title                            | Target Group                     | Support from Nan Shan Life  |
|--|----------------------------------|---|
| “Happy Blood Donation for Love and Care” | Patients in urgent need of blood | <p>In collaboration with corporate partners, Nan Shan Life donated NT\$490,000 to sponsor the blood donation program, in which 5,879 bags of blood were donated.</p> <p>To encourage blood donation, Nan Shan Life worked together with E.SUN Bank and Family Mart to launch the “Happy Blood Donation for Love and Care” program. 38 blood donation events were held in districts across Taiwan. Nan Shan Life called on more than 4,000 participants, including its employees, agents, customers, and other caring people in the society, to support the blood donation program as a source of medical blood in Taiwan.</p> |

| Program Title                                       | Target Group   | Support from Nan Shan Life  |
|---|--|---|
| <b>“Nan Shan Life Golden 60 Local Care” program</b> | Patients with dementia/disadvantaged families/elderly people | <p>To celebrate its 60th anniversary, Nan Shan Life invited employees to work as volunteers and to participate in a series of social welfare activities themed with “local care”. 4 volunteer service activities were held, benefiting more than 3,000 people including patients with dementia, disadvantaged families, and elderly people.</p> <p>1.In line with the celebration of its 60th anniversary, Nan Shan volunteers assisted in packing and delivering 3,000 “Golden 60 Happiness Guide” caring gift packs, which contained relevant information on dementia, with the aim to help the elders with dementia and their families.</p> <p>2.Nan Shan Life donated 700 boxes of food to Chinese Christian Relief Association and called on volunteers to help pack the boxes. These food boxes were donated to disadvantaged families to help them save money so they could continue to invest in their children's education.</p> <p>3.Nan Shan volunteers accompanied the elderly people living in the Catholic nursing home in Bali District in New Taipei City on a shopping trip. The annual shopping outing in December is one of the most anticipated events for the elders of the nursing home. At that time, Nan Shan volunteers will accompany the elders to have lunch and chat with them, and spend a happy weekend afternoon together.</p>  |

Support local culture and promote humanities and arts

Joining hands with B.DANCE for the cultivation of young generations of artistic talents

Arts and humanities are valuable cultural assets in Taiwan, and Nan Shan Life has been actively supporting the development and promotion of local arts and culture over its 60-year journey of community care and social participation. In 2023, Nan Shan Life sponsored the “Nan Shan 60 – B. DANCE” charity night event jointly organized by B. DANCE, an internationally renowned professional contemporary dance company in Taiwan, and Taipei City Arts Promotion Office. During the event, 60 agents and policyholders representing Nan Shan Life gave an impressive dance performance titled “Dancing on floating flowers” in the Metropolitan Hall, making nearly 1,000 spectators feel the artistic charm and the power of love contained in the dance. After deducting the administrative cost from the ticket sales of this event, Nan Shan Life input the remaining income in its “Nan Shan Dance Promotion Tour” program, which would enter the schools in 2024 to promote the art of dance, with the aim to help develop Taiwan’s art education, cultivate the young generations of artistic talents, and practice the spirit of public welfare services.

Sponsoring the “LIGHT UP Si Si Nan Village” Projection Mapping Art Exhibition

Launched in February 2022, “LIGHT UP Si Si Nan Village” is a three-year projection mapping art exhibition. The exhibition focuses on a different theme every two months and presents works of a wide range of artistic styles. These moving and jaw-dropping art works are jointly created by well-known artists such as Sun Ruey-Horng, a Taiwanese image designer who lives in the US, Kim Chen, director of the 30th anniversary film of the Golden Melody Awards & Festival, VJ DolceVita, the team of Atelier YenAn, the team of Chill Production and Chen Yi-Chieh, an international projection mapping artist. The works presented in summer 2023 were themed with “empty”, which enabled people to enjoy world-class art works without having to go abroad. Through the amazing skills of the creators, this exhibition allows the light to speak to the historic buildings, and presents the stories of the military dependents’ village and its people to the public.



A significant difference between this exhibition and ordinary projection mapping activities is that it takes three years to bridge the distance between people's life scenes and the art of projection mapping. After the exhibition was launched, it received a flood of praise from the public and foreign tourists, and Si Si Nan Village has become a must-go place for parent-child travel, couples dating and social parties. Firmly adhering to its sustainable commitment to the insured and the society, Nan Shan Life actively supports the artistic development of local youth by participating in urban development and caring for the development of communities and humanities and arts, making great efforts to achieve its corporate sustainability goals.



**Supporting “One Song Orchestra” to promote Taiwan’s classic music and soft power internationally**

“One Song Orchestra” has gathered Taiwan’s outstanding new generation of concert performers. The orchestra, using classical music as the language of communication with the world, performs music works created in Taiwan, which not only enhances the musical literacy of Taiwan people, but also lets the world hear the sound of Taiwan through performance of exquisite classical music. Nan Shan Life has been supporting the development of orchestras in Taiwan with practical actions, and has sponsored the “One Song Orchestra - TAIWAN New Year Concert” for many consecutive years. In 2023, Nan Shan Life sponsored “Crazy for Taiwan Concert”. The concert featured pop music on the professional stage at the Taipei Music Center. Cross-disciplinary artists were invited to bring their elaborate artworks and videos to match and accompany the music at the concert. During the concert, music performances and artworks were displayed on the giant LED screen, which, together, created a unique and impressive experience for the audience and demonstrated Nan Shan Life's determination to give back to the society and support local music and culture.



# 06 Reliability



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



## Major Achievements

- ✓ In 2023, all the 14 directors participated in the self-evaluations and peer evaluations, with 15 items rated as “outstanding”. The average score for self-evaluations was 98, and the average score for the overall evaluations was 99, which were both rated as “outstanding”.
- ✓ The Company published the "Sustainability Declaration", the "Sustainable Development Practices and Policy" and the "Human Rights Policy", marching steadily towards the sustainability vision 2030.
- ✓ In 2023, the Company took the initiative to amend the clause for rider continuity, continued to improve its measures for preventing financial frauds, and strictly implemented the TCF principles. In this year, Nan Shan Life and Nan Shan General obtained the ISO 10002 customer complaints handling management system certification, and were both ranked in the top 25% performers of the industry in the 2023 Treating Customers Fairly (TCF) Performance Assessment by the FSC.
- ✓ In 2023, the Company established the investment management mechanism for climate-related risks in Nan Shan Life's "Key Points of Investment Policies", as the specific actions to support net zero emissions.



## 6.1 Sustainable Governance

Nanshan Life believes that insurance companies should not only be profit-making commercial organizations, but also shoulder the responsibility of protecting individuals and families, maintaining social stability, and practicing environmental conservation. To achieve sustainable operation, enterprises must ensure the sustainable development of corporate governance, environment, and society, and this is also the core belief and principle behind Nan Shan Life’s effort to achieve its Environmental, Social, and Governance (ESG) objectives.

To this end, Nan Shan Life has condensed its decades-long corporate sustainability approach into specific sustainability strategy themes - H.E.A.R.T., “making genuine effort from the heart and protecting the communities with action”. In addition to constantly seeking innovation and breakthroughs in professional competence and service quality, the Company deals with its stakeholders with sustainability and inclusiveness, so that all stakeholders of Nan Shan Life can obtain and share sustainable value.

### 6.1.1 Corporate Governance Structure

To ensure sustainable operation, Nan Shan Life has established a sound corporate governance structure to safeguard the long-term interests of the Company and its shareholders, based on the principles of protecting shareholders’ rights and interests, strengthening the functions of the Board of Directors, enhancing information transparency, emphasizing management discipline and communication, maintaining liquidity and profitability, protecting the interests of policyholders and respecting the rights and interests of stakeholders.

In 2023, Nan Shan Life continued to update and optimize its internal regulations related to corporate governance, which would serve as a solid foundation for the Company to practice its corporate governance. In accordance with the “Corporate Governance Best Practice Principles for Insurance Companies”, Nan Shan life has established its “Corporate Governance Guidelines” based on internal rules and regulations an business needs, with the aim to continuously improve its performance of corporate governance and sustainable development.

#### Board Governance

##### Structure of the Board

Nan Shan Life's Board of Directors serves as the Company's highest governance unit and supervises its overall management and operations performance. The 41st Board consists of 14 elected directors, including 5 independent directors\*, accounting for 36% of the total number of seats of the Board. To ensure that independent directors could objectively exercise their authorities and avoid possible loss of independence due to long terms of office, the duration covering consecutive terms of office of all the elected independent directors is below 9 years\*\*.

\* On June 15th, 2022, the Company re-elected a total of 14 directors for the 41st Board of Directors, among whom, five seats of independent directors were established to maintain the independence of the Board. However, due to the reason that one independent director passed away on December 25th, 2022, the Company by-elected an independent director at the shareholders’ general meeting held on June 7, 2023.

\*\* For more information regarding the operation of the Board in 2023, please refer to the “Corporate Governance Operation” section in Nan Shan Life’s 2023 annual report.

Nan Shan Life values and implements the directors' diversity policy. The Company's Board members possess diverse backgrounds, with different ages, genders, industry experiences, expertise, and capabilities. The members of the 41st Board of Directors possess extensive cross-industry experience and professional skills in the fields of financial affairs and finance, banking and insurance, real estate development, manufacturing and supply, information and technology, media and communication, store management and retail, medical and biotechnology, business, accounting, law, finance/insurance, mathematics/actuarial, and risk management. When working together in the Board, these directors with different expertise and skills can complement each other and benefit the overall Board operation. At the same time, the directors generally have the ability of business judgment, operations management, leadership, and decision-making and crisis management. The election of the Company's independent directors is based on a "candidate nomination system", under which all independent director candidates shall be nominated by the Board and submitted to the shareholders' meeting for election. At Nan Shan Life, the election of directors is conducted in accordance with relevant internal and external regulations, including the "Company Act", the Company's Articles of Association and its "Regulations Governing Election of Board Directors", etc.



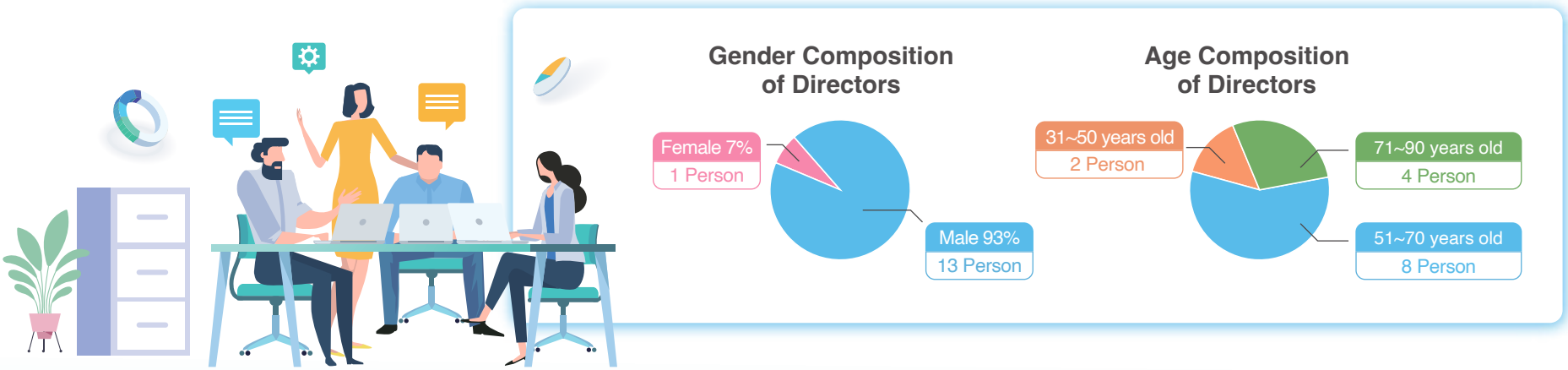
Articles of Incorporation



Regulations Governing Election of Board Directors

Directors Diversity Indicators

Article 22 of the Company's "Corporate Governance Guidelines" provides the directors' diversity policy of Nan Shan Life, which describes the Company's Board structure and stipulates that the appropriate number of Board seats should be determined based on the Company's business development status, major shareholders' shareholding situation, and the needs of practical operations. The composition of the Board members should be determined in accordance with the directors' diversity policy and in consideration of the standards set for various aspects and the implementation status.



The independence and professional competence of the Company's current Board members are described below :

| Job title Name                      | Core of Diversification | Basic Composition |        |       |       |        |  |              |               | Industry Experience           |                       |                         |                          |                            |                         |                             |                           |          | Professional Competence |     |                    |                        |                         |                 |  |
|-------------------------------------|-------------------------|-------------------|--------|-------|-------|--------|--|--------------|---------------|-------------------------------|-----------------------|-------------------------|--------------------------|----------------------------|-------------------------|-----------------------------|---------------------------|----------|-------------------------|-----|--------------------|------------------------|-------------------------|-----------------|--|
|                                     |                         | Nationality       | Gender | Age   |       |        | Independent Director's Seniority / Terms of Office |              |               | Financial Affairs and Finance | Banking and Insurance | Real Estate Development | Manufacturing and Supply | Information and Technology | Media and Communication | Store Management and Retail | Medical and Biotechnology | Business | Accounting / Finance    | Law | Finance /Insurance | Mathematics /Actuarial | Information /Technology | Risk Management |  |
|                                     |                         |                   |        | 31-50 | 51-70 | 71- 90 | Below 3 years                                      | 3 to 9 years | Above 9 years |                               |                       |                         |                          |                            |                         |                             |                           |          |                         |     |                    |                        |                         |                 |  |
| Chairman Chung-Yao Yin              | Taiwan (ROC)            | M                 | ✓      |       |       |        |  |              | ✓             | ✓                             | ✓                     | ✓                       | ✓                        |                            |                         | ✓                           | ✓                         |          | ✓                       | ✓   |                    |                        |                         |                 |  |
| Director Samuel Yin                 | Taiwan (ROC)            | M                 |        |       | ✓     |        |  |              | ✓             | ✓                             | ✓                     | ✓                       |                          |                            |                         | ✓                           | ✓                         |          |                         | ✓   |                    |                        |                         |                 |  |
| Director Yue-Ming Ho                | Taiwan (ROC)            | M                 |        | ✓     |       |        |  |              | ✓             | ✓                             |                       | ✓                       | ✓                        |                            |                         |                             | ✓                         |          | ✓                       | ✓   |                    |                        |                         |                 |  |
| Director Han-Fei Lin                | Taiwan (ROC)            | M                 |        | ✓     |       |        |  |              | ✓             | ✓                             |                       | ✓                       | ✓                        |                            | ✓                       | ✓                           | ✓                         |          |                         | ✓   |                    |                        |                         |                 |  |
| Director Chi-Chuan Chen             | Taiwan (ROC)            | M                 |        | ✓     |       |        |  |              | ✓             | ✓                             | ✓                     | ✓                       | ✓                        |                            | ✓                       | ✓                           | ✓                         | ✓        |                         | ✓   |                    |                        |                         |                 |  |
| Director Hsiu-Yen Chang             | Taiwan (ROC)            | F                 |        | ✓     |       |        |  |              | ✓             | ✓                             | ✓                     | ✓                       |                          |                            |                         |                             | ✓                         | ✓        |                         | ✓   |                    |                        |                         |                 |  |
| Director Tamon Tseng                | Taiwan (ROC)            | M                 |        | ✓     |       |        |  |              | ✓             | ✓                             | ✓                     | ✓                       | ✓                        |                            | ✓                       | ✓                           | ✓                         |          | ✓                       | ✓   |                    |                        |                         |                 |  |
| Director Stan Shih                  | Taiwan (ROC)            | M                 |        |       | ✓     |        |  |              | ✓             | ✓                             |                       | ✓                       | ✓                        | ✓                          |                         |                             | ✓                         |          |                         | ✓   |                    | ✓                      |                         |                 |  |
| Director Walter H.C. Chang          | Taiwan (ROC)            | M                 |        |       | ✓     |        |  |              | ✓             | ✓                             |                       | ✓                       |                          |                            | ✓                       |                             | ✓                         |          |                         | ✓   |                    |                        | ✓                       |                 |  |
| Independent Director Hsin-Chun Wang | Taiwan (ROC)            | M                 |        | ✓     |       | ✓      | ✓  |              | ✓             | ✓                             |                       |                         |                          |                            |                         |                             | ✓                         |          | ✓                       | ✓   |                    |                        |                         |                 |  |
| Independent Director Ming-Chin Chen | Taiwan (ROC)            | M                 |        | ✓     |       | ✓      | ✓  |              | ✓             | ✓                             |                       | ✓                       |                          |                            |                         | ✓                           | ✓                         | ✓        |                         | ✓   |                    |                        |                         |                 |  |
| Independent Director Rung-Syou Tsen | Taiwan (ROC)            | M                 |        |       | ✓     | ✓      | ✓  |              | ✓             | ✓                             |                       | ✓                       |                          |                            |                         |                             | ✓                         |          |                         | ✓   |                    |                        | ✓                       |                 |  |
| Independent Director Fang-Shu Chan  | Taiwan (ROC)            | M                 | ✓      |       |       | ✓      | ✓  |              | ✓             | ✓                             |                       |                         |                          |                            |                         |                             | ✓                         |          |                         | ✓   | ✓                  |                        | ✓                       |                 |  |
| Independent Director Ting-Chieh Lu  | Taiwan (ROC)            | M                 |        | ✓     |       | ✓      | ✓  |              | ✓             | ✓                             |                       |                         | ✓                        |                            |                         |                             | ✓                         | ✓        |                         | ✓   |                    |                        |                         |                 |  |

To optimize the supervisory function of the Board, Nan Shan Life has established six functional committees under the Board, namely, the Audit Committee, the Remuneration Committee, the Quality Supervision Committee, the Treating Customers Fairly Promotion Committee, the Risk Management Committee, and the Corporate Sustainability Committee.

| Audit Committee*  | Remuneration Committee  | Quality Supervision Committee  | Treating Customers Fairly Promotion Committee   | Risk Management Committee  | Corporate Sustainability Committee  |
|---|---|--|---|--|---|
| 13 meetings held, with average 98% attendance rate  | 4 meetings held, with average 100% attendance rate  | 13 meetings held, with average 96% attendance rate   | 4 meetings held, with average 100% attendance rate  | 6 meetings held, with average 93% attendance rate  | 2 meetings held, with average 100% attendance rate  |
| <ul style="list-style-type: none"> <li>Consists of all five independent directors.</li> <li>Major decisions and motions are submitted to the Audit Committee for pre-approval and discussion before being submitted to the Board for final approval.</li> </ul> | <ul style="list-style-type: none"> <li>Consists of two independent directors and one external professional.</li> <li>Established the Charter of the Remuneration Committee.</li> <li>Regularly reviews the performance evaluation and remuneration of directors and corporate officers.</li> <li>Regularly assesses the remuneration of directors, president, and vice presidents.</li> </ul> | <ul style="list-style-type: none"> <li>Consists of all the independent directors and an external director.</li> <li>Supervises the improvement plan for the “Envision Project” and its implementation, ensures the stability and safety of the system of the “Envision Project”, and regularly reports to the Board on the supervision status and issues that need attention.</li> </ul> | <ul style="list-style-type: none"> <li>The Chairman of the Board acts as the convener of the committee meetings, with two independent directors as members.</li> <li>Supervises and guides all the departments to comply with and implement Nan Shan Life’s “Treating Customers Fairly Principles”. The committee regularly reports to the Board on the implementation status.</li> </ul> | <ul style="list-style-type: none"> <li>Consists of seven to ten directors and functional heads.</li> <li>Ensures effective risk management, capital adequacy, and company solvency.</li> </ul> | <ul style="list-style-type: none"> <li>The Chairman of the Board acts as the convener of the committee meetings, with two independent directors as members.</li> <li>Supervises all the departments to fulfill corporate social responsibilities and to implement sustainable operations. The committee regularly reports to the Board on the implementation status.</li> </ul> |

\* For the operations of the Audit Committee in 2023, please refer to 3.4 “Corporate Governance” in “Corporate Governance Report” in Nan Shan Life’s 2023 annual report.

In 2018, the Financial Supervisory Commission (FSC) included all the over-the-counter (OTC) companies in the range of the companies that are required to adopt electronic voting. Since then, shareholders meetings of TWSE/TPEX listed companies have begun to adopt electronic voting as one of their voting methods. Although Nan Shan Life was not subject to the above supervision, it began in 2018 to voluntarily adopt electronic voting as one of the methods used by its shareholders’ meetings to exercise the voting rights, with the aim to strengthen shareholders activism.

### Training and Performance Evaluation of Directors

To enhance the Board’s sustainable governance capabilities, Board directors constantly participate in external professional courses and seminars. In 2023, directors attended training programs for a total of 154.5 hours, which was, on average, 11 hours of training per director. The subjects of the training courses covered fields of risk management, corporate governance, ESG and corporate social responsibilities, TCFD, prevention of money laundering and counter-terrorism financing, the impact of IFRS17 on the operational strategies of insurance companies, the principles of fair customer treatment and integrity management in establishing agreements, etc. All the 14 directors were communicated with and trained on integrity management, with 100% attendance rate. In response to the competent authority’s policy of enhancing performance evaluation of board directors of insurance companies, Nan Shan Life conducts directors’ self-evaluations and peer-evaluations every year in accordance with Article 40-1 of the “Corporate Governance Best Practice Principles for Insurance Companies”. The evaluation items include the degree of participation in the guidance and supervision of the Company’s business strategy, significant business, risk management, legal compliance, and other relevant aspects. In 2023, all the 14 directors participated in the evaluations, with 15 items rated as “outstanding”. The average score for self-evaluations was 98, and the average score for the overall evaluations was 99, which were both rated as “outstanding”. The results of the evaluations were also reported to the Board.

### Recusal Due to Conflicts of Interest

In accordance with stipulations in the “Rules of Procedure for Board Meetings”, Nan Shan Life’s Board directors who have any conflicts of interest with items on the meeting agenda, whether it be their own or that of the legal person they represent, are required to reveal the nature of their interest during the meeting. If the matter concerned is harmful to the Company’s interest, the director concerned shall recuse himself/herself from the discussion and voting, and at the same time, the director concerned shall not exercise voting rights on behalf of other directors. In addition, the Board has never had more than half of the members who have spousal relation or relation within the second degree of kinship with any other Board members, which complies with the relevant stipulations in the Securities and Exchange Act. The details of directors’ recusal due to conflicts of interests and the Company’s management of relevant issues are disclosed in the “Information on Directors and Supervisors” (\*) section in Nan Shan Life’s 2023 annual report.

\* For information on Nan Shan Life’s directors who concurrently hold positions in the Company and other companies, please refer to 3.2 “Information on the directors, supervisors, presidents, vice presidents, assistant vice presidents, and chiefs of departments and branches” in “Corporate Governance Report” in Nan Shan Life’s 2023 annual report. For details of directors’ recusal due to conflicts of interests, please refer to 3.4 “Corporate Governance” in “Corporate Governance Report” in Nan Shan Life’s 2023 annual report.

### Remuneration Policy for Directors and Corporate Officers

In adherence to corporate governance and improve the remuneration system for directors and corporate officers, the Company has established a Remuneration Committee, which is responsible for assisting the Board in evaluating and monitoring the overall remuneration policy of the Company, and assessing and approving the remuneration standards of directors and corporate officers\*. If necessary, the Remuneration Committee of the Company may, by resolution, appoint lawyers, accountants, or other professionals independent of the Company to conduct necessary audits or provide advice on matters related to the exercise of their powers at the Company’s expense.

\* For more information regarding the remunerations of directors and corporate officers, please refer to 3.3 “Remuneration paid to directors, supervisors, presidents, and vice presidents in the most recent year” in “Corporate Governance Report” in Nan Shan Life’s 2023 annual report.



● **Members of the Board**

The remuneration payment for directors (including independent directors) of the Company is governed by Article 16-2 of the Articles of Association, which authorizes the Board to consider the directors' degree of participation in the Company's operation and their contribution to the Company. In addition, remuneration and operational expenses are decided according to industry standards, which may include subsidies for transportation and other expenses. Accordingly, the Remuneration Committee and the Board have approved the "Remuneration Standards for Directors of the Board, Independent Directors, and Functional Committees under the Board" established by the Company and remuneration is paid in accordance with the standards.

● **President, Vice President, and Other Corporate Officers**

The remuneration of the President, Vice President and other corporate officers of the Company includes annual base salary, year-end bonus and performance bonus, and the remuneration policy and salary standard are set in accordance with the industry standards and in consideration of the relevant factors, including personal performance, rewards and punishments, company operating performance and future risks. The remuneration is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. The remuneration has been determined in consideration of the Company's future operational risks and its positive correlation with the Company's business performance, with the aim to achieve sustainable management and a balanced risk control. In 2023, the compensation of the individual with the highest annual compensation in Nan Shan Life was 38.8 times of the median annual compensation of other employees, and the percentage increase rate of the individual with the highest annual compensation was 0.45 times\* of the median annual compensation increase rate of other employees.

\* This is calculated as: the percentage of increase or decrease between the 2023 and 2022 of the individual with the highest annual compensation/the percentage of increase or decrease between 2023 and 2022 median annual compensation of other employees (excluding the individual with the highest annual compensation).

Moreover, there is a performance bonus deferral mechanism in place for managers. If the annual performance bonus for the Vice Presidents and above, and functional heads exceeds a certain amount, the payment should be partially deferred as a retention bonus for a maximum of three years. Retention bonuses are paid back on average every year during

the managers' term of office. Associating bonuses with company performance and duration of staff's job service period encourages managers to value the long-term operating performance of the Company.

**Investor information disclosure**

Nan Shan Life has a spokesperson, an acting spokesperson and stock affairs specialists, who are ready to listen to the opinions of shareholders and investors and respond to them appropriately at any time. In addition, Nan Shan Life has established an "investor relations zone" on its official website to provide investors with timely information and services. Shareholders can also give comments or make suggestions through Nan Shan Life's stock affairs agencies.

Nan Shan Life Information Disclosure >>

- Holding shareholders' meetings in accordance with the law to protect shareholders' rights and interests.
- Established the "investor relations zone" on the Company's official website to provide a platform for real-time enquiry for investors.
- Disclose all important information in the Market Observation Post System (MOPS) of Taiwan Stock Exchange (TSE) and on the public information disclosure website of the insurance industry according to laws and regulations.



Nan Shan Life  
Investor Relations  
Zone



Nan Shan Life  
Corporate  
Sustainability Zone



Nan Shan Life  
Charity Foundation's  
Website

### Corporate Sustainable Governance

Nan Shan Life's Corporate Sustainability Committee is a functional committee established under the Board. The Chairman of the Board acts as the committee meeting convener, and independent directors serve as committee members to supervise the Company's sustainability issues. The main tasks of the committee include implementing ESG decisions, and reviewing and approving annual corporate sustainability goals. To enhance the committee's functions, committee meetings are held quarterly from 2024, and the Company's performance of sustainable development is reported to the Board semiannually.

To continuously safeguard the rights and interests of stakeholders while pursuing sustainable development and profitability, Nan Shan Life attaches great importance to the ESG performance and has integrated ESG practices into its management and operation activities. Under Nan Shan Life's Corporate Sustainability Committee, there are seven corporate sustainability executive teams in charge of different ESG aspects, including the "Responsible Investment Team", the "Corporate Governance Team", the "Customer Care Team", the "Employee Welfare Team", the "Community Participation Team", the "Environmental Conservation Team", and the "Agent Relationship Team", which are led by the President. These teams are dedicated to monitoring and executing the planning, implementation and tracking of ESG aspects and issues in accordance with the principle of materiality. These teams also use multiple communication channels such as the Company's website to understand the legitimate expectations and needs of stakeholders, respond appropriately to their key sustainability concerns, and report relevant performance to the Corporate Sustainability Committee on a quarterly basis.

To establish a sustainable consensus, Nan Shan Life has issued the newsletter "ESG in Action" to all staff members monthly since May 2022. In 2023, the Company provided sustainability education and training courses for directors and senior executives, inviting external experts to give lectures on global climate-change developments, climate-related financial disclosure, and future sustainability reporting trends, etc. All directors and more than 70 department heads and executives holding positions above the level of Vice President participated in these training courses.

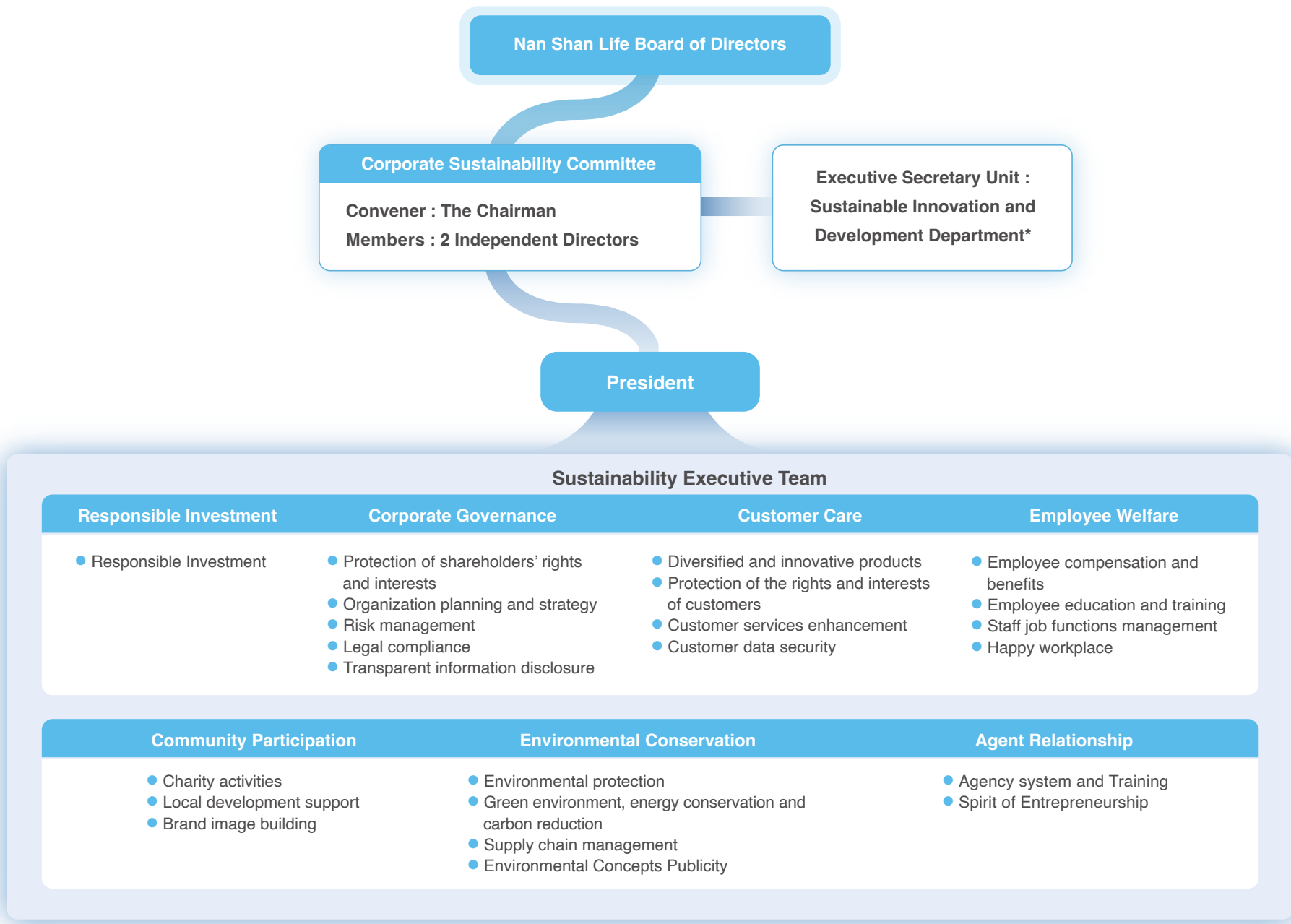
In addition, when setting annual Key Performance Indicators (KPIs), organizational units at all levels have considered the development of products and services related to sustainable development, or sustainability promotion projects. In 2023, functional units and departments set a total of 157 annual

KPIs related to corporate sustainability, covering fields of responsible investment, supplier management, information security management, climate-related financial disclosure, treating customers fairly, channel development and service quality, health promotion of policyholders and employees, and talent cultivation, etc. Performance indicators are tracked quarterly and improvements are made accordingly. The performance indicators are reviewed annually as a basis for measuring the performance of the unit heads, and such arrangement can lead the entire company to continuously progress towards the 2030 vision for sustainable development. In the future, Nan Shan Life will use cross-unit project tracking mechanisms, promotion management or other multiple incentive measures and continuously strengthen the link with sustainable performance to encourage senior managers and people in the organization to promote sustainable development.

For information regarding Nan Shan Life's management policy on the positive and negative ESG impact, the related due diligence practices, and its stakeholder comments and feedback mechanisms, please refer to 2.2 Stakeholder Identification and Communication and 2.3 Boundary of Impacts on Material Topics in the Materiality Analysis.

2023 Corporate Sustainability Committee  
Major Resolutions >>

- To promote Nan Shan Life's corporate sustainability, oversee the status of its sustainable development and achieve win-win-win results in its environmental, social, and economic aspects, the Company's Corporate Sustainability Committee established the "Sustainability Development Declaration", the "Sustainable Development Practice Policy" and the "Human Rights Policy", which were then submitted to the Board of Directors and approved in June 2023.
- The Committee discussed and passed the motions such as "identification of material sustainable topics" and "climate-change related opportunities and response measures", which were then submitted to the Board of Directors and approved in June 2023. The Company planned to replace old and energy-consuming equipment year by year, and to carry out green power purchase benefit assessment, with the aim to reduce environmental risks and impacts on the Company's future operations, and ultimately achieve the goal of net zero carbon emissions by 2050.




\* The former "Strategic Planning Department" was renamed on April 30, 2024.

### 6.1.2 Integrity Management

To fulfill its corporate social responsibilities, implement integrity management, and safeguard the rights and interests of all stakeholders, Nan Shan Life has formulated corresponding policies and commitments on ethical management and responsible business conducts, which would serve as a solid foundation for the Company to promote integrity management. At the same time, the Company always pays attention to the development and changes of relevant laws and norms at home and abroad, and reviews, improves and continuously updates relevant policies and promotion measures every year. In addition, Nan Shan Life has formulated regulatory compliance plan in accordance with the provisions of the “Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises”, and reported to the Board of Directors for approval and subsequent implementation. The Company supervises all units to periodically conduct the self-evaluation of regulatory compliance matters and the compliance risk assessment, and timely conduct special compliance evaluations according to the changes in the regulations and the business environment, to continuously strengthen the Company's compliance with the law and internal control and implement its integrity management.

To strengthen ethical corporate management, the Board of Nan Shan Life, in addition to formulating relevant policies and norms according to the law, has set itself up as an example and urged the management team to educate employees and establish the corporate culture of ethical management. The Company strives to minimize its risks on business ethics through the implementation of “Directors’ Code of Conducts” and rigorous management mechanisms and controls.

| Nan Shan Life responsible business conducts and related policy commitments |   | Links to policies and documents   |
|--|---|---|
| Sustainability Declaration   | To promote corporate sustainability in a more specific manner, Nan Shan Life has, upon the approval of the Board, established its "Sustainability Declaration" in accordance with the UN's "Sustainable Development Goals (SDGs)" and the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", and in consideration of the Company's business and overall operating activities. The "Sustainability Declaration" reveals how the Company is committed to reducing environmental, social, and corporate governance risks while achieving the win-win-win results in its environmental, social, and economic aspects. |  <p>Nan Shan Life<br/>Corporate<br/>Sustainability Zone<br/>→About Nan Shan<br/>Life’s Sustainability<br/>→Sustainability<br/>related documents</p> |
| Sustainable Development Practices and Policy                               | To fulfill its corporate social responsibilities and promote the economic, environmental, and social progress in its sustainable development, the Company has, upon the approval of the Board, established the “Nan Shan Life Insurance Company Ltd. Sustainable Development Policy” in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" to guide the promotion of sustainable development and ensure sustainable operations.  |   |
| Human Rights Policy  | To fulfill its corporate sustainability responsibilities and protect human rights, the Company has been supporting internationally recognized human rights norms and principles within the framework of Taiwan laws and regulations, such as the Universal Declaration of Human Rights, the United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, International Labor Organization (ILO) Conventions and so on. In addition, the Company has established its “Human Rights Policy”, which has been approved by the Board of Directors and is followed by all employees of the Company.                   |   |

| Nan Shan Life responsible business conducts and related policy commitments |  | Links to policies and documents                                    |
|--|--|--|
| Ethical Corporate Management Policy  | In accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, the Board of Directors formulates the “Ethical Corporate Management Policy” to establish a corporate culture of ethical management, an effective business operations model, and sound risk control mechanisms. The Corporate Sustainability Committee serves as the body responsible. Directors and senior management are required to make a declaration of compliance with this policy. All employees, mandataries, and persons having substantial control over the company should also comply with the policy. In addition, the Ethical Corporate Management Policy is explained to partners before establishing a business relationship, and a business ethics evaluation for the trading partner should be conducted. A total of 4 training sessions related to this policy were held in 2023, including 2 mandatory sessions for employees, 1 session for external experts to share their practical expertise, and 1 training session for Board members.   |  |
| Anti-Money Laundering and Countering the Financing of Terrorism Policy     | To better beat money laundering and financing of terrorism, Nan Shan Life has, upon the approval of the Board, established this policy in accordance with the “Money Laundering Control Act”, the “Counter-Terrorism Financing Act”, the “Regulations Governing Anti-Money Laundering of Financial Institutions”, and the “Regulations Governing Implementation of Internal Control and Audit System for Anti-Money Laundering and Countering Terrorism Financing of Insurance Companies, Post Offices Engaging in Simple Life Insurance Business and Other Financial Institutions Designated by the FSC”. The Chief Compliance Officer of the head office is responsible for anti-money laundering and countering the financing of terrorism (AML/CFT) issues. In addition, the Legal Compliance Department has set up the “AML/CFT Compliance Unit” which is dedicated to handle issues relating to AML/CFT. Nan Shan Life’s Chairman, President, Chief Internal Auditor, and Responsible Supervisors issue a joint declaration for internal control systems for AML/CFT every year, and all employees of the Company are required to comply with this policy. Customers may refer to the Anti-Money Laundering and Countering Terrorism Financing section of the Nan Shan Life’s website for further information. There were 9 education and training sessions for employees and members of the Board in 2023, two of which were on-the-job training sessions where external experts shared their practical expertise. Adaptive training with 7 training items at different levels of difficulty was held for the Company’s agents according to their respective contract type. | It is an internal management policy and is not publicly disclosed. |

Code of Conduct for Employees

Nan Shan Life has established the “Code of Conduct for Employees” to regulate the responsibilities and obligations of employees and define the standards of conducts, such as laws, regulations, and internal policies, which must be followed in the workplace. The code of conduct governs matters such as: customer relations and rights protection, fair trading, respect and protection of intellectual property rights, prevention of money laundering, equal appointment and prohibition of discrimination, protection of workplace environment and personnel health and safety, confidentiality, protection of company reputation and legal compliance, prohibition of gifts in business, bribery or improper benefits, encouragement of reporting any illegal acts or violations of this code of conduct, prevention of conflicts of interest, etc. In addition, to actively prevent dishonest behaviors, Nan Shan Life has established the "Integrity Management Procedures and Code of Conduct", and the "Corporate Governance Team" under the "Corporate Sustainability Committee" is the responsible unit to analyze and evaluate the risk of dishonest behaviors within the business scope every year, and to formulate relevant anti-fraud measures. Integrity management has also been incorporated into the internal staff performance evaluations and human resources policy, and clear and effective reward and punishment system and complaint system have also been established.



To ensure that employees understand and comply with the code of conduct, Nan Shan Life also provides on-the-job training on code of conduct for employees every year. In 2023, 100% of employees attended the training on code of conduct, with a total of 4,548 participants. There were no corruption-related cases at Nan Shan Life in 2023.

Integrity Management Reporting Channels

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

- Whistleblowing Email: NS-Whistleblowing@nanshan.com.tw
- Hotline: (02) 8758-8877
- Fax: (02) 2758-2136
- Postal address: Compliance Department, No. 168 Zhuangjing Road, Xinyi District, Taipei City

Anonymous reporting with content which is clear and specific and provides solid evidence will still be accepted and handled by the responsible unit. Cases accepted by the responsible unit will be submitted to the Investigation Team for investigation, and the investigation reports will be reviewed by the Verification Committee. If the reported persons are company directors or persons holding positions equivalent to vice president or above, the cases concerned should be further reviewed by the Audit Committee. If the cases are determined not to be whistleblowing cases, the responsible unit handling the cases should decide whether it should follow other appropriate procedures or submit the cases to other departments with the authority.

| Investigation Team |   | Verification Committee  |
|--------------------|---|---|
| Responsibility     | The Investigation Team is responsible for determining whether the reported matters are true. It will provide an investigation report and recommend the methods for handling the cases to the Verification Committee.  | Responsible for providing guidance to the Investigation Team and for reviewing the investigation report submitted by the Investigation Team.  |
| Members            | Should comprise the following department head or their designated person :<br>1. Internal Audit Department (acting as the leader of the Investigation Team)<br>2. Legal Department<br>3. Compliance Department<br>4. Human Resources Department<br>5. Other | 1. President (acting as the Chairman of the Verification Committee)<br>2. Leader of the Investigation Team<br>3. General Counsel<br>4. Head of the Compliance Department<br>5. Head of the Human Resources Department |

In 2023, the Company received and handled 2 cases reporting employees' misdeeds. One of the cases involved the attendance management of employees. Since this case was not covered in the "Scope of Reporting Matters" in Article 2 of the Company's "Regulations on Handling of Whistleblowing Cases", the unit accepting the case transferred it to the relevant unit with authority in accordance with the provisions. The other case involved the false declaration of expenses by employee, which was investigated by the Investigation Team in accordance with the Company's procedures and submitted to the Verification Committee for final review. The Company has punished the accused employee in accordance with the regulations. The identity information of the whistleblower, the contents of the whistleblowing case and the relevant procedures are strictly confidential. Whistleblowers shall not receive a dismissal, transfer, demotion, salary reduction, demerit, or punishment or any unfavorable treatment for filing a report unless it is done with improper intentions. At the same time, the Company does not allow any unfavorable work arrangements or physical or psychological insults, coercion and other adverse acts against the whistleblower or persons assisting in the investigation of the whistleblowing case.

Antitrust and anti-competition Actions

Nan Shan Life stipulated the antitrust and anti-competition rules in the "Code of Conduct for Employees". When employees are aware of anything concerning the violation of the Fair Trade Act of Taiwan or other relevant regulations, or being involved in any related investigation by competent authorities, the employees must immediately report the case to his/her direct manager, the Chief Compliance Officer of the head office and the President, and take immediate responses or remedial actions. In 2023, there were no violations of the Fair Trade Act of Taiwan or other relevant regulations at Nan Shan Life.

Anti-Money Laundering and Countering the Financing of Terrorism

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

In response to the risks of money laundering, financing of terrorism and proliferation financing, the Company further improved the methodology of risk assessment in 2022 on the basis of the new version of the national risk assessment report released in 2021, introduced the risk assessment of proliferation financing, and strengthened the analysis of relevant quantitative data to more accurately understand the risks of money laundering, financing of terrorism and proliferation financing faced by Nan Shan Life. According to the results of Nan Shan Life's "2023 Comprehensive Risk Assessment Report on Money Laundering, Financing of Terrorism and Proliferation Financing", the Company's overall residual risk assessment result for 2023 was "low risk" and did not exceed the Company's established risk appetite.

Training on Legal Compliance

To ensure that employees and agents properly receive and understand the concept of ethical corporate management and legal knowledge, Nan Shan Life continuously provides comprehensive legal compliance courses through offline and online training sessions. In 2023, the Company held legal compliance training sessions for employees and agents, including: basic training on personal data protection, basic training on AML/CFT/CPF and procedures for handling whistleblowing cases, advanced AML/CFT courses, treating customers fairly principles, introduction of ethics and anti-corruption, legal compliance seminar for the compliance supervisors of each unit, and introduction course for personnel trading domestic equity products, etc. 53,116 employees and 76,704 agents participated in and completed these training sessions.

| No. | Course Type   | Course Content   | Participant | Number of Persons Completing the Training |
|-----|---|--|-------------|---|
| 1   | Compulsory course for employees   | Personal data protection, treating customers fairly, anti-money laundering, integrity management, etc.                                 | employees   | 45,183                                    |
| 2   | Legal compliance training for agents' operations                            | Agency contract fulfillment evaluation, investigation of fraud cases, and explanation of the 10 disciplined practices for agents, etc. | employees   | 1,942                                     |
| 3   | Legal compliance training for compliance supervisors and staff              | On-the-job legal compliance training for compliance supervisors and staff  | employees   | 928                                       |
| 4   | Training on anti-money laundering and countering the financing of terrorism | Anti-money laundering courses for first-line employees, responsible supervisors/employees, members of the Board                        | employees   | 2,308                                     |
| 5   | General knowledge and related information                                   | Financial consumer protection, ethics and anti-corruption, handling of major incidents   | employees   | 2,684                                     |
| 6   | Introduction course for domestic equity products trading personnel          | Individual investment transactions and related management policies   | employees   | 71  |
| 7   | Legal compliance training for agents' operations                            | Anti-money laundering, treating customers fairly, and related legal compliance   | Agents      | 76,704                                    |

In 2023, Nan Shan Life was not imposed major penalties or sanctions for violating financial and insurance laws\*, and had no cases of violating environmental laws. Regarding the case in which Nan Shan Life was imposed penalty for violating labor laws in 2023, the main circumstances and reasons are as follows: Since the 1970s, the Company has been entering “contracting/ commission” relationship with its agents. However, some agents claimed that they had entered “labor contract” with the Company. In this regard, the opinions of the civil court and the executive court are inconsistent, which have led to the relevant legal disputes. The Company has always adhered to the legal norms and will comply with the J.Y. Interpretation No. 740 and continue to resolve the relevant disputes through legal channels.

Penalties imposed for violation of labor related laws :

| Law concerned                                    | Violation  | Amount of penalty (NT\$) | Number of Violations |
|--|--|--------------------------|----------------------|
| Article 24 of Labor Standards Act                | Extended working hours without increasing the pay as required by the law | 100,000                  | 1                    |
| Paragraph 6 of Article 30 of Labor Standards Act | Labor attendance was not recorded to the minute.                         | 300,000                  | 1                    |
| Paragraph 1 of Article 32 of Labor Standards Act | The extension of working hours did not comply with legal requirements.   | 19,770,000               | 31                   |
| Paragraph 2 of Article 32 of Labor Standards Act | Working longer hours than the requirement of the law                     | 4,630,000                | 19                   |

\* The major sanction and disciplinary action are determined by the “Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation”.

\*\* The number of penalties imposed by the competent labor authority was 52 based on the violations of the law, and the total fine was NT \$24,800,000.

### Intellectual Property Management

To continuously enhance corporate governance, Nan Shan Life has been acting in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, the “Taiwan Intellectual Property Management System (TIPS)” announced by the Ministry of Economic Affairs, and other relevant regulations, and has established the “Intellectual Property Management Measures”. The “measures” serve as a complete and effective system for managing the acquiring, protecting, maintaining, and using of patents, trademarks, copyrights, trade secrets, and related intellectual property. The implementation of the “Intellectual Property Management Measures” is subject to the internal audits to ensure effective creation, protection, and management of intellectual property when strengthening digital finance innovation, with the aim to enhance the Company's competitive advantage in the financial market. Nan Shan Life has organized intellectual property protection related education and training since 2022 to enhance the intellectual property awareness of its employees, and to protect the Company's intellectual property rights and respect the intellectual property rights of others. In 2023, a total of three intellectual property education and training sessions were held for employees.

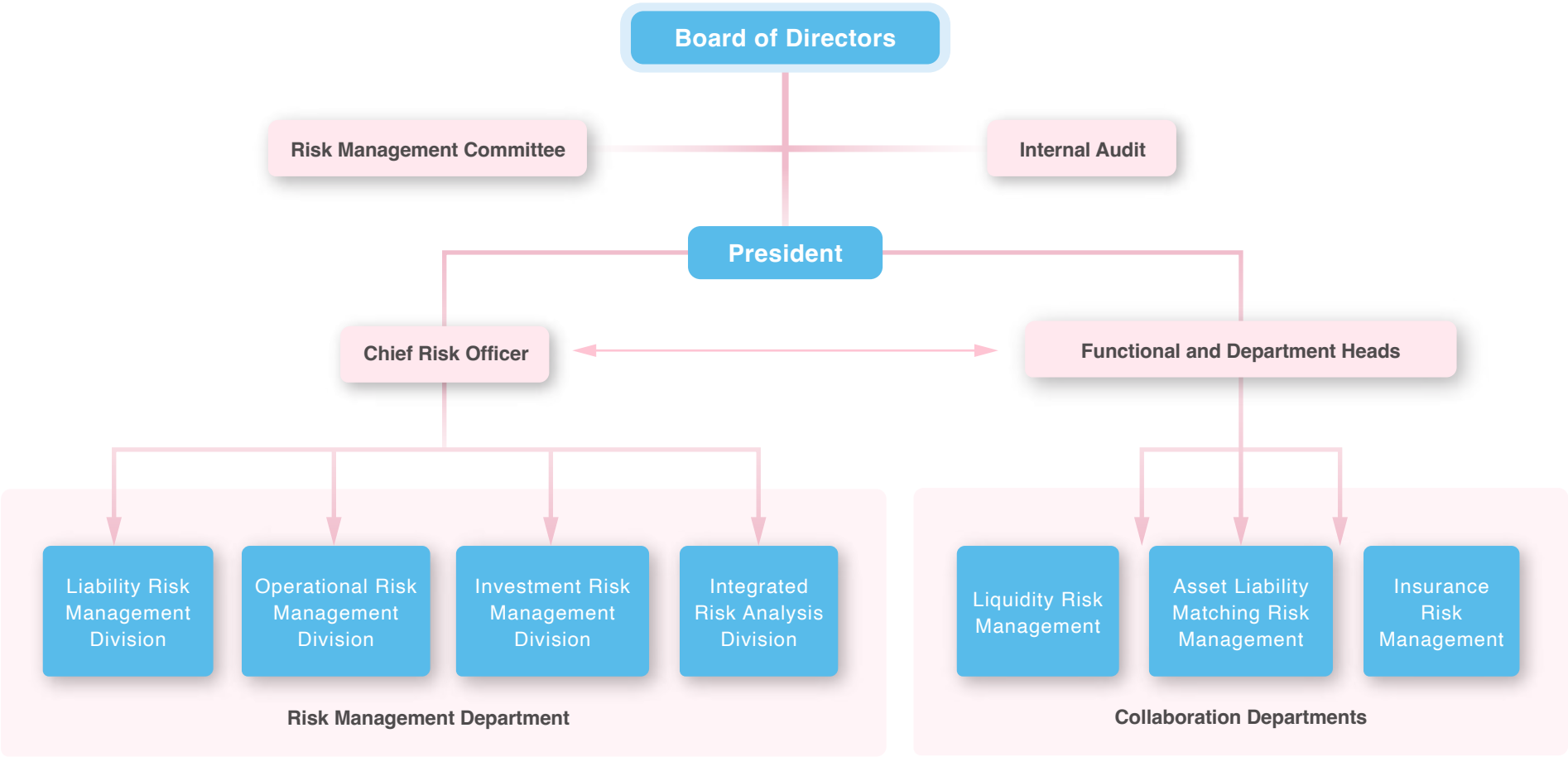
### Measures for Protecting Intellectual Property Rights

| Intellectual Property Rights Items | Nan Shan Life's Management Measures   | 2023 Performance  |
|------------------------------------|---|---|
| Patents                            | <ul style="list-style-type: none"><li>Actively apply for patent rights from the competent authority for creations of inventions, new models or designs to strengthen digital financial technology and performance.</li></ul>  | <ul style="list-style-type: none"><li>By the end of 2023, a total of 80 patents had been obtained in Taiwan.</li></ul>  |
| Trademarks                         | <ul style="list-style-type: none"><li>To promote the quality of financial products and services, Nan Shan Life actively applies to the competent authority for trademark rights for distinctive trademarks.</li></ul>   | <ul style="list-style-type: none"><li>By the end of 2023, a total of 23 trademarks had been obtained in Taiwan.</li></ul>   |
| Copyrights                         | <ul style="list-style-type: none"><li>Contracts between the Company and the Company's personnel, as well as external contracts involving the production or use of works, shall include the copyright-related agreements to protect and maintain the Company's copyrights.</li><li>Strengthen the awareness of copyright protection among employees through education and training, and avoid infringing on the copyright of others in the execution of business.</li></ul>  | <ul style="list-style-type: none"><li>In 2023, one training session on copyright protection was held.</li><li>On November 22, 2023, a training session titled "Introduction to the Basic Concepts of Intellectual Property Rights and Related Infringement Cases" was held, including the concept, protection, and related infringement patterns of copyright, which strengthened the awareness of copyright protection of the Company's employees, and encouraged the protection of the Company's copyright and respect for the copyright of others.</li></ul> |
| Trade secrets                      | <ul style="list-style-type: none"><li>Take appropriate confidentiality measures to safeguard trade secrets and require employees not to infringe on trade secrets and be responsible for the confidentiality of the Company's business, plans, documents, customer information, and operation information. Unauthorized access to information outside of the scope of one's responsibilities is not allowed.</li><li>Strengthen employees' understanding and awareness of protecting trade secrets through education and training. Employees should be aware of external partners' compliance with confidentiality agreement and avoid infringing on the trade secrets of others when executing businesses.</li></ul> | <ul style="list-style-type: none"><li>In 2023, one training session on trade secrets and related information was held.</li><li>On November 22, 2023, a training session titled "Introduction to the Basic Concept of Intellectual Property Rights and Related Infringement Cases" was held, including the scope of trade secrets, the three elements of trade secrets, which enabled employees of the Company to know what trade secrets are in the contents of their works, to enhance their awareness of protection of trade secrets.</li></ul>               |

## 6.2 Risk Management

As one of the largest financial and insurance institutions in Taiwan, Nan Shan Life is shouldering the responsibility of maintaining domestic financial stability. To ensure capital adequacy and solvency and maintain healthy and effective business operation and development, Nan Shan Life has established comprehensive risk management organizational structure and risk management mechanism, and adopted a systematic operation of risk management culture to protect the rights and interests of all policyholders. Based on its sound financial constitution, Nan Shan Life will continue to adhere to an efficient risk control model and strive to create business value for shareholders and policyholders.

### Nan Shan Life Risk Management Structure



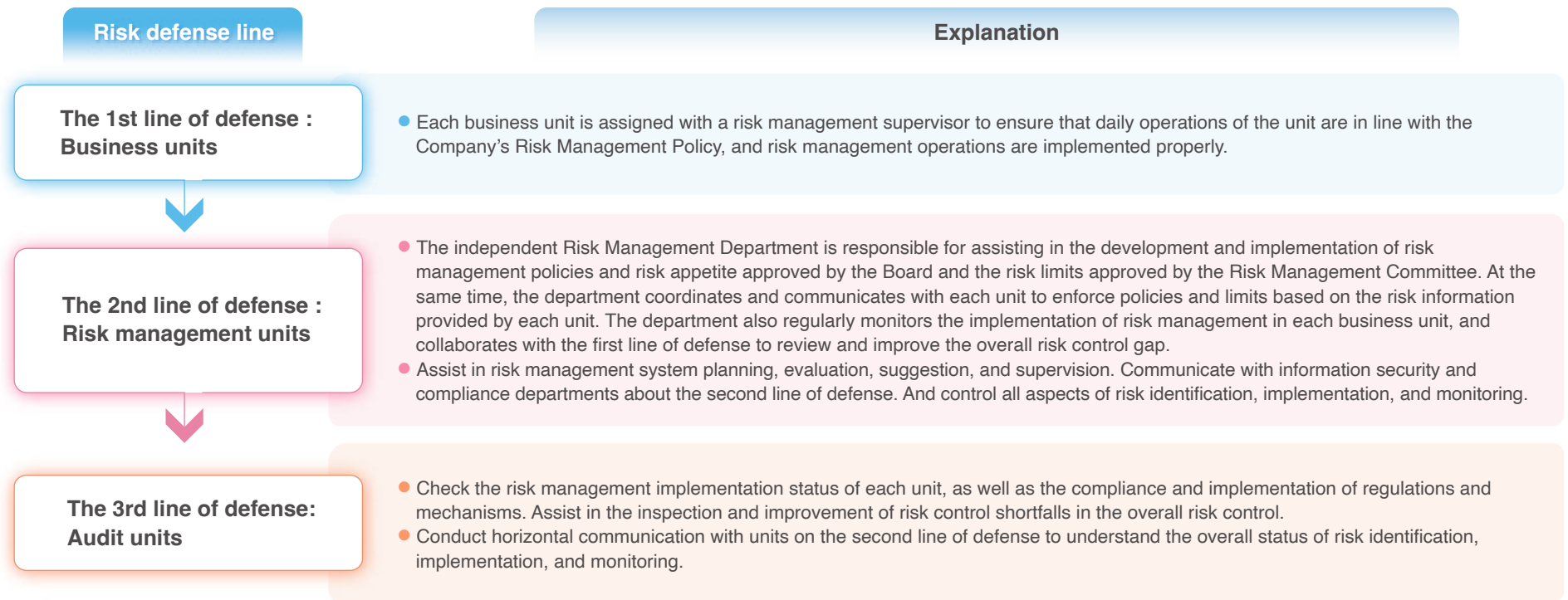


## Risk Management Mechanism

Nan Shan Life's Board of Directors is the Company's highest unit for risk management supervision and decision-making, under which a dedicated "Risk Management Committee" has established. An independent director acts as the convener to coordinate risk management matters, and a "Risk Management Department" has been set up to monitor and manage the risks across departments and functions.

At present, the business environment of the financial sector is becoming more and more complicated. To improve its business operation and development and protect the rights and interests of all policyholders, Nan Shan Life has formulated a Risk Management Policy with the approval of the Board of Directors, and has established a comprehensive risk management organizational structure, an effective risk management mechanism and a sound risk management culture. All employees of Nan Shan Life are required to comply with this policy. The Risk Management Department regularly monitors the implementation of the overall risk management in accordance with this policy, and reports the overall risk management status to the Risk Management Committee and the Board of Directors on a quarterly basis.

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



The insurance business faces a variety of risks, including market risk, credit risk, operational risk, insurance risk, liquidity risk, asset-liability matching risk, etc. Nan Shan Life rigorously identifies, measures, monitors, and communicates risks through various risk management tools, such as risk and control self-assessment (RCSA), key risk indicators (KRI), and market risk measurement system (Algo), to establish relevant risk control mechanisms and to refine the internal risk quantification model with the aim to ensure effective risk management implementation.

| Risk Category     | Method of Management  |
|-------------------|---|
| Market Risks      | Based on Value at Risk (VaR), the Company, in addition to setting limits for relevant risk factors, also uses stress testing, sensitivity analysis and other methods to measure its market risks and ensure the effective identification, disclosure and monitoring of market risk factors. Furthermore, the Company has limits for ESG high-risk industries, and analyzes foreign and Chinese Mainland investment, and government highly subsidized or policy-related industries. Inspection results are regularly reported to management to help keep track of the risk status.   |
| Credit Risks      | The Company manages credit risks based on the principle of “management by rating grades and control by exposure limits”, and has establishing limits based on the country, industry, currency, subordinated debt and the counter parties, issuers, and guarantee institutions, to monitor before and after the transaction. In addition, credit risk assessment is conducted regularly, which includes related risk incidents, indicators, and adjustment on the credit limits are made in response to sudden market events and major risk changes. Overall, the identification, measurement, and monitoring of credit risk through the establishment of a systematic approach and reporting can improve the quality of the Company's risk management and reduce credit-related risks.  |
| Liquidity Risks   | <ol style="list-style-type: none"> <li>Liquidity risk management: The Company has a Fund Dispatching Unit, independent of the Trading Unit, and the liquidity risk management mechanism is established or revised in accordance with the Liquidity Risk Management Regulations. The Cash Flow Model is used to manage daily and continuous cash flows and to monitor changes in cash flows on the Company's medium- and long-term liabilities.</li> <li>Market liquidity risk management: Considering the proportionality between market trading volume and the positions held, the Company has established an Operational Crisis Response Team in accordance with the "Regulations on Contingency Measures for Handling Operational Crises" to deal with capital needs caused by abnormal or emergency situations.</li> <li>Management of operating crisis: For situations that may seriously damage the solvency, such as abnormal termination of insurance policies, huge loss of funds or serious lack of liquidity, there are "Regulations on Contingency Measures for Handling Operating Crisis" to ensure financial stability and the sustainable operation of the Company.</li> </ol> |
| Operational Risks | Through the risk and control self-assessment management tool, the Company identifies and measures the effectiveness of all reasonably expected and significant risk controls in daily operations, and has key risk indicators to continuously monitor risk developments. For projects that exceed the risk threshold, corresponding countermeasures are formulated. In addition, the Company has a reporting mechanism for operational risk events, to timely review and strengthen relevant control.   |
| Insurance Risks   | <p>Insurance risks include underwriting, claims, catastrophe, reinsurance, product design and pricing, and risks related to reserves, etc. :</p> <ol style="list-style-type: none"> <li>Underwriting and claim risk management: The Company has formulated internal norms and operational processes, procedures and control measures for underwriting and claim settlement risks in accordance with relevant laws and regulations such as "Insurance Act" and "Regulations Governing Business Solicitation, Policy Underwriting, and Claim Adjusting of Insurance Enterprises", and tracked and controlled the risks of underwriting and claim settlement through management reports and other mechanisms to ensure the rights and interests of the insured and avoid losses of the Company.</li> <li>Catastrophe risk management: Possible losses are estimated based on Taiwan’s past records on catastrophe losses and the business size of the Company, with estimation of the maximum loss in the event of extreme scenarios. The risks brought by catastrophe are reduced by using catastrophe reinsurance.</li> </ol>  |

| Risk Category                  | Method of Management  |
|--------------------------------|---|
|                                | <div>3. Reinsurance risk management: The Company has formulated a reinsurance risk management program, and determines the reinsurance ceded amount based on the underlying retention. Relevant processes and procedures have also been formulated regarding the limit of reinsurance or other non-traditional reinsurance, and credit risks are minimized by regular monitoring of the reinsurer.</div> <div>4. Risk management for product design and pricing: The Company has established a cross-departmental “Insurance Product Evaluation Team” and a “Insurance Product Management Team” to examine product review for submissions for approval and sales preparations. In addition, in accordance with the relevant laws and regulations, the Company conducts risk control according to the characteristics of the products during the design and pricing of the products, and regularly reviews the experience and implements the tracking management mechanism after the sale of the products to monitor and manage the risks and confirm the rationality of the product design and pricing.</div> <div>5. Reserves related risk management: For the provision of reserves, the Company calculated various reserves in accordance with the “Methods of Provision for Various Kinds of Insurance Reserves” and relevant laws and regulations, and referred to the principles and standards of actuarial practice. In addition, the Company has established relevant operational procedures to ensure the correctness and integrity of the reserves, and conducts relevant tests and sensitivity analyses using the cash flow test method in the attested annual actuarial report to assess the adequacy of the reserves.</div> |
| Asset-liability matching Risks | The Company measures its asset-liability matching risks by examining the asset-liability duration gap, long-term and short-term cash flow, and cash holding. The Asset-liability Management Committee meetings are convened regularly to track and report on the status of the risks.   |

Business continuity management

The Company has established a business continuity management mechanism. The establishment of such mechanism enables the Company to protect the safety of personnel, ensure the continuity of the Company's operations and the availability of information systems in the event of accidents, disasters, or unforeseen events. At the same time, the mechanism can protect customers' interests and core businesses from internal, external, intentional, or accidental threats, thereby reducing the possibility of operational disruption and impact. Every year, the Company conducts fire evacuation drills, off-site office preparedness drills and computer system disaster preparedness drills, which can ensure that the minimum acceptable level of service can be restored within the recovery time target in case of disruption of core business, to continuously strengthen the Company's operational resilience. In 2023, the Company completed and obtained the certification of ISO 22301:2019 international standards for business continuity management.

Establishing a risk management culture

To implement risk management and internal control, Nan Shan Life actively enhances the risk awareness of all staff, and continuously optimizes the risk incident notification and internal control mechanism, to integrate risk management into operational activities.

| Item   | Content and Nanshan 2023 performance  |
|--|---|
| Employees’ proactive identification, notification, and feedback mechanism            | To collect and consolidate information on past internal or external loss events as a basis for future risk assessment, the Company has set up "Directions for Notification of Operational Risk Events" for all units to follow. Each business unit should take the initiative to report to the department head and the risk management section of the unit if an operational risk event occurs or is found, and, through the root cause analysis of the event, timely review the control gap and adjust the control mechanism.  |
| Employee performance evaluation incorporated into risk management related indicators | The effectiveness of internal control and compliance is included in the performance evaluations of managers and all staff to ensure the effective operation of the risk management system.  |
| Risk management training   | To establish a comprehensive risk management culture and enhance the risk awareness of staff, the Company provides monthly market risk reports, monthly credit risk reports, quarterly operational risk management reports to relevant executives on a regular basis, and provides online and offline risk management training courses every year. Every new employee is required to take the risk management basic cognitive training course to understand the core concepts of Nan Shan Life’s risk management. In addition, the Company also provides annual risk management courses for employees and risk management executives. In 2023, the Company held one online risk management basic cognition course for all staff, two offline training courses for risk management executives, five training courses on business continuity management, one climate risk management training course for senior executives, and one such course for the TCFD team and risk management executives. |

Emerging Risks Management

In the face of the increasingly complex global financial environment, the Company's Emerging Risk Team collects and analyzes emerging risk information discussed by external institutions annually, and consults the global risk reports published by the World Economic Forum to identify emerging risks that the Company may face in the future, including environmental, social, economic, geopolitical and technological issues, and assesses the likelihood of these issues occurring, the degree of potential impacts, and the time span of the likely impacts. On this basis, the Company identifies emerging risks that should be of concern, develops relevant adaptation measures, and submits the annual emerging risk identification results, response measures and regular review of the implementation of emerging risk management to the Risk Management Committee and the Board. Please refer to the table below for the key emerging risks of concern identified in 2023 :

| Risk Type     | Risk Factors  | Risk Description  | Potential Business Impact   | Adaptive Measures  |
|---------------|---|---|---|--|
| Social        | Errors and false information                        | <ul style="list-style-type: none"><li>The widespread spread of errors (inaccurate information) and false information (information deliberately created for the purpose of harming individuals, social groups, organizations, or countries) through media networks can dramatically change public opinion and lead to customer distrust of the Company.</li><li>The rapid development of generative AI technology can be misused to create false information for fraud and improper competitive conduct, which can have a negative impact on the Company's reputation, operations, or the interests of its customers.</li></ul>  | <ul style="list-style-type: none"><li>The dissemination of incorrect or false information about the Company may lead to a loss of customer trust in the Company, resulting in termination of contracts or a decline in sales, which will cause reduction in premium income and damage to the Company's goodwill. If it is not handled in a timely and effective manner, it may cause significant financial losses or affect the normal operation of the Company.</li><li>The verification and clarification of false reports or false information increases the Company's operating costs.</li><li>Costs incurred by prevention operations will increase, such as the introduction of big data analysis tools to analyze media or customer complaint data.</li></ul>  | <ul style="list-style-type: none"><li>Strengthen the Company's public opinion monitoring mechanism.</li><li>Strengthen staff training and publicity, if errors and false information are found, staff should timely report it to the Company.</li><li>In the event of an incident, the Company's emergency response mechanism such as public relations media crisis management can complete the investigation as soon as possible and quickly clarify the truth to the outside world to reduce the speed of spread of negative information.</li><li>For market information, verify the correctness of multiple information sources, investigate the contradictory and inconsistent information, and confirm the correctness of the sources of the analysis data.</li></ul>   |
| Technological | Proliferation of digital crimes and digital hazards | <ul style="list-style-type: none"><li>The wave of digitalization has promoted the global digital transformation, but this is like a double-edged sword, bringing convenience and efficiency on the one hand, and significantly lowering the threshold of digital crime on the other hand, resulting in increasing network security risks. Digital crime refers to the use of computers, networks, or other digital technology to commit criminal acts (such as attacks against network equipment assets, etc.). Digital hazards are network security incidents that can result from digital criminal behavior, compromising the agility, integrity, and availability.</li></ul> | <ul style="list-style-type: none"><li>A sound network governance, risk, and compliance (GRC) structure are needed, and the cost of each information security aspect will inevitably increase.</li><li>If the Company is hacked or subjected to network attacks, it may be extorted, demanded to pay ransom, or the Company's sensitive data or customer information is stolen, and services are blocked, etc., which may cause network system failure and financial losses, and the Company's reputation may also suffer significant negative impact.</li><li>The behaviors of hackers are organized, with low threshold and low cost. Their methods of attack are changing rapidly, and the number of victim companies and industries is increasing. If subjected to hacker attacks, it may cause system failure, business losses, and financial losses or affect the normal operation of the Company.</li></ul> | <ul style="list-style-type: none"><li>The Company's network security measures must be updated. The Company will continue to strengthen the network security management mechanism, and implement pre-event, in-process and post-event responses to improve the breadth and depth of network security. In 2023, the Company took four new security measures:<br/>1.Increased the breadth and depth of network security protection: established a security monitoring system for the behaviors of external websites to identify potential malicious connection behaviors.<br/>2.Network security monitoring for AD system : Through network security monitoring, the Company found out the insecure settings and illegal accounts in the AD system, strengthened the monitoring of abnormal activities, and carried out preventive measures.<br/>3.Expanded drill for DDoS attacks and incidents.<br/>4.Enhanced network security monitoring rules: The Company strengthens monitoring of the staff's Internet access, email sending, AD behaviors and DNS behaviors to detect abnormal behaviors and data leakage incidents.</li></ul> |



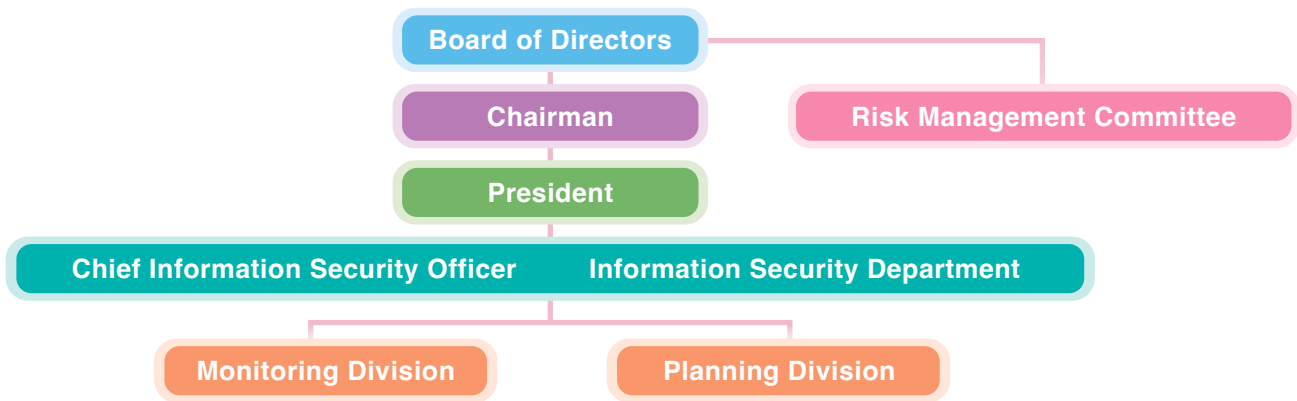
| Risk Type    | Risk Factors                        | Risk Description  | Potential Business Impact  | Adaptive Measures   |
|--------------|-------------------------------------|---|--|---|
| Geopolitical | Geopolitical tensions and conflicts | <ul style="list-style-type: none"> <li>Geopolitical risks include economic risks arising from war, contestability among great powers, or political changes. Due to the diversification and increasing frequency of the forms of geopolitical risks, protectionism has been heating up in various countries, and economic development or various policies have become more unpredictable and extreme. The country or region where the Company's investment assets are located may be affected by political changes, resulting in increased asset volatility, which will affect the flow of funds.</li> <li>In recent years, the US-China science and technology competition, the energy problem caused by the Russia-Ukraine war and the Israeli-Palestinian war, and the potential conflict threat in the Taiwan Strait all affect the direction and development of Taiwan's political and economic aspects.</li> </ul> | <ul style="list-style-type: none"> <li>Short-term impact : Geopolitical tensions lead to heightened international political and economic risks. If there is inflation in the region involving key materials, it will not only lead to a decline in the price of financial assets, but also increase the probability of economic recession with the escalation of conflicts, which may weaken the ability of enterprises to repay and refinance, so that the risk of default will rise, thus forcing the Company to increase the impairment provision, which will affect the Company's profits.</li> <li>Medium and long-term impact : The United States' global hegemony is weakening, and political wrangling among countries will change the past pattern of globalized production and trade. Companies will need to take additional political and economic risks into account, which will drive up operating costs and reduce profitability and share price growth. With the restructuring of the supply chain, it will also lead to the rapid shift of the industrial map, which will increase the difficulty of selecting investment and financing targets and impact the relevant business returns.</li> </ul> | <ul style="list-style-type: none"> <li>The Company will continue to pay close attention to the changes in the world political and economic situation and related economic data, and conduct risk assessment and review for the overall risk events and negative news of individual investment targets.</li> <li>For foreign and Chinese Mainland investments in industries that are highly subsidized by the government or policy-related, or individual investment targets that are significantly affected by geopolitics, the Company regularly conducts relevant analysis reports. Quarterly reports to the Risk Management Committee on risk events arising from changes in the international political and economic situation are conducted to improve the mechanism for the assessment and control of industries with high political and economic risks.</li> </ul> |
| Social       | New forms of insurance competition  | <ul style="list-style-type: none"> <li>The traditional role of insurance companies is influenced by value chains, embedded insurance products and services, and large tech companies that provide advanced digital technologies/ecosystems/interactions with customers. If the Company fails to develop insurance technology or find opportunities for cross-industry cooperation in a timely manner, and their digital experience or insurance ecosystem cannot improve the quality of services or customized products for policyholders, the Company's market competitiveness will be reduced, resulting in negative impact.</li> </ul>   | <ul style="list-style-type: none"> <li>If the Company fails to grasp the transformation of insurance technology in time and seize the business opportunities of new types of insurance, the market share of the Company will decline and the premium income will decrease. In this way, the Company will not be able to develop or lose the new digital generation of customers, and the original main customer base will also be lost due to their aging, resulting in a decline in market competitiveness. In addition, the size of Taiwan's insurance market is too small and the demographics are changing rapidly,</li> </ul>   | <ul style="list-style-type: none"> <li>The Company's digital empowerment program will help accelerate digital transformation.</li> <li>The Company has built a health protection circle, join hands with many partners in the health industry, and continue to create "wellness" and "healthcare" health value-added services for the whole health course of the policyholders, to help customers promote health.</li> <li>In response to its digital development, the Company has researched and developed exclusive products for cross-industry cooperation to provide a seamless digital experience to meet customer expectations.</li> </ul>  |

| Risk Type     | Risk Factors            | Risk Description   | Potential Business Impact   | Adaptive Measures  |
|---------------|-------------------------|--|---|--|
|               |                         |  | <p>so the Company needs to create a cross-industry ecosystem, improve service enableability and increase customer adhesion in order to realize new insurance value and corporate sustainability.</p> <ul style="list-style-type: none"><li>• The Company's digital transformation and development and system construction and maintenance will result in an increase in operating costs.</li><li>• Cross-industry cooperation channels will result in increased operating costs.</li></ul>            | <ul style="list-style-type: none"><li>• The Company communicates the new type of insurance through training courses to help staff and agents transform their professional functions.</li><li>• The Company continues to pay attention to the development trend of new types of insurance and relevant laws and regulations.</li></ul>  |
| Technological | Artificial intelligence | <ul style="list-style-type: none"><li>• AI based decisions-making, without sufficient transparency or human oversight, can lead to unpredictable outcomes and complex liability issues. In addition, ethical and social issues related to AI are becoming increasingly prominent, such as information security risks, bias and discrimination risks, and reputational risks in automated underwriting, pricing, and claims processes. On the other hand, third parties can use AI to hack into weaknesses in insurance companies' underwriting or claims processes.</li><li>• The use of artificial intelligence will affect the operational processes of the insurance industry and is expected to have an impact on the workforce.</li></ul> | <ul style="list-style-type: none"><li>• AI algorithms may produce bias, resulting in personnel using AI assistance to influence the outcome of underwriting or claims judgment, which may violate the treating customers fairly principles, and the Company's reputation or operations may be affected.</li><li>• The modeling process may require tracking or analyzing or even monitoring of personal data, which may violate personal privacy.</li><li>• It may replace some human jobs.</li></ul> | <ul style="list-style-type: none"><li>• The Company can establish a consistent risk assessment process by referring to the relevant guidelines (draft) of the authorities or developing internal practices to enhance compliance when using AI.</li><li>• Enhance risk analysis and control for all phases of the AI system life cycle (system planning and design, data collection and input, model building and validation, system deployment and monitoring).</li><li>• The use of AI systems should be based on promotion of sustainable development of the Company, assessment on the impact or risk of AI systems on the environment and society, and reduction of energy consumption. The Company respects and protects the working rights and interests of general employees to reduce digital anxiety and digital gap.</li><li>• Information produced by using open generative AI still requires objective and professional control of its risks. For important critical systems, the principle of personnel control must be followed. Review, approval, or final decision on AI systems should be completed through human involvement.</li></ul> |

## 6.3 Information Security and Privacy Protection

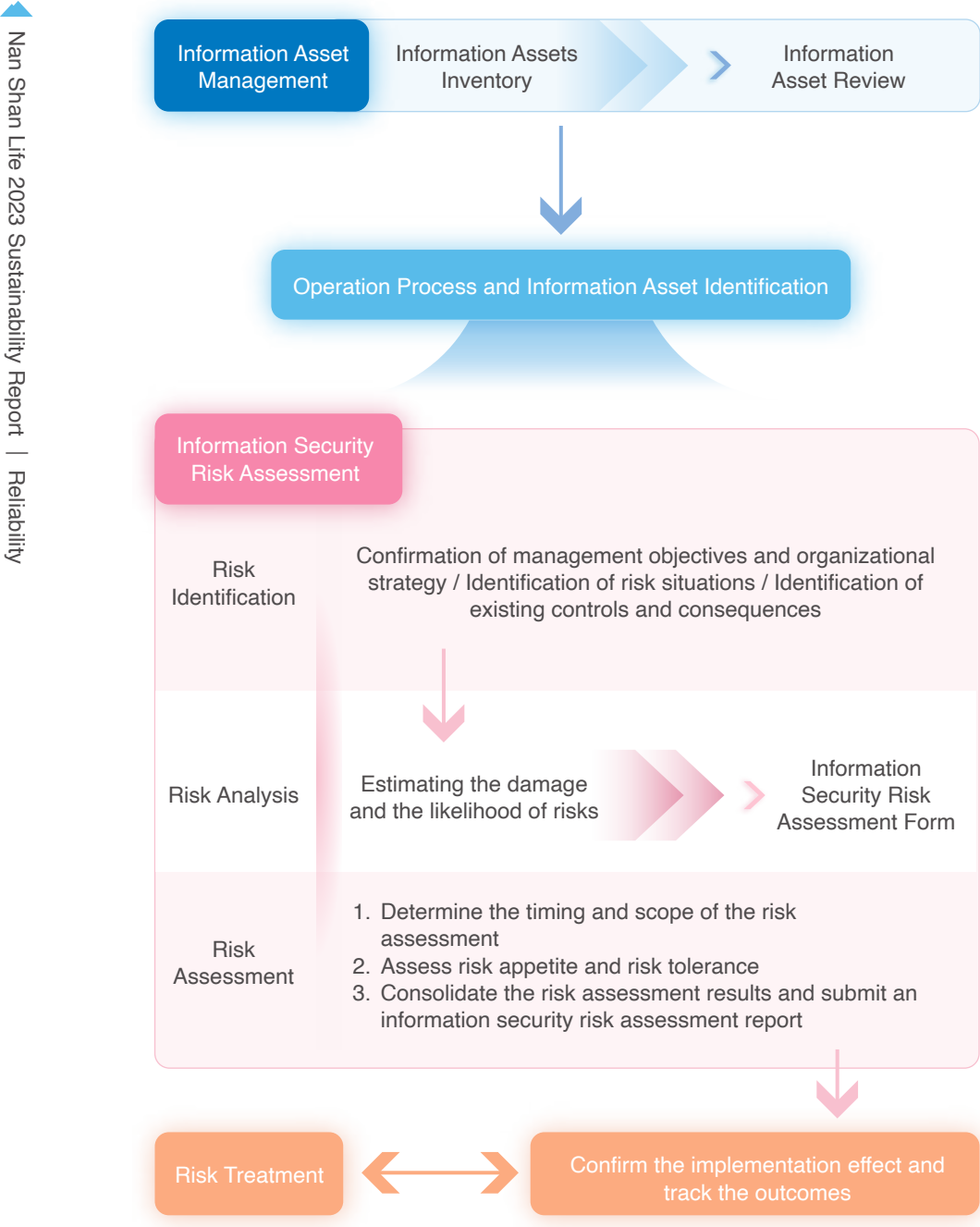
### Information Security Governance

To effectively enhance information security management, Nan Shan Life appointed a vice-president level executive to act as the “Chief Information Security Officer (CISO)” in 2021, to be responsible for the promotion of information security policies and resource management. In addition, an “Information Security Department” has been established as the unit dedicated to the planning, monitoring, and execution of information security management operations. The CISO makes quarterly reports to the Company’s Risk Management Committee on the overall information security implementation of the previous quarter. Every year, the CISO, along with the Chairman of the Board, the President, the Chief Auditor, and the Compliance Officer at the head office, jointly issue an internal control system declaration, stating the overall information security implementation status for the previous year, which is submitted to the Board of Directors for approval. In addition, a review is conducted annually or in the event of major changes to ensure compliance with the latest development of relevant laws, technologies, organizations, and operations, while ensuring the confidentiality, integrity, availability, and legal compliance of various information assets of the Company in the operations and service provision processes.



### Information Security Management

Nan Shan Life has formulated its “Information Security Policy” for all its employees to follow in the implementation of security management of information assets, networks, and systems. In response to the digital trend brought by financial technology, Nan Shan Life and Nan Shan General have both introduced the information security management system (ISMS), and obtained the international certification of “ISO 27001:2013 Information Security Management System”. In 2023, Nan Shan Life received the Quality Award in the “Digital Information Security Awards” and the “Information Security Leadership Award” from the Taiwan Corporate Sustainability Award (TCSA). In 2023, the Company’s investment in information security (including software and hardware authorization costs, personnel training costs) accounted for 9% of the total budgeted information-related costs. Through the ISMS, the Company has established an organizational information security management, and continuously strengthens information security management through various programs such as pre-incident risk prevention, in-process detection, and post-incident response, to ensure the effectiveness of its risk management. At the same time, through a set of comprehensive risk analysis, risk assessment, and risk processing methods, the Company’s information assets are categorized to determine their values and importance, and analyzed for potential weaknesses and threats. Risk management is thus integrated with the Company’s information security, to implement information security risk management through a systematic risk assessment process.



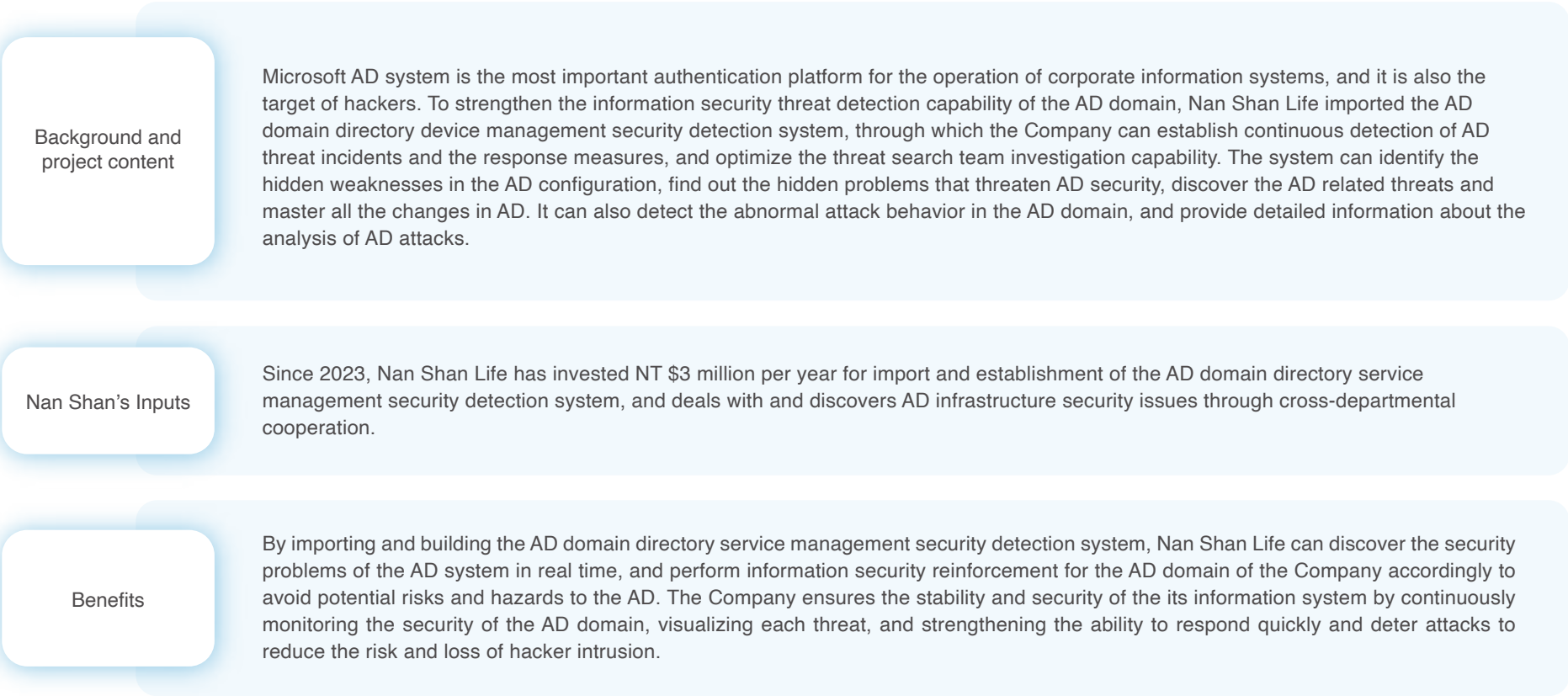
To maintain the Company's business continuity capabilities and the confidentiality, integrity, and availability of its information systems, every year, the Company organizes various information security drills, which simulate threatening incidents, to enhance employees' familiarity with information security incident reporting procedures and their ability of crisis response, and to implement the protection of information infrastructure and networks security.

2023 Information Security Drills Implementation

| Program   | Implementation in 2023  |
|---|---|
| Core Information System Disaster Recovery Drill                 | Successfully completed the system recovery test in the backup site and resumed service according to the computer system disaster recovery drill plan, and within the timeframe that the company may endure the interruption of operations.  |
| Extended DDoS Attack and Incident Drill                         | The DDoS network security incident contingency script was completed, and the usability of the script was verified in the DDoS attack drill. At the same time, considering the increasing number and strength of DDoS attacks, the number and strength of attack drills were increased correspondingly this year to ensure that the Company can effectively defend against a large number of DDoS attacks. |
| Company-wide Social Engineering Exercise                        | After the company-wide social engineering exercise held in 2023, the overall ratio of mail respondents who opened the mails violating the rules was about 3.68%. Personnel violating the rules were given enhanced training on information security.  |
| Computer System Information Security Assessment                 | Performed evaluation of type-1 computer systems, and discovered weaknesses in some external service systems, which had been corrected and successfully retested during the evaluation period.   |
| Red and Blue Team Information Security Attack and Defense Drill | In 2023, the Company conducted a red-team attack and defense drill for a total of 67 network services in the external service system, and found that 28 website hosts had low risk and improved accordingly.  |

In addition, to strengthen the overall information security awareness and enhance employees’ understanding of information security, Nan Shan Life stipulates that all employees must undergo at least 3 hours (including) of information security training annually, and staff of the information security responsible unit must undergo more than 15 hours of information security training annually, to effectively maintain their awareness and professional capabilities in information security.

AD domain directory service management security detection system





## | Establishment of "External website information security monitoring and analysis system"

Background and project content

Today, the Company offers more and more web services for external use, and external service sites are exposed to the Internet, which makes them one of the most desirable and easiest targets for hackers to break into corporate systems. Therefore, the Company introduced the "external website information security monitoring and analysis system" to strengthen the shortcomings of the original equipment that only monitors the network, so as to expand the breadth and depth of information security monitoring. The Company can analyze the trajectory of the connection behaviors inside the server host of the external website, find the abnormal connection behaviors, discover the abnormal behaviors hidden in the host, and reduce the risk of the website being hacked.

Nan Shan's Inputs

Since November 2023, the Company has invested NT \$1 million per year on a total of 14 external websites, such as the public official website, the agents' portal, and the policyholders' portal. These sites have traditionally relied on Web application firewalls (WAFs), intrusion prevention systems (IPS), firewalls, vulnerability scanning and patching, and digital risk protection for monitoring and protection, but in practice, cyber attack techniques are changing with the emergence of many new and unknown attack methods. To effectively and promptly monitor and find out abnormal website connection behaviors, it is necessary to carry out monitoring and analysis in the website service host, which is complementary to the aforesaid information security protection measures.

Benefits

Through 24hours/7days website log security monitoring and analysis, instant abnormal connection alarms can be generated to detect and identify abnormal connection behaviors, such as SQL Injection, Command Injection, Path Traversal, XSS Attack, and so on. At the same time, the website connection behavior dashboard is established, so that security monitoring analysts can grasp the abnormal connection status in the first time. Since its launch in November 2023, the system has monitored several security vulnerabilities that have existed for years on the Company's website, which could not be detected with the original protective equipment, allowing security personnel and system managers to quickly patch, thereby effectively protecting the Company's information security and reducing the risk of customer information leakage.

## | Information security monitoring services for external digital assets

Background and project content

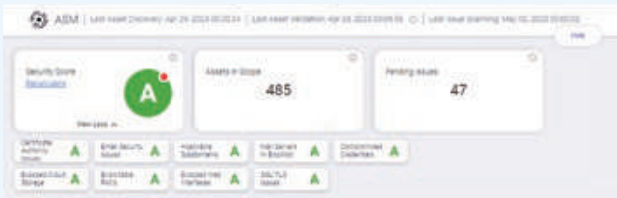
To grasp the information security exposure status of the digital services provided by the Company and take necessary protective measures in a timely manner to reduce the Company's information security risks, Nan Shan Life has started to use external Digital Risk Protection (DRP) services since October 2021. This is not only in line with the requirements of "establishment of a mechanism to detect counterfeit applications" stipulated in the "Self-Regulation for Protection of Information Security of Insurance Industry", but also exceeds the requirements of existing regulatory laws.

Nan Shan's Inputs

Since October 2021, the Company has invested NT \$6 million annually to obtain the DRP services, which include certificate security, email security, host server security, monitoring of counterfeit websites or mobile applications, monitoring of the leakage of passwords for employee or customer accounts, external service website security, data communication security, cloud service security, and more. Through this service, the Company can more accurately and quickly take stock of the benefits of external digital assets. In addition, for major security incidents, the Company can also cooperate with external information security manufacturers to conduct in-depth investigation and authentication services.

Benefits

In 2023, the Company has successively handled and improved more than 410 external security incidents, effectively reducing the Company's information security risks. In addition, the service provides functions including CVE Intel, Malware Intel, Threat Actor Intel, and Cyber Security News. These intelligence functions enable security personnel to grasp important intelligence on information security, conduct in-depth information security investigations, and promptly and properly handle information security incidents. Through this service, the Company grasps external information security threats and handles them in a timely manner to ensure that the overall information security risk score is maintained at the highest level, Grade A, so as to effectively protect customers' information security, significantly reduce risks and hazards that may be caused by hackers, and increase customers' confidence and satisfaction with the Company's services.



Personal Information Protection

Nan Shan Life values the protection of its policyholders' personal information and privacy. The Company has established the “Plan for Maintaining the Security of Personal Data and Files and the Guidelines for Data Processing After Business Termination” and set up the Personal Data Protection Management Committee with the President as the Personal Information Management Representative. The Personal Data Protection Management Committee oversees the planning and implementation of the Company's personal data protection system. The Personal Data Protection Task Force, which is formed under the Personal Data Protection Management Committee, is responsible for the promotion and implementation of the personal data protection management plans. Meetings are held at least quarterly to ensure the implementation of personal data protection and management policies.

To ensure the effectiveness of the personal data management cycle, Nan Shan Life and Nan Shan General perform an inventory of personal data, personal data risk assessment, and personal data protection self-evaluation every year, which are organized and compiled into an annual personal data protection management self-evaluation report. The 2023 personal data risk assessment result showed that the personal data protection processes of both Nan Shan Life and Nan Shan General were in compliance with the Personal Data Protection Act and management standards.

Both Nan Shan Life and Nan Shan General have obtained the certification for the internationally recognized standards of BS10012:2017 Personal Information Management System(PIMS), and are fully committed to the meticulous management of policyholders' personal information, and continuously improve and implement personal data management through third-party assurance and verification while complying with the Plan-Do-Check-Act (PDCA) mode of operation.

Nan Shan Life and Nan Shan General strictly adhere to personal data protection legislation set by competent authorities. If personal data is stolen, tampered with, damaged, erased, leaked, lost, or infringed in any other way during business activities, the Company will take response actions, make report and corrections and apply prevention measures in accordance with the “Procedures for Notification and Handling of Personal Data Security Incidents and the Contingency Operations”.

According to the provisions of the "Guidelines for Reporting Operational Risk Incidents", personal information incident cases should be reported to the Risk Management Department as operational risk incidents for the first time within 2 working days after the occurrence or discovery of the incidents, and subsequent event impact assessment and event loss deduction processing are carried out after that.

If a employee or agent of the Company violates the relevant regulations of the Personal Data Protection Act, the employee will be subject to the provisions of the Company's "Guidelines for Rewards and Punishments for Employees" according to the seriousness of the violation, while the agent will be subject to the provisions of the "Regulations Governing the Supervision of Insurance Solicitors" formulated by the FSC.

In addition, Nan Shan Life has established its "Operational Guidelines for Reporting Financial and Business Matters of Subsidiaries", which requires subsidiaries to notify Nan Shan Life of specific matters. Among them, abnormal system incidents, information security incidents or information operation incidents that are sufficient to damage the rights and interests of customers, affect the Company's reputation or endanger the normal operation of the Company shall be classified as major reporting matters.

In addition to reporting to the unit designated by Nan Shan Life for accepting the notification, the subsidiary should also inform the regulatory unit of the subsidiaries of Nan Shan Life, which will track the relevant operation status to ensure the prompt and proper handling of the incidents.

In addition, if an external third party is entrusted to collect, process or use personal data, Nan Shan Life will strictly require the entrusted third party to comply with the relevant laws and regulations and the personal data confidentiality agreement, and regularly perform supervision and management of the third party to protect the rights and interests of the owner of the personal data and fulfill its responsibility of personal data protection. At the same time, to sufficiently ensure policyholders' personal information and privacy, Nan Shan Life carefully handles customer information and actively informs them of their rights, obligations, and reasons for using personal data. Please refer to the Company's "Privacy Protection Statement" and "Policy for the Privacy in Customer Data Sharing" for more details. No cases of major personal data or information security violations were identified in 2023\*.

\* For Nan Shan Life and Nan Shan General, major personal information incidents are defined as those with leakage of more than 2,000 items and 5,000 items of personal information respectively.



| Personal Data Complaint Channel   | Number of Cases | Handling Situation   |
|---|-----------------|--|
| Internal (including official website, complaint channel, customer service center, etc.) | 15              | The responsible unit has reported the personal data complaints in accordance with the regulations and properly explained the follow-up process to the customers. |
| External unit (including Financial Ombudsman Institution)                               | 1               | The responsible unit has reported the personal data complaints in accordance with the regulations and properly explained the follow-up process to the customers. |
| Competent Authority   | 0               | —  |

Nan Shan Life had 42 cases of data leakage in 2023, of which the percentage of the cases relating to personal information leakage was 100%, affecting 194 customers. After investigation, it was found that the main cause for the aforesaid cases of data leakage were due to lost or undelivered mail items by the post office. Secondly, it was due to administration errors by agents and employees. Overall, there were no major incidents of information leakage or infringement of customer privacy. The Company has already reported the incidents to the relevant post office branch and the post office headquarters to inform them of the principles of mail delivery to avoid such incidents in future. The post office headquarters had promised to strengthen surveillance and make relevant improvements, and the company will continue to monitor the situation. Regarding the mails that were wrongly delivered, the Company contacted both the originally intended recipients of the letters and the actual recipients in a proper manner, to have the mails returned or destroyed, and the relevant cases have been properly handled. After the occurrence of these incidents, the Company has required the responsible units to conduct root cause analysis, establish measures for improvement, and strengthen employee training and publicity. To better understand the improvement status and prevent recurrence, unresolved cases from the previous quarter will be reviewed and followed up during each quarter. The personal information contained in the content of notifications and letters will be hidden in due course according to the categories to minimize the damage caused by data leakage. Moreover, relevant disciplinary action will be taken for cases caused by the negligence of staff or agents.

At the same time, Nan Shan Life proactively integrates the principles of personal data protection into its organizational culture and daily business operations. The Company has listed personal data protection as a compulsory course for Nan Shan Life's staff, and continues to provide introduction and training courses on personal data protection through online learning platforms and video courses. In 2023, the Company organized basic training on personal data protection, advanced training on personal data protection, personal data inventory check training courses and PIMS certification training courses to strengthen the personal data protection awareness of staff.

| Item             | Title of Course  | Duration (Hours) | Number of Participants |
|------------------|--|------------------|------------------------|
| Nan Shan Life    |  |                  |                        |
| 1                | Basic training course on personal data protection        | 0.5              | 4,050                  |
| 2                | Advanced training course on Personal Data Protection Act | 3                | 259                    |
| 3                | Training course on personal data inventory check         | 2                | 425                    |
| 4                | Training on personal data self-assessment                | 1                | 329                    |
| 5                | PIMS certification training                              | 1                | 149                    |
| Nan Shan General |  |                  |                        |
| 1                | Basic training course on personal data protection        | 1                | 797                    |

● 6.4 Treating Customers Fairly

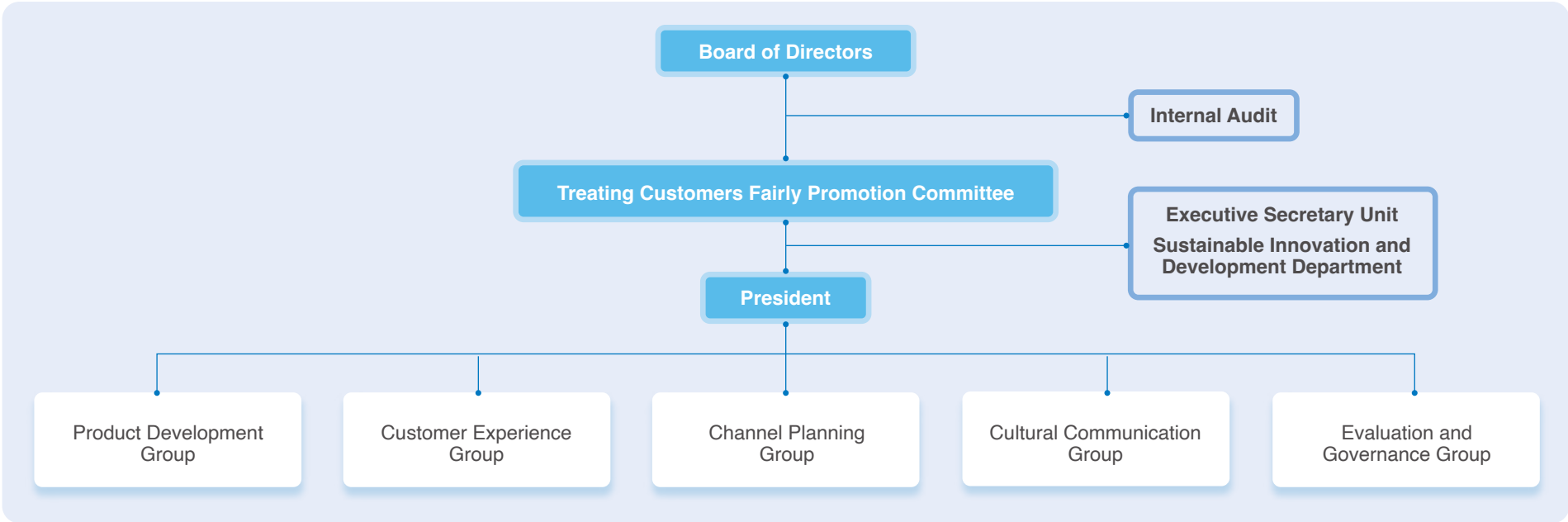
The business principle of “treating customers as ourselves”

Nan Shan Life has, upon approval of the Board, established the treating customers fairly (TCF) policy in accordance with the “Principle for Financial Service Industries to Treat Customers Fairly”, the “Notes for the Implementation of the Principle of Fair Customer Treatment by Financial Institutions”, and the “Evaluation Mechanism for the Principle for Financial Service Industries to Treat Customers Fairly”, to enhance consumer protection and implement the principle of TCF. The Sustainable Innovation and Development Department is the responsible unit to supervise related issues and operations to ensure that the Company complies with this policy in all aspects of daily business operations, including product design, advertising, sales, contract performance, service consulting, customer complaint handling, etc.

To better implement relevant policy, Nan Shan Life has established a cross-departmental “Treating Customers Fairly Promotion Committee” to oversee the promotion of various TCF initiatives. The Company has also established a “Treating Customers Fairly Zone” on its corporate website for better consumer communication. In addition, the “Treating Customers Fairly Promotion Committee” issues monthly “Treating Customers Fairly Newsletter” on a regular basis. In 2023, the company held 5 training sessions: 3 compulsory training sessions for employees and 2 sessions inviting external experts to share practical experience with directors and senior managers. The results of the Company's TCF evaluations were submitted to the competent authorities annually. In 2023, Nan Shan Life and Nan Shan General were both ranked in the top 25% performers of the industry in the 2023 TCF Performance Assessment by the FSC and receiving public recognition.

As a functional committee under the Board of Directors, the “Treating Customers Fairly Promotion Committee” consists of the Chairman and two independent directors who convene quarterly meetings to review the implementation results and report to the Board of Directors on a regular basis. To continuously promote the culture of TCF and improve customer experience, in 2023, the Treating Customers Fairly Promotion Committee proposed to review and amend some provisions of the "Organizational Procedures of the Treating Customers Fairly Promotion Committee", and to adjust the organizational structure, work responsibilities and operation procedures of the committee.

### 2024 Nan Shan Life Treating Customers Fairly Promotion Committee Organizational Structure



\*The former “Strategic Planning Department” was renamed on April 30, 2024.

The committee has set up five TCF working groups, which are led by the President. The team leader of each group is appointed to coordinate team works. The responsibilities of each working group are as follows :

- **Product Development Group** : Provide innovative and inclusive financial products and services to meet the needs of different customer groups for protection.
- **Customer Experience Group** : Actively collect customer feedback, proactively identify potential problems, and make improvement as early as possible, improve customer experience, and protect customer rights and interests.
- **Channel Planning Group** : Optimize customer service, perform honest solicitation, encourage agents to implement the TCF principles.
- **Cultural Communication Group** : Internal and external communication and publicity on TCF principles, to shape Nan Shan Life’s corporate culture and image of TCF.
- **Evaluation and Governance Group** : Assist each unit to regularly evaluate operations, review defective points and track improvement status.

The operation of the working group is carried out with the circular objective management approach Plan-Do-Check-Act (PDCA). After reporting to the committee the implementation objectives of the annual TCF action plan, the working groups adjust the content and strategic direction of the action plan dynamically and promptly in accordance with the directives of the competent authorities, the Company’s strategies and the outstanding achievements of their peers during the implementation period, and regularly report to the committee on the implementation status and effects, to ensure that the results of the implementation of TCF principles meet the objectives.

Since 2021, the Company has arranged for members of the Treating Customers Fairly Promotion Committee to inspect front-line customer service units such as customer service counters, regional service centers or call centers every year.



In July 2023, two independent directors visited a call center to listen to the real voice of customers, and to observe the call center’s operations and how they meet the needs of customers from different ethnic groups, especially friendly services for elderly and disabled customers. The directors were also invited to provide guidance and encouragement to colleagues based on their experience.

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

- Integration with the concept of corporate governance: To integrate TCF culture into Nan Shan Life’s internal management system, the Company has set up relevant management mechanisms for the following: promotion of TCF to the directors and senior executives, division of authorities and responsibilities, establishment of corporate culture, and verification of the second- and third-line of defense. In addition, horizontal communication frequency and effectiveness are also emphasized.
- Integration with the risk assessment mechanism: In line with the risk-oriented concept, Nan Shan Life conducts comprehensive risk assessment on TCF issues, to ensure that relevant risks are fully considered while providing services to policyholders. The results of risk assessment serve as an important basis for the Company’s decision-making and resource allocation.
- Integration of the customer journey with various consumer contact points related to TCF principles: Nan Shan Life emphasizes the inspection on the implementation of the TCF principles in various units, from the perspective of customer journey and the life cycle of insurance products. Therefore, the TCF principles and related control points are evaluated in various departments before, during, and after product design. Customized questionnaire surveys are also used to statistically determine the degree of control at each department.



To facilitate the integration of the TCF principles into the daily work of all employees, Nan Shan Life formulated key performance indicators (KPIs) according to the degree of relevance between the responsibilities of each business and the TCF principles since 2020. In addition, following the instruction of the Board of Directors, the main points of TCF management are incorporated into departmental and individual performance evaluation and remuneration, to thoroughly implement the TCF principles. In 2023, in adherence to the ten major TCF principles, Nan Shan Life established 59 KPIs related to TCF, to emphasize the value of TCF to employees through the management of KPIs.

**Take the initiative to amend the clause for rider continuity to protect the interests of customers**

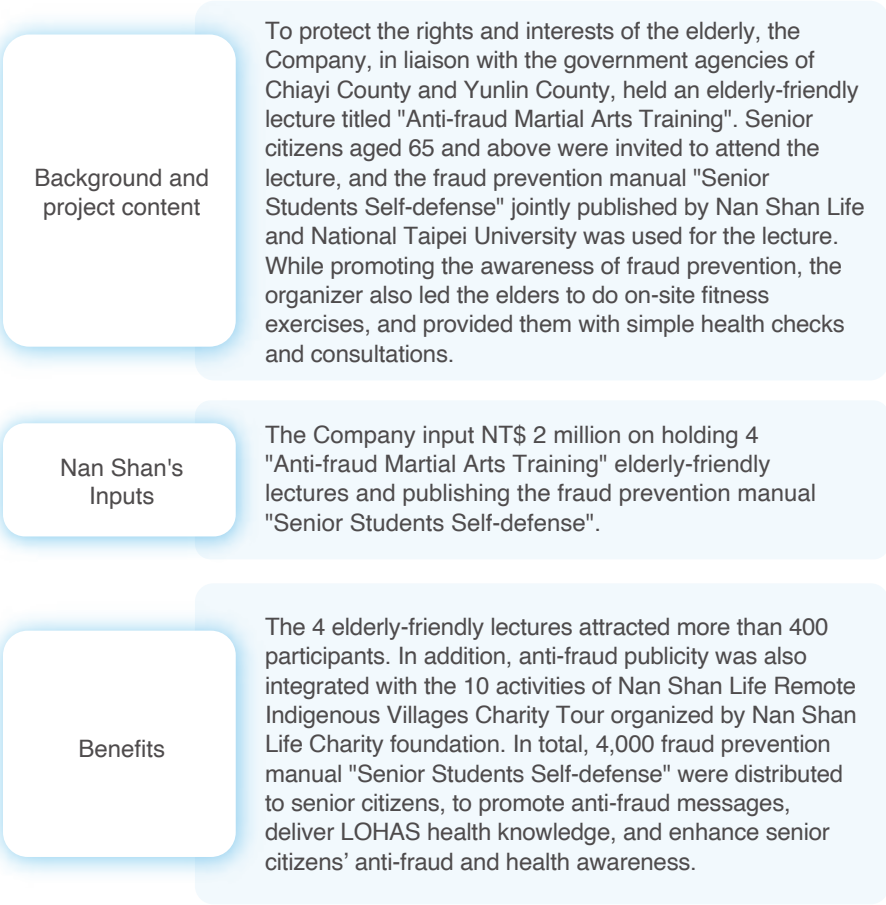
At the end of 2022, the Civil Grand Chamber of the Supreme Court made a unified view on the enforcement procedure of policy seizure, so the enforcement court seized the insurance policy of the insured and then terminated the policy contract and paid the creditors of the insured with the policy value reserve. This has given rise to some practical questions, such as, if the master insurance policy is terminated, whether the rider is terminated together, and whether the insurance company should take the initiative to notify the policyholder that the policy is seized by the enforcement court. To implement the TCF principles, Nan Shan Life, in 2023, took the initiative to revise clause for rider continuity. The revised clause states that when a policy is terminated by an enforcement court, a rider without a termination fee will continue in force and will not be terminated together with the master insurance policy, which ensures the policyholders' policy rights. The relevant clause was amended and released on October 28. The rider continuity does not require the proactive application of the insured. Since then, Nan Shan Life has extended this spirit to the industry. When the Insurance Bureau revised the contents of the "Directions for the Review of Life Insurance Products", the Company proposed relevant amendment suggestions and supporting measures on the content of the amendment, hoping that companies without the clause for rider continuity in the industry can also preserve their policyholders' policy rights and interests according to the contents of revised "directions". This makes the protection of the rights and interests of policyholders not affected by the different insurance companies and insurance contracts. The proposed amendments and supporting measures have also been endorsed by the Insurance Bureau. In addition, when Nan Shan Life

received the enforcement order of the court/enforcement agency for policy seizure on October 20, 2023, it notified the policyholder by SMS one week from the aforesaid date, reminding the customers to pay attention to the relevant court documents and to protect their rights and interests.

**Improve anti-fraud works to prevent financial frauds**

To beat the increasingly rampant financial frauds, Nan Shan Life has always attached great importance to and actively responded to the prevention of frauds in the financial industry, and has joined hands with relevant departments to work on the issues and to improve anti-fraud actions. In addition, the Company has listed the prevention of financial frauds as one of its TCF issues. According to the new generation of anti-fraud strategy action plan issued by the Executive Yuan, Nan Shan Life has reviewed its operation process from the four aspects of "identifying frauds, blocking frauds, stopping frauds, and punishing frauds" to comprehensively reduce frauds. The Company also uses the resources of public and private sectors to jointly promote various anti-fraud actions to achieve the goal of "the 3 reduce", namely "reduce contact, reduce misinformation, and reduce damage". Based on the government's program of action and other anti-fraud action plans of the industry, Nan Shan Life has proposed various enhancement measures. These measures include organizing seminars and campaigns, enhancing publicity of anti-fraud messages, reviewing internal processes, increasing control mechanisms, strengthening control mechanisms for abnormal and long-dormant accounts, and enhancing personal identity verification measures such as SMS and OTP. In addition, the Company has strengthened the anti-fraud training for employees and agents, and encourages service counters or related personnel to care for customers and take the initiative to ask questions to prevent fraud. With the rapid development of technology in recent years, the Company has established a digital experience governance and design center, which collaborates with business units to use AI and data models to build abnormal transaction timing modules that can detect abnormal accounts and scam characters in a timely manner. In addition, the Company actively relies on the government's inspection and police resources, and has established an instant contact channel with the "Anti-Fraud Command Center " of the Criminal Investigation Bureau, so that it can report and send information to the Criminal Investigation Bureau for instant identification, blocking and prevention of frauds.

"Anti-fraud Martial Arts Training" elderly-friendly lecture



Nan Shan General: Shaping a TCF culture from top to bottom

To build the TCF culture and implement the TCF principles, the President of Nan Shan General presides over the "TCF Working Group Meeting" every month, so that all departments of the Company can implement the principles and norms of TCF in their operations through the horizontal communication review and vertical decision-making mechanism adopted in the meeting. In 2019, Nan Shan General established the TCF Promotion Committee. The members of the committee are appointed by the Board of Directors, with an independent director as the convener, and the President and the heads of level 1 units as committee members. The TCF Promotion Committee holds quarterly meetings and regularly reports relevant implementation results and major proposals to the Board of Directors. The TCF issues included in the project report of the Board of Directors for 2023 include the first property microinsurance policy "fire inconvenience expense insurance", the introduction of the "ISO 10002:2018 Quality Management - Customer Satisfaction - Guidelines for Complaints Handling in Organizations", the acquisition of international certification, etc. In addition, Nan Shan General continuously provides digital services to minimize people's time or geographical restrictions. In 2023, the Company established an official LINE account, which provides a number of instant functions, so that the policyholders can immediately obtain their own policy information with better convenience. When people need to inspect their cars, they can download the electronic insurance certificate for the compulsory insurance through this channel, which can save the time of searching for the hardcopy of the insurance certificate. If a policyholder suffers a traffic accident, he/she can also directly obtain the accident reporting phone number through this channel. When the claim application process is started, the policyholder can also check the progress of the claim application status at any time. The "Online Payment Zone" allows policyholders to quickly complete the payment for auto insurance and residential fire insurance premiums. In 2023, Nan Shan General completely upgraded its official website. The new version of the official website provides a customer-friendly, more intuitive, and better organized interface, which is in line with modern using habits, with the aim to optimize consumer experience and create a cross-platform service.

### Listen to customers and exceed customer expectations

“Adhering to the TCF principles and listen to every customer”. The executive manager and department heads of Nan Shan General regularly listen to the first-line customer service, showing their concerns and care for customers with practical actions. By listening to customers’ needs at the first time, they can put themselves in customers’ shoes and make recommendations for optimization.





Nan Shan General constantly uses digital technology to improve its service processes. In 2023, the Company obtained three new patents, and one of the patents was the video application and documents receiving management system, which transformed the acceptance process and improved the efficiency and quality of policy administration operations. The automatic sending of claim application notice through the core system of enterprise insurance and injury insurance enables the policyholder to know the status of the claim application conveniently, which demonstrated the Company’s efforts in providing customers with caring service beyond their expectations.

#### 6.4.1 Diversified Warm Services

Nan Shan Life sincerely listens and actively responds to each policyholder’s views and needs, and has established a diversified opinion collection, response and satisfaction survey mechanism. The Company has gradually laid a solid foundation from its attitude to behaviors for high-quality service, with the aim to provide professional and efficient services to policyholders.

Nan Shan Life has built the "Customer Service Process Information Integration Platform (CIC 360)", on which customer service staff can provide comprehensive services through a single interface, so the Company is able to effectively grasp the immediate needs of customers and solve problems properly, which will definitely enhance customer experience and service efficiency.

### Diverse Communication and Service Channels

| Type              | Channel   | Description   |
|-------------------|---|---|
| E-services        | Nan Shan Life App.  | Instant and convenient mobile services for the general public and Nan Shan Life policyholders, with various features including policy inquiry, policy changes, policy loan application/repayment, claim settlement, and premium payment.  |
|                   | Corporate website   | The Company’s website provides information on its products, services, events, and discloses information for the public. <div></div>  |
|                   | Social media  | <div><div>FB friends</div><div>Youtube channel</div><div>IG</div></div>  |
|                   | Newsletter : Nan Shan Life Policyholder Bimonthly Publication | Provide news about latest products, services, and events.   |
|                   | Nan Shan General Official Line@ account                       | Nan Shan General has launched its official LINE account. By the end of 2023, the Company's LINE account had more than 47,000 friends. For those who have undergone identity verification and joined the membership, the Company will provide personalized services, including auto insurance policy inquiry, auto insurance compulsory insurance certificate and electronic policy download, simple auto insurance policy information change, online payment and claim progress inquiry and other digital insurance services. |
| Physical services | Media information disclosure                                  | Press conferences, news release, media interviews, and news reports.  |
|                   | Service center LCDs   | LCDs are installed at service centers in Taipei, Banqiao, Zhongli, Taichung and Kaohsiung, showing latest news on the Company’s services and events timely.   |



| Type              | Channel  | Description  |
|-------------------|--|--|
| Physical services | Events for policyholders   | The Company holds various events for its policyholders from time to time. For example, in 2023, the Company held Mother's Day customer service goodwill activities at service counters and held the health protection circle customer experience activity at the newly refurbished service counters in Taipei branch, Taichung and Tainan. |
|                   | Nan Shan Life Policyholder Bimonthly Publication (Nan Shan Fun Life) | Provide latest news and information on products, services, and events.   |
|                   | Product catalog  | Provide detailed information on product features, coverage details, and examples, noting relevant legal regulations, risk warnings, etc.   |
|                   | Various types of document notifications                              | Provide conventional postal delivery and electronic notification services.   |

Quick Respond to the Demands of Policyholders

Nan Shan Life has established comprehensive complaint handling system and procedures to respond to and handle customer feedback and complaints in a prompt and efficient manner, which, through inspection and the Root Cause Analysis (RCA), can continuously strengthen service quality. The efforts made by Nan Shan Life in service improvement have led to high praises from policyholders for years, and the Company has been able to maintain a high policy persistency rate and customer retention rate. According to the data released by Financial Ombudsman Institution, Nan Shan Life’s complaint rate was the fourth lowest among medium and large insurance companies\* in 2023. Meanwhile, the complaint rate of Nan Shan General was 0.5176.

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

Nan Shan Life and Nan Shan General obtaining ISO 10002 customer complaints handling management system certification

Adhering to the TCF principles, Nan Shan Life and Nan Shan General sincerely listen to every customer and actively respond to the “Principles for Financial Service Industries to Treat Customers Fairly” promoted by the FSC.

In December 2023, both companies obtained the ISO 10002 customer complaints handling management system certification, showing that the management optimization and processing efficiency of Nan Shan Life and Nan Shan General in handling complaint cases have been deeply recognized by the international community. It is worth mentioning that the ISO certification obtained by Nan Shan Life and Nan Shan General marked the first time both the property insurance and life insurance division of the same corporation obtained ISO certification at the same time in Taiwan. Meanwhile, Nan Shan General was also the first property insurance company in Taiwan obtaining the SGS ISO 10002 certification.



2023 Nan Shan Life Claims Complaints and Ombudsman Review Rate

| Category                                    | Nan Shan Life | Nan Shan General |
|---|---------------|------------------|
| Claims Complaint Rate (1/1,000)*            | 0.145         | 1.013            |
| Rate of Claims Ombudsman Cases (1/10,000)** | 0.053         | 0.130            |

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

\*\* The rate of claims Ombudsman cases is calculated based on the number of relevant reviews conducted in 2023 by the Financial Ombudsman Institution established by the FSC. The formula for calculation is: (number of applications for Ombudsman review / total number of signed policy contracts (number of persons) \* 10,000, rounding to the third decimal place.

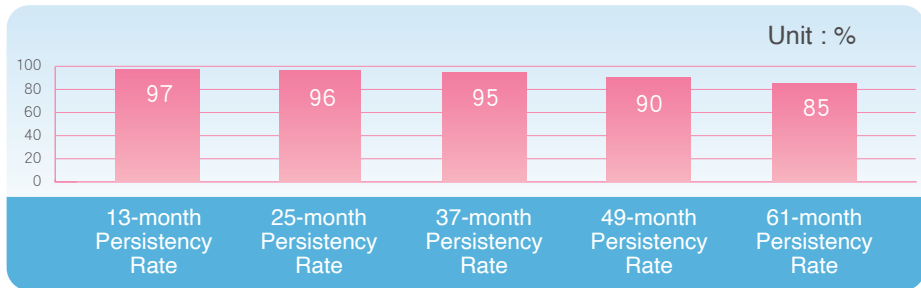


### 2023 Claims Review Cases

| Type of Review Case                     | Reason for Review | Number of Cases |                  |
|---|-------------------|-----------------|------------------|
|   |                   | Nan Shan Life   | Nan Shan General |
| Insurance Coverage                      | Claim dispute     | 60              | 10               |
| Identification of the Cause of Accident | Claim dispute     | 13              | 5                |
| Claim Amount Determination              | Claim dispute     | 17              | 5                |
| Other Issues related to Claims *        |                   | 93              | 17               |
| Total Number of Cases                   |                   | 183             | 37               |

\* For details of other issues related to claims, please refer to case category provided by the Financial Ombudsman Institution.

### 2023 Nan Shan Life Policy Persistency Rate\*



\* The policy persistency rate is calculated according to the annualized premium.

### 2023 Nan Shan Life Customer Retention Rate



\* The 2023 customer retention rate = (total number of customers as of December 31, 2023 - the number of new customers in 2023) / (total number of customers as of December 31, 2022- involuntarily terminated customers & loss of customers under employer sponsored programs in 2023).

### Pursuing High Levels of Customer Satisfaction

Since 2020, Nan Shan Life has expanded the scope of real-time questionnaire surveys (QR code) at service counters, integrating various touchpoints of customer service, including insurance application and policy issuance, policy services, and claim settlement services, which has achieved high levels of customer satisfaction. In the survey, key questions were set for assessing the level of customer satisfaction on three services, including counter services/ policy services, claim services, and insurance application and policy issuance, allowing the Company to assess customer experience in insurance application process and at service counters. In 2023, the average customer satisfaction rate for the above three services was 99.6%, with more than 54,000 valid survey samples.

Nan Shan General introduced digital functions for claims services in 2023, which allowed the Company to continuously improve its customer services after real-time and proactive collection of customer voices through the “surveycake”. This not only helps the Company to implement the TCF principles, but also provides accurate and warm services to customers. The average customer satisfaction rate in 2023 was 95%, with 3,555 valid survey samples.

6.4.2 Transparent Marketing Promotion

To implement the TCF principles, Nan Shan Life has established explicit code of conduct and rules to regulate its marketing and promotion activities and requires all these marketing and promotion activities to comply with the “principle of true advertisement and solicitation”, “principle of informing and disclosing”, “principle of suitability of products or services” , and “principle for sale of complex and high risk products”, with the aim to ensure that sales related activities are planned and executed from customers’ perspective. The specific practices of the TCF principles in sales related activities are as follows :

Transparent Marketing and Promotion Management Mechanism

Nan Shan Life has established the “Directions for the Management of Advertising Materials, Marketing Support Tools and Training Materials for Advertising, Business Solicitation and Business Promotional Activities”, and requires the compliance by each business unit. In addition, the Company has formulated the “Self-check List of Items to be Disclosed in Product Catalog” for use by each unit while creating the product catalog. The list can be used for doing self-check to make sure that there is no exaggeration or deception in the product information, and ensure that product promotional literature comply with the requirements of the competent authority. In addition, Nan Shan Life has established a comprehensive customer privacy management mechanism, to provide transparent and secure product information for the public. During the year, the Company had no violation fines and violation warnings due to the labeling of products or services, or intentional violations. Nan Shan Life requires all its agents to comply with the laws and regulations for business solicitation and services, and strongly advises the agents to enhance their compliance with business guidelines and code of conduct. In the event of a violation by an agent, the matter will be handled in accordance with the laws and regulations, the contracts, and relevant business guidelines, in order to maintain the quality and norms of agent solicitations. In 2023, Nan Shan Life did not suffer any monetary losses due to legal proceedings arising from marketing and communicating insurance products to customers\*.

\* The conditions that constitute monetary losses due to legal proceedings arising from marketing and communicating insurance products to customers include: 1. The customer makes a request to the Company and the Company is responsible for the request of the customer. 2. The final and unappealable judgement ruled that the Company must pay the customer in accordance with the judgment.

Nan Shan Life Product Information Transparency Mechanism



The content of the product catalog is clear, complete, and easy to understand

Product catalog is written in plain language with a clear font, detailing product characteristics, insurance payment, insurance regulations, premiums, and other relevant information, which makes it easier for agents to sell the products, and helps customers keep and use the information easily.



Comprehensive risk disclosure and warning message

Precautions and risk warning for insurance purchase are disclosed in accordance with the related laws and regulations. Customers are reminded to be aware of their rights and interests, which will enhance customers’ risk awareness and product-related knowledge.



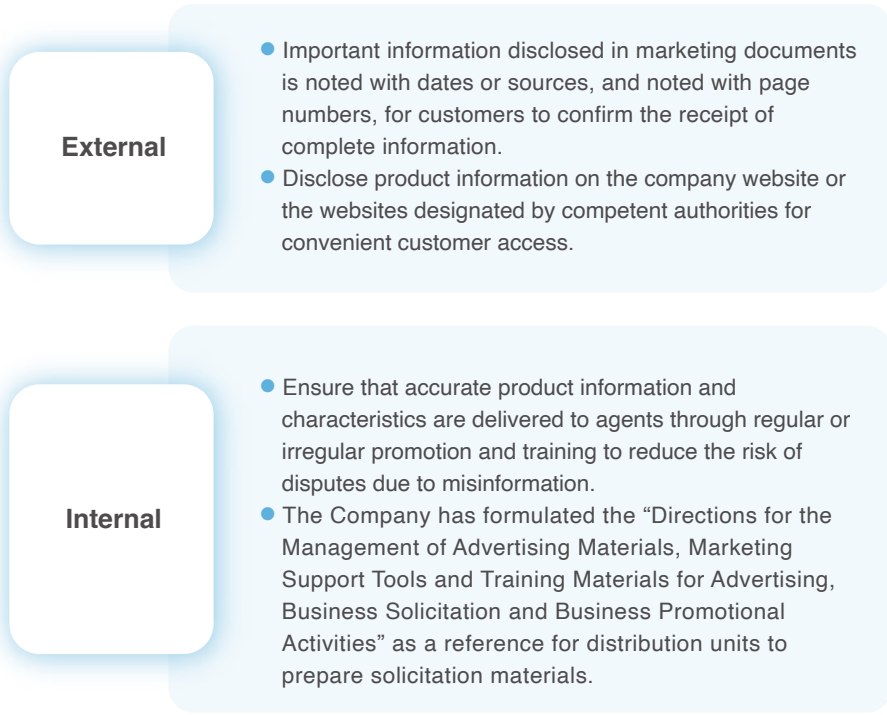
Clear and transparent insurance application example cases

To enable policyholders to have a better idea about whether the insurance products meet their personal needs, the Company has designed example cases of insurance purchase and presented them in the form of illustrations to help policyholders better understand these insurance products.

Confirmation of Policyholder Rights >>

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

To protect the rights and interests of customers, Nan Shan General, in accordance with the external laws and regulations, internal operating methods and relevant control procedures, ensures the correctness and integrity of product and marketing information. In addition, the Company also controls the product interpretation of its agents and provides them with training. Through various regular and irregular training programs, property insurance license exams and product training courses, enterprise insurance class and property insurance products training courses, Nan Shan General ensures that its agents can convey product information and product characteristics correctly, so the Company is able to reduce consumer disputes caused by information asymmetry.



Nan Shan General has been serving customers with heart and insisting on thinking from the perspective of customers. The Company uses "life-oriented" cases to explain "complicated" insurance clauses, so that customers can better understand the rights and interests of their insurance contract and the content of insurance coverages.

Real-Time Policy Coverages Check

To facilitate agents to better serve customers, Nan Shan Life has established an internal "Policy Coverages Check" system which not only helps agents to reduce service costs, but also provides more accurate information to customers, thus to increase sales opportunities. The key functions of the system include :

- Provide more diversified information: The Company can use the "Policy Coverages Check" system to consolidate information about insurance policies that customers have already purchased from Nan Shan Life and other insurers, which allow customers quickly and conveniently understand their existing coverages and insurance gaps.
- Intuitional presentation of three aspects of coverages: Intuitional presentation of customers' lifetime protection helps customers understand future changes in their protection. At the same time, it also enables agents to help customers determine whether their protection is adequate.
- A series of marketing tools to fill customer protection gaps: This not only helps customers to collect policy information, but can also help customers to double-check the adequacy of their current protection and plan more comprehensive protection.
- Application combining insurance and technology: The introduction of Optical Character Recognition (OCR) through Artificial Intelligence (AI) allows policyholders to take out insurance policies with other insurers quickly and conveniently by taking and uploading pictures in 3 easy steps. In addition to significantly reducing the operational time of the previous pattern, this also enables agents to serve customers more efficiently and at a higher level.

6.4.3 Innovative Fintech Applications

Digital Empowerment

2023 marked the inaugural year of "digital empowerment" for Nan Shan Life. With the rapid advancements in global science and technology, the insurance technology sector is continually fostering innovations. To expedite its digital transformation and achieve excellence, the company has established a dedicated team known as the "Digital Development Strategy Committee." This committee, led by the Chief Information Officer, Chief Digital Officer, Chief Cyber Security Officer, and Chief Experience Officer, comprises senior executives from the company. The committee is responsible for steering the company's overall digital development strategy and has developed a comprehensive digital transformation blueprint for Nan Shan Life, focusing on three key areas: data empowerment, ecosystem restructure, and technology innovation.

### Three Aspects of Nan Shan Life's Digital Transformation and Empowerment Strategy

#### Data empowerment -

Improve the data governance system, data value analysis

Nan Shan Life boasts a professional data team. The Company has consistently placed great emphasis on data governance and value-added analysis, optimizing and enhancing its decision-making system through data pipeline and stream. Additionally, the Company has implemented a data governance to elevate overall data quality, management, and value-added applications. Concurrently, the Company has introduced the Digital & Data Platform (D&DP), which accelerates data cleaning and access, reduces the pre-processing time for data analysis, and more effectively explores data to drive business value. To foster a culture of evidence-based decision-making, the Company will develop dynamic dashboards via data streams to analyze data trends and risks, shifting the foundation of decision-making from subjective experience to objective data. This approach will enable managers to make more accurate judgments and validate their decisions effectively.

#### Ecological structure -

user experience at the center, integration of ecological structure

The establishment of the Digital Ecosystem Center(DEC) and the Experience Governance and Design Center(UXGC) aims to promote the integration of cross-department and cross-system functions and actively restructure the customer, business, and employee ecosystem through strategic integration and structuring. At the same time, the Company focuses on a user-centric approach by rebuilding common modules and reorganizing the digital service process to enhance system integration and users' digital journey. This user-centered ecosystem concept has transformed the construction strategy of digital services from "single function, individual style" to a more comprehensive "grid structure, integrated ecology." It has also shifted from the independent design of each system to a restructured "one ID, one portal, and one experience (EX)," with the development of long-term transformation plans to continuously optimize the existing digital system and gradually promote digital transformation.

#### Technological innovation -

Accelerate the application of scientific and technological innovation and introduce emerging technologies

The Company has established the "Beyond Lab" as a dedicated business process improvement team responsible for introducing process mining technology and other emerging technologies, and conducting comprehensive reviews of business processes for optimization. The Company continues to explore, experiment, and evaluate various technological innovation services and fintech applications, such as artificial intelligence (AI), GPT, blockchain, cloud technology, RPA, etc., to save operation costs and improve business efficiency and accuracy. Its goal is to focus on optimizing the business itself rather than individual emerging technologies. It also emphasizes "scenario proven and stepwise innovation" and aims to establish an innovation culture that courageously explores new ideas and challenges past conventions, ensuring the integration of business development and technological innovation.

To assist consumers to clearly understand their own rights and interests, Nan Shan Life has switched from its previous approach of “product” design to the present concept of acting from the perspectives of the policyholders by offering diversified and convenient portable digital services that are not constrained by time and space. Starting from the three perspectives of policy services, product design, and information provision, Nan Shan Life provides comprehensive services to various customer groups and agents. Where the customer goes, Nan Shan Life’s service goes there. The application of fintech allows the Company to help disabled and elderly people avoid the transportation and waiting time for counter services, and provides agents with highly efficient management tools, which can create the operational model with the best efficiency in the insurance industry. In addition, the use of new fintech in insurance services reduces carbon emissions and makes insurance services stand on the forefront of technology and innovation.

In recent years, Nan Shan Life has been committed to developing innovative applications of new technologies and big data in insurance products, services, processes, and other aspects. For example, Nan Shan Life was the first company in the industry to introduce services such as “Scanning QR code to listen to audio files” and “Braille Book” service. These services help disabled customers obtain insurance information quickly and conveniently. Moreover, Nan Shan Life provides various services using AI technologies, including OCR (Optical Character Recognition) and NLP (Natural Language Processing), to replace manual judgments. With external resources, Nan Shan Life has applied blockchain technology to e-policy, conservation /claim consortium blockchain, claim medical alliance chain, and the direct offsetting of medical expenses with claim benefits. To assess the direction of various digital finance initiatives and to continuously optimize the digital service application platform, Nan Shan Life regularly reviews customer service data, including metrics such as the increase rate in app downloads after a revision or upgrade, the usage of various services, and customer satisfaction levels and feedback. Nan Shan Life gradually introduces intelligent customer service systems, and adjusts the digital platform interface and data provision accordingly, which serves as the basis for the strategic direction of the Company’s long-term development and resource allocation in the field of FinTech.

| Service Item           | Description   |
|------------------------|---|
| Nan Shan Life App      | Nan Shan Life APP has a clearer and more intuitional interface with a new visual style that looks professional, sleek, and friendly. The APP provides various policy services, including coverages, policy changes, payment services, and claims application, etc. It can be accessed through various handheld devices, making it more convenient for policyholders.  |
| Insurance Application  | Online insurance application service: The Company has built the “Nan Shan Life Online Policy Application Center” to create an innovative, convenient, and safe channel for insurance applications. Customers simply need to conduct identity verification and membership registration before they can complete online insurance application.<br>Mobile insurance application service: With the connection between their iPads and the cloud system, agents can help customers complete insurance applications effortlessly at any time. |
| Online Policy Services | By visiting dedicated online service platform “Nan Shan Customer Portal”, policyholders can access comprehensive services such as online insurance application, policy inquiries, policy changes, policy loan application/repayment, claims application, premium payment, and fund switching/redemption of investment-type policies, which enables policyholders to obtain policy information in real time.   |



## Claim Medical Alliance Chain/Digital Identity Verification

### Project Context and Contents

To make the claims application process more convenient, Nan Shan Life has developed its own mobile claims application system, the “Claims Expert”, into which the “Mobile Identification (MID)” technology is integrated. When making claims applications, applicants can undergo MID verification on their cell phones, and there is no need for the insured or beneficiary to place their signature on the tablet device or to sign a paper agreement, which can promote real-time identity verification.

### Nan Shan’s Inputs

In combination with the Life Insurance Association's technology-sharing platform, Nan Shan Life has developed its own mobile claims application system, the “Claims Expert”, to connect core system data.

### Benefits

The “Claims Expert” does not just enhance the digital service experience of policyholders and agents; it also significantly improves the convenience of making insurance claims. It also supports the paperless claims service, which will help promote energy saving and carbon reduction and enhance the application of financial technology in insurance claims.

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

### Project Context and Contents

In 2019, Nan Shan General launched a motor insurance claims service, with the feature of “One-Call for Immediate Handling and Active Notification of the Claims Progress”, and successively obtained 7 insurance technology patents. These patents include: “Actively Informing Customers of Claims Acceptance”, “Motor Claims Automatic Assignment System”, “Claims Settlement APP -Traffic Accidents Claims Notification System”, “Traffic Accident Transfer Service”, “Cross-Regional Automatic Service Assignment System”, “Motor Insurance Claims Progress Notification System”, and “Motor Insurance Claims Notification System”.

### Nan Shan’s Inputs

When a vehicle accident occurs, customers can quickly receive service and assistance with just one phone call. For a claim application, acceptance, notification, and processing are completed within 30 minutes.

### Benefits

To ensure that this innovative claims service can provide true convenience to motor insurance customers, Nan Shan General has set service indicators that are simple, clear and of high standards. The Company also conduct monthly customer satisfaction surveys. According to the results of the 2023 customer satisfaction surveys, the satisfaction rate for "service attitude", "professional competence" and "overall evaluation" all reached 95%. For the aspect of "contact efficiency", the satisfaction rate in 2023 was 94%.

Nan Shan Life APP Online Application for Cash-back Rewards of Spillover-Effect Insurance Policies

|                              |  |
|------------------------------|--|
| Project Context and Contents | To provide customers with a convenient service channel for applying for cash-back rewards of spillover insurance policies, Nan Shan Life has established a "cash-back rewards application zone" in its APP. Customers can complete the online cash-back reward application by simply filling in the account information, taking photos of the supporting documents and uploading the supporting documents, without having to submit the hardcopy of the documents.   |
| Nan Shan's Inputs            | 116 man-days   |
| Benefits                     | <p>The project of "Nan Shan Life APP online application for cash-back rewards of spillover insurance policies" not only effectively simplifies the procedures for customers' cash-back rewards applications, but also saves the internal operation time for handling documents, such as document acceptance, scanning and archiving, which greatly improves the efficiency of the operations and promotes paperless operation, helping the Company to achieve its goals of energy conservation and carbon reduction. In 2023, there were 14,083 applications for cash-back rewards using the APP online application channel.</p> <ol style="list-style-type: none"><li>1. E-applications to replace paper application forms, effectively saving the paper forms.</li><li>2. Originally, when customers applied for the cash-back rewards, they had to complete the paper application form and send it by post, which took them about 10 minutes to complete the process. Now, when they use the APP online application channel, it only takes less than 3 minutes, which effectively saves customer's application time.</li><li>3. The handling staff do not need to sign to receive the applications, accept the applications, scan the paper documents, nor do they need to file the original, which can save about 2 minutes per application.</li></ol> |

### Mobile Digital Marketing to Assist in Promoting Insurance Products

Nan Shan Life has been using a variety of sales assistance tools, such as product training, product promotion, and the latest sales-assistance data. The Company has also established a knowledge database platform, which provides its agents with a one-stop instant messaging service. The platform helps agents to provide policyholders with all the digital information they need, and greatly saves servicing time and operating costs. In addition, to better receive the incoming calls of senior policyholders, Nan Shan Life has set up an incoming call diversion and identification system. This system can adjust the speed of speech and language and communicate with senior policyholders in an elderly-friendly manner, which can save nearly half of the waiting time of senior customers and has gained 99% of customer service satisfaction.

Nan Shan Life will continue to design the product eDM and extend the depth and scope of policy review system to assist policyholders with insurance coverage inspection and to provide superior risk protection planning and recommendations for its customers.

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

|                              |  |
|------------------------------|--|
| Project Context and Contents | To help agents to deliver more efficient customer service, Nan Shan Life has collaborated with an external consultant, AJA, to launch the cross-functional and cross-departmental mobile agent service design project for the designing of the “Agent APP” application. In liaison with the internal technological application team, the project is carried out in phases.   |
| Nan Shan’s Inputs            | Since October 2022, 943 man-days have been devoted to developing digital tools that enable agents to quickly receive information/queries in the process of business operations/ customer services.   |
| Benefits                     | Through many interviews, workshops and usability tests, the Company designed and developed a new mobile application for business scenarios, “Agent APP-NS Agent Pro”, and has launched it in phases since August 2023. The functions that were launched in 2023 included providing notification/note content in time through pushing, quickly replying to notes online, inquiring customer/policy information, inquiring payment information and billing sharing. In 2024, the Company will continue to launch functions such as printing proposals, upcoming payment due, policy loan repayment inquiry, upcoming contact service opportunities, project marketing list, etc. These functions can help agents to instantly grasp the status of customers' payment and policy loan, timely remind customers to pay attention to the effectiveness of the policy, and quickly search for the protection gap to help customers make up for the protection. |

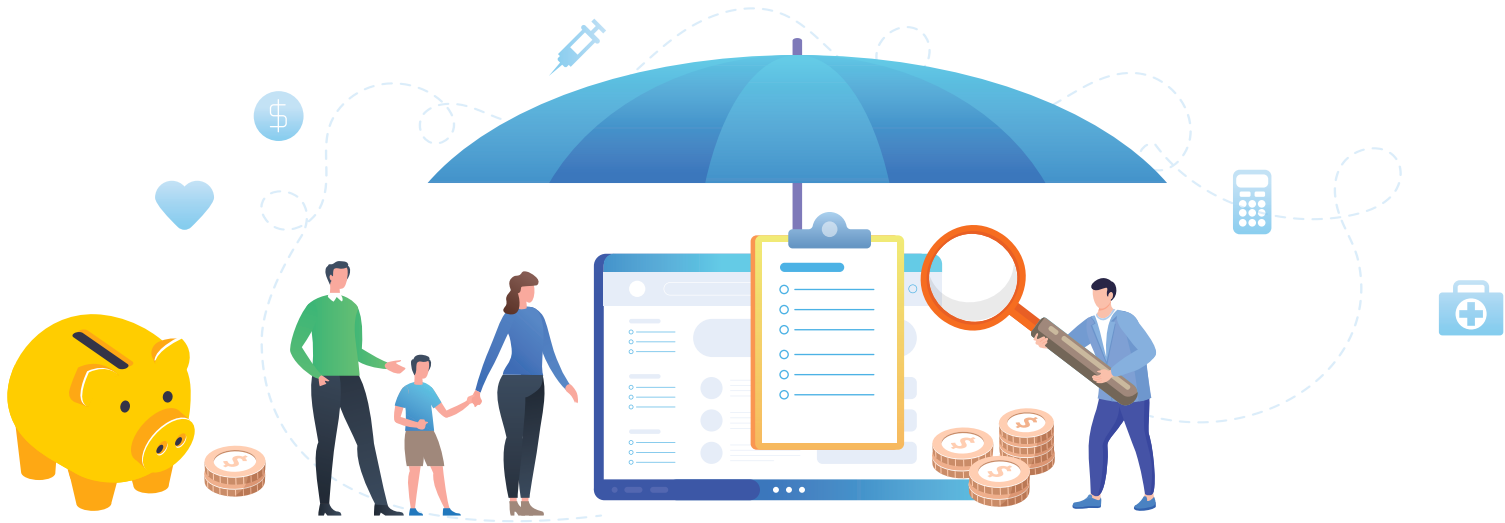
## 6.5 Sustainable Finance

As one of the largest financial insurance institutions in Taiwan, Nan Shan Life has the responsibility to drive the sustainable development in the market. The Company is committed to providing sustainable financial products and services for policyholders, employees, the society, and shareholders in line with its sustainable finance strategies. Starting from the core insurance business, Nan Shan Life proactively follows the international sustainable finance initiatives and voluntarily responds to the United Nations Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI). At the same time, ESG risk and opportunity issues have been integrated into the Company’s operations and decisions, with the aim to apply the positive effects of sustainable finance through the offerings of insurance products/services and the conducting of investment activities.

### Sustainable Insurance

To accomplish its vision of sustainable insurance, Nan Shan Life has made efforts to follow the PSI proactively in internal strategic management, business decisions, product development, external stakeholder engagement, and transparent disclosure, with the commitment to practice ESG concepts in its business operations and to work towards the goal of becoming the most trusted sustainable insurance company in Taiwan. Please refer to Appendix 6 “Principles for Sustainable Insurance” for more information about Nan Shan Life’s actions in response to the PSI principles. At the same time, Nan Shan General has incorporated the consideration of ESG aspects in its underwriting process, and listed highly-polluting industries, such as coal mining industry, coal-fired power generation industry, and atypical oil and gas industry, as non-insured objects. In addition, the Company has formulated separate underwriting regulations for ESG-related industries (such as solar energy, wind power generation, energy storage cabinets and other green energy industries) to assist the relevant industries in making insurance arrangements.

Based on the "Nan Shan Life H.E.A.R.T. Sustainability Strategic Themes", the Company adheres to the mission of the public service industry and strives to achieve the vision of meeting customers' needs for “whole-person health”, which include health promotion (Wellness) and Healthcare. The Company has also created the "Health Protection Circle" platform providing a variety of insurance solutions with sustainable characteristics. In the sales, underwriting and claims process, the Company continues to improve the transparency and convenience of operations, and strives to achieve sustainable insurance.



Sustainable Insurance Solutions

| Type   | Definition   | Nan Shan Product Cases  | Relevant Chapter                      |
|--|--|---|---------------------------------------|
| Health Protection Circle   | The Company has worked together with partners in different industries to create an insurance product and service platform that integrates “Wellness” and “Healthcare”, to efficiently prevent diseases and the risk of disabilities, fulfill health and medical needs, and create a new type of insurance that offers service empowerment and promotes health.   | <ul style="list-style-type: none"> <li>Help Exercising Right</li> <li>MOMMY CARE</li> <li>LOHAS map</li> </ul>  | 3.1 Becoming Healthy with Nan Shan    |
| Health Spillover-effect Insurance products                           | Through health promotion rewards mechanism, policyholders who meet the required criteria (e.g., meeting health checkup goals or receives the designated number of vaccines or cancer screenings) are eligible for “cashback”, “increased coverage”, or “premium discount”. Combining insurance products with a self-health management mindset, policyholders are encouraged to exercise regularly and eat healthily, to reduce the illness incidence and achieve the benefits of prevention in advance and to further reduce medical expenses, thus creating a win-win-win spillover effect. | The range of Nan Shan Life’s spillover-effect health insurance products has been extended to dental coverage and whole life insurance.  | 3.1 Becoming Healthy with Nan Shan    |
| Environmental spillover-effect insurance policies                    | The risk of natural disasters resulting from extreme weather conditions has significantly increased in recent years. Nan Shan General has adopted an environmental sustainability mindset to enhance customer asset protection and encourage customers to implement green building projects with green materials and equipment.  | Nan Shan General Home Green Energy Upgrading Terms  | 3.2 Excellent Insurance with Nan Shan |
| Prevention of damage, or other insurance types with social functions | Protective insurance products in response to societal needs.   | <ul style="list-style-type: none"> <li>Nan Shan General Extra Amounts Typhoon and Flood Insurance Riders.</li> <li>Nan Shan General fire inconvenience expense insurance</li> </ul>                           | 3.2 Excellent Insurance with Nan Shan |
| Microinsurance and other insurance products for disadvantaged groups | Provide basic accidental death and disability protection to the economically disadvantaged and physically/mentally disabled people through group accident microinsurance and collective accident microinsurance.   | <ul style="list-style-type: none"> <li>Nan Shan Life 1-year Accident Microinsurance</li> <li>Nan Shan Life Collective Accident Microinsurance</li> <li>Nan Shan Life Group Accident Microinsurance</li> </ul> | 5.2 Inclusive Finance                 |

In addition, Nan Shan Life actively participates in internal and external engagement, encouraging staff and agents to adopt a sustainable insurance mindset and communicate sustainable insurance issues with customers, government agencies, and related external stakeholders. In 2023, employees took a total of 800 hours of ESG-related training courses. Externally, the Company actively responds to sustainability policies such as Corporate Governance 3.0 and the Green Finance Action Plan 3.0. The Company also responds to the PSI principles autonomously and integrates the ESG concept into the core of its insurance business. Nan Shan Life regularly publishes sustainability report to communicate the results of its ESG works to the external stakeholders.



## Responsible Investment

Since 2015, Nan Shan Life has gradually incorporated ESG considerations into its investment related decision-making process in adherence to the Principles for Responsible Investment (PRI). In addition, the PRI has been integrated into Nan Shan Life’s “Investment Policy”, as the foundation for the compliance and actual implementation of responsible investment in the Company. Furthermore, Nan Shan Life has issued a statement of compliance to the “Stewardship Principles for Institutional Investors” stipulated by the Corporate Governance Center of Taiwan Stock Exchange. The Company actively exerts its financial influence and join hands with its invested companies to create sustainable and stable returns.

Nan Shan Life has established the “Responsible Investment Team” under the Corporate Sustainability Committee, which is responsible for planning responsible investment strategies and supervising the implementation and outcome of responsible investment. In 2023, the Responsible Investment Team convened four meetings in total.

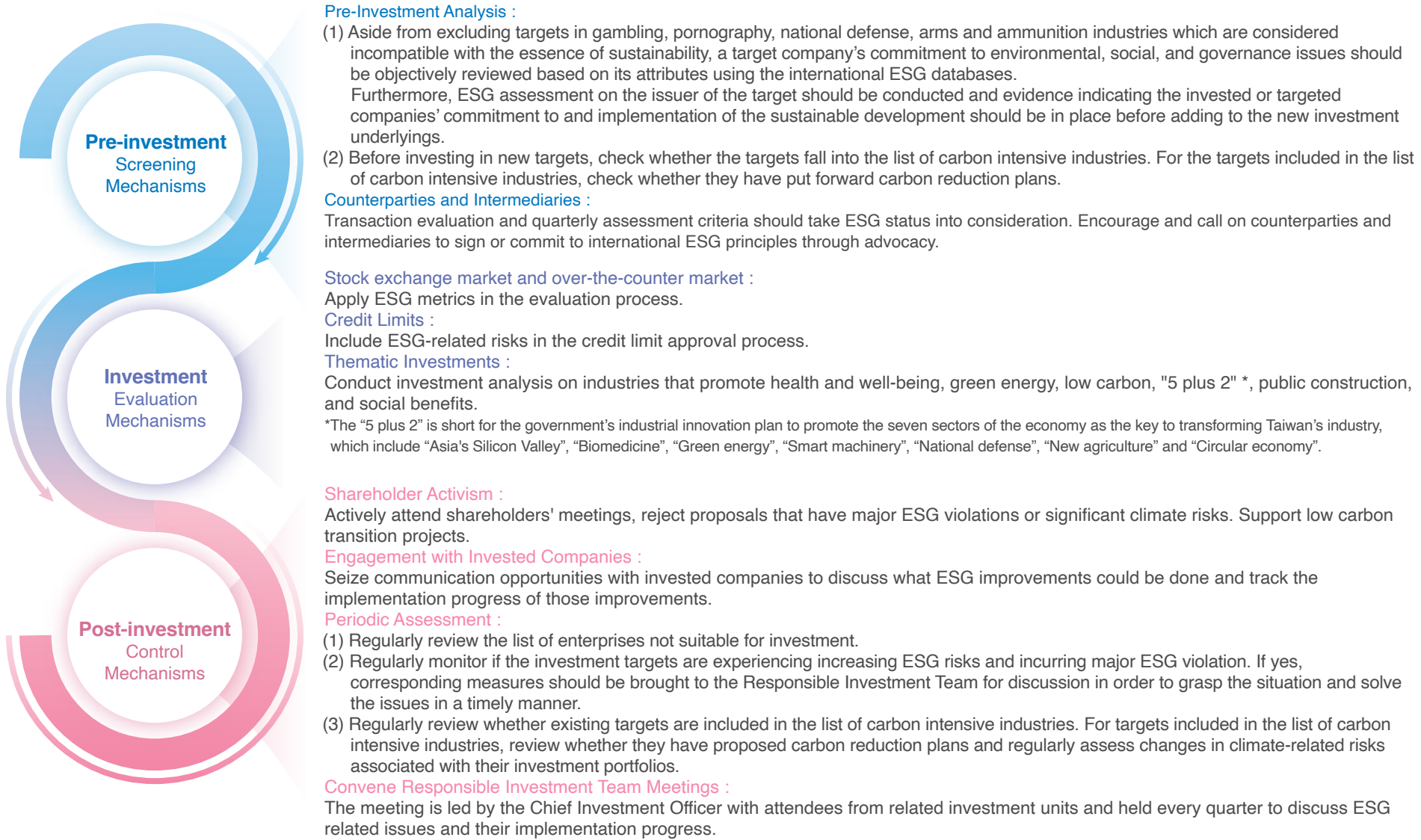


Compliance Statement of  
“Stewardship Principles for  
Institutional Investors”

| Nan Shan Life Responsible Investment Policies  | Nan Shan Life Implementations  |
|--|--|
| Investment Principles with ESG Considerations  | <p>The Responsible Investment Principles have been integrated into the Company’s “Overall Investment Policies” as the guideline to the Company's compliance and implementation of responsible investments.</p> <p>The ESG factors have been incorporated into the investment analysis and decision-making processes. The ESG evaluation is conducted on all equities and fixed income holdings as well as for those to be added equities investments and fixed income applying for investment limits. At least one supporting evidence indicating the invested or targeted companies’ commitment to and implementation of the sustainable development should be in place.</p>  |
| Investment Guidelines for Specific Asset Types | <p>Adopt the ESG assessment mechanism for assets such as fixed income, equities, and managed funds. According to the attributes of each asset class, assess the implementation status of the sustainable development by the issuers, managers, or guarantors of the invested securities. Periodically monitor if their risk indicators are experiencing an apparent deterioration or if the investment strategy is occurring a major ESG violation in the case of managed funds.</p>   |
| Screening and Exclusion Policies               | <p>Exclude targets in gambling, pornography, national defense, arms and ammunition industries which are considered incompatible with the essence of sustainability. The “Overall Investment Policies” at the Board level stipulates the list of companys that are unsuitable for investment, which is to be reviewed annually. The existing holdings should also be monitored periodically to see if they fall under the unsuitable-for-investment list. The exclusion list in 2023 contains 673 companies, an increase of 19 companies compared to the exclusion list in 2022.</p> <p>Utilize the international ESG databases to include positive elements in the evaluation scope for potential investment targets and with the approval from the Board of Directors, stipulate those elements into the “Overall Investment Policies”.</p> |

| Nan Shan Life Responsible Investment Policies              | Nan Shan Life Implementations  |
|--|--|
| Engagement Principles                                      | <p>Show continuous concern for the ESG development of invested companies and have proper conversation and communication with them. In 2023, Nan Shan Life engaged with invested companies on different ESG topics, including improving corporate governance and implementing environmental and social responsibilities. After ensuring the responses were followed up, the responses we received were all positive or included concrete actions.</p> <p>Actively promotes ESG principles to counterparties and intermediaries. Sends advocacy documents to those who have not yet signed or practiced the international ESG standards and makes corresponding records for their evaluation.</p> <p>The Company has established an initiative mechanism with investment business partners, as well as an approach for implementing shareholder activism, and reports the implementation status to the Responsible Investment Team on a quarterly basis for timely review and revision. In 2023, the Company checked whether business partners dealing with investment activities had responded to ESG, and provided advocacy to counterparties and intermediaries that had not complied with ESG, with a 100% implementation rate.</p>  |
| Voting Policy  | <ul style="list-style-type: none"><li>Assessed shareholder meeting motions of the invested companies on a case-by-case basis and attended the shareholding meetings through the e-voting system. In 2023, Nan Shan Life attended all shareholder meetings of invested companies in Taiwan, evaluated all proposals, and no major ESG violations were found.</li></ul>  |
| Investment Management Mechanisms for Climate-Related Risks | <p>In 2023, the Company established the investment management mechanism for climate-related risks in Nan Shan Life's "Key Points of Investment Policies", as the support to net zero emission initiatives:</p> <ul style="list-style-type: none"><li>When adding new investment underlyings, check if they are included in the list of the carbon intensive industries. If yes, check further for their carbon reduction plans. They will not be considered for investment if no carbon reduction plans in place.</li><li>Annually review whether invested companies belong to carbon intensive industries such as oil and gas, chemical, chemical materials, building materials, metal, steel, industrial machinery, air transport, transportation vehicle manufacturing, electricity supply and etc. If invested companies fall under mentioned carbon intensive industries, their carbon reduction plans need to be present, otherwise no additional investments can be made. If Taiwan TWSE and TPEX listed stocks belong to the list of high-carbon emission industries and have not put forward a carbon reduction plan, the Company should discuss with them and advise them to promote and enhance carbon reduction measures.</li><li>Before attending the shareholder meeting, the Company should assess whether the motions involve significant adverse climate risks. If the motions involve low-carbon transition projects, support should be expressed.</li><li>At least once a year, the Company should assess the impact of those investment holdings that belong to carbon intensive industries on the Company's overall capital utilization, as to manage the changes in climate related risks.</li></ul> |

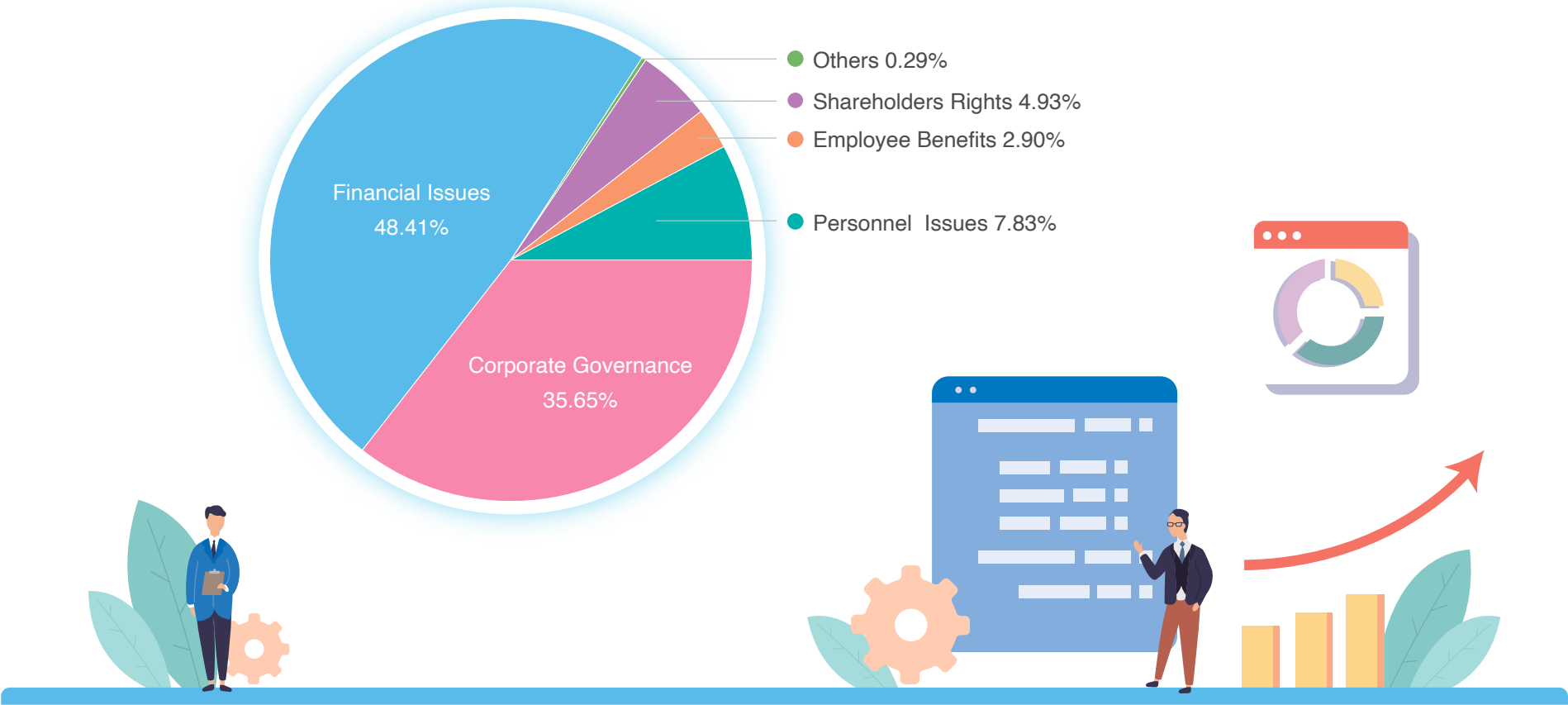
Nan Shan Life continues to expand the amount and scope of investment in sustainability through strategies and actions. As of 2023, the Company's investment in green bonds, sustainability bonds and other sustainable development bonds approved by the Taipei Exchange has amounted to NT \$8.961 billion. The Company continuously improves and deepens the practice of responsible investment by improving the capacity of ESG database, enhancing internal ESG talent training, and strengthening the negotiation and communication with investment targets. By effectively integrating ESG factors into its investment strategy, Nan Shan Life can exert positive impact of its investment.



Practice Shareholder Activism

Nan Shan Life strictly complies with the “Stewardship Principles for Institutional Investors”. The Company actively exercises its voting rights, attends shareholder meetings, discusses ESG-related issues with invested companies, and annually discloses the progress of the communication with invested companies, with the aim to implement shareholder activism. Please visit the “Stewardship” section on the Company’s ESG website for further information.

In 2023, Nan Shan Life attended shareholder meetings of all invested companies in Taiwan and voted on 318 proposals with a voting rate of 100%. The Company examined all the proposals on a case-by-case basis to see if there were any proposals that were materially detrimental to ESG principles, and the analysis results confirmed that there were no proposals involving material ESG violations in 2023.



\* Rounded the total to 100%.

# 07 Talent



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



## Major Achievements

- ✓ The Company continued to implement equality and human rights protection and established a diverse and inclusive workplace culture. All employees attended the annual training course on employee code of conduct, workplace sexual harassment prevention and control, and main points in media speech with a completion rate of 100%.
- ✓ The Company organized its first “#NS OPEN” sports event in 2023. During the period, the Company held a total of 23 basketball, badminton, and baseball competitions in Taiwan, attracting the participation of nearly 5,000 employees and agents, which significantly promoted sports atmosphere in the Company and enhanced employees’ health awareness.
- ✓ The Company continued to expand diversified recruitment channels. In 2023, the Company established cooperation with six additional colleges and universities for “industry-academia cooperation” / “internship programs”, and internal employee referrals increased by 51.3% compared to last year.
- ✓ In 2023, the average training hours of the Company's employees reached 75.2 hours per person. At the same time, the Company cultivated 72 digital talents (Python, RPA) in response to the future trend of digitalization. The Company's key talent retention rate was 99%, and managerial employee retention rate was 92.8% for the year.



7.1 Talent Structure

Nan Shan Life believes that talents constitute the foundation of its sustainable development. The Company has always regarded employees as partners who grow together with the Company and stakeholders whom the Company must serve with dedication, and has long been committed to creating a friendly and happy working environment with growth potential. The Company provides employees with competitive salaries and benefits that are above the mid-level compensation in the financial and insurance industry, and has constructed a sound career development mechanism for its employees. Nan Shan Life strives to make the workplace a stage for every employee to grow and realize their careers, so that they can join hands with Company to create sustainable value and bright future.

In 2023, the total number of employees at Nan Shan Life was 4,176, of which 63.7% were female and 36.3% were male. 53.8% of the employees were between the ages of 30 and 50, with an average age of 42.8 and an average length of service of approximately 13.4 years. At Nan Shan General, the total number of employees was 772, of which 61% were female and 39% were male.

2023 Talent Structure - Nan Shan Life

| Nan Shan Life employees gender distribution - by position, employment type, and age |                          |                   |      |                   |      |                   |      |
|---|--------------------------|-------------------|------|-------------------|------|-------------------|------|
| Item  |                          | Male              |      | Female            |      | Total             |      |
|   |                          | Number of Persons | (%)  | Number of Persons | (%)  | Number of Persons | (%)  |
| Total Number of Employees   |                          | 1,520             | 36.3 | 2,670             | 63.7 | 4,190             | 100  |
| Position  | Managerial Positions     | 296               | 50.3 | 292               | 49.7 | 588               | 14.0 |
|   | Non-Managerial Positions | 1,218             | 33.9 | 2,370             | 66.1 | 3,588             | 86.0 |

| Item            |                                   | Male              |      | Female            |      | Total             |      |
|-----------------|-----------------------------------|-------------------|------|-------------------|------|-------------------|------|
|                 |                                   | Number of Persons | (%)  | Number of Persons | (%)  | Number of Persons | (%)  |
| Employment type | Non-fixed-term contract employees | 1,514             | 36.3 | 2,662             | 63.7 | 4,176             | 99.7 |
|                 | Fixed-term contract employees     | 6                 | 66.7 | 8                 | 33.3 | 14                | 0.3  |
| Age             | Age 50 (inclusive) and above      | 465               | 36.8 | 797               | 63.2 | 1,262             | 30.2 |
|                 | Age 30 (inclusive) to Age 50      | 792               | 35.3 | 1,454             | 64.7 | 2,246             | 53.8 |
|                 | Under Age 30 (exclusive)          | 257               | 38.5 | 411               | 61.5 | 668               | 16.0 |

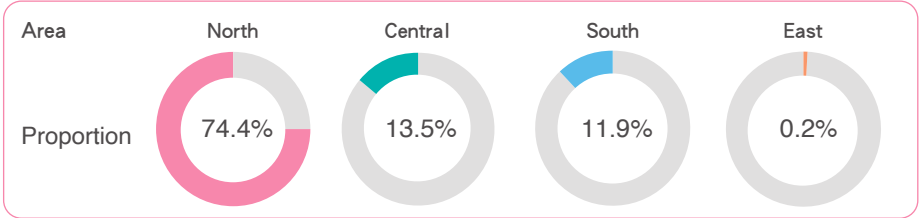
\* The total number of Nan Shan Life's employees in 2023 was the number of full-time non-fixed-term contract staff recorded in the employee registration system as of December 31, 2023 (excluding those who were on temporary leave with suspension of salary). The fixed-term contract personnel were interns.

\*\* The male/female % under each item was the percentage of male/female in the total number of employees under that item. The total number of employees' % under each item was the percentage of employees under that item in the total number of employees of the Company.

\*\*\* A managerial position refers to the job of a person who has the authority and responsibility to supervise and manage a unit.

\*\*\*\* Non-fixed-term contract staff refer to full-time employees who are permanently employed, while fixed-term contract staff refer to temporary part-time employees. Nan Shan Life does not employ personnel with no guaranteed hours of work and casual workers.

Nan Shan Life Distribution of Employees by Region



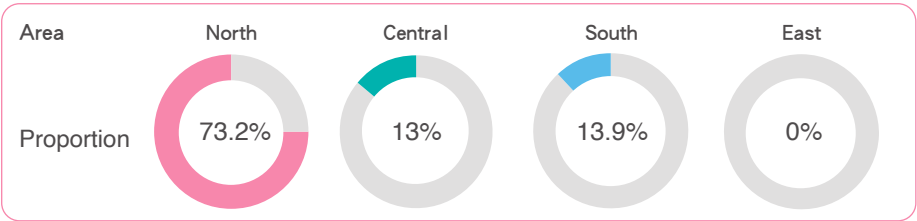
\* Rounded the total to 100%

### 2023 Talent Structure - Nan Shan General

| Nan Shan General employees gender distribution - by position, employment type, and age |                                   |                   |      |                   |      |                   |      |
|--|-----------------------------------|-------------------|------|-------------------|------|-------------------|------|
| Item   |                                   | Male              |      | Female            |      | Total             |      |
|  |                                   | Number of Persons | (%)  | Number of Persons | (%)  | Number of Persons | (%)  |
| Total Number of Employees  |                                   | 301               | 39   | 471               | 61   | 772               | 100  |
| Position   | Managerial Positions              | 44                | 42.7 | 59                | 57.3 | 103               | 13.3 |
|  | Non-Managerial Positions          | 257               | 38.4 | 412               | 61.6 | 669               | 86.7 |
| Employment type  | Non-fixed-term contract employees | 296               | 38.6 | 470               | 61.4 | 766               | 99.2 |
|  | Fixed-term contract employees     | 5                 | 83.3 | 1                 | 16.7 | 6                 | 0.8  |
| Age  | Age 50 (inclusive) and above      | 70                | 55.6 | 56                | 44.4 | 126               | 16.3 |
|  | Age 30 (inclusive) to Age 50      | 199               | 38.3 | 321               | 61.7 | 520               | 67.4 |
|  | Under Age 30 (exclusive)          | 32                | 25.4 | 94                | 74.6 | 126               | 16.3 |

\* At Nan Shan General, fixed-term contract employees are contractors.

### Nan Shan General Distribution of Employees by Region



\* Rounded the total to 100%.

## 7.2 A Healthy and Happy Workplace

### 7.2.1 Highly Competitive Salary and Benefits System

Nan Shan Life’s overall salary positioning principle is that the Company’s salary should be generally above the median salary of the financial insurance industry as shown in the salary survey. At the same time, the Company actively grasps market trends and maintains strategic flexibility for key talents to ensure the Company’s competitive advantage in attracting talents.

In response to the government’s policy of increasing the salary of young people, Nan Shan Life and Nan Shan General review the new starting salary standard every year according to the salary market conditions. At both Nan Shan Life and Nan Shan General, the starting salary for university graduates in 2023 was NT \$33,000, while the starting salary for master’s graduates was NT \$35,000. The starting salaries for special positions/talents are flexible and negotiable depending on the job content, and are higher than the basic wage in Taiwan.

According to the 2023 Willis Towers Watson financial industry employee benefits survey analysis report, most of Nan San Life’s employee benefit measures were superior to the first 50% of the financial industry. In terms of employee group insurance protection, Nan Shan Life was at the leading position in the industry.

### Nan Shan Life 2023 Employees Salary Levels

| Project  | Life Insurance Industry | Nan Shan Life                             |
|--|-------------------------|---|
| The average regular salary                                       | 1                       | 1.05 times                                |
| Total regular salary plus non-regular salary                     | 1                       | 1.36 times                                |
| Average monthly salary of entry-level employees                  | —                       | + 3.1%<br>(compared with 2022)            |
| Starting salaries for recent college graduates (male and female) | —                       | >1.25 times<br>(compared with basic wage) |

Salary for full-time employees in non-managerial positions at Nan Shan Life

| Item  |                            | 2022  | 2023  | YoY (%) |
|---|----------------------------|-------|-------|---------|
| Full-time employees (persons)                   |                            | 3,821 | 3,879 | 1.5     |
| Full-time employees in non-managerial positions | Average Salary (NT\$1,000) | 1,307 | 1,323 | 1.2     |
|   | Median Salary (NT\$1,000)  | 1,166 | 1,173 | 0.6     |

Salary for full-time employees in non-managerial positions at Nan Shan General

| Item  |                            | 2022 | 2023 | YoY (%) |
|---|----------------------------|------|------|---------|
| Full-time employees (persons)                   |                            | 755  | 766  | 1.5     |
| Full-time employees in non-managerial positions | Average Salary (NT\$1,000) | 670  | 683  | 2       |
|   | Median Salary (NT\$1,000)  | 614  | 615  | 0.5     |

\* The average regular salary and total regular salary plus non-regular salary of Nan Shan Life/Nan Shan General are compared with the insurance industry information published by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

\*\* The average monthly salaries of entry-level employees are internally compared by Nan Shan Life/Nan Shan General.

\*\*\* Nan San Life and Nan San General pay annual performance bonus based on the Company's operating performance and departmental/individual performance.

\*\*\*\* The starting salaries of recent college graduates are the same regardless of gender.

\*\*\*\*\* Full-time employees refer to non-managerial level employees who have been employed for 6 months in the current year.

Nan Shan General Employees 2023 Salary Levels

| Project  | Property Insurance Industry | Nan Shan Life                          |
|--|-----------------------------|--|
| Regular salary   | 1                           | 1.06 times                             |
| Total regular salary plus non-regular salary                     | 1                           | 1.16 times                             |
| Average monthly salary of entry-level employees                  | —                           | + 1% (compared with 2022)              |
| Starting salaries for recent college graduates (male and female) | —                           | >1.21 times (compared with basic wage) |

Well-established Employee Benefits

Nan Shan Life is committed to establishing a happy workplace. In addition to complying with the regulations governing labor insurance, national health insurance and labor pension plans stipulated in the Labor Standards Act, Nan Shan Life applies core insurance capabilities to provide full-time employees with comprehensive employee group insurance benefits, so employees can enjoy a secured life and focus on their career development. In addition to providing employees with life, medical and accident insurance, the Company, being the first employer in the industry, offers the "long-term care insurance" to strengthen the protection of the employees who are the breadwinners of their family. The Company also provides preferential group insurance plan, which can also cover spouses, children, parents, etc., to take full care of employees and their families.

Nan Shan Life takes care of all aspects of employees' lives, including marriage and childbirth, and has formulated a series of employee benefit measures. The Company grants employees a variety of subsidies such as "wedding cash gift", "child care subsidy" and "funeral condolence money", and has strengthened the employee health care during pregnancy and postpartum period. The Company engages professional nurses to track the health status of pregnant employees and make telephone health inquiries, and arranges professional doctors to provide face-to-face on-site services according to their needs, with 100% health guidance completion rate.

| Category                     | Item                                       | Details  |
|------------------------------|--|--|
| Employee Insurance Benefits  | Term life insurance                        | <ul style="list-style-type: none"> <li>The insured amount is 36 times salary, well above the market median of 28 times, with a minimum of NT \$2 million and a maximum of NT \$13 million.</li> <li>In addition, accidental injury insurance is capped at NT \$10,000 per accident.</li> </ul>   |
|                              | Accidental injury insurance                |  |
|                              | Outpatient subsidy*                        | NT\$500 maximum per day, maximum 20 days/year.   |
|                              | Hospitalization insurance**                | Pay as you go, based on job levels, covering hospitalization fee, miscellaneous hospital expenses, surgical operation fee, physician's consultation fee and daily payment.   |
|                              | Cancer medical insurance                   | Covering hospitalization fee, surgical operation fee and post-operation care after discharge. The amounts are different based on job levels.   |
|                              | Long term care insurance                   | Being the first in the industry, the Company has been providing "long-term care insurance" to employees since 2015, and the Company has been paying the full premium for employees. The insurance covers total disability care/long term care with one-time payment and installment payments to reduce financial pressure on employees.  |
| Employee Care and Healthcare | Health exam program                        | The Company provides a health exam every year for staff with standards superior to those legally required. In addition, employees 40 years of age or above who undergo self-paid "low-dose computed tomography lung adenocarcinoma screening" procedures are subsidized with 2/3 of the cost every two years.  |
|                              | Maternity subsidy                          | The Company provides legally required maternity support and unpaid parental leave, and provides generous maternity subsidies ranging from NT\$10,000 to NT\$200,000 according to the number of births to boost the fertility rate.   |
|                              | Childcare                                  | Nan Shan has signed contracts to collaborate with large kindergarten chains to provide exclusive discounts to its employees, enabling them to arrange proper childcare and helping them become well- balanced in life and work.  |
|                              | Long service honor and retirement benefits | The Company provides bonuses, pension contributions and other benefits according to the length of service of employees. The Company also offers term life insurance and retirement cash gifts to eligible retired employees, showing its recognition and care for their long-term contributions. At the same time, the Company invites retired employees to participate in important events to maintain a connection with the Company. |

\* Applicable only to Nan Shan Life employees.

\*\* The spouse and children may enroll in insurance at their own expense, and in this case, the Company bears 2/3 of the premium. Parents may also enroll in insurance at their own expense, and the insurance premium is fully borne by the employee.

In 2023, 209 Nan Shan Life employees were eligible for unpaid parental leave, and a total of 41 people actually applied for it in 2023. 25 people resumed their work after parental leave, with a work resumption rate of 64.1%. At Nan Shan General, 65 employees were eligible for unpaid parental leave, and a total of 20 people applied for it. 6 people resumed their work after parental leave, with a work resumption rate of 75%.

**Status of Applications for Unpaid Parental Leave**

| Item   | Nan Shan Life |        |       | Nan Shan General |        |       |
|--|---------------|--------|-------|------------------|--------|-------|
|  | Male          | Female | Total | Male             | Female | Total |
| Employees eligible for unpaid parental leave in 2023* (A)  | 72            | 137    | 209   | 24               | 41     | 65    |
| Employees who actually applied for unpaid parental leave in 2023 (B)   | 7             | 34     | 41    | 2                | 18     | 20    |
| Estimated employees who would apply for work resumption in 2023 after parental leave (C)                             | 4             | 35     | 39    | 2                | 6      | 8     |
| Employees resumed work in 2023 after unpaid parental leave** (D)   | 3             | 22     | 25    | 2                | 4      | 6     |
| Employees resumed work in 2022 after unpaid parental leave (E)   | 1             | 33     | 34    | 1                | 9      | 10    |
| Employees who resumed work in 2022 after unpaid parental leave and have completed one year of service since then (F) | 0             | 30     | 30    | 1                | 8      | 9     |
| Unpaid parental leave application rate in 2023*** (B)/(A) (%)  | 9.7           | 24.8   | 19.6  | 8.3              | 43.9   | 30.8  |
| Work resumption rate in 2023**** (D)/(C) (%)   | 75            | 62.9   | 64.1  | 100              | 66.7   | 75    |
| Job retention rate in 2022***** (F)/(E) (%)  | 0             | 90.9   | 88.2  | 100              | 88.9   | 90    |

\* Definition of "Employees eligible for unpaid parental leave in 2023": The number of employees who had taken maternity or paternity leave in the past 3 years, and were still in service on December 31, 2023.  
 \*\* Definition of "Employees resumed work in 2023 after unpaid parental leave": Employees who applied in 2021 and resumed work in 2023, employees who applied in 2022 and resumed work in 2023, and employees who applied in 2023 and resumed work in 2023.  
 \*\*\* Unpaid parental leave application rate refers to employees who actual applied for unpaid parental leave in 2023 (B)/Employees eligible for unpaid parental leave in 2023 (A).  
 \*\*\*\* Work resumption rate refers to employees resumed work in 2023 after unpaid parental leave (D)/estimated employees who applied for work resumption in 2023 after unpaid parental leave (C).  
 \*\*\*\*\* Retention rate refers to Employees who resumed work in 2022 after unpaid parental leave and have completed one year of service since then (F)/Employees resumed work in 2022 after unpaid parental leave (E).



Other Employee Benefits

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

| Item   | Content   |
|--|---|
| Employee Care                                  |   |
| Reserved parking spaces*                       | Reserved parking spaces have been provided in each company owned building for use by disabled or pregnant female employees. In 2023, 25 employees applied for use of the parking spaces.  |
| Leaves   |   |
| Annual Leave                                   | Days granted based on length of service in the Company (maximum 30 days)  |
| Sick leave with full pay                       | 12 days/year (employees with length of service less than 1 year) 24 days/year (employees with length of service over 1 year)  |
| Employee Activities                            |   |
| Activity Groups**                              | The company has newly formed the “Volleyball Club”, “Korean Wave MV Dance Club”, and has set up a total of 12 branch clubs in various regions to promote cross-unit exchanges among staff and enhance employee health and friendship. |
| Festival Bonuses/Cash Gifts                    |   |
| Dragon Boat Festival/Mid-Autumn Festival       | NT\$3,500***  |
| Employee marriage                              | NT\$ 6,000  |
| Childbirth (employee or spouse)                | NT\$ 10,000~200,000   |
| Funeral (Employee/spouse/parents, children)    | NT\$ 21,000/10,000/5,000  |
| Employee hospitalization due to injury on duty | NT\$1,000   |
| Employee retirement                            | A cash gift of NT\$10,000 ~ NT\$100,000 based on years of service/job level.  |
| Service anniversary reward                     | NT\$ 2,500~48,000 bonus based on years of service and a badge of up to approximately 15 grams of gold   |
| Preferential Loan                              |   |
| Interest-free emergency loan                   | A loan of NT\$100,000 ~ NT\$400,000 may be provided based on specific need.   |

\* Applicable only to Nan Shan Life employees.  
\*\* Applicable only to Nan Shan Life employees.  
\*\*\* Nan Shan General provides funds according to the revenue of the Benefits Committee instead of a fixed amount.

7.2.2 Diverse and Inclusive Culture

To fulfill its corporate sustainability responsibilities and protect human rights, Nan Shan Life has been supporting internationally recognized human rights norms and principles within the framework of Taiwan laws and regulations, such as the Universal Declaration of Human Rights, the United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, International Labor Organization (ILO) Conventions and so on. In addition, Nan Shan Life established its “Human Rights Policy” in 2023, which prohibits any violation of human rights and covers stakeholders in all business operations of the Company, including suppliers, customers, employees, and agents of the Company.

At the same time, Nan Shan Life is committed to the establishment of a diverse and inclusive workplace culture along with equal opportunities for the career development of each employee. In 2023, Nan Shan Life employed a total of 35 employees with physical and mental disabilities, 17 employees with indigenous backgrounds, and 10 foreign employees. Meanwhile, Nan Shan General employed a total of 6 employees with physical and mental disabilities.

Statistics of Employee Diversity

| Particular                        |   | Nan Shan Life     |       | Nan Shan General  |       |
|-----------------------------------|---|-------------------|-------|-------------------|-------|
|                                   |   | Number of persons | ( % ) | Number of persons | ( % ) |
| Diverse age groups                | Employees with disabilities*                          | 35                | 0.84  | 6                 | 0.78  |
|                                   | Age- <30  | 668               | 16.0  | 126               | 16.3  |
|                                   | Age- 30-49  | 2,246             | 53.8  | 520               | 67.4  |
|                                   | Age- ≥50  | 1,262             | 30.2  | 126               | 16.3  |
| Diverse ethnicity and nationality | Asian - indigenous peoples*                           | 17                | 0.4   | 0                 | 0.0   |
|                                   | Asian - Taiwan  | 4,166             | 99.8  | 772               | 100   |
|                                   | Asian - Hong Kong                                     | 2                 | 0.05  | --                | --    |
|                                   | Asian - Malaysia                                      | 5                 | 0.12  | --                | --    |
|                                   | Asian - Vietnam                                       | 1                 | 0.02  | --                | --    |
|                                   | European - U.K.                                       | 1                 | 0.02  | --                | --    |
|                                   | North America - Canada                                | 1                 | 0.02  | --                | --    |
| Gender Diversity                  | Total female employees                                | 2,662             | 63.7  | 471               | 61    |
|                                   | Total female managerial employees                     | 292               | 49.7  | 59                | 49.4  |
|                                   | Junior female managerial employees**                  | 243               | 54.1  | 53                | 51.5  |
|                                   | Middle or senior level female managerial employees*** | 49                | 35.3  | 6                 | 5.8   |
|                                   | Non-managerial female employees****                   | 2,370             | 66.1  | 412               | 61.6  |
|                                   | Newly recruited female employees                      | 319               | 59.4  | 117               | 58.2  |
|                                   | Female employees in the for-profit units*****         | 1,778             | 69.8  | 67                | 47.5  |
|                                   | STEM department female employees*****                 | 207               | 38.4  | 16                | 42.1  |

\* The weighted number of disabled employees and indigenous employees in Nan Shan Life is 42 in total.

\*\* Junior management refers to supervisor, assistant manager, and manager.

\*\*\* Middle and senior management refers to assistant vice president and above.

\*\*\*\* Managerial positions refer to the positions held by employees who have the authority and responsibility of supervising and managing the units where they work.

\*\*\*\*\* Nan Shan Life for-profit departments: including agency channels, multiple distribution channels, and customer service functions.

\*\*\*\*\* Nan Shan Life STEM department: including the technology & application department, product department, actuarial department, network and information security department.

The talent policies of Nan Shan Life and Nan Shan General adhere to the core value of gender equality, which means treating employees regardless of gender. Female employees account for 63.7% of all employees at Nan Shan Life, and 61% at Nan Shan General, with 49.7% and 57.3% of managerial level being female respectively. This reveals that Nan Shan Life and Nan Shan General have been continuously promoting gender equality in employee recruitment, hiring, training, and promotion.

2023 Nan Shan Female/Male Salary Ratio

| Employee Type            |  |                  | Annual Base Salary+Year-end Bonus |      | Annual Salary |      |
|--------------------------|--|------------------|-----------------------------------|------|---------------|------|
|                          |  |                  | Female                            | Male | Female        | Male |
| Managerial Positions     | Assistant Vice President (inclusive) and above | Nan Shan Life    | 1                                 | 1.09 | 1             | 1.07 |
|                          |  | Nan Shan General | 1                                 | 1.15 | 1             | 1.34 |
|                          | Managers                                       | Nan Shan Life    | 1                                 | 1.04 | 1             | 1.07 |
|                          |  | Nan Shan General | 1                                 | 1.2  | 1             | 1.25 |
|                          | Supervisors/ Assistant Managers                | Nan Shan Life    | 1                                 | 1.02 | 1             | 1.04 |
|                          |  | Nan Shan General | 1                                 | 0.98 | 1             | 1.11 |
| Non-Managerial Positions | Nan Shan Life                                  | 1                | 0.89~1.04                         | 1    | 0.91~1.08     |      |
|                          | Nan Shan General                               | 1                | 0.66~2.58                         | 1    | 0.75~2.11     |      |

\* In 2023, the total annual salary was the sum of annual base salary, year-end bonus and performance bonus.

To build a healthy and happy workplace with zero discrimination and harassment, Nan Shan Life has established the “Regulations Governing Workplace Sexual Harassment Prevention, Complaint and Punishment”. The Company has established a special section for employee complaints on its internal website, providing employees with various complaint channels, including a complaint hotline, fax number, and email, and there are dedicated personnel handling complaints. In addition, all employees are required to take online training courses and exams, to establish a friendly working environment.

Nan Shan Life holds an annual training course on employee code of conduct, workplace sexual harassment prevention and control, and main points in media speech. In 2023, this course was provided from May 19 to June 19, with 4,548 participants and a completion rate of 100%.

7.2.3 Care for Employee Health and Safety

Nan Shan Life cares about the physical, mental, and spiritual health of employees. The Company firmly believes that only happy employees can pass on the power of happiness to the policyholders. Therefore, from the perspective of human care, the Company has constructed a complete care mechanism to shape a happy workplace. In addition to the staff whose work and workplace are controlled by the organization, Nan Shan Life’s staff also include dispatched personnel and those who work at property management centers (such as security guards, cleaning personnel, property management personnel). Nan Shan Life has established a complete occupational safety and health management mechanism for these workers. In addition, Nan Shan Life remains committed to providing a healthy and safe working environment for agents whose work and workplace are not directly under the Company’s control.

\* Nan Shan Life's non-employees include dispatched personnel and outsourced consultants, a total of 575 people.

### Occupational Safety and Health Policy/Guidelines

To effectively prevent occupational disasters and enhance the safety and health of employees, Nan Shan Life has formulated an occupational safety and health management program for all employees, dispatched personnel, and personnel who work at property management centers (such as security guards, cleaning personnel, property management personnel) according to the operational risks and nature of the operations. This program was established in accordance with Taiwan's "Regulations of Occupational Safety and Health Management" and published after the review by the Occupational Safety and Health Committee and the President. To establish a safe and healthy working environment, the Company also formulated its occupational safety and health policies and included these policies in the occupational safety and health management program. These policies included "employee participation, ensuring automatic inspection system, compliance with work rules, safety and health training, health management and implementation of safety and health management system", which were Nan Shan Life's commitment to provide safe and healthy working conditions.

To ensure occupational safety and health, the Company prioritizes elimination of workplace disasters and implementation of education and training. The workplace hazards prevention training included in the occupational safety and health management program provides necessary safety and health knowledge for dispatched personnel and those who work at property management centers (security guards, cleaning personnel, and property management personnel), etc., to jointly maintain workplace safety at Nan Shan Life.

### Workplace Safety and Health Risk Management

Nan Shan Life has an Occupational Safety and Health Committee, with a total of 8 members, of which 37.5% are labor representatives. The committee meets every three months and is responsible for reviewing, coordinating, and giving suggestions on issues related to workplace safety and health and employee health promotion, and submitting relevant reports to the President for approval and announcement. Each year, workplace safety personnel and members of the Occupational Safety and Health Committee conduct hazards identification and risk assessment for office operations and other risky issues, and make improvements constantly.

Currently, Nan Shan adopts the risk assessment tools provided by the Occupational Safety and Health Administration of the Ministry of Labor to conduct risk assessment on workplace disasters. Results of the assessment show that accidents that occur mostly in the workplace are commuting traffic accidents and accidental falls in the office that may cause musculoskeletal injuries. To

reduce the risks of commuting traffic accidents and accidental falls in the office, the Company has enhanced publicity through the safety and health periodical magazine and relevant training courses. The Company is expected to formulate the hazards identification and risk assessment procedures "Directions for Hazards Identification and Risk Assessment Management" in Q1 of 2024, and to submit the procedures in Q2 to the Occupational Safety and Health Committee for review and the President for approval.

In 2023, no occupational accidental deaths occurred among the staff of Nan Shan Life. Among the four incidents which resulted in minor or severe occupational injuries, three were commuting traffic accidents and one was due to a falling accident during a basketball match organized by the Company. Regarding the falling accident mentioned above, an investigation was conducted on the existing protection measures to help determine whether the risk level required an adjustment. Based on the cause of the accident, improvement measures were taken, such as putting up warning signs, enhancing employee safety training, improving the safety of walkways, etc. In addition, Nan Shan Life closely monitored the relevant employees' physical and mental health, to ensure a full recovery before returning safely to the workplace.

In the safety and health training for newly recruited employees, it is especially emphasized that if an employee finds that there is an immediate danger during work, he or she can stop work and retreat to a safe place without endangering the safety of other workers, and immediately report to his or her immediate supervisor. In this case, the employee will not be disciplined.

Nan Shan Life attaches great importance to employee health and safety protection and promotion, including protecting employees from human factor musculoskeletal injuries and maternal health protection, etc. The Company regularly provides on-site health guidance, health consultation, and health care services given by physicians and nurses. In 2023, 3,550 employees underwent health assessment for musculoskeletal injuries related to human factors, and no employees suffered from the injuries. For the 101 employees with suspected symptoms, the nurses provided health care guidance to them and monitored their progress. In terms of maternal health protection, during pregnancy and within one year after giving birth, female employees receive phone calls from nurses inquiring about their health, and face-to-face consultation with physicians were arranged as necessary. In 2023, health examinations and assessments were provided to 2,660 female employees and 75 pregnant/postpartum female employees, and the health guidance completion rate reached 100%. In the last three years, no employees died of occupational illness, and no one was diagnosed with occupational or work-related illnesses after assessment by occupational health specialists.

| Occupational Injury Statistics of Employees*        | Nan Shan Life | Nan Shan General |
|---|---------------|------------------|
| Total hours worked (hours)                          | 10,134,260    | 1,435,920        |
| Number of severe occupational injuries (person)     | 0             | 0                |
| Severe occupational injury ratio (%)**              | 0             | 0                |
| Number of recordable occupational injuries (person) | 1             | 0                |
| Recordable occupational injury rate (%)***          | 0.09          | 0                |

\* The statistics does not include commuting traffic accidents.

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

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

### Staff Injury Rate

| Year   | 2021          |                  | 2022          |                  | 2023          |                  |
|--------|---------------|------------------|---------------|------------------|---------------|------------------|
|        | Nan Shan Life | Nan Shan General | Nan Shan Life | Nan Shan General | Nan Shan Life | Nan Shan General |
| Male   | 0.00          | 0                | 0.00          | 0                | 0.00          | 0                |
| Female | 0.09          | 0                | 0.09          | 0                | 0.09          | 0                |
| Total  | 0.09          | 0                | 0.09          | 0                | 0.09          | 0                |

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

\*\* In 2023, the injury rate in Nan Shan Life remained the same, because the number of occupational injury cases remained the same.



### Occupational Safety and Health Audit and Training

In 2023, Nan Shan Life held a total of 33 staff training sessions on occupational safety and health (including fire drills), a total of 3,550 people participated. The Company inspected 376 workplaces (including those used by non-employees), and the inspection coverage rate was 100%. Secondary inspection was carried out for units at higher risk to implement improvements. In 2023, the Company has 231 proposed items for improvement, and the improvement rate reached 100%. For the dispatched colleagues, the Company required them to participate in the “Smart Cloud” training organized by the Occupational Safety and Health Administration and sign the training statement.

In 2023, the Company's internal audit was performed by a total of 27 personnel with safety and health qualifications stationed at the head office and 24 branches and other units to implement automatic workplace safety and health inspection. The external audit was carried out by the Labor Inspection Office for a total of 3 times with no defects.

### Emergency Response and Occupational Safety and Health Accidents Investigation and Handling Procedures

To cope with emergencies, including fire, earthquake and other physical disasters, Nan Shan Life has established a sound business continuity management policy. The Risk Management Department has developed the "Physical Disasters Emergency Response Program", which is announced after approval by the President, with the aim to respond to various physical disasters quickly and effectively, to ensure the safety and health of employees, and to minimize the impact on the Company's operations. In addition, Nan Shan Life has begun to develop procedures for the notification, investigation, and handling of workplace injuries/accidents/illnesses, which are expected to be completed in the fourth quarter of 2024.

### Diverse Health Promotion Activities

To enhance the physical, mental, and spiritual health of employees, Nan Shan Life has established abundant and diverse health promotion mechanisms and holds health promotion activities every year, to cultivate the LOHAS mindset among employees and to help them develop habit of physical exercises and capability of self-health management.



| Health Promotion Mechanism  | Description  | 2023 Achievements  |
|---|--|--|
| Adjustment for 2023 Nan Shan Life employees' health check                             | <p>From 2023, the annual budget for health check per employee is as follows:</p> <ul style="list-style-type: none"> <li>Non-managerial level employee: NT\$3,000 per person.</li> <li>Manager/Assistant Vice President: NT\$5,000 per person</li> </ul>  | The annual budget increased by NT \$17.05 million.   |
| Setting up a fitness center   | The Nan Shan Life fitness center is equipped with the latest exercise equipment, to help employee develop a healthy habit of regular exercise.   | Used by a total of 4,305 persons/times   |
| Establishment of a health service station for one-on-one health exam and consultation | <p>Nan Shan Life has set up a "health service station" at the Nan Shan Financial Center, engaging full-time health service nurses to provide services. Occupational medicine specialists and labor health service physicians are appointed to provide on-site health services.</p> <p>After health exam, employees are provided with accurate preventive health care information during one-on-one consultation services with professional physicians.</p> | Nan Shan Life organized 37 on-site health services, with a total of 297 participants. Nan Shan General organized 2 on-site health services, with a total of 8 participants. 33 people were eligible to participate in the lung screening exam, and another 15 employees chose the exam at their own expense. |
| Nan Shan General Healthy Workplace Certification                                      | Continued to plan and build a healthy working environment for employees in accordance with the regulation stipulated by the Health Promotion Administration, Ministry of Health and Welfare, to promote the physical and mental health of employees.   | Received Healthy Workplace Certification for 2023 to 2024  |
| Nan Shan Life CPR and AED education and training                                      | Continued to collaborate with relevant units to organize CPR and AED training, providing employees with first-aid knowledge and practices.   | 207 people participated in the training.   |
| Getting the "seasonal influenza vaccine"  | In response to flu epidemic, the Company provided seasonal influenza vaccination services to the employees.  | Nan Shan Life and Nan Shan General respectively organized 7 and 1 influenza vaccination health promotion activities, during which a total of 313 people received the vaccine.  |
| Workplace Health Lectures   | Seminars on the following topics were held: maternal protection, TCM (Traditional Chinese Medicine) health preservation DIY, TCM cardiovascular prevention and treatment, infectious diseases prevention, and development of good eating habits.   | Nan Shan Life and Nan Shan General respectively organized 5 and 4 seminars attracting a total of 1,960 people.   |
| Well-known doctors' lectures  | Well-known doctors were invited to give lectures on healthcare measures and the importance of preventive medicine, to promote health awareness among employees.  | Nan Shan Life organized 12 lectures on cancer screening, dental disease and treatment, and kidney disease prevention, etc. with a total of 1,942 participants.   |

| Health Promotion Activity  | Content   | 2023 Achievements  |
|--|---|--|
| Health care massage for the visually impaired                                  | Objectives:<br>Trial program - serving 216 people at Nan Shan Financial Center and Nan Shan Building every Wednesday from 12:00 to 17:00.<br>Extended program – serving a total of 252 people at Nan Shan Financial Center, Nan Shan Building, Taichung Branch, Kaohsiung branch.   | Trial program attendance rate: 87%<br>Trial program satisfaction rate: 96%<br>Extended program attendance rate: 91%<br>Extended program satisfaction rate: 92%   |
| Diverse employee community activities  | 2 new employee communities were formed at the head office, with 12 sub-communities at regional branches, to promote a healthy and happy workplace.  | 2 new employee communities were formed at the head office, with 12 sub-communities at regional branches. The Company encouraged the badminton, basketball, and baseball clubs to participate in the NS OPEN. Meanwhile, the “Happy run club”, “Mountaineering club”, and “Basketball club” were formed. In cooperation with Chang Ming Award, the “Happy run club” members participated in the Taipei Marathon. The “Hot dance club” performed at the preliminary round of NS OPEN badminton and basketball games. The “Korean dance club” performed at the annual dinner. |
| Nan Shan Life Monthly One-Hour Activity  | To promote health awareness among the employees, a one-hour team sports competition is held on an afternoon every month, including jumping rope competition, badminton nine grids, table tennis relay, online Zumba, dance competition and other activities. These activities promote internal cohesion and encourage employees to develop regular exercise habits to stay healthy.   | Nearly 3,000 staff participated in the activities, with a 92% satisfaction rate.   |
| Promotion of health information-rich and diverse eDM                           | eDM is used from time to time to share information on major diseases or healthy living, to provide employees with accurate disease-prevention and treatment information.  | A total of 94 articles with health information has been shared.  |
| Provision of health exams exceeding regulation requirements - Cancer screening | In the annual employee health examination, Nan Shan Life provided additional free thyroid ultrasound, abdominal ultrasound health examination and general staff intraocular pressure examination. For employees above the manager/assistant vice president level, the Company also provided carotid ultrasound plus electrocardiogram and cardiac ultrasound as two alternatives: 1: female pelvic ultrasound, male prostate ultrasound and 2: four-major cancer screening; In 2023, the Company continued to provide subsidies for “low-dose CT lung adenocarcinoma screening” for employees aged 40 years or above. | The Company held 6 four-major cancer screening sessions, with a total of 375 participants. A total of 1,013 people participated in the cancer screening sessions from 2022 to 2023.  |



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

### Project Context and Contents

The theme of Nan Shan Family Day held in October 2023 was "Creating cohesion among colleagues, experiencing family happiness, and delivering the Nan Shan Value". Based on the results of the 2022 Family Day satisfaction survey, the Company planned a picnic activity that colleagues had looked forward to for the 2023 Nan Shan Family Day. The site layout, online interactive lottery games and activity planning were all arranged with the focus on the picnic activity, to create a happy picnic field for colleagues and their loved family members.

- Lavish picnic tents, picnic beauty photo-taking areas, and musical performances were arranged.
- The location of the event was planned to be near the metro station and within easy walking distance, and a shuttle bus was provided specially for the Nan Shan Family Day to encourage colleagues to respond to carbon reduction and environmental protection.
- The event included team competition, parent-child discharge area, etc., so that everyone could experience the fun of burning fat and being healthy. At the same time, the event promoted the cohesion among employees and the harmony between parents and children.
- A few hands-on experience courses were also planned for the event, with a total of 500 colleagues and their family members participating.

### Nan Shan’s Inputs

Based on the results of the 2022 Family Day employee satisfaction survey, the Company planned a picnic activity for the 2023 Family Day event, providing a peaceful and happy holiday for all the participants.

### Benefits

The score for the satisfaction on the overall publicity and design was 4.7 (maximum score was 5).

About 7,300 people, including staff, agents, and their family members and relatives, participated in the Family Day activities held in the regions across Taiwan. The attendance rate in every region reached more than 90%.

A total of 500 people participated in the hands-on experience courses.

There was a photo-taking area in the venue with art works made of wastes from the ocean, which reflected Nan Shan’s commitment to environmental protection and the concept of protecting the marine environment promoted by Nan Shan Life in liaison with relevant organizations.

The Company also invited the primary school children's dance troupe and long-distance running sports groups to participate in the Family Day event to create a link between Nan Shan and health sports.

#2023 NS OPEN

Project Context and Contents

To take care of employee health, promote the sports culture, and enhance the cohesion among employees, the Company organized its first large-scale sports event “#NS OPEN” in 2023. During the period, the Company held a total of 23 basketball, badminton, and baseball competitions in Taiwan, calling on Nan Shan Life/Nan Shan General staff and agents to actively participate in the competitions.

Nan Shan’s Inputs

- A total of more than NT\$13 million was input in the project in 2023.
- Nearly 100 colleagues assisted in organizing the event.

Benefits

- The event lasted eight months and attracted nearly 5,000 staff and agents to participate. The two finals respectively held in Taichung City in July and Kaohsiung City in October attracted participations of more than 1,500 staff and agents.
- After this event, a sports atmosphere was formed within the Company. Employees often team up after work to play ball games or participate in sports clubs. At the same time, sports competitions also narrow the distance between departments and generations, activate the team atmosphere, and produce a positive cycle. This event has improved the physical and mental health of employees, and promoted the happy sports atmosphere within the Company.
- The opinion survey after the event showed that the overall satisfaction rate of the event was 93.5%, and the staff and agents hoped that the Company could continue to hold such event.



Employee Assistance Program (EAP)

Nan Shan Life works with the external professional psychological counseling unit "Hsinchu Lifeline Association" and integrates its comprehensive support system, service bases across Taiwan and hundreds of professional consultants to provide employees with a “Spiritual Meeting Room” Employee Assistance Program (EAP) service. The program provides 24-hour "0800 toll-free hotline" and "employee consultation service" relief channels for all staff, and Nan Shan Life employees can apply for the consultation service according to their individual needs. The program aims to effectively relieve employees ‘work-related and life-related pressures, build a psychological safety net for employees, and help employees understand the problems and seek possible solutions according to their personal wishes. In addition, Nan Shan Life invites experts from various sectors to provide online “healthcare series lectures”, to actively promote EAP related services and take care of the health of employees. Since 2016, 392 employees have benefited from the EAP service, with 309 people participating in the “healthcare series lectures”. In 2023, the score for employee satisfaction on the counseling service was 5.0 (maximum score was 6).

| Employee Care Mechanism        | Description   | 2023 Achievements   |
|--------------------------------|---|---|
| 0800 toll-free hotline service | Professional psychologists are available to provide employees with initial counseling service to help them relieve stress in life and work according to their needs. Legal consultation service is also available for employees.  | Since its launch in 2016, 236 people have used the hotline service. |
| Employee counseling service    | Hsinchu Lifeline Association provides the venue for the counseling services, and arranges for appropriate psychological and management professionals to conduct one-on-one consultation with employees. Family counseling services for employees and their family members are also available if required. | A total of 156 people benefited from the service from 2015 to 2023. |

Active Listening for Reviews and Improvements

To listen and respond to employees, Nan Shan Life has established diverse communication channels for employees to provide feedback, give suggestions, and file complaints. The entire handling process and replies are kept strictly confidential. The Company aims to create an atmosphere of respect, equality, and open communication, to enhance employees’ sense of belonging and loyalty with the Company.

Diverse Communication Channels

| Communication Channels                             | Description  |
|--|--|
| Employee conference                                | To encourage employees’ participation in corporate management, employee conference is held at least once a year, to communicate the company vision, business performance, and near-term key plans. Feedback channels are also provided for employees to share their ideas for improvements and future development of the Company.  |
| Ideas & feedback section                           | Employees can raise questions or give suggestions online, and receive replies from the relevant units, which will help them resolve any problems they have encountered at the Company.   |
| Employee communication mailbox                     | Nan Shan Life: NS-HumanResources-Communication@nanshan.com.tw<br>Nan Shan General: NSGI-HR-Communication@nsgeneral.com.tw  |
| Employee complaint hotline                         | Nan Shan Life: 02-8758-8336, Nan Shan General: 02-7726-8633.<br>Calls are answered by a dedicated supervisor, and employees’ name will be kept confidential during the handling of complaint cases, which will provide employees with a worry-free complaint channel.  |
| Employee care hotline                              | Nan Shan Life : 02-8758-8330. Calls are automatically transferred to the HR personnel for answering employees’ questions and responding to their concerns.<br>Nan Shan General employee sexual harassment prevention hotline : 02-7726-86330   |
| Newsletter and eDM                                 | Various newsletters/eDM/email/announcements are issued singularly, weekly, bi-weekly, or monthly as needed, to help employees keep abreast of the latest company developments.   |
| Departmental contact persons                       | The human resources department has established a communication network covering department heads and secretaries to communicate important company information and related activities in a timely manner. In addition, the human resources department checks on the employees at each unit, to understand whether the employees have received important announcements or what the employees’ responses are.   |
| Employee sense of identity and development surveys | Conduct surveys from time to time to understand employees’ opinions and situations, and establish corresponding improvement programs.  |
| Staff care banquets                                | To care for colleagues and listen to their needs, the Company, in 2023, held a total of 4 employee care banquets and talks in Taipei Nan Shan Building, Taichung branch building, Kaohsiung branch building and Hualien branch building respectively, and heart-warming small gifts were given to employees during the events. The purpose of the events was to listen to the needs of colleagues in the branches and integrate their opinions, and improvement plans such as increasing customer service manpower and increasing travel allowance for staff were also put forward during the events. The events significantly enhanced employee morale and reduced their work pressure. |



In 2023, Nan Shan Life handled a total of 23 cases in which questions were raised by employees. The Company actively listened to the employees and replied to all the questions in a caring manner.

Major Feedback from Nan Shan Life Employees in 2023

| Employees' Feedback   | ( % ) | Nan Shan Life's Response   |
|-----------------------|-------|--|
| Employee Benefits     | 31    | Questions directly related to employee benefits and workplace environment have been answered by the responsible unit. For environmental issues, staff were sent to investigate and understand the actual situation. Improvements were made and solutions were provided to employees to solve the problems. |
| Workplace Environment | 65    |  |
| System/Website        | 0     | --   |
| Other                 | 4     | Based on employee feedback, the Company took active actions to understand the issues raised, respond to employee comments, and provide solutions.  |
|                       | 100*  | 100% of the issues were responded.   |

\* Rounded the total to 100%.

7.3 Talent Development

7.3.1 Talent Recruitment and Retention

In response to the advent of “Fintech” and big data, Nan Shan Life has been recruiting talents through internal and external employment platforms, campus recruitment, and collaboration with various universities to create talent recruitment programs targeting on new generation talents. In addition, the Company’s recruitment policy emphasizes on attracting the talents required by the development of its key businesses, with the aim to maintain the competitiveness of its corporate sustainability.

In recent years, Nan Shan Life has responded actively to government policies to provide job opportunities to outstanding young talents. In 2023, 55% of new recruits were under the age of 30.

| Content  | 2023 Achievement  |
|--|---|
| Nan Shan Elite Program   |   |
| Since 2019, Nan Shan Life has been actively attracting outstanding new generation talents with innovative thinking, international vision, and pursuit of excellence and courage to face challenges in various fields, to cultivate future talents in the insurance industry. | <ul style="list-style-type: none"><li>• A total of 89 talents were recruited for the first five terms. After completing the program, they began performing important projects at various departments in the Company.</li><li>• In 2023, four on-site and online sessions introducing the Nan Shan elite and intern program (at National Taiwan University, National Chengchi University, National Tsing Hua University and online) were held to recruit students. Senior executives of the Company were present to give encouragement to the students, and senior members of Nan Shan Elite Program shared their career options and program details with their younger schoolmates.</li></ul> |

| Content  | 2023 Achievement   |
|--|--|
| Internship Program   |  |
| <p>Nan Shan Life seeks young students who fit the company culture, have great potential and have a passion for the insurance industry. These interns are arranged to participate in the practical operation of various departments, important core projects of the departments, in-depth professional guidance of dedicated career mentors, individual and group performance presentation, and are enrolled in Nan Shan e-College courses that help them develop problem solving ability, data analysis ability, communication skills, etc. The Company provides a variety of physical and online courses for interns to choose, with the aim to promote the insurance industry service mission, improve professional knowledge, and comprehensively train students' working ability in the workplace.</p> | <ul style="list-style-type: none"><li>● The internship program was available during the three periods, including the first and second semesters, and the summer vacation.</li><li>● The internship program has cultivated 444 participating students since it was launched in 2018.</li></ul>  |
| Industry-Academia Cooperative Program  |  |
| <p>In 2023, Nan Shan Life collaborated with various universities to enhance the employment competitiveness of students, connecting them with the job market while still in school.</p> <ul style="list-style-type: none"><li>● “Life Insurance Management Practice Seminar”, Department of Finance at the National Taiwan University</li><li>● Corporate Internship Program, Career Development Center, National Taipei University</li><li>● Corporate Internship Program, Department of Information Management, National Dong Hwa University</li><li>● “Actuarial Big Data Research Center” Industry-Academic Collaboration, Department of Financial Engineering and Actuarial Mathematics, Soochow University</li></ul>  | <p>Nan Shan Life has successfully connected the industry-academia mechanism to internship systems, and continued to recruit students from the cooperative program to join Nan Shan internship programs. Those with outstanding performance are given the opportunity to become full-time employees with priority after graduation.</p> <ul style="list-style-type: none"><li>● In 2023, 77 students chose to take the National Taiwan University’s Life Insurance Management Practice Seminar, where 33 executives and employees worked together to complete 18 thematic courses and the end-of-semester project reports. The average score for satisfaction on the teaching was 4.69 (maximum was 5).</li><li>● To continuously strengthen the finance and insurance profession, and to cultivate actuarial talents that meet the needs of the new era in a long run, the “Soochow University Nan Shan Life Insurance Elite Cultivation Scholarship” has been established and awarded to 27 students since the beginning of the cooperation in 2018. Since 2022, Nan Shan General has been working with Tamkang University, Shih Chien University, Ming Chuan University, Chihlee University of Technology, and Takming University of Science and Technology to recruit students from insurance and finance-related disciplines to work as interns in the Company, with the aim to cultivate young talents. Interns can also experience the practical operations at Nan Shan General. Those with excellent performance are given priority for full-time job opportunities after graduation.</li><li>● In 2023, the first intern program recruited a total of 8 students to intern at Nan Shan General, 7 of whom became full-time employees after the internship program.</li></ul> |

## 2023 New Recruits Statistics

| Item                         | Nan Shan Life    |      |                  |      | Nan Shan General |      |                  |      |
|------------------------------|------------------|------|------------------|------|------------------|------|------------------|------|
|                              | Male             |      | Female           |      | Male             |      | Female           |      |
|                              | Number of people | (%)  | Number of people | (%)  | Number of people | (%)  | Number of people | (%)  |
| Above Age 50 (inclusive)     | 13               | 2.4  | 13               | 2.4  | 6                | 1.3  | 2                | 1    |
| Age 30 (inclusive) to Age 50 | 93               | 17.3 | 125              | 23.3 | 48               | 23.9 | 65               | 32.3 |
| Under Age 30 (exclusive)     | 112              | 20.9 | 181              | 33.7 | 30               | 14.9 | 50               | 24.9 |
| Total                        | 218              | 40.6 | 319              | 59.4 | 84               | 41.8 | 117              | 58.2 |

\* Percentage of new recruits under age 30 (exclusive): Number of new recruits under age 30(exclusive) with non-fixed-term contracts/total number of new recruits with non-fixed-term contracts.

\*\* Percentage of new recruits between age 30 (inclusive) to age 50: Number of new recruits between age 30 (inclusive) to age 50 with non-fixed-term contracts/total number of new recruits with non-fixed-term contracts.

\*\*\* Percentage of new recruits above age 50 (inclusive): Number of new recruits above age 50 (inclusive) with non-fixed-term contracts/total number of new recruits with non-fixed-term contracts.

| Statistics of Staff Attrition                                 | 2021          |                  | 2022          |                  | 2023          |                  |
|---|---------------|------------------|---------------|------------------|---------------|------------------|
|   | Nan Shan Life | Nan Shan General | Nan Shan Life | Nan Shan General | Nan Shan Life | Nan Shan General |
| Total number of staff who left office                         | 323           | 140              | 446           | 132              | 435           | 189              |
| Percentage of total number of staff who left office (%)       | 7.9           | 20.3             | 11.1          | 17.35            | 10.4          | 24.89            |
| Number of staff who left office voluntarily                   | 307           | 132              | 423           | 125              | 412           | 154              |
| Percentage of number of staff who left office voluntarily (%) | 7.5           | 20.1             | 10.6          | 17.2             | 10.1          | 20.28            |

\* The employee attrition rate for the year is a 12-month cumulative attrition rate. The formula for employee attrition rate of a single month is: (Number of employees who quit and retired in the month) / [(Number of employees in service at the end of last month + number of employees in service at the end of this month) / 2]

## 2023 Staff Attrition Statistics

|                  |   | Nan Shan Life    |      | Nan Shan General |      |
|------------------|---|------------------|------|------------------|------|
|                  |   | Number of people | (%)  | Number of people | (%)  |
| By Age           | Above Age 50 (inclusive)**                          | 67               | 15.4 | 17               | 9    |
|                  | Age 30 (inclusive) to Age 50***                     | 208              | 47.8 | 107              | 56.6 |
|                  | Under Age 30 (exclusive)****                        | 160              | 36.8 | 665              | 34.4 |
|                  | Total   | 435              | 100  | 189              | 100  |
| By Gender        | Male  | 146              | 33.6 | 77               | 40.7 |
|                  | Female  | 289              | 66.4 | 112              | 59.3 |
|                  | Total   | 435              | 100  | 189              | 100  |
| By Employee Type | Assistant vice president (inclusive) and above***** | 7                | 1.6  | 1                | 0.5  |
|                  | Managers*****                                       | 9                | 2.1  | 7                | 3.7  |
|                  | Supervisors/Assistant managers*****                 | 5                | 1.1  | 18               | 9.5  |
|                  | Non-managerial level employees                      | 414              | 95.2 | 163              | 86.2 |
|                  | Total   | 435              | 100  | 189              | 100  |

\* Includes those who quit and retired during the year, excluding those who were on leave without pay.

\*\* Percentage of employees who left office above age 50 (inclusive): Number of employees who left office above age 50 (inclusive) with non-fixed-term contracts/total number of employees who left office with non-fixed-term contracts.

\*\*\* Percentage of employees who left office between age 30 (inclusive) to age 50: Number of employees who left office between age 30 (inclusive) to age 50 with non-fixed-term contracts/total number of employees who left office with non-fixed-term contracts.

\*\*\*\* Percentage of employees who left office under age 30 (exclusive): Number of employees who left office under age 30 (exclusive) with non-fixed-term contracts/total number of employees who left office with non-fixed-term contracts.

\*\*\*\*\* A managerial position refers to the position held by a person who has the authority and responsibility of supervising and managing a unit.

\*\*\*\*\* Middle and senior managers refer to managers at level of assistant vice president and above.

\*\*\*\*\* Junior managers refer to supervisors, assistant managers, and managers.

Diversified Performance Evaluation System

To continuously improve its competitiveness, Nan Shan Life has established a performance management system linked with rewards. In addition to all non-fixed-term contract personnel, all employees (including managerial and non-managerial employees) are required to participate in and complete the annual performance evaluation. In addition to the transparent and specific “performance indicators”, senior managers and above are evaluated by the 360-degree “behavioral indicators”, to encourage employees to practice corporate culture in daily routines.

The results of performance evaluation are used as a basis for determining employee promotions, career development, salary adjustments, and performance bonuses. For underperforming employees, a counseling and improvement mechanism is in place to enhance their performance. Under this mechanism, the manager holds irregular talks with the underperforming employee as a routine management practice to understand the employee’s work-related situation and provide timely assistance accordingly. The manager also sets out the specific items for improvement and goals that the employee needs to achieve during the period of counseling and improvement, and regularly tracks the employee’s progress and gives care for the employee. At the end of the counseling and improvement period, the manager and the employee jointly review the improvement results and find ways to further enhance the employee’s competence.

In setting performance rewards, the Company has developed a differentiated reward system based on its development strategy, its business performance, and the salary levels in the labor market. The Company grants rewards based on the corresponding performance and contribution, which helps to shape a high-performance corporate culture. The Company’s performance evaluation system also establishes a fair promotion channel, which helps to retain high potential employees and build high performance teams.

Nan Shan Life Performance Evaluation Methods

| Nan Shan Life   | Evaluation Objects        | (%) | Explanation  | Evaluation Frequency |
|---|---------------------------|-----|--|----------------------|
| Objective management  | All employees             | 100 | Performance evaluations are carried out by direct supervisors to review the objectives set for individual employees.   | Every year           |
| Multi-dimensional evaluation (such as the 360-degree performance evaluation system) | Senior managers and above | 6   | Multi-dimensional evaluations are carried out through the system. Relevant supervisors, colleagues with the same level of rank and subordinates provide relatively objective feedback to the person under evaluation based on interactive experience at work, which is used as the basis for supervisors to evaluate staff development and performance evaluation. | Every year           |
| Evaluation and ranking of the performance of formal employees                       | All employees             | 100 | Rank the performance of each employee among the employees with the same type of functions.   | Every year           |

| Nan Shan Life               | Evaluation Objects                       | (%)  | Explanation   | Evaluation Frequency |
|-----------------------------|--|--|---|----------------------|
| Team performance evaluation | Major cross-unit project execution teams | Incorporate appropriate weights as assessed by each unit | Major cross-unit project execution performance, such as IFRS17 project, ALM project, and Protection Circle. These are the common annual performance targets of the relevant units and are reflected in the unit and individual performance evaluation items.  | Every year           |
| Agile communication         | All employees                            | 100  | In daily management, managers have talks with employees from time to time to understand the status of employees and provide relevant assistance when appropriate. Managers set out the specific items to be improved and the goals to be achieved during the counseling and improvement period, and regularly tracks the progress and gives care for the employees. | Every year           |

\* Those who have passed the probation period by December 31, 2023 are the performance evaluation objects.

### 7.3.2 Talent Cultivation

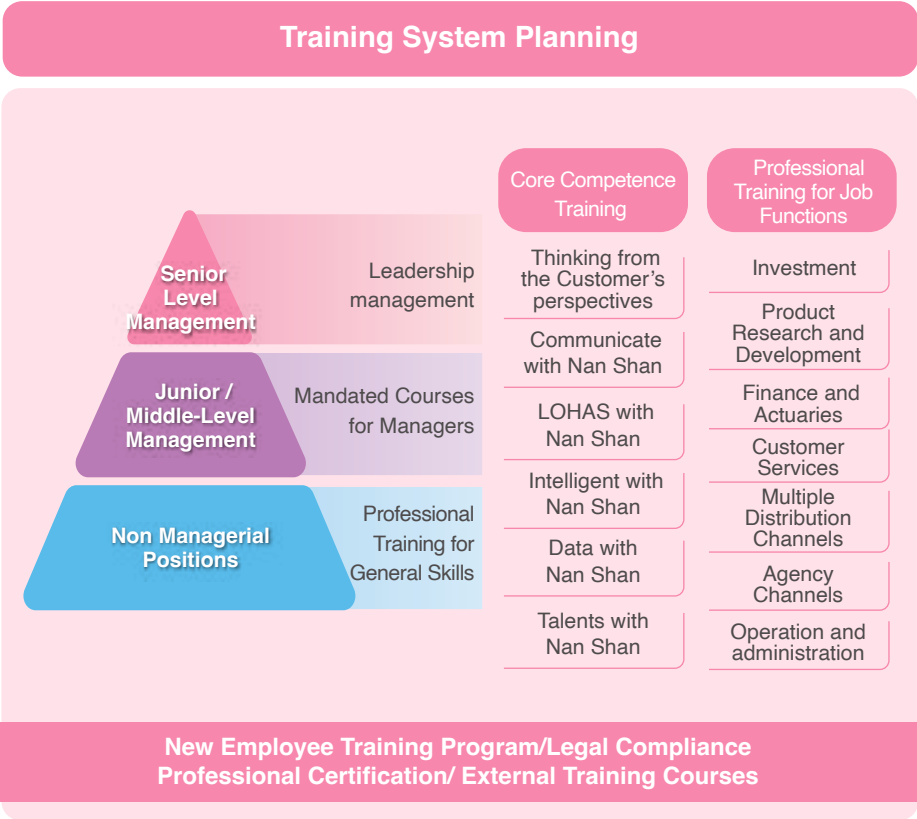
Nan Shan Life has long been committed to the development and cultivation of talents. At the same time, the Company integrates internal and external training to plan its employee training and development system, to strengthen the competitiveness of employees and lay the foundation for its sustainable competitive advantage.

Based on its core values of “Thinking from the customer’s perspectives” and becoming “Intelligent with Nan Shan”, the Company endeavors to upgrade employees’ digital awareness and competence continuously and help talents cultivate the characteristics of “all-around knowledge, broader perspective, global outlook, and taking on responsibilities bravely”. The Company values the cultivation and training of outstanding talents, and works together with them to march continuously toward a common vision, and to create sustainable value for customers, employees, and Nan Shan itself.

#### Cultivation of All-round Professionals

To meet the development needs of employees at all levels, units and job attributes, Nan Shan Life continuously provides complete and sound training mechanisms. The Company has also planned appropriate talent cultivation programs for different purposes, including new employee training, financial and insurance professional training courses, general skills training, leadership development training, professional certification training, etc. These training programs can assist employees in their long-term career growth and cultivate all-round insurance elite talents for the Company.





2023 Nan Shan Life Training Results

- 989 sessions of digital training course were held, with 187,087 participants in total.

Remote and on-site courses of 13,527 hours were held, with 5,476 participants (not including professional training at various units)

235 training sessions were held at external professional training institutions, with a total of 1,977 participants.

The average training hours per employee was 75.2 hours.

Training Status of Employees

|                  | Job levels                  | Item                              | 2022     |           | 2023     |           |
|------------------|-----------------------------|-----------------------------------|----------|-----------|----------|-----------|
|                  |                             |                                   | Male     | Female    | Male     | Female    |
| Nan Shan Life    | General employees*          | Total training hours              | 78,114.9 | 185,583.9 | 79,124.5 | 184,662.2 |
|                  |                             | Average training hours per person | 67       | 79        | 65       | 80        |
|                  | Junior Management**         | Total training hours              | 18,003.9 | 24,222.1  | 17,424.9 | 23,189.4  |
|                  |                             | Average training hours per person | 89       | 103       | 85       | 95        |
|                  | Middle-Senior management*** | Total training hours              | 5,786.4  | 3,143.8   | 6,407.5  | 3,166.4   |
|                  |                             | Average training hours per person | 69       | 65        | 71       | 65        |
| Nan Shan General | Junior Management**         | Total training hours              | 25,374   |           | 26,534   |           |
|                  |                             | Average training hours per person | 31       |           | 26.3     |           |

\* General employees: Non-managerial level.

\*\* Junior management: The level of executives such as supervisors, assistant managers, and managers.

\*\*\* Middle-Senior management: Assistant Vice President or above.

| Statistics (all employees)              | Nan Shan Life | Nan Shan General | Total      |
|---|---------------|------------------|------------|
| Total number of people trained (person) | 4,176         | 1,009            | 5,185      |
| Total training hours (hour)             | 313,975       | 26,534           | 340,509    |
| Average training hours (hour)           | 75.2          | 26.3             | —          |
| Total training cost (NT\$)              | 22,934,000    | 572,200          | 23,506,200 |
| Average training cost (NT\$)            | 5,492         | 567              | —          |

### Statistics of Employee Training Courses

| Year<br>Training Courses | 2021          |                  | 2022          |                  | 2023          |                  |
|--------------------------|---------------|------------------|---------------|------------------|---------------|------------------|
|                          | Nan Shan Life | Nan Shan General | Nan Shan Life | Nan Shan General | Nan Shan Life | Nan Shan General |
| General Skills           | 2,465.0       | --               | 6,440.3       | --               | 13,527.0      | 552              |
| Professional training    | 103,367.0     | 20,620.50        | 119,048.3     | 14,419.00        | 101,783.5     | 8186             |
| Online courses           | 155,429.1     | 7,036.00         | 181,142.9     | 9,883.50         | 187,087.2     | 17,048.5         |
| External training        | 10,439.8      | 303.50           | 8,223.6       | 1,072.00         | 11,577.3      | 747.6            |
| Training hours subtotal  | 271,700.9     | 27,960.00        | 314,855       | 25,374.5         | 313,975       | 26,534.1         |



### Training Performance Evaluation and Feedback

Human capital is an indispensable asset for Nan Shan Life to maintain competitiveness and organizational performance. To achieve the training objectives effectively and enhance the value of employee training, the Company continuously provides and optimizes employee training, and adopts the Kirkpatrick Model for evaluating the training programs, so that the benefits of training and human capital investment can be demonstrated by tracking relevant data regularly and measuring the training performance quantitatively.

| Level               | Evaluation Object   | Method of Evaluation  | Program Focus  | 2023 Evaluation Results |
|---------------------|---|---|--|-------------------------|
| Reaction Level (L1) | Examine the learners' comments on the courses.                          | Questionnaires are adopted to examine the students' comments on the courses.                        | Core professional skills training program  | 91% satisfaction rate   |
| Learning Level (L2) | Examine how much knowledge the learners have acquired from the courses. | Tests are conducted to examine the amount of knowledge the students have acquired from the courses. | Establishing employees' concepts and enhancing their awareness of the employee code of conduct, legal compliance, risk management, TCF, and information security., | 100% test passing rate  |

| Level                                 | Evaluation Object  | Method of Evaluation   | Program Focus   | 2023 Evaluation Results   |
|---------------------------------------|--|--|---|---|
| Behavior Level (L3)                   | Examine whether the learners are applying their knowledge at work.                     | After-class action plan, individual development plan, and multi-faceted performance evaluations. | Key talent cultivation program                                    | 1.Key talent retention rate at 99%.<br>2.A total of 970 development objectives have been formulated for the individual development programs, with a 92% overall achievement rate. The average self-assessment score was 8 (maximum was10).                  |
| Results Level (L4)                    | Actual contribution by the learners to the management of the organization              | Actual performance results   | Leadership and management training for managerial level employees | 1.588 managerial level employees participated in the trainings with 50,188.1 training hours in total.<br>2.In 2023, under the leadership of managerial level employees from all levels, the annual after-tax net profit was approximately NT\$22.1 billion. |
| Rate of Return on Training Investment | Apply the human capital ROI to determine the return on the overall training investment | Human capital ROI  | -   | Human capital ROI: 0.93%  |

\* Key talent retention rate = number of employees in service at the end of the plan period/number of applicants at the beginning of the plan period.  
\*\* Human capital ROI = Benefits – [Operating Cost- (Cost of Salary+ Cost of Benefits)]/(Cost of Salary+Cost of Benefits)

Development Programs to Enhance Employees’ Capabilities

|  |  |  |
|--|--|--|
| Program Title                                    | Individual Development Program(IDP) for key talents  | Nan Shan MA Elite Program  |
| Program Description                              | The Individual Development Program has been formulated based on the organization's strategic direction and its needs for the development of key talents. | Meet the Company's need for diverse talents at various management levels in the medium and long term to achieve future sustainability goals and nurture young generation talents.  |
| Applicable Objects                               | 214 employees participated in the training, accounting for 5% of the total number of employees.  | Nan Shan MA Elite Program has trained a total of 61 persons, accounting for nearly 1.46% of the total number of employees.   |
| Program Objective                                | Improve talents retention and build talents echelons.  | The program is managed by the strategic planning Unit. The program trains talents with four approaches, including courses, licenses, projects, and tasks, and plans and assigns talents to go deep into different fields to strengthen the competence required by their professional fields, and to understand the Company's operational patterns, senior executive demeanor and problem-solving attitude and ability. |
| Quantitative business benefits for Nan Shan Life | In 2023, the key talents retention rate was 99%.   | In 2023, the retention rate of Nan Shan MA elites was 93.3%.   |

## Cultivation of Potential Successors

To lay a solid foundation for sustainable business operations for the next century, the Company identifies and selects employees with leadership potential through performance assessment, potential assessment, and the 360-degree performance evaluations. The Company has established the leadership succession plan and formulated the Individual Development Program (IDP) for individual talents. In addition, the Company also carries out job rotation of talents and regularly tracks the progress of talent development.

In 2023, a total of 214 executives participated in the Individual Development Program at Nan Shan Life. Meanwhile, the key talents retention rate was 99%, which was an outstanding achievement.

### Nan Shan Life Individual Development Program for Key Talents

Project Context and Contents

Based on the Company’s organizational strategic direction and its needs for the development of key talents, Nan Shan Life has implemented the Individual Development Program, to enhance the talents retention rate while establishing a reserve of talents at different levels.

Nan Shan’s Input

214 key talents, combined with the following training resources:

- “Personal DISC communication style” assessment: Market Value NT\$640,000.
- Exclusive training course: Market Value NT\$1,180,000
- External consultant training course: Market value NT \$750,000
- Quantitative investment on training resources: Market Value NT\$2,570,000

Benefits

| Quantitative results  | Exclusive training   |
|---|--|
| <p>Retention rate = <b>99%</b></p> <p>Progress towards the goals = <b>92%</b></p> <p><b>83%</b> of the employees with goal achievement rate exceeding 80%</p> <p><b>33%</b> of the employees rated themselves 9 points or above</p> | <p><b>2,329</b> people completed training, with a satisfaction rate of <b>97%</b>.</p> <p>Training completed by the most participants: <b>132</b> completed the training of “Upward communication ~ report, contact, and negotiation skills”.</p> <p>Highest rate of satisfaction: <b>100%</b>, Oral presentation skills.</p> <p>Highest training completion rate: Customer Services at <b>88%</b>, followed by Product and Development 86%.</p> |

214 training participants, which was 5% of all employees.

Since 2004, Nan Shan Life has been selecting talents with leadership potential from various levels, providing them with personalized development training. In 2023, 214 elites were selected through a recommendation process. Through a performance and professional skills analysis, individual development programs (IDP) were established. A mentor was designated to communicate with each trainee, and to create a plan specifying the areas/ training/activities/projects/up-close mentorship in the development program. At the same time, online and offline resources were integrated to support the implementation of over 1,000 goals, with an overall goal-achievement rate of 92%. In the future, key position rotations will be implemented, and the Company will regularly track the talent development progress and make timely adjustments, for the cultivation of well-rounded management talents.

## Nan Shan Life MA Elite Program

### Project Context and Contents

To meet the Company's need for diverse talents at various management levels in the medium and long term to achieve future sustainability goals, the Company continuously optimizes the Nan Shan Life MA Elite Program, with the aim to actively nurture young generation talents, create momentum and diversity resilience for enterprise future growth and cultivate well-rounded leaders of the finance and insurance industry.

### Nan Shan's Input

The strategic planning unit was responsible for coordinating and managing the MA elite program. During the new training period, the management unit laid a solid foundation for MA elites to learn functions in multiple fields through four types of training approaches: courses, licenses, projects, and tasks. After the completion of the new training period, according to the ability and willingness of individual elites, the management unit deployed them to go deep into different fields to strengthen the functions required by their professional fields, understand the Company's operational patterns, senior executive demeanor and problem-solving attitude and ability. The management unit continued to actively track and care for the status of the elites assigned to the units at each stage, and held learning experience sharing and view exchange activities to ensure the achievement of the cultivation goal and timely two-way feedback. On this basis, the Company can continuously optimize the training content and appropriately help the MA elites establish the sense of corporate identity and mutual friendship.

### Benefits

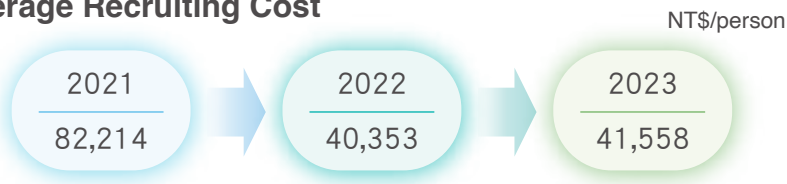
- 61 people have been trained under the MA Elite program, accounting for nearly 1.46 % of all employees.
- In terms of overall ability in the assignment of projects and tasks during the new training period, the average score of managers assessing different fields was 2.37 (the score for annual performance rating was from 1 to 5 points, 1 is the highest score.).
- Retention rate was nearly 93.3%
- Cultivating insurance service and digital management talents of the new era: Training and systematic job rotation programs are arranged to strengthen insurance expertise and cross-functions integration capabilities, to provide accelerated development opportunities, for example: digital technology training, and to enhance the effectiveness and efficiency of decision-making in projects.

## Vacancy Filling Rate of Nan Shan Life Internal Positions

| Year                      | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|
| Number of People (person) | 93   | 142  | 136  |
| Vacancy filling rate (%)  | 20.9 | 21.6 | 20.2 |

\* The internal vacancy filling rate is calculated with the following formula: the number of vacancies filled by internal personnel transfer/the number of approved vacancies.

## Average Recruiting Cost



## "Nan Shan Life Book Writers' Story Sharing" Sessions - Enhancing Humanistic Literacy

### Project Context and Contents

To promote its corporate culture, Nan Shan Life held a series of knowledge sharing sessions for employees, to strengthen their sense of identity and cohesion, and to publicize Nan Shan Life's heart-warming services and care for the people in Taiwan. The Company invited several well-known writers to share their life stories or book writing experiences, to tell employees about the connotation and spirit of their works. Meanwhile, Nan Shan Life also promoted its brand concept and cultural characteristics through external publications.

1. In liaison with INK, the Company organized six internal knowledge sharing sessions given by book writers.
2. Advertising on 6 issues of "INK Literary Life"
3. A lecture was held in cooperation with Donmay.

### Nan Shan's Input

The Company cooperated with INK and Donmay respectively, with a total input of more than NT\$1 million in the project.

### Benefits

- Five lectures were held at the head office and one lecture was held each in the Central region and South region. The seven lectures attracted a total of 731 participants.
- On average, more than 100 people attended each lecture, and the average satisfaction rate was 98%



## 7.4 Creating Win-Win with Agents

Nan Shan Life has more than 30,000 agents, who deliver product responsibility, enthusiasm and love to policyholders with their professionalism and excellent service quality. At the same time, they create their own life insurance business through professional training courses and diversified incentive programs.

### 7.4.1 Structure of Agents

| Structure of Agents* | Nationals |       | Foreign nationals** |       | Non-fixed term contract contractors*** |       | Total number of people (person) |
|----------------------|-----------|-------|---------------------|-------|--|-------|---------------------------------|
|                      | M (%)     | F (%) | M (%)               | F (%) | M (%)                                  | F (%) |                                 |
| Nan Shan Life        | 40.36     | 59.62 | 0.01                | 0.01  | 40.37                                  | 59.63 | 33,863                          |
| Nan Shan General     | 38.55     | 61.45 | 0.01                | 0.01  | 0                                      | 0     | 23,264                          |

\* This refers to the number of agents who have registered with the Life Insurance Association and have contracts with the Company as agents by December 31, 2023.

\*\* Foreign nationals include people from China, Malaysia, Hong Kong, Australia and Indonesia.

\*\*\* Non-fixed term contractors refer to agents whose contracts remain valid if the contractual conditions are met.



### Statistics of Agents Contract Type

| Contract Type             | Male (%) | Female (%) | Total (%) |
|---------------------------|----------|------------|-----------|
| Agents                    | 38.50    | 61.50      | 100       |
| Agency supervisors        | 41.24    | 58.76      | 100       |
| Senior agency supervisors | 42.27    | 57.73      | 100       |
| Unit manager and above    | 50.30    | 49.70      | 100       |
| Total                     | 40.37    | 59.63      | 100       |

\* Nan Shan General has a different organizational structure for agents. This table only applies to Nan Shan Life.

### Age Distribution of Agents

| Age                          | Nan Shan Life      |       |                    |       | Nan Shan General   |     |                    |     |
|------------------------------|--------------------|-------|--------------------|-------|--------------------|-----|--------------------|-----|
|                              | M Number of people | (%)   | F Number of people | (%)   | M Number of people | (%) | F Number of people | (%) |
| Age 50 (inclusive) and above | 5,189              | 37.96 | 9,568              | 47.38 | 3,597              | 40  | 7,348              | 51  |
| Age 30 (inclusive) to Age 50 | 5,499              | 40.23 | 7,708              | 38.17 | 42,02              | 47  | 5,793              | 41  |
| Under Age 30 (non-inclusive) | 2,981              | 21.81 | 2,918              | 14.45 | 1,171              | 13  | 1,153              | 8   |
| Total                        | 13,669             | 100   | 20,194             | 100   | 8,970              | 100 | 14,294             | 100 |

### 7.4.2 Co-Prosperity and Growth

Nan Shan Life has a unique contracting and appointment system with its agents. The Company develops appropriate training courses and service networks to adapt to different local cultures across Taiwan. Through cultural heritage, agents can share and exchange ideas and views and build excellent partnership that is both competitive and cooperative.

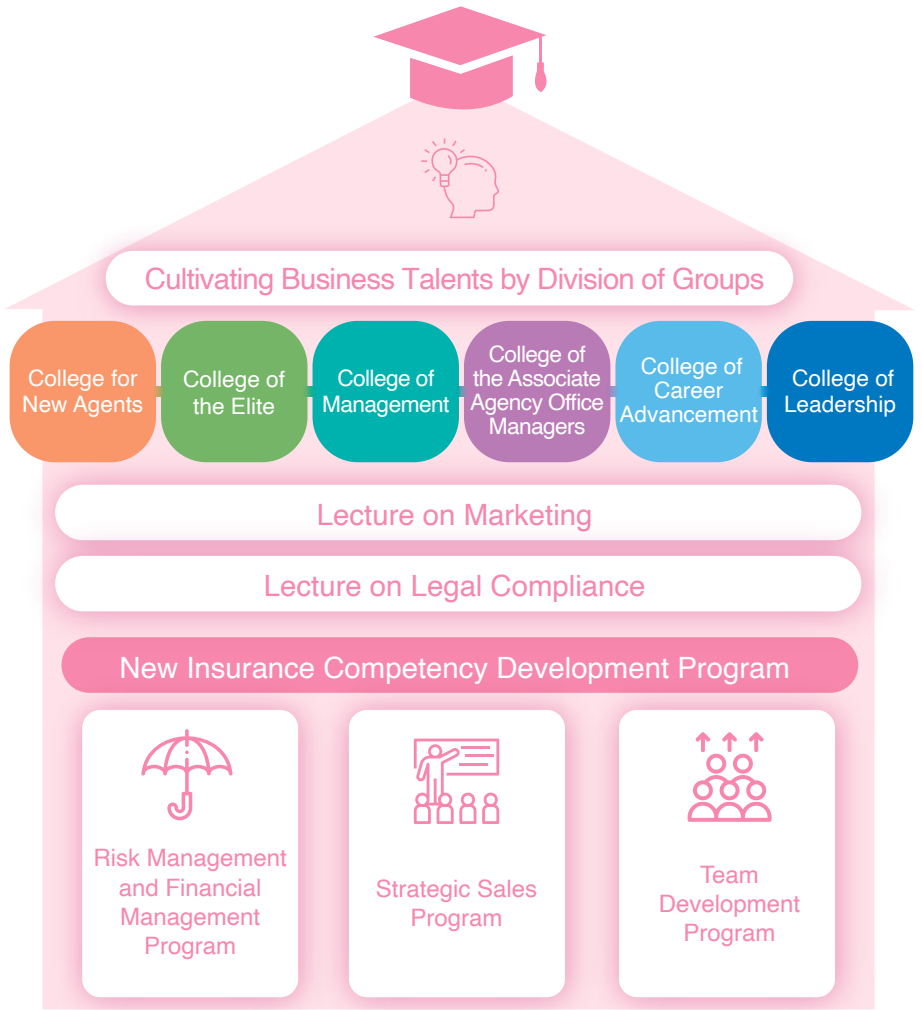
Nan Shan Life offers diverse training courses to help agents enhance their business skills. The Company also integrates training with large-scale competition activities to modify and transform the learning model and to expand the learning horizons of the agents.

#### Nan Shan Life Agents Training Results

| Level                                   | Training Item                     | Male       | Female  |
|---|-----------------------------------|------------|---------|
| Agency leader                           | Total training hours              | 154,111    | 180,104 |
|   | Average training hours per person | 31         | 29      |
| Agent                                   | Total training hours              | 295,461    | 396,935 |
|   | Average training hours per person | 34         | 28      |
| Overall                                 | Total training hours              | 449,572    | 577,039 |
|   | Average training hours per person | 33         | 29      |
| Total training hours                    |                                   | 1,026,611  |         |
| Average training hours per person       |                                   | 30         |         |
| Training costs (NT\$)                   |                                   | 45,216,004 |         |
| Average training cost per person (NT\$) |                                   | 1,335      |         |

### Implementing customer-oriented professional insurance education

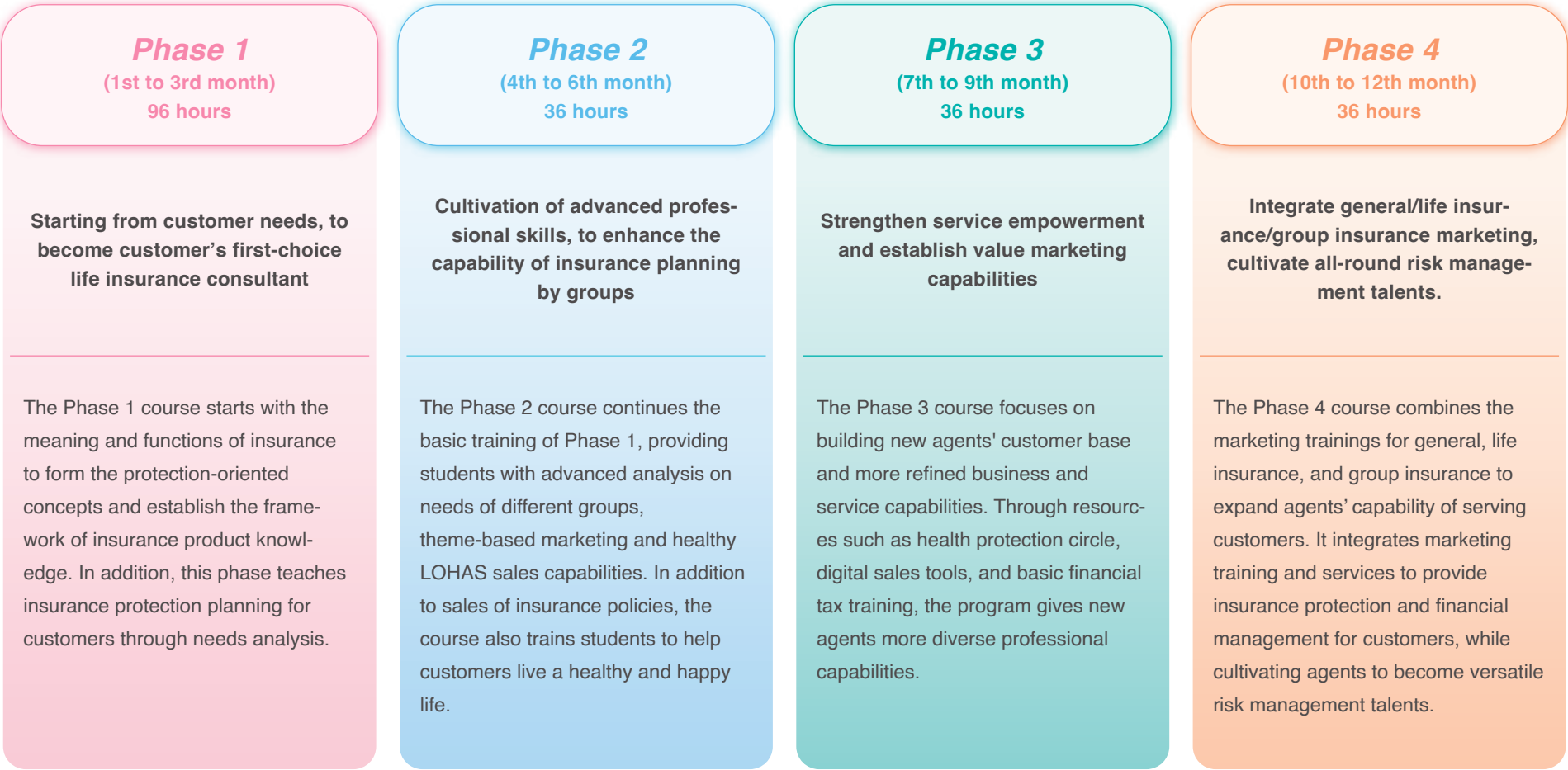
Nan Shan Life has designed its agent education and training system with six colleges, two lectures, and three major learning programs. The Company systematically provides agents with appropriate training according to their professional development stage and needs. By helping agents acquire the knowledge, service attitude and skills required for their job, the Company can cultivate all-round insurance professionals for itself and the industry.



College for New Agents: Cultivating outstanding new agents with a solid foundation of knowledge and protection-oriented mindset in sales

To proactively cultivate highly value-added health risk management talents, the one-year and four-phase “Outstanding Talent Cultivation Program” has been established to cultivate new agents with a solid knowledge foundation and protection-oriented mindset in sales. Upon completion of the program, the new agents will become guardians of customers’ health and happiness.

In 2023, the percentage of new agents who participated in the “Outstanding Talent Cultivation Program” was 55%, and the percentage of new agents graduating from national universities increased to 25% from 24% in 2022. In 2023, the Company recruited a total of 2,353 people to participate in the “Outstanding Talent Cultivation Program”, and the one year retention rate of participating students was 77% (34% higher than that of other new agents), and the one year appointment rate was 48% (46% higher than that of other new agents). The average monthly income was about NT\$56,000 for graduates of the program. The program allows young people to get out of the plight of low salaries, so that they can start their future with confidence and work together to provide customers with professional and best-quality insurance protection and services.



### College of the Elite: Development of top talents at all levels

The “Elite Program” has been designed for the top agents, which enhances their core professional skills in sales, services, and organizational development through peer-to-peer learning, communication and competition. In addition, the program has been promoting sales transformation, service empowerment and digital empowerment in line with the Company's strategic direction. A total of 908 elites (outstanding talents with great potential being trained) have completed the training from 2015 to the end of 2023.

### College of Management: Building a successful elite team

Agency leaders are very influential leaders in organizational development. To equip agents with the necessary professional skills immediately after their agency leader’s appointment, the Company has set up a series of courses tailored to agency leaders to help them quickly achieve the phased goals in business development and successfully create an elite professional team. In 2023, a total of 1,344 agency leaders have completed the training.

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

Conducted by senior executives, “College of the Associate Agency Office Managers” has an exceptional faculty. The trainees are unit managers with the most outstanding sales and service performance, so-called elite of the elite. Nan Shan Life’s innovative prerequisite course has been designed to systematically develop students’ business-operator mindset as agency office managers of the new era. Since the launch of the “Associate Agency Office Managers College” in 2012, a total of 424 unit managers have completed the training and established 63 agency offices. At the same time, Nan Shan Life has established the “Successors Training Program” to cultivate talents with leadership and to ensure that they are already equipped with key professional skills of a manager when they set up an agency office. As of the end of 2023, 83 unit managers have participated in the successors training program, and 37 of them have set up their agency offices.

### College of Career Advancement: Drive the transformation of agents into professional risk planners, to protect customers’ life quality through value marketing

Nan Shan Life has been proactively cultivating highly-qualified professional international insurance talents. In 2023, the Company continued its collaboration with the Taiwan Academy of Banking and Finance to set up Associate Financial Planner/Certified Financial Planner (AFP/CFP) certification tutoring class. Agents were encouraged to obtain the internationally recognized CFP certification, and to become all-round financial planning consultants.

### College of Leadership: Strengthening the business-operator mindset

The program strengthened the management and transformational leadership knowledge of agency office managers in response to the implementation of IFRS17 and challenges brought by the external environment, which enabled the agency office managers to lead the agency offices to carry out innovative sales transformation and build a team with high performances. Since 2020, Nan Shan Life has been collaborating with National Taiwan University (NTU) to offer a small-scale EMBA program. The best of NTU EMBA business management and leadership courses was selected for the creation of a special program tailored to the agency directors and agency office managers of Nan Shan Life to enhance their management and leadership skills. The program has been offered three times since 2020, with a total of 273 attendances. (Since some students participated in all three sessions, the total count included only those who have completed the training).



### Developing two key lectures to cultivate professional business teams that are worthy of customers' trust ▶▶

Nan Shan Life has developed two key lectures, including marketing and legal compliance, to allow all agents to promptly understand and recognize the Company's strategic directions, market environment changes, and matters related to legal compliance, which enable them to make concerted efforts towards the realization of the Company's objectives. In 2023, more than 820,000 agents have completed the training in the two lectures.

- **Lecture on Marketing:** A professional training lecture on advanced marketing was designed in consideration of various factors, including the market environment, social trends, company strategies, etc.
- **Lecture on Legal Compliance:** The lecture trained new Nan Shan agents on legal compliance and the ability of implementing TCF principles with high-quality services.

### Developing the three major programs to cultivate outstanding talents ▶▶

Nan Shan Life has identified key capabilities required for outstanding insurance professionals, and has developed three major programs, including "risk and financial management", "strategic sales", and "team development", which have been introduced into the courses offered in the six colleges and two lectures. These programs systematically lead the agents to gradually transform into "smart new insurance talents". In 2023, more than 180,000 agents completed the three major programs.

- **Risk and Financial Management Program:** Focusing on comprehensive professional knowledge to enable agents to gain insight into customer relationship network and understand the people and things that customers care and concern about, which would also lead to the hidden needs. Based on that, planning the most complete risk protection according to customer needs.
- **Strategic Sales Program:** Cultivating data analysis expertise to understand customer profiles and gap in insurance protection. Upholding the TCF principles and providing customers with comprehensive protection planning service.
- **Team Development Program:** Applying smart technology to effectively expand the team through a new top-quality recruitment system. Strengthening the core capabilities required for agency leaders at all stages of their development through systematic training courses.

### Investment in learning international standards - Deepening talent cultivation and enhancing the professionalism and added-value in services

Nan Shan Life has been committed to enhancing the professional competence of life insurance personnel and actively encourages its agents to join the Million Dollar Round Table (MDRT). Since 2020, the Company has actively encouraged its agents to pursue international recognition, and has, for four consecutive years, invited international super sales elites (super sales) to serve as Nan Shan Life's sales lecturers to share their successful stories about personal sales and team management, which has been very beneficial for the transformation and growth of Nan Shan agents in their career path. At the same time, the Company has established an exclusive MDRT learning grant and designed honorary uniform to motivate agents to achieve their sales targets and join the MDRT as a qualified member. With various incentives and investment in training resources, Nan Shan Life's achievement in international talents development has been outstanding. Since 2021, more than 1,000 Nan Shan agents have become MDRT members every year. In 2023, Nan Shan Life became the insurance company with the largest number of MDRT members in Taiwan for the first time. In August of the same year, Mr. Chung-Yao Yin, Chairman of Nan Shan Life, led more than 400 Nan Shan elite agents to participate in the MDRT Global Conference in Singapore, and Nan Shan Life was the Taiwan insurance company with the most participants at the conference, which showed the Company's determination of "Let the world see Nan Shan, and let Nan Shan contribute to the world".





Nan Shan Life’s MDRT Membership Status during Recent Years

| MDRT                   | 2020 | 2021  | 2022  | 2023  |
|------------------------|------|-------|-------|-------|
| Number of MDRT Members | 540  | 1,620 | 1,097 | 1,108 |
| Rank in Taiwan         | 3    | 2     | 2     | 1     |
| Rank in the World      | 31   | 13    | 18    | 18    |

Inviting Top International Insurance Sales Elites to Share Successful Stories for Four Consecutive Years

| Time                         | Activity   | Top International Insurance Sales Lecturers             |
|------------------------------|--|---|
| September 2020               | Nan Shan MDRT DAY                                  | Wave Chow, AIA, Hong Kong                               |
| November 2021                | Nan Shan Online Happy Learning Camp                | Jacqueline, AIA, Singapore                              |
| February 2022                | Nan Shan Online MDRT Sitting Room                  | Emily Tsai, CEO of Asia Insurance Advisers, New Zealand |
| April 2022                   | Nan Shan Online MDRT Sitting Room                  | Dr. Qibin, AIA, Chinese Mainland                        |
| 5 sessions in August 2022    | Nan Shan “See the value of the heart lecture tour” | Dr. Chen Ming Li, AIA, Singapore                        |
| 4 sessions bimonthly in 2023 | Nanshan TOT Master Lecture Hall                    | Dr. Chen Ming Li, AIA, Singapore                        |

Volunteer Culture Featured with Service and Contribution - To Serve the World with the Wisdom Inherited and Shared by Nan Shan

In 2020, Nan Shan invited 45 MDRT members to serve as Nan Shan promotion volunteers, who contributed their services and encouraged Nan Shan agents to join MDRT and participate in the international annual conference. Between 2021 and 2023, Nan Shan nurtured 26 MDRT elite members, who expanded Nan Shan's influence and served as volunteer lecturers to teach what they had learnt. At the same time, they stood on the

international stage, serving the world with the wisdom shared and inherited by Nan Shan. Through participation in international learning and lecturers' contributions, Nan Shan has exchanged with and learnt from the world's top practitioners to enhance the Company's business expertise and added-value in services. Furthermore, Nan Shan provides insurance planning and service quality beyond customers' expectations, and has established a long-term and stable trust relationship with its customers. Today, Nan Shan has become the most preferred insurance adviser for its customers. Nan Shan will continue to encourage its agents with the concept of “Must Do the Right Thing (MDRT)”. The Company will continue to support the agents to achieve balanced development in the seven aspects, including spirit, education, health, career, finance, family and service. Nan Shan agents are encouraged to practice the concept of holistic living, and become business models with international vision and superior service quality!

| Number of MDRT volunteer lecturers   | 2021 | 2022 | 2023 |
|--------------------------------------|------|------|------|
| MDRT international annual conference | 3    | 2    | -    |
| MDRT global conference               | -    | 3    | 1    |
| Taiwan MDRT DAY                      | 8    | 8    | 10   |
| Total (repetition deleted)           | 10   | 9    | 11   |

Digital Tools and Smart Services

Through the situational cultivation by digital tools, Nan Shan Life assists agents in applying digital tools in daily business or service works to support and optimize service processes around the clock, improve work efficiency, and provide customers with more personalized and refined intelligent services.

| Training Course   | Key Training Points  | 2023 Achievement   |
|---|--|--|
| Smart Insurance Sales Process                                 | Building new smart insurance concepts and mindset among agents, to strengthen their smart sales capabilities.  | A total of 2,859 new agents completed the training.                    |
| Activity Management of Selling                                | Integrating envision system applications such as calendar, customer management, sales opportunity management, sales activity volume, performance forecast, and more, to help agents understand the benefits of sales activity management.        | A total of 3,451 new agents and seed lecturers completed the training. |
| Insurance Needs Planning (Three Aspects and Nine Protections) | Utilizing the financial demand analysis system to quickly and accurately customize the demand and gap amount with precision, to provide customers comprehensive insurance planning.  | A total of 2,449 new agents completed the training.                    |
| Leverage Customer Portal to Enhance Performance               | Assist customers in registering with the Nan Shan Life Customer Portal, enabling them to understand their existing protection and discover protection gaps and how to bridge such gaps, to enhance interaction and communication with customers. | A total of 2,353 new agents completed the training.                    |
| Intelligent Recruitment and Selection                         | Starting with the concept of organizational development, and guiding the students step by step to understand the process and core skills of recruitment, and how to recruit effectively through the application of recruitment management tools. | A total of 955 agency leaders completed the training.                  |

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

- Friendly financial services: Principle for Financial Service Industries to Treat Customers Fairly, Standards Governing Friendly Financial Services in Insurance Industry, Education on the Protection of the Rights and Interests of Elderly Insurance Customers, etc.
- Information security: Education and training on the following topics: Personal Data Protection Act, information security, prevention of money laundering and countering terrorism financing, etc.
- Regulatory requirements: Insurance Agents Management Guidelines, six-hour legal compliance course, etc.

Nan Shan General Agents Training Hours

| Item                              | Male    | Female  | Total   |
|-----------------------------------|---------|---------|---------|
| Total training hours              | 259,424 | 454,422 | 713,846 |
| Average training hours per person | 24      | 27      | 26      |

\* Nan Shan General does not have life insurance organization structure, and there is no distinction between agency leaders and agents.

In accordance with the general insurance product promotion axis and business promotion strategy, Nan Shan General also regularly and irregularly organizes a variety of "general insurance professional training" on general insurance product knowledge and marketing skills through physical and digital channels. Agents can choose physical or digital courses to increase their expertise and skills, depending on their training needs.

| Category            | Training Content  | General insurance professional training (partial list of courses)   |
|---------------------|---|---|
| Personal insurance  | Training on personal protection, such as auto insurance and residential fire insurance.                                 | "Compulsory insurance you must know", "Discussion on automobile third party liability insurance", "Digital course on the risk of theft", "Basic residential fire and earthquake insurance", "Auto insurance – Introduction", "Products and claims practices", etc.  |
| Corporate insurance | Training on corporate insurance, such as liability protection, transportation insurance, and commercial fire insurance. | "Introduction to commercial fire insurance", "Employer's responsibilities to employees", "Compulsory insurance for places of consumption", "Public accident liability insurance for activities", "Product liability insurance", "Cargo transportation insurance", "Introduction to construction insurance", "Introduction to corporate insurance", "Products and claims practice", etc. |
| Legal concepts      | Training on important laws and regulations, norms, and concepts.  | Education and training on friendly financial service measures for people with physical and mental disabilities, on-the-job training on safety and health, Sexual Harassment Prevention Act, etc.  |

In addition, Nan Shan General continues to use “digital tools” to assist agents to enhance their general insurance knowledge and skills. For example: they can use the integrated sales operation platform (Agent Portal) to look up general insurance products for marketing, or to perform real-time enquiry and complete general insurance training sessions (General Insurance e Campus). Agents can also use “Line@ for Agent”, the official account established by Nan Shan General, (agents must complete Line@ identity verification), without having to download an additional App., to get the Company's latest product information, news and personalized exclusive notifications at any time. This not only makes it easy for agents to create general insurance topics with customers, but also provides customers with more professional and prompt services.

### Obtaining Technology Patent Certification – Agents Education and Training System


The Nan Shan General Line@ account “Agents education and training system” obtained a technology patent in 2020. The online training system provides resources for agents to improve their knowledge of general insurance continuously at any time.

**Line@ / General Insurance e-Campus (agents’ education and training system) – Completing general insurance training by using the mobile phone.**

In the era of digital learning, agents can use line@ for identity verification. After that, they can quickly connect to the “General Insurance e-Campus” and complete the required training courses with training hour’s certification. This mechanism greatly saves agents’ time for learning general insurance knowledge. (In 2023, about 95.7% of general insurance agents completed the line@ identity verification and registration).


1

1. Nan Shan General agents click on "e-Campus" at the bottom left corner of line@ platform



2

2. Enter "e-Campus", select the training course and complete the requirements on learning. Then the agents will be certified to have completed the training hours.



**Line@ / Marketing data zone: e-training and marketing resource. Agents can engage in marketing tasks at any time in an environmentally-friendly manner.**

- In line with environmental conservation, Nan Shan General provides trainings and marketing promotional services by directly using the line@/Marketing data zone, which provides training and promotional messages and reduces the use of traditional product DM (paper printed materials).
- When performing marketing promotions, agents can use the line@/Marketing data zone to quickly search for information or easily learn the latest general insurance knowledge, which can reduce the time used to search for data.
- Taking “Auto insurance marketing training” as an example: Instead of using the traditional training model, agents can now use line@ and eDM to complete training courses, which help agents learn how to use “General insurance mobile insurance application function + online payment function + electronic policy + line@ instant communication”. As a result, the time needed for communication between agents and customers is reduced, and agents’ service quality is optimized, which will enhance the professional image of the agents.

Appendix 1. GRI Standards

| Statement of Use            |  | Nan Shan Life Insurance Co., Ltd. has prepared this report in accordance with the GRI Standards for the period from January 1 to December 31, 2023. |                              |               |
|-----------------------------|--|---|------------------------------|---------------|
| GRI 1 Used                  |  | GRI 1 : Foundation 2021   |                              |               |
| Topic                       | Disclosure   | Corresponding Section   | Remarks/Reasons for Omission | Page          |
| GRI 2 : General Disclosures | 2-1 Organizational details   | About This Report<br>1.1 Insurance Business as a Social Service<br>1.2 Operation Overview   |                              | 1<br>9-14     |
|                             | 2-2 Entities included in the organization's sustainability reporting             | About This Report<br>1.2 Operation Overview   |                              | 1<br>13-14    |
|                             | 2-3 Reporting period, frequency and contact point                                | About This Report   |                              | 1             |
|                             | 2-4 Restatements of information  | —   | No material change           | —             |
|                             | 2-5 External assurance   | About This Report/Appendix 8. Independent Limited Assurance Report/Appendix 9. Independent Assurance Statement                                      |                              | 1<br>194-199  |
|                             | 2-6 Activities, value chain and other business relationships                     | 1.1 Insurance Business as a Social Service<br>4.3 Sustainable Supply Chain Management   |                              | 9-12<br>72-74 |
|                             | 2-7 Employees  | 7.1 Talent Structure  |                              | 143-144       |
|                             | 2-8 Workers who are not employees  | 7.4.1 Structure of Agents   |                              | 168           |
|                             | 2-9 Governance structure and composition   | 6.1.1 Corporate Governance Structure  |                              | 93-100        |
|                             | 2-10 Nomination and selection of the highest governance body                     | 6.1.1 Corporate Governance Structure  |                              | 93-94         |
|                             | 2-11 Chairperson of the highest governance body                                  | 6.1.1 Corporate Governance Structure  |                              | 95            |
|                             | 2-12 Role of the highest governance body in overseeing the management of impacts | 6.1.1 Corporate Governance Structure  |                              | 99            |
|                             | 2-13 Delegation of responsibility for managing impacts                           | 6.1.1 Corporate Governance Structure  |                              | 99            |
|                             | 2-14 Role of the highest governance body in sustainability reporting             | About This Report<br>2.3 Materiality Analysis   |                              | 1<br>28-29    |

| Topic                       | Disclosure  | Corresponding Section                            | Remarks/Reasons for Omission   | Page    |
|-----------------------------|---|--|--|---------|
| GRI 2 : General Disclosures | 2-15 Conflicts of interest  | 6.1.1 Corporate Governance Structure             |  | 97      |
|                             | 2-16 Communication of critical concerns                           | 6.1.1 Corporate Governance Structure             |  | 97-100  |
|                             | 2-17 Collective knowledge of the highest governance body          | 6.1.1 Corporate Governance Structure             |  | 96-97   |
|                             | 2-18 Evaluation of the performance of the highest governance body | 6.1.1 Corporate Governance Structure             |  | 97      |
|                             | 2-19 Remuneration policies  | 6.1.1 Corporate Governance Structure             |  | 97-98   |
|                             | 2-20 Process to determine remuneration                            | 6.1.1 Corporate Governance Structure             |  | 97      |
|                             | 2-21 Annual total compensation ratio                              | 6.1.1 Corporate Governance Structure             |  | 98      |
|                             | 2-22 Statement on sustainable development strategy                | Letter from the Chairman                         |  | 4-5     |
|                             | 2-23 Policy commitments   | 6.1.2 Integrity Management                       |  | 101-102 |
|                             | 2-24 Embedding policy commitments                                 | 6.1.2 Integrity Management                       |  | 101-102 |
|                             | 2-25 Processes to remediate negative impacts                      | 2.2 Stakeholder Identification and Communication |  | 26-28   |
|                             |   | 2.3 Materiality Analysis                         |  | 28-34   |
|                             |   | 6.1.2 Integrity Management                       |  | 101-106 |
|                             |   | 6.4.1 Diversified Warm Services                  |  | 126-128 |
|                             |   | 7.2.2 Diverse and Inclusive Culture              |  | 149-150 |
|                             |   | 7.2.3 Care for Employee Health and Safety        |  | 150-158 |
|                             | 2-26 Mechanisms for seeking advice and raising concerns           | 6.1.2 Integrity Management                       |  | 103     |
|                             | 2-27 Compliance with laws and regulations                         | 6.1.2 Integrity Management                       |  | 105     |
|                             | 2-28 Membership associations                                      | 2.4 External Participation                       |  | 36      |
|                             | 2-29 Approach to stakeholder engagement                           | 2.2 Stakeholder Identification and Communication |  | 26-28   |
|                             | 2-30 Collective bargaining agreements                             | —  | Nan Shan does not enter into group agreements with its employees and is not subject to the group agreements of other organizations that determine the working conditions and terms of employment of its employees. | —       |



| Topic   | Disclosure  | Corresponding Section   | Remarks/Reasons for Omission | Page            |
|---|---|---|------------------------------|-----------------|
| GRI 3 :<br>Material Topics  | 3-1 Process to determine material topics  | 2.3 Materiality Analysis  |                              | 28-29           |
|   | 3-2 List of material topics   | 2.3 Materiality Analysis  |                              | 30-32           |
|   | 3-3 Management of material topics   | 2.1 H.E.A.R.T. Sustainability Strategic Themes<br>2.3 Materiality Analysis                                    |                              | 17-25<br>33-34  |
| Material Topic: Customer Relations and Service Quality Management |   |   |                              |                 |
|   | Management Approach   | 6.4 Treating Customers Fairly   |                              | 121-126         |
| 417 :<br>Marketing and Labeling                                   | 417-1 Requirements for product and service information and labeling                       | 6.4.2 Transparent Marketing Promotion   |                              | 129-130         |
|   | 417-2 Incidents of non-compliance concerning product and service information and labeling | 6.4.2 Transparent Marketing Promotion   | No such incidents            | --              |
|   | 417-3 Incidents of non-compliance concerning Marketing communications                     | 6.4.2 Transparent Marketing Promotion   | No such incidents            | --              |
| Material Topic: Business Performance                              |   |   |                              |                 |
|   | Management Approach   | 1.2 Operation Overview<br>6.1 Sustainable Governance  |                              | 13-14<br>93-106 |
| 201 :<br>Economic Performance                                     | 201-1 Direct economic value generated and distributed                                     | 1.2 Operation Overview  |                              | 14              |
|   | 201-4 Financial assistance received from government                                       | 1.2 Operation Overview  |                              | 14              |
| Material Topic: Corporate Governance and Integrity Management     |   |   |                              |                 |
|   | Management Approach   | 6.1.2 Integrity Management  |                              | 101             |
| 205 :<br>Anti-corruption  | 205-2 Communication and training about anti-corruption policies and procedures            | 6.1.1 Corporate Governance Structure<br>6.1.2 Integrity Management<br>4.3 Sustainable Supply Chain Management |                              | 97 / 103 / 73   |
| 205 :<br>Anti-corruption  | 205-3 Confirmed incidents of corruption and actions taken                                 | 6.1.2 Integrity Management  | No such incidents            | --              |
| 405 :<br>Employee Diversity and Equal Opportunity                 | 405-1 Diversity of governance bodies and employees  | 6.1.1 Corporate Governance Structure<br>7.1 Talent Structure  |                              | 94 / 143-144    |
| Material Topic: Human Rights Commitments and Protection           |   |   |                              |                 |
|   | Management Approach   | 7.2 A Healthy and Happy Workplace   |                              | 144-158         |

| Topic  | Disclosure  | Corresponding Section                           | Remarks/Reasons for Omission                   | Page    |
|--|---|---|--|---------|
| <b>402 : Labor/Management Relations</b>                            | 402-1 Minimum notice periods regarding operational changes  | —   | According to the Labor Standards Act of Taiwan | —       |
| <b>403 : Occupational Health and Safety</b>                        | 403-1 Occupational health and safety management system  | 7.2.3 Care for Employee Health and Safety       |  | 150-151 |
|  | 403-2 Hazard identification, risk assessment, and incident investigation  | 7.2.3 Care for Employee Health and Safety       |  | 150     |
|  | 403-3 Occupational health services  | 7.2.3 Care for Employee Health and Safety       |  | 150-156 |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | 7.2.3 Care for Employee Health and Safety       |  | 150-151 |
|  | 403-5 Worker training on occupational health and safety   | 7.2.3 Care for Employee Health and Safety       |  | 152     |
|  | 403-6 Promotion of worker health  | 7.2.3 Care for Employee Health and Safety       |  | 150-156 |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 7.2.3 Care for Employee Health and Safety       |  | 151-152 |
|  | 403-8 Workers covered by an occupational health and safety management system  | 7.2.3 Care for Employee Health and Safety       |  | 151     |
|  | 403-9 Work-related injuries   | 7.2.3 Care for Employee Health and Safety       |  | 152     |
|  | 403-10 Work-related illness   | 7.2.3 Care for Employee Health and Safety       |  | 151     |
| <b>406 : Non-discrimination</b>                                    | 406-1 Incidents of discrimination and corrective actions taken  | —   | No incident reported in 2023.                  | —       |
| <b>Material Topic: Information Security and Privacy Protection</b> |   |   |  |         |
|  | Management Approach   | 6.3 Information Security and Privacy Protection |  | 115-116 |
| <b>418 : Customer Privacy</b>                                      | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data                  | 6.3 Information Security and Privacy Protection |  | 120     |

| Topic  | Disclosure   | Corresponding Section  | Remarks/Reasons for Omission | Page               |
|--|--|--|------------------------------|--------------------|
| Material Topic: Digital Finance and Innovation     |  |  |                              |                    |
|  | Management Approach  | 6.4.3 Innovative Fintech Applications  |                              | 130-135            |
| Material Topic: Talent Recruitment and Development |  |  |                              |                    |
|  | Management Approach  | 7.3 Talent Development   |                              | 158-167            |
| 401 : Employment                                   | 401-1 New employee hires and employee turnover   | 7.3.1 Talent Recruitment and Retention   |                              | 160                |
| 404 : Training and Education                       | 404-1 Average hours of training per year per employee                                      | 2.1.1 Sustainable Value Management<br>2.2 Stakeholder Identification and Communication |                              | 24 、 26 / 163      |
|  | 404-2 Programs for upgrading employee skills and transition assistance programs            | 7.2.1 System of Highly Competitive Salary and Benefits<br>7.3.2 Talent Cultivation     |                              | 145-148<br>162-167 |
|  | 404-3 Percentage of employees receiving regular performance and career development reviews | 7.3.1 Talent Recruitment and Retention   |                              | 161                |
| Material Topic: Responsible Investment             |  |  |                              |                    |
|  | Management Approach  | 6.5 Sustainable Finance  |                              | 136-141            |
| Material Topic: Sustainable Products and Services  |  |  |                              |                    |
|  | Management Approach  | 03 Health/4.1.3 Low Carbon Insurance   |                              | 39-47 / 70-71      |
| 203 : Indirect Economic Impacts                    | 203-1 The development and impact of infrastructure investments and support services        | 03 Health/4.1.3 Low Carbon Insurance   |                              | 39-47 / 70-71      |
|  | 203-2 Significant indirect economic impacts  | 03 Health/4.1.3 Low Carbon Insurance   |                              | 39-47 / 70-71      |
| Material Topic: Social Participation               |  |  |                              |                    |
|  | Management Approach  | 05 Action for Good   |                              | 76-91              |
| 203 : Indirect Economic Impacts                    | 203-1 The development and impact of infrastructure investments and support services        | 5.1.2 Social Participation Performance in 2023   |                              | 82                 |
|  | 203-2 Significant indirect economic impacts  | 5.2 Inclusive Finance  |                              | 82-86              |
| Material Topic: Risk Management                    |  |  |                              |                    |
|  | Management Approach  | 6.2 Risk Management  |                              | 107-114            |
| Material Topic: Climate Related Risk Management    |  |  |                              |                    |
|  | Management Approach  | 4.1.1 Climated-Related Risk Management and Response Measures                           |                              | 49-67              |
| 201 : Economic Performance                         | 201-2 Financial implications and other risks and opportunities due to climate change       | 4.1.1 Climated-Related Risk Management and Response Measures                           |                              | 49-67              |

| Topic   | Disclosure  | Corresponding Section  | Remarks/Reasons for Omission | Page          |
|---|---|--|------------------------------|---------------|
| Basic Topic: Employee Rights and Benefits                 |   |  |                              |               |
| 201 : Economic Performance                                | 201-3 Defined benefit plan obligations and other retirement plans                           | 7.2.1 Highly Competitive Salary and Benefits System              |                              | 144-148       |
| 202 : Market Presence                                     | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage          | 7.2.1 Highly Competitive Salary and Benefits System              |                              | 144-145       |
| 401 : Employment  | 401-2 Benefits provided to full-time employees (excluding temporary or part-time employees) | 7.2.1 Highly Competitive Salary and Benefits System              |                              | 145-148       |
|   | 401-3 Parental leave  | 7.2.1 Highly Competitive Salary and Benefits System              |                              | 147           |
| Basic Topic: Diversity of Employees and Equal Opportunity |   |  |                              |               |
| 405 : Diversity and Equal Opportunity                     | 405 : Diversity and Equal Opportunity   | 6.1.1 Corporate Governance Structur<br>7.1 Talent Structure      |                              | 94<br>143-144 |
| GRI 405 : Diversity and Equal Opportunity                 | 405-2 Ratio of basic salary and remuneration of women to men                                | 7.2.2 Diverse and Inclusive CultureBasic Topic: Green Operations |                              | 150           |
| Basic Topic: Green Operations                             |   |  |                              |               |
| 302 : Energy  | 302-1 Energy consumption within the organization  | 4.1.2 Low Carbon Operations                                      |                              | 68            |
|   | 302-3 Energy intensity  | 4.1.2 Low Carbon Operations                                      |                              | 68            |
|   | 302-4 Reduction of energy consumption   | 4.1.2 Low Carbon Operations                                      |                              | 65-68         |
|   | 302-5 Reductions in energy requirements of products and services                            | 4.1.2 Low Carbon Operations                                      |                              | 68-70         |
| 305 : Emissions   | 305-1 Direct (Scope 1) GHG emissions  | 4.1.2 Low Carbon Operations                                      |                              | 64            |
|   | 305-2 Energy indirect (Scope 2) GHG emissions   | 4.1.2 Low Carbon Operations                                      |                              | 64            |
|   | 305-3 Other indirect (Scope 3) GHG emissions  | 4.1.2 Low Carbon Operations                                      |                              | 65            |
|   | 305-4 GHG emissions intensity   | 4.1.2 Low Carbon Operations                                      |                              | 64            |
|   | 305-5 Reduction of GHG emissions  | 4.1.2 Low Carbon Operations                                      |                              | 64-68         |

## Appendix 2. Sustainability Accounting Standards Board (SASB)

| Topic   | Code/Accounting Metric  | Corresponding Section  | Remarks/Reasons for Omission                                | Page           |
|---|---|--|---|----------------|
| Transparent Information & Fair Advice for Customers   | FN-IN-270a.1 Total amount of monetary losses due to legal proceedings associated with marketing and communication of insurance product related information to new and returning customers.  | 6.4.2 Transparent Marketing Promotion  |   | 129            |
|   | FN-IN-270a.2 Complaints-to-claims ratio   | 6.4.1 Diversified Warm Services  |   | 127-128        |
|   | FN-IN-270a.3 Customer retention rate  | 6.4.1 Diversified Warm Services  |   | 128            |
|   | FN-IN-270a.4 Description of approach to informing customers about products  | 6.4.2 Transparent Marketing Promotion  |   | 129-130        |
| Incorporation of Environmental, Social, and Governance (ESG) Factors in Investment Management | FN-IN-410a.2 Description of approach to the incorporation of ESG factors in investment management processes and strategies  | 6.5 Sustainable Finance  |   | 136-140        |
| Policies Designed to Incentivize Responsible Behavior   | FN-IN-410b.1 Net premiums written related to energy efficiency and low carbon technology  | 3.2 Excellent Insurance with Nan Shan  |   | 45             |
|   | FN-IN-410b.2 Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors  | 3.1 Becoming Healthy with Nan Shan<br>3.2 Excellent Insurance with Nan Shan            |   | 39-45<br>46-47 |
| Financed Emissions  | FN-IN-410c.1 Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3   | 4.1.1 Climate-Related Risk Management and Response Measures                            |   | 63             |
|   | FN-IN-410c.2 Gross exposure for each industry by asset class  | 4.1.1 Climate-Related Risk Management and Response Measures                            |   | 61-62          |
|   | FN-IN-410c.3 Percentage of gross exposure included in the financed emissions calculation  | 4.1.1 Climate-Related Risk Management and Response Measures                            |   | 61-62          |
|   | FN-IN-410c.4 Description of the methodology used to calculate financed emissions  | 4.1.1 Climate-Related Risk Management and Response Measures                            |   | 61             |
| Physical risk exposure  | FN-IN-450a.1 Probable Maximum Loss (PML) of insured products from climate-related natural catastrophes ( Probable Maximum Loss, PML )   | —  | Relevant information will be further disclosed before 2026. | —              |
|   | FN-IN-450a.2 Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance) |  |   |                |
|   | FN-IN-450a.3 Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy                               | 4.1.1 Climate-Related Risk Management and Response Measures<br>6.5 Sustainable Finance |   | 59<br>136      |



| Topic                    | Code/Accounting Metric  | Corresponding Section  | Remarks/Reasons for Omission   | Page    |
|--------------------------|---|------------------------|--|---------|
| Systemic Risk Management | Exposure to derivative instruments by category:<br>FN-IN-550a.1 (1) total potential exposure to non-centrally cleared derivatives,<br>(2) total fair value of acceptable collateral posted with the Central Clearinghouse, and<br>(3) total potential exposure to centrally cleared derivatives | —                      | Please refer to pages 101 to 105 of Nan Shan Life 2023 Financial Report.   | —       |
|                          | FN-IN-550a.2 Total fair value of securities lending collateral assets   | —                      | Nan Shan Life does not have transactions of securities lending collateral assets; therefore, this is not applicable. | —       |
|                          | FN-IN-550a.3 Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities   | 6.2 Risk Management    |  | 108-110 |
| Activity Metric          | FN-IN-000.A Number of policies in force (by life insurance, general insurance, and reinsurance)   | 1.2 Operation Overview |  | 14      |

### Appendix 3. Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

| Sustainability Disclosure Indicators – Financial Insurance |  |  |                |
|--|--|--|----------------|
| Indicator  |  | Corresponding Section  | Page           |
| 1  | The number of information breaches, percentage of personal data-related breaches, number of customers affected by the information breaches | 6.3 Information Security and Privacy Protection  | 160            |
| 2  | The number of loans and the balance of financing provided to promote small business and community development                              | Not applicable   | —              |
| 3  | The number of participants in financial education for vulnerable groups who are unfamiliar with banking services                           | Not applicable   | —              |
| 4  | Products and services designed by each business to create environmental or social benefits   | 3.1 Becoming Healthy with Nan Shan<br>3.2 Excellent Insurance with Nan Shan<br>5.2 Inclusive Finance | 39-47<br>82-86 |

## Appendix 4. Climate-Related Information for TWSE and TPEX Listed Companies

| Climate-Related Information for TWSE and TPEX Listed Companies |  |  |                |
|--|--|--|----------------|
| Indicator  |  | Corresponding Section  | Page           |
| 1  | The Board of directors and the management’s supervision and governance of climate related risks and opportunities.   | 4.1.1 Climate-Related Risk Management and Response Measures                                | 49-50          |
| 2  | How the climate risks and opportunities identified by the Company affect the business, strategy and finances of the Company (in short, medium and long term).  | 4.1.1 Climate-Related Risk Management and Response Measures                                | 50-58          |
| 3  | The impact of extreme weather events and Net Zero transformation on finance.   | 4.1.1 Climate-Related Risk Management and Response Measures                                | 51-55          |
| 4  | How the climate risk identification, assessment and management process is integrated into the overall risk management system.  | 4.1.1 Climate-Related Risk Management and Response Measures                                | 60-61          |
| 5  | If a situational analysis is used to assess the resilience to climate-related risks, the Company shall specify the scenario, parameters, assumptions, analysis factors, and key financial impacts.   | 4.1.1 Climate-Related Risk Management and Response Measures                                | 59             |
| 6  | If there is a transformation plan for managing climate-related risks, the Company shall specify the contents of the plan and the indicators and targets for identifying and managing physical and transformation risks.  | 4.1.1 Climate-Related Risk Management and Response Measures                                | 50-55<br>63-64 |
| 7  | Where internal carbon pricing is used as a planning tool, the basis for setting the price should be specified.   | —  | —              |
| 8  | If climate-related targets are set, the Company shall specify the activities covered, the scope of GHG emissions, the schedule, the annual progress of achievement, etc. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant goals, the Company shall specify the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs). | 4.1.1 Climate-Related Risk Management and Response Measures<br>4.1.2 Low Carbon Operations | 63-64<br>68    |
| 9  | GHG Inventory and Assurance  | 4.1.2 Low Carbon Operations<br>Appendix 7.ISO Management System Certificate                | 64-65<br>190   |

Appendix 5. Principles for Responsible Investment (PRI)

| Principle  | Nan Shan Life’s Implementations  | Corresponding Section   |
|--|--|-------------------------|
| Principle 1 :<br>We will incorporate ESG issues into investment analysis and decision-making processes.          | <p>Incorporate ESG issues throughout the processes of pre-investment target analysis, investment decision-making, and post-investment management :</p> <ul style="list-style-type: none"><li>• Pre-Investment Analysis and Decision-Making: Exclude the list of unsuitable-for-investment targets. Utilize international ESG databases to objectively evaluate potential targets based on their actions toward environmental, social and governance topics. In addition, check whether potential targets are included in the list of carbon intensive industries. If yes, check further if they have carbon reduction plans in place.</li><li>• Post-Investment Management: Regularly track if invested companies are experiencing a significant increase in ESG risks or major ESG risk incidents. After analyzing the reasons for increased ESG risks, should any violations to ESG issues and Nan Shan’s responsible investment principles is evident, the Responsible Investment Team will evaluate the corresponding measures and take proper actions in time. In addition, regularly monitor if the invested companies fall into carbon intensive industries. If yes, review if they have carbon reduction plans in place and periodically assess the impact of climate risk changes to our investment portfolios.</li></ul> | 6.5 Sustainable Finance |
| Principle 2 :<br>We will be active owners and incorporate ESG issues into our ownership policies and practices.  | <ul style="list-style-type: none"><li>• Proactively practice the shareholder activism and participate in the shareholder meetings of companies in which we invest in.</li><li>• Examine whether invested companies have any motion which may be detrimental to ESG topics, support those motions involving low-carbon transformation projects and effectively use motions to communicate with invested companies about the importance of implementing responsible investment principles.</li></ul>   |                         |
| Principle 3 :<br>We will seek appropriate disclosure on ESG issues by the entities in which we invest.           | <p>Seize the opportunity when engaging dialogues with invested companies and when appropriate, encourage them to disclose ESG related information such as the sustainability report.</p>   |                         |
| Principle 4 :<br>We will promote acceptance and implementation of the Principles within the investment industry. | <p>The Responsible Investment Team actively promotes and advocates Nan Shan’s plans and implementation to overseas investment partners and has received positive feedbacks, helping to shape future collaborations on ESG investment projects.</p> <p>In addition, with regard to those investment counterparties and intermediaries that have not yet signed or practiced the international ESG principles and standards, Nan Shan not only delivers the advocacy documents to them, but also encourages them to collectively enforce the concept of responsible investment and closely follows up their implementation progress.</p>   |                         |
| Principle 5 :<br>We will work together to enhance our effectiveness in implementing the Principles.              | <p>Communicate with data vendors and purchase databases based on practical needs, including data on the rating analysis, ESG risk indicators, and risk event assessment for three pillars of ESG.</p>  |                         |
| Principle 6 :<br>We will each report on our activities and progress towards implementing the Principles.         | <p>Issue the Corporate Sustainability Report every year, and publicly disclose the progress towards implementing the Stewardship Principles for Institutional Investors.</p>   |                         |


## Appendix 6. Principles for Sustainable Insurance (PSI)

| Principle   | Nan Shan Life's Implementations   | Corresponding Section  |
|---|---|--|
| Principle 1 :<br>Incorporation of ESG issues into insurance company's decision-making | <p><b>Company strategy</b></p> <ul style="list-style-type: none"><li>● Convene a corporate sustainability committee meeting every six months. (changed to quarterly meeting from 2024)<br/>The corporate sustainability implementation team reports on the progress of sustainability and submits relevant proposals for approval and recordation by the Board. The Board manages and supervises the relevant issues.</li><li>● Nan Shan formulated the” H.E.A.R.T.” sustainability strategic themes in 2021, promoting ESG sustainable development in the five major aspects: Health Promotion, Earth Protection, Action for Good, Reliability, and Talent.</li></ul>  | 2.1 H.E.A.R.T. Sustainable Development strategic themes<br>6.1 Sustainable Governance                |
|   | <p><b>Risk management and underwriting</b></p> <ul style="list-style-type: none"><li>● Fully incorporate ESG issues into the processes of pre-investment target analysis, investment decision-making, and post-investment management.</li><li>● Apply various risk management tools, including Risk and Control Self- Assessment (RCSA), Key Risk Indicator (KRI), and the market and credit measurement system (Algo), etc., to establish relevant risk control mechanisms and proactively improve the internal risk quantification model, to ensure the implementation of risk management.</li><li>● Nan Shan General Insurance also takes into account various ESG issues in the underwriting process. For highly polluting industries, such as the coal mining industry, coal-fired power generation industry, and atypical oil and gas industry, the Company has listed them as non-insurance objects. In addition, there are separate underwriting specifications for ESG-related industries (such as solar energy, wind power generation, energy storage cabinets and other green energy industries) to assist related industries in insurance arrangements.</li></ul>   | 6.2 Risk Management<br>6.5 Sustainable Finance   |
|   | <p><b>Product and service development</b></p> <ul style="list-style-type: none"><li>● “Nan Shan Life Health Protection Circle”:<br/>Collaborated with business partners from different industries to create a “Wellness” and “Healthcare” platform for insurance products and services, for effective prevention of diseases and disability risks, satisfy the demand for medical and health care, and create new insurance products that empower services and promote health.</li><li>● Health spillover-effect products:<br/>The Company's health spillover-effect products consist of three operational mechanisms: “Cash-back rewards”, “Increased coverage”, and “Premium discount”. Through the reward mechanisms, the Company integrates policyholders' self-health management concept with insurance products, encouraging them to exercise regularly and eat a healthy diet. The Company hopes to reduce the illness incidence and achieve the benefits of prevention in advance and lower medical expenses, thus to create a win-win-win spillover effect.</li><li>● Prevention of damage, pandemic, or other insurance types with social functions:<br/>To provide companies with protections for business continuity, Nan Shan General Insurance offers large-scale corporate clients with damage-prevention services. Damage-prevention engineers of Nan Shan General Insurance carry out infrared ray inspections and give suggestions to enhance the operational safety of the clients.</li><li>● Microinsurance and other insurance products for disadvantaged groups:<br/>Provide basic accidental death and disability protection to the economically disadvantaged and physically/mentally disabled people through group microinsurance applied by insured units. In 2023, Nan Shan Life Charity Foundation donated about NT\$23 million to help more than 115,000 disadvantaged people obtain basic protection of microinsurance.</li></ul> | 3.1 Becoming Healthy with Nan Shan<br>3.2 Excellent Insurance with Nan Shan<br>5.2 Inclusive Finance |

| Principle  | Nan Shan Life's Implementations   | Corresponding Section   |
|--|---|---|
| Principle 1 :<br>Incorporation of ESG issues into insurance company's decision-making  | <b>Claims Management</b> <ul style="list-style-type: none"> <li>● If the insurance claims are “Clean cases”, the rate of one-day settlement is 100%.</li> <li>● Collect customer feedback and satisfaction rate. In 2023, the service counter satisfaction rate was <math>\geq 99\%</math>.</li> <li>● The Company promotes medical bill deduction from claim settlement, claims online system, claims alliance chain, and the service where medical institutions directly offset medical expenses with claim benefits, to simplify the claims application process for policyholders.</li> <li>● Promote electronic claims documents, send payment notices via text messaging or email, with the aim to reduce the cost of paper printing and postage, to implement conservation and carbon reduction.</li> <li>● Proactively reminds spillover insurance policyholders to apply for the health promotion cash-back rewards and the epidemic prevention cash-back rewards before the due date for application, and encourage them to implement health management and enhance their health.</li> <li>● For policyholders who apply for long-term care insurance payout for the first time, designated claims personnel take the initiative to contact the policyholder and explain their rights for protection and benefits, and provide timely and attentive claim services.</li> </ul> | 6.4 Treating Customers Fairly   |
|  | <b>Sales and Promotion</b> <ul style="list-style-type: none"> <li>● In 2023, the Company provided the digital course on “Principles of Treating Customers Fairly Policies and Strategies”, with 4,017 people completing the training, a completion rate of 100%. The staff were tested before and after each class, to enhance their mastery of the course material.</li> <li>● Provided diverse means such as video-conferencing, physical classes, and digital channels, to strengthen the TCF awareness among agents. Used concrete cases to establish proper behavior model for the agents.</li> </ul>  | 6.4 Treating Customers Fairly   |
|  | <b>Investment Management</b> <ul style="list-style-type: none"> <li>● In compliance with the Principles for Responsible Investment (PRI) , the Company continues to improve and deepen its implementation of responsible investment through strategies and actions, including expanding the breadth and depth of sustainability investments, strengthening the ESG database construction capability, increasing the training for internal ESG talents, and improving the communication with invested companies, with the aim to effectively integrate ESG factors into Nan Shan's investment strategies.</li> </ul>   | 6.5 Sustainable Finance   |
| Principle 2 :<br>Raise the awareness of ESG issues among customers and business partners, manage risks and develop solutions | <b>Customers and Suppliers</b> <ul style="list-style-type: none"> <li>● Customers: The Company actively promotes the concept of health promotion, and has applied the innovative insurance technology (InsurTech) digital tools to develop innovative insurance products with health spillover effects. In addition, the Company has also created a "Health Protection Circle" to plan and provide both professional and innovative health care products for customers.</li> <li>● Suppliers: Supplier/Contractor letter of commitment and Nan Shan Life cooperative partner letter of commitment are in place to ensure that suppliers meet Nan Shan Life's requirements for legal compliance, integrity and ESG.</li> </ul>   | 3.1 Becoming Healthy with Nan Shan<br>4.3 Sustainable Supply Chain Management |



| Principle   | Nan Shan Life's Implementations  | Corresponding Section  |
|---|--|--|
| Principle 2 :<br>Raise the awareness of ESG issues among customers and business partners, manage risks and develop solutions                              | <b>Insurers, Reinsurers, and Brokerage Agencies</b> <ul style="list-style-type: none"><li>Communicate with the insurers, reinsurers, and brokerage agencies from time to time to provide ESG related education and information, to enhance their awareness and professional knowledge of ESG.</li></ul>  | 6.5 Sustainable Finance  |
| Principle3 :<br>Work together with governments, regulators of the insurance industry and other key stakeholders to promote actions related to ESG issues. | <b>Governments, Regulators and Other Policymakers</b> <ul style="list-style-type: none"><li>Proactively responds to the sustainability promotion development policies of the competent authority (including Corporate Governance 3.0, Green Finance Action Plan 3.0, etc.), and has formulated the main themes of sustainability strategies, relevant action plans, and objectives.</li><li>Participated in the preparation and compilation of Life Insurance Association's Scope 3 financed emissions practical manual, and enhanced relevant inventory and disclosure.</li><li>Committed to the establishment of Science-Based Targets (SBT) for carbon reduction to achieve the Paris Agreement goals, and to continue to promote and implement the relevant low-carbon action plans.</li></ul>   | 2.1 H.E.A.R.T. Sustainable Development Strategic Themes<br>4.1.1 Climate-Related Risk Management and Response Measures |
|   | <b>Other Key Stakeholders</b> <ul style="list-style-type: none"><li>Nan Shan Life has seen the trend of demand for long-term care in Taiwan. For the third consecutive year, the Company published a research survey in the field of long-term care, "White Paper on Cross-Generational Co-Wellness", investigating the deficiency of the living needs of the elderly from different generations, and identifying the trend and opportunities in the industry with the long-term care organizations. At the same time, the Company continued to work with the Industrial Technology Research Institute (ITRI) to review international policies and industrial trends, and to learn from the practices of long-term care benchmark enterprises at home and abroad, focusing on the four concepts of "co-living, co-creation, co-learning, and co-happiness" to promote generation interaction and integration. In liaison with its key stakeholders, the Company has put forward the "Cross-Generational Co-Wellness" initiative and advice, hoping to help everyone become healthier and face aging with ease.</li></ul> | 2.2 Stakeholder Identification and Communication<br>3.1 Becoming Healthy with Nan Shan<br>7.3 Talent Development       |

| Principle  | Nan Shan Life's Implementations   | Corresponding Section   |
|--|---|---|
| <p>Principle3 :</p> <p>Work together with governments, regulators of the insurance industry and other key stakeholders to promote actions related to ESG issues.</p>                       | <ul style="list-style-type: none"><li>• For 10 consecutive years, the Company has cooperated with the Department of Finance of National Taiwan University to offer the "Life Insurance Management Practice Seminar ". Since 2018, the Company has been cooperating with the Department of Actuarial Mathematics of Soochow University to train insurance actuarial professionals, and has donated to National Sun Yat-sen University and National Chengchi University to establish the School of Finance, to continue to convey the power and value of social stability of insurance and nurture insurance elite talents.</li><li>• Collaborated with Business Today's "ESG Sustainable Taiwan" and the CommonWealth Magazine's "CSR@CommonWealth" ESG media platforms, and established a Nan Shan Zone to conduct focused communication with important stakeholders, including government units, opinion leaders, and the public, through a series of strategic communication and publicity related to sustainability management.</li></ul> <div></div> <p>ESG SustainableTaiwan</p>                | <p>2.2 Stakeholder Identification and Communication</p> <p>3.1 Becoming Healthy with Nan Shan</p> <p>7.3 Talent Development</p> |
| <p>Principle 4 :</p> <p>Transparent disclosure of the implementation of the responsible insurance principles, and regard regular and honest disclosure as the Company's responsibility</p> | <ul style="list-style-type: none"><li>• Since 2014, the Company has been independently compiling the annual sustainability report, with certification or assurance from independent third-party institutions. The 2023 Nan Shan Life Sustainability Report referenced the Global Reporting Initiative (GRI) standards, SASB standards, IR published by the International Integrated Reporting Council (IIRC), the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by TWSE, the "Sustainability Disclosure Indicators - Financial Insurance Industry", and the "Climate-related Information for TWSE and TPEX Listed Companies" to disclose sustainability information.</li><li>• Established a corporate sustainability website, and completed the updates on the "sustainable development implementation status" webpage on the official website within three months after the end of the year, to strengthen the quality of information disclosure.</li><li>• Participated in the evaluation based on the "Stewardship Principles for Institutional Investors", and disclosed the sustainability promotion status.</li></ul> | <p>2.2 Stakeholder Identification and Communication</p>   |

# Appendix 7. ISO Management System Certificate

ISO 14064-1  
Greenhouse Gas Verification



ISO 14001  
Environmental Management System



ISO 50001  
Energy Management System



ISO 46001  
Water Efficiency Management Systems



ISO 14046  
Water Footprint Verification Statement



ISO/IEC 27001  
Information Security Management Systems  
-- Nan Shan Life



ISO/IEC 27001  
Information Security Management Systems  
--Nan Shan General



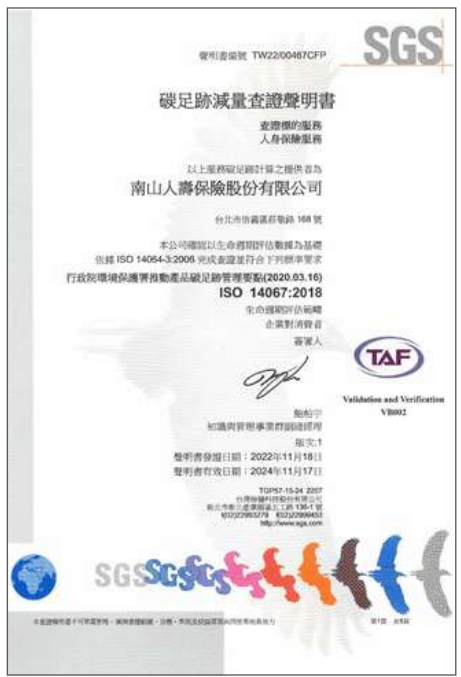
ISO 22301  
Business Continuity Management System







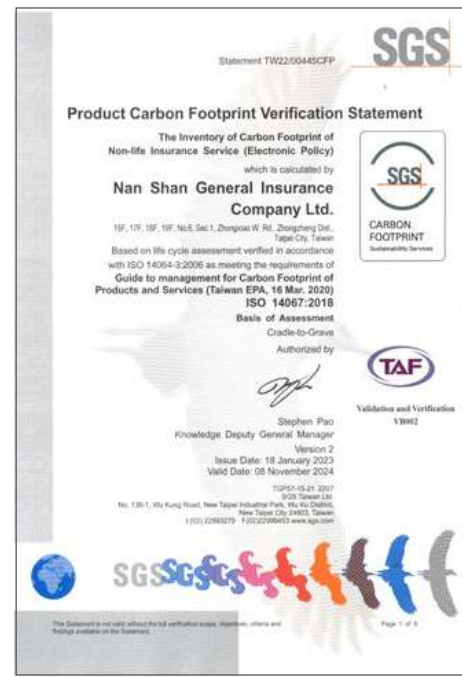
ISO 14067  
Carbon Footprint Reduction Verification Statement  
- Life insurance service  
- Nan Shan Life



ISO 14067  
Carbon Footprint Verification Statement  
- Non-life Insurance Service  
- Nan Shan General



ISO 14067  
Carbon Footprint Verification Statement  
- Non-life insurance service ( Electronic Policy)  
- Nan Shan General






| KPMG  |  |   |   |
|-------|--|---|---|
| No.   | Corresponding Section                                  | Subject Matter Information  | Applicable Criteria   |
| 2     | 3.1.1 Health Protection Circle                         | <ul style="list-style-type: none"><li>■ White Paper on Super Aged Society, Facing the Challenges of Super Aged Society :<ul style="list-style-type: none"><li>- Nan Shan Life foresees Taiwan's medical and long-term care needs, and published a research survey in the field of long-term care for the third consecutive year. In September 2023, it released the latest White Paper on Super Aged Society, hoping to help every of us face aging with health.</li><li>- Through the launch of LOHAS Map, we include disease care, life support and health activities, establish 12 service zones and provide over 40 service solutions.</li><li>- More than 1,300 people have experienced the Brain Age Testing for dementia prevention.</li><li>- The two major themed web pages, How to Face a 100 Year Old Life and LOHAS Map, were launched in September, receiving approximately 480,000 visits by the end of the year.</li></ul></li></ul>   | Taiwan Stock Exchange Corporate Rules Appendix 1-3 No.4 Products and services designed by individual operating units to create benefits for the environment or society. |
|       | 3.1.2 Insurance Products with Health Spillover Effects | <ul style="list-style-type: none"><li>■ 2023 Number of New Contracts of Spillover-effect Insurance Policies (thousand): 600 ; Market Share (%): 53.1</li><li>■ Cashback option contributing to over 60% of spillover-effect insurance policy sales in 2023</li><li>■ In 2023, Nan Shan Life Continued to Innovate and Launched Various Insurance Products with Health Management Reward Mechanisms :<ul style="list-style-type: none"><li>- A series of cancer insurance products with health management reward mechanisms :<ul style="list-style-type: none"><li>(1) The number of new contracts in 2023 was approximately over 118,300.</li><li>(2) The number of new contracts for new products in 2023 was approximately over 9,000.</li></ul></li><li>- Diversified and innovative products (with health management reward mechanisms) targeting different groups :<ul style="list-style-type: none"><li>(1) The number of new contracts for new products in 2023 was approximately over 16,800.</li></ul></li></ul></li></ul> |   |
|       | 3.2 Excellent Insurance with Nan Shan                  | <ul style="list-style-type: none"><li>■ Nan Shan General has launched the first microinsurance in Taiwan property insurance industry - the Fire Inconvenience Expenses Insurance. Nan Shan Life Charity Foundation will donate premiums to low-income and middle-income policyholders in Taiwan with their residences damaged by a fire accident, with a fixed amount of NT\$8,000 per person, to guarantee basic food and temporary accommodation of policyholders. From August to December 2023, we have successively signed contracts and cooperated with five counties and cities, including Pingtung, Hsinchu, Penghu, Keelung and Nantou to provide the service to approximately 80,000 people, fulfilling the mission of emergency assistance of the insurance industry.</li></ul>   |   |
| ~ 4 ~ |  |   |   |

| KPMG  |                                       |   |   |
|-------|---------------------------------------|---|---|
| No.   | Corresponding Section                 | Subject Matter Information  | Applicable Criteria   |
| 2     | 3.2 Excellent Insurance with Nan Shan | <ul style="list-style-type: none"><li>■ Nan Shan General has launched the Residential Green Energy Upgrade Clause to encourage policyholders to take green actions by providing incentives such as preferential premiums, so as to create a sustainable environment and implement low-carbon living together with customers. This product mainly applies to policyholders of Nan Shan General Residential Fire and Earthquake Basic Insurance, Nan Shan General Comprehensive Residential Insurance, and Nan Shan General Comprehensive Household Insurance. Policyholders are covered by the Residential Green Energy Upgrade Clause after paying the insurance premium. In the event of an insurance accident that causes damage to the insured subject, the policyholder may choose to repair or rebuild the insured subject with green building materials and equipment, and the claim amount can be increased to 150% of the total claim amount calculated based on the main insurance contract.</li></ul> | Taiwan Stock Exchange Corporate Rules Appendix 1-3 No.4 Products and services designed by individual operating units to create benefits for the environment or society. |
|       | 3.2 Excellent Insurance with Nan Shan | <ul style="list-style-type: none"><li>■ Residential Green Energy Upgrade Clause Driving Performance in 2023 :<ul style="list-style-type: none"><li>- Policies Sold : 1,099</li><li>- Premium Income (NT\$) : 219,259</li></ul></li></ul>  |   |
|       | 5.2 Inclusive Finance                 | <ul style="list-style-type: none"><li>■ Microinsurance : As of 2023, Nan Shan Life Charity Foundation has donated more than NT \$90 million in microinsurance premiums over the past year, helping more than 400,000 disadvantaged people get basic protection.</li><li>■ Micro-whole-life Insurance :<ul style="list-style-type: none"><li>(1) By the end of 2023, Nan Shan Life issued more than 50,000 effective insurance policies for people aged 55 or above, effectively enhancing the basic insurance protection for the elderly generation.</li><li>(2) By the end of 2023, the total number of effective policies was nearly 140,000. Compared with the number of policies last year, which was about 120,000, there was an increase of nearly 15%, continuously expanding the micro-whole-life insurance protection.</li></ul></li></ul>   |   |
| 3     | 6.1.2 Integrity Management            | <ul style="list-style-type: none"><li>■ Regarding the case in which Nan Shan Life was imposed penalty for violating labor laws in 2023, the main circumstances and reasons are as follows: Since the 1970s, the Company has been entering "contracting/commission" relationship with its agents. However, some agents claimed that they had entered "labor contract" with the Company. In this regard, the opinions of the civil court and the executive court are inconsistent, which have led to the relevant legal disputes. The Company has always adhered to the legal norms and will comply with the I.Y. Interpretation No. 740 and continue to resolve the relevant disputes through legal channels.</li></ul>  | GRI Standards 2-27 Compliance with laws and regulations   |
| ~ 5 ~ |                                       |   |   |

| KPMG  |  |  |  |
|-------|--|--|--|
| No.   | Corresponding Section                          | Subject Matter Information   | Applicable Criteria  |
| 3     | 6.1.2 Integrity Management                     | <ul style="list-style-type: none"><li>*The major sanction and disciplinary action are determined by the "Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation".</li><li>■ In 2023, the number of penalties imposed by the competent labor authority was 52 based on the violations of the law, and the total fine was NT \$24,800,000.</li></ul>  | GRI Standards 2-27 Compliance with laws and regulations                                      |
|       | 5.1.2 Social Participation Performance in 2023 | <ul style="list-style-type: none"><li>■ In 2023, Nan Shan Life called about 12,000 people to participate in public welfare activities, supporting more than 250 public welfare organizations/hospitals. Nan Shan Charity Fund Medical Care Project and the Company's microinsurance supported more than 360,000 disadvantaged people, such as low-mid income households, the elderly, and people with mental and physical disabilities.</li><li>■ In 2023, Nan Shan Life's total fund input for public welfare activities was approximately NTS196 million. :<ul style="list-style-type: none"><li>- Cash donation (NT\$ thousand) : 125,040</li><li>- Corporate volunteers' service hours : 51,940</li><li>- Time contribution (Monetary equivalent of employee volunteers' service hours) (NT\$ thousand) : 15,322</li><li>- Donation of physical articles and goods (NT\$ 1,000) : 688</li><li>- Administrative expenses (NT\$ thousand) : 54,488</li></ul></li><li>* All the above public welfare activities were organized by Nan Shan Life, and the resources needed for the activities were provided by the Company to its agents. The Company also provides volunteer paid-leave for a maximum of 2 days every year for its employees.</li><li>** The "Administrative cost" refers to the personnel and administrative costs incurred in organizing various public welfare activities, including the salaries of employees of Nan Shan Life Charity Foundation and Department of Branding Communication &amp; Corporate Affairs.</li></ul> | GRI Standards 203-1 Infrastructure investments and services supported                        |
|       | 5.4.3 Sustainable Supply Chain Management      | <ul style="list-style-type: none"><li>■ We invite suppliers to sign the Supplier/Contractor Commitment and to follow corporate social responsibility commitments related to integrity management, labor and human rights, and environmental sustainability. In the first quarter of 2023, the Company sent supplier commitment agreements to 491 suppliers who had business relationship with Nan Shan in 2022 for ethical management and communication. With 210 suppliers signing back, the ratio of communication was 42.77%.</li></ul>   | GRI Standards 205-2 Communication and training about anti-corruption policies and procedures |
| ~ 6 ~ |  |  |  |

| KPMG  |                                      |  |  |
|-------|--------------------------------------|--|--|
| No.   | Corresponding Section                | Subject Matter Information   | Applicable Criteria  |
| 5     | 6.1.1 Corporate Governance Structure | <ul style="list-style-type: none"><li>■ In 2023, all the 14 directors were communicated with and trained on integrity management, with 100% attendance rate.</li></ul> | GRI Standards 205-2 Communication and training about anti-corruption policies and procedures |
|       | 6.1.2 Integrity Management           | <ul style="list-style-type: none"><li>■ In 2023, 100% of employees attended the training on code of conduct, with a total of 4,548 participants.</li></ul>             |  |
|       |                                      |  |  |
| ~ 7 ~ |                                      |  |  |

Appendix 9. Independent Assurance Statement



ASSURANCE STATEMENT

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE NAN SHAN LIFE INSURANCE CO., LTD'S SUSTAINABILITY REPORT FOR 2023**

**NATURE AND SCOPE OF THE ASSURANCE**

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Nan Shan Life Insurance CO., LTD. (hereinafter referred to as Nan Shan Life) to conduct an independent assurance of the Sustainability Report for 2023 (hereinafter referred to as the Sustainability Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 Moderate level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018) during on-site assurance (2024/03/19–2024/05/07) in Nan Shan Life headquarter. The boundary of this report includes Nan Shan Life Taiwan operational and service sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

**INTENDED USERS OF THIS ASSURANCE STATEMENT**

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

**RESPONSIBILITIES**

The information in the Nan Shan Life's Sustainability Report of 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Nan Shan Life. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all Nan Shan Life's stakeholders.

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

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

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

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

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**SCOPE OF ASSURANCE AND REPORTING CRITERIA**

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

| Reporting Criteria Options |   |
|----------------------------|---|
| 1                          | GRI Standards (in Accordance with)      |
| 2                          | AA1000 Accountability Principles (2018) |
| 3                          | SASB (Insurance)                        |

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in Nan Shan Life's Sustainability Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for Nan Shan Life and moderate level of scrutiny for its subsidiaries or joint ventures,
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.
- The evaluation of the report against the SASB Disclosures and Metrics included in the Insurance Sustainability Accounting Standard (VERSION 2023-12) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

**ASSURANCE METHODOLOGY**

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

**LIMITATIONS AND MITIGATION**

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

**STATEMENT OF INDEPENDENCE AND COMPETENCE**

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

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

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**ASSURANCE/VERIFICATION OPINION**

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

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

**Inclusivity**

Nan Shan Life has demonstrated a commitment to stakeholder inclusivity and stakeholder engagement. Relevant stakeholders can provide feedback through various real-time communication channels. A variety of engagement efforts to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

**Materiality**

Nan Shan Life has established mature processes to identify material topics and significant stakeholders, integrating multiple international sustainability indicators and industry trends. The identification results have been confirmed by the sustainability committee.

**Responsiveness**

For significant stakeholders' concerning topics, there are relevant committees to manage and respond to these issues, and corresponding communication strategies have been established. The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

**Impact**

Nan Shan Life has implemented a process for identifying and monitoring impacts, encompassing a wide range of environmental, social, and governance topics. These topics are derived from various sources, including activities, policies, programs, products, and services. The impacts associated with material topics are managed within the related management systems or procedure. For future reporting, Nan Shan Life is encouraged to disclose more about the effectiveness of preventing and mitigating negative impacts.

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

The report, Nan Shan Life's Sustainability Report of 2023, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to Nan Shan Life's contributions to sustainability development. For future reporting, it is advisable to strengthen how the organization applies due diligence indicators as the basis for optimizing its management approach, including impacts on the economy, environment, and people, as well as the role of the highest governing body in overseeing related management processes.

TWLPFS008 Issue 2404

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Nan Shan Life has referenced with SASB's Standard, Insurance, VERSION 2023-12, to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the financial data reported in Nan Shan Life's Sustainability Report of 2023. Nan Shan Life used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. Process to identify, assess, and manage topic-related risks and opportunities were integrated into Nan Shan Life's overall management process. It is recommended to monitor evolving mandatory disclosure requirements in relevant jurisdictions and set a comprehensive disclosure plan for the relevant disclosure topics required by SASB.

Signed:  
For and on behalf of SGS Taiwan Ltd.



Stephen Pao  
Business Assurance Director  
Taipei, Taiwan  
12 May, 2024  
[www.sgs.com](http://www.sgs.com)





