



新安東京海上產物保險股份有限公司
Tokio Marine Nawa Insurance Co., Ltd.

2023

SUSTAINABILITY REPORT





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Editing Principles of this Report

About this Report

This report is the tenth sustainability report (hereinafter referred to as the report) published by Tokio Marine Nawa Insurance Co., Ltd. (hereinafter referred to as "Tokio Marine Nawa Insurance", "TMNEWA", "the Company", or "We"). This report is based on the value and philosophy of our parent group, Tokio Marine Holdings, Inc. (TMHD), "To Be a Good Company", and the three major commitments: "Look Beyond Profit," "Deliver On Commitments," and "Empower Our People." In this report, we aim to inform the public and our stakeholders about TMNEWA's performance and achievements in terms of corporate governance, economy, environment and society.

Organizational Boundaries and Scope of Disclosure

This report covers operational activities, various services, and relative information about TMNEWA's Taipei headquarters, all branches, and service locations in Taiwan (excluding the Cambodian subsidiary that is included in the consolidated financial statements). The reporting period is from January 1st, 2023 to December 31st, 2023 (with some information mentioning actions in 2024 and some data tracing back to 2021 and 2022). The statistical data disclosed in this report is derived from internal statistics and survey results, presented via internationally-used standards. All data is accurate; where estimates are used, this is noted in relevant chapters. Financial data is sourced from the financial statements that have been audited and assured by Deloitte & Touche Taiwan. All financial figures in this report are presented in New Taiwan Dollars (NTD). There were no significant changes in the organizational scale or structure during the reporting period. Any recompiled data within this report is explained within the report content.

Reporting Principles and Guidelines

The content framework of this report follows the latest GRI Standards 2021 issued by the Global Sustainability Standards Board (GSSB). It also references the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the United Nations' Sustainable Development Goals (SDGs), the Principles for Sustainable Insurance as announced in the United Nations Environment Program Finance Initiative, and the Insurance Sector Standards from the Sustainability Accounting Standards Board (SASB). The GRI content index is detailed in Appendix I.

Verification of the Report

After being compiled and edited into a draft by the Company's dedicated sustainability department (the Corporate Governance Department), this report was reviewed and revised by the editorial team members based on their respective responsibilities. The report is issued upon being approved by the President. To enhance this report's compliance with the latest GRI Standards and the AA1000 Assurance Standard (AA1000AS v3), including the 2018 Addendum to the AA1000AS v3, the British Standards Institution (BSI) was entrusted as the impartial third-party organization to verify compliance with the latest GRI Standards (GRI Standards 2021) and the requirements of the AA1000AS v3 Type 1 Moderate Level Assurance. The BSI Assurance Statement is detailed in Appendix IV.

Report Issuance Dates

The Company annually publishes a sustainability report and makes it available on the Company's website.

Current edition: Issued in August, 2024

Previous edition: Issued in September, 2023

Next edition: Scheduled to be issued in June, 2025

Contact Information

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

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

Message from Management

As a member of Tokio Marine Group, TMNEWA is dedicated to fostering the corporate culture that the entire group pursues, of aiming "To Be a Good Company". This involves risk management, organizational communication, and sustainable operations. Therefore, in March 2024, the Board of Directors approved the elevation of Sustainable Development Committee, which had originally been under the supervision of the President, to become a functional committee directly under the Board. This committee aims to integrate core competencies in insurance with Environmental, Social, and Governance (ESG) sustainability topics into corporate decision-making and operational goals. Furthermore, in 2023, we established the Loss Control & Prevention Department, which leverages Tokio Marine Group's advanced technology and extensive experience in loss prevention. This department provides innovative ergonomic loss prevention services to corporate clients, making us the only insurance company in Taiwan currently offering this new type of loss prevention service. We are honored and aim to become commercial clients' best partner in achieving comprehensive risk management.

After the impact of COVID pandemic, economic and social activities around the world have gradually returned to normal. The domestic insurance industry also began to recover from the burden of COVID insurance claims, with the market's annual written premiums reaching a new historical high in 2023. The three-year period of the pandemic not only accelerated changes in traditional business models and consumer behavior, but also served as a catalyst for the rapid development of AI and digital technology. With the trends of declining birth rates and aging populations, labor and talent shortages will present challenges to resilient sustainable operations, making it imperative for enterprises to accelerate digital transformation. Since TMNEWA's establishment in 1999, we have worked to optimize operating models and service efficiency, leading the industry by implementing a remote video inspection system for auto claims, and applying digital technology to claims services. In recent years, we have further integrated emerging digital technologies such as big data analysis, AI, the Internet of Things (IoT), and blockchain into insurance services. These include developing an auto insurance underwriting model, an automatic quotation and underwriting system, and a mobile insurance AI smart claims service system. Under our innovative digital development strategy, we will continue to enhance customer insurance service experience and build our long-term core competitiveness.

Climate change has significantly impacted global economic development and corporate sustainability. Governments worldwide are increasingly focusing on environmental sustainability issues. Taiwan passed the Climate Change Response Act in early 2023, and officially set "Net-Zero Emissions by 2050" as a long-term greenhouse gas reduction target, thereby making a concrete sustainability commitment. "Digital Transformation" and "Sustainable Net-Zero Emissions" are crucial to enterprises' long-term competitiveness. We anticipate leveraging financial technology to develop new business models, enhance service efficiency, and drive innovation. In addition, through the application of digital technology, we aim to achieve carbon reduction targets, transforming climate change and biodiversity issues into green growth momentum. By employing innovative thinking and flexible business development strategies, we adapt to external changes and uncertainties. Alongside talent development and succession planning, we aim to foster a free, open, and disciplined corporate risk culture, thereby strengthening organizational resilience. We are committed to keeping our promises to customers, shareholders, and all partners who support TMNEWA. Since its founding in 1879, Tokio Marine Group's core philosophy has been "Protecting Customers and Society in Times of Need". Guided by this philosophy, we continue implementing sustainable practices, leveraging financial influence, and realizing new sustainable insurance value!



董事長 藤田桂子



總經理 賴麗敏

Outstanding Honors

Best Quality Awards of Insurance Risk Management, Insurance & Finance magazine

Awarded for 10 consecutive years

- 👍 Best Image
- 👍 Best After-sales Service
- 👍 Most Professional
- 👍 Most Recommended

10th Taiwan Insurance Excellence Awards Taiwan Insurance Institute

- 👍 "Excellence in Information Security Promotion" Gold Award
- 👍 Recognized as Best Performer in the Insurance Industry
- 👍 Residential Earthquake Insurance Promotion Gold Award
- 👍 Policyholder Service Project Planning Silver Award
- 👍 Public Welfare and Care Project Planning Silver Award
- 👍 Compulsory Automobile Liability Insurance Promotion Silver Award

2023 Outstanding Financial Education Projects Selection Financial Supervisory Commission

- 👍 Outstanding Financial Education Project

The only insurance company to be so awarded

2023 Taiwan Financial Award Wealth Magazine Biweekly and PwC Taiwan

- 👍 Excellence Award for Customer Recommendation in Non-Life Insurance

2023 Digital Financial Award Commercial Times

- 👍 Digital Financial Inclusion Gold Award
- 👍 The only non-life insurance company to win, with the Gold Award
- 👍 Excellence Award for Digital Innovation
- 👍 Excellence Award for Digital Information Security

2023 Excellence Insurance Ratings Excellence Magazine

- 👍 Excellence in Digital Finance Award
- 👍 Excellence in Service Quality Award
- 👍 Excellence in Social Welfare Award

Note: For detailed information, please see the
[Awards and Recognition](#) section on our website

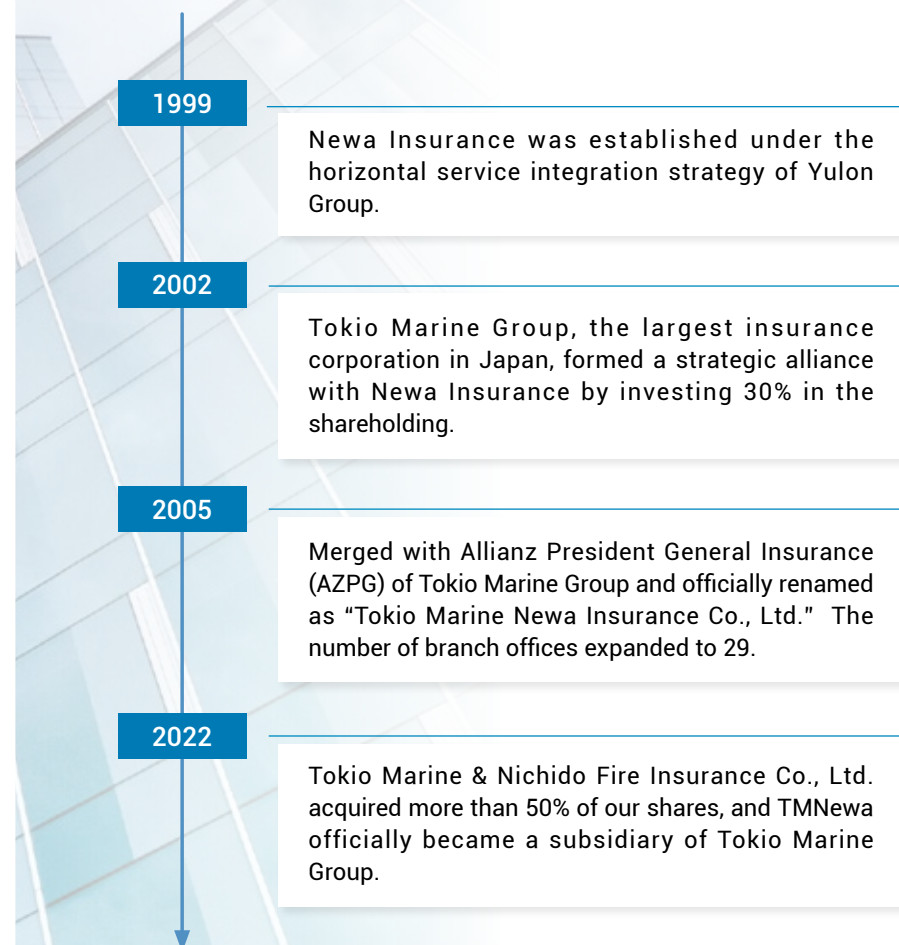


About Tokio Marine Newa Insurance

Company Profile

Date Established	January 20, 1999
Type of Company	Private Company
Headquarters	8th to 13th Floors, No. 130, Sec. 3, Nanjing E. Rd., Zhongshan District, Taipei City 104505
Total Capital	NT\$20 billion
Paid-up Capital	NT\$12 billion
Premium Income	NT\$19.11 billion (as of the end of 2023; excluding COVID Insurance)
Written Premium Income	NT\$18.51 billion (as of the end of 2023; excluding COVID Insurance)
Employees	1,561 (as of the end of 2023)
Main Products	Motor Insurance, Fire Insurance, Marine and Engineering Insurance, Miscellaneous Insurance, Accident & Health Insurance
Major Market	Taiwan
Credit Rating	- Standard & Poor's (S&P): A, outlook "Stable" - Taiwan Ratings: twAA+, outlook "Stable"
Overseas Subsidiary	Newa Insurance (Cambodia) PLC, of which the Company holds 42.35% of shares

Company History

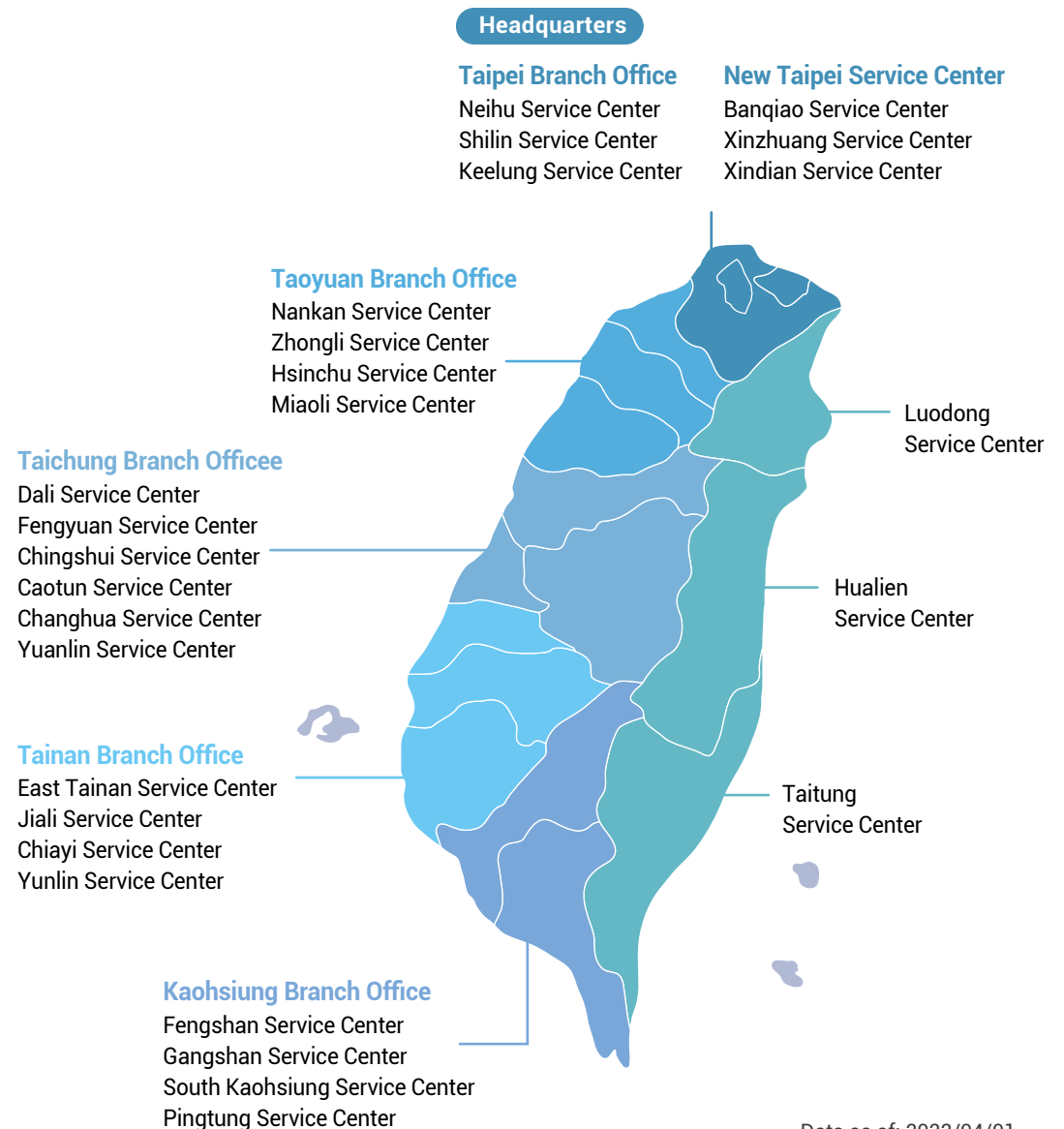
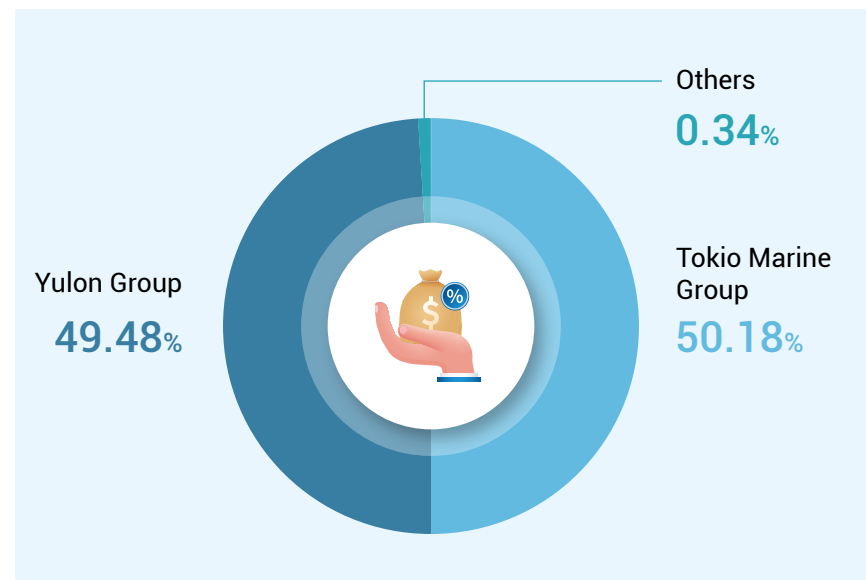


Headquarters & Branch Offices

TMNEWA's service locations are distributed across all the counties and cities in Taiwan. As of December 31, 2023, there are a total of 34 service locations, including the headquarters; branch offices in Taipei City, New Taipei City, Taoyuan City, Taichung City, Tainan City, and Kaohsiung City; and 27 service centers. This includes service centers in Hualien and Taitung to better serve residents in low population density^{Note} and remote areas. In 2018, Nawa Insurance (Cambodia) PLC was established in Cambodia.

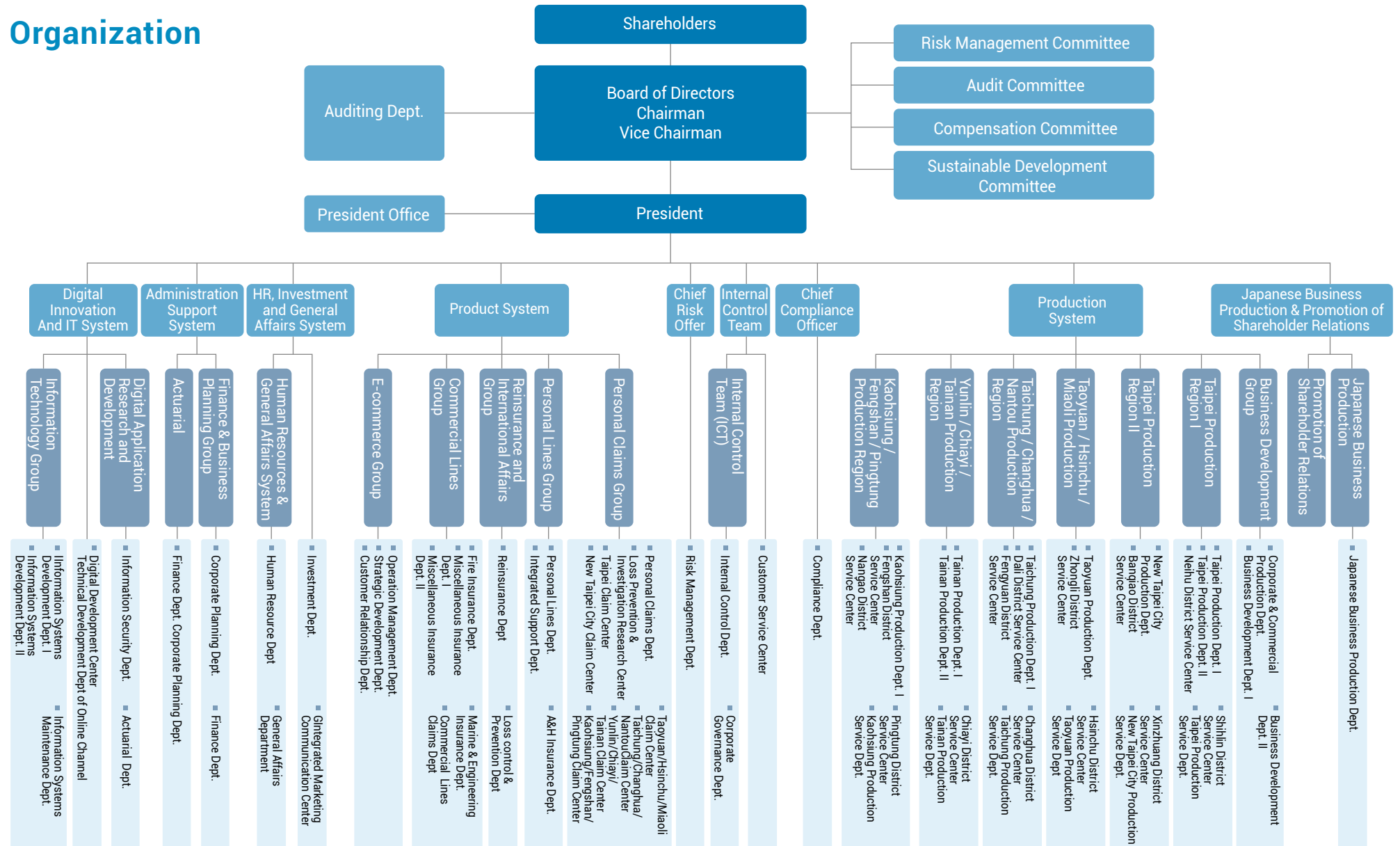
Note: According to the definition of the Ministry of the Interior, "low population density" is a population density of less than 100 persons per square kilometer.

Ownership Structure



Data as of: 2022/04/01

Organization



Operating Performance

TMNEWA's 2023 operating income increased by 11.6% as compared to 2022, and so is the pre-tax net profit margin. The Company has completely recovered from 2022's significant one-time loss caused by large pandemic insurance claims. Under our strengthened risk management and sustainable operation objectives, we continue to achieve steady growth and profitability. In 2023, employee benefits amounted to NT\$2.03 billion, and contributions to government finances (including the Profit-Seeking Enterprise Income Tax) reached NT\$78 million. For more detailed information, please download the annual financial reports from our website. In 2023, there were no political donations, tax exemptions, or financial subsidies from other agencies.

Business status for past three years

Unit: NTD/million

Item/Year	2021	2022	2023
Operating Revenue	13,004	13,876	15,485
Gross Margin	4,357	-47,274	6,766
Operating Income (Loss)	1,471	-49,911	3,922
Non-operating Income and Expenses	3	20	67
Profit (Loss) Before Income Tax	1,474	-49,891	3,988
Profit from continuing operations for the period	1,238	-47,075	3,231
Net Profit (Loss) for the period	1,238	-47,075	3,231
Other Comprehensive Income (Loss) for the period (Net after tax)	637	-464	312
Total comprehensive profit and loss for the period	1,875	-47,539	3,544
Earnings per share (EPS) after tax*	4.14	-6,484.31	5
Employee Benefits	1,931	1,897	2,027

Item/Year	2021	2022	2023
Dividends paid to shareholders	453	810	0
Taxes paid to government	603	60	60
Capital	2,990	5,299	12,000
Shareholders' Equity	10,980	-17,370	6,174
Retained Premiums	12,145	13,845	14,851
Direct Written Premiums	14,976	16,618	18,512
Total Assets	28,026	19,756	25,526
D/E Ratio	155.26%	-213.74%	313.44%
Risk Based Capital (RBC) %	609%	-1,059%	341.75%
Return on common shareholders' equity (ROE)	11.28%	NA	52.34%
Donations to Social Welfare	9	8	9

Note 1: Source - Independent Auditors' Report

Note 2: After-tax earnings per share (EPS) is calculated in NTD.

Note 3: The above financial data is from a separate financial statement, and does not include the Cambodian subsidiary that is included in the Company's consolidated financial statements.

ch1 Sustainability with Peace of Mind

Tokio Marine Newa Insurance is guided by the core value of Tokio Marine Group, "To Be a Good Company", and the three major commitments: "Look Beyond Profit", "Deliver On Commitments", and "Empower Our People". These form our operational management principles as we promote corporate sustainable development. To increasingly integrate Environmental, Social, and Governance (ESG) topics into TMNEWA's business decisions and operational goals, the Board of Directors approved the establishment of the Sustainable Development Committee in May 2021. Chaired by the Company's President, the Committee leverages the core competencies of the insurance business to set annual management guidelines, as well as short, medium, and long-term goals for material sustainability. By doing so, the Committee fosters a culture of sustainable governance. To align with domestic and international sustainable development trends and pursue sustainability goals, the Sustainable Development Committee was officially promoted to a Board-level functional committee in March 2024. This enhances the Board's role in sustainable governance.

**Good
Company**

**Look
Beyond Profit**

We achieve high quality results by enhancing stakeholder trust.

**Deliver on
Commitments**

We act with integrity for the benefit of our customers, business partners, and society.

**Empower
Our People**

We inspire engagement and passion in all of our employees.

1.1 Sustainable Governance

The Sustainable Development Committee is the Company's highest sustainable governance unit. It is responsible for planning the direction of sustainable business strategies, establishing management guidelines and targets for material topics, regularly tracking progress, and reporting on sustainability performance to the Board of Directors. In 2023, the Sustainable Development Committee held two meetings, with an average attendance rate of 79%. The Committee is chaired by the President, with Senior Vice President-level executives (excluding the Chief Auditor) serving as members. Several specialized groups operate under the Committee, including the TCFD Promotion Group, Green Product Promotion Group, Responsible Investment Promotion Group, Public Welfare Promotion Group, and Promotion Group for Other Projects. These groups plan the direction of sustainable business strategies, and regularly report on their progress and results to the Sustainable Development Committee. In addition, the Corporate Planning Department (currently the Corporate Governance Department) serves as the Committee's secretariat and the department responsible for promoting sustainable development.

The Board of Directors passed the Sustainable Development Best Practice Principles and formulated the Sustainable Development Policy, which serve as the management guidelines for the Company's pursuit of corporate sustainability. The Board delegates the responsibility to senior management to address economic, environmental, and social matters stemming from operational activities, and mandates that the Sustainable Development Committee report to the Board on the implementation status at least once annually. TMNEWA adheres to the Company's Sustainable Development Best Practice Principles in its sustainable development efforts, which are founded on four key principles: "Implementing Corporate Governance", "Developing a Sustainable Environment", "Maintaining Social Welfare", and "Enhancing the Disclosure of Sustainable Development Information". Furthermore, the Company's Sustainable Development Best Practice Principles require directors to act with the diligence of prudent administrators, continuously reviewing and enhancing the effectiveness of sustainable development practices to ensure the actualization of the sustainable development policy.

1.2 Engagement with Stakeholders

Identification of Stakeholders

In collaboration with external consultants, and by holding senior management meetings, TMNEWA re-examined the stakeholder groups identified in 2022. Based on the characteristics of the property (non-life) insurance industry and the potential impacts of operational activities on stakeholders, as well as by referencing industry experiences, seven categories of major stakeholders were identified for 2023: (1) Shareholders; (2) Associations/Government Agencies/Experts^(Note); (3) Employees; (4) Customers/Online Communities; (5) Media/External Rating Agencies; (6) Channel Partners/Suppliers/Collaborators^(Note); and (7) Community/Non-Governmental Organizations/Non-Profit Organizations.

Note: "Experts" in category (2) and "Collaborators" in category (6) were newly added in 2023.



Stakeholder Communication and Complaints

The Company has established multiple communication channels to irregularly convey important information to internal and external stakeholders, ensuring smooth two-way communication. We also issue an annual report and a sustainability report each year. In 2023, there were no employee human rights complaints, no supplier complaints, and no personal data breaches (please reconfirm). There were 1,591 customer service complaints across all insurance types (for details, please refer to Section 3.1: Treating Customers Fairly).

The key topics of concern, promotion policies, and communication channels for the seven major stakeholder categories in 2023 were as follows:

利害關係人關切議題及溝通管道

Stakeholder	Topics of concern	Promotion policies	Communication channels/frequency
 Shareholders	◆ Operating Performance ◆ Corporate Governance ◆ Ethical Corporate Management ◆ Legal Compliance	◆ Enhance operational performance and strengthen risk management. ◆ Improve disclosure of financial and non-financial information to increase transparency. ◆ Strengthen Board functions and implement corporate governance.	◆ Annual General Shareholder's Meeting – Once a year ◆ Annual report – Once a year ◆ Board meetings – Min. once per quarter ◆ Company website – Immediately ◆ Insurance Industry Market Observation Post System – Irregularly
 Associations/ Government Agencies/ Experts	◆ Corporate Governance ◆ Ethical Corporate Management ◆ Legal Compliance ◆ Talent Cultivation and Development ◆ Treating Customers Fairly	◆ Develop solutions for emerging risks; comply with social, product, and marketing-related regulations; establish a robust internal control mechanism. ◆ Stay updated on domestic and international sustainability trends; establish an effective corporate governance framework. ◆ Participate in meetings and respond to regulatory policies.	◆ Business information reporting – Per regulations ◆ Financial inspections – Irregularly ◆ Product reviews – Irregularly ◆ Official documents – Immediately ◆ Insurance Industry Market Observation Post System – Irregularly ◆ Participation in meetings, forums and seminars – Irregularly

Stakeholder	Topics of concern	Promotion policies	Communication channels/frequency
 Employees	- Employee Rights and Benefits - Occupational Safety and Health - Information Security Management - Legal Compliance	- Abide by labor laws and regulations; pay attention to labor rights. - Establish effective employee grievance channels and communication mechanisms. - Create an environment conducive to employee career development; set reasonable and fair compensation systems. - Provide a safe and healthy working environment.	- Annual performance appraisal – Once a year - Internal and external employee training – Irregularly - Internal business and regulatory announcement emails – Irregularly - Employee opinion mailbox – Immediately - Sexual harassment complaint mailbox – Immediately - Independent directors' mailbox – Immediately - Voice of the Employee - Good Company mailbox – Immediately - Labor-management meetings – Once per quarter - Employee Grievance Form – Immediately - Whistleblowing mailbox and hotline for unethical behavior – Immediately
 Customers/ Online Communities	- Treating Customers Fairly - Information Security Management - Customer Relationship Management - Ethical Corporate Management Legal Compliance	- Comply with personal data protection laws and regulations; implement stringent protection measures. - Provide comprehensive, transparent, and effective customer complaint channels to enhance customer satisfaction. - Offer insurance products and services that meet customer needs. - Provide effective interaction and communication channels for consumers, conveying risk management and insurance knowledge.	- Service at business locations – Immediately - Toll free (0800) customer service hotline – Immediately - ezgo customer service email – Immediately - Online customer service – Immediately - Website message board – Immediately - Independent directors' mailbox – Immediately - In-person visits, telephone interviews – Irregularly - Whistleblowing mailbox and hotline for unethical behavior – Immediately - Line@ – Immediately - online customer service platform – Immediately - Facebook Fanpage – Immediately - Company website – Irregularly - Annual report – Once a year

Stakeholder	Topics of concern	Promotion policies	Communication channels/frequency
 Media/ External Rating Agencies	◆ Ethical Corporate Management Legal Compliance ◆ Risk Management ◆ Responsible Investment ◆ Corporate Governance ◆ Treating Customers Fairly	◆ Establish a spokesperson system. ◆ Assign dedicated personnel to handle media invitations, coordinate interviews, and build mutual trust relationships. ◆ Maintain good credit ratings to ensure competitive advantage.	◆ Email, telephone interviews, in-person visits – Irregularly ◆ Insurance Industry Market Observation Post System – Irregularly ◆ Company website – Immediately ◆ Interviews or press conferences – Irregularly ◆ Proactively issue press releases – Irregularly ◆ Management meetings for credit rating – Once a year
 Channel Partners/ Suppliers/Collaborators	◆ Ethical Corporate Management Information Security Management ◆ Legal Compliance ◆ Operating Performance ◆ Customer Relationship Management	◆ Properly assess environmental and social impacts of procurement activities and suppliers. ◆ Collaborate with suppliers to comply with environmental, safety, health regulations, and product marketing laws. ◆ Promote green procurement by using products with Green / Energy Label.	◆ Email, telephone interviews, in-person visits – Irregularly ◆ Business meetings – Irregularly ◆ Whistleblowing mailbox and hotline for unethical behavior – Immediately ◆ Annual report – Once a year
 Community/ Non- Governmental Organizations/Non- Profit Organizations	◆ Ethical Corporate Management Legal compliance ◆ Information security management ◆ Inclusive finance ◆ Social impact	◆ Encourage employees to participate in community public welfare activities. ◆ Focus on social issues and support the underprivileged.	◆ Annual report – Once a year ◆ Company website – Immediately ◆ Insurance Industry Market Observation Post System – Irregularly ◆ Seminars and public welfare activities for environmental protection – Irregularly ◆ Donation and sponsorship activities – Irregularly ◆ Whistleblowing mailbox and hotline for dishonest behavior – Immediately

利害關係人申訴管道

Communication channels provided to all stakeholders

Corporate Governance and Management

Consultation, complaint, and reporting channels	Method/contact person	Investigation process	Title of Regulation
Independent directors' mailbox: Independent_director@tmnewa.com.tw	Manager: Corporate Governance Officer	The manager should check the independent directors' mailbox daily. Upon receiving an email, it must be forwarded directly to all independent directors within one business day. If any independent director considers the matter significant, they may discuss the subsequent handling method with other independent directors or Company personnel.	Independent Directors' Mailbox Management Measures

Communication channels provided for customers

Products

Consultation, complaint, and reporting channels	Method/contact person	Complainant protection mechanism	Investigation process	Title of Regulation
- Toll free (0800) customer service and complaint hotline: 0800-050-119 - Customer service website: https://www.tmnewa.com.tw/ContactUs.aspx - Competent authorities and county/city governments: File complaints by letter - Financial Ombudsman Institution website: https://www.foi.org.tw/index.aspx?lang=1	Contact: Customer Service Center	All complainant information ^(Note) will be kept confidential, and only known to relevant personnel.	- When the Customer Service Center receives a call that meets the requirements to establish a complaint, the service staff will send a general complaint mail to the department complained about. The handling department must reply to the Customer Service Center via email with the handling status and related documents within two working days from receipt. - Upon receiving the reply, the Customer Service Center will attach the Complaint Report Handling Form and the complaint specifics to the department being complained about. The handling department must fill in the detailed handling process and results, as well as propose the countermeasures and practices for improvement for the Customer Service Center's reference. The Customer Service Center will respond within the processing time limit specified by the specific agency.	Handling Procedures for Customer Service Center Complaint

Note: Product-related complaints can be made anonymously and through a third-party representative.

Note: Personal data privacy complaints can be made anonymously and through a third-party representative.

Personal Data and Privacy

Consultation, complaint, and reporting channels	Method/contact person	Complainant protection mechanism	Investigation process	Title of Regulation
- Toll free (0800) customer service and complaint hotline: 0800-050-119 - Website message board - Digital Customer Service Platform	Contact: Customer Service Center	All complainant information ^(Note) will be kept confidential, and only known to relevant personnel.	- Receiving department: Handles complaints, appeases customers, and learns the details, then fills in relevant forms to provide known accidents, situations, and information. Submits the forms to the verification department; simultaneously informs the responsible departments involved in the complaint. - Verification department: After receiving the personal data incident notification form, the verification department 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. - Verification department replies after complaint closure: Personal data management representative and other related departments determine whether it constitutes a personal data leakage incident, and whether it constitutes a material contingency.	Personal Data Incident Notification and Response Flowchart

Note: Product-related complaints can be made anonymously and through a third-party representative.

Note: Personal data privacy complaints can be made anonymously and through a third-party representative.

Communication channels provided for employees

Human Rights

Consultation, complaint, and reporting channels	Method/contact person	Complainant protection mechanism	Investigation process	Title of Regulation
- Employee Grievance (Refiling) Form - Grievance Handling Committee - Labor-management meetings - Employee opinion mailbox: idea@tmnewa.com.tw - Sexual harassment complaint mailbox: talk2us@tmnewa.com.tw - Workplace violence incident reporting and grievance mailbox: Stop.violence@tmnewa.com.tw	- Method: Submit the complaint together with related documents and evidence; can be submitted in person, or by fax, mail, or email. - Contact: Human Resources Department supervisor	The grievance review process ^(Note) and results follow the non-disclosure principle and shall be kept strictly confidential.	- Conduct a complainant interview within 10 days after the receiving complaint, to understand the cause and to respond to the complainant within 30 days the handling results via the Employee Grievance (Refiling) Reply Form. - If a grievance refiling is received, conduct a complainant interview again within 10 days after the day of receipt; respond to the complainant within 30 days the handling results via the Employee Grievance (Refiling) Reply Form. - The grievance refiling should be submitted to the Personnel Review Committee for review; the refiling decision is the Company's final decision. The Employee Grievance (Refiling) Reply Form shall be kept as personnel information for future reference.	Measures for Employee Grievance

Note: The company strictly adheres to the principle of review process/results non-disclosure and maintains strict external confidentiality. Named complaints help effectively clarify facts to avoid dealing with complaints that lack specificity and ensures the complainant's legal rights.

1.3 Material Sustainability Topics

Process of Determining Material Sustainability Topics

In accordance with the GRI Sustainability Reporting Standards (GRI Standards), TMNEWA uses six major steps to identify the Company's material sustainability topics. This process not only addresses issues of concern to internal and external stakeholders, but also forms the basis for developing the Company's sustainability strategies and actions.

	Participating departments	Implementation	Results
Step1 Collection of Sustainability Topics	Coordinated by the Corporate Governance Department, with discussions involving senior management and external consultants.	Sources of Annual Sustainability Topic List: - Domestic and international trends/initiatives/disclosure standards (GRI/SASB/TCFD) and topics of concern in the financial industry. - Stakeholder communication processes. - Consideration of the Company's current operations, sustainability development context, and sustainability topics over the past years. - Senior management meetings to confirm and compile 22 sustainability topics across three major aspects (Governance/Social/Environmental).	10 Governance topics 9 Social topics 3 Environmental topics
Step2 Understanding Stakeholder Concerns	- Internal: The Company's senior management and employees. - External: External stakeholders.	Distributed a corporate sustainability issues survey to investigate the level of concern among internal and external stakeholders for the 22 sustainability topics.	Valid questionnaires: 580
Step3 Assessing Topic Impact	The Company's senior management.	- Discussed with external consultants and based on the Company's current operations, compiled descriptions of actual/potential negative and positive impacts from the 22 sustainability topics on the economy, environment, and people (human rights). - Conducted a senior management impact questionnaire workshop to rate the actual/potential negative and positive impacts of the 22 sustainability topics ^(Note).	Valid questionnaires: 22
Step4 Impact Ranking Results	Corporate Governance Department.	Analyzed the questionnaires from the impact questionnaire workshop to produce a quantitative assessment of the significance of sustainability topic impacts.	Quantitative assessment results on the significance of sustainability topic impacts for 2023 (Figure 1)
Step5 Confirm Material Topics	Coordinated by Corporate Governance Department, with senior management from all business groups and external consultants participating in the meetings.	Held a senior management meeting to identify material sustainability topics. Based on the impact ranking results, internal and external stakeholder concerns, and the current state of operations, finalized the material sustainability topics for the year.	6 material sustainability topics for the year
Step6 Regular Review	- Sustainable Development Committee - Corporate Governance Department	- For the six material topics, and in accordance with GRI Standards, disclosed policies, commitments, and corresponding disclosures to provide the information expected by stakeholders. - Implement the material topic identification process every year and review the impact of the topics.	Management approaches for material topics

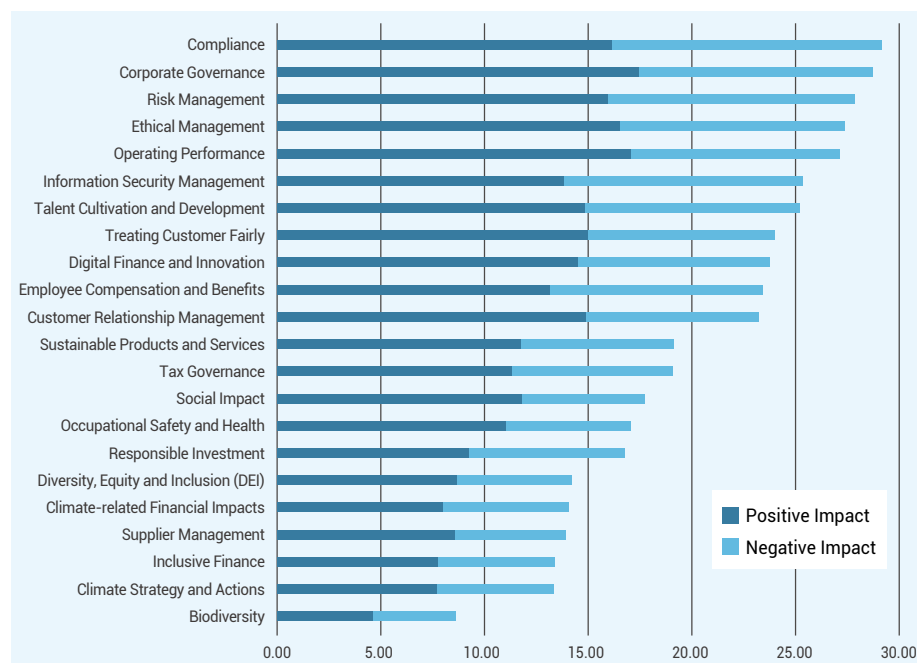
Notes: The scoring scale for the degree of negative/positive impact is 1 to 5: 1 point (very small impact), to 5 points (very large impact).

The scoring scale for the likelihood of negative/positive impact occurrence is 1 to 5: 1 point (very unlikely to occur), to 5 points (very likely to occur).

Sustainability Topic Impact Assessment

The impact of the 22 sustainability topics on the economic, environmental, and people (including human rights) were assessed. A comprehensive evaluation was conducted, based on the actual/potential, positive/negative degree of impact, and likelihood of occurrence; the results were compiled to generate a ranking for the significance of the impact. The results of the internal and external stakeholder concern questionnaires were considered, and a senior management meeting was held to identify material sustainability topics. Tokio Marine Group's current state of operations and sustainability strategy were taken into account to finalize the six material sustainability topics for the year. These topics, in order of priority, are: Risk Management, Information Security Management, Talent Cultivation and Development, Treating Customer Fairly, Digital Finance and Innovation and Climate Strategy and Actions.

Impact Quantification and Ranking



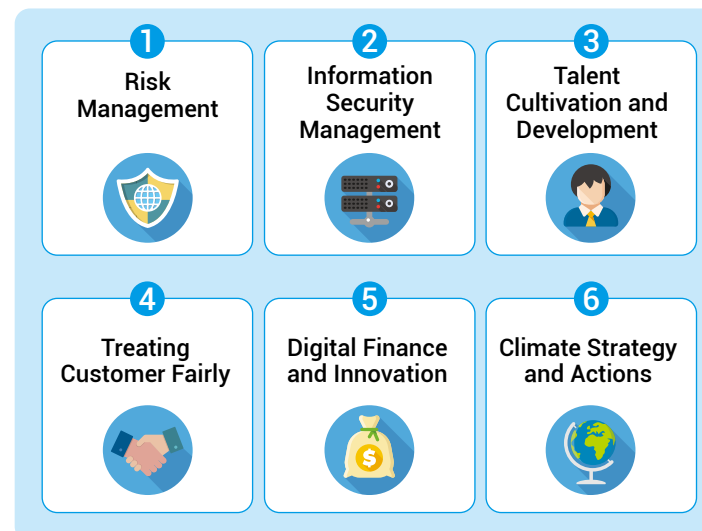
Notes: The scoring scale for the degree of negative/positive impact is 1 to 5: 1 point (very small impact), to 5 points (very large impact).
The scoring scale for the likelihood of negative/positive impact occurrence is 1 to 5: 1 point (very unlikely to occur), to 5 points (very likely to occur).

Changes in Degree of Impact Ranking for Annual Sustainability Topics			
Ranking	Degree of impact for 2023 sustainability topics	Comparison with 2022	Degree of impact for 2022 sustainability topics
1	Compliance	--	Compliance
2	Corporate Governance	--	Corporate Governance
3	Risk Management	↑ 3	Sustainable Products and Services
4	Ethical Management	↑ 4	Responsible Investment
5	Operating Performance	↑ 2	Treating Customer Fairly
6	Information Security Management	↑ 6	Risk Management
7	Talent Cultivation and Development	↑ 2	Economic Performance (renamed as Operating Performance for 2023)
8	Treating Customer Fairly	↓ 3	Ethical Management and Ethical Behavior (renamed as Ethical Management for 2023)
9	Digital Finance and Innovation	↑ 4	Future Talent Cultivation
10	Employee Rights and Benefits	↑ 1	Employee Training
11	Customer Relationship Management	Newly-added topic	Employee Compensation, Benefits, and Safety (Divided into Employee Compensation and Benefits/Occupational Safety and Health for 2023)
12	Sustainable Products and Services	↓ 9	Information Security Management
13	Tax Governance	Newly-added topic	Digital Finance and Innovation
14	Social Influence	↑ 4	Climate-related Financial Impacts
15	Occupational Safety and Health	↓ 4	Energy Conservation and Carbon Reduction
16	Responsible Investment	↓ 12	Partnership (renamed as Supplier Management for 2023)
17	Diversity, Equity and Inclusion (DEI)	Newly-added topic	Inclusive Finance
18	Climate-related Financial Impacts	↓ 4	Social Participation and Public Welfare (renamed as Social Influence for 2023)
19	Supplier Management	↓ 3	Diversity and Equal Opportunity (renamed as Diversity, Equity and Inclusion for 2023)
20	Inclusive Finance	↓ 3	Waste Management
21	Climate Strategy and Actions	Energy Conservation combined with Carbon Reduction/Waste Management/Water Management	Water Management
22	Biodiversity	Newly-added topic	

Explanation of differences in 2023 sustainability topic list and material topic identification

Area of difference	Type of difference	Explanation
Sustainability Topic List	Newly-added topics	Evaluated domestic and international industry trends and benchmark enterprises' sustainability topics, as well as the applicability to the Company's sustainable development plan. Four new topics were added: Tax Governance; Customer Relationship Management; Diversity, Equity, and Inclusion (DEI); and Biodiversity. (2022: 21 topics; 2023: 22 topics).
Material Topic Identification	Topic refinement	After identifying each sustainability topic from different dimensions, the number of material topics for 2023 was refined; the number of topics went from 14 to 6, rigorously reflecting the Company's current focus areas.
Talent Cultivation and Development	Topic consolidation	The original sustainability topics – Future Talent Cultivation and Employee Training – have been consolidated into one single topic.
Climate Strategy and Actions	Topic consolidation	To integrate climate strategy and actions, the original sustainability topics – Energy Conservation and Carbon Reduction; Waste Management; and Water Resource Management – have been consolidated into one single topic.

Material Sustainability Topic List



Material topic	Significance to TMNEWA	Impact	Impact boundaries of material topics in the value chain								Correspondence with GRI Standards/ other sustainability standards
			The Company	Customers	Channel partners	Suppliers	Shareholders	Employees	General public	Investee company	
Risk Management	Identify and address operational risks at the corporate level to ensure capital adequacy and solvency, achieve business objectives steadily, and be able to respond to both traditional risks and emerging climate change risks. This approach aims to maintain stable operational services and protect the rights and interests of both internal and external stakeholders.	E c o n o m i c , environmental and social aspects: Actual positive impacts	●		○	○				○	GRI 2-23 GRI 3-3 SASB FN-IN-550a.3
Information Security Management	Safeguard internal/external stakeholders' data and confidential information, enhance corporate reputation and customer trust, and reduce the risk of data breaches and associated infringements.	Social aspects: Actual positive impacts	●	●	○	○			●		GRI 2-23 GRI 2-24 GRI 418-1

Material topic	Significance to TMNEWA	Impact	Impact boundaries of material topics in the value chain								Correspondence with GRI Standards/ other sustainability standards
			The Company	Customers	Channel partners	Suppliers	Shareholders	Employees	General public	Investee company	
Talent Cultivation and Development	Energize corporate culture and enhance the effectiveness of talent utilization, leading to improved service efficiency and quality, better customer experience and satisfaction, and strengthened market competitive advantage.	Economic and social aspects: Actual positive impacts	●					●		GRI 404-1 GRI 404-2 GRI 404-3 SDG 4, 8	
Treating Customer Fairly	Implement the principle of Treat Customers Fairly in financial products, customer service, marketing, and claims handling, to protect customer rights and maintain/enhance customer relationships.	Economic and social aspects: Actual positive impacts	●	●					●	GRI 2-24 GRI 2-25 GRI 417-1 GRI 417-2 GRI 417-3 SASB FN-IN-270a.2 SASB FN-IN-270a.3 SASB FN-IN-270a.4 SASB FN-IN-000.A SDG 10, 11	
Digital Finance and Innovation	Launch emerging products and innovative insurance models to help customers address new market risks and lower barriers to insurance. This will create new value in digital services, enhance corporate sustainable competitiveness, and increase overall industry value.	Economic aspect: Actual positive impacts	●	●						GRI 3-3 GRI 203-2 SASB FN-IN-410b.2 SDG 12, 13	
Climate Strategy and Actions	Internally implement energy-saving and low-carbon measures, and externally enhance operational resilience to climate change through insurance products and investments.	Economic and environmental aspects: Potential positive impacts	●		○	○				▲ GRI 3-3 GRI 201-2 GRI 305-1 GRI 305-2 GRI 305-4 SASB FN-IN-450a.3 SDG 13	

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

Management Approaches for Material Topics



1 Material Topic: Risk Management

Management policy	Management commitment	Responsible department(s)	Resources invested		
The Company follows the Risk Management practice of the insurance industry and the Group's Risk Management Guidelines to establish our internal risk management policy, aiming to establish the operational framework and fundamental principles for the Company's overall risk management mechanism.	The Company upholds the philosophy of sustainable operations, ensuring adequate solvency while pursuing operational performance. Our aim is to “maintain regulatory capital adequacy, even following extreme risks that would exceed a once-in-a-century event”. This commitment aligns with our vision of becoming the most professional, trusted insurance company in the minds of consumers and achieving our business objectives.	Risk Management Department	Appointed a Chief Risk Officer and dedicated risk management personnel, responsible for the Company's daily risk monitoring, measurement, and assessment. Identified, assessed, responded to, and tracked risks based on the Company's core internal operations and the external environment.		
Evaluation mechanism	2023 performance results	Short-term goals		Medium- and long-term goals	Corresponding report section
The Company uses Risk-Adjusted Performance Measurement (RAPM) to measure each department's post-internal capital allocation Risk-Adjusted Return on Capital (RAROC). This approach aims to further optimize the Company's long-term risk and return relationship.	Each business department uses the allocated capital as the limit for risk capital and as the basis for measuring risk and return. The Risk Management Department regularly monitors the risk capital and risk return of the Company and each business unit, ensuring that the risk capital does not exceed the risk tolerance.	Strengthening quantitative and qualitative risk management ◆ Internal model ◆ Introduce the TRM natural disaster model ◆ Emerging risks ◆ Risk Management Dashboard ◆ RCSA ◆ ORSA		Gradually implement and align with the Insurance Capital Standard (ICS), integrating international regulatory frameworks to ensure the Company's capital adequacy and solvency.	2.4 Risk Management



2 Material Topic: Information Security Management

Management policy	Management commitment		Responsible department(s)	Resources invested	
The Information Security Policy Management Measures have been put in place.	◆ Comply with regulatory authority laws and regulations. ◆ Protect confidential and sensitive customer information.	◆ Ensure continuity of financial service operations. ◆ Implement information security risk control measures.	Information Security Department	◆ Established a dedicated department for information security: The Information Security Department. ◆ 2. Information security expenditure in 2023 was NT\$32 million.	
Evaluation mechanism	2023 performance results		Short-term goals	Medium- and long-term goals	Corresponding report section
◆ External audit of ISO management system. ◆ Information security assessment of computer systems. ◆ Evaluation of financial information security governance maturity.	◆ Received Gold Award for Information Security Promotion at the 10th Taiwan Insurance Excellence Awards. ◆ In compliance with Tokio Marine Group's global information security policy, upgraded the MDR endpoint protection detection system to the leading Gartner brand. ◆ As commissioned by the parent group (Tokio Marine Holdings, Inc. (TMHD)), a third-party information security expert conducted a Threat-Led Penetration Test ("red team exercise") to verify the effectiveness of multi-layered defenses. ◆ Passed external ISO 27001, ISO 27701, and ISO 22301 certifications, maintaining the validity of the certificates. ◆ Improved the efficiency of patching vulnerabilities in computers and servers by implementing an automated patch distribution system. ◆ Enhanced the access log tracking of file server systems by introducing a file server access audit system.		◆ Enhance maturity of financial information security governance. ◆ Qualify for ISO 27001 transition certification. ◆ Strengthen protection mechanisms for sensitive data.	◆ Implement action measures for the financial information security action plan. ◆ Strengthen information security protection mechanisms for emerging technologies. ◆ Deepen information security governance to align with business strategic goals. ◆ Enhance information security resilience to maintain uninterrupted financial services. ◆ Improve information security defenses to reduce risk of hacker attacks.	3.3 Information Security Management



3 Material Topic: Talent Cultivation and Development

Management policy		Management commitment	Responsible department(s)	Resources invested
Establish a Human Resources Policy to build a sound working system that offers competitive compensation, fair and reasonable performance evaluations and promotion systems, and a comprehensive professional training system, to ensure the attraction of talent.		Companies have a responsibility to provide employees with a friendly and safe environment, to assist them in maintaining physical and mental health, and to ensure they enjoy their work, thereby enhancing overall operational performance.	Human Resources Department	Establish a Training and Development Section within the Human Resources Department, responsible for promoting talent cultivation and development.
Evaluation mechanism	2023 performance results	Short-term goals	Medium- and long-term goals	Corresponding report section
- General audits and compliance self-assessment - Sustainability report goal tracking	- Conducted two leader talent courses with 39 participants, and 31 of them have completed the guidance and evaluation. - Held non-motor insurance product courses for sales personnel, with 146 participants trained. - In 2023, the new job competency/position levels and diverse compensation structures were used for annual bonus, promotion processes, and salary adjustments to achieve responsibility-based human resources operations. Additionally, 18 briefing sessions were held nationwide to help employees understand these changes.	- In accordance with the competency model and annual training plan, conduct training courses for reserve leader talent to strengthen management competencies of supervisors. - Assist employees in acquiring competencies needed before promotion. - In line with organizational development goals, offer courses on non-motor insurance products for sales personnel, to enhance their expertise in non-motor insurance. - Utilize the new job competency levels and diverse compensation structures to conduct annual performance evaluations, bonus planning, promotions, salary adjustments, and educational training, aiming to achieve the goals of selecting, employing, cultivating, and retaining talent within the Company.	- Promote strategic and systematic supervisor development programs to build talent pools at different levels. - Provide resources to encourage employees to pursue further education, actively cultivating insurance talent. - Review and adjust human resources-related systems in accordance with the Company's human resources policy. - Implement two-way labor-management communication and coordination to maintain good labor relations.	6.2 Talent Cultivation and Development



4 Material Topic: Treating Customer Fairly (TCF)

Management policy		Management commitment	Responsible department(s)	Resources invested
The Company has established insurance product terms and underwriting guidelines, and follows the Customer Service Center Complaint Handling Procedures, Consumer Dispute Resolution System (including handling process SOP) and Treating Customer Fairly Principles Policy & Strategy, to put TCF into action.		Establish a corporate culture centered on TCF, enhance employees' awareness of financial consumer protection, and ensure compliance with financial consumer protection regulations.	Legal Compliance Department; Integrated Marketing Communication Center; Customer Service Center; A&H Insurance Department; Personal Lines Department; Business Development Department	- Hold a quarterly TCF Promotion Committee meeting, with independent directors attending for guidance. - Conduct training on the TCF Principles Policy & Strategy. - Implement the "Voice of the Customer" service improvement action plan.
Evaluation mechanism	2023 performance results	Short-term goals	Medium- and long-term goals	Corresponding report section
Participate in the Financial Supervisory Commission's TCF Evaluation for the Financial Services Industry.	Ranked in the top 50% in the Financial Supervisory Commission's TCF Evaluation for the Financial Services Industry.	Maintain a ranking in the top 50% for the TCF Evaluation for the Financial Services Industry, with a goal of the top 25%.	- Create a friendly financial service environment and establish an accessible service environment. - Understand customer needs and provide friendly and innovative services. - Build a diverse, comprehensive protection network.	3.1 Fair Customer Treatment



5 Material Topic: Digital Finance and Innovation

Management policy	Management commitment		Responsible department(s)	Resources invested		
Utilize data and risk assessment models to provide recommended insurance packages; continuously develop emerging products and innovative insurance models.	◆ Make effective use of digital tools, aligning with mid-to-long-term operational strategies, to promote solutions that enhance operational efficiency and productivity. ◆ Utilize digital and data technologies, in combination with the Company's strategic direction, to develop and apply services and digital innovation tools in insurance business value chain.		Digital Development Center; Operation Management Department; Online Operations Development Department	The Digital Application R&D Group oversees two departments. The Digital Development Center, which primarily utilizes company and third-party data to develop models and related innovative applications to help address the pain points encountered by employees in their daily operations. And the Online Operations Development Department is responsible for building and maintaining the consumer insurance sales platform on the Company's website, the customer service backend system, the implementation of applied technologies, and the technical interface with external platforms.		
Evaluation mechanism	2023 performance results		Short-term goals		Medium- and long-term goals	Corresponding report section
Regularly disclose and track project implementation status and evaluate the implementation results.	Utilized data analysis and machine learning technologies to complete two PoC projects: Constructing a customer risk model and integrating the risk scores of channel agents with claims service documents into the Accident Handling Assistant.	Continuing the risk-oriented study from 2023, advance risk identification from underwriting to sales, providing customers with risk-related analysis. This allows for managing potential risks beginning with the initial customer interaction, thus enhancing risk control in business acquisition.	◆ With a customer-oriented approach, utilize digital technology, accumulated data assets, data insights, and the application of digital tools to create appropriate scenario-based application services. ◆ 2. Focusing on long-term competitiveness, improve internal efficiency, enhance customer experience, and develop new products, services, and business opportunities.		3.2 Digital Finance and Innovation	



6 Material Topic: Climate Strategy and Actions

Management policy	Management commitment	Responsible department(s)	Resources invested		
Climate-Related Risk Management Measures; Responsible Investment Policy; Investment Risk Management and Control Measures	Conduct strategic evaluations of operational impacts brought on by climate change, and plan future actions. In addition, leverage insurance expertise and the influence of financial investments to build climate change resilience for customers and society.	nable Development Committee - TCFD Promotion Group	The Sustainable Development Committee, chaired by the President, has established a TCFD Promotion Group. This group assists in identifying climate-related risks and opportunities, and proposing countermeasures. It regularly reports to the Sustainable Development Committee, the Risk Management Committee, and the Board of Directors.		
Evaluation mechanism	2023 performance results		Short-term goals	Medium- and long-term goals	Corresponding report section
Integrate climate-related risks into the Enterprise Risk Management (ERM) cycle, including processes such as risk identification, measurement, response, monitoring, information, communication and documentation. Incorporate climate-related risks into the daily individual risk management system, emergency response system, and integrated risk management system.	◆ Implemented the plan to fully replace office lighting with LED lighting. With the exception of the Songjiang office (due to landlord issues), 33 locations have been completed, and a subsidy of NT\$50,000 was received from the Ministry of Economic Affairs for energy savings. ◆ Due to the increase in electricity prices and the impact of pandemic insurance claims services, the Company's electricity expenses increased by 9.2% as compared to the same period the previous year. However, the situation returned to normal in the second half of the year. ◆ Completed the 2022 organizational carbon inventory and obtained ISO 14064-1 certification.		◆ Conduct Scope 3 carbon inventory for investment and financing positions in accordance with the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry. ◆ Establish a dedicated organization for the net-zero transition. ◆ Undertake preliminary work for ISO 14067 carbon footprint certification, aiming to obtain carbon footprint labels for specific products/services by 2025.	Reduce carbon emissions by 30% by 2030 as compared to 2021 (base year), gradually decreasing the company's carbon footprint each year. This aligns with international carbon reduction trends and aims to achieve the goal of net-zero carbon emissions by 2050.	4.1 Climate Strategy and Actions



Look Beyond Profit



ch2 Governance with Peace of Mind

The supreme governing entity of TMNEWA is the Board of Directors, under which the Risk Management Committee, Audit Committee, and Compensation Committee operate. In March 2024, the Sustainable Development Committee was elevated to serve as the fourth Functional Committee under the Board of Directors. On April 11, 2023, the Company conducted an comprehensive re-election for the 9th-term Board of Directors. 11 Directors were elected, comprising 8 non-independent Directors and 3 Independent Directors. Their tenure will conclude on April 10, 2026. For further information on the implementation of corporate governance at TMNEWA, please refer to the [“Disclosure of Corporate Governance Related Information”](#) section on the Company's website.



2.1 Board Operations

Board Operations and Composition

Board operations adhere to the Company's Corporate Governance Best Practice Principles, consistently incorporating annually identified material sustainability topics to enhance their impact on Director election, collective board knowledge, performance evaluations, and remuneration policies.

The Company's Chairman does not hold the positions of President or CEO concurrently. To avoid/mitigate conflicts of interest, and in accordance with the law, corporate Directors' representatives who have direct or indirect investment relationships with parties involved in agenda items required to recuse themselves from those agenda items. The meeting minutes must also document significant details of the conflicts of interest and the recusal circumstances. In 2023, the Board had two agenda items where Directors recused themselves due to conflicts of interest.

The Board meets at least once per quarter, with the Chairman serving as the convener and chairperson of the meeting. In 2023, the Board deliberated on two sustainability-related topics: the 2022 Sustainability Performance Report, and the amendments to the Sustainable Development Committee Charter. The Board held nine meetings in 2023, with an average attendance rate of 95% for all Directors.



Data as of: 2023/12/31

Title	Name	Meetings personally present at	Meetings present at by proxy	Attendance Rate (%)
Chairman	Yoshihiko Shima (Resigned on 2024/04/01)	9	0	100%
Vice Chairman	Kuo-Hsing Hsu	9	0	100%
Director	Wen-Rong Tsay	8	1	88%
Director	Satoshi Naganuma	8	1	88%
Director	Kiichiro Hatakeyama	9	0	100%
Director	Koichi Isshiki	9	0	100%
Director	Kotaro Kemuyama	7	2	77%
Director	Hsin-Cheng Tseng	9	0	100%
Independent Director	Liang-Chuan Chen	8	1	88%
Independent Director	Hui-Fen Lu	9	0	100%
Independent Director	Yong-Fu Liu	9	0	100%

The Company has established the Procedures for Election of Directors. The election of Directors stipulate that a candidate nomination system, shall be conducted through shareholders electing Directors from the list of nominees. In 2023, the Board included one female Director. Each board member brings professional experience and industry backgrounds in insurance, finance, or corporate management.



For the Company's Articles of Association, Procedures for Election of Directors, and Rules of Procedure for Board of Directors Meetings, please refer to: [Insurance Market Observation Post System](#).



Board Members

Title	Name	Diversity Indicators			Specialty or Professional Skills				
		Nationality	Gender	Age group	Insurance	Business management	Law	Risk management	Accounting
Chairman	Yoshihiko Shima (Resigned on 2024/04/01)	Japan	Male	51-60	■	■			
Chairman	Keiko Fujita (Assumed office on 2024/04/01)	Japan	Female	51-60	■	■			
Vice Chairman	Kuo-Hsing Hsu	R.O.C.	Male	61-70		■			
Director	Wen-Rong Tsay	R.O.C.	Male	61-70		■			
Director	Hsin-Cheng Tseng	R.O.C.	Male	51-60		■			
Director	Kiichiro Hatakeyama	Japan	Male	51-60	■			■	
Director	Satoshi Naganuma	Japan	Male	51-60	■	■	■		
Director	Kotaro Kemuyama	Japan	Male	51-60	■	■			
Director	Koichi Isshiki	Japan	Male	51-60	■	■			
Independent Director	Liang-Chuan Chen	R.O.C.	Male	51-60	■	■			
Independent Director	Hui-Fen Lu	R.O.C.	Male	51-60	■			■	
Independent Director	Yong-Fu Liu	R.O.C.	Male	61-70					■

Note: For detailed information on transactions with related parties and controlling shareholders, please refer to the Insurance Market Observation Post System.



Transactions with related parties



Controlling shareholders



Board Functions

To enhance the Board of Directors' decision-making abilities and professional skills, each Company Director is required to participate in at least 7 hours of corporate governance training annually. In 2023, the average training hours per Director were 13.36 hours. ^{Note} In addition, in accordance with the newly-revised Corporate Governance Best Practice Principles for Insurance Companies, starting from 2024, sustainability-related courses will be arranged for Directors and senior managers.



Note: For more details, please refer to the Insurance Market Observation Post System - Corporate Governance Training Status Table (Link).

In accordance with the Company's Board Performance Evaluation Regulations, an annual Self-Assessment and Peer Evaluation of the Board of Directors is conducted. Directors who have served for more than six months evaluate their own performance and the Board's overall performance to ensure that the Board is fulfilling its responsibilities in corporate governance and operations. In 2023, the average total score for the Board performance evaluation was 94.7 for self-assessment and 94 for peer evaluation, with both rated as "Excellent".¹ Furthermore, the performance of Directors who hold other internal positions or roles in invested businesses is assessed annually. The results serve as important references for deciding on the continuation, reduction, or renewal of these concurrent positions. All assessment results must be reported to the Board of Directors.

In light of the increasing risks and responsibilities faced by corporate executives, and to ensure that Directors and managers can carry out their duties with peace of mind and provide operational protection, the Company has secured Directors and Officers (D&O) Liability Insurance during their term of office. This insurance covers the compensation liabilities they are legally required to bear while performing their duties.

Main responsibilities of the Audit Committee and the Functional Committees

Audit Committee	
Convener Independent Director Liang-Chuan Chen	Main responsibilities The operations of the Audit Committee aim to supervise the following matters of the Company: - Fair presentation of financial statements. - Selection (and dismissal) of certified public accountants, and their independence and performance. - Effective implementation of the internal control system. - Compliance with laws and regulations. - Control of the Company's existing and potential risks.
Meeting frequency 4 times/year	

Annual Board Self-Assessment and Peer Evaluation assessments

Self-Assessment



- Attendance at Board meetings (excluding attendance by proxy)
- Understanding of and participation in discussions of agenda items before meetings
- Interaction with the management team
- Compliance with laws and best practice principles
- Enhancing corporate governance
- Continuous training in corporate governance-related courses
- Understanding of the Company, the management team, and the industry

Peer Evaluation



- Other Directors' pre-meeting understanding of and participation in discussions of agenda items
- Other Directors' interaction with management team
- Operation of the Board and Functional Committees
- Other Directors' compliance with laws and best practice principles
- Other Directors' understanding of the Board's functions and roles
- Whether other Directors fully exercise their powers and functions
- Whether other Directors actively enhance corporate governance
- Other Directors' understanding of the Company, the management team, and the industry

Functional Committees

Risk Management Committee

Convener

Independent Director
Hui-Fen Lu

Meeting frequency

4 times/year

Main responsibilities

- Formulate risk management policies and frameworks, establish management standards, and regularly report to the Board of Directors with recommendations for improvements.
- Implement the Board's risk management decisions, and regularly review the Company's risk management mechanisms and their effectiveness.
- Assist and supervise all departments in conducting risk management activities.
- Adjust risk categories, risk limit allocations, and risk-bearing methods in accordance with changes in the environment.
- Coordinate inter-departmental interaction and communication for risk management functions.

Compensation Committee

Convener

Independent Director
Yong-Fu Liu

Meeting frequency

2 times/year

Main responsibilities

- Regularly review the performance evaluation standards, and annual and long-term performance goals for Directors and managers.
- Regularly review the compensation policies, systems, standards, and structures.
- Regularly assess the achievement of performance goals by Directors and managers, and make recommendations on compensation..

Sustainable Development Committee^{Note}

Convener

President
Li-Min Lai

Meeting frequency

2 times/year

Main responsibilities

- Revise the Sustainable Development Best Practice Principles and related internal regulations.
- Plan the strategic direction for sustainable operations.
- Establish management policies and targets for material sustainability issues, and regularly track and review the implementation and effectiveness.
- Supervise the timelines for greenhouse gas inventory and verification to ensure compliance with regulations and disclosure requirements in the sustainability report.
- Regularly report on the effectiveness of sustainable operations to the Board of Directors.
Promote other corporate sustainability development activities.

Note: As of March 2024, the Sustainable Development Committee has been promoted to a Board-level Functional Committee, with an Independent Director serving as the chair of the committee and the chairperson for its meetings. The President acts as the chief convener of the working groups.

Board of Directors and Senior Management Remuneration Policy

With the approval of the Board of Directors, TMNEWA has established the Remuneration System for Directors and the Performance Evaluation and Emolument Standards for Appointed Managers as the basis for distributing compensation to Directors and managers. In addition, there is a Compensation Committee whose members possess expert qualifications and independence. The committee is chaired by an Independent Director and is responsible for reviewing and evaluating the performance and compensation of Directors and managers. A conflict of interest mechanism is in place to ensure independence and fairness. In 2023, the committee convened six times.

The compensation for the Company's Directors includes remuneration, profit-sharing bonuses, and business implementation expenses. The shareholders' meeting grants the Board of Directors the authority to allocate Director remuneration based on each Director's level of participation in company operations and their contribution value, while also considering the usual standards in the industry and the recommendations of the Compensation Committee. The shareholders' meeting retains the right to assess the appropriateness. In 2023, all Directors received fixed remuneration approved by the Board of Directors, with no profit-sharing bonuses distributed.

The compensation for the Company's senior managers is determined by the Compensation Committee, which considers individual performance and the Company's operating results, and then submits the recommendations to the Board of Directors. In 2023, the performance evaluation, compensation structure, and promotion management of senior managers were not yet linked to improving climate change resilience, promoting sustainable development, or the development of related products and services. These initiatives are slated to commence in 2024. Additionally, in accordance with the Company's Corporate Governance Best Practice Principles, future efforts will focus on strengthening the connection between the annual identification of material sustainability topics and the election of Directors, collective Board knowledge, performance evaluation, and compensation.

Compensation Committee Proposal Review Process

- The meeting agenda must be provided to the members of the Compensation Committee in advance.
- Committee members must attend in person; if unable, they may delegate another member to attend on their behalf. Participation via video conference is considered to be attendance in person.
- Resolutions require the approval of more than half of all members.
- If the committee chairperson asks for objections during voting and none are raised, the resolution is considered passed, with the same effect as a formal vote.
- The results of the vote must be reported immediately and recorded.
- Minutes of the meeting must be prepared in accordance with the resolutions made, sent to all members, and kept on record.
- The committee must submit the content of the resolutions to the Board of Directors.

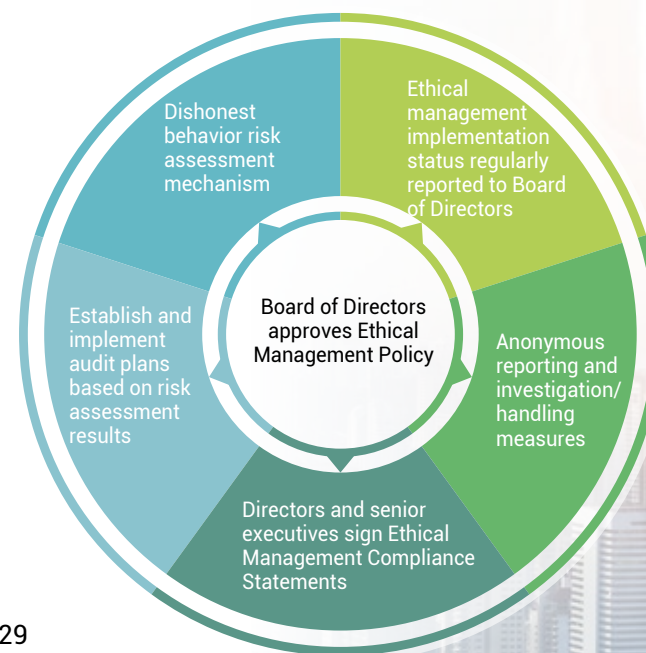


2.2 Ethical Management

Ethical Management (Anti-Corruption) Policy Advocacy and Training

The Ethical Management Policy serves as the cornerstone for the Company's business strategy. All Directors and senior executives at the level of Vice President and above have signed the Compliance Statement of Ethical Management Policy. Furthermore, the Board of Directors has ratified the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct (which include Whistleblower Protection Policy), the Anti-Corruption and Anti-Bribery Policy, and the Ethical Management and Anti-Corruption and Anti-Bribery Management Regulations to strengthen the management of high-risk behaviors.

In terms of advocacy and training for the Ethical Management Policy, 1,400 employees received training in 2023, accumulating 700 hours. The Company's employees are prohibited from soliciting or accepting any improper benefits or engaging in other actions that violate ethics, the law, or fiduciary duties. This policy is part of the Company's efforts to foster establish a corporate culture of ethical management.



2023 Education and Training – Ethical Management Course: The Reporting System

Item	Male	Female	Number of people trained	Total people	Overall training rate
Managerial positions	179	75	254	257	98.83%
Non-Managerial positions	546	600	1,146	1,260	90.95%
Total	725	675	1,400	1,517	92.29%

Note 1: Managerial positions: Section supervisor and above; Non-managerial positions: General employees (excluding part-time staff)

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

Anti-Corruption and Unethicity Risk Assessment

The Company follows the Procedures for Ethical Management and Guidelines for Conduct (Whistleblower Protection Policy) to establish a risk assessment mechanism for dishonest behavior. We regularly analyze and evaluate business activities within our operational scope that carry a higher risk of dishonest behavior. In 2023, the residual risk results after mitigation measures were all assessed as low risk, with the risk response strategy being to accept the risk. In addition, operational risk assessments include evaluating and logging risks such as "intermediaries deceiving customers for improper benefits, leading to unforeseen mistakes and expenses", "fraud and misconduct from employees", "third-party fraud", and "embezzlement from Directors or the employees". In 2023, there were no incidents of kickbacks or bribes being received by employees.

The acceptance and investigation department for reports of dishonest behavior is the Compliance Department, operating independently. The supervisor of the Compliance Department manages the whistleblowing mailbox and hotline. In 2023, one external report of dishonest behavior was received, but the complaint was closed without investigation due to the whistleblower not providing any specific evidence of corruption. Anonymous reports are allowed, and all personnel handling complaints must sign a confidentiality agreement to safeguard the identity of the whistleblower and prevent the leakage of report details. If the complaint involves Directors or senior executives at the assistant manager level or above, the investigation report must be submitted to the Independent Directors.

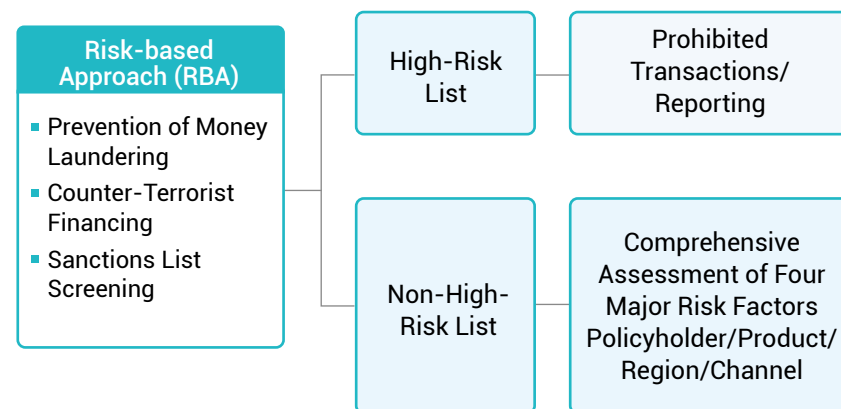
Note: Whistleblowing mailbox: whistleblower@tmnewa.com.tw; Whistleblowing hotline: 070-1010-7701

In supplier management, in accordance with the Company's Regulations Governing Supplier Corporate Social Responsibility, suppliers exceeding a certain procurement amount are required to sign the Letter of Commitment for Supplier ESG and Ethical Management. This letter of commitment ensures adherence to the Company's integrity policy and related regulations, explicitly rejecting any direct or indirect offering, promising, soliciting, or accepting of any improper benefits in any form, under any name. In 2023, 126 suppliers have signed the letter of commitment (see Section 2.6 Supplier Management for details).



Anti-Money Laundering and Countering the Financing of Terrorism

The Company has established the Guidelines on Prevention of Money Laundering and Combating Financing of Terrorism to conduct risk assessments and implement control measures. All employees are required to receive at least 2 hours of related training. In 2023, the number of employees who underwent training was 1,400, for 3,108 hours of training. No related incidents occurred in 2023. To effectively implement measures for the prevention of money laundering and countering the financing of terrorism, we have established a Risk-based Approach (RBA) system. During transactions, we check and screen against sanctions lists, nationalities, and coverage scopes. If the system identifies high-risk subjects, transactions are prohibited, and reporting measures are taken as required. For initial name checks that do not match the aforementioned lists or nationalities, a comprehensive assessment is conducted based on four risk factors (policyholder, product, region, channel) to effectively identify potential money laundering and terrorist financing concerns in each transaction.



2023 Education and training – Anti-money laundering and countering the financing of terrorism

Item	Male	Female	Number of people trained	Total people	Overall training rate
Managerial position	179	75	254	257	98.83%
Non-Managerial position	546	600	1,146	1,260	90.95%
Total	725	675	1,400	1,517	92.29%

Note 1: Managerial positions: Section supervisor and above; Non-managerial positions: General employees (excluding part-time staff)

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

2.3 Legal Compliance

Tokio Marine Newa Insurance has established a Compliance System and an annual compliance plan ratified by the Board of Directors. The chief compliance officer at the headquarters regularly compiles the status of compliance and reports it to the Board of Directors. An annual company-wide compliance meeting is held to enhance employees' awareness of compliance through all management systems, including Publicity of Penalty Cases of Peer Companies and the Inspection and Control Measures, Management of Legal Changes, Compliance Education and Training, and Compliance Self-Assessment.

On January 19, 2023, due to deficiencies related to pandemic insurance products, TMNEWA incurred a fine of NT\$1.8 million by the Financial Supervisory Commission for violating the Regulations Governing Pre-sale Procedures for Insurance Products^{Note}. In addition, the overseas subsidiary, Newa Insurance (Cambodia) PLC, penalized US\$500 by the local regulatory authority on August 15, 2023, for failing to submit a claims complaint report to the local insurance supervisory body as required by local regulations. There were no violations of environmental, labor, or human rights laws, nor any violations related to property insurance or service information, labeling, and marketing communications regulations in 2023.

2023 Penalties and improvement measures

Penalty description

- Date of disposition: January 19, 2023
 - Penalty: Fined NT\$1.8 million, and the negligent personnel were reported for further action.
 - Violations and details:
Due to the COVID insurance product violating the provisions of the Regulations Governing Pre-sale Procedures for Insurance Products:
- (1) The rate determination for the COVID insurance product did not adequately identify risks.
 - (2) After the reinsurer declined to underwrite the business, the retained risks were not reassessed.
 - (3) The sales limits and warning thresholds for the product were not reasonably evaluated based on risk, and the Insurance Product Review Committee and Management Committee did not implement audit matters.
 - (4) The Insurance Product Management Committee did not review the "operating strategy or potential impact on current or future solvency" regarding the COVID insurance product.
 - (5) The Insurance Product Management Committee did not review the "effectiveness of reinsurance arrangements" regarding the COVID insurance product.

Preventive and remedial measures

- (1) Rate determination for COVID insurance product did not adequately identify risks.
Main improvement measures: Added a control mechanism for emerging risk insurance products and revised the internal Insurance Product Design Procedures.
- (2) After reinsurer declined to underwrite business, retained risks were not reassessed.
Main improvement measures: Revised the internal Underwriting Risk Management Measures: Emerging risk products require an assessment of retained risks. Before product sales, departments must review the product planning status again. If there are concerns about exceeding limits, it must be reported to the Risk Management Committee and the Board of Directors for approval. In addition, the risk management department will regularly track the risk identification, retained risk assessment results, and accumulated insurance amounts for emerging risk products, and report these to the Risk Management Committee and the Board of Directors.
- (3) Product sales limits and warning thresholds were not reasonably evaluated based on risk; Insurance Product Review Committee and Management Committee did not implement audit matters.
Main improvement measures: Added reviews to the audit checklist to ensure that the submitted products comply with the regulatory authority's review comments for similar products. Furthermore, revised operating procedures to include measures for controlling product sales limits.
- (4) Insurance Product Management Committee did not review "operating strategy or potential impact on current or future solvency" for pandemic insurance product.
Main improvement measures: Continued to implement post-sale review operations of the Insurance Product Management Committee; regular meetings to monitor the risk control results for emerging risks and understand the potential impact on current or future solvency.
- (5) Insurance Product Management Committee did not review "effectiveness of reinsurance arrangements" for pandemic insurance product.
Main improvement measures: Revised the internal Underwriting Risk Management Measures to address reinsurance planning and retained risk control for emerging risk products.

Penalty description

- Date of disposition: August 15, 2023
- Penalty: Fined US\$500
- Violations and details:
The overseas subsidiary, Newa Insurance (Cambodia) PLC, failed to submit claims complaint reports to the local insurance supervisory authority every six months, as required by local regulations.

Preventive and remedial measures

- For documents or notifications that need to be uploaded or submitted to local authorities, a list will be compiled, which is to be managed by the supervisor of the corresponding department. In addition, a designated person will oversee and control the process.
- Require departing employees to submit a complete handover checklist.



In 2023, through internal and external compliance education courses and advocacy communication meetings, we enhanced the compliance awareness of all employees and strengthened the functions of the Compliance Department and Compliance Officer. The statistics are as follows:

2023 Compliance education and training					
Item	Male	Female	Number of people trained	Total people	Overall training rate
Managerial position	181	75	256	257	99.61%
Non-managerial position	551	600	1151	1260	91.35%
Total	732	675	1407	1517	92.75%

Note 1: External: Property insurance representatives must complete a common compliance course annually after registration. The course is produced by the Taiwan Insurance Institute and is primarily digital, conducted through online learning, and must be passed through an examination.

Note 2: Internal: Using internally developed digital materials, the training is conducted online. A post-course test must be passed with a score of 100. Additionally, compliance officer training for each department is held twice a year, once in the first half and once in the second half of the year, with a post-course test requiring a passing score of 60.

2.4 Risk Management

TMNEWA upholds the philosophy of sustainable operations, with our risk appetite statement defined as "maintaining regulatory capital adequacy even after encountering extreme risks exceeding a once-in-a-century event". This represents the maximum risk the Company is willing to take. The Board of Directors endorses the Risk Management Policy and assumes ultimate responsibility to ensure the Company's capital adequacy and solvency, implement a balance between risk and reward, and steadily achieve business objectives. There is a Risk Management Committee under the Board of Directors, chaired by an Independent Director, which reports to the Board each quarter.

The Risk Management Department is the Company's dedicated risk management department, regularly compiling risk information from all business departments. It assists these departments in conducting risk management activities and setting risk limits for sustainability-related actions. When any department violates the risk limits, the department prepares an over-limit handling report and proposes countermeasures, reporting the overall risk management status to the Risk Management Committee each quarter. In 2023, the risk management system and related procedures were effectively implemented, with no Major Risk Incidents occurring. To ensure that employees can respond quickly to major accidents and prevent serious operational disruptions, emergency response drills and off-site backup drills are conducted annually. In 2023, out of the 35 departments at the headquarters, 23 participated. In addition, at least one business continuity management course and one personal data management online course are conducted annually for relevant departments, with 3,661 people completed these courses in 2023.

2023 Risk management education and training and risk awareness enhancement actions

For	All employees	
Format	- Online e-Learning - In-person courses	Quarterly two-way reporting
Results	3,661 persons completing courses - Test pass rate over 97%	- Communication on latest risk management regulations, trends, or practices - Occasional promotion materials for each product line

Enterprise Risk Management and Procedures

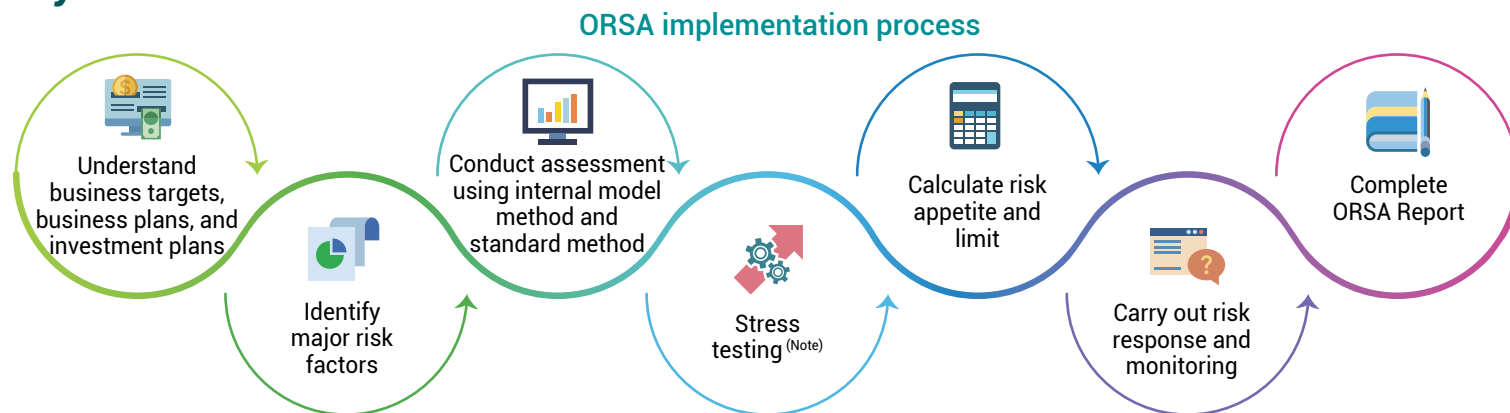
The Company employs an Enterprise Risk Management (ERM) model, which encompasses three main frameworks: Individual Risk Management, Emergency Response System, and Integrated Risk Management.

Furthermore, for emerging risks, we assess the loss amount and likelihood of each event using data from the latest Global Risks Perception Survey (GRPS) published by the World Economic Forum (WEF) and the explanations of emerging risks from our parent company, Tokio Marine Group. These assessments are reported to the Risk Management Committee for discussion and then submitted to the Board of Directors for approval. The identified emerging risks are categorized into four types: political and economic risks; social risks; environmental risks; and technological risks. Moreover, in response to the increasing frequency of major disasters in recent years, we have established an internal real-time reporting mechanism to enhance horizontal communication between departments, quickly integrate information, reduce decision-making errors, and ensure that customer rights are protected, so they receive more comprehensive, faster services.



Own Risk and Solvency Assessment

To enhance capital management and implement capital adequacy assessment, the Company conducts the Own Risk and Solvency Assessment (ORSA) process. Utilizing stress testing and related measurement methods, we review risk appetite and limit settings. The assessment results provide the Board of Directors and management with a basis for making decisions and managing our own risk and solvency.



Note: Stress testing uses historical scenarios and scenarios (such as scenarios where the market experiences drastic changes) provided by the competent authorities to evaluate the impact on potential profits and loss of current asset portfolio.

Liquidity Risk Management

The Company's liquidity risk management, in accordance with the Risk Management Policy, aims to control potential liquidity risks within an acceptable range. The responsibilities of each department are as follows:

Risk Management Unit

The Risk Management Unit both regularly and occasionally monitors liquidity positions, to determine if they fall under "normal", "prudent", or "critical" periods. If a situation occurs that is not considered normal, the department must immediately alert and explain the situation to the Risk Management Committee. If necessary, the department will collaborate with relevant departments to develop contingency plans to address liquidity needs arising from abnormal and emergency situations.

Business department

At the end of each year, the business department reviews the liquidity status for the current year and uses cash flow models to assess future liquidity needs. This information is used to provide the capital allocation plan for the following year and to set the first and second warning lines. The Risk Management Unit will propose these warning lines to the Risk Management Committee for review and approval before implementation. If there is a need to adjust the warning lines, a new proposal must be submitted and approved by the Risk Management Committee before implementation.

Fund dispatching department

The fund dispatching department is responsible for daily cash management and continuous cash flow management, monitoring the net cash flow of each business department. If major or abnormal fund usage by a business department is detected, which could lead to a situation outside of normal periods, the department must notify the Risk Management Unit or other relevant departments. If necessary, a crisis management team must be established to handle major liquidity risks. Liquidity management during catastrophe periods must be based on scenario assessments and asset liquidation planning for such periods, conducting emergency cash flow simulations to properly manage cash flow during catastrophes. This will also serve as a tool for monitoring asset-liability matching risks.

Crisis Handling Mechanism and Business Continuity Management

To prevent major events that could affect the Company's reputation, jeopardize normal operations, or disrupt financial order, we have established the Response Measures for Operational Crisis. If signs of an operational crisis event are detected, relevant departments are immediately notified to promptly address the issue and prevent it from escalating, while emergency remedial actions are taken. In the event of an operational crisis, the President will establish an Operational Crisis Handling Task Force to monitor the development of the incident and implement more rapid and effective response measures.

To minimize organizational impact and reduce the effects of risks to an acceptable level, we have established the Business Continuity Management (BCM) measures. These measures involve a combination of prevention and recovery control measures to identify critical operations, required assets, and develop continuity strategies. The Company has formulated response and reporting plans for different emergency incidents and conducts annual drills to reinforce emergency preparedness. We have also implemented and obtained ISO 22301 Business Continuity Management System certification. In 2023, we held two business continuity drills, including an off-site backup drill to restore basic operations of critical functions and an emergency response drill to address losses incurred by clients or branches due to typhoon impacts.

2023 Emergency response drills			
Drill	Drill scenario	Drill description	Drill date(s)
Off-Site Backup Drill	The simulated scenario of the joint drill was a large-scale fire incident in the head office requiring the activation of DRP offsite backup mechanisms. Each operating department 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.	(1) Initial scenario: Fire alarm in head office went off during non-working hours. The security on duty immediately notified the fire brigade and informed the supervisors of each company in the building. (2) Incident confirmation: The Company's supervisors confirmed the incident status right away after receiving the notification. It was learned that the 8F to 13F of the headquarters were in flames before the fire brigade arrived, and that this would seriously affect the operation of the company. Therefore, after notifying the Emergency Response Command Headquarters, the authorized response chief announced activation of the disaster recovery plan's backup headquarters mechanism at 3:00 am. (3) Follow-up development: The Emergency Response Command Headquarters immediately contacted all key personnel at the head office to go directly to the backup points and requested that they stand by until 6:30 am to resume basic operations of the head office. (The scenario continued with the drill of reporting, standing by, and restarting the key operation.)	December 17, 2023
Earthquake	This drill simulates different disaster incidents caused by a typhoon, including varying degrees of building damage, power outages, and network disruptions across Taiwan.	The scenario for this drill involves a typhoon causing different degrees of building damage, power outages, and network disruptions across Taiwan. Each Company department is to simulate the response measures to be taken before and during the typhoon when customers or branch offices suffer losses, and report the loss situation. The Risk Management Department reports this situation to the Emergency Response Command Headquarters. If the Command Headquarters evaluates and confirms that a major incident has occurred, the President will authorize the head of the Risk Management Department to announce the activation of the reporting procedures within the group. Each Company department is to simulate the response measures to be taken before and during the typhoon, when customers or branch offices suffer losses, and report the loss situation.	December 21, 2023–December 22, 2023

2.5 Tax Management

At TMNEWA, the Finance and Accounting Department is responsible for tax affairs, with the Vice President of the Administration Support System overseeing tax operations and tax risk management. In addition to reporting tax matters annually in May, the department also reports tax implementation status to the President as needed to ensure the effective operation of the tax management mechanism. In addition, subsidiaries are required to notify the Company's Finance and Accounting Department of major tax risk matters. In the face of tax risks, these risks will be properly managed to minimize impact. Moreover, appropriate and necessary communication as well as explanations will be conducted with tax authorities to reduce tax risk uncertainties.

The Company's tax principles and tax risk management include the following principles, aimed at adhering to the spirit of prudent management, enhancing shareholder value, and strengthening compliance with tax laws and the commitment to sustainable corporate development.



Compliance with laws and regulations

Comply with local tax laws and legislative intent, filing and paying taxes within the prescribed deadlines, fulfilling the social responsibilities of taxpayers.



Arm's length transactions

Related party transactions must comply with the transfer pricing regulations and arm's length principles of the national tax laws.



Information transparency

Disclose tax information through public channels as required, ensuring transparency for stakeholders.



Active communication

Communicate honestly and professionally with local tax authorities and maintain good relationships.



Risk management

Conduct comprehensive assessments of tax risks related to local and international tax law changes and develop corresponding measures.



Talent training

Enhance tax professional skills through ongoing training and development.

Tax Payments

Income tax information (Unit: NT\$1,000,000)			
Item	2021	2022 ^{Note}	2023
Profit before tax	1,474.238595	-49,891.298129	3,988.459082
Income tax	236.486103	-2,815.621607	756.994850
Income tax paid	245.126623	0	757,875,158

Note: 2022 income taxes were affected by COVID insurance.

Note: The above tax data is for individual financial statements and does not include the Cambodian subsidiary included in the consolidated financial statements.

2.6 Supplier Management

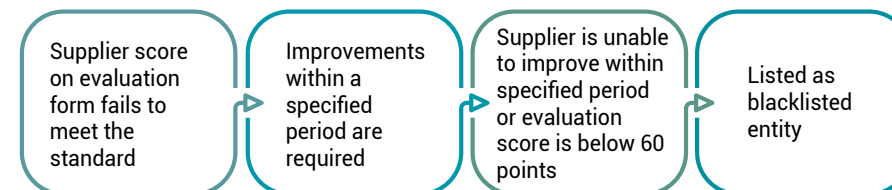
TMNEWA has established the Regulations Governing Supplier Corporate Social Responsibility, requiring suppliers who reach a certain procurement level to sign the Letter of Commitment for Supplier CSR and Integrity. This document explicitly prohibits the employment of child labor or forced labor and emphasizes the respect for freedom of association and other human rights protections. It aims to jointly implement responsibilities regarding labor rights, labor health and safety, environmental protection, and ethical management. Currently, 100% of suppliers that meet these requirements have completed the signing of the letter of commitment. In 2023, all cooperating suppliers were companies legally established in Taiwan.

2023 Supplier management performance

Percentage of new suppliers screened using environmental and social standards	100 %	Number of new suppliers who signed the letter of commitment	20
Total suppliers who signed the letter of commitment	126	Annual evaluation pass rate of 73 ongoing cooperating new/existing suppliers	100 %

Supplier Evaluations

During the annual supplier evaluation period, procurement personnel advocate for the Company's ethical management policy to their respective suppliers. Special emphasis is placed on suppliers handling personal data outsourcing, with regular annual on-site inspections conducted to ensure the secure handling of outsourced personal data. The Letter of Commitment for Supplier CSR and Integrity is incorporated into the contracts with cooperating suppliers. For contracts that are still valid, the Administration Department conducts the annual supplier evaluation process as follows:



New Supplier Selection

For new supplier procurement contracts, a single procurement amount of NT\$300,000 or more, or an annual total procurement amount of NT\$1,000,000 or more, necessitates a self-assessment questionnaire. This questionnaire includes questions such as legal registration compliance, the establishment of order and raw material management mechanisms, social aspects (equal employment policy, no child labor, compliance with labor insurance and health insurance regulations, provision of regular employee education and training programs, safe working environments, etc.), and environmental regulatory compliance. The Administration Department utilizes the supplier evaluation form to confirm whether the supplier is qualified.

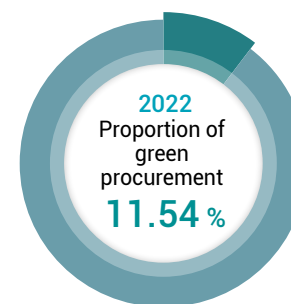
Contract type (by company classification)	2021		2022		2023	
	Number of suppliers	Proportion of total procurement (%)	Number of suppliers	Proportion of total procurement (%)	Number of suppliers	Proportion of total procurement (%)
Services (Maintenance and Printing ^{Note 1})	100	42.80	88	33.04	125	39.48
Financial (Capital Equipment ^{Note 2})	77	47.37	66	63.97	93	60.32
Engineering (Building Maintenance)	4	9.83	1	2.99	1	0.2
Total	181	100.00	155	100.00	219	100

Note 1: Maintenance and printing materials include general consumables.

Note 2: "Capital equipment" refers to company vehicles, all office equipment, and other capital assets.

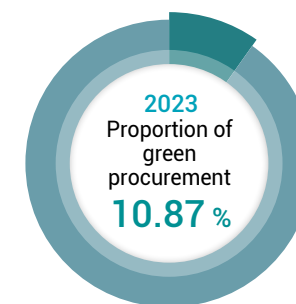
Green Procurement

In the Company's Procurement Regulations, green procurement products are prioritized for procurement negotiations, requiring suppliers to provide products with Green Mark and thereby fulfilling corporate social responsibility. Aligning with to the government's promotion of green procurement policies, starting from 2022, we have been reporting green procurement levels on the Ministry of Environment's Green Procurement Declaration for Private Sector platform. In 2023, green procurement encompassed information technology (IT) products, office supplies, energy-saving products, household appliances, and services. To gradually increase green procurement as a proportion of total procurement amounts, we will prioritize the procurement of printing materials with FSC (Forest Stewardship Council™) certification, and plan to set a target of at least 60% green procurement as a proportion of total new IT hardware purchases in 2024.



• Total procurement amount (NT\$)
228,860,727

• Green procurement amount (NT\$)
26,415,593



• Total procurement amount (NT\$)
195,240,812

• Green procurement amount (NT\$)
21,213,497



**Deliver On
Commitments**



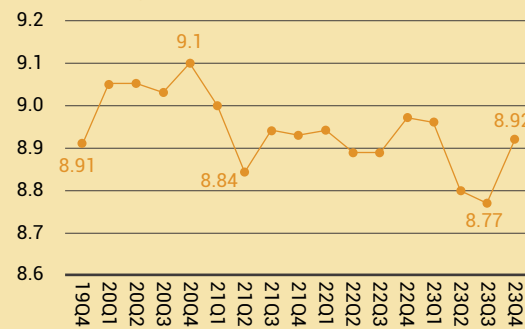
ch3 Service with Peace of Mind

Implementing the principles of treating customer fairly/friendly, and continuously improving customer satisfaction, are objectives that the Company values highly and strives hard to achieve. Automobile insurance is our primary source of business. Since the fourth quarter of 2019, we have been conducting satisfaction surveys for car insurance claims services (outsourced phone interviews). Overall customer satisfaction has stabilized at nearly 9 points (out of 10). Based on customer feedback, we continuously improve service quality and enhance service content, significantly addressing common service gaps.

2022
satisfaction
score
8.92

2023
satisfaction
score
8.86

Average historical satisfaction scores



2024 service satisfaction survey goals

- Continuously improve the overall satisfaction score.
- Continually reduce the frequency of service gaps.
- Introduce the NPS (net promoter score) survey indicator to observe the correlation between customer satisfaction and their willingness to recommend.
- Increase the number of samples to hear more customer voices.

3.1 Treating Customer Fairly

TMNEWA strictly adheres to the Principle for Financial Service Industries to Treat Clients Fairly set by the Financial Supervisory Commission. The Board of Directors has endorsed the treating customer fairly policy and strategy. We have formulated an improvement plan for the treating customer fairly and track its implementation. Progress is regularly reported to the Treating Customer Fairly Promotion Committee and the Board of Directors. Additionally, we have established a Treating Customer Fairly Issues report for cross-departmental communication. Departments such as Audit, Compliance, Risk Control, and the Customer Service Center regularly collaborate on issues related to information security, personal data protection, product design, and customer complaints. This horizontal collaboration ensures a comprehensive understanding and prevention of risk issues.



Treating Customer Fairly Promotion Committee



Treating Customer Fairly Promotion Committee

Convener President Meeting frequency Quarterly

Responsibilities

- Review and track improvements for customer complaints, grievances, and evaluations.
- Supervise the implementation of the Treating Customer Fairly Principles in all departments and review compliance with the Financial Consumer Protection Act.
- Revise Treating Customer Fairly Principle strategies in a timely way and report to the Board of Directors.
- Approve proposals for improving and refining treating customer fairly, and regularly track their progress.
- Review the self-assessment results of the annual Treating Customer Fairly Principles Evaluation Form.
- Approve specific implementation plans and targets for areas needing improvement and supervise their implementation.
- Regularly report the committee's operational status to the Audit Committee and the Board of Directors.
- Promote other business activities related to treating customer fairly.

Reporting process and reward mechanism

Before the meeting, the Secretariat notifies departments to submit proposals, which include but are not limited to the following:

- Analysis and review of the previous quarter's complaints, grievances, and evaluations.
- Statistical analysis and report on treating customer fairly-related penalties and violations among peer companies.
- Progress tracking report for the previous meeting's resolutions.
- Improvement or advancement proposals approved by the committee for implementation may be eligible for rewards.

Note: To align with domestic and international sustainable development trends and practice sustainable development goals, the Fair Customer Treatment Promotion Committee was restructured in March 2024 to become the Treating Customer Fairly Group under the Sustainable Development Committee.

The Company conducts at least 3 hours of training and awareness courses on the Treating Customer Fairly Principles for each employee every year, to enhance their awareness of compliance and fair financial consumer treatment.

2023 Treating Customer Fairly education and training

	Total employees 1,517		Employees trained 1,494
	Training sessions held 14		Training time (hours) 4,482

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



Insurance Product Design and Sales

Tokio Marine Newa Insurance adheres to regulatory policies, laws, and consumer service standards in formulating implementation principles and guidelines for product design, advertising/sales, underwriting/claims, and dispute/complaint handling. This ensures the fair, reasonable, and friendly treatment of all customers.



Product design

- In accordance with the Regulations Governing Pre-sale Procedures for Insurance Products, we have established the Insurance Product Design Procedures, prioritize the appropriateness and legality of insurance terms, protection of consumer rights, and risk control. When pricing insurance products, attention must be paid to the adequacy, reasonableness, and fairness of the rates to ensure that the product design complies with the Treating Customer Fairly Principles and regulations. In addition, it is specified that insurance product design must avoid the following situations:
 1. Clearly unfair treatment of the policyholder, insured, or beneficiary.
 2. Violation of principles of good faith or public order/morals.
 3. Exemption or reduction of the insurer's obligations under the Insurance Act.
 4. Forcing the policyholder, insured, or beneficiary to waive or limit their rights under the Insurance Act.
 5. Unjust differential treatment of specific individuals.
 6. Possible denial of insurance to specific individuals, except for underwriting considerations.
 7. Coverage, benefit content, exclusions, or other conditions that may lead to unjust enrichment, moral hazard, or negatively impact the social image of the insurance industry.
- In accordance with the Preparation and Sales Procedures for Insurance Products, Self-Regulations for Insurance Product Design, and Review Procedures for Insurance Products, we conduct legality reviews during the product review process to ensure compliance with insurance and fair-trade regulations.
- The Insurance Product Review Committee holds feasibility meetings to evaluate whether the related operational processes comply with the Treating Customer Fairly Principles. This includes the duty of professional care in product design, the duty of good management, and the protection of target market and consumer rights. The design must not involve falsehoods, fraud, exaggerated claims of insurance performance, or other actions that could mislead others.



Product sales

- Formulate the Operating Procedures for the Promotion and Distribution of Publicity Materials for Ads, Business Solicitation, and Business Promotion Activities to govern matters related to insurance product marketing and promotion.
- Sales personnel must fulfill their duty of explanation and disclosure during solicitation and complete a suitability analysis form (know your customer, KYC) to ensure consumers fully understand the important content of the insurance product and their own needs, thus protecting consumer rights.
- The application form must comply with the Content and Scope of the Review Procedures for Exempting Insurance Products from the Insurance Product Requirements of the Property Insurance, complying with what must be and cannot be listed.
- In accordance with the Required Precautions When Reviewing Financial Insurance Products and with the Points of Note When Auditing Life Insurance Products, the front page of the insurance policy, policy terms, product brochure, and application form must clearly state the "product number and date", "major insurance benefits", "toll-free grievance hotline", "methods of inquiring publicly disclosed information of the insurance industry", and "warnings".
- In response to our aging society and to be in line with the Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises stipulation that 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 a customer, it is necessary to understand the customer's attributes and needs.



Product review and service adjustment

- Over 70% of the Company's customers use mobile phones to purchase insurance. We refining the mobile-friendly experience and simplifying, record online customer messages and inquiries, and introduce new products to meet customer needs.
- Through our Voice of the Customer sources, we review customer complaints/grievances on a case-by-case basis and proactively seek customer suggestions regarding products and services. This allows us to adjust service processes in real-time, preventing disputes that would arise from poor service experiences.

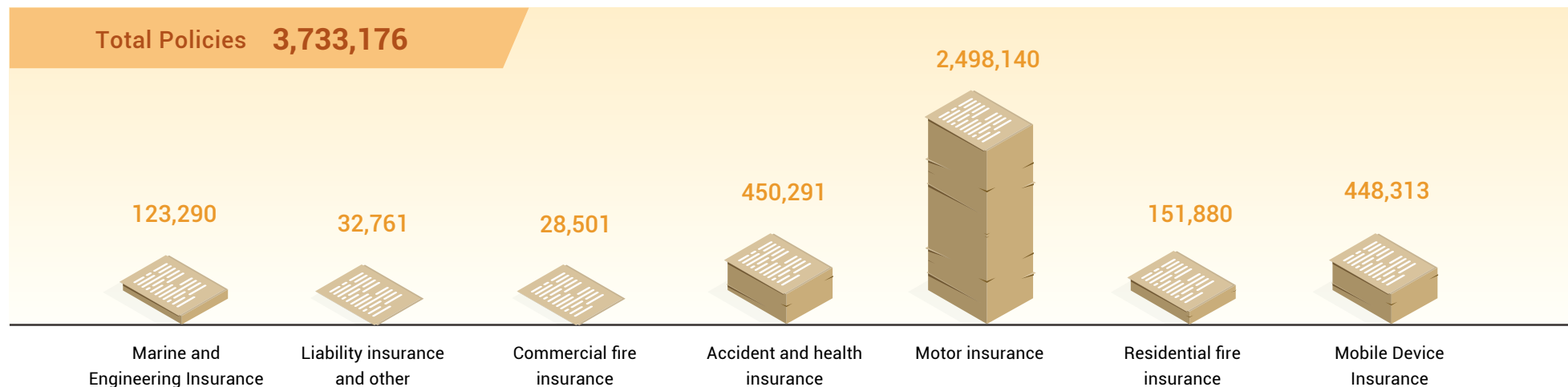
Customer Renewal Rate

Item	2023 expired policies	2023 renewed policies	2023 customer renewal rate (%)
Marine insurance and other	2,356	1,930	81.9
Liability insurance and other	22,140	16,744	75.6
Commercial fire insurance	21,601	18,748	86.7
Accident and health insurance ^{Note2}	1,100,359	195,788	17.79
Motor insurance	1,062,159	854,845	80.4
Residential fire insurance	146,404	120,663	82.4

Note 1: Data is as of December 31, 2023.

Note 2: In the accident and health insurance (A&H) category, travel accident insurance does not involve renewal issues and is not included. As in 2022, individual and group insurance are included; additionally, in 2023, about 876,520 expired pandemic insurance policies are included. Excluding these, the renewal rate was 87.47%.

Number of Effective Policies



Friendly Financial Services

The Company upholds inclusive finance policies and provides a variety of friendly financial service measures in accordance with the Principles for Friendly Insurance Industry Financial Services. Considering the insurance needs of different groups, we offer accessible insurance services to customers. Our Friendly Service Website achieved NCC testing to receive the highest Accessibility Mark 2.1 (AAA) certification, ensuring usability for individuals with color vision deficiencies to use the website. Additionally, we offer specialized services for those with hearing and speech impairments.

Physical operating sites

- Installing service bells and accessibility facilities.
- Providing magnifying glasses and reading glasses at the counters.
- Offering appropriate personalized service in accordance with policyholders' needs, explaining product and service information, and assisting in filling out related application forms.

Sales agent solicitation services

- Preferentially using colored application forms, to prevent customers from missing important information due to unclear black-and-white printing.
- When handling accident and health insurance applications from customers with disabilities, sales agents will complete an evaluation form and keep records. If the application is not successfully underwritten, the applicant will be notified by registered mail, detailing the specific reasons.

Online services

- The website discloses information about different products and services, making public inquiries convenient.
- Online text customer service is available to assist consumers, those who find it inconvenient to call customer service, and hearing-impaired individuals, allowing them to receive comprehensive service and consultation through text.
- To protect the rights of the elderly and people with disabilities, the Yahoo Ebo TMNEWA quotation system provides enlarged summary explanations and supporting documents.
- The online insurance process is continuously optimized, offering multiple payment methods and a responsive web design (RWD) interface, enabling consumers without computers to easily complete insurance applications via mobile phones and tablets.

Communication services

- Providing SMS notification services to keep policyholders informed of real-time insurance information.
- The Company's friendly service website offers a dedicated customer service email address and phone number for customers with disabilities to make inquiries.

Underwriting services

- All insurance product application documents are reviewed fairly, objectively, and without discrimination.

First in the industry to launch a friendly reading function

To support visually impaired individuals, the website's focused questions and Friendly Service Website (Accessible Webpage) have introduced a color-interactive friendly reading function. This allows users to adjust the background and text colors of the web pages, enabling the target audience to set the contrast colors in accordance with their needs, ensuring barrier-free reading and browsing of web information.

Audio guide function on the website

Turning difficult insurance phrasing into normal language! 280 product and claim related knowledge-based questions as well as the Friendly Service Website (Accessible Webpage) have added a voice assistance function. This feature allows the target audience to have web text read aloud, with options to adjust the playback speed, pause, and replay, ensuring barrier-free access to information.

Sign language video remote interpretation service

To support hearing and speech-impaired individuals, we have launched a Sign Language Video Remote Interpretation Service. This allows hearing and speech-impaired friends to handle their counter business through video equipment with real-time online interpretation by sign language interpreters, enhancing communication efficiency and improving insurance accessibility. This service provides a new, expert, considerate insurance service experience for the disabled community. Moreover, to better serve hearing and speech-impaired customers, we have adopted a one-on-one service model, introducing specialized sign language instructors to conduct basic sign language training courses for our staff. These courses teach basic greetings and specialized sign language in areas such as "insurance" and "claims". We have also established a Friendly Financial Reception Room to ensure privacy for hearing and speech-impaired customers. The quiet, private space reduces noise interference during the sign language video remote interpretation service, facilitating barrier-free communication and making insurance more accessible.

Note: TMNEWA Friendly Service Website provides accessibility features such as webpage navigation tiles, keyboard shortcuts (access keys), and a site navigator to ensure an accessible website.



The Company introduce a speech-to-text (STT) recognition system. When customer service lines are busy, customers can choose to leave a voice message online. The STT system converts spoken content into text, helping customer service representatives identify customer needs. This information will then be sent to the appropriate processing department via the case management system, thereby reducing customer wait times and increasing the number of customers served. The STT system archives dialogues between customers and customer service representatives as text. This text can be used as reference material when forwarding issues to the processing department.

Listening to Customer Voices

TMNEWA offers multiple communication channels: The Customer Service Hotline, Customer Service Message Board, letters, emails, service counters, fax, Line@, TMNEWA Online Customer Service Platform, Customer Feedback Mailbox, and a Facebook page. These channels allow for plentiful communication with customers to directly understand customer needs and continuously improve service quality, with a particular focus on handling mechanisms for customer complaints and consumer disputes.

The Customer Service Center addresses feasible improvement suggestions through the Voice of the Customer Action Plan, which is reported monthly to the management strategy meeting and implemented based on the meeting conclusions. In addition, periodic reports are presented to the Fair Customer Treatment Promotion Committee, supervised by the Independent Directors and senior executives, including the President, to ensure improvements and track implementation effectiveness. The meeting records are then submitted to the Board of Directors.

Proactively Addressing Complaints and Disputes

The Company handles customer complaints and consumer disputes carefully in accordance with the Consumer Dispute Handling System and the Handling Procedures for Customer Service Center Complaints. The complaint handling process is announced on our website, enabling customers to understand the complaint channels, check progress, and receive feedback on the handling results. For complaints received through regulatory authorities, we have established a flowchart to clearly define the handling process, ensures consistent complaint resolution.

Financial Ombudsman Institution complaint rates as of 2023

Year	2021	2022	2023
Complaints	183	5,275	1,303
Policies issued	4,100,666	5,679,574	4,751,499
Complaint rate (unit: %)	0.004	0.093	0.027

- In 2023, the Financial Ombudsman Institution received 1,303 complaints (1,225 related to claims and 78 non-claims related). All complaints have been processed and closed, for a completion rate of 100%.

Note 1: In the first half of 2023, the complaint rate was still affected by pandemic insurance and had not yet returned to pre-pandemic levels.

Note 2: In 2023, the Customer Service Center responded to non-pandemic insurance complaints within 25 days of being notified by the Financial Ombudsman Institution, which is superior to the Financial Consumer Protection Act's current 30-day requirement.

Financial Ombudsman Institution mediation rates as of 2023

Year	2021	2022	2023
Mediation Cases	50	325	288
Policies Issued	4,100,666	5,679,574	4,751,499
Mediation Rate (unit: %)	0.001	0.006	0.006

- The number of Financial Ombudsman Institution mediations in 2023 was 288 (269 related to claims, 19 non-claims). As of 2024, there is still one mediation pending a decision, for a completion rate of 99.7%. The remaining undecided mediation involves a comparison of vehicle collision marks; the Financial Ombudsman Institution is waiting for the complainant to provide the necessary documents before starting the appraisal process.
- The classification of the 287 mediation resolutions is as follows: 3 unfavorable decisions, 215 favorable decisions, 14 mediation agreements reached, 33 mediations not accepted, and 22 mediations withdrawn.
- For the 3 mediations with unfavorable results, the Customer Service Center has reported the reasons for the unfavorable decisions and possible improvement plans to the Fair Customer Treatment Promotion Committee in Q4 2023.

Note: Complaints/mediations received by the Financial Ombudsman Institution in 2023 decreased by 75%/11% compared to 2022. (Complaints: 1,303/5,275; Mediations: 288/325).

3.2 Digital Finance and Innovation

Since 1999, TMNEWA has pioneered, providing innovative and differentiated services, and delivering thoughtful and high-quality insurance services to achieve high customer satisfaction. At the same time, the Company has deepened our digital and innovative customer service mechanisms through patented technologies, and has actively developed environmentally-friendly electronic policy operations.

 As of the end of 2023, 20 financial patents have been obtained	Utility model patents - Automated Customer Service Platform - Accident Scene Guidance System - Claims Assistance Decision System - Auto and Motorcycle Insurance Claims Application System - Claims System Application for Auto and Motorcycle Insurance - Claims (Progress) Management System - Insurance Product Application System - Insurance Service Assistance System (Video Sign Language Interpretation Service System) - Repair Request System and Repair Management System - Human-Machine Environmental Damage Prevention System and Framework - Personnel Dispatch System - Automated Case Assignment System - Claims Progress Notification System - Mobile Device Insurance Claims Application System - Integration of Social Media Communication and Management Methods	Invention patents - Personnel Dispatch System - Automated Claim Assignment System - Claims Progress Notification System - Mobile Device Insurance Claim Application System - Integration of Social Media Communication and Management Methods
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Continuously Promoting Electronic Policies

Item	Mobile Device Insurance	Personal Accident and Travel Insurance	Auto Insurance	Residential Fire Insurance
Total policies issued in 2023	448,316	445,847	1,238,917	154,804
Total electronic policies issued in 2023	448,316	209,946	807,908	29,905
Proportion of electronic policies in 2023 (%)	100%	47.1%	65.21%	19.32%

TMNEWA Online Customer Service Platform

Embracing digital finance trends, the Company launched the TMNEWA Online Customer Service Platform on September 1, 2021. This platform continues to integrate and develop innovative services, leveraging the latest digital technologies to provide a hassle-free one-stop web integration service and QR-code on electrostatic stickers, replacing traditional paper policyholder service cards. By the end of 2023, cumulative visits for new services reached 90,790.

New services launched on the TMNEWA Online Customer Service Platform in 2023

Industry first	Flexible time roadside assistance service; offering precise appointment within 24-72 hours
Friendly finance	Providing diverse text reporting methods
Auto insurance services	Accident scene handling; claim application
Policy services	Policy reissuance; renewal requests; change applications; online payments; downloads for electronic compulsory insurance certificates
Other services	Find customer service; friendly service reminders



First in the Industry to Provide Comprehensive Traffic Accident Handling Service

Since our establishment, the Company has provided the Traffic Accident On-the-Scene Service. In addition to ensuring that service personnel arrive at the scene, the Service pioneers the On-the-Scene Comprehensive Service as a way to handle traffic accidents through technology. The accident handling notification process: Upon receiving a customer call, the Location Dispatch, On-the-Scene Personal Assistant, and Automatic Case Assignment systems are activated. In 2023, a total of 4,023 customers rated their experience with the Traffic Accident On-the-Scene Service, with a 99% excellence rating.

Comprehensive Traffic Accident Handling Service

Location Dispatch

The Customer Service Center assigns the service personnel closest to the customer to quickly go to the scene, reducing the customer's waiting time.

On-the-Scene Personal Assistant (Launched in August 2023)

- A link to the On-the-Scene Personal Assistant is sent via SMS to the customer. This includes functions such as Online Claim Application Form, Real-time Map with Accident Handling Personnel Locations, Accident-Handling Personnel Service Ratings, Documents Needed for Towing Refund, and Claim Progress Inquiry and Supplement, meeting all the customer's service needs.
- Through the Personal Assistant, customers can self-check their claim progress during the handling process, use an exclusive online supplement submission channel to reduce paper usage, and view claim contact information. All in all, the Personal Assistant provides one-stop digital claim service.

Automated Claim Assignment

The claim is accepted and processed by the claim center, which then initiates the subsequent claims service process.

Digital Claims Service

Leveraging digital applications, the Company is dedicated to developing different applications and online platforms that allow customers to complete claims applications online using electronic devices, eliminating the need to visit physical offices and providing faster, more convenient services.

Digital claims measures

Digital Claims Mechanism

- From claim acceptance to payment processing, everything can be implemented online through remote claim review, thus increasing operational efficiency.
- Relevant information and data are used for risk control and service optimization.
- Using document image upload and electronic review processes to reduce the need for paper printing of claim documents.

Motor Insurance Claims Service Platform Comprehensive Traffic Accident Handling Service

- Industry-first online Accident Reporting service and Claim Progress Inquiry and Supplement service for policyholders.
- Customers can use the platform to upload photos of the accident scene and contact information, which are automatically integrated into the internal core system for quick and easy reporting.
- Combined with the Automatic Claim Assignment System, claims are registered in real-time, and an acceptance notification is sent to the customer via SMS.
- The Claim Progress Inquiry and Supplementation feature allows customers to monitor claim progress and save time on supplemental documentation.

To-Do-List Information System for Claims

- Ensures smooth implementation of customer contact, accident verification, and loss assessment processes by claims personnel.

Claims Decision Assistance System

- Integrates data from historical claims through AI computation to provide references for claims personnel.
- Establishes a quick search function for historical claims or court cases to enhance the quality of claims processing.

Non-life Insurance Blockchain Alliance

- Completed the online operations of the Non-life Insurance Blockchain Alliance in 2023, while simultaneously optimizing internal core operational mechanisms, thereby saving labor costs, accelerating efficiency, and improving data quality.

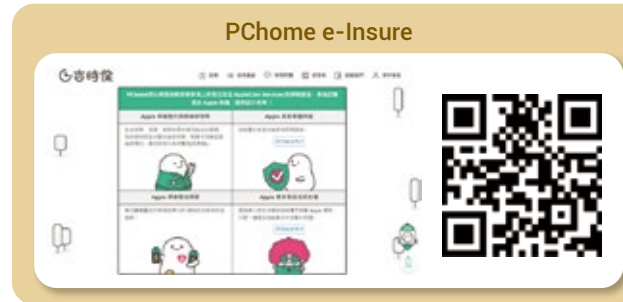
Mobile ID - Digital Identity Verification Mechanism

- Introduced the digital identity verification mechanism in Q4 2023, completed implementation of online claims reporting, and officially opened to policyholders in 2024, with plans to continue expanding application scenarios.

Note: The Mobile ID - digital identity verification mechanism is implemented in the underwriting, endorsement, and claims processes.

Cross-Platform Collaboration: Committed to Making Insurance a Part of Everyday Life

The Company continues its strategic cooperation with e-commerce platforms such as Yahoo, Rakuten Ichiba, PChome, and momo. Through article, videos, Podcast and other media, we provide more diverse and easy-to-understand insurance knowledge, enabling consumers to understand when and where to use specific insurance products. Additionally, by offering convenient online insurance services, we aim to reduce the preconceived notion that insurance is "complex and tedious", making it more accessible and a part of daily life.



Enterprise Loss Control and Prevention Services

In 2023, TMNEWA established the Loss Control and Prevention Department. Aimed at providing enterprises with loss control and prevention services and specific improvement measures, we regularly conduct education and training to strengthen risk management awareness, prevent accidents, and avoid damage escalation when incidents occur. We also help customers develop emergency response or post-disaster recovery plans to reduce risk and minimize the frequency and extent of losses, achieving sustainable operations. Risk assessments help with underwriting identification, evaluation, and risk measurement, thereby generating underwriting profit for the Company. In 2023, the Company completed a total of 1,022 risk surveys, with the Loss Control and Prevention Department completing 387 risk surveys and providing 87 loss control and prevention services.

2023 Loss Control and Prevention Department achievements

New invention patent application: Differentiated Loss Prevention Services

Industry-University Collaboration/Implementation of Human Factors Engineering Loss Prevention Services:

Tokio Marine Group and the Company engage in loss control and prevention experience exchanges, considering improvements in the work environment to influence employee behavior and reduce occupational accidents/cargo damage. This concept helps customers improve their work environment at a lower cost. Currently, no other company in Taiwan offers this service, so this service truly differentiates TMNEWA!

Emerging risk studies

Battery energy storage systems (BESS)

We explore emerging risks to enhance employees' risk assessment capabilities in new industries, assist underwriters in understanding the risks associated with battery energy storage systems, and strengthen underwriting decisions.

Enhancing damage prevention concepts

Establishing a damage prevention learning map to train engineers in accordance with their specializations and schedules

Damage Prevention Information Session

Damage prevention information sessions are held to explain damage prevention services to sales representatives, ensuring they understand the services and promoting regional business development. In 2023, a total of 9 information sessions were held in the northern, central, and southern regions.

Developing Sustainable Insurance Products

In response to the trend toward sustainable development and the threat of extreme weather, TMNEWA actively leverages our core expertise in the non-life insurance industry to develop related insurance products. These products help customers cope with future risks and strengthening resilience, while also fulfilling corporate social responsibility. In 2023, the number of insurance policies related to environmental sustainability was 39,408, for a signed premium income of NT\$199,108,875.

Liability Insurance Products for Environmental Sustainability

Product name	Description	Policies underwritten in 2023	2023 premiums (NT\$)
Green Energy Development-Related Insurance	Provides Erection All Risk (EAR) Insurance and comprehensive Electronic Equipment Insurance (EEI) products, covering renewable energy such as wind turbines, solar power equipment manufacturing and generation units, and hydropower units. These products protect peace of mind against damages caused by fire, typhoon, floods, earthquakes, and other hazards.	72	186,037,587
Accidental Pollution Liability Insurance	This insurance helps enterprises manage environmental risks by providing compensation and restoration mechanisms for personal and property damage caused by environmental pollution.	0	0
Public Bike Liability Insurance	Responds to the government's encouragement for the public to use carbon-free transportation.	1	1,100,000
Electric Bicycle Insurance	Provides comprehensive protection for policyholders who love outdoor activities and use environmentally-friendly electric bicycles as a means of transportation.	738	949,416
Compulsory Mini Electric Two-wheel Vehicles liability Insurance	As part of the development of green energy, the government has revised the law to expand compulsory insurance coverage to include mini electric two-wheel vehicles.	2,098	2,070,736
Nuclear Energy Insurance (Co-insurance)	The insurance covers property damage and third-party liability. Under government supervision, it is coordinated by the Nuclear Energy Insurance Association Pod, with all domestic non-life insurance companies jointly underwriting the nuclear insurance based on their capacity to assume risk.	3	4,910,000

Liability Insurance Products for Social Sustainability

Product name	Description	Policies underwritten in 2023	2023 premiums (NT\$)
Damage to or Theft and Rental Loss to a rental car Liability Insurance (Car-sharing Insurance)	In response to modern trends, we introduced the first domestic insurance specifically designed for the shared car user community, offering time-based coverage. This fragmentary insurance provides comprehensive protection for drivers of shared cars against out-of-pocket expenses and business losses resulting from vehicle collisions or theft during use.	36,492	4,627,656
Product Recall Liability Insurance	The insurance assists companies in covering costs associated with product recalls, enabling them to proactively implement recall procedures when faced by product safety concerns, thereby protecting consumer rights.	4	510,521 (This is a co-insurance product; 100% policy premium is NT\$2,698,530)

3.3 Information Security Management

TMNEWA places great emphasis on information security and personal data protection, utilizing a "three lines of defense" model as the governance framework for information security. Information security management measures are progressively strengthened each year. The dedicated Information Security Department has been established, staffed with a dedicated information security manager and several information security personnel. In 2023, a total of 8 information security meetings were held.

Information Security Training and Awareness for All Employees

The Company regularly has the information security advisory team, appointed by the Board of Directors, report on the results of computer system information security assessments to strengthen the board's information security governance. All personnel, including Directors, senior executives, employees, and contracted business agents, are required to undergo annual information security training courses to enhance awareness of information security risks. In addition, specialized training is tailored for dedicated information security personnel.

Information Security Incident Reporting Process

In accordance with the Regulations on the Notification and Response of Cyber Security Incident when an information security incident occurs, the incident response procedure will be immediately activated. The specific department reports to the Information Security Department, which will determine the incident level and notify the responsible supervisors accordingly. If the information security incident involves a hacking attack, the Tokio Marine Group parent company in Japan and external information security experts are immediately notified. Internal and external organizations collaborate to mitigate the damage. After the incident is resolved, corrective measures will be continuously implemented to prevent recurrence.

First Line of Defense	Second Line of Defense	Third Line of Defense
職責 Identifying and managing risks arising from daily operations 責任単位 Information Management and Application Development Business Units	職責 Assisting and overseeing first line of defense in identifying and managing risks; responsible for information security governance operations 責任単位 Information Security Department	職責 Assessing effectiveness of risk controls by first and second lines of defense 責任単位 Audit Office

Target group	Course name	Participants	Course duration (hours)
Board Members and Senior Executives	Information Security Governance Strategy and Practices (Self-organized)	25	1.5
General Employees and Contracted Personnel	Information Security Awareness Course (Self-organized)	4,522	3
Information Security Personnel	Lead Auditor Training Course for Information Security Management Systems	1	40
	Lead Auditor Transition Course for Information Security Management Systems	3	16
	Information Security Crisis Handling Personnel Certification Course	1	40
	EC-Council CCISO Information Security Manager Course	1	40
	EC-Council CEH Hacker Technique Expert Certification Course	1	40
	2023 Financial Information Security Attack and Defense Drill	2	19.5
	Practical Course on Cyber Attack Techniques - DDoS Principles and Practices	1	3
	ACSI Cyber Security Academy (ACAD) Social Engineering Prevention/Information Security Introduction/Mobile Device and app Security	1	3
	ACSI Cyber Security Academy (ACAD) General Information Security Education and Training Course	1	12

Information Security Management Plan

The Company has established a comprehensive information security management plan, with a 2023 budget allocation of NT\$32,371,212 for information security, including expenses for software, hardware, and related licenses. This accounts for 11.73% of the total budget of NT\$275,903,767 for information technology. As of the end of 2023, information security personnel have obtained 25 information security certifications, with 11 certifications meeting the standards of the Financial Information Security Talent Competency Map. Information security protection certifications as a proportion of total assets is 44%^{Note 1}. Moreover, no major information security incidents occurred throughout 2023^{Note 2}.

Note 1: The proportion of information security protection certifications to total assets is calculated as 11 certificates out of 25 (unit: NT\$1 billion).

Note 2: The determination of major information security incidents is based on the Company's preliminary reference table for Notification of Major Contingencies in Insurance Industries.



Strategic aspect

Formulate an information security policy, establish the Information Security Department, and develop a three-line-of-defense structure for information security risk management. Align with the global information security policy of Tokio Marine Group; implement security measures; adhere to the Financial Supervisory Commission's Financial Cybersecurity Action Plan 2.0; and regularly assess the maturity of financial information security governance.



Management aspect

Comply with regulatory authority laws and regulations, implement ISO management systems, and maintain the validity of certifications. Conduct information security education and training; strengthen supply chain information security risk management; enhance management mechanisms for outsourced vendors; and utilize threat intelligence to ensure the effective operation of proactive defense mechanisms. Additionally, procure information security insurance to mitigate the compensation risks arising from damages to customers or third parties.



Technical aspect

Deploy a network defense-in-depth architecture; establish an outsourced security operation center (SOC); enhance information security protection mechanisms; conduct regular information security assessments; and perform regular information security drills.

Customer Personal Data and Trade Secret Protection Plan

We have established the Personal Data Protection Operation regulation, which applies to personal data security-related measures and standard operating procedures. We have introduced ISO 27701 Privacy Information Management System and passed external verification. Comprehensive personal data protection measures are in place, including encryption of personal data storage and transmission, programming for personal data masking, minimal access permissions for personal data, regular backup of personal data files, email management (restricting external sending of personal data emails), internet behavior management (prohibiting potential data upload channels such as social media, cloud storage, and FTP), prohibiting scanning of documents to external mailboxes, and prohibiting writing to USB drives. Additionally, continuous data protection insurance is in place to reduce compensation risks for customers and third parties in case of damage, covering liabilities such as violations of personal data protection, data security, data management investigations, administrative fines, reputation restoration, and forensic services. In 2023, there were no incidents of customer personal data leakage.

2017

We introduced **ISO 27001 International Information Security Management System** and passed external verification. We continued to pass external verifications in 2018–2023.

2021

We introduced **ISO 27701 Privacy Information Management System** and passed external verification. We continued to pass the external verification in 2023.

2022

introduced **ISO 22301 Business Continuity Management System** and passed external verification. We continued to pass the external verification in 2023.

Thorough Implementation of Information Security Drills

The Company conducts information security drills annually to ensure that in the event of a security incident, we can effectively protect customer data and ensure business continuity. Since 2014, we have conducted off-site backup drills for our information systems every year, allowing staff in headquarters and other operating sites to test the processes of actual business and verify the feasibility of the drill plans. To raise employees' information security awareness and prevent incidents (such as computer viruses and backdoor programs resulting from opening malicious emails) that could lead to sensitive data leaks, we conduct information security awareness campaigns. Furthermore, we perform quarterly email social engineering drills to remind employees not to click on links or open attachments in malicious emails, thereby strengthening information security awareness.

Email social engineering drills (once per quarter)

Drill objectives

In accordance with the Computer System Information Security Assessment Procedures, conduct at least one social engineering drill per year for personnel using computer systems. This aims to enhance information security education and increase employees' awareness of social engineering, phishing, and other deceptive attack behaviors.

Implementation method

Engage external specialized information security service providers to simulate phishing emails that match social engineering patterns to all employees. The test emails attempt to deceive the recipients and assess their alertness.

Implementation status

Quarter	Recipients (persons)	Emails sent	Image download rate	Click-through rate	Attachment opening rate
Q1	1,608	3/person	0.12%	5.72%	0.19%
Q2	1,570	3/person	0.19%	0.00%	0.32%
Q3	1,589	3/person	0.25%	0.57%	0.76%
Q4	1,610	3/person	0.00%	0.25%	0.43%

Note: Employees who mistakenly opened or clicked on emails during the drill have completed the Social Engineering Information Security Education and Training course.

Distributed Denial of Service (DDoS) Attack Drill (once per year)

Drill objectives

In accordance with the Computer System Information Security Assessment Procedures and with the Distributed Denial of Service (DDoS) Defense and Response Guidelines, regular DDoS drills are conducted on the Company's website and online insurance services systems that provide external services, to fortify our information security defenses.

Implementation method

Engage external specialized information security service providers to act as attackers, simulating hacker-implemented distributed denial of service (DDoS) attacks, to verify the effectiveness of the Company's website and e-commerce site real-time protection/monitoring response mechanisms when subjected to cyberattacks.

Implementation method

Through Chunghwa Telecom's DDoS attack traffic scrubbing mechanism, cyberattacks are effectively mitigated, and the website is restored to normal service.

TLPT: Threat-Led Penetration Testing (occasional)

Drill objectives

- In compliance with the information security policy of Tokio Marine Group, subsidiaries of a certain scale participate in red team exercises using hacking techniques, to identify weaknesses in existing defense mechanisms and develop information security improvement action plans.
- In alignment with the measures of the Financial Cybersecurity Action Plan 2.0, encourage assessment of information security monitoring and protection.

Implementation method

Tokio Marine Holdings, Inc. (TMHD) engage external specialized information security service providers to act as a red team, while the Company's asset management and information security departments act as the blue team, conducting real-time defense monitoring and response to ensure effectiveness of the multi-layered information security defense mechanism.

Implementation method

The red team did not achieve its attack objectives, failing to obtain the highest permissions on the domain controller or access sensitive data, and thus validating the effectiveness of our multi-layered defense mechanism.

Personal Data Leakage Drill (once per year)

Drill objectives

- In accordance with the Regulations Governing Security Measures of the Personal Information File for Non-government Agencies Designated by Financial Supervisory Commission, conduct drills on personal data leakage scenarios for e-commerce service systems.
- Ensure the executability and effectiveness of the emergency response plan for personal data breaches; enhance personnel's ability to respond to emergency situations.

Implementation method

Simulated a scenario where computers of employees in the e-commerce department were attacked by phishing emails, leading to personal data breaches. Each department followed the response SOP to report and handle the information security incident and personal data leakage.

Implementation method

Each department completed the drill based on the incident response SOP, verifying the feasibility and effectiveness of the SOP.

Off-site Backup System Drill (once per year)

Drill objectives

In accordance with the Business Continuity Management System Operating Procedures, we conduct an annual off-site backup drill. This drill aims to increase the familiarity of system operators with the procedures and verify SOP correctness, ensuring that the Company can maintain critical information operations in the event of a disaster.

Implementation method

Simulated an incident at the Taipei headquarters building; activated the backup mechanism, switched important systems to the Taoyuan backup data center, and had personnel go to the Taipei branch to assist in operations to confirm availability of the backup system.

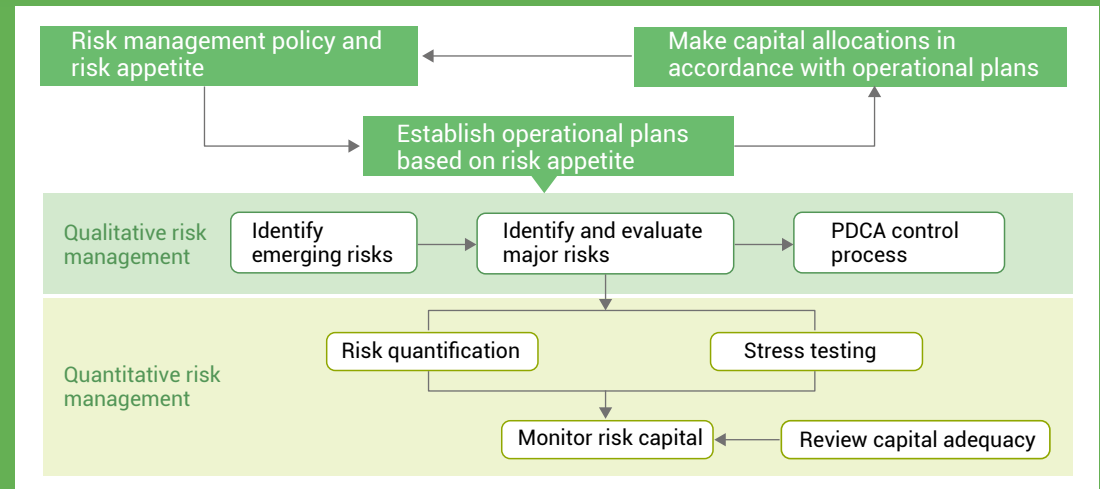
Implementation method

Verified that the online insurance function is working properly; all backup systems were restored within the target service recovery timeline.

ch4 Environment with Peace of Mind

In response to the severe challenges brought by climate change, TMNEWA not only capitalizes on the foundational principles of the property and casualty insurance sector but also explores the potential of different products to bolster customers enhance their resilience to climate and environmental changes. Simultaneously, the Company will continue to exert our financial influence, pursue responsible investment strategies, and facilitate the transition to a low-carbon society. Furthermore, climate-related risks will be incorporated into the Company's Enterprise Risk Management (ERM) cycle, including three major systems: the Individual Risk Management System, the Emergency Response System, and the Integrated Risk Management System. These form a comprehensive framework for managing climate-related risks.

企業風險管理 (ERM) 整合循環



Climate Risk Governance

Aligned with the Sustainable Development Committee Charter and to advance the Company's climate change governance, the TCFD Promotion Group was established. This group actively formulates adaptation strategies for climate-related risks and opportunities, with plans and implementation results regularly reported to the Sustainable Development Committee, the Risk Management Committee, and the Board of Directors.



Board of Directors

- The Board of Directors is required to recognize the risks that the insurance operations must undertake, ensuring the effectiveness of risk management and assuming ultimate responsibility.
- The Board of Directors is required to establish appropriate risk management mechanisms and culture, approve suitable management policies, and allocate resources most effectively.
- The Board of Directors is required to consider the cumulative effects of all risks from the Company's overall perspective.
- The Board of Directors is required to take into account the statutory capital requirements set by regulatory authorities and the financial and business regulations that impact capital allocation.



Risk Management Committee

- Develop risk management policies, frameworks, and organizational functions; establish qualitative and quantitative management standards, reporting regularly to the Board of Directors.
- Report to the Board on risk management implementation, and propose necessary improvement suggestions, in a timely way.
- Execute the Board's risk management directives, regularly reviewing the development, establishment, and effectiveness of the Company's overall risk management mechanism.
- Assist and supervise all departments in conducting risk management activities.
- Assist in reviewing operations related to the formulation of risk limits.

Note: In 2023, the TCFD Promotion Group was a functional group under the Sustainable Development Committee. The Sustainable Development Committee was restructured as a functional committee under the Board of Directors with the approval of the Board on March 27, 2024. Under the new structure, the committee has established the Net-Zero Transition Group and the Fair Customer Treatment Group as permanent groups.

Three lines of defense for internal control

(Business department) All Company departments

Do assessment and control of climate-related risks when conducting business and managing business relationships.

Risk management department



Supervise the implementation status of business departments and ensure their compliance with regulations.

Compliance department

Auditing department

Ensure that the business, risk management, and compliance departments implement or supervise the management and control measures for climate-related risks.

4.1 Climate Strategy and Action

Facing transition risks in aspects such as policy, regulations, technologies, markets, and reputation, as well as the physical risk threats posed by increasingly severe extreme weather events such as typhoons and floods, TMNEWA considered our core business and current operations to identify climate-related risks and opportunities in 2023.

Identification of Climate-related Risks and Opportunities

Climate-related risks and opportunities identified for 2023



Major risks

Transition risks

Policies and regulations – Carbon fees, carbon taxes

Physical risks

The severity of extreme weather events such as typhoons and floods are increasing



Major opportunities



Resource efficiency



Innovative products and services



Climate-Related Risk Scenario Analysis and Resilience Assessment

Typhoons, floods, and other extreme weather events caused by climate change have been identified by TMNEWA as our main physical risks. These risks chiefly affect our operating sites and insurance services. The assessment of flood disaster risk (as part of climate change) considers the assessment methods of the Intergovernmental Panel on Climate Change (IPCC) and the National Science and Technology Center for Disaster Reduction (NCDR). We thoroughly assess hazard levels, vulnerability, and exposure, and employ IOD mapping software to generate a flood disaster risk map for Taiwan in the context of climate change.

Self-owned operating sites

Resilience assessment results

In terms of operations, if our operating sites are affected by climate-related physical disasters, it could lead to operational disruptions or affect workforce allocation/management. To prevent such risk events, TMNEWA has utilized IOD software to develop a flood potential map with a 200-year return period. Assessment revealed that out of 34 operating sites across Taiwan, 26 operating sites are in low-risk zones (flood depth 0–1 meter); 6 operating sites are in medium-risk areas (flood depth 1–2 meters); and 2 operating sites are in high-risk areas (flood depth 2–3 meters). Emergency response and disaster recovery plans have been established.

Flood risk assessment for operating sites (affected operating sites)

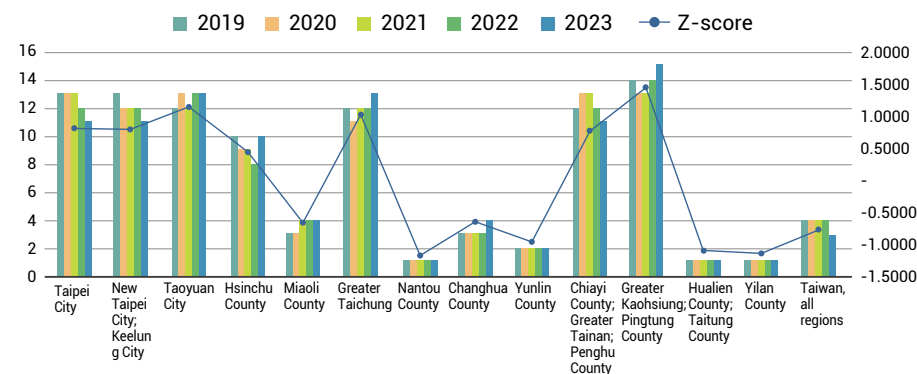
Region	Flood depth 0–0.3 meters	Flood depth 0.3–1 meters	Flood depth 1–2 meters	Flood depth 2–3 meters
Northern	3	6	3	2
Central	1	4	2	-
Southern	3	6	1	-
Eastern	3	-	-	-
Total	10	16	6	2

Insurance Business

Resilience assessment results

The Company tracks changes in catastrophe risk exposure, assesses retained premiums from effective policies for natural disasters, and also considers warming scenarios outlined by the IPCC to simulate loss models for typhoons and floods. This analysis helps us project future loss trends. The findings show high vulnerability in the coastal regions of Central and Southern Taiwan and the Yilan Plain. The exposure level is represented by the concentration of typhoon and flood insurance premium retained. Aggregated typhoon and flood insurance premiums retained over the past five years (as shown in the figure below) are concentrated in the six major cities. In 2023, the six major cities held about 75% of the total retained premiums; proportions for the six major cities were: Taipei 11%; New Taipei 11%; Taoyuan 13%; Taichung 13%; Tainan 11%; and Kaohsiung 15%. A more prudent evaluation of potential underwriting risks is needed to effectively manage risks and maintain fair premium pricing. The Company has implemented underwriting policies and strategies, as well as post-underwriting management mechanisms, to mitigate disaster-related losses.

2019–2023 changes in premium retention ratio, by region



Note: Scenario Analysis Parameters:

- (1) Input parameters: The simulation analysis uses the RCP4.5/RCP8.5 greenhouse gas concentration pathways from the IPCC Fifth Assessment Report.
- (2) Hazard level: The 200-year return period design storm rate of change (R) provided by the NCDR is used as an indicator.
- (3) Vulnerability level: The flood potential map for a 200-year return period is used to estimate possible flood depths and extents under this rainfall.
- (4) Exposure level: The fire insurance policy exposures for the first two quarters of 2023 are used as an indicator.

Climate-Related Risk Management and Monitoring Procedures

To lessen the effects of extreme climate events on operations, TMNEWA has formulated business continuity strategies and plans. These guarantee emergency response mechanism for extreme events, and a post-disaster recovery mechanism that maintains the basic operation of critical activities after an interruption. Regular drills are conducted to continually enhance response and recovery procedures. Climate-related risk responses are embedded in insurance business processes via meticulous business selection and underwriting reviews, with continuous post-underwriting risk monitoring to mitigate the effects of climate change.

Regular assessments are conducted for financial impacts on finance, business, products, and investments. For identified major risks, stress-testing related to catastrophes and climate change is performed. The Company utilizes our insurance expertise to consistently monitor the effects of climate change-induced disasters. For potential catastrophe losses for underwriting, reinsurance arrangements are made based on RMS and AIR catastrophe model assessments provided by reinsurance brokers. Catastrophic excess-loss reinsurance contracts are purchased to transfer catastrophe risk, enhancing the Company's capacity to absorb catastrophe losses due to climate change. This transfer also enables policyholders to purchase appropriate insurance to cover their catastrophe risks. We undertake ongoing catastrophe risk management, evaluation, and continuous monitoring are conducted, with analysis and monitoring results, climate change-related regulatory developments, and plan implementation reported to the Risk Management Committee quarterly for further review of the Company's policies.



Company operations Physical risk management

- Establishment of Emergency Response Mechanism: The Company has implemented a business continuity management mechanism and crisis management measures. Through emergency response plans and disaster recovery plans, this ensures uninterrupted operations during emergencies and minimizes losses as much as possible. Revisions to related procedures must be reported to the Risk Management Committee.
- Formation of Emergency Response Team: In the event of an extreme incident, an Emergency Response Team will be promptly formed in accordance with the Major Accident Emergency Response Measures. The President will act as the Chief Emergency Response Officer, initiating response plans to assist policyholders in the affected areas and expedite claims processing. If an incident is likely to have a significant impact on management, this must be reported to the Board of Directors.
- Operational Impact Analysis: We annually conduct operational impact analyses to evaluate the effects of emergencies. This helps evaluate the consequences of operational interruptions in all departments and gather information in advance, so that we can develop backup strategies and recovery plans.
- Emergency Response and Off-site Backup Drills:
Emergency Response Drills: Initiated annually by the Risk Management Department, ensuring all employees understand the emergency response procedures and enabling quick response during major accidents.
Off-site Backup Drills: Initiated annually by the Risk Management Department, preventing serious operational disruptions caused by disaster events.



Insurance services Physical risk management

Pre-underwriting-Risk assessments

- Geographic location: Determine if the insured is located in a potential natural disaster hazard area.
- Risk survey: Evaluate the insured's loss records, protective facilities, warning systems, and management conditions (such as safety control measures and equipment maintenance).
- Risk retention: Assess the underwriting conditions and reinsurance arrangements.

Business Screening

Classification by nature of risk

- Target business
- General business
- Restricted business
- Declined business

Underwriting Review

Risk Assessment

Geographic Location	Whether insured is located in a potential natural disaster hazard area
Risk survey	■ Loss records ■ Protective facilities; warning systems ■ Management conditions (such as safety control measures and equipment maintenance)
Risk retention	Assess underwriting conditions and reinsurance arrangements.

Post-underwriting-Risk Monitoring - Typhoon and Flood (products include residential fire insurance, commercial fire insurance, construction insurance)

- SCM risk capital
- Accumulated premium retained for natural disasters



Insurance
services
Transition
risk
management

Pre-underwriting-Risk assessments

- Business services: The insured's types of business services and products.
- Risk survey: Evaluate the insured's loss records, operational processes, on-site working environment, and surrounding environment.
- Risk retention: Assess underwriting conditions and reinsurance arrangements.

Business Screening

Classification by nature of risk

- Target business
- General business
- Restricted business
- Declined business

Services & products

Risk survey

Risk retention

- The insured's business services & products
- Loss records
- Operational processes, on-site working environment, and surrounding environment
- Assess underwriting conditions and reinsurance arrangements

Underwriting Review

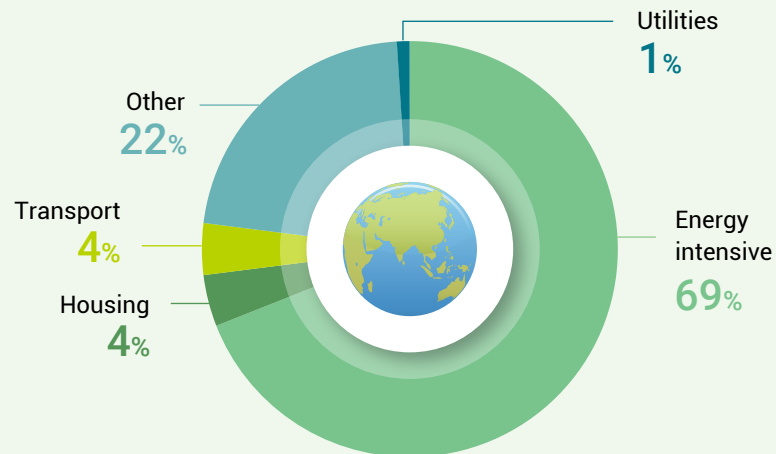
Risk Assessment

After Underwriting-Risk Monitoring - Litigation Risk (products include environmental pollution liability insurance, directors and officers liability insurance)

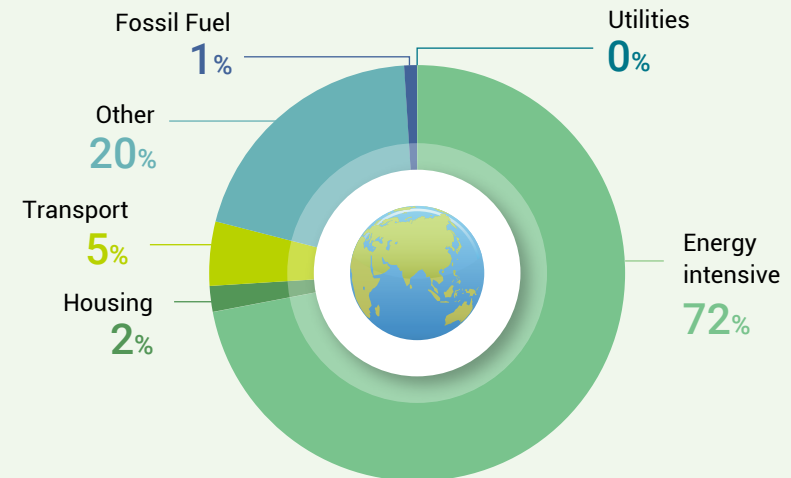
- Accumulated premium retained for all industries

The review indicates that the Company has not underwritten pollution liability insurance for the petrochemical sector. Most of our business is with energy-intensive industries, accounting for approximately 69% in 2023 (as depicted in the first figure below). This is likely related to the industrial structure in Taiwan. The proportion of pollution liability insurance premium retained across all industries does not significantly differ from the level of said industries as a proportion of listed companies in Taiwan.

2023 pollution liability insurance premium retained, by industry



Climate-related industries as proportion of listed, OTC, and emerging companies in Taiwan



Climate-related Opportunities

Through strengthening our own sustainable management capabilities, TMNEWA is committed to boosting the long-term value of our business. The Company invests in R&D and innovation, striving to create environmentally-friendly products and services^{Note}, and climate adaptation solutions to address the growing need for climate-related risk protection. Moreover, in recent years, Taiwan has experienced frequent fires, leading to losses in the reinsurance market and an upward trend in commercial fire reinsurance costs. Intensified global climate change has amplified natural disaster losses, impacting catastrophe reinsurance costs. Based on reports, the increase in non-life reinsurance costs is approximately 10-20%. The Company's controllable reinsurance costs are better than the industry average. In 2024, we will expand the capacity of our commercial fire reinsurance contract from NT\$1.4 billion to NT\$1.55 billion, a 10.7% increase. Additionally, we are enhancing service workflows with digital technology and encouraging customers to use electronic policies to reduce paper and waste of resources.

Note: For related products and services, please refer to section 3.2, Digital Finance and Innovation.

Aspect	Measure	Implementation status
 Company operations	Document destruction collection bins	To promote recycling and reuse, Document Destruction Collection Bins are set up. Confidential documents and paper containing personal data are periodically collected and entrusted to qualified processors for high-speed shredding or pulping, thus minimizing the risk of personal data breaches.
	Computer facility energy savings	The Company has built energy-efficient computer facilities to improve power usage effectiveness (PUE)^{Note 1}. After improvements, our 2023 computer facility PUE average was 1.445.
 Insurance services	Promotion of Household Energy Insurance	- Household Comprehensive Insurance with Green Energy Upgrade Rider: Officially launched in February 2023, with a total of 206 policies sold by December 2023. - Personal Charging Station Comprehensive Insurance and Personal Charging Station Comprehensive Insurance with Typhoon and Flood Rider: Officially launched in December 2023.
	Participation in green energy insurance products	- Engage in insurance for offshore wind as well as solar equipment and assist customers with risk planning to promote sustainable development of green energy. - Car-sharing insurance.
	Promoting digital operations ^{Note 2}	- A&H Auto-Renewal Notification Digitization: Tested in December 2023, scheduled to go live in Q1 2024. - Online car insurance claims service. - Optimization of car insurance claims system.
	Recycling and reuse	Recycling and reconditioning of scrap car parts: For scrap parts generated due to car damage, the parts are recycled, reconditioned, and sold to achieve environmental sustainability. Launched in January 2023, by the end of December, 553 parts had been reported for recycling, 325 parts were actually recycled, and 59 of these were awaiting sale.

Note 1: The numerator for 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.

Note 2: For related electronic services, please refer to section 3.2, Digital Finance and Innovation.

Climate Indicators and Targets

Greenhouse Gas Emissions

2023 implementation status

- Use of Energy-Efficient Equipment: In response to the transition (carbon reduction) project for climate-related risk management, office lights have been comprehensively changed to LED lighting, with 33 locations completed. The Tainan branch completed the lighting replacement project in July and applied for an energy-saving subsidy of NT\$50,000 from the Ministry of Economic Affairs.
- As of November, the Company's electricity consumption in the second half of the year decreased by 3.2% compared to the same period in the previous year, showing a downward trend.
- The Company participated in the Taiwan Ecological Network program for restoring endangered plants, protecting Taiwan's coastline by creating multilayer forests with the planting of 800 native tree species.

2030 targets

30% reduction!

(2021 as base year), lowering the Company's carbon emissions year by year.



Energy Usage Statistics

The primary energy used by the Company is non-renewable energy (including electricity and gasoline for company vehicles). Renewable energy is not used. The energy consumption is detailed in the table below.

Electricity usage and intensity			
Quantitative indicator	Unit/year	2022	2023
Electricity used	Kwh	2,597,785	2,692,016
Electricity intensity	Kwh/employee	1,779	1,775
	kWh/3.3 m ²	363	374
GHG emission equivalent from use of electricity	tCO ₂ e	1,286	1,333
GHG emission intensity	tCO ₂ e/employee	0.88	0.88

Gasoline usage and intensity			
Quantitative indicator	Unit/year	2022	2023
Gasoline used	L	45,643	44,772
GHG emission equivalent from use of gasoline	tCO ₂ e	184	187
GHG emission intensity	tCO ₂ e/employee	0.88	0.88

Note 1: The electricity usage statistics cover data from all operating sites in Taiwan, while gasoline usage statistics are based on data only from the head office and branches.

Note 2: There were 1,460 full-time employees in 2022; in 2023, there were 1,517.

Note 3: Total office area in 2022 was 23,663.47 m², and in 2023, 23,830.11 m².

Greenhouse Gas (GHG) Emissions

The greenhouse gas emissions from the Company's operating sites in Taiwan in 2023 amounted to 1,142 tons of CO₂e (tCO₂e), a reduction of 18% compared to the previous year. The emission intensity is calculated as 0.75 (tCO₂e/total full-time employee) and 0.073 (tCO₂e/annual revenue).

GHG emissions and GHG emission intensity (Unit: tCO ₂ e)		
Category	2022	2023
Category 1: Direct GHG Emissions	107.59	185
Category 2: Indirect GHG Emissions	1285.90	956
Total Emissions = Category 1 + Category 2	1,393.49	1,142
GHG Emission Intensity: Category 1 + Category 2 (tCO ₂ e ÷ total full-time employees)	0.95	0.75
GHG Emission Intensity: Category 1 + Category 2 (tCO ₂ e ÷ annual revenue)	0.10	0.073
Other indirect emissions	743,101	663,856

Note 1: Greenhouse gas emission factors are calculated with reference to the Emission Factor Management Table version 6.0.4, announced by the Ministry of Environment in June 2019. GWP (Global Warming Potential) values are based on the IPCC AR6 (Sixth Assessment Report). Future adjustments to the GWP selection will be made in accordance with government regulations.

Note 2: Greenhouse gas inventories adopt the operational control method; statistics for gasoline and electricity use are limited to the headquarters and six branches. Future adjustments will be made in accordance with requirements.

Note 3: Total full-time employees in 2022 was 1,460; revenue was NT\$13,926 million; in 2023, it was 1,517 employees, revenue NT\$15,549 million.

Note 4: Greenhouse gas disclosures include Scope 1 (gasoline use for company vehicles) and Scope 2 (purchased electricity). Scope 3 operations are still being guided by the association. Total greenhouse gas emissions include CO₂, N₂O, CH₄, and HFCs. In 2023, there was no refilling or purchasing of refrigerants.

Note 5: Other indirect emissions include employee commuting, and procurement of goods and services.

Note 6: Greenhouse gas emission intensity is disclosed in two calculation methods: tCO₂e ÷ total full-time employees, and tCO₂e ÷ annual revenue (in million NTD).

Water Usage

TMNEWA's water supply is 100% sourced from the water utility company (Taiwan Water Corporation), with no groundwater or other sources of water supply. Water usage at offices across Taiwan is exclusive to employees and occasional customers. This year's water consumption decreased by 10.25% as compared to last year. The Company will continue to implement water and energy conservation measures to reduce the environmental impact of our operations.

Water intake in past two years		
Year	2022	2023
Tap water (million liters)	12.12	11.30
Total full-time employees	1,460	1,517
Water intensity (million liters/total full-time employees)	0.0083	0.0074
Compared to previous year	+ 5.24%	- 10.25%



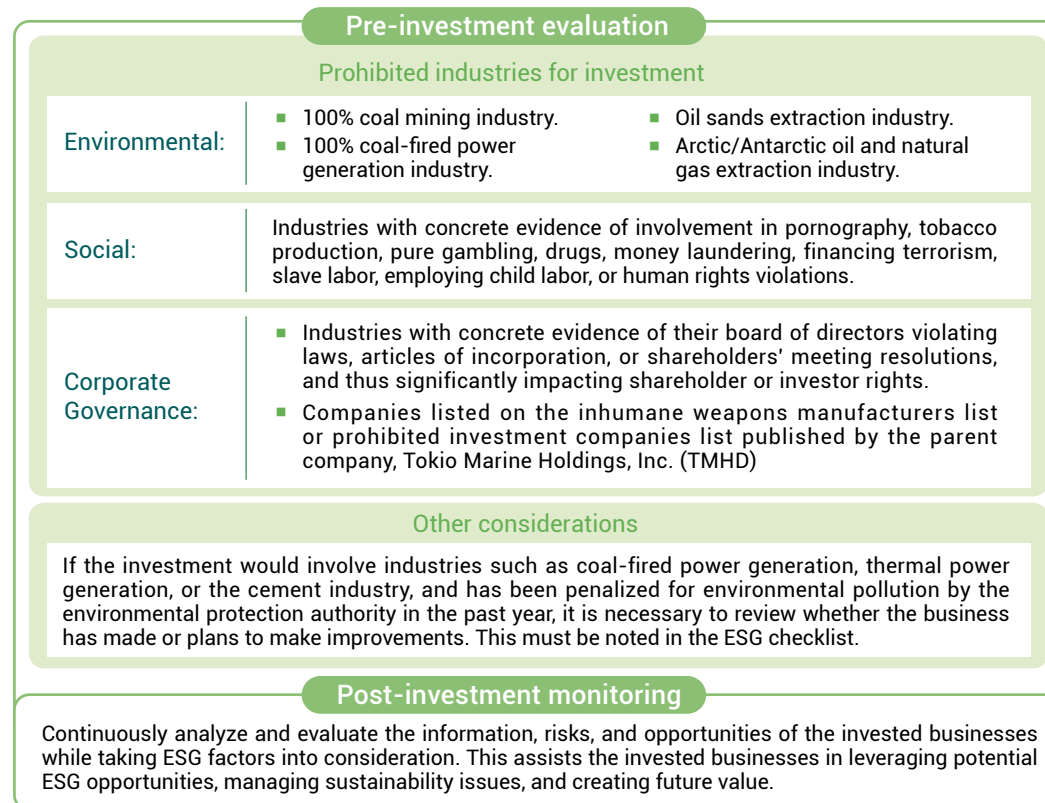
Energy Conservation Measures

Measures	Implementation status
Photocopy paper recycling areas	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 and thus reduce paper consumption.
Energy-saving meetings	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 all operating locations can have discussions via video or telephone, thus reducing carbon emissions that would be produced traveling to and from in-person meetings.
Remote Video Survey and Assessment	- For auto insurance claims, the repair workshops we work with can use the remote video survey and assessment system to instantly report the vehicle's damage status, saving considerable fuel that would otherwise be consumed for inspections. - The Remote Video Survey and Assessment service can be completed in about 8 minutes, allowing the repair to be provided immediately.
Claims processing digitization	- Auto Insurance Business Digitization: The Company has established the Automobile Insurance Claims Electronic Image Management and Electronic Signature System, fully digitizing the paper-intensive internal claims processes for auto insurance, and effectively reducing paper usage. - Mobile Device Insurance Claims Processing: In 2023, the digitization rate of claims documents reached 98%.
Electronic policies	The Company persistently advocates for digital renewal notifications, electronic policies, and the compulsory adoption of electronic insurance certificates. In 2023, we achieved total of 1,496,075 electronic policies. Note: This includes 448,316 electronic policies for mobile device insurance, 807,908 electronic policies for auto insurance, 29,905 electronic policies for residential fire insurance, and 209,946 electronic policies for personal injury and travel insurance.

Note: The conversion is based on the Ministry of Environment's Carbon Footprint Information Platform, which states that each ream of virgin wood pulp copy paper results in 3.6 kgCO₂e of emissions.

4.2 Responsible Investment

To enhance investment value and promote healthy development for the Company and our invested enterprises, TMNEWA follows to the Responsible Investment Policy and prohibits certain investments and financing activities. Throughout project selection, evaluation, investment decision-making, and investment management, we consider ESG and other sustainability factors, and due diligence governance actions are performed. When evaluating potential investment projects, ESG due diligence and screening are conducted, and an ESG checklist is completed. Furthermore, after the investment, the Company continuously monitors, analyzes, and evaluates data, risks, and opportunities for the invested enterprises, considering ESG and other sustainable business factors to enhance investment value and promote healthy development for both the Company and our invested enterprises.



Climate-related Risk Scenario Analysis for Investment Portfolio

The Company uses scenarios defined by NGFS (the Network of Central Banks and Supervisors for Greening the Financial System) to analyze the expected changes in losses as a reference for managing climate-related risks. A scenario analysis was conducted on the climate-related risks of the investment portfolio, with a quantitative assessment of expected losses for each month of 2023. The projected scenarios include:

Orderly Transition

With orderly policies, the temperature rise is controlled at less than 2°C (the "Orderly Transition"). In this scenario, governments systematically implement low-carbon transition policies to keep the climate temperature rise below 2°C by 2100, resulting in relatively low transition and physical risks.

Disorderly Transition

With urgent policies, the temperature rise is controlled at less than 2°C (the "Disorderly Transition"). In this scenario, governments adopt mandatory policy measures to keep the climate temperature rise below 2°C by 2100, leading to high transition risks but low physical risks.

Too Little, Too Late

The temperature rise exceeds 2°C ("Too little, too late"). In this scenario, global actions to address climate risks are insufficient, resulting in irreversible climate disasters by 2100. This scenario involves both high transition and physical risks.

Stress coefficient assumptions				
CPRS (Climate Policy Relevant Sectors) classification standard	Asset category	Orderly Transition	Disorderly Transition	Too Little, Too Late
Fossil fuel	Equity	24.60%	49.30%	69.30%
Utility	Equity	20.90%	41.80%	61.80%
Energy intensive	Equity	10.30%	20.70%	40.70%
Buildings	Equity	2.20%	4.30%	34.30%
Transportation	Equity	5.10%	10.20%	20.20%
Agric., etc.	Equity	9.20%	18.40%	33.40%
Finance	Equity	0.00%	0.00%	10.00%
Scientific R&D	Equity	0.00%	0.00%	10.00%
Other	Equity	0.00%	0.00%	10.00%
Fossil fuel	Corporate Bond	3.70%	7.40%	10.40%
Utility	Corporate Bond	3.10%	6.30%	9.30%
Energy intensive	Corporate Bond	1.60%	3.10%	6.10%
Buildings	Corporate Bond	0.30%	0.60%	5.10%
Transportation	Corporate Bond	0.80%	1.50%	3.00%
Agric., etc.	Corporate Bond	1.40%	2.80%	5.00%
Finance	Corporate Bond	0.00%	0.00%	0.00%
Scientific R&D	Corporate Bond	0.00%	0.00%	0.00%
Other	Corporate Bond	0.00%	0.00%	1.50%

Source: IAIS GIMAR Report.

Due to claims related to pandemic insurance, there have been changes in the investment portfolio's climate-related risk exposure ratio and financial impacts. The 2023 investment strategy focuses on highly liquid products (such as short-term notes and time deposits), with no significant changes in the equity and fixed income securities portfolio. Changes in the investment portfolio's exposure ratios to climate-related risks and corresponding month-by-month financial impacts are as follows.

Unit: million NTD, %

Equity security climate change industry category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Other non-climate-related industries (Other)	32%	32%	32%	32%	32%	32%	32%	33%	34%	34%	35%	34%
Climate-related industries - Energy intensive	42%	42%	43%	42%	43%	44%	44%	39%	38%	38%	38%	38%
Climate-related industries - Housing	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Climate-related industries - Transport	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Climate-related industries - Utilities	23%	23%	22%	22%	22%	21%	21%	24%	24%	25%	24%	25%
Market value of equity security exposure	2,348	2,392	2,398	2,443	2,507	2,601	2,578	2,421	2,346	2,322	2,366	2,412

Unit: million NTD

Equity security climate-related risk scenario	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Scenario 1: With orderly policies, temperature rise is kept below 2°C	217	222	220	223	228	235	235	224	213	214	213	224
Scenario 2: With urgent policies, temperature rise is kept below 2°C	436	444	442	448	456	472	471	449	426	430	427	448
Scenario 3: Too Little, Too Late: Temperature rise exceeds 2°C	828	845	843	856	874	907	902	851	812	813	815	847

Unit: million NTD, %

Fixed-income security climate change industry category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Other non-climate-related industries (Other)	52%	52%	52%	52%	52%	52%	53%	53%	53%	53%	53%	53%
Climate-related industries - Energy intensive	32%	32%	32%	32%	32%	32%	33%	33%	36%	36%	36%	36%
Climate-related industries - Fossil fuel	13%	13%	13%	13%	13%	13%	12%	12%	8%	8%	8%	8%
Climate-related industries - Utilities	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Market value of fixed-income security exposure	1,545	1,545	1,546	1,545	1,544	1,545	1,520	1,520	1,520	1,520	1,520	1,520

Unit: million NTD

Fixed-income security climate-related risk scenario	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Scenario 1: With orderly policies, temperature rise is kept below 2°C	17	17	17	17	17	17	16	16	15	15	15	15
Scenario 2: With urgent policies, temperature rise is kept below 2°C	33	33	33	33	33	33	31	31	29	29	29	29
Scenario 3: Too Little, Too Late: Temperature rise exceeds 2°C	56	56	56	56	56	56	53	53	51	51	51	51

Climate-related Risk Management and Monitoring Procedures for Investment

To manage climate-related risks in the investment portfolio, the Company periodically monitors and assesses the changes in the exposure ratios for climate-related risks involved in our investment positions, in accordance with the CPRS (Climate Policy Relevant Sectors) classification standards.

Investment Screening

Complete ESG checklist, and conduct ESG screening for potential investment targets

Investment Review

Risk Assessment

- Confirm Industry : Prohibit investment in coal mining, coal-fired power generation, oil sands extraction, and Arctic/Antarctic oil and gas extraction industries
- Environmental Controversy : Industries involving coal-fired power, thermal power, and cement that have been fined by environmental authorities for pollution in the past year must be reviewed to determine if there are any improvement measures or plans in place

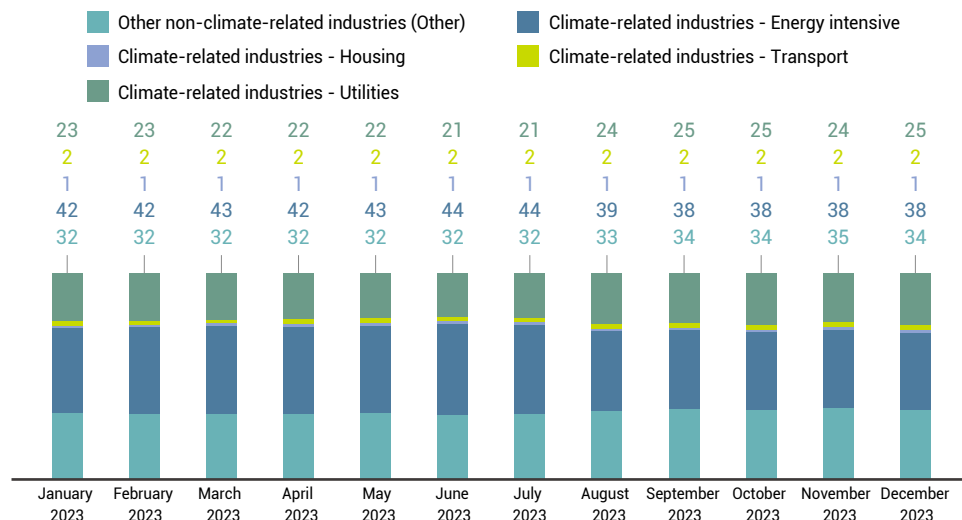
Criteria adoption rate for calculation – domestic investment (%)	2021 ^{Note 1}	2022	2023 ^{Note 2}
Inspection 1: Sustainalytics ESG	(1) Constituent stock on FTSE4Good TIP Taiwan ESG Index	79.97%	0
Inspection 2: MSCI ESG	(2) Has established Independent Directors, functional committees, or audit committees	37.84%	0
Inspection 3: FTSE Russell ESG	(3) Has adopted a nomination system for Directors and supervisors	70.27%	0
Inspection 4: ISS Environmental Disclosure	(4) Shareholders' meetings implement electronic voting, proposal-by-proposal voting, or provide an English agenda handbook	8.11%	0
Inspection 5: ISS Social Disclosure	(5) Has issued a Corporate Social Responsibility Report.	8.11%	0
Inspection 6: Taiwan Corporate Governance		86.49%	0
Inspection 7: Green Bonds		33.33%	0
Inspection 8: Sustainable Development Bonds		33.33%	0
Inspection 9: Social Responsibility Bonds		33.33%	0

Criteria adoption rate for calculation – foreign investment (%)	2021	2022	2023 ^{Note 2}
Not rated	4.35%	0	0
0 ≤ ESG < 10	0	0	0
10 ≤ ESG < 20	26.09%	16.67%	0
20 ≤ ESG < 30	4.35%	33.33%	0
30 ≤ ESG < 40	17.39%	0	0
40 ≤ ESG < 50	21.74%	16.67%	0
50 ≤ ESG < 60	8.70%	33.33%	0
60 ≤ ESG < 70	17.39%	0	0

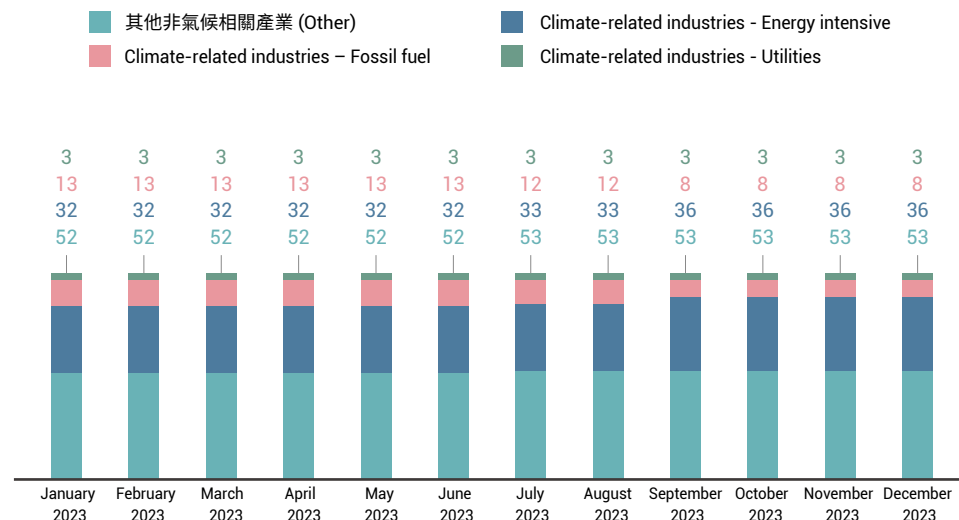
Note 1: For Responsible Investment Checklists in or before 2021, due to the lack of widespread databases, the criteria primarily focused on corporate governance: (1) Constituent stock on FTSE4Good TIP Taiwan ESG Index; (2) Has established Independent Directors; functional committees; or audit committees; (3) Has adopted a nomination system for Directors and supervisors; (4) Has implemented electronic voting at shareholders' meetings; proposal-by-proposal voting; or providing an English agenda handbook; and (5) Has issued a Corporate Social Responsibility Report.

Note 2: There were no new investments in 2023, so there is no pre-investment checklist data; in 2022, due to the outbreak of significant indemnity demands from pandemic insurance, assets were liquidated, resulting in no foreign investments in 2023.

Changes in equity securities' climate-related risk exposure ratios



Changes in corporate bonds' climate-related risk exposure ratios



Climate Change Investment Opportunities

Green Energy Industry

Since 2018, the Company has consistently invested in the Cathay Sustainable Private Equity Fund, with a total committed of NT\$300 million. This fund primarily invests in key industries for Taiwan's sustainable development, specifically the Cybersecurity Industry, Green/Renewable Energy Industry, and Strategic Stockpile Industry. By 2023, the investment was NT\$250 million.

Environmental Investment

In 2003, the government actively promoted acceleration of the sewage drainage system coverage rate, mobilizing substantial private capital, workforce, and technology. In 2016, the Company applied to the competent authority and was approved for a special project investment in domestic sewage remediation business. As of 2023, the investment was NT\$150 million.

Sustainable Bonds

The Company holds green bonds issued by Taiwan Power Company and TSMC, sustainable development bonds issued by Land Bank of Taiwan and Chunghwa Telecom, and social responsibility bonds issued by Taiwan Cooperative Bank. The combined holding of these three types of bonds accounts for 25.81% of the total bond portfolio.

Green Energy Industry Investment

Investment project	Investment form (equity/debt/fund)	Position held (unit: million NTD)		
		2021	2022	2023
Green Bonds	Bonds	50	100	100
Social Responsibility Bonds	Bonds	50	100	100
Sustainable Development Bonds	Bonds	100	200	200
Renewable Energy Industry	Stocks	125.5	164.6	169.1
Sewage Remediation	Stocks	185.8	173.1	176.5
Six Core Strategic Industries	Stocks + Bonds + Venture Capital + Limited Partnership	4,045.4	2,178.3	2,266.5

Note: The Six Core Strategic Industries are: Information/Digital Technology Industries; Cybersecurity Industries; Medical Technology/Precision Health Industries; National Defense/Strategy Industries; Green/Renewable Energy Industries; and Strategic Stockpile Industries.

Using the Influence of Institutional Investors to Promote Sustainability and Co-prosperity

The Company seeks to leverage our influence as an institutional investor, using our capital to drive corporate development in governance, social co-prosperity, and environmental protection. Therefore, we seek to continuously engage in dialogue and negotiations with our investee companies to understand the risks they face and their sustainable development strategies. This will help us amplify our positive impacts and promote industry adaptation to climate change.

Monitoring invested-in enterprises

Investment due diligence

- Stability, integrity, corporate governance status, and ESG of the management team
- The management team's outlook on industry trends and response strategies
- The enterprise's future development plans
- Investment outlook from investment institutions or specialized organizations
- Whether there are any negative reports about the management team
- Stock price
- Profitability; EPS
- Cash flow
- Dividend policy
- Technical analysis
- SPPI (contractual cash flow characteristics) test
- ESG investment checklist
- ESG risk assessment form
- Stakeholder inquiry form
- ISID audit record form

Engagement opportunities with investee companies

- The invested-in enterprise's response to significant macroeconomic and industry changes
- Disclosure of major business and financial information
- Significant changes in the management team
- Other issues related to corporate governance
- Environmental issues
- Social responsibility issues
- Climate change issues
- Issues affecting shareholder rights
- Major legal litigation events

Engagement policy and process



2023 engagements				
Engagement target	Communication channel/frequency	Engagement aspect	Communication and focus topics	2023 communication and engagement achievements
Photovoltaic industry	Video conference	Governance	Service contract changes	Changes completed
Photovoltaic industry	Video conference	Governance	Director and supervisor remuneration	Changes completed
Photovoltaic industry	Video conference	Environmental	Green electricity retailing	Started electricity retailing
Sewage remediation	In-person/Quarterly	Governance	Company operations/green electricity installation	Began installation

ch5 Society with Peace of Mind

TMNEWA remains dedicated to supporting the underprivileged, guided by the principle of "What we take from society, we give back to society". The Company focuses on five key areas strengthening community bonds, child education, traffic safety, caring for the underprivileged, and public welfare sponsorship. We have long utilized corporate resources to engage in public welfare activities, mobilizing employees to partake in social service and public welfare initiatives. TMNEWA has also established long-term and diverse collaborations with the government, schools, non-profit organizations, and other enterprises, offering resources and support tailored to social needs. By combining public welfare with insurance risk management expertise, we spread love and care throughout every corner of society, gradually expanding our social impact.



Strengthening
community
bonds



Traffic
safety



Care for the
underprivileged



Child
education



Public welfare
sponsorship

5.1 Social Impact

TMNEWA promotes financial education for different groups, establishing correct insurance concepts through advocacy activities, bolstering fraud awareness to mitigate fraud risks, and enhancing the public's financial knowledge for more rational financial decisions. In 2023, TMNEWA was the only non-life insurance company to receive an award for outstanding financial education from the Financial Supervisory Commission.

To strengthen the public's consciousness about fraud and embed Fraud Awareness capabilities into every corner of society, TMNEWA held comprehensive anti-fraud educational seminars using diverse materials in 2023 for four groups people: Seniors; Young Students Aged 18+; People with Hearing or Speech Impairments; and Elderly/Indigenous People in Rural Areas. We engaged with 74,000 participants, contributing to a stronger societal safety net.

2023 Online and offline financial fraud prevention advocacy

Online Advocacy

Established an anti-fraud section for seniors on the website; our anti-fraud advocacy videos on YouTube and social media posts reached nearly 66,000 people.

In-Person Seminars

Held 11 anti-fraud advocacy seminars, with enthusiastic participation from over 500 seniors and young students.

Game Experience

Designed an online anti-fraud mobile game, experienced by over 8,000 people. The game educates users through entertainment by explaining common fraud methods and measures to fight insurance scams and telecom fraud.

2023 In-person financial education promotion project

Fraud Risk Prevention Advocacy for Seniors			Fraud and Risk Prevention Advocacy		
Theme	Resources and actions invested	Result	Theme	Resources and actions invested	Result
Insurance Fraud Prevention, Traffic Safety, Home Risk	Partnered with the Hondao Senior Citizen's Welfare Foundation to conduct in-person Fraud Prevention and Risk Education for Seniors seminars in the Taipei and New Taipei City areas, including Beitou, Songshan, Nangang, Shulin, and Neihu.	Held 5 seminars to protect seniors from financial insurance fraud, and keep them safe from traffic and everyday household accidents; impacted 255 seniors.	Insurance Fraud Prevention, Home Risk, Travel Inconvenience Insurance	Partnered with the Chinese National Association of the Deaf to carry out public outreach on insurance fraud prevention and to disseminate information about travel inconvenience insurance. Through interactive sessions, this initiative helps the hearing and speech impaired community recognize, understand, and prevent fraud, while also promoting a deeper understanding of travel insurance among them.	Held a financial advocacy event with 58 participants from the hearing and speech impaired community, ensuring the financial security and rights of this vulnerable group.
Fraud and Traffic Safety Advocacy for Young People			Fraud Prevention Advocacy for Seniors in Rural Areas		
Theme	Resources and actions invested	Result	Theme	Resources and actions invested	Result
Insurance Fraud Prevention, Traffic Safety	Partnered with Ming Chuan University, Shih Hsin University, and Mingde High School to offer financial education courses on Insurance Fraud Prevention and Traffic Safety Advocacy.	Held 4 financial education courses, helping 188 students increase their risk awareness and establish correct insurance concepts.	Insurance Fraud Prevention, Traffic Safety, Home Risk	Conducted advocacy in the Atayal indigenous community in Nan'ao, Yilan County, to disseminate information on preventing insurance fraud, strengthening fraud awareness, and reducing the risk of being scammed.	Protected seniors in rural areas from financial insurance fraud, with 35 indigenous participants from rural areas.

2023 Social contribution project



Afforestation for Carbon Reduction and Sustainability

Expected outcomes

Protecting land, conserving water resources, providing a good habitat for nearby wildlife and a better living environment for nearby residents, and strengthening the structure and function of the ecosystem.

Resources and actions invested

40 employees volunteered for afforestation activities, supporting the Ministry of Agriculture's promotion of Protection Forest Planting. This initiative effectively connected coastal ecosystems, creating a carbon sink of 9.6 tons, and contributes to Taiwan's green and low-carbon future through concrete actions.



Result

Sponsored 0.52 hectares of forest land and planted 800 diverse native nectar-producing trees in Taiwan.



Funding Advocacy to Promote Road Safety

Expected outcomes

Creating a basis for traffic safety education, aiming to use excellent education to instill correct traffic safety knowledge and road use concepts in children.

Resources and actions invested

- Encouraged schools to prioritize traffic safety education and advocacy, fostering correct road use concepts in children and internalizing traffic safety awareness.
- Through regulations at different schools, encouraged parents to be more vigilant during drop-off and pick-up times, reducing illegal temporary parking and making the journey to school safer for children.



Result

Supported and advocated for traffic safety in four elementary schools (Xinyi Elementary School, Longshan Elementary School, Wenguang Elementary School, and Yuren Elementary School).



Participation in Associations

TMNEWA has long been involved in influential associations and societies, collaborating with our industry partners and the government to jointly promote environmental, social, and economic development.

Associations/societies participated in in 2023		
Type	Name	Participation status
Association	Non-Life Insurance Association of the Republic of China (NLIA)	Company representative
	Chinese Insurance Service Association (CISA)	Committee member
Association	Chinese Insurance Service Association (CISA)	Company representative
	Actuarial Institute of Chinese Taipei (AICT)	Member
Association/ Society	Non-Life Underwriters Society of the Republic of China (NLUS)	Member/Director
	Risk Management Society of Taiwan (RMST)	Group member representative
	Taiwan Insurance Law Association (TILA)	Member
	Insurance Society of the Republic of China (ISROC)	Company representative
Others	Nuclear Energy Insurance Association Pod of the Republic of China	Company representative
	Taiwan Residential Earthquake Insurance Fund (TREIF)	Committee representative/ Committee representative of the Residential Earthquake Insurance Co-insurance Working Group Meeting
	Institute of Financial Law and Crime Prevention (IFLCP)	Member representative

5.2 Public Welfare and Care

Care for the Underprivileged

TMNEWA has long been concerned about underprivileged groups, bringing positive impact to society through concrete actions.

2023 年弱勢關懷專案

支持鶯歌區中湖國小成立幸福學習教室

Expected outcomes

- Discover and nurture students' talents and specialties.
- Identify the strengths of underprivileged children, boost their confidence, and enhance their motivation to learn.

Resources and actions invested

- Continued support for the Happy Notes Project of the To Be A Friend public welfare organization in New Taipei City, guiding and staying with underprivileged children on their path to enjoying learning.
- Launched the new Happy Classroom Project in 2023, providing five comprehensive SDG-themed education courses: Sustainable Environment; Food and Agriculture; Environmental Protection & Recycling; Financial Literacy Education; and Traffic Safety Education. This project provides a safe learning space for underprivileged children who lack sufficient learning opportunities due to economic or family circumstances, while also involving volunteers to guide and care for these high-need students.

Social impact

Donated NT\$400,000 to support establishing a Happy Learning Classroom at Zhonghu Elementary School in Yingge District, bringing in volunteers to guide and care for underprivileged high-need students.



捐贈臺北市府環境保護局反光雨衣

Expected outcomes

Improve duty safety and visibility, and reduce accidents.

Resources and actions invested

Enhanced occupational safety for temporary workers at the Taipei City Government's Department of Environmental Protection by continuously donating reflective raincoats to improve their safety during street sweeping operations.

Social impact

Donated 400 reflective raincoats to the Taipei City Government's Department of Environmental Protection.



守護學童安全

Expected outcomes

Promote children's traffic safety and reduce the risk of traffic accidents involving children.

Resources and actions invested

- Company employees volunteer as crossing guards at Zhongzheng Elementary School.
- Support the Jing Chuan Child Safety Foundation's Yellow Cap Traffic Safety Education Fundraising Program.

Social impact

Safeguard children's safety, providing a safer environment for their growth.



支持潭美國小發展成為特色小學

Expected outcomes

- Promote diverse learning courses for students, cultivate specialized student teams, and create an optimized campus environment with diverse activities.
- Establish a model of effective educational resource integration and corporate strategic alliances.

Resources and actions invested

Sponsored the TMES FLY International Multicultural New Tanmei-Innovative Artistic New Horizons Bilingual Humanities International learning program at Tanmei Elementary School in Neihu.

Social impact

In 2022, Tanmei Elementary School was named an Exemplary School for Campus Development and Resource Integration. Continued annual donations to support Tanmei Elementary School's development into a specialized school.



志工服務

Expected outcomes

Enhance the understanding and assistance of service and sales staff toward the visually impaired community.

Resources and actions invested

Strengthened the Company's friendly finance services by offering basic courses on deaf culture and sign language. Established a service philosophy of empathy among employees, empowering them to engage warmly and effectively with the hearing and speech impaired community.

Social impact

A total of 422 volunteers participated in the service.

帶領學童進行環境教育

Expected outcomes

Connect children with environmental protection.

Resources and actions invested

Participated in the Dandelion Hope Foundation's Dandelion SDGs Little Farmer Planet Adventure to share the concepts of SDGs.

Social impact

Lead children in environmental education and take practical actions to protect the environment, deepening the concept of environmental protection.



Public Welfare Sponsorship and Donations

In 2023, the Company continued to invest in public welfare activities and donation projects, with annual donations of NT\$5.12 million. The detailed donation breakdown is as follows:

Recipient category	Organization name	Date	Amount (NT\$)	Remarks
Foundation	e E.SUN Volunteer & Social Welfare Foundation	2023-02-06	1,000,000	Public welfare donations for underprivileged children
Association	Be A Friend Club of New Taipei City	2023-03-25	400,000	Public welfare donations for underprivileged children
Foundation	PCT Indigenous Church	2023-04-25	96,000	Operational funds for tutoring classes for underprivileged children in rural areas
Foundation	PCT Indigenous Church	2023-04-25	30,000	Sponsorship for microinsurance expenses
Foundation	Boyo Social Welfare Foundation	2023-07-05	792,000	Operational funds for social workers in tutoring classes for underprivileged children in rural areas
Foundation	Boyo Social Welfare Foundation	2023-07-05	580,000	Microinsurance
Government Agency	Hsinchu Branch, Forestry and Nature Conservation Agency	2023-07-25	206,614	Sponsorship for afforestation activities

Recipient category	Organization name	Date	Amount (NT\$)	Remarks
Foundation	Taitung Christian Hospital	2023-07-25	1,380,000	Public welfare donations
Foundation	e E.SUN Volunteer & Social Welfare Foundation	2023-08-08	1,000,000	Public welfare donations
Foundation	Taiwan Indigenous Association Of 3S3T Youths	2023-08-07	57,004	Donations of goods for Typhoon Kanu relief
Foundation	Eden Social Welfare Foundation	2023-08-28	100,000	Public welfare donations
Foundation	Faith, Hope and Love Culture and Arts Foundation	2023-08-28	120,000	Public welfare donations
Association	Taiwan Against Drunk Driving	2023-09-05	200,000	Public welfare donations
Government Agency	Department of Environmental Protection, Taipei City Government	2023-09-13	205,800	Donation of 400 reflective raincoats to the Taipei City Government's Department of Environmental Protection
Foundation	Jing Chuan Child Safety Foundation	2023-09-25	300,000	Funding support for road traffic safety advocacy
Foundation	Dandelion Hope Foundation	2023-10-05	200,000	Funding support for children's environmental education
Foundation	Hondao Senior Citizen's Welfare Foundation	2023-10-05	100,000	Public welfare donations
Foundation	Ming Chuan University	2023-10-25	60,000	Designated funding for scholarships and bursaries for underprivileged students through the Department of Risk Management and Insurance
Educational Institution	Tanmei Elementary School	2023-10-25	500,000	Community school public welfare projects
Educational Institution	Taipei Municipal Zhong Zheng Elementary School	2023-10-25	500,000	Community school public welfare projects
Foundation	Renewal Foundation Taiwan	2023-11-03	94,000	Microinsurance
Foundation	Renewal Foundation Taiwan	2023-11-03	713,377	Operational funds for tutoring classes for underprivileged children in rural areas
Educational Institution	Xinyi Elementary School	2023-12-05	16,000	Donations of bonuses for Exemplary Schools in Traffic Safety Education
Educational Institution	Hsinchu Longshan Elementary School	2023-12-05	16,000	Donations of bonuses for Exemplary Schools in Traffic Safety Education
Educational Institution	Wenguang Elementary School	2023-12-05	9,000	Donations of bonuses for Exemplary Schools in Traffic Safety Education
Educational Institution	Chiayi City Yuren Elementary School	2023-12-05	9,000	Donations of bonuses for Exemplary Schools in Traffic Safety Education
Association	Taiwan Be The Light Association	2023-12-25	250,000	Donations to support barrier-free transportation services for underprivileged elderly in rural areas

Note: Please refer to the [Insurance Industry Market Observation Post System - Corporate Governance: Donation Details Table](#).





Empower Our People



ch6 Workplace with Peace of Mind

The development of key corporate talents is a crucial for a company's competitiveness. TMNEWA fosters mutual growth for individuals and the Company through a robust talent development system; comprehensive employee welfare policies; a diverse, inclusive, and welcoming work environment; and a culture of mutual trust.

6.1 Human Resources Overview

Employee Composition

In 2023, TMNEWA had 1,517 full-time employees and 44 part-time employees, comprising 49% female and 51% male employees. Taiwan serves as the primary operating base. We prioritize hiring local talent, achieving an employment rate of approximately 99%. The Company strictly adheres to labor laws and regulations set by the authorities, and has never employed child labor. To promote a diverse and inclusive work environment, the Company follows the Employment Service Act, and the Regulations on the Permission and Administration of the Employment of Foreign Workers when hiring foreign employees. As of the end of 2023, the Company employed 7 foreign workers, 12 employees with disabilities, and 9 Indigenous employees. Additionally, the Company employed 24 cleaning staff and 35 maintenance personnel across Taiwan, who are non-employee workers with no employment relationship with the Company.

Employee distribution (by gender)									
Year	2021			2022			2023		
Employee type/ Gender	Female	Male	Total	Female	Male	Total	Female	Male	Total
Full-time employee	671	738	1,409	702	758	1,460	731	786	1,517
Part-time employee	11	5	16	76	23	99	34	10	44

Employee distribution (by region)									
Year	2021			2022			2023		
Employee category/ region	Taiwan	China	Southeast Asia	Taiwan	China	Southeast Asia	Taiwan	China	Southeast Asia
Full-time employee	1,405	1	3	1,457	0	3	1,514	0	3
Part-time employee	16	0	0	99	0	0	44	0	0

2023 Employee distribution (diversity indicators)								
Indicator/ distribution	Age			Job level		Diversity indicators		
	≤30	31-49	≥50	Managerial position	Non- managerial position	Foreign employees	Employees with disabilities	Indigenous employees
Persons	334	855	372	257	1,304	7	12	9
Percentage	21.3%	54.8%	23.9%	16.5%	83.5%	0.45%	0.77%	0.58%

Note 1: The data covers employees of TMNEWA's Taipei headquarters, Cambodian subsidiary, and all branches and service locations in Taiwan.

Note 2: Most of the Company's work is performed by employees.

Note 3: There are no significant seasonal changes in the number of employees employed by the Company.

Note 4: The above human resources information was compiled based on the actual number of employees on the last day of the human resources system's statistical reporting period, and does not include board members.

Note 5: Definition of full-time employees: 'Employees' as defined by their weekly/monthly/yearly working hours in national laws and practices concerning working hours.

Note 6: Definition of part-time employees: Employees whose weekly/monthly/yearly working hours are less than those of full-time employees; includes students working part-time, interns, and retired re-hired personnel.

Note 7: As of the end of 2023, there were 3,531 insurance agents under contract (1,321 male, 2,210 female), and 2 Policy Key-in Staff (2 male, 0 female).

Employment Rate and Turnover Rate

In 2023, 249 employees departed and the Company hired 249 new employees, resulting in a total turnover rate of 12.3% and a voluntary turnover rate of 11.9%.

New employee distribution												
Year	2021				2022				2023			
Age/Gender	Number of persons		Employment Rate		Number of persons		Employment Rate		Number of persons		Employment Rate	
	Male	Female	Total	%	Male	Female	Total	%	Male	Female	Total	%
≤30	60	51	111	42	54	44	98	33	62	60	122	43
30-49	41	33	74	9	49	55	104	13	66	56	122	15
≥50	1	0	1	0.3	4	1	5	1	3	2	5	1
Total	186				207				249			
Total employees	1,409				1,460				1,517			
Total employment rate	13.4%				14.4%				16.8%			

Note 1: The number of new employees does not exclude employees who left midway.

Note 2: New Employment Rate (%) = Number of new employees ÷ Average of employees at beginning of period and employees at end of period.

New employee distribution												
Year	2021				2022				2023			
Age/Gender	Number of persons		Employment Rate		Number of persons		Employment Rate		Number of persons		Employment Rate	
	Male	Female	Total	%	Male	Female	Total	%	Male	Female	Total	%
≤30	23	23	46	16	20	24	44	16	26	22	48	15
30-49	44	32	76	9	54	32	86	11	58	56	114	14
≥50	111	3	14	5	15	7	22	6	12	8	20	5
Total	136				152				249			
Total employees	1,409				1,460				1,517			
Total employment rate	9.8%				10.6%				12.3%			

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

Note 2: Turnover Rate (%) = Number of departed employees ÷ Average of employees at beginning of period and employees at end of period.

Note 3: The number of departed employees does not include those on leave without pay.

Distribution by departure type					
Departure Type	Male	Female	Total	Total number of persons	Voluntary turnover rate
Resigned voluntarily	96	85	181	1,517	11.9%
Dismissed	1	0	1		

6.2 Talent Cultivation and Development

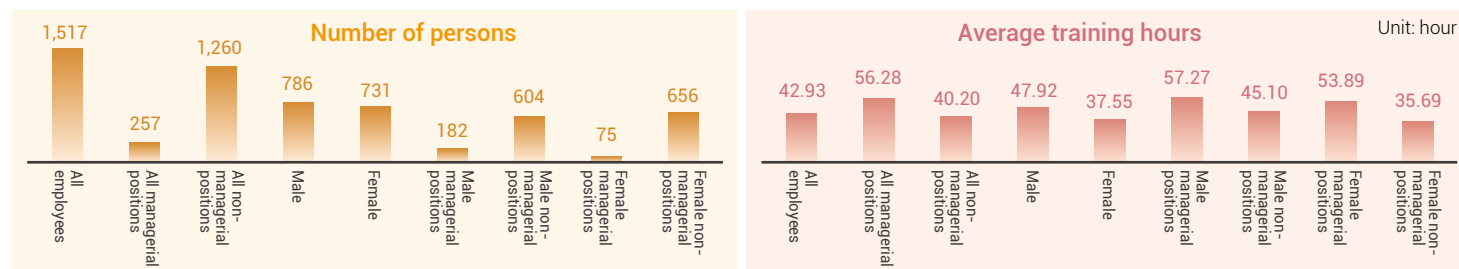
Talent Training and Learning Program

Through the implementation of training, performance, and promotion systems, TMNEWA enhances employee desire to learn and continuous self-growth. These systems are complemented by incentives, rotations, performance evaluations, and promotion measures, transforming knowledge into skills that improve operating performance.

To bolster the development of insurance professionals, in 2023, a total of 1,512 employees participated in education and training. The Company invited professors from insurance departments to offer underwriting/claims certification courses, guiding interested employees in obtaining domestic and international underwriting and claims certifications. Employees who earned these certifications were provided with cash rewards. In 2023, 72 employees were awarded a total of NT\$199,000 in incentives. TMNEWA also arranged for employees to participate in green finance-related courses, covering topics such as sustainable development, net-zero transition, and climate change. In 2023, 7 employees completed these courses, totaling 22 hours of instruction.

Note: As of December 31, 2023, there were 1,517 total employees. Since 5 employees joined at the end of the year, 1,512 employees participated in education and training in 2023.

Average annual training hours per person by job position and gender, 2023



Note 1: Training hours include online training courses.

Note 2: Managerial positions: Section supervisor and above; Non-manual positions: General employees.



Overview of employee education and training, 2023

Category	2023 implementation status	Recipients	Participants	Sessions	Total training hours (total participants × hours/course)
Integrity Management	Mandatory training conducted online, with a post-course test requiring a score of 100 to pass.	All employees	1,400	14	700
Compliance	See section 2.3 Legal Compliance for details.				
ESG/Climate-Related	External training conducted as in-person courses; no test required.	All employees	7	7	22
Treating Customer Fairly	Treating Customer Fairly Principles Policy and Strategy are included in the training curriculum (including digital courses), with at least 3 hours of educational advocacy and personnel training conducted per year.	All employees	1,494	14	4,482
Risk Management	See section 2.4 Risk Management for details.				
Personal Data Protection	Ongoing annual advocacy and education on personal data protection.	All employees	1,447	14	1,182
Information Security	Ongoing annual advocacy and education on information security.	All employees	1,448	14	4,344
Gender Equality and Friendly Workplace	Established the Measures for Prevention, Correction, Complaint, and Punishment of Sexual Harassment in the Workplace and formed a Sexual Harassment Complaint Committee with gender-balanced representation. Clearly stated that "Workplace Violence is Prohibited", and formulated the Program to Prevent Unlawful Infringement in Performing Duties as required by law. Established channels for reporting and complaining about workplace violence. Ongoing annual education and training on related topics.	All employees	1,451	14	145
Anti-Money Laundering	Established the Anti-Money Laundering and Combatting the Financing of Terrorism Policy and Governing Guidelines as a basis for compliance. Each employee receives at least 2 hours of anti-money laundering and counter-terrorism financing education and training per year.	All employees	1,400	14	3,108

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

Promoting the Succession Plan

To advance a strategic, long-term, and systematic supervisor development plan and to cultivate a Succession Talent Pool across all company tiers, we continue to implement the Supervisor Talent Development Plan (Succession Plan). This ensures that when there are position vacancies or an increased need for supervisory talent due to organizational expansion, suitable candidates can be promptly selected from the succession talent pool and immediately fill the positions. In the past three years, 66% of supervisory talent needs were met from the succession talent pool. Talent development and succession planning are prioritized as key objectives for the Company. Each year, we conduct competency evaluations for potential successors to assess their readiness to take on new roles.

Industry-University Collaboration Internship Project

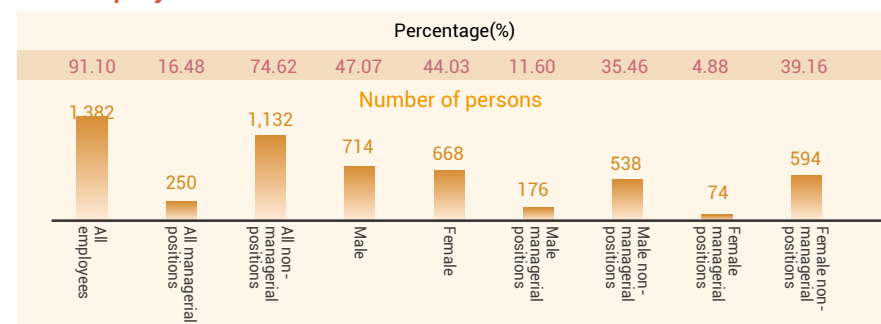
To cultivate financial professionals and assist domestic graduate and final-semester undergraduate students in getting into the financial field, TMNEWA has forged solid industry-academia partnerships and created a talent reserve for recruitment. We arrange for underwriting, claims, and sales departments to guide and assist interns. Students who perform excellently during their internships can join the Company immediately after graduation, becoming valuable new talents. Since the start of our Industry-University Collaboration Internship Project, partner schools include National Chengchi University, Feng Chia University, Tamkang University, Shih Chien University, and Chaoyang University of Technology. 125 students have participated in the project. Upon graduation, 29 students have been employed, resulting in a retention rate of 23%.

Performance Evaluations

TMNEWA's performance evaluations begin by establishing and reviewing work objectives and areas for competency development; at mid-period, tracking achievement of work goals; and at the end of the period, conducting performance evaluations. At each stage, supervisors are required to have one-on-one interviews with employees to understand their work status and provide timely guidance and feedback. This comprehensive performance management system supports employees in reaching their annual objectives. In 2023, 1,382 employees were eligible for evaluation, with a participation rate of 91.1%.^{Note}

Note: Employees not subject to evaluation: (1) Full-time employees who joined after July 1 of the current year; (2) employees who have not been employed for more than six months in the current year (leave-without-pay periods are considered as not employed).

Transition Assistance Program for Retiring and Departing Employees



Note: The denominator for the percentage of employees receiving evaluations in 2023 is the total number of employees, i.e., 1,517.

Transition Assistance Program for Retiring and Departing Employees

To ensure that employees can confidently and securely move forward through different stages of their careers while employed at the Company, we offer a diverse transition assistance program for employees who are about to resign, retire, or are being laid off.

Resignation

- If an employee wishes to apply to leave the Company, they must have an exit interview with their direct supervisor and then personally consult the Human Resources (HR) Department to process the resignation application.
- The HR Department then issues a departure questionnaire for the departing employee to fill out, in order to understand the reasons for their departure.
- For managerial and senior employees, as well as those who offer critical feedback in the departure questionnaire, the HR Department schedules an exit interview. During the exit interview, the aim is to understand the reasons for leaving, difficulties encountered at work, and suggestions for the Company. The goal is to clarify the internal and external reasons for the employee's departure, while also providing an accurate explanation of the information.

Retirement

- For sales employees approaching retirement, the HR Department collaborates with the Sales Development Group to start planning business inventory and transfers two years before the retirement is to occur. Milestones and action plans are established biannually.
- For non-sales employees, the HR Department notifies the department supervisor to start planning the business handover and arrange for a successor six months before the employee's retirement.
- The HR Department individually informs retiring employees about their pension levels and related rights/obligations, and encourages them to transition to become external contractors for the Company.

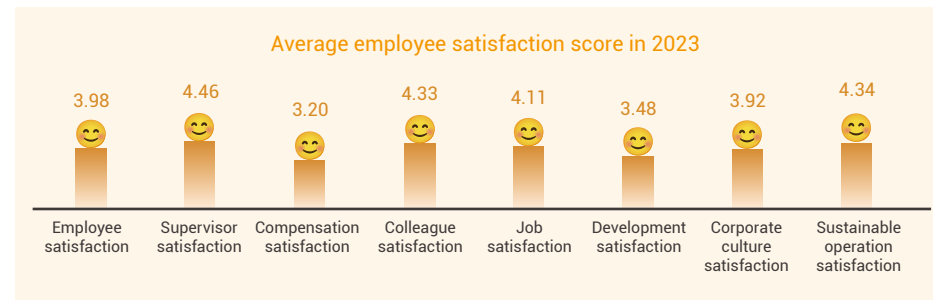
Layoffs

- For employees undergoing layoffs, the HR Department ensures the Company's rights and responsibilities as well as the employee's benefits. The HR Department informs the employee of the severance pay amount, provides a certificate of involuntary termination, and explains the employee's related rights and obligations.

Employee Satisfaction Survey

To gauge employees' well-being within the Company, TMNEWA conducted our first employee satisfaction survey in 2023. Feedback from employees will be used as a reference for improving subsequent management measures, thus enhancing employee identification with the Company and building better labor relations. To ensure the survey's confidentiality and impartiality, the employee questionnaire data is managed by the 104 consultant company.

The employee satisfaction survey encompasses seven dimensions: Supervision, Compensation, Colleagues, Job, Development, Corporate Culture, and Sustainable Operations. 1,178 questionnaires were collected, with 1,006 valid responses, resulting in an effective response rate of 85%.



Note: Questions are on a 6-point scale (Strongly Agree; Agree; Slightly Agree; Slightly Disagree; Disagree; Strongly Disagree), with a maximum score of 6.

6.3 Employee Rights and Benefits

Human Rights Protection

TMNEWA works to safeguard employees' basic human rights, create an environment that fully protects these rights, and foster a diverse and inclusive workplace. In line with these efforts, the Company has instituted an Employee Code of Conduct, ratified by the Board of Directors. This code explicitly protects employee privacy, upholds basic human rights, prevents workplace misconduct, and promotes gender equality. We endorse and support the spirit and fundamental principles expressed by the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the International Labor Organization. We are committed to respecting and protecting human rights and adhering to the labor laws of the locations where we operate. We guarantee that no employee faces discrimination or unequal treatment on the basis of gender, sexual orientation, race, class, age, marital status, family status, language, ideology, religion, political affiliation, nationality, appearance, physical features, or disability. Our goal is to provide a workplace that is dignified, safe, equal, and free from harassment. All new hires must carefully review the code of conduct and sign the Employee Conduct Commitment Statement.

In 2023, the Audit Office conducted checks on employee overtime hours, overtime pay, working hours, leave pay, and the convening of labor-management meetings. The audit confirmed regulatory compliance, with no instances of child labor employment, employee discrimination, sexual harassment, or violations of work rights or human rights.

Preventing Harassment

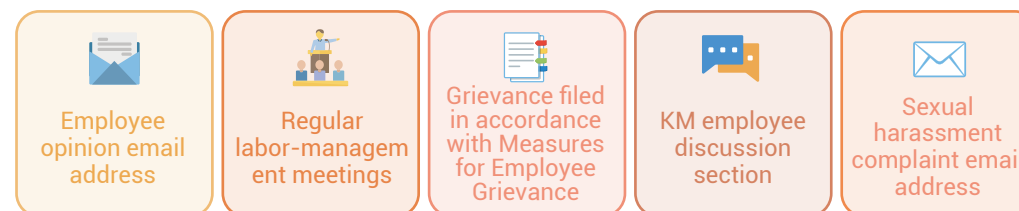
The Company has established the Measures for Prevention, Correction, Complaint, and Punishment of Sexual Harassment in the Workplace, and has established a Sexual Harassment Complaint Committee with equal female/male representation to handle sexual harassment incidents. The roster and contact details of committee members are made available to all employees, ensuring that employees can receive appropriate assistance if they encounter workplace sexual harassment. In 2023, 1,451 participants^{Note} engaged in our sexual harassment prevention training courses, totaling 145 hours. To protect employees from physical and mental harm in the course of performing their duties, the policy explicitly states that "Workplace Violence is Prohibited". In addition, a Program to Prevent Unlawful Infringement in Performing Duties has been formulated in accordance with the law. Workplace violence complaints and reporting channels are also established, aiming to build a workplace culture of safety, dignity, non-discrimination, mutual respect and tolerance, and thus ensuring employees' physical and mental health.

Note: Training dates are arranged based on salespeople's education/training base registration dates.

Employee Rights Communication Channels

To ensure a healthy working environment and in accordance with the Occupational Safety and Health Act, TMNEWA has established the Program to Prevent Unlawful Infringement in Performing Duties. The program includes responsibilities for the management organization, hazard identification/assessment, strengthening workplace environment management, providing necessary protective measures, and education/training for hazard prevention and communication skills. The prevention program's implementation effectiveness is also regularly assessed and improved. A Grievance Handling Committee is established to handle complaints. Within ten days of a complaint (date received), an interview with the complainant is conducted to understand the reasons for the complaint. The results are processed within thirty days and provided to the complainant in an Employee Grievance Filing (Refiling) Reply Form. The deliberation and outcomes of the complaint remain confidential and are not made public.

Employee Rights Communication Channels



Employee Compensation Policy

To motivate employees and share the Company's operating success, TMNEWA has established a method for distributing employee remuneration based on the Company's articles of association. The starting salary for new employees is higher than the statutory minimum wage. Annual salary adjustments and distribution of employee remuneration/bonuses are based on the Company's operating performance and individual performance. In 2023, the starting salary for entry-level personnel (junior specialists) was 1.1 times the statutory minimum wage (NT\$26,400), and the average salary increment for employees was around 2.9%.

Compensation for full-time employees in non-supervisory positions		
Aspect/Year	2022	2023
Number of full-time employees in non-supervisory positions	1,435	1,491
Total compensation for full-time employees in non-supervisory positions (Unit: NT\$ thousand, annually)	1,725,593	1,722,316
Average compensation for full-time employees in non-supervisory positions (Unit: NT\$ thousand, annually)	1,203	1,155
Median compensation for full-time employees in non-supervisory positions (Unit: NT\$ thousand, annually)	799	715

Male to female compensation ratio						
Item/Year	2021		2022		2023	
Annual compensation estimate	Male	Female	Male	Female	Male	Female
Managerial position or higher	102.68%	100%	97.63%	100%	100.75%	100%
Non-managerial position	114.26%	100%	115.12%	100%	116.95%	100%

Note 1: Compensation is calculated based on total annual compensation, including base salary plus seniority allowances, bonuses, benefits, overtime pay, compensatory leave, and other allowances.

Note 2: Calculation formula: 2023 annual compensation = 2023 taxable income + 2023 tax-exempt income.

Note 3: Managerial positions: Departmental supervisor and above; non-managerial positions: section supervisor and below.

Compensation and Salary Adjustment Ratio

TMNEWA adheres to the principles of internal balance and external fairness in our overall planning of employee compensation structures. For internal balance, salary is determined by job level; living allowances are calculated with consideration given to factors such as employee responsibilities and the local cost of living index. For external fairness, salary competitiveness is optimized based on salary survey results, taking into account market importance and uniqueness. The Company conducts annual reviews of the salary structure and individual performance for potential salary adjustments. Year-end bonuses are distributed based on the Company's overall profitability (including financial and non-financial indicators), departmental performance, and individual performance evaluations, sharing profits with employees. In 2023, the ratio of the highest individual annual income to the median annual income of other employees in the Company was 14:1.

Compensation and salary adjustment ratio

Year	2021	2022	2023
Ratio of highest personal income to median income of other employees (highest personal income: employee)	13.98: 1	13.36: 1	14.76: 1
Salary adjustment ratio of highest personal income to median income of other employees (highest personal income: employee)	1: 1.02	1: 1.01	1: 1.03

Note 1: Calculations are based on total annual compensation, including base salary plus seniority allowances, bonuses, benefits, overtime pay, compensatory leave, and other allowances.

Note 2: Calculation formula: 2023 annual compensation = 2023 taxable income + 2023 tax-exempt income.

Note 3: Currently, internal performance evaluations, compensation structures, and promotion management are not yet linked to performance in improving climate change resilience, promoting sustainable development, or developing related products and services.

Performance Evaluation Standards and Emolument Standards for Appointed Managers

Manager compensation policy:

- Includes both fixed salary and variable compensation.
- Target metrics and their significance are established as benchmarks for performance evaluations, consistent with the annual business plan.
- When a manager retires in accordance with the retirement regulations, they may take a pension.

To effectively evaluate managers' contributions and to align with the Company's long-term profits and shareholders' interests:

- Performance evaluations for the president are based on achievement of annual Company operating objectives.
- Performance evaluations for other managers uses personal yearly goals within their scope of responsibilities as the standard for evaluating performance.

Methods used for manager-related evaluations and compensation measures:

- Must be reasonably connected with the manager's achievement or not of work performance goals.
- Unexpected risks must be included when considering risks, to avoid the Company suffering from inappropriate situations as a result of paying compensation.
- The compensation incentive program must not lead managers to pursue compensation such that they engage in behaviors that exceed the Company's risk appetite.
- Regular review is conducted for the compensation incentive system and performance, to ensure that it meets the Company's risk appetite.

Salary and Compensation Determination Process for Managers

The Company's financial status, the individual's performance, the Company's operating performance, and linkage to future risks form the baseline.

Reference is made to general compensation levels within the industry.

The results of individual performance evaluations, time invested, responsibilities undertaken, achievement of personal goals, and performance in other positions held are all taken into consideration.

Salary and compensation given to individuals in equivalent positions in recent years is also taken into consideration.

Reference is made to achievement of the Company's short- and long-term business objectives.

Note: In 2023, internal performance evaluations, compensation structures, and promotion management are not yet linked to performance in improving climate change resilience, promoting sustainable development, or developing related products/services. Plans will be begin to be implemented in 2024.

Subsidies and Insurance Coverage

To take care of employees, we provide subsidies for marriage, maternity, medical care, emergency assistance, funerals, education/childcare, and domestic/foreign trips. Additionally, bonuses are awarded during the three major festivals. We organize a range of events, such as employee excursions and family days. In addition to statutory labor insurance and national health insurance, the Company provides employee group insurance, comprehensive insurance, and other necessary types of insurance. 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.

Childcare Benefits

The Company cares for the workplace health of female employees and provides a worry-free working environment for working mothers. We have established partnerships with accredited childcare facilities to offer childcare services to our employees. A breastfeeding room has been established at the head office to provide a comfortable breastfeeding space for female employees. This breastfeeding room – equipped with a refrigerator and other equipment – has been well received.

To help employees take care of their young children while protecting their right to work, employees whose children are under 3 years old can apply for parental leave without pay and return to work when their parental leave expires. In 2023, a total of 41 employees were eligible for parental leave without pay (18 male, 23 female).

Employee Welfare Committee

In compliance with Employee Welfare Fund Act, TMNEWA has formed the Employee Welfare Committee. The main tasks of the committee include review, promotion, and supervision of employee welfare undertakings; planning, custody, and application of employee welfare fund; allocation of employee welfare funds; and audit and income/expenditure reports. Company employees can also create clubs in accordance with Regulations Regarding Club Establishment and Subsidy, which helps promote employees' emotions and improve work efficiency. The Employee Welfare Committee provides club subsidies.

Parental Leave without Pay implementation status						
Year	2022			2023		
Aspect/Gender	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave without pay in the year (A)	17	20	37	18	23	41
Number of employees actually taking parental leave without pay in the year (B)	1	9	10	1	17	18
Number of employees who should have been reinstated after parental leave without pay in the year (C)	3	3	6	1	12	13
Actual number of employees reinstated after parental leave without pay in the year (D)	3	4	7	0	13	13
Number of employees reinstated after having parental leave without pay in the previous year (E)	0	0	0	3	4	7
Number of employees reinstated a full year after having parental leave without pay in the previous year (F)	0	0	0	2	4	6
Application rate (B/A)	6%	45%	27%	6%	74%	72%
Reinstatement rate (D/C)	100%	133%	117%	0%	108%	100%
Retention rate (F/E)	0	0%	0%	67%	100%	86%

Note: Employees who applied for parental leave without pay in 2020 or 2021 were initially expected to be reinstated in the same year. However, due to extensions of their leave until 2022 or 2023, the reinstatement rate exceeds 100%.

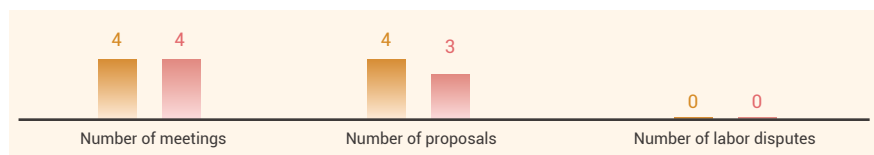
Retirement System

The Company deducts pension contributions from each employee as mandated by law. The retirement program's participation rate is 100%. In accordance with the Labor Standards Act and with the Labor Pension Act, employees who entered the Company before June 30, 2005 are entitled to use the old pension system; only after an employee freely chooses the new pension system are they entitled to it. For the old pension system, 4% of the monthly salary of each pensioner with the old system is taken as pension reserve fund contributions 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 employee may, as they wish, contribute 0 to 6% of their salary to a personal designated account. The Company also regularly provides pension reports made by an actuary, to confirm that full contributions are being made and to protect employees' future pension rights and interests.

Employee Relations

Employees are important assets to the Company, and talent is a key driver of sustainable excellence. The Company is dedicated to creating a friendly workplace and maintaining mutually trusting, respectful labor-management relations, striving for mutually beneficial outcomes for both the Company and our employees. Although we do not have a labor union, we hold quarterly labor-management meetings. In 2023, no penalties were imposed due to labor disputes (i.e., labor dispute complaints). The Company complies with the provisions of the Labor Standards Act and other laws. In the event of major operating changes that could seriously affect employee rights, we will notify employees in advance in accordance with regulations.

✦ Labor-Management Meeting statistics



✦ Advance notice period for operational changes

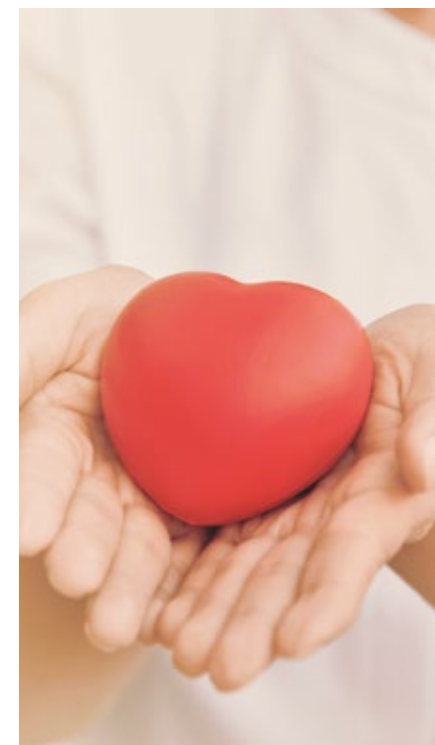
- For employees who have worked continuously for more than three months but less than one year, a ten-day notice is required.
- For employees who have worked continuously for more than one year but less than three years, a twenty-day notice is required.
- For employees who have worked continuously for more than three years, a thirty-day notice is required.
- After receiving a notice, employees may take leave during working hours to seek new employment. The leave hours shall not exceed two working days per week, and the employees will be paid during the leave period.

6.4 Occupational Safety and Health

Employee Health Promotion

To provide a safe and healthy working environment and take care of our employees' physical and mental health, the head office has set up a health center, a breastfeeding room, and dedicated nursing staff. Additionally, AEDs are available on-site, and we regularly offer CPR+AED first-aid training, providing employees with health consultations and education. In 2023, we arranged seven on-site physician consultation and one health examination.

In addition, to ensure workplace safety, occupational health service nurses collaborate with occupational health service physicians annually to conduct risk identification. They list recommendations for environmental facility improvements and follow up on these improvements within three months to ensure a safe office environment. In 2023, the risk identification results showed no major risks, and there were no significant occupational injury-related incidents.



Occupational safety measures, activities, and meetings in 2023

Health Seminars

Description

Commissioned the Teacher Chang Foundation to conduct two health promotion seminars: Let Aromatherapy Heal Your Body and Mind—Essential Oil Stress Relief SPA Aromatherapy Massage Experience.

Results

- 2 seminars were held, with 65 participants.
- Employee satisfaction with the course content was 100%; feedback indicated that it effectively relieved stress.



Employee Health Checkups

Description

Protect employees' physical and mental health, emphasizing prevention over treatment; simultaneously collect statistical data to promote key employee care initiatives.

Results

In 2023, 1,440 employees were scheduled for health checkups; 1,392 participated, for a participation rate of 96.7%.



On-Site Physician Services

Description

Regularly arrange on-site physician consultation services to assess and mitigate workplace safety risks.

Results

Carry out activities such as office work environment inspections, hazard assessments for maternity protection workplaces, prevention of ergonomic hazards, maternity health protection, prevention of diseases induced by abnormal workloads, prevention of unlawful infringement while performing duties, employee health consultations, analysis of irregular health screening outcomes, and follow-up improvements to the office work environment.

Health Education Information Sharing

Description

Provided health education on key anti-pandemic measures, physical and mental health, and nutrition to employees through the Knowledge Management System, emails, and posters in the health room and breastfeeding room.

Results

- Shared health education information 9 times.
- Provided all employees with access to knowledge on physical and mental health, nutrition, and related topics.

Occupational Safety and Health Committee

TMNEWA has implemented Safety and Health Work Rules and formed an Occupational Safety and Health Management Committee. The committee meets every quarter to deliberate, coordinate, and make recommendations on safety and health-related matters. The Safety and Health Work Rules include the Human-induced Hazards Prevention Program, the Program to Prevent Unlawful Infringement in Performing Duties, the Prevention Program for Diseases Caused by Abnormal Workload, and the Maternal Health Protection Program.

Note: The Company's workers include regular and temporary employees. However, cleaning/security personnel and contracted solicitors hired by the building management committee are not included within the Company's occupational safety management system.

Occupational Safety and Health Training

The Company provides online training on general occupational safety and health to new employees. We also motivate our employees to pursue qualifications as occupational safety supervisors, and to apply for occupational health and management certifications, thereby cultivating occupational health and safety talents.

Education/training course

Occupational Safety and Health (incl. Traffic Safety)

Course description

New employees undergo 3 hours of occupational safety and health training through e-Learning+.

Training
recipients
New
employees

Persons
trained
288



Education/training course

Fire Drill and First Aid Training Course

Course description

Health education promotion, fire evacuation drills, and first aid training enhance employees' safety awareness and disaster prevention capabilities.

Training recipients

Headquarters and Taipei Branch employees

Persons trained

- Fire Drills: 385 participants
- First Aid Training: 88 participants



Occupational Accidents

Guaranteeing employees' personal safety and fostering a comfortable and convenient work environment is a core responsibility of the Company. Through our management measures and hardware facilities, the Company provides a secure and comfortable office environment for employees. In the past three years, there have been no major work-related injuries or fatalities.



Employee Disabling Injury Statistics									
Year	2021			2022			2023		
Factor/Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of disabling injuries	6	3	9	1	3	4	2	5	7
Number of fatalities from disabling injuries	0	0	0	0	0	0	0	0	0
Number of days lost due to disabling injuries	96.5	9.5	106	7	13.9	20.9	38.5	32	70.5
Disabling injury frequency rate	4.77	2.17	3.41	0.76	2.11	1.46	1.36	3.65	2.47
Disabling injury severity rate	76.7	6.87	40.12	5.32	9.67	7.63	26.19	23.38	24.83
Disabling injury absence rate	0.06%	0.01%	0.03%	0.00%	0.01%	0.01%	0.02%	0.02%	0.02%
Total working hours	1,258,125	1,383,750	2,641,875	1,316,250	1,421,250	2,737,500	1,470,000	1,368,750	2,838,750
Total working days	167,750	184,500	352,250	175,500	189,500	365,000	196,000	182,500	378,500

Note 1: The main categories of injuries in the Company are traffic accidents during commutes and traffic accidents during business trips (non-commute).

Note 2: Since part-time employees are not integrated into the system and use paper-based processes, the statistical data does not include occupational injury information for part-time employees.

Note 3: Number of disabling injuries: Number of workers temporarily unable to return to work due to occupational injuries at the workplace.

Note 4: Number of days lost due to disabling injuries: Working days lost from workers experiencing disabling injuries.

Note 5: Disabling injury frequency rate (FR) = Number of disabling injuries × 1,000,000/total working hours.

Note 6: Disabling injury severity rate (SR) = Number of days lost due to disabling injuries × 1,000,000/total working hours.

Note 7: Disabling injury absence rate (AR) = Number of days lost due to disabling injuries ÷ total working days × 100%.

Note 8: Total working hours = (Total number of employees × daily working hours × actual working days per year); Total working days = (total number of employees × actual working days per year)

7 Appendix

Appendix I: GRI Sustainability Reporting Standards (GRI Standards) Content Index

Statement of Use	Tokio Marine Newa Insurance reports in accordance with the GRI Standards for the period 2023/01/01 to 2023/12/31.
GRI 1 Used	GRI 1: 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 V: Independent Assurance Statement from British Standards Institution (BSI).

GRI standard/ topic	Disclosure aspect	Corresponding report section	Page number	Omission/ remarks
GRI 2: General Disclosure 2021				
1. The organization and its reporting practices				
2-1	Organizational details	About Tokio Marine Newa Insurance		
2-2	Entities included in the organization's sustainability reporting	Editing Principles of this Report		
2-3	Reporting period, frequency and contact point	Editing Principles of this Report		
2-4	Restatements of information	Editing Principles of this Report		
2-5	External assurance	Editing Principles of this Report		
2. Activities and workers				
2-6	Activities, value chain and other business relationships	About Tokio Marine Newa Insurance 2.6 Supplier Management 3.2 Digital Finance and Innovation		
2-7	Employees	6.1 Human Resources Overview		
2-8	Workers who are not employees	6.1 Human Resources Overview		

GRI standard/ topic	Disclosure aspect	Corresponding report section	Page number	Omission/ remarks
GRI 2: General Disclosure 2021				
3. Governance				
2-9	Governance structure and composition	2 Governance with Peace of Mind		
2-10	Nomination and selection of the highest governance body	2.1 Board Operations		
2-11	Chair of the highest governance body	2.1 Board Operations		
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Governance 1.2 Stakeholder Engagement 2.1 Board Operations		
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Governance		
2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable Governance		
2-15	Conflicts of interest	2.1 Board Operations		
2-16	Communication of critical concerns	2.1 Board Operations 2.3 Legal Compliance		
2-17	Collective knowledge of the highest governance body	2.1 Board Operations		
2-18	Evaluation of the performance of the highest governance body	2.1 Board Operations		
2-19	Remuneration policies	2.1 Board Operations 6.3 Employee Rights and Benefits		
2-20	Process to determine remuneration	2.1 Board Operations		
2-21	Annual total compensation ratio	6.3 Employee Rights and Benefits		

GRI standard/ topic	Disclosure aspect	Corresponding report section	Page number	Omission/ remarks
GRI 2: General Disclosure 2021				
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from Management		
2-23	Policy commitments	2.4 Risk Management 6.3 Employee Rights and Benefits		
2-24	Embedding policy commitments	1.2 Stakeholder Engagement 2.4 Risk Management 3.3 Information Security Management 6.3 Employee Rights and Benefits		
2-25	Processes to remediate negative impacts	1.2 Stakeholder Engagement 6.3 Employee Rights and Benefits		
2-26	Mechanisms for seeking advice and raising concerns	1.2 Stakeholder Engagement		
2-27	Compliance with laws and regulations	2.3 Legal Compliance		
2-28	Membership associations	5.1 Social Impact		
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement		
2-30	Collective bargaining agreements	6.3 Employee Rights and Benefits	-	There is no labor union; negotiations are conducted through labor-management meetings.

GRI standard/ topic	Disclosure aspect	Corresponding report section	Page no.	Omission/ remarks
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.3 Material Sustainability Topics		
3-2	List of material topics	1.3 Material Sustainability Topics		
3-3	Management of material topics	1.3 Material Sustainability Topics		

GRI standard/ topic	Disclosure aspect	Corresponding report section	Page no.	Omission/ remarks
Material Topics				
Material topic: Risk Management				
3-3	Management of material topics	1.3 Material Sustainability Topics 2.4 Risk Management		
Material topic: Information Security and Management				
3-3	Management of material topics	1.3 Material Sustainability Topics		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Information Security Management		In 2023, there were neither customer privacy violation nor customer data loss incidents.
Material topic: Talent Development and Cultivation				
3-3	Management of material topics	1.3 Material Sustainability Topics		
404-1	Average hours of training per year per employee	6.2 Talent Cultivation and Development		
404-2	Programs for upgrading employee skills and transition assistance programs	6.2 Talent Cultivation and Development		
404-3	Percentage of employees receiving regular performance and career development reviews	6.2 Talent Cultivation and Development		
Material topic: Treating Customers Fairly				
3-3	Management of material topics	1.3 Material Sustainability Topics		
417-1	Requirements for product and service information and labeling	3.1 Treating Customer Fairly		
417-2	Incidents of non-compliance concerning product and service information and labeling	2.3 Legal Compliance		In 2023, there were no violations of information/labeling regulations for products and services.
417-3	Incidents of non-compliance concerning marketing communications	2.3 Legal Compliance		In 2023, there were no violations of information/labeling regulations for products and services.

GRI standard/ topic	Disclosure aspect	Corresponding report section	Page no.	Omission/ remarks
Material Topics				
Material topic: Digital Finance and Innovation				
3-3	Management of material topics	1.3 Material Sustainability Topics		
Digital Finance and Innovation	3.2 Digital Finance and Innovation	3.2 Digital Finance and Innovation		
Material topic: Climate Strategy and Action				
3-3	Management of material topics	1.3 Material Sustainability Topics		
Digital Finance and Innovation	Climate Strategy and Actions	4.1 Climate Strategy and Action		
305-1	Direct (Scope 1) GHG emissions	4.1 Climate Strategy and Action		
305-2	Energy indirect (Scope 2) GHG emissions	4.1 Climate Strategy and Action		
305-4	GHG emissions intensity	4.1 Climate Strategy and Action		

Disclosure topic	Code	Accounting indicator	Type	Response
Incorporation of Environmental, Social and Governance Factors in Investment Management	FN-IN-410a.2	Description of approaches to incorporate of environmental, social and governance (ESG) factors in investment management processes and strategies	Discussion and Analysis	4.2 Responsible Investment
Policies Designed to Incentivise Responsible Behaviour	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Quantitative	3.2 Digital Finance and Innovation
	FN-IN-410b.2	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	Discussion and Analysis	3.2 Digital Finance and Innovation
Physical Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Quantitative	In addition to adopting the supervisory authority's RBC (Risk-Based Capital) standard model for catastrophe risk measurement, the Company also uses 99% Value at Risk (VaR) as a metric for measuring catastrophe event risk. This is supplemented by scenario analysis methods to evaluate the maximum probable loss, taking the cumulative effects of catastrophe risks into account during the assessment. For potential losses from underwriting catastrophes, we refer to the RMS and AIR catastrophe models, incorporating climate change risk factors into the models. However, the maximum probable loss is considered sensitive information and is not suitable for disclosure.
Physical Risk Exposure	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance)	Quantitative	4.1 Climate Strategy and Action See Market Observation Post System of Insurance Industry: https://ins-info.ib.gov.tw/customer/life3-5-b.aspx?UID=16834703
Physical Risk Exposure	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy	Discussion and Analysis	4.1 Climate Strategy and Action 4.2 Responsible Investment
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) total exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives	Quantitative	In 2023, investments in non-hedging derivative instruments totaled NT\$0.

Appendix II: Sustainability Accounting Standards Board (SASB) Content Index – Insurance Industry

Disclosure topic	Code	Accounting indicator	Type	Response
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	Quantitative	In 2023, there were no related lawsuits; total losses were NT\$0.
	FN-IN-270a.2	Complaints-to-claims ratio	Quantitative	3.1 Treating Customer Fairly
	FN-IN-270a.3	Customer retention rate	Quantitative	3.1 Treating Customer Fairly
	FN-IN-270a.4	Description of approach to informing customers about products	Discussion and Analysis	3.1 Treating Customer Fairly
Incorporation of Environmental, Social and Governance Factors in Investment Management	FN-IN-410a.1	Total investment assets, by industry and asset class	Quantitative	See Fund Utilization Table on Market Observation Post System: https://ins-info.ib.gov.tw/customer/Info2-1.aspx?UID=16834703

Disclosure topic	Code	Accounting indicator	Type	Response
Systemic Risk Management	FN-IN-550a.2	Total fair value of securities lending collateral assets	Quantitative	The Company has no securities lending transactions.
	FN-IN-550a.3	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	Discussion and Analysis	2.4 Risk Management
Activity Metrics	FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	Quantitative	3.1 Treating Customer Fairly

Appendix III: Risks/Opportunities Posed for the Company by Climate Change, and Response Measures For Such

Core aspect	Explanation of indicator	Corresponding report section	Page no.
Governance	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	4. Environment with Peace of Mind	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	4.1 Climate Strategy and Action 4.2 Responsible Investment	
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	4.1 Climate Strategy and Action 4.2 Responsible Investment	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	4.1 Climate Strategy and Action 4.2 Responsible Investment	

2023 Greenhouse Gas Inventory Implementation Status

Basic Company Information:		As required by the Sustainable Development Roadmap for TWSE-listed/TPEx-listed Companies, a minimum of the following must be disclosed:
☒ Company with capital of over NT\$10 billion; steel industry; cement industry		☒ Inventory of parent company ☐ Inventory of subsidiaries in consolidated financial reports
☐ Company with capital of over NT\$5 billion but less than NT\$10 billion		☐ Assurance of parent company ☐ Assurance of subsidiaries in consolidated financial reports
☐ Company with capital of less than NT\$5 billion		
Scope 1	Total emissions (metric tons of CO ₂ e)	Intensity (metric tons of CO ₂ e/NT\$ million)
Parent company	185	0.012
Scope 2	Total emissions (metric tons of CO ₂ e)	Intensity (metric tons of CO ₂ e/NT\$ million)
Parent company	956	0.061

Note: Calculation of greenhouse gas emission intensity: Metric tons of CO₂e ÷ annual revenue (NT\$ million); see 4.1 Climate Strategy and Action for details.

Appendix IV: Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies comparison table for strengthened sustainability indicator disclosure for financial and insurance sector

Article 4, Paragraph 1, Schedule 1-3	Indicator type	Unit	Response
(1) Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	Quantitative	Quantity; percentage (%)	3.3 Information Security Management There were no information or personal data leakage situations in 2023.
(2) Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	Quantitative	Quantity; reporting currency	The company does not conduct any loan business.
(3) Number of participants in financial literacy initiatives provided to minority groups without adequate banking services.	Quantitative	Quantity	5.1 Social Impact
(4) Products and services designed by individual operating units to create benefits for the environment or society.	Qualitative description	N/A	3.2 Digital Finance and Innovation

Appendix V: Independent Assurance Statement from British Standards Institution (BSI)



INDEPENDENT ASSURANCE OPINION STATEMENT

Tokio Marine Newa Insurance Co., Ltd. 2023 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. 2023 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. 2023 Sustainability Report provides a fair view of the TMNEWA sustainability programmes and performances during 2023. 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 assurors 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 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.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



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