

2021

ESG Report

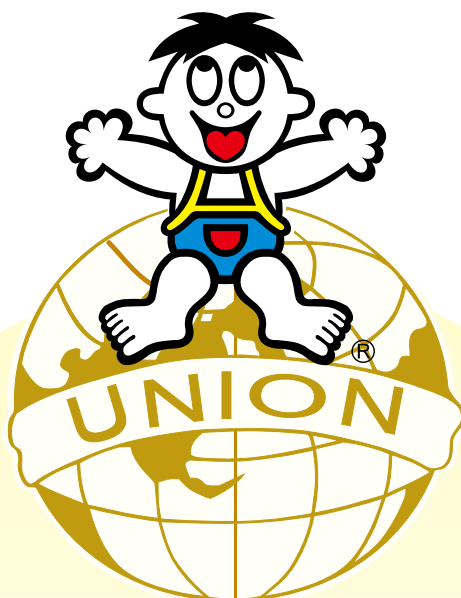
永續報告書

Union Insurance Company

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旺旺友聯產物保險公司
Union Insurance Company



旺旺友聯產物保險公司
Union Insurance Company

With customers in mind, we are your most reliable insurance company

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About the Sustainability Report

This Report is the 2021 Sustainability Report of Union Insurance Co., Ltd. (hereinafter referred to as the "Union Insurance"). By adhering to the principles of openness and integrity, Union Insurance fully and transparently discloses its operational performance and concrete actions on 5 aspects "corporate governance, governmental sustainability, employee care, product services, and social engagement". We truthfully present our communication with various stakeholders and our involvement of sustainability issues. We pay attention and care about environmental, social and governance issues and make every effort to achieve corporate sustainability goals and fulfill our responsibility as a member of the global village through our robust corporate health and comprehensive customer services, and to improve the quality of life for all people.

• Reporting Period and Scope of Disclosure

The disclosure period for the Report is 2021 (January 1 to December 31, 2021), with contents covering specific economic, environmental, and social practices and performance data. For the completeness of the project and activity performances, some of performance data will be dated back (pre-2018) or (also) extend to the most recent information in 2022. Any special features will be described in that respective chapter. The information disclosed in the Sustainability Report is based on Union Insurance. The information and data in the Sustainability Report cover performance on economic, environmental and social aspects, and any information in the previous report has not be restated. The boundaries of the Sustainability Report are set to include Union Insurance's Taipei Headquarter and 16 branches, 13 service centers and 13 offices in Taiwan, accounting for approximately 99% of the total revenue in the consolidated financial statements. Any adjustments are explained in the Sustainability Report.

Release of this Sustainability Report: June 2022

Release of Previous Sustainability Report: June 2021

Release of Next Sustainability Report: June 2023

• Writing Principles of the Sustainability Report

The Sustainability Report is prepared based on the main structure of GRI Standards published by the Global Reporting Initiatives (GRI) and follows the GRI Standards: Core Options. The financial statements have been audited and certified by KPMG Taiwan in accordance with the International Financial Reporting Standards (IFRS). A GRI Content Index has been enclosed in the Sustainability Report, please see the Appendix.



• External verification





Union Insurance has engaged KPMG Taiwan to perform independent limited assurance in accordance with Article 4, paragraph 3 the "Assurance Criteria Bulletin No. 1 - Assurance Cases of Non-Historical Audits or Reviews of Financial Information" under items 1 to 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, which is based on the International Standard on Assurance Engagements (ISAE3000).

- The financial statements have been audited and certified by KPMG Taiwan in accordance with the International Financial Reporting Standards (IFRS).
- Information Security Management System and acquired ISO 27001 certification.
- Personal information management system and acquired BS 10012 certification.

• Feedback

Through the Sustainability Report, we hope all stakeholders will better understand the efforts and determination of Union Insurance to promote sustainability. If you have any questions or suggestions regarding the Sustainability Report, please let us know through the following:



-  Contact: Marketing and Planning Department Wan-Hua Tsai
-  Address: 12F, No. 219, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City
-  Tel. No.: 02-27765567
-  Email: Elena.Tsai@wwunion.com



Message from the Chairman

Looking back on 2021, under the impact of the climate change disasters and COVID-19 pandemic, the risk management and emergency response capability of enterprises faced great challenges. Union Insurance Co., Ltd. (hereinafter referred to as "Union Insurance") adhered to the highest governing principle of risk management to review insurance applications rigorously. Under the effort of all employees of Union Insurance, the premium income of written policies reached a new record high of NT\$10.66 billion, a growth rate of 4.29%, and a market ratio of 5.2%. For a long period of time, Union Insurance has continued to expand the premium retention policy and stable investment profit, thereby increasing the operating revenue to NT\$8.81 billion, a growth rate of 6.95%. The overall operation performance continues to improve year after year, and the income before tax reaches NT\$806 million, a growth of 14.19%, setting a new record high again.

With the increasing global attention on ESG issues in recent years, ESG management has become an essential criterion for corporate sustainable development. Particularly, among the three main aspects of ESG, the climate change of the environmental aspect has the most prominent impact on enterprises. According to the Global Risk Report published by the World Economic Forum, "Climate Change" related risks have been the issue drawing the greatest attention for several years consecutively, and enormous risks and opportunities are generated for the corporate management. To emphasize the climate change issue and management, Union Insurance incorporates the climate change risk into the overall "Risk Management Policy and Guiding Principle", and establishes the risk appetite and operation plan according to the relevant climate risks identified. The Board of Directors continues to implement supervision in order to ensure the effectiveness of risk management and to bear the ultimate responsibility for the overall risk management. In addition, Union Insurance also actively researches and develop weather insurance products associated with climate change, and cooperates with the government to promote green energy products of the green energy policy, in order to achieve a three-win situation for the social economy, the insured and the insurer.

In addition, Union Insurance also considers climate change, energy saving and carbon reduction as important issues to the corporate sustainable operation, and as a citizen of the global village, Union Insurance cannot remain unaffected by such issues. In recent years, Union Insurance has continued to implement low-carbon operation and environmental protection actual actions, including the replacement of high power consuming lighting fixtures with energy-saving light fixtures, promotion of repetitive use of waste photocopy papers or back side of blank papers, use of eco-friendly carbon cartilages in priority, purchase of equipment equipped with green logo, promotion of electronic insurance policy, etc., in order to actively respond to the environmental impact issue with the goal of a green workplace with energy saving and carbon reduction. In addition, we also cooperate with the Want Want Media Group to promote the living style of energy saving, carbon reduction, health and fortune, in order to contribute effort in the achievement of the goal of environmental sustainability with one's own action as the starting point.

For corporate governance, Union Insurance follows the Corporate Governance 3.0 sustainable development blueprint, and continues to arrange diverse continuing education courses for the board members, in order to improve the decision making quality and supervision ability of the board members, such that they may be lifted from the identity of board member and continue to enhance the function and power of the Board of Directors, thereby achieving sound corporate governance structure and performance. Furthermore, Union Insurance also focuses on the information security issue. To strengthen the implementation of information security management effectiveness, in order to achieve the basic requirement of protecting information confidentiality, the company has qualified for two international standard certifications of BS 10012 personal information management system and ISO 27001 information security management system, demonstrating Union Insurance's effort and commitment in protecting the personal information of customers.

With regard to the social participation aspect, Union Insurance not only creates a friendly environment for the internal of Union Insurance but also expands further to external services. Union Insurance focuses on providing friendly and convenient services to senior citizens and disabled, and has established the "Financial Friendly Service Section" on Union Insurance's website, in order to provide dedicated person reservation service and dedicated person counter service. Furthermore, we also provide reading glasses at physical business locations for customers' use. Moreover, we also enhance relevant education and training on friendly service provision for all employees, in order to implement a friendly service environment and provide services to senior citizens. In addition, we continue to uphold the philosophy that "People" are the most important asset to Union Insurance. Facing the challenge of the COVID-19 pandemic, Union Insurance has established various response measures during the early stage and implemented protective measures early in order

to ensure the continuity of business operation based on the priority consideration of employees' safety and health. In addition, Union Insurance also cooperates with the government's epidemic control measures completely along with the use of social media software for effective communication and quick resolution of issues, including relevant epidemic control measures, employee health management and report mechanism, etc., in order to reduce the impact of the pandemic on Union Insurance to the minimum. During the pandemic period, in addition to the protection of the health and interests of all employees and customers, we also exert our best effort in the business management in order to mitigate the negative impact of the pandemic on the business operation.

As technology advances rapidly in the modern era, Union Insurance also utilizes innovative FinTech to optimize operation. Through the construction of a complete information security protection stature, the information security governance maturity is enhanced and improved. In addition, quality customer services are also provided in order to head toward the vision of "Universal Realization, Future Prosperity". Union Insurance continues to uphold the principle of ethical management and fair customer treatment at all times, and is committed to implementing sustainable operation along with the philosophy of stability, security and innovation, in order to allow Union Insurance to become an insurance company most trusted by customers.



Chairman's Signature

洪吉雄

2021 Performance Highlights

ESG Performance



Economic aspect

- Premium income from written policies reached a new record high of NT\$10.66 billion
- Premium growth rate of 4.29%
- Ranked No. 8 in the market
- Market share of 5.2%
- Operating income of NT\$ 8.81 billion, an increase of NT\$572 million from last year, a growth rate of 6.95%
- Net profit before tax of NT\$806 million, a growth rate of 14.19%
- Net profit before tax of NT\$697 million
- Basic earnings per share after tax of NT\$3.12
- Shareholders' equity of NT\$6.442 billion, a growth rate of 10.17%, net value per share increased to NT\$28.81, and net value to total assets ratio of 33.87%
- Received recognition from Taiwan Ratings for the capital and profitability of Union Insurance and ranked under the "Very Strong" category for seven consecutive years, and granted the issuer credit rating of "twAA".
- Insurance company financial status rating was ranked as "Stable".



Environmental aspect

- In 2021, the carbon emission of Union Insurance was 549,304 kg CO₂e, and the unit person average carbon emission was reduced by 9.4%
- In 2021, the tap water consumption was 10.883 million liters, and the unit person average water consumption was reduced by 5.8%
- In 2021, the electricity consumed was 3,939,235 MJ, and the unit person average electricity consumption was reduced by 8%



Social aspect

- In 2021, the number of volunteers reached 1,749 persons-time, and the total service hours reached 3,013.5 hours
- Customer service personnel satisfaction in 2021 was 99.6%
- Focused on friendly and convenient services for senior citizens and disabled, and financial friendly section was established on Union Insurance's website
- To protect the insurance interests of people with hearing or speech disability, the headquarter provides the "Sign Language Interpretation Service"

2021 Continuous Care Without Interruption

Award Record

2019

- Received "Microinsurance Promotion Excellence" from the Taiwan Insurance Institute in 2019

2020

- Received - Sustainability Care Honor in Microinsurance Competition in 2020

2021

- Received - Disability Care Award in Microinsurance Competition in 2021
- Received 2021 Faith, Hope & Love Award of Insurance from RMI Foundation - Best Product Innovation Award, Best Social Responsibility Award
- 2021 Insurance Competition Award - COVID-19 Insurance Product Promotion Award in the Insurance Industry, Promotion of COVID-19 Relief or Provision of Relief Measures in the Insurance Industry - Relief Promotion Award
- Received 5th place for Compulsory Automobile Liability Insurance Micro-film Competition



Management directive

Major topic	Social welfare
Policy direction	While business is pursuing profits, it should discharge social responsibilities and return benefits to society.
Core objective	Through money donations, in-kind contributions, corporate volunteer services or providing free professional services, we participate in community development, cultural education and charitable organizations. At the same time, we also continue to sponsor external cultural, educational and charitable foundations, making an effort for cultural education and social welfare of the community.
Performance outcome	<ol style="list-style-type: none"> In 2021, the number of volunteers reached 1,749 persons-time, and the total service hours reached 3,013.5 hours Volunteers around Taiwan participated in 5 public welfare activities, including sponsorship and activity expenses totaling NT\$359,480 We made contributions to over 10 units, including "Lecoin" of Hualien County Elderly and Family Care Foundation, totaling NT\$200,000
Action plan	<ol style="list-style-type: none"> We promoted microinsurance and looked after the disadvantaged groups so that they are able to be covered with basic insurance. A budget is created by various units of Union Insurance and the budget execution progress is tracked each month. 6 Union Insurance Volunteer Teams have been established throughout Taiwan to get heavily involved in social welfare activities through a dense service base of Union Insurance. We also encourage our employees to take part in community services, caring for the disadvantaged groups and providing social emergency relief. We provide transportation expenses of NT\$300/time to the volunteers.

Management Method

Resource investment	All employees, education and training platform, external resource introduction
Feedback mechanism	Consultation and discussion by phone at all times
Evaluation mechanism	<ol style="list-style-type: none"> The execution rate for budget for welfare must be 90% or more. Volunteer Team of each region must organize or take part in 1 welfare activity per year.

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Microinsurance - helping the disadvantaged groups - Union Insurance makes protection more powerful

To construct a basic protection net for the public, the FSC has been committed to launching policies targeting the disadvantaged groups in recent years. From July 2009, the FSC began to promote and encourage the insurance sector to introduce microinsurance by using its characteristics of risk diversification to make up for the shortage of social insurance. This has increased the coverage of microinsurance to achieve financial inclusion. As a means to care for the disadvantaged groups, Union Insurance has made a proactive approach to construct a social protection network on par with the government policy. Union Insurance has been making an effort to promote "microinsurance" business so that the disadvantaged will not be able to suffer from financial hardship in the event of a sudden death or accident. The launch of microinsurance since 2014 has benefitted 51 organizations, including the Syin-Lu Social Welfare Foundation. To date, Union Insurance has been committed to protecting over 20,000 disadvantaged individuals throughout Taiwan with a coverage of approximately NT\$8.8 billion, continuing to inject positive power into society.



2021 Welfare Activities

Even though the COVID-19 outbreak continued to affect many industries and activities in 2021, the Union Insurance Group upholds the philosophy of "Gain from Society and Return to Society". During the period of mitigated pandemic, the team sponsored 5 public welfare activities through actual action, and also offered donations to 10 social welfare groups through the "Public Welfare with Joy" donation platform, in order to provide warmth and care to disadvantaged groups. At Union Insurance, we do not leave out those who are in need. Instead, we work even harder in the face of invisible enemies as this is the corporate culture that has been deeply rooted into every employee's heart for many years.

- 2021 Island Relay Charity Online Walk

The "Good Daily Walk" activity held by Syin-Lu Foundation's was put on hold for 2 years in a row due to COVID-19. In 2021, the Foundation held a "Island Relay Charity Online Walk" activity. The online walk activity invited the public to walk for 1,988 kilometers (1,988 kilometers of coastline on the main island of Taiwan + the outlying islands). People began this walk from their own house and passed the baton to another, creating a friendly road for people with disabilities. As we are keen on helping those in need, we pledged to donate NT\$10 for every kilometer walked. A total of 1,988 kilometers was completed to create a friendly road for people with disabilities, surrounding Taiwan with friendliness.

• 2021 Let Love for Autism Bloom

April 2 is "World Autism Awareness Day". The Autism Society of Taiwan held a "Let Love Bloom" at the end of March 2021. Through performances and outdoor gardening activities, children of autism were encouraged to go out for social interaction. By doing this, the public was able to understand more about people with autism while making connection with the international community to improve the flow of information on autism. At the same time, Union Insurance also recruited more volunteers to help children with autism. With concrete actions, our employees have dedicated their time on the weekend to help these children.



• 7th Yu-Xiang Cup National Wheelchair Badminton Tournament

For 5 years in a row, Union Insurance has taken part in the "Yu-Xiang Cup National Wheelchair Badminton Tournament" held by the Changhua County Physical Disability Association. In doing this, not only is everyone encouraged to go out and integrate into society, this activity also encourages people with disabilities to embrace sports, finding their self-confidence in life.



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- **Together We Can Transform Love - Winning Paintings Around the Island**

International Day of Persons with Disabilities falls on December 3 each year. In 2021, the Autism Society of Taiwan held the "Together We Can Transform Love - Equality Creates Multiple Values". A series of winning paintings were exhibited through a cycling campaign around Taiwan, hoping to promote concepts and information associated with those with autism. In doing so, we hope to respect differences and accept diversity so as to create a friendly society for autistic people and the public. The Union Insurance team also gave considerable support to sponsor relevant supplies and expenses needed to hold the exhibitions.

- **Water God for Charity to Prevent COVID-19 in Taiwan**

During 2021/5/17 and 2021/7/30, a total of 42,304 received the product.
In 2020, with COVID-19 spreading around Taiwan, the demand for disease prevention supplies increased greatly. At that time, affiliated companies of Want Want Group provided free "Water Gold Anti-Bacterial Liquid" for the public and over 20,000 tons were given away. In May 2021, due to a surge in positive cases in Taiwan, the CDC declared the alert of the pandemic to level 3 and the public's demand for products for disease prevention, cleaning and disinfection soared. Due to this, Union Insurance took the lead to initiate the "Water God Anti-Bacterial Liquid - Public Welfare Water Station" campaign to provide free Water God Anti-Bacterial Liquid (slightly acidic electrolytic hypochlorite water) for the public. Each household was subject to receive 1 liter of Water God Anti-Bacterial Liquid. Union Insurance cares about people in Taiwan and strives to do what it can to help Taiwan fight against COVID-19.



- **Insurance Education Promotion**

The 2021 fire insurance promotional video was viewed by 23,714 people.
Due to COVID-19, it was impossible to hold physical financial knowledge promotional activities in 2021. However, as we know the importance of educational promotion, we made a video to promote residential fire insurance. Through online video promotion, we were able to make known insurance education so that people could receive relevant insurance knowledge and establish correct insurance concepts.

• Volunteer Participation

In 2021, a total of 1,749 volunteers were involved in public social welfare activities, totaling 3,013.5 hours. Looking back to a number of public welfare activities that our volunteers participated in 2021, our employees realized that it is a blessing to be able to help others. The 6 volunteer teams around Taiwan as well as the dense service network made up by our branches and 28 service offices are dedicated to caring for the disadvantaged groups and providing social emergency relief. By fulfilling our social responsibility, we hope that love will never stop. We hope that in 2022, people in need will get the warmth and drive to move forward by the help they receive. Union Insurance will continue to engage in public welfare activities and will give back to society through activity sponsorships, joint organization of activities and participation of corporate volunteers.

• Financial Services Education

Given that consumer finance is closely linked to our daily lives, to help the public establish correct financial insurance concepts and to continue to reach out to multiple groups, we have been sponsoring "financial service industry education public welfare fund" of the Taiwan Financial Services Roundtable through Non-Life Insurance Association of R.O.C. for a long time. Not only does the fund provide scholarships to poor students who are in need of financial help, but the fund is also used for financial educational courses and promotional activities in line with the international trend of financial inclusion. Although we cannot provide the actual number of participants, our determination to care for society and implement financial insurance industry is still demonstrated, fulfilling our corporate social responsibility. In 2022, Union Insurance will promote insurance knowledge to the public through the mass media so that consumers understand insurance products and their own rights and interests, while also enhancing harmonious interaction with consumers.

• Want Want China Media Group Charity Concert - Let Dedication Be an Honor

Since 2015, in order to thank the volunteers for their selfless dedication, Want Want China Media Group has held the "Let dedication be an Honor" charity concert across Taiwan. In addition to condolences to volunteers for their silent efforts in various units, the event also conveys the concept of "everyone for me, and me for everyone". Union Insurance presented an LED three-purpose highlighter as a souvenir at the event, making the scene sparkle. Union Insurance expects that whether it is business owners, office workers, retired seniors, young students...as long as they have a heart to contribute to the society, everyone will join the ranks of volunteers with Want Want to spread love and care throughout Taiwan.

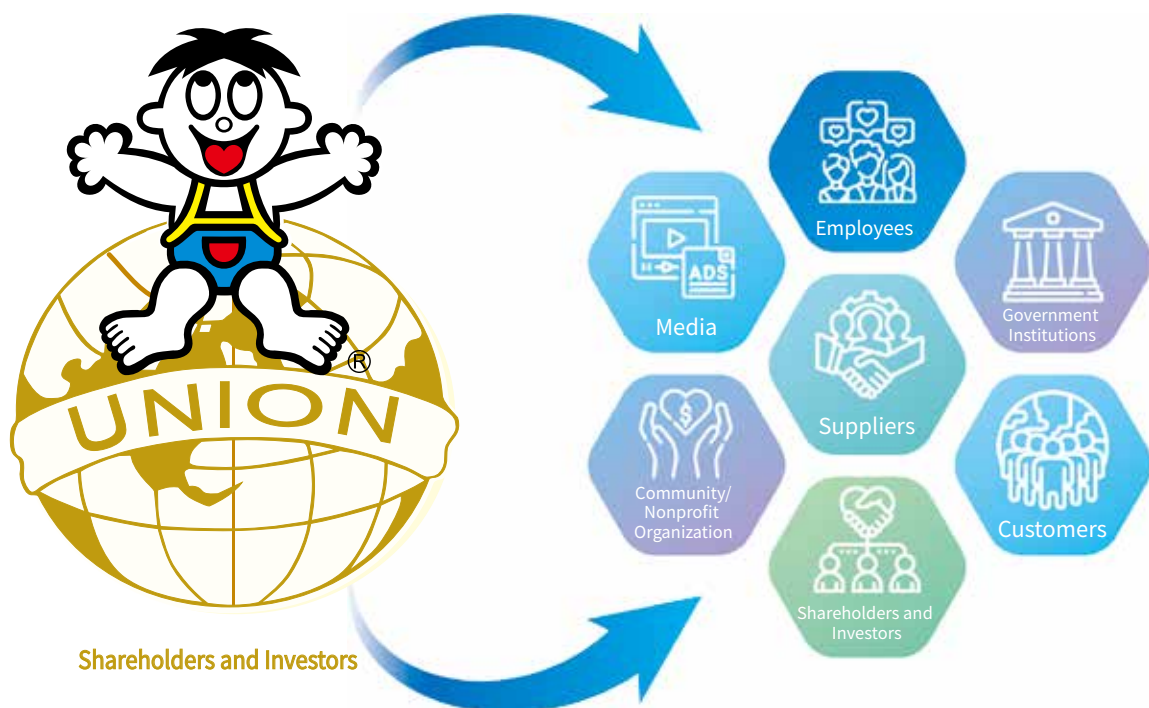


Stakeholder Negotiation and Collaboration








Through diverse communication channels, Union Insurance understands the issues concerned by stakeholders in depth. According to the materiality and priority of the issues concerned by each stakeholder, Union Insurance provides a quick and precise response to the issues concerned, in order to maintain a proper and smooth communication channel, which is also one of the key aspects considered by Union Insurance. To understand the substantial needs and expectations of stakeholders, potential risks and management opportunities faced by the enterprise are identified, and the issues concerned by stakeholders on Union Insurance are analyzed, in order to properly protect the interests of stakeholders and maintain their trust in Union Insurance. Union Insurance will continue to correct and improve in order to comply with the corporate sustainable development philosophy.

The Sustainable Development Committee of Union Insurance performs assessment according to the five main principles of the AA1000 SES Stakeholder Engagement Standards and based on the five main factors of responsibility, influential power, attention, diverse perspectives and dependency. After the discussion and analysis of the comments and feedback of the Sustainable Development Committee, the key stakeholders of the 2021 Sustainability Report are determined. The key stakeholders include (1)Shareholders and investors, (2)Employees, (3)Customers, (4)Government Institutions, (5)Suppliers, (6)Community/nonprofit organizations, (7)Media.

Corporate sustainable development is not only a slogan but has become the indicator for setting the role model. Based on the principle of ethical management, Union Insurance continues to fulfill the responsibilities and obligations of a social citizen over the past years with dedication. During the COVID-19 pandemic, we continue to engage in two-way communication with stakeholders through different communication channels with persistence and determination, in order to properly listen to and understand stakeholders' demands and expectations, and to achieve timely and appropriate responses. Excellent two-way communication has not only driven the development of the sustainability policy of Union Insurance but has also promoted the living environment of Union Insurance to greater development and future.



Stakeholder major issue and communication channel

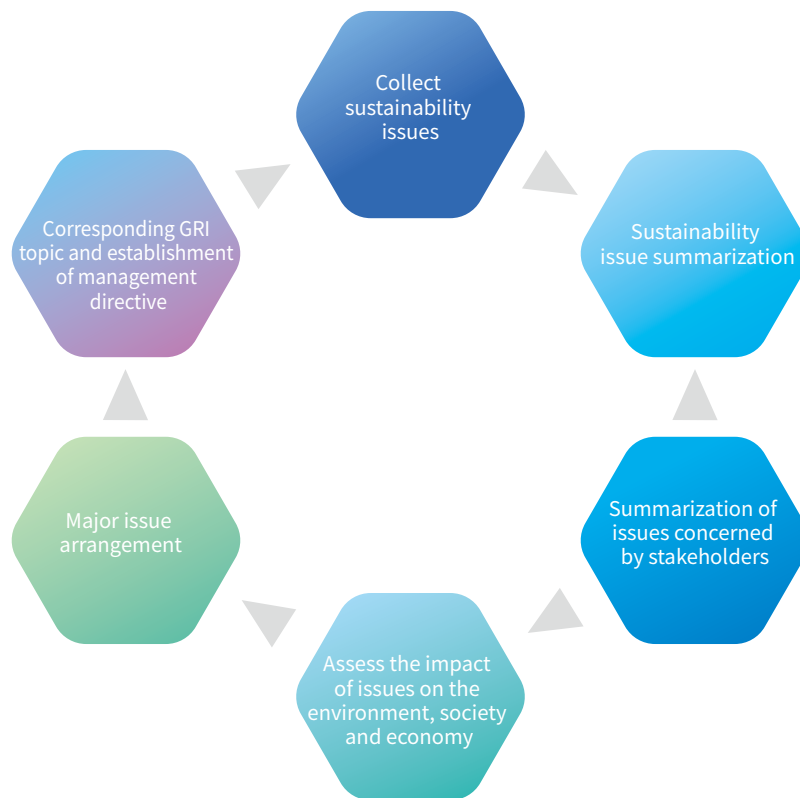
Stakeholder	Meaning of stakeholders to Union Insurance	Key concerned issues	Communication channel, response method	Communication frequency	Communication performance
 Shareholders and Investors	Shareholders and investors are one of the influential powers driving the stable growth of Union Insurance in the long term, and it is necessary to implement responsible governance and proper communication.	<ul style="list-style-type: none"> Market image Business performance Environmental aspects of legal compliance Supplier environmental assessment Investment Labor-management relationship Customer health and safety Product and Service Label Social aspects of legal compliance Customer privacy Product responsibility legal compliance 	1. General shareholders' meeting 2. Board of Directors 3. Annual report 4. Issuance of ESG report 5. Public information section on company's website Contact Window: Ms. Kuo TEL: (02)2776-5567 #357	1. Once annually 2. At least once quarterly 3. Once annually 4. Once annually 5. Immediately	<ul style="list-style-type: none"> Organized 1 session of investor conference Announced 1 material information Convened 12 Board of Directors' meetings Disclosed revenue or financial report information on the Market Observation Post System for Insurance Enterprises monthly and quarterly
 Government Institutions	Union Insurance rigorously complies with the regulations of the government institutions, and actively cooperates with the policies and orders of the competent authority.	<ul style="list-style-type: none"> Customer privacy Social and economic regulatory compliance Ethical management Information disclosure Labor-management relationship 	1. Periodic declaration of business information 2. Financial audit 3. Government's official documents 4. Compliance with regulations and government policies 5. Participation in meetings and seminars Contact Window: Ms. Ko, Compliance Office TEL: (02)2776-5567 #243	1. According to the regulations 2. Irregularly 3. Immediately 4. Immediately 5. Irregularly	<ul style="list-style-type: none"> Participated in corporate governance evaluation for TWSE/TPEx listed companies organized by Taiwan Stock Exchange Attended a total of 5 meeting sessions of the Non-Life Insurance Association of R.O.C. Participated in a total of 3 sessions of competent authority seminars
 Customers	Union Insurance aims to achieve fair customer treatment, and focuses on the core of providing services satisfying customer demands, in order to create maximum value for customers. Union Insurance continues to provide quality products and services to customers.	<ul style="list-style-type: none"> Company business operation status Personal information protection mechanism Consumer interests protection Customer complaint mechanism Products and services Customer satisfaction Social legal compliance Product responsibility legal compliance Customers' health and safety 	1. Union Insurance's website 2. Installation of customer service direct line 3. Issuance of ESG report, in order to report the social welfare execution status Contact Window: Ms. Lee, Customer Service Division TEL: (02)2776-5567 #367	1. Immediately 2. Immediately 3. Once annually	<ul style="list-style-type: none"> 0800 customer service direct line received a total of 94,649 contact cases. Customer service personnel satisfaction in 2021 was 99.6% Compensation satisfaction in 2021 was 97.5% In 2021, there were 12,308 case of road rescue cases, and the satisfaction was 98.3% Average online insurance application telephone interview rate reached above 7.5%
 Suppliers	Implement supplier management, and head toward sustainable development together with suppliers.	<ul style="list-style-type: none"> Business performance Corporate Image Procurement policy Environmental aspects of legal compliance Labor-management relationship Supplier labor evaluation Social aspects of legal compliance 	1. Supplier evaluation 2. Supplier interview 3. Contract Contact Window: Ms. Yu, General Affairs Department TEL: (02)2776-5567 #674	1. Annually 2. Irregularly 3. Regularly	<ul style="list-style-type: none"> An accumulated total of 6 suppliers completed the signing of the "Supplier Corporate Social Responsibility and Integrity Undertaking" A total of 1 supplier was completed with the field survey.
 Employees	Employees are the most essential factor to the core competitiveness of an enterprise, and they are also the most important assets to Union Insurance. Union Insurance aims to create a friendly and happy workplace for employees.	<ul style="list-style-type: none"> Business performance Corporate Image Remuneration and welfare Talent cultivation Labor-management relationship Occupational health and safety Diversity and equal opportunity Social legal compliance 	1. Establish employees' health education section, and employee complaint mailbox 2. Education and training 3. Employee Welfare Committee 4. Personnel job promotion meeting 5. Sexual harassment complaint direct line, fax, e-mail 6. Employee health examination Contact Window: Ms. Liao, Human Resource Department TEL: (02)2776-5567 #302	1. Immediately 2. Irregularly 3. At least once annually 4. Irregularly 5. Immediately 6. Once every two years	<ul style="list-style-type: none"> Each employee received education and training with an average of 22.57 hours and above annually Organized a total of 7 new employee orientations Among all employees satisfying the evaluation qualification, 95.4% of employees received evaluation Convened 4 sessions of labor-management meetings
 Media	Media is one of the important bridges for Union Insurance and the stakeholders to mutually understand each other. Fair and just reporting by the media is beneficial to the stakeholders' proper understanding of Union Insurance and to enhance the corporate image.	<ul style="list-style-type: none"> Economic performance Environmental management and climate change Legal compliance Digital finance 	1. Direct line, e-mail and social network 2. Magazine reports Contact Window: Ms. Tsai, Marketing and Planning Department TEL: (02)2776-5567 #828	1. Irregularly 2. Irregularly	<ul style="list-style-type: none"> Announced 17 newsletters Organized 1 interview event
 Community/Nonprofit Organization	Union Insurance believes that the assembly power of the community and public welfare group is able to promote greater love and care, thereby making the society better, in order to jointly implement the concept of protecting the Earth.	<ul style="list-style-type: none"> Social welfare participation Environmental Protection Indirect economic impact 	1. Community event and care 2. Event organization 3. Volunteer service Contact Window: Ms. Weng, Marketing and Planning Department TEL: (02)2776-5567 #779	1. Irregularly 2. Irregularly 3. Irregularly	<ul style="list-style-type: none"> In 2021, Union Insurance sponsored a total of 5 public welfare related events In 2021, Union Insurance offered donations to 15 social welfare groups In 2021, a total of 1749 people enrolled in the volunteer team, and the volunteer service reached a total of 3013.5 hours

Material Issue Identification

To ensure that the information disclosed in the report satisfies the demands and expectations of the stakeholders, the internal Sustainable Development Committee of Union Insurance performs sustainable issue summarization in three main aspects of economy, environment and society in accordance with the definition and classification of the GRI Standards published by the Global Reporting Initiative.

Union Insurance uses the two aspects of the intensity of the issues concerned by the stakeholders and the evaluation of issue impact as the basis for major issue analysis. To understand the concern level of the stakeholders on the issues of Union Insurance, Union Insurance analyzes the result according to the GRI Standards for sustainability report.

To further consider the current sustainable management goal of Union Insurance, the impact boundary and level of involvement are defined and classified into 14 major topics of corporate governance, ethical management, risk control, business performance, responsible investment, fair customer treatment, digital finance, information security, remuneration and welfare, talent cultivation, employee interests, climate change, energy management, and social welfare for a response.





Step 1 Collect sustainability issues

Union Insurance uses the GRI Standards for Sustainability Report, Responsible Business Alliance along with reference to the historical major issue analysis results, internal discussion of members, issues concerned by domestic and foreign operators in the same industry, in order to use the reference indicators announced by the GRI Standards as the source of the major sustainability issues of Union Insurance and as the basis for issue collection.



Step 2 Summarize sustainability issues

The members of the Sustainable Development Committee analyze and summarize all issues, and a total of approximately 46 relevant issues are collected and summarized.



Step 3 Summarize issues concerned by stakeholders

The Sustainable Development Committee team performs analysis on the importance of different major issues on each stakeholder via the internal interview method, and provides feedback on the level of concern on the sustainability issues, in order to use it as the reference basis for 2021 major issue feedback of this report.



Step 4 Assess the impact of issues on the environment, society and economy

The Sustainable Development Committee team and supervisors at all levels assess each major issue according to the internal operation and external economic, social and environmental impacts, including the aspects of "operating income", "brand image/reputation/compliance risk", "cost expenditure", "environmental impact", "Social impact", "economic impact", "energy saving and carbon reduction", "personnel related issues" in order to analyze the major topics.






Step 5 Major issue arrangement

For each topic, the priority sequence of the concern level of the stakeholders and the impact level on the economy, environment, society and business as well as the internal operation of Union Insurance is arranged in order to be used as the basis for the arrangement of the major issues. After the final confirmation by each team member of the Sustainable Development Committee and all senior supervisors, 14 materiality issues for 2021 are determined.



Step 6 Corresponding GRI topic and establishment of management directive

The Sustainable Development Committee team determines the corresponding GRI major topics according to the major issues identified, and the team establishes the management directives and implementation regulations according to each major issue, in order to establish a set of assessment mechanisms, thereby ensuring that subsequent relevant actions are implemented effectively.

Corresponding issue	Major topic	Meaning to Union Insurance
 Economic aspect	Corporate governance	Stable and sound corporate governance is able to ensure sustainable development of corporate and organization, and protect the interests of the shareholders and other stakeholders of Union Insurance.
	Ethical management	Establish a corporate culture of ethical management and risk control and management mechanism so as to create an operational environment for sustainable development.
	Business performance	Business performance is an issue concerned the most by the shareholders, employees and investors, and Union Insurance considers the maximum profit of the shareholders in priority.
	Responsible investment	Responsible investment is the main factor in gaining the support and trust of customers and stakeholders, and it is also the basis for establishing sound corporate sustainable operation and development.
	Fair customer treatment	To ensure each customer receives fair and equal treatment, Union Insurance seeks to gain maximum benefits for customers and to handle matters with a customer-oriented approach.
	Risk control	Establish a comprehensive and rigorous risk management system, and implement risk management, in order to protect the interests of stakeholders and to reduce operational risk.
	Information security	To ensure that convenience derives can be provided continuously and stably, information security protection is a key factor, and strengthening the information security is able to effectively reduce the risk of hacker attacks on Union Insurance.
 Environmental aspect	Digital finance	With the rapid growth of digital finance, Union Insurance has constructed a proper digital platform, such that by providing professional services to customers, Union Insurance is able to achieve corporate business growth.
	Energy management	Union Insurance assists and promotes energy-friendly activities, in order to mitigate environmental impact, thereby achieving the goal of sustainable operation.
 Social aspect	Climate change	Establish a response strategy to handle impacts caused by climate change.
	Talent cultivation	Employees are the most important assets of Union Insurance. Through long-term investment in cultivation resources, and improvement of employees' professional skills, Union Insurance is able to gain opportunities in the competitive industry.
	Remuneration and welfare	Union Insurance provides outstanding remuneration and welfare system to attract and retain talents in different regions, in order to ensure that employees receive corresponding returns for their efforts and contributions.
	Employee Rights and Benefits	Union Insurance values and respects each employee, and implements labor human rights policy, diverse employment and gender equality, in order to allow employees to work with dignity and security, thereby creating a fortune occupational culture exclusive to Union Insurance.
	Social welfare	To fulfill the corporate social responsibility, Union Insurance actively participates in social welfare and charity activities, and implements the social care philosophy, in order to connect the social power in different areas to achieve great care and return for local villages and communities.

Impact boundary			Impact involvement level			Corresponding GRI topic	Response chapter
Upstream	Belong to Union Insurance	Downstream	Direct impact	Induced impact	Direct correlation between business relationships and the impact		
	V	V	V			GRI 102	1.2 Transparent Governance and Sustainable Operation
	V		V			GRI 102	1.2 Transparent Governance and Sustainable Operation
	V		V			GRI 201	1.3 Outstanding Business Performance Achieving Record High Consecutively
V	V	V	V			Self-specified major topic	1.3 Outstanding Business Performance Achieving Record High Consecutively
		V	V		V	Self-specified major topic	2.1 Diverse Products and Innovative Experience
						GRI 102	1.2 Transparent Governance and Sustainable Operation
V	V	V	V			GRI 418	2.4 Complete Information Security Protection
		V	V			Self-specified major topic	2.3 Digital Innovation and Inclusive financing
		V	V			GRI 302 GRI 305	4.2 Resource Management, Energy Saving and Carbon Reduction
	V	V		V		GRI 201	4.1 Active Response to Climate Change
	V		V			GRI 404	3.2 Talent Cultivation for Cornerstone of Union Insurance
	V		V			GRI 201 GRI 202 GRI 405	3.1 Employee Care
	V	V	V			GRI 405 GRI 406 GRI 411 GRI 412	3.1 Employee Care
		V	V	V	V	Self-specified major topic	2021 Continuous Care Without Interruption

Explanation of difference from 2020 major issues

Total of 14 major issues in 2021

Newly added issues include:

- Climate change opportunities:
This issue is related to the continuous impact of climate change on the economy and environment of Union Insurance. In recent years, Union Insurance continuously and actively assesses the impact of climate change on the business performance, and insurance products related to climate have also received great attention from the stakeholders of shareholders, policy holders and the society in recent years.
- Responsible investment:
The investment policy of Union Insurance focuses on enterprises of a green low-carbon economy. Through investment in the financial market, the physical industry is guided to value green sustainable operation, and a green investment strategy can have a major impact on the future operational direction of enterprises.

Presently deleted issues include:

- Occupational safety and health:
Since Union Insurance is in the financial and insurance industry, the workplace is an office environment complying with the laws. As Union Insurance actively creates a friendly and safe working environment, the impact level of such issue is relatively low.
- Customer privacy protection:
This issue is incorporated into the information security issue for explanation altogether.



Major issue matrix



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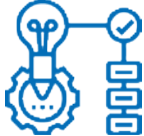


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Short/medium/long-term goal

	Current action/outcome	Short-term(1)
 <p>Corporate governance (A)</p>	<ul style="list-style-type: none"> 2021 whole-year premium income from written policies was NT\$10.66 billion, a growth rate of 4.29% Whole-year net gain from investments was NT\$536 million, a growth rate of 7.01% Overall operating revenue was NT\$ 8.81 billion, a growth rate of 6.95% 2021 income from premium retention continued to grow stably at a growth rate of 8.29%, reaching NT\$7.995 billion. 	<ul style="list-style-type: none"> Stable operation with overall business growth, premium income from written policies with a growth rate of 3% Obtained Non-Life Insurance Association rating of "twAA Stable Outlook" and Standard & Poor's rating of "A - / Stable" Execute fair customer treatment operation and 100% compliance with laws and regulations For all aspects of environment, society and governance, 100% compliance with laws and regulations Receive one time of ISO270001 return visit and audit annually, and 100% compliance with the standard Perform "Information Security Overall Report" to the Board of Directors once annually, and information security promotion once quarterly, social engineering drills twice annually, organize information security team meeting quarterly, and all employees receive a 3-hour information security course annually.
 <p>Product and service (B)</p>	<ul style="list-style-type: none"> 2021 Loss prevention services: (1) Flood trend of 168 cases; (2) Infrared detection of 95 cases Number of people enrolled in epidemic control insurance products in 2021 was 68,523 people Number of travel bubble comprehensive insurance issuance in 2021 was 48 cases in total Customer service personnel satisfaction in 2021 was 99.6% Compensation satisfaction in 2021 was 97.5% 	<ul style="list-style-type: none"> Union Insurance ensures that products provided to customers are quality and stable products, customer demands are satisfied efficiently and Union Insurance continues to discover and improve procedures during the service process. The short-term is to achieve 99% and above for the customer service personnel satisfaction, and achieve 98% and above for the compensation service satisfaction. Through various damage protection services, such as flood trends and infrared detection, the corporate climate change and relevant risk awareness and disaster prevention capability can be improved. (Provide damage prevention service 1 - 3 times annually) Promote micro-insurance policy for disabled groups, and products and services of disabled insurance (number of policy holders reached above 3,700 people annually) Continue to promote electronic insurance policy, and implement electronic clauses, in order to reduce the use of paper to achieve energy saving and carbon reduction. Electronic insurance policy issuance with a growth of approximately 20% from last year All stages of the design, research, development and release of insurance products are handled in accordance with the Regulations Governing Pre-sale Procedures for Insurance Products and through rigorous review meeting of each professional insurance product signatory, in order to ensure that the products satisfy the policy holder demands and protect the interests of the policy holders. (The annual training time for fair customer treatment of insurance product signatory is greater than 2 hours) The number of information security (personal information) event reporting is zero, and the social engineering drill click-through rate is below 5%
 <p>Environmental aspect (C)</p>	<ul style="list-style-type: none"> In 2021, the carbon emission of Union Insurance was 549,304 kg CO₂e, and the unit person average carbon emission was reduced by 9.4% In 2021, the tap water consumption was 10.883 million liters, and the unit person average water consumption was reduced by 5.8% In 2021, the electricity consumed was 3,939,235 MJ, and the unit person average electricity consumption was reduced by 8% 	<ul style="list-style-type: none"> Average carbon emission per capita reduced by 10% in 2022 (with 2020 as the base year) Average water consumption per capita reduced by 6% in 2022 (with 2020 as the base year) Average power consumption per capita reduced by 8.5% in 2022 (with 2020 as the base year)




Medium/long-term goal (2)	Correlation with 2021 major topic	Corresponding SDGs
<ul style="list-style-type: none"> Optimize employees' training on fair customer treatment, and the corporate culture awareness level based on the core of fair customer treatment reaches above 90% The fair customer treatment course training time per person per year is greater than 5 hours Improve the legal compliance of employees of Union Insurance, reduce costs incurred due to violations, and reach the goal of zero penalty 	<ul style="list-style-type: none"> Corporate governance Business performance Ethical management Fair customer treatment Risk control Responsible investment 	  
<ul style="list-style-type: none"> Understand customer demands from the satisfaction survey and customer relationship management, and establish prospective and feasible strategic direction, with the goal of reaching 100% the customer satisfaction Continue to optimize the digital finance platform, provide diverse digital marketing and insurance services, and inspect the digital marketing and insurance service content of Union Insurance, newly added at least annually Develop insurance products with characteristics, continue to promote electronic insurance policy, promote paperless insurance policy, and the ratio of the issuance number of electronic insurance policy over the total number of cases reaching 5% Establish LINE @ account to maintain popper interaction with policy holders and consumers, perform BigData analysis on the network use behaviors of users, in order to optimize the website content, and provide convenient and fast insurance application process to customers, and review the insurance application process at least annually. Implement periodic education and training on all relevant personnel for different stages of design, research and marketing of insurance products, promote the fair customer treatment principle as the corporate culture, and provide products and services integrated with ESG direction, in order to implement the culture of fair customer treatment. Increase ESG indicator products, and ESG product overall revenue with a growth rate of 5% from last year. Improve information security governance ability and standard, in order to ensure the continuous operation of the system and data security. The number of information security (personal information) event reporting is zero, and the social engineering drill click through rate is below 1% 	<ul style="list-style-type: none"> Fair customer treatment Information security Digital finance Social welfare 	   
<ul style="list-style-type: none"> Average carbon emission per capita reduced by 11% in 2025 (with 2020 as the base year) Average water consumption per capita reduced by 6.5% in 2025 (with 2020 as the base year) Average power consumption per capita reduced by 9% in 2025 (with 2020 as the base year) 	<ul style="list-style-type: none"> Energy management Climate change 	 

	Current action/outcome	Short-term(1)
 <p>Employee care (D)</p>	<ul style="list-style-type: none"> According to the Employee Performance Evaluation Operation Regulations, all employees satisfying the evaluation qualification have completed the evaluation Organize internal and external trainings irregularly domestically, including: <ul style="list-style-type: none"> Internal training - organized 130 courses, total of 18,541 persons-time, for a total of 21,806.5 hours External training - organized 141 courses, total of 583 persons-time, for a total of 3,314 hours In 2021, the average training hours of employees was 22.57 hours 0 case of violation against labor treatment and human rights event In 2021, the number of trainees for employee human rights related courses was 12,569 persons-time, and the total number of training hours was 16,063 hours, with the employee training ratio reaching 100% 	<ul style="list-style-type: none"> Average training hours per employee reached more than 24 hours Increase employees' English proficiency, establish the education and training budget of NT\$150,000, and increase the number of people acquiring TOEIC certificate Employee health examination rate above 95% Increase employee maternity allowance to NT\$10,000 per child birth
 <p>Social aspect (E)</p>	<ul style="list-style-type: none"> The Union Insurance Group upholds the philosophy of "Gain from Society and Return to Society". During the period of mitigated pandemic, the team sponsored 5 public welfare activities through actual action, and also offered donations to 10 social welfare groups through the "Public Welfare with Joy" donation platform, in order to provide warmth and care to disadvantaged groups. 	<ul style="list-style-type: none"> Union Insurance sponsored and participated in community public welfare activities, and remote learning education for more than 10 sessions of activities. The number of public welfare activities participated by employees reached 1,000 hours

COVID-19 response mechanism



During the COVID-19 pandemic period, to ensure continuous provision of the most secured services to customers, Union Insurance considers the health and safety of all employees as the priority task. Union Insurance complies with relevant policy and planning of the Central Epidemic Command Center (CECC) of the Ministry of Health and Welfare (MOHW) in order to timely activate the "Emergency Response Plan for Notifiable Infectious Diseases" and to adopt necessary safety and health measures. In addition, Union Insurance also actively adopts numerous epidemic control measures, in order to reduce the infection probability among employees. Accordingly, Union Insurance exerts its greatest effort in joint defense and epidemic measures for all employees and customers trusting Union Insurance, in order to reduce the operational risk and impact of the COVID-19 pandemic.

Medium/long-term goal (2)	Correlation with 2021 major topic	Corresponding SDGs
<ul style="list-style-type: none"> Establish at least 2 items superior to the labor system specified in the law Continue to improve employee care and health promotion measures for more than 2 items in total Increase key talent education and training fees with a maximum allowance of NT\$20,000 per person per year 	<ul style="list-style-type: none"> Talent cultivation Remuneration and welfare Employee Rights and Benefits 	 
<ul style="list-style-type: none"> Actively organize public welfare activities, and provide care to remote education related sponsorship, etc. The number of public welfare activities participated by employees reached 5,000 hours Continue to promote micro-insurances, and provide life insurance protection to disadvantaged groups. 	<ul style="list-style-type: none"> Social welfare 	

Union Insurance has activated the following response measures to ensure that the operation of Union Insurance is unaffected by the pandemic:



Activate epidemic control emergency response mechanism

- Determine and inspect Union Insurance's epidemic response measures and establish a reporting system
- Establish a response team according to the "Emergency Response Plan for Notifiable Infectious Diseases", and activate its operation depending upon the pandemic development, in order to adopt appropriate epidemic measures and to announce relevant information timely via the intranet of Union Insurance



Maintain office environmental safety

- Establish a visitor management mechanism, implement the name registration system, and increase the cleaning and sterilization frequency for the office/equipment
- Install infrared to detect and eliminate customers with fever



Emphasize employee health management

- Prevent group infection, suspend all unnecessary activities (such as overseas business travel, meeting, education and training and business trip)
- Implement epidemic control knowledge education and periodically track the health status of employees. In case of discovery of employees with fever and discomfort, employees are requested to rest at home



Ensure continuous operation of business

- Set up and activate headquarter backup office, activate personnel remote office in stages, work from home, cross-region meeting via video conference meeting, in order to reduce contact and group infection
- All units confirm and implement agent mechanism



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Sustainable Enterprise and Fair Governance

- 1.1 Union Insurance as Trustworthy Partner
- 1.2 Transparent Governance and Sustainable Operation
- 1.3 Outstanding Business Performance Achieving Record High Consecutively



1.1 Union Insurance as Trustworthy Partner

In 2021, the whole-year revenue reached **NT\$10.660 billion**, with a growth rate of **4.29%**, a market share of **5.2%**, and ranked **No. 8** in the market share.

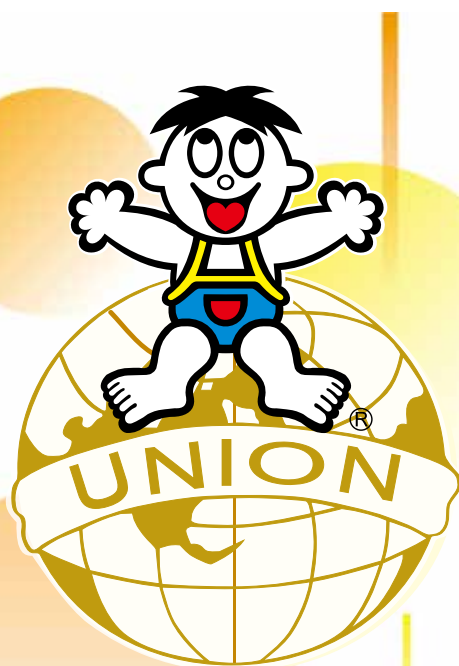
Union Insurance Co., Ltd. (referred to as "Union Insurance"), established in 1963, upholds the corporate business philosophy of ethical management, stable growth and sustainable development, and continues to implement legal compliance, strengthen the insurance profession and corporate governance, in order to continuously improve and enhance service quality, thereby achieving the goal of long-term and stable growth. In addition, most important, Union Insurance fulfills the corporate social responsibility to create corporate value for shareholders, in order to establish the foundation for sustainable operation. "Most trustworthy insurance company to customers" and "Strongest support for policy holders" are the visions upheld by Union Insurance for continuous improvement and growth.

Under the professional team management of Union Insurance, and based on the "Customer Demand" and "Dedicated Service" approach, Union Insurance continues to launch diverse insurance products according to different market demands. Union Insurance is located in Taipei City and has a total of 16 branches, 13 service centers and 13 offices nationwide, in order to provide complete and quality services to all customers in Taiwan. Presently, the main business items of Union Insurance include: Underwriting of Fire insurance, Motor insurance, Marine insurance, Casualty insurance, Engineering insurance, Accident injury insurance, Health insurance and Re-insurance businesses.

In September 2021, Union Insurance received the domestic rating of "AA (twn)" from the Non-Life Insurance Association of R.O.C., demonstrating Union Insurance's capital and profitability at the Very Strong level; and ratings from Standard & Poor's and the A.M. Best, recognizing Union Insurance with "A-" and "A- (Excellent)" ratings respectively, with the "Stable" Outlook rating. Union Insurance's profit increases year after year, and in the future, Union Insurance will continue to uphold the dedication and commitment to expand the new business channel, seek greater outstanding talent to join the big family of Union Insurance and continue to expand the business scale. In addition, strengthening information security and protecting the confidentiality of customer information is one of the most important tasks of Union Insurance. Union Insurance has qualified for the two international standard certifications of BS10012 personal information management system and ISO27001 information security management system, demonstrating Union Insurance's effort and commitment to the customer personal information protection.

Full Name of Company Union Insurance Co., Ltd.

Establishment Date	February 20, 1963
Paid-in Capital	2,236,080,000
Number of Employees	1,116 people
Main Products and Services	Insurance businesses
Chairman	Chi-Hsiung Hung
President	Tzu-Ming Liu
Headquarter Address	12F, No. 219, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City
Region of Business Coverage	Taiwan (R.O.C.)



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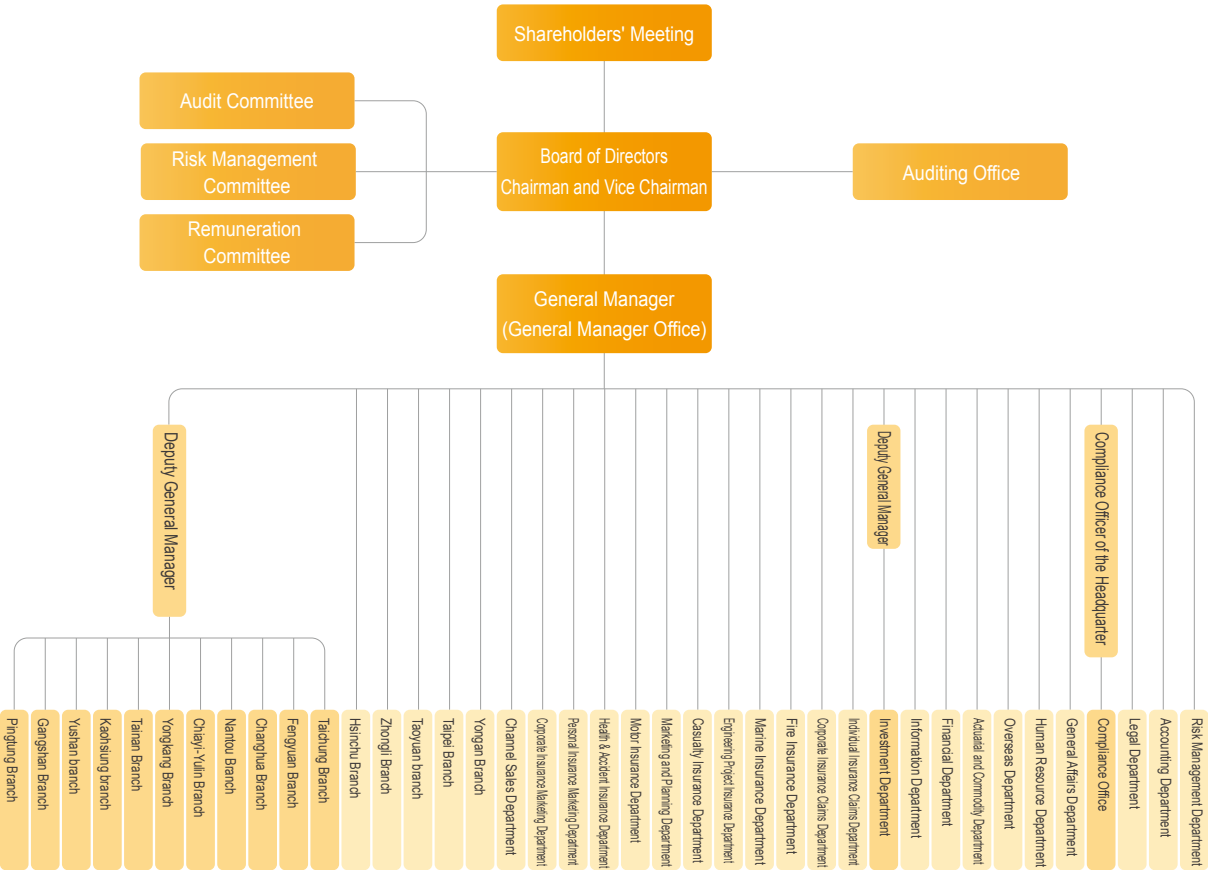
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Business Location



Company Organization Chart



Department Responsibility



Auditing Office

Coordinate the audit affairs of the finance, sales, information and other management units of the headquarter and branch institutions



Risk Management
Department

Responsible for the daily risk control, measurement and assessment of execution aspect of affairs of Union Insurance,



Marketing and Planning
Department

Business management statics report design and analysis, the establishment of marketing management regulations, establishment and execution of marketing personnel evaluation regulations, management of insurance agency contract and channel codes, establishment and execution of business development personnel management and evaluation regulations, media and public relationship, resource integration, marketing support, corporate social responsibility and e-commerce business promotion, establishment and maintenance of customer service direct line and handling complaints of policy holders.



Corporate Insurance
Marketing Department

Mainly for the development of corporate direct business and international insurance agency business.



Individual Insurance
Marketing Department

Mainly for the development of personal, exhibition industry and small and medium insurance agency channel business.



Motor Insurance
Department

Responsible for the automobile insurance operation management, underwriting, contracting, issuance, correction, facultative reinsurance, product development, education and training of each unit and business development assistance.



Health & Accident Insurance
Department

Responsible for the health and injury insurance operation management, underwriting, contracting, issuance, correction, facultative reinsurance, product development, education and training of each unit and business development assistance.

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Casualty Insurance Department

Responsible for the liability insurance and special accident insurance operation management, underwriting, contracting, issuance, correction, facultative reinsurance, product development, education and training of each unit and business development assistance.



Marine Insurance Department

Responsible for the cargo transportation insurance and marine hull insurance operation management, underwriting, contracting, issuance, correction, facultative reinsurance, product development, education and training of each unit and business development assistance.



Fire Insurance Department

Responsible for the commercial fire insurance and residential fire insurance operation management, underwriting, contracting, issuance, correction, facultative reinsurance, product development, education and training of each unit and business development assistance.



Engineering Project Insurance Department

Responsible for the engineering project insurance business operation management, underwriting, contracting, issuance, correction, facultative reinsurance, product development, education and training of each unit and business development assistance.



Corporate Insurance Claims Department

Responsible for fire insurance, engineering project insurance, cargo transportation insurance, marine hull insurance, financial insurance, liability insurance related compensations, establishment and management of compensation rules, corporate compensation management, statistical analysis of compensation, insurance surveyor company contract signing and evaluation.



Individual Insurance Claims Department

Responsible for the automobile insurance and health and injury insurance compensation case handling, recovery and residual handling, establishment of automobile insurance and health and injury insurance compensation related regulations, compensation guidance management, compensation personnel management and contracting signing and evaluation of contractors, handling of compensation lawsuit cases, compensation identification and notarization operation, compensation statistical analysis.



Actuarial and Commodity Department

Responsible for the product development and review, product rate examination, various reserve appropriation, certified actuarial related works and professional research.



Overseas Department

Responsible for the reissuance contracts (including temporary) facultative operation, facultative reissuance operation, reissuance account management, reinsurance risk management, policy contract operation and international business and international affairs management.



Human Resource
Department

Responsible for the personnel administrative evaluation, management and training.



General Affairs Department

Responsible for document receipt and release management, proprietary (including lease) property purchase and management, and real estate management.



Information Department

Responsible for application system development and maintenance, information property management, information lease property management, preparation of statistical reports and database management, e-commerce related system planning and construction, information security work implementation and project information provision.



Compliance Office

Planning, management and execution of legal compliance system.



Legal Department

Responsible for handling litigation, non-litigation cases, legal dispute case handling, recovery affairs management, contract establishment and review, and legal opinion provision.



Accounting Department

Responsible for the establishment, review and control of budget, establishment of accounting system, account statistical settlement, financial and management report numbering, various tax payments, stock affairs, declaration and handling of other matters according to laws and regulations.



Financial Department

Responsible for the premium, commission, cashier and capital management.



Investment Department

Responsible for investment management.



Channel Sales Department

Business development strategy establishment for domestic financial channels and various business channels, channel development, business promotion management and education and training.



Branches in different locations

Responsible for supervision of business development of each branch and its offices, personal evaluation, business coordination, premium collection, legal cases, audit affairs, information management and legal compliance works.

Association Participation

To continuously strengthen the service level of Union Insurance and to connect with the international standards, Union Insurance assigns staff to participate in relevant forums and seminars organized by the industry, government and academic associations, in order to exchange industrial information and the latest

Organization	Role
Non-Life Insurance Association of R.O.C.	Member
Taiwan Financial Services Roundtable	Member
Institute of Financial Law and Crime Prevention	Member
Actuarial Institute of Chinese Taipei	Member
Insurance Society of R.O.C.	Member
Risk Management Society of Taiwan	Member
Nuclear Energy Insurance Association Pod of the Republic of China	Member

Organization	Role
Chinese Arbitration Association, Taipei	Member
Engineering Insurance Association	Member
Risk Management Society of Taiwan	Member
Chinese Insurance Service Association	Member
Financial Information Sharing and Analysis Center (F-ISAC)	Member

1.2 Transparent Governance and Sustainable Operation

Management directive	
Major topic	Corporate governance
Policy direction	Corporate governance emphasizes openness and transparency, enhances the communication with stakeholders, and protects the interests of stakeholders, in order to ensure the stable operation and sustainable development of Union Insurance
Core objective	<ol style="list-style-type: none"> 1. To ensure open and transparent operation information, ethical management, and implement a compliance system 2. To gradually establish a complete and updated risk management structure and mode, implement risk management and enhance response strategies and plans for emerging risks (such as: climate change, information security, etc.)
Performance outcome	<ol style="list-style-type: none"> 1. Established functional committees under the Board of Directors 2. Implemented Board of Directors nomination system completely 3. Established the Corporate Governance Officer 4. Established the succession planning for Board members and important management 5. Convened 12 sessions of board meetings in 2021 6. Convened 5 sessions of Remuneration Committee meetings, and submitted 9 times of reports to the Board of Directors in 2021 7. Convened 7 sessions of Audit Committee meetings, and submitted 19 times of reports to the board of directors in 2021 8. Convened 5 sessions of Risk Management Committee meetings, and submitted 7 times of reports to the Board of Directors in 2021
Action plan	<ol style="list-style-type: none"> 1. Convene Board meetings monthly, and mainly responsible for the guidance and management of business activities of Union Insurance. 2. Convene Audit Committee meeting at least once quarterly, in order to supervise Union Insurance's financial statements, CPA, internal control and legal compliance, etc. 3. Convene Remuneration Committee meeting at least once semi-annually, in order to establish and periodically review the performance evaluation of directors and managerial officers and the remuneration policy, system standard and structure. 4. Union Indicator adopts the integrated corporate risk management framework in order to implement comprehensive risk management from the stages of risk identification, measurement, response, monitoring to report, and also establishes relevant risk indicators, risk monitoring points and early warning mechanism. Limit control is established according to the risk attribute, and the combined quantitative and qualitative method is adopted to periodically monitor and manage various types of important risks, and to periodically submit an overall risk management report to the Risk Management Committee and the Board of Directors.

Management Method	
Resource investment	<ul style="list-style-type: none"> • Business unit, Service unit
Feedback mechanism	<ul style="list-style-type: none"> • Union Insurance toll-free customer service direct line • Mail written letter to Union Insurance business office for handling • Union Insurance feedback mailbox
Evaluation mechanism	<ul style="list-style-type: none"> • Internal and external audits recommended improvements • Board of Directors, Committee performance evaluation

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1.2.1 Operation of Board of Directors

Ethical management, customer guarantee and emphasis on shareholders' interests are the principles adopted by Union Insurance for protecting the business reputation of the company and demonstrating its sustainable operation over the past 58 years. Under the transparent and sound structure of the Board of Directors, the board member nomination and review comply with the regulatory requirements. Presently, there are a total of 8 directors, including 3 independent directors (accounted for 37.5%), and for the gender ratio of directors, there are 1 female director, and 7 male directors. The Board members are equipped with professional knowledge of different fields, including law, accounting, finance, marketing and financial related professional backgrounds, and each Board member is equipped with the operation determination, accounting and financial analysis, business management, crisis handling, industry knowledge, global market perspective, leadership skill and strategic decision-making ability, demonstrating diverse perspective and corporate governance in depth. In terms of the age distribution of the Board of Directors, there is 1 director 31~49 years old (accounted for 12.5% of all directors), and 7 directors above the age of 50 years old (accounted for 87.5% of all directors). In 2021, a total of 12 sessions of Board meetings were convened, and the attendance rate was 98% (including proxy attendance)

Union Insurance emphasizes the gender equality in the composition of the Board members and Board members with professional backgrounds matching the operation development needs, including at least one female director. In the 25th term of the Board of Directors, there is one female member (accounted for 12.5% of the composition of all directors), and there is no independent director with consecutive terms of office exceeding three terms. Furthermore, in the future, the company has established the goal of reaching 20% of female directors in the next five years.

Union Insurance continues to arrange diverse continuing education courses for the board members, in order to improve the decision making quality and supervision ability of the board members, such that they may be lifted from the identity of board members and continue to enhance the function and power of the board of directors. In 2021, the average number of training ours for each director was 9.2 hours, and the training topics included: Anti-money laundering and counter-terrorism financing risk management and fair customer treatment, IFRS17 transition and insurance industry response strategy, Corporate governance 3.0-Sustainable development blueprint, Securities market insider trading and non-arm's length transaction regulations and case study and sharing in our nation, Impact of Fair Trade At and anti-trust regulations in our nation on domestic enterprises and case study, etc., in order to ensure the operation performance of the Board of Directors and its link to the international trend.

Board of Directors performance evaluation system: In response to the specific measures of the new version of the corporate governance blueprint, Union Insurance makes reference to the Sample Template of "Self-Evaluation or Peer Evaluation of the Board of Directors" amended by the Taipei Exchange and Taiwan Stock Exchange, in order to establish a complete board of directors performance evaluation system. Since 2010, Union Insurance has implemented self-evaluation or peer evaluation on the Board of Directors performance and individual directors, and the report of performance evaluation results will be completed before the first quarter of next year.

Union Insurance Board of Directors performance evaluation procedure is described in the following:



Board member diversity policy implementation status

Diversity indicator Name	Gender	Professional background and industry experience	Operation determination	Accounting and industry analysis	Operation management	Risk management knowledge	Crisis handling	Financial insurance professional knowledge	Global Market Perspective	Leadership Skill	Strategic Decision-making
Chi-Hsiung Hung	Male	V	V	V	V	V	V	V	V	V	V
Hai-Lun Hsu	Female	V	V	V	V	V	V	V	V	V	V
Shih-Wei XU	Male	V	V	V	V	V	V	V	V	V	V
Chia-Ying Ma	Male	V	V	V	V	V	V	V	V	V	V
Chih-Ming Liu	Male	V	V	V	V	V	V	V	V	V	V
Tung-Liang Wang	Male	V	V	V	V	V	V	V	V	V	V
Ping-Shen Kuo	Male	V	V	V	V	V	V	V	V	V	V
Yu-Fung Ma	Male	V	V	V	V	V	V	V	V	V	V

Remuneration Committee

In **20215** sessions of the meetings were convened, and the attendance rate was **100** %

The Remuneration Committee consists of three independent directors, and independent director, Yu-Fung Ma, acts as the convener, and meeting is convened at least once quarterly. The operation of the Committee is mainly for the supervision of the following matters:

- 1 Review the Remuneration Committee Charter periodically and propose correction recommendations.
- 2 Establish and periodically review the performance evaluation of the annual and long-term performance goals of the directors, independent directors and managerial officers of Union Insurance as well as the policy, system, standard and structure for the remuneration.
- 3 Periodically evaluate the performance goal achievement status of the directors, independent directors and managerial officers of the company, and specify the individual salary and remuneration content and value.

Audit Committee

In **2021** 7 sessions of the meetings were convened, and the attendance rate was **100** %

The Audit Committee consists of three independent directors, and independent director, Tung-Liang Wang, acts as the convener, and a meeting is convened at least once quarterly. The operation of the Committee is mainly for the supervision of the following matters:

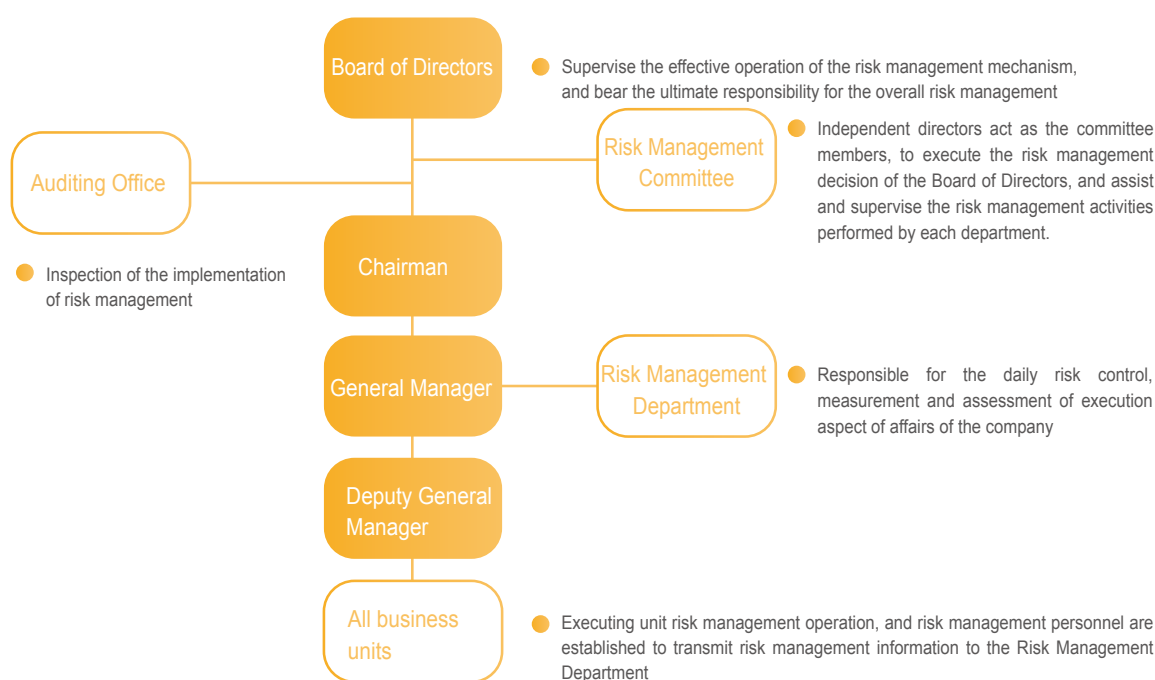
- 1 Proper presentation of the financial statements of the company.
- 2 Appointment (discharge) of Certified Public Accountant (CPA) and independence and performance of CPA.
- 3 Effective implementation of internal control of the company.
- 4 Company's compliance with relevant laws and regulations.
- 5 Control of existing or potential risks of the company

Risk Management Committee

In **2021** ,a total of **5** sessions of the meetings were convened, and the attendance rate was **100** %

The Board of Directors of Union Insurance is the highest decision making unit of the risk management organization, in charge of the supervision and approval of risk management policy. The Risk Management Committee is established according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", "Corporate Governance Best Practice Principles for Insurance Enterprises" and "Risk Management Best Practice Principles of Insurance Enterprises", in order to ensure sound supervision and management functions of the Board of Directors supervision, and to maintain the effectiveness of the internal control.

Independent directors of Union Insurance act as the Committee members, and an independent director equipped with financial insurance, accounting or financial professional background act as the convener. The meeting is convened at least once quarterly in order to review the development, establishment and execution performance of the overall risk management mechanism of the company, and to submit report to the Board of Directors periodically, thereby timely reporting the risk management execution status and proposing necessary improvement recommendations to the Board of Directors.



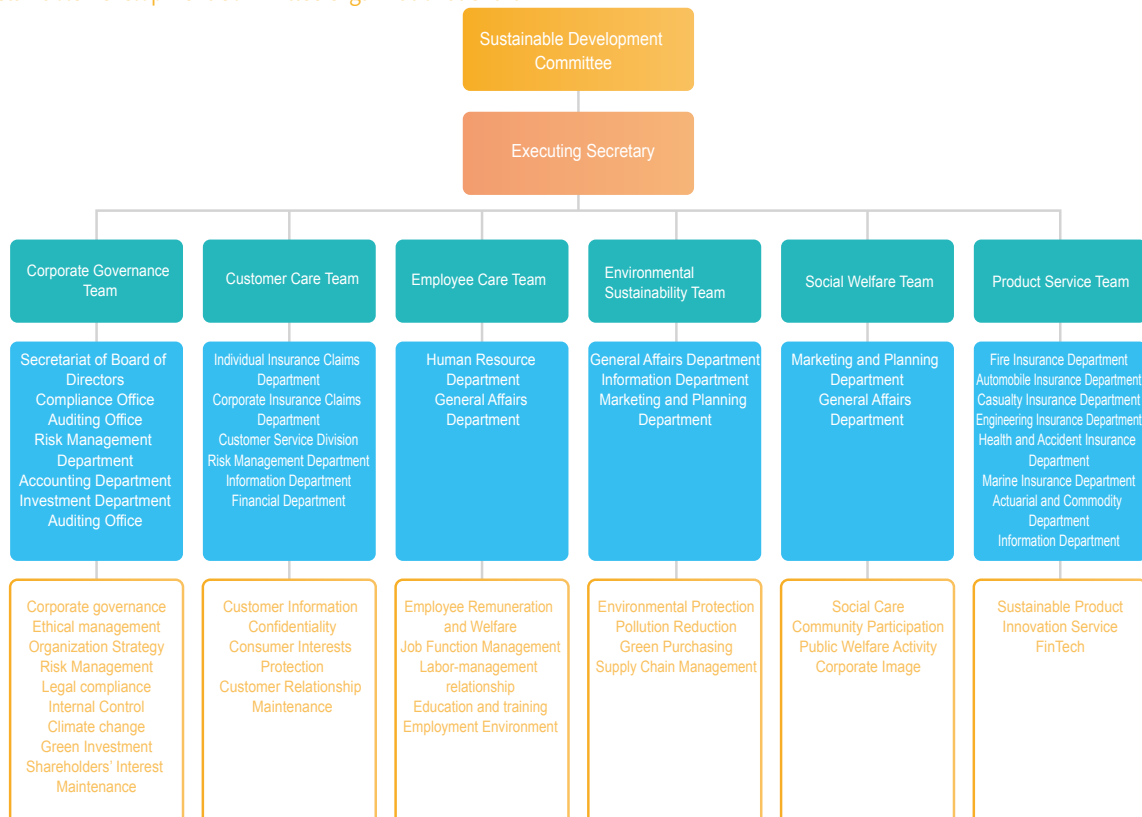
Sustainable Development Committee

To promote the sustainable development goal and policy, the Board of Directors of Union Insurance authorizes the President to establish the "Sustainable Development Committee Establishment Regulations" in order to establish the Sustainable Development Committee. The President acts as the chairperson of the Committee, and the chairperson appoints personnel to assume the positions of the deputy chairperson and the executing secretary of the Committee. The Marketing and Planning Department is the dedicated (concurrent) unit for promoting sustainable development. Each team discusses the execution directive irregularly, and the Committee meeting is convened at least once semi-annually. In addition, the execution status of the current year and the execution plan for the next year are reported during the Board meeting.

Different teams of corporate governance, customer care, employee care, environmental sustainability, social welfare and product service, etc., are established under the Sustainable Development Committee, in order to be responsible for the promotion of sustainable development. Their member composition, work plan and responsibilities are as follows:

Sustainability plan	Responsible work item
Corporate governance	Responsible for ethical management, organization strategy, risk management, legal compliance, internal control, shareholders' interest protection, etc.
Customer care	Responsible for the customer relationship maintenance, customer information confidentiality, information security, consumer rights protection and relevant matters
Employee care	Responsible for the employee remuneration and welfare, and job function management, labor-management relationship, employee education and training, and friendly working environment establishment etc.
Environmental sustainability	Responsible for the promotion of environmental protection, pollution reduction, green purchasing, supply chain management, and climate change response measures, etc.
Social welfare	Responsible for the promotion of micro-insurance, disadvantaged care, community participation, public welfare activity, culture and sports education participation, environmental protection issue, etc.
Product service	Responsible for the digital finance service improvement, development of products of continuous development, etc.

Sustainable Development Committee Organizational Chart



1.2.2 Ethical Management

Management directive	
Major topic	Ethical management
Policy direction	With the business philosophy of integrity, transparency and responsibility, establish ethics-based policy, and establish corporate governance system
Core objective	0 Corruption event
Performance outcome	No occurrence of corruption event in 2021
Action plan	<ul style="list-style-type: none"> Compliance with laws and regulations Execute legal compliance meeting

Management Method	
Resource investment	Legal Compliance Department, education and training
Feedback mechanism	Internal and external complaint channel
Evaluation mechanism	Internal and external audit

Union Insurance upholds high self-disciplinary codes and engages in commercial activities via a fair and transparent method, including anti-corruption, anti-bribery and legal compliance regulations, actively establishes the corporate culture of ethical management and risk control policy, and signs the institutional investor stewardship. As ethical management is an important part of Union Insurance's sustainable development policy, the Board of Directors of Union Insurance authorizes the President to establish the "Sustainable Development Committee Establishment Regulations", and establishes the "Sustainable Development Committee". In addition, with the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conducts" as the supervision basis, Union Insurance is committed to the corporate governance of ethical management, anti-corruption, anti-bribery and legal compliance, and also reports the execution status to the Board of Directors periodically, and also actively corrects improvement measures according to the relevant matters reported.

Integrity and anti-corruption-Zero corruption events confirmed in - 2021

Union Insurance upholds the business philosophy of transparency, integrity and responsibility. To prevent potential risks due to corruption and unethical conducts, the company establishes the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conducts", and establishes the corporate anti-corruption system. In addition, the "Report of Illegal Conducts and Report Acceptance Regulations" are established, in order to prevent occurrence of events related to major impacts on the integrity of the company, such as personnel frauds of the company. After open and transparent ethical management regulations are established, Union Insurance further convenes meetings regularly for review. In 2021, Union Insurance convened 4 sessions of legal compliance meetings, and the headquarter legal compliance supervisor also provided 2 times of legal compliance reports at the Board meeting and the Audit Committee meeting.

Furthermore, in recent years, due to the increasing trend in the transaction ratio of "institutional investors" at the centralized securities exchange market, Union Insurance clearly understands that institutional investors gather and utilize large amount of funds and have a major impact on the market and the investees. Accordingly, during the investment or fulfillment of fiduciary duty, it is important to comply with the "Stewardship". It is necessary to deeply understand the operation status of the investees based on the consideration of the long-term interests of customers and shareholders, and to communicate with the management level of the investees appropriately, such as through the interaction method of attending shareholders' meeting, exercising voting rights or adopting electronic votes, in order to participate in the corporate governance.

To actively demonstrate relevant actions in governance, Union Insurance exploits the profession and influential power of an institutional investor, and fulfills the corporate governance directive. On May 31, 2018, Union Insurance had officially signed the document with Taiwan Stock Exchange to declare the compliance with the six main principles of the "Stewardship Principles for Institutional Investors", and publicly announced the content of such principles and relevant execution status on the website of Union Insurance, allowing the general public to visit the company's website and view the "Stewardship Principles for Institutional Investors" item for details, and allowing the company to accept public inspection.

Response to international integrity promotion trend, link to global anti-corruption development

The United Nations (UN) has announced the Global Impact and determines the four main aspects of human rights, labor, environment and anti-corruption as the international common standards for corporates to fulfill social responsibility, and it urges that corporates shall act as active corporate citizens in order to jointly create an ethical and fair operational environment. In 2005, the UN further announced the implementation of the United Nations Convention against Corruption (UNCAC) and requested nearly 200 member states to establish relevant regulations according to UNCAC, and to properly enforce the regulations. In addition, international cooperation was also implemented at the same time to prevent and control corruption actions of money laundering, etc.

Ethical management is one of the key indicators of corporate sustainable development. Accordingly, anti-corruption rules have also become an essential part of the corporate culture of Union Insurance. "Fight against corruption" and "Improve corporate social responsibility" have also been listed by the Asia-Pacific Economic Cooperation (APEC) as two main global issues that must be faced by corporates. In addition, the Code of Conduct for Business has also been established and announced, in order to encourage public and private sectors to establish partnership, in order to jointly exert effort in the improvement of governance mechanisms, to fight against corruption and link with the international trend.

Union Insurance also includes anti-corruption as part of the required education and training items for all employees of the company. Through the establishment of various anti-corruption regulations, the proper risk control mechanism is established, in order to guide and regulate the high standards for the commercial conducts made by all employees of the company. In the future, Union Insurance will continue to enhance and optimize its internal control mechanism, in order to implement ethical management.

2021 anti-corruption education and training

Issues promoted or discussed by the course		Number of trainees	Course hour	Total number of training hours
	Anti-corruption	2,439	2~24 hours	3,170
	Anti-bribery	1,097	1 hour	1,097
	Ethical management	1,096	3 hours	3,288

1.2.3 Legal Compliance

Union Insurance has paid attention to changes in domestic and foreign financial and legal environment for a long period of time, and continues to strengthen legal compliance management and enhance cooperate legal compliance culture, in order to rigorously ensure that all businesses satisfy the regulatory requirements. The company establishes a set of complete internal policies, procedures and execution plans in advance, in order to ensure that the company and personnel comply with a broad range of laws, administrative orders, judicial judgments, interpretation and guidance of competent authority, and association regulations, etc., thereby effectively preventing and reducing the legal risks of company internal crime and loss due to violation.

Compliance is one of the key aspects for corporate internal control. To establish ethical and transparent corporate culture, Union Insurance has established the Compliance Officer according to the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises" during the restructuring of the company in 2010, in order to serve as a second line of defense for the international control. In addition, the company also installs one legal compliance supervisor at the headquarter, in order to be responsible for the planning, management and execution of the legal compliance system, reporting the legal compliance execution status to the Board of Directors and Audit Committee periodically. Furthermore, according to the relevant regulatory requirements and under the guidance of the competent authority, compliance with the laws and regulations will be able to achieve early earning effect of advance audit, such that the internal control function can be exploited and all current legal compliance system and processes can be corrected and improved.

The Compliance Office is currently responsible for the handling of **3** main aspects and **10** main businesses:



Legal compliance convey and promotion

1. Establish a legal compliance system and annual plan, as well as plan and establish an efficient legal compliance structure.
2. Establish consultation and communication channels, in order to effectively convey laws and regulations and implement legal compliance.
3. Install a legal compliance supervisor in each department, and establish a clear and appropriate regulatory conveying, consultation, coordination and communication system, in order to properly convey changes in relevant laws.



Legal compliance personnel education

1. Implement appropriate legal compliance educational training and promotion, in order to strengthen the legal compliance awareness of each unit personnel of the company. In 2021, the total number of education and training hours for legal compliance related courses was 7,751 hours, and the number of trainees was 3,380 people.
2. For major deficiencies or flaws of each unit with respect to the legal compliance, analyze the cause and propose improvement recommendations.
3. Establish legal compliance assessment content and procedure, and supervise each unit to periodically self-assess the execution status, and perform an evaluation on the legal compliance self-assessment operation outcome of each unit, followed by submitting to the President for approval, in order to be used as a reference basis for the unit evaluation.



Ensure product and activity legality and others

1. Ensure all operation and management rules in the company are updated timely according to relevant laws in order to allow all operational activities to comply with the laws and regulations.
2. When the Legal Compliance Officer of the headquarter encounters the following three types of conditions in the company, he or she shall provide opinions complying with the laws and internal regulations and shall also provide a signature for the opinions in order to bear the responsibility thereof:
 - (1) Where the company launches various services and new insurance products.
 - (2) Where the company launches insurance products that is considered to be a major change by the competent authority such that approval method is required for handling.
 - (3) Before the company performs specific or major capital use.
3. Provide uniform legal opinions of the company, and ensure the consistency of the legal position of the company.
4. Implement anti-money laundering and counter-terrorism financing related planning operations.

Penalties received by Union Insurance as rendered by competent authority and improvement measures in 2021

In 2021, Union Insurance received 1 penalty rendered by the competent authority, and a fine of NT\$600,000 was imposed, and there were no other non-monetary penalty cases rendered by the competent authority. With regard to the fine of NT\$600,000 imposed by and one correction requested by the competent authority on January 28, 2021, Union Insurance has analyzed the cause and has performed improvement, and the response actions of relevant responsible units are as follows:

For the insured with the body condition qualifying for the receipt of the certificate of physical and mental disability, the company establishes limits on the insurance amount, such that it is considered to be unfair to people with physical and mental disability. Accordingly, Union Insurance has made corrections according to the inspection comments of the competent authority. With regard to the content related to the body condition of the insured stated in the "Health and Injury Insurance Underwriting Principles" of Union Insurance, the content of "... deaf and speech, chewing, four limbs function disability, defect or deformity..." and "refusal of contract for Level 1 disability" has been deleted, and such body conditions are handled in accordance with the regular underwriting rules.



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1.2.4 Anti-money Laundering

In 2021, Union Insurance performed anti-money laundering (AML) and/ counteracting the financing of terrorism (CFT), counter-proliferation quality inspection on all business units, in order to determine the AML operation implementation status of the business related units. In addition, in 2021, the total number of relevant education and training hours reached 3,170 hours.

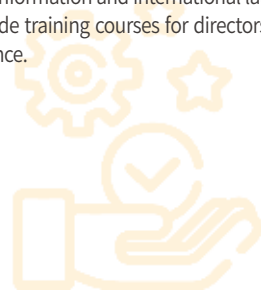
Union Insurance is committed to ethical management and anti-corruption. For common AML flaws occurred in corporations, the company actively prevents such occurrence in advance. In fact, Taiwan is a pioneer in AML in the Asia-Pacific region. In April 1997, our nation passed the AML law as the first nation in the region. In addition, Taiwan is also one of the founding member states of the Asia-Pacific Group on Money Laundering (APG). Union Insurance complies with the laws and regulatory system completely for the prevention of money laundering. In addition, for AML, CFT and CPF, Union Insurance complies with the international standards established by the Financial Action Task Force (FATF), an international AML financial action organization, in order to perform risk control.

Union Insurance recognizes the importance of the issues of AML, CFT and CPF. In addition to the establishment of AML dedicated supervisors and personnel, the company also stipulates relevant procedures and rules. The President implements supervision in person and all units executing the internal control of "AML, CFT, CPF" are required to submit to the President for approval. In addition to the instructions of the President on the appropriateness and adjustment of direction, external instructors are also invited periodically to provide a lecture on the latest regulations, and the content includes how the company identifies and assesses the risks of ML and TF of various operations, and establishment of policy on prevention of ML and TF, in order to properly implement AML operation process in all details requiring attention, thereby improving the AML and CFT operation. In 2021, Union Insurance performed AM/CFT and CPF quality inspection on all business units, in order to determine the AML operation implementation status of the business related units. In 2021, the total number of relevant education and training implemented reached 3,170 hours. For other specific policies, they can be divided into 4 main aspects and 13 main actions as follows, demonstrating Union Insurance's commitment to crime prevention:

1.

Core senior level execution aspect

- Just and open operation management with all directors participating in the prevention action:
To implement AML, CFT and CPF, in terms of the operation management, relevant matters and systems of operation, management and sales, etc. of Union Insurance are determined by the board of directors according to laws, requirements of the articles of incorporation or resolution of shareholders' meeting in order to make relevant decisions, and to ensure that directors are in control of the prevention related system, planning and execution status of Union Insurance.
- President's supervision in person to adjust policy direction timely:
When each unit executes the internal control system of "AML/CFT and CPF", the President, equipped with the director identity, performs supervision in person. In addition, for major operation adjustments related to these two items, it is necessary to submit to the President for approval and to obtain President's instructions on the appropriateness and adjustment direction, thereby complying with the two main objectives of AML/CFT and CPF.
- Establish a dedicated supervisor and prevention responsible unit:
For the dedicated supervisor for the AML/CFT of Union Insurance, the Board of Directors assigns the Compliance Officer of the headquarter to assume the position of such supervisor, and also authorizes sufficient authority to coordinate and supervise AML/CFT and CPF. In addition, the AML related affairs are also co-handled by the Compliance Office.
- The prevention actions are implemented thoroughly to all employees in a top-down manner:
The senior management leads the operation to achieve the effect of top-down implementation. Since the method of illegal conduct varies and changes from time to time, to allow directors to obtain relevant domestic and foreign information and international latest development related to AML/CFT and CPF, Union Insurance invites external instructors to provide training courses for directors at Union Insurance in order to timely adjust relevant important policies and systems of Union Insurance.



2. Regulatory information and prevention aspect

- Establish basic prevention regulations and timely revise details:
After Union Insurance has established the AML/CFT and CPF related regulations, the company also makes supplemental amendments to relevant clauses timely according to the laws, in order to ensure that the AML/CFT and CPF structure are linked to the latest international information.
- Establish blacklist database to prevent the crime of ML:
Early prevention can be more effective than post-event handling. With regard to AML, Union Insurance has established the internal and external purchase blacklist database in order to perform comparison operations with the blacklist at any time. In addition, the company also establishes an evaluation module to perform risk identification. Once any suspicious transaction trace is discovered, or any customer is listed on the sanction list, the transaction is prohibited and reported to the Ministry of Justice Investigation Bureau immediately for further investigation.
- Assess risk periodically and assess quantitative exposure data:
To allow the management level to have sufficient information for decision making, with regard to the AML/CFT and CPF, Union Insurance utilizes the quantitative exposure data generated from the process to perform relevant assessments, and periodically perform the comprehensive risk assessment operation, in order to allow the company to achieve further control, reduction or prevention of AML/CFT and CPF risks. The assessment result is also submitted to the competent authority for review, in order to ensure financial security.

3. Employee and general public execution aspect

- Implement various education and training to enhance prevention awareness of employees:
To allow employees to understand the risks of ML/TF and PF, Union Insurance implements regular and irregular education and training, and the content includes introduction on the importance of AML/CFT and CPF and also includes relevant risk analysis, latest regulatory development, important regulatory promotion, introduction of penalty cases, and relevant latest news, in order to allow employees to further understand the company's obligation and commitment in the promotion of relevant prevention policies, and to achieve the crime fighting objective jointly.
- Implement legal compliance self-evaluation semi-annually to examine the prevention knowledge of each unit:
As one of the important members of the financial industry, Union Insurance believes that basic knowledge of AML/CFT and CPF is essential to employees. Accordingly, the company requests all business units to perform legal compliance self-evaluation semi-annually and examinations are conducted on employees of each unit in order to test their knowledge of AML/CFT and CPF. Through periodic updates of examination questions and evaluation, the weakness of employees on the prevention knowledge can be determined in order to use such information as an important reference for review and improvement of education and training policy.
- AML for everyone with promotion of the AML concept to customers and the general public:
Union Insurance believes that it is everyone's responsibility to prevent money laundering. Accordingly, in addition to enhancement of internal promotion, Union Insurance also posts AML related educational posters at all business locations and also conveys the concept of AML to customers and the general public through the methods of: requesting sales unit and sales specialists to convey information to customers, providing educational manual to customers, and requesting the general public to cooperate with relevant customer review. In addition, Union Insurance further publishes the AML educational promotion posters, videos and audio broadcast links on the company's website for the general public's viewing, in order to allow a greater number of people to understand the importance of "AML" facilitating the financial order in Taiwan to link to the international standard and market.

4. Periodic review and adjustment aspect

- Periodic review semi-annually:
Union Insurance periodically reviews the latest appropriateness of the AML/CFT and CPF system semi-annually, and the dedicated supervisor reports the execution status to the Board of Directors and Audit Committee, in order to allow the directors to understand the current condition and to make timely adjustments on relevant policy and system of Union Insurance.
- A statement of internal control is signed each year with high management stating their names to show their responsibility:
The AML/CFT control system declaration of Union Insurance is jointly signed by the Chairman, President, Auditor General and dedicated supervisor for issuance annually, and the declaration is also submitted to the Board of Directors and Audit Committee for approval.
- Install supervisor at each department and convene meetings irregularly to discuss execution status:
Each department of Union Insurance installs the AML supervisor to perform periodic reviews of the operation system, and AML/CFT meetings are also convened irregularly to discuss relevant affairs execution status. In addition, when there is any change or adjustment to the laws, clear and appropriate regulations are conveyed to all employees for compliance accordingly.

1.2.5 Risk Control

Management directive	
Major topic	Risk control
Policy direction	To ensure the stable operation and sustainable development of Union Insurance, and to improve the overall risk management capability
Core objective	To establish a complete and updated risk management structure and mode, implement management of various risks and enhance response to emerging risks (such as: climate change, information security, etc.).
Performance outcome	Convened 5 sessions of Risk Management Committee meetings, and submitted 7 times of reports to the Board of Directors in 2021
Action plan	Union Indicator adopts the integrated corporate risk management framework in order to implement comprehensive risk management from the stages of risk identification, measurement, response, monitoring to report, and also establishes relevant risk indicators, risk monitoring points and early warning mechanism. Limit control is established according to the risk attribute, and the combined quantitative and qualitative method is adopted to periodically monitor and manage various types of important risks, and to periodically submit an overall risk management report to the Risk Management Committee and the Board of Directors.

Management Method	
Resource investment	Each business unit assigns one person to act as the risk management staff to be responsible for the risk management operation of the executing unit, and also collects and transmits various risk management information to the Risk Management Department
Feedback mechanism	Union insurance toll-free customer service direct line, mail written letters to Union Insurance business office for handling, or submit letters to feedback mailbox of Union Insurance
Evaluation mechanism	Internal and external audits recommended improvements

Integrated risk management and three lines of defense management

Union Insurance constructs a complete and sound internal risk control mechanism, enhances personnel's awareness of risk occurrence, and reviews all risks associated with various operating activities of the company, in order to ensure that the risk management system of the company is able to comprehend and effectively control relevant risks. Union Insurance has established the "Code of Practice for Internal Control with Three Lines of Defense" in the 5th meeting of the 25th term of the Board of Directors on September 25, 2019. The risk management of the company is the common responsibility of all relevant units of the company. Through sufficient cross-unit coordination, the mechanism of three lines of defense for risk management is established:



Union Insurance integrates the risk management framework and the three line of defense management, and implements comprehensive risk control, in order to establish relevant risk indicators, risk monitoring points and early warning mechanisms for stages from risk identification, measures, and response, monitoring and report. In addition, the annual risk limit is reviewed in order to assist the Board of Directors in supervising the management of existing or potential risks of the company.

Risk management process and mechanism

With regard to the risks encountered during the operation process, Union Insurance has established a comprehensive risk management system, including a risk management policy and guiding principles, and the risk management mechanisms include the following:





- Risk management policy and procedure






Robust management and sustainable development are the Company's long-term goals. To gradually construct a comprehensive risk control mechanism, we must consider the identification of the various risks that Union Insurance may face in its business environment. According to the business strategy and goals, we establish a complete risk management organization structure and various risk management mechanism, taking into account business growth, risks and rewards. At the same time, the Board of Directors reviews risk management policy and guidelines each year while making adjustment to the structure according to the international conditions.

The risk management procedure of Union Insurance includes execution of risk identification, measurement, monitoring and report through a qualitative or quantitative management approach, in order to maintain various risks that may be encountered during operating activities within the acceptable range, thereby achieving the goal of balance between risk and return.



- Various risk management mechanisms

Risk types and definitions		Management Mechanism
	<p>Market risk</p> <p>Market risk refers to the risk that asset value may be subject to market price change during a certain period of time, causing loss of such asset.</p>	<ul style="list-style-type: none">• Establish relevant risk control regulations for key assets• Adopt qualitative or quantitative approach to measure market risk
	<p>Credit risk</p> <p>Credit risk refers to the risk that the credit rating of debtor is downgraded or debt cannot be repaid, transaction counterparty cannot or refuses to perform its obligation.</p>	<ul style="list-style-type: none">• Implement credit risk management, credit rating limit management before transaction• Continue to implement credit risk management after transaction
	<p>Liquidity risk</p> <p>Liquidity risk is divided into "financial liquidity risk" and "market liquidity risk". "Financial liquidity risk" refers to the risk that asset cannot be realized or sufficient funds cannot be obtained, causing failure to fulfill the due liability. "Market liquidity risk" refers to the risk that due to insufficient depth or disorder of market, market price fluctuation is encountered during the disposal or offset of the position held.</p>	<ul style="list-style-type: none">• Establish fund movement unit independent from the transaction unit to perform comprehensive fund management• Consider the proportionality between the market transaction and the position held.• Establish response plan for capital demand due to abnormal or emergency conditions.
	<p>Operational risk</p> <p>Operational risk refers to the risk of direct or indirect loss due to improper or fault in the internal operation process, personnel and system, or due to external events, and its content includes legal risk, but excluding the strategy risk and reputation risk.</p>	<p>Implement various control measures, risk identification, risk measurement and establish qualitative and quantitative risk management tools to manage the operational risk.</p>

Risk types and definitions	Management Mechanism
 <p>Insurance risk Insurance risk refers to the risk where loss is caused by unexpected changes after premium is collected from the operation of the insurance business, and risk shifted from the insured is borne and where claims and relevant fees are paid according to the insurance policy.</p>	<p>Implement risk identification, risk measurement, risk response, risk monitoring and risk report procedures, in order to ensure the effectiveness of risk control system operation.</p>
 <p>Asset and liability cooperating risk Asset and liability cooperating risk refers to the risk caused by inconsistency in the value changes of the assets and liabilities.</p>	<p>Implement risk identification, risk measurement, risk response, risk monitoring and risk report procedures, in order to ensure the effectiveness of risk control system operation.</p>
 <p>AML/CFT risk Through consideration of business, product and customer characteristics, Union Insurance adopts appropriate measures and establishes periodic and comprehensive ML and CF risk assessment operation, in order to timely and effectively understand the overall ML and CT risks encountered.</p>	<ul style="list-style-type: none"> For the ML and CT risks, establish identification, assessment, management and relevant policy procedures According to the ML and CT risks and business scale, establish AML/CFT plan and review periodically, in order to ensure the effectiveness of the risk control system operation
 <p>Emerging risk Emerging risk refers to the risk that may not be obvious at the present time but may occur along with the change of the environment, and its typically caused by changes in politics, laws, market or natural environment, including but not limited to: climate change risk, infectious disease risk, information security risk (network risk), etc.</p>	<p>Implement risk identification, assessment and risk response to manage emerging risk.</p>
 <p>Other risks Other risks refer to risks other than the aforementioned risks encountered during business operation.</p>	<p>Establish corresponding and appropriate risk control handling procedure according to the risk characteristic and different impact level on the company</p>

Major operating risk event handling procedure

Risk management demands the timeliness of immediate preventive measures. Union Insurance has established the "Operational Risk Management Regulations", and in case where any business unit discovers operational risk loss event, it shall adopt emergency response measure immediately, and shall also analyze the impact level according to the operational risk loss event. After the operational risk event is notified, the Risk Management Department shall be informed, in order to allow the Risk Management Department to continue the monitoring and tracking of the improvement plan execution status of the business unit. In addition, during the immediate handling of major operational risk events, it is necessary to consider the scope of protecting the interests of policy holders. Union Insurance has established the "Management Crisis Response Measures", and the Chairman acts as the chief supervisory officer, and the President acts as the convener, and appropriate personnel are assigned to form the response team according to function and responsibility allocation, in order to cooperate with the execution of response measures.



1.3 Outstanding Business Performance Achieving Record High Consecutively

1.3.1 Solid Foundation with Stable Growth

Management directive	
Major topic	Business performance
Policy direction	Adopt stable and conservative business policy based on the consideration of risk management and improvement of underwriting performance.
Core objective	Stable growth of business operation
Performance outcome	Premium income from written policies of NT\$10.66 billion Growth rate of 4.29%
Action plan	improved underwriting performance Increase of fee rates for some insurance types

Management Method	
Resource investment	All business units
Feedback mechanism	Monthly and quarterly business performance review
Evaluation mechanism	Annual budget meeting

Outstanding business performance in 2021, revenue achieving a consecutive record high of NT\$10.66 billion, and a growth rate of 4.29%

Union Insurance has been established for nearly 60 years. Over the past years, the company has continued to uphold the business philosophy of stable growth with conservative approach, and the operation directive focuses on risk management and improvement of underwriting performance, without acute movement to seek high premium and abrupt market share or operating or investing in high risk products. In 2021, under the continuous harsh global environment due to the COVID-19 pandemic, Union Insurance was still able to deliver outstanding performance and achieve record highs consecutively.

**2021 whole-year premium
income from written policies
was NT\$10.66 billion**

Growth rate
4.29%

In 2021, the premium income from written policies was NT\$10.66 billion, an increase of NT\$439 million from the revenue of NT\$10.22 billion from 2020, with a growth rate of 4.29%, and ranked No. 8 in the market with the market share of 5.2%, reaching a record high in comparison to the past years.

**Whole-year net gain from
investments was NT\$536
million**

Growth rate
7.01%

Whole-year net investment gain also set a record high of NT\$536 million, an increase of NT\$35 million in comparison to NT\$501 million in 2020, with a growth rate of 7.01%.

**Overall operating
revenue was NT\$
8.81 billion**

Growth rate
6.95%

Overall operating revenue also increased to reach NT\$8.81 billion, an increase of NT\$572 million from NT\$8.238 billion from 2020, with a growth rate of 6.95%.

**2021 income from premium
retention reached NT\$7.995
billion.**

Growth rate
9.37%

In 2021, the income from premium retention continued to grow stably at a growth rate of 8.29%, reaching NT\$7.995 billion, and the income from matured premium retention was NT\$7.813, an increase of NT\$669 million from NT\$7.144 billion in 2020, with a growth rate of 9.37%.

Business Performance Statistics Table

(Unit: NT\$1,000)

Item/Year	2019	2020	2021
Capital	2,129,600	2,236,080	2,236,080
Operating Revenue	8,065,998	8,237,782	8,809,911
Operating cost	5,346,030	5,509,703	6,004,143
Income after tax	703,782	702,097	696,668
Earnings per share (EPS) (NT\$) Before retroactive adjustment	3.15	3.14	3.12
Employee benefit expense (including salary, insurance fee and other expenses)	1,254,407	1,328,875	1,303,619

Note: Up to the financial statement submission date, Union Insurance has not yet convened the shareholders' meeting.

Insurance Type Performance



Motor insurance

In 2021, according to the policy from yeast year, Union Insurance continued to seek auto distributors insurance agency, insurance brokerage and corporate employee group insurance business, and also continued to increase the insurance renewal rate. Accordingly, the overall **written policy business reached NT\$7.255 billion**, with a **market share of 6.38%**, ranked No. 6 in the industry (comparison with 18 business operators in the same industry). Union Insurance will continue to increase the insurance renewal rate with the voluntary insurance performance, and also increase the quality service ratio.



Fire insurance

The fire insurance of Union Insurance includes natural disaster insurance and earthquake basic insurance. In 2021, **the premium income from written policies reached NT\$1.309 billion**, with a market share of 4.50%, an increase of NT\$1.257 billion from the premium income in 2020, with a **growth rate of 4.13%**. For the fire insurance, Union Insurance continued to maintain the rigorous underwriting policy and the high risk business reinsurance strategy, in order to achieve appropriate risk divergence and a stable increase in underwriting profit.



Marine insurance

In 2021, for the overall marine insurance market (including cargo transportation insurance, marine hull insurance and fishing vessel insurance), it demonstrated a growth of 9.86% from 2020, and the **written policy business of Union Insurance reached NT\$295 million**, a **growth of 11.79%** and market share of 3.49%. In addition, for the aviation insurance market, due to the impact of the COVID-19 pandemic, the premium income from written policies decreased by 23% from 2020, and the written policy business of Union Insurance was NT\$62 million, a decrease of 20% and market share of 9.9%.



Casualty insurance

In 2021, Union Insurance actively developed new products, including Vaccination Insurance, Comprehensive Mobile Phone Insurance, etc., and the premium income from written policies reached NT\$411 million, a **growth of 2.41%** from 2020 and a **market share of 2.36%**. Due to the continuous impact of COVID-19, vaccination insurance was launched by the Accident Insurance Department, in order to protect the risk of citizens receiving COVID-19 vaccination.



Engineering insurance

Under the premises of the government encouraging the private sector to promote solar power plant and offshore wind power plant, stable strategy continues to be adopted for the engineering insurance, and quality businesses are selected in order to control the loss rate and increase the underwriting profit. In 2021, the **premium income from written policies was NT\$400 million**, a **decrease of 11.26%** from the previous year, with a market share of 5.9%, ranked top five in the market.



Health & Accident

In 2021, due to the pandemic, with respect to the social care aspect and fulfillment of social responsibility, Union Insurance actively infectious Diseases Insurance, and the **overall written policy business was approximately NT\$926 million**, a **growth of 11.42%** in comparison with the same period of last year, with the market share of 4.52%, ranked No. 6 in the industry.

Premium Income Written Policy Distribution

(Unit: NT\$100 million)

Insurance type	Automobile insurance	Fire insurance	Marine insurance	Casualty insurance	Engineering insurance	Injury and health insurance
Amount (NT\$100 million)	72.55	13.09	3.57	4.11	4.00	9.27
Ratio	68.06%	12.3%	3.35%	3.9%	3.75%	8.7%

1.3.2 Sustainable Development and Green Investment

Management directive								
Major topic	Responsible investment							
Policy direction	The investment policy of the company focuses on enterprises of green low-carbon economy. Through investment in the financial market, physical industry is guided to value green sustainable operation and green investment, in order to reduce environmental pollution and hazard and to achieve the goal of corporate sustainable development.							
Core objective	The goal of investment amount in relevant products complying with ESG accounts is maintained to be more than 60% of the total investment amount							
Performance outcome	Asset type							
	Unit: NT\$1,000							
	Item	Stock	Preferred stock	Bond	Fund	ETF	REITs	Total
	ESG amount	894,303	1,887,400	680,000	10,259	-	-	3,471,961
	Investment position of each asset	1,598,272	1,887,400	1,250,000	51,508	79,498	342,856	5,209,534
	Ratio of ESG over total investment	17.2%	36.2%	13.1%	0.2%	0.0%	0.0%	67%
	Up to the end of 2021, the ratio of Union Insurance's investment in ESG-related products accounted for approximately 67% of the total investment position, and the fund position was increased.							
Action plan	1. Assess whether the position held is subject to any occurrence of major environmental pollution event or violation of social responsibility and failure to be improved cooperatively. If such event occurs, it is listed in the blacklist and no additional investment shall be made. 2. When an investee is subject to the occurrence of violation against the ESG principle, Union Insurance shall continue to track the cause of such event and its handling status.							

Management Method	
Resource investment	Presently, the ESG-related products invested by Union Insurance focus more on the stock positions, and the duration of holding is not long. In the future, if green bonds are assessed to have a greater return ratio, or issuance of relevant funds, Union Insurance will consider investments in such bonds and funds.
Feedback mechanism	The discriminatory and entrustment institutions provide statistical data, and internal investment operation with addition of assessment items.
Evaluation mechanism	The goal of investment amount in relevant products complying with ESG accounts is maintained to be more than 60% of the total investment amount

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In recent years, sustainable investment has become one of the key consideration factors for corporates to develop and invest in subject matters. To fulfill the Principles for Responsible Investment (PRI) and Sustainable Development Goals (SDGs), Union Insurance promotes the balance development of environment, society and corporate governance, in order to allow Union Insurance to pay attention to green investment, thereby reducing environmental pollution and hazard and fulfill the corporate social responsibility.

Union Insurance's process of investment subject matters selection is incorporated into the ESG assessment, and ESG-related indicator level is adopted. The four main processes for investment in securities are "Investment analysis, Investment decision making, Investment execution, Investment review". During the investment decision making, ESG assessment is considered and the "individual product post-investment management and the goal of maintaining the ratio of investment of ESG-related product over the total investment position above 60%" is reviewed after the investment.

Union Insurance complies with the "Stewardship Principles for Institutional Investors" announced by the Corporate Governance Center of TWSE, and complies with the responsible investments and stewardship principles. On May 31, 2018, Union Insurance officially signed the "Declaration for Compliance with Stewardship Principles for Institutional Investors" with the TWSE.



If the position held is subject to any occurrence of major environmental pollution event or violation of social responsibility and failure to be improved cooperatively in the most recent year

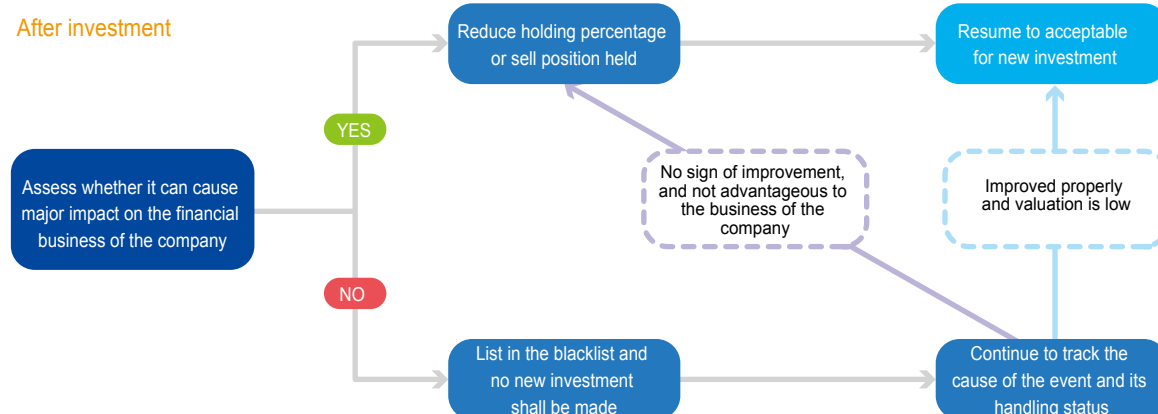


Table 1: Responsible Investment Selection Table (blacklist)

Option of blacklist	Yes	No	Determine whether to make investment
1. Whether it involves military weapons, firearm or tobacco industry			Investment <input type="checkbox"/>
2. Whether it belongs to the high pollution industry			
3. Whether it violates human rights criteria			
4. Whether there has been any major social dispute in the last year and such dispute is not yet improved			Rejection <input type="checkbox"/>
5. Whether it is subject to investigation by prosecution agency recently			

Perform risk assessment on investees, including ESG-related risks and opportunities

Assessment focus	Sale and purchase written decision includes responsible investment selection form, and the company shall be inspected to determine whether there is an ESG issue violation disclosure.
Assessment indicator	The assessment ESG indicator refers to the constituents of Yuanta FTSE4Good TIP Taiwan ESG ETF or Fubon TWSE Corporate Governance ETF, and the goal is to maintain the ratio of Union Insurance's investment in ESG-related product over the total investment position at more than 60%
Assessment method	<ul style="list-style-type: none"> Pre-investment assessment: Prior to investment, Union Insurance considers the factors of whether the enterprise has impacts on the environment, society and corporate governance, etc., of the potential investment subject matter. If it is listed in the blacklist, no investment is made. Post-investment management mechanism: Assess whether the position held is subject to any occurrence of major environmental pollution event or violation of social responsibility and failure to be improved cooperatively. If such event occurs, it is listed in the blacklist and no additional investment shall be made. When an investee is subject to the occurrence of violation against the ESG principle, Union Insurance shall continue to track the cause of such event and its handling status.
Risk and opportunity	<ul style="list-style-type: none"> If the investee violates the ESG principles, the company may be disclosed by the media, and after the announcement on the Market Observation Post System website, it may affect the business operation of the company, leading to stock price drop and causing further operating risk. Use ESG as the investment assessment and selection factor. If the three aspects of ESG of the investee satisfy the social expectation and sustainable operation, its stock price tends to have a more optimistic outlook.

Disclosure of information on investment of ESG financial products

- For the most recent two years, according to the statistics on Union Insurance's investment in ESG-related products, the constituents of Yuanta FTSE4Good TIP Taiwan ESG ETF or Fubon TWSE Corporate Governance ETF are adopted, and the goal is to maintain the ratio at more than 60%.
 - Up to the end of 2020, the ratio of Union Insurance's investment in ESG-related products accounted for approximately 73% of the total investment position.
 - Up to the end of 2021, the ratio of Union Insurance's investment in ESG-related products accounted for approximately 67% of the total investment position.



It is assessed according to the investment industry type and asset type or investment amount ratio, and the statistical data is up to the end of 2021. (Due to the adjustment of ETF constituents in December 2021, the total investment of ESG product ratio decreases from last year)

Asset type	Unit: NT\$1,000						
Item	Stock	Preferred stock	Bond	Fund	ETF	REITs	Total
ESG amount	894,303	1,887,400	680,000	10,259	-	-	3,471,961
Investment position of each asset	1,598,272	1,887,400	1,250,000	51,508	79,498	342,856	5,209,534
Ratio of ESG over total investment	56%	100%	54%	20%	0%	0%	67%

Industry type	Unit: NT\$1,000				
Item	Electronics industry	Traditional industry	Financial industry	Others (ETF/Fund)	Total
ESG-related product investment amount	614,051	400,415	2,447,237	10,259	3,471,961
Distribution ratio	18%	12%	70%	0%	66.6%

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Customer Protection and Priority Service

- 2.1 Diverse Products and Innovative Experience
- 2.2 Listen to Demands and Customer Satisfaction
- 2.3 Digital Innovation and Inclusive financing
- 2.4 Complete Information Security Protection



2.1 Diverse Products and Innovative Experience

2.1.1 Social Care and Positive Service

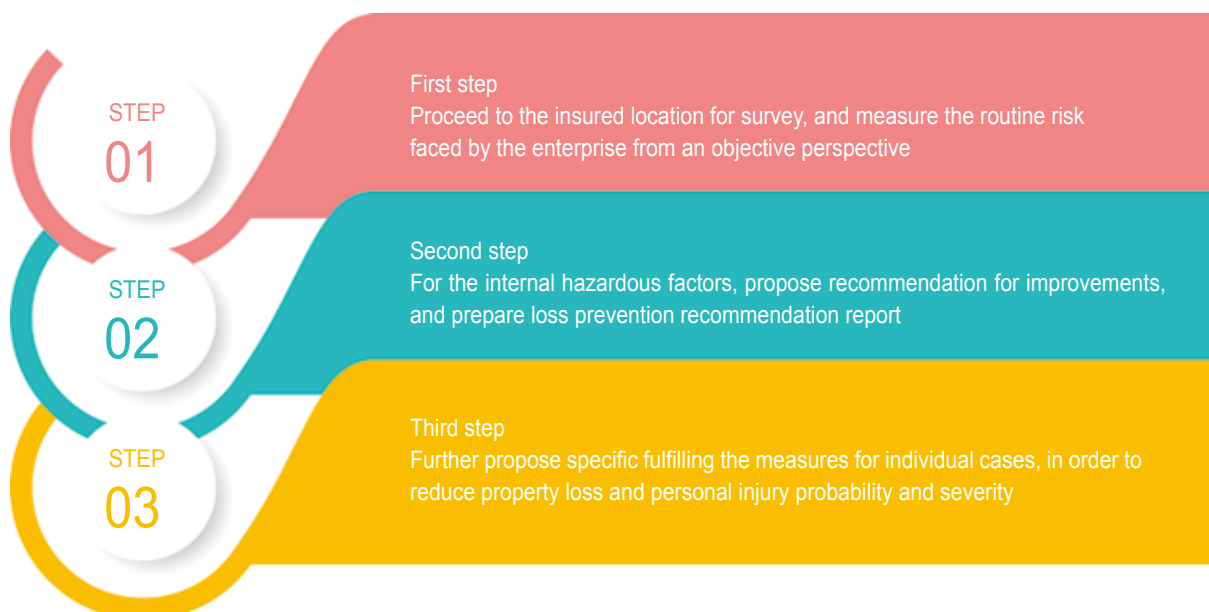
Union Insurance adopts a diverse product development strategy, and aims to provide customers comprehensive protection during their works and daily activities. The products of Union Insurance are developed for the purpose of securing and improving customers' lives, thereby reducing burdens of customers in case of occurrence of risks and facilitating Union to achieve positive influential power on the society. Union Insurance is committed to launch a series of products and services capable of assisting the continuous development of the society, in order to assist corporates and individuals to transfer risks and mitigate negative impacts, as well as to contribute effort in improving the social economic co-prosperity and living quality.

Loss prevention service

Union Insurance provides complete Loss prevention service. Through comprehensive inspection of various types of risks, including Fire/ Explosion Risk Assessment, Civil Engineering Project Risk Assessment, Earthquake Risk Assessment Service, Typhoon and Flood Risk Potential Analysis, Loss Control Education and Training, New Factory Loss Control Constructing Service, Infrared Thermography Testing Service, in order to reduce the damage occurrence probability and loss scale.

- **Loss prevention recommendation service:**
Provide customers loss prevention recommendations for, such as, industrial safety, factory affairs and fire control, in order to allow customers to effectively reduce the occurrence of risk accidents. Since the release of the service in 2013, the accumulated number of service cases has reached **326** cases.
- **Infrared Thermography Testing Services:**
Provide Infrared Thermography Testing Services for power distribution system, rotary machine system, etc., in order to effectively determine the equipment operating temperature abnormality and to discover potential hazards of the equipment early, thereby preventing the occurrence of fire damage. Since the release of the service in 2013, the accumulated number of service cases has reached **1,520** cases.

Actual operation process of Loss Prevention Section (the field personnel of Loss Prevention Section actually executing operation in the field act as the consulting window and also perform risk assessment in the field to provide specific improvement recommendations, in order to ensure the sustainable operation of the customer):

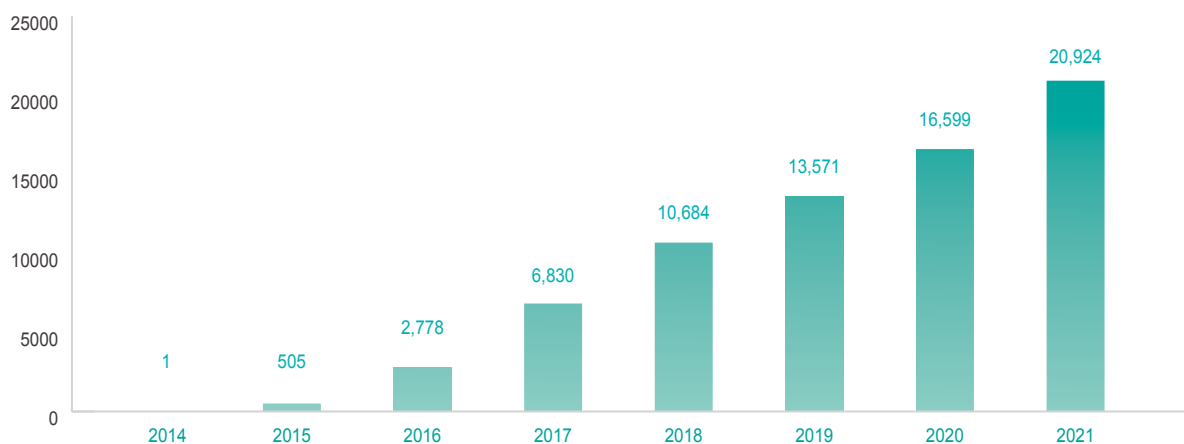


Union Insurance provides diverse damage prevention service



Microinsurance

- Microinsurance is a basic protection insurance product developed to care for economic disadvantaged or individuals with specific identities, in order to allow economically disadvantaged, including medium and low income household family members and the disabled to purchase insurance at a relatively lower premium. In addition, through such insurance, they are able to receive economic aid in order to protect stable living for their families, and to protect the disadvantaged from living difficulties of the family or individual due to occurrence of insured accidents of death or disability.
- For the period from 2014 to 2021, micro-insurance assisted a total of **51** groups, including Syin-Lu Social Welfare Foundation, and more than **20,924** policy holders enrolled in the insurance, and the premium income exceeded **NT\$5.8** million.



Epidemic control insurance

- Due to the global COVID-19 pandemic, the number of confirmed cases continued to increase worldwide, and the number of home quarantine people in Taiwan has also exceeded more than ten thousand people. To protect the interests of the citizens and to reduce the loss due to infection of COVID-19, Union Insurance releases the epidemic control insurance policy in order to assist citizens to transfer risk, and to increase one's own interest.
- The "Pandemic Care and Support" project launched by Union Insurance adopts the one insurance policy per year approach and accepts applicants of all occupations and ages. In addition to the basic protection for accident injury or death (disability), major burn/scald injury and food poisoning, it also includes the "Notifiable infectious disease quarantine fee", "Notifiable infectious disease hospitalization daily allowance", "Notifiable infectious disease negative pressure quarantine (or intensive care) hospital room daily allowance" and "Notifiable infectious disease compensation". The "Compensation provided for negative pressure hospital room" can be paid for a maximum of 60 days. Accordingly, it is an enhanced version of personal insurance policy, and Union Insurance is the only insurance company providing compensation related to the pandemic.
- For the "Pandemic Care and Support" project of Union Insurance, the protection scope continues to be upgraded. In addition to the "Care subsidy for confirmed case" and "Hospitalization daily allowance", the "Quarantine fee" is further included, making the content of the epidemic control insurance policy to be more complete, thereby significantly improving the protection of the insured. With an average amount of as low as NT\$3 and less daily, the insured is able to receive comprehensive protection, thereby reducing family economic pressure. For policy holders of confirmed cases, Union Insurance also provides the service of deferred premium payment service. As long as the insured and the proposer submit supporting documents, the premium payment can be deferred for 3 months. Union Insurance hopes to adopt the method of deferred payment to reduce the financial burden of policy holders affected by the pandemic.
- In 2021, the number of people purchased the epidemic control products was 68,523 people, and the total premium income was NT\$72,459,203. As for the compensation application, there were a total of 209 cases and the compensation amount was NT\$5,165,600.

Mountaineering insurance

- Since 2015, Union Insurance has released the mountaineering comprehensive insurance to provide protection for hiking group that may suffer from medical expense due to bodily injuries occurred in any accidents and environmental emergencies of hypothermia or altitude sickness, etc.
- In 2017, in accordance with the adjustment of mountain area activity management self-governance ordinances established by the local government and to satisfy the demands of hikers, Union Insurance made three major adjustments to the mountaineering comprehensive insurance:
 1. lifted the limitation requiring more than five people to apply for the insurance, and reduced to one person for insurance application;
 2. emergency rescue fee was doubled to reach NT\$500,000;
 3. rescue fee activation time was reduced to half of the time length, in order to increase the golden window, and to provide more comprehensive insurance protection to hikers.
- For the third item, based on the consideration that there have been hikers subject to accident or missing on the first day of hiking activity, the search fee activation has been further reduced to "Exceeding predefined return time by 24 hours" for the mountaineering comprehensive insurance, in order to activate the search procedure early and to save the golden window for life saving.
- For the period from 2015 to 2021, there were a total of 1,420 insurance enrollment cases, and the total premium income was NT\$2,023,581.

Travel bubble comprehensive insurance

- In 2021, in response to the government's policy, Union Insurance released the travel bubble comprehensive insurance, also known as safe travel circle, travel corridor. It refers that during the global pandemic era, for two countries or multiple countries under epidemic control, through mutual trust on the epidemic control and quarantine measures, agreement is reached to implement travel and tourism activity regulations. Accordingly, people of both sides are able to interact and communicate via relative relaxed state, such as shortening or exemption of quarantine period.
- With the establishment of the travel bubble, the government aims to not only satisfy the cross-border travel demands of people but also assist the recovery of the domestic economic and tourism industry with the best effort.
- In 2021, there were a total of 48 insurance enrollment cases, and the total premium income was NT\$882,748.

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Motor insurance holiday additional protection supplementary clause

- Despite the global COVID-19 pandemic impact from 2020 to the present day, under the joint effort and compliance with the epidemic control regulations of our people in Taiwan, in response to the government's promotion of domestic travel and tourism policy, Union Insurance has released the Motor insurance holiday additional protection supplementary clause.
- The content mainly describes that the primary contract includes the condition that automobile third party liability insurance, driver injury insurance and passenger bodily injury liability insurance are entitled to the additional coverage supplementary clause. The holiday additional protection supplementary clause is suitable to consumers with frequent traveling during holidays, in order to enjoy the benefit of obtaining regular basic protection with lower payment of premium, and the automatic increased double protection benefit on holidays.
- Since the release of the "Motor insurance holiday additional protection supplementary clause" in September 2020, Union Insurance has received an accumulated number of 164 insurance policies up to 2021, and the premium of NT\$72,314.

2.1.2 Profession with Trust and Fair Customer Treatment

Management directive	
Major topic	Fair customer treatment
Policy direction	Customer-oriented approach, along with the three main policies of "Trust", "Profession," and "Protection" to thoroughly implement the fair customer treatment principle.
Core objective	Promote the fair customer treatment principle to the internal in order to become the corporate core culture of the company
Performance outcome	<ul style="list-style-type: none"> • A.M. Best Rating announced that Union Insurance maintained at the A-(Excellent), and the outlook is stable. • Received the honor of Faith, Hope & Love Awards of Insurance from RMI Foundation: "Best Product Innovation Award" (land administration agent liability insurance), "Best Social Responsibility Award". • Received the honor of "Outstanding Performance Award" presented by the Financial Supervisory Commission for promotion of epidemic control insurance product. • Received the honor of "Outstanding Performance Award" presented by the Financial Supervisory Commission for handling relief measures. • Received the honor of 5th place in 2021 Compulsory Automobile Liability Insurance Micro-film Contest. • Received the honor of "Disabled Care Award" in 2021 Micro-insurance Contest
Action plan	Establish fair customer KPI, and include the fair customer treatment execution status in the annual performance evaluation Enhance the education and training on the fair customer treatment principle

Management Method	
Resource investment	Fair customer treatment planning and promotion task force and each division and department, education and training
Feedback mechanism	Internal and external complaint channel Policy holder service and complaint center Convene complaint case review meeting periodically on a monthly basis
Evaluation mechanism	Fair customer treatment annual KPI Internal and external audit

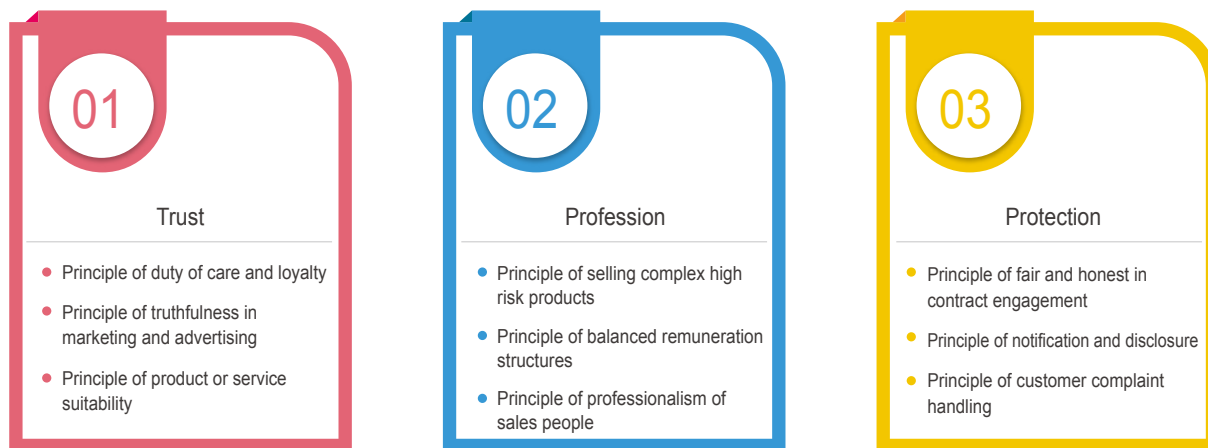
Top-down approach and deep-rooted culture - "Union Insurance Fair Customer Treatment Planning Promotion Task Force"

The Board of Directors assigns directors for participation and assuming the role of convener in order to establish the Fair Customer Treatment Planning Promotion Task Force" and to stipulate fair and integrity principle: Based on the principles of fairness, reasonableness, equality, mutual benefit and integrity, Union Insurance engages in financial product or service provision contracts with financial consumers, and shall fulfill the responsibility of a prudent administrator for the financial products or services provided. The task force convenes promotion execution meeting periodically, in order to discuss, promote and execute matters instructed by the Board of Directors, and to also review the promotion execution status of each divisional team (product,

solicitation, underwriting, compensation, complaint, education and training, supervision, audit). All execution progress and fair customer treatment implementation status are summarized and reported to the Board of Directors periodically.

Customer-oriented fair customer treatment core fundamental

Union Insurance adopts the customer-oriented approach, along with the three main policies of "Trust", "Profession" and "Protection" to thoroughly implement the fair customer treatment principle



Diverse communication and complaint channels



Achievement highlight

- Taiwan Ratings of AA (twm)
- Standard & Poor's Rating of A- for Excellence Credit rating
- A.M. Best Rating announced that Union Insurance maintained at the A-(Excellent), and the outlook is stable.
- Received the honor of Faith, Hope & Love Awards of Insurance from RMI Foundation: "Best Product Innovation Award" (land administration agent liability insurance), "Best Social Responsibility Award".
- Received the honor of "Outstanding Performance Award" presented by the Financial Supervisory Commission for promotion of epidemic control insurance product.
- Received the honor of "Outstanding Performance Award" presented by the Financial Supervisory Commission for handling relief measures.
- Received the honor of 5th place in 2021 Compulsory Automobile Liability Insurance Micro-film Contest.
- Received the honor of "Disabled Care Award" in 2021 Micro-insurance Contest

Union Insurance Fair Customer Treatment Rules, Key Measure and Outcome

Principle	Key measure and outcome
Principle of fair and honest in contract engagement	<ol style="list-style-type: none"> 1. Fair customer treatment and greatest support: The Board of Directors promotes the fair customer treatment principle to the internal in order to become the corporate core culture of the company, and promotes the "Fair customer treatment five execution levels". 2. Product development with fairness and integrity: For 100% of the products submitted for review, there are no primary contract and accessory contract with separate insurance amount, separate calculation of premium for development of combination products.
Principle of duty of care and loyalty	<ol style="list-style-type: none"> 1. Consistent principle and complete review: For the target market, customer, product content, fee rate and clauses, etc., of new product or new service, it is necessary to review whether there is any violation against the fair customer treatment principle first before executing the development. 2. System comparison and proper fraud prevention: Proposer/insured and sales specialist perform inspection and comparison on the address via the information system monthly, and the inspection scope includes the addresses of the company's sales specialist, branch institution, cooperating headquarter and branch institution/office for the insurance agency, in order to optimize the operation items.
Principle of truthfulness in marketing and advertising	<ol style="list-style-type: none"> 1. Multi-stage review and through confirmation: Advertisement and propaganda contents are inspected according to the internal operation regulations one by one, and are "100% reviewed" by the Underwriting unit, Actuarial unit and Legal unit. 2. Authentic solicitation and illegal conduct investigation: Illegal solicitation actions are investigated rigorously. The number of case where sales specialist is penalized due to violation of the solicitation rules is "0 case".
Principle of product or service suitability	<ol style="list-style-type: none"> 1. Multi-review and complete assessment: According to the underwriting rules, financial underwriting mechanism, physical examination standard, insurance reporting mechanism, the delegation of responsibility and authority and internal operation regulations, the insurance demands and appropriateness of the proposer and the insured are assessed. 2. Micro-insurance protecting disadvantaged: Union Insurance implements "100% acceptance" for disabled applicant, and there is no rejection case and unfair treatment of limited insured amount. The disabled insurance premium ratio of Union Insurance in 2021 was 0.382%, ranked No. 7 in the industry. The company received the "Micro-insurance Contest Sustainable Care Award" in 2010, received the "Outstanding Sales Award" during 2016~2019, received the "Micro-insurance Outstanding Performance Award" during 2017~2019, received the "Micro-insurance Contest-Sustainable Care Award in 2020, further received the "Micro-insurance Contest Disabled Care Award" in 2021.
Principle of notification and disclosure	<ol style="list-style-type: none"> 1. Sufficient notice and complete disclosure: During the business solicitation, sales specialists provide the financial consumer insurance enrollment instructions and sufficiently explain important content of the financial product, service and contract, and also sufficiently disclose its risk. The insurance application documents or important content of clauses are highlighted in bold font or different color for marking and presentation, in order to allow customers to have sufficient understanding. 2. Obligation fulfillment and proper review: Based on the principle of fulfilling the obligation of due care of a prudent administrator, sales specialist properly reviews customer's age, ability to express intent, whether insurance demand is appropriate for applying the insurance product, in order to determine customer's understanding of the product content and the intention to enroll in the insurance.
Principle of balanced remuneration structures	<ol style="list-style-type: none"> 1. Periodic monitoring and appropriate adjustment: To prevent any conducts of sales specialist exceeding the risk appetite of the company due to pursuit of remuneration, Union Insurance has established the "Periodic Remuneration Review Standard" in order to ensure that sales specialists comply with the risk management policy of the company, and such standard is also revised when it is considered necessary. 2. Performance measurement with reasonableness and appropriateness: During the determination of remuneration of sales specialists and performance evaluation, the factors of insurance type, business source, premium account entry time, retention ratio, business region difference, etc., are comprehensive considered such that the sales performance is not the sole factor for evaluation standard, thereby preventing the mere pursuit of high sales performance of sales specialists.

Principle	Key measure and outcome
Principle of customer complaint handling	<ol style="list-style-type: none"> 1. Dedicated assistance and complaint protection: To protect the interests of financial consumers, and to allow consumers' complaint cases to be handled swiftly with satisfaction, Union Insurance has particularly established the "Policy Holder Service and Complaint Center" to handle customer compliant issues, and it is directly under the President's Office and supervised by the Vice President. 2. Periodic monitoring and continuous improvement: "Monthly convention of complaint case review meeting" to review the cause of complaints one by one, and the case is re-examined to determine whether there is any violation against the "Fair Customer Treatment Principle", and subsequent handling and improvement methods are discussed and established during the meeting, following which meeting minutes are prepared and submitted to the President, in order to facilitate subsequent follow-up control.
Principle of professionalism of sales people	<ol style="list-style-type: none"> 1. Fair customer treatment and employee awareness: Board of Directors instructs to enhance the frequency of education and training and the depth of training content for fair customer treatment principle, and the seed instructions trained by the headquarter are expanded to all regions in Taiwan in order to implement enhanced promotion on fair customer treatment principle. 2. Performance link and outcome achievement: Union Insurance establishes the fair customer treatment KPI, and includes the fair customer treatment execution status in the annual performance evaluation, thereby allowing employees with outstanding performance outcomes to receive recognition and effective reward.

Note: The "Complicated risk product sales principle" of the fair customer treatment principle refers to business activity irrelevant to the business of Union Insurance; therefore, such item is not disclosed.

Customer-oriented approach from internal to external - "Completely transparent product information"

Union Insurance implements the fair customer treatment principle in all processes, including the processes of insurance product design, solicitation, underwriting operation, compensation operation, and customer service, in order to ensure that all handling and processes comply with the principles of fairness and reasonableness, equality, mutual benefit and integrity. When a sales specialist performs the business solicitation, he or she is required to sufficiently understand the purpose of insurance enrollment and demands, followed by providing insurance product corresponding to the customer demands, and providing sufficient explanation of the important content of the insurance product, service and contract to the customer. In addition, the sales specialists shall also sufficiently disclose the risk in order to ensure the appropriateness of the product or service to the customer. Furthermore, unless a proper reason is provided, underwriting operation shall not involve any unfair treatment to specific customers, and the compensation portion must comply with the principles of fairness, reasonableness and timeliness. In addition, customer service direct line and diverse complaint channels shall be provided, in order to protect the interests of customers, and improve the financial consumer protection and implement the fair customer treatment principle.



Product design

Product design shall comply with the principles of fairness, reasonableness, equality, mutual benefit and integrity.
Ensure that advertisement and propaganda comply with the solidification authenticity principle.



Solicitation and underwriting

When a sales specialist is performing business solicitation, it is necessary to sufficiently understand the purpose of insurance enrollment and demands of the customer, and shall also perform appropriateness assessment and analysis, in order to prevent consumer dispute.
According to the education and training rules of the company, all employees are required to complete the education and training on the fair customer treatment principle, in order to improve the fair customer treatment awareness of all employees.
The underwriting operation, unless proper reason is provided, must not involve any unfair treatment of specific customers.
Protect, use and process customer information security with care according to the laws.



Compensation and customer service

Compensation shall be reasonable, fair and timely. In case of any doubt, the interpretation in favor of the insured shall be adopted in principle.
Value customers' feedbacks, and provide diverse complaint channels and implement dispute resolution procedures.

2.1.3 Climate Risk 24/7

In the midst of extreme climate and warming phenomena around the world, abnormal climate also creates specific risks and impacts on business operations. At Union Insurance, we take a proactive approach to respond to relevant needs and risks and have launched 8 climate change-related products and services to provide policyholders with more comprehensive protection.

Type	Insurance product
Transportation, infrastructure-related	Public Bike Rider Liability Insurance / Engineering and Housing Protection / Green Energy Engineering Insurance
Agriculture, forestry, fishery and animal husbandry, natural disaster-related	Agriculture and fisheries protection / natural disaster protection



Transportation protection

1. Public Bike Rider Liability Insurance: As green living has become a national trend, in conjunction with the government's policy, Union Insurance has been underwriting public bike rider liability insurance in Hsinchu and Miaoli areas, including Hsinchu Science Park since 2019. The underwriting of public bike rider liability insurance was successfully completed in Hsinchu City in 2021, (including Hsinchu Science Park), covering 1,500 vehicles, totaling NT\$600,000 worth of premium.
2. From November 2019, motor insurance of Union Insurance has developed the "Motor Insurance Green Car Rider", which provides premium discounts for "green cars", including hybrid and electric cars. By taking this approach, we encourage customers to purchase "green cars" so as to contribute to environmental protection.



Engineering and housing

1. Green energy engineering insurance: As green industries have become a global trend, we have launched insurance products targeting green energy industries to help shift risks, paving the path for Taiwan's carbon reduction.
2. Residential fire insurance: From 2020, we have made an effort to promote the "residential green energy upgrade clause" to encourage policyholders to upgrade their houses to green energy buildings in the event of losses that require re-construction. In doing this, the policyholders can start a new life of energy conservation and carbon reduction, while increasing the proportion of green buildings in the city.



Green energy engineering insurance (offshore wind and solar power)

With global climate changes becoming more and more severe, countries around the world have been impacted by extreme weather. This has led to disasters and many ecological balances have been disrupted. To improve the environment so that future generations can enjoy a beautiful living environment is an imminent corporate mission and responsibility of Union Insurance. Based on this, we are proactively promoting the government's green power policy to develop a green-related industrial chains, including offshore wind and solar power generation. We have also paid an considerable amount of attention to renewable energy and have engaged ourselves in the participation of its development in recent years. Due to this, we began to undertake offshore wind power engineering insurance business and solar power equipment insurance business in 2020, further providing insurance support to protect various green power industries from risks, facilitating the development of Taiwan's green power industry.

Offshore wind power insurance business results

Year	2020-2021
Annual premium income	113,421,126

Solar power insurance business results

Year	2020-2021
Annual premium income	106,876,445

Union Insurance's products and actions in response to green industries:

1. Undertake insurance for Kaohsiung light rail and MRT sections with more passenger capacity, such as the San-Ying Line.
2. Underwrite the installation and operation insurance for hydroelectric and solar power systems and property insurance.
3. Provide construction installation insurance and its operation and installation insurance for resource recovery system facilities.
4. Underwrite construction insurance for green buildings.
5. Protect the risk of water resource treatment and recovery systems.
6. Consider the maintenance of green environment and fully stop the production and use of coal.

In addition, we also provide insurance products in relation to green power-related industries to provide risk transfer for companies in the green industry chain. In doing so, major construction projects and operational installations in the supply chain can be protected, covering hydropower, power generation, geothermal power generation, solar photovoltaic, wind power, offshore wind power, biomass energy, waste renewable energy, and other various types of renewable energy industries.

Green energy	Description for Underwriting
Hydropower	As this project involves specific environment and topographical factors, it has only been planned and not yet scheduled for construction
Geothermal power	In 2020, the underwriting of Taiwan's first four geothermal power wells in Qingshui, Yilan was completed. It was switched to operating insurance in September 2021. We also cooperated with Hualien Hongye Village Geothermal Power Plant and its operating insurance is expected to take place in June 2022.
Solar power	Since 2017, the construction and operation for foreign comprehensive insurance underwriting for photovoltaic sites was introduced. It has been growing rapidly year by year since 2018, with premium income in 2021 reaching NT\$57 million.
Onshore wind power	In addition to those which are already operating, Union Insurance undertook the installation and construction of the onshore wind turbines in 2020 and operating insurance for onshore wind turbines in 2021.
Offshore wind power	From 2018, Union Insurance has taken part in various project sites. Premium income in 2021 reached NT\$60 million.
Biomass energy	Due to environmental factors, suitable projects are pending development.
Waste renewable energy	Over the years, we have participated in the establishment of various types of recycling plants, and their operating risks are currently covered by fire insurance.

Agriculture and fishery protection

1. Fishing Vessel Insurance:

Fishermen's livelihood depends on the sea and weather and we strive for providing them with extra layer of protection. Between 2009 and 2021, the accumulated premium income from fishing vessel insurance contracts totaled **NT\$432** million and are continuing to grow.

Fishermen rely on their fishing boats as they work hard to provide fresh fish for Taiwanese people despite the weather. To further protect the safety of the property of fishermen and maintain the stable development of their fishing boats for their livelihood, Union Insurance provides insurance coverage for fisherman's fishing vessel. Through prudent underwriting, environmental risk factors are carefully considered, while evaluating the background of fishing boat owners and how fish is caught. For example, those who use gillnetting to catch fish or those who have been caught for fishing in an illegal manner by competent authorities. Union Insurance will carry out strict assessment or even refuse to undertake their business. At Union Insurance, we strive for designing our products based on the rights and interests of policyholders as well as the development of environmental sustainability. We understand that earth's resources are limited and we make every effort to protect the ecological environment and continue to promote earth-friendly activities, including beach cleanups, in order to mitigate the environmental impact, conserve marine biological resources, while implementing the concept of sustainable management of the marine environment. As it is an important goal we pursue, we hope to leave clean environmental resources for future generations.

Business results for fishing vessel insurance for the past 3 years

Year	2019	2020	2021
Number of cases undertaken	140	147	157
Annual premium income	25,453,539	25,938,702	25,370,400
Growth rate	12.95%	1.91%	-2.19%

2. Date Weather Index Insurance: Farmers in Taiwan work hard to grow crops and are often faced with unpredictable risks and threats. Supporting and protecting Taiwanese farmers has always been our intention. In the 4th quarter of 2019, we introduced date weather index insurance, providing protection against agricultural damage caused by typhoons and windstorms in 7 districts in Kaohsiung city and 4 townships in Pingtung County. In 2021, in conjunction with the Agricultural Insurance Act, we participated in the agricultural insurance fund. Through the risk diversification mechanism of the fund, we consider the Company's risk diversification upon underwriting agricultural insurance to provide protection for farmers in order to maintain the Company's stable operations.

The Council of Agriculture has been proactively helping property insurance companies develop various types of crop insurance to transfer farmers' risks. In conjunction with the crop insurance program initiated by the Council of Agriculture, Union Insurance has applied to promote the "date weather index insurance" to the FSC. This product is a type of weather index insurance launched in the 4th quarter of 2019 based on the "typhoon wind speed" parameter. When the meteorological data reaches a certain range that leads to crop losses of date farmers, Union Insurance will provide relevant protection. The areas selected are: 7 districts in Kaohsiung including Yanchao, Alian, Tianliao, Dashe, Gangshan, Qishan, and Liugui and 4 townships in Pingtung including Gaoshu, Ligang, Jiuru, Yanpu, providing farmers with over 40 hectares of insurance coverage amounting to over **NT\$18** million. This product enables farmers to be protected in the event of a severe windstorm that results in crop damage, which is the most common cause of losses. In 2021, in conjunction with the Agricultural Insurance Act, we participated in the agricultural insurance fund. Through the risk diversification mechanism of the fund, we consider the Company's risk diversification upon underwriting agricultural insurance to provide protection for farmers in order to maintain the Company's stable operations.

Date Weather Index Insurance Business Results

Year	Number of cases undertaken	Annual premium income	Areas for Underwriting
2019-2021	84	2,752,947	Kaohsiung Yanchao, Alian, Tianliao, Dashe, Gangshan, Qishan, and Liugui

Natural disaster protection

1. Earthquake insurance:

Taiwan is located in a seismically active zone, where earthquakes occur frequently. The unpredictable earthquake risk may cause losses from time to time, and as a means to mitigate property losses resulting from earthquakes, we have underwritten over **559,000** policies of earthquake insurance including earthquake basic insurance since 2019, exceeding premium income of over **NT\$1,432** million.

In Taiwan, there are nearly 4 million of old houses over 30 years old and most of them are located in Taipei City and New Taipei City, with less than 30% of these houses meeting the new standards of seismic strength. From April 2002, we implemented the "residential earthquake insurance system" to make it mandatory for house buyers to take out earthquake basic insurance alongside residential fire insurance. The banks also inform that aside from residential fire insurance, earthquake basic insurance is mandatory upon taking a loan for mortgage. Based on the consideration of people, we have also designed a comprehensive home insurance policy designed for earthquake insurance for light damages, covering wall cracking, damage to movables and damage to home décor. Aside from earthquake insurance products, we also offer insurance products such as fire insurance, explosion, theft, accidental smoke damage, third party liability insurance, and residential glass insurance that people can consider to take out when planning property purchase. For example, for a house that is 132.2 square meter in size, residential earthquake insurance costs less than NT\$10 per day. Compared to the price of the house, the premium is relatively low and our current offers discount when taking out insurance online.

In recent years, the awareness for people to take out earthquake insurance and the concept of insurance have enhanced. The residential earthquake insurance system has been implemented for 18 years since 2002 and as of February 28, 2022, the cumulative liability for residential earthquake insurance amounted to **NT\$5,617 million**, with effective policies totaling **3.35 million** and a national average coverage rate of 37% (based on 9.07 million residential households nationwide). Compared to the insurance rate of other countries that have implemented non-mandatory residential earthquake insurance such as the U.S., Japan and European countries, Taiwan has the highest insurance coverage rate, and residential earthquake insurance continues to grow. However, even though the insurance coverage rate for residential earthquake basic insurance has exceeded 36%, two-thirds of the houses in Taiwan are uninsured. Given this, there is still room to enhance the concept of earthquake insurance.

Business results for earthquake basic insurance for the past 3 years (residential fire)

Year	2019	2020	2021
Number of cases undertaken	179,021	186,467	190,077
Annual premium income	240,776,918	254,851,897	260,142,199
Growth rate	1.68%	5.85%	2.08%

Business results for earthquake insurance for the past 3 years (commercial fire)

Year	2019	2020	2021
Number of cases undertaken	1,299	1,317	1,315
Annual premium income	224,408,639	226,298,952	225,930,515
Growth rate	6.56%	0.84%	-0.16%

2. Typhoon and flood risk insurance

Summers in Taiwan are prone to typhoons, which may cause potential loss of life and property. To ensure protection in the event of a natural disaster, we have accumulated more than **2,800** typhoon and flood risk insurance policies since 2019, with premium income of more than **NT\$459 million**.

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2.2 Listen to Demands and Customer Satisfaction

Union Insurance values the feedbacks of customers significantly, and listening to the demands of policy holders is essential to the Union Insurance's management of long-term of customer relationship. Through customers' feedbacks, Union Insurance accepts corrections and recommendations humbly in order to continuously improve deficiencies and to increase the customer satisfaction with the best effort continuously. To become the most trustworthy insurance band to policy holders is the goal of Union Insurance, exerting effort in value realization. Union Insurance looks forward to conveying the team's effort and care in product and service provision to all customers for their choice of product and service of Union Insurance, thereby achieving Union Insurance's commitment to protect this land and allowing "Union Insurance" to become the customers' priority choice.

"Empathy" is one of the core values essential to the business philosophy of Union Insurance, and the company aims to convey the message that the team of Union Insurance has always considered and handled matters from the customers' perspective at all time, in order to provide services and handle matters via the understanding approach with empathy. Accordingly, customers may then feel Union Insurance's respect for all customers, and fulfillment of corporate social responsibility may also be achieved via specific action plans, thereby implementing social responsibility to all employees in a top-down manner. As a result, quality and proper services can be provided in order to establish the sustainable brand image of Union Insurance and to continuously establish an excellent reputation with great customer recognition.

- Customer service personnel satisfaction in 2021 was 99.6%
- Compensation satisfaction in 2021 was 97.5%
- Ombudsman rate in 2021 was 0.099
- In 2021, there were approximately 12,308 case of road rescue cases, and the satisfaction was 98.3%
- Implemented Information Security Management System and acquired ISO 27001 certification approval
- Completed the construction of personal information management system, and acquired BS 10012 certification approval
- Announced the Notifications for Performance of the Obligations under the Personal Data Protection Act
- The number of substantiated complaints regarding concerning breaches of customer privacy and losses of customer data in 2021 was zero



Customer satisfaction

To continuously improve customer satisfaction, Union Insurance upholds the customer-oriented business philosophy. Union Insurance provides 24H uninterrupted service to customers, and has established 0800 toll-free customer service direct line and has also set up the "Contact Us" in the customer service section of the company's website. Union Insurance provides consultation on the insurance product instructions of each product type and the service items of policy holder compliant service, insurance inquiry, insured accident reporting and compensation mater, insurance policy error correction, and payment status inquiry. Furthermore, the official social platforms of Union Insurance LINE official account and Facebook fans page and YouTube channel have been established, in order to allow customers to obtain the Syan latest company information on each social platform. Customers may also use the LINE official account and Facebook fans page to submit relevant feedbacks directly. Through diverse customer communication channels, policy holders are able to understand that Union Insurance value customers' voices significantly and listens to their comments, in order to use such information as the review and correction references, thereby effectively reducing customer or consumer discontent, and increasing satisfaction.



24-hour customer service

Since 1998, Union Insurance has set up the 24-hour 0800 toll-free customer service direct line, such that when a policy holder has any question, he or she may contact the customer service direct line at any time, and the customer service personnel are standby to provide professional services to customers, and to answer relevant questions policy holder may have.



Policy holder service and complaint center

To enhance the customer service, improve service quality, promote business growth and cooperate with the establishment of complaint system, this center was established in 1985 in order to handle customer complaints.



Online customer service center

The customer service section on the company website of Union Insurance is set up with "Contact Us". For various types of insurance product instructions and service items of policy holder complaint service, insurance inquiry, insured accident reporting and compensation matter, insurance policy error correction, payment status inquiry, etc., prompt inquiry can be provided.



Official LINE account

To provide convenient and simple services to customers, Union Insurance has set up Union Insurance official LINE service account on the communication software LINE, allowing customers to use mobile phones and to use LINE in order to provide relevant comments of policy holders and also receive the relevant latest information

Comprehensive satisfaction survey

To continuously improve service quality, after performing satisfaction survey, Union Insurance implements improvement measures on items of low satisfaction, in order to treat the recommendations of each user as the cornerstone for improvement of Union Insurance, thereby implementing customer relationship management and improving service quality comprehensively. Particularly, for the service status of customer service personnel, compensation closure cases, road rescue service cases, customer satisfaction survey is conducted periodically in order to understand the opinions of customers and to determine whether the company personnel have properly handled customer related issues. In addition, the responsible unit is also requested to provide response according to the "Customer Feedback Record Form" within the time limit in order to swiftly respond to the customer's needs. In addition, definite reward and penalty regulations have been established such that through internal service quality evaluation, outstanding employees are publicly announced and encouraged.

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Customer service personnel perform post-communication satisfaction survey daily

In 2021, the customer service personnel satisfaction survey was divided into two items of "Whether customer is satisfied with the attitude of customer service personnel" and "Whether the explanation provided by the customer service personnel is clear".

- For the customer service personnel attitude satisfaction survey, 99.6% of interviewees indicated their satisfaction.
- For the customer service personnel's clear explanation satisfaction survey, 99.5% of interviewees indicated their satisfaction.

Compensation satisfaction survey

100 compensation cases confirmed in the previous month are inspected monthly. In case of any comment of discontent, the responsible unit shall reply with the "Customer Commend Improvement Report" and list it in the record for review.

In 2021, the compensation satisfaction survey conducted a survey on a total of four items:

- Service attitude of compensation personnel
- Whether the compensation personnel make contact timely
- Whether the explanation of the compensation personnel is clear
- Whether the customer is satisfied with the compensation operation time

In 2021, the compensation satisfaction was 97.5%, an increase of 0.1% from last year's 97.4%.

Road rescue satisfaction survey

100 compensation cases confirmed in the previous month are inspected monthly. In case of any comment of discontent, the road rescue company shall reply with the "Road Rescue Service Customer Comment Improvement Report" and list it in the record for review. In 2021, the road rescue satisfaction survey conducted survey on a total of four items:

- Telephone answering attitude of customer service personnel
- Satisfaction on the waiting time on telephone line
- Satisfaction on service attitude of tow truck driver
- Satisfaction on arrival time of tow truck

The road rescue satisfaction for January~December 2021 was 98.3%.

Customer appreciation record

We called to praise Mr. Ching-Chih Teng, a claims adjuster who handled claims in a responsible manner. Not only he made a proactive approach to deal with relevant matters, he also sacrificed his own holiday for settlement and mediation matters. His attitude for service is excellent that led to satisfactory results.



I just received a call from Mr. Teng reminding me of the details of the claim. I think he was very considerate and his supervisor should be made aware of his thoughtfulness.
As a number of incidents occurred in recent years, claims adjuster from different companies have helped me. Of these claims adjusters, only Mr. Teng's service amazed me. Not only he processed my claims in a detailed manner, he also showed his care for me by reminding me of the details of the mandatory application. Although it was only a phone call, I felt very warm inside.

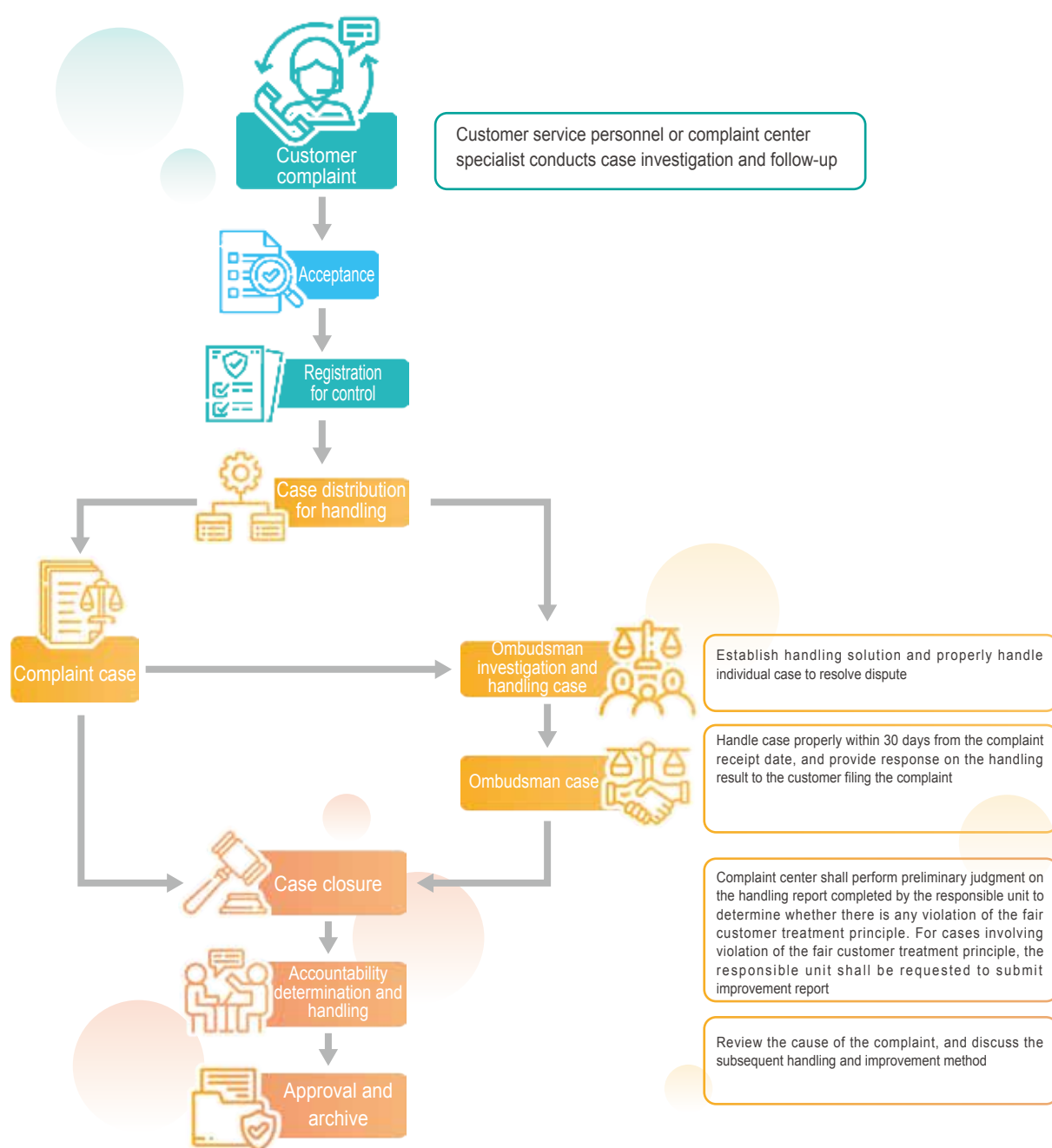


Diverse communication and complaint channels

It is Union Insurance's priority to protect customers' interests, allowing customer complaint cases to be handled in a harmonic manner satisfied by the customer. Accordingly, Union Insurance has established the "Policy Holder Service and Complaint Center" to handle customer complaint issues. On March 7, 2011, the "Union Insurance Financial Consumer Dispute Handling System" was established in order to timely manage the handling process and control nodes, thereby improving the case handling efficiency, and transforming customer complaints into trust. In addition to the protection of the interests of the complainants, the complaint center also distributes cases for handling according to the fair customer treatment principle.




In view of the change in digital development trend, to service policy holders with great care, Union Insurance provides convenient and around-the-clock diverse communication and complaint channels to customers. Customers can file complaints via different channels, such as contact via 24-hour customer service direct line, LINE, Facebook, and proceed to counter for submission in person, postal mail, e-mail, etc.

Complaint Handling Flow Chart



Service for the elderly and those with disabilities (financial friendly services)

With regard to the social participation aspect, Union Insurance not only creates a friendly environment for the internal of Union Insurance but also expands further to external services. In accordance with the Financial Friendly Service Standards for the Insurance Industry Union Insurance focuses on providing friendly and convenient services to senior citizens and disabled, and has established the "Financial Friendly Service Section" on Union Insurance's website. We also provide dedicated person reservation service and dedicated person counter service to help with insurance policies, contract changes (contract amendments) or other insurance-related issues. Furthermore, we also provide reading glasses at physical business locations for customers' use. Moreover, we also enhance relevant education and training on friendly service provision for all employees, in order to implement a friendly service environment and provide services to senior citizens.

Item	Financial friendly service
 <p>Provide a friendly environment and services</p>	<ul style="list-style-type: none"> Financial friendly service section on the website: We make announcements on the website including the Insurance Financial Friendly Service Standards and friendly service measures and dedicated personnel for making appointments. Environment: If there are no barrier-free facilities in its business offices, personnel at the counter provide help to people with disabilities in related businesses. Communication service: To help people with disabilities at the counter, we fully inform the information required. We help them fill out relevant application forms and provide appropriate friendly services that are suitable according to their personal needs. Rights protection: As a means to protect the rights and interests of people with disabilities, we provide a customer service center message system on our website as well as 24-hour 0800 service hotline.
 <p>Employee education and training</p>	<ul style="list-style-type: none"> We enhance the understanding and fair treatment of our employees towards customers with disabilities through relevant education and training courses in accordance with the Convention on the Rights of Persons with Disabilities and Insurance Financial Friendly Service Standards.
 <p>Sign language service</p>	<ul style="list-style-type: none"> According to the data of the Ministry of Health and Welfare, there are 140,000 people with hearing impairment in Taiwan, and sign language is one of the ways for them to communicate with the outside world. We ensure the rights and interests of people with hearing impairment through effective communication methods so that they understand insurance products and services. We also provide financial friendly services to the disadvantaged groups without difference. As well as this, the headquarters of Union Insurance also offers a "sign language translation service", helping customers with hearing impairment better understand insurance business in the course of taking out a policy. Based on this idea, we have established a sign language club, inviting all employees to take part so that the "sign language translation service" can be offered in all branches in Taiwan.

Vehicle accident scene small compensation instant compensation payment service

Union Insurance continues to improve the service quality and services customers with empathy. Union Insurance provides disaster compensation insurance service and also provides comprehensive professional damage protection service to customers, in order to effectively reduce accident risk. Union Insurance provides appropriate risk management and risk control or improvement plan to customers, in order to allow customers to develop business securely and stably. In addition, for small vehicle accidents, to allow policy holder to seize the settlement timing during the time of accident occurrence, Union Insurance has launched the "Vehicle accident scene small compensation instant compensation payment service" in 2021, and for cases where both parties reach agreement and the compensation amount not exceeding NT\$10,000, once the compensation staff is at the accident scene to negotiate with the other party to reach an agreement, settlement letter can be signed onsite, and Union Insurance then remits the compensation amount to the other party's account online directly. With the compensation amount remitted swiftly to the other party's account, the willingness for settlement is increased, thereby reducing the costs of police official procedure, judgment, identification time and social cost, and eliminating subsequent complicated compensation procedures of the policy holder.

2.3 Digital Innovation and Inclusive financing

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Management directive	
Major topic	Digital finance
Policy direction	Through digital technology power, continue to provide convenient and quality service to customers
Core objective	Continue to optimize the digital finance platform, and provide diverse digital marketing and insurance services
Performance outcome	In 2021, 95,959 electronic policies were issued, an increase of 50% from 2020
Action plan	Use LINE official account and Facebook fans page to maintain popper interaction with policy holders and consumers, perform BigData analysis on the network use behaviors of users, in order to optimize the website content

Management Method	
Resource investment	Information Department provides relevant personnel to construct system
Feedback mechanism	Internal and external complaint channel Official LINE account Facebook fans page Company's website
Evaluation mechanism	Internal and external audit

Digital performance:



- Online insurance application products have been released: Automobile insurance (compulsory insurance, voluntary insurance), residence fire insurance and home comprehensive insurance, travel safety insurance (Taiwan basic type, overseas economic type, overseas premium type - travel safety insurance - inconvenience insurance - overseas medical, overseas safety type, Schengen premium type, marine activity insurance), mobile telephone insurance), providing comprehensive protection and coverage timely.



- Online payment mechanism: To provide prompt and convenient insurance application service, Union Insurance online insurance application and online insurance policy submission can be made with online credit card payment or bank account remittance in order to replace the traditional payment paper slip, thereby saving energy and carbon reduction and accelerating the process, as well as contributing effort to the environmentally sustainable operation.



- Official LINE account: Union Insurance's LINE account was officially launched in 2019 and the one-on-one service is available. Combined with the automatic keyword reply function, we are able to help policyholders quickly solve frequently encountered issues at all times.



- Facebook fans page: Union Insurance has set up an editor specialized for Facebook fans page in order to respond to questions from policy holders irregularly on a daily basis. Policy holders can feed back various questions via private messages or public messages, and the question and answer records are preserved, in order to ensure that all questions of policy holders are answered.

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- Electronic insurance policy:

To cope with the FinTech application development and in response to green energy and environmental protection, Union Insurance continues to promote the use of electronic insurance policy. Each policy is certified by a third party to ensure proper personal information security. In the future, Union Insurance will continue to promote and encourage policy holders to replace paper policies with electronic policies, in order to contribute effort to the environmental sustainability jointly. In 2021, the number electronic insurance policy: issuance was 95,959 policies.



- Digital compulsory insurance card:

Since July 1, 2018, automobile compulsory electronic certificate was activated online. According to the statistics, from January 1, 2021 to December 31, 2021, a total of 780,224 automobile compulsory electronic insurance certificates were issued.



- Electronic clauses:

To facilitate the policy holders' reading of policy causes, since March 2020, Union Insurance has provided the option of paper policy and electronic clauses to health and injury insurance policy holders. In addition, since October 2021, to expand the service of policy holders of automobile insurance and residence fire insurance, policy holders can use the method of scanning QR Code on the policy in order to link to the company's website for downloading and reading policy clauses. Up until December 31, 2021, a total of 233,281 policies opted for the e-Clause service.

Diverse payment mechanism:

- Diverse payment method providing convenient and fast service. Regardless of the location of customers and the type of preferred payment method, Union Insurance provides various payment channels to satisfy different customer demands, including such as payment at convenient store and electronic payment, such that various payment methods are supported by Union Insurance, demonstrating Union Insurance's care to satisfying customers' needs.
- Cross-industry cooperation with banks:
Union Insurance collaborates with Taiwan Cooperative Bank in cross-industry alliance in order to expand the industry scale and to allow policy holders to pay premium on the mobile online banking of Taiwan Cooperative Bank, thereby increasing the convenience and mobility of payment for policy holders. In addition, Union Insurance also allows policy holders to use the three payment tools of account transfer, ATM card and credit card, such that policy holders can make payments conveniently via electronic means without proceeding to the counter for payment. Accordingly, payment tools are more flexible and policy holders can prevent the occurrence of missing payment of premiums easily.
- Taiwan Pay:
Electronic payment has become a popular trend, and Union Insurance provides Taiwan Pay payment method to allow policy holders to have convenient and diverse payment channels. Policy holders can use QR Code scanning function and then select ATM card or account as the payment tool to make payment, allowing policy holders to complete payment via mobile payment method, such that the payment is made easily for policy holders.
- Convenient store payment:
Taiwan is a country with the second highest density of convenience stores in the world. For senior users not familiar with 3C operation, payment at a convenience store is a convenient and fast choice for payment. Union Insurance's barcode payment service allows policy holder to payment premium during their purchase of goods at any convenience stores, thereby combining the payment with daily shopping, bring insurance closer to living and becoming part of daily lives of policy holders.

Online insurance application amount

- Since our service for people to take out an insurance policy became available online in April 2017, we have received a total of 84,878 online policies as of December 31, 2021, amounting to premium income of NT\$206.55 million.

Taking out a policy online with us is convenient and quick. Regardless of time, where people have any needs for property insurance, they are able to take out a policy on Union Insurance's online policy website. At present, insurance products available online are: motor and motorcycle insurance (compulsory and optional), residential fire insurance and comprehensive home insurance, travel insurance (Taiwan basic, overseas economy, overseas deluxe - travel insurance + inconvenience insurance + overseas medical, overseas safety, Schengen deluxe, marine activity insurance), and mobile phone insurance.

On our online policy website, we provide the best navigation interface and the smoothest user experience, allowing policyholders to quickly complete complex procedures such as premium calculation, policy application form filling, underwriting, payment and bill issuance. This service enables policyholders to take out a policy online via a computer or mobile device anytime and anywhere, saving them the time of traveling or searching for a salesperson.

Moreover, we also further analyze the footprint of users visiting our website in order to make improvements on the user interface. Based on their habits, we recommend the most suitable deals and services while continuing to optimize the website content, insurance and customer service process. In addition to providing a service that allows people to take out a policy online, online payment, policy inquiry, policy approval application, and form download are also available. We have combined the existing advantages of service channels all around Taiwan to move towards the development of Omnichannel service transformation.

Blockchain technology

As flight delays are the most common unexpected situation when traveling abroad, we have vowed to provide more thoughtful and convenient services to policyholders and are committed to informing as quickly as possible in the event of an incident. In 2018, we were the first one in Taiwan to launch "flight delay claims notification service" - if a flight is delayed for 4 hours including connecting flights, the policyholder will receive an SMS from us for subsequent claims application, saving time for policyholders for having to inquire about the claims process and the hassle of forgetting to file a claim after landing. Policyholders can receive claims by providing proof of the flight delay and other relevant claim documents, thoroughly protecting the rights and interests of policies. In 2019, the care service was further upgraded, and Union Insurance established the "Compensation Progress Inquiry Platform" specialized for the flight delay. Through such platform, passengers are able to clearly understand the case handling process, whether compensation application is successful, or when the compensation can be received, and whether omission of application occurs, in order to solve all questions and doubts policy holders may have.

Aside from applying the blockchain technology for flight delays, we also use it to target injury and health insurance to meet the needs of policyholders. In doing this, we hope to use the technology in parallel for medical pay-as-you-go and day-rate insurance products, helping customers keep abreast of the progress of claims in a timely manner. Due to this, customers can enjoy the convenience and immediacy brought about by technology and the thoughtfulness of our digital services.

Digital innovation

- Facebook fans page, LINE official account, YouTube channel digital new services
At Union Insurance, we insist on innovative services and we think about how to provide quick services to policyholders to fulfill their all-round protection needs. In recent years, with the popularity of digital media, diverse digital channels exist in the living of the policy holders of Union Insurance. Accordingly, Union Insurance has continued to expand the digital service in recent years in order to provide a user interface of easy operation through various digital social platforms, allowing policy holders to obtain desired information and services. In 2019, Union Insurance set up the official social platforms of Facebook fans page, LINE official account and YouTube channel, allowing customers to obtain the company's information timely on each social platform, in order to understand the concepts conveyed by Union Insurance to policy holders. Regardless of the type of PC or mobile devices used, policy holders are able to communicate with Union Insurance via diverse channels, in order to enhance interaction and to effectively listen to as well as satisfy the demands of policy holders or consumers. Furthermore, through the real person one-on-one interaction trace, the operation method or handling process can be reviewed and improved.

Union Insurance believes that the purpose of technology advancement is to provide the optimal service experience to policy holders, and comprehensive assistance can be provided to customers in all aspects of the business. In addition, as customers' questions can be responded or solved timely through diverse channels at all time, Union Insurance is able to maximize the protection of the interests of each policy holder or consumer.

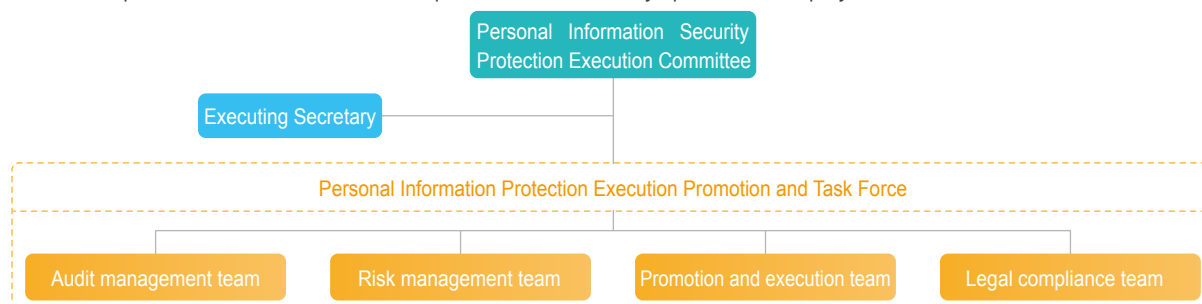
2.4 Complete Information Security Protection

Management directive	
Major topic	Information security
Policy direction	Protect the customer and personal information privacy and interest
Core objective	The number of information security (personal information) event reporting is zero, and the social engineering drill click-through rate is below 5%
Performance outcome	<ol style="list-style-type: none"> 1. Implemented Information Security Management System and acquired ISO 27001 certification approval 2. Prepare computer system information security assessment operation report annually 3. Two times of social engineering drill clicking rate in 2021 was within 5% 4. Submit information security monthly report on a monthly basis, and zero information security reporting event in 2021 5. Construct WVD tool, and use two-factor certification to enhance system security
Action plan	<ol style="list-style-type: none"> 1. Through personnel, operation and information technology management, Union Insurance ensure that the information platform information processing operation can be operated securely and effectively, and the information security management system (ISMS) based on the principle of "Plan(P)-Do(D)-Check(C)-Act(A)" is established. 2. According to the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises", "Self-governance Regulations for Insurance Enterprises Implementing Information Security Protection" and relevant regulations of the competent authority, information security protection and social engineering drill are performed. Through various information security assessment operations, information security threats and vulnerabilities can be found in order to improve and enhance the network and information system security, thereby fulfilling the responsibility of customer data protection and management.

Management Method	
Resource investment	Implementation of information security management system (ISMS), Self-governance Regulations for Insurance Enterprises Implementing Information Security Protection
Feedback mechanism	Union insurance toll-free customer service direct line, mail written letters to Union Insurance business office for handling, or submit letters to feedback mailbox of Union Insurance
Evaluation mechanism	Verify the company's return visit inspection result, the number of information security (personal information) event reporting, social engineering drill clicking rate, the number of information security assessment operation vulnerabilities and risks

Union Insurance Personal Information Security Protection Execution Committee Structure

Union Insurance has established the "Personal Information Security Protection Execution Committee", and the President supervises the overall operation of the personal information protection management system of the company. In the daily operation management, the personal information protection management system based on the principle of "Plan, Do, Check, Act" is established in order to properly implement personal information protection and management measures. In addition, to continuously improve the professional knowledge and skills of employees on personal information protection and management, Union Insurance organizes personal information protection management education and training for all employees, and through the method of promotion of relevant laws, the company continues to invest resources in order to integrate the personal information protection awareness into the corporate culture and daily operation of employees.



Customer privacy protection

- In 2021, Union Insurance strengthened the identification of personal information complaints. After confirmation, there were no violations of customer privacy or loss of customer information.

Under the digital wave, the world's financial system has entered a new generation, leading to transactions of many products being completed online. Although this is convenient and quick, there are also risks. Union Insurance continues to refine the management model of its information security while at the same time strengthening the defense capabilities. By implementing personal information protection, policyholders who trust Union Insurance are able to purchase online insurance in a safe and secure online environment. We take the personal information of policyholders very seriously. No only are our information operations are in compliance with international security standards, they also meet domestic and international information security laws and regulations. This demonstrates our commitment and insistence on the personal information security of customers.

To protect the security of customer personal information, we abide by current regulatory requirements, including the "Personal Data Protection Act", "Enforcement Rules for the "Personal Data Protection Act", "FSC-designated Non-Public Institutions to Maintain the Security of Personal Information Files". Furthermore, as required by external laws, we have established a "Union Insurance Personal Information Management Policy" and various "Personal Information Protection Management Procedures".

In 2014, we completed BS 10012 personal information management system (PIMS) and the certificate is valid until October 2023.

In 2017, we introduced ISO/IEC 27001 information security management system (ISO/IEC 27001:2013 information security management system (ISMS) and the certificate is valid until June 2023.












Union Insurance's information security strategy is carried out by focusing on information security governance, regulatory compliance and technology application. From system to technology, from personnel to organization, from the inside to the outside, we examine all stages of information security step by step and make improvements, fully enhancing information security protection capabilities.





Continue to improve personal information protection management system

At Union Insurance, we have always been cautious about information security issues. We continue to improve the Company's information security capabilities and have formed a dedicated information security unit to review and control information security risks, preventing the leakage of customer privacy and information. We emphasize the confidentiality and security of customer information. On the Company's website, there is a "Personal Information Notice and Privacy Statement" section to legally collect, process and use customer information within the legal range. We also have a control mechanism in place to fulfill our responsibility of protecting customer information and have formulated information protection management-related standards. Employees of the Company must comply with relevant standards in a strict manner while at the same time reviewing the appropriateness of these standards. According to the Company's personal information protection-related policies, the Company shall clearly define the responsibilities and obligations of employees in its operation of the personal information protection management system. Where customers have concerns regarding personal information leakage, they can file their concern via Union Insurance toll-free customer service direct line, suggestion mailbox on the official website or operating bases of each branch. The unit accepting the concern will notify the unit responsible to identify whether it is a personal information infringement case. Once it is confirmed to be a personal information infringement case, the case is handled in accordance with the "Personal Data Protection Act", "Personal Information Security Incident Prevention, Notification and Response Procedures" and applicable regulations.

2021 information security improvement focus

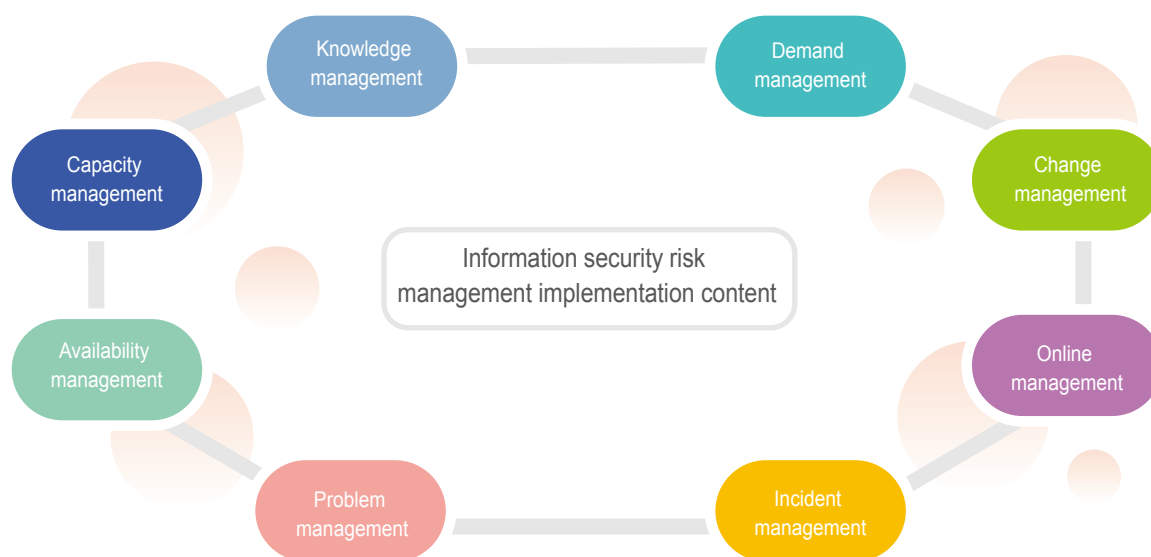
Item	Management standards
 <p>Outgoing mail audit system (mail audit)</p>	<p>The system automatically checks the contents of outgoing mail and establishes a sensitive information encryption mechanism. This way, we prevent sensitive information to be sent by mistake or improper use of mails by third parties that may damage customers' rights.</p>
 <p>Control of company internal personal computer USB devices and CD-ROM</p>	<p>The access rights of USB flash drives and memory cards are strictly controlled as well as the burning functions of CD-ROM. They must be scanned for viruses prior to use to prevent malicious programs and leakage of important business information and customer personal information.</p>
 <p>Active intrusion protection system (IPS)</p>	<p>An intrusion protection system is used with built-in security features to protect the Company's important information assets within the Company from hackers. As well as this, detailed alert reports are also generated to control threat information.</p>
 <p>External network protection</p>	<p>Establish WAF information security equipment and DDos protection service and strengthen external network protection to improve information security.</p>
 <p>Computer Internet management</p>	<p>We have established internal regulations and regularly promote information security information and provide employee education and triaging courses on information security. By strengthening information security equipment monitoring and management, we are able to build anti-virus and anti-hack capabilities to ensure the security and reliability of computer operations.</p>
 <p>Server host management</p>	<p>According to the ISMS, there is a dedicated personnel responsible for server hosts. There are also network segments such as DMZ, OA and server farm to control the authority of the segment. The establishment, change, update, maintenance and disposal of server hosts are handled in accordance with relevant procedures, with records retained for management.</p>
 <p>Regular information security protection exercise</p>	<p>DDoS protection exercises are conducted from time to time to strengthen the information security mechanism.</p>
 <p>Signing "Mail information security certificate"</p>	<p>Each year, at least 2 email social engineering exercises are conducted. Our employees must sign the "mail information security certificate" and stay alert when using emails.</p>
 <p>Update the latest news regarding security information</p>	<p>We receive financial information security information sharing and information from the F-ISAC to improve the ability of information security response and protection. All employees of the Company are notified of information security information in order to enhance their awareness on information security.</p>
 <p>Introduction of privileged system tools</p>	<p>Monitor privileged connections in real time and disconnect them as necessary. Tamper-proof video recording and secure storage audit trails.</p>
 <p>Employee account behavior analysis system</p>	<p>Active detection of host abnormalities or execution of procedures which notify the system administrator in the event of an abnormality. Detect information security incidents including brute forces and remote code attacks.</p>

Item	Management standards
 Build WVD tool	Use two-factor authentication to enhance system security
 Hold information security team meetings	Senior supervisors hold a security information team meeting each month to promote top-down information security governance. By establishing an organizational culture that focuses on information security, we ensure continuous system operations and data security.

Improve risk control capabilities

- In 2021, we held 2 email social engineering exercises, with click-through rates below 5%.

We invest in WAF information security equipment, monthly DDoS protection services, and conduct information security assessment each year to reinforce information security. At the same time, we develop stringent information service process management for service demand to completion of online. We establish demand management, change management, online management, incident management, problem management, capacity management, availability management and knowledge management on the basis of asset management. We focus on risk management and handle information security management in a strict manner.



In 2017, we introduced ISO/IEC 27001 information security management system (ISO/IEC 27001:2013 information security management system (ISMS) to reduce organizational information security weaknesses, improve organizational risk control capabilities, and strengthen customer information security protection. By doing this, we are able to achieve the purpose of personal information protection and prevent the leakage of private information, and further achieve sustainability.

Union Insurance participated in the information security DDoS exercise held by the FSC as a representative of the property insurance industry and received an excellence award from the government. Implement the "financial information security action plan" policy to improve the Company's information security governance capabilities and standards to ensure continuous system operations and information security. In 2021, we held 2 email social engineering exercises, with click-through rates below 5%. The information security awareness of our employees is high and our monthly information security management target is zero information security incidents. As well as this, a security information team meeting also takes place each month, showing layers and layers of protection for customer information.

03

Employee Care and Talent-oriented Development

- 3.1 Employee Care
- 3.2 Talent Cultivation for Cornerstone of Union Insurance
- 3.3 Employee Rights and Interests



Management directive	
Major topic	Remuneration and welfare
Policy direction	<ul style="list-style-type: none"> Implement "Same remuneration for same job" and reward differentiation policy, in order to construct a complete employee welfare system Provide a safe and healthy working environment
Core objective	<ul style="list-style-type: none"> 100% of all employees completing the performance evaluation 100% of employees participating in health examination according to government's laws
Performance outcome	<ul style="list-style-type: none"> According to the Employee Performance Evaluation Operation Regulations, all employees satisfying the evaluation qualification have completed the evaluation
Action plan	<ol style="list-style-type: none"> According to the performance evaluation policy, establish strategy goals and link to performance evaluation Use the evaluation result as the basis for employee remuneration, promotion, training and development, in order to achieve win-win situation for the company and employees Establish "Employee Welfare Committee" according to the Employee Welfare Fund Act, and convene meetings periodically to discuss how to further improve the welfare measures of the company Specify participation qualification criteria: full-time employees on-board for one full year are entitled to the health examination During the period specified, employees may select a preferred day and apply for half-day paid leave for health examination in order to proceed to the cooperating hospital for health examination Employees that have completed the health examination on their own cost for the current year, may apply for a fixed amount subsidy with the receipt
Management Method	
Resource investment	<ul style="list-style-type: none"> Depending upon the profit status of the current year The company invests NT\$2.5 million, and it is planned and handled by the professional nurse hired by Union Insurance
Feedback mechanism	Labor-management meeting, Remuneration Committee, Employee Benefit Committee
Evaluation mechanism	Performance evaluation, health examination event review

3.1 Employee Care




Union Insurance complies with the regulatory policy completely to prevent any discrimination, implement gender equality, treat all employees properly and create a friendly and co-pros pous working environment. The company focuses on talent development and establishes a workplace suitable for career development of employees, in order to allow employees to have secure and comfortable workplace with excellent communication channels, which is also the commitment of the Union Insurance to all employees. In addition to a complete remuneration and welfare system, the company cares for the physical and mental health of all employees, and plans a complete talent training system in order to assist employees in developing their expertise and skills at work. Furthermore, Union Insurance also offers proper and complete promotion channel, which is considered an essential factor in the company's sustainable development. Union Insurance seeks talents actively. In terms of employment, Union Insurance has established a set of standards for talent retention superior to other operators in the same industry. In addition to providing a comfortable and friendly office environment, Union Insurance also provides diverse learning resources to employees, allowing employees to accumulate insurance related professional knowledge and skills swiftly. The complete remuneration and welfare policy and planning of Union Insurance are superior to other operators in the same industry. Union Insurance ensures that all employees exerting efforts at work are able to receive a fair corresponding return, allowing employees to take pride in their works and to continue to exert effort for the big family of Union Insurance. Union Insurance will continue to fulfill the commitment of providing a fortune workplace to employees, and is dedicated to continuing to establish a company that all employees are proud of.

3.1.1 Employee Composition



In 2021, the total number of employees of Union Insurance was 1,116 people, including 1,115 full-time employees, with 511 male employees (46%), 604 female employees (54%); one part-time employee is a male employee.

In 2021, the total number of new employees of Union Insurance was 143 people, and the ratio of new employees was 13%. The total number of resigned employees was 158 people, with a resignation rate of 14%. IF the non-voluntary resignation, such as retirement, severance, then the resignation rate was 11%.

In addition, to cooperate with the government's policy promoting the employment of disabled and establishment of co-prosperous working environment, Union Insurance has established a diverse workplace and also actively employs disabled and aboriginal employees. Up to the end of 2021, Union Insurance has employed a total of 14 disabled employees and 2 aboriginal employees.



2021					
Item	Age	Male	%	Female	%
 Total number of employees	Under 30 years old	88	17.2%	113	18.7%
	31~50 years old	265	51.7%	332	55.0%
	Above 51 years old	159	31.1%	159	26.3%
	Subtotal	512	100%	604	100%
 Total number of full-time employees	Under 30 years old	88	17.2%	113	18.7%
	31~50 years old	264	51.7%	332	55.0%
	Above 51 years old	159	31.1%	159	26.3%
	Subtotal	511	100%	604	100%
 Number of part-time employees	Under 30 years old	0	0	0	0
	31~50 years old	1	100%	0	0
	Above 51 years old	0	0	0	0
	Subtotal	1	100%	0	0

Up to 2021/12/31

Item	Age	Gender	Number of people	Ratio
 Management position employees	Under 30 years old	Male	0	0%
		Female	0	0%
		Subtotal	0	0%
	31- 50 years old	Male	78	61%
		Female	50	39%
		Subtotal	128	100%
	Above 51 years old	Male	64	55%
		Female	53	45%
		Subtotal	117	100%
 General employees	Under 30 years old	Male	88	44%
		Female	113	56%
		Subtotal	201	100%
	31- 50 years old	Male	187	40%
		Female	282	60%
		Subtotal	469	100%
	Above 51 years old	Male	95	47%
		Female	106	53%
		Subtotal	201	100%

Note: "Management position employees" refer to employees bearing the administrative responsibility of other employees or units.

Up to 2021/12/31

Item	Age	Gender	Number of people	Ratio
 New employees	Under 30 years old	Male	26	38%
		Female	43	62%
		Subtotal	69	100%
	31- 50 years old	Male	36	49%
		Female	38	51%
		Subtotal	74	100%
	Above 51 years old	Male	0	0%
		Female	0	0%
		Subtotal	0	0%
 Resigned employees	Under 30 years old	Male	29	50%
		Female	29	50%
		Subtotal	58	100%
	31- 50 years old	Male	33	42%
		Female	45	58%
		Subtotal	78	100%
	Above 51 years old	Male	13	59%
		Female	9	41%
		Subtotal	22	100%

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3.1.2 Remuneration and Welfare System

To attract and retain outstanding talents, Union Insurance also encourages employees to continue to achieve business performance. Through industry salary survey conducted annually, the company measures the industry salary standard and structure, and also pays attention to the local economic development and price index in order to make appropriate adjustment, and to strategic increase the fixed salary ratio in the whole-year salary structure, thereby allowing the salary structure to be more competitive and to attract and retain relevant talents. Insurance financial market is competitive, and companies capable of retaining outstanding talents are able to continue to achieve outstanding performance. Union Insurance provides salary level superior to the industry, and periodically makes dynamic adjustment to the industry average salary, in order to ensure its leading position in the overall remuneration and welfare in the industry. The remuneration and welfare calculation method of the company complies with the laws and regulations in Taiwan, and the company upholds a fair and just attitude such that there is no discrimination due to gender, age, religion, race, marriage or political inclination. The company prohibits discrimination and prevents different remuneration for the same job. Employee remuneration is equal without differential treatment due to gender. All employees are treated fairly and properly for suitable positions. According to Article 35-1 of the Articles of Incorporation of Union Insurance, when there is a profit for a fiscal year, the company shall appropriate 1% to 5% as the remuneration of employees. In 2021, the company appropriated 3.4%, equivalent to NT\$28.5 million, for the remuneration of employees.

In the region of Taiwan, the number of "Full-time employees not at supervisor's position" was 1,038 people in 2021, and the mean salary was NT\$1,005 thousand, and the average welfare expense for full-time employee of non-supervisor position was NT\$1,115 thousand per person. The general entry level starting salary standard of Union Insurance is superior to the Labor Standards Act. For the average salary of male and female employees, the average salary of female management level is lower than that of male employees. In 2021, the average salary ratio of female/male employees at the management level was 78%, and it was mainly due to the work nature and content, and female employees were mostly for internal administrative works, such that male employees' average salary was relatively higher. In 2021, the average salary ratio of female/male employees of non-management level was 91%. In general, the remuneration and welfare provided by Union Insurance are competitive, and employees are entitled to various welfare items and facilities, in order to maintain stable work and living quality.

Average salary of full-time employees of non-supervisor positions

(Unit: NT\$1,000)

Item/Year	2019	2020	2021
Total salary of full-time employees of non-supervisor positions	998,320	1,061,067	1,043,109
Number of full-time employees of non-supervisor positions	1,012	1,039	1,038
"Mean salary" of full-time employees of non-supervisor positions	986	1,021	1,005
"Median salary" of full-time employees of non-supervisor positions	768	793	786

Average welfare expense of full-time employees of non-supervisor positions

(Unit: NT\$1,000)

Item/Year	2019	2020	2021
Total welfare expense of employees of non-supervisor positions	1,106,861	1,171,282	1,157,375
Number of employees of non-supervisor positions	1,012	1,039	1,038
Average welfare expense of employees of non-supervisor positions per person	1,094	1,127	1,115

Ratio of basic salary raise of female employees to male employees

Item/Year	2019		2020		2021	
Job rank	Male	Female	Male	Female	Male	Female
Management position employees	1	0.74	1	0.76	1	0.78
General employees	1	0.94	1	0.92	1	0.91

Note: based on the male employees

Unit: NT\$

2021	Male	Female
Entry level employee basic salary	26,460	25,140
(Statutory) entry level employee minimum salary	24,000	24,000
Multiples exceeding the statutory minimum salary	1.10	1.05

3.1.3 Retirement System

According to the retirement requirements of the Labor Standards Act and the Labor Pensions Act, Union Insurance appropriates labor pension reserve and appropriates pension fund monthly according to the laws and regulations.

In 2021, the company appropriated NT\$21,994 thousand to the Bank of Taiwan Trust Department for the labor pension reserve according to the old system requirements, and the pension reserve accumulated to NT\$354,458 thousand at the end of the year. In addition, the company also appropriates 6% of employees' monthly salary to the personal pension account of the Bureau of Labor Insurance for employees enrolled in the new labor pension system. The labor pension appropriated for the whole year has reached a total of NT\$33,079 thousand such that the retirement interests of employees are sufficiently protected.

3.1.4 Parental Leave

When an employee of Union Insurance has the parental needs, he or she may apply for parental leave individually, such that the employee is able to achieve balance between work and family without worries. In 2021, the company started to provide maternity allowance, and 13 employees applied for the allowance for 14 newborns. In 2021, the number of employees qualifying the parental leave without pay was 29 people (16 male employees and 13 female employees), and the actual number of employees applying for parental leave without pay was 7 people (7 female employees). In 2021, one employee for the reinstatement of job, and the reinstatement rate was 100%. In 2021, the retention rate for reinstatement from parental leave without pay was 100%.

Item/Year	2019			2020			2021		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees qualifying parental leave without pay	38	30	68	37	32	69	16	13	29
Actual number of employees applying for parental leave without pay	0	2	2	0	5	5	0	7	7
Total number of employees actually reinstated after parental leave(a)	0	2	2	0	4	4	0	1	1
Total number of employees required to reinstate after parental leave(b)	0	2	2	0	4	4	0	1	1
Reinstatement rate(%)=a ÷ b	0%	100%	100%	0%	100%	100%	0%	100%	100%
Total number of employees reinstated after parental leave without pay in previous year (c)	0	1	1	0	2	2	0	4	4
Number of employees applying for reinstatement after servicing for one full year in previous year(d)	0	1	1	0	2	2	0	4	4
Retention rate for reinstatement from parental leave without pay(%)=d ÷ c	0%	100%	100%	0%	100%	100%	0%	100%	100%

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3.1.5 Employee Welfare

In addition to the pursuit of economic sustainable development, Union Insurance provides fortune and friendly working environment to employees and also cares the physical and mental health and living quality of employees, allowing employees to achieve balance between work and living. Furthermore, comprehensive development is also one of the aspects valued by the company. In addition to statutory welfare, the company appropriates employee welfare fund reaching more than NT\$13 million annually. Union Insurance has established numerous welfare policies satisfying the physical and mental health care of employees. Union Insurance has established the "Employee Welfare Committee" according to the Employee Welfare Fund Act, and convene meetings periodically to discuss how to further improve the welfare measures of the company, in order to increase welfare of employees of the company. The welfare measures coordinated and handled by the Welfare Committee, General Affairs Department and Human Resource Department of Union Insurance include:



Various gift money/
consolation money

- Year-end bonus
- Three-holiday bonuses
- Birthday gift money
- Marriage gift money
- Maternity allowance
- Injury and sickness consolation money
- Funeral consolation money



Activity allowance

- Domestic employee travel
- Company club allowance (badminton club, softball club, table tennis club, bowling club, etc.)
- Employee education and training
- Year-end dinner party
- Periodic organization of various contests or employee sports game



Other welfares

- Employee shopping discount
- Irregular distribution of practical and care gifts
- Periodic health examination superior to regulatory requirements
- Group insurance

3.1.6 Occupational Health Promotion

People-oriented and care of employees' physical and mental health along with the provision of safe, healthy and friendly working environment to employees are the sustainable development objectives of Union Insurance. To enhance the employees' health management the actual methods adopted by Union Insurance include: periodic organization of employee health examination. However, due to the severe pandemic condition in 2021, it was suspended; nevertheless, employee health examination is scheduled to be implemented again in March 2022.

Union Insurance also encourages the establishment of sports clubs and provides club allowance. In addition, the company cooperates with the government to promote the "No-smoking Workplace" and further establishes tobacco hazard control related regulations, in order to protect non-smoking employees from hazards of second-hand smoke. In addition, to protect the interests of smoking employees. The company also establishes specialized areas for smoking based on the principle of open air area with ventilation. Union Insurance will continue to exert effort in promoting health living at workplace and to protect the health of employees, in order to create a fortune workplace and to improve the health index of employees.

Club name	Establishing unit	Number of club members	Number of activities
Bowling club	Headquarter	17 people	2
Table tennis club	Headquarter	12 people	46
Badminton club	Taoyuan branch	15 people	11
Slow softball club	Kaohsiung branch	15 people	6
Kaohsiung and Pingtung bowling club	Yushan branch	30 people	5



3.1.7 Working Environment and Personal Safety Protection Measures

To establish a safe working environment, Union Insurance has exerted efforts in occupational safety and health related issues for a long period of time, and the company believes that to extend the corporate life, safety and health are equally important issues as the economic development. Accordingly, the company has established a professional and dedicated executing unit to implement systematic safety and health management mechanism in a top-down manner, thereby implementing the safety and health management of the company. Union Insurance is committed to reducing the employee safety and health hazardous factors and providing a working environment for employee safety and health, including providing necessary health and first-aid equipment (AE), and implementing safety and health education and training periodically for employees, in order to prevent occupational accidents and to encourage employees to participate in health promotion activities.

Specific measures:

- (1) Union Insurance has installed a surveillance system and access control facility at the office area in order to rigorously control access personnel and to ensure personal safety of employees.
- (2) The company assigns dedicated personnel to perform office environment maintenance and cleaning, and the office is also sterilized periodically, and the internal renovation is performed to replace equipment timely.
- (3) The company pays attention to the office area's public safety and health and has also installed a breastfeeding room.
- (4) Weight scales, fully automatic electronic blood pressure monitors and AEDs are placed at fixed areas for employees.
- (5) Employee health exercise is implemented periodically.
- (6) Each toilet is installed with an emergency button to allow emergency reporting of employees.
- (7) Fire maintenance operation and first-aid training seminars are implemented periodically.
- (9) Health education section is established on the company's intranet to allow employees to inquire about relevant health information at any time.
- (10) Nursing room is established and full-time nursing staff is available to provide health care service and health consultation.

Occupational injury:

Under a series of protection measures of Union Insurance, the number of serious work injuries in 2021 was 0. 4 work injuries recorded were accident-related incidents occurred on the way to carry out a business duty. The Company has provided relevant resources to look after the health of employees.

Item/Year	2020	2021
Number of working hours	2,262,000	2,232,000
Number of death due to occupational injury	0	0
Death rate due to occupational injury	0	0
Number of severe occupational injury	0	0
Ratio of severe occupational injury	0	0
Number of occupational injury recorded	2	4
Ratio of occupational injury recorded	0.88	0.88

Note:

1. Number of working hours in one year: 1,116(number of people)*50(weeks)*40(working hours per week)
2. Severe occupational injury is defined as: Severe occupational injury refers to a patient cannot recover after an injury after a period of six months
3. All four occupational injury accidents refer to traffic accident in the course of job duties

3.1.8 Performance Evaluation

Union Insurance provides a stage for employees to exploit their talents and expertise, in order to encourage the team to contribute their professional skills and to implement company strategic goal, thereby achieving positive influence on others and promoting social development and co-prosperity. Employees' performance achievement level is examined annually in order to evaluate the individual performance of employees, and to assist employees in improving their career development. Union Insurance's performance evaluation complies with the "Employee Performance Evaluation Regulations" to adopt the principle of transparency and fairness, such that there is no difference due to gender, age, religion and other non-work performance factors. The evaluation mechanism allows employees and supervisors of all levels to sufficiently understand their own work objectives and future development blueprint in the future, and it is also used as the basis for the issuance of salaries and bonuses and the adjustment of job positions, thereby ensuring all employees are able to receive fair treatment and everyone has the equal promotion opportunity. In 2021, the ratio of employees periodically receiving performance and occupational development review was 94.89%. The employees not participating in the performance evaluation were mainly due to onboard service period less than half a year such that they did not meet the performance evaluation qualification.

Percentage of employees receiving periodic performance and occupational development reviews in 2021

	Male			Female		
	Total number of employees at end of report period	Number of employees receiving periodic performance and occupational development review	Ratio of employees receiving periodic performance and occupational development review	Total number of employees at end of report period	Number of employees receiving periodic performance and occupational development review	Ratio of employees receiving periodic performance and occupational development review
Management position employees	142	142	100.00%	103	103	100.00%
General employees	370	346	93.51%	501	468	93.41%
Subtotal	512	488	95.31%	604	571	94.54%



3.2 Talent Cultivation for Cornerstone of Union Insurance

Management directive	
Major topic	Talent cultivation
Policy direction	Enhance on-job training and increase employee value
Core objective	Continue to enhance employees' professional skills, and cultivate non-life insurance talents
Performance outcome	<ol style="list-style-type: none"> 1. Organize internal and external trainings irregularly domestically, including: <ul style="list-style-type: none"> - Internal training - organized 130 courses, total of 18,541 persons-time, for a total of 21,806.5 hours - External training - organized 141 courses, total of 583 persons-time, for a total of 3,314 hours 2. In 2021, the average training hours of employees was 22.57 hours
Action plan	<ol style="list-style-type: none"> 1. Organize internal and external trainings irregularly domestically, including: <ul style="list-style-type: none"> - Internal training-organize various underwriting, compensation and recruitment training courses - External training-assign personnel to professional institutions to receive non-life insurance professional training 2. Overseas: assign personnel to participate in international seminars, and develop new knowledge of employees and expand business planning

Management Method	
Resource investment	Excluding the required statutory courses, an additional NT\$250,000 is stipulated for the budget
Feedback mechanism	Course comment and survey form
Evaluation mechanism	Education and training evaluation

3.2.1 Talent Development with Perspective Vision

The talent development and educational training implemented by Union Insurance refer to more than course lecture training or course promotion, and various resources of the company are integrated and utilized in order to provide a comprehensive learning environment for employees, allowing each employee to have diverse learning platform and development opportunity. Learning growth and experience inheritance for the cultivation of outstanding talents in various fields are core values significant to the company. Union Insurance's education system improves personal knowledge and skills of every employees of Union Insurance.





The talent education and training of Union Insurance provides the "New employee general knowledge" and professional courses, and also provides "Occupational education and training", "Staged education and training", "Education and training on project knowledge" and "Knowledge sharing type of self-motivation education and training". Through different occupational trainings, new employees are able to become familiar with the job content swiftly and to blend in with corporate culture, thereby improving the corporate cohesion. In addition, customer service techniques particularly require the guidance of senior staff to act as the mentor for passing on their practical experience to the new employees. For senior employees, Union Insurance further encourages employees to challenge themselves and learn new skills in order to improve self-competency. Union Insurance also hires senior instructors to pass on the valuable experience to next generation continuously.

In 2021, the average training hours of each employee was 22.57 hours. In 2021, the average training hours of each employee voluntarily receiving training, it was 23.42 hours for each male employee, and 21.85 hours for each female employee. The average training hours for employees of management positions was 32.35 hours per person, and the average training hours for general employees was 19.81 hours per person. The total number of trainee time was 19,124 times, and the total number of hours was 25,120.5 hours.

Number of training hours of employees of each level in 2021

Job rank	Male	Female	Total number of hours	Average number of hours
Management position employees	4,786	3,140.5	7,926.5	32.5
General employees	7,205.5	9,988.5	17,194	19.81
Total number of hours	11,991.5	13,129	25,120.5	
Average number of hours	23.42	21.85	22.57	

Statistics of number of people receiving different types of education and training

Type/Year		2019	2020	2021
 New employee orientation	Session	9	7	7
	Persons-time	123	128	118
 Occupational education and training	Session	259	218	203
	Persons-time	17,839	18,728	18,632
 Staged education and training	Session	16	10	13
	Persons-time	52	50	51
 Project type education and training	Session	51	47	46
	Persons-time	124	139	317
 Knowledge sharing type of self-motivation education and training	Session	1	1	2
	Persons-time	11	15	6

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3.3 Employee Rights and Interests

Management directive	
Major topic	Employee Rights and Benefits
Policy direction	Respect human rights, comply with relevant policies and laws
Core objective	0 case of violation against labor treatment and human rights event
Performance outcome	1. 0 case of violation against labor treatment and human rights event 2. In 2021, the number of trainees for employee human rights related courses was 12,569 persons-time, and the total number of training hours was 16,063 hours, with the employee training ratio reaching 100%
Action plan	Implement human rights policy or procedure related training course

Management Method	
Resource investment	Education and training
Feedback mechanism	Complaint mailbox
Evaluation mechanism	Performance evaluation

- Commitment and execution

At Union Insurance, our central aim is people and we are committed to treating all employees with care and attention. We emphasize the learning, working and growth of employees in a friendly and equal environment and prevent unfair discrimination or treatment. Based on this, we have formulated strict regulations such as the "Prohibition of Child Labor", "Handling Points for Handling Sexual Harassment Complaints and Investigations", "Sexual Harassment Prevention Measures, Complaints and Punishment in the Workplace", "Diverse Appointment and No Discrimination", and "Recruitment Management Rules". These Rules are used to protect the work rights and interests of employees.

Union Insurance emphasizes labor rights and interests significantly. The company recognizes and supports the principles disclosed by international human rights conventions of the "UN Universal Declaration of Human Rights", "UN Global Compact" and "International Labour Organization Convention", and also complies with such rules to establish relevant labor policies and to convene labor-management meetings and Employee Benefit Committee meetings periodically. Accordingly, deficiency in the company's employee policy can be further communicated, coordinated and improved, thereby promoting communication and exchange for the issues of labor-management cooperation, labor-management coordination, labor criteria improvement, and labor welfare planning. When the company is subject to any major operational change such that the rights and interests of employees are affected, early notice is provided according to labor related laws and regulations, in order to provide an explanation to employees timely.

- No occurrence of discrimination event

Under Union Insurance's effort to establish a fair and friendly working environment, there is no discrimination due to gender, race, language, thinking, religion, age, marriage or appearance. The company rigorously complies with the government's Labor Standards Act and human rights related laws. Accordingly, in 2021, there was no human rights related complaint, and the company was not subject to the occurrence of any discrimination, child labor, violation of assembly freedom and group convention, forced or compulsory labor or infringement of indigenous rights and human rights related complaints filed through official mechanism and procedure. Union Insurance values harmonic labor-management relationship and smooth employee communication channel. Accordingly, the company has established the employee complaint handling and personnel ombudsman related regulations and handling operation process. In 2021, there was no employee complaint about discrimination or labor rights damage event at Union Insurance.

In 2021, the human rights policy or procedure related training courses included anti-corruption, anti-bribery, ethical management, personal information protection and information security, and the total number of trainees for employee human rights related courses was 12,569 persons-time, and the total number of training hours was 16,063 hours, with the employee training ratio reached 100%.

Issues promoted or discussed by the course	Course hour	Total number of training hours
Anti-corruption	2~24 hours	3,170
Anti-bribery	1 hour	1,097
Ethical management	3 hours	3,288
Principle of fairness	1~3 hours	1,654
Human rights-related course	1 hour	1,716.5
Information security	0.5~3 hours	3,322
Personal information protection	1~3 hours	1,815.5

- Complaint channel

We have formulated the "Employee Complaint Handling Points" to attach absolute importance to employee's response to problems. After receiving a complaint, the case will be followed by the "Complaint Handling Task Force" until closed.



Complaint mailbox
27725652@wwunion.com

Complain telephone (shall be independent telephone, rather than general customer service or reception)
Telephone direct line: (02)27725652
Fax direct line: (02)27721946

04

Carbon Reduction, Energy Saving and Eco-Friendliness

- 4.1 Active Response to Climate Change
- 4.2 Resource Management, Energy Saving and Carbon Reduction
- 4.3 Environmental Care for Sustainability
- 4.4 Green Partners for Co-prosperity







Management directive	
Major topic	Climate change
Policy direction	With regard to the impact of climate change on the operational risk of the sustainable development of the company, Union Insurance enhances climate change governance and establishes appropriate relevant management mechanisms
Core objective	With regard to the impact of climate change on the sustainable development of the company, in the operation strategy planning and decision process, Union Insurance has included the climate change impact factor, and periodically assesses possible risks and opportunities with respect the operation of the company, and establishes appropriate response measures, in order to mitigate and adjust the operational impact caused by the climate change
Performance outcome	<ol style="list-style-type: none"> 1. Opportunities aspect: In 2021, the Marketing and Planning Department reported to the Board of Directors once. 2. Risk aspect: In 2021, the Risk Management Department reported four times to the Risk Management Committee: and four times to the Board of Directors.
Action plan	<ol style="list-style-type: none"> 1. Opportunity aspect: It is included in the sustainable development report and the execution outcome report is submitted to the Board of Directors 2. Risk aspect: After relevant result is finalized through meeting discussion, it is submitted to the President for approval and is incorporated into the overall risk management report and further reported to the Risk Management Committee and Board of Directors.

Management Method	
Resource investment	<ol style="list-style-type: none"> 1. Each team under the Sustainable Development Committee is responsible for identifying the climate change opportunity aspect, establishing relevant indicators and goals, and proposing feasible actions 2. Climate change risk management team is responsible for identifying, assessing and monitoring the risk aspect
Feedback mechanism	Union insurance toll-free customer service direct line, mail written letters to Union Insurance business office for handling, or submit letters to feedback mailbox of Union Insurance
Evaluation mechanism	Internal and external audits recommended improvements

4.1 Active Response to Climate Change





As the global climate change becomes severe, its impact affects the living spaces and habitats of all species. According to the "2021 World Risk Report" of the World Economic Forum, "Extreme weather" continues to rank No. 1 for five consecutive years in the ranking of "Risks most likely to occur", and "Climate change" is ranked No. 2 for three consecutive years. Climate change has indeed caused major impacts on the global environment, including: global warming, increase in occurrence frequency of extreme weather, typhoon disaster, global crop price surge, etc. such that the operation of all industries are seriously affected, thereby causing significant fluctuation in the global economy.


Union Insurance considers climate change as an important issue to the corporate sustainable operation. In recent years, the company has continued to implement low-carbon operation and actual actions for environmental protection. Accordingly, in addition to friendly working environment, the company further actively establishes objectives for energy saving and carbon reduction green workplace to deal with the environmental impact issue. Union Insurance makes reference to the "TCFD recommendations for climate-related financial disclosure" framework announced by the Financial Stability Board (FSB) in order to use it as the management basis for climate-related risks and opportunities, and the company's commitment to implementing climate change action is established, thereby strengthening the sustainable climate governance.

Level	Description	
 Governance	Board of Directors	To establish appropriate risk management culture, "Climate change risk" is incorporated into Union Insurance's risk management policy and guiding principle. The climate-related risks identified are used as the basis for establishing the risk appetite and operation plan. The Board of Directors also continues to implement monitoring in order to ensure the effectiveness of the risk management and to bear the ultimate responsibility for the overall risk management
	Risk Management Committee	It is under the Board of Directors, and a meeting is convened once quarterly. It is responsible for the inspection and supervision of the risk management mechanism execution status, and it also reports to the Board of Directors in order to propose necessary improvement recommendations
	Management level	Establish a "Climate Change Risk Management Team", and each unit supervisor participates in the team quarterly and inspects the climate issue work progress and outcome. In addition, the Risk Management Department incorporates relevant execution status into the overall risk management report of the company for submission to the Risk Management Department and the Board of Directors
 Strategy	According to the risk type and relevant risk matters of the TCFD recommendations for climate-related financial disclosure", each business unit identifies the short-term, medium-term and long-term climate-related risks and opportunities of the company, in order to assess the impact of the climate change on the operation of the company and relevant response measures	
 Risk Management	Identify climate risk, integrate and manage existing risk management process, and the Climate Change Risk Management Team periodically performs risk identification measurement, response and monitoring of relevant indicators. The relevant process is described in the following	
 Indicators and Goals	The water resource consumption, greenhouse gas scope emission (including Scope 1, Scope 2, and Scope 3) are statistically analyzed annually and are disclosed in the Sustainability Report of Union Insurance. The company also promotes outsourced investment institutions to focus and pay attention to the risks and opportunities associated with climate change, in order to implement responsible investment and the outsourced investment institution also provides an explanation on the actual method and process in the quarterly report.	

4.1.1 Identification of climate risk

Each business unit participates and discusses in meetings to identify and assess impacts of climate change related items on the operation of the company and relevant response measures as follows:

Type	Relevant risk matter/Impact scope	Operation impact	Response measure or monitoring mechanism
Transformation risk	 Policy and regulation	Greenhouse gas emission reduction or energy saving policy or regulatory trend, and possible increase of operating cost	Increase in operating cost
			Establish "Corporate Environment and Energy Saving and Carbon Reduction Management Regulations to promote various energy saving and carbon reduction measures, to reduce greenhouse gas emission, and to implement relevant specific actions of energy saving, and paper saving
		Penalty due to failure to comply with climate-related policies or regulations, or lawsuit due to inadequate climate-related risk disclosure content	Increase of penalty cases, increase of lawsuit cases
			For possible involving business units, request each unit to implement self-management early, and to prevent violation of relevant environmental protection regulations and to collect environmental protection and energy saving and carbon reduction trend, as well as establish responsive directives
	 Technology	Digital finance and progressive paperless service have become modern environmental protection trend, and a lot of people are familiar with the convenient digital online operation. Accordingly, if such technology fails to be developed toward the field, it may also cause reduced willingness of policy holders to enroll in the services or purchase products of Union Insurance	Reduction of income
			1. Continue to develop smart finance technologies, new products and innovative development strategies 2. Respond to government's policy in promoting electronic insurance policies; provide online insurance application service 3. Promote green purchasing, and use products equipped with environmental energy saving logo
	 Market	Extreme weather can lead to damage to the corporate operation and assets of the investment position or an increase in environmental sustainability may affect the individual subject matter price of the investment position	Value impairment
			1. Establish "Stewardship Principles for Institutional Investors" in order to use it as the guiding policy for promoting and executing responsible investments 2. Strengthen pre-investment assessment, prevent industry and investment subject matters in disputable industry or having ESG risk factor deterioration concern
		Sustainability related financial products/services have become one of the market and corporate assessment subject matter. If relevant ESG financial products are not continued to be developed, the company may lose its climate change topic related market, leading to loss of business and customers, and decrease in revenue	Reduction of income
			"Innovation Research and Technology Application Committee" is responsible for the planning and continuous monitoring of the market and development of green financial products, in order to provide relevant theme products satisfying customer demands
	 Reputation	When the company is determined to be relatively non-environmental friendly, the company's reputation can be affected, leading to loss of business and customers, and decrease in revenue	Company reputation degradation, reduction of income
		If the company fails to actively engage in climate change issues concerned by stakeholders, it may affect the company's image and reputation	Company reputation degradation, reduction of income

Type	Relevant risk matter/Impact scope	Operation impact	Response measure or monitoring mechanism
<div>Physical risk</div> <div>  <p>Immediate impact-</p> <p>Increase in severity of extreme weather events of typhoon and flood</p> </div>	Abnormal events caused by extreme weather of typhoon and heavy rainfall, causing damage to business office or equipment, operation interruption or personnel injury or death	Operation interruption, asset value impairment	<ol style="list-style-type: none"> 1. Establish the operation continuity and response mechanisms of "Management Crisis Response Measures", "Cyber Security Emergency Response Plan and Operation Handling Procedure", and also organize remote backup drills periodically, in order to prevent damage and to maintain normal operation during accident occurrence period 2. For business location, the metropolitan area is considered in priority and building of high seismic coefficient and non-shallow area is selected in priority, in order to reduce the impact due to occurrence of accident to the minimum 3. For business location equipment, insurance method is adopted to transfer risk and to compensate loss, in order to mitigate the loss of the company
	Abnormal events caused by extreme weather of typhoon and heavy rainfall, leading to asset loss of insured customer, or impact on the value of investment position	Increase of loss	<ol style="list-style-type: none"> 1. For earthquake, typhoon/food events, perform assessment of maximum loss via natural disaster model periodically, and arrange appropriate reinsurance control accordingly in order to achieve risk divergence effect 2. Utilize internal database and flood potential analysis in order to perform natural disaster risk exposure monitoring and hedging action 3. Damage prevention unit provides natural disaster risk potential map information of counties and cities periodically, in order to allow the underwriting unit to use such information as reference for adjustment of underwriting operation 4. Establish the "Fund Liquidity Risk Management and Abnormal and Emergency Fund Demand Operational Rules" to respond to the fund demand under liquidity fund and emergency or abnormal conditions due to natural disaster loss, thereby activating relevant response measures



Type	Relevant risk matter/Impact scope	Operation impact	Response measure or monitoring mechanism
 Long-term impact- Rainfall (precipitation) change and climate extreme change, average temperature rise, sea level rise	Average temperature rise or sea level rise, causing damage to business location or equipment, operation interruption	Increase in operating cost, decrease of asset value	<ol style="list-style-type: none"> 1. The company establishes the operation response mechanisms of "Management Crisis Response Measures", "Cyber Security Emergency Response Plan and Operation Handling Procedure", and also organize remote backup drill periodically, in order to maintain normal operation during accident occurrence period 2. For business location, the metropolitan area is considered in priority and building of high seismic coefficient and non-shallow area is selected in priority, in order to reduce the impact due to occurrence of accident to the minimum 3. For business location equipment, insurance method is adopted to transfer risk and to compensate loss, in order to mitigate the loss of the company
	Sea level rise causes asset loss of insured customer, or impact on the value of investment position	Increase of loss	<ol style="list-style-type: none"> 1. For earthquake, typhoon/food events, perform assessment of maximum loss via natural disaster model periodically, and arrange appropriate reinsurance control accordingly in order to achieve risk divergence effect 2. Utilize internal database and flood potential analysis in order to perform natural disaster risk exposure monitoring and hedging action 3. Damage prevention unit provides natural disaster risk potential map information of counties and cities periodically, in order to allow the underwriting unit to use such information as reference for adjustment of underwriting operation 4. Establish the "Fund Liquidity Risk Management and Abnormal and Emergency Fund Demand Operational Rules" to respond to the fund demand under liquidity fund and emergency or abnormal conditions due to natural disaster loss, thereby activating relevant response measures



- Risk Management Process

STEP 1

Activate climate-related risk and opportunity identification process

TCFD is a climate change risk related report indicator of international credibility. The company periodically reviews relevant data announced in the report in order to use such data as the indicator for the corporate to identify climate-related risk. After a corresponding action strategy is established, each department and unit is requested to comply accordingly

STEP 2

Perform climate-related risk and opportunity identification and measurement

According to the occurrence probability and impact/influence level of the climate-related risk and opportunity, perform assessment via data simulation computation method, in order to identify climate-related risk and opportunity that shall be considered for the operation and business

STEP 3

Identify climate-related risk and opportunity and response strategy

According to the aforementioned identification result, establish response measure or monitoring mechanism for the climate change related risk and opportunity

STEP 4

Externally disclose climate-related risk and opportunity and response strategy

Incorporate the climate change related risk/opportunity and response measure or monitoring mechanism into the sustainable responsibility report of Union Insurance for external disclosure

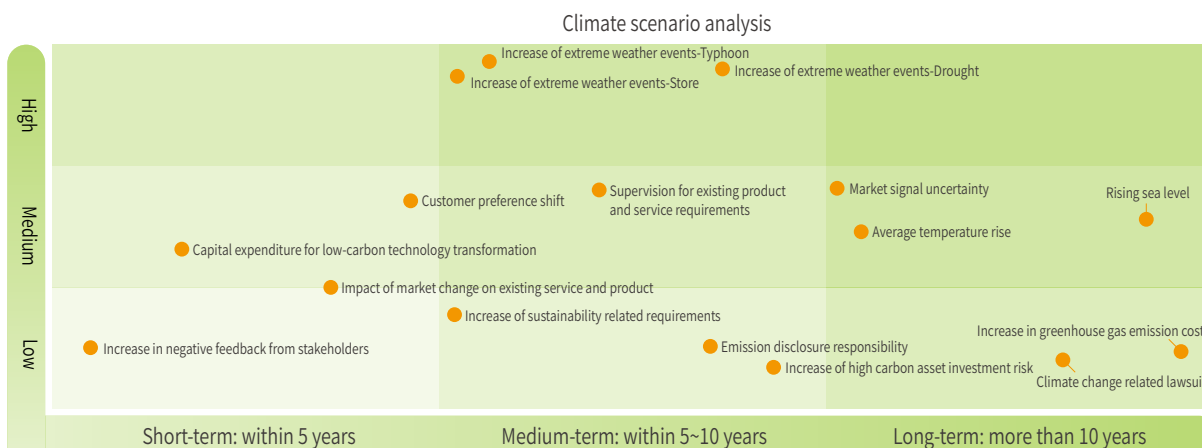
- Risk management and capital adequacy

- Short-term refers to quarterly, medium/long-term refers to annually; perform inspection on the risk management and capital adequacy ratio at the company level
- Periodically entrust reinsurance broker to perform an assessment on maximum possible loss based on the natural disaster model, in order to arrange the reinsurance contract for the next year
- Maintain various risks that may be encountered in the operating activities within the acceptable range, and perform stress tests annually to assess and monitor the capital adequacy. For relevant risk management mechanism, please refer to <https://ins-info.ib.gov.tw/customer/Info4-16.aspx?UID=03110001>

- Liquidity risk

- For liquidity risk, please refer to the financial statements of Union Insurance https://www.wwunion.com/?page_id=5606
- In case of occurrence of extreme liquidity risk condition, the capital management unit activates relevant response measures according to the "Fund Liquidity Risk Management and Abnormal and Emergency Fund Demand Operational Rules" of Union Insurance, and when it is considered necessary, according to the "Management Crisis Response Measures", the Chairman or its deputy may summon the response team members to execute cooperatively. In addition, the response measure includes the capital management unit properly managing the cash flow of the company, and estimation of the short/medium/long-term fund demand for the whole company according to the fund demand of each business unit, following which overall analysis is performed on the financial result of the company in order to provide such result to the response team for a discussion on various financing plan.

4.1.2 Climate scenario analysis



◎ Occurrence probability: Short-term: within 5 years; Medium-term: 5~10 years; Long-term: more than 10 years

◎ Estimated impact level on the company during occurrence of risk: Low-minor impact; Medium impact, High-possible serious impact

• Scenario Analysis

To understand the impact level of physical risks on each business location, Union Insurance utilizes the average typhoon and flood related data model in the most recent three years, and based on the assumption of reservoir and flood prevention facilities under normal conditions without any facility damage and collapsing of levee, for the 24-hour precipitation simulation, the maximum flood depth that may occur in each area is predicted. Accordingly, the result indicates the low risk that no branch has a likelihood of flooding.

According to the simulation result, under the 24-hour heavy rainfall reaching below 650mm, Taipei Branch and Chiayi-Yunlin Branch have low flood potential, and the rest of the branches have no flood related risk. Accordingly, all locations have prepared corresponding flood preventive measures, including

- (1) Preparation of waterproof gates/panels to block flood from flowing into the office that may damage relevant valuable equipment in the office
- (2) Each business location establishes response plan with backup location higher than the first floor

NO	Unit	Address	Risk level		Flood prevention measures	Overall risk value
			24H rainfall-350mm	24H rainfall-650mm		
A1	Headquarter	4F, No. 219, Sec. 4, Zhongxiao E. Rd., Taipei City	Low (no flood)	Low (no flood)	Yes	Low
A2	Yongan Branch	13F, No. 70, Sec. 1, Chengde Rd., Taipei City	Low (no flood)	Low (no flood)	Yes	Low
A3	Taipei Branch	9F, No. 453, Sec. 2, Wenhua Rd., Banqiao Dist., New Taipei City	Low (no flood)	Low (0.5~1.0m)	Yes	Low
A4	Taoyuan branch	2F, No. 6, Sec. 2, Daxing W. Rd., Taoyuan City	Low (no flood)	Low (no flood)	Yes	Low
A5	Zhongli Branch	13F-5, No. 398, Huanbei Rd., Zhongli Dist., Taoyuan City	Low (no flood)	Low (no flood)	Yes	Low
A6	Hsinchu Branch	3F-2, No. 55, Dongguang Rd., East Dist., Hsinchu City	Low (no flood)	Low (no flood)	Yes	Low
A7	Taichung Branch	4F, No. 230, Sec. 3, Wenxin Rd., Xitun Dist., Taichung City	Low (no flood)	Low (no flood)	Yes	Low
A8	Nantou Branch	4F-1, No. 94, Hexing St., Caotun Township, Nantou County	Low (no flood)	Low (no flood)	Yes	Low
A9	Changhua Branch	7F, No. 401, Sec. 1, Zhongshan Rd., Changhua City	Low (no flood)	Low (no flood)	Yes	Low
A10	Fengyuan Branch	7F, No. 23, Yuanhuan W. Rd., Fengyuan Dist., Taichung City	Low (no flood)	Low (no flood)	Yes	Low
A11	Tainan Branch	6F, No. 75, Nanmen Rd., Tainan City	Low (no flood)	Low (no flood)	Yes	Low
A12	Chiayi-Yulin Branch	9F-1, No. 336-1, Xingye W. Rd., Chiayi City	Low (0.5~1.0m)	Low (0.5~1.0m)	Yes	Low
A13	Gangshan Branch	1F, 2F, No. 74, Jieshou Rd., Gangshan Dist., Kaohsiung City	Low (no flood)	Low (no flood)	Yes	Low
A14	Yongkang Branch	17F-1, No. 425, Zhonghua Rd., Yongkang Dist., Tainan City	Low (no flood)	Low (no flood)	Yes	Low
A15	Kaohsiung branch	10F, No. 533, Zhongshan 2nd Rd., Qianjin Dist., Kaohsiung City	Low (no flood)	Low (no flood)	Yes	Low
A16	Pingtung Branch	No. 19-4, Gongyuan Rd., Pingtung City	Low (no flood)	Low (no flood)	Yes	Low

Item	Level	Description
Flood potential	Low	No flood or lower than 1m
	Medium	Flood depth of 1.0~2m
	High	Flood depth above 2m
Flood prevention measures	Yes	Prepare waterproof gate/panel, response plan or location higher than first floor
	None	No preparation
Overall risk value	Low	Risk is low, and loss rate is low
	Medium	Risk is medium, and flood may occur if surrounding drainage is poor
	High	Risk is high, and flood may still occur despite that the surrounding drainage is proper

Overall risk value	With flood prevention measures	Without flood prevention measures
Low flood potential	Low risk	Low risk
Medium flood potential	Low risk	Medium risk
High flood potential	Medium risk	High risk

4.2 Resource Management, Energy Saving and Carbon Reduction

Management directive	
Major topic	Energy management
Policy direction	Implement energy saving, carbon reduction, power and water saving, without waste of resources
Core objective	Average carbon emission per capita reduced by 10% in 2022 (with 2020 as the base year) Average water consumption per capita reduced by 6% in 2022 (with 2020 as the base year) Average power consumption per capita reduced by 8.5% in 2022 (with 2020 as the base year)
Performance outcome	In 2021, the carbon emission of Union Insurance was 549,304 kg CO ₂ e, and the unit person average carbon emission was reduced by 9.4% In 2021, the tap water consumption was 10.883 million liters, and the unit person average water consumption was reduced by 5.8% In 2021, the electricity consumed was 3,939,235 MJ, and the unit person average electricity consumption was reduced by 8%
Action plan	Promote energy saving and carbon reduction action with employees during routine operation Replace old and obsolete equipment

Management Method	
Resource investment	Budget for equipment replacement
Feedback mechanism	Employee feedback mailbox Labor-management meeting
Evaluation mechanism	Internal Audit

4.2.1 Electricity and Energy Management

The business operation type of Union Insurance mainly refers to office operation and involves no direct production operation. The greenhouse gas emission mainly refers to the electricity consumption of office. Through the monthly statistical calculation of the electricity energy consumption, the carbon emission equivalent amount generated due to the electricity consumption can be calculated in order to use it as a basis for greenhouse gas emission. In 2021, 4,341,807 MJ was used (1kWhh=3.6MJ). For greenhouse gas Scope 2, according to the announcement of the Bureau of Energy on September 27, 2021, the Electricity Carbon Emission Factor for 2020 was 0.502 kgCO₂e/kWh, and the output of 549,304 kgCO₂e was obtained from the calculation. Union Insurance collects the energy consumption information of 18 business locations (including headquarter, 16 branches and 1 branch dissolved at the end of the year), accounting for 100% of all business locations, in order to facilitate the comparison of each year with the energy saving level of last year. Union Insurance uses the previous year as the base year and the annual increase rate is calculated, demonstrating the complete disclosure of the energy information of Union Insurance.

Item/Year	Unit	2019	2020	2021	Annual increase rate of last year
Energy investment					
Electricity	degree	1,241,835	1,206,063	1,094,232	-9.3%
Energy consumption					
Electricity	MJ	4,470,606	4,341,807	3,939,235	-9.3%
Energy Intensity					
Total energy consumption	MJ/person	4,079	3,839	3,530	-8%
Greenhouse gas output					
Scope 2: Indirect emission	kgCO ₂ e	646,996	613,886	549,304	-10.5%
Greenhouse gas emission intensity					
Scope 2: Indirect emission	kgCO ₂ e/person	590	543	492	-9.4%

Boundary: Union Insurance adopts the operation control method, including 18 business locations: Headquarter/Yongan/Taipei/Lanyang (dissolved at the end of November 2021)/Taoyuan/Zhongli/Hsinchu/Taichung/Fengyuan/Changhua/Nantou/Chiayi-Yunlin/Yongkang/Tainan/Kaohsiung/Yushan/Gangshan/Pingtung.

4.2.2 Water Resource Management

100% of the water source of Union Insurance and its 18 business locations comes from Taiwan Water Corporation without any private connection to illegal water resources; therefore, there is no pollution or damage to the water source with respect to the water consumption. The living water use in relevant business locations refers to basic living water use of employees, including basic cleaning, washing and drinking water, etc. The drainage of living water is also legally drained to the underground sewage pipes for treatment. In 2021, there were no illegal pollution events, and there was no impact on the environmental water source. In 2021, the tap water consumption was 10.883 million liters.

- Union Insurance collects the energy consumption information of 18 business locations (including headquarter, 16 branches and 1 branch dissolved at the end of the year), accounting for 100% of all business locations, demonstrating the complete disclosure of the energy information of Union Insurance.

Type/Year	Unit	2019	2020	2021	Annual increase rate of last year
Tap water	million liters	11.760	11.809	10.883	-7.8%
Total water consumption	million liters	11.760	11.809	10.883	-7.8%
Average water consumption per person	million liters/person	10.7	10.4	9.8	-5.8%

4.3 Environmental Care for Sustainability

Energy saving and carbon reduction are considered part of the corporate sustainable development. As a company pays attention to environmental protection issues and policies in a long term, Union Insurance also integrates the energy saving and carbon reduction concept into the corporate culture in a top-down manner. Within the scope reachable by the business locations, renewable raw materials of relatively lower environmental impact are used and energy saving devices are installed for each energy source used. Furthermore, the company further issues administrative order to achieve joint compliance of all employees of the company, in order to allow Union Insurance to make a contribution to the environmental protection of the Earth.

4.3.1 Energy Saving and Carbon Reduction Measures



Air conditioner energy saving

- Air conditioner is turned on timely after the end of the meeting All employees are reminded to turn off personal electronic equipment before leaving, and there is no idle equipment that may waste electricity.
- The Headquarters, branches, offices and service centers regularly clean and maintain air conditioning filters to maintain air conditioning efficiency and reduce power consumption. Old air conditioning equipment with poor performance are also gradually replaced.
- Air conditioner is turned on timely after the end of the meeting
- Purchase of equipotent equipped with environmental protection logo, energy saving logo, water saving logo and high EER value. In 2021, energy saving air conditioning equipment was purchased for a total of NT\$1.27 million.
- Establish autonomous inspection plan, and execute such plan properly.



Lighting energy saving

- Lights are turned off timely during the daily lunch break. If there is a need to use lighting equipment during such time, employees can use the lighting in their own office seat only.
- Idle appliances are turned off at any time; lighting demand is evaluated, and excessive lighting tubes are reduced, and energy saving lighting tubes are used.
- Employees can turn on the lights in their own seats during overtime period, and the storage room's light is turned off when it is not in use.



Other eco-friendly measures

- Employees are reminded to bring their own drinking cups, environmental chopsticks, handicaps and shopping bags; reduce the consumption of bottled water; reduce the use of disposable products.
- Photocopy papers use crop-papers made from materials without cutting from natural forests and raw materials collected from self-planted trees, accounting for 24% of the paper consumption of the entire company.
- Washroom faucets water outlet volume is adjusted to save water consumption.
- Old drinking machines at branches are replaced.
- Garbage classification tanks are installed at each branch, and combustible, non-combustible and recyclable garbage tans are planned.

4.3.2 Digital Insurance Policies and Electronic Clauses

In response to the promotion of energy saving and paper consumption saving, the development of digital online and paperless operation has been a trend in the financial insurance industry. All operators are implementing Cloud and online operation, which is fast, time saving and eco-friendly. Union Insurance also actively implements corresponding operations, including reduction of paper consumption, promotion of electronic insurance policies. With digital insurance policies, files can be preserved conveniently, and the security and convenience are superior to paper insurance policies. In 2021, the number of electronic insurance policies issued was 95,959 policies. A total of 627,997 sheets of papers were saved.

In addition to the promotion of digital and online operations, Union Insurance also focuses on relevant protection measures of personal information privacy. To protect customers' personal information, the company cooperates with Taiwan Insurance Institute, and the issuance of each insurance policy is certified by a third party, in order to ensure non-disclosure of personal information with security. Regardless of whether customers apply for insurance via online self-application or through sales specialists, they can receive electronic insurance policies within one hour after the application is complete, such that there is no need to find space for the storage of paper insurance policies and no worries of loss of insurance policy or reissuance thereof.

In addition to the continuous promotion of electronic insurance policies, to facilitate the policy holders' reading of policy causes, since March 2020, Union Insurance has provided the option of paper policy and electronic clauses to health and injury insurance policy holders. In addition, since October 2021, to expand the service of policy holders of automobile insurance and residence fire insurance, customers can use the method of QR CODE on the policy in order to link to the company's website for downloading and reading policy clauses. In 2021, a total of 233,281 insurance policies selected the electronic clauses, and a total of 1,193,413 sheets of paper were saved, equivalent to reduction of 21,481 kg/ CO2 carbon emission [Note 1].

[Note 1] One piece of A4 paper's equivalent carbon emission is 18g CO2. Accordingly, the total carbon emission reduced is: 1,193,413 sheets of paper*18g CO2=21,481,434g CO2=21481kg CO2.



4.4 Green Partners for Co-prosperity

Union Insurance considers suppliers as important partners in the entire industry chain, and aims to promote the stability of the supply chain and the core of sustainable development in order to establish long-term partnerships with suppliers. Union Insurance also expects suppliers to comply with the co-prosperity principle and relevant policies of Union Insurance, and to promote the same in their own supply chains, such that supply chain partners are able to comply with the basic environmental and social standards, thereby achieving positive influences and heading toward the goal of the green supply chain.

The suppliers of Union Insurance are divided into equipment, information and engineering repair, and the purchase items include office furniture, office machines, information equipment and system service, telecommunication, printing, building repair and decoration. The total number of routinely cooperated suppliers is approximately 40 suppliers.

- Union Insurance and suppliers jointly comply with relevant social and environmental laws and regulations, in order to develop a sustainable operation environment, and the policies are



1. Carefully assess whether the impact of the purchasing action and suppliers on the environment and society is positive and active.



2. Coordinate suppliers to implement corporate sustainable development directives jointly.



3. In 2022, Union Insurance plans to establish the Supplier Management Regulations, and suppliers will be requested to sign the "Human Rights and Environmental Sustainability Commitment" according to the supplier type and contract amount, and its content will include requirements for human rights system, occupational safety and health management, environmentally sustainable protection, etc.

- Supplier management actual implementation method

For purchase management, Union Insurance is committed to assessing the impact of the purchasing action and supply source on the community environment and society, and cooperating with suppliers, in order to implement corporate sustainable development directives jointly.

Union Insurance periodically visits outsourced operation suppliers annually in order to understand whether the outsourced suppliers comply with the occupational safety and health related laws and information security protection and also comply with relevant regulations and rules of Union Insurance.

The internal of the company establishes a complete supplier basic information system, and performs supplier material source investigation. Based on the principle of local supply, local suppliers are developed actively to implement local purchasing, in order to achieve purchasing at the right time and place, thereby reducing transportation costs and greenhouse gas emissions during the transportation process, and achieving sustainable development as well as creating local employment opportunities and economic development.

Union Insurance performs risk re-assessment on the "Key Suppliers" and "Important Suppliers" annually and fills out the "Supplier Risk Assessment Form", in order to determine whether there are new risk factors.

Appendix - GRI Standards Comparison Table

GRI Standards Disclosure Item Comparison Table			
General Disclosure (2016)	Disclosure Contents	Chapter Topics	Page
102-1	Name of the organization	1.1 Union Insurance as Trustworthy Partner	25
102-2	Activities, brands, products, and services	1.1 Union Insurance as Trustworthy Partner	25
102-3	Location of headquarters	1.1 Union Insurance as Trustworthy Partner	25
102-4	Business Location	1.1 Union Insurance as Trustworthy Partner	25
102-5	Ownership and legal form	1.1 Union Insurance as Trustworthy Partner	25
102-6	Markets served	1.1 Union Insurance as Trustworthy Partner	25
102-7	Scale of the organization	1.1 Union Insurance as Trustworthy Partner	25
102-8	Information on employees and other workers	3.1.1 Employee Composition	76
102-9	Supply chain	4.4 Supplier Management	100
102-10	Significant changes to the organization and its supply chain	There were no significant organizational changes in 2021	-
102-11	Early Warning Principles or Guidelines	1.2.5 Risk Control	42
102-12	External initiatives	The Company did not sign external initiatives	-
102-13	Membership of associations	1.1 Union Insurance as Trustworthy Partner	30
102-14	Statement from senior decision-maker	Message from the Chairman	4
102-16	Values, principles, standards, and norms of behavior	1.2.2 Ethical Management	36
102-18	Governance structure	1.2.1 Operation of Board of Directors	32
102-40	List of stakeholder groups	Stakeholder Negotiation and Collaboration	12
102-41	Collective bargaining agreements	There are no bargaining agreements	-
102-42	Identifying and selecting stakeholders		12
102-43	Approach to stakeholder engagement	Stakeholder Negotiation and Collaboration	12
102-44	Key topics and concerns raised		12
102-45	Entities included in the consolidated financial statements	1.3 Outstanding Business Performance Achieving Record High Consecutively	45
102-46	Defining report content and topic Boundaries	About the Sustainability Report	2
102-47	List of material topics	Material Issue Identification	14
102-48	Restatements of information	No restatements of information	-
102-49	Restatements of information	Material Issue Identification	14
102-50	Reporting period	About the Sustainability Report	2
102-51	Date of most recent report	About the Sustainability Report	2
102-52	Reporting cycle	About the Sustainability Report	2
102-53	Contact point for questions regarding the report	About the Sustainability Report	2

GRI Standards Disclosure Item Comparison Table			
General Disclosure (2016)	Disclosure Contents	Chapter Topics	Page
102-54	Claims of reporting in accordance with the GRI Standards	About the Sustainability Report	2
102-55	GRI content index	Appendix - GRI Standards Comparison Table	101
102-56	External assurance	Appendix - Verification Statement	108
GRI 103 Management directive			
103-1	Explanation of the material topic and its Boundaries	Material Issue Identification	14
GRI 200 Economy			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	1.3 Outstanding Business Performance Achieving Record High Consecutively	45
201-2	Financial implications and other risks and opportunities due to climate change	4.1 Active Response to Climate Change	89
201-3	Defined benefit plan obligations and other retirement plans	3.1 Employee Care	75
201-4	Financial assistance received from government	No assistance received from government	-
202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.1 Employee Care	75
205: Anti-Corruption 2016			
205-2	Communication and training on anti-corruption policies and procedures	1.2.2 Ethical Management	36
206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	No violations in 2021	-
GRI 300 Environment			
302: Energy 2016			
302-1	Organization energy consumption	4.2 Resource Management, Energy Saving and Carbon Reduction	96
302-3	Energy Intensity	4.2 Resource Management, Energy Saving and Carbon Reduction	96
303: Water and effluents 2018			
303-1	Interactions with water as a shared resource	4.2 Resource Management, Energy Saving and Carbon Reduction	96
303-3	Water withdrawal	4.2 Resource Management, Energy Saving and Carbon Reduction	96
305: Emissions 2016			
305-2	Energy indirect (Scope 2) GHG emissions	4.2 Resource Management, Energy Saving and Carbon Reduction	96
305-4	Greenhouse gas emission intensity	4.2 Resource Management, Energy Saving and Carbon Reduction	96
307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	No violation of environmental laws and regulations in 2021	-
GRI 400: Social			
401: Employment 2016			
401-1	New employees & employee turnover	3.1 Employee Care	75
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1 Employee Care	75

GRI Standards Disclosure Item Comparison Table

General Disclosure (2016)	Disclosure Contents	Chapter Topics	Page
401-3	Parental leave	3.1.4 Parental Leaveaving and Carbon Reduction	75
402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	3.3 Employee Rights and Interestsving and Carbon Reduction	86
403: Occupational Health and Safety 2018			
403-3	Occupational health services	3.1.6 Occupational Health Promotionestsving and Carbon Reduction	81
403-6	Promotion of worker health	3.1.6 Occupational Health Promotionestsving and Carbon Reduction	81
404: 2016 Training and Education			
404-1	Average hours of training per year per employee	3.2 Talent Cultivation for Cornerstone of Union Insurance	84
404-3	Percentage of employees receiving regular performance and career development review	3.1.8 Performance Evaluation	83
405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	3.1.1 Employee Composition	76
405-2	Ratio of basic salary raise of female employees to male employees	3.1.2 Remuneration and Welfare System	78
406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	No such incidents occurred in 2021	-
411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	No such incidents occurred in 2021	-
412: Human Rights Assessment 2016			
412-2	Employee training on human rights policies or procedures	3.3 Employee Rights and Interestsving and Carbon Reduction	86
415: Public Policy 2016			
415-1	Political contributions	No political contributions	-
417: Marketing and Labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling	No such incidents occurred in 2021	-
417-3	Incidents of non-compliance concerning marketing communications		-
418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such incidents occurred in 2021	-
419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	No such incidents occurred in 2021	-

Appendix - SASB Standards Comparison Table

Disclosure topic: Transparent information and fair treatment of customers	
Indicator Code	Corresponding Information
FN-IN-270a.1 Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	This indicator is not applicable to Union Insurance
FN-IN-270a.2 Customer complaint rate	Financial Ombudsman - Information Disclosure - Statistics - Quarterly Dispute Case Statistics and Description https://www.foi.org.tw/download.ashx?id=4644&lang=1
FN-IN-270a.3 Customer retention rate	Fire insurance: residential fire insurance: 89%, commercial fire insurance: 84%, accident insurance: 70% Health and Accident Insurance Department: Group policy renewal rate 80.6%, individual policy renewal rate 85.8%, health insurance renewal rate 71.6% Motor Insurance: Voluntary Insurance 72.6%, Compulsory Insurance 67.1%
FN-IN-270a.4 Description of approach to informing customers about products	2.1 Diverse Products and Innovative Experience 2.1.2 Profession with Trust and Fair Customer Treatment Union Insurance website - Products https://www.wwunion.com/?page_id=437
Disclosure Topic: Embedding ESG factors in investment management	
Indicator Code	Corresponding Information
FN-IN-410a.1 Total invested assets, by industry and asset class	Union Insurance website - Financial Overview https://www.wwunion.com/?page_id=3034
FN-IN-410a.2 Describe the approach to incorporation of environmental, social, and governance (ESG) factors in its investment and/or strategy	1.3.2 Sustainable Development and Green Investment The investment policy of the company focuses on enterprises of green low-carbon economy. Through investment in the financial market, physical industry is guided to value green sustainable operation and green investment, in order to reduce environmental pollution and hazard and to achieve the goal of corporate sustainable development.

Disclosure Topic: Reward policy for responsible behavior

Indicator Code	Corresponding Information
FN-IN-410b.1 Net premiums written related to energy efficiency and low carbon technology	2.1.3 Climate Risk 24/7 <ul style="list-style-type: none"> Solar power: Since 2017, the construction and operation for foreign comprehensive insurance underwriting for photovoltaic sites was introduced. It has been growing rapidly year by year since 2018, with underwriting volume reaching 3GW and premium income reaching NT\$57 million in 2021. Offshore wind power: From 2018, Union Insurance has taken part in various project sites. Premium income in 2021 reached NT\$60 million.
FN-IN-410b.2 Products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	2.1Diverse Products and Innovative Experience Union Insurance website - Products https://www.wwunion.com/?page_id=437

Disclosure topic: Environmental exposure

Indicator Code	Corresponding Information
FN-IN-450a.1 Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	2.1.3 Climate Risk 24/7
FN-IN-450a.2 Financial losses from insurance payments for natural disasters by type of event and geographic region (net and total insurance): (1) Modelled natural disasters (2) Non-modelled natural disasters	This indicator is not applicable to Union Insurance
FN-IN-450a.3 Describe the following two items associated with environmental risks: (1) the underwriting process for individual contracts (2) the management of firm-level risks and capital adequacy	<ul style="list-style-type: none"> Short-term refers to quarterly, medium/long-term refers to annually; perform inspection on the risk management and capital adequacy ratio at the company level Periodically entrust reinsurance broker to perform an assessment on maximum possible loss based on the natural disaster model, in order to arrange the reinsurance contract for the next year Maintain various risks that may be encountered in the operating activities within the acceptable range, and perform stress tests annually to assess and monitor the capital adequacy. For relevant risk management mechanism, please refer to https://ins-info.ib.gov.tw/customer/Info4-16.aspx?UID=03110001

Disclosure topic: Systematic risk management	
Indicator Code	Corresponding Information
FN-IN-550a.1 Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared; (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	This indicator is not applicable to Union Insurance
FN-IN-550a.2 Total fair value of securities lending collateral assets	This indicator is not applicable to Union Insurance
FN-IN-550a.3 Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<ul style="list-style-type: none"> • Maintain various risks that may be encountered in the operating activities within the acceptable range, and perform stress tests annually to assess and monitor the capital adequacy. For relevant risk management mechanism, please refer to https://ins-info.ib.gov.tw/customer/Info4-16.aspx?UID=03110001 • For liquidity risk, please refer to the financial statements of Union Insurance https://www.wwunion.com/?page_id=5606 • In case of occurrence of extreme liquidity risk condition, the capital management unit activates relevant response measures according to the "Fund Liquidity Risk Management and Abnormal and Emergency Fund Demand Operational Rules" of Union Insurance, and when it is considered necessary, according to the "Management Crisis Response Measures", the Chairman or its deputy may summon the response team members to execute cooperatively. In addition, the response measure includes the capital management unit properly managing the cash flow of the company, and estimation of the short/medium/long-term fund demand for the whole company according to the fund demand of each business unit, following which overall analysis is performed on the financial result of the company in order to provide such result to the response team for a discussion on various financing plan.

Appendix - Donations and Sponsorships

Donation target by category	Name of the organization	Date of donation	Donation amount (NT\$)
-	The Autism Society of Taiwan	March 31, 2021	10,000
Educational Groups	National Chengchi University	January 12, 2021	100,000
Public welfare organization	Hoss Foundation	January 25, 2021	60,000
Public welfare organization	Zenan Homeless Social Welfare Foundation	February 05, 2021	17,000
-	Animal Protection Association	February 05, 2021	30,000
-	The Non-Life Insurance Association	April 26, 2021	80,000
Public welfare organization	Syin-Lu Social Welfare Foundation	May 25, 2021	19,880
Educational Groups	National Chengchi University	July 06, 2021	100,000
-	Hualien County Elderly and Family Care Foundation	September 13, 2021	20,000
Public welfare organization	Yu-Cheng Social Welfare Foundation	September 13, 2021	20,000
Public welfare organization	Old Five Old Foundation	September 13, 2021	20,000
-	Yellow Ribbon Network Association for Taiwan	September 13, 2021	20,000
Public welfare organization	Boyo Social Welfare Foundation	September 13, 2021	20,000
-	ECPAT Taiwan	September 13, 2021	20,000
Public welfare organization	Modern Women's Foundation	September 13, 2021	20,000
Public welfare organization	Children Are Us Foundation	September 13, 2021	20,000
Public welfare organization	Down Syndrome Foundation	September 13, 2021	20,000
-	TSCAA	September 13, 2021	20,000
-	Changhua County Physically Handicapped Association	October 06, 2021	150,000
-	The Autism Society of Taiwan	November 16, 2021	71,000

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Appendix - Verification Statement



安侯建業聯合會計師事務所

KPMG

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Independent Limited Assurance Report

To Union Insurance Co., Ltd.:

We were engaged by Union Insurance Co., Ltd. ("Union Insurance") to provide limited assurance over the selected information attached as Appendix I ("the Underlying Subject Matter") on the 2021 Sustainability Report of Union Insurance ("the Report") for the year ended December 31, 2021.

Reporting Criteria of the Underlying Subject Matter

Union Insurance shall prepare the Underlying Subject Matter and reporting criteria in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Regulation") as set forth in Appendix I.

Management's Responsibility for the Report

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

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements No. 1 – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation and to issue a limited assurance conclusion on whether the Underlying Subject Matter is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence, Professional Standards and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In addition, we applied Statements of Auditing Standard No. 46 – "Quality Control for Public Accounting Firms" in the Republic of China. Accordingly, we maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.



Summary of Work Performed

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

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

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

Inherent limitations

The Report for the year ended 2021 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Union Insurance. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

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

Other Matters

The management of Union Insurance is responsible for the maintenance of its website where includes the Limited Assurance Report, we shall not be responsible for any further changes on the Underlying Subject Matter or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of the Limited Assurance Report.

KPMG

Taipei, Taiwan (Republic of China)
 Jun 10, 2022

Notes to reader

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.



Appendix I : Summary of the Selected Information

No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
1	2.4 Complete Information Security Protection	71	<ul style="list-style-type: none"> ■ To protect the security of customer personal information, we abide by current regulatory requirements, including the "Personal Data Protection Act", "Enforcement Rules for the "Personal Data Protection Act", "FSC-designated Non-Public Institutions to Maintain the Security of Personal Information Files". Furthermore, as required by external laws, we have established a "Union Insurance Personal Information Management Policy" and various "Personal Information Protection Management Procedures". ■ In 2021, Union Insurance strengthened the identification of personal information complaints. After confirmation, there were no violations of customer privacy or loss of customer information. 	<ul style="list-style-type: none"> ■ "Union Insurance Personal Information Management Policy" and various "Personal Information Protection Management Procedures" set by Union Insurance ■ Details on loss of customer information from Union Insurance 	Article 4-3 Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.
2	Not applicable	NA	This regulation is not applicable to Union Insurance since Union Insurance does not provide lending service.	Not applicable	Article 4-3 Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.
3	2021 Continuous Care Without Interruption	11	<ul style="list-style-type: none"> ■ Given that consumer finance is closely linked to our daily lives, to help the public establish correct financial insurance concepts and to continue to reach out to multiple groups, we have been sponsoring "financial service industry education public welfare fund" of the Taiwan Financial Services Roundtable through Non-Life Insurance Association of R.O.C. for a long time. Not only does the fund provide scholarships to poor students who are in need of financial help, but the fund is also used for financial educational courses and promotional activities in line with the international trend of financial inclusion. Although we cannot provide the actual number of participants, our determination to care for society and implement financial insurance industry is still demonstrated, fulfilling our corporate social responsibility. In 2022, Union Insurance will promote insurance knowledge to the public through the mass media so that 	<ul style="list-style-type: none"> ■ Results of Union Insurance's Financial Services Education 	Article 4-3 Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.



No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
			consumers understand insurance products and their own rights and interests, while also enhancing harmonious interaction with consumers.		
4	2.1.1 Social Care and Positive Service	52-53	<ul style="list-style-type: none"> ■ Micro-insurance <ul style="list-style-type: none"> - Micro-insurance is a basic protection insurance product developed to care for economic disadvantaged or individuals with specific identities, in order to allow economically disadvantaged, including medium and low income household family members and the disabled to purchase insurance at a relatively lower premium. In addition, through such insurance, they are able to receive economic aid in order to protect stable living for their families, and to protect the disadvantaged from living difficulties of the family or individual due to occurrence of insured accidents of death or disability. - For the period from 2014 to 2021, micro-insurance assisted a total of 51 groups, including Syin-Lu Social Welfare Foundation, and more than 20,924 policy holders enrolled in the insurance, and the premium income exceeded NTS5.8 million. ■ Epidemic control insurance <ul style="list-style-type: none"> - The "Pandemic Care and Support" project launched by Union Insurance adopts the one insurance policy per year approach and accepts applicants of all occupations and ages. In addition to the basic protection for accident injury or death (disability), major burn/scald injury and food poisoning, it also includes the "Notifiable infectious disease quarantine fee", "Notifiable infectious disease hospitalization daily allowance", "Notifiable infectious disease negative pressure quarantine (or intensive care) hospital room daily allowance" and "Notifiable infectious disease compensation". The "Compensation provided for negative pressure hospital room" can be paid for a maximum of 60 days. Accordingly, it is an enhanced version of personal insurance policy, and Union Insurance is the only insurance company providing compensation related to the pandemic. - For the "Pandemic Care and Support" project of Union Insurance, the protection scope continues to be upgraded. In addition to the "Care subsidy for confirmed case" and "Hospitalization daily allowance", the 	<ul style="list-style-type: none"> ■ Details on the terms and underwriting status of insurance product 	<p>Article 4-3</p> <p>Products and services designed by individual operating units to create benefits for the environment or society.</p>

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No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
			<p>"Quarantine fee" is further included, making the content of the epidemic control insurance policy to be more complete, thereby significantly improving the protection of the insured. With an average amount of as low as NT\$3 and less daily, the insured is able to receive comprehensive protection, thereby reducing family economic pressure. For policy holders of confirmed cases, Union Insurance also provides the service of deferred premium payment service. As long as the insured and the proposer submit supporting documents, the premium payment can be deferred for 3 months. Union Insurance hopes to adopt the method of deferred payment to reduce the financial burden of policy holders affected by the pandemic.</p> <ul style="list-style-type: none"> - In 2021, the number of people purchased the epidemic control products was 68,523 people, and the total premium income was NT\$72,459,203. As for the compensation application, there were a total of 209 cases and the compensation amount was NT\$5,165,600. 		
	2.1.3 Climate Risk 24/7	58-60	<ul style="list-style-type: none"> ■ Transportation protection <ul style="list-style-type: none"> - Public Bike Rider Liability Insurance: As green living has become a national trend, in conjunction with the government's policy, Union Insurance has been underwriting public bike rider liability insurance in Hsinchu and Miaoli areas, including Hsinchu Science Park since 2019. The underwriting of public bike rider liability insurance was successfully completed in Hsinchu City in 2021, (including Hsinchu Science Park), covering 1,500 vehicles, totaling NT\$600,000 worth of premium. - From November 2019, motor insurance of Union Insurance has developed the "Motor Insurance Green Car Rider", which provides premium discounts for "green cars", including hybrid and electric cars. By taking this approach, we encourage customers to purchase "green cars" so as to contribute to environmental protection. ■ Engineering and housing <ul style="list-style-type: none"> - Green energy engineering insurance: As green industries have become a global trend, we have launched insurance products targeting green energy industries to help shift risks, paving the path for Taiwan's carbon reduction. - Residential fire insurance: From 2020, we 		



No.	Corresponding Section	Reference Page	Selected Information	Reporting Criteria	The Regulation/ GRI Standards
			<p>have made an effort to promote the "residential green energy upgrade clause" to encourage policyholders to upgrade their houses to green energy buildings in the event of losses that require re-construction. In doing this, the policyholders can start a new life of energy conservation and carbon reduction, while increasing the proportion of green buildings in the city.</p> <p>■ Green energy engineering insurance (offshore wind and solar power)</p> <ul style="list-style-type: none"> - We are developing a green-related industrial chains, including offshore wind and solar power generation. We have also paid an considerable amount of attention to renewable energy and have engaged ourselves in the participation of its development in recent years. Due to this, we began to undertake offshore wind power engineering insurance business and solar power equipment insurance business in 2020, further providing insurance support to protect various green power industries from risks, facilitating the development of Taiwan's green power industry. - Offshore wind equipment insurance business results : 2020-2021 Annual premium income NT\$ 113,421,126 - Offshore wind equipment insurance business results : 2020-2021 Annual premium income NT\$ 106,876,445 <p>■ Fishing Vessel Insurance:</p> <ul style="list-style-type: none"> - Union Insurance provides insurance coverage for fisherman's fishing vessel. Through prudent underwriting, environmental risk factors are carefully considered, while evaluating the background of fishing boat owners and how fish is caught. For example, those who use gillnetting to catch fish or those who have been caught for fishing in an illegal manner by competent authorities. Union Insurance will carry out strict assessment or even refuse to undertake their business. At Union Insurance, we strive for designing our products based on the rights and interests of policyholders as well as the development of environmental sustainability. - Number of cases undertaken in 2021 : 157, Annual premium income : NT\$ 25,370,400 		



旺旺友聯產物保險公司
Union Insurance Company