



2022

SUSTAINABILITY REPORT

To Be a **Good Company**

Contents

Editing Principles of this Report	1
Message from Top Management	3
Company Profile	5
Remarkable Glory	9
Financial Performance	10
1 Sustainable Management Principles	12
1.1 Sustainable Development Operation	12
1.2 Embracing Stakeholders	14
1.3 Material Sustainability Topics	21
2 Brand-New-- Sustainable Corporate Governance	26
Management Approaches	26
2.1 Board Operation	30
2.2 Integrity Management and Anti-Corruption	35
2.3 Tax Management	38
2.4 Risk Management	40
2.5 Compliance	44
3 Efficiency: Sustainable Products and Services	47
Management Approaches	47
3.1 Design Evaluation and Sales of Insurance Products	54
3.2 Honoring Customers	61
Special Column 1: Tokio Marine Nawa Insurance Online Customer Service Platform, Heartwarming Experiences That Leads the Industry	66
Special Column 2: Highest Level Certification of Friendly Service Website, New Launch of Sign Language Video Remote Interpretation Service	67
3.3 Customer Privacy Protection	67
4 Safety- Promotion of A Sustainable Workplace	71
Management Approaches	71
4.1 Overview of Human Resources	72
4.2 A Friendly Workplace	74
4.3 Selection, Development, Employment and Retention	81
4.4 Compensation and Benefits System	82
5 Social Prosperity- Contributions to A Sustainable Society	85
5.1 Co-prosperity of the Supply Chain	85
5.2 Social Participation	87
5.3 Public Welfare	91
6 Top: Sustainable Environment and Co-Prosperity	94
Management Approach	94
6.1 Response to Climate Change	97
6.2 The Effects of Green Finance	104
6.3 Energy Conservation and Carbon Reduction	110
7 Appendix	113
Appendix I: GRI Sustainability Reporting Guidelines (GRI Standards) Comparison Table (including G4 Financial Services Sector Supplement)	113
Appendix II: Comparison Table of Strengthened Disclosure of Sustainability Indicators of Financial and Insurance Sector of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	117
Appendix III: Independent Assurance Opinion Statement from the Third-Party Impartial Unit, British Standards Institution (BIS)	118
Appendix IV: The Company's Risks and Opportunities Brought by Climate Change and Relevant Response Measures Taken by the Company	122
Appendix V : SASB Comparison Table- Insurance Industry	123

Editing Principles of this Report

About this Report

This Report is the ninth Sustainable Report (hereinafter referred to as the Report) published by Tokio Marine Nawa Insurance Co., Ltd. (hereinafter referred to as TMNEWA, Tokio Marine Nawa Insurance, Nawa Company, the Company, or We), and the core value of B. E. S.T. of the Company, incorporating “Brand-new”, “Efficiency”, “Safety” and “Top” in this Report as the main axis. This Report is divided into the chapters entitled “Brand-New- Sustainable Corporate Governance”, “Efficiency- Sustainable Products and Services”, “Safety- Promotion of A Sustainable Workplace”, “Social Prosperity- Contributions to A Sustainable Society”, and “Top- Co-Prosperity of A Sustainable Environment”. We hope to present to the public and our stakeholders TMNEWA’s performance in the aspects of corporate governance, economy, environment, and society through the publication of this Report.

Organizational Boundaries and Scope of Disclosure

The reporting scope of this Report covers the operating activities and various services of TMNEWA Taipei Headquarters, all branches and service locations in Taiwan (excluding Cambodian subsidiary included in the consolidated financial statements). The reporting period was from January 1 to December 31, 2022, and some data would trace back to 2020 and 2021. All the statistical data disclosed in this Report came from internal statistics and investigation results and are presented in International Generic Indicators (IGI). Exact figures were given in this Report, and estimates were indicated in relevant chapters. Sources of financial data in this Report were from the financial statements assured by Deloitte & Touche, and all the financial data were presented in New Taiwan Dollars (NTD). During the reporting period, there was no major change in the scale and structure of the organization. The re-editing of some data will be noted in the text of this Report.

Reporting Principles and Guidelines

The content framework of Nawa Company’s Sustainability Report was compiled in accordance with the GRI STANDARDS 2021 published by Global Sustainability Standards Board (GSSB) and the GRI G4 Financial Services Sector Supplement that served as the reporting principle while Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, UN’s Sustainable Development Goals (SDGs), and the Principles for Sustainable Insurance (PSI) announced in the United Nations Environment Programme (UNEP) Finance Initiative were referred to as the framework of this Report. The GRI Content Index is detailed in Appendix I.

Chairman **Yoshihiko Shima**



Verification of the Report

After the compilation and editing of the first draft of this Report by the Sustainability Development Promotion Team, the draft was sent to the members of the editorial team for review and revision based on their duties before submitting it to the president for the approval of the issuance. To improve the compliance of the Report with the latest version of GRI Standards, the AA1000 Assurance Standard (AA1000AS v3) and its 2018 appendix, British Standards Institution (BSI) was entrusted as the impartial third-party for the verification of the compliance with the latest GRI Standards and the requirements of AA1000 Assurance Standard (AA1000AS v3) Type I Moderate Level Assurance. The BSI Assurance Statement is detailed in Appendix IV.

Issuance of Report

This Sustainability Report is published every year, and it is also available at TMNEWA official website.

Current edition: Issued in September, 2023

Previous edition: Issued in June, 2022

Next edition: Scheduled to be issued in June, 2024

Contact Information

Feel free to contact us for any questions or suggestions about the content of this Report.

Contact person: Senior Manager Jihan (Tia) Zhuang, Corporate Planning department, Tokio Marine Nawa Insurance Co., Ltd

Tel: (02)8772-7777 ext. 3000

Email: tia@tmnewa.com.tw

Contact address: 12F, No. 130, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City

Official website: <https://www.tmnewa.com.tw>

Message from Top Management

To all our partners who care about sustainable development of TMNEWA.

In 2022, COVID-19 related insurance products had impacted the whole non-life insurance industry in Taiwan. TMNEWA also suffered an unprecedented loss brought about by the enormous claims amount. Fortunately, with funding from our major shareholders, TMNEWA was able to increase capital and strengthen our financial structure to survive the biggest crisis. With continuous commitment of our employees, we were able to operate uninterrupted. In the future, under the leadership of Chairman Shima, we will draw on the international expertise of President Lai in risk management (CRM) and risk analysis (CRA) to strengthen and improve the post-sale risk management mechanism of insurance products and continue to provide services to the public.

In recent years, TMNEWA has been proactively transforming digitally with InsurTech by adapting emerging applications such as cloud service, OCR, AI, big data analysis etc. In order to build a new insurance value chain, we have been improving on customer experience by introducing intellectual platforms for customer service, underwriting service, and claims service, as well as launching AI assisted operation systems and developing online insurance platform for fragmented insurance market. As of the end of 2022, we have obtained thirteen utility model patents in areas of underwriting, claims and insurance services. Meanwhile, to ensure a stable growth in a safe information environment and therefore provide our customers with more convenient and innovative digital services, we continue to take measures to strengthen information security on the internet, construct management framework for information security risk and intensify governance on information security.

In order to provide the best services for customers, in addition to the revised version of Digital Customer Service Platform updated online in Oct. 2022 and the existing claims services such as accident scene settlement and flexible appointment for roadside assistance, five more common used functions including reissue of insurance policy, renewal, amendment, online payment and download of e-Insurance policy were added. With an aim to provide easy-to-access services by treating all customers fairly and implementing friendly insurance services, TMNEWA built our website as barrier-free for people with disabilities and was certified the highest AAA level of Web Accessibility 2.1.

Given that global warming and climate change have worsened the severity of the extreme weather and increased the frequency of natural disasters, insurance industry faces higher business risk. In order to achieve Net Zero Emissions by 2050 and be prepared for the possible impact brought about by climate change, TMNEWA obtained ISO 14064-1 Greenhouse Gas Emission Validation in 2022 for the first time and approved the mid to long term goals for sustainability at the Sustainable Development Committee. For the challenges to come, TMNEWA always considers customer trust as our foundation of business while adhering to the century-old global insurance group philosophy for sustainability. TMNEWA will continue to promote our corporate value with respect to products and services, human rights, environment protection, social contribution and legal compliance. Being motivated by Tokio Marine Group's mission, "To Be a Good Company", TMNEWA wishes to become a Good Company that can always protect and provide safety whenever the society needs.

President **Lillian Lai**



From the moment TMNEWA officially became a subsidiary to Tokyo Marine Group in 2023, we have committed to improve quality and quantity of services by strengthening corporate governance, cultivating product sustainability and enriching employee training. Through the application of technology, we wish to create greater influence on society, bring insurance products and services to every corner in Taiwan, increase safeguard for customers and meet various needs of our clients.

Knowing that excellent company culture is a crucial foundation to successful business and sustainable operation, TMNEWA externally aims to go global while internally our board of directors works as a core force in strengthening corporate governance. In response to economic, environment and social issues generated by the company operation, Business Strategy Meeting is held under the board to discuss, decide and plan the strategies for sustainability development, establish guidelines for management and keep track of implementation status, and constantly monitor and improve effectiveness of execution in order to reinforce every operation mechanism of the company. The board fulfills its fiduciary duty and ensures solid implementation of sustainable development strategies to lead the company towards the vision of "To Be a Good Company".

With our core insurance ability and professionalism, TMNEWA persists in developing sustainable products and services to facilitate society development. By providing various products and value-added services to our clients, TMNEWA achieves corporate sustainability in environment, society and ESG. In response to the impact arising from emerging risks on sustainable business of the company, TMNEWA strengthens and optimizes risk management mechanism for after sales of insurance products by adapting extensive experience in risk management from our major shareholder Tokyo Marine Group. We will continue to develop and introduce eco products and services for the changing environment and achieve the goal of prospering with society.

Meanwhile, in order to retain our precious employees, we offer comprehensive and educational training system, great promotion plan, generous salary-benefit scheme, constantly renewed office equipment, and nicely built work environment. We believe that a corporate culture of free, open-minded, brave and willing to take responsibility only comes from employees who are confident, enthusiastic and proud of being in the insurance industry. TMNEWA will continue to optimize educational training program for employees, become industrially influential and facilitate society's prosperity in order to build a better future for our next generation.

Company Profile

Company Overview

Established Date	January 20 1999
Type of Company	Private Company
Headquarters	8F-13F., No. 130, Sec. 3, Nanjing E. Rd., Zhongshan District, Taipei City 104505
Total Capital	NTD 20 billion
Paid-in Capital	NTD 12 billion
Premium Income	NTD 16.64 billion (excluding Pandemic Insurance)
Written Premium Income	NTD 16.02 billion (excluding Pandemic Insurance)
No. of Employees	1,460 (Date as of: 2022/12/31)
Main Products	Auto Insurance, Fire Insurance, Marine Insurance, Miscellaneous Insurance, Accident & Health Insurance
Major Market	Taiwan
Rating	Standard & Poor's (S&P): Rated "A-" Taiwan Ratings: Rated "twAA"
Overseas Subsidiary	Newa Insurance (Cambodia) PLC., the Company holds 42.35% of the shares

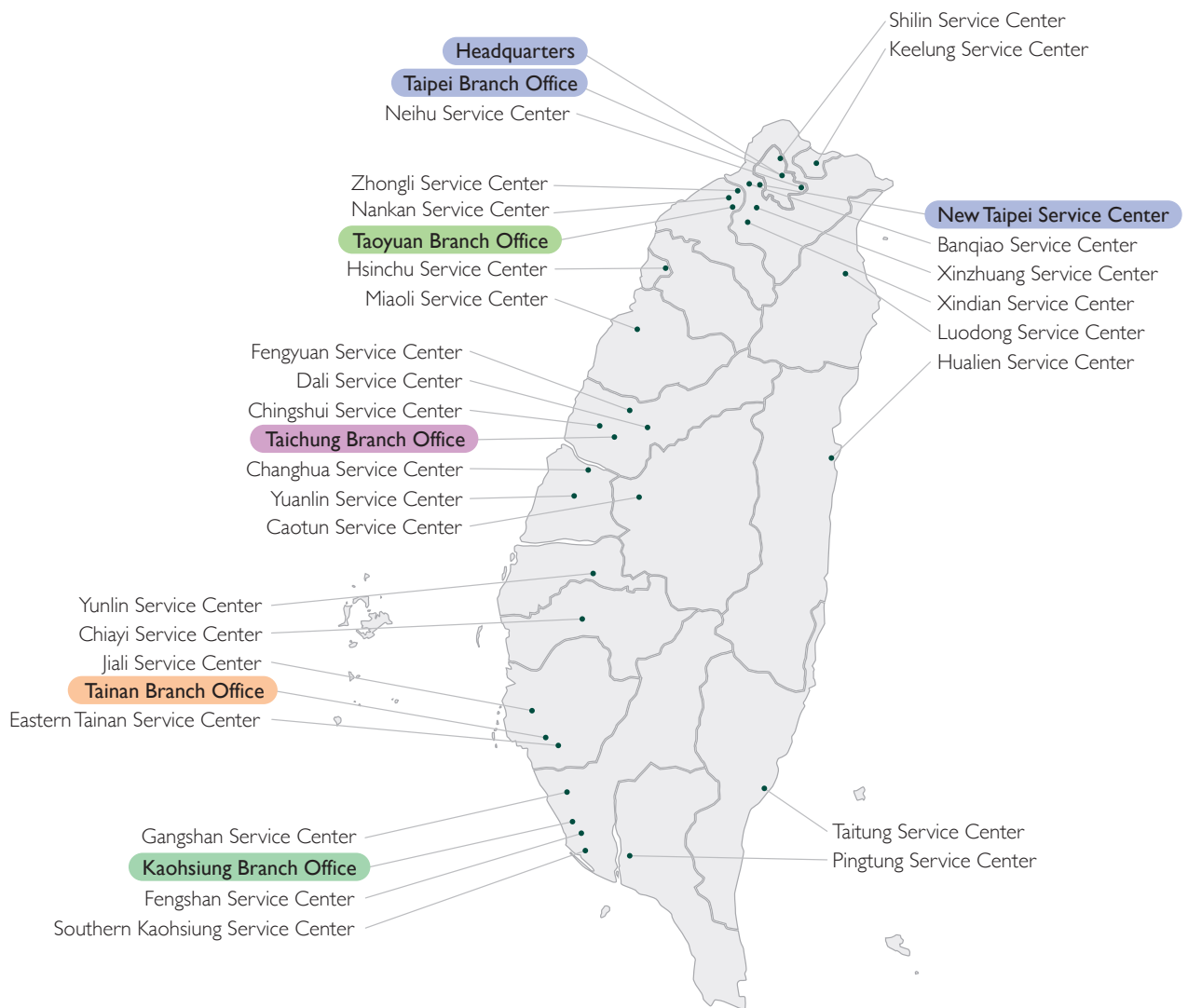
Company History

1999	Newa Insurance was officially established under the horizontal service development strategy of Yulon Motor Co., Ltd.
2002	The largest insurance group in Japan, Tokio Marine Group, invested 30% of the equity in Newa Insurance, and the strategic alliance was then formed.
2005	Newa Insurance merged with Allianz Insurance under Tokio Marine Group, and was officially named as Tokio Marine Newa Insurance Co., Ltd., and the number of branch offices expanded to 29.
2022	To strengthen the Company's capital structure, capital injection from two major shareholders, Tokio Marine Group and Yulon Motor Co., Ltd. was successfully obtained, and the Tokio Marine & Nichido Fire Insurance Co., Ltd. acquired more than 50% of the equity, officially making the Company a subsidiary of Tokio Marine Group.

Headquarters & Branch Offices

As of December 31, 2022, there are a total 34 branch offices, the Headquarters and 6 branch offices including Taipei Branch Office, New Taipei City Branch Office, Taoyuan Branch Office, Taichung Branch Office, Tainan Branch Office and Kaohsiung Branch Office; there are also Hualien Service Center and Taitung Service Center to serve people in areas with low population density Note 1 and remote areas. The overseas subsidiary, Newa Insurance (Cambodia) PLC. was established in 2018, providing insurance related products and services to Taiwanese in Cambodia.

Note 1: According to the definition of the Ministry of the Interior, low population density means the population density per square kilometer is lower than 100.



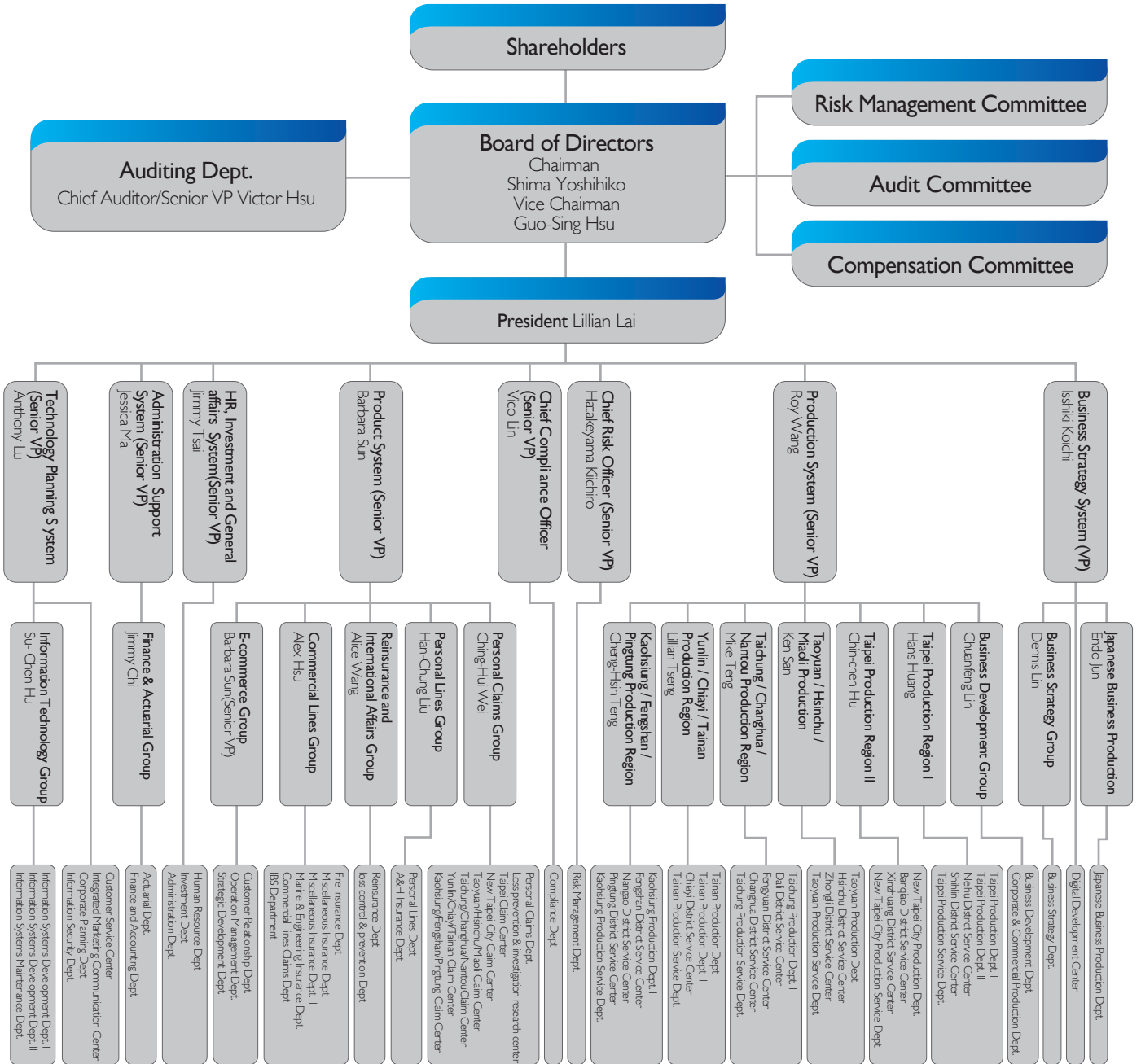
Data base date: Date as of 2022/04/01

Shareholding Structure

Shareholding			
Shareholders	Number of Shareholders	Number of Shares Held	Shareholding Ratio
Govt. Organization	0	0	0
Local Financial Institution	0	0	0
Local Corporation	8	597,881,553	49.82%
Individual	0	0	0
Foreigner	1	602,118,747	50.18%
Total	9	1,200,000,300	100.00%

Date as of: June 20, 2023

Tokio Marine Newa Insurance Organizatio



Date as of: 2023/09/01

Remarkable Glory

Remarkable Glory

2020

- Honored with four awards of 2020 Insurance Quality Award for High Distinction of Best Image, Best Professionalism, etc.
- Won the rating of Excellence in the Assessment of the implementation of Treating Customers Fairly Principles for two consecutive years.
- The Luckybo (<https://www.luckybo.com>) online insurance platform won the Best Business Transformation Innovation Award-Gold Award, and Innovation Award in the Digital Singularity Awards. In addition, the technical collaboration project with AccuHit AI Technology Taiwan Co., Ltd., the Value-Added Strategy for AI Policy Identification of Property/Casualty Insurance Data won the Best Innovative Product Award- Silver Award.

2021

- To promote corporate sustainable operation and implement corporate social responsibility, it was passed in the board meeting in May to establish the “Sustainable Development Committee”.
- Signed the TCFD initiative in July.
- Obtained double certifications of ISO 27001 Information Security Management system and ISO 27701 Privacy Information Management System.
- Launched the “Digital Customer Service Platform” and the first in industry to provide Flexible Schedule for Roadside Assistance Service, providing faster, more convenient and friendlier motor insurance services.
- Awarded the 2nd Place in the Compulsory Automobile Liability Insurance Differentiated Management Competition by FSC.
- Awarded with the Talent Training Excellent Award- Gold Award, Risk Management Award-Silver Award, Project Planning Excellence Award for Policyholder Service-Silver Award, and Public Welfare Excellence Award- Silver Award in the 9th Taiwan Insurance Excellence Performance Award.
- Honored with Digital Innovation Gold Award and Excellence Award of Digital Transformation Paradigm in the 1st Digital Financial Service Award organized by Commercial Times.

2022

- Passed ISO 14064-1 verification.
- Honored with four awards of 2022 Insurance Quality Award for High Distinction of Best Image, Best Professionalism, Best After-sales Service, and Most Recommended, and will continue to step toward the goal of constructing an insurance environment for the public to feel at ease.
- Honored with the Green Digital Finance Award-Gold Award, Digital Business Optimization Award- Excellence Award, and Digital Information Security Award-Excellence Award in the 2nd Digital Financial Service Award held in 2022. TMNEWA was the only winner of the Green Digital Finance Award-Gold Award in the insurance industry.
- In the Compulsory Automobile Liability Insurance Differentiated Management Competition held by FSC, TMNEWA was ranked the 3rd Place in the comprehensive review of six indicator categories.

- The 10th Taiwan Insurance Excellence Awards
- Awarded by FSC for treating customers fairly.



Financial Performance

In terms of the financial performance, the Company's operating income in 2022 increased by 6.71% compared with 2021, and the before-tax net profit margin decreased mainly due to the great loss caused by the huge COVID insurance claims. However, this loss was a one-time impact. In the future, the Company will strengthen the concept of risk control and sustainable management and continue to strive for steady growth and profit creation. In 2022, the employee benefits amounted to approximately NT\$1.89 billion, and the amount of financial contribution to the government (including the Profit-Seeking Enterprise Income Tax) reached NT\$600 million. Please check our official website to download the annual reports for details. In 2022, there were no political contributions, nor was there any tax relief or financial assistance from other agencies.

Business overview over the past three years

Unit: NT\$/million

Item/Year	2020	2021	2022
Operating Income	11,920	13,004	13,876
Gross Margin	3,634	4,357	-47,274
Operating Profit or Loss	1,015	1,471	-49,911
Non-operating Income and Expenses	12	3	20
Profit Before Tax	1,127	1,474	-49,891
Profit from continuing operations for the period	861	1,238	-47,075
Net profit (loss) for the period	861	1,238	-47,075
Other Comprehensive Income or Loss for the Period (Net after tax)	142	637	-464
Total comprehensive profit and loss for the Period	1,003	1,875	-47,539
Earnings per share (EPS) after tax*	2.88	4.14	-6,484.31
Employee Benefits	1,725	1,931	1,897
Dividends paid to shareholders	819	453	810
Taxes paid to the government	478	603	60
Capital	2,990	2,990	5,299

Business overview over the past three years

Unit: NT\$/million

Item/Year	2020	2021	2022
Shareholders' Equity	9,558	10,980	-17,370
Retained Premiums	11,165	12,145	13,845
Direct Written Premiums	13,956	14,976	16,618
Total Asset	25,474	28,026	19,756
D/E ratio	166.51%	155.26%	-213.74%
Capital Adequacy Ratio	526%	622%	-1,059%
Return on common stockholders' equity (ROE)	9%	11.28%	NA
Donations to Social Welfare	7	9	8

Note 1: Source: Independent Auditors' Report

Note 2: Earnings per share (EPS) after tax is calculated in NTD.

1 Sustainable Management Principles

2022 Sustainability Management Performance

The Sustainable Development Committee discussed the impact of sustainability topics on corporate governance in terms of economy, environment and society and identified a total of **14** material sustainability topics and disclosed their management approaches.

The management approaches of the material sustainability issues correspond to **10** of the Sustainable Development Goals (SDGs) of the United Nations.

Credit Rating: Standard & Poor's (S&P): Rated **“A-” Good** ;Taiwan Ratings rated **“twAA”**.

1.1 Sustainable Development Operation

Sustainable Development Best Practice Principles

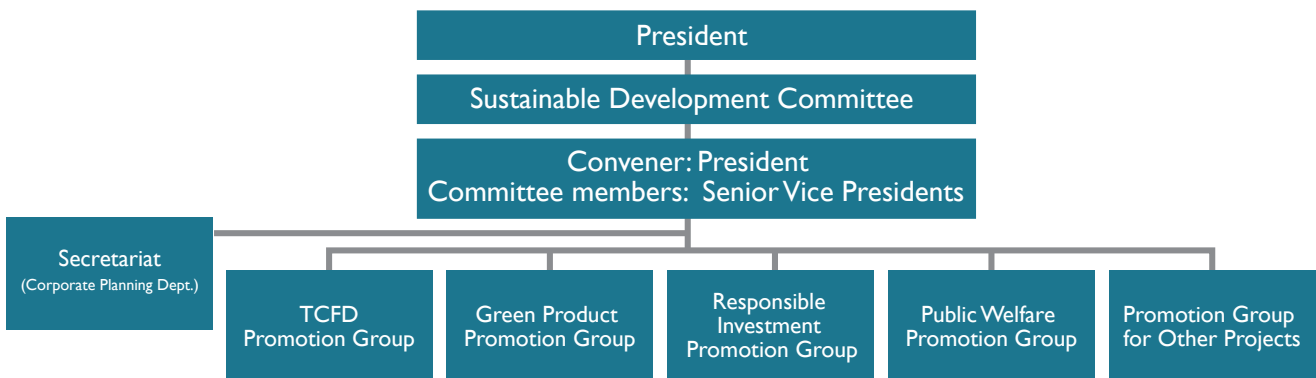
Implement Corporate Governance	With the board of directors as the core, the company's operating activities and development directions are actively supervised. Issues of stakeholders' concern are understood and responded to through proper communication channels.
Develop Sustainable Environment	Establish a measurable sustainable development environment, improve energy use efficiency, evaluate risks and opportunities caused by climate change, and reduce operational impact caused by climate change.
Maintain Social Welfare	Create an equal and healthy working environment internally and participate in public welfare services to improve community recognition externally.
Strengthen Disclosure of Sustainable Development Information	Disclose information in accordance with relevant laws and regulations, compile sustainability reports by using internationally recognized standards, and improve information transparency and credibility.

It was approved in the board meeting in 2021 to establish the Sustainable Development Committee, with the president serving as the convener and the chair while the vice presidents (excluding the chief Auditor) serving as committee members. Under the Committee are the business promotion groups, including TCFD Promotion Group, Green Product Promotion Group, Responsible Investment Promotion Group, and Public Welfare Promotion Group, and these business promotion groups plan the strategic directions for sustainable management and report relevant progress and outcomes to the Sustainable Development Committee on a regular basis.

The Sustainable Development Committee is convened at least twice a year, mainly responsible for revising the Sustainable Development Best Practice Principles and internal norms in relation to corporate sustainable development, planning the directions for sustainable management strategies, formulate management approaches for material sustainability topics and set goals for regular tracking, and report the sustainable performance to the board of directors on a regular basis.

The Sustainable Development Policy was established based on the Sustainable Development Best Practice Principles passed by the board of directors as the management approach for the implementation of corporate sustainable development. The economic, environmental and social issues generated from the operating activities are handled by senior management authorized by the board of directors, and the implementation status is reported to the board of directors on a regular basis (at least once a year) by the Sustainable Development Committee. As prescribed by Article 7 of the Company's Sustainable Development Principles, the directors shall exercise the due care of good administrators to examine the results of the implementation of its sustainable development initiatives from time to time and continually make adjustment so as to ensure the thorough implementation of its sustainable development policies.

Organizational Chart of the Sustainable Development Committee



President
 Sustainable Development Committee
 Convener: President
 Committee members: Vice Presidents

Secretariat (The Planning Dept.)

TCFD Promotion Group
 Green Product Promotion Group
 Responsible Investment Promotion Group
 Public Welfare Promotion Group
 Promotion Group for Other Projects

I.2 Embracing Stakeholders

Identification of Stakeholders

TMNEWA referred to the stakeholder groups identified in the same trade, and external ESG experts conducted scoring^{Note} of the existing and potential negative impacts and positive benefits the operating activities may have on the stakeholders. Those with the overall score larger than 10 points were listed as major stakeholders. The president, vice presidents, associate managers, and heads of departments also jointly reviewed and identified 7 major categories of stakeholders for 2022. Including Shareholders, Associations/ Government Agencies, Employees, Customers/ Online Community, Media/External Rating Agencies, Channel partners/Suppliers, and Community/NGOs/Non-profit Organizations.

Note: The scale of negative/positive impact ranged from 1 to 5 points: 1 point (no impact/ influence), 2 points (minimal impact/ influence), 3 points (with impact/influence), 4 points (big impact/influence), and 5 points (great impact/influence).

Principles for Sustainable Insurance (PSI)- Public Information Disclosure

The threats and risks brought by globalization to sustainable development are increasing. In this context, the transparency of an enterprise's impact on economic, environmental, and social aspects has become a crucial element affecting stakeholders, investment decisions, and other market relations. Therefore, the establishment of clear and open information is necessary for the development of a reliable sustainability report.

The Company makes use of its multiple channels to convey important information via its official website, FB Fanpage, and press releases. The electronic version of the press releases is released at the News Section on the official website to ensure smooth communication both internally and externally. Moreover, the Company also compiles and issues the Annual Report and Sustainability Report every year to help its stakeholders in understanding the Company's financial and non-financial performance.

The promotion policies for the issues of the stakeholders' concern are detailed as follows for actual implementation in internal management and external business activities.

Issues of concern to stakeholders and communication channels

Stakeholders	Issues of concern	Purpose of Communication and Promotion Policies	Communication channels/ frequency
Shareholders	Compliance Information Security Risk Management Integrity Management Economic Performance	Purpose of Communication: <ul style="list-style-type: none"> To maintain good investment relationships Promotion Policies: <ul style="list-style-type: none"> Improve operational performance and strengthen risk management. Strengthen financial and non-financial information disclosure to enhance transparency of information. Strengthen functions of the board of directors for the implementation of corporate governance. 	1. Regular shareholders' meeting/ Once a year 2. Annual report/ Once a year 3. Shareholders Section on the Company's official website/ Immediately 4. Insurance Market Observation Post System/ Immediately 5. Whistleblowing mailbox and hotline for dishonest behavior/ Immediately

Issues of concern to stakeholders and communication channels

Stakeholders	Issues of concern	Purpose of Communication and Promotion Policies	Communication channels/ frequency
Associations Government Agencies	Corporate Governance Information Security Compliance Treating Customer Fairly and Customer Experience Risk Management	<p>Purpose of Communication:</p> <ul style="list-style-type: none"> To establish a corporate culture of compliance <p>Promotion Policies:</p> <ul style="list-style-type: none"> Strictly comply with social, product and marketing related laws and regulations and establish a good internal control mechanism. Implement integrity management and anti-corruption policy. Pay attention to the trends of sustainable management at home and abroad for the establishment of an effective corporate governance framework. Participate in various meetings organized by associations and societies, and cooperate with as well as respond to the related industrial policies. Cooperate with the development of solutions to emerging risks and abide by relevant laws and regulations. 	<ol style="list-style-type: none"> Regular reporting of business information/ As required Financial check-ups/ Occasionally Official documents/ Immediately Compliance with regulations and government policies/ Immediately Participation in meetings, forums, and seminars/ Occasionally Contact by phone or EMAIL/ Immediately
Employees	Information Security Compliance Talent Attraction & Retention A Friendly and Safe Workplace Labor-management Relations	<p>Purpose of Communication:</p> <ul style="list-style-type: none"> To improve human capital <p>Promotion Policies:</p> <ul style="list-style-type: none"> Abide by labor laws and regulations and attach importance to labor rights. Establish effective employee grievance channels and communication mechanisms. Create a good environment for career development and set up reasonable and fair compensation system. Provide a safe and healthy working environment. 	<ol style="list-style-type: none"> Annual performance appraisal/ Once a year Supervisor interviews/ Occasionally Employee opinion mailbox/ Immediately Mailbox for sexual harassment complaints/ Immediately Independent directors' mailbox/ Immediately KM employee discussion section/ Immediately Labor-management conference/ Quarterly Employee appeal form/ Immediately Whistleblowing mailbox and hotline for dishonest behavior/ Immediately
Customers Online Community	Economic Performance Integrity Management Information Disclosure Digital Finance and Innovation Community Communication	<p>Purpose of Communication:</p> <ul style="list-style-type: none"> To maintain good customer relations <p>Promotion Policies:</p> <ul style="list-style-type: none"> Attach importance to customer privacy, follow personal data protection laws and regulations, and take rigorous protection measures for customer data. Improve service quality and customer satisfaction. Provide a complete, transparent, and effective grievance channel for customers. Provide diversified and innovative insurance products and services. 	<ol style="list-style-type: none"> Business locations/ Immediately Toll-free customer service hotline/ Immediately Online customer service/ Immediately Website message board/ Immediately Independent directors' mailbox/ Immediately In-person visits and telephone interviews/ Occasionally

Issues of concern to stakeholders and communication channels

Stakeholders	Issues of concern	Purpose of Communication and Promotion Policies	Communication channels/ frequency
		<ul style="list-style-type: none"> Establish social medial norms and be in charge of disseminating knowledge of risk management and insurance to provide customers with effective interaction and communication channels. 	7. Whistleblowing mailbox and hotline for dishonest behavior/ Immediately 8. Insurance Market Observation Post System/ Immediately 9. Line@/ Immediately 10. Tokio Marine Nawa Insurance online customer service platform/ Immediately 11. FB Fanpage/ Immediately
Media External Rating Agencies	Integrity Management Compliance Information Security Information Disclosure Treating Customer Fairly and Customer Experience	Purpose of Communication: <ul style="list-style-type: none"> To maintain good public relations Promotion Policies: <ul style="list-style-type: none"> Ensure the consistency, correctness, and timeliness of the Company's external information transmission through the spokesperson system. Designate a unit in charge to handle the coordination and contact with the media for the interviews to establish mutual trust. Understand the strengths and weakness of the Company's credit quality through the credit rating systems. Continue to strengthen the Company's use of financial leverage in financial transactions. 	1. Business visits/interviews/ Occasionally 2. Contact by phone or EMAIL/ Immediately 3. Insurance Market Observation Post System/ Immediately 4. Interviews or press conferences/ Occasionally 5. Press releases/ Occasionally 6. Management meeting for credit rating/ Once a year
Channel Partners Suppliers	Information Security Compliance Economic Performance Treating Customer Fairly and Customer Experience Integrity Management	Purpose of Communication: <ul style="list-style-type: none"> To maintain good operation of the value chain Promotion Policies: <ul style="list-style-type: none"> Establish an effective and smooth communication platform. Jointly comply with the marketing laws and regulations to protect the rights and interests of customers. Properly assess the environmental and social impact of the procurement behavior and the suppliers. Jointly work with suppliers to comply with environmental, safety, and health regulations to reduce the environmental impact of the company operation. Promote green procurement and use products with environmental labels and energy-saving labels. 	1. Business visits/ Occasionally 2. Phone contact by dedicated personnel/ Occasionally 3. EMAIL/ Immediately 4. Business meetings/ Occasionally 5. Insurance Market Observation Post System/ Immediately 6. Whistleblowing mailbox and hotline for dishonest behavior/ Immediately

Category	Consultation, Complaint, and Reporting Channels	Method/ Contact Person	Complainant Protection Mechanism	Investigation Process	Title of Regulation
Human Rights	<ul style="list-style-type: none"> Employee appeal (re-appeal) form Employee opinion mailbox: idea@tmnewa.com.tw Mailbox for sexual harassment complaints: talk2us@tmnewa.com.tw Grievance Handling Committee Workplace violence incident reporting and grievance mailbox: Stop.violence@tmnewa.com.tw Labor-management meetings 	<ul style="list-style-type: none"> Method: Submit the complaint together with relevant documents and evidence; submit it in person, by fax, mail or email. Contact person: Supervisor of the HR Department 	The review process and results of the appeal cases follow the non-disclosure principle and shall strictly kept confidential.	<ul style="list-style-type: none"> Conduct an interview with the complainant within 10 days from the day of receipt of the complaint to understand the cause of the complaint, and respond to the complainant within 30 days with the handling results in the Employee Appeal (Re-appeal) Reply Form. If re-appeal is received, conduct an interview with the complainant again within 10 days from the day of receipt, and respond to the complainant within 30 days with the handling results in the Employee Appeal (Re-appeal) Reply Form. The re-appeal case should be submitted to the Personnel Review Committee for review, and the decision of the re-appeal shall be the finalized decision of the Company. The Employee Appeal (Re-appeal) Reply Form shall be kept in the personnel information for review. 	Measures for Employee Grievance

Category	Consultation, Complaint, and Reporting Channels	Method/ Contact Person	Complainant Protection Mechanism	Investigation Process	Title of Regulation
Products	<ul style="list-style-type: none"> • Toll free customer service and complaint hotline: 0800-050-119 • The customer service website: https://www.tmnewa.com.tw/ContactUs.aspx • Competent authorities and county and city governments: File complaints by letter • Website of Financial Ombudsman Institution: https://www.foi.org.tw/index.aspx?lang=1 	<ul style="list-style-type: none"> • Contact unit: Customer Service Center 	The information of all complainants will be kept confidential, and only known to relevant personnel.	<ul style="list-style-type: none"> • When the Customer Service Center receives a call that meets the requirements for establishing a complaint, the customer service staff will send a general complaint mail to the complained unit. The handling unit should reply to the Customer Service Center via email with the handling status and relevant documents within two days (working days) of receipt. • Upon receiving the reply, the Customer Service Center will attach the Complaint Report Handling Form and the complaint content to the unit being complained. The handling unit shall fill in detailed handling process and results as well as propose the countermeasures and practices for improvement for Customer Service Center's reference. The Customer Service Center will respond within the processing time limit specified by each agency. 	Handling Procedures for Customer Service Center Complaint

Category	Consultation, Complaint, and Reporting Channels	Method/ Contact Person	Complainant Protection Mechanism	Investigation Process	Title of Regulation
Personal Data and Privacy	<ul style="list-style-type: none"> Toll free customer service and complaint hotline: 0800-050-119 Website message board Digital Customer Service Platform 	<ul style="list-style-type: none"> Customer Service Center 	The information of all complainants will be kept confidential, and only known to relevant personnel.	<ol style="list-style-type: none"> 1. Acceptance Unit: Handle complaints, appease customers, and understand the details before filling in relevant forms to provide known accidents, situations or information. Submit the forms to the verification unit while informing the responsible units involved in the case. 2. Verification unit: After receiving the personal data incident notification form submitted by the acceptance unit, the verification unit shall assist in the verification of whether there is leakage of personal data and fill in the personal data incident handling form, and submit it to the Risk Management Department. 3. Response from the verification unit after closing the case: 4. Personal data management representative and relevant units determine whether it is a personal data leakage incident and whether it is a material contingency. 	Personal data incident notification and response flow chart

Category	Consultation, Complaint, and Reporting Channels	Method/ Contact Person	Complainant Protection Mechanism	Investigation Process	Title of Regulation
Corporate Governance	<ul style="list-style-type: none"> Independent directors' mailbox: Independent_director@tmnewa.com.tw 	Manager: The Corporate Governance Office of the Company	The information of all complainants will be kept confidential, and only known to relevant personnel.	<ul style="list-style-type: none"> The manager should check the independent directors' mailbox every day and directly forward the letter to all independent directors within one working day upon receiving a letter. If any independent director considers the circumstance is severe, he/she shall discuss with other independent directors or relevant personnel about subsequent handling methods. 	Independent Directors' Mailbox Management Measures

Note 1: The Company strictly complies with the non-disclosure principle regarding the review process and results, which are strictly kept confidential. Complaints with the complainant's name given is to effectively clarify the facts to avoid inability to handle matters without specific contents to ensure the legitimate rights and interest of the complainant.

Note 2: Product complaints can be made anonymously or through a third-party representative.

Note 3: Whether complaints of personal data privacy can be made anonymously or through a third-party representative.

I.3 Material Sustainability Topics



3 major aspects of sustainability **21** sustainability topics

Understand the industry context and collect sustainability topics
 To understand the industry context and collect sustainability topics, the Company followed the Topic Standards of Global Sustainability Standards Board (GSSB) (there has been no GRI Insurance Sector Standards by March, 2023), Sustainability Accounting Standards Board (SASB), UN's SDGs, and the Principles for Sustainable Insurance (PSI) and referred to the stakeholders' opinions and summarized 21 sustainability topics covering the three major aspects of sustainability in terms of corporate governance, environmental co-prosperity and social contribution.

14 material sustainability topics

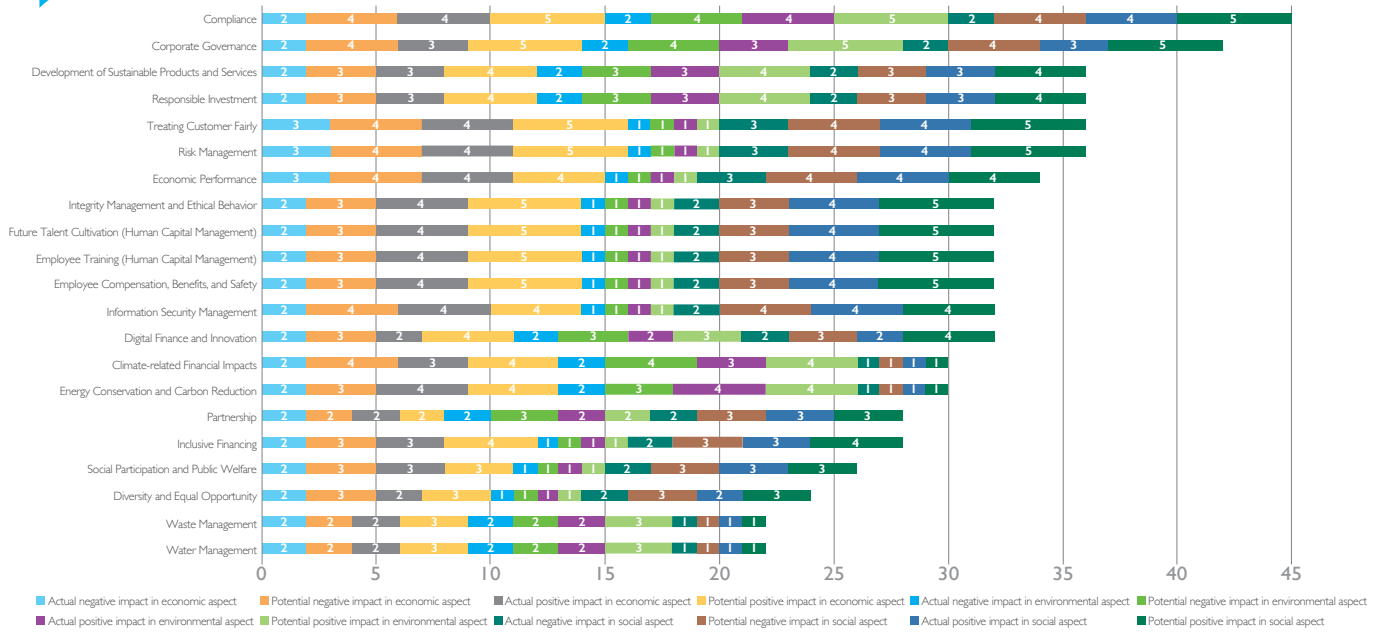
Scoring of actual or potential negative and positive impacts
 External experts conducted scoring of the actual and potential negative and positive impacts of the Company's operating activities on the sustainability topics in terms of economy, environment and society (people and human rights).
 Note 1: For actual negative impact, severity has to be considered; for potential negative impact, severity and possibility have to be considered.
 Note 2: For actual positive impact, the scale and scope have to be considered; for potential positive impact, the scale, scope and possibility have to be considered.
 Note 3: The scale of negative/positive impact ranged from 1 to 5 points: 1 point (no impact/ influence), 2 points (minimal impact/ influence), 3 points (with impact/influence), 4 points (big impact/influence), and 5 points (great impact/influence).

Assessment of significance of impact
 The scores of the negative impact (actual/potential) and the positive impact (actual/potential) of each topic in terms of economy, environment, and society (people and human rights) were added up for prioritization. Those with a total score of over 30 points were listed as topics with significant impact.

Identification of material sustainability topics
 The Company first listed the topics of the industry in accordance with the Topic Standards of Global Sustainability Standards Board (GSSB) (there has been no GRI Insurance Sector Standards by March, 2023), TWSE requirements by industry, and the industry topics listed by Sustainability Accounting Standards Board (SASB). After scoring, the possible material sustainability topics were prioritized to check whether they were consistent with the topics with significant impact that were evaluated. Discussions among the president, vice presidents, associate managers, and department heads were made, and a total of 14 material sustainability topics were finalized as the prioritized topics to report in this Sustainability Report.

Defining the boundary of the material sustainability topics
 After analysis, the material sustainability topics used the value chain as the boundary element for analysis. The Company will continue to strengthen management and disclose relevant information in the Sustainability Report.

The impacts and level of impacts of material sustainability topics



2022 Prioritization of Material Sustainability Topics

1 Compliance

2 Corporate Governance

3 Development of Sustainable Products and Services

4 Responsible Investment

5 Treating Customer Fairly

6 Risk Management

7 Economic Performance

8 Integrity Management and Ethical Behavior

9 Human Capital Management

10 Employee Compensation, Benefits, and Safety

11 Information Security Management

12 Digital Finance and Innovation

13 Climate-related Financial Impacts

14 Energy Conservation and Carbon Reduction

Explanation of differences between 2022 material sustainability topics and those in the previous year

2022 Material Sustainability Topics	Difference	Explanation
Human Capital Management	Title adjustment	The original material sustainability topic, "Talent Cultivation and Development" was adjusted to "Human Capital Management", covering the topics of "Employee Training and Cultivation, Future Talent Cultivation".
Employee Compensation, Benefits, and Safety	Consolidation of topics	The original topics of "Talent Attraction & Retention, Labor-management Relations, and A Friendly and Safe Workplace" were merged into Employee Compensation, Benefits, and Safety
Energy Conservation and Carbon Reduction	Newly added topic	"Energy Conservation and Carbon Reduction" is a newly added material sustainability topic.

Boundary determination of major sustainability topics in 2022

Material Sustainability Topic	GRI standards and other corresponding sustainability standards	Impact	Boundary of value chain impact							Chapters for management approach (MA) disclosure	
			The Company	Clients	Channel partners	Suppliers	Shareholders	Employees	General public		Investee company
Corporate Governance	【GRI】 2-9 【SDG】 8, 16	Economic, environmental and social aspects: Actual positive impacts	●								2 Brand-New-Sustainable Corporate Governance 2.1 Board Operation
Compliance	【GRI】 2-27	Economic, environmental and social aspects: Potential negative impacts	●		●	●			●		2 Brand-New-Sustainable Corporate Governance 2.5 Compliance
Risk Management (covering Systematic Risk Management)	【GRI】 2-26 【SASB】 FN-IN-550a 【SDG】 13	Economic, environmental and social aspects: Actual positive impacts	●		●	●				●	2 Brand-New-Sustainable Corporate Governance 2.4 Risk Management
Treating Customer Fairly	【GRI】 417 【SASB】 FN-IN-270a.2, 270a.4 【SDG】 10, 11 【PSI】 Principle 1, 3"	Economic and social aspects: Actual positive impact	●	●					●		3 Efficiency: Sustainable Products and Services 3.2 Honoring Customers

Boundary determination of major sustainability topics in 2022

Material Sustainability Topic	GRI standards and other corresponding sustainability standards	Impact	Boundary of value chain impact							Chapters for management approach (MA) disclosure	
			The Company	Clients	Channel partners	Suppliers	Shareholders	Employees	General public		Investee company
Responsible Investment	【SASB】 FN-IN-410a 【SDG】 7, 11, 13 【PSI】 Principle 1, 2"	Economic, environmental and social aspects: Potential positive impacts	●		●	●					6 Top- Co-Prosperity of A Sustainable Environment 6.2 The Effects of Green Finance
Development of Sustainable Products and Services	【GRI】 201-1 【SDG】 8	Economic aspect: Actual positive impact	●		●	●			●		Economic Performance 2 Brand-New-Sustainable Corporate Governance
Digital Finance and Innovation	【SASB】 FN-IN-410b 【SDG】 12, 13 【PSI】 Principle 1, 2"	Economic aspect: Actual positive impact	●	●							3 Efficiency: Sustainable Products and Services 3.2 Honoring Customers
Employee Compensation, Benefits, and Safety	【GRI】 401, 402, 403, 406 【SDG】 3, 8	Economic and social aspects: Potential positive impacts	●						●		4 Safety- Promotion of A Sustainable Workplace 4.1 Overview of Human Resources 4.2 A Friendly Workplace 4.4 Compensation and Benefits System
Human Capital Management	【GRI】 401-1, 404 【SDG】 4, 8	Economic and social aspects: Actual positive impact	●						●		Safety- Promotion of A Sustainable Workplace 4.3 Selection, Development, Employment and Retention
Integrity Management and Ethical Behavior	【GRI】 2-26, 2-27, 205 【SDG】 8	Social aspect: Potential negative impact	●		●	●					2 Brand-New-Sustainable Corporate Governance 2.2 Integrity Management and Anti-Corruption
Energy Conservation and Carbon Reduction	【GRI】 302-1, 302-4, 302-5, 305-1~305-5 【SDG】 13 【PSI】 Principle 1	Environmental aspect: Potential positive impact	●								6 Top- Co-Prosperity of A Sustainable Environment 6.3 Energy Conservation and Carbon Reduction

Boundary determination of major sustainability topics in 2022

Material Sustainability Topic	GRI standards and other corresponding sustainability standards	Impact	Boundary of value chain impact							Chapters for management approach (MA) disclosure		
			The Company	Clients	Channel partners	Suppliers	Shareholders	Employees	General public		Investee company	
Climate-related Financial Impacts	【GRI】 201-2 【SASB】 FN-IN-450a.1 【SDG】 13, 17 【PSI】 Principle 1,2,3	Economic and environmental aspects: Potential positive impacts	●		●	●					▲	6 Top- Co-Prosperity of A Sustainable Environment 6.1 Response to Climate Change
Information Security Management	【GRI】 418 【PSI】 Principle 1	Social aspect: Potential negative impact	●	●	●	●			●			3 Efficiency: Sustainable Products and Services 3.3 Customer Privacy Protection

Note: Level of involvement if a negative impact occurs: ● Causing ● Contributing ▲ Directly related

2 Brand-New Sustainable Corporate Governance

2022 Sustainable Corporate Governance Performance

7.5% market share, ranking **the 4th place** in the market

All the directors have completed the performance appraisal for 2022, and the average score for self-evaluation was **94.4** points, and that for peer evaluation was **93.4** points.

The operating income **increased by 6.71%** compared with 2021.

The total annual training hours for board members was approximately **238** hours.



Management Approaches

Management Approach	Significance and Purpose of Management	Management Policy	Description of goal achievement in 2022	Goals for 2023	Medium- and long-term goals
Economic Performance	Create economic value for the society and achieve the goal of sustainable development with stable profits and sound management to obtain the trust and support from the stakeholders.	<ol style="list-style-type: none"> 1. Formulate annual business plans to determine the business strategies and guidelines that are approved by the board to ensure the achievement of the business objectives. 2. Implement risk management procedures in accordance with the Risk Management Policy and set relevant limits. Report the results of regular monitoring to the Risk Management Committee and the board of directors to ensure the capital adequacy and the intact solvency of the company and implement the balance of risk and reward to steadily achieve business goals. 	<ol style="list-style-type: none"> 1. Business growth <ol style="list-style-type: none"> (1) The 2022 premium income was NT\$17.23 billion, and the written premium totaled NT\$16.62 billion, an increase of 11.0% compared with 2021; the loss ratio by net earned premium was 415.3%. (2) Excluding the Pandemic Insurance, the 2022 premium income was NT\$16.64 billion, and the written premium totaled NT\$16.02 billion, an increase of 7.0% compared with 2021; the loss ratio by net earned premium was 57.0%. 2. The Company will continue to deepen its insurance business cooperation with major enterprises in the channels via the following strategies. <ol style="list-style-type: none"> (1) Promote the Commercial All Risk Insurance Policy in the key channels to improve the efficiency of the small and medium-sized commercial fire insurance. (2) Promote human factors engineering differentiated loss prevention services and establish a professional service image to expand commercial insurance business. 	<ol style="list-style-type: none"> 1. Goals for business growth <ol style="list-style-type: none"> (1) The target for premium income for 2023: Non-dealer voluntary motor insurance to increase by 9.7% compared with last year; Non-dealer personal insurance to increase by 5.9% compared with last year excluding pandemic insurance; Small Medium Enterprises (SMEs) insurance to increase by 4.0% compared with last year. (2) The target of the company's retention ratio of the overall business is 80.7%, an increase of 1.1% compared with last year excluding that of the pandemic insurance. 2. The company continues to deepen the insurance business cooperation with major enterprises in the channel through the following strategies. <ol style="list-style-type: none"> (1) Enhance salespeople's business development capabilities and quotation efficiency 	<ol style="list-style-type: none"> 1. Promote digital transformation, develop new services and improve operation process to improve operational efficiency. 2. Continue to control the business quality to maintain stable profitability.

Management Approaches

Management Approach	Significance and Purpose of Management	Management Policy	Description of goal achievement in 2022	Goals for 2023	Medium- and long-term goals
			<p>(3) Continue to promote professional training and optimization of quotation systems for major non-motor insurance and strengthen channel service professionalism.</p> <p>(4) Strive to get business from key brokers and agencies (such as Honest Insurance Brokers and Golden Insurance Brokers) and support the development of business of the channels of China Life Insurance Company.</p> <p>(5) Work with large international insurance brokers and strive to obtain more high-quality large-amount business to expand the scale of premium income.</p>	<p>optimization, sales support tools, education training and incentive programs.</p> <p>(2) Establish loss prevention differentiation services and create differentiated service competitiveness.</p> <p>(3) Strive to get business from key brokers and agencies and support the development of business of the channels of Life Insurance.</p> <p>(4) Work with large international insurance brokers and strive to obtain more high-quality large-amount business to expand the scale of premium income.</p>	
Corporate Governance	Ensure the effectiveness of corporate governance, protect shareholders' rights and interests and improve the operational performance through strengthening the board functions, the operations of functional committees, and the transparency and accuracy of information.	The company has established the Articles of Association, Corporate Governance Best Practice Principles, internal control system, Procedures for Election of Directors, the Remuneration System for Directors, Self-Evaluation or Peer Evaluation of the Board of Directors, Rules of Procedure for Shareholders Meetings, Rules of Procedure for Board of Directors Meetings, Audit Committee Charter, Rules Governing the Scope of Powers of Independent Directors, Remuneration Committee Charter, etc. to implement the goals of corporate governance.	<p>1. To organize professional development courses for directors and senior executives, inviting professional lecturers to teach courses on information security, corporate governance and so on.</p> <p>2. All climate-related issues raised by the Risk Management Committee or Sustainable Development Committee will be reported to the board of directors.</p>	<p>1. Set up policy guidelines for the board diversity.</p> <p>2. Strengthen the board of directors' management of corporate governance issues.</p>	<p>1. To align with the international trends and deepen corporate governance and corporate sustainability culture.</p> <p>2. To work in line with the corporate development needs and the corporate governance trends, it is proposed to establish other functional committees.</p>

Management Approaches

Management Approach	Significance and Purpose of Management	Management Policy	Description of goal achievement in 2022	Goals for 2023	Medium- and long-term goals
Integrity Management and Ethical Behavior	Incorporate the culture of integrity into daily operating activities based on the principles of honesty, trustworthiness and transparency in an attempt to establish a good integrity management and tax management mechanism for the implementation of an operating environment with sustainable development.	We actively prevent dishonest behavior by cooperating with legal regulations and have established Work Rules, Integrity Management Policy, and Principle of Taxation through relevant reporting system and anti-fraud measures.	<ol style="list-style-type: none"> 1. The Audit Office conducted general audit of integrity management operation based on the results of the dishonest behavior risk assessment. The audit results were normal, and no major abnormalities were found. 2. The Audit Office has included dishonest behavior risk assessment into the 2023 annual audit plan, and based on the Risk Management Department's assessment results, departments with higher risks are included in the items of dishonest conduct risk assessment. 3. Completed the 2021 transfer pricing report 4. Employees in the Finance Department received a total of 53.5 hours of tax training 	<ol style="list-style-type: none"> 1. Set up anti-bribery and anti-corruption policies. 2. The 2023 audit plan will take into account the results of 2022 dishonest conduct risk assessment, and the top three items with the highest scores will be included in the key inspection items. 	To reduce the dishonest conduct of the company through effective internal control and the implementation of labor division of three lines of defense.
Risk Management	Ensure the Company's capital adequacy and solvency, implement the balance of risk reward to stably achieve business goals	Consider factors such as business growth, risks, and rewards based on the business objectives and set up appropriate risk management strategies; set up risk appetite to pre-set the acceptable risk range; set the major risk limits based on the risk characteristics and the company's risk appetite.	<ol style="list-style-type: none"> 1. Make quarterly monitoring and reports in accordance with the 2022 plan. 2. Complete the setting of risk appetite and related limits for 2023 and report to the Risk Management Committee. 3. Completed the 2021 ICS trial calculation and submitted the results, comparative analysis and related assessment to the Risk Management Committee. 4. (1) Regularly release risk information to typhoon, earthquake, and commercial fire policyholders; (2) Introduce TCCIP's data of probability of future changes in extreme precipitation into the IOD system to compare rainfall and flooding potential maps for the assessment of changes in long-term climate-related risks. 	<ol style="list-style-type: none"> 1. Ensure the Company's capital adequacy and solvency, implement the balance of risk reward to stably achieve business goals: Adopt qualitative and quantitative (economic capital model) risk identification and measurement, set risk appetite and related limits, and conduct risk monitoring and regular reporting. 2. Ensure successful alignment with international systems: Continuously communicate with the Information Department on ICS data requirements and evaluate subsequent practices to cope with the systematization of ICS processes. Cooperate with competent agencies for ICS parallel testing to evaluate the impact on the Company operations. 	Since 2021, the ICS has been gradually introduced and integrated in the 5-year testing period to successfully align with the international systems to ensure the capital adequacy and solvency of the Company.

Management Approaches

Management Approach	Significance and Purpose of Management	Management Policy	Description of goal achievement in 2022	Goals for 2023	Medium- and long-term goals
Compliance	Strictly implement compliance management to ensure that all personnel can comply with relevant laws and regulations when performing various tasks. A proper compliance system will help establish good corporate governance and risk control mechanisms to create a sustainable development operating environment.	It was approved by the board of directors to establish the internal control system, internal audit system, and compliance system for implementation in accordance with the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises.	<ol style="list-style-type: none"> In 2022, the sharing of treating customer fairly cases were conducted in the 4 internal control exchange meetings. Conducted the company-wide compliance education and training, and a total of 2,349 people completed the course. Organized compliance meetings and education and training for compliance supervisors of the units, with a total of 15 hours. Publicity of penalty cases in the same trade of insurance industry: 93 cases in total. External legal changes, relevant corresponding measures and publicity: a total of 164 cases. 	<ol style="list-style-type: none"> Strengthen the resilience of operation continuity to ensure uninterrupted service of the Company. Implement the 8 major steps of operation continuity and accept and pass the ISO 22301 certification of operation continuity management. 	Help the company to achieve operational goals with efficiency and effectiveness under the premise of compliance, and provide transparent and reliable compliance information to respond to external regulatory agencies or internal control requirements.

2.1 Board Operation

Election for and Composition of Board of Directors

The board of directors serves as the highest governance unit, and under which there are three functional committees, including the Risk Management Committee, the Audit Committee, and the Remuneration Committee. The 8th term of board of directors is composed of 15 directors, and the term of office of the director is 3 years. There are 12 seats of directors and 3 seats of independent directors. The chairman of the Company did not hold the concurrent position of president or CEO in 2022. The comprehensive re-election of directors was conducted on April 11, 2023. The 9th term of board of directors consists of 11 seats of directors, including 8 seats of directors and 3 seats of independent directors, whose term of office is from April 11, 2023 to April 10, 2026.

TMNEWA has set up the Procedures for Election of Directors, and it is stipulated that directors or shareholders can provide a list of recommended candidates for directors, and such list shall meet relevant regulations as a reference for the selection of directors. The candidate nomination system is adopted for the election of directors, and the shareholders elect directors from the list of candidates. In 2023, there is 1 seat of female director, and the chairperson does not hold concurrent positions in the Company. All the board members have abundant professional and experience in the fields of insurance, finance, or business management, meeting the requirements of diversity and professionalism. The age distribution of directors in 2023 is as follows. There are 8 directors aged between 51-60 years and 3 aged above 61 years.

In addition, the board of directors approved to assign Senior Vice President Anthony Lu of the technical planning system to be the Corporate Governance Officer in charge of the supervision of corporate governance related affairs for the improvement of the corporate governance system. The number of training hours in 2022 was 15.8 hours. Please refer to the Company's official website- Disclosure of Corporate Governance Related Information for detailed information.

Board Members

Data as of: April 11, 2023

Title	Name	Nationality	Age group	Educational Background	Professional Background / Expertise	Concurrent positions as directors in other companies
Chairman	Yoshihiko Shima	Japan	51-60	Department of Agriculture, Univ. of Tokyo, Japan	Insurance, Business Management	None
Vice Chairman	Kuo-Hsing Hsu (Representative of Yulon Motor Co., Ltd.)	R.O.C.	61-70	Department of Mechanical Engineering, National Taiwan Univ. of Science and Technology	Business Management	Chairman of Shinshin Credit Corporation; Chairman of URich Financial Services Co., Ltd; Chairman of SINGAN CO., LTD; Director of Carplus Auto Leasing Corporation; Chairman of Yulon Finance Corporation; Chairman of Ruihe Investment Co., Ltd.

Board Members

Data as of: April 11, 2023

Title	Name	Nationality	Age group	Educational Background	Professional Background / Expertise	Concurrent positions as directors in other companies
Director	Wen-Rong Tsay (Representative of Yulon Motor Co., Ltd.)	R.O.C.	61-70	EMBA, National Chiao Tung Univ. Department of Mechanical Engineering, National Cheng Kung Univ.	Business Management	Chairman of Yue-Seng Industrial Co., LTD; Director of Yulon Business Management Co., Ltd; Director of Yu Chang Motor Co., Ltd; Director of Yu Tang Co., Ltd; Managing Director of Yuan Loong Motor Co., Ltd; Director of Yulon Finance Corporation; Director of Yulon Nissan Motor Co., Ltd; Director of Yu Hsin Motor Co., Ltd; Director of Foxtron Vehicle Technologies Co., Ltd; Director of Chen Long Motor Co., Ltd; Chairman of Hua-chuang Automobile Information Technical Center Co., Ltd.
Director	Satoshi Naganuma (Representative of Tokio Marine & Nichido Fire Insurance Co., Ltd.)	Japan	51-60	School of Law, LL.M., Columbia Univ. School of Law, Waseda University, Japan	Insurance, Law, Business Management	None
Director	Kiichiro Hatakeyama	Japan	51-60	Master of Business Administration from MIT Sloan School of Management Faculty of Science, Univ. of Tokyo, Japan	Insurance, Risk Management	None
Director	Hsin-Cheng Tseng (Representative of China Motor Co., Ltd.)	R.O.C.	51-60	Institute of Business Administration, National Chengchi Univ. Department of Nuclear Engineering, National Tsing Hua Univ.	Business Management	Director of ROC-SPICER, LTD.; Chairman of ADVANCISION CORPORATION; Chairman of GREENTRANS CORPORATION; Chairman of Ling Wei Motor Co.; Director of KIAN SHEN CORPORATION; Director of Fu-Lun Motors Co., Ltd.; Director of Fortune Motors Co., Ltd; Director of Shung Ye Motor Co., Ltd.
Director	Koichi Isshiki (Representative of Tokio Marine & Nichido Fire Insurance Co., Ltd.)	Japan	51-60	Faculty of Economics, Kagawa Univ., Japan	Insurance, Business Management	None
Director	Kotaro Kemuyama (Representative of Tokio Marine & Nichido Fire Insurance Co., Ltd.)	Japan	51-60	Department of Chinese, Tokyo Univ. of Foreign Studies, Japan	Insurance, Business Management	Director of the Tokio Marine and Fire Insurance Company (Hong Kong) Limited; Director of the Tokio Marine & Nichido Fire Insurance Company (China) Limited

Board Members

Data as of: April 11, 2023

Title	Name	Nationality	Age group	Educational Background	Professional Background / Expertise	Concurrent positions as directors in other companies
Independent Director	Liang-Chuan Chen	R.O.C.	51-60	Division of Legal Science, Dept. of Law, Chinese Culture Univ.	Insurance, Business Management	None
Independent Director	Hui-Fen Lu	R.O.C.	51-60	PhD in Social Welfare, Tohoku Fukushi Univ., Japan Master of Business, Chuo Univ., Japan	Insurance (property insurance management, long-term care insurance), Risk management	None
Independent Director	Yong-Fu Liu	R.O.C.	61-70	Dept. of Business, Evening Division, National Taiwan Univ.	Accounting	Independent director of Kwang Ming Silk Mill Co., Ltd.

Note 1: The following members of the 8th session of board of directors stepped down from office on April 11, 2023: Chairman Chung-Keng Chen, Vice Chairman Ren-Tze Chen, Director Chi-Feng Tsai, Director Mu-Cheng Yu, Director Tetsuro Iwakoshi, Director Satoshi Funatsu, Director Jun Endo, Independent Director Chi-Si Hwu, Independent Director Wei-Yung Tsung.

Note 2: For detailed lists of transactions between the Company and its related parties, for shareholders holding control power, please see Insurance Market Observation Post System for details.

Calling Board Meetings and Avoidance of Conflict of Interest

The board of directors of the Company shall meet at least once every quarter, and the meeting materials shall be provided to all directors 7 days prior to the meeting day so that the board members can have full discussion and exchange ideas on various proposals in the board meetings. In 2022, there were 15 board meetings in total, and the average attendance rate of all directors was 95%.

The Company has established the Board of Directors Meeting Rules, stipulating that when any director or a juristic person represented by a director is an interested party with respect to any agenda item, or when the interested party relationship is likely to prejudice the interest of the Company, the director shall uphold a high degree of self-discipline and ask for recusal. Important content of the interested party relationship as well as the status of avoidance of conflict of interest shall be specified in the meeting minute. In 2022, there were directors who were the interested party with respect to 6 agenda items and asked for recusal in the board meetings.

Functions of Board of Directors

To ensure the operational efficiency of the board and the decision-making capabilities of the directors, the Company arranges continuing education courses from time to time to enhance the professional functions of the board members. Board members shall receive at least 7 hours of continuing education every year. The training hours in 2022 totaled 238.32 hours. Every year, the self-evaluation and peer evaluation of the board performance is carried out on a regular basis in accordance with the Self-Evaluation or Peer Evaluation of the Board of Directors. Directors having served for more than 6 months shall carry

out self-evaluation and the evaluation of the overall performance of the board to ensure that the board of directors fulfill their duties in terms of corporate governance and all aspects of company operations. In 2022, performance evaluation of the board of directors averaged scored 94.4 points in “self-management” and 93.4 points in “peer evaluation”. In addition, for directors concurrently holding other positions in the Company or in invested companies, their performance in such position(s) is also evaluated as an important reference to decide whether the director should continue holding the positions concurrently, reduce the concurrent positions, or continue serving as the director. The evaluation results are all reported to the board of directors.

In view of the increasing risks and responsibilities of business operators and to enable directors and managers to perform their business with peace of mind and provide operation protection guarantee, the directors and managers have been insured Directors and Officers Liability Insurance covering directors and officers for claims made against them in accordance with law for performing duties during their term of office.

Functional Committees

Risk Management Committee

- In charge of the setting of risk management policies and structure to establish management standards and report to the board of directors as well as propose suggestions for improvement on a regular basis.
- Implement the risk management decisions of the board of directors and regularly review the company's risk management mechanism and the effectiveness of implementation.
- Assist and supervise various risk management activities in each department.
- Adjust risk categories, risk limit allocation and bearing methods in accordance with the changes in the environment.
- Cross-departmental coordination of the interaction and communication of risk management functions.

Audit Committee

- The operation of the Audit Committee is mainly for the supervision of the following items of the company.
 1. Proper presentation of financial statements.
 2. Selection (dismissal) of CPAs and their independence and performance.
 3. Effective implementation of the internal control system.
 4. Compliance with relevant laws and regulations.
 5. Management and control of the existing or potential risks.

Remuneration Committee

- Regularly review the performance appraisal standards for directors and managers, the annual and long-term performance goals, and the remuneration policies, systems, standards and structures.
- Regularly evaluation of the goal achievement status of the directors' and managers' performance and make recommendations for salaries and remunerations based on the evaluation results obtained from the performance evaluation standards.

Note 1: The Convener of the 2nd session of Audit Committee, Independent Director Chi-Si Hwu and the Convener of the 1st session of Remuneration Committee, Independent Director Wei-Yung Tsung stepped down from their posts on April 11, 2023.

Note 2: The Convener of the 3rd session of Audit Committee is Independent Director Liang-Chuan Chen; the Convener of the 2nd session of Remuneration Committee is Independent Director Yong-Fu Liu.

Remuneration Policy for Directors and Appointed Managers

It is approved by the board of directors of the Company to establish the Remuneration System for Directors and Performance Evaluation Standards and Emolument Standards for Appointed Managers as the basis for the distribution of remuneration to directors and managers. In addition, the Company also established the Remuneration Committee whose members are all professionally qualified and independent, with the independent director serving as the convener and being in charge of reviewing and evaluating the performance and remuneration of directors and managers. There is also a mechanism for avoidance of conflict of interest to ensure the independence and impartiality of the Committee. The remuneration of directors and managers are reviewed by the Remuneration Committee by referring to individual performance and the business performance of the Company and will be submitted to the board of directors.

Remuneration Policy for Directors

- Directors' remuneration includes remuneration, dividends and operational expenses.
- The board of directors is authorized by the shareholders to decide the remuneration paid to directors based on individual directors' level of participation in the company's operation and the value of their contribution while taking into account the general standards and suggestions of the Remuneration Committee. The rationality of it shall be reviewed by the shareholders at any time.

Performance Evaluation Standards and Emolument Standards for Appointed Managers

- The managers' remuneration policy: (1) Includes fixed salary and variable remuneration; (2) Set the target values and weights of indicators for the year as the standards for the performance appraisal in accordance with the annual business plan; (3) When managers retire in accordance with the retirement regulations, they may receive pensions.
- To effectively evaluate the managers' contribution and to work with the long-term profits and shareholders' interest, the performance evaluation of the president is based on the achievement status of the annual operating objectives of the Company while that of other managers is based on the personal yearly goals within the scope of responsibilities as the standard for the performance evaluation.
- The methods applied for the evaluation and remuneration measures related to managers should be reasonably connected with the achievement status of work performance goals of managers, yet unexpected risks and other items should be included when considering risks to avoid the Company from suffering from inappropriate situations after paying remuneration. The remuneration incentive program should not lead the managers to engage in behavior that exceed the Company's risk appetite for pursuing remuneration. Regular review is conducted for the remuneration incentive system and performance depending on the situation to ensure that it meets the Company's risk appetite.

Decision Process of the Remuneration of Appointed Managers

• The remuneration of managers is based on the rationality of the financial status of the Company, personal performance, the Company’s business performance, and the future risks. The general remuneration provided in insurance industry is referred to. As well as the results of personal performance evaluation, the time invested, the responsibilities undertaken, the achievement status of personal goals, the performance of other positions and the remuneration given to the same position holders in recent years are also taken into consideration. In addition, the achievement status of the Company’s short-term and long-term business objectives, and the Company’s financial status are also considered when it comes to the remuneration of managers.

Review Process

1. The meeting agenda shall be provided in advance to the Remuneration Committee members.
2. Remuneration Committee members shall attend committee meetings in person. A member who cannot attend in person may appoint another committee member to attend as his/her proxy. Attendance via tele- or video-conference is deemed attendance in person.
3. Resolutions at meetings of the Remuneration Committee shall be adopted with the consent of one-half or more of the entire membership. If the chair puts the matter before all committee members present at the meeting and none voices an objection, the matter is deemed approved. The result of a vote shall be made known immediately and recorded in writing.
4. The proceedings of meeting resolution shall be prepared as meeting minutes and sent to all committee members.

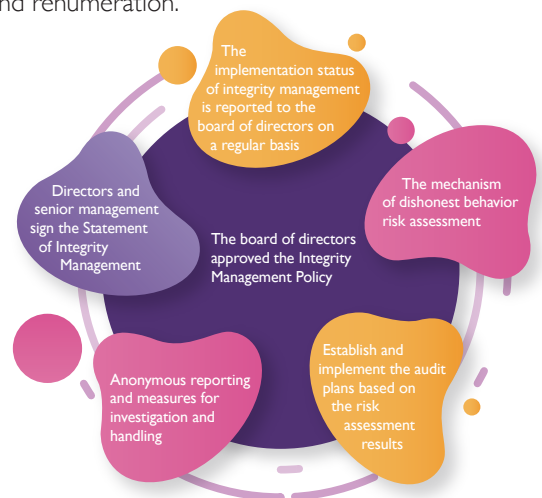
Note: Currently, the internal performance appraisal, remuneration structure, promotion management have not been linked to the performance of improving climate change resilience, promoting sustainable development and development of related products and services.

Corporate Governance Best Practice Principles

The operation of the board of directors complies with the regulations of the Corporate Governance Best Practice Principles. In the future, we will refer to material sustainability topics identified every year to gradually strengthen the connection with director election, collective knowledge of directors, performance appraisal and remuneration.

2.2 Integrity Management and Anti-Corruption

The Company has established an independent Audit Department^{Note} under the board of directors to be in charge of general audit operations for financial, business, information and other management units at least once a year. Follow-up inspections of the deficiencies of the internal control and tracking of the improvement status are conducted and



reported to the Audit Committee and board of directors every year, which will also be included in the reward and punishment as well as the performance appraisal system.

Note : One employee of the Company has obtained the international internal auditor certificate and one has obtained the CPA certification.

To maintain effective operation of the internal control system, the Company has established three defense lines for internal control, namely the self-inspection system, compliance system, and risk management mechanism and internal audit system for their perspective functions. The roles and functions of each line of defense in the risk management and the control framework are coordinated to help all functions to fulfill their responsibilities in a more effective way.

The Company has incorporated integrity management and moral value into business strategies of the Company, and the Integrity Management Policy serves as the highest guiding principle of integrity management, and the Planning Department serves as the responsible unit for integrity management. All the directors and senior executives holding the position of senior vice president or higher have signed the Compliance Statement of Integrity Management Policy. In addition, the Company has also set up the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct (whistleblower protection policy), and has conducted publicity and training on integrity policy on a regular basis to prohibit the personnel of the Company from requesting or accepting any improper gain or engaging in other acts violating integrity or wrongful behavior or a breach of fiduciary duty to establish a corporate culture of integrity management.

To strengthen the management of the whistleblowing system, the grievance case is accepted by personnel or unit empowered to exercise independence, and anonymous reporting is allowed. Relevant personnel handling the grievance case shall sign a confidentiality statement to protect the identity of the whistleblower and the content reported from being leaked. If the report involves the directors or senior executive holding the position of SVP or above, the investigation report shall be submitted to the independent directors. Currently the unit in charge of acceptance and investigation is the Compliance Department, and the supervisor of the Compliance Department serves as the manager of the whistleblowing mailbox and hotline. There were no cases of dishonest behavior accepted in 2022 (Whistleblowing mailbox: whistleblower@tmnec.com.tw; the hotline for dishonest behavior: 070-1010-7701).

In terms of the supplier management, suppliers with a certain amount of procurement should sign the Letter of Commitment for Supplier ESG and Integrity management in accordance with the Regulations Governing Supplier Corporate Social Responsibility and promise to comply with the Integrity Management Policy and related regulations of the Company. The suppliers should also expressly refuse to offer, promise, request or accept any improper benefits in any form or name.

2022 Education and Training- Integrity Management Course- the Reporting System

Item	Male	Female	Subtotal	Total Training Ratio
Managerial position	180	69	249	98.81%
Non-managerial position	530	570	1,000	91.06%
Managerial position	710	639	1,349	92.40%

Note 1: Managerial positions: Section supervisor (inclusive) and above; non-managerial positions: general employees.

Note 2: The training ratio did not reach 100% because (1) the training was carried out in accordance with the training cycle of the property insurance representatives; (2) some employees reported for duty after the training period ends.

Anti-Corruption and Dishonest Risk Assessment

The Company established a dishonest behavior risk assessment mechanism in accordance with the Procedures for Ethical Management and Guidelines for Conduct (whistleblower protection policy) to regularly analyze and evaluate business activities with higher risk of dishonest behavior within the business scope to strengthen corporate governance. Different evaluation frameworks have been set up and evaluations of different dishonest risks have been made in accordance with the work items in different departments. In addition, the mitigating measures and quantitative indicators of residual risks have been taken in the discussion of the assessed inherent risks. In 2022, the assessment results of the residual risk after the mitigating measures all showed low risks, and the risk response strategy was to accept the risk.

At the beginning of every year, the risk assessment of the frequency of the occurrence of each risk factor (5-point scale for frequency level) and the level of impact (5-point scale for severity) was performed. The fraud risks under the operational risk include "the Intermediaries deceive customers for improper benefits, causing unanticipated mistakes and expenses", "fraud and misconduct from the employees", "third-party fraud", and "embezzlement from directors or the employees" and the login operation of risk evaluation was conducted. In 2022, there was no incident of receiving kickbacks or bribes among employees.

Anti-Money Laundering and Countering the Financing of Terrorism

To implement the Anti-Money Laundering and Countering the Financing of Terrorism, the Company has established the Risk-based Approach (RBA) and screens the sanction list through names or the nationality, insurance coverage and so on when doing transaction. Transaction is prohibited, and relevant notification measures will be taken when the system assesses an object that belongs to high risk. In addition, in the preliminary name check of those who do not belong to the above-mentioned list or nationality, 4 risk items are further used for comprehensive evaluation, including policyholder, product, region, and channel, to effectively grasp the potential money laundering and financing terrorism concerns of every transaction. Considering

the overall operation and business involved, an overall risk assessment and control measures are taken, and the Guidelines on Prevention of and Combating Money Laundering and Financing of Terrorism are established to serve as the basis to abide by for the prevention of money laundering and combating the financing of terrorism. Every employee has to receive at least 2 hours of money laundering prevention and anti-terrorism education and training on a yearly basis.

2022 Education and Training- Anti-Money Laundering and Countering the Financing of Terrorism

Item	Male	Female	Subtotal	Total Training Ratio
Managerial position	181	69	250	99.21%
Non-managerial position	530	568	1,098	90.89%
Managerial position	711	637	1,348	92.33%

Note 1: Managerial positions: Section supervisor (inclusive) and above; non-managerial positions: general employees.

Note 2: The training ratio did not reach 100% because (1) the training was carried out in accordance with the training cycle of the property insurance representatives; (2) some employees reported for duty after the training period.

2.3 Tax Management

TMNEWA Insurance adopts the following principles of taxation and risk management to comply with the spirit of robust management, enhance shareholder value, strengthen compliance with tax laws, and commitments to implement corporate sustainable development.

Principle of Taxation

1. Fully understand and comply with local tax regulations, legislative intentions and disclosure requirement, declare and pay taxes within the time limit as prescribed, and fulfill the social responsibility as a taxpayer.
2. Disclose tax information to stakeholders via public channels as required and ensure the transparency of information.
3. Communicate with the local tax authorities in an honest and professional manner and maintain good relationship with them.
4. The tax planning should be legal, and the transactions should be conducted not merely for the purpose of tax avoidance, and profits are not transferred to the non-cooperative blacklist and tax heaven countries (low tax countries) defined by the Organization for Economic Cooperation and Development (OECD) or European Union Commission, and in the meantime, the business operation, the social responsibility and reputation, risk control as well as sustainable value of the Group in various countries should also be put into consideration.
5. The influence of taxation should be put into consideration for all important decisions.
6. Improve the quality of tax professionalism and continue the training of talents.
7. Related party transactions are fully compliant with the Transfer Pricing norms and the Arm's Length Principle of the relevant national tax laws and regulations.

Tax Governance and Risk Management

The Finance and Accounting Department of the Company is the responsible unit for taxation, and the vice president of the Administrative Support System is in charge of supervising the tax operation and tax risk management and reporting the tax implementation status to the president to ensure the effective operation of the tax management mechanism. The subsidiaries should notify the Finance and Accounting Department of the Company of items with major tax risks. When facing tax risks, the Company will properly handle the risks to lower the impact and conduct proper and necessary communication and explanation with the competent taxation authority depending on the situation to lower the uncertainty of tax risks.

Tax Planning and Risk Acceptance

The Company is gradually improving the quality of tax professionalism and continue the training of talents to ensure that relevant employees are capable of handling tax operations to reduce operational risks concerning tax. When facing unfamiliar tax affairs, the Company will entrust external professional consultants to handle relevant tax affairs as appropriate to ensure proper compliance with tax regulations and reporting obligations. We handle tax risks in a positive manner, and tax information is also properly disclosed in the financial statements.

The scale of operation and the complexity of tax regulations and compliance obligations bring the uncertainty of tax risks, and the level of tax risk acceptable for the Company and its subsidiaries is low. When facing significant and uncertain tax risks with high complexity, we will consult external professional consultants and obtain advice about tax in a timely manner while avoiding unnecessary tax disputes at the same time.

Attitude toward Tax Collection Authorities

The Company communicates tax risk matters and interprets tax laws and regulations with the local taxation authorities in an honest and professional manner and maintain good relationship with them. The Company and its subsidiaries declare and pay taxes within the time limit, and answer questions from tax collection authorities as well as provide required tax information in accordance with the local tax regulations and requirements for disclosure.

2.4 Risk Management

Principles for Sustainable Insurance (PSI)- Risk Management and Underwriting

The Report incorporates the concept of Principles for Sustainable Insurance (PSI), showing that TMNEWA is not only an insurance company, but also a core role of Risk Management and Asset Management. The Company combines the ESG (Environment, Social and Governance) issues with the risk management and evaluation, demonstrating the value of sustainable development TMNEWA has created.

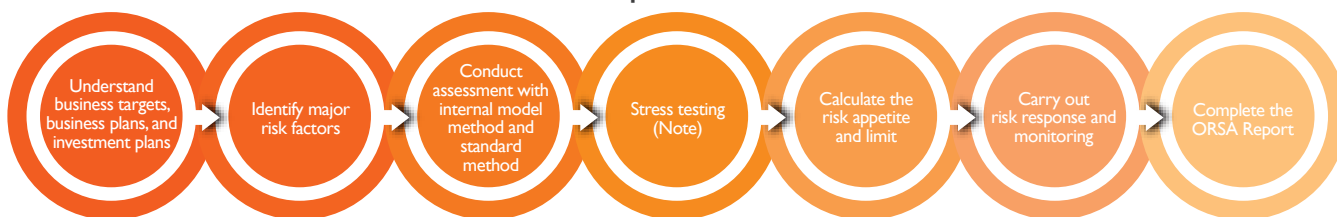
Purpose of Risk Management

The Risk Management Policy approved by the board of directors is to ensure the effectiveness of risk management and to assume the ultimate responsibility for the overall risk management. The purpose of the Risk Management Policy is “to ensure the Company’s capital adequacy and solvency, implement the balance of risk reward to stably achieve business goals”. In 2022, the risk management system has been implemented and relevant procedures have also been completed. Each business unit passes risk information to the Risk Management Department on a regular basis in accordance with the regulations, and when risk limits are violated, report of the over-limit handling and response measures should be presented. The Risk Management Department reports the risk management status to the Risk Management Committee. When important events or special situations happen, Risk Management Department reports the risk management items to the Risk Management Committee immediately for resolution. The Risk Management Committee makes quarterly report of the general status of risk management to the board of directors, and the committee made 6 reports to the board in 2022.

Own Risk and Solvency Assessment (ORSA)

To implement the capital adequacy assessment in the practice of risk management and strengthen capital management, the Company carries out the Own Risk and Solvency Assessment (ORSA), and the assessment results will be provided to the board of directors and the management level to serve as a reference for the decision-making and management concerning own risk and solvency. In addition, risk measurement and estimation are also implemented via stress testing, internal model method, and standard method while the setting of the risk appetite and risk limit are also assessed to evaluate the appropriateness and stability of the Company’s capital adequacy.

Process of the implementation of ORSA



Operational object comprehension: business and investment plans>> Major risk factor identification>>Evaluation by SCM & RBC>>Stress test>>Risk appetite/limit calculation>> Risk response & monitoring>>ORSA report
 Note : Stress testing uses historical scenarios and relevant scenarios (such as scenarios where the market experienced drastic changes) provided by the competent authorities to evaluate the impact on potential profits and loss of current asset portfolio.

Enterprise Risk Management

Enterprise Risk Management (ERM) is a risk-based strategy management model that has been increasingly attached importance to internationally. TMNEWA uses three major frameworks, namely the “Individual Risk Management”, “Emergency Response System” and “Integrated Risk Management” for the identification, measurement and control of risks. In response to the frequent occurrence of various major disasters in recent years, we have established a real-time relevant notification mechanism to strengthen the horizontal communication among various departments that can rapidly integrate information and reduce errors in decision making, enabling policyholders to obtain more complete and faster services.

Risk Management Procedures

The risk management procedures of TMNEWA include risk identification, measurement, response, monitoring and information, communication, and documentation. The scope of risk includes but is not limited to underwriting risk, asset utilization risk (including market risk, investment-related credit risk), credit risk, liquidity risk, operational risk, and other risks. Considerations of other risks include climate change risk, reputation risk, strategic risk, policyholder behavior risk, and political and economic risk.

Liquidity Risk Management

The funding liquidity risk management is based on the risk management processes of identification, measurement, response and monitoring of the company’s Risk Management Policy to control the potential funding liquidity risk within an acceptable range. The management mechanism of the funding liquidity risk is based on the following principles.

Risk Management Unit

Fund positions should be monitored on a regular and occasional basis to determine whether it is the normal, prudent or critical period. If an unusual situation happens, warnings and explanation shall be presented to the Risk Management Committee, and when necessary, a contingency plan shall be established with relevant units to cope with the funding needs caused by abnormality or emergency situations.

Business Unit

At the end of every year, the status of the capital flow of the current year is reviewed, and the cash flow model is used for the evaluation of the future funding liquidity needs for the capital allocation plan of the following year and the reference for the first and second warning lines, which will be proposed by the Risk Management Unit to the Risk Management Committee for review and will be implemented upon the approval of the Committee. After that, when there is a need to adjust the warning line, a new proposal shall be made and submitted to the Risk Management Committee for review and will be implemented once approval is obtained.

Fund Dispatching Unit

Daily cash management and continuous cash flow management shall be conducted, and the net cash flow of each business unit shall be monitored. If the business is found to have significant and abnormal use of funds that may cause conditions beyond the normal period referred to in Article 3, the Risk Management Unit and other relevant units shall be notified, and a crisis management team shall be established when necessary to deal with major liquidity risks. Funding liquidity management during catastrophic period shall be based on the scenario assessment and asset realization planning for emergency fund dispatch simulation so as to properly dispatch cash flow during catastrophic period and to monitor the assets, liability and risks."

Identification and Assessment of Emerging Risks

The description and definition of risk incidents of TMNEWA is based on the Global Risks Report and Tokio Marine Group's description of emerging risks for further evaluation of the amount of loss and the probability of occurrence. The emergency risks identified this time include risk of improper compliance, risk of outbreak of infectious diseases, conflicts between countries, tensions or breakdowns in relations, geo-economic confrontation or competition for political resources and risk of hacking and cyberattacks. The methodologies for assessment and the assessment results are discussed item by item in the risk login operation meeting.

Crisis Handling Mechanism- Effective Response

To prevent the occurrence of major incident that would affect the Company's reputation and endanger the normal operation and financial order, the Company has established the "Response Measures for Operational Crisis". If signs for an incident involving operational crisis are found, relevant units will be immediately notified for rapid handling to avoid the incident from deteriorating, and emergency remedial measures are taken. After the incident, the president will set up a task force handling operational risks and monitoring the development of the incident so as to take faster and more effective response actions.

Business Continuity Management

Business Continuity Management (BCM) makes use of the combination of preventive and recovery control measures to minimize the organizational impact and reduce the impact of risks to an acceptable level. In the planning process, it is necessary to understand the possibility and impact of risks faced by the organization, to identify the important businesses that will have crucial influence on the success or failure of the organization, and to maintain as well as to operate the assets required for these important businesses. The identified results serve as the basis for the evaluation of development of business continuity strategy to determine the overall approach for business continuity. The Company has established a response and notification plan in response to various emergencies and carries out various response drills every year to strengthen the awareness of risks in the face of emergencies and to ensure the maintenance of good operating conditions. In 2022, the ISO 22301 Business Continuity Management System was introduced and was verified in mid-November. A total of two business continuity drills were carried out in 2022, including the off-site backup drill to restore the basic operation of important businesses and the emergency response drill for earthquake during the COVID-19 epidemic and so on.

2022 Emergency Response Drills

Drill	Drill Scenarios	Description of the Drill	Date of Drill
Offsite Backup Drill	The simulated scenario of the joint drill was a large-scale fire incident in the head office requiring the activation of offsite backup mechanism of DRP. Each operating unit had to resume the most basic operations of the key operations of the head office in accordance with the disaster recovery plan of each backup mechanism.	<p>(1) Initial scenario: The fire alarm in the head office went off during non-working hours. The security on duty immediately notified the fire brigade and informed the relevant supervisors of each company in the building.</p> <p>(2) Incident confirmation: The relevant supervisors of the company confirmed the status of the incident right away upon receiving the notification. It was learned that the 8F to 13F of the headquarters were in flames before the fire brigade arrived and that would seriously affect the operation of the company. Therefore, after notifying the "Emergency Response Command Headquarters", the authorized response chief announced the activation of the backup headquarters mechanism in the disaster recovery plan at 6:00 am.</p> <p>(3) Follow-up development: The "Emergency Response Command Headquarters" immediately contacted all key personnel of the head office to go directly to the backup points and requested that they stand by before 7:15 am to resume the basic operation of the head office. (The scenario continued with the drill of reporting, standing by, and restarting the key operation.)</p>	December 11, 2022
Earthquake	In this drill, the newly added scenario was the outbreak of COVID-19 pandemic in 2022 when the employees of the departments and in the jurisdiction of the head office were diagnosed with COVID-19 or quarantined, causing some of them to work from home, and when a strong earthquake occurred early in the morning during the pandemic period.	The scenario of the drill was that the COVID-19 pandemic broke out and some employees were diagnosed with COVID-19 and some needed to be quarantined, causing some employees to work from home, and that during this period, a strong earthquake with the magnitude of 6.8 at the epicenter in Taitung County happened. The magnitude was expected to be 6, causing different degree of damage in the buildings, power outages, and network disconnections around Taiwan. The Risk Management Department made assessment and confirmed that a major incident happened, and the president authorized the head of the Risk Management Department to announce the notification operations in the group. Each unit of the company was asked to simulate the response measures for the losses suffered by customers or the (branch) companies in the event of the earthquake and reported the status of the losses.	December 19~20, 2022

Response Measures for Deficiencies of the Risk Control of the Pandemic Insurance

Response Measures for Deficiencies of the Risk Control of the Pandemic Insurance

"Response measures for the risk management after the outbreak of the pandemic:

- (1) Add disclosure of the cumulative exposure to the emerging risks on a regularly basis: In August, 2022, the cumulative exposures to emerging risks (including notifiable infectious diseases) will be disclosed every quarter and reported to the Risk Management Committee and the Board of Directors.
- (2) Include the infectious diseases into other catastrophic risks for RBC capital adequacy ratio calculation: The competent authority has announced that other catastrophic risks (terrorist attacks, trade credit, guarantee insurance, and infectious diseases) will be included in the calculation of RBC's capital adequacy ratio in 2024. Trial calculations of the catastrophic risks have been carried out and reported to the Risk Management Committee and the Board of Directors.

- (3) Add new management and control measures for the development and the sales of emerging risk insurance products: In August, 2022, control measures for the development and sales of emerging risk products were developed and submitted to the Risk Management Committee and the Board of Directors. The underwriting risk management measures will be implemented in the future. The key points for the revision, which was completed at the end of October, are detailed as follows.
- A. Product development and pre-sales preparation: The key points for revision included the identification of the emerging risks, holding retained risk assessment meeting (including sales limits, reinsurance information, assessment of the maximum retained loss, etc.), and reporting the excess retained risk to the Risk Management Committee and the Board of Directors.
- B. After the sales of products: The key points for the revision include reporting the quarterly emerging risk identification results as well as the disclosure of the cumulative exposure of emerging risks to the Risk Management Committee and the Board of Directors.
- (4) The Chief Risk Officer was assigned from TMHD to the Company from October 9, 2022, to strengthen the company's risk management functions (exposure management and emerging risk management), including strengthening the efficiency of the Risk Management Committee, adding the risk management and control of the development of new products and improving the management and control of emerging risks.

2.5 Compliance

2022 Compliance Overview

Environmental laws and regulations	Labor Standards Act and human rights related regulations	Social law	Product and service regulations
<ul style="list-style-type: none"> No violation of environmental laws and regulations 	<ul style="list-style-type: none"> No use of child labor Note No discrimination and sexual harassment No violation of freedom of association and collective bargaining No forced or compulsory labor No infringement of indigenous rights 	<ul style="list-style-type: none"> No anti-competitive behavior No antitrust violations No violation of Anti-Monopoly Law 	<ul style="list-style-type: none"> No prohibited products No violations of health and safety regulations No violations of product and service information and labeling No violations of marketing related laws and regulations

Note : Child labor refers to employed workers aged over 15 years but under the age of 16.

Description of the Management System in the Face of Strict Financial Scrutiny

The board of directors of TMNEWA has approved the Compliance System and the annual compliance plans, and the chief compliance officer for the headquarters regularly summarizes the compliance status and reports to the board of directors. In addition, an annual company-wide compliance meeting is held, and the following measures are implemented to enhance the employees' awareness of compliance.

Item	Control Measures
Publicity of penalty cases of peer companies and the inspection and control measures	<ul style="list-style-type: none"> When a penalty incident happens to our peer companies, the Compliance Department will ask relevant departments to review the actual operation of the control measures or implementation methods of the Company to avoid similar situations from happening. When the Auditing Department conducts general audits, the operational review of deficiencies in peer companies is conducted and included in the annual audit plan.

Description of the Management System in the Face of Strict Financial Scrutiny

Item	Control Measures
Management of legal changes	<ul style="list-style-type: none"> When there are legal changes, the business management unit will review and adjust the internal control regulations to ensure that the internal operations are compliant with the latest legal regulations.
Compliance training	<ul style="list-style-type: none"> All employees are required to receive compliance education and training online every year, and the content of the courses include the required publicity of laws and regulations by the competent authority, self-discipline norms formulated by the Non-life Insurance Association of the ROC, and important laws and regulations related to insurance business.
Self-assessment of compliance	<ul style="list-style-type: none"> Each department makes self-assessment to review the compliance status every 6 months.
Review procedures for insurance commodities	<ul style="list-style-type: none"> The personnel submitting the products for review shall confirm information needed in accordance with the Operating Standards for Pre-sales Procedures for Insurance Products and the internal measures. Another person will review the information one more time when the product is submitted for review, for information disclosure and before filing to ensure the correctness of the information. The product terms and rates are drawn up by the responsible personnel of the product in each insurance department and the actuarial personnel for the setting of the terms and rates in accordance with the relevant regulations. The signatories of each product review the part they are responsible for to ensure the correctness, reasonability, and legality of the terms and rates.

No major incident occurred in 2022, but there were 3 penalties imposed by the competent authority. The description of the cases is as follows.

2022 Cases with Penalties and Improvement Measures

Description	Preventative and Improvement Measures
<p>Date of Sanction: January 18, 2022 Penalty Result: Written Correction. Violation of regulations and content: Article 6 of the Insurance Industry Self-regulatory Regulations for Information Security Protection. The system classification was inappropriate. After reexamining the computer system classification, it was adjusted and included into the 2021 computer system information security assessment operation. Although it was compliant with the self-regulatory regulations, there were some flaws in the classification of categories in the computer and concerns for violations of some standards. However, it did not affect the rights and interests of consumers and improvement has been made. So, a Written Correction was imposed.</p>	<ul style="list-style-type: none"> Re-examination and adjustment of the computer system classification: The computer system of each system host was reclassified in accordance with the Operating Principles for Information Security Assessment of Computer Systems in the Insurance Industry, and the implementation of computer system security assessment operations started from 2021. The business websites open to the public, regardless of whether they contain personal information, will be included in the annual penetration testing operations. For the subsequent improvement of the deficiencies and recommended items in the assessment report, relevant documents in relation to improvement will be kept. Requirements for the qualification of outsourced vendors: In the form of the information security assessment for vendor selection, items of "experience of assessment in the banking industry" and "no major information security incidents occurred over the past two years" were added, and such selection form is used as the attachment for the activation of the annual evaluation process. Establishment of the internal review procedures: When the computer system information security operation is conducted, the assessment vendor and business-related units shall attend the assessment conclusion meeting to explain the scope of assessment and findings and also review the accuracy and completeness of the reports issued by the vendors, and the meeting minutes are also kept as supporting documents for the report of the review.

2022 Cases with Penalties and Improvement Measures

Description	Preventative and Improvement Measures
<p>Sanction Date: June 9, 2022 Penalty Result: Fine of NT\$ 750 Violation of regulations and content: Article 111 of the Income Tax Act. Failure to file the non-withholding tax statement before the expiration of the reporting period for the following year in accordance with Subparagraph 3 of Article 89 of the Income Tax Act.</p>	<ul style="list-style-type: none"> • The Finance Department shall attach the PDF file of the receipts as an attachment to the Smartflow daily settlement report for all handling expenses arising from the compensation case, including the notarization fees, lawyer fees, expert fees, etc., and shall notify in writing via email and conduct publicity operations. • It is planned to make use of the system operations to create data from the claims end of each insurance, collect data from the accounting department, and make annual reports from the financial analysis section to avoid being punished again for failing to declare the non-withholding tax statement as required within the deadline.
<p>Sanction Date: September 30, 2022 Penalty Result: Fine of NT\$ 40,266 Violation of regulations and content: Article 6 of the Regulation on Registration Administration of Resident Representative Offices of Foreign Enterprises. The annual reports for 2018-2020 were not submitted before the deadlines for submission as required.</p>	<ul style="list-style-type: none"> • The Shanghai Representative Office has submitted the annual report and also completed the payment of the administrative fines on September 30, 2022. • Due to the adjustment of the overseas business of the company, it is planned to abolish the Shanghai Representative Office. The proposal was approved by the board of directors on August 19, 2022, and approved by the Financial Supervisory Committee.
<p>Note : The definition of major violations referred to the provision of Article 2 of the "Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation" that major fines are imposed for a single illegal act and meet one of the following situations: (1) A fine of more than NT\$ 3 million. (2) A fine less than NT\$ 3 million but exceeds 1/2 of the maximum legal fine. This does not apply if the maximum statutory fine does not exceed NT\$ 1 million.</p>	

3 Efficiency: Sustainable Products and Services

2022 Performance of Sustainable Service Delivery

No occurrence of major information security incidents.



Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
Development of Sustainable Insurance Products and Services	By using the professionalism of insurance to develop sustainable insurance products and services that are beneficial to society to achieve the goal of co-prosperity of the society.	<ol style="list-style-type: none"> 1. Establish the Underwriting Criteria, Design Procedures for Insurance Products, Preparation and Sales Procedures for Insurance Products, and Review Procedures for Insurance Products. 2. Establish the Customer Service Center Case Dispatching and Handling Measures, Customer Service Outsourcing Operation Measures, Complaint Handling Procedures for Customer Service Center, and the Handling System of Consumer Disputes (including the SOP of handling process). 	<ul style="list-style-type: none"> • Offshore wind power related insurance premium income was about NTD 89.38 million, with the goal achievement rate of 92.5%. • Undertook the new offshore wind power construction all risk insurance of Formosa I operation phase policy. The company undertook 7.5% of the policy, and the premium income was about NT\$ 11.22 million. • The premium income of solar energy and electronic equipment was about NT\$ 3.49 million, with the growth rate of 47.9%. • The premium income of information security insurance was about NT\$ 7.57 million, with the growth rate of 35.6%. • The premium income of car sharing insurance was about NT\$ 26.65 million. • Mini electric two-wheel vehicles are a part of the development of green energy. The company cooperated with the government's amendments and officially started to sell the compulsory insurance products for mini electric two-wheel vehicles from November 30, 2022. • Promoted information security insurance products at the Chamber of Commerce in March. • Participated in the CIP Insurers Day 2.0 Offshore Wind Power Lecture jointly held by Marsh and Copenhagen Infrastructure Partners P/S (CIP). 	<ul style="list-style-type: none"> • Research and discuss green products and promote the benefits of carbon reduction, including the products of "Household comprehensive insurance additional insurance endorsement of green energy upgrading", "Additional insurance endorsement of the injury of mini electric two-wheel vehicle drivers", and "Comprehensive insurance clauses for electric vehicles" to cope with the international trends of energy conservation and carbon reduction. • Continue to participate in the development of green energy insurance products, including insurance for offshore wind power, information security, solar energy equipment and shared car insurance. • Promote insurance education and training and related lectures. • Promote electronic operation and promote energy conservation and carbon reduction: <ol style="list-style-type: none"> 1. Electronic automatic renewal notification: For customers who pay by valid credit cards, the notification will be changed from regular mail notification to SMS notification. 2. Revitalization and use of scrapped vehicle parts: For scrapped parts that 	<ul style="list-style-type: none"> • To respond to changes in the social environment, appropriately adjust underwriting policies, and continue to provide emerging risk products to stay in line with the international development trends. • To respond to the sustainable development of environmental protection and continue to develop and promote green products and services.

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
			<ul style="list-style-type: none"> • Held a video conference with Tokio Marine Group process improvement team, and the Tokio Marine Group shared the measures for paperless business process for our company's reference. • A business exchange was conducted in October with personnel from Tokio Marine Group on the current development status of offshore wind power in Taiwan. • Participated in a lecture presented by ERGO Insurance Group and co-organized by the Non-Life Underwriters Society of the Republic of China, Taiwan Insurance Institute, Jiyun Insurance Culture and Education Foundation, and the Non-Life Insurance Association of the Republic of China in November. • Participated in a lecture on the current status of offshore wind power held by the Risk Management Society of Taiwan. • The board of directors approved the formulation of responsible investment policies. • The ESG review of investment targets has been included in the investment evaluation process. In 2025, the domestic stock investment assets will account for more than 65% of the company's ESG asset pool, of which the ESG ratings are set to FTSE Russell ESG (FTSE Russell Indexes) 2.5~3.0, accounting for 43%; 3.1~3.5, accounting for 15%; 3.6~4.0, accounting for 5%; and 4.1, accounting for 2%. • In 2022, the 73.67% (cost) of domestic stock investment assets were composed of targets in the company's ESG asset pool. • Participated in shareholder meetings of 46 domestic listed and OTC companies through electronic voting, with the attendance rate of 100% in 2022. Except for the items that cannot 	<p>are replaced due to car damage, a renewable resource recycling mechanism is introduced to handle the recovery, repair, and sales of parts so as to achieve the benefit of environmental protection.</p>	

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
Treating Customer Fairly	<p>Through the collection of customer grievance, complaints, suggestions and opinions via various channels, the service we provide can be improved, providing the service quality of treating customers as families. Pay attention to the needs of the disadvantaged group such as the elderly and the physically and mentally disabled, provide diverse and proper communication channels and services methods to safeguard the</p>	<p>Establish terms and underwriting standards for the insurance products and comply with the Complaint Handling Procedures for Customer Service Center, the Handling System of Consumer Disputes (including the SOP of handling process), Policy of Treating Customer Fairly Principle and the Strategy for Treating Customer Fairly Principle to implement the Treating Customer Fairly (TCF) Principle.</p>	<p>be voted as prescribed by law, all the items were voted by the principle of participatory voting in a total of 257 resolutions (118 amendments to the Articles of Association or operating procedures; 47 proposals for profit distribution or loss appropriation; 43 cases of business reports and financial reports; 37 proposals of lifting director's non-competition; 7 proposals of capital increase; 3 proposals of issuance of new shares with restrictions on employee rights; 1 case of private placement of securities and others). After evaluation, these proposals did not violate the environmental protection, social care, or corporate governance issues. Therefore, we fully supported these proposals to implement shareholder activism.</p>	<ul style="list-style-type: none"> • Strengthen insurance renewal notification services to improve customer satisfaction: Encourage customers to use the function and set the calendar for renewal reminder notifications to avoid missed renewals and increase customer satisfaction. • Optimize the motor insurance claim acceptance notification operation: When a claim is accepted, the driver's ID is used to link to the "Customer View" web page constructed by the Digital Development Center to view the integrated information of the customer through the system mechanism, allowing claims adjusters to grasp customer information earlier at the beginning of the claim processing period to 	<ul style="list-style-type: none"> • Create a friendly financial service environment and build a barrier-free environment. • To ensure that a fair, mutually beneficial and equal interaction with our customers can be maintained during the claim settlement and customer complaint handling process. Maintain long-term partnership with our customers. • Understand customers' needs and provide customers with friendly and innovative services.

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
	<p>rights and interest of the financial customers. Plan an exclusive and integrated information platform for the elderly to reduce barriers to information acquisition and search, and care for the elderly through three major aspects of Increased risk awareness, Friendly services, and Security guarantee. Pay attention to the issue of financial exploitation of the elderly and actively provide interactive publicity through diverse channels to prevent the elderly from financial exploitation and fraud so that the elderly will not suffer from the losses.</p>		<p>the salesperson should fill in the underwriting evaluation form of persons with disabilities and keep the evaluation records.</p> <p>(2) After accepting the insurance needs of customers with disabilities, if there are situations that are not underwritten, the applicants will be informed in registered mails, and the specific reasons for refusing to underwrite shall be specified.</p> <p>(3) After accepting the insurance needs of customers with disabilities, the underwriting note information will be provided to not only the salesperson, but also the applicants through text messages simultaneously to avoid missing the notification.</p> <ul style="list-style-type: none"> • Promote the optimization of the e-insurance network and mobile insurance platform, improve the convenience of quotations and increase efficiency. <ol style="list-style-type: none"> (1) The optimization of the interface of group personal accident insurance on EBP intranet has been completed and launched in November, 2022. In 2023, improvement suggestions for the next phase will continue to be collected. Furthermore, the testing of the three-in-one business interface optimization project has started. (2) The optimization of the interface of travel insurance EBP interface is under planning, and a mobile insurance platform will be added upon completion. • Insurance passbook inquiry platform: <ul style="list-style-type: none"> - Life insurance: The insurance passbook of the Life Insurance Association started testing in January, 2022, and 	<p>provide appropriate customer service and reduce the occurrence of customer complaints or moral hazard.</p> <ul style="list-style-type: none"> • Friendly Financial Services: <ol style="list-style-type: none"> 1. Improve the readability of the policy and provide an enlarged version of the policy to help customers quickly understand the insured items and contents. 2. For customers over 65 years old, when they download the electronic policy from the official website, in addition to the electronic policy, a caring text message will also be sent. The customer service phone number is included in the text message to make it easy for customers to click on the link and make phone calls to inquire about products and terms. 3. Commercial fire insurance policies are becoming increasingly complex and professional, and it is planned to produce a policy summary table to improve the readability of the policy. 4. For public accident liability insurance that accounts for a large number, the insurance summary table is optimized to improve the readability of the policy. • Continue to develop feasible service improvement action plans with each unit based on the Voice of Customers (VOC) to eliminate customer problems and optimize the services process. • Improve the operating experience of online 	<p>Conduct a consistent revision of the online insured product experience to achieve a one-stop structure and experience.</p> <ul style="list-style-type: none"> • With the service concept of "From the bottom of the heart- Treating Customers as Family", we build a diverse and all-round protection network to create a more empathetic, inclusive and friendly insurance service environment. • Continue to pay attention to the social issue of aging, focus on age-friendly financial services and treating customers fairly, and create a friendlier and safer financial service environment.

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
			<p>was officially launched in June, 2022.</p> <ul style="list-style-type: none"> - Property insurance: We worked in line with the planning of the competent authorities. The first phase was completed in September, and the policy information of natural persons as insurance persons were uploaded to the platform, and the second phase was completed by the end of November to expand the policy database. • Optimization of the mobile device insurance system: <ul style="list-style-type: none"> - Optimization of the note process <ol style="list-style-type: none"> (1)The first phase- Remind the salespeople The insurance platform has added the note function, and the salespeople can check the status of the case notes in the system to improve the efficiency. (2)The second phase- Remind the customers The method of text messages and written notifications were added to protect customers' insurance rights and improve the document completion rate. - In physical stores, the interest-free three-term service has been added for credit card users to improve customer satisfaction. (E. Sun Bank, Taishin International Bank and China Trust Commercial Bank). • Completed multiple specific improvement measures based on customer feedback from Voice Customers (VOC), covering areas of optimization of the design of online insurance webpage, establishment of standard claim settlement techniques and professional consultation processes, 	<p>insurance customers and revise the online insurance website by collecting the operating experience, feedback, and user questionnaires from online insurance customers. The revision of the online insurance website for motor insurance and travel insurance is expected to be completed in 2023Q3.</p> <ul style="list-style-type: none"> • Expand the scope of the Sign Language Video Remote Interpretation Service: At least 4 sessions of sign language courses will be held for the six branches throughout the year, and the goal is to provide comprehensive Sign Language Video Remote Interpretation Service across Taiwan by the end of the year. • Plan the visually impaired friendly DM: Prepare Braille version of DM for the company profile and insurance product introduction (including company profile, motor insurance, home insurance, A&H insurance, and travel insurance). The goal is to complete 7 dual-view DMs by the end of this year and distribute them to the head office and the 6 branch offices. • Establish the Service Section for the Elderly on the official website that is suitable for the user experience of senior citizens.Content structure: <ol style="list-style-type: none"> (1) Anti-financial exploitation videos - reduce reading inconvenience. (2) Anti-fraud interactive 	

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
			<p>consultation processes, optimization of the fire insurance notification process, the wording of the text of the hull insurance policy, and establishment of a claim application notification platform for pandemic insurance.</p> <ul style="list-style-type: none"> Affected by the increasing number of appeal cases related to pandemic insurance, the time limit for replying letters has not been able to meet the improvement goal, yet it could still meet the time limit of responding within 30 days. The online insurance platform was completed and the hyperlink to the claim notification system has been established. 	<p>game-communicating fraud risk precautions.</p> <p>(3) Four-panel cartoon on preventing and identifying daily risks (financial risk insurance/ traffic safety and home safety).</p> <p>(4) Compilation of insurance products, services, and suitability information.</p> <p>Friendly Finance, keep your eyes open, and anti-fraud promotion for the elderly</p> <p>(1) Prepare a short video to promote anti-financial fraud awareness for the elderly</p> <p>(2) Prepare a digital interactive mini-game against financial fraud.</p> <p>(3) Promotional videos and mini-games will be posted on the official website [Service Section for the Elderly.</p> <p>(4) Use promotional videos and mini-games as teaching materials and visit elderly welfare institutions to carry out activities to implement the principles of treating customers fairly and friendly services.</p>	
Digital Finance and Innovation	By continuously collecting the insurance market data, possible consumer risks and market dynamics are predicted by data analysis to regularly remind the policyholders of the protection gap so as to recommend suitable protection. In addition,	Make use of data and risk evaluation model to provide recommended insurance portfolios; continue to develop emerging products and innovative insurance models.	<ul style="list-style-type: none"> The first phase of Digital Customer Service Platform 2.0 project was launched on and as of the end of November, the cumulative experience reached 2,767 times. The second phase of Instant Messenger Assistant Text Customer Service is expected to start testing at the end of December, and will be launched. The second phase of the Digital Complaint System was launched on October 12. The accident-site customer-specific document package was launched on May 	<ul style="list-style-type: none"> Introduce the Mobile ID for the online insurance identity verification, which is expected to be completed and launched by the end of 2023Q4. For the on-site processing document packages in the existing policyholder services, the process is integrated into the "accident handling secretary" to enhance the sense of exclusivity in customer services. 	<ul style="list-style-type: none"> Provide instant, automated and differentiated digital insurance service by using digital technology, AI, and data integration. Make good use of digital tools and cooperate with the medium- and long-term operational strategies to promote solutions for the

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
	emerging products or innovative insurance models are launched to assist customers to cope with emerging market risks and lower the insurance thresholds to create the value of digital services.		<p>18, where the customer-specific online claim application form has reached more than 75% of utilization rate. In the future, it will continue to be promoted for customer use to simplify the on-site processing process.</p> <ul style="list-style-type: none"> Data research on the motor insurance information (such as the brand, risk coefficient, and so on) has been conducted as the direction and recommendation for underwriting and marketing. 		<p>improvement of operational efficiency and productivity.</p> <ul style="list-style-type: none"> Introduce new financial technologies to cooperate with the opening up of laws and regulations, optimize online insurance customer experience, plan and integrate complete one-stop member services, and take into account the convenience and safety for policyholders.
Information Security Management	To strengthen information security and improve the service quality of information related operations, ensure the company's information security management and information security protection measures for continuous effective operations, properly protect business secrets and personal information of customers to prevent the confidentiality, integrity, and system availability from being	<p>Established the Information Security Management Policies and Measures that include the following 14 security management policies:</p> <ul style="list-style-type: none"> Information Security Polity Mobile devices Outsources manufacturers Desktop and screen clearance Software system development Backup management Information system access Data transmission encryption Remote connection Email Internet security Cloud services IoT devices Telecommuting 	<ul style="list-style-type: none"> Completed the dual-firewall architecture and network segmentation to strengthen the firewall and the defense-in-depth of the internet, and further shortened the application and processing time for cyber threat intelligence to improve the response speed to threat defense. Completed requirements for financial security action plans and continue to conduct off-site back drills on a yearly basis to confirm the availability of switching off-site information systems. For the outsourced manufacturers management, the outsourced manufacturers will be required to follow the approved self-regulatory standards of the Association. Completed scenario drills such as DDoS attacks, social emails, ransomware virus intrusions, etc. and kept the record of the drill operations. Completed the validity 	<ul style="list-style-type: none"> Import MDR software for endpoint protection (CrowdStrike). Strengthen website security protection (reduce the risk of malicious file uploads). Implement website APP security testing (identify the APP vulnerability risks on the website). Promote the financial security action plans (implementation measures). Strengthen the defense capabilities of firewalls and the defense-in-depth of the network, track the handling status of information security threats, and continue to improve website system security and equipment protection capabilities. Strengthen the continuous resilience of operations to ensure uninterrupted services: continue to pass the ISO22301 	<ul style="list-style-type: none"> Deepen information security governance. Implement compliance. Mitigate hack attacks. Strengthen the mechanism of defense-in-depth of the internet and continue to review the resource access, network segmentation, boarder protection and other management and control mechanisms to ensure the information security protection can be improved.

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
	compromised both internally and externally to achieve the goal of continuous information security management.		verification of the ISO 27001 Information Security Management System and the ISO 27701 Privacy Information Management System. <ul style="list-style-type: none"> Completed the verification of ISO 27701 and were certified ISO 27701 international standard. Completed the verification of ISO 27701 and were certified ISO 22301 international standard. 	certification of operational continuity management.	

3.1 Design Evaluation and Sales of Insurance Products

Principles for Sustainable Insurance- Products and Services Development

Policies covering relevant risks and designed from the perspectives of ESG include the followings. For example, the insurance products related to climate are Motor Insurance- Automobile Physical Damage Insurance Endorsement covering typhoon, earthquake, tsunami, hail, flood, ponding rainwater after rain; Residential Fire Insurance – Additional Insurance Endorsement of Excess Typhoon and Flood Insurance, the Accidental Environmental Pollution Liability Insurance, Information Security Insurance, and Information Protection Liability Insurance that concerns environmental and information risks, etc. Moreover, various financial literacy and education programs are promoted for beneficiaries to develop or support knowledge education of risk, insurance and ESG issues.

The design, review, and sales procedures of the insurance products of Tokio Marine Nawa Insurance are all compliant with laws and regulations. All the terms of the insurance products are disclosed on the Company’s official website for consumers to inquire and refer to. In addition, when doing business solicitation, the solicitors are obligated to make explanation and disclosure, and the Know Your Customer (KYC) should also be filled in to ensure that customers fully understand the important contents of insured products for the sake of safeguarding the consumer rights.

The Core Meaning of Product Development

When the insured risk occurs, the ICE (Impact, Consequences, Effect) generated on the insured can be reduced or even eliminated, which is helpful to enterprises and even to the economic stability of society.

Product Design Evaluation

The Insurance Product Design Procedures are developed in accordance with the Operating Standards for Pre-sales Procedures for Insurance Products. It is stipulated that when designing a product, the suitability and legality of the terms of the insurance products, the protection of customer rights and interests, risk management and control and others should be paid attention to. Adequacy, rationality, and fairness of the rates should be taken into account in the pricing of insurance products to ensure the design of insurance products is compliant with relevant laws and regulations.

In addition, in the product review process, the compliance review is conducted in accordance with the Preparation and Sales Procedures for Insurance Products, Self-Regulation of Insurance Products Design, and Review Procedures for Insurance Products to ensure the products are compliant with insurance and regulatory norms.

When designing insurance products, sales limits have already been set, and the warning limits of the sales limit are also set. Meanwhile, the sales plans and control measures are simultaneously set up to strengthen and improve the post-sales risk management mechanism of the insurance products. To control underwriting risks, the product departments provide the Risk Management Department with the maximum retention of valid insurance policies and the statistical data on natural disaster exposure in each region on a quarterly basis. In addition, when setting the annual business plans, the annual maximum retention limit for each danger unit is set based on the types of insurance undertaken to maintain the overall financial stability of the company.

In response to the impact of emerging risks on the company's sustainable management, the control measures newly added for emerging risk insurance products in the second half of 2022 are as follows so as to maintain the company's sound operation and sustainable development.

1. When emerging risks and approved insurance products are officially developed, they have to be compliant with the product development and sales risk control procedures specified in the company's Underwriting Risk Management Measures, and the approved product PML limit shall be used as the product sales limit.
2. If there are any changes in the risk retention before the sales of products, for example, when the insurer is unable to undertake it or when there is a drastic change in the environmental risk, re-adjustment and re-assessment is then needed, and it should be reported to the Risk Management Committee and the board of directors for approval before the promotion of sales.
3. When the insurance products are sold, the sales limit should be tracked on a regular basis. If the sales limit reaches the warning value, assessment and analysis including planning for suspension of sale operation and whether to continue sales should be made.

Product Merchandising

As prescribed in the Directions for Review of Non-life Insurance Products and the Directions for Review of Products for Insurance of the Person, the Company makes full statement of the Product Number and Date, Major Insurance Benefit Items, Toll-free Grievance Hotline, Methods of inquiring publicly disclosed information of the insurance industry, and Warnings on the

front page of the policy, in the policy terms, product description and insurance application form. In addition, what to include and what not to include in the insurance application form is compliant with the provisions of the Content and Scope of the Review Procedures for Exempting Insurance Products from the Insurance Product Requirements of the Property Insurance. Moreover, the Operating Procedures for the Promotion and Distribution of Publicity Materials for Ads, Business Solicitation, and Business Promotion Activities have been established to regulate matters related to marketing and promotion of insurance products.

Product Review and Adjustment

Over 70% of customers use cell phones to visit the company's online insurance website. To facilitate customers to obtain insurance protection and services at any time via cell phones, the company's online insurance application process has been designed and optimized for mobile-friendly experience, and new products are launched to respond to customer needs through online customer feedback and inquires.

To respond to the aging society and work in line with the regulation stipulated in Item 5, Subparagraph 5, Paragraph 1 of Article 6 of the Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises for "Evaluating whether customers over 65 years of age have the ability to distinguish situations that are disadvantageous to his or her rights and interests as an insured", inquiries and evaluation forms for elderly customers are added to the Know Your Customer (KYC). Before serving the customers, it is necessary to understand the customers' attributes and needs. Fire insurance policies are all one-year policies, and KYC has to be carried out every year to agree on a new policy (re-numbering). To work in line with the amendments to the Insurance Act, insurance companies have to give priority to covering funeral expenses for insured persons under the age of 15, with a maximum benefit of NT\$ 615,000. The company has revised the product content and underwriting management policy for insured persons under 15 years of age. After the inquires conducted by the company, if the customer's insurance has reached the full amount in the counterparty, such customer will be asked to sign a "Declaration of No Funeral Expenses" to protect the customer's insurance rights. In addition, to be compliant with the Insurance Act, the evaluation operation is carried out when a new customer applies for insurance, and is re-evaluated on a yearly basis when the policy is renewed to determine whether the insured's insurance amount is appropriate.

For the diverse sources of Voice of Customers (VOC), in addition to reviewing customer complaints or grievance case by case, there is also a mechanism to actively explore customer suggestions for products and services. Every quarter, professional questionnaires are designed, and random phone interviews are conducted for the claim cases to actively understand the satisfaction with the details of every service process. We understand the quality of claim services from customers' feedback, listen to the valuable opinions of customers, and deepen the bonding with the customers to instantly make adjustment of the service process in accordance with the customers' needs, preventing the company from disputes due to the customers' poor service experience.

The review of the proposal of products, the feasibility assessment, and relevant meeting minutes and signing process are implemented to make thorough consideration of the items in Article 6 of the Operating Standards for Pre-sales Procedures

for Insurance Products. In the feasibility meeting, the insurance product review team makes evaluations focusing on the insurance product design, devoting particular attention to such matters as due professional care, due care of a good administrator, target market, and safeguarding of consumer interests. When designing an insurance product, there may not be any false, fraudulent, or exaggerated claims about the insurance enterprise's performance, or any other misleading act. Relevant operating procedures are compliant with the Treating Customers Fairly Principle. Before submission for review, the product review team should make a meeting minute, which will be submitted to the president for review. Relevant review documents are retained for review by the competent authority. The insurance product review team is convened by the vice president, and relevant signatories are presented to make the resolutions. The relevant operating procedures are considered appropriate.

Insurance products corresponding to Environmental Sustainability

Green energy development related insurance

Provide comprehensive insurance for installation project and comprehensive insurance for electronic equipment, underwriting wind turbines, solar power generation equipment manufacturing and power generator sets, hydropower generators and so on for the protection against damage caused by fires, typhoons, floods, earthquakes, and other dangerous accidents.

Accidental pollution liability insurance

The purpose of this product is to assist enterprises with the management of environmental risks and to provide a compensation and recovery mechanism for personal and property damage caused by environmental pollution.

Fishing vessel insurance

When underwriting fishing vessel insurance, the environmental risk factors are carefully put into consideration, and the evaluation of the background of the vessel owner and the fishing methods are also made. If the fishing vessel is found to operate in an illegal manner or has been caught by the competent authority for illegal fishing, strict review will be conducted, or the underwriting will even be unaccepted. Old fishing vessels (over 15 years old) have higher probability of oil leakage and damage during sailing than new vessels, leading to increased probability of environmental pollution, so their underwriting fees may also be increased depending on status of each individual vessel itself.

Public bike liability insurance

We launched the public bike liability insurance in response to the government policy to encourage the public to use carbon-free transportation.

Electric bicycle insurance

The Electronic bicycle insurance is designed to provide comprehensive insurance protection for policyholders who use e-bicycle as a means of transportation for the purpose of environment protection and those who enjoy outdoor activities.

Insurance products corresponding to Environmental Sustainability

Compulsory mini electric two-wheel vehicle liability insurance

Electric mini two-wheel vehicles are a part of the development of green energy. The company cooperates with the government's amendments and promotes the compulsory liability insurance to expand coverage of mini electric two-wheel vehicles.

Nuclear energy insurance (co-insurance)

Nuclear energy insurance mainly covers property damage and third-party liability. Under the supervision of the government, the Nuclear Energy Insurance Association Pod of the Republic of China coordinates the handling of the insurance. Domestic property and casualty insurance companies jointly underwrite nuclear energy insurance in accordance with the amount they can undertake.

Mobile device insurance

The popularization of mobile devices has made their indispensable necessities in most people's lives. Therefore, the personal mobile device insurance is launched. When a mobile device is damaged or lost accidentally, repair and replacement services are provided, so as to reduce e-waste, and the damaged device is recovered and recycled.

Featured products corresponding to the Social Sustainability Responsibility

Designated driver liability insurance

To respond to the government's policy of promoting the designated driver services, the designated driver liability insurance is launched in a hope to reduce the occurrence of drunk driving.

Auto insurance

To serve policyholders of Automobile Physical Damage Insurance or Voluntary auto third-party liability insurance, the accident scene assistance service is provided 24/7, including preserving on-site evidence and assisting with the on-site troubleshooting. We also assist our customers to fill in relevant claim documents on the spot to complete the claim application process.

In addition, the Additional liability of the auto third-party liability insurance for the pets in the car, which covers the insured person's car accident when driving the insured car during the validity period of the additional insurance and when the pet in the car is injured or dead. The company will then be responsible for the compensation for the expenses incurred in accordance with the additional liability insurance agreement.

Damage to or Theft and rental loss to a rental car liability insurance (car-sharing insurance)

To cope with the trend of the times, we launched the first domestic micro-insurance specially designated for shared car users to purchase timeshare fragmented insurance, and more complete protection is provided for the deductible and business losses caused by collision and theft of the vehicle when driving a shared car.

Insurance products corresponding to Environmental Sustainability

Product recall liability insurance

Assist enterprises to bear the costs generated for product recall and hope that enterprises can actively implement the recall procedures when they have doubts about product safety to protect the rights and interests of the consumers.

Data protection liability insurance

Help enterprises face losses caused by personal data issues, and encourages enterprises to make more active communication with their customers and take appropriate measures when facing incidents of personal data leakage.

Cybersecurity insurance

For enterprises to cover legal compensation liabilities caused by information security incidents, cover various expenses corresponding to the incident, and business interruption when the risk of personal information leakage, information system and media behavior occur.

Group accident microinsurance

To respond to the government's policy of taking care of the disadvantaged groups between 15 and 70 years old by launching the group accident micro-insurance with low sum assured and low premium to reduce the economic damage of sudden accidents to economically vulnerable families.

Personal Accident and Health (Health Protection+) Insurance

Provide medical coverage for sudden illness or accidental injuries to people aged 0 to 64, such as hospitalization, admitted to ICU, emergency medical treatment and major burns and scalds, etc. The rate is the same for all occupational categories, and there is no waiting period, and the coverage is in all regions at home and abroad.

Vaccination package insurance

In response to public demand, insurance products providing protection for related expenses caused by adverse reactions to vaccines and quarantine coverage for statutory infectious diseases were launched. As of the end of 2022, the vaccination package insurance had provided protection to nearly one million people, truly embodying the spirit of mutual assistance in the insurance industry. (Note: This product has been discontinued.)

Cancer Insurance

Provide comprehensive cancer medical coverage from 0 to 60 years of age, and the insurance can be renewed up to 75 years old. When diagnosed with cancer for the first time, a fixed amount of cancer benefit will be given, meaning that a reserve fund for medical expenses is given in advance. Within one year after cancer is diagnosed, medical expenses for cancer, such as expenses for hospitalization, discharge, and treatment, including surgery, chemotherapy, targeted therapy and bone marrow transplantation. If death occurs within one year after the diagnosis, death benefit including funeral expenses will be provided so that the insured do not need to worry about the financial burden on the family.

Insurance products corresponding to Environmental Sustainability

Personal accident insurance for the elderly

Provide people aged between 50 and 84 with personal accident insurance, including basic coverage of strengthened protection of accident insurance and injury medical care, providing the senior citizens with high-quality life insurance in their later life.

Household comprehensive insurance

The feature of this product is that when there is an event of fire, the insured amount of movable property and immovable property can be flexibly shared, and the property damage claim in movable property will not be deducted for depreciation, and the first loss basis is applied. If the fire unfortunately spreads to the neighbors' homes, the high protection of the third-party liability insurance can also cover as well as disperse the risks of third-party claims.

Rental residence insurance

In response to Ministry of Interior's policy direction on the recycling and circulating of residential resources, we assist the small and medium-sized enterprises described in the Rental Housing Market Development and Regulation Act to transfer risks and launched the Rental residence comprehensive insurance and the Rental residence rent loss insurance, underwriting the rental property repairs, third-party liability, property safety compensation, rental loss, and liability of the drop of house prices due to specific accidents.

Drone liability insurance

For any accident that occurs to the insured target during the insurance period that results in personal injury or property damage to a third party, the insured shall be liable for compensation as prescribed by law. When a compensation is requested, the company is responsible for the compensation to the insured.

Customer Renewal Rate

Item	2022 Customer Renewal Rate (%)
Marine insurance and others	91.8
Liability insurance and others	82.8
Commercial fire insurance	78.11
Injury and health insurance	87.8
Motor insurance	80.3
Residential fire insurance	90.1

Note : Data as of December 31, 2022

Number of Current Effective Policies

Type of insurance	Number of effective policies
Personal insurance (including Motor Insurance, Commercial fire Insurance, Injury and Health Insurance)	3,623,249
Commercial Insurance (including Marine & Engineering Insurance, Commercial Fire Insurance, Miscellaneous Insurance)	600,268
Total number of policies	4,223,517

Note : Data as of December 31, 2022

3.2 Honored Customers

Principles for Sustainable Insurance (PSI)- Sales and Marketing

In terms of distribution, the insurance industry should cooperate with other channel distributors for effective reach of customers who are exposed to risks. In terms of sales, product education as well as complete risk planning and follow-up security services should also be provided to policyholders.

Principles for Sustainable Insurance (PSI)- Claims Management

In terms of processing of claims, we respond to customers' requests promptly, fairly, sensitively and transparently, and ensure that the claim process is fully and clearly understood and that the ESG issues are taken into account.

Promote Insurance in Life Through Cross-Platform Cooperation

TMNEWA continues the strategic cooperation with e-commerce platforms such as Yahoo, Rakuten Ichiba, PChome, momo and so on. Through more article reports, videos, Podcast and other media, we provide more diverse and easy-to-understand insurance knowledge to enable consumers to understand the timing and context of using insurance products the way they do for their livelihood consumption. In addition, through the convenient and rapid online insurance application services, the established impression that insurance is complex and troublesome can be ease; and the impression that insurance is close to our daily life and meets the need of life can be enhanced.

The image displays a collection of digital marketing materials. On the left, there are three website banners: the top one is for Yahoo's 'E保網' (E-Insurance Network) featuring a '情人節禮物首選 就是要選新安' (Valentine's Day gift choice, it's definitely Xian'an) promotion; the middle one is for PChome's '安心保' (Peace of Mind Insurance) with a '新推保障' (Newly launched insurance) banner; and the bottom one is for momo's '富立財產保代' (Fuli Property Insurance Agency) with a '【新架坡頂上】單續展機轉服務方案一年期' (Singapore's top single renewal service plan for one year) banner. On the right, there are four QR codes arranged in a 2x2 grid, each corresponding to one of the platforms: Yahoo E保網, 樂天保險網 (Rakuten Ichiba Insurance Network), PChome安心保, and momo富立財產保代.

Diversified Communication Channels with Customers

The Company provides diversified channels for full communication with customers to continue the improvement of service quality. The channels used include the established Customer Service Center; Customer Service Hotline, Customer Service

Message Board, Letters, Emails, Service Counters, Fax, Line@, Tokio Marine Nawa Insurance Online Customer Service Platform, Customer Feedback Mailbox, and FB Fanpage.

Since the Digital Customer Service Platform for motor insurance claim related services was officially launched in September, 2021, the intuitive service experience by just swiping has received well in all sectors. To complete the services, the new motor insurance policy-oriented content was added in 2022, including the services frequently reported by policyholders such as on-site processing, roadside assistance, claim application, change application, and the download of compulsory insurance certificates. With the popularity of the internet and smart phones, customers can report insurance services without dialing the toll-free customer service hotline, making it the new type of reporting channel. AS of the end of 2022, the cumulative number of people who has experienced our Digital Customer Service Platform amounted to 51,169.

Enterprise Loss Prevention Services

Fire insurance loss prevention staff are the first-line personnel on-site. They not only serve as the consultation window but also have to go to the insured location for investigation to assess the daily risks faced by the enterprise from an objective perspective and propose a loss prevention proposal report to provide specific improvement measures for individual cases and plan better fire prevention areas. To enable enterprises to further recognize risks, loss prevention education and training will be held for enterprises from time to time, and it is hoped that through the strengthening the awareness of risk management, accidents can be prevented before it happens, or damage can be controlled and avoided to go from bad to worse when accident happens, serving as a reference for the enterprise to set up emergency response and disaster recovery plans. In 2022, there were a total of 78 cases of enterprise loss prevention services, decreased from the 85 cases in 2021, mainly because of the impact of the COVID-19 epidemic that led to the controls of the personnel entry and exit, so the company's damage prevention services were turned down.



Digital Claims Services

To-Do-List Information System for Claims

To ensure the service quality of the motor insurance claims and improve the efficiency of claims, the To-Do-List Management Information System for Claims has been introduced for the motor insurance claims service personnel to ensure smooth processes of contacting customers, conducting accident investigation and verification, and checking and verifying the losses and so on.

Claims Decision Assistance System

「The Claims Decision Assistance System not only integrates the data ecosystem of historical claims data through AI computing to provide reference information for claimants, but also has a quick search function for historical claims or court cases to speed up the claim handling process.

Motor insurance claims service platform

Provide policyholders with online services for accident reporting and claim settlement progress inquiry and replacement. For accident reporting service, on-the-scene photos and contact information are transmitted through the Motor Insurance Service Platform, and the data will be automatically brought into the internal core system for the users to easily and quickly complete the notification. In addition, it is also equipped with the very first automatic case division system mechanism in the industry that can promptly register a case and send an acceptance text message to customers. Moreover, the claim progress inquiry and replacement service can not only meet customers' needs to grasp the progress of the claims, but also saves time spent on written replacement operations. As of the end of 2022, the number of users totaled 23,603.



Service introduction page of the motor insurance claims service platform on the official website.



Motor claim services platform



Comprehensive insurance claims declaration platform for statutory infectious diseases

In response to the epidemic, the comprehensive insurance claims declaration platform for statutory infectious diseases was established to provide customers with more convenient and better digital services. The platform includes two major services functions, namely accident reporting and claim progress inquiry and replacement.



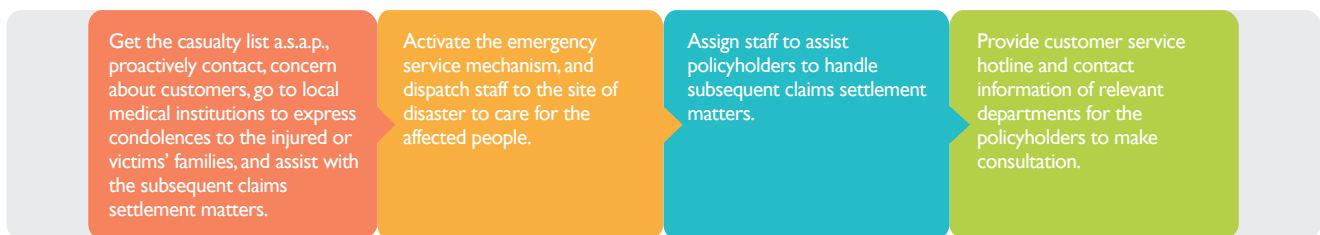
First in the Industry to Provide On-the -Scene Service

Upon the establishment of the Company, we have launched the On-the-Scene Service in the industry. To deepen customer relationships, ensure service quality, and implement treating customers fairly, we have established the Post-event Evaluation and Management Mechanism for On-site Processing since April, 2020. When the service personnel complete the processing of the accident scene and accept the claim, the system will actively send a text message to inform the policyholders, and they can also conduct the service satisfaction rating by linking to the webpage through the text message. For the items with poor scores, the claim settlement unit will immediately provide customer care to understand customer needs so as to ensure the quality of on-site service and reduce the occurrence of customer complaints. In 2022, a total of 4,687 customers rated the on-site service, and as high as 97% of customers gave full marks.

Major Disaster Emergency Service Team

In view of the fact that major disasters often bring serious casualties or property losses, the Company would immediately set up a Major Disaster Emergency Service Team when a major disaster occurs to assist our customers to obtain claims within a short period of time.

Standard Operating Procedures for Major Disaster Emergency Service



Friendly Financial Services

To respond to the government's Inclusive Financing Policy, TMNEWA provides friendly financial services in accordance with the Principle for Friendly Financial Services in the Insurance Industry. The service bells and accessible facilities are set up at our business offices. Magnifying glasses and reading glasses are also provided at our service bases, and personal services are also provided depending on policyholders' individual needs. The application documents for insurance products are all reviewed in a fair, objective, and non-discriminatory manner. Moreover, there are also service personnel in business offices to explain products and services related information, and assistance is also provided for customers to fill in relevant application forms. Information of all products and services is also disclosed on our official website for the public to refer to. There are also text message notification services to enable our policyholders to obtain the real-time information of insurance. In addition to the insurance products meeting the trends and good insurance application experience, the company's friendly service network provides consultation services via dedicated mailbox and contact number for customers with disabilities. There are also online text customer service for those who may find it inconvenient to call customer service or those with vision and hearing

impairment to obtain more complete services and consultation through written texts.

In addition, the use of color version of the application form is promoted when soliciting business. To prevent from the missing of important information due to unclear black and white printing, the company's friendly service network provides consultation services via dedicated mailbox and contact number for customers with disabilities. To protect the rights and interests of those with disabilities, the salesperson will write an evaluation form and keep the record after accepting the accident and health insurance needs of customers with disabilities from March, 2022. If the insurance is not successfully ensured, the applicant will be notified in registered mail specifying the specific reasons. To protect the rights and interests of the elderly and those with disabilities, the quotation system of the Yahoo Ebo TMNEWA provides an enlarged version of the summary description and supporting documents. The motor insurance was launched on June 30, 2022 while the residential fire insurance was launched on July 6, 2022.

Furthermore, to enable more efficient and faster process for protection, the Company continues to optimize the online insurance application process and provides multiple payment methods. In addition, the Responsive Web Design (RWD) is applied for the optimized interface for all mobile devices so that customers without a computer can also complete the insurance application through cell phones and tablets.

Warm Audio Guide Function on the Official Website

Difficult insurance clauses are converted into colloquial language, and the 280 product and claim related knowledge-based questions as well as the friendly service network (Accessible Webpage) have been introduced with the voice assistance function, and the contents on the webpage can be read via audio files so the target group can adjust the speed, pause, or even replay the audio files to get information without barriers.

First in the Industry that Launched the Friendly Reading Function

In view of the poor contrast recognition abilities of the eyes for the visually impaired, the focused questions on the website and the friendly service website (Accessible Webpage) introduced the functions of color interaction and friendly reading functions to allow users to adjust the contrasting colors on the browsing pages in accordance with their needs, so that users can browse without any difficulty.

Implementation of the Treating Customer Fairly Principle



To promote the "Treating Customers Fairly" principle as the core of the corporate culture in financial institutions, the FSC has been implemented the Evaluation Mechanism for Principle for Financial Service Industries to Treat Customer Fairly since 2019 to understand the implementation situation of financial institutions in hopes of enhancing financial customers' trust in financial service industries. The board of directors of the Company approved and follows the Policy of Treating Customer Fairly Principle and the Strategy for Treating Customer Fairly Principle^{Note}. In 2020, the board of directors approved the establishment of the Treating Customer Fairly Improvement Committee to function as the organization to promote the treating customers fairly principle. The Committee is convened every quarter with the independent directors in attendance. The implementation results are reported to the Insurance Bureau. A total of 4 meetings were convened in 2022.

Based on the Strategy for Treating Customer Fairly Principle, we will examine whether there are any complaints or dispute cases caused by imperfect product design or service processes case by case, and relevant units will make improvement by conducting specific optimization operations. The Voice of Customers action plan is reported to the Treating Customers Fairly Promotion Committee on a quarterly. The content includes statistics on complaints in relation to treating customers fairly, the VOC service remedial action plan for unfair or unreasonable products or services is also reported to allow the Committee to understand the improvement status and the implementation outcomes.

Note : The president serves as the convener and the deputy presidents (excluding the chief auditor) serves as committee members. There is a designated unit in charge of the planning and promotion. The unit in charge reports to the board of directors and the Treating Customers Fairly Promotion Committee once every 6 months.

The company has included the Policy of Treating Customer Fairly Principle and the Strategy for Treating Customer Fairly Principle into the education and training courses (including digital courses). At least 3 hours of educational promotion and personnel training is conducted every year to enhance the awareness and professional knowledge of all employees in terms of compliance and treating financial customers fairly. A total of 3 hours of education and training was conducted in 2022.

2022 Education and Training of Treating Customer Fairly

Item	Male	Female	Subtotal	Total Training Ratio
Managerial position	181	69	250	99.21%
Non-managerial position	527	568	1,095	90.65%
Managerial position	708	637	1,345	92.12%

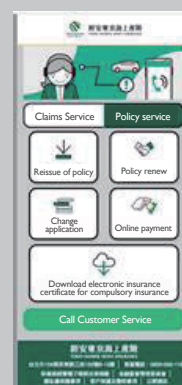
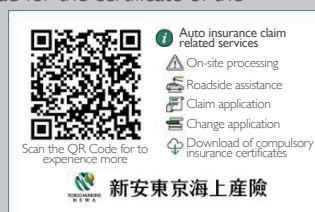
Note 1: Managerial positions: Section supervisor (inclusive) and above; non-managerial positions: general employees.

Note 2: The training ratio did not reach 100% because (1) the training was carried out in accordance with the training cycle of the property insurance agents; (2) some employees reported for duty after the training period.

Special Column I: Tokio Marine Nawa Insurance Online Customer Service Platform, Heartwarming Experiences That Leads the Industry

The service provided on Digital Customer Service Platform has been well received since its launch on September 1, 2021. To perfect the platform services to meet the demands of motor insurance customers, the revised platform was launched on October 6, 2022. In addition to providing auto insurance policyholders with claim services of the original “accident scene handling service” and the “flexible appointment for roadside assistance service”, and also the five newly added as well as the most commonly used services, namely the duplication of policy contract, renewal of policy contract, application for changes, online payment, and download for the certificate of the compulsory insurance. After the project was launched, customer experience is smooth, and the simple layout design is also user-friendly.

The number of customers experiencing policy service functions between October 6 and December 31, 2022 reached 4,486, indicating that the method can be accepted by customers. The added text reporting method has also diversified the reporting methods provided to customers, achieving the purpose of friendly financial services.



Special Column 2: Highest Level Certification of Friendly Service Website, New Launch of Sign Language Video Remote Interpretation Service

Tokio Marine Nawa Insurance actively implements the Treating Customer Fairly principle and promotes friendly financial services, embraces the culture of Diversity & Inclusion (D&I), takes into account of the insurance needs of different ethnic groups, and provides customers with friendly insurance services. The friendly service website passed the NCC test and obtained the highest level of WCAG 2.1 (AAA) Label, making it easier for the color-deficient and color-blind to use the website. In addition, to address to the desire for protection among the hearing-impaired, we promote the Sign Language Video Remote Interpretation Service to allow the hearing-impaired to improve their communication efficiency and accessibility of insurance through the real-time translation via video equipment and sign language interpreters when they handle business at the counters, providing professional and considerate insurance service for people with disabilities.

According to the statistics of Ministry of Health and Welfare, as of the end of 2021 Q3, there were approximately 185,000 people suffering from eye or ear-related dysfunctions. We are firmly convinced that there are only environments with obstacles, not people with obstacles. Now we further integrate the digital tools to optimize friendly financial services to people with disabilities, such as the optimization of the user interface of the friendly service website, enabling color-deficient and color-blind users to easily obtain insurance information, making Tokio Marine Nawa Insurance the very first company in the industry to obtain the highest level of WCAG 2.1 (AAA) Label. In addition, the Sign Language Video Remote Interpretation Service is also available for hearing-impaired for their right to obtain insurance services independently, truly realizing the goal of addressing the diverse needs of different groups and ensuring people with disabilities to obtain equal, reasonable, and convenient insurance services.

To improve the services provided to the hearing-impaired, the company adopts the one-on-one service model and introduced professional sign language teachers to conduct basic sign language trainings to our associates at the service counters, teaching them basic greetings, reception, and professional insurance and claim-related sign language for them to establish a smooth communication model with compassion and empathy with the hearing-impaired during the learning process. On the other hand, a Friendly Financial Reception Room has been established to not only ensure customer privacy, but also provide a quiet and independent space to lower the noise and interference during the sign language video remote interpretation, so that the hearing-impaired customers and the service personnel can have smooth communication, making insurance more accessible to them.

3.3 Customer Privacy Protection

Cybersecurity Management

Certified Information Systems Security Professional(CISSP) 、 Certified Ethical Hacker(CEH) 、 Certified Threat Intelligence Analyst (CTIA).

The company upgraded the level of the Information Security Section to Information Security Department in 2022, and established a dedicated information security supervisor and several personnel. In 2022, a total of 7 information security meetings were held, and the meeting information was reported to the Risk Management Committee and the board of directors. So far, the information security personnel have obtained 14 information security certificates, including 3 information security protection certificates conforming to the financial security talent function mapping, namely Certified Information Systems Security Professional (CISSP), Certified Ethical Hacker (CEH), and Certified Threat Intelligence Analyst (CTIA). In 2022, the CISO (Chief Information Security Officer) of Acer Cyber Security Inc. (ACSI), Mr. Bao-Yu Gu was selected the information security consultant of the board of directors, reporting to the board of directors the results of computer system information security assessments and providing education and training on information security governance to the board

members. Moreover, as early as from 2014, the annual off-site backup drills has been implemented. During the drill, the company's computer room services are switched to Chunghwa Telecom's IDC backup computer room to allow the employees in the head office and the external service bases to test the actual business processes and verify the feasibility of the drill plans.

The company has completed the establishment of the following information security management plans in the aspects of strategy, management and technology.

1. Strategic Aspect :

ormulate information security policy, establish a dedicated information security unit, the Information Security Department", set up the three defense lines for the information security risk management architecture, define the roles, functions and responsibilities of the defense lines, cooperate with the global information security policy of the Tokio Marine Group, carry out information security matters, and comply with the FSC's Financial Security Action Plan, such as strengthening the information security supervision, deepening governance, improving financial resilience, giving full play to joint information security defense, hiring information security consultants for the board of directors, reporting computer system information security assessment results to the board of directors, encouraging information security staff to obtain relevant international certificates, and formulating regulations for the management of the allowances of international information security certificates.

2. Management Aspect :

Comply with regulations of competent authorities, such as the Insurance Industry Self-Regulatory Regulations for Information Security Protection, introduce international ISO management systems, maintain the validity of the certificates such as ISO 27001 information security management, ISO 27701 privacy information management, ISO 22301 business continuity management, Organize information security education and training such as the information security governance courses for directors, information security awareness courses professional courses for information security personnel. Strengthen supply chain information security risk management, reinforce the outsourced manufacturer management mechanism, make good use of threat intelligence to ensure effective defense mechanisms, and purchase information security insurance to mitigate the risks of compensation generated from damage to customers or third parties.

3. Technical Aspect :

Deploy a network defense-in-depth architecture, establish an outsourced information Security Operation Center (SOC), strengthen information security protection mechanism, such as the Managed Detection and Response (MDR), Web Application Firewall (WAF), Intrusion Prevention System (IPS), and webpage anti-tampering system, conduct regular information security testing, such as vulnerability scanning, source code detection, penetration testing, and third-party network risk scoring, and carry out regular information security drills, such as identification of social engineering emails, responses to ransomware incidents, mitigation of DDoS attacks and off-site backup of information system.

Completion of the Establishment of the Protection Plan for Customer Personal Information and Commercial Confidentiality

1. Introduce the ISO 27001 international information security management, ISO 27701 privacy information management system and ISO 22301 business continuity management system and pass the external verification every year.
2. Establish the Personal Data Protection Operation to apply to the personal information data security related measures and standard operating procedures.

3. Formulate personal data protection measures that includes not only the above-mentioned cybersecurity management plan (technical aspect), but also personal data storage and encrypted transmission, programming of personal data masking, principle of least privilege (POLP), regular backup of personal data files, Email management (filtering email virus, restricting the outgoing mail of personal information), Internet behavior management (prohibition of possible data upload channels such as the social media, cloud drives and FTP), prohibition of scanning files to external mailboxes, and prohibiting writing on USB hard drive.
4. The company has purchased the data protection insurance since 2020 to mitigate the risk of compensation generated from the damage to customers and third-parties.
5. There were no incidents of customer personal data leakage in 2022.

Customer Personal Data Security Maintenance Management

o implement consumer protection and prevent personal data leakage, Tokio Marine Nawa Insurance carries out the 4-in-1 operation of personal data inventory, risk assessment, risk treatment, and review legality of personal data on a yearly basis. The scoring is given after completion, and the results will be linked to the performance of departments to encourage the departments that actually implement the operations and enhance the employees' professional knowledge and capabilities of personal data protection. In 2022, a total of 80 units participated in the personal data inventory. Risk assessment and personal data inventory were carried in accordance with legal regulations and procedures. A self-assessment review meeting of the personal data management system is held every year for the review of the effectiveness of the operations of personal data protection and management system, and the system review and revision are implemented when necessary. Tokio Marine Nawa Insurance abides by the provisions of the Personal Data Protection Act for the collection, processing, and utilization of customer information. Various personal information management and control measures have also been established, such as data de-identification, storage access control and management and implementation of regular personal data inventory and risk assessment. Online transactions have also implemented encrypted transmission and authentication mechanism to ensure the protection of customer privacy. In addition, through daily publicity, the concept of personal data protection is deeply rooted for every single employee. As for the outsourced vendor of personal information operations, the regular checklist will be filled in, and evaluation report will be conducted on a yearly basis to confirm the internal control and operation implementation status of the vendor. The General Affair Department also arranges designated personnel to the printing factory to inspect the printing process and data processing status to ensure that there is no risk of personal information leakage.

Personal Data Protection Structure



Soft and hard file management > Personal data inventory & Risk Analysis > Computer system security management

Passed ISO 27001 and ISO 27701 Dual Verification of Information Security

The security objectives are clearly specified in the Main Points of Information Security Management. To be compliant with relevant regulations on information security and improve the information security protection capabilities, the Company has set three major policy directions for security safety promotion, including “strengthening the overall information security management capabilities”, “providing reliable information services”, and “continuously strengthening and improving the overall information security environment” by referring to the current domestic development conditions of cybersecurity and relevant analysis. Every quarter, the measurement operation for the information security and privacy management target is conducted to ensure the compliance of the 4 policy objectives of “security of system development and maintenance”, “protection of the confidentiality, integrity, and availability of the Company’s information”, “maintaining continuous operation of the information system” and “avoiding intrusion and damage from hackers and viruses and avoiding human negligence and accidents”. Under the collective efforts of all employees, the Company obtained the dual verification, the ISO 270001 Information Security Management System, and ISO 27701 Privacy Information Management System at the end of 2021 and passed the third-person verification to complete the renewal evaluation in 2022, making TMNEWA one of the very few domestic insurance companies that have dual verification of information security management and personal data protection. There were no major Note information security incidents throughout the year.

Note 1: The determination of major information security incidents is based on the preliminary reference table for Notification of Major Contingencies in Insurance Industries.

Email Social Engineering Drills

To strengthen the information security awareness of the employees and avoid computer viruses and backdoor programs from being implanted due to browsing malicious emails that further cause the theft of accounts or leakage of sensitive information, the Company not only publicize daily information security news, but also conducts the email social engineering drill on a quarterly basis to make employees understand the existence of social engineering email attacks. Employees are reminded not to randomly click on malicious email links or open attachments. Employees failing the drill will be given education and training, followed by tests, to strengthen their information security awareness. In response to the increasing trend of hacking incidents, the Company decided to strengthen the intensity of the social engineering drills. Since the beginning of 2021, the drill has been adjusted to selecting one of the three email samples every quarter. The realistic themes that are highly relevant to the businesses of the company (such as New Measures for Claim Care) are used for our employees to effectively respond to external hacking situations during the drills. The specific outcome was that the passing rate of the social engineering drill increased from 93.82% in 2022Q1 to 98.26% in 2022Q4.

4 Safety- Promotion of A Sustainable Workplace

Sustainable Workplace Promotion Performance in 2022

The average salary adjustment rate for employees was **2.5%**.

The average number of hours of education and training per employee was more than **34 hours**.

Established **36** clubs in total.



Management Approaches

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
Human Capital Management	To establish a sound work system and a professional as well as complete training system to ensure to attract outstanding talents for the momentum of the company's growth.	To establish a sound work system, provide competitive compensations, set up a transparent performance appraisal and promotion system, and a professional and comprehensive training system to ensure to attract outstanding talents for the momentum of the company's growth.	<ol style="list-style-type: none"> The structure of new responsibility and ranks of positions was introduced on June 1, and a diversified salary structure was simultaneously introduced to reflect the market salary level and improve the salary competitiveness of the company's talents. Courses for the supervisors in preparation were completed in July and August, with a total of 64 trainees. Non-motor insurance products courses for sales personnel was completed in September, with a total of 47 trainees. 	<ol style="list-style-type: none"> Organized the course for the Succession Plan in accordance with the function model and the annual training plans as scheduled to strengthen the management functions. Cooperated with the organizational development goals and organized the course on strengthening non-motor insurance products for sales personnel to strengthen their non-motor insurance capabilities. 	<ol style="list-style-type: none"> Promote strategic and systematic supervisor development programs for the development of talent pools at different levels. Provide resources to encourage employees to continue education and actively cultivate insurance talents.
Employee Compensation, Benefits, and Safety	The company has the responsibility to provide a friendly and safe working environment, competitive compensations, a transparent system for performance appraisal and promotion to assist its employees to maintain physical and mental health, enjoy work, and thereby improving the overall operational performance.	Provide a sound employee care policy, promote various occupational safety plans, cultivate professional, enthusiastic, and trustworthy employees who enjoy working through the construction of a complete and friendly management system to become an employee-friendly company.	<ol style="list-style-type: none"> The structure of new responsibility and ranks of positions was introduced on June 1, and a diversified salary structure was simultaneously introduced to reflect the market salary level and improve the salary competitiveness of the company's talents. As of December, 2022, there were 68 messages on the KM employee discussion section. The main categories were the clubs, followed by company business and others. For the suggestions on the company business, responsible units were invited to respond to the suggestions and continue the follow-ups. Overall, the two-way communication channel is open and smooth. 	Use the structure of new responsibility and ranks of positions and the diversified salary structure for the annual performance appraisal, reward planning, promotion, salary adjustment, and education and training to achieve the purpose of selecting and retaining human resources of the company.	<ol style="list-style-type: none"> Review and adjust the human resources related systems in accordance with the company's HR policy. Implement two-way communication and coordination between labor and management to maintain good labor-management relations.

4.1 Overview of Human Resources

The company has more than 94% of regular employees and 6% of temporary employees. There are no part-time employees or workers without guaranteed hours. As of the end of 2022, the total number of employees was 1,559, with 1,460 of regular employees, an increase of 51 people compared with 2021. The reason for the increase of employees was to replace those resigned and retired and an increase in operating manpower. Among the employees, 48% are females while 52% are males. In terms of age distribution, those aged 31-50 years old accounted for the highest 59%, and those under 30 years of age accounted for 20%. The number of senior supervisors of R.O.C. nationality holding the positions of senior assistant managers and above in Taiwan is 20, accounting for 87%, and that of foreign nationals was 3, accounting for 13%, with males accounting for 83% and females accounting for 17% of all senior supervisors in Taiwan. The proportion of women holding the decision-making or management positions (excluding the board of directors) was 28%.

2022 TMNEWA Staff Composition														Unit: person
Item/Gender		Female						Male						
Nationality	Employment Type	Regular employee			Temporary employee			Regular employee			Temporary employee			
	Age	Under 30	31-50	51 and above	Under 30	31-50	51 and above	Under 30	31-50	51 and above	Under 30	31-50	51 and above	
Taiwan (R.O.C)	Full-time	154	454	93	47	26	3	141	410	205	18	2	3	
Japan		0	1	0	0	0	0	1	0	1	0	0	0	
Subtotal		154	455	93	47	26	3	142	410	206	18	2	3	
Total		702			76			758			23			

Note 1: Most of the company's work is performed by employees.

Note 2: The number of employees employed by our company will not have significant seasonal changes.

Note 3: The above human resources information was compiled based on the actual number of employees on the last day of the statistical reporting period on the human resources system, and did not include board members.

Note 4: Temporary personnel hired in 2022 were part-time staff hired during the epidemic period.

Note 5: The definition of part-time staff includes students working part-time, interns, and retired personnel re-hired.

Note 6: By the end of 2022, the number of contracted insurance salespeople totaled 3,087 (including 1,167 males and 1,920 females), that of dispatched "policy key-in staff" was 18 (including 4 males and 14 females), and the number of outsourced cleaning personnel was 3 (including 0 male and 3 females).

Note 7: The number of contracted insurance salespeople who at the end of 2022 totaled 3,087, a significant increase from the 1,031 in 2022 due to the planning of strategic alliance cooperation plans with our peers.

Distribution of foreign employees, indigenous employees and employees with disabilities

As of the end of 2022, the number of foreign employees hired was 6 (accounting for 0.4% of the total employees), that of aboriginal employees was 5 (accounting for 0.3 of the total employees), and the number of employees with disabilities totaled 13 (accounting for 0.9% of all employees). For the insufficient number of employees with disabilities (1-2 per month), the difference subsidy has been paid on a monthly basis in accordance with the regulations.

Age Distribution of Foreign Employees, Indigenous Employees and Employees with Disabilities

Unit: person

Year	2020						2021						2022					
	Male			Female			Male			Female			Male			Female		
Age	Foreign employees	Indigenous employees	Employees with disabilities	Foreign employees	Indigenous employees	Employees with disabilities	Foreign employees	Indigenous employees	Employees with disabilities	Foreign employees	Indigenous employees	Employees with disabilities	Foreign employees	Indigenous employees	Employees with disabilities	Foreign employees	Indigenous employees	Employees with disabilities
Under 30	0	0	1	0	1	1	0	0	2	0	1	1	0	0	2	0	1	1
31-50	2	1	2	3	2	2	2	1	2	2	3	2	2	1	4	2	2	2
51 and above	1	1	3	1	1	1	1	1	3	0	1	1	2	0	3	0	1	1
Total	3	2	6	4	4	4	3	2	7	2	5	4	4	1	9	2	4	4

Employment rate and turnover rate

The number of new employees in 2022 was 207, and the number of departed employees was 152.

Employment rate in the past three years (regular employees)

Unit: person

Year	2020				2021				2022			
	No. of males	Male employment rate (%)	No. of females	Female employment rate (%)	No. of males	Male employment rate (%)	No. of females	Female employment rate (%)	No. of males	Male employment rate (%)	No. of females	Female employment rate (%)
Under 30 (inclusive)	45	34.62	52	31.33	60	44.78	51	32.28	54	38.03	44	28.57
31-50	21	4.98	17	4.11	41	9.95	33	7.62	49	11.95	55	12.09
51 (inclusive) and above	3	1.76	2	3.13	1	0.52	0	0.00	4	1.94	1	1.08
Subtotal	69	9.56	71	11.02	102	13.82	84	12.52	107	14.12	100	14.25
Total number of new employees	104				186				207			
Total number of employees	1,366				1,409				1,460			
Total employment rate (%)	10.25				13.20				14.18			

Note 1: The new employment rate (%) = The number of new employees in the category of the current year / The total number of employees in the category at the end of the year.

Turnover rate in the past three years (regular employees)

Unit: person

Year	2020				2021				2022			
	Age/Gender	No. of males	Male turnover rate (%)	No. of females	Female turnover rate (%)	No. of males	Male turnover rate (%)	No. of females	Female turnover rate (%)	No. of males	Male turnover rate (%)	No. of females
Under 30 (inclusive)	22	16.92	24	14.46	24	17.91	27	17.09	24	16.90	25	16.23
31-50	24	5.69	24	5.80	44	10.68	29	6.70	50	12.20	32	7.03
51 (inclusive) and above	7	4.12	3	4.69	10	5.21	2	2.50	15	7.28	6	6.45
Subtotal	53	7.34	51	7.92	78	10.57	58	8.64	89	11.74	63	8.97
Total number of retired/resigned employees	104				136				152			
Total number of employees	1,366				1,409				1,460			
Total turnover rate (%)	7.61				9.65				10.41			

Note 1: The number of departed employees included those who resigned voluntarily or were dismissed or retired.

Note 2: The turnover rate (%) = The number of employees who departed in the category of the current year/ The total number of employees in the category at the end of the year.

Note 3: The number of departed employees did not include the employees taking parental leave (10 employees were on parental leave).

4.2 A Friendly Workplace

Human Rights Protection

To safeguard the employees' basic human rights and create an environment that fully protects human rights, TMNEWA recognizes and supports the spirit and basic principles of human rights protection promulgated by international human rights conventions such as the Universal Declaration of Human Rights (UDHR), United Nations Guiding Principles on Business and Human Rights, the UN Global Compact, and International Labour Organization to embody the responsibility of respecting and protecting human rights and comply with relevant labor regulations where the company is located. All employees are treated equally and are not subject to any form of discrimination regardless of their gender, sexual orientation, race, class, age, marital status, family status, language, thought, religion, political affiliation, nationality, appearance, facial features, and physical or mental disabilities. TMNEWA provides a workplace with dignity, safety, and equality that is free from harassment.

In 2022, the Auditing Dept. conducted audits on the workers' overtime hours, overtime pay, working hours, paid leaves and the convening of labor-management meetings, and the results showed that all were handled in accordance with regulations. There were no incidents of use of child labor, discrimination and sexual harassment of employees, damage to employee's interests and other violations of their rights to work and human rights.

According to the results of the 2022 routine labor inspection, there were no violations of laws and regulations.

The Company has established Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace, and a Sexual Harassment Complaint Committee with equal proportions of men and women is set up to deal with sexual harassment incidents. The member list and contact information of the committee will be announced to the employees so that they can get appropriate assistance if they encounter sexual harassment at the workplace. In 2022, a total of 1,367 employees participated in the education and training for Sexual Harassment Prevention Act, with a total of 68.35 training hours. To protect employees from physical or mental infringement in the course of performing their duties, it is clearly stated that "Workplace Violence is Prohibited". In addition, a Prevention Program of Unlawful Infringement in the Performance of Duties has been formulated in accordance with the law. Workplace violence complaints and reporting channels are also set up in hopes of establishing a workplace culture of safety, dignity, non-discrimination, mutual respect and tolerance, and ensuring the physical and mental health of employees.

Note: The training date was arranged based on the base date registered for salespeople's education and training.



Implementation of Parental Leave

To help the employees take care of their young children and protect their right to work, the employees whose children are under 3 years old can apply for the parental leave without pay and return to work when the parental leave expires. In 2022, a total of 34 employees were eligible for parental leave (18 males and 16 females).

Implementation of parental leave in the past three years

Year	2020			2021			2022			
	Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
The actual number of employees applying for parental leave without pay of the year (A)		0	7	7	2	4	6	1	9	10
Number of employees who should be reinstated after the parental leave of the year (B)		0	5	5	0	0	0	3	5	8
Actual number of employees who were reinstated after the parental leave of the year (C)		0	5	5	0	0	0	3	2	5
Actual number of employees who were reinstated after the parental leave in the previous year (D)		0	2	2	0	5	5	0	0	0
Number of employees who were reinstated for one year after the parental leave in the previous year (E)		0	1	1	0	5	5	0	0	0
Reinstatement rate of the year (C/B)		-	100	100	-	-	-	100	40	63
Retention rate (E/D)		-	50	50	-	100	100	-	-	-

Advance Notice Period for Operational Changes

The Company complies with laws and regulations such as the Labor Standards Act. As prescribed by law, employees shall be notified in advance of any major operational changes that may seriously affect their rights. The description is given as follows.

Minimum Notice Period for Operational Changes

- For workers serving for 3 months to 1 year, the notice shall be given 10 days in advance.
- For workers serving for 1 year to 3 years, the notice shall be given 20 days in advance.
- For workers serving for more than 3 years, the notice shall be given 30 days in advance.
- After receiving the advance notice, a worker may, during working hours, ask for leave of absence for the purpose of finding a new job. Such leave of absence may not exceed two work days per week. Wages shall be paid during such leave of absence.

Employee Health Promotion

To provide a safe and healthy working environment and take care of the physical and mental health of employees, the head office has set up a health center, a breastfeeding room, and professional nursing staff. In addition, AEDs are installed and regular CPR+AED first-aid courses are also arranged, providing employees with health consultation and education. In 2022, a total of 4 on-site physician consultation services (including office environment inspection and hazard assessment of maternal health protection workplace and operation) were arranged, with a total of 25 participants. There were no cases of occupational disease. In addition, the employee health checkups are held every two years.

2022 Employee Health Risk Mitigation Measures and Effectiveness

Health Risk	Mitigation/Preventive Measure	Effectiveness
Cardiovascular diseases	Individual guidance from on-site physicians and nurses	The on-site physicians suggested that 3 employees should receive consultation. One of them received the face-to-face consultation with the physician, and the other two did so via phone interview and email. Physicians and nurses were regularly invited to provide medical consultation guidance and conduct follow-ups. The total number of people served totaled 20.
	Provide cardiovascular-related health information	Information related to cardiovascular health is provided on the health section of the company's website. A total of 17 employees consulted the nurses on cardiovascular problems.
Mental stress	Individual consultation with the nurse	The nurses provided psychological counseling guidance and follow-ups through phone interviews, e-mail, face-to-face interviews, serving a total of 24 people.
	Share stress-relief information for mental health	Information related to physical and mental stress relief is provided on the health section of the company's website.
Infectious diseases	Share health education information on infectious diseases	Information related to infectious disease prevention is provided on the health section of the company's website.
	Provide epidemic prevention supplies	Provide regular supply of epidemic prevention materials, such as alcohol, sanitizer, masks, home rapid test kit, etc.

Based on the health issues screened in 2022, there set relevant prevention plans for issues with medium/high risks as follows.

2022 Risk Prevention Plans

Title of Plan	Description
Prevention of abnormal workload-induced disease	The employees filled in the Fatigue Assessment Scale during the health checkups. The on-site physician screened those who needed follow-up consultation. A total of 1 person received the consultation service.
Prevention of anthropogenic hazards	The employees filled in the Nordic Musculoskeletal Questionnaire (NMQ) during the health checkups. The on-site physician screened those who need follow-up consultation. 1 person received the consultation service.
Maternal health protection	For pregnant employees, the impact of their work on the mothers' health will be assessed, and the nurse also provided prenatal and postpartum consultation and care. 1 person received the consultation service.
Prevention of unlawful abuse in the workplace	After reviewing the relevant procedures and documents related to the workplace unlawful infringement prevention plan, all supervisors have filled in the self-examination checklist for illegal violations in the workplace, and the written statement of the company's prevention of workplace violence was announced. The on-site physician assisted with the review of hazard identification and risk assessment forms. According to the analysis of the risk assessment table, the possible risks and hazards are the front-line service work that directly faces the public. The risk is assessed as low risk, and the existing control measures are management control and personal protection.

Occupational Safety and Health

TMNEWA set up the Safety and Health Work Rules and also established the Occupational Safety and Health Management Committee, with the chairman serving the chair of the committee, under which are 9 committee members, including 6 labor representatives. The Committee holds quarterly meetings to review, coordinate and recommend safety and health-related business; the content of the Safety and Health Work Rules includes Human-induced Hazards Prevention Program, Prevention Program of Unlawful Infringement in the Performance of Duties, Prevention Program for Diseases Caused by Abnormal Workload and Maternal Health Protection Program. The Company's workers include regular and temporary employees. However, the cleaning and security personnel of the building management committee and the contracted solicitors are not included in the Company's occupational safety management system.

The company provides 3 hours of online training on general occupational safety and health to new employees. We also encourage our employees to obtain the supervisor's qualification for occupational safety affairs and apply for relevant occupational health and management certifications to cultivate talents in occupational health and safety. The head office holds fire drills, health education and first aid training every year to strengthen employees' awareness of work safety and ability to prevent disasters. In 2022, a total of 444 people participated in fire drills and 75 people in fire training courses.

To effectively implement the safety of the work environment, the labor health service nurses work with physicians every year to fill in the Appendix I "Maternal Health Protection Work Environment and Occupational Hazard Assessment Form" and Schedule I "Workplace Hazard Assessment and Maternal Health Protection Measures Form" in accordance with the Implementation Measures for Maternal Health Protection of Female Workers for the process of risk identification. The labor health service physicians fill in Schedule 8 "Labor Health Service Implementation Record Form" in accordance with Article 14 of the Regulations of the Labor Health Protection, and suggestions for environmental facilities improvement should be listed and improvement shall be made and tracked within 3 months to ensure the safety of the environment. In 2022, the identification results showed no major risks, and there were no cases related to major occupational injuries.

To respond to the COVID-19 epidemic, in addition to maintaining the regular office disinfection every year; alcohol sanitizer, masks, and forehead thermometers were provided in each workplace for the employees and visitors to use. Real-name system and temperature check were adopted when the visitors entered the building until the epidemic slowed down. On April 27, we followed the Central Epidemic Command Center (CECC) policy and canceled the real-name system and mandatory body temperature check. Alcohol sanitizer is still provided to disinfect the seats of toilets to ensure personal hygiene and prevent the epidemic from spreading.

Safety and Comfort

Regular disinfection of offices

Entrust a cleaning company to disinfect the office and clean the carpets.

Regular inspection of fire equipment

Entrust a fire inspection company to inspect all facilities.

Regular disaster prevention drills

Familiarize employees with protective measures in the event of an accident.

Fast equipment repair

More than 95% of the equipment applied for repair can be completed within 4 hours.

Adequate working space

General employees enjoy a personal space of 2.24 m².

Provision of living facilities

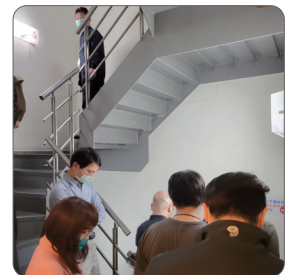
Set up steamer; microwave oven, refrigerator; and other appliances.

Encourage employees to take a rest

Play music at certain intervals to remind employees to take proper breaks.

Access control for female restrooms

Female employees feel more at ease when using the restrooms.



AED and CPR Education and Training

Fire Drill

It is the basic responsibility of an enterprise to guarantee the employees' personal safety and a comfortable and convenient work environment. Through various management measures and hardware equipment, we provide a working environment for our employees to work with peace of mind, helpful for the improvement of employee satisfaction and work efficiency. As prescribed in Article 18 of the Occupational Safety and Health Act, "When there is a concern of a potential imminent danger at a workplace, the employers or people responsible for the worksite shall immediately issue orders to halt work and withdraw laborers to a safe location. When laborers discover there is a concern of a threat of imminent danger while executing their duties, under conditions in which the safety of other workers is not jeopardized, they may terminate work of their own accord and withdraw to safe locations, and immediately report to their direct supervisors. The employers shall not dismiss, reassign, or refuse to pay wages for the period of work on halt, otherwise impose unfavorably treatment on laborers taking actions prescribed in the preceding paragraph." There have been no major occupational injury fatalities in the past three years.

Occupational safety performance in the past three years

Category	Item	2020	2021	2022
Total working hours	Total working hours for women	1,207,500.0000	1,258,125.0000	1,316,250.0000
	Total working hours for men	1,353,750.0000	1,383,750.0000	1,421,250.0000
	Total working hours	2,561,250.0000	2,641,875.0000	2,737,500.0000
Occupational injury fatalities	Number of female deaths	0.0000	0.0000	0.0000
	Number of male deaths	0.0000	0.0000	0.0000
	Total number of deaths	0.0000	0.0000	0.0000
Occupational injury death rate	Occupational injury death rate for women	0.0000	0.0000	0.0000
	Occupational injury death rate for men	0.0000	0.0000	0.0000
	Total occupational injury death rate	0.0000	0.0000	0.0000
Severe occupational injuries (excluding fatalities)	Total number of severe occupational injuries for women	0.0000	0.0000	0.0000
	Total number of severe occupational injuries for men	0.0000	0.0000	0.0000
	Total number of severe occupational injuries	0.0000	0.0000	0.0000
Rate of severe occupational injuries (excluding fatalities)	Rate of severe occupational injuries for women	0.0000	0.0000	0.0000
	Rate of severe occupational injuries for men	0.0000	0.0000	0.0000
	Rate of total severe occupational injuries	0.0000	0.0000	0.0000
Recordable occupational injuries (including fatalities and serious occupational injuries)	Total number of occupational injuries for women	1.0000	0.0000	0.0000
	Total number of occupational injuries for men	0.0000	5.0000	1.0000
	Total number of occupational injuries	1.0000	5.0000	1.0000
Rate of recordable occupational injuries (including fatalities and serious occupational injuries)	Rate of occupational injuries for women	0.8282	0.0000	0.0000
	Rate of occupational injuries for men	0.0000	3.6134	0.7036
	Rate of total occupational injuries	0.3904	1.8926	0.3653
Please describe each occupational injury	(Female) Fracture	(Male) Right hand and foot bruise, dose fracture on the right first toe (Male) right proximal humerus fracture (Male) Forehead laceration, multiple bruises on the body (Male) Multiple bruises and contusions on the left side (Male) left chest and shoulder contusion, right upper arm contusion, right ring finger proximal interphalangeal joint dislocation	(Male) Lower back contusion, cervical pain, left front back contusion	

Note 1: Since part-time personnel were not introduced into the system, they were not included in the statistics.

Note 2: In 2022, the number of injuries for non-employee workers who worked in the Company's workplace was 0 and the injury rate was 0%.

Note 3: There was 1 work-related injury for a male employee in 2022. The incident happened in the morning of July 25, 2022, when the employee went out for business and was hit by a vehicle from behind. The remedial measure is to advocate the use of public transportation when commuting to and from work or going out on business. The traffic rules have to be complied with at all times and the drivers should be alert and pay more attention to the road conditions on the way.

Note 4: Rate of occupational injury fatalities = Number of occupational injury fatalities/working hours * 1,000,000.

Note 5: Rate of serious occupational injuries = Number of serious occupational injuries (excluding fatalities)/working hours * 1,000,000.

Note 6: Rate of recordable occupational injuries = rate of recordable occupational injuries (including fatalities and serious occupational injuries)/working hours * 1,000,000.

Note 7: A serious occupational injury is defined as occupational injury that results in death, or makes it impossible for the worker to return to his pre-injury state of health within six months.

4.3 Selection, Development, Employment and Retention

Talent Training Program

The Company establishes the employee training system, performance system and promotion system and provides various incentives, rotation, performance appraisal and promotion measures to raise employees' willingness to learn and to motivate employees to continuously improve themselves and transform knowledge into abilities to improve business performance.

To strengthen the cultivation of professional insurance talents, we invited the professors from the Department of Insurance to offer courses on underwriting/claim certifications in 2022 to provide guidance to employees who were interested in obtaining domestic and foreign underwriting and claims certifications. Rewards were also provided to those who passed the exams. In 2022, a total of 69 employees were rewarded, with a total amount of NT\$ 213,000.

In addition, green finance related courses on sustainable development, net-zero transformation and climate change were also provided to employees. In 2022, 4 people signed up in the courses, each lasted 3 hours, and the total hours of these courses amounted to 12.

Total training hours by job category and gender in 2022

Item/Gender		Total number of trainees (B) (unit: persons)	Total training hours (A) (unit: hours)	Total average training hours (C) (unit: training hours)
Managerial position	Male	182	9,350	51.37
	Female	70	3,491	49.87
Non-managerial position	Male	576	24,853	43.15
	Female	632	21,887	34.63

Note 1: The course hours also included online training courses.

Note 2: The average training hours (C)= Total hours of gender education and training for men (female) by position in 2022 (A)/Total number of male (female) trainees by position at the end of 2022 (B).

Note 3: Managerial positions: Section supervisor (inclusive) and above; non-managerial positions: general employees.

Promoting the Succession Plan

To promote a strategic, systematic and long-term supervisor training program to develop the management associates training program at different levels. The Company has started to promote the Succession Plan since 2015. When there are job vacancies in the organization or there is a demand for supervisors in line with the expansion of the organization, it can provide its own talent pool to select appropriate supervisors immediately in the shortest possible time so as to achieve

seamless integration of organizational operations. When there was demand for supervisors in the past three years, 67% of the talents came from the management associates training program.

Performance Appraisal

The Company's performance appraisal includes initial work target setting and discussion of capacity development projects, mid-term work target achievement follow-up and final performance appraisal. At each stage, supervisors need to conduct one-on-one interviews with employees to understand the working conditions of them and provide guidance and feedback. Employees will be assisted to achieve annual work goals through a comprehensive performance management system. 100% of the qualified employees Note in the past three years were assessed.

Note : Those who had worked for less than 6 months (inclusive) in the current year would not participate in the annual performance appraisal.

4.4 Compensation and Benefits System

Employee Compensation Policy

To motivate the employees, the employee remuneration distribution methods are stipulated in Article 30 of the Article of Association to share the business results with the employees. The starting salary of the new employees is higher than the statutory minimum wage. Every year the annual salary adjustment and distribution of bonuses are made in accordance with the company's operating performance and personal performance. In 2022, the starting salary of the grassroots personnel (junior specialists) was 1.1 times that of the statutory minimum wage (NTD 25,250), and the average salary increase was about 2.5%.

Compensation ratio for male and female employees

Year	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Annual salary estimate						
Managerial position or above	105.12%	100%	102.68%	100%	97.63%	100%
Non-managerial positions	117.67%	100%	114.26%	100%	115.12%	100%

Note 1. Salary is calculated based on the annual salary, including basic salary plus seniority allowances, bonuses, benefits, overtime pay, time off and other allowances.

Note 2. Calculation formula: 2022 annual salary = 2022 withholding income + 2022 tax-exempt income.

Note 3. Managerial positions: Departmental supervisors and above; non-managerial positions: Employees with the position of section supervisors (inclusive) and below.

Compensation and Salary Adjustment Ratio

For the compensation structure of employees, TMNEWA has always adhered to the principle of taking into account internal balance and external fairness for the overall planning. In terms of internal balance, in addition to salaries based on job grades,

the position of the employee, the regional price index and other aspects are considered for the planning of living allowance. In terms of external fairness, the competitiveness of salary is optimized based on the results of salary surveys and the importance and particularity of the market will also be taken into consideration. In addition, the salary structure and personal performance are reviewed every year and annual salary adjustments are made. Year-end bonuses are distributed according to the Company's overall profit performance (including financial and non-financial indicators), unit performance and individual performance evaluation to share profits with employees. In 2022, the ratio of the Company's highest personal annual income to other employees' median annual income was 13:1.

Compensation and Salary Adjustment Ratio

Year	2020	2021	2022
The ratio of the highest personal income to the median income of other employees (highest personal income: employee)	12.51 : 1	13.98 : 1	13.36 : 1
The salary adjustment ratio of the highest personal income to the median income of other employees (highest personal income: employee)	1 : 1.02	1 : 1.02	1 : 1.01

Note 1. Salary is calculated based on the annual salary, including basic salary plus seniority allowances, bonuses, benefits, overtime pay, time off and other allowances.

Note 2. Calculation formula: 2022 annual salary = 2022 withholding income + 2022 tax-exempt income.

Note 3. Currently, the internal performance appraisal, promotion management and so on have not been linked to the performance of the improvement in climate change resilience, promotions of sustainable development, and development of relevant products and services.

Retirement System

The Company appropriates pensions for each employee in accordance with the law. The participation rate of the retirement program is 100%. In accordance with the Labor Standards Act and the Labor Pension Act, employees who entered the Company before June 30, 2005, were entitled to the old pension system. Only after the employees freely choose the new pension system can they be entitled to it. For the old pension system, 4% of the monthly salary of each pensioner with the old system shall be appropriated as pension reserve funds on a monthly basis. For the new pension system, the Company appropriates 6% of the monthly salary into the employee's personal designated account based on the table of monthly contribution wage classification. In addition to the Company's fixed contribution, the employees may, according to his/her willingness, contribute the pension to personal designated account within 6% of the salary. In addition, the Company also regularly provides pension reports made by an actuary to confirm that there is full contribution every year and protect the rights and interests of employees for pensions in the future.

Employee Welfare Committee

TMNEWA has established the Employee Welfare Committee in accordance with Employee Welfare Fund Act. The main tasks of the committee include review, promotion and supervision of employee welfare undertakings, planning, custody and application of employee welfare funds and allocation, audit and income and expenditure reports of employee welfare funds.

Employees of the Company can also set up various clubs in accordance with Regulations regarding Club Establishment and Subsidy, which helps promote employees' emotions and improve work efficiency. The Employee Welfare Committee will provide club subsidies. In 2022, 36 clubs were established. The total number of employees participating in the clubs was 1,073.

Various subsidies and insurance coverage

To take care of employees, we provide subsidies for marriage, maternity, medical care, emergency assistance, funerals, education and childcare, and domestic and foreign trips. In addition, bonuses for the three major festivals are distributed. Various activities are held from time to time, including employee travel and family days. In addition to statutory labor insurance and national health insurance, the Company provides employee group insurance, comprehensive insurance and other necessary insurances. Employee group insurance includes term life insurance, term accident insurance, term critical illness insurance and term hospital/surgery health insurance for employees, as well as term hospital/surgery health insurance and term cancer insurance for employees' dependents (spouse and children). All insurance costs are covered by the Company.

Benefit of Childcare

The Company cares for the workplace health of female employees and provides a worry-free working environment for working mothers. We have signed cooperation contracts with legal childcare institutions to provide childcare services to our employees. A breastfeeding room has been set up in the head office to provide a comfortable breastfeeding space for female employees, and this breastfeeding room is also equipped with a refrigerator and other equipment and has been well received.

5 Social Prosperity- Contributions to A Sustainable Society



Sustainable Workplace Promotion Performance in 2022

A cumulative of **106** manufacturers have signed the Letter of Commitment for Supplier CSR and Integrity.

Recruited employees to serve as the traffic guidance volunteers in Taipei Municipal Zhong Zheng Elementary School for **17** consecutive years, providing a cumulative **4,785** hours of service.

Having underwritten the Employers Compensation Liability Insurance for temporary workers of the Department of Environmental Protection, Taipei City Government for **24** consecutive years.

Reached remote primary schools for the promotion of after-school tutoring classes for **14** consecutive years, benefiting a cumulative of **2,035** schoolchildren.

Donations to public welfare amounted to **NTD 8.01 million**.

5.1 Co-prosperity of the Value Chain

The selection of suppliers of the Company is compliant with the Procurement Regulations and based on the compliance and risk management policies. In 2022, 100% of the suppliers having business relations with TMNEWA were legally established domestic companies.

Type of Contract (Based on company classification)	2020		2021		2022	
	Number of suppliers	Proportion of purchase amount (%)	Number of suppliers	Proportion of purchase amount (%)	Number of suppliers	Proportion of purchase amount (%)
Service(Maintenance and printing ^{Note 1})	102	43.33	100	42.80	88	33.04
Property (Capital equipment ^{Note 2})	68	41.76	77	47.37	66	63.97
Construction Work (House maintenance)	5	14.91	4	9.83	1	2.99
Total	175	100.00	181	100.00	155	100.00

Note 1. Maintenance and printing include general consumables.

Note 2. Capital equipment refers to official vehicles, various office equipment and others.

Supplier Management

The Company has established the Regulations Governing Supplier Corporate Social Responsibility, requiring suppliers with a certain amount of procurement to sign the Letter of Commitment for Supplier CSR and Integrity. Protection of labor rights is clearly stipulated in the Letter of Commitment, such as the prohibition of child labor and forced labor; the respect for freedom of association and other matters to protect human rights. It is hoped that the major suppliers we work with can jointly implement the responsibilities of labor rights, labor health and safety, environmental protection and integrity management. 100% of the current suppliers meeting the requirements have completed the signing of the Letter of Commitment. In addition, for suppliers who have signed the sales and purchase contract specifying the Letter of Commitment for Supplier CSR and Integrity, the Administration Department will conduct annual supplier evaluation, and those not reaching the standard score on the evaluation form are asked to improve within a certain time limit; those failing to improve or those scoring under 60 points will be listed as dishonored. For outsourced manufacturers for personal information, on-site inspection will be conducted annually to ensure the outsourced data processing is secure and safe. Every year, during the regular evaluation period, the procurement personnel will promote the integrity policy of the Company via emails to the manufacturers. The whistleblowing mailbox will be provided while the Company's corporate governance concept is reiterated, hoping to jointly create an environment for sustainable management.

For new suppliers whose single procurement amount is over NT\$ 300,000 (inclusive) or over NT\$ 1 million (inclusive) for annual procurement in the contract, they need to fill out a self-assessment questionnaire with items covering social aspects (such as the equality policy for employment, whether the company uses child labor, social workplace safety, etc.) and environmental aspect (degree of compliance with environmental regulations), and the Administration Department will confirm whether the suppliers are qualified by filling in the supplier evaluation form. Based on the principle of mutual benefit, we strive to jointly implement corporate sustainable development with our suppliers. In 2022, additional 14 manufacturers completed the signing of the Letter of Commitment, and all of them filled in self-assessment form with content including whether they are qualified and registered as prescribed by law, whether there is an equal policy in terms of employee recruitment, no use of child labor; purchase of labor and health insurance as prescribed by law, provision of regular education and training and training plans, safe workplace, and establishment of order and raw material management, etc. Therefore, 100% of new suppliers selected met the standard evaluation in environmental and social aspects. As of the end of 2022, a cumulative of 106 manufacturers have signed the Letter of Commitment for Supplier CSR and Integrity and become the qualified partners of the Company. In 2022, a total of 66 new and old manufacturers with continuous cooperation underwent the evaluation, and the qualifying rate was 100%. In addition, it is stipulated in the Procurement Regulations that "for procurement project over NT\$ 100,000, quotations from two (inclusive) or more suppliers have to be provided to avoid benefiting specific manufacturers". The Auditing Office conducted a general audit of the Administration Department in 2022 and checked the status of the signing of the Letter of Commitment for Supplier CSR and Integrity. The audit results were handled in accordance with regulations.

To respond to the green procurement policy promoted by the government, we provide low-pollution products to avoid waste of resources, which can not only save the costs for office equipment energy and operations but also fulfill the execution of corporate social responsibility. The procurement staff of the Administration Department will ask manufacturers to try to provide products with environmental protection labels and also list Green Product Procurement as the target for priority negotiation in the Procurement Regulations. In 2022, the Company reported the green procurement amount of the year on Green Procurement Declaration for Private Sector established by the Environmental Protection Agency, which amounted to NTD 26 million, and the content included information products, office suppliers, energy-saving products, home appliances and services.

5.2 Social Participation

Participation in Associations

Name of Association	2022 Status of Participation
The Non-Life Insurance Association of the Republic of China (NLIA)	Committee member
The Non-Life Underwriters Society of the Republic of China (NLUS)	Director
Nuclear Energy Insurance Pool of the Republic of China (NEIPROC)	Company representative
Insurance Society of the Republic of China (IS)	Company representative
Taiwan Residential Earthquake Insurance Fund (TREIF)	Committee representative of the Residential Earthquake Insurance Co-insurance Working Group Meeting
Taiwan Against Drunk Driving (TADD)	Executive director
Institute of Financial Law and Crime Prevention (IFLCP)	Member representative
The Actuarial Institute of Chinese Taipei (AICT)	Group member
Risk Management Society of Taiwan (rmst)	
Chinese Insurance Service Association (CISA)	
The Institute of Internal Auditors-Chinese Taiwan (IIA)	
Computer Audit Association	
International Union of Marine Insurance	
Taiwan International Logistics & Supply Chain Association	
Japanese Association in Taiwan	
Insurance Crime Prevention Foundation Center	
Taiwan Insurance Law Association (TILA)	
TiEA- Taiwan Internet and E-Commerce Association	

By providing profession public welfare services by corporate volunteers in accordance with the Sustainable Development Principles, TMNEWA solves social and environmental problems through investments in resources, and participates in activities held by civic organizations for community development and education to promote the development of the communities.

Safeguarding the traffic safety of schoolchildren in Zhong Zheng Elementary School

Since 2005, we have engaged in the community guidance services, with the headquarters staff serving as the traffic guidance volunteers to safeguard the schoolchildren in Taipei Municipal Zhong Zheng Elementary School. As of the end of 2022, the total service hours have reached 4,785.



School of Love's "Be Careful" Lecture held in Taipei Children's Amusement Park, attracting thousands to attend

To strengthen the publicity of traffic safety for children, the Company continued to participate in the public welfare activity held in Taipei Children's Amusement Park by Jing Chuan Child Safety Foundation in 20022. By providing entertaining, lively, and interesting explanations and interactive games, this event attracted more than 500 children, established their establish correct concept of traffic safety. Families were also attracted to participate in level-breaking games, with a total of thousands of participants, showing our active participation in safeguarding children's traffic safety.

School of Love's "Be Careful" Lecture for the elderly to safeguard their safety on the road

Under the joint assistance of the charity community, in 2022, we cooperated with the A Kernel of Wheat Foundation under the Taitung Christian Hospital in the promotion of the School of Love's "Be Careful" Lecture in Jai Na Day Care Center in Wanhua District of Taipei City. The content of the lecture targeted at the risks the elderly may face when traveling, relevant insurance protection, and also the concept of pedestrian rights of way, compulsory motor insurance, and correct knowledge of traffic safety to more than 30 elders aged over 70 to enhance the elders' safety on the road.



Road safety education cannot wait! School of Love's "Be Careful" Lecture first held in Fushan Elementary School

To strengthen the concept of traffic safety among schoolchildren in remote areas, the Company showed the traffic safety promotional video in Fushan Elementary School located in remote area in Wulai District in October, 2022. Lively video on traffic safety, together with the interactive games and prizes, correct knowledge of traffic safety can be passed on to these schoolchildren in this entertaining and educational way.

Protecting the water resource area of the Greater Taipei and promoting the environmental education in the community with Fushan Elementary School

The Company took the lead in cooperating with Fushan Elementary School located in the water resource reservation district in the promotion of the environmental education in the community in 2022, and implemented the cleaning the environment and reducing carbon emissions, investing a total of 86 hours. The environmental action experience was also integrated into learning activities to guide the schoolchildren to face the environmental sustainability issues, rooting the concept of environmental friendliness. The implementation of sustainability starts from the daily life so that sustainability for generations can be realized. We will work together to protect the ecology in Taiwan and exert our influence to contribute to the sustainable development.

Taking actions for a clean coast of Gongliao

To respond to environmental sustainability and maintain the marine environment, the employees were invited to participate in the Beach Cleanup in Gongliao, New Taipei City in 2022. Despite the bad weather condition and the strong wind, our employees and their families still worked together to contribute to the environment for Taiwan. A total of over 250 participants removed about 1,200 kilograms of marine debris altogether to maintain a clean environment in Gongliao coast.



Safeguarding road users- responding to Traffic Safety Month with practical actions

To improve the public's traffic safety awareness, the Ministry of Transportation and Communication (MOTC) continued to publicize the Traffic Safety Month and held the press conference for the launch of the Traffic Safety Month on September 1, attended by Minister Kuo-Tsai Wang. With the concept of "No One Less on the Safe Way Home", TMNEWA responded to the activity of the Traffic Safety Month with practical actions.

Dedication to promoting traffic safety and responding to the Knowledge Equity of people with disabilities

To respond to the Knowledge Equity of people with disabilities, the Company promotes knowledge of safe driving and cooperated with the Chinese National Association of the Deaf R.O.C. and held a public welfare lecture on "Traffic Accident Claims Practices and Case Sharing" in July, 2022, hiring senior claims professionals with more than 20 years of experience as the lecturers. This lecture attracted more than 50 hearing-impaired participants, and improved the awareness of risks on the road among people with physical and mental disabilities.

Expanding the promotion of road safety and protecting the road safety of hearing-impaired people

To protect the traffic safety of the hearing-impaired, TMNEWA joined hands with the Chinese National Association of the Deaf R.O.C. and held the lecture on "Traffic Accidents and Handling of Accidents" in April, 2022. Senior and experienced claims managers were invited as the lecturers. This lecture attracted more than 70 sign language teachers and the hearing-impaired participants.



Promoting road safety in communities to help the elderly travel safely

In view of the coming of an aging society and the fact that traffic accidents are a threat to the elderly, TMNEWA listed the safety of the elderly on the road one of the priority items of the public welfare events in 2022 from the perspective of prevention based on its insurance expertise. The Company set the theme of "Keeping young, traveling safely" as the main axis in March and promoted traffic safety in communities, attracting more than 200 participants.



Lectures on Traffic Safety Promotion

In 2022, we held 33 sessions of lectures on traffic accident handling instructions, motor insurance claim case sharing, safe defensive driving, accident liability research and judgement, legal compensation liability for traffic accidents, and traffic safety for our insurance channel partners and customers, with 1,056 participants in total.

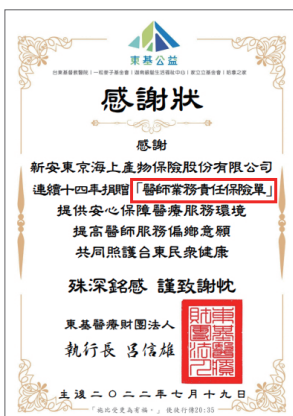
5.3 Public Welfare

Reaching to the Remote Areas

The epidemic of COVID-19 disrupted the rhythm of our daily life. For schoolchildren and teachers in remote areas, schooling became something full of obstacles. The most direct impact is the digital gap between urban and rural areas. TMNEWA has taken it as its duty and invested in the after-school tutoring classes in remote areas. During the epidemic, in addition to donating tablets to organizations that were in need, we also strengthened communication with the people in charge of the after-school tutoring classes to understand the schoolchildren's learning status. As of the end of 2022, the after-school tutoring classes have been provided to a cumulative of 2,035 students. In recent years, some previously participated students successfully attended college and joined the project to teach as part-time teachers in the tutoring classes to pass on the love. To realize the holistic support for schoolchildren in remote areas, the Social Worker Care and Counseling Project launched in 2020 provides guidance and care for "potentially high-risk" schoolchildren with full-time social workers, hoping that children can learn in a healthy family environment to minimize the learning gap caused by uneven resources distribution, and further to assist disadvantaged families to escape from poverty and prevent crime for the purpose of "damage prevention". Moreover, the Company has continuously made donations to micro-insurance since 2016. In 2022, we have assisted 1,600 students in remote areas to obtain basic personal insurance. We hope that by supporting the after-school tutoring classes, Social Worker Guidance and Care Projects and the micro-insurance, the children's confidence in their future life can be established, giving them a stage for fair development of their talents.

Charitable Donations and Public Welfare Sponsorship

In the face of a challenging and difficult 2022, the Company still fulfilled its corporate social responsibility and actively continued to engage in relevant public welfare activities and donation projects. In 2022, the total amount of public welfare donation was NT\$ 8,010,000 for road safety maintenance, education for schoolchildren, care for the disadvantaged, product production, a healthy environment and so on. In the future, TMNEWA will continue to uphold the concept of "taking from society, giving back to society" and pay attention to various aspects of public welfare.



Protecting the health of people in rural areas during epidemic- Donating NTD 1.3 million to Taitung Christian Hospital

The local COVID-19 epidemic broke out in 2022Q2, and the risks for medical staff increased. To protect the health of people in rural areas and enhance the willingness for doctors to serve in rural areas, the Company has donated money for 14 years in a row to support Taitung Christian Hospital to purchase "Medical Institution Comprehensive Liability Insurance" to enable Taitung Christian Hospital to continue to protect the health of people in the rural areas, providing more complete medical services to the local area.

Deepening the road safety publicity and donating Golden Safety Scholarship to 5 primary and secondary schools

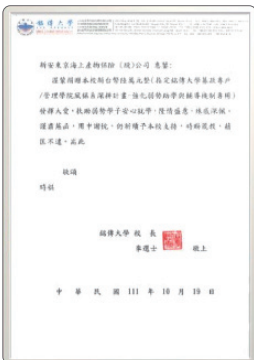
To implement the company's public welfare road safety publicity, we took specific actions in supporting the Excellent Schools for Traffic Safety Education by donating scholarship of NTD 100,000 to five primary and secondary schools. On December 6, 2022, we were invited to the 2022 Golden Safety Award Ceremony in New Taipei City Government Auditorium and were awarded the certificate of appreciation.

Secretary General of Ministry of Education, MR. Hsin-Kao Liao (First from the left) awarded the certificate of appreciation to the Vice President of TMNEWA, Mr. Wen-Chang Wang (Second from the left)



Donating UV proof reflective sleeves to temporary works of the department of Environmental Protection to improve the occupational safety

In 2022, the company donated 1,256 pairs of UV proof reflective sleeves to the temporary workers for their hard work, which can protect them from the sunlight during their daytime duties and improve the safety with the reflective warning at night, thereby improving the overall occupational safety for them.



Encouraging disadvantaged students to turn life around, providing NTD 60,000 scholarship for disadvantaged students in Ming Chuan University

The company responded to the Project on Deep Plowing held by the Department of Risk Management and Insurance of Ming Chuan University and donated NT\$60,000 as the scholarship for students from low-income families to provide subsidies and incentives for the students.

Responding to the E. SUN Volunteer & Social Welfare Foundation's "Caring for Schoolchildren" Project

The public welfare concept of the Company is consistent with the social responsibility concept of E. SUN Volunteer & Social Welfare Foundation, so TMNEWA actively responds to the "Caring for Schoolchildren" Project and donated a total of NT\$ 2 million in 2022. By taking practical actions, we provide financial assistance to the disadvantaged schoolchildren.

Safeguarding schoolchildren, working with Tan-Mei Elementary School in establishing the Traffic Safety Classroom

There is a lot that need to be done after the relocation of Tan-Mei Elementary School, and TMNEWA has made donations, assisting the school in building a Traffic Safety Classroom, promoting the curriculum, environment, activities and talent cultivation. Aiming at fostering these schoolchildren to become international citizens with both international vision and local concern. The traffic safety themes were incorporated in the course of Traffic Safety Monopoly, Biking Courses, etc. to enable the 334 schoolchildren in the school to build correct knowledge of traffic safety. We were specially awarded the certificate of appreciation by Taipei City Government.



Responding to the Restless Rock's "Love in Thousand Miles 13" charity biking event around Taiwan in October, 2022

TMNEWA responded to the "Love in Thousand Miles 13" charity biking event and demonstrated the idea of giving back to society. Every October, the Restless Rock Group co-organizes the "Love in Thousand Miles" charity biking event with Eden Social Welfare Foundation. The cyclists go to the rural areas with love and care and visit the children they support in the rural communities.

6 Top: Sustainable Environment and Co-Prosperity

2022 Performance of Sustainable Environment and Co-Prosperity

Participated in investment in environmental protection industry; as of 2022, the cumulative amount invested in environmental protection reached **NTD 494 million**.

Worked with AUO Corporation and several insurance peers and jointly established Star River Energy Corporation. The output of renewable energy in 2022 reached **10,162,488 kWh**, equivalent to the reduction of greenhouse gas emissions by about **5,173 tonCO₂e**.

Passed the verification of **ISO 14064-1** in May, 2022.

The number of vehicles undergoing Remote Claims Inspection in 2022 was **37,770**, averagely saving **75,540** liters of gasoline from claim staff.

The number of electronic insurance policies reached **1,881,353**.



Management Approach

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
Climate-related Financial Impacts	Grasp the risk and opportunities climate change may bring to the company, and strengthen the management and resilience of climate change related risks.	Establish appropriate climate-related risk management and opportunity mechanisms, including governance, strategies, risk management, indicators and targets in accordance with the risk management policy.	<p>1. Organizational GHG Emissions Verification (ISO 14604-1): Passed the ISO 14064-1 GHG emissions verification in 2021 and disclosed it in the CSR Report. The TCFD Working Group planed the medium-term GHG emissions reduction targets based on this, and submitted it to the third Sustainable Development Committee meeting in 2022 for review to promote climate change risk management.</p> <p>2. Participated in associations' TCFD Projects: In 2022, the task force meeting for the discussion of the compilation of the chapters of four major aspects of the practice manual (governance, strategy, risk management, and indicators and goals) in 2022, which is expected to be applicable to the preparation of the 2022 Sustainability Report in 2023. The task force also developed the tools to identify</p>	Strengthen the resilience of climate-related risk management: Strengthen the quantification methods of climate change risks and conduct the TCFD and regular reports based on the four major aspects of governance, strategy, risk management, and indicators and goals.	Continue to monitor climate-related risk exposures and review as well as adjust the climate-related risk management policy based on the results to ensure the effectiveness of climate-related risk management.

Management Approach

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
			and evaluate climate-related risks and opportunities. After the public version of assessment tool for the insurance industry is decided, the materiality assessment of the RR risk and opportunity identification will be launched. In addition, the disclosure items required by SASB have been prepared with the cooperation with the consultants of C.C. Sustain ESG Solution Co., Ltd. and various units.		
Responsible Investment	Use the Company's investment influence and through the engagement with the investees to guide the investees to implement environmental protection, corporate governance, and fulfill their corporate social responsibility.	Establish the Asset Utilization Risk Management Measures and Investment Risk Management and Control Measures and include the item of whether the investee company fulfills environmental protection, corporate honesty and social responsibility into the evaluation.	<ol style="list-style-type: none"> 1. The Responsible Investment Policy was approved by the board of directors on February 25 and was announced on the Knowledge Management (KM) System. 2. The ESG review of investment targets has been included in the investment evaluation process. In 2025, the domestic stock investment assets will account for more than 65% of the company's ESG asset pool, of which the ESG ratings are set to FTSE Russell ESG (FTSE Russell Indexes) 2.5~3.0, accounting for 43%; 3.1~3.5, accounting for 15%; 3.6~4.0, accounting for 5%; and 4.1 and higher, accounting for 2%. 3. In 2022, the 73.67% (cost) of domestic stock investment assets were composed of targets in the company's ESG asset pool. 4. Participated in shareholder meetings of 46 domestic listed and OTC companies through electronic voting, with the attendance rate of 100% in 2022. Except for the items that cannot be voted as prescribed by law, all the items were voted by the principle of participatory voting in a total of 257 resolutions (118 amendments to the Articles of Association or operating procedures; 47 proposals for profit distribution or loss appropriation; 43 cases of business reports and financial reports; 37 proposals of lifting director's non-competition; 7 proposals of capital increase; 3 proposals of restrictions on 	Strengthen the resilience of climate-related risk management: Strengthen the quantification methods of climate change risks and conduct the TCFD and regular reports based on the four major aspects of governance, strategy, risk management, and indicators and goals.	Continue to monitor climate-related risk exposures and review as well as adjust the climate-related risk management policy based on the results to ensure the effectiveness of climate-related risk management.

Management Approach

Management Approach	Significance and Purpose of Management	Management Policy	Description of Goal Achievement in 2022	Goals for 2023	Medium- and Long-term Goals
			issuance of new shares to employees; 1 case of private placement of securities and others). After evaluation, these proposals did not violate the environmental protection, social care, or corporate governance issues. Therefore, we fully supported these proposals to carry out shareholder activism.		
Energy Conservation and Carbon Reduction	Respond to global net-zero emissions. We will make effective management of the company's energy use, reduce environmental load, and realize net-zero emissions by 2050.	The company follows the TCFD and ISO 14064 GHG inventory framework for management.	Newly added topics	Based on the emissions in 2021: 1. GHG emissions from electricity use to reduce by 3% every year. 2. The procurement of energy-saving facilities to increase by 3% every year. 3. The GHG emissions generated by each unit of investment position to reduce by 2% every year. 4. GHG emissions generated by each unit of real estate (for investment) to reduce by 2% every year.	Based on the base period emissions in 2021: 1. The GHG emissions generated by company vehicles to reach the cumulative reduction of 40% by 2030. 2. The GHG emissions generated by electricity use to reach the cumulative reduction of 20% by 2030. 3. The GHG emissions generated by employee commuting to reach the cumulative reduction of 30% by 2030. 4. The GHG emissions generated by purchased goods to reach the cumulative reduction of 20% by 2030. 5. The carbon emissions generated by each unit of investment position to reach the cumulative reduction of 16% by 2030. 6. Carbon emissions generated by each unit of real estate (for investment) to reach the cumulative reduction of 16% by 2030.

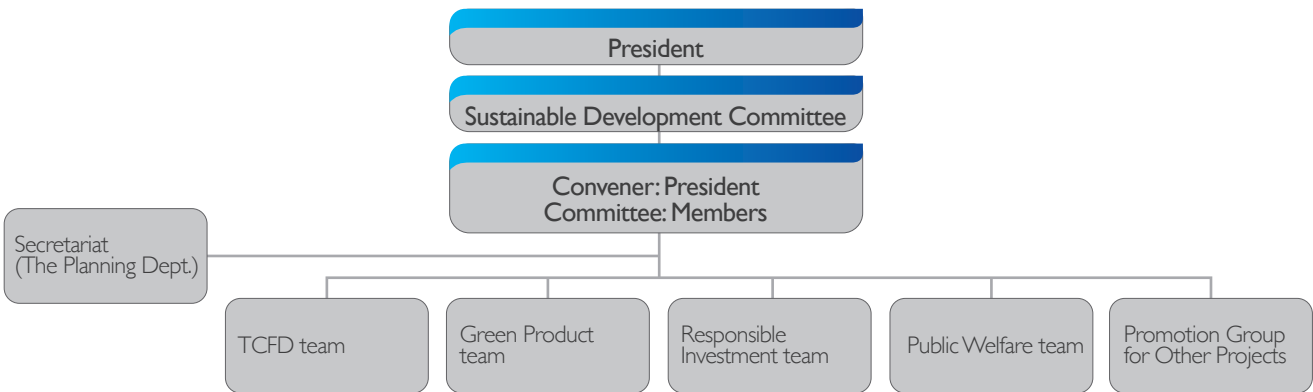
6.1 Response to Climate Change

Principles for Sustainable Insurance (PSI)- Climate Change

Insurance has become one of the important mechanisms to respond to climate change because of the expertise of the insurance industry to evaluate risks and the ability to provide cost-benefit analysis of risk management tools and incentives of risk reduction as well as increase the stakeholders' attention to climate change, making insurance a current important mechanism for the compensation of the economic losses caused by climate disasters.

The board of directors does not only pay attention to individual risks (such as climate change risks) in terms of risk management, the integrated results of various risks from the company's perspective overall are also supervised. The board of directors approved the establishment of the Sustainable Development Committee to supervise the operation of sustainable development, including the implementation of corporate governance. The president serves as the convener of the Sustainable Development Committee, and the TCFD team has been set up under the committee to assist the company to develop adaptation strategies for climate-related risks and opportunities, and regularly reports the adaptation plans and implementation results to the Sustainable Development Committee, Risk Management Committee and board of directors.

Organizational Chart of the Sustainable Development Committee

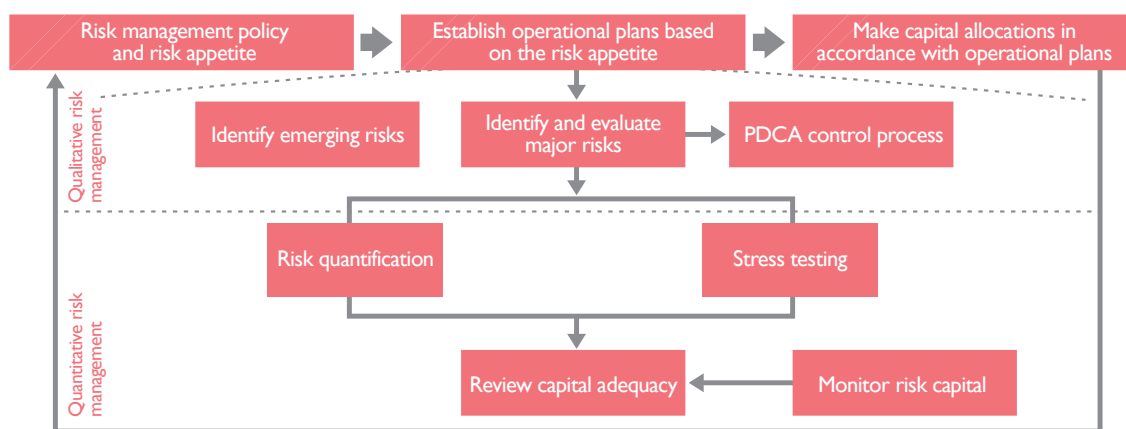


Three Defense Lines for Internal Control

Three Defense Lines for Internal Control

1 st Defense Line	2 st Defense Line		3 st Defense Line
(Business Unit) All departments of the company	(Risk Management Unit) Risk Management Department	(Compliance Unit) Compliance Department	(Audit Unit) Audit Office
Make assessment and control of climate-related risks when conducting business and managing business relationships.	Supervise the implementation status of business units and ensure their compliance with regulations.		Ensure that the business, risk management, and compliance units implement or supervise the management and control measures for climate-related risks.

When faced with the new challenges brought by climate change, the company has integrated climate-related risks into the overall enterprise risk management (ERM) cycle. The climate-related risks are integrated into the risk management process on the basis of the risk management culture, including processes of risk identification, assessment, response, monitoring and information, communication and documentation, etc., and introduce climate-related risks into the daily individual risk management system, emergency response system, and integrated risk management system, forming the corporate risk management architecture through the three major systems.



Climate-related risks are divided into two major categories:

- (1) Transition risks in relation to the low-carbon economy: Transition to low-carbon economy may require extensive policy, legal, technological and market changes to meet the requirements of mitigating and adapting to climate change, which causes the company to face risks to policy and regulation, technology, market, reputation and so on.
- (2) Physical risks related to the impact of climate change: Physical risks of the climate patterns brought about by climate change can be immediate and long-term. Immediate physical risks are mainly one single event, including increasingly serious extreme weather events such as typhoons or floods. Long-term physical risks refer to the long-term changes in climate patterns (such as persistent high temperatures) that may cause sea level rise or long-term heat waves.

At the same time, mitigating and adapting to climate change can also create opportunities for the company. The opportunities the company identified include increasing energy use efficiency and cost savings, adoption of low-carbon energy, innovating and designing new insurance products, entering new markets, and improving resilience. The company conducts the prioritization of the significance of the identified results on a regular basis, assesses the risk level based on the likelihood of occurrence and impact on finance, business, and investment, and discusses possible mitigation measures and the quantitative indicators and targets for residual risks. In 2022, the significant climate change-related risks and opportunities identified are as follows.

2022 Identification of Climate Change Risks and Opportunities

Major Risks

Transition risks:

- Policies and regulations- Carbon fees, carbon taxes
- Policies and regulations- Risk of information disclosure (emission reporting obligations)
- Policies and regulations- Litigation risk
- Reputation- Negative response from stakeholders

Physical risks:

The severity of extreme weather events such as typhoons and floods increase

Source: National Science and Technology Center for Disaster Reduction

Major Opportunities

- Innovative products and services - Changes in market demands
- Innovative products and services – Climate change and development of insurance products
- Market - New assets and areas with insurance demand.
- A good reputation facilitates the increase in demands for products/services
- Policy- The government promotes the green energy industry, and the company cooperates with Tokio Marine Group and undertakes the offshore wind power related business

The Taiwan Climate Change Science Report published by the National Science and Technology Center for Disaster Reduction made evaluation of the impact on Taiwan under the RCP2.6, RCP4.5, RCP6.0, and RCP8.5 scenarios, and simulated the short-term, medium-term, and long-term situations of temperature increase in four groups of RCP scenarios (as shown in the left Fig). The increase of the average temperature and the rise of sea levels caused by the rising temperatures in the four sets of simulations scenarios from 2016-2035 will not have significant impacts on the company in the short term. The increase in the severity of short-term extreme weather events is explained as follows, which includes the physical risks faced by the self-operation and the insurance business and the transition risks faced by the investment business, the impact of climate change risks on the company's strategic development and planning, as well as the impact on finance. Climate opportunities are detailed in the Effects of Green Finance Section.

In terms of the self-owned operating locations, to evaluate the business locations where floods caused by extreme weather may lead to interruption of the company's services, the company used the Impact On Demand (IOD) software and analyzed the hypothetical scenario in which the 24-hour cumulative rainfall exceeds 350mm. Under this condition, 18 out of the 34 business locations in Taiwan will not be flooded, and the other 16 will be flooded with the depth of 0~1 meter. To reduce the impact of the extreme precipitation on the operations, the company will develop operations continuity strategies and establish a Continuity of Operations Plan to ensure that we have an emergency response mechanism in the event of extreme incidents and that it has the post-disaster recovery mechanism that can maintain key operational activities after the operations are interrupted to reduce the impact on operations when an event of extreme precipitation occurs. In addition, the drills are implemented every year to constantly improve response and recovery procedures.

Area	Low No floods occurred	Low Flood depth: 0-1 meter	Medium Flood depth: 1-2 meters	High Flood depth: 2 meters and above
North	2	12	-	-
Central	7	-	-	-
South	9	2	-	-
East	-	2	-	-
Total	18	16	-	-

Tokio Marine Newa Insurance continues to pay attention to the disaster impacts caused by climate change and its impact on the insurance financial market or economic development with its insurance expertise. The company identifies catastrophic events that may cause huge losses to the company based on the characteristics of the insurance products. The catastrophic events include natural disasters (such as earthquakes, typhoons, floods, etc.) and non-natural disaster incidents. For the catastrophic risk assessment, in addition to using the RBC risk capital standard model of the supervisory authority, the 99% tail risk value is also used as the risk assessment for catastrophic incidents, supplemented by situational analysis and other methods for the assessment of the maximum losses possible. The cumulative effect of catastrophic risks are also put into consideration when making assessment. For the losses that may be faced by insured catastrophes, the Risk Management Solutions (RMS) and AIR are referred to, and the climate change risk factors are included in the model to make reinsurance arrangements based on the assessment results to purchase catastrophe excess of loss reinsurance contracts to transfer catastrophic risks. This can not only strengthen the company's ability to absorb catastrophic losses caused by climate change, but also allow policyholders to purchase appropriate insurance to protect themselves through the transfer arrangement. The company also regularly manages, evaluates and continues to monitor catastrophic risks, and regularly reviews whether the cumulative effects of different insurance products exceed the company's risk limits under assumed catastrophic events or scenarios. In addition, whether the company's own capital meets the capital requirements for catastrophic risks is also evaluated. At the same time, key risk indicators for catastrophes have also been set up, such as the retention for every unit risk, the accumulated premium retained for natural disasters, and the concentration risk in every hazardous accident, which are continuously monitored, and the analyzed and monitored results, as well as the regulatory trends and implementation status in relation to climate-related risks are reported to the Risk Management Committee for further discussion and review of the company's development strategies.

The distribution of physical risks faced by the insured objects are disclosed as follows:

Ratio of premium retained in different regions		
Administrative Districts	Earthquake Events	Typhoon/Flood Events
Taipei City	12%	12%
New Taipei City, Keelung City	12%	12%
Taoyuan City	13%	13%
Hsinchu County	10%	8%
Miaoli County	4%	4%
Great Taichung City	12%	12%
Nantou County	1%	1%

Ratio of premium retained in different regions

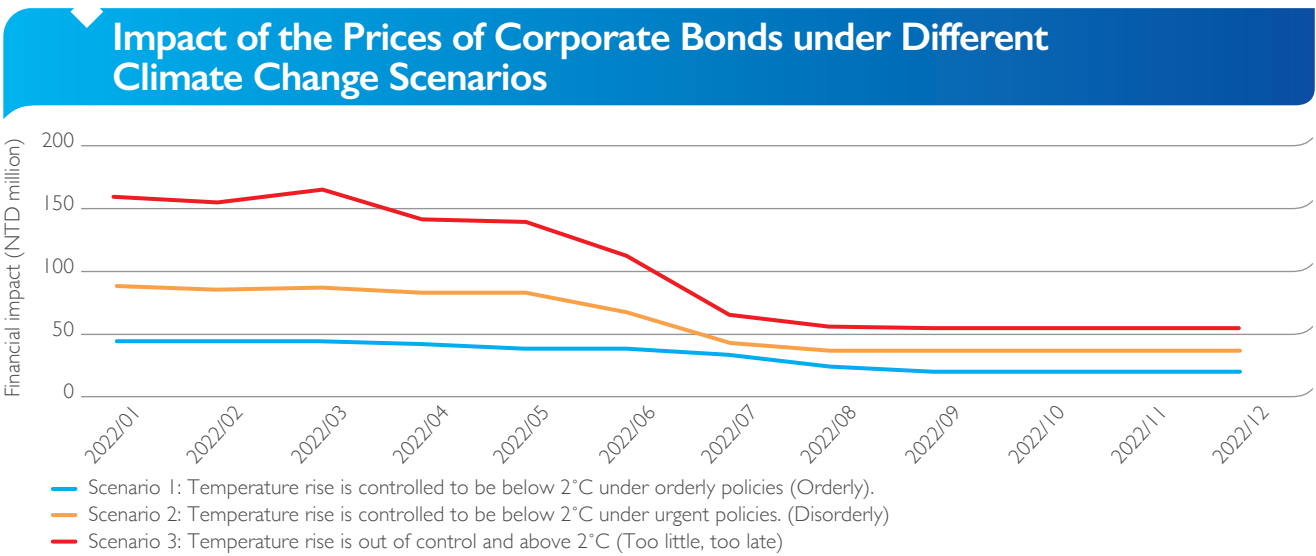
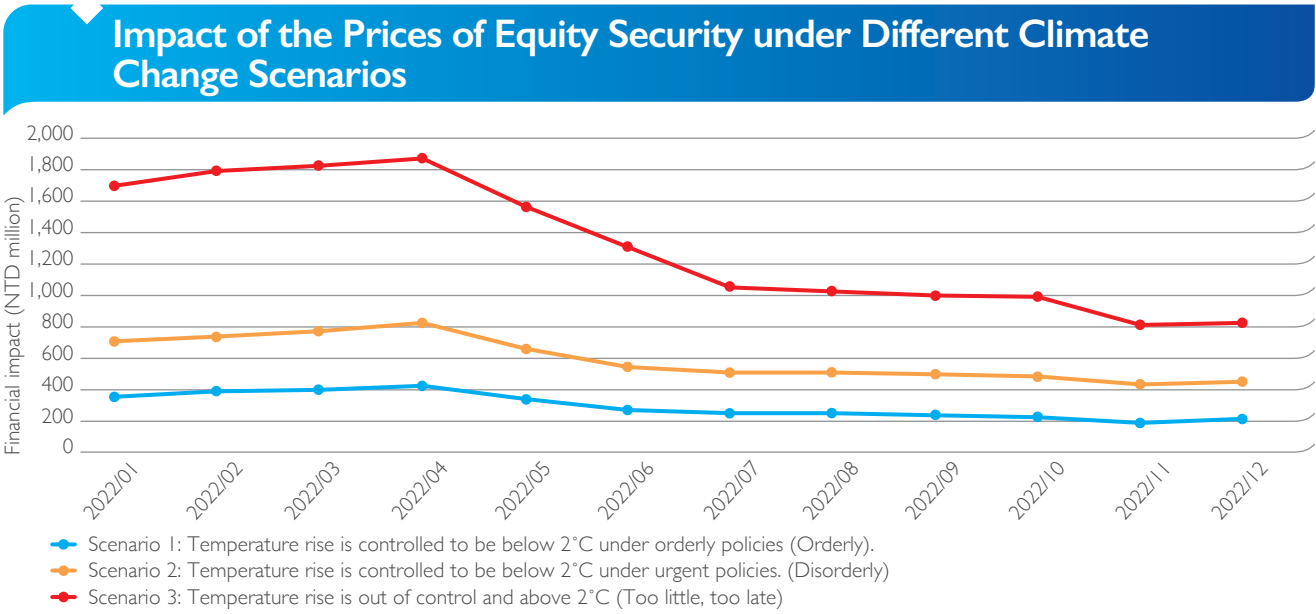
Administrative Districts	Earthquake Events	Typhoon/Flood Events
Changhua County	3%	3%
Yunlin County	3%	2%
Chiayi County, Great Tainan City, Penghu County	12%	12%
Great Kaohsiung City, Pingtung County	13%	14%
Hualien County, Taitung County	1%	1%
Yilan County	1%	1%
All regions in Taiwan	4%	4%
Total (Taiwan region)	100%	100%

In terms of investment business, to increase the investment value and promote the healthy development of the company and the invested ones, we have put ESG and other sustainable management factors into consideration in the stage of investment project selection, evaluation, decision making, and investment management, and the action on due diligence and governance is implemented. When making assessment of an investment project, the ESG screening of the potential investment targets is conducted. When the investment targets are involved in environmental pollution, controversial social issues, and poor corporate governance, the ESG due diligence investigation is conducted. After making investment, relevant information, risks and opportunities of the invested businesses will be continuously paid attention to, analyzed, and evaluated, and the ESG factors are also considered to assist the invested business to make good use of the potential ESG opportunities for the management of sustainability issues and creation of future value.

For the climate-related risks of the investment portfolio, the Company conducts regular monitoring and evaluation of the changes in the proportion of exposure to climate-related risks the investment position is involved, and analyzes the changes of expected losses as a way to manage climate-related risks in accordance with the scenarios defined by NGFS (Network of Central Banks and Supervisors for Greening the Financial System). The scenario analysis on climate-related risks of investment positions is conducted, and the quantitative assessment and analysis of expected losses on investment positions in each month of 2022 was conducted. The estimated scenarios included (1) Orderly transition: The temperature rise will be controlled to be below 2 °C under orderly policies; in this scenario, the government will release plans for relevant low-carbon transition policies to control the temperature rise to be lower than 2°C in 2100, so the transition and physical risks are lower; (2) Disorderly transition: Under urgent policies, the temperature rise is controlled below 2°C: in this scenario, the government adopts mandatory policy measures to control the temperature rise to be within 2°C in 2100, resulting in high transition risk and low physical risk; (3) Too little, too late: the temperature rise exceeds 2°C: in this scenario, global action on climate risks are in adequate, leading to irreversible climate disasters in 2100. This is a scenario of high transition and physical risks. The pressure parameters are set as follows.

CPRS Classification	Asset Class	Economic category	Scenario 1: Orderly Transition	Scenario 2: Disorderly Transition	Scenario 3: Too little, too late
Fossil fuels	Equity Security	Fossil fuels	24.60%	49.30%	69.30%
Public facilities	Equity Security	Public facilities	20.90%	14.80%	61.80%
Energy intensive	Equity Security	Energy intensive	10.30%	20.70%	40.70%
Architecture	Equity Security	Architecture	2.20%	4.30%	34.30%
Transportation	Equity Security	Transportation	5.10%	10.20%	20.20%
Agriculture	Equity Security	Agriculture	9.20%	18.40%	33.40%
Finance	Equity Security	Others	0.00%	0.00%	10.00%
Tech R&D	Equity Security	Others	0.00%	0.00%	10.00%
Others	Equity Security	Others	0.00%	0.00%	10.00%

CPRS Classification	Asset Class	Economic category	Scenario 1: Orderly Transition	Scenario 2: Disorderly Transition	Scenario 3: Too little, too late
Fossil fuels	Corporate Bonds	Fossil fuels	3.70%	7.40%	10.40%
Public facilities	Corporate Bonds	Public facilities	3.10%	6.30%	9.30%
Energy intensive	Corporate Bonds	Energy intensive	1.60%	3.10%	6.10%
Architecture	Corporate Bonds	Architecture	0.30%	0.60%	5.10%
Transportation	Corporate Bonds	Transportation	0.80%	1.50%	3.00%
Agriculture	Corporate Bonds	Agriculture	1.40%	2.80%	5.00%
Finance	Corporate Bonds	Others	0.00%	0.00%	0.00%
Tech R&D	Corporate Bonds	Others	0.00%	0.00%	0.00%
Others	Corporate Bonds	Others	0.00%	0.00%	1.50%



To cope with the threats posed by extreme climate, the company has long been dedicated to the development of Business Continuity Plans (BCPS) and establishment of measures for the business continuity management mechanism to build a sustainable risk management framework to ensure the company’s emergency response mechanism in threatening events such as major extreme climate risk events or special circumstances, and a post-disaster recovery mechanism that can still maintain key operating activities after the interruption of operations. Every year, the drills are carried out to continue the improvement

of response and recovery procedures and enhance the resilience of continued operations. In addition, the company also actively promotes the risk management technology. In 2019, the GIS mapping software Impact On Demand (IOD) was introduced to carry out (1) management of regional EAD (Exposure at Default); (2) Early warning of natural disaster risks and loss prevention assistance; (3) Liquidity risk management of major disaster losses. Before underwriting natural disasters, the mapping software is used to draw the regional graphics to automatically calculate the number of customers and disaster risk exposure information to make timely grasp of the business density of all regions, so as to avoid over-concentration of business in specific areas and moderately reduce the concentration risk. For example, before a typhoon comes, the IOD mapping software will be actively provided to our local staff-for them to grasp real-time information based on the typhoon path and impact area released by the Central Weather Bureau. After receiving the valid policy details, the underwriting department immediately activates the major accident emergency response team, and the valid policy details of the companies in the disaster areas are forwarded to the local employees for them to provide early warning and customer care. Policyholders are also reminded to prepare for typhoons and repair relevant equipment in advance to avoid losses caused by disasters. When a disaster notification from a client is received, the claim staff will be immediately notified to start relevant disaster response process. After receiving the statistical information gathered by the Claims Department, the Risk Management Department will immediately initiate the capital liquidity assessment during the catastrophic period to evaluate whether the capital liquidity is intact. If there are urgent needs for funds, an asset liquidation plan will be initiated for emergency fund allocation to ensure that customers can receive timely compensation in the event of losses. At the same time, the company has also started the assessment of the impact and risk of future flooding hazards through the Taiwan climate data (observations and projections) provided by the Taiwan Climate Change Projection Information Platform (TCCIP) to evaluate the impact of different indicators and aspects of flooding disasters, such as rainfall changes, flooding impacts, impact of sea level rise, etc. Since the largest possible loss is the company's confidential information, it is not disclosed in this Report. In the future, the company will continue to analyze different climate risk factors to reduce the operational impact caused by climate change.

6.2 The Effects of Green Finance

Principles for Sustainable Insurance (PSI)- Investment Management

The investment management of the insurance industry should adopt the Principles for Responsible Investment (PRI), which is designed to enable institutional investors to take environmental, social, and corporate governance (ESG) into consideration when making investment decisions.

The main business of Tokio Marine Newa Insurance is property insurance, and we are an asset owner defined in the Stewardship Principles for Institutional Investors that uses our own funds and various reserves to make investments. The company considers the sustainable operation factors in terms of environment, society and corporate governance and properly makes

uses of the funds managed by institutional investors to fulfill our commitments. We comply with the six major principles of Stewardship Principles for Institutional Investors and when we outsource the fund management, the entrusted institution should be a signatory of the United Nations Principles for Responsible Investment (PRI) or have declared that it voluntarily follows the PRI principles, or be asked to provide their ESG implement methods.

The company has established a Responsible Investment Promotion Group under the Sustainable Development Committee to be in charge of the promotion and implementation of investments. During the stage of investment project selection, evaluation, investment decision-making and investment management, ESG and other sustainable management factors should be considered to enhance the investment value and promote the sound development of the company and the invested businesses. The Risk Management Department monitors investment risks, submits asset utilization risk management reports to the Risk Management Committee, and monitors management on a regular basis, and releases reports of financial asset position and asset utilization risk management status. In addition, the Audit Office also conducts audits on a regular basis to monitor the stop-loss mechanism of asset utilization risk management, review relevant stop-loss notification emails from the Risk Management Department, and monitor lists and market prices information and the meeting briefings of the Risk Management Committee in accordance with the company's internal regulations.

When selecting the target for investment, companies that focus on ESG are selected by incorporating ESG assessment and inspection. After making investment, the inventories of indirect GHG emissions generated from investment activities are taken on a regular basis to monitor and control the GHG reduction targets of the investment portfolio. In 2023, the Negative/Exclusionary stock selection were newly added in ESG investment, and the statistical data of carbon emissions of the invested targets are also included, and the carbon reduction targets are also set.

The company has set up the Responsible Investment Policy to follow when making investment by using its own funds. Specific measures are as follows.

1. When making evaluations of investment projects, the ESG checklist should be filled out to screen the ESG of potential investment targets. When the investment targets are involved in environmental pollution, controversial social issues, and poor corporate governance, the ESG due diligence investigation should be conducted.
2. Investment in the following industries should be prohibited. (Environmental aspect): 100% coal mining industry and 100% coal-fired power generation industry. (Social aspect): Industries with specific evidence proving the involvement in pornography, drugs, money laundering, financing of terrorist activities, slave labor, child labor or violations of human rights. (Corporate governance aspect): There is specific evidence proving the board of directors' violations of laws, articles of association, and resolutions of shareholders' meetings when executing business, having a significant impact on the rights and interests of shareholders or investors.
3. If the investment target involves coal power generation, thermal power generation, and cement industries, and has been fined for environmental pollution by the environmental protection authority in the past year (the amount of the fine is more than NTD 1 million), whether the business has made relevant improvements or plans should still be reviewed and noted in the ESG checklist.
4. After making investment, relevant information, risks and opportunities of the invested businesses will be continuously paid attention to, analyzed, and evaluated, and the ESG factors are also considered to assist the invested business to make good use of the potential ESG opportunities for the management of sustainability issues and creation of future value.

The distribution of physical risks faced by the insured objects are disclosed as follows:

1. Dialogues and interactions with the invested businesses are conducted through the following methods to understand the risks faced and the sustainable development strategies, so as to expand and exert the influence of the company, and further to determine the subsequent investment strategies.
 - (1) Have communication with the management in writing or verbally.
 - (2) Make public statements on specific issues.
 - (3) Put forward proposals, express opinions, or participate in the voting at the stakeholders' meeting of the invested businesses.
 - (4) Other methods helpful with the dialogue and interaction with the invested businesses.
2. When the invested business are in danger of violating laws and regulations, damaging ESG principles or the company's investment value, the management of the invested businesses should be inquired about the details of the incident and the handling status.
3. The company implements communication activities and can also cooperate with other institutional investors based on the same issues of concern so as to expand the influence on the invested businesses.

Note 1: The timing of the communication with the invested businesses should involve one of the following circumstances: (1) The invested business's response to major changes in macroeconomics and the industry; (2) Disclosure of major business, financial and other information; (3) Major changes in the management team; (4) Other issues related to corporate governance; (5) Environmental issues; (6) Issues related to the fulfillment of social responsibilities; (7) Environmental change issues; (8) Issues affecting the rights and interests of shareholders; (9) Major legal litigation incidents.

Note 2: None of the investee companies met the conditions for communication in 2022.

Domestic Investment

Tokio Marine Nawa Insurance discloses the ESG ratings of listed companies in Taiwan based on the IR PLATFORM, and uses FTSE Russell to comprehensively measure the company's ESG performance based on the company's publicly disclosed information.

The FTSE Russell ESG rating ranges from 0-5 (level 5 being the best). FTSE requires issuing companies in emerging markets to have an ESG rating of 2.9 or above so as to be listed as constituent stocks of the FTSE4Good index series. Constituent stocks of the FTSE4Good index series with an ESG rating lower than 2.4 are at risk of being deleted from the FTSE4Good index series. According to statistics, among 465 companies with FTSE Russell ESG ratings, those ranked 2.5 and above totaled 248, accounting for 53.33% of the number of Taiwan listed companies with FTSE Russell ESG ratings, which is defined as the company's ESG asset pool. The company's current ESG asset pool adopts those with an FTSE Russell ESG rating of 2.5 or above (including 2.5) as constituent stocks. The total number of companies in the ESG asset pool is not constant. When the FTSE Russell ESG score is updated, the number of investable companies (rating score ≥ 2.5) in this asset pool will also be adjusted simultaneously.

For the Company's investment in domestic and international publicly listed or OTC traded stocks, corporate bonds, and financial bonds, in addition to evaluating and analyzing the financial risks and credit conditions of the target before investing, it will also be checked whether the investee company fulfills environmental protection, corporate integrity and social responsibility as one of the evaluation items for the investment projects. The Company has signed the compliance statement for the Taiwan Stewardship Principles for Institutional Investors and issued a stewardship governance report for institutional investors. Investment is made in accordance with the six major principles. From 2022, the review items are adjusted to the situations of the invested companies' participation in the ESG rating agencies. It is hoped that the invested businesses can pay attention to the development of ESG topics and set up specific actions by participating in ESG ratings, and further improve their ESG performance and make further control and management of the ESG risk information (including major illegal events or scandals) the invested businesses may face in the ESG investment evaluation process.

Calculation Rate of ESG Check Items of Domestic Stocks and Bond Investment Evaluation

Check Items	2022
Item 1: Sustainalytics ESG	72.97%
Item 2: MSCI ESG	37.84%
Item 3: FTSE Russell ESG	70.27%
Item 4: ISS Environmental Disclosure	8.11%
Item 5: ISS Social Disclosure	8.11%
Item 6: Taiwan Corporate Governance	86.49%
Item 7: Green Bonds	33.33%
Item 8: Sustainable Development Bonds	33.33%
Item 9: Social Responsibility Bonds	33.33%

Note 1: The data in 2022 adopted the ESG investment checklist revised in January, 2022.

Note 2: Items 7 to 9 were calculated as (number of bond types/total number of bonds held).

Note 3: Participated in shareholders' meetings of 46 companies through electronic voting in 2022.

Attainment Rate of ESG Asset Pool in Domestic Stock Investment Projects

Investment amount in 2022	70% and above
---------------------------	---------------

Foreign Investment

Foreign investment ESG asset pools are defined as foreign concentrated market-traded stocks, corporate bonds or financial bonds whose Bloomberg ESG scores are greater than or equal to the average median or average of the same industry. The total number of companies in the ESG asset pool is not constant. When the Bloomberg ESG score is updated, the number of investable companies in this asset pool will also be adjusted simultaneously.

For the investment projects of foreign stocks and bonds in 2022, the ratio of evaluated targets having the ESG scores greater than or equal to the average median or average of the same industry reached 66.67%, a stepwise increase from the previous year; those with the ESG scores greater than 40 accounted for 50%, which accounted for 47.83% in 2021 and 48% in 2020. This showed the company's recognition and determination to investment in companies with the sustainable development of ESG.

ESG distribution of foreign stock and bond investment assessment projects

ESG score	2020	2021	2022
Not rated	0.00%	4.35%	0.00%
$0 \leq \text{ESG} < 10$	0.00%	0.00%	0.00%
$10 \leq \text{ESG} < 20$	32.00%	26.09%	16.67%
$20 \leq \text{ESG} < 30$	0.00%	4.35%	33.33%
$30 \leq \text{ESG} < 40$	16.00%	17.39%	0.00%
$40 \leq \text{ESG} < 50$	16.00%	21.74%	16.67%

Note 1: ESG score refers to the percentage disclosed with ESG data column on the Bloomberg system. The higher the score, the more complete the disclosure. The score is divided into 0-100, which is applicable to more than 11,000 companies in more than 100 countries.

Note 2: The ESG Score is an overview of the target company's performance on the environment, society, and corporate governance. Industry-specific measures can be analyzed, including emission intensity, resource consumption, workforce diversity, incidence rate, board independence and management compensation to identify ESG issues that may affect potential investments.

Note 3: The 2022 data adopted ESG Investment Checklist revised in January, 2022.

Investment in Green Energy Industry, Environmental Protection, and Perpetual Bond

The government accelerates industrial transformation and upgrading and promotes the 5+2 Industrial Innovation plans, including Asia Silicon Valley, intelligent machinery, biomedicine, national defense and aerospace, new agriculture and circular economy. In 2021, the Six Core Strategic Industries promotion plan was approved, which is based on the basis of the 5+2 industrial innovation. The Six Core Strategic Industries include information and digital technology, cybersecurity, medical

medical technology and precision health, national defense and strategic industries, green and renewable energy, and strategic stockpile industries. The Company invests in six core strategic industries through investment projects or private equity funds. In 2014, the Company worked with AUO Corporation and several insurance peers, and jointly established Star River Energy Corporation, whose subsidiary, Sungen Power Corp., is not only the largest rooftop solar PV power plant project in Taiwan, but also the first large-scale power plant project which overcame the difficulty of construction. Rooftop power generation can utilize the existing building area, saving additional land costs and enabling the power plant to create greater economic benefits. Based on the parallel capacity of power generation of solar PV power plants and calculated with the Company's shareholding ratio of 15%, the output of renewable energy in 2022 reached 10,162,488 kWh, equivalent to the reduction of greenhouse gas emissions by about 5,173 tons of CO₂e.

Note : The Bureau of Energy announced that the 2021 electricity carbon emission factor was 0.509kg CO₂e divided by 1,000 kilowatt-hours. The reduction method was calculated based on electric energy, and the total reduction was the carbon dioxide equivalent of Scope 2.

In addition to the domestic water shortage in recent years caused by extreme climate in recent years, the low penetration rate of infrastructure of sewage system has not only caused pollution of the water body that worsens the water shortage problem, but also affected the quality of the living environment and international competitiveness of Taiwanese people. To accelerate the penetration rate of sewage system, in 2003, the Promotion Committee of Private Participation in Public Constructions of Executive Yuan approved the sewage system as the priority category for Executive Yuan to promote private participation in public construction. Through the promotion of participation, the private resources were incorporated. By introducing abundant private capital, efficiency and vitality, and with the adequate manpower and technical cooperation, we have actively worked on the promotion. In addition, the company has also applied to the competent authority in 2016 and the investment project of the domestic sewage system renovation has been approved.

The Company has invested in Cathay Sustainable Private Equity Fund since 2018 with an amount of NT\$300 million. This fund mainly invests in key industries for sustainable development in Taiwan. As of 2022, the six core strategic industries the fund mainly invested in included cybersecurity, green and renewable energy, and strategic stockpile industries. The items of investment included green energy, wind power and environmental protection. The investment amount of the Company reached NTD 210 million.

In addition, the Company holds the green bonds issued by Taiwan Power Company and Taiwan Semiconductor Manufacturing Company (TSMC), the sustainable development bonds issued by Land Bank and Chunghwa Telecom, and the social responsibility bonds issued by Taiwan Cooperative Bank. The Company's total holdings of the three types of bonds accounted for 25.81% of the total bond positions.

Green Products and Services

In terms of insurance products corresponding to the sustainable environment, the Company has successively launched Environmental pollution liability insurance, Public bike liability insurance, and Electric bicycle insurance in recent years. In response to the rise of the sharing economy, Car-sharing insurance: Damage to or Theft and rental loss to a rental car liability

insurance was launched in February, 2021. With the concept of car sharing or renting cars, those who seldom drive no longer have to buy cars, which indirectly reduces car exhaust emissions and pollution requiring treatment of related equipment. The Public bike liability insurance is underwritten in the way of co-insurance, and the Company undertakes 5% of the premium. The premium that included insurance endorsement in 2022 was approximately NTD 910,000.

6.3 Energy Conservation and Carbon Reduction

Energy Consumption

The main energy use of the company belongs to non-renewable energy (including electricity and gasoline for official vehicles), and no renewable energy was used. The energy consumption is shown in the following table. In 2022, the total energy consumption of all business offices nationwide was 10,842GJ.

Energy Consumption and Energy Intensity			
Quantitative indicators	Unit/Year	2021	2022
Electricity consumption	kWh	2,471,455	2,597,785
Electricity consumption	GJ	8,897	9,352
Gasoline consumption	L	51,834	45,643
Gasoline consumption	GJ	1,692	1,490
Organization-Specific measure	Total number of full-time employees	1,409	1,460
Total energy consumption (GJ)		10,589	10,842
Energy intensity (GJ)/ total number of full-time employees		7.52	7.43

Note 1: The electricity unit conversion method is 1 kWh=3,600 KJ, gasoline 1 L=32,635 KJ; and the calorie conversion factor for gasoline refers to EPA's GHG Emission Coefficient Management Table v. 6.0.4.

Note 2: The consumption of gasoline is limited to the statistics of the headquarters and branch offices, and that of the electricity includes the operating bases across Taiwan.

GHG Emissions

The total GHG emissions of all business offices nationwide in 2022 was 1,393.49 tonCO₂e. The GWP value referred to that from the 2021 IPCC Sixth Assessment Report, and the converted emission intensity was 0.95 (tonsCO₂e/total number of full-time employees).

GHG Emissions and GHG Emission Intensity

Unit: tonCO₂e

Item	2022
Category 1: Direct GHG emission	107.59
Category 2: Indirect GHG emission	1,285.90
Total emissions = Category 1 +Category 2	1,393.49
GHG emission intensity (tons of CO ₂ e÷ total number of full-time employees)	0.95

Note 1: The GHG emission factor refers to EPA's GHG Emission Coefficient Management Table v.6.0.4.

Note 2: GHG inventory operations were conducted by the operation control method, and the gasoline use was limited to the statistics of the headquarters while those of electricity included all operating bases. The base year for GHG emissions has not yet been set, and will be set in the future depending on relevant requirements.

Note 3: The GHG emission coefficient of purchased electricity referred to the electricity carbon emission factor announced by the Bureau of Energy, Ministry of Economic Affairs: 0.495kgCO₂e in 2022.

Note 4: The GHG disclosure items included Scope 1 (gasoline used for official vehicles) and Scope 2 (purchased electricity). The total GHG emissions included CO₂, N₂O and CH₄.

Water Use

According to the Aqueduct Water Risk Atlas of the World Resources Institute, the water stress in the region where the Company is located belongs to "Low - Medium risk (1-2)". 100% of TMNEWA's water source comes from the Taiwan Water Corporation, and there is no groundwater or other water source supply. The water in all offices across the country is only used by employees and some consumers. Sewage is discharged into the sewage treatment plant through sewerage, leaving no significant impact on the water source.

Water consumption was 11.12 million liters (11,115m³) in 2021 and 12.12 million liters (12,121m³) in 2022; water intensity was 0.0079 (million liters/total number of full-time employees) in 2021 and 0.0083 (million liters/total number of full-time employees) in 2022, an increase of 5.24% compared with 2021. This was because of the significance increase in the company's workload due to the Pandemic Insurance underwriting and claims settlement that required employees to work overtime.

Water intake in the past two years

Year	2021	2022
Tap water (million liters)	11.12	12.12
Total number of full-time employees	1,409	1,460
Water intensity (million liters/total number of full-time employees)	0.0079	0.0083
Comparison with the previous year	-	↑ 5.24%

Energy Conservation Measures

Photocopy paper recycling areas	The photocopy paper recycling areas are set up in photocopying rooms on each floor of the headquarters to encourage employees to reuse wastepaper that does not contain personal information to reduce paper consumption.
Collection bin for documents to be destroyed	To reduce the risk of personal information leakage during the destruction of confidential documents, a "collection bin for documents to be destroyed" is set up, and confidential documents and paper with personal information are regularly entrusted to qualified processors for high-speed destruction or for pulping procedure for recycling and reuse.
Energy saving meeting	For internal meetings, mobile devices are used to replace paper materials. In addition, a remote video conference and teleconferencing system has been established so that employees at various operating locations can have discussions via video or telephone, reducing carbon emissions from traveling to and from the meetings.
Energy saving in computer facilities	The Company has built an energy-saving computer facilities with high-density cabinets, separated power lines and information lines with a slot-line frame, replaced with UPS with high conversion rate, introduced a digital environmental monitoring system and built a backup mechanism for cold and hot aisles and air-conditioning equipment. After the improvement of the computer facilities, the average value of the Power Usage Effectiveness (PUE) ^{Note} was 1.43. <small>Note: The numerator of PUE is the total energy consumption of the computer facilities while the denominator is the energy consumption of information equipment. The lower the PUE value, the better, meaning that the energy consumption of "non-information equipment" such as air conditioning systems, lighting and power conversion losses in the computer facilities is relatively low.)</small>
Remote Video Survey and Assessment	For auto insurance claims cases, the workshops we work with can instantly report the damage status of the vehicle to the operator via the remote video survey and assessment system, saving considerable fuel consumption for vehicle survey travel. As of 2022, there were more than 194 cooperative workshops and the number of vehicles undergoing video survey in the whole year was 37,770. The Remote Video Survey and Assessment Service can be completed in about 8 minutes and the repair be provided immediately. In 2022, it saved the surveyor an average of 1,510,800 minutes and the on-site surveyor 75,540 liters Note of gasoline, equivalent to saving 2,465.26GJ (1L of gasoline=32,635 KJ), reducing 178.07 tonCO ₂ e <small>Note: Each claim center dispatches personnel to the auto repair shop for on-site inspection. It averagely takes about 40 minutes to get to and from the repair shop for every case, consuming 2 liters of gasoline.</small>
Electronic claims settlement	Since 2008, the Company has implemented the electronic policy of motor insurance business and established the Automobile Insurance Claims Electronic Image Management and Electronic Signature System. The internal operations of motor insurance claims that use a large amount of paper are fully digitalized, effectively reducing the amount of paper used. In addition, in terms of the mobile device insurance claim operations, the level of digitalization of claim documents reached 98% in 2022.

Electronic Operations

In view of the trend of electronic operations in the financial industry and in response to environmental protection and improve policy integration efficiency through digitalization, the Company continues to promote the use of digital renewal notifications, electronic insurance policies, and mandatory use of e-insurance cards. In 2022, the number of electronic insurance policies reached 1,881,353 note, of which accident and health insurance accounted for 935,247, reducing about 28 tons of CO₂e

Item	Mobile device insurance	Personal injury and travel insurance	Auto insurance	Residential fire insurance
2021 e-policy of new contracts	395,706	62,124	109,402	224
2022 e-policy of new contracts	413,240	923,048	194,388	3,968
2021 ratio of e-policy of new contract to new policy contract (%)	100.0	60.4	38.7	1.0
2021 ratio of e-policy of new contract to new policy contract (%)	100.0	93.9	59.7	15.4

Note 1: The e-policy of residential fire insurance was launched on October 15, 2021.

7 Appendix

Appendix I: GRI Sustainability Reporting Guidelines (GRI Standards) Comparison Table (including G4 Financial Services Sector Supplement)

Statement of Use	Tokio Marine Nawa Insurance has reported in accordance with GRI Standards for the period 2022/01/01 to 2022/12/31.
GRI I used	GRI: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

The content below has been verified by British Standards Institution (BSI), a third-party impartial organization. The verification results are shown in Appendix IV Assurance Statement.

GRI Standards/Topics	Item of Disclosure	Corresponding Chapter	Page Number	Omission/Remarks
GRI 2: General Disclosures 2021				
1. The organization and its reporting practices				
2-1	Organizational details	Editing principles of the Report Company Profile	1 5	
2-2	Entities included in the organization's sustainability reporting	Company Profile	5	
2-3	Reporting period, frequency and contact point	Editing principles of the Report	1	
2-4	Restatements of information	Editing principles of the Report	1	
2-5	External assurance	Editing principles of the Report	1	
2. Activities and workers				
2-6	Activities, value chain and other business relationships	Editing principles of the Report Company Profile 5.1 Co-prosperity of the Supply Chain	1 5 85	
2-7	Employees	4.1 Overview of Human Resources	72	
2-8	Workers who are not employees	4.1 Overview of Human Resources	72	
3. Governance				
2-9	Governance structure and composition	Company Profile 2.1 Board Operation	5 30	
2-10	Nomination and selection of the highest governance body	2.1 Board Operation	30	
2-11	Chair of the highest governance body	2.1 Board Operation	30	
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Operation 2.4 Risk Management	12 40	
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Operation 2.4 Risk Management	12 40	
2-14	Role of the highest governance body in sustainability reporting	Editing principles of the Report 1.3 Identification of Material Sustainability Topics	1 21	
2-15	Conflicts of interest	2.1 Board Operation	30	
2-16	Communication of critical concerns	1.1 Sustainable Development Operation 2.5 Compliance	12 44	
2-17	Collective knowledge of the highest governance body	2.1 Board Operation	30	
2-18	Evaluation of the performance of the highest governance body	2.1 Board Operation	30	
2-19	Remuneration policies	2.1 Board Operation	30	
2-20	Process to determine remuneration	2.1 Board Operation	30	
2-21	Annual total compensation ratio	4.4 Compensation and Benefits System	82	
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from Top Management	3	

GRI Standards/Topics	Item of Disclosure	Corresponding Chapter	Page Number	Omission/Remarks
2-23	Policy commitments	1.1 Sustainable Development Operation 2.2 Integrity Management and Anti-Corruption 2.4 Risk Management 3.2 Honoring Customers 3.3 Customer Privacy Protection 4.2 A Friendly Workplace 5.1 Co-prosperity of the Supply Chain 5.2 Social Participation	12 35 40 61 67 74 85 87	
2-24	Embedding policy commitments	2.2 Integrity Management and Anti-Corruption 3.2 Honoring Customers 3.3 Customer Privacy Protection 4.2 A Friendly Workplace 5.1 Co-prosperity of the Supply Chain 5.2 Social Participation	35 61 67 74 85 87	
2-25	Processes to remediate negative impacts	1.2 Embracing Stakeholders	14	
2-26	Mechanisms for seeking advice and raising concerns	2.2 Integrity Management and Anti-Corruption	35	
2-27	Compliance with laws and regulations	2.5 Compliance	44	
2-28	Membership associations	5.2 Social Participation	87	
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	1.2 Embracing Stakeholders	14	
2-30	Collective bargaining agreements	-	-	There is no trade union, and negotiations are carried out through labor-management meetings.

GRI Standards/Topics	Item of Disclosure	Corresponding Chapter	Page Number	Omission/Remarks
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.3 Identification of Material Sustainability Topics	21	
3-2	List of material topics	1.3 Identification of Material Sustainability Topics	21	
Material topic: Compliance				
3-3	Management of material topics	Management approach to Compliance 2.5 Compliance	44	
2-27	Compliance with laws and regulations	2.5 Compliance	44	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.5 Compliance	44	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	2.5 Compliance	44	
	417-3 Incidents of non-compliance concerning marketing communications	2.5 Compliance	44	
Material topic: Corporate Governance				
3-3	Management of material topics	Management Approach to Corporate Governance 2.1 Board Operation	26 30	
Material topic: Development of Sustainable Products and Services				
3-3	Management of material topics	Management Approach to Development of Sustainable Products and Services 3.1 Design Evaluation and Sales of Insurance Products	32 54	
Material topic: Responsible Investment				
3-3	Management of material topics	Management Approach to Responsible Investment 6.2 The Effects of Green Finance	104	
Material topic: Treating Customer Fairly				
3-3	Management of material topics	Management Approach to Treating Customer Fairly 3.2 Honoring Customers	61	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.1 Design Evaluation and Sales of Insurance Products	54	

GRI Standards/Topics	Item of Disclosure	Corresponding Chapter	Page Number	Omission/Remarks
Material topic: Risk Management				
3-3	Management of material topics	Management Approach to Risk Management 2.4 Risk Management	26 40	
Material topic: Economic Performance				
3-3	Management of material topics	Management Approach to Economic Performance 2 Brand-New- Sustainable Corporate Governance	26	
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	Economic Performance	-	
Material Topics				
3-3	Management of material topics	Management Approach to Integrity Management and Ethical Behavior 2.2 Integrity Management and Anti-Corruption	- 35	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2.2 Integrity Management and Anti-Corruption	35	
	205-2 Communication and training about anti-corruption policies and procedures	2.2 Integrity Management and Anti-Corruption	35	
Material topic: Human Capital Management				
3-3	Management of material topics	Management Approach to Human Capital Management 4.3 Selection, Development, Employment and Retention	- 54	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.3 Selection, Development, Employment and Retention	81	
	404-3 Percentage of employees receiving regular performance and career development reviews	4.3 Selection, Development, Employment and Retention	81	
Material topic: Employee Compensation, Benefits, and Safety				
3-3	Management of material topics	Management Approaches to Employee Compensation, Benefits, and Safety 4.1 Overview of Human Resources 4.2 A Friendly Workplace 4.4 Compensation and Benefits System	- 72 74 82	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1 Overview of Human Resources	72	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.4 Compensation and Benefits System	82	
	401-3 Parental leave	4.2 A Friendly Workplace	74	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	4.2 A Friendly Workplace	74	
	403-1 Occupational health and safety management system	4.2 A Friendly Workplace	74	
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	4.2 A Friendly Workplace	74	
	403-3 Occupational health services	4.2 A Friendly Workplace	74	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.2 A Friendly Workplace	74	
	403-5 Worker training on occupational health and safety	4.2 A Friendly Workplace	74	
	403-6 Promotion of worker health	4.2 A Friendly Workplace	74	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1 Co-prosperity of the Supply Chain	85	
	403-8 Workers covered by an occupational health and safety management system	4.2 A Friendly Workplace	74	
	403-9 Work-related injuries	4.2 A Friendly Workplace	74	
	403-10 Work-related ill health	4.2 A Friendly Workplace	74	
	Material topic: Information Security Management			
3-3	Management of material topics	Management Approach to Information Security Management 3.3 Customer Privacy Protection	- 67	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Customer Privacy Protection	67	
Material topic: Digital Finance and Innovation				
3-3	Management of material topics	Management Approach to Digital Finance and Innovation 3.2 Honoring Customers	- 61	

GRI Standards/Topics	Item of Disclosure	Corresponding Chapter	Page Number	Omission/Remarks
Material topic: Climate-related Financial Impacts				
3-3	Management of material topics	Management Approach to Climate-related Financial Impacts 6.1 Response to Climate Change	- 97	
Custom material topic	Climate-related Financial Impacts	6.1 Response to Climate Change	97	
Material topic: Energy Conservation and Carbon Reduction				
3-3	Management of material topics	Management Approach to Energy Conservation and Carbon Reduction 6.3 Energy Conservation and Carbon Reduction	- 110	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	6.3 Energy Conservation and Carbon Reduction	110	
	302-3 Energy intensity	6.3 Energy Conservation and Carbon Reduction	110	
	302-4 Reduction of energy consumption	6.3 Energy Conservation and Carbon Reduction	110	
	302-5 Reductions in energy requirements of products and services	6.3 Energy Conservation and Carbon Reduction	110	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	6.3 Energy Conservation and Carbon Reduction	110	
	305-2 Energy indirect (Scope 2) GHG emissions	6.3 Energy Conservation and Carbon Reduction	110	
	305-4 GHG emissions intensity	6.3 Energy Conservation and Carbon Reduction	110	

GRI Standards/Topics	Item of Disclosure	Corresponding Chapter	Page Number	Omission/Remarks
GRI G4 Financial Services Sector Disclosures				
Product Portfolio	FS1 Policies with specific environmental and social components applied to business lines	3.1 Design Evaluation and Sales of Insurance Products 6.2 The Effects of Green Finance	54 104	
	FS2 Procedures for assessing and screening environmental and social risks in business lines	3.1 Design Evaluation and Sales of Insurance Products	54	
	FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	6.2 The Effects of Green Finance	104	
	FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	3.2 Honoring Customers 4.3 Selection, Development, Employment and Retention	61 81	
	FS5 Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	6.2 The Effects of Green Finance	104	
	FS6 Percentage of the portfolio for business lines by specific region, size, and by sector	6.2 The Effects of Green Finance	104	
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	3.1 Design Evaluation and Sales of Insurance Products 3.2 Honoring Customers 6.3 Energy Conservation and Carbon Reduction	54 61 110	
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	3.1 Design Evaluation and Sales of Insurance Products 6.3 Energy Conservation and Carbon Reduction	54 110	
Active Ownership	FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	6.2 The Effects of Green Finance	104	
	FS11 Percentage of assets subject to positive and negative environmental or social screening	6.2 The Effects of Green Finance	104	
	FS12 Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	6.2 The Effects of Green Finance	104	
Local Communities	FS13 Access points in low-populated or economically disadvantaged areas by type	Company Profile	5	
	FS14 Initiatives to improve access to financial services for disadvantaged people	3.2 Honoring Customers	61	
Product and Service Labeling	FS15 Policies for the fair design and sale of financial products and services	3.1 Design Evaluation and Sales of Insurance Products	54	
	FS16 Initiatives to enhance financial literacy by type of beneficiary	3.2 Honoring Customers 5.2 Social Participation 5.3 Public Welfare	61 87 91	

Appendix II: Comparison Table of Strengthened Disclosure of Sustainability Indicators of Financial and Insurance Sector of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Article 4, Paragraph 1, Schedule 1-3	Indicator type	Unit	Content response
1. The number of information leakage incidents, the proportion of information leakage incidents related to personal information, and the number of customers affected by information leakage incidents.	Quantitative	Quantity, percentage (%)	There is no information leakage; there is no leakage of personal information.
2. Number of loans and balance of loans to promote the development of small-size enterprises and communities.	Quantitative	Quantity, the reporting currency	The company does not conduct any loan business.
3. Number of participants in providing financial education to disadvantaged groups who lack banking services.	Quantitative	Quantity	N/A
4. Products and services designed by each business to create environmental or social benefits.	Qualitative narrative	N/A	3.1 Design Evaluation and Sales of Insurance Products 3.2 Honoring Customers 6.3 Energy Conservation and Carbon Reduction

Appendix III: Independent Assurance Opinion Statement from the Third-Party Impartial Unit, British Standards Institution (BSI)



獨立保證意見聲明書

新安東京海上產物保險股份有限公司 2022 年永續報告書

英國標準協會與新安東京海上產物保險股份有限公司(簡稱新安東京海上產險)為相互獨立的公司，英國標準協會除了針對新安東京海上產物保險股份有限公司2022年永續報告書進行評估和查證外，與新安東京海上產險並無任何財務上的關係。

本獨立保證意見聲明書之目的，僅作為對新安東京海上產物保險股份有限公司2022年永續報告書所界定範圍內的相關事項進行保證之結論，而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外，對於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人，英國標準協會並不負責或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查新安東京海上產險提供之相關資訊所作成之結論，因此審查範圍乃基於並侷限在這些提供的資訊內容之內，英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，將由新安東京海上產險一併回覆。

查證範圍

新安東京海上產險與英國標準協會協議的查證範圍包括：

1. 本查證作業範疇與新安東京海上產物保險股份有限公司2022年永續報告書揭露之報告範疇一致。
2. 依照AA1000保證標準V3的第1應用類型評估新安東京海上產險遵循AA1000當責性原則(2018)的本質和程度，不包括對於報告書揭露的資訊/數據之可信賴度的查證。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結新安東京海上產物保險股份有限公司2022年永續報告書內容，對於新安東京海上產險之相關運作與永續績效則提供了一個公平的觀點。基於保證範圍限制事項，新安東京海上產險所提供資訊與數據以及抽樣之測試，此報告書並無重大之不實陳述。我們相信有關新安東京海上產險的環境、社會及治理等績效資訊是校正確無誤地呈現。報告書所揭露之永續績效資訊展現了新安東京海上產險對識別利害關係人的努力。我們的工作是由一組具有依據AA1000保證標準V3查證能力之團隊執行，以及策劃和執行這部分的工作，以獲得必要之訊息資料及說明。我們認為就新安東京海上產險所提供之足夠證據，表明其符合AA1000保證標準V3的報告方法與自我聲明依循GRI永續性報導準則係屬公允的。

查證方法

為了收集與作成結論有關的證據，我們執行了以下工作：

- 對來自外部團體的議題相關於新安東京海上產險政策進行訪談，以確認本報告書中聲明書的合適性
- 與管理者討論有關利害關係人參與的方式，然而，我們並無直接接觸外部利害關係人
- 訪談14位與永續性管理、報告書編製及資訊提供有關的員工
- 審查有關組織的關鍵性發展
- 審查內部稽核的發現
- 審查報告書中所作宣告的支持性證據
- 針對公司報告書及其相關AA1000當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查

結論

針對AA1000當責性原則(2018)之包容性、重大性、回應性及衝擊性與GRI永續性報導準則的詳細審查結果如下：

包容性

2022年度報告書反映出新安東京海上產險已持續尋求利害關係人的參與，並建立重大永續主題，以發展及達成對永續具有責任且策略性的回應。報告書中已公正地報告與揭露環境、社會及治理的訊息，足以支持適當的計畫與目標設定。以我們的專業意見而言，這份報告書涵蓋了新安東京海上產險之包容性議題。

重大性

新安東京海上產險公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言，這份報告書適切地涵蓋了新安東京海上產險之重大性議題。

回應性

新安東京海上產險執行來自利害關係人之期待與看法之回應。新安東京海上產險已發展相關道德政策，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言，這份報告書涵蓋了新安東京海上產險之回應性議題。

衝擊性

新安東京海上產險已鑑別並以平衡和有效之量測及揭露方式公正展現其衝擊。新安東京海上產險已經建立監督、量測、評估和管理衝擊之流程，從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言，這份報告書涵蓋了新安東京海上產險之衝擊性議題。

GRI永續性報導準則

新安東京海上產險提供有關依循GRI永續性報導準則2021之自我宣告，並對每個涵蓋其行業準則和其相關性的GRI主題準則之重大主題，其揭露項目依循全部報導要求的相關資料。基於審查的結果，我們確認報告書中參照GRI永續性報導準則之永續發展相關揭露項目已被報告、部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了新安東京海上產險的永續性主題。

保證等級

依據AA1000保證標準V3我們審查本聲明書為中度保證等級，如同本聲明書中所描述之範圍與方法。

責任

這份永續報告書所屬責任，如同責任信中所宣稱，為新安東京海上產險負責人所有。我們的責任為基於所描述之範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於1901年成立，為全球標準與驗證的領導者。本保證團隊係由具專業背景，且接受過如AA1000AS、ISO 14001、ISO 45001、ISO 14064及ISO 9001之一系列永續性、環境及社會等管理標準的訓練，具有主導稽核員資格之成員組成。本保證係依據BSI公平交易準則執行。

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan



...making excellence a habit.™

Statement No: SRA-TW-2022067
2023-06-27

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.



INDEPENDENT ASSURANCE OPINION STATEMENT

Tokio Marine Newa Insurance Co., Ltd. 2022 Sustainability Report

The British Standards Institution is independent to Tokio Marine Newa Insurance Co., Ltd. (hereafter referred to as TMNEWA in this statement) and has no financial interest in the operation of TMNEWA other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of TMNEWA only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by TMNEWA. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to TMNEWA only.

Scope

The scope of engagement agreed upon with TMNEWA includes the followings:

1. The assurance scope is consistent with the description of Tokio Marine Newa Insurance Co., Ltd. 2022 Sustainability Report.
2. The evaluation of the nature and extent of the TMNEWA's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Tokio Marine Newa Insurance Co., Ltd. 2022 Sustainability Report provides a fair view of the TMNEWA sustainability programmes and performances during 2022. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the TMNEWA and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate TMNEWA's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that TMNEWA's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to TMNEWA's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 14 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that TMNEWA has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the TMNEWA's inclusivity issues.

Materiality

TMNEWA publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of TMNEWA and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the TMNEWA's management and performance. In our professional opinion the report covers the TMNEWA's material issues.

Responsiveness

TMNEWA has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for TMNEWA is developed and continually provides the opportunity to further enhance TMNEWA's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the TMNEWA's responsiveness issues.

Impact

TMNEWA has Identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. TMNEWA has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the TMNEWA's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

TMNEWA provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the TMNEWA's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the TMNEWA's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



AA1000
Licensed Report
000-4/V3-U4AYX

Statement No: SRA-TW-2022067
2023-06-27

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

...making excellence a habit.™

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.

Appendix IV: The Company's Risks and Opportunities Brought by Climate Change and Relevant Response Measures Taken by the Company

Item	Corresponding Chapters	Page
1. Description on the Board and Management's oversight and governance on climate-related risks and opportunities	6.1 Response to Climate Change	
2. Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term)	6.1 Response to Climate Change	
3. Description on the impact the extreme climate events and transitional actions have on finance	6.1 Response to Climate Change	
4. Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system	2.4 Risk Management	
9. GHG inventory and assurance efforts	It is expected to complete the individual GHG inventory and assurance of the parent company by the end of 2023.	

Appendix V : SASB Comparison Table- Insurance Industry

Topic disclosed	Indicator code	Accounting Indicator	Type	Content response
Provide customers with transparent information and impartial consultation	FN-IN-270a.1	Total monetary losses resulting from litigation arising from the sale and communication of insurance product-related information to new and existing customers	Quantitative	NTD 0
	FN-IN-270a.2	Claim complaint rate	Quantitative	See Market Observation Post System of Insurance Industry-Tokio Marine Newa Insurance- Information disclosure documentation: https://ins-info.ib.gov.tw/customer/life3-5-b.aspx?UID=16834703
	FN-IN-270a.3	Customer retention rate	Quantitative	3.1 Design Evaluation and Sales of Insurance Products
	FN-IN-270a.4	Explain the process of telling customers about product information	Qualitative	3.2 Honoring Customers
Integrating ESG factors into investment management	FN-IN-410a.1	Total investment assets by industry and asset category	Quantitative	See Fund Utilization Table on Taiwan Market Observation Post System: https://ins-info.ib.gov.tw/customer/Info2-1.aspx?UID=16834703
	FN-IN-410a.2	Describe the approaches to incorporate environmental, social, and governance (ESG) factors into investment management process and strategies	Qualitative	6.2 The Effects of Green Finance
Insurance policies that promote responsible behavior	FN-IN-410b.1	Net premium income from insurance products that can promote energy efficiency and low-carbon technology development	Quantitative	6.2 The Effects of Green Finance
	FN-IN-410b.2	Develop insurance products that can promote healthy and safe lifestyles or environmentally responsible behavior	Qualitative	3.1 Design Evaluation and Sales of Insurance Products
Environmental exposure	FN-IN-450a.1	The maximum possible losses of insurance products caused by weather-related natural disasters	Quantitative	6.1 Response to Climate Change
	FN-IN-450a.2	Disclose the total insurance benefit monetary losses related to (1) natural disasters that has established risk models and (2) natural disasters without risk models established by event type and geographic region (disclosed in accordance with net reinsurance and gross basis)	Quantitative	6.1 Response to Climate Change
	FN-IN-450a.3	Describe how environmental risks are integrated into (1) the insurance process for individual contracts and (2) enterprise-level risk management and capital adequacy management	Qualitative	6.1 Response to Climate Change
System Risk Management	FN-IN-550a.1	Level of exposure of derivatives by category: (1) potential aggregate exposure of non-centrally cleared derivatives; (2) the total fair value of acceptable collateral released to central clearing; (3) the potential total exposure of centrally cleared derivatives.	Quantitative	The investment amount in non-hedge derivatives in 2022 was NTD 0.
	FN-IN-550a.2	Total fair value of assets collateralized by securities lending	Quantitative	No borrowing transactions
	FN-IN-550a.3	Describe the management measures for capital and liquidity-related risks associated with systemic non-insurance activities	Qualitative	2.4 Risk Management
Activity indicators	FN-IN-000.A	Number of active insurance policies based on (1) property and casualty, (2) life, (3) reinsurance.	Quantitative	3.1 Design Evaluation and Sales of Insurance Products



TOKIO MARINE
NIPPA