



Nan Shan Life  
**2019**  
Sustainability Report



## Editorial principles

Nan Shan Life Insurance Co., Ltd. (Nan Shan Life) has been a key player in Taiwan's insurance industry. In addition to providing a comprehensive selection of innovative products and services, we create sustained value for our policyholders, shareholders, and employees. Moreover, we have been deeply committed to fulfilling corporate social responsibilities. With the combined efforts and influences of our entire personnel and agents, we actively engage local communities and participate in various charity events. This marks the seventh Sustainability Report by Nan Shan Life. Through this, we hope to display our endeavors and achievements in business activities as well as economic, social, and environmental dimensions to the general public and all stakeholders that care about us. In support of environmental friendliness, this report can also be viewed and downloaded in PDF format from the CSR section of our official website.



CSR

### Period and scope

The annual Sustainability Report covers the period of Jan. 1 to Dec. 31, 2019, as well as information on the human resources structure and some products and services of Nan Shan General Insurance Company. In addition, for a complete presentation of CSR-related agendas and performances, the content and results of some projects also include data and information from 2017 to 2108 and those in the first quarter of 2020.

### Guideline

- This report complies with the Core option of the Global Reporting Initiative (GRI) Standards.
- Account Ability's AA 1000 standard (Type 1, moderate level).
- Embraces the integrated reporting (IR) spirit of the International Integrated Reporting Council.
- This report has been certified by a third-party certification body, the SGS-Taiwan, confirming that the disclosures herein comply with the GRI Standards' Core option. (Refer to pages.116-117)

### Publish

The last report was published in August, 2019; the next report is expected to be published by August, 2021.

The published period: Every year

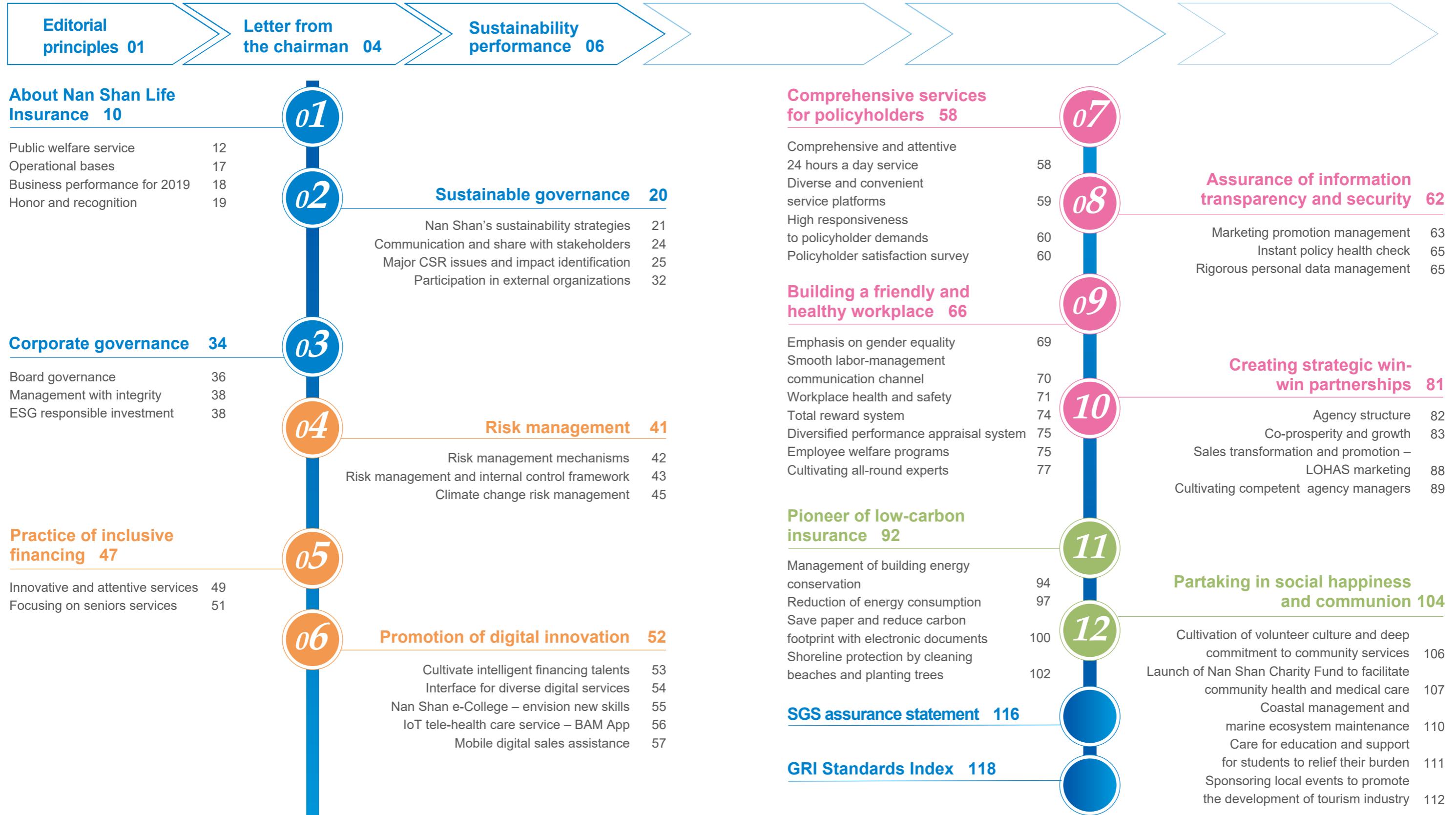
### Contact information

Point of contact : Nan Shan Life Branding & Corp. Affairs Dept  
Address : No. 168, Zhuangjing Rd., Xinyi Dist., Taipei, Taiwan, R.O.C.  
Telephone : 8758-8888\*88707  
Email : NS-PR@NANSHAN.com.tw  
Website : <http://www.nanshanlife.com.tw/>



Nan Shan Life

# Contents



# LETTER FROM THE CHAIRMAN

This marks the seventh Sustainability Report by Nan Shan Life. At Nan Shan Life, our greatest mission is to serve as the "representative of our policyholders' happiness". By upholding the core values of "trust", "care", and "integrity" and driving sustainability through a spirit of public welfare service, we actively invest in the development and utilization of cutting-edge financial technologies to establish an optimal operational model for the provision of insurance services. Offering diversified products and exceptional services, we continue to fulfill our commitment to social responsibility as well as to our policyholders, employees and stakeholders, setting a solid foundation for the sustainability and competitive advantage of Nan Shan.

## A spirit of public welfare service

The needs of policyholders serve as the driving force behind Nan Shan Life. This has allowed us to lead the industry in creating new and innovative financial services. In 2019, with the combined efforts of our staff and agents, we continuously launched an array of quality services and innovative products, demonstrating an outstanding level of operational performance to our policyholders. In recognition of our excellent services, we were named as one of the "World's Top 100 Most Valuable Brands of insurance in 2019" and won four Quality Insurance awards from RMIM Inc., becoming the most trusted and recommended insurance company to consumers in Taiwan and once again elevating our value to policyholders.

In addition to cross-industry recognition of the effectiveness of our insurance services throughout the years, Nan Shan Life also continues to remain committed to fulfilling its CSR. With our promotion and implementation of a variety of CSR projects, we were awarded the 2019 "Enterprise Asia Responsible Enterprise Award-Health Promotion", from Enterprise Asia "Domestic Life Insurance of the Year-Taiwan" and "CSR Initiative of the Year-Taiwan" from Insurance Asia Magazine. Indeed, our efforts and achievements in CSR have been gradually attracting the widespread attention and recognition of international media.

## New milestones for Nan Shan in a New LOHAS Era

As the global community continues to shift its focus towards trends in sustainable development, we have discovered that the lifestyle and insurance needs of our clients are already being impacted by Taiwan's aging population and decreasing birth rate. In addition to the influence of climate change on the population's health and assets, Nan Shan Life services in the insurance industry allows it to provide risk mitigation mechanisms needed by an increasing number of people. Using both direct and indirect methods to achieve the Sustainable Development Goals (SDGs) defined by the United Nations, we provide stakeholders with insurance products and services that offer comprehensive protection from all manners of risk.

As a result, we have set 2020 as the beginning of Nan Shan Insurance's era of LOHAS (Lifestyles of Health and Sustainability) by promoting health and happiness through sustainable practices. Product promotion events related to the spirit of LOHAS help to drive a spirit of health and happiness throughout Taiwan. At the same time, we continue in providing protection and peace of mind by focusing on the health and happiness of our clients. By combining innovative new products and technological platforms, we continue to develop more diversified "health and LOHAS" related products and services, providing customers with better services and achieving new milestones in sustainable LOHAS for Nan Shan.

Facing the issues arising from the launch of the 2019 Envision system, with the efforts of all employee, we will continue to optimize the functions of the system in order to resume the sales of investment products as soon as possible and provide policyholders with a more comprehensive range of products and services.

## Inclusiveness and community with low carbon insurance

Nan Shan Life actively pursues the realization of green business initiatives. Moving early to become "low-carbon pioneers in insurance" serves as one of our sustainability strategies to develop low-carbon insurance services. In 2018, aligning with international trends, Nan Shan Life led the industry as one of only two domestic insurance companies to becoming signatory of the Task Force on Climate-related Financial Disclosures (TCFD). In 2019, we continued to lead forward as the first to adopt "ISO 14067 standards specifying the "carbon footprint of products" and establishing the first "Carbon Footprint of Products - Product Category Rules (CFP-PCR)" of Life insurance in Taiwan. As a result, we were awarded Carbon Footprint Labels from both SGS and the Environmental Protection Administration, serving as recognition of our commitment towards sustainability.

As for promoting social inclusion, Nan Shan Life leverages its position as an industry leader to advocate for financial inclusiveness along with multiple measures for providing the elderly and disadvantaged groups with better and more convenient financial services. In 2013, we launched the "Nan Shan Charity Foundation - Medical Care Project". By the end of 2019, the program had assisted over 34,000 disadvantaged people in receiving the medical attention they needed. The Program also hosted numerous "Safeguarding Memories", and Friendly Community" events throughout Taiwan to raise awareness for the care of Alzheimer's patients in the hopes of fulfilling our corporate social responsibilities through continuous care and uncompromising service. We hope that through our actions and commitment, we are able to engage communities throughout Taiwan, and provide them with warmth and happiness.

With over NT\$4 trillion in assets, Nan Shan Life is a major player in the global investment industry. Facing the rapidly changing global economy, our management team continues to exercise the utmost care to protect our stakeholders' investments by adjusting our business and investment strategies according to daily review of the shifts in political and economic situations around the world.

We will continue to grow both the value and quality of our insurance, as well as offer sound investment strategies to protect the assets of policyholders and interests of shareholders. With Nan Shan's momentum of sustainable growth, we are gradually reaching our goal of becoming the top insurance company in the Asia-Pacific region.

Chairman (CSR Committee Chairman)



## SUSTAINABILITY PERFORMANCE



# About Nan Shan Life Insurance



Established in July 1963, Nan Shan Life Insurance Co.,Ltd. (Nan Shan Life), one of the oldest insurance companies in Taiwan, is well-known for its professional operations and financial soundness. The company has gained public recognition as a leader in the industry in terms of quality of agents, educational training, technological applications and customer services.

Spanning the whole of Taiwan, our service network currently includes 25 branch offices and 317 agency offices with over 4,000 employees and 30,000 agents. Across Taiwan, our personnel work tirelessly to provide professional insurance services for over 6.29 million policyholders - more than a quarter of the total Taiwanese population. We are honored to shoulder this great level of responsibility in the fulfillment of our mission.

For more than half a century, Nan Shan Life has been establishing a solid foundation in Taiwan. We shall continue to strengthen our roots in Taiwan in terms of sustainable development, focusing fully on the needs of policyholders to provide services and innovative products that go beyond customer expectations. We are committed to making Nan Shan Life the top insurance provider in Taiwan and among the best in the entire Asia region.

## Core values

For more than half a century, Nan Shan Life has been adhering to the principles of "trust", "caring", and "integrity", serving each policyholder step by step with sincerity, and determined to help more people boldly pursue their dreams. This adherence not only serves as an underlying bedrock for our policyholders and employees as well as Taiwan society, but also as a corporate benchmark of stability in the minds of the Taiwanese people.

## Corporate vision



### Become the first choice insurance company in the minds of customers

Insurance is a business rooted in the value of social benefits. Nan Shan Life is committed to creating a high-quality corporate culture and becoming the customers' first choice insurance company through delivery the value of integrity and happiness.



### Become the best insurance company in asset management

Nan Shan Life relies on a macro-prudential approach to actively invest globally and become the best insurance company for asset management, while sharing the fruits of investments with employees and policyholders.



### Become the preferred insurance company of job seekers and entrepreneurs, and a company that employees can take pride in

Nan Shan Life has established a platform that allows employees to show their talents, while fully supporting employees in their pursuit for personal growth. This has helped establish Nan Shan Life as the first choice for talented job seekers, and a company that all its employees can take pride in.

## Corporate culture

Insurance is the business of serving people. As a result, Nan Shan Life continuously provides a warm level of care in its services to demonstrate the core values and spirit of the insurance industry, becoming a spokesperson for the "happiness" of policyholders.

Service with a Passion

Elevating service to the highest possible level with passion and joy.

Honesty, Sincerity and Low-Key

Upholding an attitude of sincerity and modesty, while demonstrating professionalism and diligence.

Caring Spirit

Spreading care to every corner of the community with a sincere and mindful spirit.

Identify with and commit to corporate philosophy

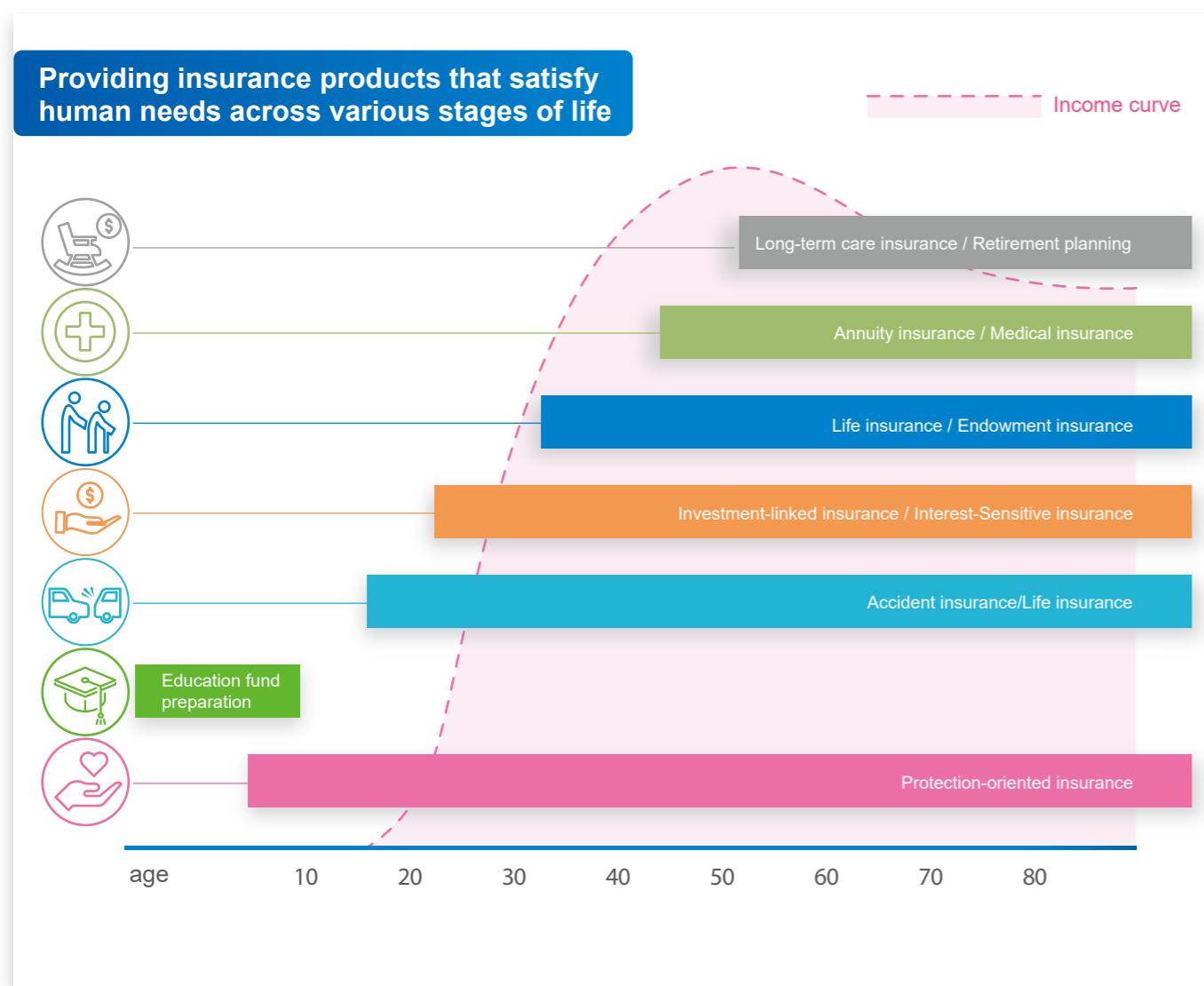
Commit whole-heartedly, invest all efforts, and feel pride in being a member of Nan Shan.

## Public welfare service

Insurance is not just about insurance. Nan Shan Life has been providing localized insurance services across Taiwan for the goal of satisfying the comprehensive financial, insurance, and wealth management needs of policyholders. In addition to our agency channels with more than 30,000 agents, we also collaborate with over 100 banks, and other distribution channels to deliver high-quality products and services to every corner of Taiwan. Currently, Nan Shan Life is the only life insurance company in the industry with balanced development across dual-channels.

For more than half a century, Nan Shan Life has served as an industry model that conveys care and warmth. As an important bedrock for more than 6.29 million policyholders in Taiwan, it provides comprehensive protection with quality products.

Starting with the needs of policyholders, Nan Shan Life makes timely observations to grasp the latest developments in social trends and launch innovative new products that meet the needs of people in Taiwan.



Note: Insurance is a mutual assistance social system of economic compensation. Insurance companies charge insurance premiums to the insured. In return, for designated risk events resulting in loss for the insured or for the occurrence of agreed upon events, the company provides economic compensation and benefits. There is absence of substance delivery, and the products and services purchased by the company are limited to the procurement for financial, labor and administrative functions to maintain company operations.

## 2019 innovative products leading industry transformation

### Innovation 1:

For patients with type 2 diabetes, we launched Taiwan's first diabetes insurance policy with a "behavior and data" dual spillover mechanism named "Nan Shan Life Diabetes Medical Term Insurance with Wellness Program" to promote self-health management habits among policyholders. Policyholders receive a discount up to 10% of the premium if their behavior or Glycated Hemoglobin(HbA1c) meets the pre-set level. The product has the coverage for hospitalization daily income, inpatient/outpatient surgeries, outpatient medical care and accidental death benefits to supplement the basic insurance gap for diabetic patients.

### Innovation 2:

To meet the short-term and long-term care needs of customers, the "Nan Shan Life Permanent Short Term and Long Term Care Insurance" was launched for specific customers, providing policyholders with hospitalization care, home care, and long-term care coverage. In addition, we established a new system with AI prediction models, offering simplified insurance sign-up services, such as brief-notifications and physical exam exemptions for selected policyholders.

### Innovation 3:

The company led the industry in launching an innovative product which called "Nan Shan Life 29 Dread Disease Term Insurance with Wellness Program" with additional protection for specific dread diseases and health issues as well as the promotion of "BAM App". This insurance product provides a lump sum payment for 29 designated categories of major injuries and diseases, plus 10 years of fixed installments of life care insurance payments for 11 of the 29 categories. Policyholders whose physical conditions meet the standards may enjoy additional benefits, by increasing the protection for policyholders. The "BAM App" was developed and built based on a physiological age model, to encourage users to promote health and reduce physiological age by tracking five indices, the number of steps walked, dynamic calorie counter, hours of sleep, BMI and resting heart rate. (Note: "BAM App" was developed and owned by ReMark).

### Innovation 4:

"Nan Shan Life Permanent Medical Insurance with Wellness Program" was launched, providing daily allowance for hospitalization, 1,480 outpatient/inpatient surgeries and 38 specific medical treatments, as well as benefits for death, and a total payout maximum that is 3,000 times the daily hospitalization income limit. In addition, for healthy policyholders meeting standard physical requirements, additional coverage for death is offered starting in the third policy year. Policyholders who did not file claims for hospitalization for a year may receive the "No claim insurance payment" as a health promotion incentive in addition to coverage for medical expenses.

Please see more up-to-date product information on the corporate website:

<https://www.nanshanlife.com.tw/NanshanWeb>

## Providing attentive and caring service in response to COVID-19

In response to the global outbreak of COVID-19 in 2020, Nan Shan Life empathizes and endeavors to provide attentive and caring services for policyholders. During the epidemic, a single window was set up to accept fax applications and related business requests from policyholders. In terms of premium payments, depending on the severity of the epidemic, policyholders may apply for a three-month payment deferment. In the event that the epidemic becomes more widespread, policyholders in government-announced affected regions will automatically be granted premium payment deferment.

For claim settlements, all medical insurance products of Nan Shan Life already include statutory infectious diseases in the scope. In the event that a policyholder has a confirmed diagnosis of COVID-19, Nan Shan Life shall provide medical insurance payment in accordance with the insurance contract. In addition, while the policyholder stays in the negative pressure isolation ward, they will receive standard coverage equivalent to that of a stay in the intensive care unit. Hopefully, these measures will offer customers peace of mind and help them recover speedily.

## BAM App, new tool for happy living and reduction of physiological age

The most important asset of a company is its human talent. In 2019, we began by focusing on the health of our employees via the "BAM App", and organized an "Physiological Age Reduction Contest", attracting 960 participating internal employees. The team "Agency Channel Function" won the contest by a reduction of 631 years and 5 months in physiological age in a two-week timeframe. Another 500 people entered a six-week fast-walking competition, completing 120 millions steps in total.

Moreover, to promote the concept of healthy and happy living to reach the goal of healthy age reduction, the company organized a "Functional Age Reduction Contest", dividing employees into 8 teams based on 8 organizational business functions for a two-week BAM age reduction contest. In the end, 99 employees with the best results in functional management and functional age reduction were ranked according to their achievements. These activities motivated everyone in the company to be more active, healthier and younger by creating a consensus on health. We also wish to share the momentum with everyone, reminding policyholders to enjoy exercise for better health.



## Long-term care insurance for a sustainable and happy living

Nan Shan Life actively promotes long-term care insurance to address the critical issue of Taiwan becoming an aging society. In addition to educating the public about long-term care concepts, the company actively complies with FSC policies. Long-term care insurance ensures economic security for the elderly and supplements the government's long-term care system. In the event the insured becomes unable to care for themselves due to dementia or disability, insurance can provide lump sum insurance payment or installments, to reduce the substantial impact on family finances.

According to statistics from the Life Insurance Association, the Nan Shan Life long-term care insurance new-business premium total in 2019 reached NT\$1.8 billion, which accounted for 88% of the industry total of NT\$2.03 billion, demonstrating Nan Shan Life as the leader in the market. Evidently, Nan Shan Life has become the leading brand of the long-term care insurance market in Taiwan, and an important pillar supporting the aging society.

## Advantages of Nan Shan life long-term care insurance

- 1 Provide coverage for disability and dementia - the most common and needed type of protection in an aging society.
- 2 Once the provision in the terms of the agreement are met, an insurance pay-out will be provided first so that the insured may take treatment in the golden period of the diagnosis and hence better quality treatment.
- 3 Provide follow-up long-term care payment in installments to reduce the financial burden on the family of the insured, so they will not be forced to give up careers and stay at home to care for affected members.
- 4 Become the first in the industry to offer lump sum or installment payments to people who have become completely disabled, providing comprehensive long-term care / disability coverage for policyholders.
- 5 In terms of long-term care status and disability of levels 1~6, provide an insurance premium waiver mechanism so that the coverage continues without interruption.
- 6 Provide a variety of diverse long-term care products with different payment periods to meet the long-term care needs of different customer groups at different stages.



## Taking care of senior citizens with core advantages of insurance

Nan Shan Life has long been observing social trends, and discovered that many people obviously lack risk awareness and have not recognized the potential impacts of long-term care and dementia on themselves and their families. Early dementia diagnosis and treatment could effectively delay the process of deterioration and disability, as well as reducing the cost of care. As a result, Nan Shan Life has set up a "Caring for Dementia Special Section" on the "Support for Seniors" website. Through sharing of information and inquiries, helping the public to a better and accurate understanding of dementia.

Launched in September 2018, the "Caring for Dementia Special Section" has been visited nearly 200,000 times by the end of 2019, effectively strengthening public awareness of dementia with friendly guidance, helping everyone to make early preparations, and urging for acceptance and tolerance of patients and families affected by dementia.

## Nan Shan Life long-term care insurance product features

- 1 Launched products in accordance with the standard provisions promulgated by the FSC, claims are evaluated by the Barthel Index, Clinical Dementia Rating Scale, or other professional evaluation scales. Effectively comply with the government's long-term care policy and Long-Term 2.0 Plans.
- 2 The maximum issue age is up to 70 years old.
- 3 The first in the industry to provide coverage for lump sum and installment payments for an insured that is completely disabled. Provide policyholders with comprehensive long-term care / disability coverage.
- 4 The "Nan Shan Life Long Term Care Term Insurance for young adult" product targets the younger population, who may plan ahead for long-term care coverage in the most economical manner. It strengthens the phased protection of middle-age customers in the prime of their life.
- 5 Launched the "Nan Shan Life Permanent Short Term and Long Term Care Insurance" product in 2019, mainly providing dual coverage of long-term and short-term care for existing customers. The product not only bridges the gap in long-term care, but also takes care of the need for short-term professional care during and immediately after hospitalization.

## Microinsurance, financial inclusion

Nan Shan Life launched the first microinsurance personal accident product in 2009 to assist the economically disadvantaged or people with specific status to participate collectively so as to obtain basic insurance protection. In 2019, a total of 8,623 micro-policies were underwritten, averaging about NT\$479,000 sum assured per policy. In addition, 137 people received assistance to obtain microinsurance policies through group insurance policies, averaging NT\$300,000 sum assured per policyholder. These measures provide basic insurance coverage for the economically disadvantaged or persons with specific status.

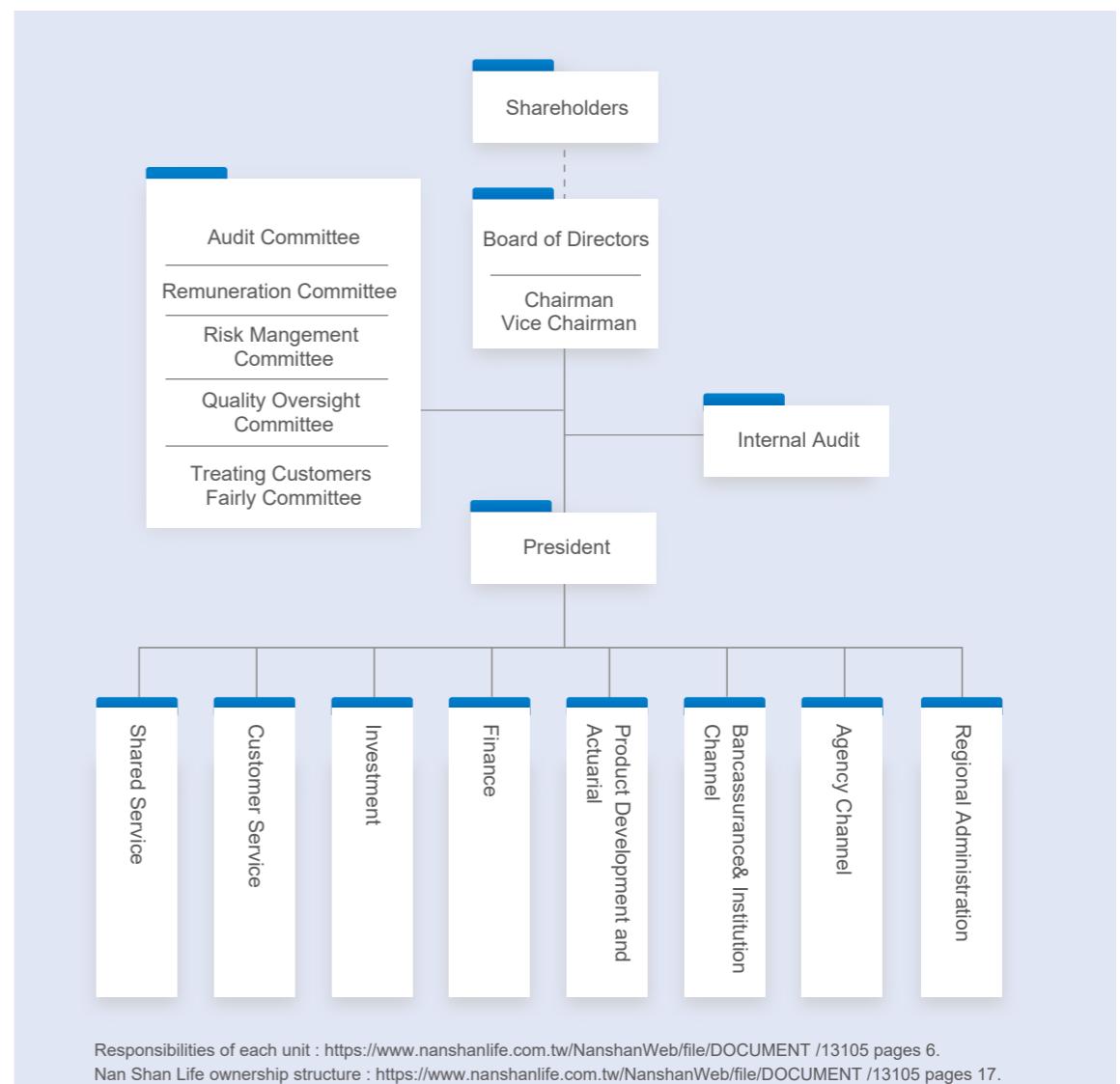
Furthermore, through 62 governmental offices including the social welfare institution, county/city government, village/township/district and neighborhood magistrate offices, Nan Shan Life has donated microinsurance premiums and living assistance funds totaling nearly NT\$2.42 million to help 7,710 people from vulnerable social groups to buying a microinsurance.

## Operational bases

Nan Shan Life has strived to be a localized life insurance business operating mainly in Taiwan, with 25 branches and 317 agency offices to provide professional services for the general public and corporations. This symbolizes creation of local employment opportunities and fulfillment of corporate social responsibility and giving back to the society via the company's extension policyholder service network. For example, in the Huadong Valley or rural towns and villages with inconvenient transportation services, Nan Shan Life has also established agency offices to service policyholders. In 1981, Nan Shan Life established its first self-owned building in Hualien, which was completed one year earlier than its headquarters in Taipei. This demonstrates Nan Shan Life's commitment and action in establishing deep-rooted foundations in rural villages and towns.

## Organizational Structure

Nan Shan Life has built a comprehensive service and business system to serve as solid support for employees to enjoy work with a peace of mind and fully develop their professionalism and enthusiasm. Encouraged by a culture of caring and innovation, the company hopes to expand the synergy of teamwork through organizational division of labor, to provide policyholders with more convenient, attentive and professional services.

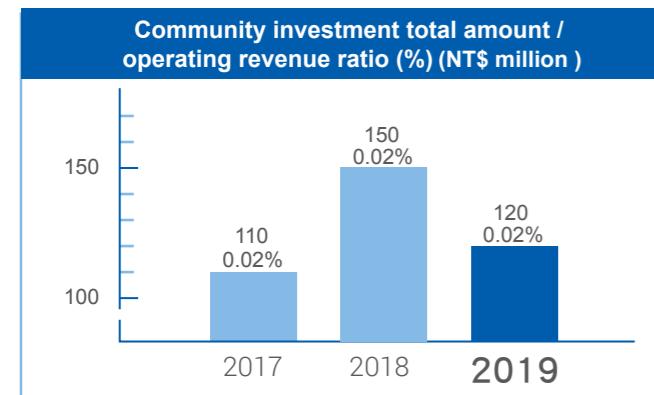
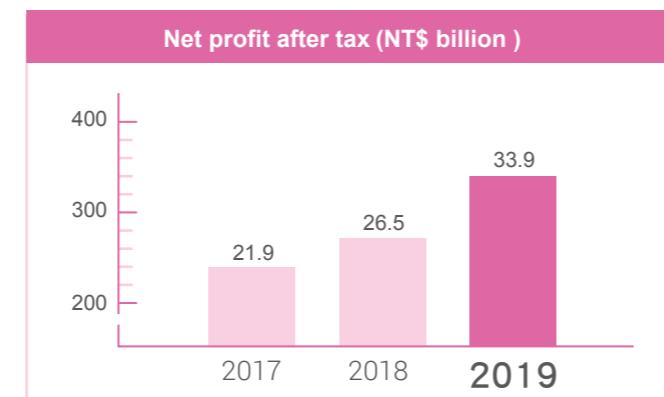
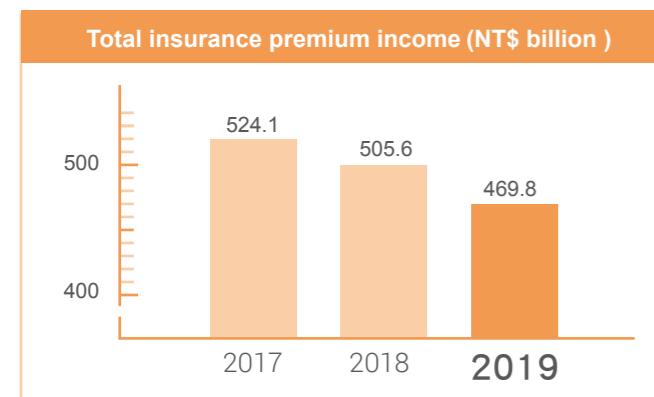
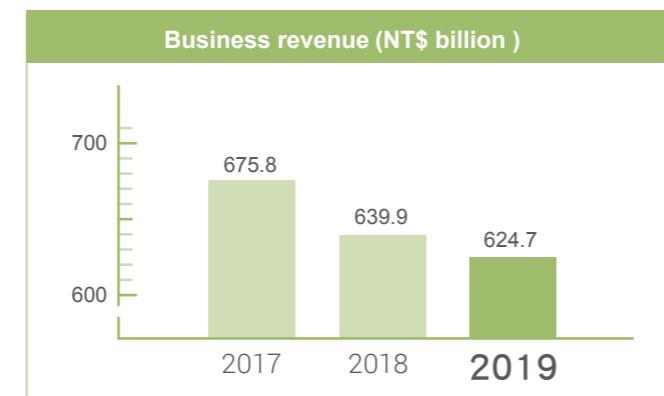
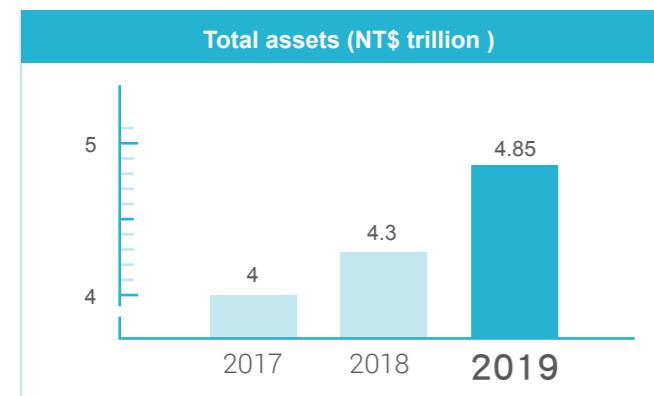


## Business performance for 2019

Under the leadership of the management team and synergistic efforts by internal staff and agents partners, Nan Shan Life delivered a remarkable performance in 2019, with a combined new business premium income totaling NT\$164.6 billion, ranking third in the industry and a slight growth compared to same period last year. The consolidated operating revenue reached NT\$624.7 billion. The consolidated after-tax net profit reached NT\$33.9 billion, ranking second in the industry and grew more than 28% compared to the same period last year.

In 2019, the company's total assets exceeded NT\$4.8 trillion, an increase of 11% compared to the same period last year. The shareholders' equity was NT\$368.1 billion. Looking ahead to the future, Nan Shan Life will continue to strengthen its corporate quality, to create the best value for policyholders, employees, shareholders and the community.

### Corporate business performance



| Year                                 | 2017  | 2018  | 2019  |
|--------------------------------------|-------|-------|-------|
| Remuneration expenses (NT\$ billion) | 6.4   | 6.7   | 7.5   |
| Income tax payment (NT\$ billion)    | 3.2   | 6.9   | 2.6   |
| Total number of employees            | 4,148 | 3,952 | 4,074 |

Note: The company acquired the Chartis Taiwan Insurance Co., Ltd. in 2016, thus all financial performance data including revenue and net profit disclosure would be the consolidated data.

## Honor and recognition

### International recognition of business performance

- For six consecutive years from 2014 through 2019, selected as "Best Life Insurance Company, Taiwan" by "Global Banking & Finance Review".
- Selected for the third time in 2019 as "Best Life Insurance Company, Taiwan" by the *International Finance Magazine*.
- Selected for the second time in 2019 as "Best Insurance Brand, Taiwan" by the *Global Brands Magazine*.
- In 2019, ranked No. 68 on the "World's Top 100 Most Valuable Brands of Insurance" by Brand Finance

### Remarkable brand reputation and customer service

- For three consecutive years from 2017 to 2019, won the "Outstanding Enterprise" and "Best Product" awards from the "National Brand Yushan Awards".
- In 2019, won the "Promotional Excellence of Protection-oriented Products Gold Award" of "Taiwan Insurance Excellence Award" presented by the Taiwan Insurance Institute.
- In 2019, won the "Best Product Innovation Award" of "Faith, Hope & Love Awards of Insurance" presented by the RMIM Inc.
- In 2019, won four major awards, "Agent", "Best Claim Service", "Most Recommended", and "Best Known of Insurance Quality Award" and the insurance industry's only one to receive "Best Agent" for 25 times.
- For eight consecutive years from 2012 to 2019, won the "The Most Desirable Insurance Company for Insurance & Finance Department Graduates" of "Dragon & Phoenix Award".

### Fulfillment of corporate social responsibility

- In 2019, won the "Taiwan Corporate Sustainability Report Gold Award" of "Taiwan Corporate Sustainability Awards" in the financing and insurance industry.
- In 2019, won the "Health promotion" award of "2019 Asia Responsible Enterprise Awards" given by Enterprise Asia.
- In 2019, won the "Best Social Responsibility Award" of the "Faith, Hope & Love Awards of Insurance".
- In 2019, won the "Senior-Friendly: Processing Small-Amount Lifetime Insurance" insurance competition held by the FSC.



## Sustainable governance

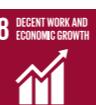


At Nan Shan Life , we believe that, in addition to implementing sound business strategies and delivering outstanding financial performance, insurance providers should have a strong sense of commitment to safeguarding individuals and families as well as maintaining social stability. Therefore, as a sustainable corporation, we must actively work toward the goal of achieving sustainable development in all three aspects of business, industry and society. This serves as the core belief and principle behind the corporate social responsibility policies of Nan Shan Life.

## Nan Shan's sustainability strategies

With its service in the insurance industry, Nan Shan Life provides risk mitigation mechanisms for both society and the country, achieving the Sustainable Development Goals (SDGs) defined by the United Nations through direct and indirect methods. We believe the insurance industry plays an indispensable role in realizing five of the seventeen global SDGs. Through the fulfillment of corporate social responsibilities, we are able to achieve global SDGs.

Nan Shan Life pursues insurance inclusion, seeking to reduce various risks posed to stakeholders (including risks to life and health) as well as to mitigate the impact of extreme climate events on personal security through insurance products and services along with socially responsible practices. Our actions will create maximum momentum for the realization of SDGs, offering stakeholders comprehensive protection from all manners of risk through our insurance products.

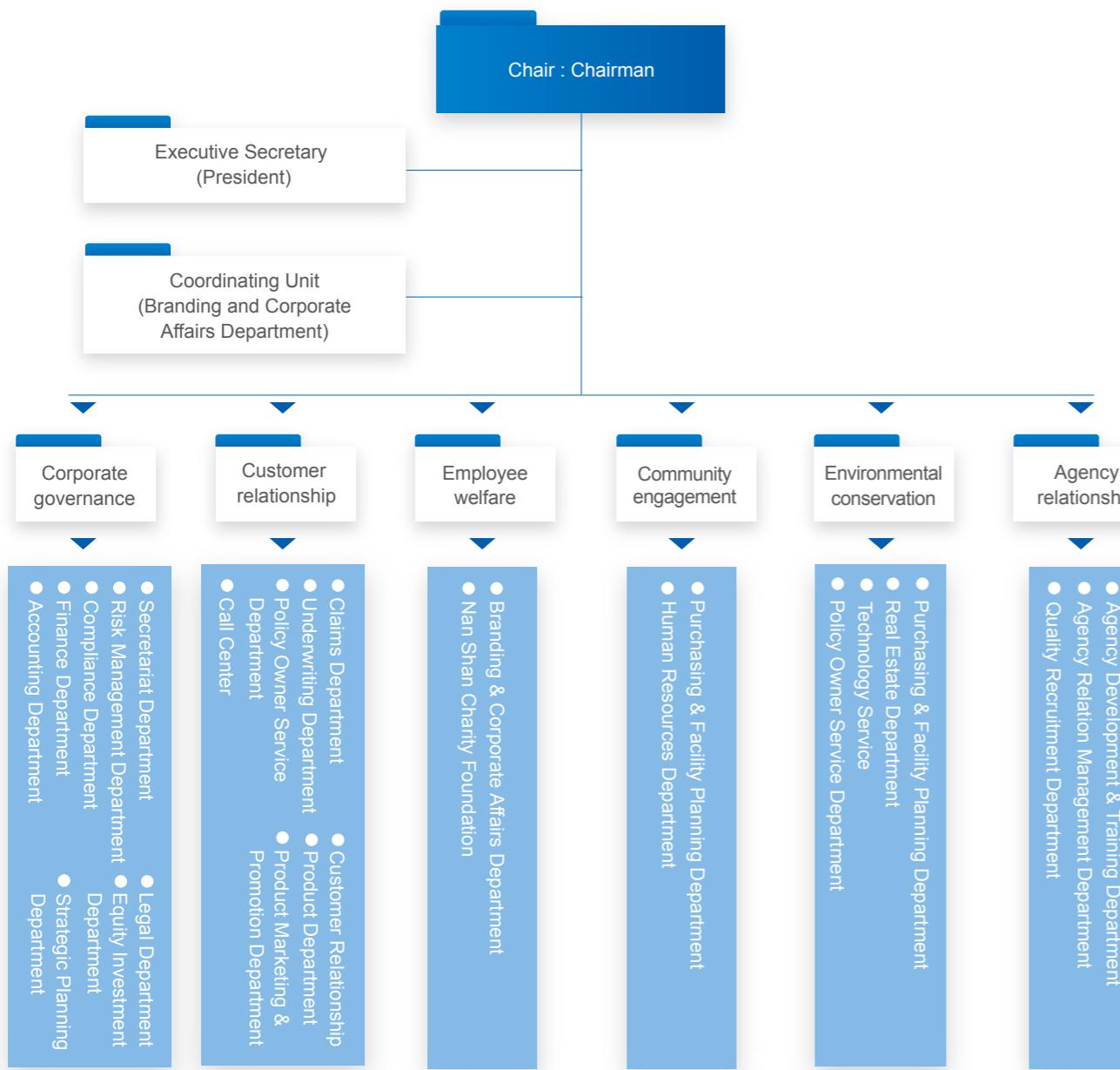
| SDGs  | Contributions of the Insurance Industry   | Nan Shan's practices and achievements   | Pages                      |
|---|---|---|----------------------------|
|    | End poverty in all its forms everywhere   | <ul style="list-style-type: none"> <li>Continuously observe social trends, and develop innovative products that meet the needs of the general public</li> <li>Nan Shan's life insurance and medical insurance products and services</li> </ul>  | P.12-16                    |
|  | Ensure healthy lives and promote well-being for all at all ages                       | <ul style="list-style-type: none"> <li>Nan Shan Life Charity Foundation launched the "Nan Shan Charity Foundation - Medical Care Project," which offers micro-insurance policies.</li> </ul>  | P.16<br>P.107-108          |
|  | Achieve gender equality and empower all women and girls                               | <ul style="list-style-type: none"> <li>Develop exclusive medical/protection products for women</li> <li>Create a female-friendly work environment</li> <li>Provide friendly underwriting services for pregnant women</li> <li>Long-term care insurance</li> <li>Insurance and financial planning</li> </ul> | P.15-16<br>P.54-55<br>P.69 |
|  | Promote inclusive and sustainable economic growth, employment and decent work for all | <ul style="list-style-type: none"> <li>Deliver integrated services for life insurance, property insurance and financial management</li> <li>Nan Shan General Insurance offers natural disaster insurance.</li> </ul>  | P.45-46<br>P.51            |
|  | Take urgent action to combat climate change and its impacts                           | <ul style="list-style-type: none"> <li>Sign on to TCFD</li> <li>Hold annual beach cleanup and sand-binding tree planting activities</li> <li>The world's first life insurance company to calculate the carbon footprint of a policy</li> </ul>  | P.45<br>P.103<br>P.92-93   |

## CSR Committee

To ensure the integration of our core competencies and CSR strategies, Nan Shan Life has established the CSR Committee, with Nan Shan Life Chairman serving as the committee chair, President serving as the executive secretary, and the Branding and Corporate Affairs Department serving as the coordinating executive unit, which is responsible for delegating and coordinating the implementation of CSR related businesses.

The CSR Committee of Nan Shan Life is composed of six groups: Corporate Governance, Customer Relationship, Employee welfare, Community engagement, Environmental Conservation, and Agency Relationship. Acting in concert with administrative management mechanisms, the six groups mobilize all departments of the company to jointly discuss CSR issues and implement CSR initiatives.

The CSR Committee of Nan Shan Life performs the following tasks: Conducting CSR decision making, reviewing and signing Sustainability reports (signed by the committee chair), formulate annual CSR objectives, periodically performing follow-up audits and reviews, organizing biannual meetings, and furthermore, examining the company's effectiveness in implementing corporate social responsibilities through annually published Sustainability reports.



## CSR Committee achievements in 2019

- In 2019, Nan Shan Life held the CSR Committee & Working Groups Meeting, inviting an external CSR expert from one of the stakeholders to deliver the keynote speech. In addition to discussing and analyzing issues regarding corporate responsibility development trends at home and abroad, advice on steps toward continuous improvements was provided. After related meetings and discussions, the working groups reported the CSR plan to the committee.
- On December 24, 2019 at the 11th meeting of the 40th Nan Shan Life Board of Directors, the resolution to donate NT\$50 million to the Nan Shan Life Charity Foundation was unanimously passed. By combining the compassion and power of Nan Shan and its staff and agents, we effectively implement corporate social responsibilities and materialize our business philosophy as a "public service industry".



## Nan Shan Life and university collaborate to establish big data research center

Innovation knows no bounds! Over the years, Nan Shan Life has been dedicated to providing policyholders with caring services and innovative products that surpass their expectations. We actively elevate our digital technologies to adapt to diverse innovative changes and embrace the era of digital finance.

In addition, we collaborated with Soochow University to establish the Research Center for Actuarial and Big Data Analytics. For three consecutive years since 2018, we have donated NT\$1.8 million to the university every year to foster the research and development of financial engineering and insurance actuarial science technologies. Through this collaborative effort, we further motivate the industry to develop more innovative insurance products and services, and jointly create an up-to-date insurance business environment.

In 2019, we held the 2019 Actuarial and Big Data Symposium to present our research and development results. Experts and scholars from fields related to health data and artificial intelligence in finance were invited to discuss how big data could be further applied to the professional fields of financial engineering and insurance actuarial science.

Our research achievements include the establishment of an interactive inquiry system for health data, application of wealth management robots in insurance, and investigation into trends in cancer incidence and insurance risks. Based on our results, we wish to offer the industry, government, and academia new directions on insurance technology research and development as well as product and service innovation. Moreover, we hope to expand innovative applications of big data in insurance, and nurture a new generation of professional insurance actuarial talents.

## Communication and exchange with stakeholders

Through constant communications and dialogues with stakeholders, Nan Shan Life gains a deeper understanding of issues they care about and responds via concrete actions. Following the AA1000 Stakeholder Engagement Standard (AA1000SES) (V. 2018), we identify our stakeholders according to the six principles of responsibility, influence, closeness, dependency, representativeness and policy implications.

Nan Shan Life's key stakeholders include investors, policyholders, employees, agents, government agencies, local communities, NGOs, schools, etc. The CSR issues they care about and corresponding interactions are summarized in the table below:

### Summary of interactions between Nan Shan Life and its stakeholders in 2019

| Stakeholder type  | Issue of concern  | Object  | Communication channel   | Performance in 2019 (with frequency indicated)   |
|---|---|---|---|--|
|  Investors                  | <ul style="list-style-type: none"> <li>① Profitability</li> <li>② Corporate governance and risk management</li> <li>③ Implementation of CSR</li> <li>④ Stock value</li> <li>⑤ Information disclosure and transparency</li> </ul>                        | <ul style="list-style-type: none"> <li>* Shareholder meetings</li> <li>► General shareholders</li> <li>► Corporate shareholders</li> <li>► Rating agencies</li> </ul> | <ul style="list-style-type: none"> <li>* Questionnaire surveys</li> <li>* Periodical face-to-face communications</li> <li>* Corporate website /Shareholder services</li> <li>* Annual report</li> </ul> | <ul style="list-style-type: none"> <li>• Hold the annual shareholder meeting</li> <li>• Announce profitability information monthly</li> </ul>  |
|  Policyholders (Consumers) | <ul style="list-style-type: none"> <li>① Price and quality of products/services</li> <li>② Transparency of products, services, and marketing information</li> <li>③ Integrity management</li> </ul>   | <ul style="list-style-type: none"> <li>► Existing policyholders</li> <li>► Potential policyholder</li> </ul>  | <ul style="list-style-type: none"> <li>* Policyholder satisfaction survey</li> <li>* Organizing marketing campaigns</li> <li>* Issuing policyholder publications</li> </ul>                             | <ul style="list-style-type: none"> <li>• Conduct telephone and questionnaire surveys on policy satisfaction levels</li> <li>• Release 6 issues of the bimonthly magazine, &lt;&gt;Nan Shan FUN Life&gt;&gt;, for policyholders</li> <li>• Offer diverse services through the platform of Nan Shan Club, enriching the lives of customers</li> <li>• Sponsor the Yilan International Children's Folklore and Folkgame Festival</li> <li>• Hold regional conservation activities on an ad hoc basis</li> <li>• Organize events on social media on an ad hoc basis</li> </ul>   |
|  Employees                 | <ul style="list-style-type: none"> <li>① Remunerations, sales rewards, and benefits</li> <li>② Career development</li> <li>③ A sound and healthy working environment</li> <li>④ Balance between work and life</li> <li>⑤ Learning and growth</li> </ul> | <ul style="list-style-type: none"> <li>► Management</li> <li>► General staff</li> <li>► Dispatched workers</li> </ul>   | <ul style="list-style-type: none"> <li>* Internal communication channels and activities</li> <li>* Education and training activities</li> </ul>   | <ul style="list-style-type: none"> <li>• Organize Conversation with Chairman 8 times</li> <li>• Regularly hold staff meetings (2 times)</li> <li>• Distribute internal publications regularly</li> <li>• Communicate via the internal website</li> <li>• Knowledge bases sharing various functions and business information</li> <li>• Feedback section</li> <li>• Complaint/Care hotline</li> <li>• Hot news section</li> <li>• Mentors for new employees</li> <li>• Healthy workplace activity series</li> <li>• Set up a healthy lunch and fruit bar</li> <li>• Internal staff training</li> <li>• Offer paid volunteer leave to promote the idea of public service industry</li> <li>• Nan Shan E-Academy: A digital learning platform</li> <li>• Internal staff training</li> </ul> |

| Stakeholder type   | Issue of concern   | Object  | Communication channel   | Performance in 2019 (with frequency indicated)   |
|--|--|---|---|--|
|  Government agencies                  | <ul style="list-style-type: none"> <li>① Legal compliance</li> <li>② Participation in public policy implementation</li> <li>③ Giving back to local communities</li> </ul>  | <ul style="list-style-type: none"> <li>► FSC</li> <li>► MOI</li> <li>► all levels of governments</li> </ul>   | <ul style="list-style-type: none"> <li>* Participation in conferences, courses, or seminars</li> <li>* Event sponsorship</li> </ul>   | <ul style="list-style-type: none"> <li>• Participate in conferences, courses, and seminars from time to time</li> <li>• Sponsor seminars organized by the Taiwan Insurance Institute</li> </ul>  |
|  Local communities, NGOs, and schools | <ul style="list-style-type: none"> <li>① Charitable efforts and donations</li> <li>② Corporate image</li> <li>③ Corporate volunteers</li> <li>④ Students</li> </ul>  | <ul style="list-style-type: none"> <li>► Local community residents</li> <li>► Local NGOs</li> <li>► Local societies</li> <li>► Groups</li> <li>► Schools</li> </ul>                     | <ul style="list-style-type: none"> <li>* Charity sponsorship</li> <li>* Health promotion activities</li> <li>* Community charity events</li> <li>* "Bravery" talks</li> </ul> | <ul style="list-style-type: none"> <li>• Help 204 hospitals through the "Nan Shan Charity Foundation - Medical Care Project"</li> <li>• Healthcare activities and services</li> <li>• Participate in 40 regional charity events</li> <li>• Offer 2019 Nan Shan Life Scholarships</li> <li>• Charitable beach cleanup and tree planting activities across the island</li> </ul>   |
|  Press & Media                        | <ul style="list-style-type: none"> <li>① Management and development trends of the industry</li> <li>② Corporate image</li> <li>③ Product/Service information</li> <li>④ Information transparency</li> </ul>                  | <ul style="list-style-type: none"> <li>► Print media</li> <li>► Electronic media</li> <li>► Digital/social media</li> </ul>   | <ul style="list-style-type: none"> <li>* Press conference</li> <li>* Press release</li> <li>* Advertisement</li> </ul>  | <ul style="list-style-type: none"> <li>• Hold press conferences on corporate images, product release, or charity events</li> <li>• Issue press releases</li> <li>• hold luncheons and meetings with media agencies on an ad hoc basis</li> </ul>   |
|  Agents                             | <ul style="list-style-type: none"> <li>① Performance-based compensation</li> <li>② Career development</li> <li>③ Learning and growth</li> </ul>  | <ul style="list-style-type: none"> <li>► Agents</li> </ul>  | <ul style="list-style-type: none"> <li>* Activities and courses</li> <li>* Videos</li> <li>* Publications</li> </ul>  | <ul style="list-style-type: none"> <li>• Organize Conversation with Chairman 8 times</li> <li>• Hold business related courses and interactive meetings</li> <li>• Broadcast Nan Shan News videos daily</li> <li>• Issue Nan Shan Monthly per month</li> <li>• Communicate via the corporate internal agency website from time to time</li> <li>• Agents education and training programs, the digital learning website and app platforms of Nan Shan E-Academy</li> </ul> |
|  Suppliers                          | <ul style="list-style-type: none"> <li>① Price competitiveness</li> <li>② Working condition management in the supply chain</li> <li>③ Occupational safety and health management</li> <li>④ Education and training</li> </ul> | <ul style="list-style-type: none"> <li>► Equipment suppliers</li> <li>► Construction contractors</li> <li>► Cleaning service providers</li> <li>► Waste management companies</li> </ul> | <ul style="list-style-type: none"> <li>* Pre-bid meetings</li> <li>* Management regulations</li> </ul>  | <ul style="list-style-type: none"> <li>• Hold public pre-bid meetings</li> <li>• Promote the signing of Commitment to Humans Rights and Environmental Sustainability</li> </ul>  |

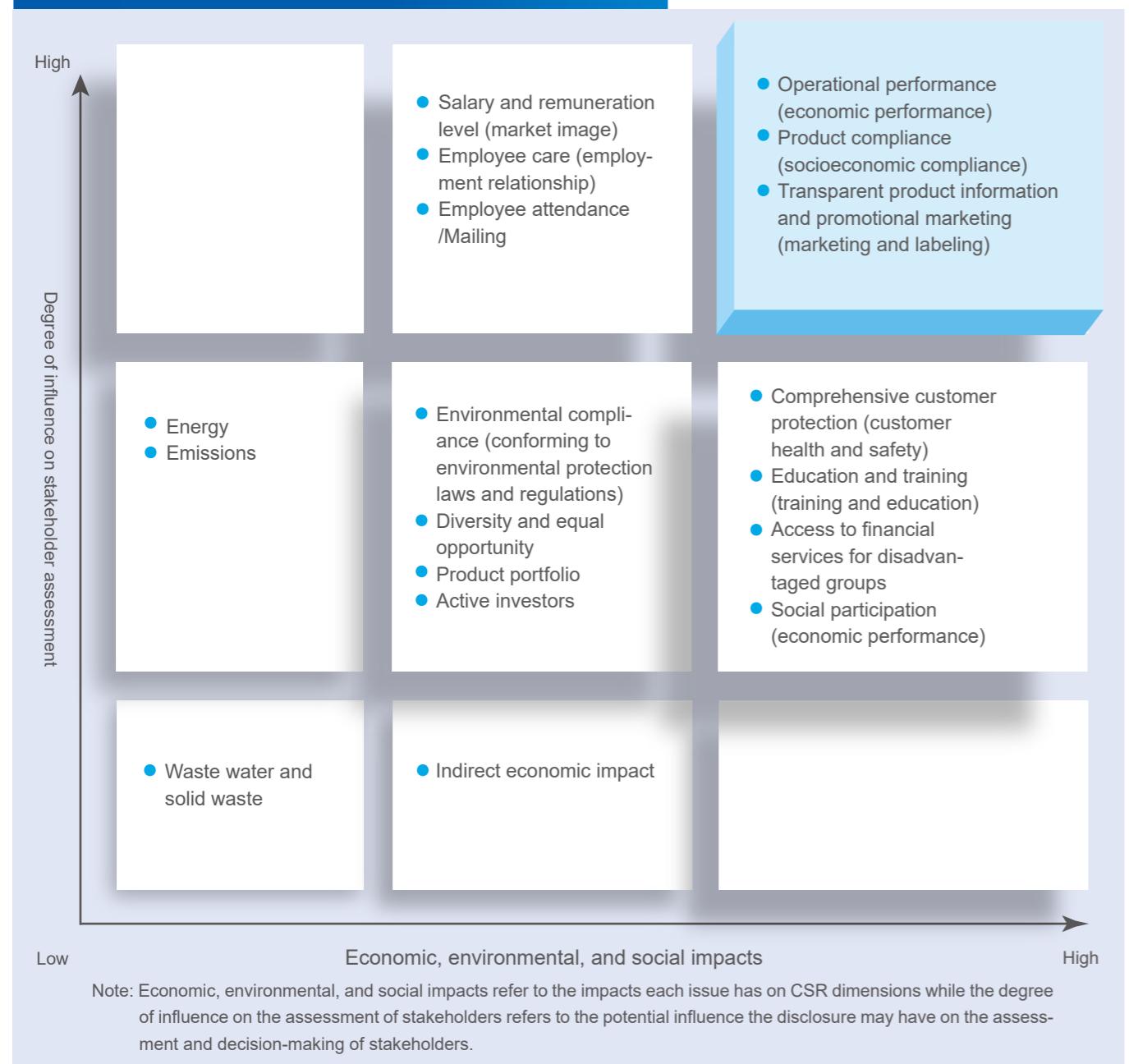
### Major CSR issues and impact identification

Nan Shan Life conducts the disclosure of CSR information and indicators in accordance with the core options defined in the Global Reporting Initiative (GRI) Standards. In the process of identifying major issues, we considered: (1) external news media information; (2) issues of concern within the industry; (3) topics in the GRI Standards; (4) issues of concern for stakeholders; (5) requirements of government / regulators . After all sorts of data were collected and analyzed, the CSR team proceeded to identify the impacts of these major issues.

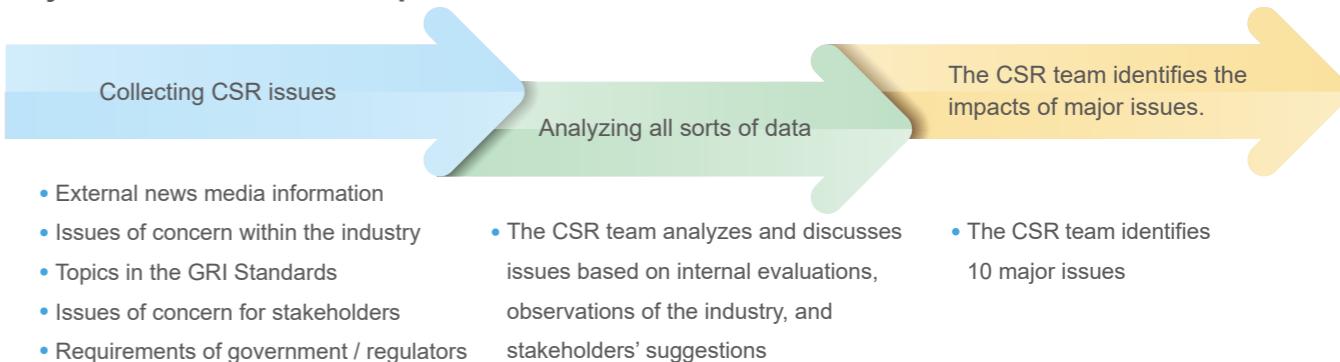
Based on the aforementioned data, questionnaire surveys, and meeting discussions, the CSR team ranked each topic according to their economic, environmental, and social impacts as well as the degree of influence on the assessment of stakeholders (threshold value being 2.6 points). The team further formulated Nan Shan Life's CSR Major Issue Matrix for 2019, with the area in the upper right corner defined as material topics. This matrix serves as a basis for the annual report disclosure.

After the release of the report, the responsible unit – the Branding and Corporate Affairs Department – will further investigate the levels of satisfaction among the public with our information disclosure through stakeholder communication mechanisms (e.g. questionnaire surveys). Based on the results, we will continue to improve on the development, implementation, and assessment of various action plans in the future.

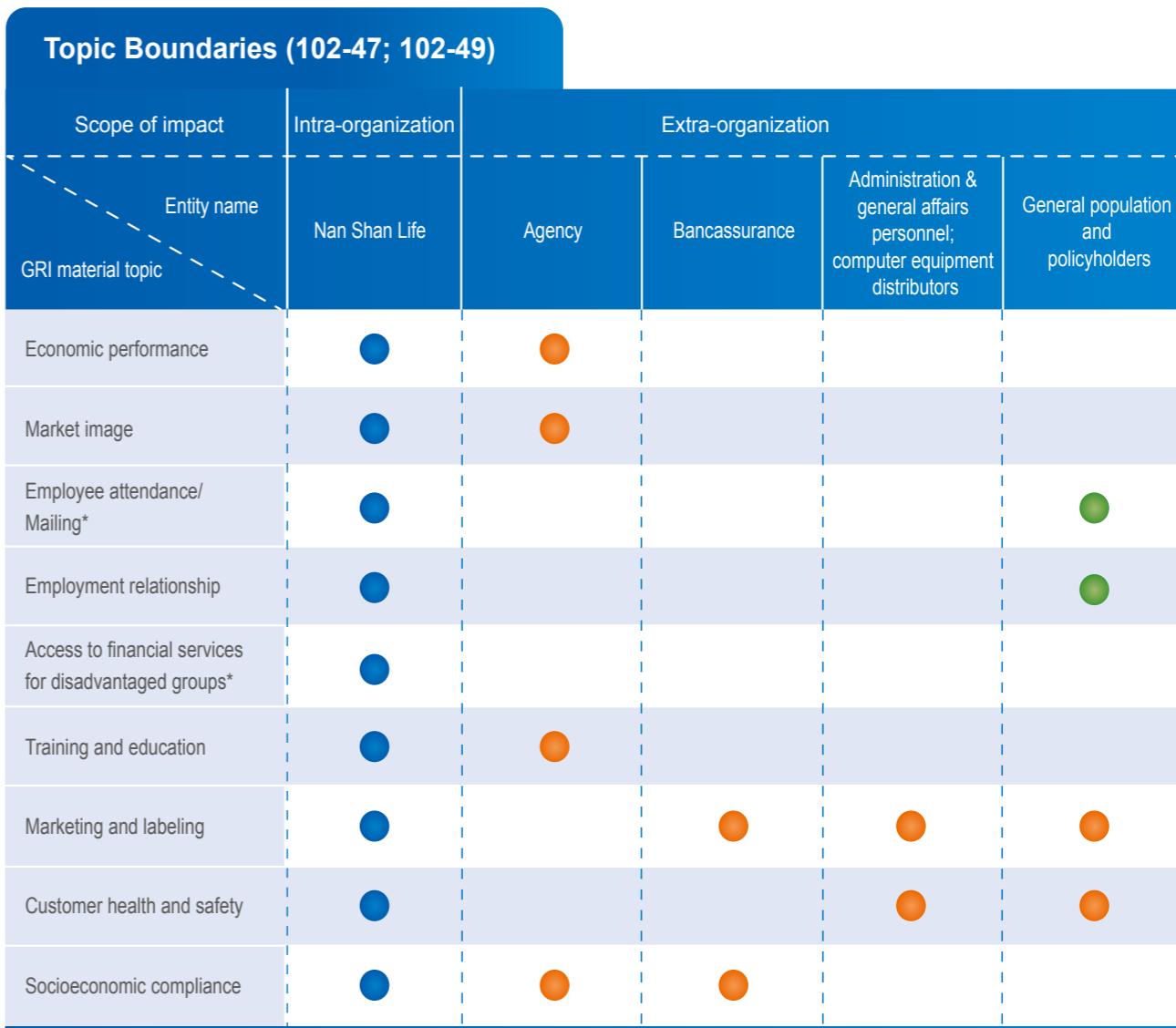
### Nan Shan Life's CSR major issue matrix for 2019



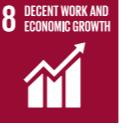
### Major issue identification process



For topic boundaries this year, in addition to impacts of Nan Shan Life, we have also included the impact of value chain activities. Through the examination of all CSR major issues, financial sector indicators, and domestic financial service industry issues, we identify the degree of impact each issue has on the economy, society, and environment within and without the organizational boundary.



## Description of CSR major issues for 2019

| Dimension   | Nan Shan's major issues                               | Significance to Nan Shan  | Corresponding GRI material topics | SDGs  | Pages | Dimension | Nan Shan's major issues                                   | Significance to Nan Shan   | Corresponding GRI material topics | SDGs  | Pages        |
|-------------|---|---|-----------------------------------|---|-------|-----------|---|--|-----------------------------------|---|--------------|
| Economy     | Operational performance                               | A fundamental prerequisite for corporate sustainability, steady and sustained growth in financial performance helps safeguard the rights of shareholders, employees, and policyholders.   | Economic performance              |    | P.18  | Social    | Employee care   | Employees play a pivotal role in the operation of a company. Therefore, constructing a healthy and safe working environment, safeguarding their labor rights, and enhancing their career abilities help the company to achieve long-term success.                                    | Employment relationship           |    | P.66         |
|             | Salary and remuneration level                         | Employees are the most valuable asset of a company. Offering salaries and remunerations that meet or even surpass market standards helps enhance employee effectiveness, improve work quality, as well as attract and retain talent.                                    | Market presence                   |    | P.74  |           | Education and training                                    |  | Training and education            |    | P.53<br>P.78 |
|             | Social participation                                  | Committed to serving as a public service industry, Nan Shan Life brings warmth and happiness to every corner of Taiwan society through continued service and care for local communities.  | Economic performance              |    | P.104 |           | Transparent product information and promotional marketing |  | Marketing and labeling            |    | P.62         |
| Environment | Employee attendance/ Mailing                          | Nan Shan Life encourages low-carbon conferences and commute to reduce greenhouse gas (GHG) emissions from transportation. Also, we cut down on paper usage in insurance services to increase environmental benefits.  | Nan Shan specific topic           |   | P.100 |           | Comprehensive customer protection                         | A fundamental element for sound corporate operations is to ensure that customers obtain complete product/service information, reducing information asymmetry. A full disclosure of product/service information also facilitates regulatory compliance and hence reduces legal risks. | Customer health and safety        |   | P.47         |
| Social      | Access to financial services for disadvantaged groups | In support of international and government policies, Nan Shan Life actively promotes financial inclusiveness for personal and corporate financial management by offering useful and affordable financial products and services in a responsible and sustainable manner. | Nan Shan specific topic           |  | P.47  |           | Product compliance  |  | Socioeconomic compliance          |  | P.62         |



## Sustainable value management

Based on the International IR Framework and detailed discussions by all groups of the Corporate Sustainability Committee, Nan Shan Life conducts in-depth analysis and statistics of our capital investment and

sustainable value created, to ensure our performance continuity. The capital output ratio presents performance data over the last three consecutive years (2017-2019), which gives stakeholders a clear picture of our growth in the capital value curve.

| Type of capital  | Significance of capital investment  | Capital input (NT\$ billion) | Capital investment – strategy/key objective   |   | Capital output (KPIs)  | Key capital invested (Year) |       |       |
|--|---|------------------------------|---|---|--|-----------------------------|-------|-------|
|  |   |                              | Short-term  | Medium-to-long term   |  | 2019                        | 2018  | 2017  |
|  Financial capital    | Manage corporate financial risks and opportunities, ensure corporate sustainability, safeguard the assets of policyholders, and create maximum value for shareholders   | 702.7                        | Continuously enhance the value and diversity of our insurance, offer sound investment strategies to safeguard the assets of policyholders, create interests for shareholders, and maintain the momentum for corporate sustainable development.  | Strengthen the corporate structure and profitability, create value for policyholders, employees, shareholders and the community, and work toward becoming the top insurance company in the Asia-Pacific region.   | Operating income (NT\$ bn)   | 624.7                       | 639.8 | 675.8 |
|  Instrumental capital | Prevent possible operation interruptions caused by information system damage. Provide assistance for sales partners and offer exceptional service to policyholders.   | 0.03                         | Achieve paperless operations through the introduction of digitized systems, curtailing operation time and reducing paper waste.   | Maintain information system security and protection, to prevent operation interruption Upgrade information systems and tools, as well as increase the productivity of the sales force.  | Total Asset (NT\$ tn)  | 4.85                        | 4.30  | 4     |
|  Intellectual capital | Enhance mechanisms and tools for policyholder services, keep abreast of current social affairs, ensure our professionalism and services meet the needs of policyholders, and continuously raise industry competitiveness in the market.   | 4                            | Integrate government and private healthcare resources for the elderly population, create a Senior Services section, enrich relevant resources, and offer professional assistance.   | Develop a diversity of new products, safeguarding the lives and health of policyholders while materializing the spirit of senior insurance  | Senior insurance promotion (session)   | 50                          | 7     | 30    |
|  Human capital      | Provide sound mechanisms for balanced physical and mental developments of employees. Enhance employees' professional skills and cultivate their multiple capabilities.  | 8.5                          | <ul style="list-style-type: none"> <li>Continuously review and increase our salary and remuneration competitiveness, and enrich our benefit packages.</li> <li>Improve internal and external training mechanisms, perfect training and development systems, and enhance employee's competitiveness in the workplace.</li> </ul>   | <ul style="list-style-type: none"> <li>Adjust salary, remuneration, and benefit mechanism when necessary. Maintain strategy flexibility and the competitive edge of our talents.</li> <li>Assist employees in the learning of smart tools for career transformation and upgrade. Cultivate all-round talents for Nan Shan.</li> </ul>   | Total sum of employee salaries, remunerations, and benefits (NT\$ bn)  | 7.5                         | 6.7   | 6.4   |
|  Social capital     | Actively engage in charity work, create positive virtuous cycles for society, and enhance the sense of happiness for the general public. Combine the core competencies of the insurance industry to actively promote and participate in all sorts of charity events while effectively enhancing the cohesion among employees. | 0.65                         | <ul style="list-style-type: none"> <li>Create the charity platform - Nan Shan Charity Foundation, using the core competencies, to enhance the cohesion of society.</li> <li>Form volunteer teams to bring love and care to every corner of our society.</li> <li>Offer entrepreneurial platforms for our agents.</li> <li>Provide quality service to policyholders</li> </ul> | <ul style="list-style-type: none"> <li>Create charity platforms, integrate corporate resources, and maximize our charitable impact.</li> <li>Fulfill our commitment to longstanding, sustained care through volunteer services</li> <li>Offer systematic training programs to cultivate all-round insurance talents, construction comprehensive professional competencies.</li> <li>Continuously improve policyholder experience and services, to better address the needs of an aging society</li> </ul> | Total expenditure of the foundation (NT\$ mm)<br>Total number of beneficiaries<br>Foundation volunteer service<br>Cooperation hospitals with the foundation<br>Disadvantaged beneficiaries receiving medical subsidies<br>Microinsurance beneficiaries<br>Average training hours of sales agents | 76.18                       | 98.05 | 88.56 |
|  Natural capital    | Introduce and execute systematic environmental management procedures to help enhance the management efficiency of operational bases. Reduce energy and resource consumption of buildings, enhance efficiency of energy utilization, as well as increase levels of comfort and quality at work.                                | 0.18                         | Install comprehensive environmental management procedures, strengthen sustainable management of the work environment, and raise awareness for environmental conservation among all office of employees and agents.  | Serve as an environmentally friendly enterprise, implement various measures to enhance energy and carbon efficiency of hardware and software equipment, initiate environmental sustainability actions, and advocate eco-friendly practices, to assist with the sustainable development of our environment.  | paperless operations million copies<br>Environmental expenditure (NT\$ mn)<br>Consumer waste reduction (kg)<br>Policy mailing reduction(%) (Compared to 2011)  | 51.59                       | 24.11 | 22.53 |

## Participation in external organizations

To enhance the competitiveness and sustainable development of the financial and insurance industry, Nan Shan Life has maintained positive interaction with influential industry associations, various societies, government agencies, academic institutions and other organizations. In 2019, Nan Shan invested around NT\$14 million in the industry as well as related associations and organizations for long-term sponsorship. As for external sponsorship, the total amount reached NT\$98 million. Through practical actions, Nan Shan Life offers full support for the development of industry, charity and related public issues.

Furthermore, upholding a forward-looking spirit, Nan Shan Life actively advocates and engages in diverse sustainability initiatives and academic workshops at home and abroad. We have also participated in various related international and national professional organizations. Through interactions and communications with diversified stakeholder groups, we are able to enhance our employee's professionalism, skills, and services, while further expanding their vision and outlook.

### Organizations of which Nan Shan serves as a member

| Organization Name   | Position   | Participation and Influence  |
|---|--|--|
| The Life Insurance Association of R.O.C                       | 1. Membership representative<br>2. Representatives of various research groups/committees | Participate in the general membership meeting, serve in research groups/committees, and sponsor activities |
| Life Insurance Management Institute of R.O.C                  | 1. Director<br>2. Chair of the Education Committee<br>3. Member                          | Perform the rights and obligations of members  |
| Chinese Human Resource Management Association                 | Member   | Take courses and certification exams   |
| Taiwan Business Council Sustainable Development               | Member   | Perform the rights and obligations of members  |
| Insurance Society of R.O.C                                    | Member   | Perform the rights and obligations of members  |
| The Actuarial Institute of Chinese Taipei                     | Member   | Perform the rights and obligations of members  |
| Pension Fund Association of R.O.C                             | Member   | Perform the rights and obligations of members  |
| Taiwan Financial Services Roundtable                          | Member   | Perform the rights and obligations of members  |
| Taiwan Insurance Law Association                              | Member   | Perform the rights and obligations of members  |
| Cross-Strait CEO Summit                                       | Member   | Perform the rights and obligations of members  |
| Financial Planning Association of Taiwan                      | Member   | Perform the rights and obligations of members  |
| Risk and Insurance Research Center, College of Commerce, NCCU | Member of the Professional Advisory Committee  | Perform the rights and obligations of members  |
| Life Office Management Association                            | Member   | Take courses and certification exams   |
| Financial Ombudsman Institution                               | Member   | Perform the rights and obligations of members  |
| Institution of Financial Law and Crime Prevention             | Member   | Perform the rights and obligations of members  |

### Organizations receiving long-term sponsorship from Nan Shan Life

| Organization name  | Form of sponsorship | Participation and influence  |
|--|---------------------|--|
| National Taiwan University   | Sponsorship         | Offer academic sponsorship and fund Lectures from Nan Shan Distinguished Young Scholars  |
| Taiwan Risk and Insurance Association  | Sponsorship         | Donation   |
| Tung Hai university  | Sponsorship         | Academic sponsorship   |
| Nan Shan Life Scholarships – provided for 143 universities/colleges and 18 graduate institutes across Taiwan | Donation            | Continuously offer scholarships  |
| 62 microinsurance agents (e.g. the Keelung city government)  | Donation            | The Keelung city government and other 61 microinsurance agents help economically disadvantaged and other specific groups take out basic accident insurance policies. |
| Financial Technology Research Center, NCCU   | Sponsorship         | Donation   |
| Research Center on the Sustainable Development of Insurance Industries, NCCU                                 | Sponsorship         | Academic exchange  |
| Chi-Sing Eco-Conservation Foundation   | Sponsorship         | Advocate environmental initiatives   |
| Taiwan Insurance Institute   | Sponsorship         | Participate in courses offered by the institute and sponsor related activities   |
| 204 hospitals working with Nan Shan Charity Foundation (e.g. Keelung Hospital, MOHW)                         | Donation            | Offer medical assistance funds for economically disadvantaged patients   |





Nan Shan Life upholds the following principles in its corporate governance: protect the rights of shareholders, strengthen the functions of the board of directors, enhance information transparency, emphasize discipline and communication of the management team, maintain solvency, protect the rights of policyholders and respect the rights of stakeholders. In addition, the company's corporate governance structure is built on such principles to safeguard the long-term interests of the company and its shareholders while fulfilling Nan Shan's commitments as part of the "service industry for the public interest". In adherence to the company's business operations and internal regulations, Nan Shan Life revised its "Corporate Governance Guidelines", which serves as its foundation for corporate governance, in 2019 after referencing the "Corporate Governance Best-Practice Principles for Insurance Enterprises" and "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises".

Nan Shan Life is an unlisted company, thus it has not participated in the corporate governance evaluations conducted by the Taiwan Stock Exchange. Nevertheless, before Nan Shan Life becomes a listed company, one of its short-term goals is to participate in overseas awards, such as the Corporate Governance in Asia, to highlight the company's emphasis on corporate governance.

## Board governance

Since 2013, Nan Shan Life has elected four independent directors, and set up the Audit Committee and the Remuneration Committee. Major proposals are sent to the Audit Committee for preview and discussion before being sent to the board of directors for final decision making. To continue optimizing the company system and promote the culture of fair treatment of customers, two functional committees, the "Quality Oversight Committee" and the "Treating Customers Fairly Committee", were set up in 2019.

To comply with the insurance industry board performance evaluation policy promoted by the competent authority, Nan Shan Life invited board members to conduct self-evaluations and peer evaluations in 2019 using the "Board of Directors Annual Performance Appraisal Form" attached to Article 40-1 of the "Corporate Governance Best-Practice Principles for Insurance Enterprises". All directors participated in the evaluation.

Nan Shan Life's board of directors scored an overall average of 97, a grade of excellence, in the 2019 performance evaluations. To strengthen corporate governance, the board of directors appointed a "Corporate Governance Officer" responsible for such matters, and stipulated the corporate "Operational Procedures to Process Requests from the Board of Directors" to assist directors in performing their duties and enhance board efficiency.

To enhance corporate governance and facilitate the exercise of voting rights by shareholders, the Financial Supervisory Commission(FSC) has expanded the applicable scope of electronic voting by companies in accordance with the authorization stipulated in the Company Act Article 177-1, Item 1. Effective starting on January 1, 2018, the regulation states that the electronic voting method shall become one of the channels for the exercise of voting rights when listed companies convene a shareholders meeting.

Even though Nan Shan Life is an unlisted company, to strengthen corporate governance, the company started to include an electronic voting mechanism as one of the channels for shareholders to exercise voting rights in 2018. The measure was continued in 2019 to encourage shareholder activism.

To foster diversity on the board, Nan Shan Life's institutional shareholder "Ruen Chen Investment Holding Co. Ltd." appointed Ms. Min-Chieh Tsai as its representative in 2019, helping Nan Shan Life to further diversify the board.

| Composition of board of directors |    |  Men |  Women |
|-----------------------------------|----|---|---|
| Under 30 years old                | 0  | 0   |   |
| Age 30-50                         | 1  | 1   |   |
| Above 50 years old                | 12 | 0   |   |
| Total                             | 13 | 1   |   |

## Audit committee

To improve corporate governance and strengthen the functions of the board of directors, Nan Shan Life has set up an audit committee in accordance with the law. The Nan Shan Life Insurance Audit Committee consists of four independent directors, who actively participate in discussions and recommendations regarding important company policies. In 2019, the audit committee convened 16 meetings in total.

## Remuneration committee

To implement corporate governance and improve the remuneration system of directors and managers at Nan Shan Life, the company set up a Remuneration Committee and formulated its committee charter. The committee is in charge of specifying and conducting regular reviews of performance appraisal, remuneration of directors and managers. The committee also reviews CSR management and implementation results and conducts periodic appraisals of remuneration of directors, the president and vice president. In 2019, a total of 7 Remuneration Committee meetings were held.

## Conflict of interest avoidance

Ethics and integrity are Nan Shan Life's persistent top priority. According to "Board of Directors Rules of Procedure", when the meeting agenda concerns a director's personal interests or that of the legal entity represented by the director, said director shall reveal important details of their interests during the meeting. When conflicts arise between the interests of the director and the interests of the company, said director shall refrain from discussions and voting, and excuse themselves when a discussion or vote takes place, and must not act on the behalf of other directors in exercising their voting rights.

## Investor information disclosure channel

To ensure transparent external communication, Nan Shan Life has designated spokesperson, acting spokesperson and stock affair specialists, supported by various functional staff, that accept suggestions or answer inquiries from shareholders and investors. After reviewing and gaining an in-depth understanding of such recommendations or inquiries, a verbal or written reply will be provided. Furthermore, the company has established an investors' relations special section on its corporate website, which provides real-time response service to investors and allows shareholders to provide feedback or make suggestions to Nan Shan Life's stock service agencies.

## Transparent disclosure channels

- Convene shareholders meetings in accordance with the law to protect the interest of shareholders.
- Set up separated "Investor Relations" and "Shareholders Service" special sections in the corporate website, to offer investors and shareholders a channel for real-time inquiries.
- In accordance with the law, disclose various important information on the Taiwan Stock Exchange's Market Observation Post System, and the Insurance Industry Public Information Observatory.



Nan Shan Life Charity Foundation



Corporate Social Responsibility Section



Stakeholders Section

Note 1: Directors holding concurrent positions in Nan Shan Life and other companies, please refer to Nan Shan Life 2019 Annual Report P.8~P.13

Note 2: For compliance by directors to avoid matters presenting conflict of interest, please refer to Nan Shan Life 2019 Annual Report P.34,P.35,P.40

Note 3: For the expertise of directors and independent directors, please refer to Nan Shan Life 2019 Annual Report P.8~P.13

Note 4: For details on the 2019 board of directors operations, please refer to Nan Shan Life 2019 Annual Report P.32~P.36

Note 5: For details on the 2019 Audit Committee operations, please refer to Nan Shan Life 2019 Annual Report P.36~P.40

## Management with integrity

Integrity is not just a belief, but a concept that must be managed and implemented. To ensure all employees operate with integrity, Nan Shan Life has formulated relevant policies and regulations in accordance with the law. In addition, the board of directors also sets a standard in supervising the management team, while educating and transmitting the corporate culture of integrity operations through rigorous management mechanisms and control measures to minimize integrity related risks.

## Code of conduct for employee

Nan Shan Life has stipulated "Code of Conduct for employee" and provides employee training, requesting compliance from all employees. Nan Shan Life also formulated the "Code of Conduct for Board of Directors" to clearly stipulate a system for directors to avoid conflicts of interest and manage the business with the highest professional and ethical standards.

## Emphasis on work ethics

To provide a consistent basis for employee judgement on corporate services and commercial activities, Nan Shan Life has formulated comprehensive guidelines for employee work ethics, and provides annual training and promotions to establish an honest and transparent corporate culture.

## ESG responsible investment

In response to the United Nations Principles for Responsible Investment (PRI), ESG factors are incorporated into Nan Shan Life's "Investment Policy", which has been approved by the board of directors. During the investment assessment process, the company integrates and follows the PRI standards to deliver sustainable value.

In practice, we also evaluate the investee company to determine whether it has fulfilled its environmental protection, corporate integrity and social responsibilities. To align with social expectations, Nan Shan Life makes prudent use of company funds and avoids investing in companies associated with gambling, pornography, and warfare development, which are deemed to have negative impact to the society. Moreover, to strengthen implementation of responsible investment, the company has created an "Investment Policy" that clearly stipulates a list of enterprises unsuitable for investment, including those involved in gambling, pornography, national defense weaponry and other unsuitable activities. This policy is adhered to and reviewed annually.

### Nan Shan Life Principles for Responsible Investment

Incorporating Environmental, Social and Governance (ESG) factors into its "Investment Policies", Nan Shan Life ensures prudent use of funds to aligns with social expectations by investing in companies that have performed their duties in environmental protection, corporate integrity and social responsibilities.



## Anti-Money Laundering and counter terrorism financing

Committed to preventing money laundering and countering terrorism financing, Nan Shan Life has established a designated money laundering prevention unit and formulated relevant management policies and internal operating standards to actively promote, supervise and monitor the status of relevant operations. In the event the company discovers that customers and/or their transaction partners are sanctioned by the Counter-Terrorism Financing Act, the company will freeze their transactions in accordance with the law and report to the Investigation Bureau of the Ministry of Justice within 2 business days after reporting to Chief Compliance officer for approval. Transactions suspected of money laundering or terrorism financing will be reported to the Investigation Bureau of the Ministry of Justice in accordance with Article 10, Item 1 of the Money Laundering Control Act.

## Antitrust and monopoly

Within the "Code of Conduct for Internal Staff", Nan Shan Life has stipulated provisions for antitrust. For transactions being investigated by the competent authorities or rumored to be in violation of the domestic Fair Trade Act or antitrust regulations of other nations, a notification shall be sent immediately to the direct supervisor, the head of legal compliance, and the company president, and appropriate remedial measures are implemented swiftly.

## Legal compliance training

To effectively and continuously promote the concept of legal compliance and work ethics for the agents, Nan Shan Life has been actively promoting various legal compliance training for its agents through multiple channels including physical /digital courses and online video programs. Moreover, to ensure internal staff members receive and understand clearly corporate integrity management concepts and accurate legal knowledge on the first day of their arrival at work, Nan Shan Life continues to offer physical/digital courses to provide comprehensive legal compliance training.

## Seamless legal compliance and reporting mechanisms

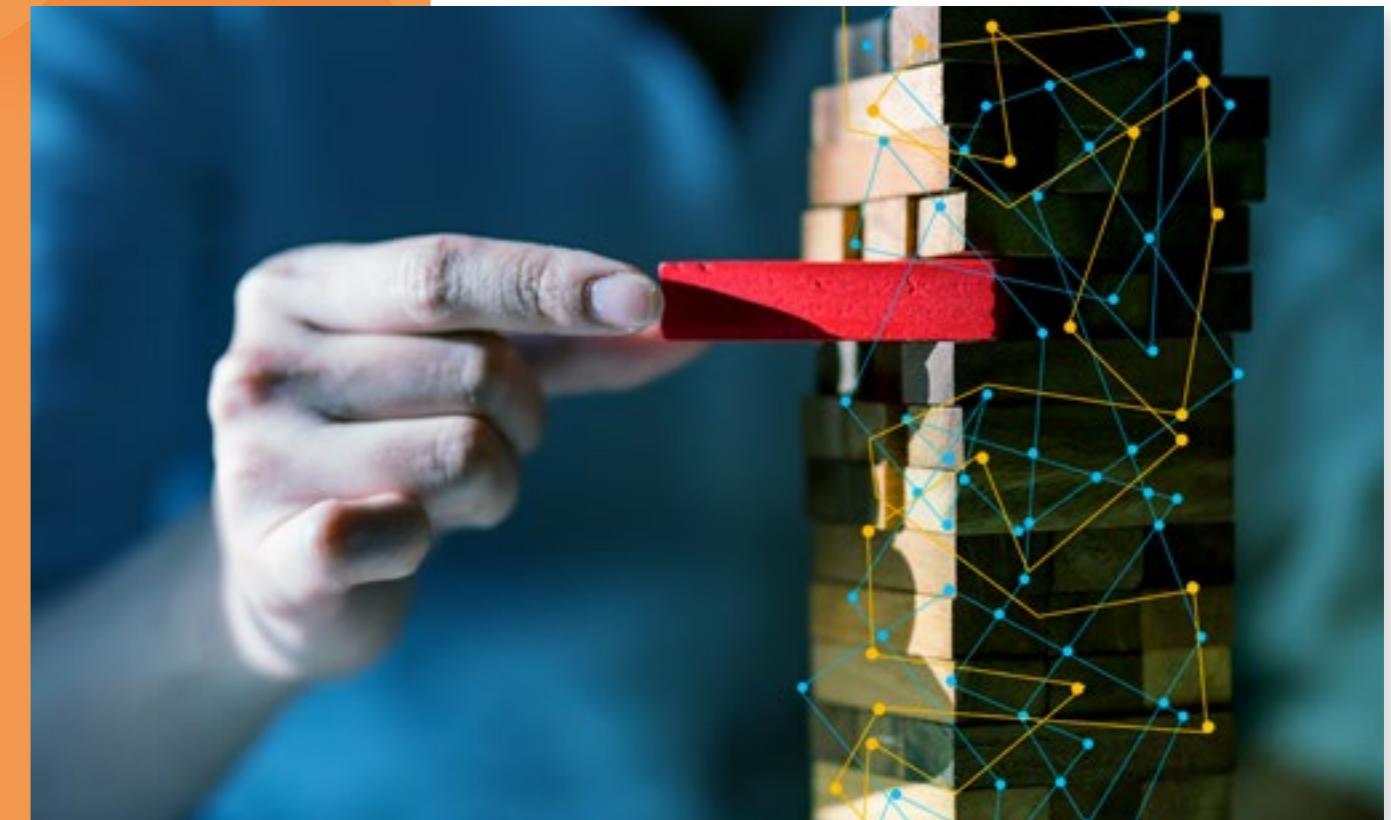
In adherence to laws and regulations, Nan Shan Life has stipulated various rigorous internal audit and control measures and related management regulations. Anyone may report to the following channels when they discover crimes, fraud, or violations of laws or code of conduct by internal staff, managers or directors while performing their duties. In 2019, 10 reports were received that resulted in two accepted cases. Even though the remaining eight cases did not meet the criteria for reporting, they were still forwarded to the relevant units for follow-ups.

- In compliance with legal revisions or changes in business requirements, Nan Shan Life has implemented and strengthened legal compliance promotion. The company organized several digital/physical courses in 2019, totalled 19,024 were completed by employees.
- Regarding the agents, Nan Shan also actively conducts legal compliance education. The company organized several digital/physical courses in 2019, totalled 110,551 were completed by agents.



- Hotline to report illegal activities :  
02-87588366
- Email address for reports :  
[NS-Whistleblowing@nanshan.com.tw](mailto:NS-Whistleblowing@nanshan.com.tw)
- Dedicated hotline :  
(02) 87588877
- Fax No. :  
(02) 27582136
- Address :  
Legal Compliance Department, No. 168,  
Zhuangjing Rd., Xinyi Dist., Taipei City 110

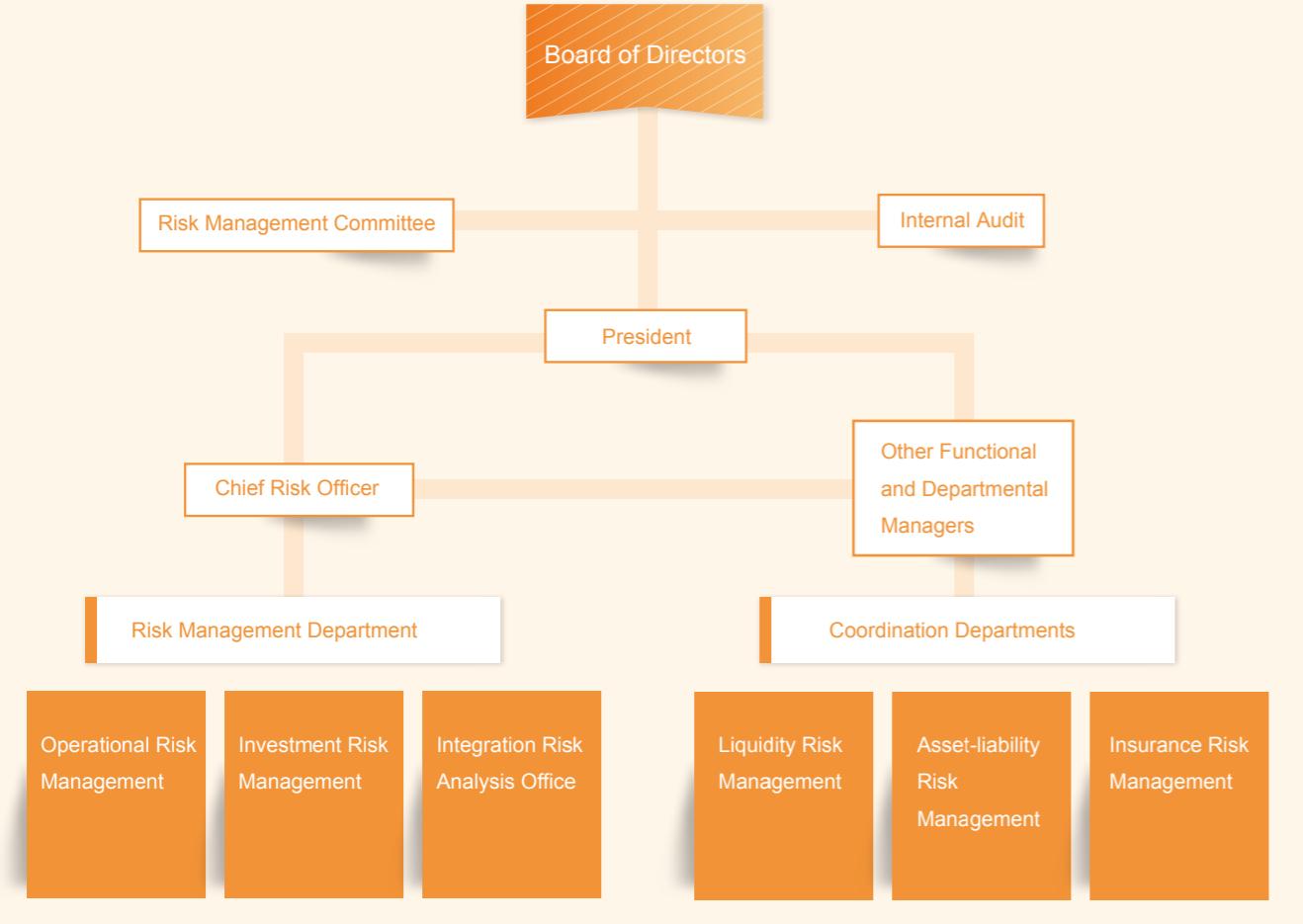
## Risk management



The most reliable protection for policyholders can only be provided with a sound risk management system! To ensure adequate capital and solvency while enhancing business operations and development, Nan Shan Life has built a comprehensive organizational framework with risk management mechanisms and a systematic operation of risk management culture to protect the rights and interests of all policyholders.

Nan Shan Life has established a comprehensive framework along with monitoring mechanisms for risk management on top of a sound financial structure. It continues to focus on both efficiency and risk control awareness to create operational value for both shareholders and policyholders.

## The organizational structure of Nan Shan life's risk management



## Risk management mechanisms

The board of directors of Nan Shan Life serves as the highest level of monitoring and decision-making unit for risk management. The Risk Management Committee, with independent director serving as convener, has been established under the board to coordinate risk management matters. The committee has a dedicated unit to implement cross-departmental and cross-functional risk monitoring and management.

In accordance with the risk appetite specified by the board of directors and the risk limit approved by the Risk Management Committee, the Risk Management Department regularly examines the overall use of risk limits, dynamically monitoring risks and environmental changes (including risks associated with climate change), and reporting the results to the management team and the risk management committee in a timely manner to enable a swift follow-up response.

## Market risk management

In terms of market risk management, Nan Shan Life relies on value-at-risk as the foundation, supplemented with sensitivity analysis and Stress Testing, to regularly monitor the changes of market risk factors (interest rate, foreign exchange rate, and equity price) that affecting company's investment portfolio and overall risk profile. Additionally, considering its capital capability to absorb market risks, the company sets various indicators including stress-test monitoring indicators, market risk indicators, overall and departmental VaRs, forex risk monitoring indicators, etc.

The company also regularly examines the risk limit usages and monitors market volatility at all times.

## Credit risk management

With the credit risk management mechanism in place, Nan Shan Life is able to identify, measure, and monitor credit risks simultaneously and dynamically. The mechanism also helps enhance the asset quality of the Nan Shan's investment portfolio, and ensures sound business operations in compliance with the best credit risk management practice.

## Mission of risk culture based on principles of sustainable development

In 2019, Nan Shan Life participated in the Insurance Capital Standard (ICS) and International Financial Reporting Standard (IFRS17) related research conducted by Taiwan Insurance Institute. Referencing relevant domestic and international regulations and empirical research results, the company actively provides recommendations to assist the sustainable development of the insurance industry. To create a comprehensive risk management culture and elevate employee risk awareness, the company provides monthly reports on market and credit risk, as well as quarterly reports on operational risk management to relevant supervisors. In addition, an online risk management training course for all employees is held annually with a 100% participation rate. Moreover, the Company provides training courses on risk management supervisors/staff assigned by every business units quarterly. The completion rate of participation was 100%.

## Risk management and internal control framework

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

### 1 First line of defense Business Units

Each business unit assigns a risk management supervisor/staff to effectively assist the implementation of risk management operations. All employees, including newly appointed directors, supervisors, and senior management are required to participate in risk management training courses .

### 2 Second line of defense Risk Management

Responsible for the company's daily risk ongoing monitoring, measurement and evaluation with exercising its independent risk oversight functions. Risk management department is responsible for assisting the formulation and implementation of the Risk Management Policy approved by the board of directors, assisting in setting risk limits based on risk appetite, consolidating risk information provided by each unit, coordinating and communicating with each unit to implement policies and risk limits, regularly providing risk management related reports, monitoring the risk limit and operational status of each business unit, and other risk management related matters.

### 3 Third line of defense Internal Audit

Internal Audit is responsible for auditing the implementation of risk management by each business unit in accordance with current, relevant regulations.

## Emerging risk 1: cybersecurity risks of FinTech applications

The development and application of FinTech has also created emerging risk issues related to cybersecurity and personal data leakage. In response, Nan Shan Life has adopted the ISO 27001 Information Security Management System and established a Information Security department in 2018, conducting regular cybersecurity evaluations annually and presenting the results to the risk management committee and the board of directors.

In 2019, Nan Shan Life commissioned an external cybersecurity professional consultant (NTT Group), which conducted a comprehensive evaluation and quantified the company's maturity in various cybersecurity arenas from the three aspects of employees, process, and technology based on the international standard of Sherwood Applied Business Security Architecture (SABSA). In comparison with the global and financial industry, the company's "Cybersecurity Maturity Report" and "Cybersecurity Development Blueprint" were created to help with the company's information security development strategy over the next three years, to strengthen its cybersecurity protection mechanisms.

In terms of strengthening employee awareness of cybersecurity, the company regularly organizes social engineering exercises and cybersecurity educational training and promotions to implement our determination and commitment to protecting customers' personal data with a safe and reliable information service management system.

## Emerging risk 2: risks to sustainable business operations

Nan Shan Life has formulated "Major Incidents Processing Guidelines" in response to potential emergencies. Groups based on the nature of different events to conduct periodic drills as necessary to ensure proper response without endangering the company's proper operations or social financial order in the event of major incidents, such as IT system shutdown, emergency, man-made or natural disasters.

To ensure a proper response to outbreaks of infectious diseases (such as the global outbreak of COVID-19 in early 2020), Nan Shan Life has formulated the "Severe Special Infectious Disease Epidemic Prevention Operations Manual" and established a dedicated response team to initiate epidemic prevention measures depending on the epidemic level and severity, including: caring for policyholders, occupational safety, and daily reports of employee health and work attendance. Also, depending on the severity of the epidemic, the team initiates decentralization measures, such as requesting employees to work from home to prevent the risk of group infection at the office and ensure continuous business operations.

### Nan Shan General Insurance: continuous operations management service

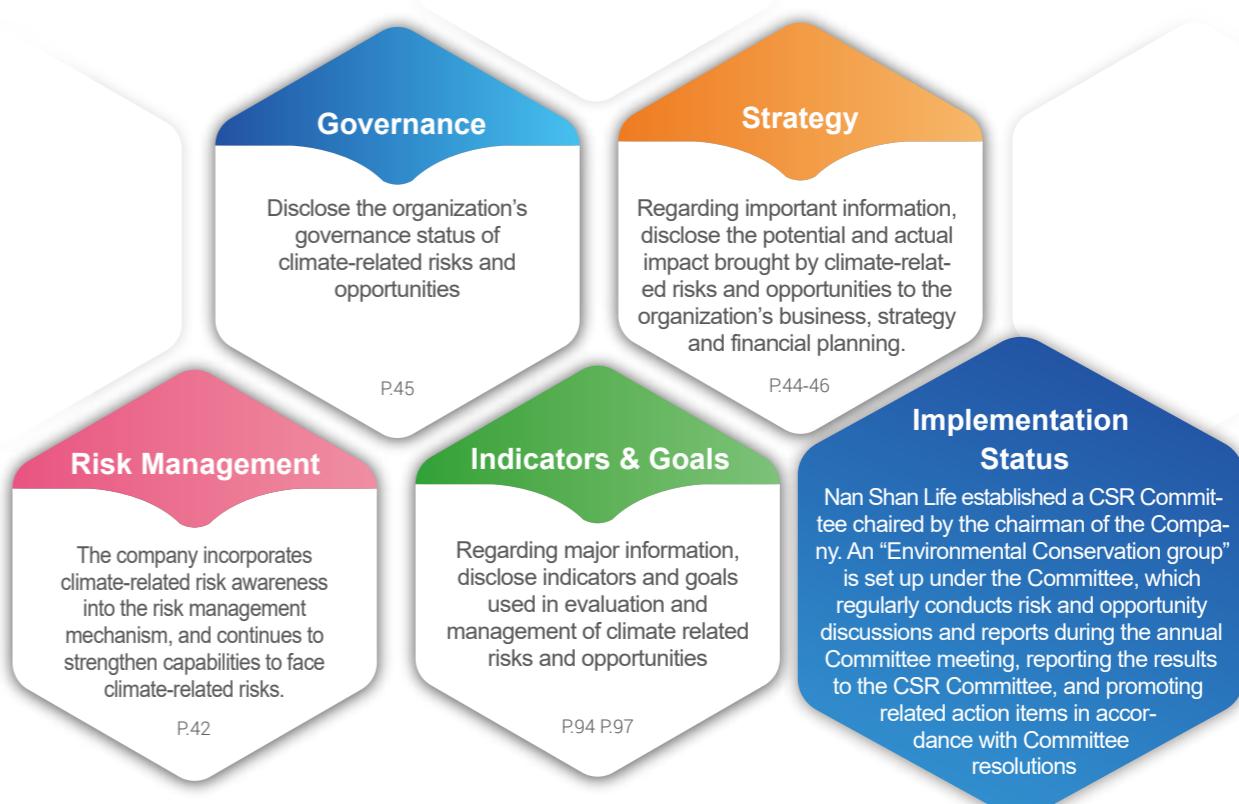
Nan Shan General Insurance Company deeply integrates the security requirements of enterprises to provide loss-prevention services for large domestic corporations. Through advance prevention, it enhances the reliability of equipment operations and industry safety, assisting corporate customers in operational risk management and lowering the costs of insurance.

In 2019, the company provided 64 infrared safety inspection services to effectively reduce customer operational risks. In addition, Nan Shan General Insurance engineers provide loss-prevention investigations and recommendations for those customers to strengthen operational safety.

The loss-prevention and control services provided by Nan Shan General Insurance serve as important tools to lower the frequency of corporate losses and to reduce the severity of losses after an incident occurs. In the event of an emergency, corporations may rely on comprehensive emergency response plans to respond properly and quickly return to normal, creating a win-win situation for corporate customers and the insurance company.

## Climate change risk management

With the rapid pace of climate change around the world, Nan Shan Life actively aligns with international initiatives to prepare for the potential impact to industries and society. In 2018, the company became one of Taiwan's only two insurance companies to sign the Task Force on Climate- related Financial Disclosures (TCFD), voluntarily promoting climate-related financial disclosure from the various aspects of governance, strategies, risk management, indicators and objectives, informing stakeholders with relevant and reliable financial assessing information.



## Low-carbon insurance products

The risk of natural disasters as a result of extreme weather has gradually increased in recent years. To protect customer assets, Nan Shan General Insurance has introduced the "Residential Green Energy Upgrade Additional Clause". With an additional premium, policyholders may add this clause to their policies, which can be applied to basic residential fire and earthquake insurance, or comprehensive residential insurance issued by Nan Shan General Insurance.

The major function of the additional clause is that Nan Shan General Insurance will repair or rebuild with green energy materials or equipment in the event residential property damage is incurred, or pay in cash the cost of making repairs or rebuild with green energy material or equipment. The Company relies on the concept of environmental sustainability to strengthen customer asset protection.

Since this product was launched, sales have grown from 69 policies in 2016 to 319 in 2017, and up to 652 policies in 2019. The gradual increment of such policies is an indication the product is gaining customer approval.

Note: The "green energy construction material and equipment" in the added clause refers to material and equipment with government-approved green building material labels, environmental protection labels and energy-saving labels, or products approved by environmental labeled manufacturers.



## Practice of inclusive financing



In recent years, financial inclusion has become a popular topic around the world. Nan Shan Life Insurance has also listed financial inclusion as a crucial goal for action planning and adopted multiple measures to provide more convenient financial services to seniors and disadvantaged groups.

### Target group of financial inclusion vs Strategy adopted by Nan Shan Life

#### Seniors

Friendly to Seniors, women, children, and policyholders with impaired mobility by providing them with a spacious and comfortable waiting area and priority over discussion of various policy-related matters with designated staff members.



#### Disadvantaged groups

According to the actual conditions of each regional service center, anti-slip facilities at the main entrance along with accessible toilets, ramps, and parking spaces have been gradually implemented to ensure a friendlier and safer environment for all policyholders.

Regarding the purchase of annuity insurance by hearing impaired policyholders, Nan Shan Life staff must, in compliance with the Insurance Bureau, provide printed copies of the inquiry instead of conducting a phone interview to meet the needs of these policyholders.

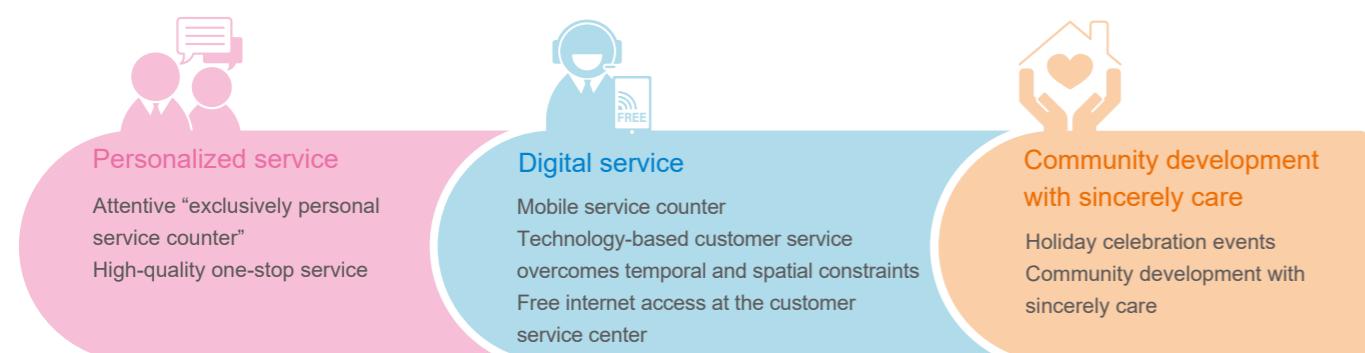


## Diverse services

Advances in digital technologies have allowed the development of diverse and flexible service channels. Nan Shan Life also provides convenient and real-time services to policyholders through such technologies.

|  |  |
|--|--|
| <b>Policyholder section of Nan Shan Life's website</b> | inquire about and access the latest policy information, make policy contract changes, and file insurance claims at any time.             |
| <b>Nan Shan Life mobile application</b>                | Access to various services including policy information inquiry, mobile payment, healthy life, and the Nan Shan Club, on the mobile app. |

Service items of the 2019 Policyholder Section of Nan Shan Life's website have been upgraded to provide clients with electronic policy services. Members can make simple changes online, change the content of investment-linked insurance products, and apply for insurance policy loans. Policyholders can easily access services online without time and space constraints.



## Age-friendly service

Drawing from the perspective of policyholders, Nan Shan Life fulfills public safety requirements by providing various indoor and outdoor services, such as elevators with Braille buttons, handrails, and wheelchair operation buttons, as well as special appointments and on-site services.

In addition, reading glasses, hand sanitizers, surgical face masks, blood pressure monitors, hair dryers, and feminine products are provided to policyholders.

## Innovative and attentive services

In 2019, Nan Shan Life continued to develop diverse, innovative, and attentive mechanisms to serve a large number of policyholders. These unique and innovative services are detailed as follows.



### Customer grouping and precise services

Application of AI and big data provides simplified insurance purchasing and easier underwriting procedures, which facilitate customers in selecting the most suitable insurance policies.



### Insurance purchase experience friendly to expectant mothers

Industry's long-standing restrictions on insurance purchase for expectant mothers. When entering into an insurance contract, expectant mothers no longer need to provide additional prenatal check-up or physical examination manuals due to their age or week of pregnancy. This provides expectant mothers with a more friendly insurance purchase experience.



### Real-time system ready to be launched

Development of a real-time system program grants customers access to services related to underwriting, claims settlement, and policies on the company's app and website.



### On-site expense deduction and discharge without worries

- The service entitled "claims settlement without documentation for medical expense deduction" was launched to let policyholders deduct the hospitalization medical expenses with claims upon discharge. With on-site claim settlement and expense deduction, policyholders can be discharged from hospitals without worry.
- A total of 28 hospitals have signed a cooperation agreement with Nan Shan Life, amounting to a total payment of more than NT\$31.94 million at an average deduction of NT\$54,000 per payment.



### Insurance purchase via mobile devices to accelerate performance

- Purchase services may be accessed using an iPad and cloud technologies.
- An instant photo-uploading system was established to enable immediate application review by the underwriter, thereby speeding up the processing efficiency.
- A payment platform based upon real-time cash flow was created for customers to immediately complete the first instalment payment online.



### Real-time sales service center of the agency offices

The claims settlement specialists and underwriters who used to work backstage are assigned to the sales office to solve the doubts of agents and customers on site.



### Proactively reconnecting with inactive customers

- Based on past experiences by Nan Shan Life, the Insurance Bureau formulated a household search and clearance mechanism, which has been approved as a standard operating procedure.
- When service personnel fail to get in contact with an inactive customer, they may request their household registration information or inquire about their status of being (deceased or alive) from government agencies.



### Proactive handling of claims service

In response to unexpected disasters, designated personnel are assigned for continuous follow-up and active customer service. Nan Shan Life accompanies family members through difficult times by expressing condolences, proactively handling accident claims, and offering emotional support.

- In 2019, Nan Shan Life paid attention to approximately 43 accidents, served 20 customers, and settled more than NT\$29 million of claims.
- In the past 5 years, Nan Shan Life has proactively cared for 552 customers, amounting to more than NT\$769 million of insurance claims.



### Global care overcoming geographical barriers

A 24 hours a day International SOS Center was established to provide customers in foreign countries with solid support, such as medical care, tourism, law, international student, and emergency assistance.

- In the past two years, Nan Shan Life has answered more than 552 phone calls for help from all over the world and provided approximately 312 international assistance, such as recommending medical institutions, emergency medical transfers, handling affairs of the decedent, and travel assistance.

### Medical expense deduction with insurance claims

The “medical expense deduction with insurance claims” service launched by Nan Shan Life has received wide acclaim. The scope of service currently covers approximately 28 medical institutions across Taipei, Taoyuan, Taichung, and Kaohsiung, and continues to expand.

Policyholders of medical insurance issued by Nan Shan Life who file an application during hospitalization and obtain approval may transmit their medical information via a digital system. This enables them to enjoy medical expense deduction with insurance claims when billed upon discharge. There is no need to collect documents of proof to file claims afterwards. Any remaining amount from covering the medical expense is paid according to the method (remittance or cheque) specified by policyholders as early as the day of discharge.

According to the statistics released by Nan Shan Life, this service has been acclaimed by various cooperative hospitals and the public since its launch, achieving a service rate of more than 80% and bringing great convenience to policyholders.

### Focusing on seniors services

Nan Shan Life draws on its core competency to support and respond to the issue of declining birthrate and population aging in Taiwan, which is as important as national security and environmental sustainability. By creating a “protector of seniors” section on its website, Nan Shan Life combines both public and private elderly care resources to organize and provide information on long-term care. With sufficient knowledge and information, the public is able to effectively respond to issues arising due to population aging.



樂齡好靠山

## Promotion of digital innovation



The power of technology is the power of change. Nan Shan Life has long been investing in the development of FinTech to achieve the objective of corporate transformation, enhance operational efficiency and competitiveness, and provide policyholders with comprehensive insurance coverage with the assistance of information technology. This project not only serves as a system upgrade, but also as a practical example of high-tech innovation and transformation in Taiwan. Through the Envision Project, Nan Shan Life hopes to drive continuous enterprise innovation with the mission of applying cutting-edge technologies to insurance service.

## Cultivate intelligent financing talents

With the latest developments in FinTech, the insurance industry has already entered the era of technology. In 2019, Nan Shan Life expanded recruitment to attract more than 500 elite back office new hires, targeting domestic and international college/masters' graduates, regardless of their majors, to cultivate a new generation of smart financing elites.

## Digital transformation of agent

Digital transformation is an imperative for the insurance industry. Nan Shan Life encourages agent to utilize smart tools in Agent Portal and Customer Portal to provide customers with personalized service. By applying data analysis to predict the coverage needs and repurchase behavior of customers, precise marketing and an attentive level of service can be achieved.

Nan Shan Life provides comprehensive training for staff and agents in system operations for seamless integration. A total of 116,178 training have been completed.

In 2019, Nan Shan Life continues to share practical experiences from Envision operations and promote new functions to agent and newly appointed agency leaders, as well as assisting them with the application of smart tools to provide sales services and develop capabilities of the entire team.

### Achievement in 2019



#### "Smart Insurance sales process" training

Establish new concepts and ideas for smart insurance for agent and strengthen the smart sales capability of agent.

A total of 2,785 new agents completed training



#### Activity volume management course

Combine operations on the Envision system, such as the calendar, customer management, sales opportunity management, sales activity volume, and sales performance predictions, to help agent understand the effectiveness of sales activity management.

A total of 2,351 new agents completed training



#### Insurance needs planning professional training (Three aspects, nine protection)

Assist agent in using the financial-need analysis system to quickly and precisely customize demand and coverage gaps, providing customers with comprehensive insurance planning, and helping elevate the professional image of agent.

A total of 5,088 new agents completed training



#### Utilize the policyholder portal to create performance

Cultivate the ability of agent to guide customers in opening the Customer Portal, assisting customers to understand their existing policy coverage, to discover and fill in coverage gaps, increase interaction and communication with policyholders. Provide customers with required products and services in a fair and reasonable manner.

A total of 2,351 new agents completed training



#### Intelligent recruitment and selection training

Starting from the establishment of organizational development concept, step by step guides the students to understand the core techniques of the recruitment process through recruitment management tools, and enhance recruitment effectiveness.

A total of 1,063 agency leaders completed training

## Interface for diverse digital services

In 2001, Nan Shan Life launched Taiwan's first PDA life insurance software "Digital Business Operational System", and followed up in 2012 with various innovative business management tools, such as iPad "New Touch" and "NS Smart Touch" to facilitate the marketing and promotion of products by insurance agents. A new mobile service desk was also created to provide agents a highly effective tool for customer service through high-tech software design that is easy and convenient to use.



### Customer app

A smartphone app with multiple functions, such as policy inquiries and purchases and barcode payments, to provide a new mobile service experience to policyholders.



### Online Insurance Service

Established "Nan Shan Life online policy center" to build an innovative, convenient and safe channel to sign up for insurance. Customers may easily file insurance applications after completing registration and identity verification to become a member.



### Online policies

Within the "Nan Shan Policyholder's Portal" dedicated online service platform, policyholders are provided with various policy and related comprehensive services, enabling policyholders to obtain policy information instantly.



### Mobile Insurance Service

Through the integration of iPad and Cloud technology, the agents may assist policyholders to easily complete insurance applications on tablet computers.

## Caring for women: utilizing localized data to formulate underwriting criteria

In defense of the insurance rights of women, Nan Shan Life has been collaborating with reinsurance companies since 2016 to revise the underwriting guidelines for patients with fibrosis of the breast. The measure was a major breakthrough. Previously, it was difficult for women to apply for serious disease or cancer insurance if they had breast fibrosis. Currently, the medical community is able to determine the diagnosis and prognosis of benign breast tumors effectively and accurately. Customers with such conditions may apply for serious disease insurance or cancer insurance as long as they provide follow-up exam reports as proof of the stability of their physical condition, and that the results show no abnormalities compared to prior exam results. Based on the customer's diagnosis timeframe and follow-up reports, an underwriting evaluation may be conducted to provide more comprehensive coverage for women.

## Big Data underwriting, caring for pregnant women

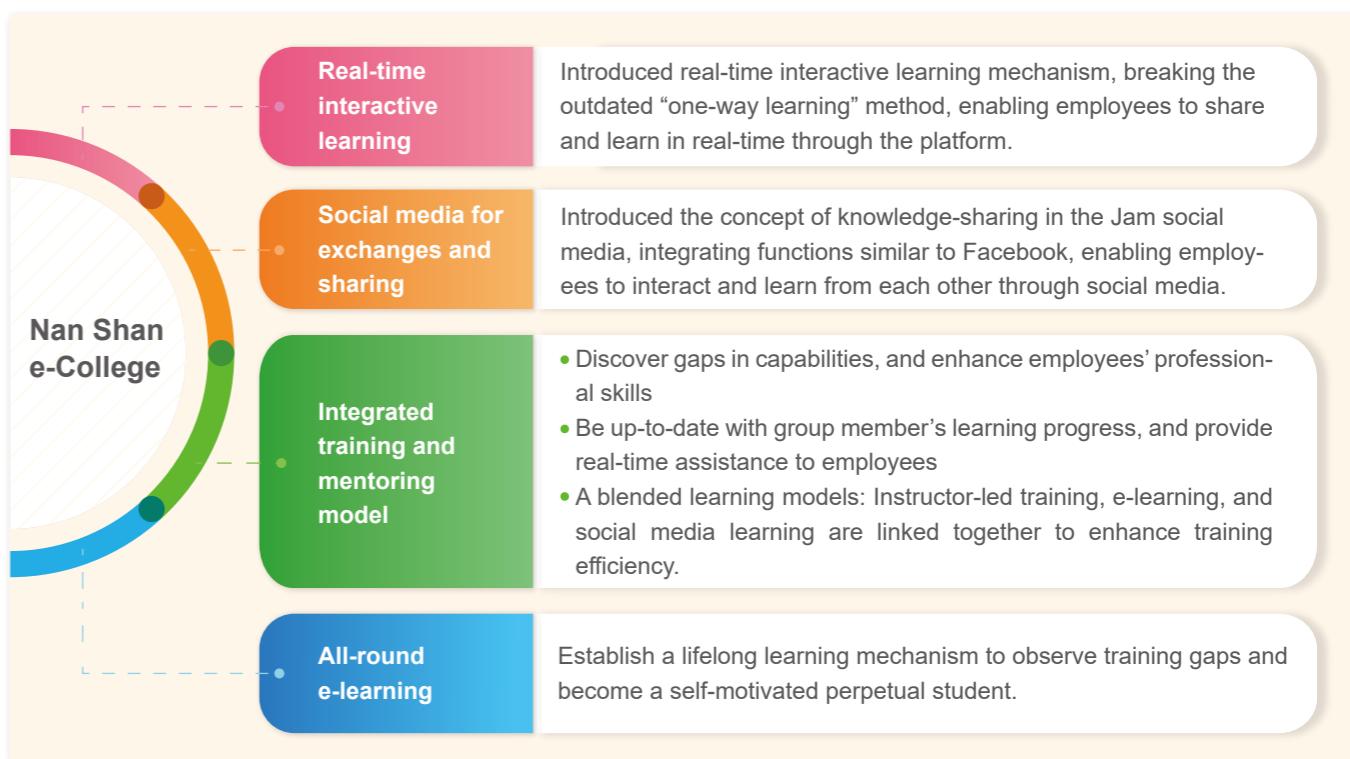
Nan Shan Life listens to the needs of society. Utilizing its local underwriting data and experience, it provides quality underwriting services for expectant mothers.

|   |  |
|---|--|
| Sustainability issues                   | Currently, more review procedures are required for the application of health insurance by pregnant women. Since the times and environment have changed, discussions have been held for future adjustments to these requirements.   |
| Listening to the voices of stakeholders | Employees often question first-line underwriters about insurance policies for pregnant women, requesting improvements to make the policy application process more efficient and friendly. The company has been adjusting underwriting rules in a timely manner based on underwriting experience, integration of Big Data, and the recommendation of medical specialists. |
| Resolution                              | Nan Shan Life has formally "simplified insurance coverage rules for pregnant women", so that women no longer need to provide additional physical exam results due to their age or number of weeks of pregnancy at time of insurance application.   |

## Nan Shan e-College – envision new skills

To help employees to integrate with the latest digital financing technology, Nan Shan Life has established the "Nan Shan e-College", offering digital courses for employees to study and check on their learning progress at any time. Employees may exchange ideas or share their professional knowledge through the platform, extending the effectiveness of training and learning.

In 2019, Nan Shan Life offered 1,098 digital courses for back office staff, including general-education courses, annual training, management courses and departmental professional training courses. The course enrollment total was 99,806 times, providing a total of 107,954 hours of training. Using diversified and active training methodologies to enhance the training effectiveness, the e-College enables employees to upgrade their professional skills.



## e-learning platform for agent, breaking the constraints of time and space, initiate learning starting at the fingertips

For effective management of agent at various levels, and improvement of their professionalism and management capabilities, Nan Shan Life has launched a e-learning platform, “Nan Shan e-College”. The platform offers agent the opportunity to learn on their own at any time through mobile devices. As of the end of 2019, the platform has been visited 7.71 million times. Each business partner has enhanced their professional capability by logging in an average of 46 times per year.



## IoT tele-health care service – BAM App

In recent years, “Healthy LOHAS” (Lifestyles of Health and Sustainability) has been the main development focus for Nan Shan Life products and services. The company hopes to change the general perception of insurance by repositioning protection and emphasize prevention in addition to post-event compensation. Policyholders are encouraged to exercise regularly and stick to a healthy diet. They are also provided with various health-promotion policy mechanisms integrated with interesting technology to help reduce the probability of sickness or accidents.

Since 2016, the company has conducted cross-sector collaboration with Garmin and French insurance group SCOR Global Life, to advocate physiological age reduction. The public is invited to download “BAM App”, which relies on five easy-to-understand healthy indicators, including “number of steps”, “resting heart rate”, “dynamic calories”, “sleeping time” and “BMI value” to facilitate the adaptation of a healthy lifestyle. Based on data from a wearable device, the estimated “physiological age” of the user is shown, helping them to understand the changes and trends of physiological age, and achieving the goal of healthy age-reduction.

This innovative algorithm is an exclusive of SCOR and Garmin, which was also an important application and breakthrough of InsurTech. In the future, Nan Shan Life plans to design a mechanism to encourage and promote the health of policyholders. Nan Shan will invest heavily on integration of digital technology applications for the design of more professional and innovative health and medical insurance products. Such products will hopefully help policyholders embrace healthy living, simultaneously upgrading the health of policyholders and their protection coverage.



## Mobile digital sales assistance

Nan Shan Life has integrated various sales assistance tools, such as product training, promotion, and the latest sales-assistance data. The Company has also established a knowledge database platform, which offers agent a one-stop instant messaging service. The platform also meets the needs of policyholders for digital information, and greatly reduces the time frames and operating costs of manpower.

Moreover, Nan Shan Life plans to continuously improve the product eDM and policy health check system to assist agent in the use of mobile tools for coverage inspection of policyholders. This will enable agent to provide policyholders with superior risk protection planning and recommendations.

## Comprehensive services for policyholders



With great care and attention to the needs and voices of each policyholder, Nan Shan Life has created mechanisms for the collection of diverse opinions, customer feedback, and satisfaction surveys. Based on in-depth understanding of the thoughts and behaviors of policyholders, Nan Shan Life provides high-quality, professional, and efficient services.

### Comprehensive and attentive 24 hours a day service

Due to rapid developments in technology, the customer service interface has gradually evolved from phone calls and faxes to an all-rounded smart customer service mechanism. Policyholders can directly contact Nan Shan Life via their mobile devices, such as phones and tablets, to immediately obtain the information they need without constraints in time and space. Moreover, the customer service is available to policyholders 24 hours a day.

### Create intelligent customer service and promptly provide professional services

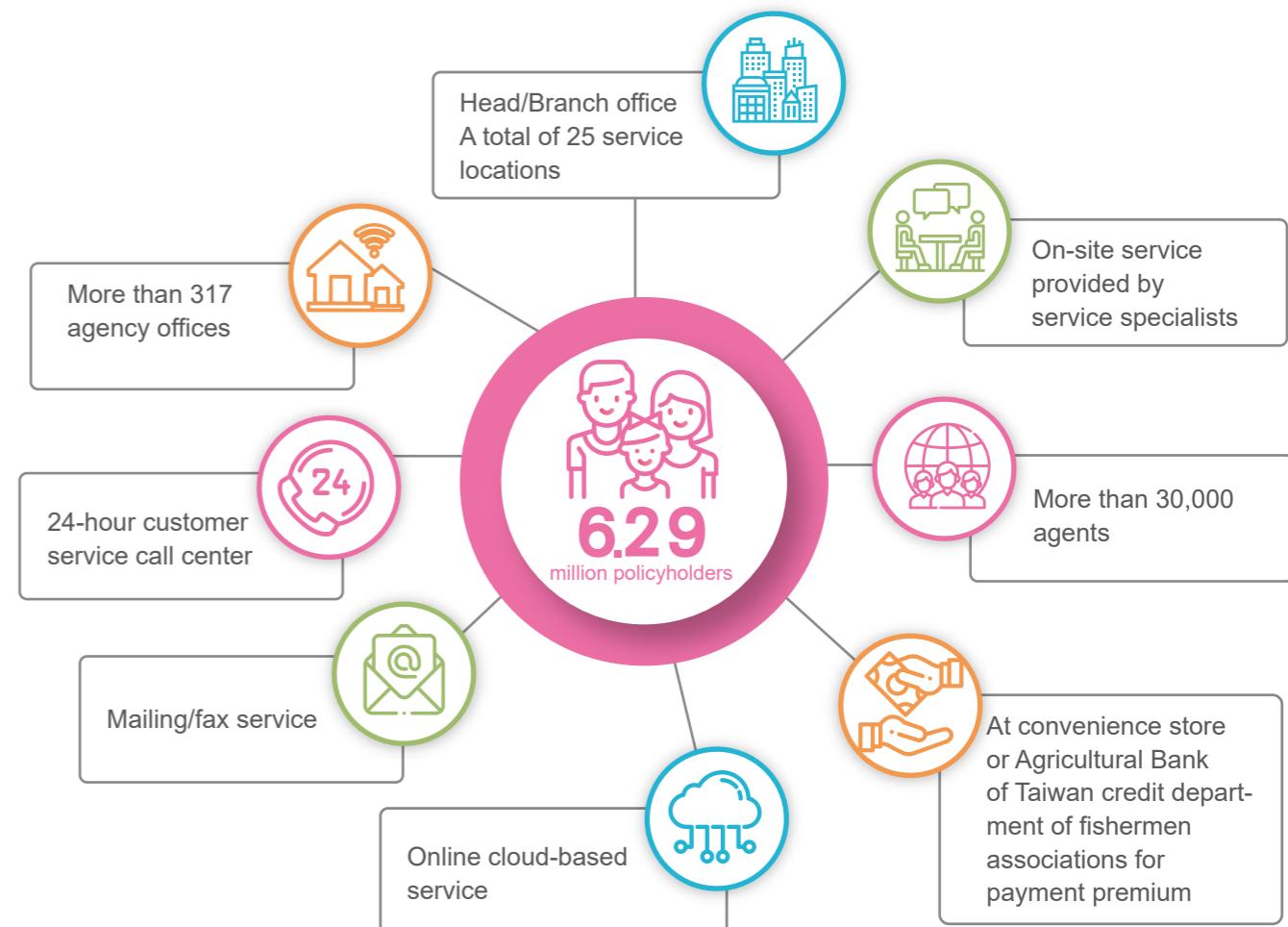
The development of a smart call forwarding mechanism, where the system proactively matches the corresponding customer service personnel with a customer according to needs, enables customers to receive fast and professional services. An information integration platform was established to integrate the records of each customer's calls and inquiries for further analysis. Pre-emptive action plans are taken to enhance customer satisfaction.

### Establish an information integration platform focusing on customer needs

To gain a more comprehensive insight into the needs of customers, Nan Shan Life Insurance has created a Customer Service Record Integration Platform (CIC 360), by which customer service personnel can provide services through a single interface. Effectively understanding the real-time conditions of customers and solving their problems accordingly, personnel can improve customer experience and enhance service benefits.

### Diverse and convenient service platforms

To provide policyholders with direct, convenient, and instant services before and after they enter into an insurance contract, Nan Shan Life has established diverse online and offline communication platforms. Based on open and transparent information services, the company discloses various data and event information to maintain a good interactive relationship with policyholders.



## High responsiveness to policyholder demands

Nan Shan Life pays attention to the voice of every customer and efficiently handles every complaint and inquiry with an attitude of care, warmth, and precision. As a result, Nan Shan Life's commitment to continuous improvement has resulted in positive feedback from policyholders for consecutive years. According to the annual data released by the Financial Ombudsman Institution established in 2012, Nan Shan Life constantly exhibits an extremely low complaint/ombudsman resolution rate among medium and large insurance companies, which shows that customers affirm and trust the company.

Note 1: Complaint rate (0/000) : 0.175671924

Note 2: Disputes rate (0/000) : 0.047032731



### Nan Shan General Insurance values and responds to customer feedback

Values the voices of customers, Nan Shan General Insurance has launched two services named “on-site service for car accidents in specific areas” and “on-site settlement of small claims” for auto insurance policyholders. In 2019, customer service satisfaction rating of 95% was achieved.

Since July 2018, on-site services for traffic accidents have become available to VIP policyholders. After receiving reports from VIP policyholders who encounter traffic accidents in any of the six metropolitan areas, Nan Shan General Insurance immediately assigns a professional claims adjuster to assist in handling car accidents. When the insured vehicle can not be used, policyholders are offered a free ride with Taiwan Taxi, which has cooperated with Nan Shan General Insurance, so that they can arrive at their destination on schedule without delay.

In 2019, Nan Shan General Insurance overturned the industry's claims settlement service model by launching a simplified claims application procedure involving “service request upon one phone call and proactive notification of claims settlement progress” to provide insurance services in a timely manner. In the event of accidents, clients simply call the customer service hotline for claims-related assistance. After receiving the report, Nan Shan General Insurance immediately assigns a dedicated claims adjuster to proactively contact and actively assist the customer in properly handling the accident covered by their policy. In addition, the claims adjuster regularly updates customers on progress to establish a feeling of reassurance and minimize the negative impact of such accidents. Nan Shan General Insurance leverages Insurtech to provide customers with convenient, efficient, and seamless protection. In 2019, it obtained 5 patents on claims settlement services. Through continuous endeavors and innovation, Nan Shan General Insurance aims to become the preferred property insurance company in the hearts of all customers.

## Policyholder satisfaction survey

Regularly Nan Shan Life outsources satisfaction surveys every year in an attempt to determine the true opinions and expectations of policyholders, as well as to understand and assess their satisfaction towards the company's services. Any dissatisfaction with a matter or service is promptly reported to the relevant unit for the processing, review, and development of an improvement plan within 1 day after receiving the complaint.



Overall satisfaction with each service item in the 2019 telephone satisfaction survey:

- ★ Customer service counter: **97%**
- ★ Claim service: **94.9%**
- ★ Telephone customer service: **97%**



Customers' satisfaction towards counter service was **91.67%** in 2019.

In addition, Nan Shan Life has established performance indicators for various services provided to policyholders. Each indicator is regularly monitored through an objective evaluation method to ensure that policyholders receive quality services.



## Assurance of information transparency and security



To ensure a minimum level of error in protecting the security of policyholders' personal data, Nan Shan Life provides detailed product descriptions and comprehensive risk disclosures before and after policy purchases to maintain principles of fair transaction. The review of related product content emphasizes legality, checking every detail to ensure legal compliance, and establishes a proper customer privacy management mechanism to ensure data security.

To ensure that product information is accurately conveyed, Nan Shan Life has created concise and easy-to-understand product introductions, product information on websites, and plain insurance policy examples to create information transmission channels that are open and transparent. These measures also ensure that the content of advertisements is not exaggerated or deceiving to policyholders.

### Nan Shan Life product information transparency mechanism



#### Concise and easy-to-understand product introductions

Product introductions use easy-to-read fonts and texts to provide policyholders with detailed product features, insurance payouts, insurance regulations and related expenses. In addition to helping agents explain the products during sales activities, the policyholders may also keep these introductions for reference later.



#### Comprehensive disclosure of risks warnings

Notices and risk warnings associated with the purchase of insurance products are disclosed in accordance with relevant insurance regulations to remind policyholders to pay attention to their own rights and interests, and to enhance policyholders' awareness of risks and knowledge of products.



#### Clear and transparent insurance policy examples

To help policyholders verify whether the insurance products they wish to purchase meet their personal needs, the company has designed various insurance example cases that are presented in diagrams and illustrations, which effectively enhance policyholders' understanding of insurance products.

## Marketing promotion management

To ensure that promotional information in product marketing is transparent, clear and in compliance with relevant laws and regulations, Nan Shan Life has stipulated "Management procedures for promotional information, sales supplementary tools, and training materials for advertising, sales solicitation, and business promotional activities" for all related units to follow. A "Self-checklist for disclosure within product introduction" allows each unit to verify compliance with laws and regulations while designing product introduction materials. These measures ensure that the company's various product literature for external promotions all comply with the requirements of competent authorities as well as relevant laws and regulations.

In addition, Nan Shan Life requires its agents to comply with laws and regulations in the process of customer solicitation and services, and has stipulated relevant standards for various operations. Any violations will be handled in accordance with laws, contracts, and regulations to strengthen the quality of sales processes. While reviewing insurance applications for approvals, and to protect the rights of policyholders, Nan Shan Life obtains information regarding policyholders' insurance purpose, profession, income, and financial status through insurance application documents. Such data is used to determine whether the insured amount and premium payment are within a reasonable range to maximize the value of insurance.

### Clear and detailed coverage content

To help policyholders fully understand the insurance product they are purchasing and relevant coverage content, each product introduction is printed in easy-to-read fonts and texts that explains in detail the product features, insurance benefits, insurance regulations, and related expenses. In addition to making it convenient for the agents to introduce and explain the products, the description may be kept by policyholders for reference at a later date.



### Confirmation of the Rights and Interests of Policyholders

Nan Shan Life leads the industry in the creation of "Confirmation of the Rights and Interests of Policyholders", which reminds policyholders of important considerations while applying for insurance. The document helps policyholders to fully understand coverage content and relevant rights and interests before deciding to sign up for insurance. The related measures include:

- (1) The agent must explain or provide information on relevant laws and regulations.
- (2) Regarding items of frequent dispute, the agent shall fulfill their responsibility by providing relevant precautions and asking policyholders to sign a letter of confirmation.



### Nan Shan General Insurance product marketing integrity and transparency mechanism

Nan Shan General Insurance relies on management of operational regulations and internal control procedures to ensure complete and transparent of product and marketing information for the protection of customer interests. The company provides its agents with control and training of product explanations to ensure accurate transmission of product information and features, and reduce consumer disputes due to information asymmetry.



#### Internal Operation Regulations

Formulate "Promotional Material Production and Usage Management Regulations" to ensure that the content of promotional materials for advertising, sales solicitation and business promotional activities are in compliance with laws and company regulations.

#### Internal Control Procedures

- The agency channel department, and the bancassurance and institutional channel department are required to establish a mechanism verifying online marketing advertisements.
- The audit department is required to include advertising materials into the scope of audits and sample-verification operations in the annual "Supervision and Management Project Audit Report on Financial Consumer Protection Matters"



### Instant policy health check

To enable agents to provide comprehensive service to customers, Nan Shan Life established the "Policy Health Check" system internally to help agents reduce service costs. The system helps to provide customers with accurate information, which increases the possibility of sales. Related functions include:

- (1) **Provide additional diversified information:** Using the Policy Health Check System, consolidate all the insurance policies purchased by a customer from Nan Shan Life or other companies, so that customers may easily and quickly understand all their insurance coverages.
- (2) **Friendly presentation of the three aspects of coverage protection:** Consolidate three aspects including life insurance, medical insurance and insurance wealth management, present customers' lifetime protection in a friendly manner to help customers understand coverage changes in the future. Simultaneously, the agents may help customers to review whether their coverage is adequate.
- (3) **Link to marketing tools to supplement customer's coverage gap:** all policies of a customer may be entered into the system, which can offer customized analysis of policyholder's coverage gaps and make product recommendations. The system can analyze the coverage gaps in accordance with the customers personal planning blueprint, fulfilling the proper function of insurance.

### Rigorous personal data management

Nan Shan Life values the importance of policyholders' personal data, and established a personal data file security maintenance management organization in 2012 to build a systematic personal information management mechanism.

In addition, the company compiles an annual report of personal data protection management self-evaluation to examine various operations and ensure the personal data kept by the company are under strict and comprehensive protection, fulfilling the company's commitment to rigorous management of policyholders' personal data.

### Personal data protection mechanisms

In 2017, Nan Shan Life obtained BS 10012:2009 personal data protection management certification issued by SGS-Taiwan. In 2019, the company carried out version transfer and verification operations, and obtained BS 10012:2017 personal data protection management certification. Under rigorous management organization and framework, there were no major personal data incidents or cybersecurity issues in 2019 \*, and no penalties incurred related to personal data issues.

Moreover, we have listed personal data management as a compulsory course for Nan Shan Life employees, and continue to conduct personal data protection promotion and educational training. In addition to appointing professional lecturers to teach in-person in various regions, we also offer learning through online platforms, to strengthen employee's risk awareness of personal data protection.

\*Note: The standard for a major incident of personal data leakage is a leakage of more than 5,000 data items

## Building a friendly and healthy workplace



Nan Shan Life has been committed to building a harmonious relationship between labor and management and protecting the rights and interests of employees. Employees are compensated at competitive pay position above the financial & insurance industry median. The company has also formulated comprehensive programs for the personal development of employees, employee benefits, and opportunities for learning and growth to help employees achieve a work-life balance. Nan Shan Life is dedicated to creating a workspace with a fair and uninhibited atmosphere through enhancement of the work environment, employee benefits, organization, and culture, enabling employees to fully develop their professional talents and capabilities.

### Staff composition

In 2019, the total number of employees at Nan Shan Life was 4,074 at an average age of 41.1 years old and average length of service of 12.3 years, 68% of them were between the ages of 30 and 50. In terms of diversity, the company hired 30 physically/mentally disadvantaged employees in 2019. In addition, there are 660 atypical contract employees at Nan Shan Life (about 16.2% of all employees).

### Distribution of employment type and nationality

| Statistic Category  | Year 2018 | Year 2019 | Year 2018 | Year 2019 |
|---|-----------|-----------|-----------|-----------|
| Permanent - non-fixed term contract employees (Full - time) | 1,358     | 1,450     | 2,594     | 2,624     |
| Domestic employees  | 1,352     | 1,443     | 2,591     | 2,621     |
| Foreign employees   | 6         | 7         | 3         | 3         |
| Full - time employees not in supervisory roles              | 1,101     | 1,178     | 2,345     | 2,362     |
| Number of disabled employees                                | 19        | 20        | 11        | 10        |
| Number of indigenous employees                              | 2         | 3         | 4         | 6         |

Note 1: The company does not employ fix-term contractors or part-time employees

Note 2: The number of non-supervisory full time employees increased 2.7% compared to 2018.



### New employee and turnover rate

#### New employee rate

| Age                   | Men | %   | Women | %   |
|-----------------------|-----|-----|-------|-----|
| Under 29 years old    | 159 | 3.9 | 253   | 6.2 |
| 30-50 years old       | 82  | 2.0 | 128   | 3.1 |
| 51 years old or above | 10  | 0.2 | 4     | 0.1 |
| Total                 |     |     | 636   |     |

New employee to total employee number rate

15.6%

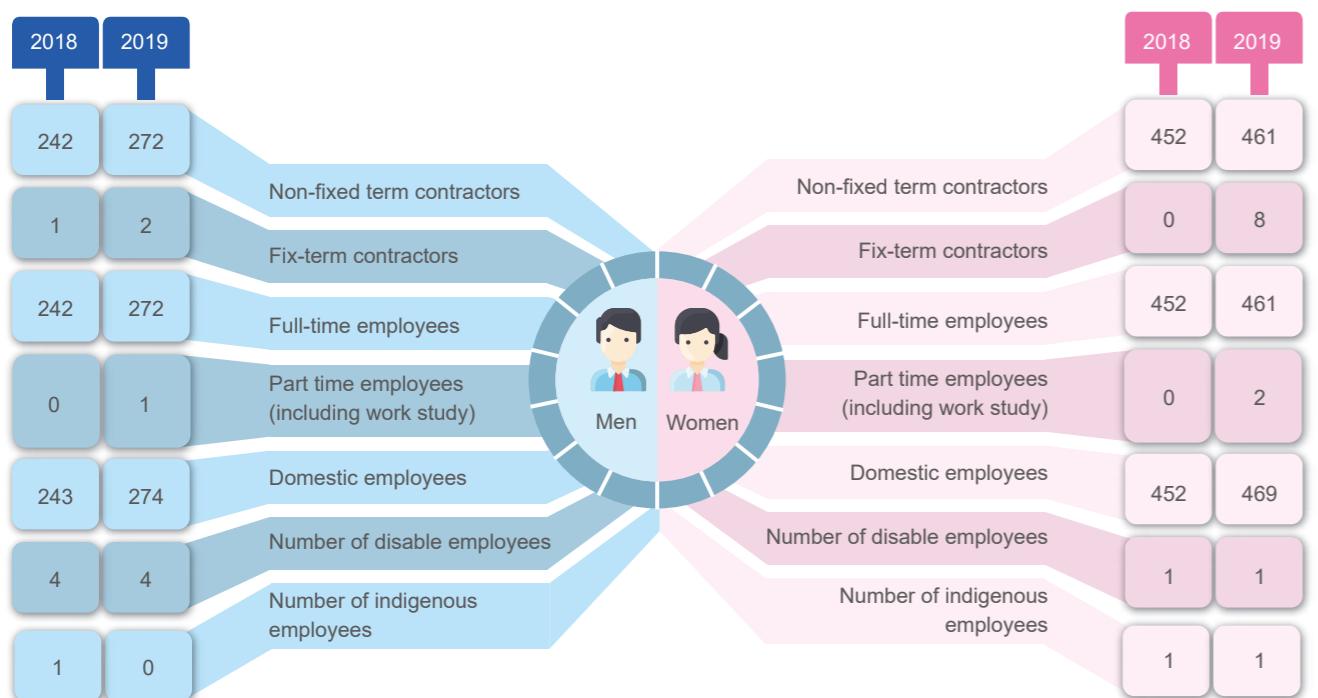
#### Turnover rate

| Age                   | Men | %   | Women | %   |
|-----------------------|-----|-----|-------|-----|
| Under 29 years old    | 42  | 1.0 | 116   | 2.8 |
| 30-50 years old       | 92  | 2.3 | 194   | 4.8 |
| 51 years old or above | 21  | 0.5 | 36    | 0.9 |
| Total                 |     |     | 501   |     |

Turnover to total employee number rate

12.3%

## Nan Shan General Insurance employee composition



Note1: Fix-term contract employees are contract workers / interns

Note2: Part time employees (including part-time worker) are interns



## Emphasis on gender equality

Nan Shan Life pays special attention to gender equality. As a result, the ratio of women to men employed across the entire company was 18:10. Women accounted for approximately 49% of all managers, demonstrating the company's dedication to achieving equal rights for men and women in employee recruitment, hiring, training, and promotion.

To protect the rights of female employees, the company has stipulated "Workplace Sexual Harassment Prevention Measures, and Complaint/Disciplinary Guidelines" and established an employee appeals section on the internal website, providing a hotline, fax line, and mailbox for complaints which are handled by dedicated personnel. All employees are also required to undergo online training and testing to create a friendly work environment free from sexual harassment.

In addition, the company provides a comprehensive parental leave system in accordance with the law. In 2019, out of 284 eligible employees, 42 actually applied for parental leave. Furthermore, 28 employees previously on parental leave were reinstated at a reinstatement ratio of 57.1%.



## Statistics of parental leave applications

| Project  | Men | Women | Total |
|--|-----|-------|-------|
| Employees eligible to apply for unpaid parental leave in 2019                              | 80  | 204   | 284   |
| Employees who actually applied for unpaid parental leave in 2019                           | 5   | 37    | 42    |
| Estimated employees reinstated after unpaid parental leave in 2019                         | 2   | 47    | 49    |
| Employees reinstated after unpaid parental leave in 2019                                   | 2   | 26    | 28    |
| Employees reinstated after unpaid parental leave in 2018                                   | 0   | 21    | 21    |
| Employees reinstated after unpaid parental leave and completed one year of service in 2019 | 0   | 16    | 16    |
| Unpaid parental leave rate (%)   | 6.3 | 18.1  | 14.7  |
| Reinstatement rate in (%)  | 100 | 55.3  | 57.1  |
| Retention rate (%)   |     | 76.2  | 76.2  |

Note 1 : The definition of "employees eligible to apply for unpaid parental leave in 2019" is the number of employees who have applied for maternity leave within 3 years (2017-2019).

Note 2 : The definition of "employees reinstated after unpaid parental leave in 2019" is the number of employees who filed an reinstatement application in 2017/2018/2019 and reinstated in 2019.

Note 3 : The definition of "Unpaid parental leave rate" is the number of actual parental leave applications / the number of people with eligibility to file parental leave applications for a particular year.

Note 4 : The definition of "Reinstatement rate" is the number of employees who were reinstated in 2019 after parental leave / The 2019 estimate of the number of applications for reinstatement after parental leave.

Note 5 : The definition of "Retention rate" is the number of employees who have worked for one year after reinstatement in 2019 / the number of employees reinstated in 2018 after parental leave.

## Smooth labor-management communication channel

To listen and fully understand the voices of employees directly and effectively, Nan Shan life has established various communication platforms to allow employees to submit their feedback, propose recommendations or file complaints. With respect, equality, and open communication, the company assists employees to resolve their difficulties, in hopes of enhancing their sense of identity and cohesion with the company. Provided with multiple protection, employees may be more willing to give their feedback and recommendations, which are handled and answered confidentially by a staff member appointed by the company.

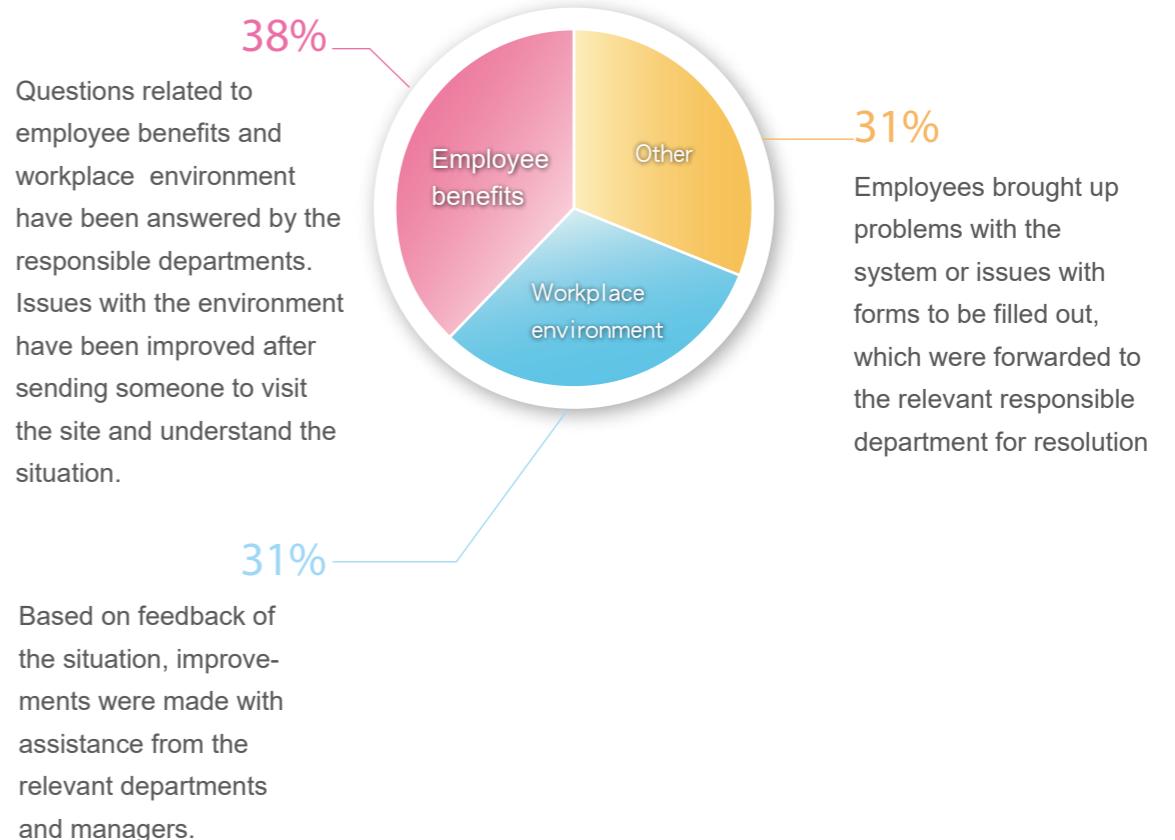
### Communication channels

- 01 Chairman's communication platform
- 02 Internal staff website
- 03 Business knowledge base sharing
- 04 Opinion and feedback zone
- 05 Dedicated human resource service window
- 06 Employee communication mailbox / Complaint hotline / Caring hotline / Assistant program
- 07 Town hall meeting
- 08 WEinNS newsletter (Internal publication)
- 09 Special subject newsletter / eDM
- 10 Contact person for each department
- 11 Survey of employee identification and development
- 12 Immediate announcement of important messages
- 13 Club activities—Nan Shan LOHAS, employee group activities



## Employee feedback

100%  
In 2019, 13 questions from employees were received  
All have been answered



## Workplace health and safety

Nan Shan Life firmly believes that only happy employees can transmit the power of happiness to policyholders. Therefore, the company has established a comprehensive mechanism for the development of a happy workplace, to demonstrate its concerns for employees' physical, mental and spiritual health from a humanistic perspective.

Nan Shan Life has established a 7-member Occupational health and safety committee, where 87.5% of the committee are labor representatives. The committee convenes a meeting every quarter, to review, coordinate and recommend matters related to occupational safety and employee health promotion.

In 2019, There were no deaths resulting from the performance of duties. Out of 14 minor or major occupational accidents reported, one involved an accidental fall after being hit by a cart, two related to slip (on the way to meals, and walking in the rain ), while the remaining were traffic accidents during commutes.

Moreover, to fulfill its commitment to care for employees, Nan Shan Life demands its Occupational health and safety committee and departments to organize employee health promotional activities, implementing various external and internal measures in facilities and benefits to care for employee health.

## Internal staff injury and absentee ratio

| Year | Injury ratio (IR) |       |       | Lost days ratio (LDR) |       |       | Absentee ratio (AR) |       |       |
|------|-------------------|-------|-------|-----------------------|-------|-------|---------------------|-------|-------|
|      | Men               | Women | Total | Men                   | Women | Total | Men                 | Women | Total |
| 2017 | 0.06              | 0.08  | 0.14  | 1.73                  | 4.76  | 6.49  | 0.77%               | 1.19% | 1.04% |
| 2018 | 0.06              | 0.16  | 0.22  | 1.34                  | 7.90  | 9.24  | 0.82%               | 1.20% | 1.07% |
| 2019 | 0.4               | 0.22  | 0.28  | 17.15                 | 8.54  | 11.56 | 0.93%               | 1.34% | 1.20% |

Note : In 2019, The increase of Injury ratio and lost days ratio were mostly due to traffic accidents while commuting to work. The absenteeism ratio increase was due to increased leave-of-absence days. The number of occupational accident reported were 13 in 2018, and 7 in 2017.

Note 1: Injury ratio (IR) = (Total employees with disability injury / total working hours) x 200,000

Note 2: Lost days ratio (LDR) = (Total lost days due to disability injury / total working hours) x 200,000

Note 3: Absentee ratio (AR) = (Total days of absentee / total working days) x 100%. The total absentee days include employees taking personal leave, family care leave, inpatient sick leave, outpatient sick leave, antenatal leave, cancer convalescent leave, menstrual leave, etc.

Note 4: The data in the occupational accident report form from the Ministry of Labor's occupational safety and health administration is used to calculate IR and LDR total working hours, Total disability injuries, and total disability lost days.

Note 5: The human resource system is used in the calculation of absentee ratio (AR), with actual statistics of absenteeism hours / 8 hours of work per day.

## Club activities – Nan Shan LOHAS, employee group activities

- Continue to promote Nan Shan LOHAS activities that have been well-received. Employees organizing a group of more than 20 people may receive subsidies when they participate in leisure activities promoting mind/body/spiritual balance.
- Organize activities such as vegetable farming, walking, hiking, cycling, to promote friendship among cross-departmental employees and help everyone to relieve stress.

## Health promotion – walking activities, departmental group competitions

- Organize walking activities regularly every year, planning outdoor walking routes. In 2019, organized a “physiological Age Reduction Contest” and a walking contest for internal staff, motivating all employees to become more active, healthier and younger, promoting the habit of regular exercise for health.

## Promotion of health knowledge – diverse eDM

- Use eDM periodically to share information on major illness or health education, providing employees accurate disease prevention and treatment channels.

## Health checkups more than regulation requirements - cancer screening

- Free abdominal ultrasound scan is provided to employees during their annual employee health exam.

## Health promotion facilities

To provide employees with a healthy workplace, Nan Shan Life implemented the following measures :



### Established a fitness center

- Nan Shan Life fitness center is equipped with advanced sports equipment to encourage employees to develop healthy regularly exercise habits.
- In 2019, it has been used 2,500 times.



### Established a health service station

- A “health service station” has been established at the Nan Shan Financial Center, employing full-time health service nursing, commissioned occupational medicine specialists, and labor health service physicians to provide on-site health services.
- In 2019, 37 on-site health service activities were held, with 259 employees in participation.



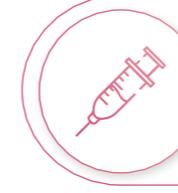
### CPR + AED training sessions

- Assist relevant units in organizing CPR + AED training, to provide employees with first aid education and opportunity of practical drill exercises.
- Continue to promote CPR + AED training, to ensure qualification for the safe location certification.



### One-on-one health exam consultation

- After annual health exams, doctors are made available for one-on-one health consultation service to provide employees with accurate health and disease prevention knowledge.
- Organized 10 sessions providing one-on-one consultation service for health examination reports.



### Provide “seasonal flu vaccines”

- In response to influenza epidemic, provide seasonal flu vaccination services for employees.
- In 2019, a total of 3 flu vaccination health promotion sessions were held, with a total of 142 people in participation.



### Occupational health seminars

- Provide health seminars including: general first-aid, health education and guidance, LOHAS nutritional seminar, “Lung Disease” health seminar, and “Understand the red warning texts on health exam reports” seminar.
- Five health seminars were held in 2019.

## Employee assistance program (EAP)

Nan Shan Life and professional psychological consulting organization “Hsinchu Lifeline Association” collaborated on “Spiritual Meeting Room” employee assistance programs (EAPs), to provide employees various channels for effective pressure relief including 24-hour “0800 toll-free hotline” and “employee consultation service”. In addition to actively assisting employees to manage emotional problems, the consultation services also provide a comprehensive support system with hundreds of professional mental health consultants and service centers all across Taiwan, assisting employees with various problems (such as: legal, parent-child relationship, workplace communication, personal taxation, etc.).

## Total reward system

Nan Shan Life's total reward system considers both competitiveness in the industry and fairness within the organization. The overall pay position is in principle above the median based on the financial and insurance industry survey, and keeping with the market trend. For critical positions, a flexible strategy is maintained to ensure competitive advantages.

In response to the government's policy to increase the pay level of the younger generation, starting in June 2019, Nan Shan Life adjusted the monthly starting salary to NT\$32,000 per month for new college graduates, and NT\$35,000 for new master's programs graduates. A flexible salary strategy is also available for designated positions or talented prospects.

According to the 2019 employee benefits survey of financial industry reports, Willis Towers Watson, most of Nan Shan Life's benefit measures are superior to the top 50% of the financial industry. In particular, Nan Shan Life is the leader in the industry in terms of employee group insurance coverage.

### Pay levels

|   | Life insurance industry | Nan Shan Life                   |
|---|-------------------------|---------------------------------|
| Recurring average salary                        | 1                       | 1.03 times                      |
| Including non-recurring salary                  | 1                       | 1.38 times                      |
| Average monthly salary of entry-level employees | —                       | Increased 3.3% compared to 2018 |
| Starting salaries for recent college graduates  | 1                       | 1.39 times or more              |

Note 1: average monthly salary of entry-level employees ; the data is based on internal data comparison by Nan Shan Life

Note 2: The company pays a fixed 13.5 months of salary per year, besides, performance bonuses are provided annually according to the company's operational performance, and departmental/personal achievements.



### Women's compensation as a ratio to men's compensation

|                      | Employee Category                       | Female | Male      |
|----------------------|---|--------|-----------|
| Managerial Positions | Assistant vice president level or above | 1      | 0.98      |
|                      | Manager level                           | 1      | 0.99      |
|                      | Supervisor / Associate manager level    | 1      | 1.01      |
|                      | Non managerial positions                | 1      | 1.01~1.04 |

Note: Calculations are made using the average salary of each level of position



## Diversified performance appraisal system

Nan Shan Life applies transparent and concrete "performance indicators" (employee evaluation rate 100%) to conduct appraisals to continuously improve enterprise competitiveness. In addition, employees above the level of assistant managers are evaluated by the 360-degree "behavioral indicators". These encourage employees to demonstrate corporate culture in daily routines. Furthermore, the results of performance appraisal become the basis for employee promotion, career development, salary adjustment and performance bonus.

The company has formulated a distinguishing reward system for employee performance management in accordance with the company's development strategy, performance achievement and market salary standards. The company remunerates employees based on their performance status and level of contribution, to establish a culture of rewards based on merits. In addition, a fair career promotion track is set up through the performance appraisal system to retain employees with high potential and assemble highly effective teams.

### Employee welfare programs

In addition to employee health insurance provision and Labor Pension Fund allocation in compliance with the Labor Standards Law & the Labor Pension Act, Nan San Life provides comprehensive employee group insurance and various benefits such as cash gifts for weddings, funerals, and major holidays, enabling employees to focus their efforts on professional development without worrying about their living.

#### Industry's first to provide employee long-term care insurance benefits

Nan Shan Life is ranked as P90 in the industry with comprehensive employee group insurance, by offering employee group term life insurance and accidental injury insurance coverage that is 36 times the employee salary. For group medical insurance, in addition to inpatient medical insurance, the company has extended coverage to include outpatient medical services. Moreover, the company became the industry's first since 2015 to pay the full premium for employee "long-term care insurance".

Comparison of Nan Shan Life employee insurance vs. industry norm vs. regulation requirements:

| Regulation Requirements   | Insurance Industry                                 | Nan Shan Life                                   |
|---------------------------|--|---|
| Labor insurance           | Labor insurance                                    | Labor insurance                                 |
| National Health insurance | National Health insurance                          | National Health insurance                       |
|                           | Group insurance                                    | Group insurance                                 |
|                           | Term life insurance coverage about 28 times salary | Term life insurance coverage of 36 times salary |
|                           |  | Long-term care insurance                        |

## Health examination benefits exceeding regulation requirements

Nan Shan Life provides staff health examination programs that are superior to the requirements of the law. Employees enjoy the benefit of annual health examinations, including more categories than the 18 items required by law. Employees in Taiwan may also sign up for one-on-one health consultation with doctors.

## Retirement benefits system

Nan Shan Life has established an employee retirement system in accordance with the "Labor Standards Law", allocating monthly defined benefit pension contributions to the labor retirement reserve account at the Trust Department of Bank of Taiwan. As of the end of 2019, the pension reserve fund was NT\$915 millions.

For employees eligible for the new defined contribution labor pension system following Labor Pension Act, a 6% monthly pension contribution is deposited into the personal pension account at the Bureau of Labor Insurance. Currently the ratio of employees eligible for the new vs. old pension system is 8.6:1. The appointed manager is paid 6-10% of salary according to the appointed-managers defined contribution pension fund, and may choose to enroll in the new pension system following the Labor Pension Act, trust fund, or annuity insurance, etc.

Before the "Labor Standards Law" became applicable (April 1, 1998), Nan Shan Life had already set up an exclusive provident fund for staff in CTBC Bank, and contributed 5% to 10% of employee salaries based on their length of service as their retirement fund. (After a resolution passed by the board of directors, the public fund account had been terminated as of April 26, 2018, and all the remaining funds had been returned to relevant employees by the end of July 2018).

Nan Shan Life provides term life insurance for eligible retired employees, with a coverage equal to the original amount in the first year after retirement (36 times the employee's basic salary), and ½ the amount in subsequent years, with all premiums paid by the company. In addition, spouses of retired employees and personnel above the assistant manager's level (employees must have been insured for five consecutive years before retirement) are also provided with a discounted self-pay group medical insurance for hospitalization.

Furthermore, retired employees are invited to participate in major annual events organized by Nan Shan Life, such as year-end party, hiking and charity activities.



## Cultivating all-round experts

Nan Shan Life values the cultivation and development of talents in response to the latest trend of digital finance. Various employee knowledge and skills requirements are divided into four major job functions. The company also integrates internal and external training resources for employee training as well as the development of the training mechanism to enhance staff competitiveness. The strategies are as follows:

1. Based on the objectives of "Thinking from the customer's perspective", and becoming "Wise Nan Shan", the company endeavors to assist employees in transforming and upgrading their skills in learning smart tools and cultivating Nan Shan talents with the characteristics of "all-round knowledge, broader perspective, global outlook, and taking on responsibilities bravely", to welcome a brand new world.
2. Nan Shan Life has integrated relevant resources and fundamental professional skills, launched liberal education courses and cultivated cross-field talents for the organization in accordance with the needs of various units in terms of professional talents, job attributes and required capability and skills.
3. The company collaborates with designated college departments to set up courses, and organize internship projects for students on campus, so that students may apply their knowledge to real-life career scenarios for rapid learning. Moreover, Nan Shan Life proactively organizes talent recruitment events on campus, to continuously attract talented graduates to join Nan Shan Life.
4. Nan Shan Life has organized diverse activities and experiences for new employee training, through case examples, "fair treatment of customers" video, and caring seminars, etc., to emphasize Nan Shan Life deep-rooted insurance service industry DNA. The company has organized requisite courses to be completed within 90 days, covering topics including employee legal compliance and the strengthening of core function skills, to cultivate new employees to become insurance expert talents.

### Launched the "Nan Shan elite program"

Nan Shan Life highly values the cultivation of talents. For the development of all internal talents, the company has customized training projects, learning platforms and overseas study programs to strengthen the cultivation of top talents. The company also offers a reward system competitive in the market, as well as comprehensive benefits and guaranteed employee group insurance benefits to retain talents.

The first "Nan Shan elite program" was launched in 2019, with a comprehensively designed development blueprint for professional development, to enhance their professionalism and solid performance capabilities. During the early training period, core courses are offered to establish basic abilities.

After completing the basic training, the company will create a professional financial insurance development program tailored to individual trainees, and arrange for them to participate in major projects or tasks within the company. In addition to strengthening their practical experience and expanding their professional knowledge in diverse subjects, the program also aims to enhance their skills in depth from a broader perspective. Arrangements will be made for senior executives to serve as mentors, so the employees may quickly understand core business issues, enabling the employees to swiftly deepen their professionalism and become experts of a new era of smart insurance after the conclusion of training.

## Staff training development and performance feedback

All employees are provided with internal and external training opportunities. According to the key factors of talent cultivation regulation, employees may apply for external training activities according to their work requirements, including annual educational training, customized training planning and service, international talent exchange and cultivation, professional certification exams and rewards, etc. The average number of training hours in 2019 for employees of different levels are shown on the table below:

### Average training hours for employees

| 2018 | 2019 | level   | 2018 | 2019 | Unit: hour |
|------|------|---|------|------|------------|
| 7    | 9.4  | Highest governing institution<br>(board of directors) | 0    | 14.5 |            |
| 49.3 | 47.6 | General employees                                     | 64.2 | 53.8 |            |
| 65.5 | 69.1 | Mid-level supervisors                                 | 79.3 | 72.4 |            |
| 43.7 | 55.8 | High-level supervisors                                | 55   | 51.3 |            |

Note 1 : General employee level: non-managerial positions

Note 2 : Mid-level supervisor level: supervisor, associate manager, manager level supervisory positions

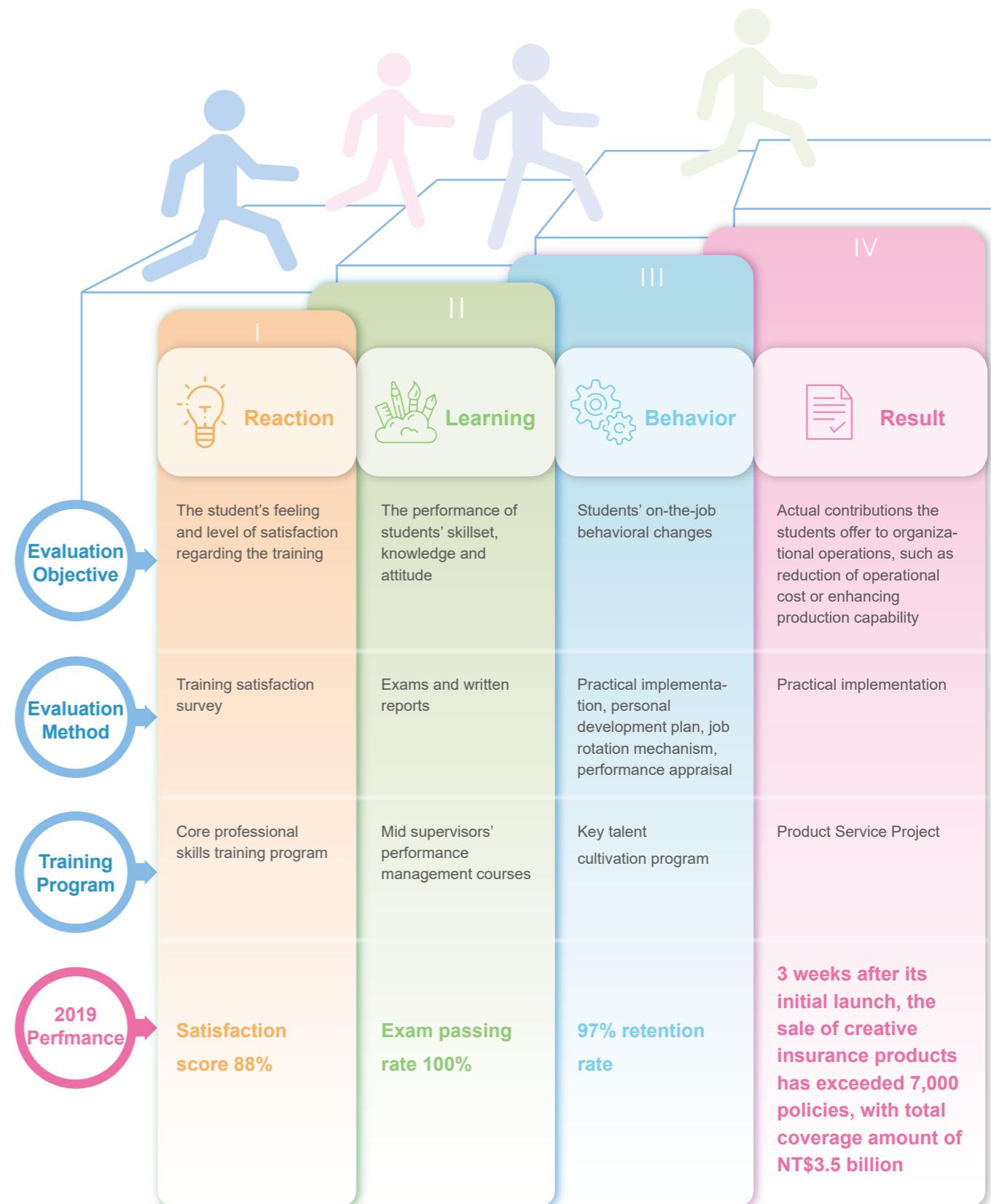
Note 3 : high-level supervisor level: assistant vice president level or above

### Statistics on the hours of various training courses for internal staff from 2015 to 2019

| Year | Total training hours | General skills | Professional training | Online courses | External training | Unit: hour |
|------|----------------------|----------------|-----------------------|----------------|-------------------|------------|
| 2015 | 72,638.1             | 21,364.0       | 26,964.1              | 16,304.5       | 8,005.5           |            |
| 2016 | 103,109.6            | 15,948.5       | 19,577.3              | 60,537.0       | 7,046.5           |            |
| 2017 | 133,744.0            | 4,989.0        | 45,181.1              | 76,148.4       | 7,425.5           |            |
| 2018 | 238,484.2            | 1,383.5        | 78,995.0              | 146,171.3      | 11,934.4          |            |
| 2019 | 218,788.0            | 2,149.0        | 98,778.0              | 107,954.0      | 9,907.0           |            |

## Training performance evaluation and feedback

Professional talent is an indispensable element to elevate competitiveness and organizational performance. In order to effectively achieve training objectives and fulfill its effectiveness and value, Nan Shan Life has adopted the Kirkpatrick structure to quantify and provide concrete measurement of training performance, demonstrating the benefits of learning results and investment in talent capital.



## Cultivation of successors

Nan Shan Life values the mid-to-long-term career development of employees in general. Moreover, to ensure sustainable development of Nan Shan's century-old operation, the company identifies Nan Shan employees with leadership potential through performance, potential and 360-degree evaluations, to build a leadership succession plan, and to create an individual development program (IDP) tailored to their personal strength.

In 2019, 114 supervisors participated in the Individual Development Program (IDP), and communicated with their managers to complete training courses, activities, special projects, training under mentors, and job rotations in their chosen field of development. The company regularly tracks the progress of talent development and makes year-end reports to the IDP executive manager, to continuously improve the elite talent cultivation program.

## Professional certification leader in the industry

Nan Shan Life leads in the industry in the gradual introduction of various professional certifications and examinations, rewarding and encouraging employees to obtain relevant professional certifications. The company also leads the industry in cultivation of life insurance professionals. In 2019, a total of 960 employees tested for three major certifications including FLMI, ALHC, and Associate, Customer Service (ACS), and 83% of the testers passed the certification exams.

As of the end of 2019, 484 of Nan Shan Life employees became insurance professionals certified by the Life Office Management Association (LOMA) FLMI, which was 12% of all employees, fully demonstrating the company's determination and efforts in cultivating professional talents.

Nan Shan Life's dedication to education and training has won recognition from LOMA, which presented the company with 18 educational achievement awards, including three education excellence awards.

## A Solid team of actuaries

Nan Shan Life leads the industry in investment to cultivate actuaries, and encourages employees to obtain certifications. Currently, there are 10 actuaries and 18 deputy actuaries at Nan Shan Life, enabling the company to continually provide policyholders with additional high-quality insurance products backed by a solid team of actuaries.



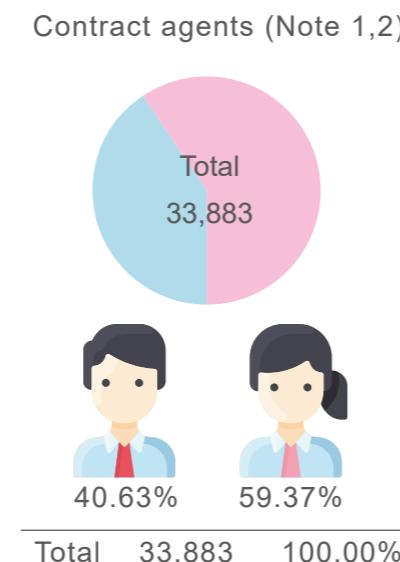
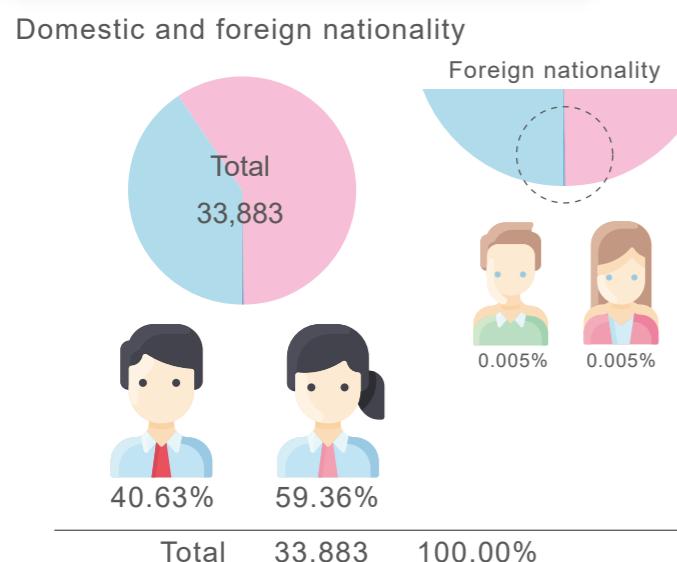
## Creating strategic win-win partnerships



With an agency force of over 30,000 and their entrepreneurial spirit, Nan Shan Life has continued to gain recognition from policyholders for its superior professionalism and outstanding services.

We provide business platforms for our agents via a contract and mandate-based system. Through professional training programs and diversified incentive schemes, we encourage our agents to persistently improve themselves, increase earnings, agents organizations, fulfill goals, and ultimately develop their own life insurance career. Thriving along with the company, our agency force is dedicated to offering policyholders a comprehensive selection of insurance products and services.

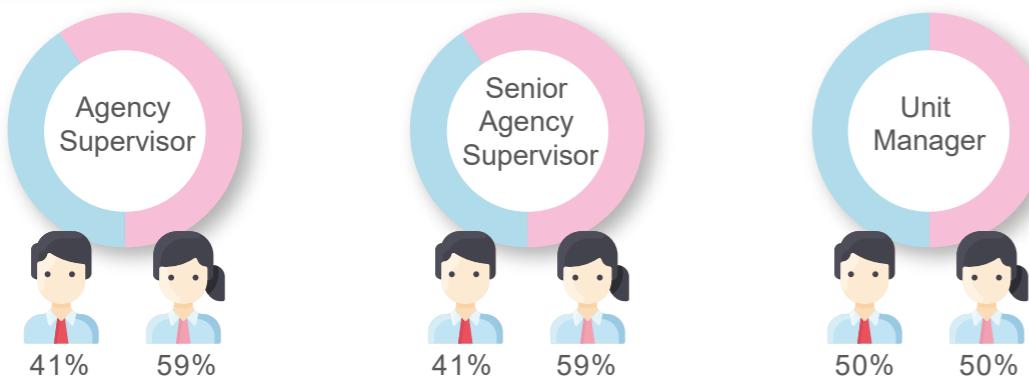
## Agency structure



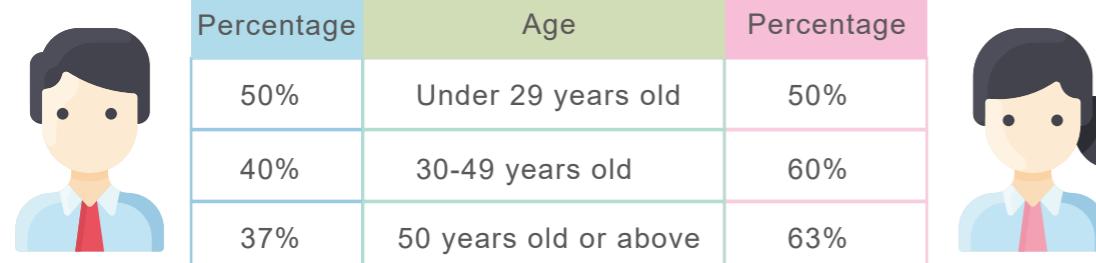
Note 1 : Contract agent : agents on contracts of indefinite duration, refers to insurance agents who meet the terms and conditions stipulated in their contracts and whose contracts remain valid.

Note 2 : The agency structure shows the number of our contracted agents.

## Gender distribution of agency supervisor



## Age distribution of agents



## Co-prosperity and growth

The agent of Nan Shan Life completes adaptive training programs and develops a comprehensive service networks throughout Taiwan that cater to all local needs. Through our unique contract-based system, as well as cultural inheritance and experience sharing, our agents formed superior business partnerships who are both competitive and collaborative with each other.

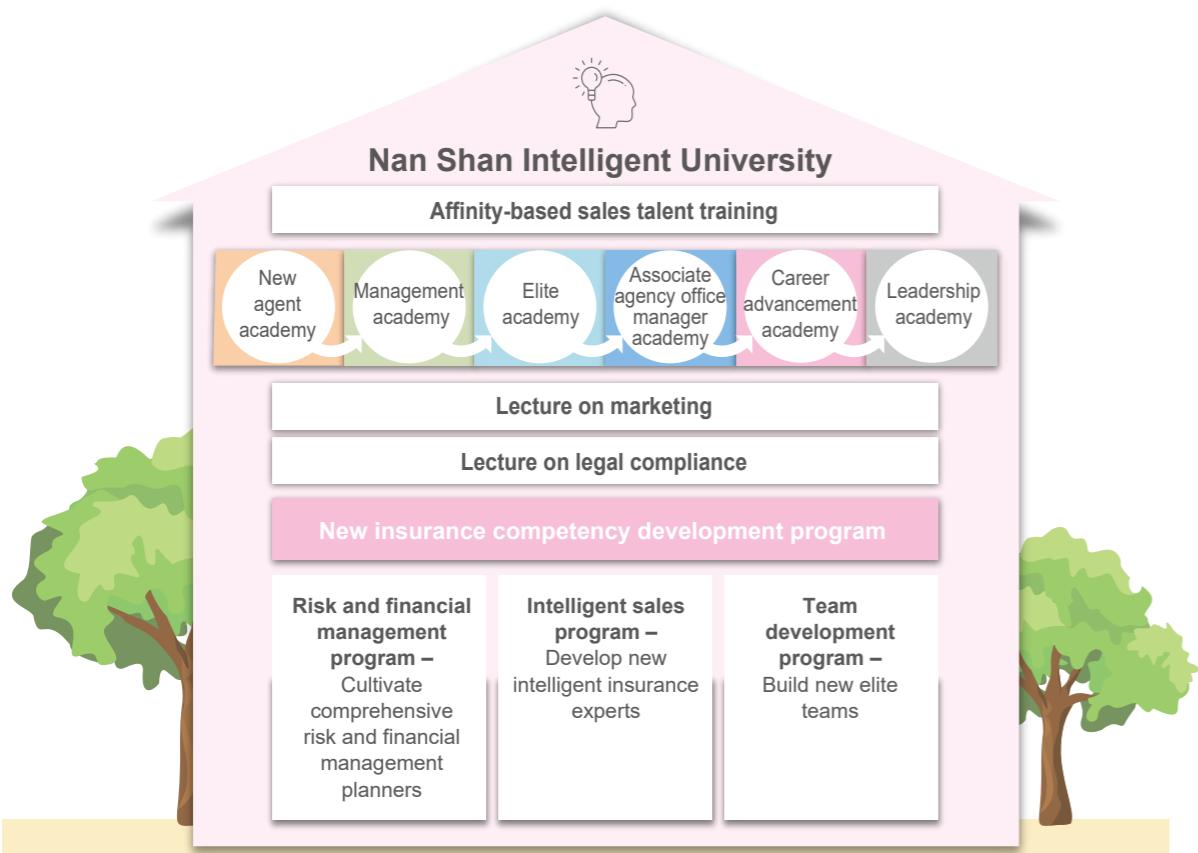
We encourage every agent to materialize the spirit of public service by serving our policyholders with a responsible, passionate, and loving attitude. In the meantime, they should also enhance their competitiveness through persistent learning to fulfill themselves in their insurance career, as well as give back to society by extending a helping hand to those in need.

In addition to existing internal training programs, we also invited an external team of experts in 2019 to enhance competencies in terms of execution, teamwork, and influence to cultivate sales talent and assist partners with customer management and services. With an increase of over NT\$ 4.3 million in training expenses, we have indeed made all effort to cultivate talent.

## Comprehensive sales training system

Our comprehensive training system comprises six colleges, two major lectures, and three programs, forming the parts to "Nan Shan Intelligent University". Based on stages and needs in career development, it offers our agents systematic and precise training to arm them with knowledge, attitude, and skills required for all-round insurance professionals.

## The architecture of Nan Shan Intelligent University



To effectively cultivate comprehensive risk management professionals, we launched the Elite Training Program in 2019. Through the four-stage, step-by-step training program spanning twelve months, our new agents developed a sales philosophy based on a solid foundation and focus on protection.

| Stage 1   | Stage 2                             | Stage 3                               | Stage 4                                | Organizational development/counseling & training     |
|---|-------------------------------------|---------------------------------------|--|--|
| 48/24/24  | 3 hours per week                    | 3 hours per week                      | 3 hours per week                       | Talent cultivation program                           |
| 1st trimester   | 2nd trimester                       | 3rd trimester                         | 4th trimester                          | Individual counseling with mentors/sales supervisors |
| Knowledge of basic products & sales of protection-oriented products | Precision & cause-related marketing | Investment-linked product (ILP) sales | General, life, & group insurance sales | Instructor-led training / e-learning platforms       |
| 15 credits  | 5 credits                           | 10 credits                            | 8 credits                              |  |

### Healthy senior lives

We promote awareness on disease prevention and health protection, offer the latest health information and various after-sales services, and enable customers to enjoy high-quality health care.**8 credits**

## Complete elite training program

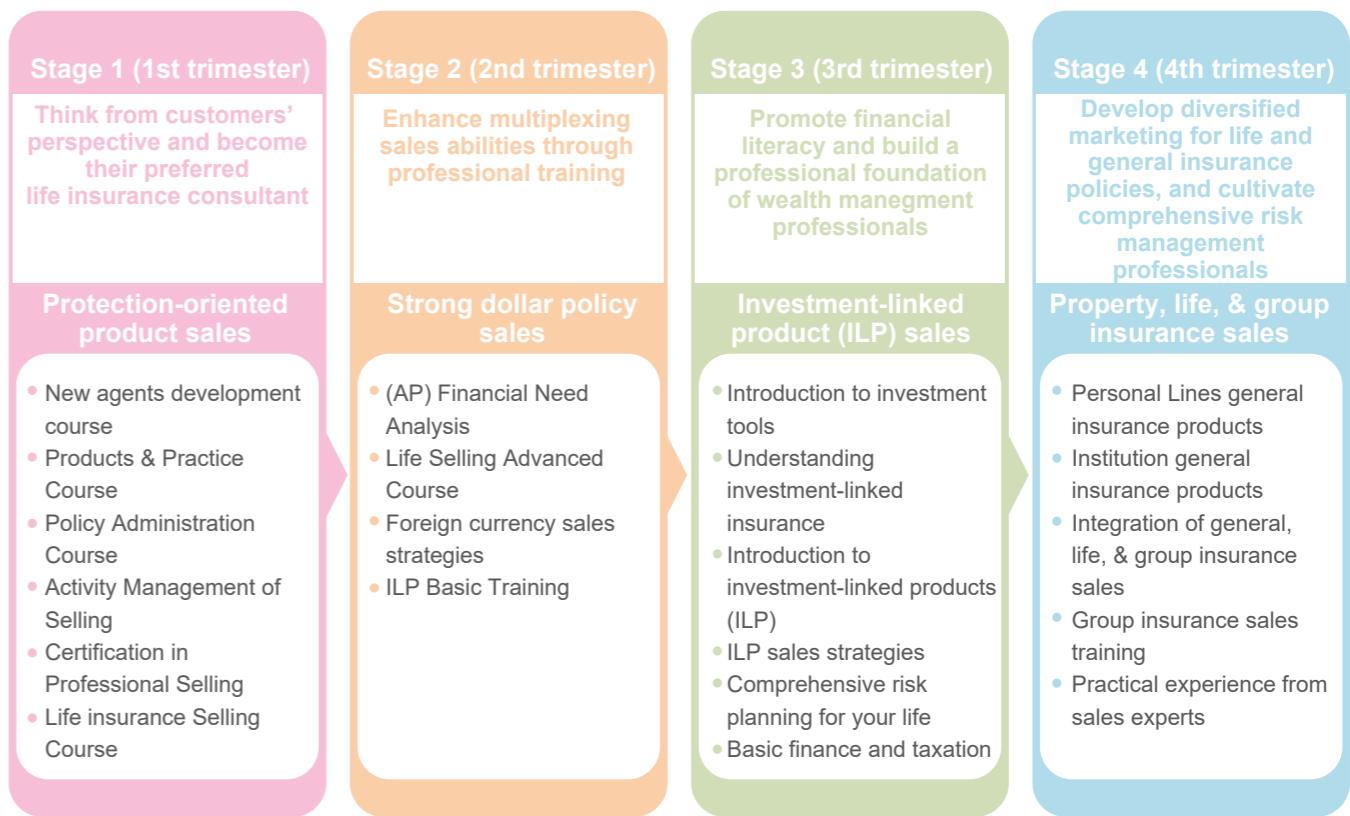


Table of comparison between the new elite training program and the original new talent training program

|                                     | New talent Training Program   | Elite Training Program   |
|-------------------------------------|---|--|
| <b>Training session</b>             | 1. Three stages, spanning nine months<br>2. Agency supervisor are deemed to have completed training, hence exempt from the program. | 1. Four stages, spanning twelve months<br>2. Agency supervisor are entitled to the training program. |
| <b>Sales performance management</b> | N/A   | Sales activity management is added to help new agents develop a positive working habit.              |
| <b>Project bonus</b>                | Maximum monthly financial subsidy: NT\$ 26,000  | Maximum monthly financial subsidy: NT\$ 27,000   |

In 2019, a total of 2,351 people participated in the Elite Training Program. The trainees showed a 13% higher new agents 1-year retention rate and 15% higher mandate rate as supervisors than typical new agents. The certified trainees earned an average monthly income of nearly NT\$ 50,000 in the first year. This has helped our younger agents avoid the low-wage predicament of Taiwan and pave the way for a bright future. Therefore, Nan Shan Life has become the preferred entrepreneurship platform for new generations, while providing customers with professional, top-quality insurance products and services.

## Management academy – build successful elite teams

Agency leaders are influential bellwethers in agency organizational development. Therefore, Nan Shan Life has designed a series of exclusive courses to equip our agent with necessary competencies for mandated agency leaders. In addition, through systematic follow-up sessions, they may efficiently achieve various goals in their career development to build successful elite teams. In 2019, a total of 1,378 agency leaders completed training.

## Elite academy – develop top talent at all levels

The Elite Training Courses are tailored for our top agents. Through peer learning, sharing and competition, they may greatly enhance their core competencies for sales, service and organizational development.

As of the end of 2019, a total of 1,697 elite agents had completed the training. The elite trainees have twice the total annual sales per capita and three times the number and recruitment activity rate of new agents (which indicate organizational development) as regular agency leaders. The training program has indeed achieved remarkable results.

## Associate agency office manager academy - Cultivating the next generation of agency leader

The associate agency office manager training program invite top instructors, with senior management serving as mentors. It offers advanced training for unit managers who show outstanding performance in terms of sales, agent recruiting, and service quality. Designed for the elite of the elite, our innovative prerequisite courses cover six core areas: accountability and leadership; smart data and new insurance; quality recruitment and counseling; innovative sales development; management philosophy and three-year plan; preparations for agency office establishment. Through these courses, trainees may systematically develop a modern management philosophy for agency office managers. From 2012 to the end of 2019, a total of 361 unit managers completed the training, with 39 agency offices established. In addition, we have also launched the Successor Training Program, which arms trainees with key competencies of agency office managers before setting up agency office. As of the end of 2019, a total of 50 unit managers had participated in this program and 12 had set up agency office.



## Career advancement academy – promoting transformation to comprehensive risk Management professionals

To offer customers comprehensive risk and wealth management planning, Nan Shan Life has continued to organize financial and various professional courses. Moreover, we have planned thematic seminars to discuss practical issues regarding the latest news on taxation. In the meantime, we also invite internal and external financial experts to share global financial trends and issues through video conferencing. By expanding the scope and diversity of their professional knowledge, our agents may provide policyholders with comprehensive insurance and financial planning.

In 2019, Nan Shan Life and the Taiwan Academy of Banking and Finance collaborated for the first time to establish a special counseling and training program for the certification of Associate Financial Planner (AFP) and Certified Financial Planner (CFP). Through this program, we help members of the Career Advancement Academy to become internationally certified financial planners. By offering comprehensive financial management counseling services and elevating their professional competencies for VIP customer services, they may increase their personal value in the workplace and further enhance corporate competitiveness. As of the end of 2019, Nan Shan Life had 20 AFP and 83 CFP certificate holders, both numbers ranking among the top three in the insurance industry.

## Leadership academy – strengthening Management philosophies

Leaders set the tone for their corporate spirit. Nan Shan Life convenes annual strategy meetings in accordance with our corporate annual strategies and goals. Through these meetings, managers from all service locations may share experiences and learn from each other. With a sophisticated understanding of the company's strategies and development directions, they may lead their teams to achieve their goals and provide better insurance services.

Through diversified training programs, we have helped our agent enhance their sales competencies and skills. In response to the trend of talent transformation, we have converted learning modes by integrating training with large-scale contest events to broaden their learning horizons. With abundant resources provided, the year 2019 saw a significant increase in the average training hours for both male and female agents compared to 2018.

## Agents training result

| Position      | Project                | 2018                 |                        | 2019                 |                        |
|---------------|------------------------|----------------------|------------------------|----------------------|------------------------|
|               |                        | Total training hours | Average training hours | Total training hours | Average training hours |
| Agency leader | Total training hours   | 108,440              | 122,204                | 123,184              | 147,185                |
|               | Average training hours | 20                   | 17                     | 22                   | 21                     |
| Agent         | Total training hours   | 257,120              | 289,164                | 223,188              | 314,503                |
|               | Average training hours | 29                   | 22                     | 28                   | 25                     |
| All           | Total training hours   | 365,560              | 411,368                | 346,372              | 461,688                |
|               | Total                  | 776,928              |                        | 808,059              |                        |
|               | Average training hours | 25                   | 20                     | 26                   | 23                     |
|               |                        |                      |                        |                      |                        |
|               |                        |                      |                        |                      |                        |

## Sales transformation and promotion – LOHAS marketing

As aging populations and declining birth rates are posing challenges to countries around the world, a happy and healthy life for seniors has become the top concern for many policyholders. As a result, Nan Shan Life has integrated all company resources to promote the spirit of LOHAS (Lifestyles of Health and Sustainability). From product design to service integration to talent cultivation, we have initiated a revolutionary transformation, converting passive risk prevention to active health management. Through the promotion of the LOHAS lifestyle, we gain a better understanding of our customer needs, provide attentive care and optimal solutions for our customers, and stride toward a healthy and happy life together.

### From the perspective of customers, implement the principle of fair hospitality!



In 2019, Nan Shan Life launched the sales transformation training program. Through this program, we encourage our agents to view health promotion as their chief mission and healthy life expectancy for customers as their primary goal, and utilize company resources to offer integrated services. A total of 335 staff and agents benefited from the pilot training session and became the bellwethers in sales transformation. 139 training sessions were subsequently held across Taiwan, with a total of 12,253 employee and agents completing training and relevant drills.

### Service enhancement: Following the medical service SOP and providing added value through caring company

At Nan Shan Life, we have a great number of accident and health (A&H) insurance professionals. They offer customers useful health and medical resources throughout the sales process. We have compiled a directory of key medical services – the Medical Service SOP. With this, our agents may systematically address customer needs and provide optimal products and services.

## LOHAS Marketing: Inspiring a LOHAS lifestyle among customers through discussion of related issues

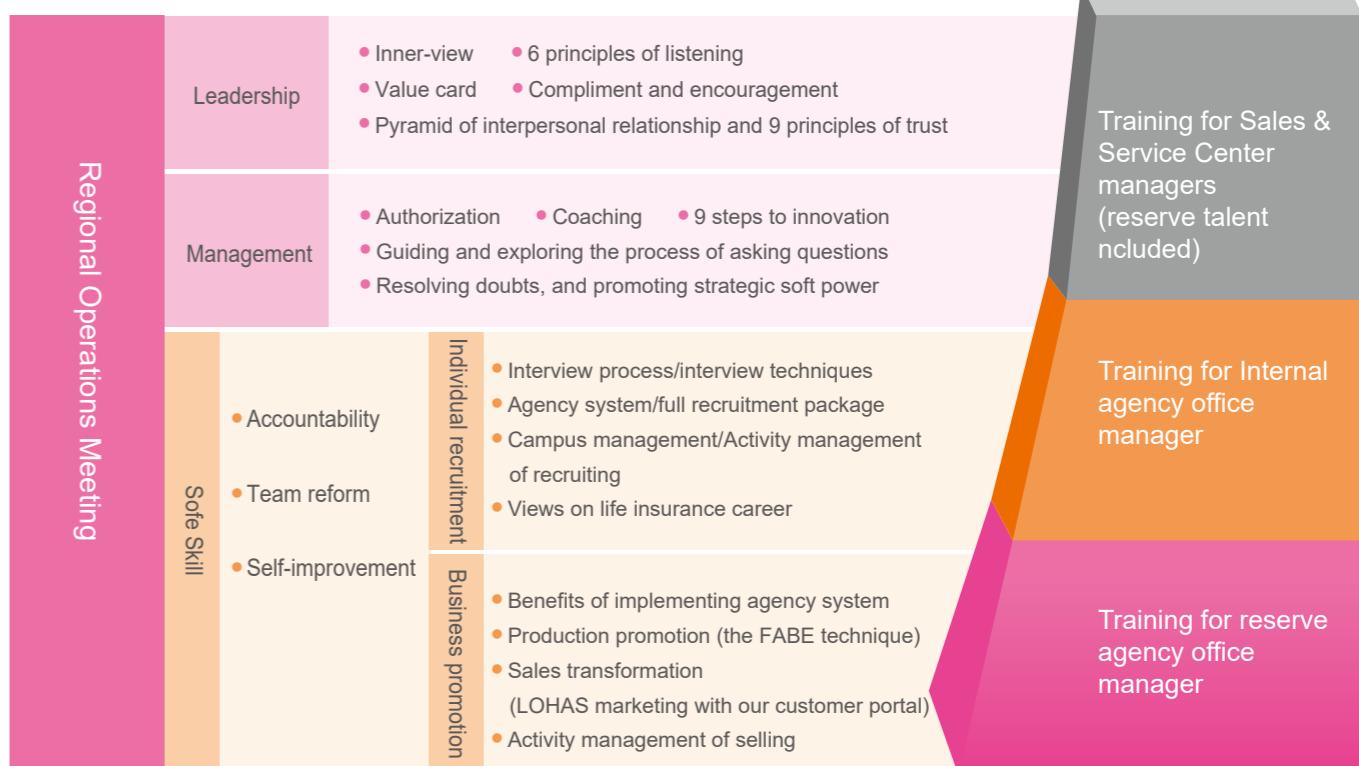
In 2019, Nan Shan Life and Common Health Magazine jointly compiled the LOHAS Brochure. Through this brochure, our agents may communicate the LOHAS concept to our policyholders, raise their risk awareness, and encourage them to examine their insurance needs. As of the end of 2019, the LOHAS Brochure had extended the LOHAS concept to over 20,000 people, with the annual premium of new A&H insurance contracts reaching NT\$ 7.07 billion, which marked the largest market share of the industry. With the interactive insurance calculator and analysis offered in the policyholder section of the Nan Shan Life's website, we enable our customers to have better risk protection planning in terms of life insurance, health care, and financial management, while leading them toward a healthy and happy life.

## Cultivating competent agency managers

To enhance leadership, accountability, team reform, and self-improvement abilities among internal sales managers, Nan Shan Life has launched a series of training programs for Sales & Service center manager and Internal Agency office manager (reserve talents included). In addition to working with renowned corporate management consulting companies such as Carnegie, we have continued to promote leadership and management abilities through peer encouragement, persistent follow-ups, and professional counseling outside the programs.

In 2019, a total of 90 Sales & Service center managers and agency office manager, and a total of 63 reserve talent participated in the training. Among the reserve talent, 6 have become agency office manager and 3 have elevated to the position of Sales & Service center manager.

## Talent development and training framework for internal sales managers





## Respect the basic rights of insurance agents

Pursuant to the Sexual Harassment Prevention Act and relevant laws and regulations, Nan Shan Life has formulated the Sexual Harassment Prevention Guidelines governing the behaviors of agents staff. The guidelines stipulate that all agents shall not violate relevant laws and regulations when conducting insurance business. Should any related cases arise, Nan Shan Life may take corresponding penalties or other disciplinary measures against the perpetrator upon verification, depending on the severity of the offense and in accordance with relevant laws and regulations or contract stipulations. Follow-ups and supervision shall be conducted depending on the actual situation to prevent the occurrence of similar or other offenses. In addition, both physical and digital channels have been set up to protect the basic rights of our agents.

### Physical



Agents who feel subjected to sexual harassment may report their concerns or harassment incidents to the sales service center they are affiliated with. If the personnel receiving complaints is not able to handle such cases, they shall further report the incidents to regional training personnel. If the regional training personnel have no authority in these issues, they shall further report the incidents to the designated window of training and the supervisor at the headquarters to help address the issues.

### Digital



Employees who feel subjected to sexual harassment may report their concerns or harassment incidents through the “Proposal/Suggestion” function at the portal website. The complaints will be forwarded to relevant departments based on their subject type. Departments receiving the complaints shall contact the complainants in person, help address the issues, and keep a record of the handling process.

## Giving back to society through volunteer service

Nan Shan Life has more than 30,000 agents across Taiwan. In addition to high insurance professional competencies, they also exhibit a vigorous spirit of public service. In 2011, Nan Shan Life established a volunteer team, which combines their passion with the resources of the company to provide service and care for local communities throughout the island in an organized and systematic manner. We are also dedicated to protecting the environment and making the earth greener. From 2012 onwards, the volunteer team has continued to participate in annual beach cleanups organized by Nan Shan Life. In 2019's Love Ocean Campaign, about 4,800 volunteers, including our employees and agents, relations and friends policyholders, and cooperating enterprises, and society members, helped conserve our environment through beach cleaning, tree planting, and sand fixation. In 2019, a cumulative total of over 12,000 people engaged in charity events and volunteer services, with more than 176,000 people from underprivileged groups receiving assistance. All our staff and agents and internal employees are committed practitioners of the public service spirit Nan Shan Life has always upheld.

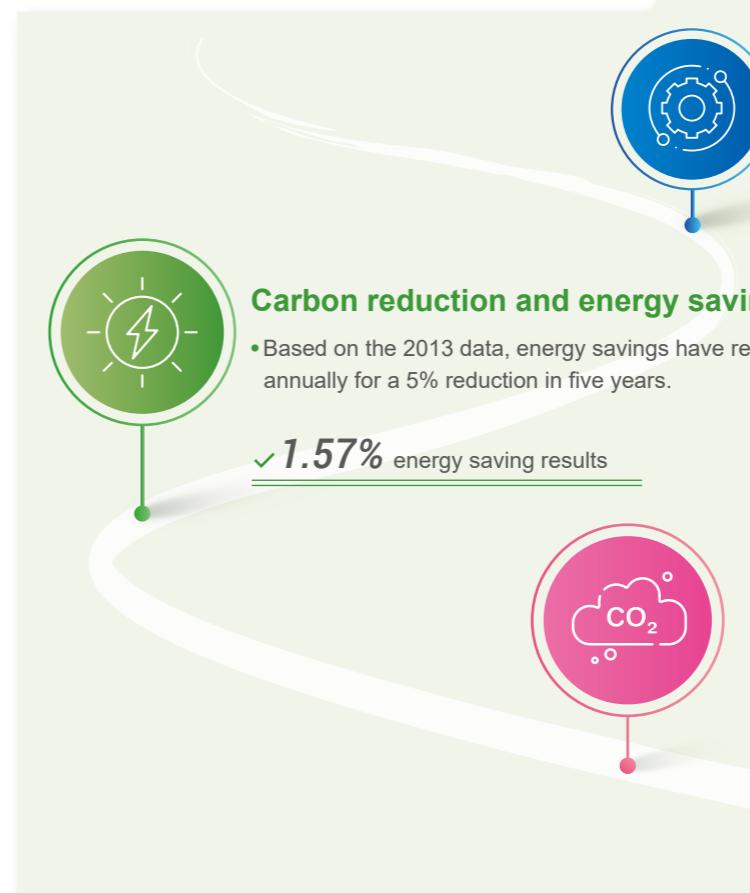


## Pioneer of low-carbon insurance



Though the insurance industry does not directly impact the environment with pollution or other harmful effects, Nan Shan Life endeavors to be a green enterprise regardless. In addition to abiding by environmental regulations, the company is committed to minimizing its impact on the environment by actively promoting various programs throughout every segment of its services and operations.

### Environmental sustainability objectives



Nan Shan Life has invested much effort to promote activities on environmental sustainability in the fulfillment of its corporate social responsibility. To assist in sustainable development, the company used NT\$1.141 million in 2019 for expenditures on environmental protection measures. Nan Shan Life also became one of the first to introduce the international carbon footprint standard ISO 14067, as well as provide low-carbon insurance service as part of its commitments as a green enterprise.

The company successfully obtained the SGS ISO 14067 verification statement by conducting an inventory of the paper, power, and tap water consumed by employees throughout the process of providing insurance service in 32 branch service centers in Taiwan. Air conditioning refrigerant and waste generated during the process of insurance provision were also taken into account. The data collected helped to calculate the level of CO<sub>2</sub> emissions in the life cycle of a life insurance policy from application acceptance, underwriting, policy creation and issuance.

Nan Shan Life formulated Taiwan's first "Carbon Footprint of a Product, Product Category Rules (CFP, PCR)" for life insurance service in 2019. Nan San Life's average carbon footprint for each life insurance service was determined to be 8 kilograms after strict reviews and verifications by Environmental Protection Administration personnel and experts from various sectors. This inventory of carbon emissions helped the company exert influence by providing a basis for the calculation of life insurance carbon footprint by industry peers, and effectively integrated Nan San Life's environmental sustainability commitment with company policies to reduce energy waste.





## Management of building energy conservation

Nan Shan Life has long been committed to an overall energy savings program for (a total of ten) company-owned buildings. The ISO 14064-1 quantification and reporting of greenhouse gas emissions and removal was introduced in 2016 to reduce the global impact of greenhouse emissions through effective management measures. The company was recognized as having achieved energy-saving standards by receiving the "2016 Award of Excellence in Voluntary Energy Saving" outcomes presentation organized by the Ministry of Economic Affairs in 2019.



Measures for energy-saving and carbon reduction included the following: The operation hours of outdoor electric sign boards and elevator were adjusted. Light fixtures in meeting rooms and public areas were replaced with energy-saving bulbs. In accordance with current regulations, the temperature of air conditioning units were set at 26°C. Employees were reminded to close window blinds before leaving the workplace to reduce the load on air conditioning the following morning. Employees were encouraged to walk the stairs instead of using elevators, as well as to turn off lights and the power for office equipment when not in use.

## 2019 Electricity Usage at Nan Shan Life Company-Owned Buildings in Taiwan

| Company-owned buildings   | Power usage kWh | Carbon emission t-CO <sub>2</sub> e | gigajoule GJ | Energy intensity kwh/person | Emission intensity t-CO <sub>2</sub> e/person |
|---------------------------|-----------------|-------------------------------------|--------------|-----------------------------|---|
| Nan Shan Building         | 5,240,400       | 2,793.13                            | 18,865       | 3,153.07                    | 1.68  |
| Nan Shan Financial Center | 7,426,800       | 3,958.48                            | 26,736       | 15,701.48                   | 8.37  |
| Xihu                      | 995,670         | 530.69                              | 3,584        | 9,051.55                    | 4.82  |
| Daan                      | 411,920         | 219.55                              | 1,483        | 10,562.05                   | 5.63  |
| Zhongli                   | 976,120         | 520.27                              | 3,514        | 7,808.96                    | 4.16  |
| Taichung                  | 1,410,400       | 751.74                              | 5,077        | 4,463.29                    | 2.38  |
| Chiayi                    | 922,320         | 491.60                              | 3,320        | 8,954.56                    | 4.77  |
| Tainan                    | 1,169,500       | 623.34                              | 4,210        | 15,188.31                   | 8.10  |
| Kaohsiung                 | 1,678,680       | 894.74                              | 6,043        | 8,788.90                    | 4.68  |
| Yilan                     | 519,965         | 277.14                              | 1,872        | 15,756.52                   | 8.40  |
| Total                     | 20,751,775      | 11,060.70                           | 74,706       | 6,632.08                    | 3.53  |

Note 1: 2019 electricity emission factor of 0.533 kg CO<sub>2</sub>e/kWh

Note 2: 1 kWh = 0.0036GJ

Note 3: Energy intensity = Power consumption / Employees in the company-owned building for the year

Note 4: Emission intensity = Total emission / Employees in the company-owned building for the year

### Lights off for 1 hour to reduce carbon emissions

Nan Shan Life endeavors to help reduce the overall temperature of Earth, and pays close attention to the issue of global warming and climate change. In 2019, the company participated in the Earth Hour Movement initiated by the World Wildlife Fund (WWF), and turned off outdoor lights for one hour at 11 company-owned buildings, including Taipei Nan Shan Plaza, the second-highest building in Taiwan.

Buildings owned by Nan Shan saved approximately 4,848 kWh of electricity by keeping the lights off for one hour, an equivalent of 2.67t-CO<sub>2</sub>e in carbon emission reduction. The company hopes to fulfill its mission as a green enterprise committed to environmental sustainable development through concrete actions, such as turning off lights when not in use and reducing energy consumption.

Note: 2019 electricity emission factor of 0.533 kg CO<sub>2</sub>e/kWh

## Building energy conservation measures and achievement

Energy-saving measures are implemented at buildings owned by Nan Shan Life throughout of Taiwan.

The company plans to continue such measures in the future to reduce energy consumption.



## Greenhouse gas emissions

| Category                                   | Unit                               | 2017      | 2018      | 2019      |
|--|------------------------------------|-----------|-----------|-----------|
| Direct greenhouse gas emission (Scope1)    | t-CO <sub>2</sub> e                | 376.50    | 477.72    | 769.49    |
| Indirect greenhouse gas emission (Scope 2) | t-CO <sub>2</sub> e                | 6,501.26  | 8,324.13  | 9,211.68  |
| Total emission                             | t-CO <sub>2</sub> e                | 6,877.76  | 8,801.85  | 9,981.17  |
| Floor area (m <sup>2</sup> )               | square meters                      | 14,210.70 | 18,516.61 | 25,878.82 |
| Intensity of greenhouse gas emission       | t-CO <sub>2</sub> e/ square meters | 0.48      | 0.48      | 0.39      |

Note 1 : The 7 categories of greenhouse gas emission include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>. Nan Shan Life follows ISO 14064-1 operational control measures to conduct an inventory of greenhouse gas emissions by the company.

Note 2 : Scope 3 was identified, not calculated.

Note 3 : 2019 electricity emission factor was calculated as 1kwh = 0.533kg-CO<sub>2</sub>e

Note 4 : GWP source: The global warming potential value in the second appraisal report of IPCC1995

Note 5 : In 2019, the total emissions amount increased during the greenhouse gas emission inventory due to the inclusion of two additional buildings: the Taichung educational training center and Chiayi Office building.

## Reduction of energy consumption

The main workplace for financial service industry employees is the office, bringing about various resource consumption issues such as domestic waste disposal, air quality, and drinking water. The use of paper is more significant in the insurance industry, for administrative operations, cleaning and sanitation, and various materials and energy resources required during meetings. Nan Shan endeavors to implement energy conservation and carbon reduction measures in daily operations.

## Reduction of carbon emission through the development of e-services

The company attempts to achieve the objective of paperless operations by promoting the e-documents services to policyholders, staff and agents through various incentive programs. To save on paper usage and contribute to the conservation of resources on Earth, the company became the first in the industry to develop a sales platform called "Mobile Insurance e-Application". Policyholders may complete their insurance application process by signing digitally on a tablet computer.

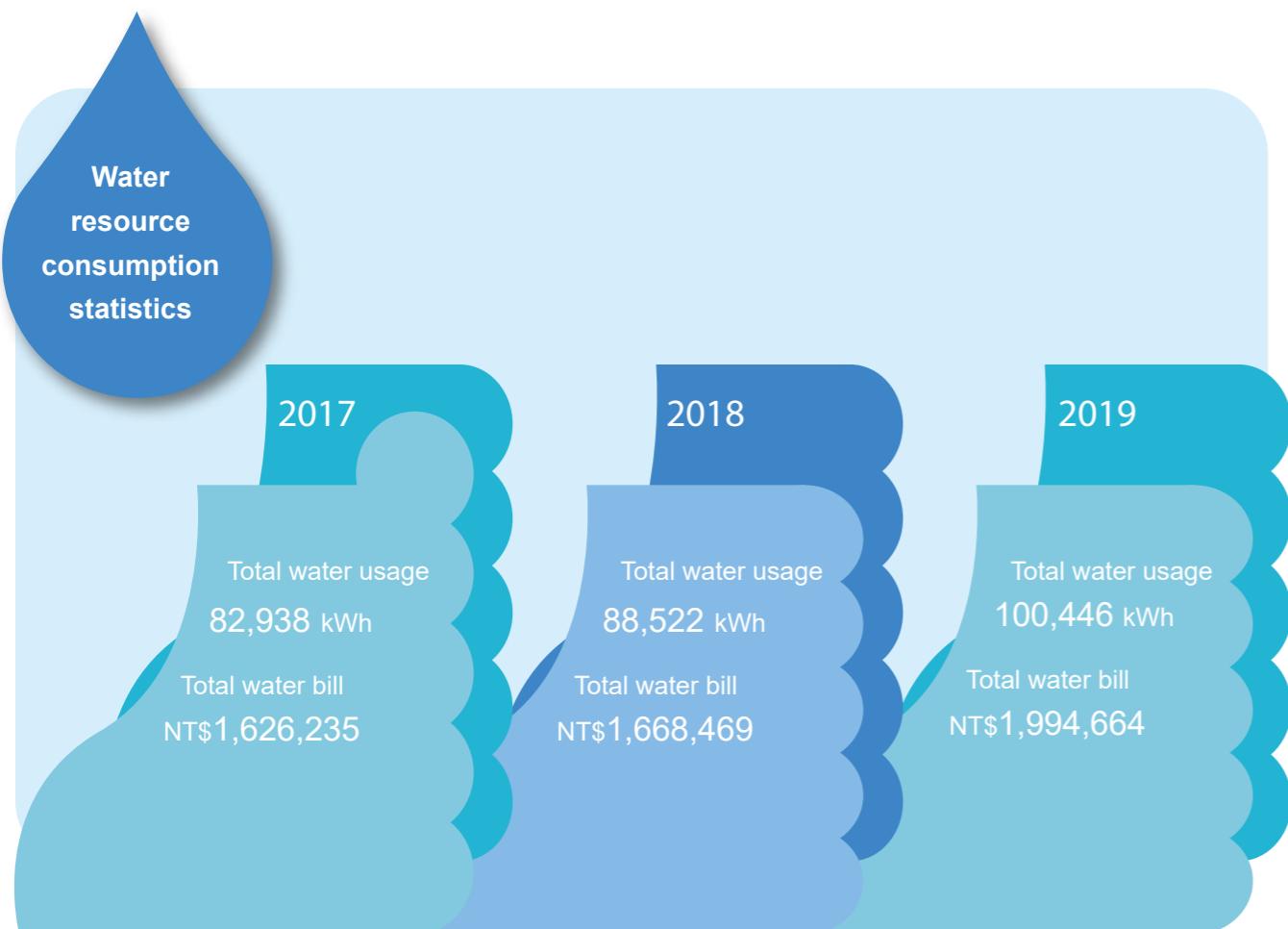
## Digitization of administrative processes

Nan Shan Life excels in environmental protection via digitization of various application forms, by introducing and enhancing the information system towards the goal of paperless business operations. Applications for stationary supplies, preprinted forms and miscellaneous items have all been digitized.

By promoting paperless operations, the need to print various forms has dropped by 11.369 millions sheets of paper compared to the paper usage in 2015.

## Management of water resource and waste

Nan Shan Life has hired external professional consultants to take inventory of each building's equipment for the formulation of specific water-saving plans. It is a step towards the water-resource saving objective in adherence to the mission of continuous improvements for the environmental management system.



Note 1: The addition of the Yilan branch office was the cause of the total water usage increase of all company-owned buildings in Taiwan.

Note 2: All buildings in Taiwan include: Nan Shan building, Nan Shan Financial Center, Xihu, Daan, Zhongli, Taichung, Chiayi, Tainan, Kaohsiung, and Yilan

## Results of Nan Shan Financial Center Resource Handling, Recycling and Reuse

| Category   | General business waste (unit of measurement)                     | 2018    | 2019     |
|--|--|---------|----------|
| Incineration   | Domestic waste (KG) (Disposed by qualified vendors)              | 100,920 | 109,735  |
| Recycle or reuse (building material, light bulbs, water/electricity/gas, garbage, recyclables) | Discarded computer equipment in Taiwan                           | 1,096   | 1916     |
|  | Waste paper/document recycling (KG)                              | 225,988 | 337,112  |
|  | Waste paper recycling of documents in file cabinets (KG)         | 198,405 | 202,705  |
|  | Repurposing of furniture (KG)                                    | -       | 527      |
|  | Recyclables such as: metal cans, PET bottles, plastics, ... (KG) | 24,566  | 18,557.5 |

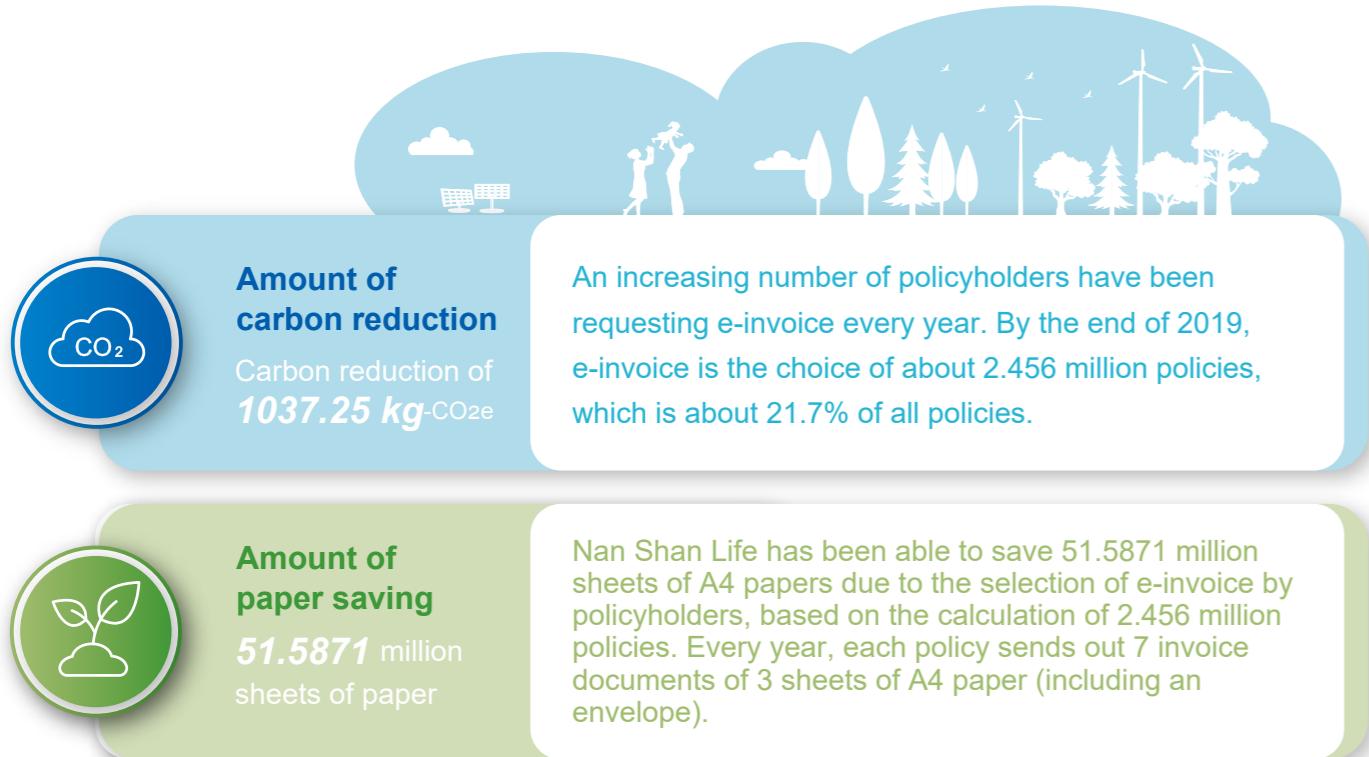
Nan Shan Life employees are encouraged to implement environment protection measures actively and continuously to promote carbon reduction and energy-saving objectives at the workplace and in all aspects of business operations. At the office, the 3R principle of Reduce, Reuse, and Recycle is implemented regarding waste classification and resource recycling, for the promotion of the following actions: repeat usage of envelope, printing on both sides of paper, environmental protection advocacy, promotional activities related to resource recycling and waste classification, smoking ban, drinking water management, e-document, video conferencing, take the stairs instead of riding the elevator, and landscaping planning for a green environment.

In addition, the company reduced fuel consumption by a change in its leasing policy to use 15 electric/petrol hybrid vehicles in 2019. Hopefully, such pro-environment habits and concrete measures will set an example for families and communities. Additional measures include:

- **Paper cups:** for visitors only, employees should bring their own cups to meeting rooms
- **Photocopy and fax paper:** reduce paper usage via the following measures: use of electronic documents and email, storing documents on public servers, prepare presentation in paperless format, double-sided printing, establishing a paper reuse area for general documents.
- **Printing of documents:** reduce repetitive printing by examining the necessity of report printing, integration and sequence of printing

## Save paper and reduce carbon footprint with electronic documents

Nan Shan Life has been successful in its digital invoice mobilization efforts to replace traditional mailing of paper invoices. Currently, the company sends electronic documents in place of various paper notices and receipts, to fulfill the corporate objective of sustainable development with concrete actions.



Note 1: Based on the Intergovernmental Panel on Climate Change (IPCC) estimation, 4.21 hectares of forest area is preserved annually. Also, 928.57 metric tons of carbon reduction is achieved based on the calculation of 18 grams of carbon emission per sheet of A4 paper.

Note 2: Based on the IPCC estimation, each physical invoice delivery creates about 6.32(±0.09) grams of CO<sub>2</sub>. Thus, Nan Shan Life achieved a 1037.25 metric tons of carbon emission reduction since it began its e-invoice campaign, based on the calculation of 17.1915 million document deliveries per year, and a carbon reduction of 108.68 metric tons of paper delivery.

### Reduce the amount of documents sent by post

In addition to e-invoice, Nan Shan Life also endeavors to reduce the amount of postal mail. The company has gradually standardized the sizing of envelopes as well as sending only simple letter-cards (where the standardized paper letter also folds to become an envelope). In the past few years, Nan Shan Life's postal volume did not increase despite a significant growth in sales volume.

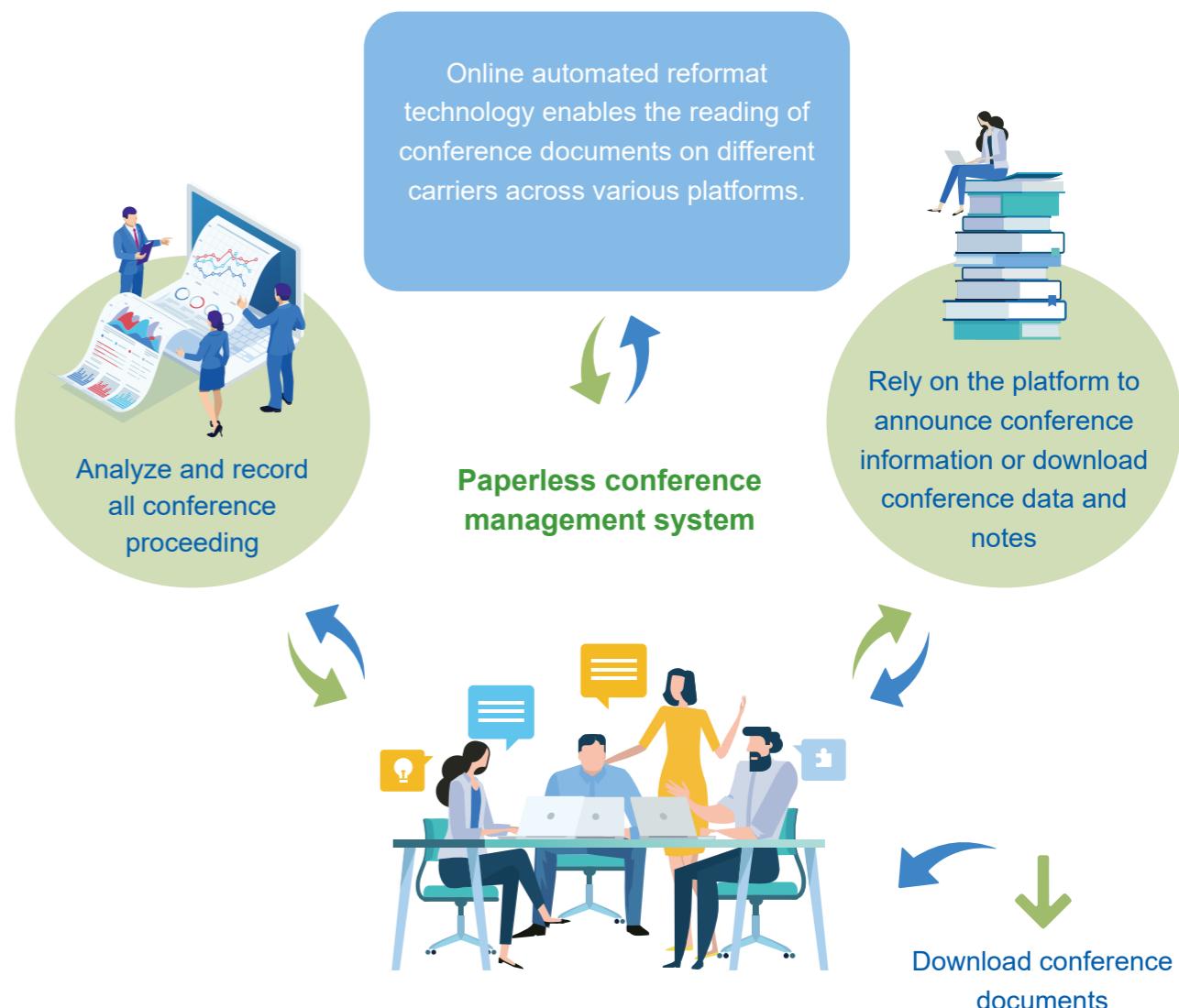
|      | 36,855,758 postal mail | (calculation baseline)                     |  |
|------|------------------------|--|--|
| 2011 | 36,855,758 postal mail | (calculation baseline)                     |  |
| 2015 | 31,359,641 postal mail | a <b>14.91%</b> reduction compared to 2011 |  |
| 2016 | 30,179,580 postal mail | a <b>18.11%</b> reduction compared to 2011 |  |
| 2017 | 31,226,650 postal mail | a <b>15.27%</b> reduction compared to 2011 |  |
| 2018 | 31,699,053 postal mail | a <b>13.99%</b> reduction compared to 2011 |  |
| 2019 | 27,428,596 postal mail | a <b>25.57%</b> reduction compared to 2011 |  |

Note: The base year indicates no reduction effort in that year

### Paperless meetings

Nan Shan Life became the first in industry to establish a “Paperless conference system” in December 2013. Besides energy-saving and a reduction in paper printing, the measure helps to control access to sensitive data and reduce the risk of data leakage.

Since a centralized control measure applies to all conference data, which also applies a control mechanism with personal id certification and authorization, it becomes possible to trace all the data and usage process for a particular meeting. This measure effectively controls the risk of sensitive data leakage. Technology can also help safeguard confidential company data by setting up the system to automatically delete sensitive data after a meeting is concluded, taking care of environmental protection and cybersecurity simultaneously. In 2019, the company reduced carbon emission by 14,542 metric tons by avoiding the printing of approximately 2.5968 million sheets of paper.



## Diamond-level green architecture at Taipei Nan Shan Plaza

Nan Shan Life built the Taipei Nan Shan Plaza in accordance with international green architecture standards in response to the increasingly dire issue of global warming due to climate change. From the perspective of public accessibility of cities and sustainable development, the company constructed an urban commercial office building and leisure center with both local characteristics of Taiwan and international competitiveness. The building has received various international certifications and recognition since its completion on June 11, 2018, including LEED Gold certification by the US Green Building Council. In 2019, the building obtained the Engineering Excellence Award from the Chinese Institute of Engineers, and placed fourth for the Skyscraper Award issued by the Emporis Company.



## Shoreline protection by cleaning beaches and planting trees

In 2019, Nan Shan Life recruited 4,800 Nan Shan volunteers, friends and families as well as policyholders to join in beach-cleaning activities as part of "Nan Shan Life Insurance Love Ocean Campaign", when trees were also planted to prevent sand erosion.

In addition, the company also invited the participation of industry partners such as Nan Shan General Insurance, Taiwan Mitsubishi Elevator, Fu Tsu Construction, to amplify the power to safeguard the ocean in protection of resources on Earth.

Furthermore, the company has joined efforts with numerous local environmental protection organizations to address local sea territorial issues while connecting with local communities, including the following governmental and civil organizations: the Forestry Bureau of the Council of Agriculture, North Coast & Guanyinshan National Scenic Area Administration of the Tourism Bureau under the Ministry of Transportation and Communications, Department of Environmental Protection of New Taipei City Government, Taoyuan City Department of Environmental Protection, Environmental Protection Bureau of Taichung City Government, Environmental Protection Bureau of Tainan City Government, Environmental Protection Bureau of Kaohsiung City Government, Tse-Xin Organic Agriculture Foundation, Chi Sing Eco-conservation Foundation, Haiyong Studio, Baodao Jingxiang Group, New Environment Society of Taichung, LOHAS Taiwan Association, and Taiwan Youth Climate Coalition.

## Achievement of volunteer mobilizations



4,800 volunteers participated in 15 public benefit events to clean beaches and planting trees for sand erosion prevention.



Adopt the Zhongjiao Bay coastlines in Jinshan District of New Taipei City, and the Taihsia coastline in Yunlin County. Volunteers planted a total of 3,000 windbreak tree seedlings, surrounded by bamboo fencing as part of the sand-preservation project. After they are fully-grown, the trees will serve to prevent sand erosion and protect the soil around the beach.



Marine waste weighing more than 11 metric tons was cleaned up, which includes 33,000 disposed objects of the following categories: 24,053 domestic waste and recreational activity waste (including disposable tableware, plastic bags, PET bottles, etc.), 2,482 pieces of medical/personal hygiene products, 1,927 pieces related to smoking (cigarette butts and lighters), and 5,260 pieces of tools related to the fishing industry and leisure activities.



Nan Shan Life has reported the data to the Taiwan Ocean Cleanup Alliance(T.O.C.A), to join in the international efforts to monitor marine debris. In addition to beach-cleaning activities, Nan Shan Life also urges employees to care about environmental protection starting at the source, by reducing the creation of garbage in the first place. Nan Shan Life encourages everyone to practice environmental conservation in daily life, and collaborate with one another to safeguard marine ecology and the global environment.



## Partaking in social happiness and communion



Nan Shan Life believes that happiness empowers life changes, and we hope to spark a cycle of kindness in society and enhance the happiness of Taiwanese people by continuing to support those in need. Combining the core value of care and core competency of the insurance industry, we proactively promote and participate in various charity events. With a service network spanning across Taiwan, we can delve into communities to identify local needs as well as provide care and assistance. Our objective is for more people to receive holistic care and lead a more secured life.

In 2019, Nan Shan Life called for more than 12,000 people in total to participate in charitable events, supported more than 200 charity groups and hospitals, and served nearly 190,000 underprivileged persons.

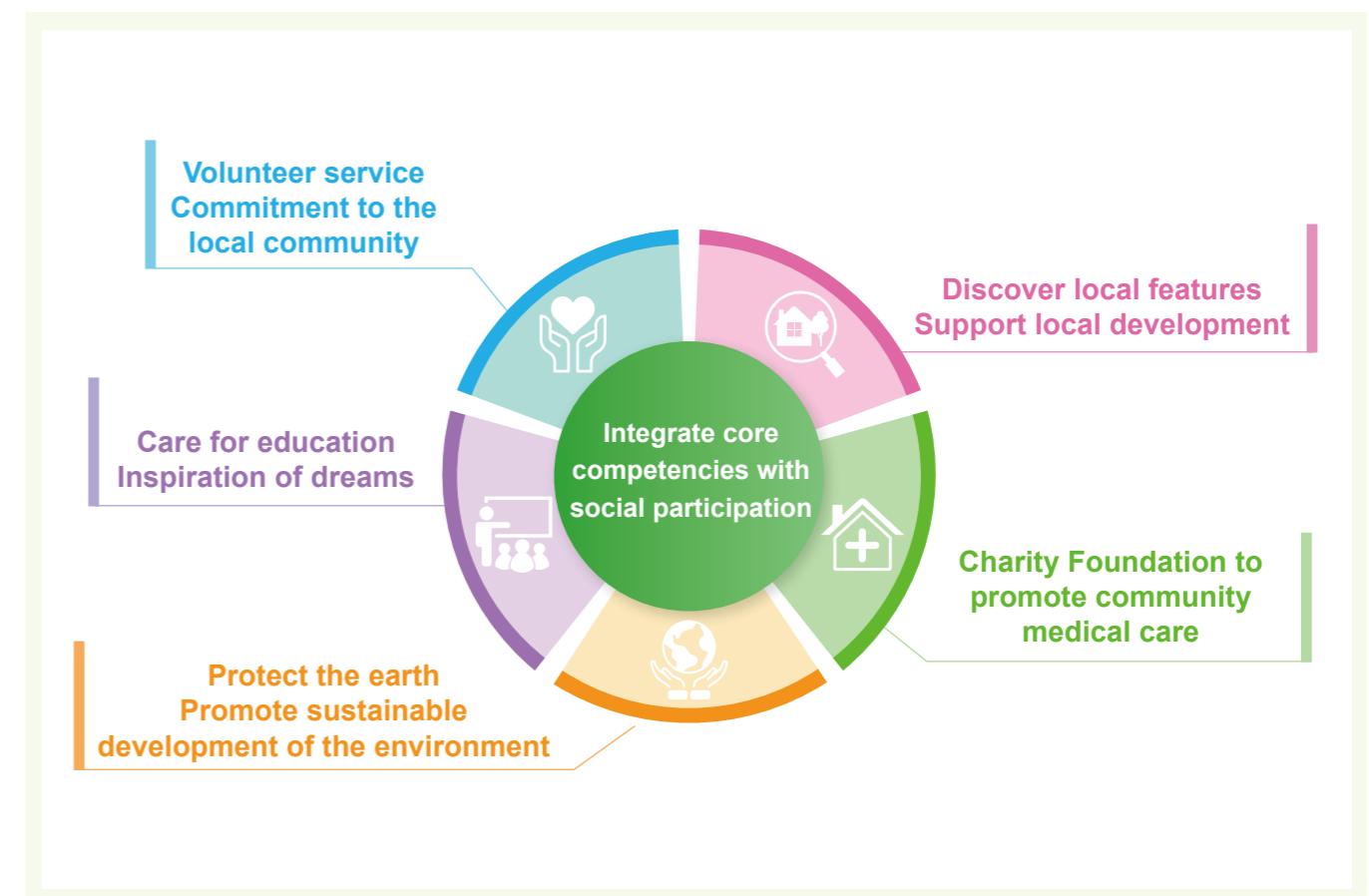
We also applied the AA1000 Stakeholder Engagement Standard and collaborated with E.SUN Commercial Bank to engage in charitable activities. For every purchase or insurance premium payment with the Nan Shan–E.SUN co-branded credit card, E.SUN Commercial Bank allocates a certain amount of the payment to support the Nan Shan Charity Foundation-Medical Care Project, which was launched by Nan Shan Charity Foundation to provide the underprivileged with medical relief. The bank donated more than NT\$14 million from 2018 to 2019.

### Core competencies of Nan Shan Life

- ◎ Make good use of the service network spanning across Taiwan to proactively discover local needs and commit to community service.
- ◎ Build a charity platform to integrate corporate resources and combine the efforts of staff and agents, policyholders, and the general public, thereby maximizing public welfare influence.
- ◎ Include volunteer service as Nan Shan Life's core value and culture and fulfill the promise of long-term and continuing care.

To fulfill the commitment to care for public welfare and social participation, we combine the efforts of our staff and agents through the charity platform entitled "Nan Shan Life Charity Foundation." Embodying the core value and mission of the insurance business, Nan Shan Life cares for and assists those in need to improve their lives and to offer secure healthcare services, and help to underprivileged to have fair access to education and development opportunities.

### Nan Shan Life's primary focuses on social participation



## London Benchmark Group (LBG) social investment evaluation model

Nan Shan Life applied the LBG framework in 2018 to systematically manage the benefits of social participation. Through scientific evaluation of investment benefits, stakeholders can better understand the resource allocation efficiency of Nan Shan Life, which serves as the foundation for continuous plan improvement and revision in the future.

| Category                             | Unit     | 2017    | 2018    | 2019    |
|--------------------------------------|----------|---------|---------|---------|
| Cash donations                       | NT\$1000 | 118,764 | 136,023 | 111,676 |
| Time devoted by corporate volunteers | Hour     | 43,128  | 50,508  | 49,928  |

## Cultivation of volunteer culture and deep commitment to community services

In 2011, Nan Shan Life combined employees and organizational resources to form a volunteer group, engaging over ten thousands volunteers in social welfare services every year. Moreover, a public welfare award was established to honor outstanding volunteers and cultivate a volunteer culture. Based on the existing administrative organization and management system, a volunteer organization was established to promote activities related to social and environmental sustainability. Embodying the spirit of committing to local communities, the organization delivers love and care to every corner of our society.

Nan Shan Life volunteers across Taiwan take actions to care for those with mental and physical disabilities, seniors, children, and low-income households as well as organize blood donation events. Utilizing corporate resources, the volunteers continue to support those in need from every corner of the society in an organized and systematic manner. In 2019, 40 local care events were held, and more than 12,000 people in need were served.



## Launch of Nan Shan Life Charity Foundation to facilitate community health and medical care

In 2013, Nan Shan Life launched the Nan Shan Life Charity Foundation-Medical Care Project to finance medical expenses of the underprivileged. We are committed to becoming an enterprise that proactively supports medical relief to the underprivileged and community medical care in an attempt to create a more comprehensive medical care in Taiwan and help more people in need. Setting an innovative benchmark for Taiwanese enterprises supporting public welfare, Nan Shan Life hopes to bring more happiness to Taiwan.



## Prevalence of medical relief

Continue to increase the number of cooperating hospitals to form a holistic medical care service network



## Enlarge the range of application

Proactively commit to the community and serve more people in need



An overview of the achievements of Nan Shan Life Charity Foundation  
(From July 1, 2013 to December 31, 2019)

The charitable donations amounted to nearly NT\$430 million in total.

- The number of cooperating hospitals across Taiwan has reached 204, and the range of service has expanded to smaller hospitals on outlying islands and in remote areas.
- We increased our support and funded the " Relief Project for Major Medical Expense " of 25 hospitals to assist underprivileged patients who could not afford large amounts of unexpected medical bills.
- In 2019, a total of over NT\$74.7 million was donated to cover the medical expenses of 6,664 economically disadvantaged patients and households that were in urgent need of medical treatment but could not afford the costs.

## "Safeguarding memories, and Friendly Community" A series of care events for dementia-friendly communities

Since April 2018, Nan Shan Life Charity Foundation has been promoting a series of care events for dementia-friendly communities. For example, the "When We Recall Together" family day event involves gathering patients with dementia and their families to sing nostalgic old songs together, thereby achieving the effect of group therapy. The foundation also takes portraits of families comprising members with dementia to create new memories for them while filling the deficiency of memory loss with love. Through group therapy, Nan Shan Life expects to improve the mood of patients with dementia and delay their illness. Moreover, these activities are organized to relieve the stress of caregiver.

## Nan Shan Medical Social Worker Award

Medical social workers serve as spiritual supporters for patients. To appreciate their professional hard work, Nan Shan Life established the "Nan Shan Medical Social Worker Award" in 2017, co-organized the event with the Medical Social Work Association R.O.C., and invited the Ministry of Health and Welfare to serve as the advisor. The objective of this award is to recognize and reward frontline, low-profile medical social workers of their efforts and call society's attention to medical social workers and medical settings, thereby bringing more happiness to Taiwanese society.

Nan Shan Medical Social Worker Award is the only award set up for medical social workers in Taiwan. In the past 3 years, it has received extensive response from medical institutions across the country. Every year, the award team receives nearly one hundred hospital recommendations and entry submissions. Hospital promotion and media reports have drawn more attention of the public and hospitals to medical social workers and the support provided by Nan Shan Life Charity Foundation's project. Fully informed, people know how to seek assistance when they are in need. Moreover, the philosophy of "caring for the underprivileged and taking care of communities" can be realized.

In addition, " Nan Shan Medical Social Worker Award " also serves as a platform for stakeholder exchanges. Symposia are held in Northern, Central, and Southern Taiwan for sharing professional knowledge and exchanging experience of medical social work. Winning teams of the award are also invited to share their unique service development model and practical experience in hopes of improving the quality of medical care services and empowering people to help others.



## Coastal management and marine ecosystem maintenance

### Action plan for Taiwanese coastline protection

Every year, Nan Shan Life proactively promotes various environmental protection and Earth-loving initiatives, including mountain cleaning, beach cleaning, recycling, and environmental education, to protect our home by taking specific.

In response to the International Coastal Cleanup for marine debris monitoring, Nan Shan Life organized the “Nan Shan Loves Ocean Initiative” in 2019 to conduct beach cleaning activities in the following 13 locations: Badouzi in Keelung; Wuweigang in Yilan; Jinshan Zhongjiao Bay, Wanli Dingliao and Xialiao, and Ruifang Nanya Fishing Port in New Taipei; Yongan Fishing Port in Taoyuan; Potou Fish Port in Hsinchu; Lishui Fishing Port in Taichung; Qigu Shin Fu Lun Sandbank in Tainan; Dongshi in Chiayi; Qijin in Kaohsiung; and Beinan Shanyuan in Taitung. In addition to Nan Shan Life employees, agents, relatives and friends, and policyholders, we also exerted corporate influence and invited companies such as Nan Shan General Insurance, Taiwan Mitsubishi Elevator, and Fu Tsu Construction to participate. In total, more than 4,800 Nan Shan volunteers were recruited to help clean up 10 km of the country's coastlines.

In addition to beach cleaning, Nan Shan Life also supported tree planting for land consolidation in 2019 and planted 3,000 windbreak saplings along Jinshan Zhongjiao Bay in New Taipei and Taisi Coast in Yunlin. Windbreak forest formed by grown-up saplings is expected to protect the soil and sand erosion as well as prevent the impact of sandstorms and salt fog.



### An overview of the “Nan Shan Loves Ocean Initiative



#### Motivation of the initiative

- International Coastal Cleanup for marine debris monitoring.



#### External partners

- Forestry Bureau of the Council of Agriculture of Taiwan, North Coast & Guanyinshan National Scenic Area of Tourism Bureau under the Ministry of Transportation and Communications, Environmental Protection Bureau of New Taipei City, Department of Environmental Protection of Taoyuan, Environmental Protection Bureau of Taichung City Government, Environment Protection Bureau of Tainan City Government, Environmental Protection Bureau Kaohsiung City Government, Tse-Xin Organic Agriculture Foundation, Chi-Sing Eco-Conservation Foundation, Hiin studio, Formosa County Beauty, New Environment Society of Taichung, Lohas Taiwan Association, and Taiwan Youth Climate Coalition.



#### Accomplishment of beach cleaning

- Disposal of more than 33,000 pieces of various wastes, which weighed more than 11 metric tons in total.



#### Core value

- Combined the efforts of local governments' environmental protection bureaus, marine environmental protection groups, and local organizations.
- Called for approximately 4,800 volunteers, including Nan Shan Life employees, agents, relatives and friends, and policyholders, to participate in beach cleaning and tree planting for sand erosion prevention as well as pay attention to issues related to local waters.



#### Suppliers and enterprises supporting the initiative

- Exerted corporate influence and invited companies such as Nan Shan General Insurance, Taiwan Mitsubishi Elevator, and Fu Tsu Construction to participate.



#### Accomplishment of tree planting for land consolidation

- Took on the task of tree planting along Jinshan Zhongjiao Bay in New Taipei and Taisi Coast in Yunlin.
- Performed the project of tree planting and land consolidation with bamboo fences; a total of 3,000 windbreak saplings were planted.

## Care for education and support for students to relieve their burden

### Nan Shan scholarship for elite leaders

With the objective of supporting and encouraging continued studies of outstanding, hard-working students, Nan Shan Life cooperated with 143 colleges/universities and 18 graduate institutions to set up scholarships, which are available for application to students who are highly committed to public welfare services, actively participate in club activities, and exhibit excellent academic performance.

In 2019, Nan Shan scholarship for elite leaders was awarded to 903 college students and 36 graduate students, and each of them received a monetary reward of NT\$5,000 and NT\$20,000, respectively.

In addition, to encourage preemptive cultivation of competitiveness among students to prepare them for future workplace, Nan Shan Life organized five sessions of award ceremony & lecture in Taipei, Zhongli, Taichung, and Kaohsiung in 2019. Celebrities of various fields were invited to each school as speakers to share with students and parents their experience and growth in life, expand the horizons of young students, and offer a promising vision for the future. The five sessions of award ceremony & lecture attracted 1,444 students and parents to participate and cost a total of NT\$5.86 million.



## Winter and summer camps for college students

Talent is a company's greatest asset. To help young students determine their goals, Nan Shan Life launched the Nan Shan elite leadership camp program in 2015. Since then, more than 7,000 college students from various departments across the country have participated in the camp; 20% of them major in finance or insurance, whereas the remaining 80% of students major in business management, STEM (science, technology, engineering, and mathematics), literature, and medicine and nursing.

The program organized a total of 20 camps in 2019, which completed training for 1,949 students and cost NT\$1.87 million in total. Celebrities from various fields were invited to each camp to share their career development process. Moreover, interesting curriculum plans were created to incorporate financial and insurance knowledge into experience activities. Young students could thereby understand the value and significance of insurance and identify a clear career direction.



## Sponsoring local events to promote the development of tourism industry

Boasting the abundant tourism resources of Taiwan and adhering to the philosophy of "local care and commitment to Taiwan," Nan Shan Life continues to engage in charitable activities and give back to policyholders and society. Demonstrating its support for development of Taiwan's local economy and tourism by taking actions, Nan Shan Life hopes to upgrade the level of local tourism and fulfill corporate social responsibility by offering corporate resources.

### Yilan International Children's Folklore & Folkgame Festival

Entering its 24th year in 2019, Yilan International Children's Folklore & Folkgame Festival is the most iconic large-scale arts and culture event in Yilan County, one of the most important international marketing events in Taiwan, and Asia's first children-oriented certified folk arts festival. Every year, the festival attracts hundreds of thousands of visitors.

Nan Shan Life has sponsored International Children's Folklore & Folkgame Festival for 8 consecutive years. In 2019, besides supporting the overall event budget, we also offered booth activities entitled "Health Maintenance with Nan Shan" on site. Visitors of all ages could achieve the three major goals of move healthy, live healthy, and play healthy by participating in the simple fitness games at our booth.

In terms of social inclusion, we practiced the long-established tradition of inviting children from social welfare institutions to the International Children's Folklore & Folkgame Festival. A total of 397 children from Taipei Orphan Welfare Foundation and Taiwan Fund for Children and Families in Yilan were granted free entry to the festival. These children are rarely offered opportunities to play outdoors. We hope that by providing these children a warm and pleasant memory of summer vacation, we can realize their dreams and take actions to demonstrate local support.

### Fitness walking in the zoo involving 20,000 participants to encourage insurance enrollment and health management

In response to the trend of an aged society, the public has been paying increased attention to the health management aspect of health insurance products. In 2019, Nan Shan Life organized a large-scale fitness walking event entitled "Nan Shan BAM program" at Taipei Zoo, and engaged a total of 20,000 participants including the general public, policyholders, and staff and agent.

During the event, participants were asked to download the BAM app and used five indicators to determine age-related physiological changes in an attempt to lower physiological age through healthy methods. Moreover, the fitness walking event was initiated to encourage physical activities, prompt the public to pursue youth and health together, and prepare Nan Shan Life for the transition towards a new era of LOHAS.

Based on the concept of LOHAS, Nan Shan Life proactively promotes the idea of "prevention is better than cure" in the medical and protection insurance products that are diversified, professional, and innovative. New technologies have been applied to launch next-generation health management services for the general public, by which comprehensive insurance coverage can be achieved.





## ASSURANCE STATEMENT

### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE NAN SHAN LIFE INSURANCE CO., LTD.'s CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2019

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

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by NAN SHAN LIFE INSURANCE CO., LTD. (hereinafter referred to as Nan Shan Life) to conduct an independent assurance of the Corporate Social Responsibility Report for 2019 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification. 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.

The information in the Nan Shan Life's CSR Report of 2019 and its presentation are the responsibility of the management of Nan Shan Life. SGS has not been involved in the preparation of any of the material included in Nan Shan Life's CSR Report of 2019.

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

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- AA1000 Assurance Standard (2008) Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with; and
- evaluation of the report against the IIRC International <IR> Framework (Chinese version 2015) requirements for content elements.

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts, and Task Force Climate-related Financial Disclosures has not been checked back to source as part of this assurance process.

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

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

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

#### VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within Nan Shan Life's CSR Report of 2019 verified is accurate, reliable and provides a fair and balanced representation of Nan Shan Life sustainability activities in 01/01/2019 to 12/31/2019.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI Standards in accordance with Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance. The report also appropriately responds to the content elements requirements of The IIRC International <IR> Framework.

#### AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

##### Inclusivity

Nan Shan Life has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Nan Shan Life may consider having more direct engagements with its stakeholders.

##### Materiality

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

##### Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

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

The report, Nan Shan Life's CSR Report of 2019, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of Nan Shan Life's involvement with the impacts for each material topic (103-1), and how efforts were given to mitigate the impacts. When reporting on goals and targets for each material topic, the expected results are suggested to be set, if applicable, with quantitative objectives.

##### Signed:

For and on behalf of SGS Taiwan Ltd.

David Huang  
Senior Director  
Taipei, Taiwan  
10 July, 2020  
[WWW.SGS.COM](http://WWW.SGS.COM)



# GRI Standards Index

## General Disclosure 2016

| GRI Standards                 | Indicator   | Description/Page  |   |
|-------------------------------|---|---|---|
| <b>Organizational profile</b> |   |   |   |
| 102-1                         | Name of the organization  | 1   | — |
| 102-2                         | Activities, brands, products, and services                                    | 12  | — |
| 102-3                         | Location of headquarters  | 1   | — |
| 102-4                         | Location of operations  | 17  | — |
| 102-5                         | Ownership and legal form  | 18  | — |
| 102-6                         | Markets served  | 17  | — |
| 102-7                         | Scale of the organization   | 18  | — |
| 102-8                         | Information on employees and other workers                                    | 19,67   | — |
| 102-9                         | Supply chain  | 12  | — |
| 102-10                        | Significant changes to the organization and its supply chain                  | No major changes  | — |
| 102-11                        | Precautionary Principle or approach   | 41  | — |
| 102-12                        | External initiatives  | 110   | — |
| 102-13                        | Membership of associations  | 32-33   | — |
| <b>Strategy</b>               |   |   |   |
| 102-14                        | Statement from senior decision-maker  | 4-5   | — |
| 102-15                        | Key impacts, risks, and opportunities   | 6-7   | — |
| <b>Ethics and integrity</b>   |   |   |   |
| 102-16                        | Values, principles, standards, and norms of behavior                          | 11,38-39  | — |
| 102-17                        | Mechanisms for advice and concerns about ethics                               | 39-40   | — |
| <b>Governance</b>             |   |   |   |
| 102-18                        | Governance structure  | 22,35-36  | — |
| 102-19                        | Delegating authority  | 22  | — |
| 102-20                        | Executive-level responsibility for economic, environmental, and social topics | 22  | — |
| 102-21                        | Consulting stakeholders on economic, environmental, and social topics         | 24-25   | — |
| 102-22                        | Composition of the highest governance body and its committees                 | 22  | — |
| 102-23                        | Chair of the highest governance body  | Please refer to 2019 Annual Report governance pages 12. | — |
| 102-24                        | Nominating and selecting the highest governance body                          | Please refer to 2019 Annual Report governance pages 14. | — |
| 102-25                        | Conflicts of interest   | 31  | — |
| 102-26                        | Role of highest governance body in setting purpose, values, and strategy      | 31  | — |

## General Disclosure 2016

| GRI Standards | Indicator  | Description/Page |   |
|---------------|--|------------------|---|
| 102-27        | Collective knowledge of highest governance body                      | 24               | — |
| 102-28        | Evaluating the highest governance body's performance                 | 36               | — |
| 102-29        | Identifying and managing economic, environmental, and social impacts | 26               | — |
| 102-30        | Effectiveness of risk management processes                           | 42-43            | — |
| 102-31        | Review of economic, environmental, and social topics                 | 27               | — |
| 102-32        | Highest governance body's role in sustainability reporting           | 22               | — |
| 102-33        | Communicating critical concerns                                      | 26               | — |
| 102-34        | Nature and total number of critical concerns                         | 27               | — |
| 102-35        | Remuneration policies  | 36               | — |
| 102-36        | Process for determining remuneration                                 | 36               | — |
| 102-37        | Stakeholders' involvement in remuneration                            | 24               | — |
| 102-40        | List of stakeholder groups   | 24-25            | — |
| 102-41        | Collective bargaining agreements                                     | No unions        | — |
| 102-42        | Identifying and selecting stakeholder                                | 23-24            | — |
| 102-43        | Approach to stakeholder engagement                                   | 23-24            | — |
| 102-44        | Key topics and concerns raised                                       | 24-25            | — |
| 102-45        | Entities included in the consolidated financial statements           | 1                | — |
| 102-46        | Defining report content and topic boundaries                         | 27               | — |
| 102-47        | List of material topics  | 28-29            | — |
| 102-48        | Restatements of information  | 1                | — |
| 102-49        | Changes in reporting   | 1                | — |
| 102-50        | Reporting period   | 1                | — |
| 102-51        | Date of most recent report   | 1                | — |
| 102-52        | Reporting cycle  | 1                | — |
| 102-53        | Contact point for questions regarding the report                     | 1                | — |
| 102-54        | Claims of reporting in accordance with the GRI Standards             | 1                | — |
| 102-55        | GRI content index  | 118-122          | — |
| 102-56        | External assurance   | 116-117          | — |

## Material Topics

| GRI Standards                            | Indicator  | description/Page |   |
|--|--|------------------|---|
| <b>GRI 201 Economic performance</b>      |  |                  |   |
| 103                                      | Management Approach  | 18               | — |
| 201-1                                    | Direct economic value generated and distributed                              | 18               | — |
| 201-3                                    | Defined benefit plan obligations and other retirement plans                  | 76-77            | — |
| <b>GRI 202 Market presence</b>           |  |                  |   |
| 103                                      | Management Approach  | 74               | — |
| 202-1                                    | Ratios of standard entry level wage by gender compared to local minimum wage | 74               | — |
| 202-2                                    | Proportion of senior management hired from the local community               |                  |   |
| <b>GRI 203 Indirect Economic impacts</b> |  |                  |   |
| 103                                      | Management Approach  | 108              | — |
| 203-1                                    | Infrastructure investments and services supported                            | 108              | — |
| 203-2                                    | Significant indirect economic impacts  |                  |   |
| <b>GRI 302 Energy</b>                    |  |                  |   |
| 103                                      | Management Approach  | 94-95            | — |
| 302-1                                    | Energy consumption within the organization                                   | 94-95            | — |
| 302-3                                    | Energy intensity   | 96-97            | — |
| 302-4                                    | Reduction of energy consumption  | 100              | — |
| 302-5                                    | Reductions in energy requirements of products and services                   |                  |   |
| <b>GRI 303 Water</b>                     |  |                  |   |
| 103                                      | Management Approach  | 98-99            | — |
| 303-1                                    | Water withdrawal by source   |                  |   |



## Material Topics

| GRI Standards   | Indicator   | description/Page |   |
|---|---|------------------|---|
| <b>GRI 305 Emissions ◎ Not Nan Shan Life materiality but for which disclosure is provided.</b>                      |   |                  |   |
| 103   | Management Approach   | 94-95            | — |
| 305-1   | Direct (Scope 1) GHG emissions  | 97               | — |
| 305-2   | Energy indirect (Scope 2) GHG emissions   | 97               | — |
| 305-4   | GHG emissions intensity   | 97               | — |
| 305-5   | Reduction of GHG emissions  | 97               | — |
| <b>GRI 306 Waste ◎ Not Nan Shan Life materiality but for which disclosure is provided.</b>                          |   |                  |   |
| 103   | Management Approach   | 98-99            | — |
| 306-2   | Management of significant waste-related impacts   | 98-99            | — |
| <b>GRI 307 Environmental compliance</b>   |   |                  |   |
| 103   | Management Approach   | 92               | — |
| 307-1   | Non-compliance with environmental laws and regulations  | N/A              | — |
| <b>GRI 401 Employment</b>   |   |                  |   |
| 103   | Management Approach   | 66               | — |
| 401-1   | New employee hires and employee turnover  | 67               | — |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees                            | 73,75-76         | — |
| 401-3   | Parental leave  | 69               | — |
| <b>GRI 403 Occupational Health and Safety ◎ Not Nan Shan Life materiality but for which disclosure is provided.</b> |   |                  |   |
| 103   | Management Approach   | 71-72            | — |
| 403-1   | Workers representation in formal joint management-worker health and safety committees   | 71-72            | — |
| 403-2   | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | 71-72            | — |
| <b>GRI 404 Training and Education</b>   |   |                  |   |
| 103   | Management Approach   | 77               | — |
| 404-1   | Average hours of training per year per employee   | 78               | — |
| 404-2   | Programs for upgrading employee skills and transition assistance programs   | 80               | — |
| 404-3   | Percentage of employees receiving regular performance and career development reviews  | 79               | — |

## Material Topics

| GRI Standards  | Indicator  | description/Page                              |   |
|--|--|---|---|
| <b>GRI 405 Diversity and equal opportunity</b> ☺ Not Nan Shan Life materiality but for which disclosure is provided. |  |   |   |
| 103  | Management Approach  | 74  | — |
| 405-1  | Diversity of governance bodies and employees   | 36,67   | — |
| 405-2  | Ratio of basic salary and remuneration of women to men                                       | 74  | — |
| <b>GRI 406 Non-discrimination</b> ☺ Not Nan Shan Life materiality but for which disclosure is provided.              |  |   |   |
| 103  | Management Approach  | 69  | — |
| 406-1  | Incidents of discrimination and corrective actions taken                                     | N/A   | — |
| <b>GRI 416 Customer health and safety</b>  |  |   |   |
| 103  | Management Approach  | 47,49   | — |
| 416-2  | Incidents of discrimination and corrective actions taken                                     | N/A   | — |
| <b>GRI 417 Marketing and labeling</b>  |  |   |   |
| 103  | Management Approach  | 63  | — |
| 417-1  | Requirements for product and service information and labeling                                | 63-65   | — |
| 417-2  | Incidents of non-compliance concerning product and service information and labeling          | N/A   | — |
| 417-3  | Incidents of non-compliance concerning marketing communications                              | N/A   | — |
| <b>GRI 418 Customer privacy</b>  |  |   |   |
| 103  | Management Approach  | 62  | — |
| 418-1  | Substantiated complaints concerning breaches of customer privacy and losses of customer data | N/A   | — |
| <b>GRI 419 Socioeconomic compliance</b>  |  |   |   |
| 103  | Management Approach  | 34  | — |
| 419-1  | Non-compliance with laws and regulations in the social and economic area                     | Please refer to 2019 Annual Report pages 129. |   |



This Report is printed using FSC™ certified paper and ecologically friendly soy-based ink.



Nan Shan Life