旺旺友聯產物保險公司
Union Insurance Company

2023 ESG 永續報告書 REPORT

旺旺友聯產物保險公司

Union Insurance Company

以客戶為本，成為您最值得信賴之保險公司

Contents

About the Union Insurance

1 Transparent Governance and Sustainable Operation

2 Sustainable Finance Protect Clients

3 Climate Change - Active Protection

4 Talent - Oriented Friendly Workplace

5 Talent - Oriented Friendly Workplace

Appendix

About the Sustainability Report

This is the 2023 Sustainability Report of Union Insurance Co., Ltd. (hereafter "Union Insurance" or "the Company"). 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 in 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 2023 (January 1 to December 31, 2023), with contents covering specific economic, environmental, and social practices and performance data. For the completeness of the project and activity performances, some performance data will be dated back (pre-2018) or (also) extended to the most recent information in 2023. 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 economic, environmental, and social performance; any information in the previous report has not been restated. The boundaries of the Sustainability Report are set to include Union Insurance's Taipei headquarters and 15 branches, 14 service centers, and 11 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 Repor — July 2024

Release of Previous Sustainability Report — June 2023

Release of Next Sustainability Report — June 2025

Writing Principles of the Sustainability Report and Energy Saving and Carbon Reduction External verification and External Verification

This report is based on the "GRI General Standards 2021" published by the Global Sustainability Standards Board, the Guidance on Financial Disclosure of Climate-Related Risks in the Insurance Industry, and the insurance Writing industry guidelines provided by the Sustainability Accounting Standard Board (SASB). The financial statements have been audited and certified by KPMG Taiwan according to the International Financial Reporting Standards (IFRS). A GRI Content Index has been enclosed in the Sustainability Report. Please see the Appendix.

- Union Insurance has commissioned KPMG Taiwan to perform independent and limited assurance for Union Insurance according to the sustainability indicators that the financial and insurance industry must disclose according to the Standards on Assurance Engagements No. 3000 (TWSAE 3000) "Assurance Cases of Non-Historical Audits or Reviews of Financial Information" promulgated by the Accounting Research and Development Foundation pursuant to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" (determined in reference to the International Assurance Standard No. 3000 [ISAE 3000]).
- The financial statements have been audited and certified by KPMG Taiwan according to the International Financial Reporting Standards (IFRS).
- Information Security Management System and acquired ISO 27001 certification.
- Personal information management system and acquired BS 10012 certification.
- operation continuity and Management System and acquired ISO 22301 certification.

Review method for the report

The data content of this report is compiled and edited by various groups under the Sustainability Development Committee. The leaders of each group shall conduct a preliminary review and proofreading to ensure the correctness of the data and content. After the report is confirmed by a third party, it shall be submitted to the Sustainable Development Committee for final review and then delivered to the board of directors for approval before the Sustainability Report is released.

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:
Union Insurance Co., Ltd.

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

Message from the Chairman

In 2023, Union Insurance emerged from the shadow of the 2022 epidemic control insurance challenges and, through the concerted efforts of all our colleagues, achieved remarkable results. Our premium income from written policy hit a historical high of NT$12.28 billion, up by NT$1.27 billion from NT$11.01 billion in 2022, reflecting a growth rate of 11.5%. Alongside this substantial business growth, our underwriting capacity has improved steadily over the years, coupled with appropriate reinsurance arrangements, leading to an overall underwriting surplus that has also reached historic heights. Thanks to the recovering market environment, investment performance has surpassed previous records, with both fixed-income and short-term investments yielding significant returns. However, as a responsible enterprise, we' re well aware that sustainable development must be rooted in environmental respect, social contribution, and effective governance. Thus, Union Insurance has integrated ESG into our core corporate strategy, making it a guiding principle in our daily operations.

Union Insurance responds to the "United Nations Sustainable Development Goals" (SDGs) with three main sustainability strategies: "Energy Conservation and Sustainability," "Social Prosperity," and "Transparent Governance." These are intertwined with our business characteristics to continuously implement ESG values in our operations. In "Energy Conservation and Sustainability," we actively promote measures to reduce energy consumption and carbon footprint through technological innovation and process optimization, constantly improving energy efficiency. We also continue to enhance our underwriting capabilities for various green energy industries to mitigate environmental impacts. In "Social Prosperity," we emphasize relationships with employees, customers, suppliers, and communities. We strive to create a safe, healthy, equal, and inclusive work environment while actively participating in community welfare activities to give back to society. In "Transparent Governance," we have established effective internal control and oversight mechanisms to ensure compliance with laws, regulations, and ethical standards, aiming to build transparency and provide accurate and timely information to shareholders and stakeholders.

Union Insurance has been publishing sustainability reports since 2014. We will continue to use these reports to showcase our sustainability efforts and respond to stakeholders' concerns while striving to refine our ESG objectives. With the principles of integrity, steady growth, and sustainable development, we persistently ensure compliance with laws, enhance our insurance expertise, and strengthen corporate governance. We are committed to continuously improving the quality of our products and services, pursuing long-term stable profitability under the concept of "Good Business, Good Operations," ultimately creating greater shareholder value and fulfilling corporate social responsibility, building Union Insurance into "the most trusted insurance company for customers."

Chairman's Signature

About Union Insurance

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 importantly, 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 policyholders" are the visions upheld by Union Insurance for continuous improvement and growth.

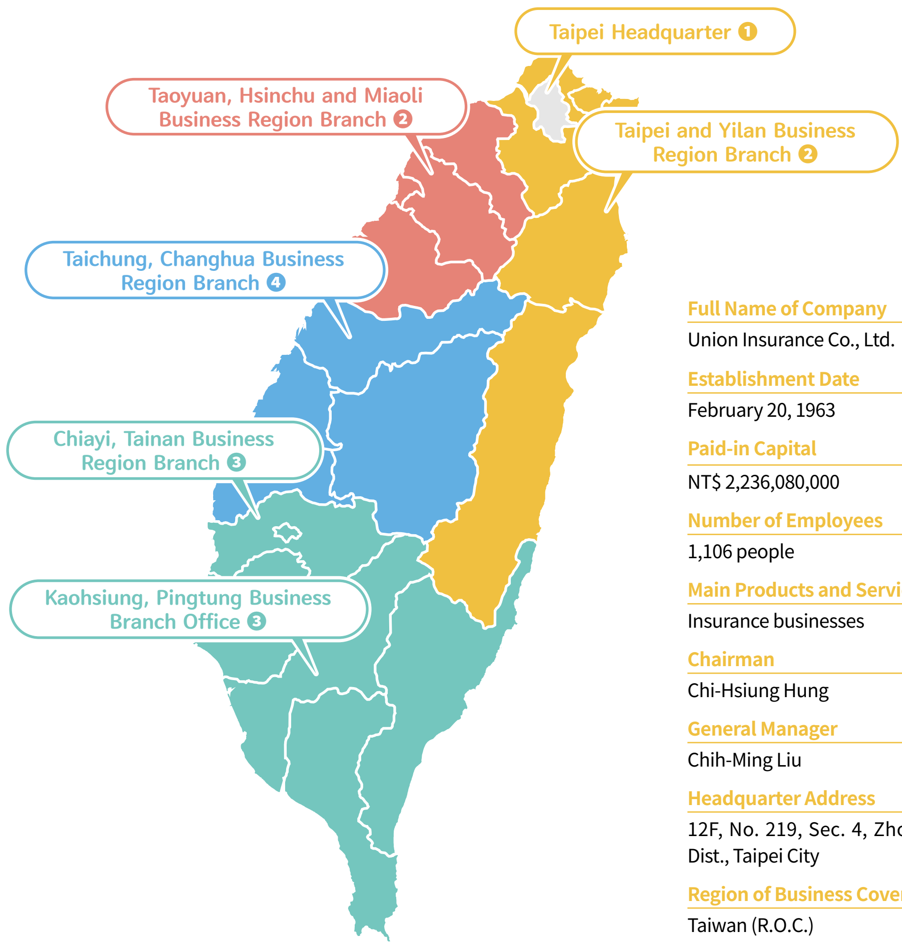
Under the professional team management of Union Insurance, and based on the "Customer Demand" and "Dedicated Service" approach, Union Insurance continues to launch diverse insurance products according to different market demands. Union Insurance is located in Taipei City and has 14 branches, 15 service centers, and 10 offices nationwide to provide complete and quality services to all customers in Taiwan. 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 Reinsurance businesses.

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. 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 customer personal information protection.

The Company's customers are divided into individuals and corporations, and the product descriptions are as follows

- The main products sold to individual customers are personal insurance, such as motor insurance, residential fire insurance, injury insurance, and health insurance. The overall annual premium income is NT$8.594 billion.
- The main products sold to corporate customers are corporate insurance products, such as commercial fire insurance, engineering insurance, liability insurance, and hull or transportation insurance. The premium income has reached NT$2.067 billion.
- The customer base is mainly distributed in the domestic region, accounting for about 99%. A few corporate customers underwrite foreign assets (accounting for about 1%), such as export product liability insurance and commercial fire insurance.
- The contract between the Company and the policyholder is an insurance contract signed yearly to bear the risks of policyholder transfers, such as substantial fire, natural disasters, and business interruption risks.
- In 2023, the overall number of insurance policies exceeded 2.05 million, and over 1.38 million cases were renewed.

Operational Bases



Full Name of Company
Union Insurance Co., Ltd.

Establishment Date
February 20, 1963

Paid-in Capital
NT$ 2,236,080,000

Number of Employees
1,106 people

Main Products and Services
Insurance businesses

Chairman
Chi-Hsiung Hung

General Manager
Chih-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.)

Associations Participated by Union Insurance

Union Insurance assigns staff to participate in relevant forums and seminars organized by the industry, government, and academic associations, to exchange industrial information and the latest industrial news. The goal is to enhance the proper relationship in the industry, achieve continuous improvement and competitiveness of Union Insurance, continuously strengthen the service level of Union Insurance, and connect with international standards.

Organization	Role
The Non-Life Insurance Association	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

Business performance

The risk control has improved since the epidemic insurance in 2023. In terms of underwriting, we have focused on actively developing high-quality business, carefully considering risk-bearing capacity, and making appropriate reinsurance arrangements, resulting in increased underwriting capacity each year. The investment management policy has maintained a good liquidity structure and appropriate asset allocation, ensuring that investment income grows steadily. Looking ahead to 2024, the trend of premium rate adjustments driving business growth will continue to grow steadily due to the elimination of epidemic insurance, and the development of engineering insurance as well as green energy insurance.

- In 2023, the full-year premium income was NT$12.28 billion. It increased by NT$1.27 billion from NT$11.01 billion in 2022, representing an 11.53% growth rate and ranking eighth in the market with a 5% market share.
- The net investment income for the year was NT$641 million, up NT$916 million from NT$-275 million in 2022, representing a growth rate of 333.09%.
- The total operating income was NT$10.178 billion, up NT$1.677 billion from NT$8.501 billion in 2022, representing a growth rate of 19.73%.
- In 2023, the retained premium income increased steadily by 8.92% to NT$9.202 billion. The retained maturity premium income was NT$8.966 billion, up NT$691 million from NT$8.275 billion in 2022, representing an 8.35% growth rate.

Business Performance Statistics Table

Unit：NT$1,000

Item/Year	2021	2022	2023
Capital	2,236,080	2,236,080	2,236,080
Operating Revenue	8,809,911	8,500,870	10,177,513
Operating cost	6,004,143	7,800,876	6,703,382
Income after tax	696,608	-1,322,207	1,200,346
Earnings per share (EPS) (NT$) Before retroactive adjustment	3.12	-5.91	5.37
Employee benefit expense (including salary, insurance fee, and other expenses)	1,303,619	1,311,173	1,386,998

Premium income of various insurance types

Unit：NT$100 million

Insurance type	Amount	Ratio
Automobile insurance	75.98	61.88%
Fire insurance	19.17	15.61%
Marine insurance	3.70	3.01%
Casualty insurance	7.15	5.82%
Engineering insurance	7.72	6.29%
Health & Accident Insurance	9.07	7.39%
Total	122.79	100%

2023 Performance Highlights

Economic aspect

- Premium income from written policies reached a new record high of NT$12.28 billion
- Premium growth rate of 11.53%
- Operating income was NT$10.178 billion, up NT$1.67 billion (or 19.73%) from the previous year.
- Pre-tax net profit was NT$1.31 billion, representing a growth of 199.02%.
- After-tax net profit was NT$1.2 billion.
- Basic earnings per share after tax of NT$5.37
- Shareholders' equity was NT$61.01 billion, up 26.97%. The net asset value per share increased to NT$27.28, with a ratio of 30.61% to total assets.
- Received recognition from Taiwan Ratings for the capital and profitability of Union Insurance and ranked under the "Very Strong" category for nine consecutive years, and granted the issuer credit rating of "twAA".
- The insurance company's financial status rating was ranked as "Stable."

Environmental aspect

- In 2023, the carbon emission of Union Insurance was 524.9 tCO2e, and the unit person average carbon emission was reduced by 10.6% (with 2020 as the base year)
- In 2023, the tap water consumption was 11.349 million liters, and the unit-person average water consumption was reduced by 2% (with 2020 as the base year)
- In 2023, the electricity consumed was 3,815,629 MJ, and the unit-person average electricity consumption was reduced by 12% (with 2020 as the base year)

Social aspect

In 2023, we organized 6 blood donation events and 6 concerts for grandparents.

In 2023, we organized 11 insurance knowledge promotion activities, with a total of 1,885 participants.

In 2023, a total of 531 people enrolled in the volunteer team, and the volunteer service reached a total of 1,619 hours.

Established a "Special Hotline for People with Disabilities and Seniors" for customers with disabilities and over 65 years old.

Sustainable Organization and Strategy

Sustainability Strategy

Union Insurance is dedicated to promoting the Company's sustainable operation goals, which include "corporate governance", "customer care", "talent cultivation", "digital upgrade", "social welfare", and "environmental sustainability". The Company also actively improves its core capital and risk-bearing capacity while increasing shareholder value, laying the groundwork for the Company's long-term success. It is also the operating policy that all employees of the Company strive to uphold.

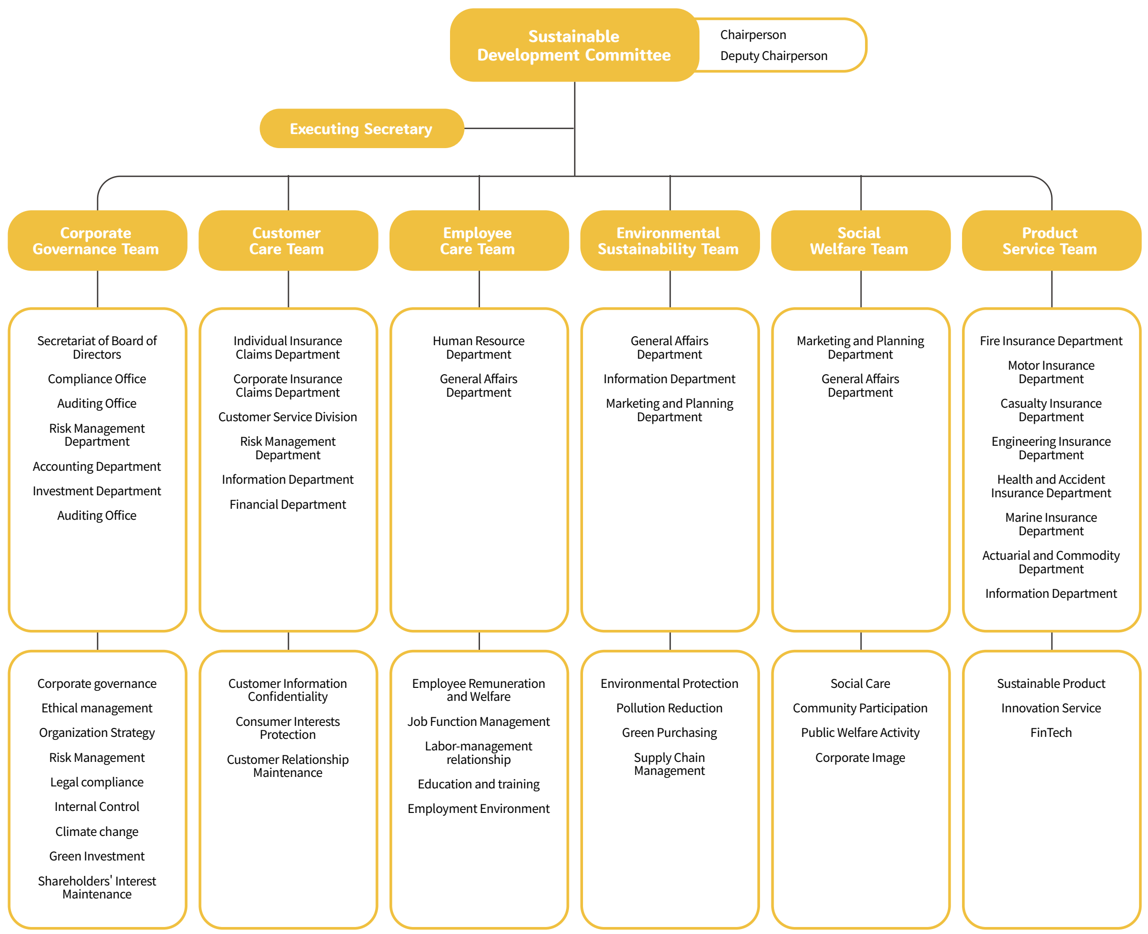
Corporate Sustainable Governance and Management

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" 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 last year and the execution plan for the current 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 customer relationship maintenance, customer information confidentiality, information security, consumer rights protection, and relevant matters
Employee care	Responsible for employee remuneration and welfare, job function management, labor-management relationship, employee education and training, friendly working environment establishment, etc.
Environmental sustainability	Responsible for promoting environmental protection, pollution reduction, green purchasing, supply chain management, and climate change response measures.
Social welfare	Responsible for promoting micro-insurance, disadvantaged care, community participation, public welfare activity, culture and sports education participation, environmental protection issues, etc.
Product service	Responsible for digital finance service improvement, continuous development of products, etc.

Sustainable Development Committee Organizational Chart



Sustainable Development Goals

	Current action/outcome	Short-term (1)	Medium/long-term goal (2)	Correlation with 2023 major topic	對應 SDGs
Corporate governance (A)	• In 2023, whole-year premium income from written policies was NT$12.28 billion, a growth rate of 11.53% • Whole-year net loss from investments was NT$641 million, showing a growth of 333.09%. • Overall operating revenue was NT$10.178 billion, showing a growth of 19.73%. • 2023 income from premium retention continued to grow stably at a growth rate of 8.92%, reaching NT$9.202 billion.	• Stable operation with overall business growth, premium income from written policies with a growth rate of 11.53% • Obtained Non-Life Insurance Association rating of "twAA Stable Outlook" and Standard & Poor's rating of "A - / Stable." • Execute fair customer treatment operations 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 meetings quarterly, and all employees receive a 3-hour information security course annually.	• Optimize employees' training on fair customer treatment, and the corporate culture awareness level based on the core of fair customer treatment reaches above 100% • The fair customer treatment course training time per person per year is over 5 hours. • Improve the legal compliance of employees of Union Insurance, reduce costs incurred due to violations, and reach the goal of zero penalty.	Corporate governance Business performance Ethical management Fair customer treatment Risk Control Responsible investment	1 2 3
Product and service (B)	• 2023 Loss prevention services： ❶ Flood trend of 336 cases ❷ Infrared detection of 114 cases • The number of micro-insurance insured persons in 2023 was 2,049 • Customer service personnel satisfaction in 2023 was 99.5% • Compensation satisfaction in 2023 was 94.1%	• Union Insurance ensures that products provided to customers are of high quality and stable, customer demands are satisfied efficiently, and Union Insurance continues to discover and improve procedures during the service process. The short-term goal is to achieve 99.5% and above for customer service personnel satisfaction and 94.1% and above for compensation service satisfaction. • Corporate climate change, relevant risk awareness, and disaster prevention capabilities can be improved through various damage protection services, such as flood trends and infrared detection. (Provide damage prevention service 1- 3 times annually) • Promote micro-insurance policy for disabled groups and products and services of disabled insurance (number of policyholders reached above 2,000 people annually) • Continue to promote electronic insurance policies and implement electronic clauses to reduce the use of paper and 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 according to the Regulations Governing Pre-sale Procedures for Insurance Products and through rigorous review meetings of each professional insurance product signatory to ensure that the products satisfy the policyholder demands and protect the interests of the policyholders. (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%	• Understand customer demands from the satisfaction survey and customer relationship management, and establish prospective and feasible strategic direction to reach 100% 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 policies, promote paperless insurance policies, and the ratio of the issuance number of electronic insurance policies over the total number of cases reaching 5% • Perform BigData analysis on users' network use behaviors, optimize the website content, provide a 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 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 standards to ensure the system's continuous operation 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%	Fair customer treatment Information security Digital finance Social welfare	3 12 13 16
Environmental aspect (C)	• In 2023, the carbon emission of Union Insurance was 534,876 kgCO2e, and the unit person average carbon emission was reduced by 10.6% (with 2020 as the base year) • In 2023, the tap water consumption was 11.349 million liters, and the unit-person average water consumption was reduced by 2% (with 2020 as the base year) • In 2023, the electricity consumed was 3,815,629 MJ, and the unit-person average electricity consumption was reduced by 12% (with 2020 as the base year)	• Average carbon emission per capita reduced by 15% in 2024 (with 2020 as the base year) • Average carbon emission per capita reduced by 7% in 2024 (with 2020 as the base year) • Average power consumption per capita reduced by 15% in 2024 (with 2020 as the base year)	• Average carbon emission per capita reduced by 15% in 2028 (with 2020 as the base year) • Average carbon emission per capita reduced by 7.5% in 2028 (with 2020 as the base year) • Average power consumption per capita reduced by 15% in 2028 (with 2020 as the base year)	Energy management Climate change	13 17
Employee care (D)	• According to the Employee Performance Evaluation Operation Regulations, all employees satisfying the qualification have completed the evaluation. • Internal training - organized 151 courses, a total of 20,512 persons-time, for a total of 33,437.5 hours. • External training - organized 140 courses, a total of 481 persons-time, for a total of 2,600.3 hours. • In 2023, the average training hours of employees were 32.58 hours with 0 cases of violation against labor treatment and human rights event. • In 2023, the number of trainees for employee human rights-related courses was 16,332 persons-time, and the total number of training hours was 26,819 hours, with the employee training ratio reaching 100%	• Average training hours per employee reached more than 24 hours • Increase employees' English proficiency, establish an education and training budget of NT$150,000, and increase the number of people acquiring TOEIC certificates. • Employee health examination rate above 95% • Increase employee maternity allowance to NT$10,000 per child birth	• 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. • Increase key talent education and training fees with a maximum allowance of NT$20,000 per person per year	Talent cultivation Remuneration and welfare Employee Rights and Interests	5 16
Social aspect (E)	• In 2023, the number of volunteers reached 531 persons-time, and the total service hours reached 1,619 hours • A total of 23 public welfare activities and insurance promotion activities were held in 2023	• Union Insurance sponsored and participated in community public welfare activities and remote learning education for more than 20 activity sessions. • The number of public welfare activities participated by employees reached 500 hours.	• Actively organize public welfare activities, provide care to remote education-related sponsorship, etc. • The number of public welfare activities participated by employees reached 1,000 hours. • Continue to promote micro-insurances, and provide life insurance protection to disadvantaged groups.	Social welfare	3

Stakeholder Negotiation and Collaboration

Through diverse communication channels, Union Insurance deeply understands the issues concerning stakeholders. 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 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 to properly protect the stakeholders' interests and maintain their trust in Union Insurance. Union Insurance will continue to correct and improve to comply with the corporate sustainable development philosophy.

The Sustainable Development Committee of Union Insurance performs assessments according to the five main principles of the AA1000 SES Stakeholder Engagement Standards, and they are 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 2023 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.

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.	▪ 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 the 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	▪ Organized 1 session of investor conference ▪ Announced 11 material information ▪ Convened 13 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.	▪ 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	▪ Participated in corporate governance evaluation for TWSE/ TPEx listed companies organized by Taiwan Stock Exchange ▪ Attended a total of 133 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 providing services that satisfy customer demands and create maximum value for customers. Union Insurance continues to provide quality products and services to customers.	▪ 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 ▪ Customer health and safety	① Union Insurance's website ② Installation of customer service direct line ③ Customer satisfaction survey ④ Financial Consumer Review Center/ Insurance Bureau/Consumer Dispute Resolution Agencies of County and Municipal Governments Contact Window： Ms. Lee, Customer Service Division TEL：(02)2776- 5567 #367	① Immediately ② Immediately ③ Once annually ④ Immediately	▪ 0800 customer service direct line received a total of 93,296 contact cases. ▪ Customer service personnel satisfaction in 2023 was 99.5% ▪ Compensation satisfaction in 2023 was 94.1% ▪ In 2023, there were 11,424 cases of road rescue cases, and the satisfaction was 97.5% ▪ Average online insurance application telephone interview rate reached above 10.9%
Suppliers	Implement supplier management, and head toward sustainable development together with suppliers.	▪ 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 ① Irregularly ① Regularly	▪ 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 essential to an enterprise's core competitiveness and the most important asset to Union Insurance. Union Insurance aims to create a friendly and happy workplace for employees.	▪ 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 Labor-management meeting ⑤ Sexual harassment complaint direct line, fax, e-mail ⑥ Employee health examination Contact Window： Ms. Liao, Human Resources Department TEL：(02)2776- 5567 #302	① Immediately ② Irregularly ③ At least once annually ④ Once a quarter ⑤ Immediately ⑥ Once every two years	▪ Each employee received education and training with an average of 32.58 hours and above annually. ▪ Organized a total of 7 new employee orientations ▪ Among all employees satisfying the evaluation qualification, 94.76% received an 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 benefits the stakeholders' proper understanding of Union Insurance and enhances the corporate image.	▪ 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	▪ Releases 4 insurance knowledge videos on YouTube channel ▪ Organized 6 interview events
Community/ Nonprofit Organization	Union Insurance believes that the assembly power of the community and public welfare group can promote greater love and care, thereby improving society to jointly implement the concept of protecting the Earth.	▪ 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	▪ In 2023, we sponsored a total of 10 public welfare-related events ▪ In 2023, we organized 6 blood donation events and 6 concerts for grandparents ▪ Held 11 insurance knowledge publicity activities in 2023 ▪ In 2023, a total of 531 Union Insurance staff enrolled in the volunteer team, and the volunteer service reached a total of 1,619 hours.

Material Issue Identification

Union Insurance adheres to the 2021 edition of the GRI General Concepts and the AA 1000 Accountability Principle Standard. It adopts the concepts of materiality, impact, responsiveness, and inclusivity to further assess the effects of various issues on the economy, environment, and people.

Step1 Identifying Stakeholders

We conform to the 5 principles of the AA1000 SES stakeholder agreement standard. Union Insurance's Sustainability Committee confirmed that the main stakeholders of the 2023 Sustainability Report remain unchanged as follows: 1) shareholders & investors, 2) employees, 3) clients, 4) government agencies, 5) suppliers, 6) communities/non-profit organizations, and 7) media.

Step2 Collect sustainability issues

Union Insurance has referenced the GRI's sustainability reporting criteria, the international sustainability norms and standards (SASB, TCFD, SDGs), the issues that domestic and foreign peers paid attention to, the organizational sustainability context, the analysis results from major issues over the years, and the indicators established by the GRI Standards as the source of Union Insurance's major sustainable issues. They also serve as the basis for the topic collection, and a total of 20 related topics were collected and summarized.

Step3 Investigate the level of concern

An online questionnaire survey was used to understand the level of concern by various stakeholders on 20 issues. In 2023, a total of 238 valid feedbacks were received.

Step4 Analyze the significance of the impact

The Sustainable Development Committee and senior executives shall assess the significance of each sustainability issue on the Company's operations, analyze its significance, and evaluate its priority. Meanwhile, understand Union Insurance' s involvement in these major issues in the value chain, and identify the scope of impact from this issue in the value chain.

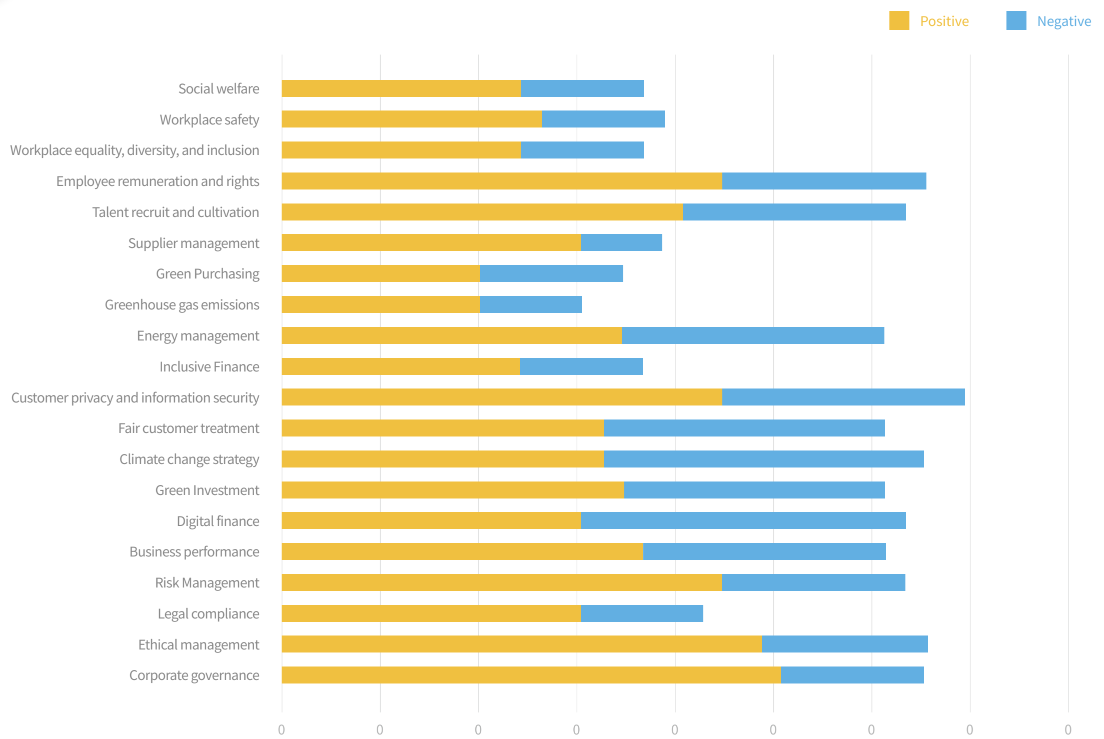
Step5 Decision on Major Issues

Eventually, the order of impact is used as the basis for ranking material issues. After discussion by the subcommittees of the Sustainable Development Committee, issues with a positive or negative impact score of 30 or above are considered material issues. In 2023, 12 materiality issues were identified. These 12 major issues are: corporate governance, ethical management, risk control, business performance, green investment, fair treatment, digital finance, information security, talent cultivation, employee rights, climate change, and energy management.

Step6 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 to establish a set of assessment mechanisms, thereby ensuring that subsequent relevant actions are implemented effectively.

Chart title



List of material topics

Corresponding issue	Material Topic	Meaning to Union Insurance	Impact boundary: Upstream	Impact boundary: Belong to Union Insurance	Impact boundary: Downstream	Impact involvement level: Direct impact	Impact involvement level: Induced impact	Impact involvement level: Direct correlation between business relationships and the impact	Response chapter
Economic aspect	Corporate governance	Stable and sound corporate governance can ensure the sustainable development of corporate organizations and protect the interests of the shareholders and other stakeholders of Union Insurance.		V	V	V			1.1 Corporate governance
	Ethical management	Integrity management is critical to the sustainable operation of enterprises. Union Insurance is committed to creating more profits and giving back to all stakeholders.		V		V			1.2 Ethical Management
	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 as a priority.		V		V			Business performance
	Green Investment	Green 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.	V	V	V	V			2.1 Green Investment
	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.			V	V		V	2.3 Inclusive Finance
	Risk Control	Establish a comprehensive and rigorous risk management system, and implement risk management, to protect stakeholders' interests and reduce operational risk.		V		V		V	1.5 Risk Control
	Information security	Information security protection is a key factor in ensuring that convenience can be provided continuously and stably, and strengthening information security can effectively reduce the risk of hacker attacks on Union Insurance.	V	V	V	V			2.7 Personal Information and Data Security Protection
	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 can achieve corporate business growth.			V	V		V	2.6 Digital Finance - Convenient Insurance
Environmental aspect	Energy management	Union Insurance assists and promotes energy-friendly activities to mitigate environmental impact, thereby achieving the goal of sustainable operation.			V	V			3.2 Resource Management - Waste Prevention
	Climate change	Establish a response strategy to handle impacts caused by climate change.		V	V	V			3.1 Climate Change - Active Protection
Social aspect	Talent cultivation	Employees are the most important assets of Union Insurance. Union Insurance can gain opportunities in the competitive industry through long-term investment in the cultivation of resources and the improvement of employees' professional skills.		V		V			4.2 Talent Cultivation - Internationa
	Employee Rights and Interests	Union Insurance values and respects each employee and implements a labor human rights policy, diverse employment, and gender equality to allow employees to work with dignity and security. This creates a happy occupational culture exclusive to Union Insurance.		V	V	V			4.3 Employee Rights and Interests - Diverse Appointment Without Discrimination

1 Transparent Governance and Sustainable Operation

Management directive

Material Topic	Corporate governance
Policy direction	Corporate governance emphasizes openness and transparency, enhances communication with stakeholders, and protects stakeholders' interests to ensure the stable operation and sustainable development of Union Insurance.
Core objective	2024 short-term goals • To ensure open and transparent operation information, ethical management, and implement a compliance system. • All board members attend professional courses for at least 1 hour annually. 2024 to 2028 medium-term goals • All board members attend professional courses for at least 2 hours annually. • 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.) 2032 long-term goals • All board members attend professional courses for at least 3 hours annually.
Performance outcome	• Established functional committees under the Board of Directors • Implemented the Board of Directors nomination system completely • Established the Corporate Governance Officer • Established the succession planning for Board members and important management • Established the Intellectual Property Management Plan • Convened 13 sessions of board meetings in 2023 • Convened 8 sessions of Remuneration Committee meetings and submitted 13 times of reports to the Board of Directors in 2023 • Convened 9 sessions of Audit Committee meetings and submitted 23 times of reports to the board of directors in 2023 • Convened 5 sessions of Risk Management Committee meetings and submitted 7 times of reports to the Board of Directors in 2023
Action plan	• Convene Board meetings are held monthly and are mainly responsible for the guidance and management of business activities of Union Insurance. • Convene Audit Committee meeting at least once quarterly to supervise Union Insurance' s financial statements, CPA, internal control and legal compliance, etc. • Convene a Remuneration Committee meeting at least once semi-annually to establish and periodically review the performance evaluation of directors and managerial officers and the remuneration policy, system standard, and structure. • Union Isurance adopts the integrated corporate risk management framework to implement comprehensive risk management from the stages of risk identification, measurement, response, and monitoring to reporting. Also, it establishes relevant risk indicators, risk monitoring points, and early warning mechanisms. Limit control is established according to the risk attribute, and the combined quantitative and qualitative method is adopted to monitor and manage various types of important risks and periodically submit an overall risk management report to the Risk Management Committee and the Board of Directors.

Management Method

Resource investment	Business unit, Service unit
Feedback mechanism	• Union Insurance toll-free customer service direct line • Mail written letter to Union Insurance business office for handling • Union Insurance feedback mailbox
Evaluation mechanism	• Internal and external audits recommended improvements • Board of Directors, Committee performance evaluation

1.1 Corporate governance

Ethical management, customer guarantee, and emphasis on shareholders' interests are the principles adopted by Union Insurance to protect the Company's business reputation and demonstrate its sustainable operation over the past 60 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 9 directors, including 3 independent directors (accounted for 33.33%), and for the gender ratio of directors, there are 2 female directors 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 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. Union Insurance emphasizes gender equality in the composition of the Board members and members with professional backgrounds matching the operation development needs, including at least one female director. In the 26th term of the Board of Directors, there are two female members (accounted for 22.22% 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 33.33% of female directors in the next five years. Regarding the age distribution of the Board of Directors, there is 1 director 31~49 years old (accounted for 11.11% of all directors), and 8 directors above 50 (accounting for 88.89% of all directors). In 2023, a total of 13 sessions of Board meetings were convened, and the attendance rate was 100% (including proxy attendance)

Union Insurance continues to arrange diverse continuing education courses for the board members 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 2023, each director's average number of training hours was 13.1 hours. The training topics included: Anti-money laundering and counter-terrorism financing risk management and fair customer treatment, IFRS17 transition and insurance industry response strategy, how to implement elderly consumer protection, TCFD risk management, corporate governance 3.0-Sustainable development blueprint, Securities market insider trading, and non-arms 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., to ensure the operation performance of the Board of Directors and its link to the international trend.

Please refer to the annual report information for details of the board of directors：https://www.wwunion.com/?page_id=5615

Board of Directors performance evaluation system

In response to the specific measures of the new version of the corporate governance blueprint, Union Insurance refers to the Sample Template of "Self-Evaluation or Peer Evaluation of the Board of Directors" amended by the Taipei Exchange and Taiwan Stock Exchange, 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. The performance evaluation results report will be completed before the first quarter of next year.

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

Operation performance evaluation

Board of Directors operation performance evaluation

Before the end of each year, the Secretariat Office of the Board of Directors collects information related to the operation of the Board of Directors, fills out the "Board of Directors Performance Evaluation Form" according to the actual operation status, and calculates the score of each evaluation item

Member performance self-evaluation

Board member performance self-evaluation

Before the end of each year, the Secretariat Office of the Board of Directors distributes the "Board Member (Self) Evaluation Survey Questionnaire" and the "Board Member (Peer) Evaluation Survey Questionnaire" to all directors for completion

Average total score

Average total score

The average of the Board Member Self-Evaluation and Board Member Peer Evaluation scores of 1 to 5 points from each Board of Director member is the average of each board member's annual performance evaluation score. The five scoring standards for assessment items (indicators) are: "Excellent (5), Good (4), Meets Standards (3), Bad (2), Very Poor (1)." In 2023, the Board Member Self-Evaluation average score was 5 points with the grade of (excellent), and the Board Member Peer Evaluation average score in 2023 was 5 points with the grade of (excellent)

Board Member Nomination and Election

The Company is formed by 7 to 13 directors with the capacity to act, elected by the shareholders meeting. The term of office is 3 years, and the directors can be reelected. The candidate nomination system stipulated in Article 192-1 of the Company Act is adopted for director elections. The director candidate nomination method and other relevant matters, The Company announcements, shall be handled according to the relevant provisions provided by the Company Act and the Securities and Exchange Act.

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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hai-Lun Hsu/Female	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shih-Wei Hsu/Male (Dismissed on 2023.7.17)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ching-Yi Lu/Female (Reassigned to take over 2023.7.17)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chia-Ying Ma/Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chih-Ming Liu/Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Yong-Tsung Hong/Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tung-Liang Wang/Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Huang-Chi Liu/Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Yu-Feng Ma/Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Remuneration Policies of the Highest Governance Unit and Senior Management

Union Insurance has established a [Performance and Salary Appraisal Method for Directors and Managers]. The director and manager's remuneration is based on the usual level of payment in the industry and the relationship between their performance and the Company's operating performance and future risks. The independent directors of the Company receive a fixed monthly remuneration, so they no longer participate in the surplus distribution. In addition, the Company stipulates that the long-term performance goals of directors and managers must conform to sustainable operation and stable income. The goal is to avoid high-risk business models or high-volatility investment strategies and prevent staff from engaging in behaviors that exceed the Company's risk appetite in pursuit of salary.

Senior management is compensated annually, with the annual wage consisting of the monthly salary given every month, the year-end bonus, and employee remuneration prepared according to the year's profit status. The year-end bonus is based on the Company's annual and personal operating performance. Employee remuneration is handled according to Article 35-1 of the Company's Articles of Incorporation. If the Company makes annual profits, 1% to 5% shall be the Company employee remuneration. However, if the Company has accumulated losses, it shall make up for them before allocating and distributing the balance. The senior management's retirement benefits depend on the terms of their appointment contracts and are comparable to those offered to regular employees. In 2023, Union Insurance conducted an employee stock ownership trust program, including the appointmenting managers and the provision of incentive bonuses as part of the benefits.

Please refer to the annual report information for details of the board of directors：https://www.wwunion.com/?page_id=5615

Communication and Response to Critical Events

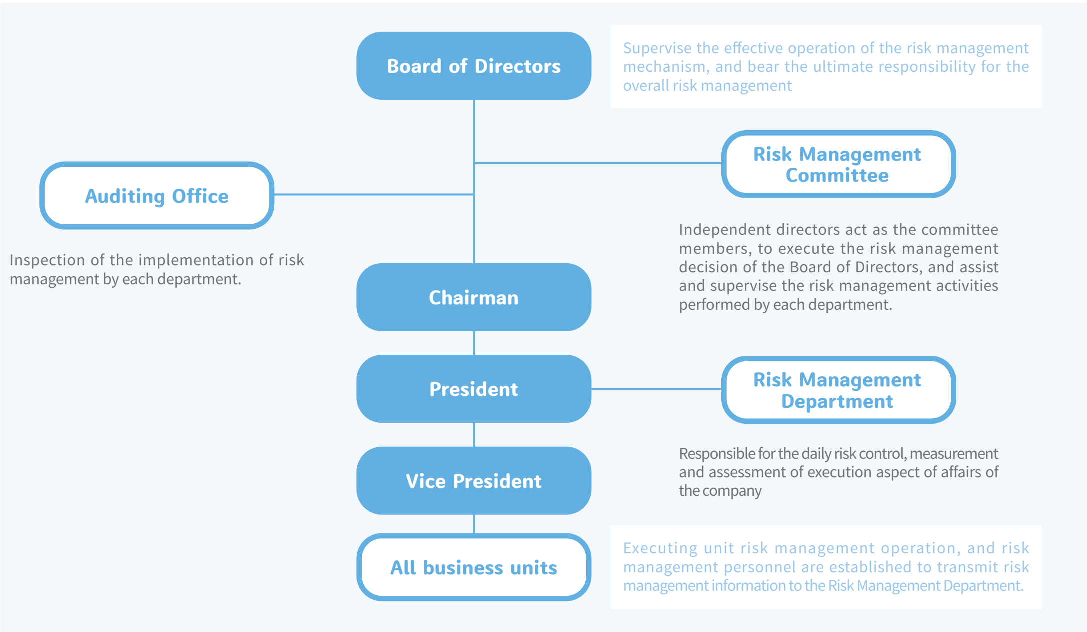
The Company has designated a spokesperson and an acting spokesperson, and a dedicated unit is responsible for the collection and disclosure of company information. If the matter involves major external announcements, the Company shall comply with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" and other regulations. The company also has an English website for foreign investors to check the relevant information.

Risk Management Committee

A total of eight meetings was convened in 2023 ,with the attendance rate of **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" 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 acts as the convener. The meeting is convened at least once quarterly to review the development, establishment, and execution performance of the overall risk management mechanism of the Company and to submit a 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.



Remuneration Committee

A total of five meetings was convened in 2023 , with the attendance rate was of **100%**.

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

I. Review the Remuneration Committee Charter periodically and propose correction recommendations.
II. 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.
III. Periodically evaluate the performance goal achievement status of the Company's directors, independent directors, and managerial officers, and specify the individual salary and remuneration content and value.

Audit Committee

A total of nine meetings was convened in 2023 , with the attendance rate of **100%**.

The Audit Committee consists of three independent directors, and the 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：

I. Proper presentation of the financial statements of the Company.
II. Appointment (discharge) of Certified Public Accountant (CPA) and independence and performance of CPA.
III. Effective implementation of internal control of the Company.
IV. Company' s compliance with relevant laws and regulations.
V. Control of existing or potential risks of the Company

Performance Evaluation System for Each Functional Committee

In response to the specific measures of the new version of the corporate governance blueprint, Union Insurance refers to the Sample Template of "Self-Evaluation or Peer Evaluation of the Board of Directors" amended by the Taipei Exchange and Taiwan Stock Exchange, to establish a complete board of directors performance evaluation system. Union Insurance regularly conducts functional committees' self- or peer-performance evaluations annually. The performance evaluation results report will be completed before the first quarter of next year.

The performance evaluation process for each Union Insurance functional committee is described as follows：

Operation performance evaluation ▶ **Member performance self-evaluation** ▶ **Average total score**

Functional Committee Operational Performance Evaluation

Before the end of each fiscal year, the Secretariat Office of the Board of Directors collects information on the operation of the board of directors and fills out the "Audit Committee Performance Evaluation Form," "Remuneration Committee Performance Evaluation Form," and "Risk Management Committee Performance Evaluation Form" according to the actual operation of each functional committee and calculate the score of each evaluation item.

Functional Committee Members' Self-Performance Evaluation

Before the end of each year, the Secretariat Office of the Board of Directors distributes the "Functional Committee Performance Evaluation Form" to each member to fill in.

Average total score

1. The self-assessment scores of each functional committee member are the average of the sum based on 1-5 points per evaluation item. The five scoring standards for assessment items (indicators) are: "Excellent (5), Good (4), Meets Standards (3), Bad (2), Very Poor (1)."

2. The average self-assessment score of the Audit Committee members in 2023 is 5 points, with a grade of (excellent). The average self-assessment score of the Remuneration Committee members in 2023 is 5 points, with a grade of (excellent). The average self-assessment score of the Risk Management Committee members in 2023 is 5 points, with a grade of (excellent).

1.2 Ethical Management

Management directive

Material Topic	Ethical management
Policy direction	With the business philosophy of integrity, transparency, and responsibility, establish an ethics-based policy and a corporate governance system.
Core objective	0 Corruption event
Performance outcome	No occurrence of corruption events in 2023
Action plan	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's board of directors has approved the "Code of Integrity Management" and the "Integrity Management Policy" and published them on the Company website. They expressly outline the Company's integrity management policies and practices; and stipulate that directors, managers, employees, assignees, and persons with substantial control capabilities must abide by the principle of honesty and credit; pledge to refrain from engaging in dishonest behavior; and actively implement the integrity management policy. The Company's "Integrity Management Policy" defines honest management techniques, prohibits dishonest activity, and periodically evaluates them. It addresses operational rules, behavioral expectations, and the creation of advocacy, rewards and penalties, complaint procedures, disciplinary actions, etc., to control staff operations. The Company restricts offerings or accepting inappropriate benefits.

There are also strategies and methods to avoid accepting illegal interests, political contributions, donations, or sponsorships, intellectual property rights violations, conflicts of interest, leakage of corporate secrets, insider trading, etc. Every month, the Company uses the operational risk checklist to analyze and evaluate the state of business activities that may involve a higher risk of dishonesty. 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 - 2023

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 officially signed the document with the Taiwan Stock Exchange to declare 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.

Union Insurance upholds the business philosophy of transparency, integrity, and responsibility. To prevent potential risks due to corruption and unethical conduct, the Company establishes the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conducts" and the corporate anti-corruption system. In addition, the "Report of Illegal Conducts and Report Acceptance Regulations" are established to prevent events related to major impacts on the Company's integrity, such as personnel fraud. After open and transparent ethical management regulations are established, Union Insurance convenes regular meetings for review. In 2023, Union Insurance convened 4 sessions of legal compliance meetings, and the headquarters 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 amounts of funds and have a major impact on the market and the investees. Accordingly, it is important to comply with "Stewardship" during the investment or fulfillment of fiduciary duty. 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' meetings, exercising voting rights or adopting electronic votes, to participate in the corporate governance.

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

The United Nations (UN) has announced the Global Impact and determined the four main aspects of human rights, labor, environment, and anti-corruption as the common international standards for corporations to fulfill social responsibility. It urges corporations to act as active citizens and 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 simultaneously to prevent and control corruption, such as money laundering.

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 corporations must face. In addition, the Code of Conduct for Business has also been established and announced to encourage public and private sectors to establish partnerships, jointly exert effort in improving governance mechanisms, fight against corruption, and link with international trends. 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 conduct 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.

2023 anti-corruption education and training

Issues promoted or discussed by the course	Number of trainees	Course hours	Total number of training hours
Anti-corruption	2,312	1~4 hours	3,332
Anti-bribery	1,083	1~3 hours	1,106
Ethical management	4,392	1~3 hours	6,026

1.3 Legal compliance

Union Insurance has paid attention to changes in domestic and foreign financial and legal environments for a long period. It continues to strengthen legal compliance management and cooperate legal compliance culture 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 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 of corporate internal control. To establish an 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 Company restructuring in 2010 to serve as a second line of defense for international control. In addition, the Company also installs one legal compliance supervisor at the headquarters 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 the 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

Responsible Items	Related Operations
Legal compliance convey and promotion	❶ Establish a legal compliance system and annual plan, as well as plan and establish an efficient legal compliance structure. ❷ Establish consultation and communication channels to effectively convey laws and regulations and implement legal compliance. ❸ Install a legal compliance supervisor in each department, and establish a clear and appropriate regulatory conveying, consultation, coordination, and communication system to properly convey changes in relevant laws.
Legal compliance personnel education	❶ Implement appropriate legal compliance educational training and promotion to strengthen the legal compliance awareness of each unit personnel of the Company. In 2023, the total number of education and training hours for legal compliance-related courses was 9,085 hours, and the number of trainees was 7,952. ❷ For major deficiencies or flaws of each unit concerning legal compliance, analyze the cause and propose improvement recommendations. ❸ Establish legal compliance assessment content and procedure, supervise each unit to periodically self-assess the execution status, and evaluate each unit's legal compliance self-assessment operation outcome, followed by submitting to the President for approval, to be used as a reference basis for the unit evaluation.
Ensure product and activity legality and others	❶ Ensure all operation and management rules in the Company are updated timely according to relevant laws to allow all operational activities to comply with the laws and regulations. ❷ When the Legal Compliance Officer of the headquarters encounters the following three conditions in the Company, he or she shall provide opinions complying with the laws and internal regulations. He or she shall also provide a signature for the opinions to bear the responsibility thereof： • Where the company launches various services and new insurance products. • Where the company launches insurance products that are considered to be a major change by the competent authority such that approval method is required for handling. • Before the company performs specific or major capital use. ❸ Provide uniform legal opinions of the Company, and ensure the consistency of the legal position of the Company. ❹ Implement anti-money laundering and counter-terrorism financing-related planning operations.

Penalties received by Union Insurance as rendered by the competent authority and improvement measures in 2023

Penalties received by Union Insurance as rendered by the competent authority in 2023.

1.4 Anti-money Laundering

In 2023, Union Insurance performed anti-money laundering (AML) and/or countering 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 2023, the total number of relevant education and training hours

reached **3,332** hours.

Union Insurance is committed to ethical management and anti-corruption. For common AML flaws that occur in corporations, the Company actively prevents such occurrences in advance. 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 completely complies with the laws and regulatory system to prevent 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, to perform risk control.

Union Insurance recognizes the importance of AML, CFT, and CPF issues. In addition to establishing 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, and CPF" must 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, to properly implement AML operation process in all details requiring attention, thereby improving the AML and CFT operation. In 2023, Union Insurance performed AM/CFT and CPF quality inspections on all business units to determine the AML operation implementation status of the business-related units. In 2023, the total number of relevant education and training implemented reached 3,332 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：

Policy direction	Specific Implementation Policy
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 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, supervises 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 the 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 headquarters to assume the position of such supervisor and authorizes the sufficient authority to coordinate and supervise AML/CFT and CPF. In addition, AML-related affairs are also co-handled by the Compliance Office. **The prevention actions are implemented thoroughly by 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 developments related to AML/CFT and CPF, Union Insurance invites external instructors to provide training courses for directors at Union Insurance to timely adjust relevant important policies and systems of Union Insurance.
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 in a timely manner according to the laws to ensure that the AML/CFT and CPF structure are linked to the latest international information. **Establish a blacklist database to prevent the crime of ML:** Early prevention can be more effective than post-event handling. Regarding AML, Union Insurance has established the internal and external purchase blacklist database 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 immediately to the Ministry of Justice Investigation Bureau for further investigation. **Assess risk periodically and assess quantitative exposure data:** To allow the management level to have sufficient information for decision-making concerning 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 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 to ensure financial security.
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 an introduction on the importance of AML/CFT and CPF and also includes relevant risk analysis, latest regulatory development, important regulatory promotion, the introduction of penalty cases, and relevant latest news, 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 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 to test their knowledge of AML/CFT and CPF. Through periodic updates of examination questions and evaluation, the weaknesses of employees in terms of prevention knowledge can be determined, and such information can be used as an important reference for review and improvement of education and training policy. **AML for everyone with the 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 enhancing internal promotion, Union Insurance also posts AML-related educational posters at all business locations. Also, it conveys the concept of AML to customers and the general public by requesting sales units and sales specialists to convey information to customers, providing educational manuals to customers, and requesting the general public to cooperate with relevant customer reviews. 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 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.
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 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 prevention 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 a 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.

1.5 Risk Control

Union Insurance's risk management is strategically positioned, and risks are considered when making relevant decisions. The Company implements risk identification, measurement, monitoring, and reporting through a qualitative or quantitative management approach to maintain various risks encountered during operating activities within the acceptable range, thereby achieving the goal of rationalizing risks and rewards. The goal is to continue operating according to the current management mechanism and promptly modify different management rules to reflect changes in the business environment and external laws and regulations.

Management directive

Material Topic	Risk Control
Policy direction	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.).
Core objective	**2024 short-term goals：** Strengthen risk management framework and risk information transmission **2024 to 2028 medium-term goals：** Improve risk assessment techniques, examine and observe emerging risks **2032 long-term goals：** Continue to develop an appropriate risk management mechanism according to the Company's business scale and configuration and strengthen the risk management culture.
Performance outcome	Convened 5 sessions of Risk Management Committee meetings and submitted 7 times of reports to the Board of Directors in 2023.
Action plan	Union Insarance adopts the integrated corporate risk management framework to implement comprehensive risk management from the stages of risk identification, measurement, response, and monitoring to reporting. Also, it establishes relevant risk indicators, risk monitoring points, and early warning mechanisms. Limit control is established according to the risk attribute, and the combined quantitative and qualitative method is adopted to monitor and manage various types of important risks and 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	Provide toll-free customer service direct line, mail written letters to the Union Insurance business office for handling, or submit letters to the feedback mailbox.
Evaluation mechanism	Internal and external audits recommended improvements
Future continuous improvement plan	Continue to operate based on the existing management mechanism, and adjust various management norms on time according to external laws and regulations and changes in the business environment.

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 to ensure that the risk management system of the Company can comprehend and effectively control relevant risks. Union Insurance 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 company's risk management 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 lines of defense management. It implements comprehensive risk control to establish relevant risk indicators, risk monitoring points, and early warning mechanisms for stages from risk identification, measures, response, monitoring, and reporting. In addition, the annual risk limit is reviewed to assist the Board of Directors in supervising the management of existing or potential risks of the Company.

First line of defense refers to the business unit and supporting unit

Responsible for ensuring the compliance with risk management regulations during the execution of job duties, and implementing daily risk control

Third line of defense refers to the audit unit

Responsible for the review of compliance and execution status of various risk-related regulations and mechanisms

Second line of defense refers to the legal compliance unit and risk management unit

Responsible for the planning of the risk management system, and monitoring the first line of defining implementation and execution status and the effectiveness of the mechanism

Risk management process and mechanism

Regarding 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. After evaluating aspects such as business growth, risks, and rewards and identifying various risks, the Company aims to establish a thorough risk management organizational structure and various risk management methods and gradually create a strong risk management and control mechanism based on the Company's business plan and goals. The board of directors also reviews the risk management policy and guidelines yearly, adjusting the structure according to international conditions.
The risk management procedure of Union Insurance includes execution of risk identification, measurement, monitoring, and reporting through a qualitative or quantitative management approach to maintain various risks encountered during operating activities within the acceptable range, thereby achieving the goal of balance between risk and return.

Risk Identification ▶ Risk measurement ▶ Risk response ▶ Monitoring and report

Various risk management mechanisms

The Company has conducted risk assessments on important issues and formulated the relevant management mechanisms based on the assessed risks according to the principle of materiality in sustainability the Company follows:

Risk types	Risk definitions	Management Mechanism
Market risk	Market risk refers to the risk that asset value may be subject to market price change during a certain period, causing the loss of such asset.	• Establish relevant risk control regulations for key assets • Adopt qualitative or quantitative approach to measure market risk
Credit risk	Credit risk refers to the risk that a debtor's credit rating is downgraded or debt cannot be repaid, transaction counterparty cannot or refuses to perform its obligation.	• Implement credit risk management, credit rating limit management before transaction • Continue to implement credit risk management after transaction
Liquidity risk	Liquidity risk is divided into "financial liquidity risk" and "market liquidity risk." "Financial liquidity risk" refers to the risk that an 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 market price fluctuation is encountered during the disposal or offset of the position held due to insufficient depth or disorder of the market.	• 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.
Operational risk	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 excludes strategy risk and reputation risk.	Implement various control measures, risk identification, risk measurement and establish qualitative and quantitative risk management tools to manage the operational risk.
Insurance risk	Insurance risk refers to the risk where unexpected changes cause loss after a 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.	Implement risk identification, risk measurement, risk response, risk monitoring and risk report procedures, in order to ensure the effectiveness of risk control system operation.
Asset and liability cooperating risk	Assist and liability cooperating risk refers to the risk caused by inconsistency in the value changes of the assets and liabilities.	Implement risk identification, risk measurement, risk response, risk monitoring and risk report procedures, in order to ensure the effectiveness of risk control system operation.
AML/CFT risk	Union Insurance adopts appropriate measures by considering business, product, and customer characteristics. It establishes periodic and comprehensive ML and CF risk assessment operations to timely and effectively understand the overall ML and CT risks encountered.	• Establish identification, assessment, management, and relevant policy procedures for the ML and CT risks. • According to the ML and CT risks and business scale, establish AML/CFT plan and review it periodically to ensure the effectiveness of the risk control system operation.
Climate Change Risks	They are divided into "physical risks" and "transformation risks." "Physical risks" stem from direct or indirect losses caused by specific natural disasters due to climate change or long-term changes in climate patterns. "Transition risks" stem from the society's transformation into a low-carbon economy under the influence of policies and regulations, low-carbon emission technologies, and social preferences.	To effectively control climate change risks, Union Insurance has identified. It evaluates the climate change risks by regularly reviewing the reports issued by relevant domestic and foreign institutions and then develops risk response countermeasures.
Emerging risks	Emerging risks refer to the risks that may not be obvious at present but may occur along with the change in the environment and are typically caused by changes in politics, laws, market, or natural environment, including but not limited to infectious disease risk, information security risk (network risk), etc.	Implement risk identification, assessment and risk response to manage emerging risk.
Other risks	Other risks refer to risks other than those encountered during business operations.	Establish corresponding and appropriate risk control handling procedures according to the risk characteristics and different impact levels on the company

Major operating risk event handling procedure

The Company upholds the commitment to ongoing and uninterrupted operations, which is shared by the entire management team and each colleague.

In a modern civilization plagued by numerous internal and external risks, the damage they create may disrupt the products or services given or swiftly spread their disasters. Therefore, how to prevent and protect the key business of the Company to prevent and respond to risks in today's society is critical. The Company has established, implemented, monitored, and maintained the business continuity management system according to the requirements of the applicable global Business Continuity Management (BCM) best practice experience and standards to ensure the Company can resume regular operations effectively in the shortest time possible when a major force majeure failure, disaster, or man-made harm disrupt the key operations. The board of directors shall authorize the President to establish a business continuity management executive committee to manage and take charge of the business continuity management system (BCMS) operations, continuously improve the effectiveness of the system and procedures, comply with applicable laws and regulations, and maintain continuous operation without interruption to protect the interests of clients and stakeholders.

In 2022, the ISO 22301 BCMS was completed

In 2023, we received a return visit from the verification company to inspect and continue to maintain the validity of the certificate.

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 an operational risk loss event, it shall adopt emergency response measures immediately. It 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 to allow the Risk Management Department to continue monitoring and tracking 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 policyholders. Union Insurance has established the "Management Crisis Response Measures." The Chairman is the chief supervisory officer, and the President is the convener. Appropriate personnel is assigned to form the response team according to function and responsibility allocation to cooperate with the execution of response measures.

Risk management and capital adequacy

- Short-term refers to quarterly, medium/long-term refers to annually; inspect the risk management and capital adequacy ratio at the Company level.
- Periodically entrust the reinsurance broker to assess the maximum possible loss based on the natural disaster model and arrange the reinsurance contract for the next year.
- Maintain various risks encountered in the operating activities within the acceptable range, and perform stress tests annually to assess and monitor 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 extreme liquidity risk conditions, 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. When it is considered necessary, according to the "Management Crisis Response Measures," the Chairman or his 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 to provide such result to the response team for a discussion on various financing plans.

2

Sustainable Finance Protect Clients

Management directive

Material Topic	Green Investment
Policy direction	Climate change is a global issue critical to corporate sustainable development. It is a long-term trend to reduce carbon emissions and achieve carbon neutrality. Union Insurance has demonstrated its determination to respond to climate change and implement ESG through goals and actions.
Core objective	2024 short-term goals: ● The target investment for ESG-related products in the total investment position is to maintain over 60%. ● Develop an investment and financing component transformation strategy with a carbon emission intensity of no more than 3.0. 2024 to 2028 medium-term goals: ● The target investment for ESG-related products in the total investment position is to maintain over 65%. ● Develop an investment and financing component transformation strategy with a carbon emission intensity of no more than 2.8. 2032 long-term goals: ● The target investment for ESG-related products in the total investment position is to maintain over 70%. ● Develop an investment and financing component transformation strategy with a carbon emission intensity of no more than 2.5.
Performance outcome	● Up to the end of 2023, Union Insurance's investment ratio in ESG-related products accounted for approximately 70% of the total investment position, outperforming the original 60% target. ● In 2023, there was no ESG violation for the assessment positions held.
Action plan	● If the investment target is assessed and found to have major environmental pollution incidents or ESG violations after inspection, and there is no obvious improvement plan, the investment position will be reduced or new investments will no longer be allowed. ● When an investee is subject to a violation against the ESG principle, Union Insurance shall continue to track the cause of such an event and its handling status. ● Inspect Union Insurance investment positions to understand the greenhouse gas emissions of the investees and whether the carbon reduction goals formulated have achieved the expected results, implement shareholder actions, negotiate with the investees, and guide the investee subjects to invest in carbon reduction.

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. ● The Market Observation Post System entrusted an agency to provide statistical data and evaluation operations for the internal investment process and investment department members.
Feedback mechanism	The discriminatory and entrustment institutions provide statistical data and internal investment operations by adding assessment items.
Evaluation mechanism	● The goal of the investment amount in relevant products complying with ESG accounts is maintained to be more than 60% of the total investment amount. ● Union Insurance has assembled a list of high-carbon emission industries recognized by the general market consensus. At the end of 2023, the exposure amount was about NT$170 million, with the cement industry at the highest. The total amount of investment at risk was reduced from 3.0% to 2.1% among the total investment position.
Future continuous improvement plan	Union Insurance focuses on equity investment when investing in ESG-related products. The Company is expected to continue to increase the proportion of investment in green bonds each year. We will continue to pay attention to relevant ETFs or funds and take action to support invested companies in implementing low-carbon economy and carbon reduction plans.

2.1 Green Investment

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 balanced development of the environment, society, and corporate governance, to allow Union Insurance to pay attention to green investment, thereby reducing environmental pollution and hazard and fulfill the corporate social responsibility.

Union Insurance screens investment targets and incorporates issues such as ESG sustainable development and responsible investment into the investment evaluation process. The four main securities investment processes are "Investment analysis, Investment decision making, Investment execution, and Investment review." During the investment decision-making, ESG sustainable development assessment is considered, and the "individual product post-investment management and the goal of maintaining the ratio of investment of ESG sustainable development-related product over the total investment position above 60%" are reviewed after the investment. Regarding legal compliance, Union Insurance complies with the "Stewardship Principles for Institutional Investors" announced by the Corporate Governance Center of TWSE and the responsible investments and stewardship principles. On May 31, 2018, Union Insurance signed the "Declaration for Compliance with Stewardship Principles for Institutional Investors" with the TWSE.

Statistics on the 6 Core Strategic Industries

To support the country's key policies and industrial development needs, the Executive Yuan's "6 Core Strategic Industries Promotion Plan" is implemented and investment in the following 6 core strategic industries is provided. Union Insurance grew significantly by 115% in 2023 compared with 2022.

Information and digital industry
- Computers and other components
- AI, AIoT
- Media production、ICT industries

Cybersecurity industry
- Semiconductors
- AI, 5G

Precision health industry
- Nutritional supplement
- Hospitals/pharmacies/clinics
- Care services

National defense and strategic industries
- Aerospace
- The indigenous naval vessel
- Drones

Green and renewable energy industries
- Solar power
- Fuel cells
- Wind power
- Hydrogen energy

Strategic stockpile industries
- Daily necessities
- Medical care
- Food

Unit: NT$1,000

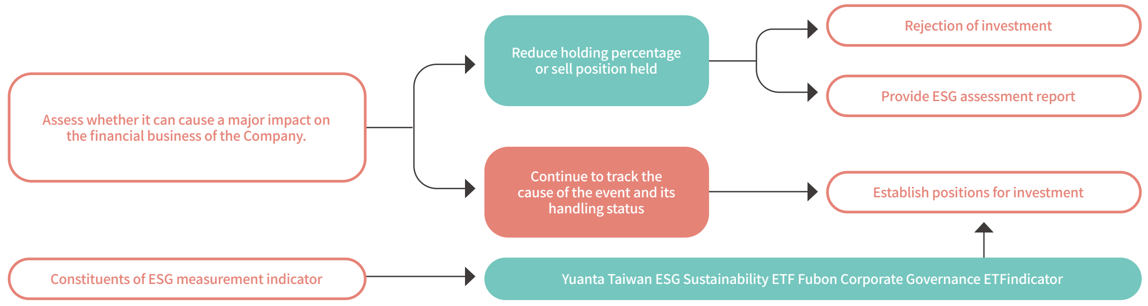
Year	Information and digital industries	Cybersecurity industry	Precision health industry	National defense and strategic industries	Green and renewable energy industry	Strategic stockpile industries	Total
2022	611,023	26,151	27,993	89,962	30,839	8,740	794,706
2023	1,435,164	56,929	62,407	67,050	47,647	36,783	1,705,979

Green bond statistics table

Unit: NT$1,000

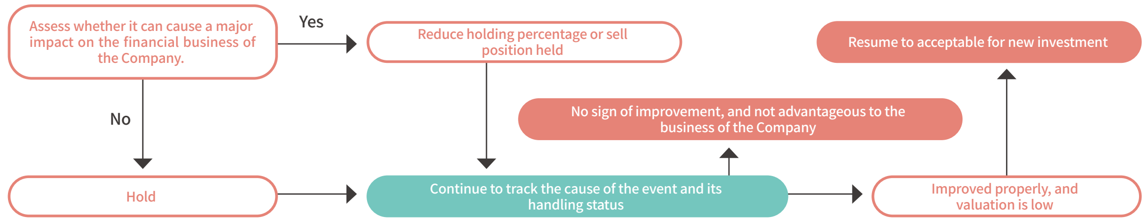
Year	Issuing institution	Bond type	Currency	Investment balance	Main purpose
2022	-	-	-	No investment	-
2023	Far Eastern New Century	Green bond	TWD	100,000	Waste recycling and reuse

Before investment



After investment

If there is a violation of ESG in the company invested by Union insurance



Responsible Investment Selection Table

Responsible Investment Selection Items	Yes	No
1 Whether it involves military weapons, firearms, or the tobacco industry		
2 If the investee company belongs to a high-carbon emission/high-polluting industry, it should go to the greenhouse gas platform to check its carbon emissions in the past three years to confirm whether it is a high-polluting industry for investment reference. (E)		
3 Whether it violates human rights criteria (S)		
4 Whether there has been any major social dispute in the last year and such dispute is not yet improved (S)		
5 Whether there has been any investigation within the past year (G)		

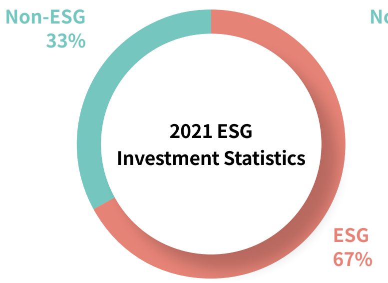
Perform risk assessment on investees, including ESG sustainable development-related risks and opportunities.

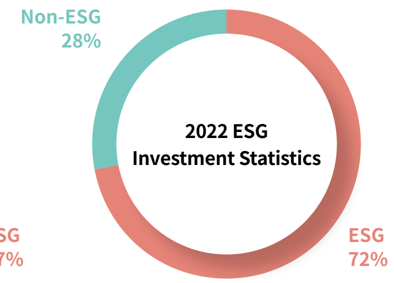
Assessment focus	The sale and purchase written decision includes a responsible investment selection form, and the Company shall be inspected to determine whether there is an ESG sustainable development issue violation disclosure.
Assessment indicator	The assessment ESG indicator refers to the constituents 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 products over the total investment position at more than 60%
Assessment method	• Pre-investment assessment: Before investment, Union Insurance considers whether the enterprise impacts the environment, society, corporate governance, etc., of the potential investment subject matter. If it is listed on the blacklist, no investment is made. • Post-investment management mechanism: Assess whether the position held is subject to any major environmental pollution event, violation of social responsibility, and failure to be improved cooperatively. If such an event occurs, it is listed on the blacklist, and no additional investment shall be made. When the investees violate the principles of ESG sustainable development, Union Insurance must continue to track the cause of the incident and deal with the matter.
Risk and opportunity	• If the investee violates the ESG sustainable development principles, the media may disclose the Company, and after the announcement on the Market Observation Post System website, it may affect the business operation of the Company, leading to a stock price drop and causing further operating risk. • Use ESG sustainable development 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.

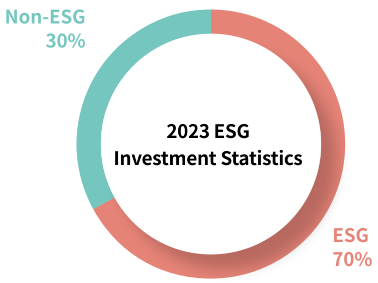
Disclosure of information on investment in ESG financial products

For the most recent three 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%.

1. 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.
2. Up to the end of 2022, the ratio of Union Insurance' s investment in ESG-related products accounted for approximately 72% of the total investment position.
3. Up to the end of 2023, the ratio of Union Insurance' s investment in ESG-related products accounted for approximately 70% 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 2023. (The proportion of total investment in ESG products at the end of 2023 decreased compared to 2022 mainly due to the removal of holding positions from constituent stocks)

Asset type

Unit: NT$1,000

Item	ESG-related product investment amount	Total investment amount per asset	ESG-related product ratio
Stock	1,066,375	1,694,857	63%
Preferred stock	1,843,746	1,843,746	100%
Bond	1,600,000	2,350,000	68%
Fund	-	105,483	0%
ETF	-	107,750	0%
REITs	-	321,109	0%
Total	4,510,121	6,422,945	70%

Industry type

Unit: NT$1,000

Item	ESG-related product investment amount	Distribution ratio
Electronics industry	784,17	17%
Conventional industry	514,205	11%
Financial industry	3,211,199	71%
Others (ETF/Fund)	0	0%
Total	4,510,121	100%

Formulate a transformation strategy for investment and financing positions. In 2023, ESG-related products accounted for 70% of the total investment positions.

2.2 Sustainable Insurance Product and Services

Sustainable Insurance Products

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 climate change-related products and services to provide policyholders with more comprehensive protection.

Type	Insurance product
Transportation, renewable energy construction related	Micro electric two-wheeler Green energy engineering insurance
Agriculture, forestry, fishery and animal husbandry, natural disaster-related	Agriculture and fisheries protection Natural disaster protection

Transportation protection

Under the "2050 Net Zero Emissions Goal" set by the government, developing green transportation is critical to the low-carbon goal among the five net-zero technology areas planned for development. Mini electric two-wheel vehicles with complete safety regulations and listing conditions are expected to become the mainstream electric vehicles. Union Insurance launched insurance for small electric two-wheeled vehicles on November 30, 2022, in response to government regulations encouraging the public to utilize electric vehicles. The goal is to lower carbon emissions and offer additional protection for vehicle owners and pedestrians. In 2023, there were 3,462 cases of mandatory insurance for small electric two-wheeled vehicles, with an insurance premium of NT$3,261,964.

Green energy engineering insurance

Union Insurance is taking an active stance towards Taiwan's green energy policy. We offer insurance products that cater to the green energy industry and help companies in the same industry to transfer risks. The goal is to ensure the safety of major construction projects as well as supply chain operations such as geothermal power generation, solar photovoltaic, onshore wind power, offshore wind power, and other renewable energy industries. Union Insurance provides insurance support to various green energy industries in order to protect the risks of various green energy industries and promote domestic green energy development.

Item	2023 Written Policy Premium Income
Offshore wind equipment insurance	NT$72,995,470
Solar power equipment insurance	NT$123,688,408
Geothermal power	NT$2,368,030
Wind power	NT$11,871,222

Agriculture and fishery protection

1. **Fishing Vessel Insurance：**Fishermen's livelihood depends on the sea and weather and we strive to provide them with an extra layer of protection. Between 2009 and 2023, the accumulated premium income from fishing vessel insurance contracts totaled NT$488 million and continues to grow.

Fishermen rely on their fishing boats as they work hard to provide fresh fish for Taiwanese people despite the weather. Union Insurance provides insurance coverage for fisherman's fishing vessels to further protect the safety of fishermen's property and maintain the stable development of their fishing boats for their livelihood. Environmental risk factors are carefully considered through prudent underwriting while evaluating the background of fishing boat owners and how fish is caught. For example, those who use gillnets to catch fish or those caught fishing illegally by competent authorities. Union Insurance will conduct strict assessments or even refuse to undertake their business.

At Union Insurance, we strive to design our products based on the rights and interests of policyholders and the development of environmental sustainability. We understand that the 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, to mitigate the environmental impact and conserve marine biological resources while implementing the 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	2021	2022	2023
Number of cases undertaken	157	160	169
Annual premium income	NT$25,370,400	NT$27,681,587	NT$28,558,607
Growth rate	-2.19%	9.11%	3.17%

2. **Weather Index Insurance：**"Jujube weather insurance": Farmers in Taiwan work hard to grow crops and often face unpredictable risks and threats. Supporting and protecting Taiwanese farmers has always been our intention. In the 4th quarter of 2019, we introduced jujube weather index insurance, protecting 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 protect farmers 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 "Jujube 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. Union Insurance will provide relevant protection when the meteorological data reaches a certain range that leads to crop losses for jujube farmers. 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 protects farmers in the event of a severe windstorm resulting in crop damage, which is the most common cause of losses. In 2023, the amount of insurance underwritten reached over NT$17 million. The insurance premium will be actively adjusted to give feedback to jujube farmers by taking the past underwriting status into account to provide substantial assistance and support Taiwan's agriculture.

Jujube Crop Insurance Business Results

Year	Number of cases undertaken	Annual premium income	Areas for Underwriting
2019 | 2022	116	NT$3,769,224	Kaohsiung City： Tianliao, Alian, Liugui, Yanchao, Taisha, Gangshan, Qishan Pingtung County： Jiuru, Ligang, Gaoshu
2023	57	NT$1,914,905	Kaohsiung City： Tianliao, Alian, Liugui, Gangshan, Yanchao, Dashe Pingtung County： Pingtung County: Jiuru, Ligang, Gaoshu, Yanpu

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 762,000 policies of earthquake insurance including earthquake basic insurance since 2019, exceeding premium income of over NT$1,695 million.

In Taiwan, there are nearly 4 million houses over 30 years old, most of which are located in Taipei City and New Taipei City, with less than 30% of these houses meeting the new standards of seismic strength. On April 1, 2002, we implemented the "residential earthquake insurance system" to make it mandatory for house buyers to take out basic earthquake insurance alongside residential fire insurance. The banks also inform that aside from residential fire insurance, basic earthquake insurance is mandatory upon taking a loan for a mortgage. Based on the consideration of people, we have also designed a comprehensive home insurance policy for earthquake insurance for light damages, covering wall cracking, damage to movables, and damage to home décor. Aside from earthquake insurance, 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 taking out when planning property purchase. For example, for a house that is 132.2 square meters 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 discounts when taking out insurance online.

In recent years, the awareness for people to take out earthquake insurance and the concept of insurance has been enhanced. The residential earthquake insurance system has been implemented for 20 years since 2002. As of December 31, 2023, the cumulative liability for residential earthquake insurance amounted to NT$5.7358 trillion, with effective policies totaling 3.504 million and a national average coverage rate of 37.85% (based on 9.15 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 basic earthquake insurance for the past 3 years (residential fire)

Year	2021	2022	2023
Number of cases undertaken	190,071	195,712	194,818
Annual premium income	NT$260,142,199	NT$260,770,903	NT$261,298,481
Growth rate	2.08%	0.24%	0.20%

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

Year	2021	2022	2023
Number of cases undertaken	1,315	1,478	1,573
Annual premium income	NT$225,930,515	NT$252,264,083	NT$338,088,208
Growth rate	-0.16%	11.66%	34.02%

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. In 2023, the number of insured cases is 1,059, and the premium income from signed contracts is approximately NT$267 million. we have accumulated more than 3,925 typhoon and flood insurance policies since 2020, with a premium income of more than NT$744 million.

Sustainable Insurance Services

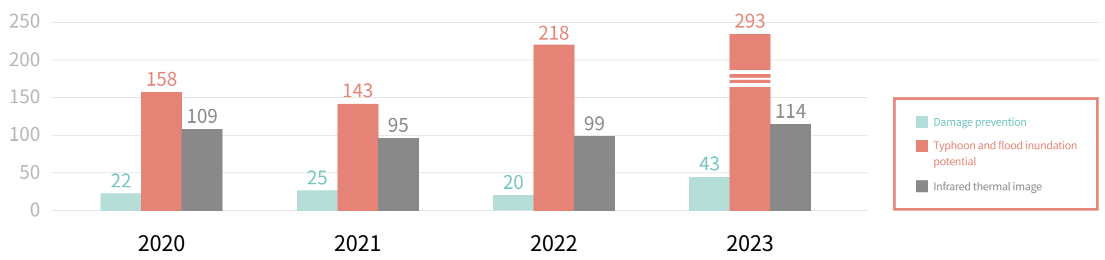
Loss prevention service

Union Insurance provides complete Loss Prevention Services. 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, 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, to allow customers to effectively reduce the occurrence of risk accidents. Since its launch in 2013, we provided a total of 2,291 typhoon flood potential risk analysis services and 346 damage prevention suggestions.
- **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 1,733.

Protection Contents

Number of damage prevention, typhoon flood potential risk analysis, and infrared thermal imaging scanning services provided in the past 3 years.



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

Step 1

Proceed to the insured location for a survey, and measure the routine risk faced by the enterprise from an objective perspective.

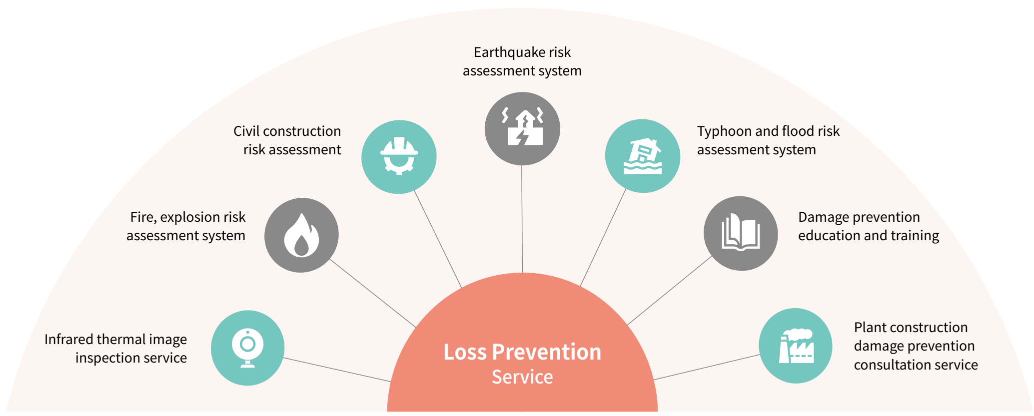
Step 2

For the internal hazardous factors, propose recommendations for improvements, and prepare a loss prevention recommendation report.

Step 3

Further, propose specific fulfilling measures for individual cases to reduce property loss and personal injury probability and severity.

- Union Insurance provides diverse damage prevention service

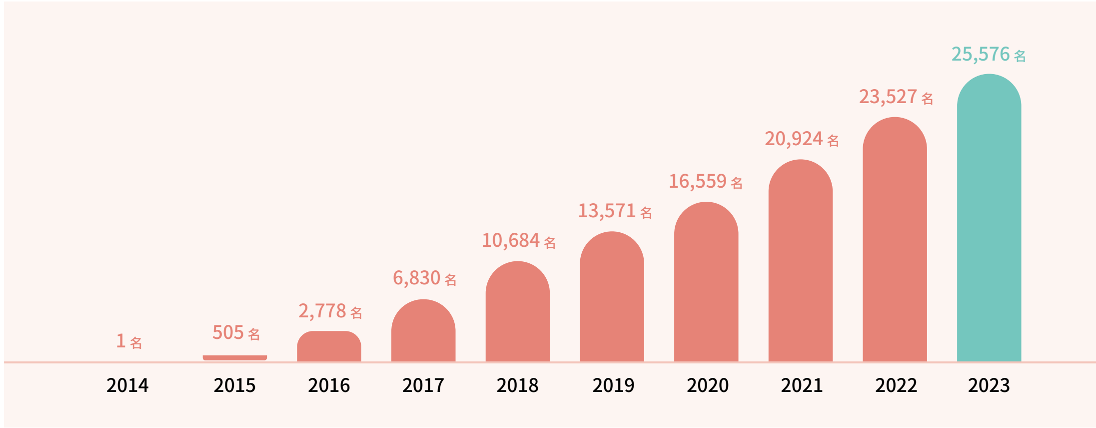


2.3 Inclusive Finance

Micro-insurance

- Micro-insurance is a basic insurance product designed for the economically disadvantaged or people with specific identities. It utilizes the risk diversification features to make up for the social insurance inadequacy, so that the micro-insurance coverage rate can be further improved to achieve inclusive finance.

  As a means to care for disadvantaged groups, Union Insurance has taken a proactive approach to construct a social protection network. Union Insurance has been trying to promote the "microinsurance" business so that the disadvantaged will not be able to suffer from financial hardship in the event of a sudden death or accident. In 2023, the number of micro-insurance insured persons was 2,049, with Insurance amount of NT$847,200,000.



Cumulative number of social welfare organizations sponsored by micro-insurance as of 2023	Cumulative number of people covered by micro-insurance as of 2023	Cumulative amount of micro-insurance coverage as of 2023
53	25,576	NT$10,893,200,000

Statistics method：The statistics period is from 2014 to 2023 based on the cumulative number of sponsored organizations and insured persons counted.

Accident insurance for customers over 65 years old

According to the population projection report released by the National Development Council, it is estimated that Taiwan will enter a super-aged society by 2025, which means that one out of every five people will be over 65 years old. By 2034, more than half of the population will be middle-aged and elderly people over 50 years old.

According to the Ministry of the Interior, when the population of people aged 65 and over reaches 7% of the total population, it is considered an "aging society." If it exceeds 14%, it is called a "high-aged society," and if it goes beyond 20%, it becomes a "super-aged society," according to the World Health Organization. In Taiwan, the proportion of elderly people exceeded 7% in 1993, indicating that it is an aging society. Since the baby boomer generation has gradually become elderly people over 65 years old, the number of elderly people in Taiwan has increased rapidly since 2011. The number of elderly people surpassed the number of young people for the first time in February 2017 (the aging index reached 100.18). As of March 2018, the proportion of people aged 65 and over in Taiwan has reached 14.05%, officially marking Taiwan as a "high-aged society."

Union Insurance is committed to giving back to society, and one way it does this is by investing in the development of accident insurance for the elderly. This endeavor has helped the Company establish a stable market share and reputation in Taiwan. In 2023, the signed premium for this product was approximately NT$24.28 million, representing a growth rate of 20%. As part of its corporate social responsibility, Union Insurance will continue to meet the growing demand for this product and work on developing new products to provide better protection for the elderly.

2.4 Fair customer treatment

Management directive

Material 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	2024 short-term goals: • Implement the KPI plan. 2024 to 2028 medium-term goals: • Improve steadily, show award-winning results, and move towards the best progress award in evaluating fair hospitality. 2032 long-term goals: • Improve the fair hospitality evaluation ranking.
Performance outcome	• A.M. Best Rating announced that Union Insurance maintained the A-(Excellent), and the outlook is stable. • Won the 2023 Excellence in Insurance Competition: "Excellence in ESG Sustainable Finance Award." • Received the honor of “Disabled Care Award” in 2023 Micro-insurance Contest • Won the "Best Social Responsibility Award" from the 2023 Insurance Trust, Hope, and Love Awards.
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 • Policyholder service and complaint center • Convene complaint case review meetings periodically monthly
Evaluation mechanism	• Develop key performance indicators to Fair customer treatment, and quarterly tracking reviews • Internal and external audit
Future continuous improvement plan	Establish annual KPIs for treating customers fairly and conduct quarterly follow-up reviews

The top-down approach and deep-rooted culture - “Union Insurance Fair Customer Treatment Promotion Task Force.”

The Board of Directors assigns directors to participate and assume the role of the convener to establish the Fair Customer Treatment Planning Promotion Task Force” and to stipulate fair and integrity principles: Based on the principles of fairness, reasonableness, equality, mutual benefit, and integrity, Union Insurance engages in a 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 meetings periodically to discuss, promote and execute matters instructed by the Board of Directors and 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 is a 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

- Establish a "Policyholder Service and Complaint Center"
- E-mail: info@wwunion.com
- Toll-free direct line: 0800-024-024
- Financial friendly service section

Achievement highlight

- twAA credit rating from Taiwan Ratings.
- A- credit rating from Standards & Poor's.
- A- credit rating from AM Best, oand the outlook is stable.
- Won the 2023 Excellence in Insurance Competition: "Excellence in ESG Sustainable Finance Award."
- Received the honor of “Disabled Care Award” in 2023 Micro-insurance Contest
- Won the "Best Social Responsibility Award" from the 2023 Insurance Trust, Hope, and Love Awards.

Union Insurance Fair Customer Treatment Rules, Key Measure, and Outcome

Principle	Key measure and outcome
Principle of fairness and honesty in contract engagement	❶ Fair customer treatment and greatest support：The Board of Directors promotes the fair customer treatment principle internally in order to become the corporate core culture of the company, and promotes the "Fair customer treatment five execution levels". ❷ Product development with fairness and integrity：In order to provide customers with better products, in addition to strengthening product planning, we also conduct a review on whether it complies with the "Fair Customer Treatment Rules".
Principle of duty of care and loyalty	❶ Consistent principle and complete review：For the target market, customer, product content, fee rate and clauses, etc., of a 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. ❷ 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	❶ 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. ❷ Authentic solicitation and illegal conduct investigation：Illegal solicitation actions are investigated rigorously. The number of cases where a sales specialist is penalized due to violation of the solicitation rules is 1.
Principle of product or service suitability	❶ 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. ❷ Micro-insurance protecting disadvantaged：Union Insurance implements "100% acceptance" for disabled applicants, and there are no rejection cases and unfair treatment of limited insured amount. Union Insurance's underwriting premium ratio for people with disabilities in 2022 was 0.2%. The Company also won the "Micro-insurance Outstanding Performance Award" in 2017~2019, the "Micro-insurance Contest-Sustainable Care Award in 2020, the "Micro-insurance Contest Disabled Care Award" in 2021, and the Sustainable Care Award from the Micro Insurance Competition in 2022.
Principle of notification and disclosure	❶ Sufficient notice and complete disclosure：During the business solicitation, sales specialists provide the financial consumer insurance enrollment instructions, sufficiently explain important content of the financial product, service, and contract, and sufficiently disclose its risk. The insurance application documents or important clause content are highlighted in bold font or different colors for marking and presentation in order to allow customers to have sufficient understanding. ❷ Obligation fulfillment and proper review：Based on the principle of fulfilling the obligation of due care of a prudent administrator, the sales specialist properly reviews the 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	❶ Periodic monitoring and appropriate adjustment：To prevent any conduct of sales specialists exceeding the risk appetite of the company due to the 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. ❷ Reasonable and appropriate performance measurement：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 comprehensively 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 of customer complaint handling	❶ 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 "Policyholder Service and Complaint Center" to handle customer complaint issues, and it is directly under the President's Office and supervised by the Vice President. ❷ 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 salespeople	❶ Fair customer treatment and employee awareness：The Board of Directors instructs to enhance the frequency of education and training and the depth of training content for the fair customer treatment principle, and make it a compulsory course for all employees. ❷ Linking performance and creating results：Unit personnel shall be evaluated during the annual performance review by supervisors at all levels under the fair treatment principle.
Principle of friendly service	❶ Friendly care for older adults and the physically and mentally disabled：all staff participate in the financially friendly service education and training courses, official website friendly service area, and provide reading glasses. ❷ Micro-insurance" be recognized：Awarded the Micro-Insurance Competition-Sustainable Care Award in 2020, won the "Micro-insurance Competition for the Physically and Physically Disabled Care Award" in 2021, the Sustainable Care Award in the Micro-insurance Competition in 2022, and the Micro-insurance "Care Award for People with Disabilities" in 2023.
Principle of implementing ethical corporate management	❶ Implemented from top to bottom：The annual legal education and training for all employees includes ethical management. ❷ Effective internal control management mechanism：The principle of fair hospitality is introduced into the internal control system and inspected annually.

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

Unless a proper reason is provided, underwriting operations 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, a customer service direct line and diverse complaint channels shall be provided to protect customers' interests, improve financial consumer protection, and implement the fair customer treatment principle. Union Insurance implements the fair customer treatment principle in all processes. Unless a proper reason is provided, underwriting operations 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, a customer service direct line and diverse complaint channels shall be provided to protect customers' interests, improve financial consumer protection, and implement the fair customer treatment principle.

Including the processes of insurance product design, solicitation, underwriting operation, compensation operation, and customer service, 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 products corresponding to the customer demands and providing a 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 to ensure the appropriateness of the product or service to the customer.

Service Items	Principle of Good Faith
Product Design	• Product design shall comply with the principles of fairness, reasonableness, equality, mutual benefit and integrity. • Ensure that advertisements and propaganda comply with the solidification authenticity principle.
Solicitation and underwriting	• When a sales specialist solicits business, it is necessary to sufficiently understand the purpose of insurance enrollment and the customer's demands. It shall also perform appropriateness assessment and analysis to prevent consumer disputes. • 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, to improve the fair customer treatment awareness of all employees. • Unless the proper reason is provided, the underwriting operation 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' feedback, provide diverse complaint channels and implement dispute resolution procedures.

2.5 Listen to Your Needs - Full of Responsibility

"Empathy" has always been one of Union Insurance's core values. Putting the voice of the customer first and listening carefully to the needs of policyholders through customer feedback is the primary mission of Union Insurance's long-term customer relationship management. We want customers to feel that the Union Insurance team always thinks and provides services from the customers' perspectives. Union Insurance focuses on empathy and has always stepped into the customers' shoes to understand their situations, humbly accept corrections and recommendations, continuously improve deficiencies, and increase customer satisfaction.

In addition to respect for all customers, Union Insurance strives to fulfill its corporate social responsibility 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 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 2023 was 99.5%
- Compensation satisfaction in 2023 was 94.1%
- Ombudsman rate in 2023 was 0.6116
- In 2023, there were approximately 11,424 cases of road rescue cases, and satisfaction was 97.5%
- Obtained information security management ISO 27001 certification, and continued to verify to ensure the validity of the certificate
- The annual BS 10012 international standard renewal verification has been completed in 2023
- 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 2023 was zero

Customer satisfaction

To continuously improve customer satisfaction, Union Insurance upholds its customer-oriented business philosophy. Union Insurance provides 24H uninterrupted service to customers. It has established an 0800 toll-free customer service direct line and 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 policyholder-compliant service, insurance inquiry, insured accident reporting, and compensation matters, insurance policy error correction, and payment status inquiry. Furthermore, the official social platforms of Union Insurance LINE's official account and Facebook fans page, and YouTube channel have been established 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 feedback directly. Through diverse customer communication channels, policyholders can understand that Union Insurance values customers' voices significantly and listens to their comments, using such information as the review and correction references, thereby effectively reducing customer or consumer discontent and increasing satisfaction.

Services Channels	Service Contents
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 policyholder has any question, he or she may contact the customer service direct line at any time. The customer service personnel are on standby to provide professional services to customers and to answer relevant questions policyholder may have.
Policyholder service and complaint center	To enhance customer service, improve service quality, promote business growth, and cooperate with establishing a complaint system, this center was established in 1985 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, such as policyholder complaint service, insurance inquiry, insured accident reporting, 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 an 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 policyholders and also receive the relevant latest information

Comprehensive satisfaction survey

To continuously improve service quality, after performing a satisfaction survey, Union Insurance implements improvement measures on items of low satisfaction 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, and road rescue service cases, a customer satisfaction survey is conducted periodically to understand customers' opinions and to determine whether the Company personnel have properly handled customer-related issues. In addition, the responsible unit is also requested to respond according to the "Customer Feedback Record Form" within the time limit 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.

Customer service personnel perform post-communication satisfaction surveys daily

In 2023, the customer service personnel satisfaction survey was divided into "Whether the 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

One hundred 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 Comment Improvement Report" and list it in the record for review.

In 2023, the compensation satisfaction survey surveyed 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

Compensation satisfaction in 2023 was 94.1%

Road rescue satisfaction survey

One hundred 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 Resew Service Customer Comment Improvement Report" and list it in the record for review.

In 2023, the road rescue satisfaction survey surveyed a total of four items：

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

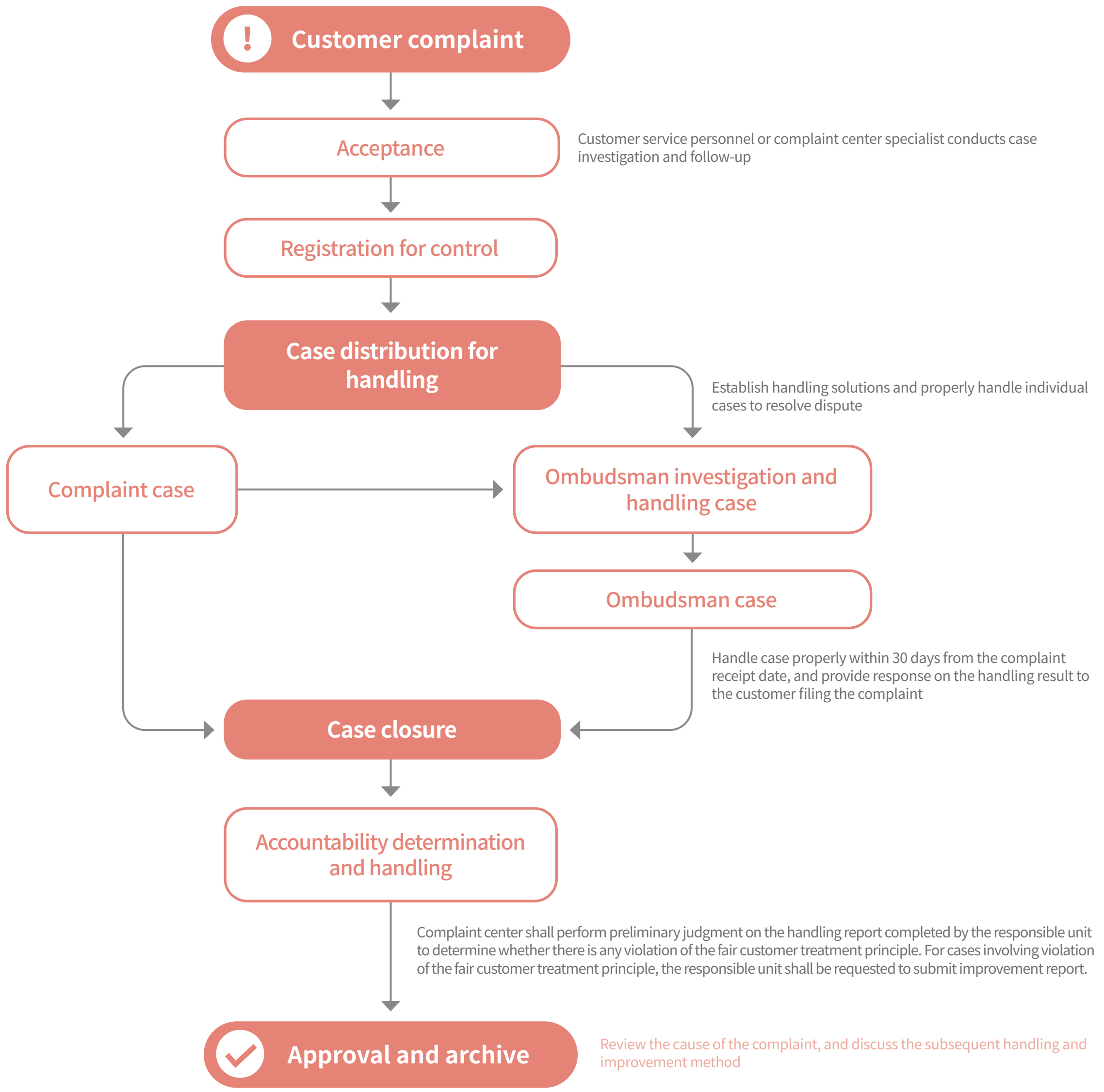
The road rescue satisfaction in 2023 was 97.5%

Diverse communication and complaint channels

Union Insurance’s priority is to protect customers’ interests, allowing customer complaint cases to be handled harmonically and satisfied by the customer. Accordingly, Union Insurance has established the “Policyholder Service and Complaint Center” to handle customer complaint issues. On March 7, 2011, the “Union Insurance Financial Consumer Dispute Handling System” was established to manage the handling process and control nodes, improving case handling efficiency. In addition to protecting the interests of the complainants, the complaint center distributes cases for handling according to the fair customer treatment principle.

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

Complaint Handling Flow Chart



Services for Disabled Customers and Customers Over 65 Years Old

Financial Friendly Service

Creating a friendly environment is essential for any company. It's not just about internal operations but also about expanding to external services. Union Insurance recognizes the importance of providing friendly and convenient services to disabled customers and customers over 65 years old. To this end, in January 2023, Union Insurance established the "Disability and Senior Service Hotline." Furthermore, it set up a "Financial Friendly Service Area" on its website according to the "Financial Friendly Service Guidelines for the Insurance Industry.” The hotline and the service area provide appointment services and in-person services by dedicated staff to assist customers with insurance applications, policy endorsements, or other insurance-related issues. Additionally, Union Insurance provides reading glasses at its physical business locations. The Company also offers relevant friendly service education and training to all employees so that they can implement a friendly service environment and services for the elderly effectively.

Item	Financial friendly service
Provide a friendly environment and services	• Financial-friendly service section: We make announcements on the website, including the Insurance Financial Friendly Service Standards, friendly service measures, and dedicated appointment personnel. • The official website provides barrier-free web services and obtained the A-Grade certification mark on March 18, 2022. • Environment: If there are no barrier-free facilities in its business offices, personnel at the counter help 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: Union Insurance has established a "Disability and Senior Service Hotline" and a 24-hour 0800 service hotline to protect the rights of disabled customers and customers over 65 years old.
Employee education and training	• We enhance the understanding and fair treatment of our employees towards customers with disabilities through relevant education and training courses to improve the employees' understanding and fair treatment of customers with disabilities.
Sign language service	• According to the Ministry of Health and Welfare's data, there are 140,000 people with hearing impairment in Taiwan, and sign language is one of the ways they 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 financially friendly services to disadvantaged groups without a difference. In addition, the headquarters of Union Insurance also offers a “sign language translation service,” helping customers with hearing impairment better understand the insurance business when taking out a policy. Based on this idea, we have established a sign language club, inviting all employees to participate so that the “sign language translation service” can be offered in all branches in Taiwan.

Online Auto Insurance Claim Reporting Platform Set Up in the Claim Service Area of the Official Website

To improve customer satisfaction with claims, an online claim reporting platform for auto insurance claims has been established on the official website's claim service section, allowing customers to report claims in more diverse and convenient ways. When customers report a claim through our online platform, they must provide all the relevant information required for processing. Once the information is submitted, our system will immediately notify the claim unit for further processing and contact. The information provided by the customer will also be printed on the claim application form and mailed to them. This will enable customers to print, sign, or seal the application form and save time compared to manual filling. Once completed, the paper claim application form can be mailed back directly to the claim unit, eliminating the need to go to the counter in person.According to statistics, there were 35 claim cases applied through the online reporting platform after it went online in November 2023.

2.6 Digital Finance - Convenient Insurance

Management directive

Material Topic	Digital finance
Policy direction	Union Insurance has set up the official social platforms Facebook fans page, LINE official account, and YouTube channel, allowing customers to obtain the Company' s information timely on each social platform, to understand the concepts conveyed by Union Insurance to policyholders. Regardless of the type of PC or mobile devices used, policyholders can communicate with Union Insurance via diverse channels to enhance interaction and effectively listen to and satisfy the demands of policyholders or consumers. We will continue to review and improve our operation methods or processing procedures by tracking 1-to-1 interaction records with real people.
Core objective	**2024 short-term goals：** ● Continue offering customers 24-hour uninterrupted insurance services via the online insurance application platform, such as online insurance application, multi-payment methods, policy inquiry and modification, claim application, quick renewal, and other services, so clients can fully enjoy the convenience of technology. In 2024, the number of online insurance members will increase by 30%, and the signed premiums will increase by 27%. ● Continue to promote energy-saving and carbon-reducing actions such as electronic insurance policies and clauses, expected to save 5.22 million sheets of paper in 2024. **2024 to 2028 medium-term goals：** ● Explore the diversity of financial technology and continue to bring more refined services and experiences to customers: ● Continuously collect and analyze each platform's publicity and insurance data to recommend the best insurance products that can best meet the needs of potential and existing customers. ● Expand the Instagram community platform operations, open the personalized settings in Line, and provide insurance-related knowledge and services in a way that is convenient to young people. ● We intend to add a biometric function to the online insurance application platform to enhance member login and transaction security so customers can apply for insurance with peace of mind. ● Provide a more convenient and friendly insurance renewal process and claim settlement services so customers can continue enjoying high-quality online insurance services. **2032 long-term goals：** ● Increase the utilization rate of electronic policy and electronic clauses for online insurance purchases to over 70%. ● launch more online insurance products for future trends such as "electric vehicles" and "green energy," use simple publicity and community content to decrease the insurance application threshold, and boost the online insurance premium by 300% compared to 2023.
Performance outcome	● In 2023, the number of online insurance application platform members increased by 45%, and the signed premiums increased by 46%. ● In 2023, our official YouTube channel released 2 corporate image video, 6 educational videos, and 5 consumer videos. We also cooperated with Internet celebrities to release 5 consumer videos, which increased the channel's views by about 1.43 million. ● The number of fans on the official FB fan page increased by about 1,709, with a growth rate of about 1.9%. ● The number of fans on the official LINE fan page increased by about 2742, with a growth rate of about 33%.
Action plan	● In response to the surge in demand for overseas travel after the COVID-19 pandemic, the Company took the lead in launching a travel insurance plan that includes statutory infectious diseases, opened up insurance coverage for children under the age of 15, and continued to optimize the insurance application process, actively responding to customer needs. ● The online insurance application platform further emphasizes the benefits of electronic insurance policies, which are delivered 3 to 5 working days sooner than paper insurance policies. ● Since 2022, a series of interesting videos about "Learning Insurance in 3 Minutes" was launched on the official YouTube channel. The "automobile insurance, residential fire insurance, and mobile phone insurance" topics were extracted from popular Internet memes. The content is humorous and easy to understand, which is convenient for customers to learn about property insurance and lowers the threshold for insurance.

Management Method

Resource investment	● In 2023, the budget for online publicity was about NT$10.5 million. ● In 2023, about 10 interdepartmental personnel were invested.
Feedback mechanism	● Official website, customer service mailbox, toll-free customer service number, and official community platform (Facebook fan page, LINE official account, YouTube channel).
Evaluation mechanism	● In 2024, the growth rate of premiums signed by the online insurance application platform is estimated based on the 18% overall online property insurance market growth rate in 2023. ● The amount of paper that can be saved in 2024 is estimated based on the average consumption of 3 sheets per policy / clause. ● The increase of official social platform fans in 2024 is estimated based on a 46% increase in the online advertising budget compared to the previous year.
Future continuous improvement plan	● It is estimated that in 2024, the number of online insurance platform members will increase by 30%, and the signed premiums will increase by 38%. ● Continue to promote energy-saving and carbon-reducing actions such as electronic insurance policies and clauses through online insurance application platforms, which are expected to save 180,000 sheets of paper in 2024. ● The official YouTube channel fan subscription number is expected to exceed 1,500 in 2024. ● The number of fans on the official FB page is expected to increase by 2,000 in 2024. ● The number of fans on Line's official account is expected to increase by 3,000 in 2024.

Digital performance

- **Online insurance application products have been released：**
  Motor vehicle insurance (compulsory insurance, voluntary insurance), residential fire insurance and home comprehensive insurance, travel insurance + inconvenience insurance (domestic and foreign travel insurance, Schengen insurance), and mobile phone insurance are comprehensive and always available.
- **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 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 one-on-one service is available. Combined with the automatic keyword reply function, we can help policyholders solve frequently encountered issues in the first instance.
- **Facebook fans page：**
  Union Insurance has set up an editor specialized for the Facebook fans page to respond to questions from policyholders daily. Policyholders 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 policyholders are answered.
- **YouTube channel：**
  In 2022, Union Insurance launched a series of interesting videos about "Learning Insurance in 3 Minutes." The "automobile and motorcycle insurance" topics were extracted from popular Internet memes. The content is humorous and easy to understand. It is the best way for consumers to learn about property insurance.
- **Electronic insurance policy：**
  Union Insurance continues to promote electronic insurance policies to cope with the FinTech application development and in response to green energy and environmental protection. 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 policyholders to jointly replace paper policies with electronic policies to contribute to environmental sustainability. In 2023, the number of electronic insurance policies was 626,457, accounting for 35% of the total insurance signed throughout the year.
- **Digital compulsory insurance card：**
  Since July 1, 2018, the automobile compulsory electronic certificate was activated online. According to the statistics, from January 1, 2023, to December 31, 2023, 782,654 automobile compulsory electronic insurance certificates were issued.
- **Electronic clauses：**
  To facilitate the policyholders' reading of policy causes, since March 2020, Union Insurance has provided the option of paper policy and electronic clauses to health and injury insurance policyholders. In addition, since October 2021, to expand the service of policyholders of automobile insurance and residence fire insurance, policyholders can scan the QR codes on the policy to link to the Company' s website for downloading and reading policy clauses. From January 1, 2023 to December 31, 2023, 1,115,323 policies opted for the e-Clause service.

Diverse payment mechanism

Diverse payment methods provide 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 convenience stores 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 a cross-industry alliance to expand the industrial scale and to allow policyholders to pay premiums on the mobile online banking of Taiwan Cooperative Bank, thereby increasing the convenience and mobility of payment for policyholders. In addition, Union Insurance also allows policyholders to use the three payment tools of account transfer, ATM card, and credit card, such that policyholders can make payments conveniently via electronic means without proceeding to the counter for payment. Accordingly, payment tools are more flexible, and policyholders can prevent the occurrence of missing payments of premiums easily.
- **Taiwan Pay：**
  Electronic payment has become a popular trend, and Union Insurance provides Taiwan Pay payment methods to allow policyholders to have convenient and diverse payment channels. Policyholders can use the QR Code scanning function and then select an ATM card or account as the payment tool to make payment, allowing policyholders to complete payment via mobile payment method, such that the payment is made easy for policyholders.
- **Convenient store payment：**
  Taiwan has the second-highest density of convenience stores in the world. For senior users unfamiliar with 3C operation, payment at a convenience store is a convenient and fast choice for payment. Union Insurance' s barcode payment service allows policyholders to pay premiums during their purchase of goods at any convenience stores, thereby combining the payment with daily shopping, bringing insurance closer to living and becoming part of the daily lives of policyholders.
- **Payment Inquiry Platform：**
  To facilitate policyholder inquiries about their payment status and provide multiple payment options, the W&W Union Payment Inquiry Platform allows policyholders to use the Internet to inquire about their own premium payment status from any mobile device. Furthermore, the payment inquiry platform integrates multiple payment methods, allowing policyholders to select the payment method that best meets their needs on the platform and giving them greater payment flexibility.

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 148,618 online policies by the end of 2023, amounting to a premium income of NT$417 million.

Union Insurance has established an exclusive official website for online insurance. Taking out a policy online with us is convenient and quick. Regardless of the time, when people need property insurance, they can take out a policy on Union Insurance's online website. At present, insurance products available online are automobile and motorcycle insurance (compulsory and optional), residential fire insurance and comprehensive home insurance, travel insurance + inconvenience insurance (domestic and foreign travel insurance, Schengen insurance), and mobile phone insurance.

Clear and easy-to-understand graphic explanations and user-friendly processes 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. The online 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 will further analyze the footprint of users visiting our website to make improvements to 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. Currently, the website also provides services such as online payment, policy inquiry, policy revision application, and form download, in addition to insurance application services. The system is moving towards the direction of Omnichannel service reform and development.

Digital innovation

◉ Facebook fans page, LINE official account, YouTube channel digital new services

At Union Insurance, we insist on innovative services and think about providing quick services to policyholders to fulfill their all-around protection needs. In recent years, with the popularity of digital media, diverse digital channels have existed in the lives of the policyholders of Union Insurance. Accordingly, Union Insurance has expanded its digital service in recent years to provide a user interface that is easy to operate through various digital social platforms, allowing policyholders to obtain desired information and services. Union Insurance set up the official social platforms Facebook fans page in 2019, LINE official account, and YouTube channel, allowing customers to obtain the Company's information on each social platform in a timely manner in order to understand the concepts conveyed by Union Insurance to policyholders. Regardless of the type of PC or mobile devices used, policyholders can communicate with Union Insurance via diverse channels to enhance interaction and to effectively listen to and satisfy the demands of policyholders or consumers. We will continue to review and improve our operation methods or processing procedures by tracking 1-to-1 interaction records with real people.

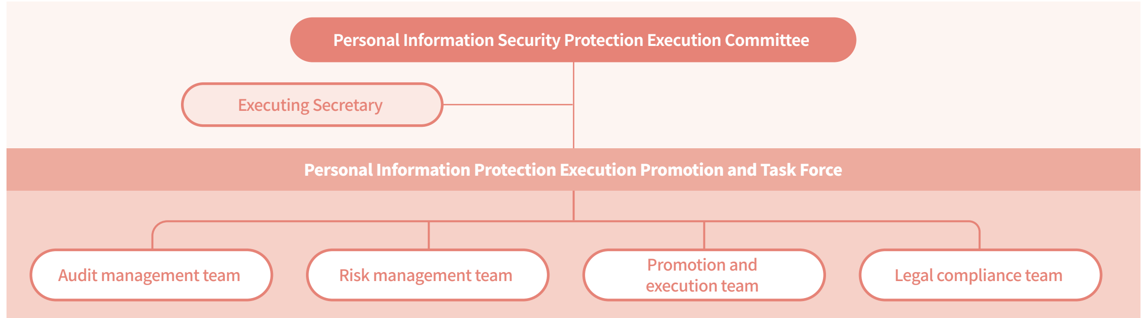
Union Insurance believes that technological advancement aims to provide the optimal service experience to policyholders, and comprehensive assistance can be provided to customers in all aspects of the business. In addition, as customers' questions can be responded to or solved timely through diverse channels at all times, Union Insurance can maximize the protection of the interests of each policyholder or consumer.

Social Media	Facebook Fan Page	Official LINE account	Official YouTube channel
Operating Conditions in 2023	Cumulative number of fans 11,000 Number of posts 139	Cumulative number of friends 6,668 Number of pushes 62	Number of subscriptions 969 Number of videos released 17 Cumulative number of views 3,251,402 Cumulative exposure 403,956

2.7 Complete Information Security Protection

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 Company's personal information protection management system. In daily operation management, the personal information protection management system based on the principle of "Plan, Do, Check, Act" is established 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 to integrate the personal information protection awareness into the corporate culture and daily operation of employees.



Customer privacy protection

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," and "FSC-designated Non-Public Institutions to Maintain the Security of Personal Information Files." Furthermore, as external laws require, 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 2026.

◉ In 2017, we introduced ISO/IEC 27001 Information security management system (ISMS) and the certificate is valid until October 2025.

Item	2023
Number of data breaches	0
The ratio of information leakage incidents related to personal information	0
Number of Customers Affected by Data Breach Incidents	0

Continue to improve the personal information protection management system

Union Insurance has always attached great importance to information security issues and continued to improve the Company's information security capabilities. Our dedicated information security unit reviews and controls information security risks to prevent customer privacy and data leakage. We have established 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 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 strictly 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 them via Union Insurance's 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 for identifying whether it is a personal information infringement case. Once confirmed to be a personal information infringement case, the case is handled according to the "Personal Data Protection Act," "Personal Information Security Incident Prevention, Notification and Response Procedures," and applicable regulations.

Union Insurance's information security strategy focuses 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.

Information security management

Management directive

Material Topic	Information security
Policy direction	Comply with relevant laws and regulations to strengthen information security governance.
Core objective	2024 short-term goals： ● The zero capital security notification event social engineering drill click rate is within 5% ● ISO27001:2022 revision & passed certification ● DLP personal information protection system construction ● Website anti-replacement system construction 2024 to 2028 medium-term goals： ● Information security assessment operation zero high risk 2032 long-term goals： ● Introduce zero trust network
Performance outcome	● Implemented Information Security Management System and acquired ISO 27001 certification approval ● Prepare computer system information security assessment operation report annually. ● The click-through rate of the 2 social engineering drills in 2023 was on average below 5%. ● The information security monthly report is used to continuously monitor the information security protection system's status. There were no information security incidents reported in 2023. ● Continue to use privileged tools to monitor privileged connections in real time. If necessary, the connection can be interrupted to prevent recording tampering and audit trail secure storage. ● Continue to promote the employee account behavior pattern analysis system to detect abnormal servers or execution procedures. In case of an abnormality, the system administrator will be notified immediately. Detect information security incidents, including brute forces and remote code attacks.
Action plan	● Through personnel, operation, and information technology management, Union Insurance ensures 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. ● 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 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
Future continuous improvement plan	Continue to accept the verification company's return visit inspections and formulate and implement the relevant optimization action plans after internal discussions on the recommendations made by the reviewers.

The standard of improving information security in 2023

Item	Management standards
Outgoing mail audit system (mail audit)	The system automatically checks the contents of outgoing mail and establishes a sensitive information encryption mechanism. This way, we prevent sensitive information from being sent by mistake or improper use of mail by third parties that may damage customers' rights.
Control of company internal personal computer USB devices and CD-ROM	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 to prevent malicious programs and leakage of important business information and customer personal information.
Active intrusion protection system (IPS) equipment	The intrusion prevention system equipment can strengthen protection functions, protect the Company's internal critical information assets from hacker threats, and generate detailed alert reports to control threat intelligence.
External network protection	We have established the WAF information security equipment and the DDos protection service to strengthen external network protection and improve information security.
Computer Internet management	We have established internal regulations, regularly promote information security information, and provide employee education and training courses on information security. By strengthening information security equipment monitoring and management, we can build anti-virus and anti-hack capabilities to ensure the security and reliability of computer operations.
Server host management	According to the ISMS, dedicated personnel are responsible for server hosts. There are also network segments such as DMZ, OA, and server farms to control the authority of the segment. The establishment, change, update, maintenance, and disposal of server hosts are handled according to relevant procedures, with records retained for management.
Regular information security protection exercise	DDoS protection exercises are conducted from time to time to strengthen the information security mechanism.
Signing "Mail information security certificate."	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.
Update the latest news regarding security information	We receive financial information security information sharing and information from the F-ISAC to improve the ability to respond to information security and protect it. All employees of the Company are notified of information security information to enhance their awareness of information security.
Privileged System Tools	We have established privileged monitor connections in real-time and can disconnect them as necessary. Tamper-proof video recording and secure storage audit trails.
Employee account behavior analysis system	We have established host abnormality detection or procedure execution that can notify the system administrator in the event of an abnormality. Detect information security incidents, including brute forces and remote code attacks.
WVD tools	Use two-factor authentication to enhance system security
Introduce CICD and program development source code detection tools	Improve program process automation and source code inspection to reduce program vulnerability risks.
Information promotion committee meeting	Senior executives hold quarterly information promotion committee meetings to continuously deepen information security governance while ensuring continuous system operation and data security.

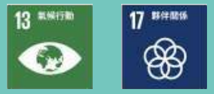
Improve risk control capabilities

In 2023, Union insurance held twice email social engineering exercises, with click-through rates below 5%

Union insurance invest in WAF information security equipment and monthly DDoS protection services and conduct information security assessments each year to reinforce information security. At the same time, we develop stringent information service process management for service demand to be completed online. We establish demand management, change management, online management, incident management, problem management, capacity management, availability management, and knowledge management based on asset management. We focus on risk management and strictly handle information security management.

Union Insurance participated in the 2018 information security DDoS exercise held by the FSC and received an excellence award from the government

Union Insurance has implemented the ISO/IEC 27001 Information Security Management System (ISMS) since 2017 to improve the organization's risk management abilities and strengthen customer data security protection. The goal is to achieve personal data protection and prevent any potential leakage of policyholder privacy data. The implementation of this system is based on the "Financial Information Security Action Plan" policy. This system can enhance the Company's information security governance abilities and level, and ensure the continuous operation of the system while maintaining data security. In 2023, 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. In addition, information promotion committee meetings are held quarterly to deepen information security management, all aimed at protecting Union Insurance's customer data security at every level.



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Climate Change - Active Protection

Management directive

Material Topic	Climate Change Management
Policy direction	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 to the operation of the company, and establishes appropriate response measures, in order to mitigate and adjust the operational impact caused by the climate change
Core objective	2024 short-term goals : ● Identify the transmission paths of short-, medium- and long-term climate risks; and grasp the impact of major climate risks on business strategy and financial planning to assess the climate resilience of business strategy. 2024 to 2028 medium-term goals : ● Raise climate awareness, continue to improve carbon inventory, and disclose management matters 2032 long-term goals : ● Promote climate change mitigation actions, and continue to increase the scale of related businesses that meet climate goals
Performance outcome	● In 2024, we formulated rules to evaluate reducing relevant businesses with enterprises or industries highly sensitive to environmental or climate change risks each year as a climate-related risk appetite. We will continue monitoring to ensure risk management performance and fulfill the ultimate risk management responsibility. ● A Climate Change Risk Management Team was established to coordinate the promotion of climate change-related issues and improve the climate governance structure. ● Management and board members receive training courses on climate-related issues.
Action plan	● Increase the premium for signing ESG index products ● Dispatch colleagues to attend climate-related courses, such as carbon inventory (ISO 14064) and carbon footprinting (ISO 14067), and obtain relevant certificates.

Management Method

Resource investment	● 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; ● Climate change risk management team is responsible for identifying, assessing and monitoring the risk aspect;
Feedback mechanism	Internal and external recommended improvement items
Evaluation mechanism	The Sustainable Development Committee holds regular meetings to review the progress and results of the implementation.

3.1 Climate Change Actions

The World Economic Forum (WEF) has released the 2024 Global Risks Report, which delves deeply into the serious risks that may be faced over the next decade against the backdrop of rapid technological change, economic uncertainty, global warming, and conflict. In the short term, the greatest threat to the world is "misinformation and disinformation." In the long run, climate-related threats are the most serious risks to the world. The report points out that in the next two years, misinformation and disinformation could lead to social unrest, and prompt governments to implement censorship, propaganda, and control over the free flow of information. Climate-related threats account for five of the top ten risks in the coming decade, as the world approaches or exceeds the "climate tipping points."

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

Governance

Board of Directors

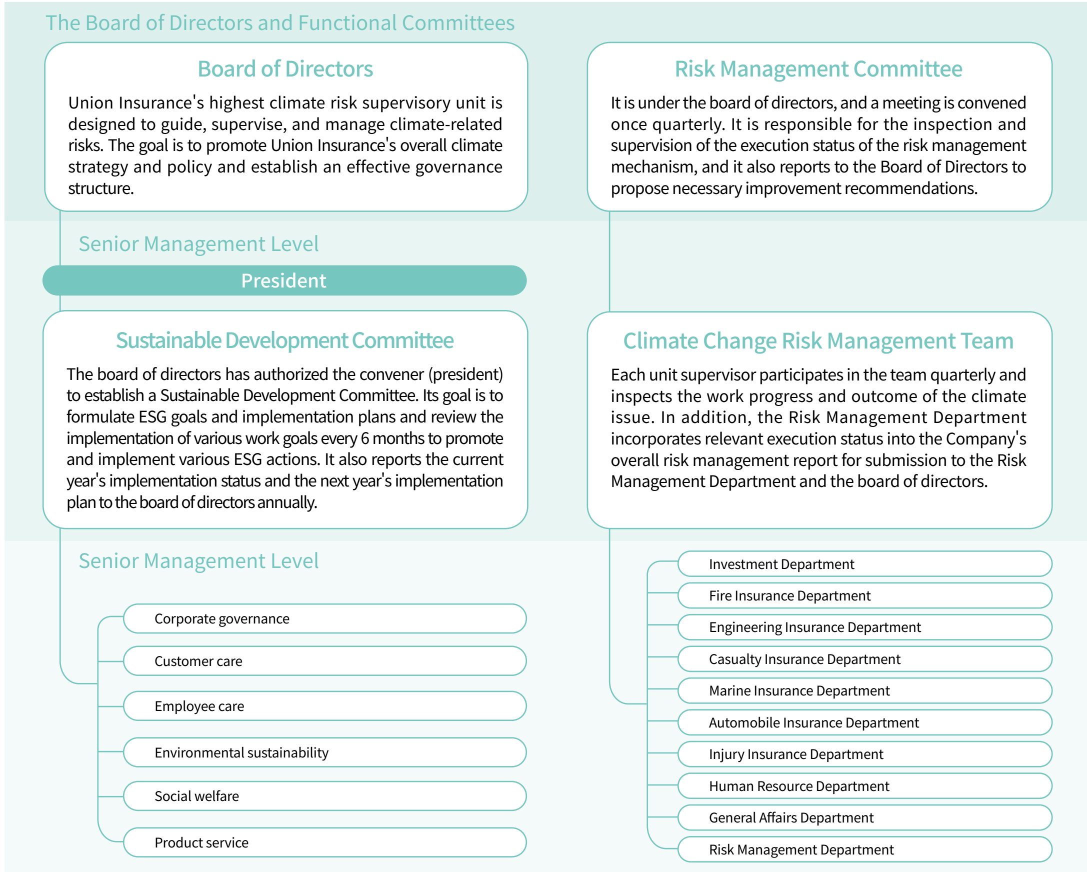
- Union Insurance has designated its board of directors as the highest supervisory unit related to climate risk. Union Insurance guides, supervises, and manages climate-related risks. The goal is to promote Union Insurance's overall climate strategy and policy and establish an effective governance structure. A Risk Management Committee is established under the board of directors to convene quarterly meetings. It is responsible for the inspection and supervision of the risk management mechanism execution status, and it also reports to the Board of Directors to propose necessary improvement recommendations. In 2023, the Risk Management Department reported four times to the Risk Management Committee: and four times to the Board of Directors.
- Union Insurance Company has established a risk management committee to strengthen the Company's management and control system. The committee is composed of independent directors, directors, or senior executives. Each term of office is 3 years, at least 3 persons shall serve on the committee, and at least 1 independent director with financial insurance, accounting, or financial professional background must serve as the convener. The committee's primary missions include formulating risk management policies, regularly submitting risk management reports to the board of directors, supervising risk management activities for various departments in the Company, and coordinating cross-departmental risk management functions. Union Insurance also has a risk management department. Its responsibilities mainly include assisting in formulating and implementing risk management policies and guidelines approved by the board of directors, the formulation of risk limits based on the risk appetite, compiling risk information provided by various units, and coordinating and communicating with the units to enforce policies and limits. It also submits risk management-related reports regularly, monitors each business unit's risk limits and application status, assists in stress testing and back testing when necessary, and handles other risk management-related matters.

Management level

- Union Insurance formulated the "Climate Change Risk Management Measures" and established a "Climate Change Risk Management Team" Note 1. The goal is to handle climate change-related issues, track climate-related risk management status by various groups and departments, include the results in the quarterly risk management report, and submit them to the risk management committee and the board of directors. In 2023, the "Climate Change Risk Management Team" held a total of 4 meetings.
- The board of directors has authorized the convener (president) to establish a Sustainable Development Committee for corporate governance, customer care, employee care, environmental sustainability, social welfare, and commodity service teams. Its main purpose is to formulate ESG goals and implementation plans, review the implementation of various work goals every 6 months, and report the implementation results of the previous year to the board of directors within 4 months after the end of the year to strengthen the implementation and execution of Union Insurance's sustainable development policy.

Note 1: The president's vice president shall serve as the convener. The constituent units include the investment department, fire insurance department, engineering insurance department, accident insurance department, marine insurance department, auto insurance department, casualty insurance department, human resources department, general affairs department, and risk management department.

Climate Change Risk Management Organization Chart



Governance Performance

- In 2024, we formulated rules to reduce the relevant businesses with enterprises or industries highly sensitive to environmental or climate change risks each year as a climate-related risk appetite. We will continue monitoring to ensure risk management performance and fulfill the ultimate risk management responsibility.
- A Climate Change Risk Management Team was established to coordinate the promotion of climate change-related issues and improve the climate governance structure.
- Management and board members receive training courses on climate-related issues.

Strategy

We have incorporated climate change factors into the business strategy planning and decision-making process to assess the risks and opportunities that climate change may bring to the Company, respond to the government's efforts to support energy transformation and promote various environmental protection, energy saving, and carbon reduction measures to reduce greenhouse gas emissions, promotion green financial services, and mitigate and adapt to climate change. Union Insurance holds internal workshops to discuss the impact of various climate risks (including policy and regulatory changes, technological innovation, market structure changes, goodwill, immediate extreme weather events, and long-term changes in climate patterns) and climate change. The goal is to identify the extended development opportunities (resource efficiency, energy sources, products and services, markets, and resilience) using the climate risk matrix and assess and manage the major impact risk factors identified. Each unit also considers the impact of climate-related risks and opportunities when setting annual business goals and operations, commodities, and investment strategies. By involving different business units in the conversation, we aim to identify and evaluate the potential impact of climate change on our Company's operations. We will also develop suitable measures to mitigate the impacts and determine the impact periods (short, medium, and long term), and the potential financial impacts.

Union Insurance's Climate Risks and Opportunities Identification

Each business unit participates in the discussion and identification, and the "risk occurrence possibility" and "degree of influence" results determined according to the various climate risk opportunity factors are used to rank the significance of risks. The goal is to explain the financial impacts of climate change-related projects on the Company's operations across time (short, medium, and long-term) and the reaction measures for the top issues：

Climate Change Risk Matrix

Level of Impact (High → Low) / The probability of occurrence (Low → High)					
High					
	R2 R3		R6	R1	
			R4 R5	O2 O3	R10
		R8 O1	O5	O4	R7
Low					R9

Low — The probability of occurrence — High

Occurrence period：Short-term is marked in red　Medium-term is marked in green　Long-term is marked in yellow

Financial Impact Determination Standard	
Rating	The Financial Impact of Climate Change
5	Greater than NT$50 million
4	Greater than NT$10 million, less than NT$50 million
3	Greater than NT$5 million, less than NT$10 million
2	Greater than NT$1 million, lesser than NT$5 million
1	Less than NT$1 million

Possibility Criteria		
Rating	Possibility	Judgment Criteria: Probability
5	High	Greater than 95%
4	Medium-high	75%~95%
3	Medium	50%~75%
2	Low	20%~50%
1	Low	Less than 20%

Judgment criteria for impact period	
Rating	Time Limit
Short-term	Occur within 3 years
Medium-term	Occur within 3~10 years
Long-term	Occur 10 years in the future

Transformation risk		Physical risk		Opportunities	
R2	Market changes in customer preferences, more emphasis on climate change issues, and preferences for specific products	R1	Immediacy-Severe natural disasters causing severe damage to the Company's insured assets	O1	Low carbon energy-Use renewal energy
R3	Reputation-Companies failing to commit to low-carbon transformation will result in damage to goodwill	R5	Immediacy-Typhoons and heavy rainfall cause operational interruptions and casualties	O2	Products and services-Develop or increase low-carbon products and services
R4	Reputation-Companies failing to respond to climate change will result in customer dissatisfaction	R6	Lon-term-Changes in rainfall averages, patterns, and increases in potentially inundated areas due to climate change	O3	Market-Enter new or emerging markets to increase new business opportunities
R7	Regulations-Pay carbon tax	R9	Long-term-As the temperature rises, the electricity consumption increases	O4	Digital financial services-Low-carbon transformation technology improves operational efficiency
R8	Regulations-Sanctions for failure to comply with climate-related policies or regulations			O5	Operational resilience-Mitigate and adapt to climate change impacts
R10	Market-Extreme weather leads to increased risk of investment positions				

Climate change risk response

Type		Relevant risk matter/Impact scope	Impact period	Potential financial impacts	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	Short	Increase in operating cost	1. 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
Transformation risk	Policy and regulation	Penalty due to failure to comply with climate-related policies or regulations, or lawsuit due to inadequate climate-related risk disclosure content	Short	Increase of penalty cases, an increase in lawsuit cases	1. 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 trends, as well as establish responsive directives
Transformation risk	Technology	Digital finance and progressive paperless service have become modern environmental protection trends, and many people are familiar with the convenience of digital online operations. Accordingly, if such technology fails to be developed in the field, it may also cause reduced willingness of policyholders to enroll in the services or purchase products of Union Insurance.	Short	Reduction of income	1. Continue to develop smart finance technologies, new products, and innovative development strategies. 2. Respond to the government' s policy promoting electronic insurance policies; provide online insurance application service. 3. Promote green purchasing, and use products equipped with environmentally energy-saving logos.
Transformation risk	Market	Extreme weather can damage the corporate operation and assets of the investment position, or an increase in environmental sustainability may affect the individual subject matter price.	Medium	Value impairment	1. Establish "Stewardship Principles for Institutional Investors" as the guiding policy for promoting and executing responsible investments. 2. Strengthen pre-investment assessment, prevent industry and investment subject matters in disputable industries, or have ESG risk factor deterioration concerns.
Transformation risk	Market	Sustainability-related financial products/services have become a market and corporate assessment subject. If relevant ESG financial products are not continued to be developed, the Company may lose its climate change, which is the topic-related market, leading to loss of business and customers and a decrease in revenue.	Medium	Reduction of income	1. "Innovation Research and Technology Application Committee" is responsible for the planning and continuous monitoring of the market and development of green financial products to provide relevant theme products satisfying customer demands
Transformation risk	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 a decrease in revenue.	Medium	Company reputation degradation, reduction of income	1. Establish "Stewardship Principles for Institutional Investors" as a guiding policy for promoting and executing responsible investments. 2. Continue to promote sustainability-related action plans, including selecting suppliers and investment subject matter complying with corporate responsibility. 3. Establish communication channels for each stakeholder group, properly respond to concerning issues and demands of each stakeholder, allowing each stakeholder to support the Company to head toward the goal of green sustainable development
Transformation risk	Reputation	If the Company fails to actively engage in climate change issues concerning stakeholders, it may affect the Company's image and reputation.	Medium	Company reputation degradation, reduction of income	
Physical risk	Immediate impact - Increase in severity of extreme weather events of typhoons and flood	Abnormal events caused by extreme weather of typhoons and heavy rainfall, causing damage to business offices or equipment, operation interruption or personnel injury or death	Medium	Operation interruption, asset value impairment	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 to prevent damage and to maintain normal operation during accident occurrence period 2. For the business location, the metropolitan area is considered a priority, and building of high seismic coefficient and a non-shallow area is selected to reduce the impact due to the occurrence of accidents to the minimum. 3. For business location equipment, an insurance method is adopted to transfer risk and compensate for loss to mitigate the loss of the Company.
Physical risk	Immediate impact - Increase in severity of extreme weather events of typhoons and flood	Abnormal events caused by extreme weather of typhoons and heavy rainfall, leading to asset loss of insured customers, or impact on the value of investment position	Medium	Increase of loss	1. For earthquakes, typhoons/food events, assess maximum loss via the natural disaster model periodically and arrange appropriate reinsurance control accordingly to achieve risk divergence effect 2. Utilize internal database and flood potential analysis to perform natural disaster risk exposure monitoring and hedging action. 3. The damage prevention unit periodically provides potential map information for natural disaster risk in counties and cities to allow the underwriting unit to use such information as a 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	Impact period	Potential financial impacts	Response measure or monitoring mechanism
	Long-term impact - Rainfall (precipitation) change and extreme climate change, average temperature rise, sea level rise	Average temperature rise or sea level rise, causing damage to business location or equipment, operation interruption	Medium	Increase in operating cost, decrease in asset value	1. The company establishes the operation response mechanisms of "Management Crisis Response Measures," "Cyber Security Emergency Response Plan and Operation Handling Procedure" and also organizes remote backup drills periodically, to maintain normal operation during the accident occurrence period 2. For the business location, the metropolitan area is considered a priority, and building of high seismic coefficient and a non-shallow area is selected to reduce the impact due to the occurrence of accidents to the minimum. 3. For business location equipment, an insurance method is adopted to transfer risk and compensate for loss to mitigate the loss of the Company.
		Sea level rise causes asset loss of the insured customer or impacts the value of the investment position.	Medium	Increase of loss	1. For earthquakes, typhoons/food events, assess maximum loss via the natural disaster model periodically and arrange appropriate reinsurance control accordingly to achieve risk divergence effect 2. Utilize internal database and flood potential analysis to perform natural disaster risk exposure monitoring and hedging action. 3. The damage prevention unit periodically provides potential map information for natural disaster risk in counties and cities to allow the underwriting unit to use such information as a 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

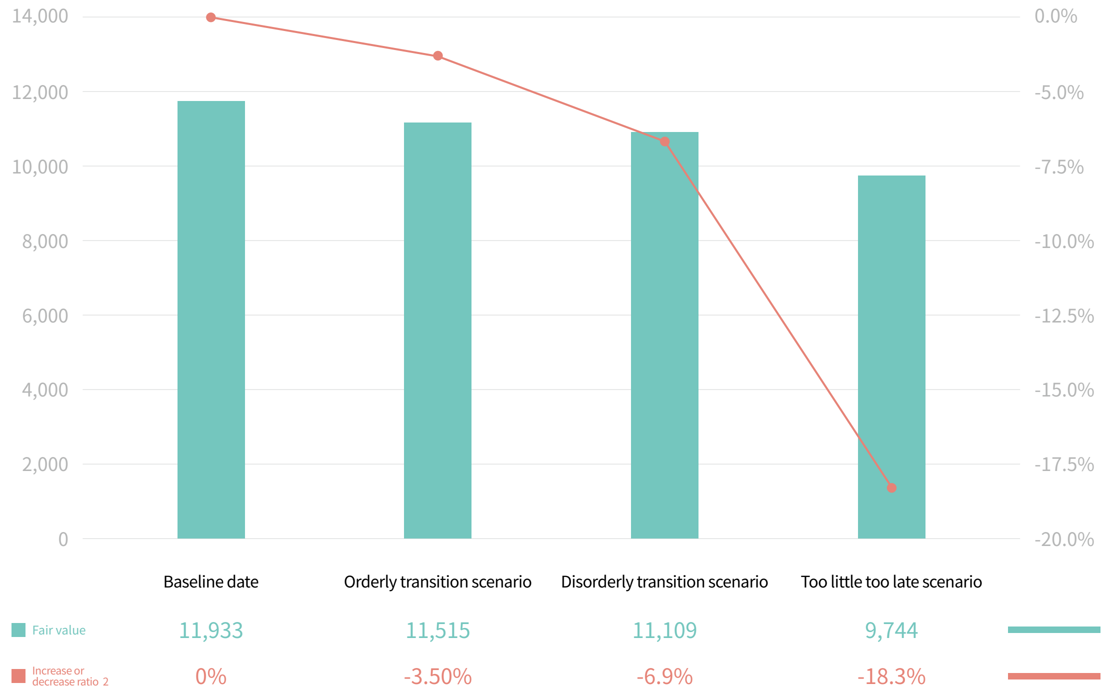
Respond to climate change opportunities

Type		Relevant Opportunity Items/Scope of Impact	Impact period	Potential financial impacts	Response measure or monitoring mechanism
Opportunities	Low-carbon energy	Use renewable energy instead of purchasing electricity, and increase the proportion of renewable energy use each year.	Long	Increased operating costs, enhanced corporate image,	Solar power generation panels can be constructed in self-owned business premises to reduce the use of purchased power, and excess renewable power can be sold.
	Products and services	Develop or increase low-carbon products and services to meet the demands and increase revenue.	Short	Revenue increase	Union Insurance's Merchandise Department is responsible for the planning and continuous monitoring of the market and development of green financial products to provide relevant theme products satisfying customer demands
	Market	Enter new or emerging markets to increase business opportunities and enhance premium income.	Long	Revenue increase	For various green insurance products, services, or climate change customer mediation programs, invest in R&D and innovation to meet the customer needs and increase the Company's premium income. For example, green energy insurance (water, wind power insurance, etc.), weather insurance,
	and other digital financial services.	Utilize low-carbon transformation technology (to reduce paper), simplify internal processes, and improve operational efficiency through digital technology.	Medium	Reduce operating costs.	1. Improve operation service efficiency, digitize customer service, and reduce resource consumption. 2. Promote the paperless insurance policy by encouraging the public to use electronic insurance policies and mandatory electronic certificates. 3. Readjust and improve the operation process of colleagues to reduce paperwork.
	Operation Resilience	The Company must improve operational resilience to cope with the climate change mitigation and adaptation process.	Long	Stable profits and reduced costs	By participating in internal and external seminars and cultivating the ability to adapt to climate change, we can manage related risks, grasp opportunities, and strengthen the Company's overall operational resilience.

Scenario Analysis

Strengthen Union Insurance's climate resilience by better understanding how climate change risks affect the Company, using climate scenario analysis to gauge what might happen in different scenarios, and actively implementing appropriate management actions and response measures.

1. An analysis was conducted on the potential losses incurred by an organization from its asset exposure under 3 different climate change scenarios (orderly transition, disorderly transition, and too little too late) according to the 2021 special topic edition of the Global Insurance Market Report published by the International Association of Insurance Supervisors (IAIS). (Including bonds, equities, and real estate). Senior management and relevant departments were briefed on the analysis results to understand the impact of each scenario on businesses and consider climate change when making strategic decisions.



2. To understand the impact level of physical risks on each business location, Union Insurance utilizes the average typhoon and flood-related data model, based on the assumption of reservoir and flood prevention facilities under normal conditions without any facility damage and collapsing of a levee, for the 24-hour precipitation simulation, the maximum flood depth that may occur in each area is predicted. The data indicated that the branches, service centers, and communication offices are at low risk. Prepare corresponding flood prevention measures for all bases, including:
   - Preparation of waterproof gates/panels to block flood from flowing into the office that may damage relevant, valuable equipment in the office
   - Each business location establishes a response plan with a backup location higher than the first floor

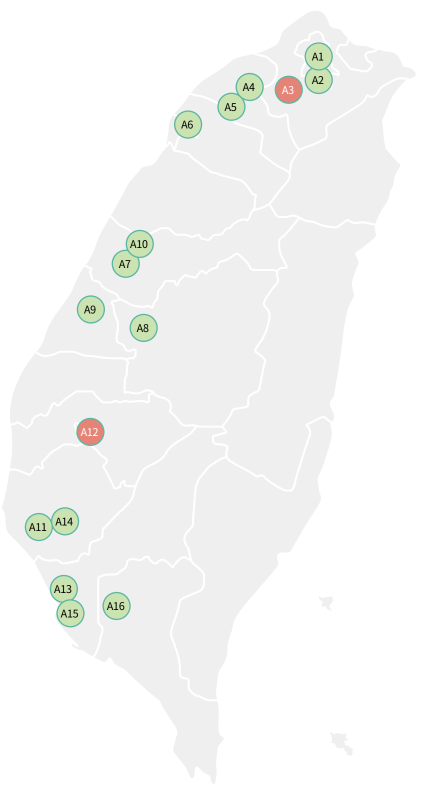
   The Company has established "Business Crisis Response Measures" to ensure that an emergency response team can be activated in the event of a major incident (such as an emergency or natural disaster) to effectively respond and mitigate the potential impact without disrupting the Company's normal operations.

Branch Analysis Editing and Reproduction

Risk level		Flood prevention	Overall risk value
24H rainfall -350mm	24H rainfall -650mm	Yes / No	Low / Medium / High

Low (no flood) · Low (0.5~1.0m)

NO	24H rainfall -350mm	24H rainfall -650mm	Flood prevention	Overall risk value
A1	Low	Low	Yes	Low
A2	Low	Low	Yes	Low
A3	Low	Low	Yes	Low
A4	Low	Low	Yes	Low
A6	Low	Low	Yes	Low
A7	Low	Low	Yes	Low
A8	Low	Low	Yes	Low
A9	Low	Low	Yes	Low



NO	24H rainfall -350mm	24H rainfall -650mm	Flood prevention	Overall risk value
A10	Low	Low	Yes	Low
A11	Low	Low	Yes	Low
A12	Low	Low	Yes	Low
A13	Low	Low	Yes	Low
A14	Low	Low	Yes	Low
A15	Low	Low	Yes	Low
A16	Low	Low	Yes	Low

NO	Unit	Address
A1	Headquarter	4F, No. 219, Sec. 4, Zhongxiao E. Rd., Taipei City
A2	Yongan Branch	2F, No. 467, Sec. 6, Zhongxiao E. Rd., Taipei City
A3	Taipei Branch	9F, No. 453, Sec. 2, Wenhua Rd., Banqiao Dist., New Taipei City
A4	Taoyuan branch	2F, No. 6, Sec. 2, Daxing W. Rd., Taoyuan City
A6	Hsinchu Branch	3F-2, No. 55, Dongguang Rd., East Dist., Hsinchu City
A7	Taichung Branch	4F, No. 230, Sec. 3, Wenxin Rd., Xitun Dist., Taichung City
A8	Nantou Branch	4F-1, No. 94, Hexing St., Caotun Township, Nantou County
A9	Changhua Branch	7F, No. 401, Sec. 1, Zhongshan Rd., Changhua City

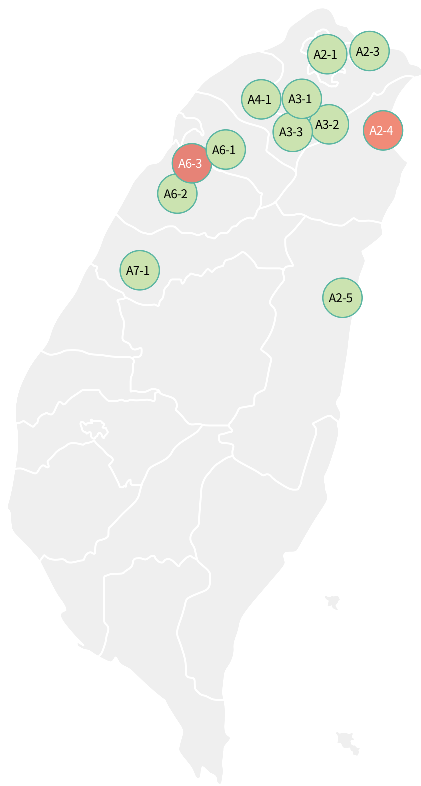
NO	Unit	Address
A10	Fengyuan Branch	7F, No. 23, Yuanhuan W. Rd., Fengyuan Dist., Taichung City
A11	Tainan Branch	6F, No. 75, Nanmen Rd., Tainan City
A12	Chiayi-Yulin Branch	9F-1, No. 336- 1, Xingye W. Rd., Chiayi City
A13	Northern Kaohsiung Branch	1F, 2F, No. 74, Jieshou Rd., Gangshan Dist., Kaohsiung City
A14	Yongkang Branch	17F-1, No. 425, Zhonghua Rd., Yongkang Dist., Tainan City
A15	Kaohsiung branch	10F, No. 533, Zhongshan 2nd Rd., Qianjin Dist., Kaohsiung City
A16	Pingtung Branch	No. 19-4, Gongyuan Rd., Pingtung City

Service Base Analysis

Risk level		Flood prevention	Overall risk value
24H rainfall -350mm	24H rainfall -650mm	Yes / No	Low / Medium / High

Low (no flood) · Low (0.5~1.0m) · Medium (1.0~2.0m) · High (above2.0)

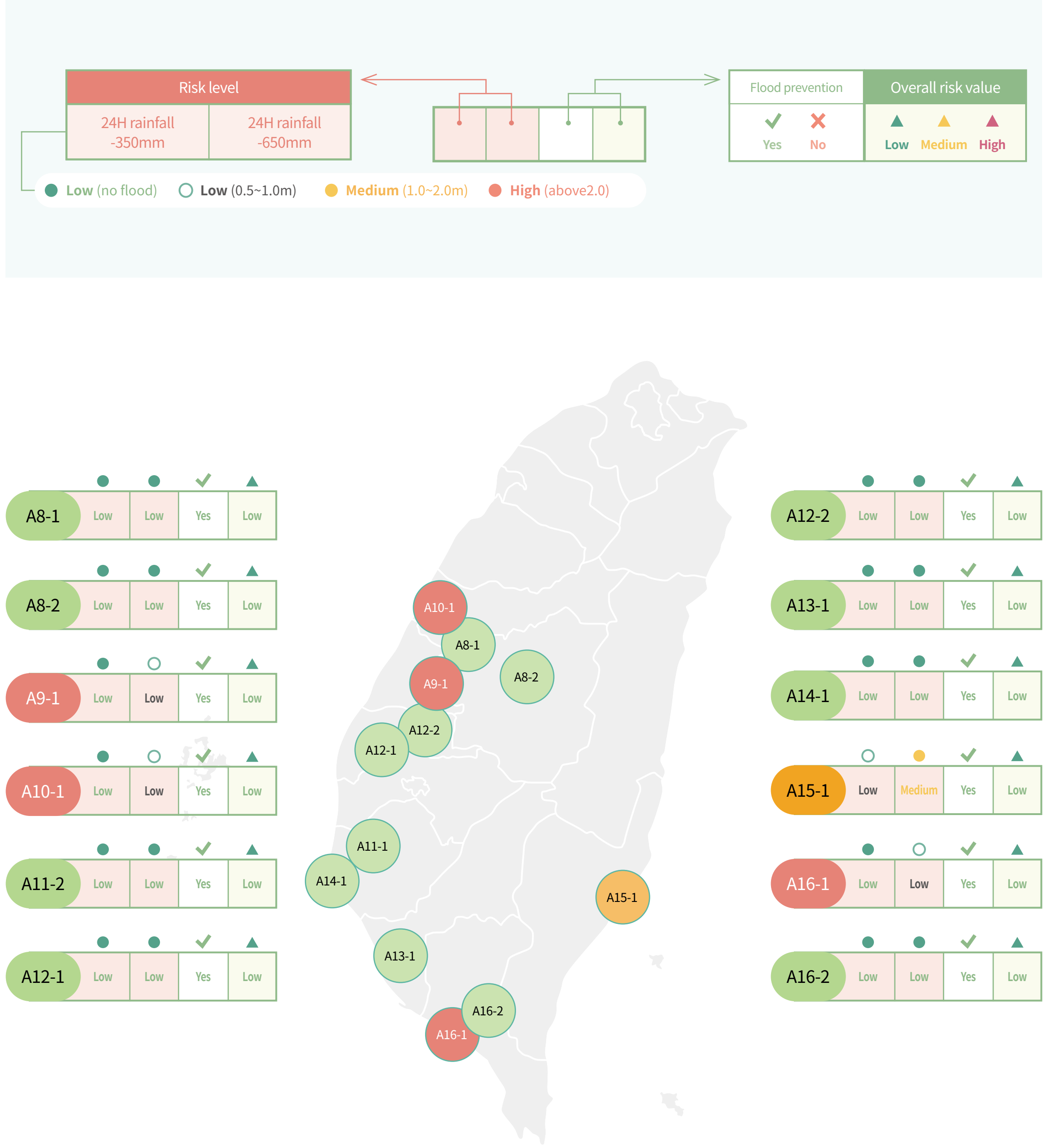
NO	24H rainfall -350mm	24H rainfall -650mm	Flood prevention	Overall risk value
A2-1	Low	Low	Yes	Low
A2-3	Low	Low	Yes	Low
A2-4	Low	Low	Yes	Low
A2-5	Low	Low	Yes	Low
A3-1	Low	Low	Yes	Low
A3-2	Low	Low	Yes	Low



NO	24H rainfall -350mm	24H rainfall -650mm	Flood prevention	Overall risk value
A3-3	Low	Low	Yes	Low
A4-1	Low	Low	Yes	Low
A6-1	Low	Low	Yes	Low
A6-2	Low	Low	Yes	Low
A6-3	Low	Low	Yes	Low
A7-1	Low	Low	Yes	Low

NO	Unit	Address
A2-1	Shilin Service Center	F. 2-1, No. 16, Jiantan Rd, Shilin District, Taipei City
A2-3	Keelung Service Center	F. 3-2, No. 122, Yiyi Rd, Zhongzheng District, Keelung City
A2-4	Lanyang Service Center	F. 3, No. 184, Section 3, Zhongzheng Rd, Wujie Township, Yilan County
A2-5	Hualien Service Center	No. 76, Rongzheng St, Hualien City
A3-1	Sanchong Service Center	F. 8, No. 111-33, Section 4, Sanhe Rd, Sanchong District, New Taipei City
A3-2	Xindian Communication Office	F. 2, No. 123, Minquan Rd, Xindian District, New Taipei City, Taiwan

NO	Unit	Address
A3-3	Shulin Communications Office	No. 26, Lane 248, Zhongzheng Rd, Shulin District, New Taipei City
A4-1	Zhongli Service Center	13F-5, No. 398, Huanbei Rd., Zhongli Dist., Taoyuan City
A6-1	Zhubei Communication Office	F. 3-2, No. 231, Guangming 9th Rd, Zhubei City, Hsinchu County
A6-2	Miaoli Service Center	No. 93-3, Fuli Neighborhood 17, Miaoli City, Miaoli County
A6-3	Toufen Service Center	No. 750, Minzu Rd, Toufen City, Miaoli County
A7-1	Minquan Communication Office	F. 4-1, No. 102, Minquan Rd, Central District, Taichung City



NO	Unit	Address
A8-1	Dali Service Center	F. 13, No. 393, Daming Rd, Dali District, Taichung City
A8-2	Puli Communication Office	F. 1, No. 1011, Xinyi Rd, Puli Township, Nantou County
A9-1	Yuanlin Communication Office	No. 687, Juguang Road, Yuanlin City, Changhua County
A10-1	Shalu Service Center	No. 290, Section 2, Zhonghua Rd, Wuqi District, Taichung City.
A11-2	Xigang Communication Office	No. 242, Zhongshan Rd, Xigang District, Tainan City
A12-1	Beigang Service Center	No. 131, Huasheng Rd, Beigang Township, Yunlin County

NO	Unit	Address
A12-2	Dounantong Service Center	No. 88, Guangxing Rd, Dounan Township, Yunlin County
A13-1	Zuoying Service Center	F. 1&2, No. 1480, Huasia Rd, Zuoying District, Kaohsiung City
A14-1	Madou Service Center	No. 610, Xinsheng N Rd, Madou District, Tainan City
A15-1	Taitung Service Center	No. 423, Zhengqi N Rd, Taitung City, Taitung County
A15-2	Fengshan Communications Office	F. 4-3, No. 128, Weixin Rd, Fengshan District, Kaohsiung City
A16-1	Donggang Communication Office	No. 71, Section 1, Guangfu Rd, Donggang Township, Pingtung County

Investment property analysis

Region	Number of real estate subjects	Risk level		Flood prevention measures	Overall risk value
		24H rainfall -350mm	24H rainfall -650mm		
Dali District, Taichung City	2	Low (no flood)	Low (no flood)	Yes	Low
Taichung City Central District Green	1	Low (no flood)	Low (no flood)	Yes	Low
Xitun District, Taichung City	1	Low (no flood)	Low (no flood)	Yes	Low
Taipei City Datong District	2	Low (no flood)	Low (no flood)	Yes	Low
Taipei City Da'an District	9	Low (no flood)	Low (no flood)	Yes	Low
Taipei City Zhongzheng District	7	Low (no flood)	Low (no flood)	Yes	Low
Taipei City Neihu District	1	Low (no flood)	Low (no flood)	Yes	Low
Taipei City Beitou District	1	Low (no flood)	Low (no flood)	Yes	Low
Taipei City Songshan District	1	Low (no flood)	Low (no flood)	Yes	Low
Tainan City Yongkang District	1	Low (no flood)	Low (no flood)	Yes	Low
Nantou County Caotun Township	1	Low (no flood)	Low (no flood)	Yes	Low
Kaohsiung City Qianjin District	1	Low (no flood)	Low (no flood)	Yes	Low
Kaohsiung City Lingya District	1	Low (no flood)	Low (0.5~1.0m)	Yes	Low
New Taipei City Banqiao District	1	Low (no flood)	Low (0.5~1.0m)	Yes	Low

The Company has established the "Real Estate Appraisal Procedures" to strengthen its internal control mechanism for real estate investment and management. Appropriate review standards and risk control mechanisms are established regularly to ensure the efficient utilization of each investment real estate. If the standards are exceeded, they must be reviewed separately during the annual income report, and a plan for increasing utilization efficiency shall be submitted.

Item	Level	Description
Flood potential	Low	No flood or lower than 1m
	Medium	Flood depth of 1.0~2m
	High	Flood depth above 2.0m
Flood prevention measures	Yes	Prepare a waterproof gate/panel, response plan, or location higher than the first floor.
	None	No preparation
Overall risk value	Low	The risk is low, and the loss rate is low
	Medium	The risk is medium, and flood may occur if surrounding drainage is poor
	High	The risk is high, and flood may still occur despite proper surrounding drainage.

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

Pressure Test

Union Insurance conducts stress tests annually based on the scenarios formulated by the Taiwan Insurance Guaranty Fund to evaluate the Company's financial status and major risk factors under various set sensitivities and stress test scenarios. After considering the interest rates, stocks, exchange rates, natural disasters, fires, nuclear energy, and major traffic accident scenarios, the test concluded that natural disasters have the greatest impact on the Company's solvency (RBC). The evaluation results show that even if 200-year regression period level typhoons were to occur, the Company's solvency (RBC) can still meet the control standards (over 300% [inclusive]).

Scenario	Countermeasures
Assume that a strong typhoon hits Taiwan (the scale is the 200-year regression period level)	1. Regularly calculate the maximum possible loss through natural disaster model assessment, and arrange appropriate reinsurance contracts accordingly. 2. The cumulative sum insured in each region can be further monitored regarding business structure to avoid excessive concentration of natural disaster loss risks.

The Company has improved its overall risk quantification ability each year, evaluated the Company's overall risk via scenario simulations, and used the correlation of major domestic RBC risks to calculate the capital requirements needed to achieve the annual business goals. The goal is to ensure solvency to achieve the goal and disclose the results in the self-risk and solvency assessment report submitted to the competent authority every year.

Risk Management

Union Insurance has incorporated "Climate Change Risk Management" into the Company's risk management system to reduce the impact of climate change on corporate operations. The "Climate Change Risk Management Procedures" were developed to serve as the basis for identifying and assessing risks. Management indicators have also been established to determine whether various risk management measures are aligned with management objectives. The goal is to enable timely rolling adjustments while tracking and monitoring exposure changes. Each unit regularly collects climate-related risk data and information for internal reporting and external disclosure. They include identifying the insured amount and proportion for high physical risk areas, analyzing the distribution and amount of exposure for high transition risk industries, and following the Company's "Business Crisis Response Measures" in the event of a major incident that could affect the Company's normal operations due to climate change (such as a climate-related lawsuit that could affect the Company's reputation).

Risk Management Process

Each business unit must identify internal risks and report exposure annually, measure the degree of risk impacts, regularly review risks and limits, monitor over-limit situations, assist in collecting relevant risk data, and ensure that internal control procedures are implemented according to the relevant regulations and policies. Union Insurance also uses the "Climate Change Risk Management Team" discussion method to identify the climate change risk-related issues, such as the scope of impact from climate entities and transition risks, including：

- The physical risk is mainly based on the geographical location of the asset to assess the impact of the physical risk faced by the specific region. Regularly verify whether the base of operation and the subject matter of the insurance underwritten are located in disaster-and risk-prone areas that are susceptible to climate-related risk factors (i.e., typhoon insurance, flood insurance).
  - Using the list of high-carbon emission industries to calculate the exposure of insurance underwriting to high-carbon emission industries: as of the end of 2023, there were a total of 16 valid policies, which decreased compared to the same period in 2022.
- Transformation risk depends on the exposure of carbon-related (high carbon emission or high energy consumption) assets and the transformation risk impact evaluation. The goal is to understand new policies and technologies related to low-carbon transformation and international trends in climate-related risk management, the impact on their operations, and investment priority to identify high-transformation risk industries.
  - The cement industry has the highest exposure amount (accounting for 2.1% of the total investment exposure) according to the list of high-carbon emission industries that are widely recognized in the market and the statistics on the Company's investment exposure amount of approximately NT$170 million as of December 31, 2023.
- The climate-related risk impacts are considered when formulating annual business goals and strategies for business, commodities, and investments：
  - There should be an additional review mechanism for subjects and targets involving higher climate-related risks, and counterparties with significant climate-related risks should be encouraged to adopt necessary measures to reduce climate-related risks.
  - The Company shall consider the internal resource status and data collection completeness, calculate the degree of exposure by industry or product classification, and regularly assess changes in the climate-related risks involving the subjects and targets as a basis for adjusting positions.

Risk Management Process

Integrate climate change risks into existing risk management processes, as listed below：

Step 1
Activate climate-related risk and opportunity identification process

Reports on climate change risks, TCFD guidelines, and corporate social responsibility reports of industry benchmark companies issued by external credit rating organizations are used as a guide for identifying, assessing, and managing climate change-related risks and opportunities.

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, and assess qualitative or quantitative methods 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 abovementioned identification, establish response measures or monitoring mechanisms for the climate change-related risks and opportunities.

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.

Indicators and Goals

To effectively manage climate risks and reduce possible impacts on the environment during operations. In 2024, the Company established a climate risk appetite to gradually reduce exposure to businesses or industries highly sensitive to environmental or climate change risks. Quantitative medium- to long-term goals were set for operations, insurance products, and investment activities. The progress towards these goals is tracked annually and reported to the board of Directors through regular ESG committee meetings, and quarterly meetings are held to ensure timely goal achievement：

Management Objectives	Strategic Direction	Target Setting
Operation Aspect	• Regularly calculate yearly greenhouse gas emissions/water consumption to check the reduction status and disclose the phased results. • Increase the amount of green procurement and prioritize purchasing environmentally friendly products with environmental protection labels, carbon labels, energy-saving labels, water-saving labels, green building materials labels, and sustainable forestry labels.	2024 short-term goals： • Average carbon emission per capita was reduced by 15% in 2024 (with 2020 as the base year) • Average water consumption per capita reduced by 7% in 2024 (with 2020 as the base year) • Average power consumption per capita was reduced by 15% in 2024 (with 2020 as the base year) 2024 to 2028 medium-term goals： • Average carbon emission per capita was reduced by 15% in 2028 (with 2020 as the base year) • Average water consumption per capita reduced by 7.5% in 2028 (with 2020 as the base year) • Average power consumption per capita was reduced by 15% in 2028 (with 2020 as the base year) 2032 long-term goals： • Average carbon emission per capita was reduced by 16.5% in 2032 (with 2020 as the base year) • Average water consumption per capita reduced by 8% in 2032 (with 2020 as the base year) • Average power consumption per capita was reduced by 16.5% in 2032 (with 2020 as the base year)
Insurance Products Aspect	• Continue to provide green insurance products for green industries, including engineering insurance (solar energy, offshore wind power) and automobile insurance (electric vehicles).	• In 2024, the risk exposure of carbon-related assets/high climate transition risk assets in the exposure portfolio will be reduced by 5% compared to 2023. • In 2024, in areas with high physical risks (typhoons, flooding, slope disasters, sea level rise, etc.), the risk of insured targets will be reduced by 5% compared to 2023. • Increase ESG indicator products and ESG product overall revenue with a growth rate of 3% from last year.
Investment Operation Aspects	• Establish a list of high-carbon emission industries, and future investment units need to conduct climate change risk assessments before investing and negotiating.	• In 2024, the greenhouse gas emission intensity of the investment portfolio shall not exceed 3.0.

3.2 Resource Management - Waste Prevention

Management directive

Material Topic	Energy management
Policy direction	Implement energy saving, carbon reduction, power, and water saving without waste of resources.
Core objective	2024 short-term goals： ● Average carbon emission per capita was reduced by 15% in 2024 (with 2020 as the base year) ● Average water consumption per capita reduced by 7% in 2024 (with 2020 as the base year) ● Average power consumption per capita was reduced by 15% in 2024 (with 2020 as the base year) 2024 to 2028 medium-term goals： ● Average carbon emission per capita was reduced by 15% in 2028 (with 2020 as the base year) ● Average water consumption per capita reduced by 7.5% in 2028 (with 2020 as the base year) ● Average power consumption per capita was reduced by 15% in 2028 (with 2020 as the base year) 2032 long-term goals： ● Average carbon emission per capita was reduced by 16.5% in 2032 (with 2020 as the base year) ● Average water consumption per capita reduced by 8% in 2032 (with 2020 as the base year) ● Average power consumption per capita was reduced by 16.5% in 2032 (with 2020 as the base year)
Performance outcome	● In 2023, the carbon emission of Union Insurance was 534,876 kgCO2e, and the unit person average carbon emission was reduced by 12.9% (using 2020 as the base year) ● In 2023, the tap water consumption was 10.896 million liters, and the unit-person average water consumption was reduced by 6.1% (with 2020 as the base year) ● In 2023, the electricity consumed was 3,783,013 MJ, and the unit-person average electricity consumption was reduced by 12.6% (with 2020 as the base year)
Action plan	● Promote energy saving and carbon reduction action with employees during routine operation ● Replace old and obsolete equipment

Management Method

Resource investment	Expenses for replacing old electrical equipment with energy-saving equipment
Feedback mechanism	● Employee feedback mailbox ● Labor-management meeting
Evaluation mechanism	Monthly power and water consumption by the headquarters and branches
Future continuous improvement plan	● Average carbon emission per capita was reduced by 15% in 2024 (with 2020 as the base year) ● Average water consumption per capita reduced by 7% in 2024 (with 2020 as the base year) ● Average power consumption per capita was reduced by 15% in 2024 (with 2020 as the base year)

3.2.1 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 offices. Through the monthly statistical calculation of the electricity energy consumption, the carbon emission equivalent amount generated due to the electricity consumption can be calculated as a basis for greenhouse gas emission.

In 2023, a total of 3,815,629 MJ was used (1kWHh=3.6MJ). For greenhouse gas Scope 2, according to the announcement of the Bureau of Energy on Thursday, June 22, 2023, the Electricity Carbon Emission Factor for 2022 was 0.495 kgCO_2e/kWh, and the output of 524.6 metric tons of CO_2e was obtained from the calculation. Union Insurance collects the energy consumption information of 15 business locations (including headquarters and 14 branches), accounting for 100% of all business locations.

The greenhouse gas emissions in the past three years are as follows

Scope	2020	2021	2022	2023
Scope 1	0	0	0	0
Scope 2	613.9	549.3	534.9	524.9
Total of Scope 1 & Scope 2	613.9	549.3	534.9	524.9
Greenhouse gas emission intensity metric tons CO_2e/per million in revenue	0.0745	0.0624	0.0629	0.515

Scope 1： Union Insurance has no Scope 1 emission sources
Scope 2： Refers to the use of energy from electricity
Calculates boundary: Union Insurance adopts the operation control method, including 15 business locations: Headquarter / Yongan / Taipei / Taoyuan / Hsinchu / Taichung / Fengyuan / Changhua / Nantou / Chiayi-Yunlin / Yongkang / Tainan / Kaohsiung / Northern Kaohsiung / Pingtung.
Union Insurance's capital has not reached NT$5 billion. According to the "Sustainable Development Roadmap for Listed Companies," Union Insurance expects to complete the 2025 greenhouse gas inventory in 2026 and the third-party verification by 2027.

3.2.2 Water Resource Management

100% of the water source of Union Insurance and its 15 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 concerning water consumption. The living water use in relevant business locations refers to basic living water use of employees, including basic cleaning, washing, drinking water, etc. The drainage of living water is also legally drained to the underground sewage pipes for treatment. In 2023, there were no illegal pollution events and no impact on the environmental water source. In 2023, the tap water consumption was 11.349 million liters.

Union Insurance collects the energy consumption information of 15 business locations (including headquarters and 14 branches), accounting for 100% of all business locations, demonstrating the complete disclosure of the energy information of Union Insurance.

Type/Year	Unit	2020	2021	2022	2023	Annual increase rate of last year
Tap water	million liters	11,809	10.883	10,896	11.349	3.90%
Total water consumption	million liters	11,809	10.883	10,896	11.349	3.90%
Average water consumption per person	million liters/ person	10.4	9.8	9.8	10.2	-2.00%

3.2.3 Energy Saving and Carbon Reduction Measures

Energy saving and carbon reduction are considered part of corporate sustainable development. As a company that pays attention to environmental protection issues and policies in the long term, Union Insurance also integrates the concept of energy saving and carbon reduction 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 orders to achieve joint compliance of all employees of the Company to allow Union Insurance to contribute to the environmental protection of the Earth.

Energy Saving and Carbon Reduction Measures	Execution Items
Air conditioner energy saving	• After the meeting, turn off the air conditioning equipment. 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, and offices regularly clean and maintain air conditioning filters to ensure air conditioning efficiency and reduce power consumption. Old air conditioning equipment with poor performance is also gradually replaced. • Purchase of equipment equipped with environmental protection logo, energy saving logo, water saving logo and high EER value. The total purchase of energy-saving air conditioning equipment in 2023 was NT$1.19 million • Establish an autonomous inspection plan, and execute such the 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 office seats only. • Idle appliances are turned off at any time, and lighting demand is evaluated. Excessive lighting tubes are reduced, and energy-saving lighting tubes are used. • Employees can turn on the lights in their own seats during overtime, and the storage room' s light is turned off when not in use.
Other eco-friendly measures	• Employees are reminded to bring their 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. • The 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.

Digital Insurance Policies and Electronic Clauses

In response to promoting energy and paper consumption saving, the 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 reducing paper consumption and promoting electronic insurance policies. With digital insurance policies, files can be preserved conveniently, and the security and convenience are superior to paper insurance policies. In 2023, the number of electronic insurance policies issued was 626,457. A total of 3,951,551 sheets of paper were saved.

In addition to promoting digital and online operations, Union Insurance also focuses on relevant protection measures for personal information privacy. To protect customers' personal information, the Company cooperates with the Taiwan Insurance Institute, and the issuance of each insurance policy is certified by a third party 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 issuance thereof.

In addition to the continuous promotion of electronic insurance policies to facilitate the policyholders' reading of policy causes, since March 2020, Union Insurance has provided the option of paper policy and electronic clauses to health and injury insurance policyholders. In addition, since October 2021, to expand the service of policyholders of automobile insurance and residence fire insurance, customers can use the method of QR CODE on the policy to link to the Company' s website for downloading and reading policy clauses. In 2023, a total of 956,313 insurance policies selected the electronic clauses, and a total of 4,788,815 sheets of paper were saved, equivalent to a reduction of 62,076 kg/CO_2 carbon emission [Note 1].

Note 1： One piece of A4 paper' s equivalent carbon emission is 18g CO_2. Accordingly, the total carbon emission reduced is: 4,788,815 sheets of paper*18g CO_2 = 86,198,670g CO_2 = 86,198kg CO_2.

3.3 Sustainable Supply Chain Management

Union Insurance considers suppliers as important partners in the entire industry chain. It aims to promote the stability of the supply chain and the core of sustainable development 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 supply chains, such that supply chain partners can comply with the basic environmental and social standards, thereby achieving positive influences and head 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 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.

Supplier management actual implementation method

1. 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 to jointly implement corporate sustainable development directives.
2. Union Insurance periodically visits outsourced operation suppliers annually 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.
3. Internally, the Company has established a basic supplier information system and performs supplier material source investigation. Based on the principle of local supply, local suppliers are developed actively to implement local purchasing, 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.
4. Union Insurance performs risk re-assessment on the "Key Suppliers" and "Important Suppliers" annually and fills out the "Supplier Risk Assessment Form" to determine whether there are new risk factors.

4

Talent -Oriented Friendly Workplace

Management directive

Material Topic	Remuneration and welfare
Policy direction	● 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	2024 short-term goals： ● Increase the total expenditure of employee stock ownership trust rewards. 2024 to 2028 medium-term goals： ● Formulate over 2 measures for employee care and health promotion that are superior to those required by laws or regulations. 2032 long-term goals： ● Establish fairness in the salary structure and reward corresponding bonuses based on employee performance appraisal performance.
Performance outcome	● A total of 1048 people qualified for the assessment and completed the assessment that year according to the Employee Performance Evaluation Operation Regulations. ● In 2023, a total of 34 people applied for paid leave on their children's school entry day. ● In 2023, a total of 55 people applied for paid leave on their children's school graduation day. ● The average number of months for employee year-end bonuses in 2023 was about one month higher than the previous year. ● A new employee stock ownership trust has been established, and the Company will match rewards on a 1:1 basis. The monthly withdrawal amount is approximately NT$1,000,000.
Action plan	● Establish a link between strategic objectives and performance appraisal according to the performance appraisal policy. Use the results as the basis for employee remuneration, promotion, training, and development to achieve a win-win for the Company and the employees. ● Increase paid leave for graduation ceremonies of employees' children. ● Increase employee stock ownership trust welfare projects.

Management Method

Resource investment	Depending upon the profit status of the current year
Feedback mechanism	Labor-management meeting, Remuneration Committee, Employee Benefit Committee
Evaluation mechanism	● Number of new employee benefits ● Amount of increase in employee total salary
Future continuous improvement plan	Increase employee participation in employee stock ownership trust plans via effective promotion

4.1 Employee Care - Happy Family

Union Insurance complies with the regulatory policy to prevent discrimination, implement gender equality, treat all employees properly, and create a friendly and cooperative working environment. The company focuses on talent development and establishes a workplace suitable for employees' career development, to allow employees to have a secure and comfortable workplace with excellent communication channels, which is also the commitment of Union Insurance to all employees. In addition to a complete remuneration and welfare system, the Company cares for all employees' physical and mental health. It plans a complete talent training system to assist employees in developing their expertise and skills at work. Furthermore, Union Insurance also offers a proper and complete promotion channel, which is considered an essential factor in the Company' s sustainable development.

Union Insurance actively seeks talents. Regarding employment, Union Insurance has established 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 can receive a corresponding fair return, allowing employees to take pride in their work and 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 establishing a company that all employees are proud of.

Employee Composition

In 2023, the total number of Union Insurance employees was 1,106 people, including 1,106 full-time employees, with 494 male employees (45%) and 611 female employees (55%); one part-time employee is a male employee. Union Insurance's commitment to comply with international human rights and legal norms covers all members. In 2023, the total number of new Union Insurance employees was 142 people, and the ratio of new employees was 13%. The total number of resigned employees was 146 people, with a resignation rate of 13%. If it was non-voluntary resignation, such as retirement or severance, the resignation rate was 9.8%.

In addition, to cooperate with the government' s policy promoting the employment of people with disabilities and the establishment of a co-prosperous working environment, Union Insurance has established a diverse workplace and also actively employs disabled and aboriginal employees. Up to the end of 2023, Union Insurance has employed 11 disabled employees and 5 aboriginal employees.

Non-employee workers mainly sign cooperation contracts with dispatch companies for project development (such as information programs). In 2023, a total of 2 workers were dispatched to the Information Department of Union Insurance to assist in system development-related work. The contract stipulates that the overtime work pay must be paid according to the law and in compliance with the relevant provisions provided by the labor laws.

		2023			
		Male	%	Female	%
Total number of employees	Under 30 years old	70	14.1%	102	16.7%
	31~50 years old	248	50.1%	318	52%
	Above 51 years old	177	35.8%	191	31.3%
	Subtotal	495	100%	611	100%
Total number of full-time employees	Under 30 years old	70	14.2%	102	16.7%
	31~50 years old	247	50%	318	52%
	Above 51 years old	177	35.8%	191	31.3%
	Subtotal	494	100%	611	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

Type		Male	Female	Total
Taiwan	Number of Employees	495	611	1106
	Permanent Employees	495	610	1105
	Temporary Employees	0	1	1
	Employees Without Hour Guarantee	0	0	0
	Full Time Employees	494	611	1105
	Part Time Employees	1	0	1

Up to 2023/12/31	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	68	57%
		Female	51	43%
		Subtotal	119	100%
	Above 51 years old	Male	72	56%
		Female	56	44%
		Subtotal	128	100%
General employees	Under 30 years old	Male	70	41%
		Female	102	59%
		Subtotal	172	100%
	31~50 years old	Male	180	40%
		Female	267	60%
		Subtotal	447	100%
	Above 51 years old	Male	105	44%
		Female	135	56%
		Subtotal	240	100%

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

Up to 2023/12/31	Age	Gender	Number of people	Ratio
New employees	Under 30 years old	Male	20	39%
		Female	31	61%
		Subtotal	51	100%
	31~50 years old	Male	25	30%
		Female	59	70%
		Subtotal	84	100%
	Above 51 years old	Male	5	71%
		Female	2	29%
		Subtotal	7	100%
Resigned employees	Under 30 years old	Male	14	34%
		Female	27	66%
		Subtotal	41	100%
	31~50 years old	Male	30	39%
		Female	47	61%
		Subtotal	77	100%
	Above 51 years old	Male	14	50%
		Female	14	50%
		Subtotal	28	100%

Remuneration and welfare system

Remuneration policy for non-senior executives

Union Insurance also encourages employees to continue to achieve business performance to attract and retain outstanding talents. The Company measures the industry salary standard and structure through an annual industry salary survey. Also, it pays attention to the local economic development and price index to make appropriate adjustments and strategically increase the fixed salary ratio in the whole-year salary structure, thereby allowing the salary structure to be more competitive and attract and retain relevant talents. The only way for the Company to create outstanding results is to retain excellent talents. The Company's remuneration and welfare calculation method 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 the region of Taiwan, the number of "Full-time employees not at supervisor' s position" was 1,034 people in 2023, the mean salary was NT$1,056 thousand, and the average welfare expense for a full-time employee of a non-supervisor position was NT$1,178 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 2023, the average salary ratio of female/male employees at the management level was 78%. It was mainly due to the work nature and content, and female employees were mostly for internal administrative work, so male employees' average salary was relatively higher. In 2023, the average salary ratio of female/male employees at the non-management level was 89%. In general, the remuneration and welfare provided by Union Insurance are competitive, and employees are entitled to various welfare items and facilities to maintain stable work and living quality.

The average salary of full-time non-supervisor position employees

Unit：NT$1,000

Item/Year	2021	2022	2023
The total salary of full-time employees of non-supervisor positions	1,043,109	1,020,657	1,091,540
Number of full-time employees of non-supervisor positions	1,038	1,014	1,034
"Mean salary" of full-time employees of non-supervisor positions	1,005	1,007	1,056
"Median salary" of full-time employees of non-supervisor positions	786	781	831

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

Unit：NT$1,000

Item/Year	2021	2022	2023
Total welfare expense of employees of non-supervisor positions	1,157,375	1,134,558	1,218,229
Number of employees of non-supervisor positions	1,038	1,014	1,034
Average welfare expense of employees of non-supervisor positions per person	1,115	1,119	1,178

Note：based on the male employees.

The ratio of basic salary raise of female employees to male employees

Unit：NT$1,000

Item/Year	2021		2022		2023	
Job rank	Male	Female	Male	Female	Male	Female
Management position employees	1	0.78	1	0.77	1	0.78
General employees	1	0.91	1	0.90	1	0.89

2023	Male	Female
Entry-level employee basic salary	27,900	27,540
(Statutory) entry-level employee minimum salary	26,400	26,400
Multiples exceeding the statutory minimum salary	1.06	1.04

The proportion of the highest-paid employee's annual total compensation to the mean annual total compensation of all other employees in the Company (aside from the highest-paid person) is as follows：6.26：1

The Percentage increase in annual total compensation for the organization's highest paid individual / Median percentage increase in annual total compensation for all of the organization's employees excluding the highest paid individual：1.05：1

Retirement System

Union Insurance appropriates labor pension reserves according to the retirement requirements of the Labor Standards Act and the Labor Pensions Act. It appropriates pension funds monthly according to the laws and regulations.

In 2023, the Company appropriated NT$7,436 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$374,737 thousand at the end of the year. In addition, the Company also appropriates 6% of the employee' s 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$34,819 thousand such that the retirement interests of employees are sufficiently protected.

Parental leave

When an employee of Union Insurance has parental needs, he or she may apply for parental leave individually to achieve a balance between work and family without worries. In 2023, the Company started to provide maternity allowance, and 14 employees applied for the allowance for 14 newborns. In 2023, the number of employees qualifying for parental leave without pay was 18 (7 male employees and 11 female employees), and the actual number of employees applying for parental leave without pay was 8 (4 male employees, 4 female employees). In 2023, 5 employees were reinstated to their jobs, and the reinstatement rate was 56%. In 2023, the retention rate for reinstatement from parental leave without pay was 80%.

Item/Year	2021			2022			2023		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees qualifying for parental leave without pay	16	13	29	11	6	17	7	11	18
The actual number of employees applying for a parental leave without pay	0	7	7	3	5	8	4	4	8
Total number of employees reinstated after parental leave(a)	0	1	1	1	6	7	3	2	5
Total number of employees required to be reinstated after parental leave(b)	0	1	1	1	9	10	5	4	9
Reinstatement rate (%)=a÷b	0%	100%	100%	100%	67%	70%	60%	50%	56%
Total number of employees reinstated after parental leave without pay in the previous year (c)	0	4	4	0	4	4	2	3	5
Number of employees applying for reinstatement after servicing for one full year in the previous year(d)	0	4	4	0	4	4	2	2	4
The retention rate for reinstatement from parental leave without pay(%)=d÷c	0%	100%	100%	0%	100%	100%	100%	67%	80%

Employee Welfare

Union Insurance provides employees with a happy and friendly working environment and cares about their physical and mental health and living quality, allowing employees to balance work and living. Furthermore, comprehensive development is also one of the aspects valued by the Company besides the pursuit of sustainable economic development. In addition to statutory welfare, the Company appropriates employee welfare funds reaching more than NT$15.6 million annually. Union Insurance has established numerous welfare policies satisfying employees' physical and mental health care. Union Insurance has established the "Employee Welfare Committee" under the Employee Welfare Fund Act. It convenes meetings periodically to discuss how to improve the welfare measures of the Company further and to increase the welfare of its employees. The welfare measures coordinated and handled by the Welfare Committee, General Affairs Department, and Human Resource Department of Union Insurance include：

Item	Relevant benefits
Various gift money/ consolation money	Year-end bonus/three festivals bonus/birthday gift/wedding gift/childbirth subsidy/injury and illness consolation money/funeral consolation money/employee stock ownership trust reward
Activity allowance	Domestic employee travel/company club subsidy (badminton club, softball club, table tennis club, bowling club, etc.)/employee education and training/year-end party/regularly hold various competitions or employee sports events
Other welfares	Employee shopping discount/irregularly give practical and considerate gifts/regular health examination superior to statutory mandate/health examination leave/group insurance/Employee's children school entry day paid leave/typhoon paid leave/employee's children's graduation ceremony paid leave

Occupational Health Promotion

People-oriented and care of employees' physical and mental health is already the provision of a safe, healthy, and friendly working environment to employees are the sustainable development objectives of Union Insurance. To enhance the employees' health management, the methods adopted by Union Insurance include periodic organization of employee health examinations. Regular employee health checkups are conducted every one and a half years, and employee health checkups were conducted 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". Further, it establishes tobacco hazard control-related regulations to protect non-smoking employees from the 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 areas with ventilation. Union Insurance will continue to exert effort in promoting healthy living at the workplace and protecting employees' health, creating a fortune workplace, and improving employees' health index.

Club name	Establishing unit	Number of club members	Number of activities
Bowling club	Headquarter	17 people	10
Table tennis club	Headquarter	10 people	40
Sign language club	Headquarter	10 people	2
Badminton club	Taoyuan branch	12 people	50
Slow softball club	Kaohsiung branch	15 people	40
Kaohsiung & Pingtung Bowling club	Kaohsiung branch	35 people	5
Kaohsiung Badminton club	Kaohsiung Branch	32 people	50

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, and the Company believes that to extend corporate life, safety and health are equally important issues as economic development. Accordingly, the Company has established a professional and dedicated executing unit to implement systematic safety and health management mechanisms in a top-down manner, thereby implementing the safety and health management of the Company. Union Insurance is committed to reducing employee safety and hazardous health 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 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 in the office area in order to rigorously control access personnel and to ensure the 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 in 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.
8. Health education section is established on the company's intranet to allow employees to inquire about relevant health information at any time.
9. Nursing room is established at the headquarters and full-time nursing staff is available to provide health care service and health consultation.

Occupational injury

Under a series of Union Insurance's protection measures, the number of serious work injuries in 2023 was 2 work injuries recorded, and 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	2022	2023
Number of working hours	2,220,000	2,212,000
Number of deaths due to occupational injury	0	0
The death rate due to occupational injury	0	0
Number of severe occupational injury	0	0
The ratio of severe occupational injury	0	0

Item/Year	2022	2023
Number of occupational injuries recorded	3	2
The ratio of occupational injuries recorded	1.35	0.94

Note：
1. Number of working hours in one year: 1,106(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 2 occupational injury accidents refer to traffic accidents in the course of job duties

Performance evaluation

Union Insurance provides a stage for employees to exploit their talents and expertise, encourage the team to contribute their professional skills and implement the Company's strategic goal, thereby achieving positive influence on others and promoting social development and co-prosperity. Employees' performance achievement level is examined annually to evaluate their individual performance and assist them 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 to sufficiently understand their work objectives and future development blueprint. It is also used as the basis for issuing salaries and bonuses and adjusting job positions, ensuring all employees receive fair treatment and everyone has equal promotion opportunities. In 2023, the ratio of employees periodically receiving performance and occupational development reviews was 94.76%. The employees not participating in the performance evaluation were mainly due to an onboard service period of less than half a year, so they did not meet the performance evaluation qualification.

Percentage of employees receiving periodic performance and occupational development reviews in 2023

	Total number of employees at the end of the reporting period		Number of employees receiving periodic performance and occupational development review		The ratio of employees receiving periodic performance and occupational development review	
	Male	Female	Male	Female	Male	Female
Management position employees	140	107	139	106	99.29%	99.07%
General employees	355	504	332	471	93.52%	93.45%
Subtotal	495	611	471	577	95.15%	94.44%

4.2 Talent Cultivation - International Horizon

Management directive

Material Topic	Talent cultivation
Policy direction	Continue to strengthen the professional ability of employees and cultivate property insurance talents to serve as a reference for talent recommendation and promotion.
Core objective	2024 short-term goals： • The average annual employee training hours are >24 hours/person, and all employees receive climate change-related education and training of > 1 hour. 2024 to 2028 medium-term goals： • Increase the number of personnel who have obtained underwriting/claim settlement personnel and other green financial certificates, and all employees will receive education and training on climate change for >1.5 hours. 2032 long-term goals： • Increase the education and training expenses for key personnel with a maximum amount of NT$20,000 per person per year, and all employees will receive education and training related to climate change for >2 hours.
Performance outcome	• Organize internal and external training irregularly domestically, including： - Internal training - organized 151 courses, a total of 20,512 persons-time, for a total of 33437.5 hours. - External training - organized 140 courses, a total of 481 persons-time, for a total of 2600.3 hours. • In 2023, the average training hours of employees were 32.58 hours
Action plan	• Organize internal and external training irregularly domestically, including： - IInternal training - organize various underwriting, compensation, and recruitment training courses - IExternal training - assign personnel to professional institutions to receive non-life insurance professional training - IOverseas: assign personnel to participate in international seminars, develop new knowledge of employees, and expand business planning

Management Method

Resource investment	• Education and training costs for 2023: NT$1,464,900 • Digital learning platform maintenance fee: NT$2,000,000
Feedback mechanism	Course comment and survey form
Evaluation mechanism	• Training hours • Post-course test scores • Post-course satisfaction survey
Future continuous improvement plan	• Annual training hours > 32 hours/per person • Employees achieved full marks in the digital course test results • Continue to provide employees with multiple learning and development channels, including corporate sustainable development education and training, internal professional training, external training, and digital courses.

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 training, new employees can become familiar with the job content swiftly and blend in with the corporate culture, thereby improving 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 to improve self-competency. Union Insurance also hires senior instructors to continuously pass on valuable experience to the next generation. 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 to provide a comprehensive learning environment for employees, allowing each employee to have a diverse learning platform and development opportunity. Learning growth and experience inheritance for cultivating outstanding talents in various fields are core values significant to the Company. Union Insurance's education system improves the personal knowledge and skills of every employee of Union Insurance.

In 2023, the average training hours of each employee was 32.58 hours. In 2023, the average training hours of each employee voluntarily receiving training, it was 33.67 hours for each male employee, and 31.70 hours for each female employee. The average training hours for employees in management positions was 41.43 hours per person, and the average training hours for general employees was 30.04 hours per person. The total number of trainee time was 20,993 times, and the total number of hours was 36,037.8.

Number of training hours of employees of each level in 2023

Job rank	Male	Female	Total number of hours	The average number of hours
Management position employees	6,036.20	4,198.00	10,234.20	41.43
General employees	10,631.00	15,172.60	25,803.60	30.04
Total number of hours	16,667.20	19,370.60	36,037.80	-
The average number of hours	33.67	31.70	32.58	-

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

Type/Year		2021	2022	2023
New employee orientation	Session	7	4	7
	Persons-time	118	48	119
Occupational education and training	Session	203	205	191
	Persons-time	18,632	22,422	20,188
Staged education and training	Session	13	16	13
	Persons-time	51	52	73
Project-type education and training	Session	46	73	78
	Persons-time	317	1,188	564
Knowledge sharing type of self-motivation education and training	Session	2	3	3
	Persons-time	6	4	49

Education and training related to sustainable development

Establishing a sound, fair, and resilient insurance market is the key to the sustainable operation of the insurance industry. Cultivating talents for the sustainable development of insurance is the key task of the "Green Finance Action Plan 3.0." Union Insurance provided education and training related to sustainable development in 2023 with a total of 18,156 participants and 27,642.5 hours of training. The goal is to raise climate risk awareness at the management level while strengthening climate governance as well as risk management education and training. To strengthen the sustainability of insurance practitioners, Union Insurance expects all employees to participate in a 1.5-hour climate change online course recorded by professional certification personnel in 2024.

4.3 Employee Rights and Interests - Diverse Appointment Without Discrimination

Management directive

Material Topic	Employee Rights and Interests
Policy direction	Respect human rights, comply with relevant policies and laws
Core objective	0 cases of violation against labor treatment and human rights event
Performance outcome	• 0 cases of violation against labor treatment and human rights event • In 2023, the number of trainees for employee human rights-related courses was 16,332 persons-time, and the total number of training hours was 26,819 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 employees' learning, working, and growth 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," "Sexual Harassment Prevention, Control, and Management Measures," "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, deficiencies 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 to explain 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 2023, 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 relationships and smooth employee communication channels. Accordingly, the Company has established employee complaint handling and personnel ombudsman-related regulations and handling operation processes. In 2023, there was no employee complaint about discrimination or labor rights damage event at Union Insurance.

In 2023, 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 16,332 persons-time. The total number of training hours was 26,819, and the employee training ratio reached 100%.

Issues promoted or discussed by the course	Course hours	Total number of training hours
Anti-corruption	1~4 hours	3,332 hours
Anti-bribery	1~3 hours	1,106 hours
Ethical management	0.5~3 hours	6,026 hours
Principle of fairness	1~4 hours	7,483 hours

Issues promoted or discussed by the course	Course hours	Total number of training hours
Human rights-related course	1-3 hours	3,912 hours
Information security	1~6 hours	3,400 hours
Personal information protection	1~3 hours	1,560 hours

Policy Commitment

Union Insurance Co., Ltd.Human Rights Policy

Article I. The Company recognizes and supports the principles espoused by the international human rights conventions of the "UN Universal Declaration of Human Rights," "UN Global Compact," and "International Labor Organization Convention."

Article II. To prevent discrimination and harassment against employees, the Company shall ensure the fairness and reasonability of internal hiring, salary, benefits, training, assessment, and promotion opportunities; and provide compliant and appropriate complaint channels. The Company shall never tolerate any violation of human rights, including the use of child labor or forced labor. It shall outright forbid any discrimination based on a person's gender, sexual orientation, race, class, age, marriage, language, thought, religion, party affiliation, place of origin, or place of birth, as well as their appearance, facial features, physical or mental disabilities, or their history of membership in union organizations.

Article III. The Company shall abide by labor-related laws and regulations, provide a safe and healthy working environment and necessary first-aid facilities, reduce the risk of hazards in the working environment that may affect the health and safety of employees, and thereby reduce the risk of occupational accidents. The Company shall properly manage the workload of employees to avoid overtime work, regularly provide education and training related to labor safety, and provide health exams.

Article IV. The Company shall respect and protect the rights of employees to organize and join various social organizations. The Company shall handle labor-management-related meetings and the election of its representatives according to the law, establish and maintain labor-management communication channels, and hold labor-management meetings regularly to ensure the rights and interests of all parties.

Article V. The Company shall establish a sound information security management mechanism and strictly follow the control regulations and protective measures to implement and protect the personal privacy rights of all customers, employees, and stakeholders.

Article VI. The Company shall carefully select business partners and collaborate to focus on human rights-related issues, strengthen the identification and management of possible risks, provide a fair and safe working environment, and increase human rights protection awareness.

Complaint channel

Union Insurance has formulated the "Employee Complaint Handling Points," the response channels can accept anonymous and named complaints from the employee complaint mailbox to attach absolute importance to employees' responses to problems. After receiving a complaint, the case will be followed by the "Complaint Handling Task Force" until closed.

Application method	Complaint channel
Complaint mailbox	27725652@wwunion.com
Complain telephone (shall be independent telephone, rather than general customer service or reception)	Telephone direct line：(02)2772-5652 Fax direct line：(02)2772-1946

5

Social Care and Public Welfare Practice

Union Insurance adheres to "Gain from Society and Return to Society." We have created a close service network formed by business bases throughout Taiwan designed to care for the disadvantaged, provide social emergency relief, and warmly help the disadvantaged to overcome difficulties. Union Insurance has never shunned any social partners needing assistance. We are even more united to actively help those in need, uphold the highest social responsibility standards, and let the love spread.

In 2023, the volunteer team invested in various public welfare activities to encourage employees to participate in social care services after work to let employees experience the happiness of helping others. This is the corporate culture deeply rooted in the hearts of every Union Insurance employee.

In 2023, a total of **531** volunteers were involved in public social welfare activities, totaling **1,619** hours.

Promotion Objectives	Actions	Implementation Results
Social Co-prosperity Union Insurance has participated in public welfare events to help less-resource groups. To support the access of vulnerable children, elders and specific ethnic groups to basic care, protection and needs through the power of enterprises, so as to promote social harmony.		
Care for the Disadvantaged	By sponsoring the activities of social welfare groups, we can leverage our corporate influence and build good relationships.	• Sponsored the "2023 Stars of Love" Fair hosted by the Autism Society of Taiwan. • Sponsored Shenghe Long-term Care Center for the Elderly "Bringing Warmth to Everyone in the Cold Winter" • Colleagues participated in the "Donate Books with Love for Children in Need" activity • Sponsored the "2023 Together We Can Transform Love" cycling tour around Taiwan organized by the Autism Society of the Republic of China.
Promote Sports for all	Improve the nation's sports atmosphere	• Sponsored the Syin-Lu Social Welfare Foundation's "Walking Together Every Day" event, and invited 100 colleagues to participate. • Sponsored the Yu-Xiang Cup National Wheelchair Badminton Tournament for 7 consecutive years. • Sponsored Kantou Temple's "Prayer for Public Welfare GO Run" participated by over 4,000 people. • Sponsored the "Hakka Culture Heritage Hiking Activity." • Sponsored the "Youth Taiko 10th Anniversary Thanksgiving Performance" event. • Sponsored the "Yingge Bilong Palace Parent-Child Hiking" activity.
Promote volunteerism	Sponsor charity concerts	• Sponsored 10 "Let Dedication Be an Honor" Want Want China Times Media Group Charity Concerts
Community Resident Health Care	Promote health and medicine lecture activities	• Sponsored 10 Want Want China Times Media Group "Life Lecture Series - Health Lectures."
Inclusive Finance Union Insurance strives to satisfy all social classes through education and insurance products and become an important driving force in improving social happiness by providing equal insurance service opportunities to the disadvantaged in rural areas, small and micro enterprises, and newcomers in society who are often overlooked by traditional finance.		
Knowledge Promotion	Insurance knowledge popularization, policy-based insurance promotion	• A total of eleven insurance knowledge promotion activities have been held in 2023. • Sponsored the "Financial Services Education Public Welfare Fund" of Taiwan Financial Services Roundtable.
Micro-insurance	Donated micro-insurance premiums	• A total of 14 social welfare organizations were donated in 2023.

Promotion Objectives	Actions	Implementation Results
Art Improve the public's interest in art creation and appreciation, and let everyone experience the joy of art.		
Promote arts and cultural activities	Promote and popularize art education and cultural activities	• Sponsored Kantou Temple New Junior College Western Painting Talent Award and Junior high school summer painting camp. • Sponsored Professor Pan Peng-Ping's "Su Family Manor Oil Painting Exhibition."
	Music culture promotion and development	• Sponsored the' 2023 Tainan Arts Festival. • Sponsor the "2023 Taiwan 88 Campus Tour Concert."
Care The ocean can absorb and fix carbon and plays a key role in producing oxygen. Plastic pollution causes serious ocean hazards. Protecting the ocean can help to reduce carbon emissions and slow climate change.		
Environmental sustainability	Planned beach cleanup activities to cherish and conserve marine resources.	• Organized the "Millennium Love" Guanxin Algae Reef Ecological Guide Beach Cleaning Activity.

Event Highlights

2023 "Donate Blood, Love Follows" / "Let Grandparents Become Treasures in Hearts" Charity Concert

Union Insurance celebrated its 60th anniversary in 2023, and we are expanding our public welfare activities to give back to society! In celebration of the company's 60th anniversary, we encourage all employees to take practical steps to contribute to public welfare and society. This year's 60th anniversary series of public welfare activities covers social participation and care for the elderly. The first event was held on March 24 in cooperation with the Taiwan Blood Service Foundation to donate blood and save lives. The "Donate Blood, Love Follows" event was held simultaneously in Taipei, Banqiao, Zhongli, Taichung, Tainan, and Kaohsiung. All branches of Union Insurance responded to the call and encouraged employees to donate blood for public welfare, and share their love to the society with practical actions.

On the day of the event, Chairman Chi-Hsiung Hung and President Chih-Ming Liu led the employees to donate blood. The passers-by also felt the enthusiasm and dedication of Union Insurance and joined the blood donation queue. The total number of blood bags donated on that day reached 700. Although it was not a holiday on that day, there were still many passionate people who took the time to donate blood. Union Insurance is very grateful to all of the blood donors and volunteers who participated in the activity, which made the Union Insurance public welfare blood donation activity a complete success.

Next, Union Insurance organized a public welfare concert called "Let Grandparents Become Treasures in Hearts" to promote the values of filial piety, which emphasizes respect and care for the elderly. The concert was aimed at the residents of elderly communities and remote areas, and it used songs to express love and pay tribute to elderly veterans through music. With familiar and popular songs, the concert brought disadvantaged elderly people into the past, giving them a sense of warmth and love from society. The ultimate goal of the concert was to ensure that every elderly person can live a long and happy life in a warm and family-like environment.

The 10th Walking Together Every Day - "Embrace Negative Energy and Emerge with New Strength"

This year, the Syin-Lu Social Welfare Foundation's annual "Good Daily Walk" adopted the theme "Embrace Negative Energy and Emerge with New Strength." Union Insurance has encouraged people with disabilities to participate actively in social activities. We believe that such inclusive events will improve our employees' understanding of the services available to people with disabilities. Apart from promoting social participation for people with disabilities, we also aim to assist families of people with disabilities, employees, and community members in participating together after the pandemic. Through this collective effort, we hope to imbue everyone with the power of "heart" as they walk for the event.

Union Insurance "Farmer Support" and "Buys It" Out of Your Own Pocket!

As a community, we are always ready to assist Taiwanese farmers in any way possible in a time of need. We have launched initiatives such as "Support Farmers with Action" and "Eat Pineapples for Auspicious Luck." We have purchased products like atemoya, cabbages, and pineapples to support small farmers. Our goal is to promote high-quality Taiwanese agricultural products and help farmers gain profits. We encourage everyone to support fresh, domestic, and seasonal agricultural products to aid Taiwan's local agriculture. Let us join hands and work towards the sustainable development of Taiwan's agriculture.

"2023 Knowledge for New Year's Eve 2024"

The relationship between economic development, climate change, geopolitics and military conflict is becoming increasingly close. Economic activities have an impact on climate change. Climate change can lead to geopolitical and military conflicts, and these conflicts can in turn disrupt economic development, having a profound impact on the future of humanity and the earth. Union Insurance sponsored the "Earth in Flames, Our Distance from War" hosted by ProVoice Culture Media. The lecture invited experts, scholars, policymakers, and representatives from all walks of life to discuss the issues. They investigated cases from various countries and regions, analyzed their experiences, and debated how to promote sustainable economic development, address climate change, and reduce the risks of geopolitical and military conflicts. The goal was to let audiences gain different levels of understanding and insight! This lecture activity was attended by a total of 188 people.

2023 Tainan Arts Festival

The Union Insurance is committed to popular arts and cultural promotion activities. In order to echo the United Nations Sustainable Development Goals SDGs 4 high-quality education, we sponsor the 2023 Tainan Arts Festival. This year's festival is themed "Youth Dreams." Different performance types are like preparing a table of cooking concepts, combining the three major contexts of youth creation, historical interpretation, and transnational cooperation, including drama, dance, musicals, children's dramas and other programs. We hope that through the art festival, we can promote art and cultural activities, create more opportunities for art exchanges, and let everyone see the vitality of Taiwanese art.

"2023 Taiwan 88 Campus Concert Tour"

The Taiwan 88 Project was initiated by Kai-Yin Huang, an alumnus of The Juilliard School. It aims to bring music to campuses through the "88" keys on a piano. In addition to enriching the musical and artistic experience of teachers and students, the "2023 Taiwan 88 Campus Concert Tour" also promotes music education exchange and cooperation. Union Insurance is grateful for the dedication of the musicians who participated in the performance. In the future, we will continue to promote art and aesthetic education, so that the energy of music and art can continue to grow and shine on campuses.

Strengthen Insurance Education and Publicity, and Promote Insurance Knowledge Popularization

In 2023, **11** insurance education promotions were held, with a total of **1,885** people receiving the promotions.

For a long time, the general public's exposure to insurance was primarily limited to motor insurance or insurance claims. With constantly changing technology and unpredictable natural and man-made disasters, Internet media platforms supply a wealth of information (misinformation) from various perspectives. The public must better understand the nature of insurance and the protection contents to plan effective risk control. Regarding social responsibility, insurance companies should do more than compensate existing clients' losses after accident claims. But also educate the public on how to avoid risks, recover or reduce the loss after risks occur, and truly bridge the insurance protection gap.

Union Insurance organizes insurance education and training courses and lectures from time to time. The contents include insurance knowledge popularization and policy-based insurance promotion aimed at conveying the correct concept of insurance products, arousing the public's insurance awareness, and strengthening the importance of insurance.

Event Contents	Participation Subjects	Number of Participants
Property Insurance Sharing	Fullten Social Welfare Development Association - Volunteer	7
Policy-based insurance promotion	National Chiayi Senior Commercial Vocational School – Student and Teacher	1434
Policy-based insurance promotion	Chihlee University of Technology - Student	28
Encountering Risks in Life	Gentlemen's Association - Community Residents	119
Micro-insurance	Taipei City Yangming Home for the Disabled - Social Welfare Group	18
Policy-based insurance promotion	Sunlight House - Social Welfare Group	23
Policy-based insurance promotion	New Taipei City Tucheng District Women's University - Community Residents	23
Policy-based insurance promotion	Lexin Care Association - Social Welfare Group	88
Policy-based insurance promotion	Changhua County Physically Handicapped Association- Social Welfare Group	100
Policy-based insurance promotion	Lvshui Neighborhood Community, Hsinchu City - Community Residents	45

Appendix

GRI Standards Comparison Table

Statement of Use	Union Insurance has reported the contents from January 1, 2023, to December 31, 2023, according to the GRI guidelines.
The GRI 1 Used	GRI 1: Basic 2021
Applicable GRI Industry Code	None

GRI Standards Disclosure Item Comparison Table

GRI Correspondence and Disclosure Contents		Chapter Topics	Page	Omit Description
GRI 2：General Disclosure 2021				
Organization and Reporting Practices				
2-1	Organizational Detail	About Union Insurance	10	
2-2	Entities Included in Organizational Sustainability Reports	About the Sustainability Report	6	
2-3	Reporting period, frequency and contact point	About the Sustainability Report	6	
2-4	Restatements of information	No information restatement in 2023		
2-5	External assurance	About the Sustainability Report	6	
Activities and Workers				
2-6	Activities, value chain and other business relationships	About Union Insurance	10	
2-7	Employees	4.1 Employee Care - Happy Family	82	
2-8	Workers who are not employees	4.1 Employee Care - Happy Family	82	
Governance				
2-9	Governance structure and composition	1.1 Corporate governance	24	
2-10	Nomination and selection of the highest governance body	1.1 Corporate governance	24	
2-11	Chair of the highest governance body	1.1 Corporate governance	24	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Organization and Strategy	14	
2-13	Delegation of responsibility for managing impacts	Sustainable Organization and Strategy	14	
2-14	Role of the highest governance body in sustainability reporting	Sustainable Organization and Strategy	14	
2-15	Conflicts of interest	1.1 Corporate governance	24	
2-16	Communication of critical concerns	1.1 Corporate governance	24	
2-17	Collective knowledge of the highest governance body	1.1 Corporate governance	24	
2-18	Evaluation of the performance of the highest governance body	1.1 Corporate governance	24	
2-19	Remuneration policies	1.1 Corporate governance Remuneration and welfare system	24 84	
2-20	Process to determine remuneration	1.1 Corporate governance	25	
2-21	Annual total compensation ratio	Remuneration and welfare system	84	
Strategy, Policy, and Practice				
2-22	Statement on sustainable development strategy	Message from the Chairman	8	
2-23	Policy commitments	4.3 Employee Rights and Interests- Diverse Appointment and No Discrimination (Human Rights Policy)	90	
2-24	Embedding policy commitments	4.3 Employee Rights and Interests - Diverse Appointment and No Discrimination	90	
2-25	Processes to remediate negative impacts	2.5 Listen to Your Needs - Full of Responsibility (Diverse communication and complaint channels) 4.3 Employee Rights and Interests - Diverse Appointment and No Discrimination (Human Rights Policy)	52 90	
2-26	Mechanisms for seeking advice and raising concerns	2.5 Listen to Your Needs - Full of Responsibility (Diverse communication and complaint channels)	52	
2-27	Compliance with laws and regulations	1.3 Legal compliance	30	
2-28	Membership associations	About Union Insurance	10	
Stakeholder Negotiation and Collaboration				
2-29	Approach to stakeholder engagement	Stakeholder Negotiation and Collaboration	18	
2-30	Collective bargaining agreements	-	-	Union Insurance has not signed any group agreement
GRI 3：Material Topics 2021				
3-1	Process to determine material topics	Material Issue Identification	20	
3-2	List of material topics	Material Issue Identification	21	

Material Topic GRI Comparison

Material Topic	GRI Correspondence and Disclosure Contents	Chapter Topics	Page	Omit Description
Corporate governance	3-3 Management of material topics	1.1 Corporate governance	24	
Risk Control	3-3 Management of material topics	1.5 Risk Control	33	
Green Investment	3-3 Management of material topics	2.1 Green Investment	40	
Digital finance	3-3 Management of material topics	2.6 Digital Finance - Convenient Insurance	56	
Climate change	3-3 Management of material topics	3.1 Climate Change Actions	64	

Material Topic：Ethical Management

GRI Correspondence	Disclosure Contents	Chapter Topics	Page	Omit Description
GRI 3：Material Topics 2021	3-3 Management of material topics	1.2 Ethical Management	28	
205 Anti-Corruption 201	205-2 Communication and training on anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	1.2 Ethical Management	28	

Major topic：Business performance

GRI Correspondence	Disclosure Contents	Chapter Topics	Page	Omit Description
GRI 3：Material Topics 2021	3-3 Management of material topics	Business performance	12	
201 Economic Performance 2016	201-1 Direct economic value generated and distributed	Business performance	12	
	201- 2 Financial implications and other risks and opportunities due to climate change	3.1 Climate Change Actions	64	
	201-3 Defined benefit plan obligations and other retirement plans	4.1 Employee Care - Happy Family	82	

Major topic：Fair customer treatment

GRI Correspondence	Disclosure Contents	Chapter Topics	Page	Omit Description
GRI 3: Material Topics 2021	3-3 Management of material topics	2.4 Fair customer treatment	48	
417 Marketing and Labeling 2016	417-1 Product and Service Information as well as Labeling Requirements	2.4 Fair customer treatment	48	
	417-1 Product and Service Information as well as Labeling Requirements		48	
	417-3 Incidents of non-compliance concerning marketing communications		48	

Major topic：Information security

GRI Correspondence	Disclosure Contents	Chapter Topics	Page	Omit Description
GRI 3：Material Topics 2021	3-3 Management of material topics	2.7 Personal Information and Data Security Protection	59	
418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7 Personal Information and Data Security Protection	59	

Major topic：Talent cultivation

GRI Correspondence	Disclosure Contents	Chapter Topics	Page	Omit Description
GRI 3：Material Topics 2021	3-3 Management of material topics	4.2 Talent Cultivation - International Horizon	88	
404 Training and Education 2016	404-1 Average hours of training per year per employee	4.2 Talent Cultivation - International Horizon	88	
	404-2 Programs for upgrading employee skills and transition assistance programs	4.2 Talent Cultivation - International Horizon	88	
	404-3 Percentage of employees receiving periodic performance and occupational development reviews	4.1 Employee Care - Happy Family	82	

Major topic：Employee Rights and Interests

GRI Correspondence	Disclosure Contents	Chapter Topics	Page	Omit Description
GRI 3: Material Topics 2021	3-3 Management of material topics	4.3 Employee Rights and Interests- Diverse Appointment and No Discrimination	90	
406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.3 Employee Rights and Interests- Diverse Appointment and No Discrimination	90	
408 Child Labor 2016	408-1 Significant risks of Child Labor in Operations by Suppliers		90	
409 Forced or Compulsory Labor	409-1 Operations at significant risk for incidents of forced or compulsory labor		90	

Major topic：Energy management

GRI Correspondence	Disclosure Contents	Chapter Topics	Page	Omit Description
GRI 3：Material Topics 2021	3-3 Management of material topics	3.2 Resource Management - Waste Prevention	78	
305 Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	3.2 Resource Management - Waste Prevention	78	
	305-2 Energy indirect (Scope 2) GHG emissions	3.2 Resource Management - Waste Prevention	78	
	305-4 Greenhouse gas emission intensity	3.2 Resource Management - Waste Prevention	78	

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Content		Reference Chapter	Page
Article 4, Paragraph 1, Table 1-3 - Sustainability Disclosure Index Number 1	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	2.7 Personal Information and Data Security Protection	59
Article 4, Paragraph 1, Table 1-3 - Sustainability Disclosure Index Number 2	Number and amount of loans outstanding qualified for programs designed to promote the development of small businesses and communities.		Not applicable
Article 4, Paragraph 1, Table 1-3 - Sustainability Disclosure Index Number 3	Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.	5 Social Care and Public Welfare Practice	97
Article 4-1 Table 2, Climate-Related Information of TWSE and TPEx Listed Companies	Products and services designed by individual operating units to create benefits for the environment or society.	2.2 Sustainable Product and Services	43 - 46
	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	3 Climate Change - Active Protection	64
	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).		65 - 66
	Describe the financial impact of extreme weather events and transformative actions.		67 - 68
	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.		74 - 75
	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.		68 - 75
	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.		74
	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	-	The Company does not have a carbon pricing system, therefore, it is not discussed in the report.
	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	3.2 Resource Management - Waste Prevention	Climate-related goals：P.76 The Company has not established a carbon offset or renewable energy voucher plan.
	Greenhouse gas inventory and certification status： 1-1-1 Greenhouse Gas Inventory InformationDescribe the emission volume (metric tons CO_2e), intensity (metric tons CO_2e/ NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years. 1-1-2 Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.	3.2 Resource Management - Waste Prevention The Company's capital has not reached NT$5 billion. According to the "SUSTAINABLE DEVELOPMENT ROADMAP" and the schedule set by the Company, the assurance report is scheduled to be completed in 2027.	97

Basic Information of the Company

- ☐ Companies with a capital of over NT$10 billion, the iron and steel industry, and the cement industry
- ☐ Companies with a capital of over NT$5 billion but less than NT$10 billion
- ■ Companies with a capital of less than NT$5 billion

Disclosure required by the Sustainable Development Roadmap for TWSE (GTSM) Listed Companies

- ☐ Parent company individual inventory
- ☐ Parent company individual assurance
- ☐ nventory of subsidiary in the Consolidated Financial Report
- ☐ Assurance of subsidiary in the Consolidated Financial Report

Scope 1	Total emissions (Metric tons CO_2e)	Density (Metric tons of CO_2e/NTD thousand) Note 2	Assurance Agency	Assurance StatusDescription Note 3
Parent Company	0	0	None	The Company's capital has not reached NT$5 billion. According to the "SUSTAINABLE DEVELOPMENT ROADMAP" and the schedule set by the Company, the assurance report is scheduled to be completed in 2027.
Subsidiary	0	0		
... Note 1	0	0		
Total	0	0		
Scope 2	**Total emissions (Metric tons CO_2e)**	**Density (Metric tons of CO_2e/NTD thousand) Note 2**	**Assurance Agency**	**Assurance StatusDescription Note 3**
Parent Company	524.9	0.515	None	The Company's capital has not reached NT$5 billion. According to the "SUSTAINABLE DEVELOPMENT ROADMAP" and the schedule set by the Company, the assurance report is scheduled to be completed in 2027.
Subsidiary	0	0		
... Note 1	0	0		
Total	524.9	0.515		
Scope III (voluntarily disclosed)	0	0	None	Same as above

"Guidelines for Climate-related Financial Disclosures in the Insurance Industry"Implementation Status

Item	Disclosure items	Disclosure status
1	Governance mechanisms for climate-related risks and opportunities	64
2	Strategies for Climate-related Risks and Opportunities	66
3	Risk Management Mechanisms for Climate-related Risks	74
4	Indicators and Targets for Climate-related Risks	75

SASB Standards Comparison Table

Indicator Code	Corresponding Information
Disclosure topic：Transparent information and fair treatment of customers	
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	0
FN-IN-270a.2 Complaints-to-claims ratio	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	**The health and injury insurance renewal rate is as follows：** Personal injury insurance：79% Group injury insurance：71% Health insurance：63% Fire Insurance：75.4% Accident insurance：63% Optional insurance：80.46% Compulsory insurance：70.68%
FN-IN-270a.4 Description of approach to informing customers about products	2.4 Fair customer treatment Union Insurance website - Products https://www.wwunion.com/?page_id=437
Disclosure topic：Embedding ESG factors in investment management	
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 Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	2.1 Green Investment The investment policy of the Company focuses on green and low-carbon economy enterprises. Through investment in the financial market, the physical industry is guided to value green sustainable operations and investment to reduce environmental pollution and hazards and achieve sustainable corporate development.
Disclosure topic：Reward policy for responsible behavior	
FN-IN-410b.1 Net premiums written related to energy efficiency and low carbon technology	2.2 Sustainable Products and Services Green energy engineering insurance Union Insurance is taking an active stance towards Taiwan's green energy policy. We offer insurance products that cater to the green energy industry and help companies in the same industry to transfer risks. The goal is to ensure the safety of major construction projects as well as supply chain operations such as geothermal power generation, solar photovoltaic, onshore wind power, offshore wind power, and other renewable energy industries. Union Insurance provides insurance support to various green energy industries to mitigate associated risks and promote domestic green energy development.
FN-IN-410b.2 Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	2.2 Sustainable Products and Services Union Insurance website - Products https://www.wwunion.com/?page_id=437

Item	2023 Written Policy Premium Income	Item	2023 Written Policy Premium Income
Offshore Wind Power Equipment	72,995,470	Geothermal power	2,368,030
Solar Equipment	123,688,408	Wind power	11,871,222

Indicator Code	Corresponding Information
Disclosure topic：Environmental exposure	
FN-IN-450a.1 Probable Maximum Loss（PML）of insured products from weather-related natural catastrophes	Union Insurance evaluates underwriting risks such as typhoons, floods, earthquakes, and the Company's possible maximum loss based on natural disaster models every year. However, this report does not disclose the amount of PML because it is the Company's sensitive information.
FN-IN-450a.2 Total amount of monetary losses attributable to insurance payouts from： ❶ Typical natural catastrophes； ❷ Caused by atypical natural disasters	The loss of insurance payment is sensitive information of the Company, so it is inappropriate to disclose it.
FN-IN-450a.3 Description of approach to incorporation of environmental risks into： ❶ The underwriting process for individual contracts ❷ The management of firm-level risks and capital adequacy	Short-term refers to quarterly, medium/long-term refers to annually; inspect the risk management and capital adequacy ratio at the Company level. Periodically entrust the reinsurance broker to assess the maximum possible loss based on the natural disaster model and 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	
FN-IN-550a.1 Exposure to derivative instruments by category： ❶ total potential exposure to non-centrally cleared derivatives ❷ total fair value of acceptable collateral posted with the Central Clearinghouse ❸ total potential exposure to centrally cleared derivatives	Union Insurance did not engage in derivative transactions in 2023. Please detail, please refer to the 2022 and 2021 financial reports and accountant audit report of Union Insurance Co., Ltd.（P79） Financial report link： https://www.wwunion.com/?page_id=5606
FN-IN-550a.2 Total fair value of securities lending collateral assets	Union Insurance did not engage in loan transactions in 2023.
FN-IN-550a.3 Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	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 extreme liquidity risk conditions, 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. When it is considered necessary, according to the "Management Crisis Response Measures," the Chairman or his 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 to provide such result to the response team for a discussion on various financing plans.

Independent Limited Assurance Report

旺旺友聯產物保險公司
Union Insurance Company