

Stewardship Principles for Institutional Investors - Statement of Adherence

Union Insurance Co., Ltd. (hereinafter “Union Insurance”) primarily engages in property insurance business. As an “asset owner” institutional investor defined under the *Stewardship Principles for Institutional Investors*, Union Insurance invests using its own capital and various reserves, and strives to effectively manage and utilize corporate funds to influence the market and investee companies, with the goal of being a responsible institutional investor.

Union Insurance comprehensively and transparently discloses its operational performance and specific actions in five key areas: **corporate governance, environmental sustainability, employee care, product and service quality, and social participation**. This reflects our ongoing communication with stakeholders and our commitment to sustainable development. It emphasizes concerns related to **Environmental, Social, and Governance (ESG)** issues and actively pursues corporate sustainability objectives. Through sound corporate structure and high-quality customer service, we fulfill our responsibility as a responsible global corporate citizen

and strive to enhance the quality of life for all.

In addition to complying with applicable regulations set by competent authorities, Union Insurance signed the *Stewardship Principles for Institutional Investors* issued by the Taiwan Stock Exchange Corporate Governance Center on **May 31, 2018**. The principles followed include:

Principle 1: Establish and disclose stewardship policies

We aim to increase our long-term value and fulfill our responsibilities as an institutional investor by supporting high-quality enterprises committed to sustainable development, thereby promoting a virtuous cycle within society. Accordingly, we have formulated the following stewardship policies:

- As a property insurance company, Union Insurance incorporates ESG factors in the four major stages of securities investment. When making investment decisions in financial assets (including stocks, bonds, and other securities or assets), ESG factors, financial indicators of the target investment, and the presence of controversial events are considered. ESG ratings from CMoney are referenced domestically, while Morningstar® Sustainalytics' ESG Risk Ratings are used for foreign

investments, aiming to enhance asset value and maximize the overall benefit of shareholders and policyholders.

- Based on the investment purpose, returns, and contribution to sustainable development, we conduct stewardship activities such as monitoring investee companies, engaging in dialogue with management, participating in shareholders' meetings, and exercising voting rights.
- Union Insurance discloses its stewardship activities on its website (<https://www.wwunion.com/>), including an annual stewardship report published by the end of September for the previous year.

Principle 2: Establish and disclose policies on managing conflicts of interest

- To ensure that investment activities prioritize client and shareholder interests, Union Insurance has implemented mechanisms to prevent conflicts of interest among equity investment personnel, detailing types and management methods of potential conflicts.
- Employees are required to comply with internal policies such as the *Code of Ethical Conduct*, *Code of Integrity Management*, and *Procedures for*

Non-Lending Transactions with Stakeholders to prevent decisions that favor certain clients or employees over others. These include tiered authority, training, and information control to manage potential conflicts.

- For significant conflicts of interest that have occurred, we summarize and disclose the events and their resolutions in a timely manner.

Principle 3: Maintain ongoing attention to investee companies

- The purpose of monitoring is to assess how relevant information may impact the long-term value of the investee companies, clients, or shareholders and to determine the appropriate method and timing for further engagement.
- Union Insurance continuously monitors publicly available information about investee companies, including financial performance, industry outlook, management strategies, environmental protection efforts, social responsibility, labor rights, and corporate governance. We also monitor investments in discretionary accounts to evaluate appropriate engagement strategies and better understand investees' sustainability strategies.

- Post-investment, we continue to analyze and assess opportunities and risks related to investee companies, integrating ESG considerations to help them leverage ESG opportunities and enhance future value through effective sustainability management.

Principle 4: Maintain an appropriate dialogue and interaction with investee companies

- We engage in dialogue with investee company management to understand industry opportunities and challenges and work toward consensus on long-term value creation.
- Engagement is conducted via company visits, conference calls, forums, investor conferences, or participation in shareholder meetings. Union Insurance may also collaborate with other institutional investors on specific ESG issues to amplify its influence.
- If an investee company severely violates governance principles or poses risks to the rights of clients, employees, or shareholders, we will contact the investee's management for clarification. If necessary, we may jointly voice concerns with other institutional investors.

Principle 5: Establish and disclose clear voting policies and voting results

To protect the interests of clients, shareholders, and employees, Union Insurance does not unconditionally support all proposals submitted by investee company management. Voting policy includes:

- Attendance and voting at shareholder meetings are conducted in accordance with regulatory requirements and Union Insurance' s internal *Procedures for Exercising Voting Rights and Proxy Use at Shareholder Meetings*.
- We exercise voting rights for investee companies in which we hold over 1,000 shares. For listed companies, electronic voting is the primary method; in-person or virtual attendance is used as needed. For non-listed companies, in-person attendance is the principle, and a written evaluation report is prepared prior to meetings.
- We actively exercise electronic voting rights to positively influence investee companies' governance. However, it does not automatically support all management proposals.
- Before voting, we prepare an evaluation report to ensure that the voting

decision is in the best interest of clients, shareholders, and employees.

For agenda items restricted by insurance laws (e.g., board or supervisor elections), we abstain from voting.

- Union Insurance records and analyzes its voting activities, disclosing results annually on its website. Disclosure includes vote-by-vote breakdowns (support, oppose, abstain) and explanations for major decisions.
- While generally supportive of proposals made by investee management to respect their professional judgment, proposals that harm sustainability or have negative ESG impacts are not supported.

Principle 6: Periodically disclose the status of fulfilment of stewardship responsibilities

- We maintain thorough records of our stewardship activities to serve as a basis for evaluating and improving policies, actions, and disclosures.
- An annual disclosure is made on Union Insurance' s website, detailing our voting policy, compliance with the principles, any deviations and explanations, dialogues with investee companies, conflict of interest disclosures, attendance and voting at shareholder meetings, and other

material matters. The effectiveness of stewardship activities is also evaluated.

Union Insurance Co., Ltd.

August 29, 2025

Version History of this Statement of Adherence:

- Version 1: May 31, 2018
- Version 2: September 10, 2020
- Version 3: August 23, 2021
- Version 4: August 29, 2025